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இலங்கை புடவை மற்றும் ஆடை நிறுவகம்
Sri Lanka Institute of Textile and Apparel

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வருடாந்த அறிக்கை
ANNUAL REPORT

2021

State Ministry of Batik, Handloom Textile & Local Apparels Products
Kandawala Estate, No.02, General Sir John Kotelawala Mawatha, Ratmalana,
Sri Lanka.
Phone : +94 11 26 32 406, +94 11 26 36 917 Fax : +94 11 26 36 337, +94 11 26 22 897
E-Mail : info@slita.ac.lk Web : www.slita.ac.lk

SLITA

Sri Lanka Institute of Textile & Apparel

State Ministry of Batik, Handloom and Local Apparel Products

Vision

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

Mission

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

Objectives

- Conduct Post Graduate and Degree programmes and to provide Diploma level education, training and consultancy and technical services to those in the Textile & Apparel Industry.

- Establish national standards in Textile and Clothing Technology Management and other related areas and award certificates in respect of the same; Assist the Government in the formulation of a national policy on Textile and Apparel Industry.

- Link up with foreign Institutions, industries and laboratories and to provide accreditation and laboratory services and conduct high level of courses maintaining high standards in respect of the same.

- Form affiliations with local and foreign universities and institutions with a view of awarding digress, post graduate degrees, diplomas and certificates in the fields related to the Textile and Apparel Industry.

- Carry out research and promote product development in the Textile and Apparel Industry in collaboration with State Institutions, local and foreign academic organizations, institutions and industries.

- Offer testing and other related technical consultancy services in fields related to the Textile and Apparel Industry on a fee levying basis to local and foreign Institutions and to local and foreign students.

- Conduct market surveys, technical and economic feasibility studies, project appraisals and valuations on plant and machinery used in the Textile and Apparel Industry.

- Maintain a data base containing information relating to the product in, import and export and other technical information relating to the Textile and Apparel Industry.

- Issue conformity certificates to those engaged in the Textile and Apparel Industry on international, national and company compliance system standards.

OUR SERVICES

CORPORATE INFORMATION

Name of the Institution	: Sri Lanka Institute of Textile and Apparel
Address	: Kandawela Estate, No 02, Gen Sir John Kotalawela Mawatha Ratmalana.
Registration	: The Sri Lanka Institute of Textile and Apparel Act, No 12 of 2009.
Legal Form	: Statuatory Board
Line Ministry	: State Ministry of Batik, Handloom and Local Apparel Products.
Board of Directors	: Mr. B.L.A.J Dharmakeethi (Chairman) Mr.Yohan Lawrence Mr. A.G Nishantha Mr.K.H.Bandula Fernando Mr.Felix Fernando Mr.Suresh Indika Mr. K.G.R Wimalasooriya Mr.Chandana Pushpakumara
Auditor	: Department of Auditor General
Telephone No	: 2632406/2636336
Fax No.	: 2636337
E-Mail	: director@textile-clothing.lk/info@slita.lk
Website	: www.slita.lk

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MESSAGE FROM CHAIRMAN

Sri Lankan Garment industry, as it stands today, plays a prominent role in shaping the economic formula as the single component in the forefront of the foreign income earnings to the country. Going forward with the vision of the country, the Government has earmarked this industry as the most potential industry to be developed, as a major export trade to attract a target of US$6 billion, as foreign exchange to the country. In this respect, the industry faces challenges in the form of quality, delivery and matching international standards to meet the global competition in the international market. In the meantime, an appreciable growth is manifested in the export income of the garment industry, and it has hit to a sizeable portion of the country's export income, under burgeoning situations of the GSP+, while maintaining the stark requirements demanded in quality from the global marketplace. Towards this end, contributions made by the labour force in the industry is no small, and thereby, the industry is suffused with large number of employment opportunities for the trained labour. This situation, surely, could be aligned with the policy of the government to provide more employment opportunities for the youth in the country.

Sri Lanka Institute of Textile and Apparel, being the pioneering training institute for the last couple of decades, has been serving the industry requirements, and the professional staff of the institute are, fully equipped to deliver the strict standards, required of a competitive market. Our services span over a wide spectrum of textile and apparel industry requirements, from training of labour to consultancy services and to laboratory testing. The institute is proud to mention, that its contribution to the industry, as a provider of skilled and trained labour, has further been strengthened, with the introduction of modern training facilities to its students. Now, SLITA is, up on its arms to face the challenges ahead in the future, to match the global parameters with the emerging markets, with severe competition.

As the chairman at the helm of the institute, I do have the firm conviction that the Institute contains the potential and capability to support the industry needs in an ever increasing competitive global market, and do value the co-operation afforded by the entire staff of SLITA and the line Ministry, for their unstinted support.

B.L.A.J. Darmakeerthi
Chairman – Sri Lanka Institute of Textile & Apparel
Secretary – State Ministry of Batik, Handloom and Local Apparel Products

MESSAGE FROM DIRECTOR GENERAL

Sri Lanka Institute of Textile Apparel, SLITA, was formulated as a body corporate, by a Parliament Act, after merging its two predecessor institutions for better synergies. Henceforth, over the last couple of years as an institution, SLITA has been treading on its path of development to deliver its core business activities to the industry. En route to its final goals, many are the challenges of the century, the institute has to face in an ever expanding global market. But, it dares accept all the challenges with the capabilities sprung out of the merger of the predecessors, that had gone through a long curve of experiences.

The institute is, predominantly, an educational entity, with a team of highly qualified members of staff, who are capable of delivering the core business components to match the requirements of the industry. As the expectations of the industry are at higher echelons, the institute is making every effort to match the demand of the industry. As a result, on one hand, we have laid the foundation to acquire degree awarding status to become the centre of excellence in textile and apparel streams in Sri Lanka. Further, opportunities are being explored to enter into collaborative efforts with the higher seats of learning in the South East Asian regions, thereby more students are exposed to the portals of higher educations.

In the meantime, this institute has paved the way for the youths, as well as industry personnel to embark on successful careers, and, further the institute encourages students to look for career advancements through training programmes so that they are opted to upgrade their career advancements. Not only Sri Lankan participants but also foreign students from Pakistan, India and Bangladesh are enrolled to follow courses, and it is a hallmark of the history of the institute to extend its services for the development of skills in neighbouring countries, as well.

In comparison of the income generated from testing, training and consultancy with the previous year, the income generated from the laboratory, has risen appreciably in the year 2020, and the training income has augmented sharply for the same year, while the income generated by consultancy services was relatively maintained at the same level as the previous year. Meanwhile, the total income generated by the organisation for the year, under review has increased as against the previous year. The training courses and the curricula of the programmes conducted during the year were revised to the industry requirements, and the infrastructure facilities in the testing lab are upgraded with the state-of-the-art facilities to match the standards required by the international bench marks.

I appreciate the co-operation extended by the Ministry of Industries and the members of the staff of SLITA. I owe my greatest thanks to the Chairman and the Board of Governors for their untiring efforts and encouragements given to us in achieving excellence, as a pioneering institution in the country. Finally, I wish to place on records the commitment and dedication shown by the employees of the organisation, and besides, I believe that SLITA is on its way to excellence.

Archt: Sarath Fernando
Director General
Sri Lanka Institute of Textile & Apparel

STATEMENT OF DIRECTOR GENERAL'S RESPONSIBILITIES

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

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

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

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

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

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

RISK ANALYSIS REPORT

It seems a characteristic that no business survives without risk associated with its business process, and the concept of risk management has become a buzz word in business circles. Risk is an inherent feature embedded in a business operation, and consequently, risk management has become an integral part in the process of operation management.

Sri Lanka Institute of Textile and Apparel is a body corporate established under a Parliament Act, that describes the entire mandate of the business entity, and the Act is a well formulated legal instrument to handle potential risks in the business process. In a close analysis of the nature of the business operation, the entity is exposed to a few categories of risks in terms of Operational, Market and Regulatory risks.

As the nature of business falls far short of the nature of equity investments, risks associated are at a minimal standards, and Market risks may loom large for the operation of the current business. As a remedy, the entity explores diverse ways of moving into a wide spectrum of the business operations. Further, Regulatory risk seems a potential factor, and as such, the entity engages in an effort to comply with the stipulated standards through regular reviews. Additionally, operational risk is marginal as the business operation is thriving on a well founded business plan, and , if at all there exists a risks, it is associated with the human capital, which may dwindle due to policies implemented, from time to time by the government.

AN OVERVIEW OF THE INSTITUTE

INTRODUCTION

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

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

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

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

The Board of Governors

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

The Board as at 31st December 2021

1	Mr. B.L.A.J Dharmakeethi	Chairman	State Ministry of Batik,Handloom Textile and Local Apparel production
2	Mr.Yohan Lawrence	Member	Joint Apparel Association Forum
3	Mr. A.G Nishantha	Member	Ministry of Finance
4	Mr.K.H.Bandula Fernando	Member	Chamber of Garment Exporters Association
5	Mr.Felix Fernando	Member	Sri Lanka Apparel Exporters Association
6	Mr.Suresh Indika	Member	Textile Manufacturing Industry
7	Mr. K.G.R Wimalasooriya	Member	Ministry of Industry
8	Mr.Chandana Pushpakumara	Member	Textile Manufacturing Industry

Staff as at 31st December 2021

The total staff strength – 95

Category	Management & Operation	Technical/ Operation	Finance	General/ Administration
Employees	05	49	04	29
Trainee	-	05	-	-
Assignment	-	02	01	-

Mr.P.S.W.K.Fernando - Director General
B.Sc (BE), M.Sc (Arch), RIBA, AIA (SL)

Mr. S. Ilangovan - Director (Training and Technical)
B.Sc. (Eng.) (Text), MBA, AMIE (SL)

Mr.P.V.S.Wijayaratne - Director (Operations)
M.Sc. (MIT),M.Sc (Mgt.),B.Tech(Eng.)Hons
AMIE (SL), LLB

Mr. M.P. Kannangara - Deputy Director (Administration)
MBA (P.I.M.)
B.Sc. (Col.),PG.Dip in International Rel:(BCIS)
Dip.in American Professional Qualification-HRM
LLB (UG), Diploma in Legal Studies.

Mr. E.W.A.I. Siriwardhana - Accountant
B.Sc Business Administration (Special), IBSL, LICA

Mr.K.P.M.Perera - Internal Auditor
B.Sc. Management

Senior Staff (Technical)

Mr. G. K. K. S. Kumara - Chief Technologist, B.Sc. (Eng.) (Text), MBA, AMIE (SL)

Mr. B.L.S.P. Nishantha - Chief Technologist, B.Sc. (Hons.), M.Sc. (Text.)

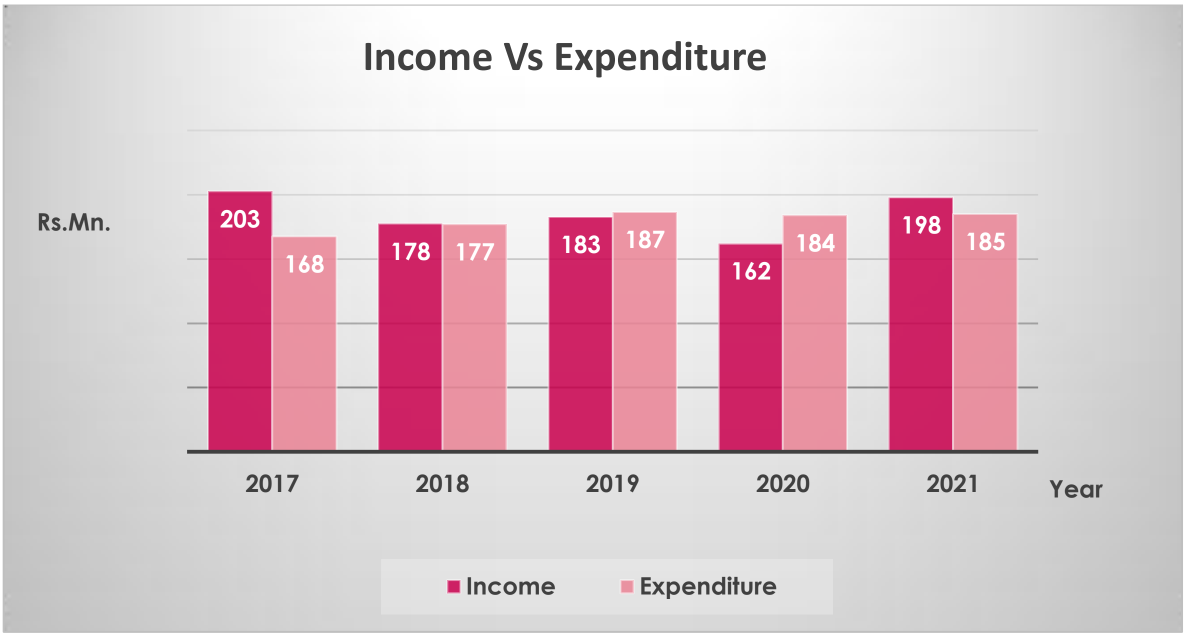
Mrs. K.A.R.V. Abeywardena - Chief Technologist, NDT (Text.Tech.)

Mr.K.Jegatheesan - Chief Technologist, B.Sc. (Eng.)(Text),M.Sc.(Text),AMIE(SL)

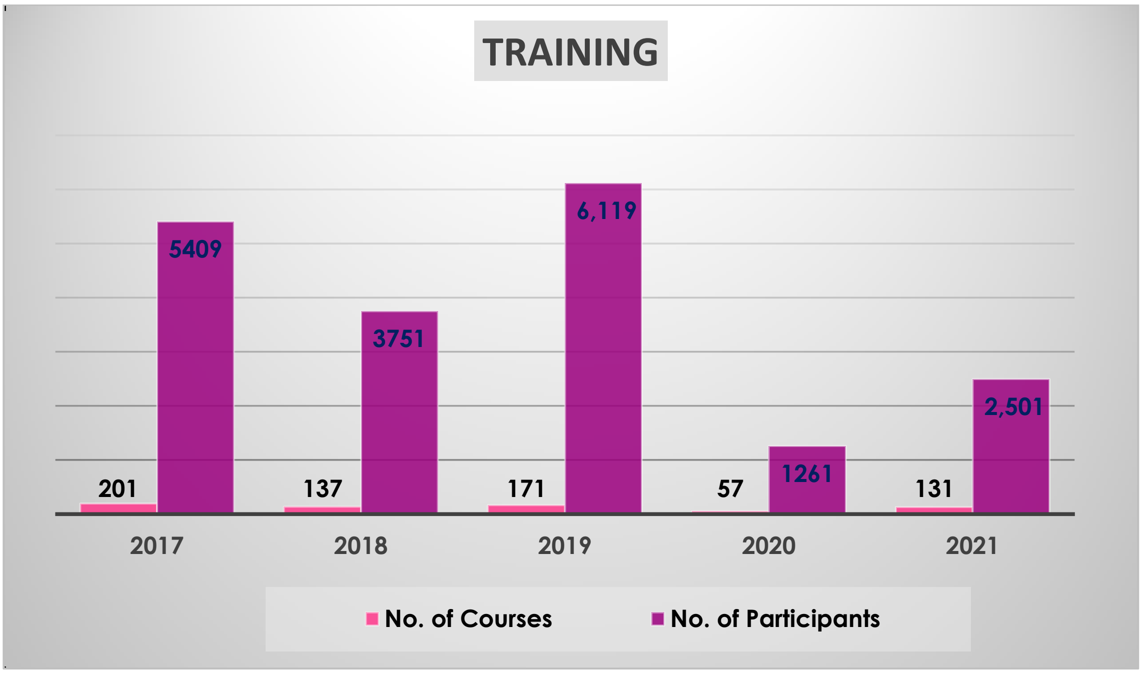
Mr.W.M.S.K.Wijebahu - Chief Technologist, B.Sc. (Eng.), M.Sc (Text), AMIE (SL)

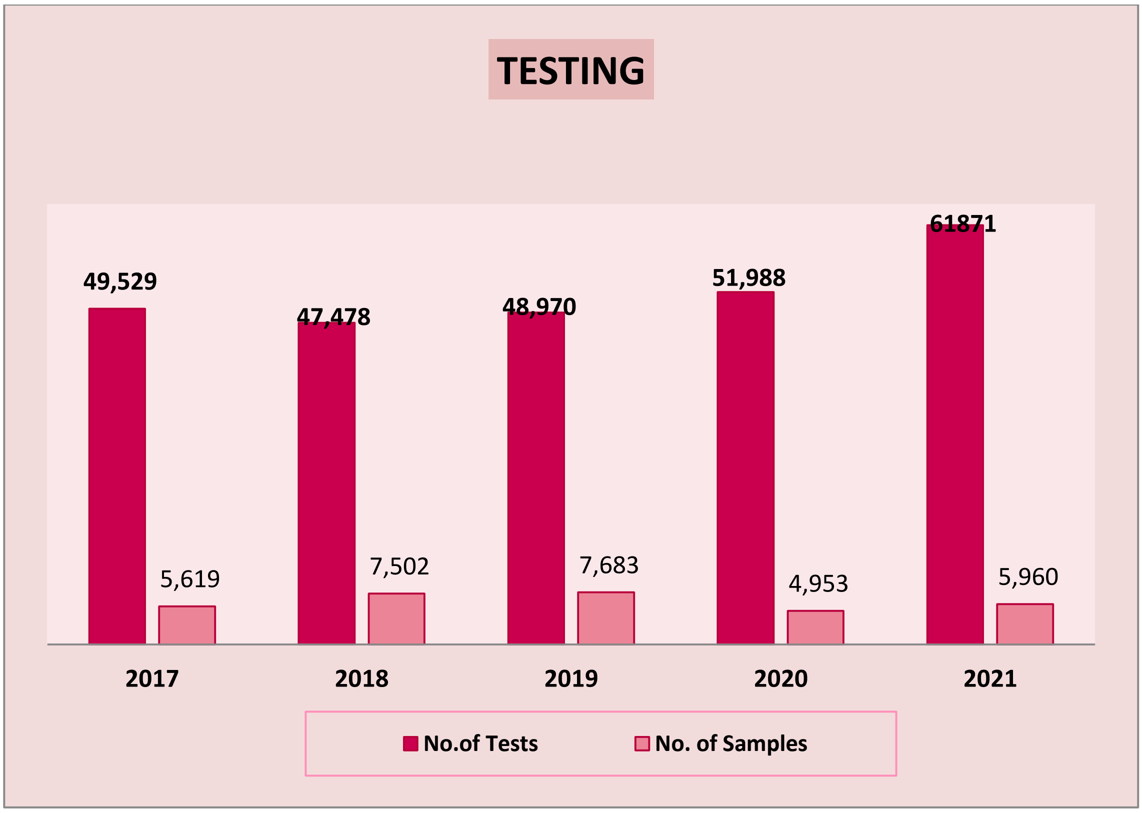
PERFORMANCE HIGHLIGHTS

1. Financial Performance



2. Physical Performance





ACCOUNTING POLICIES

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

1. Basis of Preparation

(i) The financial statements comply with the Public SectorAccounting Standards meant for the public sector in Sri Lanka on accrual basis. The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

(ii) The calendar year is the Financial Year of the Institute.

(iii) Financial Act No.38 of 1971 applies in respect of financial control and accounts of the Institute.

Accounting Policies

1. Property, Plant and Equipment

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

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

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

2. Depreciation

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

Following rates are applied for the depreciation.

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

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

3. Inventories

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

4. Trade Receivables

Trade receivables are carried at original invoice amount.

5. Cash and Cash Equivalents

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

6. Provisions

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

7. Foreign Currency Transactions

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

8. Superannuation

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

9. Defined Contribution Plan

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

10. Revenue Recognition

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

11. Expenditure

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

12. Cash Flow

Statement of Cash Flow is prepared using the Indirect Method.

13. Government Grant

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

GENERAL DISCLOSURE

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

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

Investments in call Deposits are stated in the accounts at cost.
Investments in Treasury Bills and Investment in fixed Deposits are stated in the accounts ataccumulated value.

3. Provision for Bad Debtors

Bad debtors' provision is represented underdeduction of Tradereceivables.In compliance with SLPSAS, debtors aregrouped in different categories' and according to their pattern of payment following bad debtors' provisions are applied.

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

4. Inventories

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

5. Gratuity provision

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

6. Government Grant

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

7. **Revaluation**

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

8. **Disposal of Assets**

Disposal process and all adjustments were completed in the year.

9. **Provision for staff development fund**

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

10. **Capital Grant**

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

- Establish Textile Design Innovation, Research & Development Center
- Strengthen the Research and statically activities in Textile & Apparel sector
- Development of multi skilled task force

11. **Projects**

Five projects were initiated, Two Projects were Completed, funds received at end of the year and other 03 project will be completed in the year 2022. Funds have been received from State Ministry of Batik, Handloom & Local Apparel products and Department of Budget Operation.

i. **Infrastructure Development Programme**

NO	Programme	Expenditure (Rs.Mn)	Physical Progress	
			Quantity/In words	percentage
1	Development and establishment of equipment for new technology transfer and improvement of existing classroom facilities for training purposes.	17.06	-Foundation Completed -Base for Columns Completed. - Concrete 1'st floor Slab Completed.	100% 100% 55%
2	Furniture for classrooms.	6.6	- Class room Chair Steet Without Arm 300 Nos - Lecturer Chair High Back 06 Nos. - Class room Tables 150 Nos. - Magi Board Aluminium Frame & Hooks 06 Nos. - Air Conditioners 12 Nos.	62%

ii. Other Projects

Projects operated under the funds from state Ministry of Batik, Handloom and Local Apparel products.

NO	Programme	Expenditure (Rs.Mn)	Physical Progress	
			Quantity	percentage
1	Batik Training Programme.	18.4	973	86.87%
2	Establishment of 160 Batik Centers.		56	93.33%

Projects operated under the funds from Ministry of Industry.

NO	Programme	Expenditure (Rs.Mn.)	Physical Progress	
			Quantity	**percentage**
1	Skill Development Programme.	4	Programme -07 Trainees -110	100% 104.76%

Projects operated under the funds from Department of Budget Operation.

NO	Programme	Expenditure (Rs.Mn.)	Physical Progress	
			Quantity	**percentage**
1	Productivity Improvement Programme.	2.13	Factories -05	71.42%
2	Development of Productive multi skilled multi task force project.	5.42	Trainees -200	50%
3	Capacity Development of Leather & Footwear Sector	8.05	Programme -10 Trainees -150	100%

SRI LANKA INSTITUTE OF TEXTILE & APPAREL

STATEMENT OF FINANCIAL POSITION

As at 31st December 2021

		2021	2020
		Rs.	Rs.
ASSETS			
Current Assets			
Cash and Cash Equivalents	1.1	148,983,040	19,658,807
Short term Investments	1.2	262,129,359	265,430,130
Receivables	2	37,913,380	51,041,649
Inventories	3	2,931,033	2,993,173
Pre payments	4	2,242,656	1,240,833
Payment in advance for capital works	5	20,822,434	3,762,601
Other current Assets	6	7,267,116	9,376,211
Total current Assets		482,289,019	**353,503,404**
Non - Current Assets			
Infrastructure, Plant and Equipment (Net)	7	93,634,440	98,571,610
Land & Buildings (Net)	8	84,452,376	61,738,108
		178,086,816	**160,309,719**
Total assets		660,375,834	**513,813,122**
LIABILITIES			
Current liabilities			
Payables	9	13,427,291	14,807,171
Short - term provisions	10	2,776,388	2,984,900
		16,203,679	17,792,071
Non current liabilities			
Superannuation	11	48,214,906	50,956,958
		48,214,906	50,956,958
Total liabilities		64,418,585	**68,749,029**
Net Assets		595,957,250	**445,064,094**
Net assets/ Equity			
Govt.Contributions & Foreign Aid	12	216,077,975	141,225,370
Other projects	13	63,942,332	27,293,819
Accumulated surplus (Deficit)	14	315,936,943	276,544,905
Total Net Assets / Equity		595,957,250	**445,064,094**

The accounting polices and explantory notes from an integral part of the financial Statements.
(Figure in brackets indicate deduction)
These Financial Statements are in compliance with the Sri Lanka Public Sector accounting standards.

……………………….....
Mr. E.W.A.I. Siriwardhana
Accountant

……………………….......
Mr.P.S.W.K Fernando
Director General

The Board of Directors is responsible for the preparation and presentation of these financial statements.
These Financial statements were approved by the Board of Directors on 24.02.2022 and signed ojn their behalf.

……………………………………….
Mr. K.G.R. Wimalasooriya
Board Member

……………………………………….
Mr. B.L.A.J Dharmakeerthi
Chairman

SRI LANKA INSTITUTE OF TEXTILE & APPAREL
STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 31st December 2021

	Note	2021 Rs.	2020 Rs.
Revenue			
Fees and others	**15**	**198,109,924**	**162,175,048**
Total Operating Revenue		**198,109,924**	**162,175,048**
Expenses			
Personal Emoluments (Wages, Salaries & Employee benefits)	16	**107,038,328**	109,599,533
Traveling	17	**778,100**	547,900
Supplies & Consumables used	18	**9,644,611**	8,200,952
Repairs and Maintenance	19	**5,744,261**	11,281,053
Contractual Services	20	**16,961,030**	15,616,951
Depreciation & Amortization expenses	21	**27,511,216**	25,637,035
Other expenses	22	**17,148,310**	12,871,288
Finance Cost	23	**252,566**	75,148
		(185,078,422)	**(183,829,861)**
Surplus/(Deficit) from operation activities		**13,031,502**	**(21,654,813)**
Other revenue			
Deferred Income	24	**24,407,876**	23,110,221
Total other revenue		**24,407,876**	**23,110,221**
Total Surplus/(Deficit) for the period		**37,439,379**	**1,455,408**

SRI LANKA INSTITUTE OF TEXTILE & APPAREL
CASH FLOW STATEMENT

For the Year Ended 31st December 2021

	Note	2021 Rs.	2020 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(Deficit) for the period		**37,439,379**	**1,455,408**
Adjustments for			
Amortization - Differed income	24	(24,407,876)	(23,110,221)
Interest Income from Investing Activities		(15,603,589)	-
(Profit)/Loss on disposal		(157,824)	4,004
Depreciation	21	27,511,216	25,637,035
Operating surplus/(Deficit) before working capital changes		**24,781,305**	**3,986,226**
Increase in provision for Gratuity		3,604,429	8,584,374
(Increase)/Decrease in Inventories		62,139	(361,889)
(Increase)/Decrease in pre payments		(1,001,824)	(67,873)
(Increase)/Decrease in other current assets		2,109,095	1,279,198
(Increase)/Decrease in Trade & Other Receivables		14,549,521	(1,854,771)
(Decrease)/Increase in previous year deficit (P/y/adj)		1,952,660	(290,405)
Increase in Trade other Payables		(1,379,881)	(2,084,889)
Increase in provisions		(208,512)	1,181,605
Error correction-Acc.Dep. Books and periodical		-	146,441
Gratuity Payments made		(6,346,480)	(1,538,460)
Net Cash Flows from Operating Activities		**38,122,453**	**8,979,557**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Plant & Equipments		(45,288,738)	(36,413,082)
Net Change in Investment Securities		3,300,771	(19,424,662)
Advance Payment for Capital Expenditure		(17,059,833)	18,340,160
Disposal of Assets		158,249	88,560
Interest Income Received		14,182,337	-
Net Cash Flows from Investing Activities		**(44,707,214)**	**(37,409,023)**
CASH FLOW FROM FINANCING ACTIVITIES			
Capital Grants (Cash)		76,950,000	-
Capital Grant Error Correction		9,900,000	-
Capital Grants (Assets)		12,410,481	2,402,862
Changes in other projects		36,648,513	24,553,747
Net Cash Flows from financing Activities		**135,908,994**	**26,956,609**
Net increase/(Decrease) in cash and cash equivalents		**129,324,233**	**(1,472,857)**
Cash and cash equivalent at beginning of period		**19,658,807**	**21,131,665**
Cash and cash equivalent at end of period	1	**148,983,040**	**19,658,807**

Schedule No.1

Cash & Cash Equivalents	**2021**
Cash at Bank	
Bank of Ceylon -Ratmalana(A/C 9521019)	24,887,720
Bank of Ceylon Ratmalana Foreign Currency (A/C7011691)	1,591,029
Short term Investments (Less than three months)	
Treasury Bills (Gratuity fund)	17,504,291
Call deposit	105,000,000
	148,983,040

SRI LANKA INSTITUTE OF TEXTILE & APPAREL

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st December 2021

	Schedule No.	Contributed capital	Other reserves	Translation reserves	Accumulated surplus/deficit	Total Net Assets/Equity
		Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31st December 2020	1	**168,519,189**	-	-	**276,544,905**	**445,064,094**
Changes in accounting policy		-	-	-	-	-
Changes NA/E in the year	2	111,501,118	-		1,952,660	113,453,777
Gain on property revaluation		-	-	-	-	- -
Loss on revaluation of Investments		-	-	-	-	-
Foreign currency translation losses		-	-	-	-	-
Net revenue directly recognized in NA/E		111,501,118	-	-	1,952,660	113,453,777
Surplus/deficit for the period		-	-	-	37,439,379	37,439,379
Total revenue recognized for the period						- -
Balance as at 31st December 2021		**280,020,307**	-	-	**315,936,943**	**595,957,250**

Schedule No. 1

	Rs.
Contributed capital	
Govt. contributions & Foreign Aid Balance as at 31.12.2020	141,225,370
Total balance of other projects as at 31.12.2020	27,293,819
	168,519,189

Schedule No. 2

Changes NA/E in the year	
Capital Grants in the year	99,260,481
Amortization of Assets in the year	(24,407,876)
Changes in other projects during the year	36,648,513
	111,501,118

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st December 2021			2021	2020
			Rs.	Rs.
1.1	**Cash & Cash Equivalents**			
	Cash at Bank			
	Bank of Ceylon -Rathmalana (A/C 9521019)		24,887,719.90	1,242,957.35
	Bank of Ceylon - Rathmalana Foreign Currency (A/C7011691)		1,591,029.11	1,739,462.81
	Call deposit (Less than three months)		105,000,000.00	-
	Treasury Bills		17,504,291.15	16,676,387.27
			148,983,040.16	**19,658,807.43**
1.2	**Short term Investments**			
	Fixed deposits (Gratuity fund)		5,172,123.69	4,777,943.39
	Call deposit (including Gratuity fund 2021 - Rs. 43,042,782.31)		256,957,235.13	260,652,186.46
			262,129,358.82	**265,430,129.85**
2	**Receivables**			
	Trade receivables			
	Testing debtors	**2.1**	23,547,194.25	38,158,217.00
	Training - Internal debtors	**2.2**	8,046,882.80	7,491,012.80
	Training - External debtors	**2.3**	161,600.00	161,600.00
	Consultancy services debtors	**2.4**	93,558.88	268,558.88
	Customer / Technical Services debtors	**2.5**	76,646.00	92,556.00
	Other Trade debtors	**2.6**	373,494.70	1,919,001.45
			32,299,376.63	**48,090,946.13**
	Less - Provision for Bad debtors		(4,876,547.15)	(5,126,099.54)
			27,422,829.48	42,964,846.59
	Sundry debtors	**2.7**	10,490,550.93	8,076,802.84
			37,913,380.41	**51,041,649.43**
2.1	**Testing Debtors**			
	ACRI Apparels		4,000.00	-
	Alpha Apparels		-	98,600.00
	Bam Knitting (Pvt) Ltd		38,100.00	38,100.00
	Bernard Phil knit (Ceylon) Ltd		12,250.00	-
	Brandix Apparel Ltd		19,317.75	19,317.75
	Brandix Apparel Ltd - FC		2,761.20	2,761.20
	Brandix Casual wear Ltd - FC		1,727.52	1,727.52
	Brandix Fast Fashion		3,850.00	-
	Brandix Finishing Ltd		29,900.00	-
	Brandix Intimate Apparels Ltd		4,830.00	4,830.00
	Calico (Pvt) Ltd		6,050.00	4,950.00
	Camso Loadstar (Pvt) Ltd - Test		14,950.00	-
	Ceylon Leather Products Manu. Ltd		39,400.00	-
	Civil Security Department		33,450.00	33,450.00
	Cliftex Industries Ltd		-	950.00
	Consumer Affairs Authority		5,255.04	5,255.04
	Creative Textile Mills -School Uniform		2,081,889.00	13,372,245.00
	Creative Textile Mills -Forces Uniform		-	4,142,800.00
	Dankotuwa Weaving Mills - School Uniform		5,049,874.50	-
	Department of Civil Security		184,350.00	-
	Department of Industries (Western Province)		10,100.00	-
	Department of Immigration & Emigration		1,408.18	1,433.18
	Dept of Muslim Religious & Cultural Affairs		-	1,900.00
	Department of Wild Life Conservation		97,600.00	-
	DG Fashions Garment (pvt) Ltd		7,539.84	7,539.84
	Directorate of Ordnance Services S.L.Army		248,600.40	248,600.40
	Ekro Industries		(757.50)	-
	Excise Department Of Sri Lanka		25.00	-
	Fabric Technology Department		-	16,050.00
	General Sir John Kotalawala Defence University		22,111.05	22,111.05
	Genuine T Shirt		3,450.00	3,450.00
	Hameedia Stores Pvt Ltd		31,500.00	-
	Harsha International Ltd-Forces		-	88,000.00
	Hela Clothing (Pvt) Ltd		570.80	570.80
	Hela Clothing (Pvt) Ltd - FC		44,999.21	44,999.21

Notes to Financial Statements contd....

	2021 Rs.	2020 Rs.
Hela Marketing & Design Centre	9,775.00	9,775.00
Irosha International	-	2,155.75
Kabeer Handloom	29,295.68	29,295.68
Kishani Industries (Pvt) Ltd	6,600.00	-
Knitting World Ceylon	25,250.00	-
Kuga Holdings (Pvt) Ltd	-	1,400.00
Lanka Electricity Co. Ltd	-	173,400.00
Lalan Rubbers (Pvt) Ltd -LN Thread	30,500.00	-
Lanka Salusala	98,096.80	36,896.30
Marshal Trading Company	7,650.00	7,650.00
Mas Active (Pvt) Ltd - Linea Intimo	129,000.00	90,600.00
Mas Active (Pvt) Ltd	4,182.00	4,182.00
Mas Intimates (Pvt) Ltd	2,600.00	2,600.00
Ministry of Defence	(900.00)	-
Ministry of Education & Higher Education	6,740.16	6,740.16
Ministry of Education	-	166,800.00
Ministry of Industry & Commerce	-	4,306,291.10
Mirage Industries - Forces Uniform	21,134.40	21,134.40
New Unique Suppliers	16,330.00	-
Noyon Lanka (Pvt) Ltd	7,550.00	-
Pan Asia Coloured Yarnd (Pvt)Ltd	8,500.00	-
Pathma Weaving Mills	13,800.00	-
Penguin Leisurewear (Pvt) Ltd	26,128.58	26,128.58
Police Head Quarters	141,308.94	111,908.94
Prabha Textile Industries -School Uniform	10,985,952.00	4,747,100.00
Prabha Textile Industries -Forces Uniform	22,800.00	22,175.00
Presco International	16,600.00	-
Radiant Textile	2,463.30	2,463.30
Rainwear Apparl (Pvt) Ltd	-	1,600.00
Rajitha Tex - Forces Uniform	-	157,700.00
Rathanjana Textiles	16,832.55	16,832.55
Regitsrar - Magistrate Court	49,999.99	49,999.99
Rhino Consultants & Facilitators	13,000.00	33,600.00
Sarasavi Industries-Forces uniforme	31,050.00	96,800.00
S.G.S Lanka (Pvt) Ltd	75,050.00	11,850.00
Shinsee Lanka (Pvt) Ltd	12,850.47	12,850.47
Sin Mar Colombo Pvt Ltd	-	50,375.00
South Asia Textiles Limited	3,800.00	-
Spencer Denim Industries (Pvt) Ltd	1,583.55	1,583.55
Sri Lanka Army Headquarters	240,400.00	1,018,250.00
Sri Lanka Army	85,445.32	85,445.32
Sri Lanka Customs	17,595.00	17,595.00
Sri lanka Home guard Forces	17,250.00	17,250.00
Sri Lanka Navy	636,486.94	443,036.94
Sri Lanka Standard Institution	16,205.00	104,305.00
S & S Safety Equipment Holdings	23,973.10	23,973.10
State Ministry of Women & Child Dev.	445,000.00	-
Super Fashion Garment	523.43	523.43
Textprint Lanka (Pvt) Ltd	3,550.00	3,000.00
Tristar Apparel Export (Pvt) Ltd	790.00	790.00
T & T Fashions	1,900.00	-
Vanguard Industries Ltd	8,722.00	8,722.00
Vanguard Industries Ltd - School Uniform	2,226,812.00	5,558,150.00
Vanguard Industries Ltd - Forces Uniform	2,700.00	2,510,431.40
Virtue Tape Industries	2,700.00	2,700.00
Winner Guys	2,516.05	2,516.05
	23,547,194.25	**38,158,217.00**

2.2 Internal Training Debtors

	2021 Rs.	2020 Rs.
Course fees to be received from students	6,952,905.00	6,539,035.00
Air Force Sewavanitha Garment (SME)	20,400.00	20,400.00
Alpha Apparels Ltd	16,200.00	16,200.00
Celcious (Pvt) Ltd	46,000.00	46,000.00
Dynamic Clothing(Pvt) Ltd	7,650.00	7,650.00
Elegant Knitting	142,000.00	-
Everest Footwear Industries	40,800.00	40,800.00
Jayz Arvind Enterprises Ltd	118,320.00	118,320.00
Nordex (Pvt) Ltd	54,840.00	54,840.00
N P N Perera & Co . (Pvt) Ltd	40,800.00	40,800.00
Obaidani Apparel (Pvt) Ltd	127,500.00	127,500.00
One Time Training Customers	353,398.20	353,398.20
Paradigm Clothing (Pvt) Ltd	3,750.00	3,750.00
Pearly Fashion	30,600.00	30,600.00

Notes to Financial Statements contd....

		2021 Rs.	2020 Rs.
	Prym Intimates lanka (Pvt) Ltd	25,600.00	25,600.00
	Rusirumal (Pvt) Ltd.	1,000.00	1,000.00
	Sri Lanka Army	4,000.00	4,000.00
	Textured Jersey (Pvt) Ltd	46,350.00	46,350.00
	Trig Apparel (Pvt) Ltd	14,769.60	14,769.60
		8,046,882.80	**7,491,012.80**
2.3	**External Training Debtors**		
	Kane Apparel	10,200.00	10,200.00
	Lanka Garments Mfg. Co Ltd	7,500.00	7,500.00
	Pattern Garment (SME)	12,500.00	12,500.00
	Queens workwear	30,000.00	30,000.00
	Shas Wear (Pvt) Ltd	30,600.00	30,600.00
	S G Q Apparel	30,000.00	30,000.00
	Sri Lanka Army Ordnance Factory	40,800.00	40,800.00
		161,600.00	**161,600.00**
2.4	**Consultancy Services Debtors**		
	Creative Textile Mills	10,000.00	10,000.00
	Department of Health services	1,730.40	1,730.40
	Pathma Distributors	2,203.20	2,203.20
	Police Headquarters	18,506.88	18,506.88
	Silver Mills (Pvt) Ltd - Tra	-	175,000.00
	Special Task Force	22,505.28	22,505.28
	Sri Lanka Customs	13,708.80	13,708.80
	Sri Lanka Navy	24,904.32	24,904.32
		93,558.88	**268,558.88**
2.5	**Customer /Technical Services Debtors**		
	D A G Apparel	5,440.00	-
	Lanka Salusala Ltd	4,250.00	-
	Nordex (Pvt) Ltd	3,300.00	3,300.00
	Police Head Quarters	25,806.00	25,806.00
	Sha Lanka Apparel	17,650.00	17,650.00
	Sri Lanka Army Head Quarters	-	22,000.00
	Yasindu Textile	10,200.00	23,800.00
	Vanguard Industries Ltd	10,000.00	-
		76,646.00	**92,556.00**
2.6	**Other Trade Debtors**		
	Bearfoot (Pvt) Ltd	2,500.00	2,500.00
	Fidelity Manufacturing (Pvt) Ltd	200.00	200.00
	Forte Healthcare (pvt) Ltd	3,240.00	3,240.00
	Madusanie Weaving	4,259.00	-
	MAS Capital (Pvt) Ltd	46,920.00	46,920.00
	MAS Intimates (Pvt.) Ltd	82,516.86	82,516.86
	MAS cap team	800.00	800.00
	Ministry of Education	25,000.00	1,573,872.00
	Orients Garments Ltd Sam-Dyeing	8,625.00	8,625.00
	Perera Weaving	(893.75)	-
	Sri Lanka Chamber of Garment Exporters	12,000.00	12,000.00
	Sri Lanka army Head Quarters	20,644.80	20,644.80
	State Ministry of Education	161,500.04	161,500.04
	Textured jersey lanka (Pvt) Ltd	3,300.00	3,300.00
	Unichella (Pvt.) Ltd - Dyed sample	2,882.75	2,882.75
		373,494.70	**1,919,001.45**
2.7	**Sundry Debtors**		
	Ministry of Ind.& Com Footwear Train.Project	4,000,000.00	-
	Miscellaneous advance	937.76	40,937.76
	Interest receivable on F/D	167,916.87	254,867.31
	Interest receivable on Treasury bill	67,660.50	39,858.34
	Interest receivable for Call deposits	5,979,191.28	7,341,295.06
	Welfare Society	133,333.31	258,333.16
	Lanka Ashok Leyland PLC	43,280.50	43,280.50
	Vat Receivable	98,230.71	98,230.71
		10,490,550.93	**8,076,802.84**

Notes to Financial Statements contd....

			2021 Rs.	2020 Rs.
3	**Inventories**			
	Stationery		1,103,618.19	1,090,185.33
	Training material & Consumables		1,481,127.54	1,480,698.89
	Dyes & Yarn		149,430.00	225,431.00
	Spare parts & Accessories		196,857.30	196,857.30
			2,931,033.03	**2,993,172.52**
4	**Pre payments**			
	Insurance - Medical		1,419,859.80	214,784.70
	Insurance- Motor vehicles		304,607.24	335,256.39
	Insurance - Fire & other		121,288.55	121,288.55
	Insurance - Money in transit		9,479.29	9,479.29
	Service Contracts - Land & Buildings		4,100.00	-
	Service Contracts - Computers		86,432.23	96,871.25
	Service Contracts - Furniture & Equipment		21,449.40	61,416.68
	Service Contracts - Generators		-	23,222.25
	Service Contracts - Lab Equipment		-	94,500.00
	Vehicle License & Emission		25,439.69	-
	Supplies- Accreditation fee of Testing Laboratory		-	34,013.54
	Diploma Awarding Ceremoney		250,000.00	250,000.00
			2,242,656.19	**1,240,832.65**
5	**Payment in Advance for capital works**			
	Building Construction		3,762,600.68	3,762,600.68
	Improvement Modification & Upgrading of Class Room		17,059,833.20	-
			20,822,433.88	**3,762,600.68**
6	**Other Current Assets**			
	Staff loans	6.1	6,846,116.16	8,955,211.34
	Deposits	6.2	421,000.00	421,000.00
			7,267,116.16	**9,376,211.34**
6.1	**Staff loans**	(6.1)		
	Distress loan			
	Mr. D L Wijetunga		-	72,916.78
	Mrs.W A C Ashoka		78,125.07	140,625.03
	Mrs. R M N D Ranasinghe		171,875.05	234,375.01
	Mr. R A D R I Perera		166,666.72	229,166.68
	Mr. J A Priyantha		98,958.43	161,458.39
	Mrs. D A M Priyangika		125,000.07	187,500.03
	Mrs. W M D A Warnasooriya		135,416.74	197,916.70
	Mrs. G S Waduge		250,000.00	197,916.70
	Miss. S L S Karunaratne		-	41,666.80
	Miss. T R Jayatilake		208,333.36	-
	Mrs. E A D Sunitha		135,416.74	197,916.70
	Mrs. P K R S Ariyaratne		57,291.79	119,791.75
	Mr. L T D Hettiarchchi		125,000.08	187,500.04
	Mr. M D U Jayadasa		114,583.41	177,083.37
	Mr. J P D R Wijewardene		239,583.34	45,000.00
	Mrs. D N Dodangoda		145,833.40	208,333.36
	Mrs. R A D T R Samaranayake		78,125.07	140,625.03
	Mrs. G S Ranjani		156,250.06	218,750.02
	Mrs. C A D S Kandambi		124,999.96	250,000.00
	Mrs. T Balachndra		114,583.41	177,083.37
	Mrs. J M A S A Jayakodi		151,041.73	213,541.69
	Mrs. J M D R R Jayasekara		83,333.41	145,833.37
	Mrs. P D R R de Silva		161,458.39	223,958.35
	Mr. B S A Mendis		48,611.24	131,944.52
	Mr. W M S K Wijebahu		5,208.49	67,708.45
	Mr. Y N Wikramanayake		156,250.06	218,750.02
	MR. K A M Priyantha		222,222.24	159,722.28
	Mr. U Wikramasinghe		5,208.49	67,708.45
	Mr. N P P S K Pathirana		-	48,611.24
	Ms. H T M D Dinesha		250,000.00	177,083.37
	Mr. S P A Sathyapala		-	34,722.36
	Mrs.M S R Bhanu		130,208.41	192,708.37
	Mrs.S Thewarapperuma		93,750.10	156,250.06
	Mr. R M U Ratnayake		187,500.04	250,000.00
	Mr. D P Weeraratne		5,208.49	67,708.45
	Mrs. Amali Chathurika		187,500.04	41,666.54
	Mrs. Y M de Silva		130,208.41	192,708.37
	Mrs. W D Nirosha		161,458.39	223,958.35
	Mrs. N W K Manoja Badrani		125,000.08	208,333.36

Notes to Financial Statements contd....

	2021 Rs.	2020 Rs.
Mrs. N C Ranasinghe	-	52,083.46
Mr.J M D Jayalath	36,458.47	98,958.43
Miss.M.D.L.Feranando	250,000.00	55,555.51
Mrs. M N Ranasinghe	187,500.04	-
Mr. W A L N Kumara	125,000.08	187,500.04
Mr. G K K S Kumara	-	52,083.46
Mrs. L I Kariyawasam	-	98,958.43
Mr.K.A.P.Fernando	-	36,458.47
Mr.A.H.Hibras	250,000.00	182,291.70
Mrs.N.A.C.K.Thirimawithana	48,611.24	131,944.52
Mrs.Y.A.P.G.Yapa	-	187,500.23
Mrs.P.D.Maduwanthi	109,375.07	171,875.03
Mr.M.M.Mifras	208,333.36	182,291.71
Mr.N.M.M.Rihan	-	156,666.72
Mr.P.V.S.Wijayaratne	-	62,500.12
Mrs. S Wathudura	109,375.07	171,875.03
Mr.M.M M Shabeer	156,250.06	218,750.02
Mrs.D L Kushlani	125,000.07	182,291.70
Mr.C C S Silva	110,000.08	165,000.04
Mr.N P K Rajapaksha	125,000.08	187,500.04
Mr.M.R.S.K Manchanayake	20,833.26	145,833.30
Mrs.N.I.S Silva	156,250.06	218,750.02
Mrs.P.A.B.Maduwanthi	197,916.70	-
	-	-
	6,846,116.16	**8,955,211.34**

6.2 Deposits

	2021 Rs.	2020 Rs.
Electricity Board deposit	250,000.00	250,000.00
R.L.Fernando-Fuel deposit	100,000.00	100,000.00
Oxygen & Acytesity cylinder	36,000.00	36,000.00
Dialog Telecom PLC roaming facility	20,000.00	20,000.00
M Postal Service Deposit	15,000.00	15,000.00
	421,000.00	**421,000.00**

Notes to Financial Statements contd....

7. Infrastructure, Plant and Equipment

	Plant & Machinery	Motor Vehicles	Industrial Sewing Machinery	Furniture, Fittings & Equipment	Lab Equipment	Computers	Books & Periodicals	Video Programme	Spare Parts & Acc.	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost										
Cost as at 01/01/2021	59,662,326.80	24,248,384.33	49,991,193.22	78,596,402.72	183,821,153.68	44,203,643.64	9,520,888.89	582,055.00	1,356,195.00	451,982,243.28
Additions Note no.7.1	2,016,601.92	-	3,976,560.00	5,561,278.30	-	8,248,903.00	-	-	-	**19,803,343.22**
Disposal	(4,000.00)			(50,239.42)	-	(405,998.00)				**(460,237.42)**
Cost as at 31/12/2021	61,674,928.72	24,248,384.33	53,967,753.22	84,107,441.60	183,821,153.68	52,046,548.64	9,520,888.89	582,055.00	1,356,195.00	471,325,349.08
Accumulated Depreciation										
Accumulated Depreciation as at 01/01/2021	40,021,181.00	21,413,401.05	42,687,917.15	54,044,195.28	147,849,776.35	38,188,852.86	7,267,059.10	582,055.00	1,356,195.00	353,410,632.79
Depreciation for the year	3,192,369.03	1,882,582.05	1,829,245.73	5,709,155.62	7,875,155.58	3,902,946.43	348,634.43	-	-	**24,740,088.87**
Depreciation on Assets Disposed	(4,000.00)	-		(50,239.42)	-	(405,573.00)	-	-	-	**(459,812.42)**
Accumulated Depreciation as at 31/12/2021	**43,209,550.03**	**23,295,983.10**	**44,517,162.88**	**59,703,111.48**	**155,724,931.93**	**41,686,226.29**	**7,615,693.53**	**582,055.00**	**1,356,195.00**	**377,690,909.24**
Net Book Value as at 31/12/2021	18,465,378.69	952,401.23	9,450,590.34	24,404,330.12	28,096,221.75	10,360,322.35	1,905,195.36	-	-	93,634,439.84

		2021 Rs.
7.1 Infrastructure, Plant and Equipment		
Property , Plant & Equipment - Additions		
Plant & Machinery		
New Class Rooms- Air Conditioners	12	2,016,601.92
		2,016,601.92
Furniture, Fittings, Fixtures & Equipment		
Prunner Saw	1	4,490.00
Kettle	1	2,599.00
Samsung Galaxy MO1S Mobile phone (With Hnad free & Charger)	1	19,900.00
Multimedia Projecter Benq Mx550	2	243,800.00
Class Room Chair Steel Without Arms	300	1,516,320.00
Lecturer Chair High Back	6	173,664.00
Power Amplifier/Sound Mixture/Speakers	1	447,896.50
Class Room Table	150	2,850,000.00
Electrical Kettle (4.2 L)	1	6,700.00
Jug Kettle (1.7L)	1	4,800.00
Electrical Kettle (1.7 L)	1	4,800.00
Magi Board Aluminium Frame & Hooks	6	64,670.40
EB-E01 Business Projector	2	197,900.00
Executive Chair Low Back	1	23,738.40
		5,561,278.30
Computers		
Canon Printer-MF645CX (S/No.913102C00392AA212DT15187)	1	59,500.00
Epson Printer (S/No.UB8Y104065)	1	90,372.00
Epson Scanner (S/No.VCHY114987)	1	13,887.00
Dell Desktop Computer	1	192,500.00
Dell Inspirons Lap Top	3	555,000.00
Dell Optiplex 7080 1-7 Desktop Computers	5	787,500.00
UPS	3	15,300.00
Supply & Installation of Design Software		5,700,000.00
Photo Colour Image Scanner	1	56,565.00
UPS (564801214201381)	1	6,395.00
Upgrading Existing Net Work		682,884.00
HP Laser jet Printer	2	89,000.00
		8,248,903.00
Industrial Sewing Machine		
Juki Model DDL-8100E-JIN Motor	15	1,425,600.00
Juki Model MQ-68165-BE6-30H/Clutch Motor	4	799,200.00
Juki Model LZ-2290CF7WP/AK156/SC955AK	1	1,168,560.00
Juki Model/mf-7523-c-11-856/tc16B/SC921/CP180	1	583,200.00
		3,976,560.00

Notes to Financial Statements contd....

8. LAND & BUILDINGS AS AT 31/12/2021

	Land	Buildings	Total
	Rs.	Rs.	Rs.
Cost			
Cost as at 01/01/2021	**5,018,434.00**	**96,237,032.24**	**101,255,466.24**
Additions - Note No.8 . 1	-	25,485,395.18	25,485,395.18
Cost as at 31/12/2021	**5,018,434.00**	**121,722,427.42**	**126,740,861.42**
Accumulated Depreciation			
Accumulated Depreciation as at 01/01/2021		39,517,358.20	39,517,358.20
Depreciation for the year	-	2,771,127.35	2,771,127.35
Accumulated Depreciation as at 31/12/2021	**-**	**42,288,485.55**	**42,288,485.55**
Net Book Value as at 31/12/2021	**5,018,434.00**	**79,433,941.87**	**84,452,375.87**

Notes to Financial Statements contd....

			2021 Rs.	2020 Rs.
8.1	**Land & Buildings**			
	Buildings			
	Renovation of Seminar Hall (5% Vat of Retension Money)		54,522.14	
	Renovation of Canteen (Consultancy Fee -Final Bill)		99,617.43	
	SLITA Batik Center		869,320.00	
	Renovation of Sawing Shed & Improvement of Class Rooms		24,461,935.61	
			25,485,395.18	
9	**Payables**			
	Trade creditors	9.1	1,290,501.38	1,228,401.38
	Accrued expenses	9.2	6,925,193.21	8,109,729.78
	Sundry creditors	9.3	4,531,296.25	4,541,415.25
	Current Tax Payable	9.4	8,700.00	7,625.00
	Project 2019 Payable	9.5	671,600.00	920,000.00
			13,427,290.84	14,807,171.41
9.1	**Trade Creditors**			
	Course fees received in advance		1,290,501.38	1,228,401.38
			1,290,501.38	1,228,401.38
9.2	**Accrued Expenses**			
	Casual wages & allowance for trainees		63,162.00	193,746.98
	Allowance to TEC & MTB Members		281,000.00	86,000.00
	Building Cost		182,689.76	182,689.76
	Project 2020 - Batik Training Programme		-	442,642.57
	Project 20/21 - Strengthen the Research & Statistical Activites in Textile & Apparel Industry - 3.0Mn		-	31,495.00
	School Uniform Inspection		237,390.00	517,825.44
	Co-ordinating fees		-	457,418.00
	Transport Chargers		390,381.29	281,254.83
	Tea expenses		-	2,305.00
	Allowance for Chairmen- Arrears		125,000.00	-
	Repairs &Maintenance of Computers		24,646.30	12,420.00
	Repairs & Maintenance of Motor Vehicles		76,576.30	-
	Repairs & Maintenance of Generator		-	237,050.00
	Repairs & Maintenance of F.F.F & Equipments		165,081.87	2,700.00
	Repairs & Maintenance of Plant & Machinery		9,082.02	102,737.16
	Repairs & Maintenance Land & Building		13,250.00	14,731.20
	Subsistance		-	-
	Overtime		468,134.64	294,676.18
	Traveling & subsistence		176,700.00	74,250.00
	Water		21,903.29	9,583.87
	Electricity		585,669.61	146,505.10
	Security charges		159,150.00	-
	Advertisement Charges		-	184,242.60
	Communication services		64,512.89	67,732.39
	Fuel for vehicles & Generator		137,448.00	-
	Medical scheme labour welfare		246,255.07	140,324.63
	Janitorial services		343,112.00	-
	Expenses on gauze testing		22,100.00	-
	Entertainment		8,670.00	-
	Visiting Lecture fees		269,125.00	143,700.00
	News paper bill		2,660.00	2,500.00
	Purchase of Stationery		66,255.00	516,151.60
	Professional Allowance		3,000.00	-
	Weekend Payments		1,408,855.29	717,394.17
	Training courses expenses		15,102.66	-
	Renovation of Seminar Hall		-	681,526.73
	Renovation of Canteen		-	2,520,208.56
	Interview Board Member Fees		61,050.00	-
	Renovaton of Sewing Shed & Improvement Class Room		1,178,471.82	-
	Career Guidence Programme		7,521.55	18,379.95
	Accredititations & Certifications Fees		111,236.76	27,538.06
			6,925,193.21	**8,109,729.78**

Notes to Financial Statements contd....

			2021 Rs.	2020 Rs.
9.3	**Sundry Creditors**			
	Consultancy advances		11,536.25	11,536.25
	Test Report in Advance		47,430.86	19,430.86
	Canteen tender deposit		5,000.00	5,000.00
	Bid security		6,000.00	6,000.00
	Refundable Deposit		489,731.00	495,000.00
	General Treasury (Vehicle Sale Proceed)		3,871,448.14	3,871,448.14
	Refundable Tender Deposit		100,150.00	133,000.00
			4,531,296.25	**4,541,415.25**
9.4	**Current Tax payable**			
	Stamp Duty Payable A/c		8,700.00	7,625.00
			8,700.00	**7,625.00**
9.5	**Project 2019 Payable**			
	Installing Learniing Management Project		671,600.00	920,000.00
			671,600.00	**920,000.00**
10	**Short-term provisions**			
	Provision for audit fees		2,000,000.00	2,000,000.00
	Provision for Staff Development Fund		776,387.66	984,899.66
			2,776,387.66	**2,984,899.66**
11	**Superannuation**			
	Provision for Gratuity			
	Balance as at the beginning of the year		50,956,957.50	43,911,043.50
	Less - Payments for the year		(6,346,480.00)	(1,538,460.00)
			44,610,477.50	42,372,583.50
	Provision for the year		3,604,428.50	8,584,374.00
	Balance at the end of the year		**48,214,906.00**	**50,956,957.50**
12	**Govt.Contributions & Foreign Aid**			
	Balance as at the beginning of the year		141,225,370.48	161,932,729.47
	Add - Grants in the year	**12.1**	99,260,480.50	2,402,862.00
			240,485,850.98	164,335,591.47
	Less- Amortization of the year	**12.2**	(24,407,876.22)	(23,110,220.99)
	Balance as at end of the year	**12.3**	216,077,974.76	**141,225,370.48**
12.1	**Capital Grant**			
	Cash Grant in the year		100,000,000.00	-
	(-) Cash Grant from treasury for Special Project (PIP,Multi task , Leather & Footwear)		(23,050,000.00)	-
	Capital Grants (Cash)		**76,950,000.00**	-
	Error Correction-Upgrading of Sewing Laboratary & Improvement of class rooms		9,900,000.00	-
	Grant received from Government through Ministry for projects	**12.1.1.**	12,410,480.50	2,402,862.00
			99,260,480.50	**2,402,862.00**
12.1.1	**Grant received from Govern. through Ministry for Capital Expend.**			
	Health and safety		-	2,237,112.00
	Establish Textile Design Innovation, Research & Development Center		6,319,065.00	-
	Strengthen the Research and statical activities in Textile & Apparel sector		1,380,059.00	-
	Library Automation		-	165,750.00
	Development of multi skilled task force		4,711,356.50	
			12,410,480.50	2,402,862.00
12.2	**Amortization of the year**			
	Depreciation portion of assets by the Government Grant		24,407,876.22	23,110,220.99
			24,407,876.22	**23,110,220.99**

Notes to Financial Statements contd....

			2021 Rs.	2020 Rs.
12.3	**Govt.Contributions & Foreign Aid**			
	Capital Grant from the Government		574,967,658.13	475,707,177.63
	Assets transferred by the Ministry		50,043,791.00	50,043,791.00
	Foreign Aid (World bank & JICA)		99,276,267.00	99,276,267.00
	Other donations received		291,081.00	291,081.00
			724,578,797.13	625,318,316.63
	Less- Accumulated total of amortization		(508,500,822.37)	(484,092,946.15)
			216,077,974.76	**141,225,370.48**
13	**Other projects**			
	Handloom Development programme - Marandmunei		2,147,985.53	2,147,985.53
	Ministry of industry & commerce Scholarship Fund		236,867.04	236,867.04
	Project 2020 - Batik Training Programme		1,353,923.58	5,280,358.93
	Project 20/21-Eet.Tex.Des.Inno.& Res.Dev-Mn.7.1		667,049.00	6,986,114.00
	Project 20/21-Stren.the Res.& Sta.Act.-Mn.3		1,016,845.11	2,680,512.19
	Renovation of Sewing Shed & Impro.of Class Rooms		-	9,732,762.00
	Apparel Base cottage Industry		229,219.06	229,219.06
	Project -2021-Dev.of Pro.Mui.Skill Rural Youth 8Mn		2,574,213.40	-
	Project 2021 - Establishment of 160 Batik Centers		50,670,364.41	-
	Project 2021 - Product , Impro Project		5,045,864.99	-
			63,942,332.12	**27,293,818.75**
14	**Accumulated surpluses/ (deficit)**			
	Profit Brought Forward		276,544,904.67	275,379,901.79
	Prior Year Adjustments for event occurred after balance sheet date			
	Interest Income Audit Adjustment		1,854,492.00	-
	Revised Expenses	**14.1**	**98,167.78**	(290,405.34)
			278,497,564.45	275,089,496.45
	Excess for the year		37,439,378.57	1,455,408.22
			315,936,943.02	**276,544,904.67**
14.1	**Revised Expenses**			
	SMS Rental Dec 2020		9,334.22	
	Accredititations & Certifications Fees		(80,352.00)	
	Visiting Lecure fee		(21,150.00)	
	Board Member Fee		(6,000.00)	
			(98,167.78)	
15	**Operating Income**			
	Testing	**(15.1)**	80,053,160.63	67,536,544.16
	Training	**(15.2)**	60,191,250.00	43,648,476.15
	Consultancy services		1,921,549.00	946,790.00
	Customer / Technical Services & other sales		39,770,433.25	28,263,789.64
	Other income	**(15.3)**	16,015,706.84	21,779,448.06
	Excess amount received on disposal of assets	**(15.4)**	157,824.40	-
			198,109,924.12	**162,175,048.01**
15.1	**Testing**			
	Normal testing		30,161,661.68	28,415,639.20
	Forces uniforms		2,403,200.14	23,589,527.27
	School uniforme testing		47,624,021.06	15,539,902.69
	less - Discounts given-Testing		(135,722.25)	(8,525.00)
			80,053,160.63	**67,536,544.16**
15.2	**Training**			
	Week Day Training		19,640,000.00	12,696,136.15
	Week End Training		26,763,300.00	27,072,580.00
	External Training		13,787,950.00	3,879,760.00
			60,191,250.00	**43,648,476.15**

Notes to Financial Statements contd....

			2021 Rs.	2020 Rs.
15.3	**Other Income**			
	Other Sales Income	**(15.3.1)**	50,000.00	32,400.00
	Miscellaneous income	**(15.3.2)**	158,117.60	274,787.00
	Savings A/C interest		12,115.84	9,594.11
	Fixed Deposit interest		307,229.86	430,004.33
	Treasury Bills interest		855,706.04	976,133.85
	Call deposit interest		13,860,553.12	18,913,765.72
	Staff Loan Interest		567,984.38	602,923.27
	Registration of Suppliers		6,000.00	106,000.00
	Canteen rental		5,000.00	12,500.00
	Non Refundable Tender Deposit		193,000.00	119,000.00
	Forex Gain		-	302,339.78
			16,015,706.84	**21,779,448.06**
15.3.1	**Other Sales Income**			
	Auditorium,Seminar Hall,Class Room Hiring Charges		-	32,400.00
	Location Hiring Charges		50,000.00	-
			50,000.00	**32,400.00**
15.3.2	**Miscellaneous Income**			
	Photocopy charges		-	23,869.50
	Repeat exam fees & VIVA		8,517.00	52,000.00
	Transport charges (PIP and Divineguma,Other Projects)		31,000.00	144,414.24
	Over Payment Debtors		-	19,379.00
	Sales on T-Shirts		-	14,834.70
	Sales on Disposal Consumable Items		109,400.60	-
	Sale on Work Diary		-	10,289.56
	Course fee refund		9,000.00	-
	Work Diary		200.00	-
	Diploma Awarding Ceremony		-	10,000.00
			158,117.60	**274,787.00**
15.4	**Excess amount received on disposal of assets**			
	Cost of the Assets-2021		460,237.42	-
	(-) Depreciation		(459,812.42)	-
	Net Book Value of disposal assets		**425.00**	
	Sale proceed		158,249.40	-
	Total profit on disposal		**157,824.40**	**-**
16	**Personal Emoluments (Wages, Salaries & Employee benefits)**			
	Salaries & wages		57,758,573.05	58,994,435.35
	Cost of Living Allowance		8,148,400.00	8,184,191.94
	EPF		7,913,230.00	8,062,798.66
	ETF		1,978,307.46	2,015,699.62
	Allowance to chairman		425,000.00	225,000.00
	Casual wages / Allowance to trainees		1,207,037.85	1,578,309.06
	Overtime		3,596,970.47	2,913,251.12
	Week-end payments		9,872,880.24	7,523,809.48
	Professional Allowance		3,055,516.67	*3,164,076.70*
	Bonus/Appreciation allowance		2,651,274.00	1,260,000.00
	Board secretarial fee		50,000.00	29,740.00
	Allowance for week-end school staff		327,166.67	197,250.00
	Telephone allowance		220,662.17	336,193.06
	Transport allowance		4,855,000.00	5,150,000.00
	Co-coordinating fee		872,429.02	872,889.10
	Testing lab Staff allowance		459,000.00	473,625.00
	Gratuity		3,604,428.50	8,584,374.00
	Allowance for Chairman's Driver		-	17,874.85
	Consultance Incentive/Penalties and surcharges		42,451.80	16,015.43
			107,038,327.90	**109,599,533.37**
17	**Traveling**			
	Local		778,100.00	547,900.00
			778,100.00	**547,900.00**
18	**Supplies & Consumables**			
	Stationery & office requisites	**18.1**	2,308,449.18	2,665,372.91
	Other consumables	**18.2**	1,007,789.37	972,886.68
	Accreditations & certification fees		2,690,315.60	1,065,781.91
	Fuel for vehicles & generator		3,638,057.14	3,496,910.86
			9,644,611.29	**8,200,952.36**

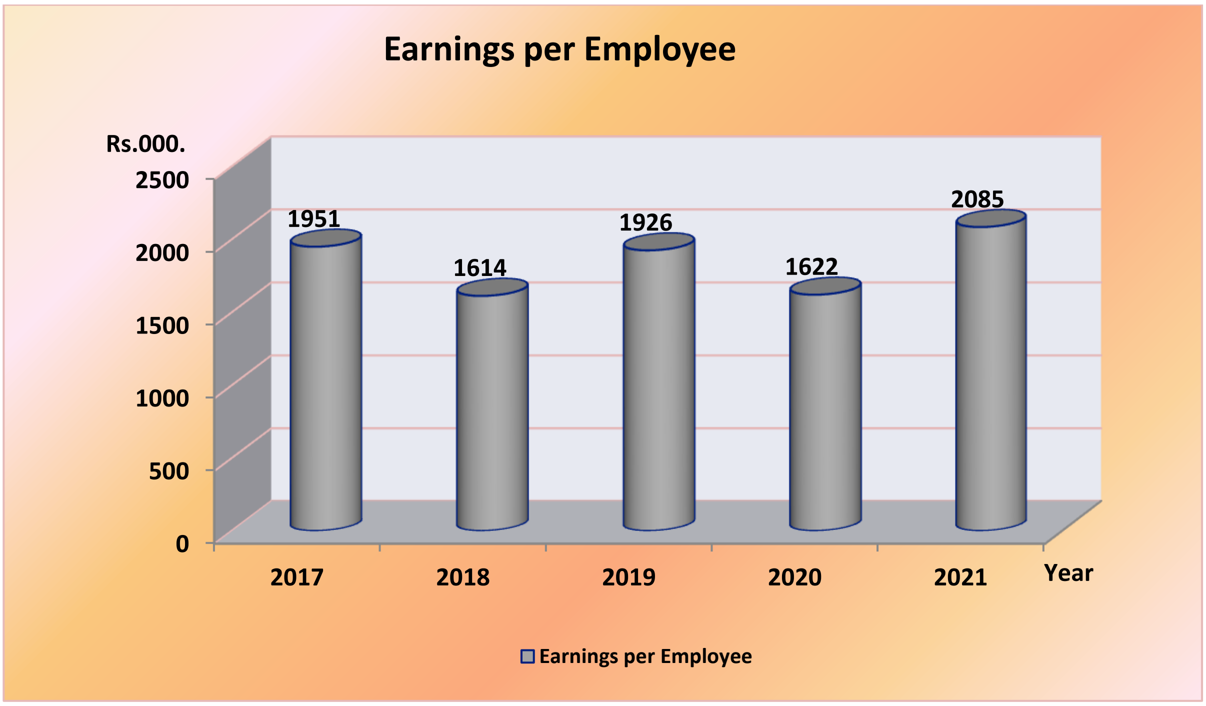
Notes to Financial Statements contd....

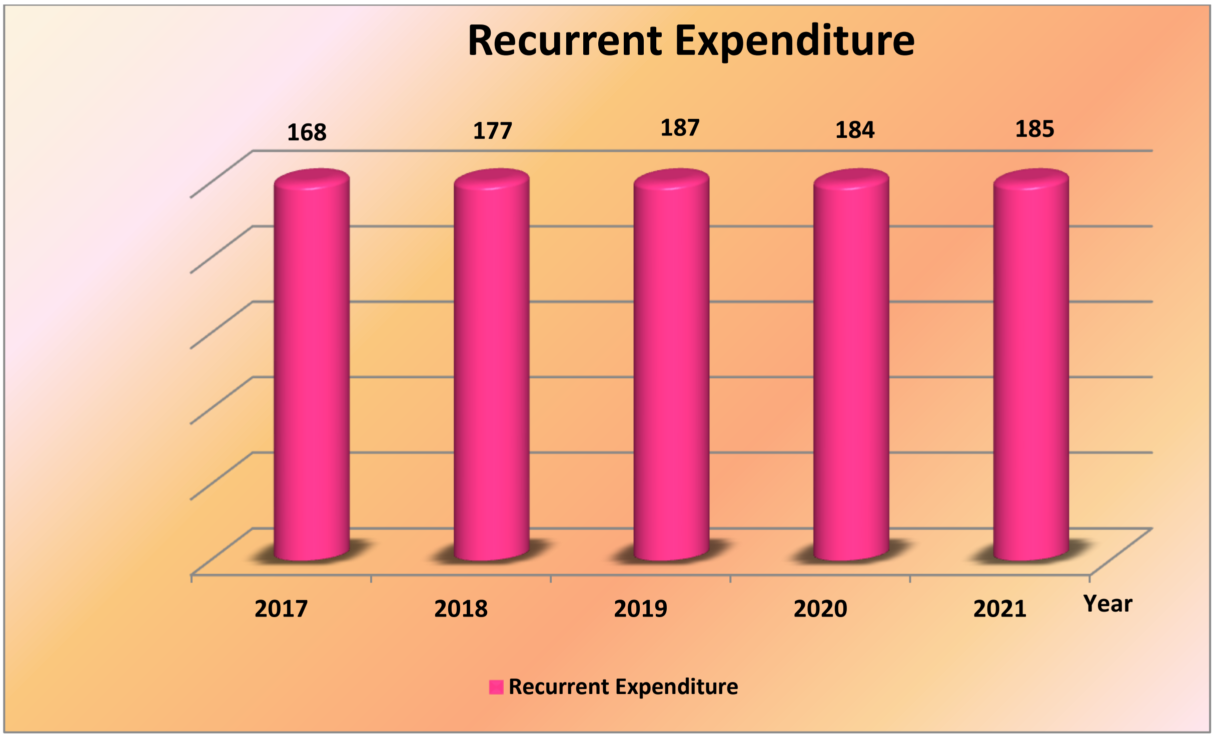
			2021 Rs.	2020 Rs.
18.1	**Stationery & Office Requisites**			
	Stock as at beginning of the year		1,090,185.33	1,039,644.18
	Add -Purchases during the year		2,321,882.04	2,715,914.06
			3,412,067.37	3,755,558.24
	Less - Stock as at end of the year		(1,103,618.19)	(1,090,185.33)
			2,308,449.18	**2,665,372.91**
18.2	**Consumables,QC Lab materials, Yarn & Dyes**			
	Stock as at beginning of the year		1,480,698.89	1,080,305.84
	Add -Purchases during the year		1,008,218.02	1,373,279.73
			2,488,916.91	2,453,585.57
	Less - Stock as at end of the year		(1,481,127.54)	(1,480,698.89)
			1,007,789.37	**972,886.68**
19	**Repairs and Maintenance**			
	Land & Buildings		1,159,795.40	992,866.38
	Motor Vehicles		1,169,277.87	1,964,416.56
	Furniture & Fittings and Equipment		583,939.01	390,695.60
	Lab Equipment		1,713,664.88	6,376,723.78
	Plant & Machinery		473,842.02	704,353.76
	Computers		592,399.32	550,381.70
	Industrial Sewing Machine		-	14,283.00
	Generator		51,342.25	287,331.75
			5,744,260.75	**11,281,052.53**
20	**Contractual Services**			
	Insurance		191,733.28	200,090.77
	Security charges		1,769,100.00	1,793,415.00
	Janitorial services		3,861,606.34	3,415,456.23
	Electricity		5,394,768.16	6,113,632.17
	Water		596,881.63	456,877.13
	Communication services		740,239.86	743,299.58
	Postage		264,722.00	92,950.00
	Advertisement Expenses		1,276,515.46	924,564.40
	Transport charges		2,865,462.89	1,876,665.75
			16,961,029.62	**15,616,951.03**
21	**Depreciation**			
	Building		2,771,127.35	2,350,593.41
	Computers		3,902,946.43	2,508,077.00
	Furniture ,Fittings & equipment		5,709,155.62	5,671,547.77
	Motor Vehicles		1,882,582.05	2,056,824.11
	Plant & Machinery		3,192,369.03	3,094,578.75
	Industrial sewing machinery		1,829,245.73	1,630,417.73
	Lab Equipment		7,875,155.58	7,946,583.80
	Books & Periodicals		348,634.43	378,412.48
			27,511,216.22	**25,637,035.05**
22	**Other expenses**			
	Visiting lecturer fees		1,080,900.00	1,400,879.35
	Audit fees - provision for the year		912,000.00	1,000,000.00
	Training courses expenses		6,874,119.33	2,051,620.34
	Miscellaneous expenses	**22.1**	**437,373.16**	**231,752.73**
	Interview Board Members Fees		61,050.00	-
	Staff Welfare - Tea Expenses		1,242,408.86	1,125,395.55
	Staff Medical scheme labour welfare		2,931,777.73	1,749,907.46
	Welfare society		200,000.00	200,000.00
	Fees to Board of Governors		450,000.00	206,000.00
	Exhibition expenses		20,145.00	40,390.00
	Stamp duty		24,925.00	28,850.00
	Career guidance programme		118,002.01	90,034.85
	Doubtful debtors		(249,552.39)	716,705.23
	NVQ Accrditation Expenses		47,950.00	487,642.00
	Expenses of gauze testing		47,100.00	151,000.00
	Membership Subs.Fees		95,798.26	129,364.72
	Exp. For testing of school uniform material		5,201.91	21,176.16
	Allowance to TEC and MTB Members		281,000.00	86,000.00

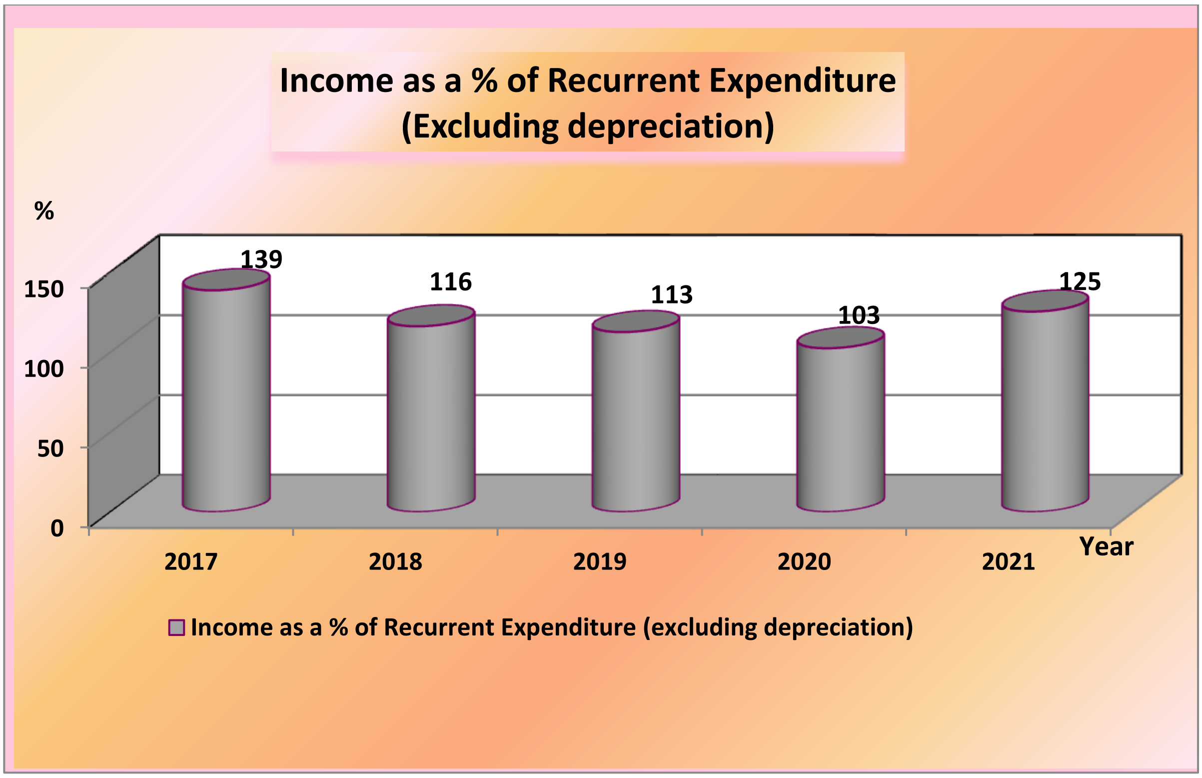
Notes to Financial Statements contd....

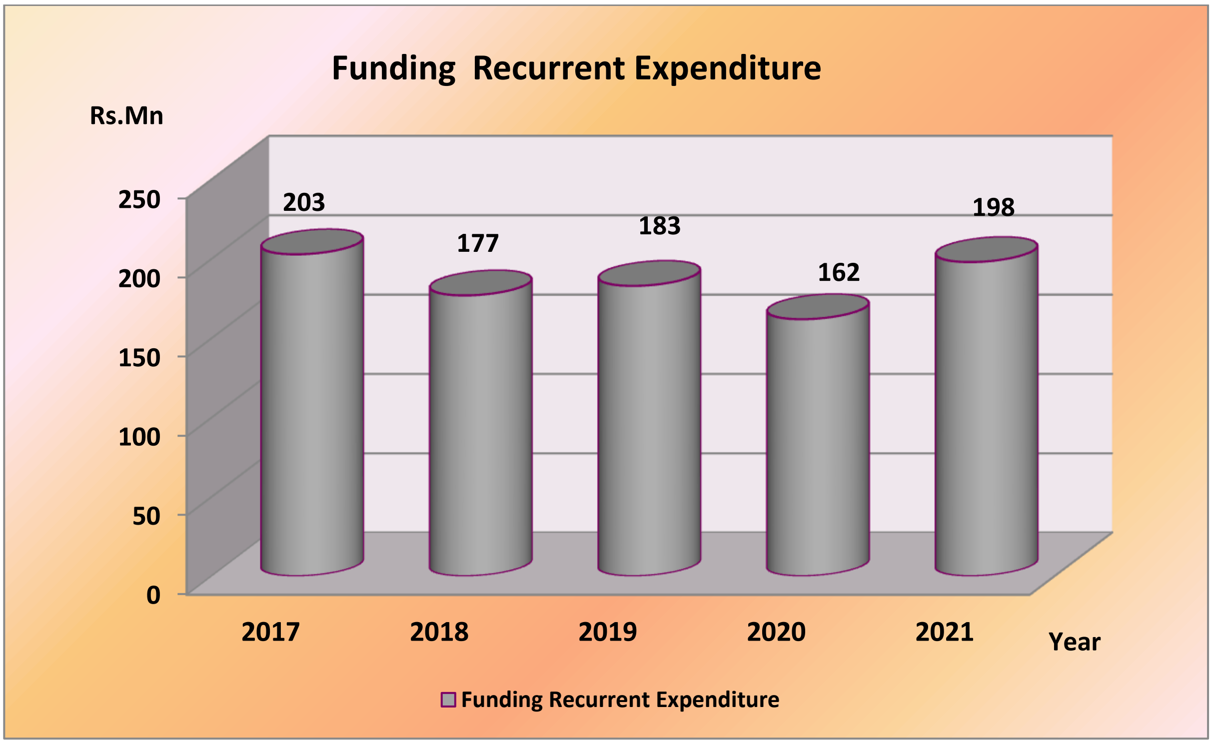
			2021 Rs.	2020 Rs.
	Allowance to Audit & Management committee, Academic council members		95,175.00	72,000.00
	Entertainment expenses		260,879.34	193,387.37
	Degree Awarding status Expenses		3,050.00	80,000.00
	Publication & magazines		363,172.80	213,705.00
	Staff Development Fund		891,903.00	488,285.00
	Doramadalawa student ceromany		-	69,000.00
	Health and safety project		-	443,511.37
	School Uniform Inspection		795,921.11	1,302,576.19
	SME Expenses		-	12,000.00
	Loss on disposal	**22.2**	-	4,004.02
	Covid Expenses		158,010.00	276,101.00
			17,148,310.12	**12,871,288.34**
22.1	**Miscellaneous Expenses**			
	News paper bills		19,730.00	24,840.00
	Labour charges		51,750.00	6,000.00
	Key Cutting charges		250.00	-
	Verification of Educational Certificates		2,800.00	-
	Honorarium fee		6,000.00	21,000.00
	Translation Fees - annual report & others		47,835.00	4,007.00
	Vehicle parking fee		450.00	910.00
	Medicine/Medical treatment for students		-	9,292.73
	Books & report binding		-	5,990.00
	Pirith ceremony		51,100.00	50,338.00
	Purchase of Gift items for ITN		12,250.00	-
	Certificate framing charges		750.00	-
	Other Expenses		-	4,300.00
	Book binding charges		6,194.50	-
	Refreshments - Pirith Ceremony		36,445.00	-
	Over Coats		-	18,750.00
	Valuation Charges		-	540.00
	Payment for UGC Visitors		8,235.00	-
	Gift for visitors - Staff Development programme		5,940.00	-
	Purchase of photo frame		750.00	-
	Identity Cards for Staff		-	100.00
	DTAC Payment		-	8,320.00
	Subscription for Magazine		-	20,694.72
	Misc. Advance		21,335.00	-
	Purchase of Building Plan Application		500.00	-
	Purchase of Coconut oil bottle		800.00	-
	Photocopy charges		515.00	-
	Opening Ceremony		-	1,450.00
	Tools & Sundry material		-	7,711.64
	Fire Demonstration		-	23,500.00
	Report charges		-	6,000.00
	Visitor charges		-	3,120.00
	Courier charges		87,763.63	7,648.64
	Ground rent		-	3,240.00
	Weaving charges		-	4,000.00
	Purchase of Tissue box, match box, Cutter knife		3,627.00	-
	Expenses for Katina Cheewara programme - Kurunegala		29,830.00	-
	Allowance for Vehicle services (Immigration Dept.)		19,000.00	-
	Pre-payments - Adjustments		17,065.53	-
	Donation - Unduwapsara Student Event 2021		75,000.00	-
	Postage charges		9,700.00	-
	Decorations for X'mas & New Year		5,657.50	-
	Reimbursement of Katina Cheewara Programme		(83,900.00)	-
			437,373.16	**231,752.73**
22.2	**Loss on disposal of assets**			
	Cost of the Assets-2020		-	1,913,724.49
	Depreciation		-	1,821,160.03
	Sale proceed		-	88,560.44
	Total loss on disposal		-	**(4,004.02)**
23	**Finance cost**			
	Foreign exchange loss		170,942.12	-
	Bank charges		81,623.75	75,148.10
			252,565.87	**75,148.10**
24	**Deferred income**			
	Depreciation portion of assets by the Government Grant		23,607,876.22	23,110,220.99
	Government contribution for human capacity building		800,000.00	-
			24,407,876.22	**23,110,220.99**

PERFORMANCE INDICATORS



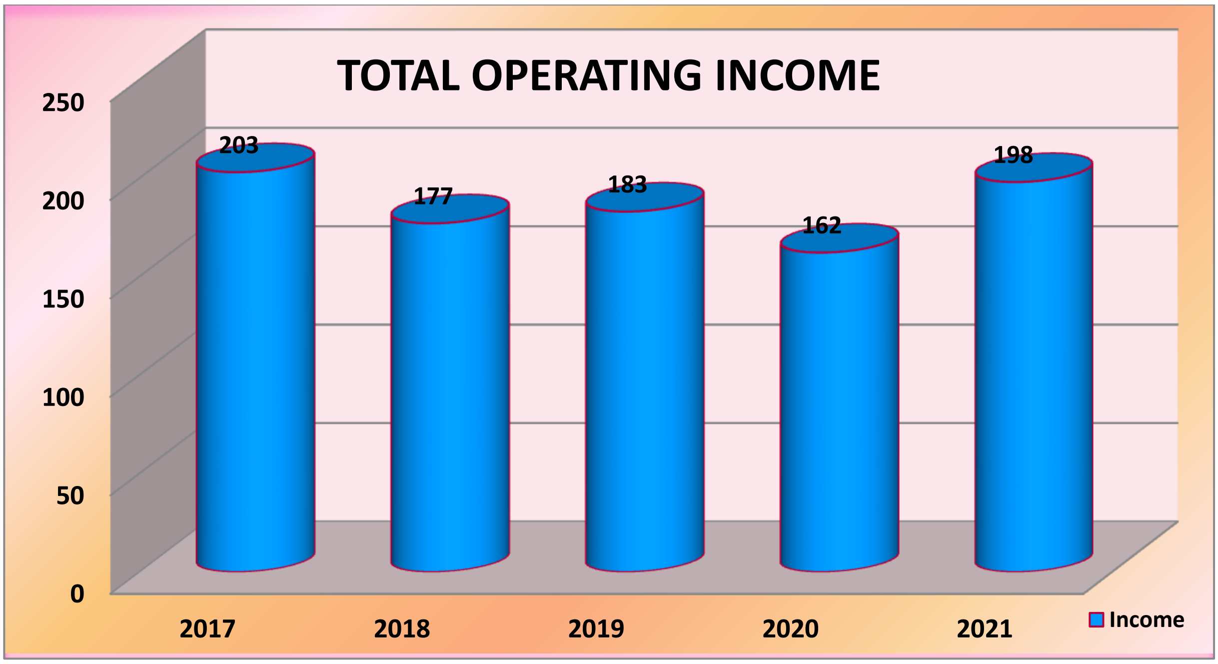



Income as a % of Recurrent Expenditure
(Excluding depreciation)
%
150
100
50
0
139
116
113
103
125
2017
2018
2019
2020
2021
Year
Income as a % of Recurrent Expenditure (excluding depreciation)


Funding Recurrent Expenditure
Rs.Mn
250
200
150
100
50
0
203
177
183
162
198
2017
2018
2019
2020
2021
Year
Funding Recurrent Expenditure

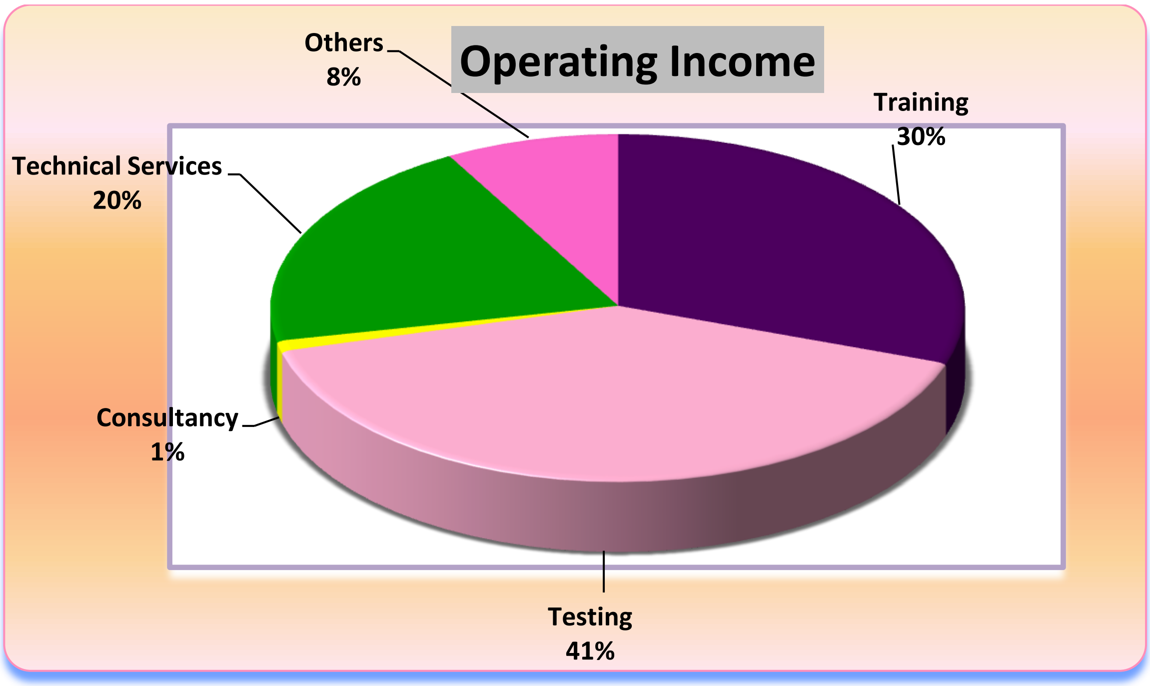
REPORT ON FINANCIAL STATEMENTS

Income



The Institute has recorded a total annual income of Rs. 198Mn during the year under review which is anincrease of 22% compared to the year 2020.During the year under review total income increasedby Rs.35.92Mndue to theincrease of testing, training, consultancy & technical services income.

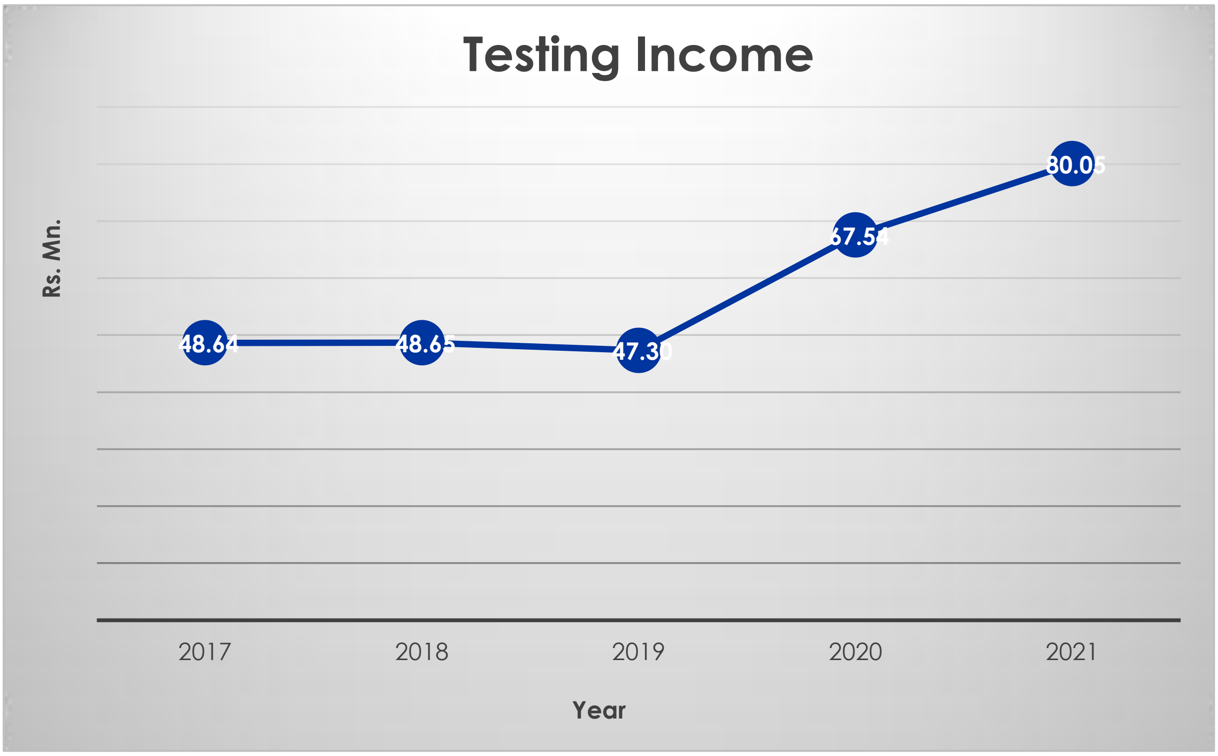
Operating Income



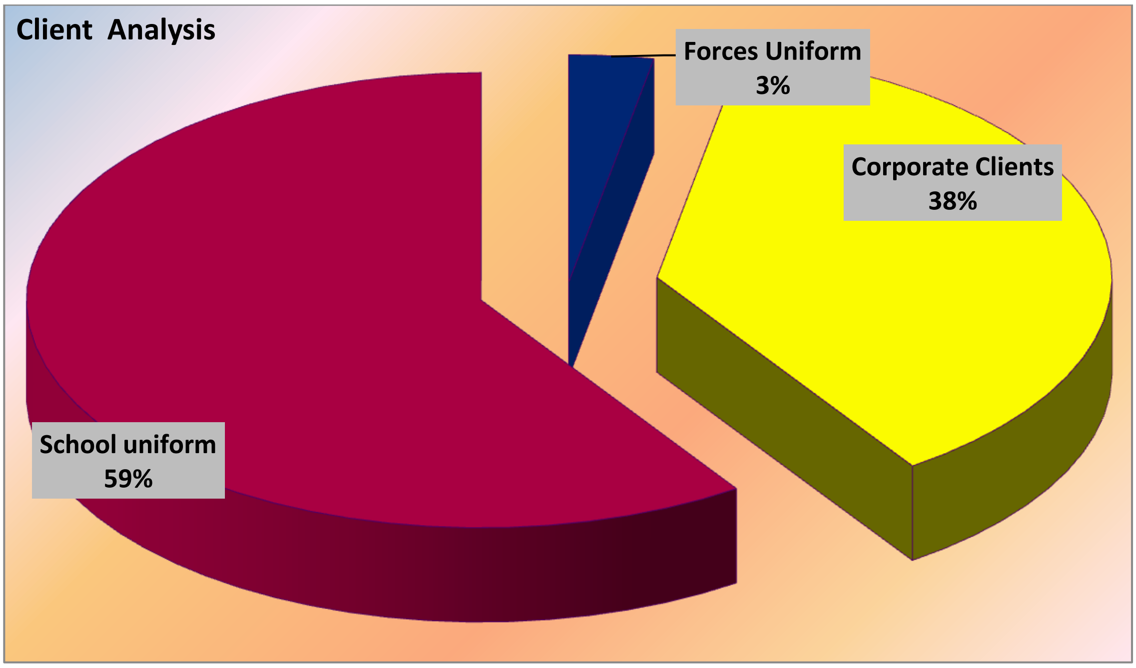
The income generated by Testing, Training and Consultancy services are 92% of the total operating income while 8% of the operating income is contributed by sources such as Interests Income (Fixed Deposit, Treasury Bills and Call Deposits interest), Transport income and, miscellaneous activities.The technical Services income is 20% of the total income. However, Testingis the main income source contributing to the total income in this year.It shows acontribution of 41% of the total income.It consists of testing of forces uniform,school uniform and other normal testing activities.Training income Increased by 38% when compared to the previous year.All training class were tempararily suspended from end of March 2020, But most of the training class were conducted through online using the zoom facility in 2021.

Testing Income

During the year, testing has generated an income of Rs. 80.05Mn. through 61,871 tests from 5,960 samples. There is anincrease of 19% in the testing income comparedto the previous year.

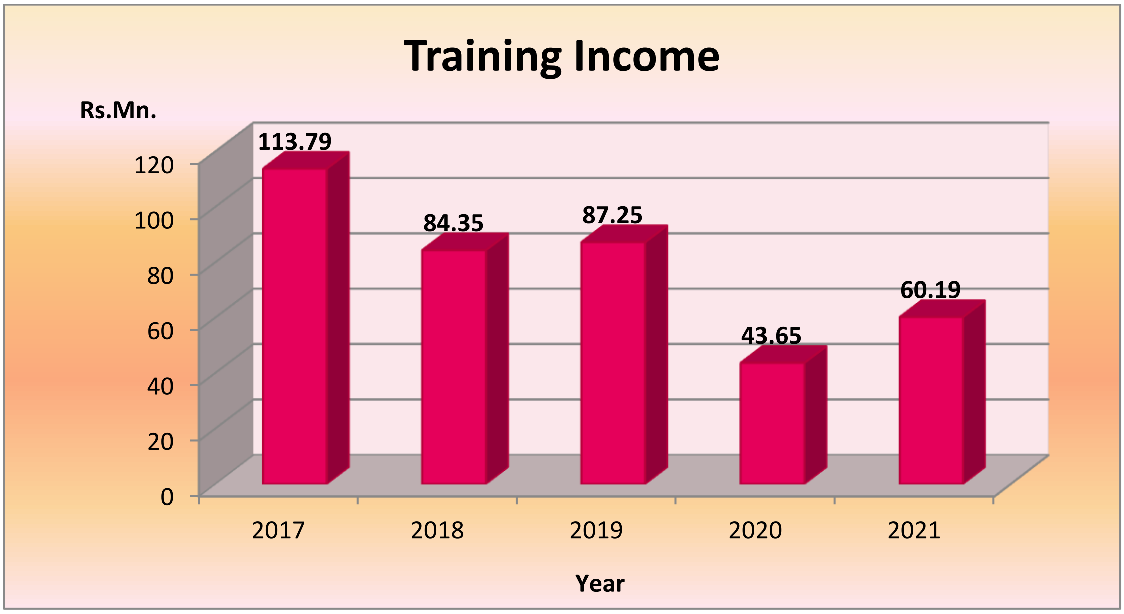


Testing Income Client Analysis



Training

Training is another service provided by the Institute. In the year 2021, Institute records a total number of Trainees as 2,501and total number of Training Programs as 131. Total training income generated in the year under review amounts to Rs.60.19Mn, compared to Rs. 43.65Mn. earned in 2020. This is a considerable increaseby 38% compared to the year 2020.



Income from Other Sources

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

Expenditure

	2021 Rs.Mn	2020 Rs. Mn
Operating Income	198.11	162.18
Less:		
Total Operating Expenditure	185.08	183.83
Operating profit/loss	13.03	(21.65)
Deferred Income	24.41	23.11
Net Surplus/ (Deficit) for the Period	**37.44**	**1.46**

Total recurrent expenditure incurred during the year is Rs. 185.08Mn.compared to Rs. 183.83Mn.previous year andthis indicates a slight increase of 1% of expenditure. Recurrent expenditure mainly consists of personnel emoluments, supplies and consumable expenses.From the beginning of the year Institute could not run at full capacity, for more than 3 months .Operating expenditure was risen due to maintenance activities and salary revision during the pandemic period.

Overall Financial Structure

Infrastructure,Plant and Equipmentconsist of a net value of Rs. 178.09Mn. Total investment during the year is Rs. 19.8Mn.

- Overall institutional income increased by 22% from Rs. 162Mn to Rs.198Mn.
- Total Expenditure Increased by 1% from Rs.183.8Mn toRs.185.10Mn.
- Earned operating Profit Rs. 13 Mn.from operating loss Rs. 21.65 Mn

DEPARTMENT WISE INCOME/EXPENDITURE BREAKDOWN

DEPARTMENT INCOME & EXPENSES FOR THE YEAR OF 2021

DEPARTMENT	INCOME REVISED BUDGET 2021 Rs.	INCOME AUTUAL Rs.	EXPENSES CONTRACTUAL SERVICES Rs.	PERSONAL EMOLUMENTS Rs.	TRAVELLING Rs.	SUPPLIES & CONSUMABLES Rs.	REP. & MAIN.OF FIXED ASSETS Rs.	OTHER EXPENSES Rs.	DEPRECIATION EXPENSES Rs.	TOTAL EXPENSES Rs.	PROFIT/(LOSS) Rs.
Q/C LABORTARY	69,200,000.00	81,462,472.59	4,320,728.51	19,432,274.14	-	4,408,610.61	2,695,171.37	1,290,419.67	10,048,372.44	42,195,576.74	39,266,895.85
CLOTHING TECHNOLOGY	35,477,800.00	18,011,246.58	2,260,526.63	16,065,903.17	230,000.00	897,564.91	613,582.73	1,114,703.51	3,096,347.33	24,278,628.28	(6,267,381.70)
FABRIC TECHNOLOGY	24,000,000.00	53,355,190.94	3,837,466.00	15,698,779.68	84,600.00	1,054,891.93	528,595.31	2,325,374.71	2,214,086.15	25,391,770.12	27,963,420.82
PRODUCT DEVELOPMENT & DESIGN	18,880,000.00	13,868,174.96	1,962,730.52	8,748,178.50	33,800.00	508,096.67	279,154.56	1,282,974.32	2,177,412.17	15,168,358.58	(1,300,183.62)
ENGINEERING	9,260,000.00	4,021,482.95	1,063,279.15	7,751,580.20	92,650.00	323,698.94	182,557.03	739,191.89	2,827,014.97	13,155,984.00	(9,134,501.05)
FOOTWEAR	11,507,200.00	11,153,662.86	1,004,374.87	3,667,555.71	97,000.00	578,655.54	612,410.77	6,133,967.72	2,633,947.77	14,727,912.38	(3,574,249.52)
ADMIN & ACCOUNTS	19,000,000.00	16,237,693.24	2,511,923.94	35,674,056.50	240,050.00	1,873,092.69	832,788.98	4,514,244.17	4,514,035.39	50,160,191.67	(33,922,498.43)
TOTAL	187,325,000.00	198,109,924.12	16,961,029.62	107,038,327.90	778,100.00	9,644,611.29	5,744,260.75	17,400,875.99	27,511,216.22	185,078,421.77	13,031,502.35
DEFERRED INCOME											24,407,876.22
TOTAL SURPLUS/(DEFICIT) FOR THE YEAR											37,439,378.57

ACTIVITIES -YEAR 2021

HIGHLIGHTS

Commenced duties in the New Year on 01st January 2021 with the Pirith Ceremony


Appreciation of Achievement of Task of NVQ Accreditation


Annual discussion about action plan


New Chairman Mr. B L A J Dharmakeerthi visited SLITA

Appreciation to Staff


Appreciation to Staff who worked in School Uniform Project during Covid-19 Pandemic"


Avurudu 2021

Human Resource Development programme at SLITA

Inauguration Ceremony of B.Sc Fashion Design

Opening ceremony of Batik Training Center – Polonnaruwa

Certificate awarding ceremony Training Programme of Batik Dyeing for Export

Awarding Juki Machine under LiyaSaviyaprogramme- Kurunagala District

Opening ceremony of Batik Training Center – Punkudathive

Certificate & Tool Kit Awarding ceremony of New Entrepreneurs –Mulleriya

Certificate Awarding for Training of Trainers Programme for VTA Apparel Design Technician Instructors

The portfolio assessment of B.Sc Fashion Design 2nd Year 2019/2020 batch

Certificate & Tool Kit Awarding ceremony of New Entrepreneurs at Ministry

Certificate Awarding ceremony - Bathik trainers

Inauguration of Skills Development Programme for Self Employees in Badulla

Inauguration of Batik Trainers programme

Uduwapsara 2021

FUTURE PLANS FOR THE YEAR 2022

1. Establish 100Nos Batik Training Centers island-wide.
2. Continuous update of curriculum to match the requirements of the industry.
3. Acquire NVQ 5 for the 05 Nos of selected courses.
4. Construct a spacious new building complex with modern class rooms and fully equipped machinery to conduct courses in Leather and Footwear.
5. Improve institutional and corporate connectivity and networking facilities, both and internationally, to provide competitive service deliveries in the areas of training, consultancy, testing and technical services.
6. Acquire degree awarding status.
7. Linkages with foreign academic institutions.
8. Research to obtain yarn from 100% banana fiber to produce fabric.
9. Proposed expansion of Laboratory facilities.

TAC/A/SLITA/FS/21/5 12th August 2022

Chairman
Sri Lanka Institute of Textile and Apparel

Financial Statements of Sri Lanka Institute of Textile and Apparel for the year ended 31 December 2021 and the Auditor General's Report on other legal requirements as per section 12 of the National Audit Act No. 19 of 2018.

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1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sri Lanka Institute of Textile and Apparel 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 and notes to the financial statements for the year then ended and summary of significant accounting policies was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with provisions of the National Audit Act No. 19 of 2018 and the Finance Act No. 38 of 1971 . This report will be presented to Parliament in due course in terms of Article 154 (6) of the Constitution of Sri Lanka.

In my opinion, except for the effects of the matters described in the section of basis for qualified opinion of this report, a true and fair view of the financial performance and cash flow for the year ended as at 31st of December 2021 in accordance with Public Sector Accounting Standards.

1.2 Basis for the Qualified Opinion

(a) Eve though plant, property and equipment amounting Rs. 220,653,26 which have been totally depreciated as at the end of the year under review have been using even at present, it has not been disclosed in the financial state ments. Further, the error in estimation of the useful lifetime of these assets had not been re-reviewed and adjusted in the financial statements as per LKAS 03.

(b) Even though only the payments made and received in cash during the financial year have to be entered in the cash flow statement as per LKAS 02 , an amount of Rs. 9,900,000 received for a project of the preceding year has been entered in the cash flow statement of the year under review as a cash flow received from financial activities and even though provisions for compensation of the year under review had to be adjusted to operating activities, it had been adjusted to changes in working capital. Further, instead of stating receipts and payments of other projects separately, the difference between the balances of the year under review and the balances of the preceding year had been adjusted as a cash flow received from financial activities.

(c) As per LKAS 15, even though the approved budget, basis of the budget and the basis of approved classification should be disclosed by the entities in the notes to the financial statements, information on the budget of the year under review had not been disclosed in notes to the financial statements.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other information included in the Annual Report 2021 of the institute

Other information means, financial statements and information which are not included in my audit report even though included in the Annual Report 2021 of the institute which is expected to be submitted me after the date of this audit report. The management is responsible for this other information.

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

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

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

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

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

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

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

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

1.5 **Auditor's Responsibility on Audit of Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institute's internal control.

- Evaluate the fairness of the accounting policies and accounting estimates used and the appropriateness of the related disclosures made by the management.

- Conclude on the appropriateness of the use of going concern basis of accounting based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause the institute to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. **Report on the other legal and regulatory requirements**

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

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

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

2.1.3 Any observation made by me in the preceding year as per the requirement of Section 6(i) (d) (iv) of the National Audit Act, No. 19 of 2018 had been included in financial statements.

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

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

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

	Reference to Rules and regulations/ direction		**Observation**
(a)	Public Enterprise Circular No. 95 dated 14th June 1994 and Public Finance Circular No. PF/PE 5 dated 11th January 2000	(i)	Even though Treasury approval should be obtained by an institute for all the allowances paid by the institute, treasury approval had not been obtained for paying testing allowances, allowances for the staff of weekend courses, allowances for consultation and course coordinating fees amounting Rs. 11,246,760 during the year under review.

		(ii) Rs. 1,475,953 had been paid as premium for medical insurance scheme of the institute and Rs. 1,674,573 had been paid to reimburse bills without obtaining treasury approval.
(b)	Paragraph 02 of the Asset Management Circular No. 04/2018 dated 31st of December 2018	Even though accurate information of all non financial assets of the institute has to be reported to the Comptroller General's Office by every public institute, infrastructure, machinery and equipment of Rs. 471,325,349 of the institute as at 31st of December 2021 had not been reported.
(c)	Sub section 08 of the General Contract Act No. 03 of 1987	Even though registration of the bidders under this act should be taken into account at the evaluation of bids submitted for contracts worth more than Rs. 5 million, such arrangements had not been made in respect of 03 contracts/ procurements at the total contract value of Rs. 76,746,805.

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

	Powers, functions and duties	Observations
(a)	As per the Textile and Apparel Act No. 12 of 2009 ;	
	(i) Arrangements should be made to award degrees, post graduate degrees in the fields of Textile and Apparel maintaining links with local and foreign universities and institutes in terms of section 5(c).	By the date of audit, 10th June 2022, a MOU had been prepared with the view of awarding degrees in collaboration with Univotec.
	(ii) In terms of section 4(j), data base should be maintained on Textile and Apparel Industry inclusive of production, import, export and other technical information.	The institute had not maintained a data base inclusive of fully amalgamated information.

2.2.4 As per the requirement in section 12(h) of the National Audit Act No. 19 of 2018, except the following observation, the resources of the institute had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

(a) In term of section 49.1 of the contract agreement on renovating the sewing shed which was undertaken under the project of improving class rooms, the demurrage of Rs. 1,252,900 that should be recovered from the client due to the delay in completion of the contract had not been recovered and even the certification on completion of the contract had not been received even by 30th June 2022, the validity period of performance security had been expired on 28th February 2022.

(b) Considerable measures had not been taken as at the end of the year under review to recover the debtors' balance of Rs. 4,735,969 over03 years.

(c) Through the Cabinet Decision CP/17/2707/723/050 of December 2017 even though the institute was vested with the power of issuing a health and security certificate and making such certificate mandatory when entering such locally manufactured and imported textile and apparel products to the local market, since further measures were not taken in this regard hygienic quality and security of the apparel products in the local market were not ensured.

(d) Due to the delay in making allocations for 3 projects worth between Rs. 2 million – Rs. 3 million to be implemented during the year under review, their physical progress was between 25% - 30%.

W.P.C.Wickramarathne
Auditor General