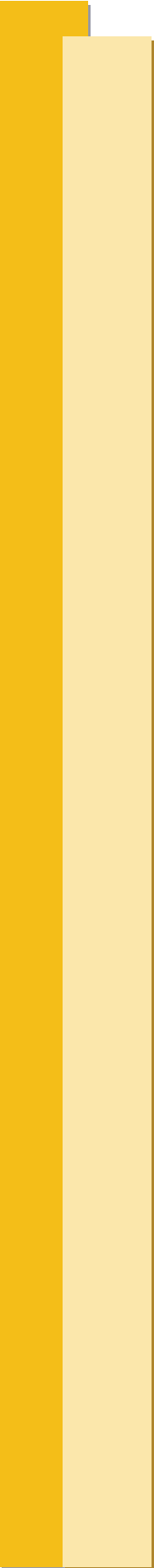


A large, light blue circular graphic with a gradient, centered on the page. It has a darker blue outer ring and a lighter blue inner ring, creating a sense of depth and movement.

Annual Report *2021*

National Design Centre



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Auditor General's Report of Accounts2021

Guiding principles

Vision :-

Making the handicraft sector, a more dynamic and economically viable area.

Mission :-

Introducing market based creative designs in line with global and local market trends through promotion, development, capacity building, popularization and adaption to the mainstreaming.

Business Objectives

- Developing handicrafts currently manufactured by craftsmen and introducing innovations and new design concepts in line with current and future market trends in the local and export markets.
- Conducting research programmes with scientific and technical institutions to introduce appropriate technology and improve quality standards and introduce proper technical and raw material preparation methods to increase qualitative production capacity.
- Providing advance technical and product development training assistance to craftsmen with the aim of increasing income for the better development of the handicrafts sector.
- Facilitating the database, use of new technology, common facilities to craftsmen/small-scale entrepreneurs and the public.
- Introducing substitute raw materials and more efficient, innovative production methods for handicraft designs.
- Improving market for newly designed handicraft products both local and international.
- Providing design consultancy services as requested by the public, private and non-governmental sectors.
- Improving the ability to design creativity through conducting vocational education programmes and training.

Core Values

- ❖ We are bound by responsibility.
- ❖ To be honest and transparent.
- ❖ Trust in the skills and unity efforts.
- ❖ We're moving to use new technology and preference.
- ❖ We believe that good customer service is provided.

Contribution of National Design Centre to achieving Sustainable Development Goals

Among the sustainable development goals, the National Design Center has focused on achieving the 8th goal identified as sustainable development goals that can be achieved through the role of the National Design Center.

8th Goal -Decent Work and Economic Growth

Under the 8th objective, the National Design Center is leading in carrying out the following main activities.

8.2 Achieve higher levels of economic, productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour -intensive sectors

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

8.4Resource efficiency in consumption and production and endeavor to decouple-economic growth from environmental degradation

8.5By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

In preparing the annual action plan, the National Design Center has allocated provisions to implement the following main activities related to the achievement of the 8th sustainable development objective identified above.

- Spreading quality trainings all over the country to cater the needs of selected craftsmen.
- Providing a way to earn additional income or self employment with group more opportunities for women to participate for training programmes
- Providing handicraft training for vulnerable groups to attract to the national economy.
- Introducing & expanding of cost effective, suitable appropriate systems for handicraft sector
- Develop the handicraft sector by Introducing new innovation, new technologies, new machineries, equipment and tools.
- Conducting research studies to develop the alternative raw materials and find out the pretreatment methods.
- Conducting awareness programmes and trainings on decent job.
- Introducing new market-friendly eco-friendly designs, innovative packaging and souvenir designs to the handicrafts sector.
- To introduce the new designs introduced in the field of handicrafts to the local and foreign markets and thereby boost the economy of the handicraftsmen.
- Enhancing the creativity of youth groups and providing career guidance by conducting vocational education programmes, training and consultancy services on a reasonable profit basis.

Business Act and Registration

The National Design Centre (NDC) is a statutory body which was established under the National Crafts Council and Allied Institutions Act No: 35 of 1982 and commenced its operations in 1983, and currently functions under the purview of the Ministry of Batik, Handloom and Local Apparel Products with the primary objective of improvement of craftsmen through the uplifting of the local handicrafts sector.

Organization

The National Design Centre is always in the process of achieving its objectives for the progress of the entire handicraft industry. Dedicated to uplifting the handicraftsman by carrying out various activities in collaboration with the Head Office located at No. 10, De Mel Road, Katubedda, Moratuwa, and in collaboration with the Branch Office established at Naththarampotha, Kalapura, Kandy covering the Central Province.

In addition, the National Comprehensive School, which is the center for invention creation through the Diploma Courses, has been established at the Head Office premises.

The youth of this country have created creative talents from the national level to the international level.

Also, the brass, laksha and leather related workshop and common facilities center located at the branch office Nattarampotha provide continuous service to the handicraftsman.

The implementation of the relevant activities in accordance with the action plan and the National Design Centre carries out its vision, mainly through the head office, in collaboration with the branch office at Nattarampotha. In addition, under the guidance of the State Ministry of Batik Handloom Textiles and Local Apparel Products, other existing sister organizations as well as voluntary organizations, handicraftsmen and other external institutions engaged in various governmental and non-governmental organizations in the field of provincial councils and handicrafts are constantly involved in achieving the above objectives.

All administrative finance, marketing promotion, design development, design education, technical development and all other functions related to the main objective of the institution such as providing general facilities and library services are carried out by the head office and all other functions except administrative finance and marketing promotion. Activities are also handled by the Nattarampotha Project Office.

- | | | | |
|------|---|---|---|
| (i) | Head Office | - | No. 10, De Mel Road, Katubedda, Moratuwa |
| | Telephone/Fax No. | - | 011-2607114 – Chairman |
| | | | 011-2626345 – Director |
| | | | 011-2607814 – General |
| | Fax | | 011-2607111 |
| | e-Mail | | slndcrisep@yahoo.com / info@slndc.gov.lk |
| (ii) | Naththarampotha Project - | | Kalapuraya, Naththarampotha |
| | Office and workshop Telephone No. /Fax- | | 081-2420038 |

Board of Directors

- | | | |
|-----|--------------------------------|-----------------------------|
| 1) | Mr. Ajith Jayawardena | - Chairman |
| 2) | Mrs. Chandrika Senanayaka | - Treasury Member |
| 3) | Mr. SudathAbeysekara | - Member - up to 2021.04.30 |
| 4) | Mr. E. D. C. Sampath Erahapola | - Member - from 2021.05.06 |
| 5) | Mr. Pradeep Gunawardhana | - Member - up to 2021.05.16 |
| 6) | Mr. Lakmal Wickramarachchi | - Member - from 2021.06.01 |
| 7) | Mr. DensilIndrajith Perera | - Member |
| 8) | Mr. ChithranjaliDissanayaka | - Member |
| 9) | Mr. Ananda Jayasinghe | - Member |
| 10) | Mr. S.M. Abeyrathna | - Member |
| 11) | Mrs. Hashini Silva | - Member |
| 12) | Mrs. NandaniSamarawickrama | - MinistryObserver |

Senior Management

- | | | |
|-----|-------------------------------|---|
| 1) | Ajith Jayawardena | - Chairman |
| 2) | Mr. M.A.S.S.K. Chandrasiri | - Director – up to 2021.05.31 |
| 3) | P. K. N. Asangika | - Director (Actg) / Assistant Director (Admin)
From 2021.06.01 |
| 4) | Mrs. M.A.S. Gamlath | - Assistant Director (Design Development)
Western Province / Head of Division |
| 5) | Mr. P. K. Wijesinghe | - Assistant Director (Design Development)
Central Province |
| 6) | Mr. B. Manathunga | - Assistant Director (Design Development)
North Central and North Western Province |
| 7) | Mrs. Tamara Damayanthi | - Assistant Director (Design Development)
Uva and Sabaragamuwa |
| 8) | Mr. W. M. Piyaathna | - Assistant Director (Design Development)
Southern Province |
| 9) | Mrs. B. R. Ranaweera | - Accountant |
| 10) | Mr. N. G. K. Indika | - Assistant Director (Marketing) |
| 11) | Mrs. B. A. N. N. Bamunusinghe | - Assistant Director (Chemical) |

Bankers

Bank of Ceylon, Katubedda

People's Bank, Katubedda

Audit

Government Auditor General

Department of Auditor General

Message of the Chairman

The National Design Centre functioned under the State Ministry of Batik, Handloom and Local Apparel Production in 2021, and it passed a remarkable turning point in its strategic plan this year. One longstanding difficulty that the institution had to face was the absence of widespread popularity and knowledge that is adequate to obtain the necessary guidance for craftsmen. We were able to win this challenge to a greater degree with the cooperation and dedication of the staff including the State Minister and the Secretary to the Ministry. The Ministry was popularized as an institution that accomplished an outstanding mission among all the entities of the line ministry, and especially as the “Batik Ministry”, based on the concepts and programs created by the National Design Centre.

State Batik Vesak Festival, Christmas service and decorations, designing traditional flags, educational programs for the youth along with design shows, and “Asia Red Gala” design show with a live TV program on December 31 at Ratmalana Airport were among the highlights. It is a source of pride that, with the cooperation of various organizations and the contribution of sponsors, we have been able to raise the reputation of the institute to a quality-wise progress that is not reflected in figures.

Handicrafts including batik and new designs triggered a new trend in the country, and entrepreneurs turned to the international market as an indirect result of this process. In the midst of all these tasks, we worked with utmost dedication to strengthen and develop the infrastructure without giving up the programs that have been conducted regularly.

I would like to take this opportunity to offer my sincere thanks to the staff including the Ministers of the line Ministry and the State Ministry and the fellow staff including our Acting Director who were behind this success.

Ajith Jayawardene,
Chairman,
National Design Centre.

Message of the Director

The year 2021 dawned with an extension of the challenges emerged in the previous year and an avalanche of more intensive economic hardships. While the National Design Centre was reaching the targets as planned earlier, the post of Director which was its topmost permanent executive position fell vacant. Then the responsibility of acting in that post was assigned to me, and my role became more and more challenging. However, we were able to achieve a remarkable success upon the tremendous courage and dedication of the Chairman of the National Design Centre and its staff and the guidance of the Ministry.

It was the training programs, which was one of the foremost functions of the institution that felt the major impact due to the COVID epidemic, transportation difficulties and fuel shortage. This situation was surmounted with alternative techniques including online access, and targets could be achieved at the end of the year as the exhibition “*Yugayata Nimavum*” along with design exhibitions and shows could be conducted. The sponsorship offered by various other parties for the advertising campaign on television and electronic media was a great help. Batik Vesak Decorations, which became the main topic of conversation in the design industry, were introduced for the first time this year.

I would like to endow my respect and thanks to all those who contributed to the success of 2021, which can be mentioned as a year that marked physical and qualitative advancement of the institution despite the existence of a large number of employee vacancies.

Nisham Asangika,
Director (Acting),
National Design Centre.

Business Structure

Human Resource

Position Name	Category of services	Approved	Present	Vacancies
Director	HM 1-3	01	-	01
Assistant Director / Deputy Director (Design Development)	MM 1-1	06	05	01
Assistant Director / Deputy Director (Admin)	MM 1-1	01	01	-
Assistant Director / Deputy Director (Mechanical)	MM 1-1	01	-	01
Assistant Director / Deputy Director (Chemical)	MM 1-1	01	01	-
Assistant Director / Deputy Director (Marketing)	MM 1-1	01	01	-
Accountant	MM 1-1	01	01	-
Administrative Officer	JM 1-1	02	-	02
Accounts Officer	JM 1-1	02	01	01
Senior Designer	JM 1-1	04	04	-
Internal Audit Officer	JM 1-1	01	01	-
Design Training Coordinating Officer	JM 1-1	01	01	-
Board Secretary	JM 1-1	01	-	01
Marketing Officer	JM 1-1	01	-	01
Designer	MA 5-1	09	03	06
Programme Coordinator	MA 5-1	01	-	01
Library and Information Assistant	MA 3	01	-	01
Development Assistant	MA 3	03	01	02
Marketing Assistant	MA 3	01	-	01
Personal Assistant	MA 2-1	02	01	01
Management Assistant	MA 1-1	13	08	05
Craft Instructor	MA 1-1	32	27	05
Diver	PL 3	06 01 contract	06	01 contract
Office Assistant	PL 1-1	17	13	04
Watcher	PL 1-1	04	03	01
Total		114	78	36

NATIONAL DESIGN CENTRE

Development Programs and Progress - 2021

The financial progress of the development programs done in 2021 according to the action plan under a capital allocation of Rs. 72.055M is Rs. 37.682M while its physical progress has been sited below. In addition to the capital allocation, the National Designed Centre worked to implement development programs of Rs. 12.85M under various projects through ministry provisions.

This year our company got the opportunity to focus more on the fields of batik and handloom fabrics. The National Design Centre was also capable of implementing different development programs for the advancement of the batik and handloom fields while continuously providing the same services to other handicraft industries that have been provided services so far.

Planning and development of new designs

Planning new designs for the handicraft industry to suit the domestic and foreign market is a main function of the National Design Centre and those design are being made into basic samples in the workshops of the company. New designs and samples so prepared are introduced to handicraft artisans through various programs conducted island wide. In addition, the Design Development Division of the institute is continuously working to plan new designs according to the requirements of the artisans based on their various requests.

It was targeted to plan 550 designs according to the action plan of this year and 356 new designs have been planned by the Design Development Divisions of the head office and Nattarampotha branch office. The new designs thus designed are introduced to be made as sample products in the workshops of the National Design Centre. Out of the 356 new designs planned under it, 299 have been introduced to the workshop. In addition, 57 new designs have been planned based on the needs and requests of external artisans and they have been introduced to them directly.

The Design Development Division has worked to provide new design plans to the workshop of the institute for each handicraft division as follows.

Serial No.	Handicrafts Division	Planned Design Size
01	Wood	37
02	Textiles	32
03	Bamboo and cane	23
04	Red clay	24
05	Coir	31
06	Jewelry	12
07	Rush and reeds	29
08	Leather products (leather)	28
09	Brass Plate	20
10	Brass Casting	12
11	Laksha	27
12	Batik Vesak Lantern Designs	24
13	Number of new designs introduced to the workshop	299
14	Number of new designs created based on the needs and demands of external artisans	57
15	Total number of designs planned	356

Transforming new designs to prototypes (Sample products)

Selected designs from the planned new designs will be made into prototypes by the craft instructors of the National Design Centre through workshops located within the Moratuwa and Nattarampotha office premises. While the designs of rush and reed, red clay, coir, bamboo and cane, textiles, wood and jewelry divisions are made into prototypes in the Moratuwa workshop, the prototypes of leather, brass and Laksha divisions are made at the Nattarampotha workshop.

Prototypes so prepared are introduced to handicraft artisans through island wide training programs for the development of new designs conducted by the National Design Centre under various handicraft fields. In addition, new designs are being introduced involving various organizations such as government and Non-Government Organizations, Provincial Councils, Export Development Board, National Craft Council, Sri Lanka Industrial Development Board who request for various programs in the handicraft field. New designs are also introduced through exhibitions and sales fairs for new designs as well as through various craftsmen who come to the institute to obtain various services.

Under the transformation of new designs to prototypes in the institute's workshops, it was aimed to make 500 new design prototypes through different fields in 2021 and the National Design Centre has prepared 278 new design prototypes within the year.

The new designs introduced by each field to the workshop were made into prototypes as follows.

Here, 151 new designs and 24 new batik vesak designs have been made into prototypes in the workshop of the Moratuwa head office and 103 new designs have been made into prototypes in the workshop of the Nattarampotha branch office.

Serial No.	Handicraft division	Basic sample Number	Total
Head Office			151
01	Wood	27	
02	Textiles	23	
03	Bamboo and cane	16	
04	Red clay	20	
05	Coir	38	
06	Jewelry	10	
07	Rush and reed	17	
	Batic Wesak Lantern Designs		24
Nattarampotha Office			103
01	Leather products (leather)	25	
02	Brass Plate	18	
03	Brass Casting	18	
04	Laksha	42	
Total New Design Prototype Number			278

Conducting new design development programs

➤ **Programs organized and conducted by the National Design Centre under the action plan**

Under the capital allocation of the institute, it was targeted to conduct 26 practical training programs for the introduction of new designs including awareness programs, basic training programs, advanced training programs and Instructional programs and thereby training 645 beneficiaries.

Accordingly, 20 practical training programs introducing new designs and new technology were organized and conducted providing training for 477 people as follows.

**New Design Development Training Programs Conducted Through
the Capital Allocation under the Action Plan**

Program	Stage	Nature of Program	Handicraft field	Commenced date and number of days conducted	Districts/ Divisional Secretariat division and venue	Number of Craftsmen
01		New Technology Program	Textiles-Batik	20th of February 05 Days	Polonnaruwa - Kanduruwela	34
02	I	Awareness Program	Wood	12th of February	Puttalam - Halawatha	20
	II	New Design and New Technology Program Advanced		23rd of March 05 Days		
	I	Awareness Program	Coir	12th of February	Kurunegala - Mawathagama - Udanagama	27
	I	Awareness Program	Accessory jewelry	29th of March	Kandy Panwila	30
	I	Awareness Program	Redclay	10th of March	Batticaloa - Porthuvu	34
03		New Design Training Program	Textiles - Batik	26th of March 05 Days	Colombo - Moratuwa	25
04		New Design and New Technology Program	Textiles - Batik	02nd of August 05 Days	Kandy - Nantharampena	28
05		New Design and New Technology Program	Textiles - Batik	04th of August 07 Days	Kurunegala - Ridigama	25
06		New Design and New Technology Program	Red clay	04th of August 03 Days	Hambanthota - Beliaththa	30
07		Awareness Program	Cane	23rd of March	Monaragala - Medhagama - Senapathiya	22
		New Design and New Technology Program		05th of August 03 Days		

08		New Design and New Technology Program	Textiles Batik -	10th August of 07 Days	Colombo Kaduwela -	12
09	I	Awareness Program	Palm Leaves	10th of March	Vavuniya Thirunawatkulam -	35
	II	New Design and New Technology Program		15th to 20th of October 06 Days		
10		Basic Technology Program	Screen prints	09th October of 04 Days	Anuradhapura Nuwaragam Palatha -	25
11		Basic Technology Program	Textiles Batik -	26th October of 06 Days	Rathnapura Ambilipitiya -	26
12		New Design and New Technology Program	Fabric Paint	02 Days	Kegalle	20
13	I	Awareness Program	Coir	12th of February	Kurunegala Ridigama -	09
		New Design and New Technology Program		15th of November 05 Days		20
14		New Design and New Technology Program	Batic and Handloom fabric	28th October to 02nd of November 04 Days	Kandy	17
15	I	Awareness Program	Bamboo and cane	04th of August 01 Days	Polonnaruwa Manampitiya -	33
	II	New Design and New Technology Program		26th of November 03 Days		20
16		Technology Program	Textiles Batik -	26th of November 02 Days	Kandy	25
17	I	Awareness Program	Accessory jewelry	29th of March	Kandy - Panwila	30
	II	New Design and New Technology Program		15th of December 03 Days		18
18		Basic Technology Program	Batik jewelry	02nd December of 02 Days	Kandy Nantharampotha -	25
19		Basic Technology Program	Batik	02nd December of 02 Days	Kandy Kundasale -	25
20		Advanced Technology Program	Screen prints	02nd December of 02 Days	Kegalle Galigamuwa -	25

➤ **Conducting new design development training programs under the requests and policies of government and non-government institutions**

Training programs were organized and conducted for those who are involved in the handicraft field and new youth group that shows interest towards the field under the requests and provisions of government and non-government organizations as follows. Basic and advanced training programs were conducted to introduce new designs that are suitable for the market and to provide new technological knowledge.

	Nature of Program	Handicraft field	Commenced date and number of days conducted	Districts/ Divisional Secretariat division and venue	Number of Craftsmen	The institute that requested
01	New Technology Program	Textiles Batik/ Screen printing	01st of March 06 Days	Kurunegala - Wariyapola Imiyangoda	16	Sri Lanka Industrial Development Board
02	New Design and New Technology Program	Fabric Paint	16th of March 04 Days	Kandy Kundasale	17	Central Province Tourism and Trade Department
03	Basic Technology Program	Batik	11th of October 07 Days	Kegalle Ranwala -	17	Divisional Secretariate Office - Kegalle
04	Basic Technology Program	Batik	11th of October 07 Days	Kegalle	26	Divisional Secretariate Office - Kegalle

While the targeted was to have 06 new design introducing training programs and 120 beneficiaries based on the requests and provisions of different parties in 2021, under this 76 beneficiaries were introduced to new designs suitable for the market and provided with new technological knowledge by conducting 4 practical training programs in different areas of the island.

In addition, 300 beneficiaries were provided with the practical knowledge required for the batik industry by implementing 10 training workshops in 10 days at 10 locations across the island through the batik related project that functions under the provisions of the ministry. The total value of this project is Rs.6.85 million.

❖ **Providing training in the National Design Center workshop**

At the request of university students, school students and newbies who have a love for the field, training is provided in various fields of handicrafts at the National Design Centre workshop. Training based on coir, bamboo and cane, textile, wood and jewelry fields are provided at the Moratuwa workshop while training was provided for those who requested for divisions such as skin, brass and laksha at the Nattarampotha workshop.

Accordingly, workshop training was targeted for 40 people during the year, under which 33 people were given the same training.

❖ **Introducing new designs to the handicraft field**

Planning new designs that are suitable for the market in the handicraft field is a main function of National Design Centre. The new designs so planned are made into prototypes and are introduced to craftsmen through various programs by the National Design Centre. The National Design Centre targeted to introduce 400 new designs for the handicraft field this year through new design development training programs organized under the handicraft field according to the action plan, through training programs conducted under the provisions and requests of non-government organizations, through those who obtain training by attending the workshops of the institute and through design plans given on the requests and needs of the artists and programs conducted through the Provincial Council, Export Development Board, National Crafts Council, Sri Lanka Industrial Development Board under which 186 designs have been truly introduced to handicraftsmen.

❖ **One day awareness programs about the handicraft field**

School students, school teachers as well as university students frequently come to the National Design Centre for awareness programs about the handicraft field. While it was targeted to provide this service for 100 people this year, one day awareness programs were conducted for 37 people and the required Knowledge was provided to them.

❖ **Establishment of new workshops in the National Design Centre**

It was targeted to establish workshops for fields in addition to the existing handicraft fields in the institute such as footwear, batik and screen printing in the Nattarampotha branch office premises and to prepare new designs and prototypes and to provide workshop training for newcomers.

Accordingly, the basic work of the tasks required to establish workshops within this year such as renovating the workshop premises, purchasing machineries and raw material were completed.

❖ **Research and development programs**

Finding substitutes for the raw material used in the local handicraft field, conducting researches on efficient and effective production processes and related new machinery and equipment, releasing related discoveries and solutions to the handicraft field are done by the research and development division of the National Design Centre.

The activities done under that in the year 2021 are as follows.

I. Research on the reuse options of water treatment plant sludge for the production of clay crafts

This research project was initiated with the request of National Water Supply & Drainage Board to find the possibilities of reuse the sludge for craft production which generated by water treatment in NWS&DB.

The sludge samples of water treatment plants in different locations were handed over to R&D division for research works. Considering the composition of sludge, they were mixed with red clay and other materials in different proportions to make clay slabs. The shrinkage was measured and the casting mixtures were prepared including different material ratios. It was observed the ability to produce decorative clay crafts by Kandana water treatment plant sludge after mixing with red clay, silica, ball clay and sodium silicate in different ratios with

applying casting method. These results were sent to NWS&DB and this research is continuing further more.

The reuse of sludge for eco-friendly product may be a timely initiative work and it will provide a solution for current sludge disposal issue.

II. Conducting an awareness workshop for craftsmen about the safe handling of chemicals

The twenty-five number of batik craftsmen in Western Province were selected and the information about batik manufacturing process was collected by written survey questionnaire with the participation of National Science Foundation. After analyzing the received information, a workshop was conducted to aware about safe handling practices of chemicals in their working place. This awareness workshop was conducted through online with the contribution of National Cleaner Production Centre.

III. Conducting research projects on request by Design division & Workshop in NDC and external parties

The village level clay craftsmen needed to reuse curd clay pot for curd packaging and they had failed to use them as per their experience. This problem was directed by NDC Design division and the research was conducted to find about the potential of reusing curd clay pots for curd packaging.

According to that, the study was done to collect the necessary information and curd manufacture was joined for this project. The curd clay pots were treated in different methods and send them for curd manufacturer to refill the curd. It was observed the physical ability to reuse curd clay pots after refiring them in different temperatures in electric furnace. The literature data about microbial demolition during heat treatment was collected and proposed to conduct a field trial and food quality testing for this.

IV. Establishment of Batik Waste Water Treatment Plant in Nattarampotha project office, NDC

The lack of facilities to discharge the batik wastewater to the environment is one of the problems faced in promoting the batik industry. The instructions were given to the research division to carry out a project for installing a batik wastewater treatment system in the office premises of Nattarampotha, Kandy under the ministry funds with the aim of providing common facilities for the batik industrialist. Accordingly, the preparation of technical specifications, invitation of bids, evaluation of bids and selection of suppliers were done under proper procurement guidelines. This project was supervised by research division and a batik wastewater treatment system which capable to treat 3000 liters per day was established under the ministry fund allocation of about three million rupees.

V. Conducting research to prepare the laksha data source.

The facts required to protect the traditional handicraft industry was observed through the data research done through a questionnaire presenting method based on a sample of 60 families of traditional laksha villages Hapuvida and Mawussagolla of Matale District.

Through this analytical report the strategies required for the economic and social promotion that can be achieved in the region and country has been analyzed. The recommendations and suggestions needed for that have been emphasized by the project.

VI. Formal recreation and resocialization of the planning elements (Designs/ Patterns) within traditional art and sculpture based on the current need for small and medium scale indigenous handicraft artists.

80% of the tasks of this experimental program identified as timely needed, has been completed in this year.

Introduction of manufacturing techniques, new machinery, tools and equipment, alternative raw material and innovative manufacturing processes.

❖ **Flax fiber production machine**

Due to the lacking of suitable machinery for flax fiber related products, has deprived those who are engaged in that industry from many economic benefits. As a result, a flax fiber supplying machine was introduced. Through this it is expected to provide the suitable technology for this industry. This will also enable the artisans to access the market for the supply of raw materials.

❖ **Innovation of Raw material**

The procedures required to introduce innovative manufacturing processes required to direct the raw material used in laksha and flax industries to new products according to new prototypes have been done.

❖ **Market promotion programs and marketing research programs**

The National Design Centre conducts marketing research programs for new designs through the marketing division with the aim of introducing them to the handicraft field and their results are being given to the design division. The design division pays special attention to these data when new design are being made.

Accordingly, the guidance needed to make new designs to best suit the market needs are done through these marketing research programs.

A marketing research program was conducted simultaneously by participating in the 'Athkam with CAN' Market exhibition conducted at Colombo City Centre under the local market promotion program and conducting new design exhibitions and 52 new designs were introduced to the market through this.

❖ **'Yugayata Nimawum' New Design Exhibition And Fashion Show**

The – Yugayata Nimawum – New Design Exhibition, which is the main development work conducted by the National design Centre annually, was conducted at the Kandy

City Centre from the 17th to the 19th of December this year. Through that 350 new design prototypes were launched and a research program covering those new design fields were conducted as well.

Parallel to the exhibition, an unveiling of new designs by the students of the National Lifestyle products Diploma Course and a new fashion show using local raw material were conducted as well. During the exhibition period, a lecture and seminar series of 3 days were held for those students and interested parties under topics on the timely requirements related to new designs.

❖ **Building market linkages for handicraft products.**

This year, the National Design Centre created market linkages for 39 craftsmen through marketing research programs and exhibitions and the income obtained through that is Rs.0.981 million.

❖ **Handicraft new design development program**

Design development programs simultaneous to the new design exhibition organized annually by the National Design Centre, were implemented in 2021 as well.

Accordingly, through this design development program, new designs planned for the handicraft field by the National Design Centre are introduced to skilled craftsmen scattered around the island.

Also, when new designs are introduced to craftsmen, the officers of the National Design Centre provide the knowledge, technology required for that and do regular follow-up on the production of new designs as well.

Also, the handicraftsmen make the products according to the quality level and market requirements, and this year the National Design Center has worked to develop new designs related to the batik field by prioritizing it.

Accordingly, 89 designs covering new designs related to the batik field and other fields were introduced to handicraftsmen through the design development program of 2021.

❖ Design consulting services

This year 04 tasks were carried out under the provision of design consulting services for home interior designing, graphic designing, theme structures, trophies, medals and plaques and trade and exhibition booths etc. according to the requests of government and non-government institutions

Institute/ craftsman that obtained the service	Relevant service
State Ministry of Prosperity, Home Economics, Microfinance, Self-employment, Business Development and Underutilized Public Resource Development	SME One Stop Service Centre / Business Service Centre – Preparing Interior Design & BOQ for the 2021 Matale District Project worth Rs.4.9 million
On the request of the Secretary of the State Ministry of Batik, Handloom and Local Garments	Flag of Kotte kingdom, Designing 50 flags using batik technology
State Ministry of Prosperity, Home Economics, Microfinance, Self-employment, Business Development and Underutilized Public Resource Development	SME One Stop Service Centre / Business Service Centre – Preparing Interior Design & BOQ for the 2021 Badulla District Project worth Rs.6.1 million
Parliament	Redesigning the official flag of the speaker (for the official table, official room and official vehicle)

The design and development divisions have designed 142 graphic and home interior decoration designs on the requirements of the consultancy services, external institutions and linear ministry.

❖ Information technology and media affairs

110 Facebook notes (general), 40 Facebook/ YouTube videos and 38 Facebook banners have been released through the internet in order to publicize the regular work and special work done by the National Design Centre.

❖ **Conducting staff skill development and motivational programs**

In order to motivate the staff of the National Design center, a motivational program was conducted with the participation of the entire staff. Also, giving the opportunity to the majority of the staff, a 02-day workshop including theoretical matters related to public procurement was conducted.

Action of the educational division

Sri Lanka National Design College

Implementation of courses

In 2021, the National Design College under the National Design Center which was limited to the head office, was opened from a new course in the Nattarampotha office as well. In addition, by modernizing the existing minimum lecture hall facilities, the necessary foundation was laid to provide quality services to students. Also, by now arrangements have been made to initiate short term courses for several fields including the batik field aiming to broaden the services supplied by the National Design College.

Students were enrolled for the following courses this year.

1. Arrangements have been made to conduct the National Lifestyle Products Diploma Course which is a new course, by enrolling 47 new students at the branch office in Nattarampotha, Kandy.
2. Home Interior Design National Diploma Course- (2021-2023) Initiated at the Katubedda – head office by enrolling 62 new students.
3. Home Interior Design Advanced National Diploma Course- (2021-2023)) Initiated at the Katubedda – head office by enrolling 20 students who have successfully completed the Home Interior Design National Diploma Course .

Opening of the new building of the National Design Centre

The two-storied, Rs.80 million worth new building of the National Design Center, of which the construction began in 2018, was fully completed and opened for official activities in the year 2021.

Special projects and activities

- The batic waste water purifying system worth Rs.3 million was fixed at the Kandy – Nattarampotha office premises of the National Design Center under the 2021 budget provisios of the State Ministry of Batik, Handloom and Local Garments.
- A new design batic saree project was initiated jointly with Salusela Institute and its worth is Rs.3 million.
- Preparing and handing over of new batic saree designs for female officers on duty at the President Secretariat office.
- Introducing new design batic Vesak lanterns in conjunction with the Vesak festival and creating 24 decorations and exhibiting them in the Vesak week along with the Colombo Municipal Council. Several media promotional programs were done as well.
- ASIAN RED CARPET - 31st NIGHT – The National Design Centre contributed to the 2021 – 31st night jointly organized by the ITN institute and Colombo airport by exhibiting the local handicraft industry and organizing a batic related fashion show.

Summarized report including the projects done under the 2021 action plan and capital provisions of the National Design Center and progress of the programs

program/Project/Activities	Reservations Rs. million	Financial Progress Rs. million	Performance criteria	Target	Accomplishments
new products/new designs development training programs for craftsmen	6.185	3.177	Number of training programs planned and conducted by the institute	26	20
			Number of craftsmen trained	645	477
new designs development training programs based on requests	0.006 External provisions	--	Number of programs conducted in coordination with other institutions	06	04
			Number of craftsmen trained	120	76
Number of ongoing program and project monitoring and reporting programs			Number of new designs introduced to handicraftsmen	400	186
Introducing new designs that are suitable for the market to the handicraft field.	0.250	--	Number of new design plans	550	356
Providing stationary for new design planning					
Providing raw material to make the new designs into source samples, Preparation of source samples through	0.750	0.645	Number of new design source samples	500	278

external craftsmen.					
Providing training in National Design Center workshopd	--	--	Number of handicraftsmen/students trained	40	33
Conducting general facilities and awareness programs for students and parties intrested in the field.	--	--	Number of services received	100	37
Providing library facilities for handicraftsmen and entrepreneurs.	--	0.183	Number of beneficiaries	50	02
Providing books relevent to the improvement of the knowledge and skills of the handicraftsmen to the library and improving the library facilities.	0.700				
Introducing new handicraft fields					
Footwear workshop, batik division, screen printing					
Supplying of the necessary raw material	0.450	0.064	new samples developed through the newly established workshop	135	--
repairing of the the entire workshop premises, wood and other equipment and new machinery	6.040	1.619	Number of beneficiaries trained in the workshop	200	05

program/Project/Activities	Reservations Rs. million	Financial Progrss Rs. million	Performance criteria	Target	Acco mplis hment s
Reasearch and developmen programs	0.500	0.255			
Conducting an awareness workdhop for craftsmen on the safe usage of chemical substances			Number of awareness workshops Number of beneficiaries	1 25	1 25
Reasearch on finding safe chemical dyes that can be used for handicrafts			Percentage of completion	20%	20%
Conducting resaearches based on the requirements presented by the design development division and workshop of the National Design Center			Percentage of completion	100%	100%
Purchasing chemical laboratory equipment			Percentage of completion	35%	14%
Conducting a survey to prepare the laksha data source	0.500	0.275	Percentage of completion	100%	100%
Formal recreation and resocialization of the planning elements (Designs/ Patterns) within traditional art and sculpture based on the current need for small and medium scale indigenous handicraft artists	0.685	0.122	Percentage of completion	01	80%
New technology & new discoveries	0.500	0.070	Number of new machinery	02	01
			Number of new raw material	02	50%

Conducting marketing research programs	0.100	--	Number of marketing research programs	02	02
			Number of new designs introduced to the market through marketing research programs	60	52
			Number of market connections made for craftsmen	20	39
Participation for the exhibitions organized by other institutions	0.500	0.745	Number of exhibitions	02	01
New design development program	2.000	0.519	Number of market popular new design productions introduced through handicraftsmen	325	89
Conducting exhibitions and fashion shows	12.000	8.872	Number of exhibitions and fashion shows	01	01
Home interior decoration plan for the showroom of the National Design Centre	0.300	--	Number of new designs suitable for the market introduced through exhibitions	350	350
			Income through the exhibition and sales windows Rs. million	Rs. 2.000million	Rs. 0.981million
Design Consultancy services	External provisions		Number of supplied design consultancies	04	04
Establishment of the information technology and	1.450	0.497	Facebook notes (general)	105	184

media division			Facebook/ YouTube videos Facebook banners		
Capacity development programs for the staff	1.650	0.515	Number of trainees	150	121
Introduction of recognized course for the designing field					
Renovation of the civil and internal affairs and auditorium of the Design institute	9.000	8.117	Number of students enrolled for the diploma course	70	68
			Number of students enrolled for the advanced diploma course	30	20
Purchasing of tools and equipment for the design institute – Nattarampotha	1.000 (on earnings)	0.254 (on earnings)	Number of students enrolled for the National Lifestyle Products Diploma Course	45	47
Design institute repair - nattarampotha	0.500	-	Expected profit through the education sector	Rs. 1.500million	Rs. 0.513million

program/Project/Activities	Reservations Rs. million	Financial Progress Rs. million	Performance criteria	Target	Accomplishments
Capacity development of the Design division (Equipment, electronic media) –Head office	2.000	0.430	Percentage completion of	100%	22%
Capacity development of the Design division of the Nattarampotha office (Providing equipment)	1.600	1.172	Percentage completion of	100%	73%
Improvement of the capacity development of the National design Center workshop (Machinery and equipment)	2.710	0.672	Percentage completion of	100%	25%
Internal infrastructure facilities (Buildings) –Design division	2.100	1.242	Percentage completion of	100%	50%
Internal infrastructure facilities (Buildings) – Other divisions	6.670	3.144	Percentage completion of	100%	50%
Purchasing of office equipment for supporting divisions	11.915	5.342	Percentage completion of	100%	50%
Total Capital Provisions	72.055	37.682			

National Design Centre
Statement of Financial Position as at 31st December 2021

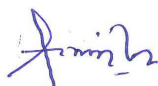
	Note	31.12.2021 Rs.	31.12.2020 Rs.
<u>ASSETS</u>			
CURRENT ASSETS			
Cash & Cash Equivalent	1	13,352,709.61	16,929,982.89
Trade & Other Receivables	2	1,313,212.33	2,495,692.92
Closing Stock	3	8,066,417.79	7,664,492.92
Prepayments	4	578,628.65	360,957.36
Staff Loans	5	12,965,460.00	12,325,825.00
		<u>36,276,428.38</u>	<u>39,776,951.09</u>
NON CURRENT ASSETS			
Property Plant & Equipment	6	142,526,128.38	45,106,948.80
		<u>142,526,128.38</u>	<u>45,106,948.80</u>
Building Work in Progress		-	72,134,624.31
Intangible Assets			
Software		395,722.55	392,092.00
		<u>395,722.55</u>	<u>392,092.00</u>
TOTAL ASSETS		<u>179,198,279.31</u>	<u>157,410,616.20</u>
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Trade & other payables	7	10,049,449.74	5,907,543.60
Cash received as an advance for UNDP Program	8	2,312,227.97	2,312,227.97
Accrued Expenses	9	3,241,302.61	2,243,236.58
		<u>15,602,980.32</u>	<u>10,463,008.15</u>
NON CURRENT LIABILITIES			
Provision for Gratuity	10	25,334,414.50	28,381,728.50
		<u>25,334,414.50</u>	<u>28,381,728.50</u>
TOTAL LIABILITIES		<u>40,937,394.82</u>	<u>38,844,736.65</u>
TOTAL NET ASSETS		<u>138,260,884.49</u>	<u>118,565,879.55</u>
NET ASSETS/EQUITY			
<u>DEFERRED INCOME</u>			

Capital Grant	11	110,949,206.31	96,217,012.42
Revaluation Reserve		6,578,345.91	6,578,345.91
Accumulated Profit	12	20,733,332.27	15,770,521.22
TOTAL NET ASSETS/EQUITY		<u>138,260,884.49</u>	<u>118,565,879.55</u>

The accounting policies on page 10-11 and notes from page 12 to 27 form an integral part of these Financial



B.R. Ranaweera
Accountant
25.03.2022



P.K. N. Asangika
Director (Acting)
25.03.2022

The Board of Directors are responsible for the preparation & presentation of these Financial Statements.
These Financial Statements were approved by the Board of Directors and signed on their behalf.



Ajith Jayawardana
Chairman
25.03.2022



D.H.S. Pulleperuma
Board Member
25.03.2022

National Design Centre
Statement of Financial Performance for the year ended 31st December 2021

	Note	2021 Rs.	2020 Rs.
OPERATING INCOME			
Treasury Grant - Recurrent	13	72,664,000.00	67,829,519.24
Treasury Grant - Capital for Development Activities		16,307,856.40	6,046,943.34
Development Activities - Ministry Funds		8,981,300.00	
Other Income	14	<u>2,565,019.64</u>	<u>3,267,393.47</u>
		<u>100,518,176.04</u>	<u>77,143,856.05</u>
OPERATING EXPENSES			
Personal Emoluments	15	56,320,049.89	57,777,690.44
Travelling Expenses	16	227,063.50	156,373.95
Supplies	17	2,265,812.46	1,361,207.41
Maintenance	18	2,662,897.11	1,964,334.20
Contractual Services	19	6,723,493.46	6,194,949.65
Depreciation	20	10,168,003.08	6,220,442.28
Gratuity		1,719,011.00	4,896,153.50
Development Expenses	21	14,796,772.80	3,681,499.78
Development Activities - Ministry Funds	22	8,981,300.00	-
Other Expenses	23	<u>1,392,749.15</u>	<u>2,936,779.18</u>
		<u>105,257,152.45</u>	<u>85,189,430.39</u>
SURPLUS/DEFICIT FROM OPERATING ACTIVITIES		(4,738,976.41)	(8,045,574.34)
Disposal of Computer		-	320,220.00
Disposal of Vehicle (Motor Cycle)		<u>-</u>	<u>13,554.00</u>
		(4,738,976.41)	(7,711,800.34)
<u>Add</u>			
Deferred Income		<u>9,641,949.71</u>	<u>6,220,442.28</u>
SURPLUS / (DEFICIT) FOR THE YEAR		<u>4,902,973.30</u>	<u>(1,491,358.06)</u>

National Design Centre
Statement of Cash Flow for year ended 31.12.2021

	2021 Rs.	Rs.	2020 Rs.	Rs.
Cash Flow from Operating Activities				
Surplus/Deficit from Ordinary Activities	(4,738,976.41)		(8,045,574.34)	
(+) Prior year adjustments	59,837.75		10,373.02	
(-) Prior year adjustments	<u>-</u>	(4,679,138.66)	<u>(455,100.00)</u>	(8,490,301.32)
Non Cash Movements				
Depreciation	10,168,003.08		6,220,442.28	
Gratuity	1,719,011.00		4,896,153.50	
(Increase) / Decrease in Closing Stock	(401,924.87)		(1,862,261.60)	
(Increase) / Decrease in Trade & Other Receivables	1,182,480.59		5,579,838.13	
(Increase) / Decrease in Staff Loan Receivables	(639,635.00)		(118,649.00)	
(Increase) / Decrease prepayment	(217,671.29)		(3,412.43)	
Increase / (Decrease) in Trade & Other Payables	4,141,906.14		(1,421,537.33)	
Advance received for UNDP Project			-	
Gratuity Payments	(4,766,325.00)		(1,260,790.00)	
Increase /(Decrease) in Accrued Expenses	<u>998,066.03</u>	<u>12,183,910.68</u>	<u>275,762.83</u>	<u>12,305,546.38</u>
Net Cash flow from operating activities		7,504,772.02		3,815,245.06
Cash Flow from Investing Activities				
Improvements to Buildings	(10,011,125.10)		(2,536,352.83)	
Improvements to building (DCF)	(3,615,534.40)		-	
New Building	(2,147,875.33)		(12,017,422.51)	
Expenditure on Software	(88,175.00)		-	
Improvements to vehicles	(549,825.00)		-	

Purchase of Plant & Machinery	(1,034,292.88)	(323,700.00)
Purchase of Furniture	(12,887,609.29)	(2,521,412.75)
Purchase of Office Equipment	(1,207,389.00)	(825,145.00)
Purchase of Tools	(768,733.00)	(364,628.00)
Purchase of Library Books	(128,269.90)	(188,174.50)
Purchase of Computer & other Equipment	(3,017,360.00)	(383,574.72)
Receipts from Disposal of Vehicle	<u>-</u>	<u>17,650.00</u>
Net Cash Flow from Investing Activities	(35,456,188.90)	(19,142,760.31)
Cash Flow from Financing Activities		
Capital Grant from Treasury	<u>24,374,143.60</u>	<u>15,356,056.66</u>
Net Cash flow from financing activities	24,374,143.60	15,356,056.66
Net Increase/ decrease in Cash & Cash Equivalent	(3,577,273.28)	28,541.07
Cash & Cash Equivalent at the beginning of the year	16,929,982.89	16,901,441.82
Cash & Cash Equivalent at the end of the year	13,352,709.61	16,929,982.89

Statement of Changes in Equity for the year ended 31.12.2021

	Capital Grant Rs.	Accumulated Reserve Rs	Revaluation Reserve Rs.	Total Rs.
Balance as at 31.12.2020	96,217,012.42	15,770,521.22	6,578,345.91	118,565,879.55
Changes in Accounting Policy				
Prior year adjustment		59,837.75		59,837.75
Deferred Expenses	(16,307,856.40)			(16,307,856.40)
Provision for Deferred Depreciation	(9,641,949.71)			(9,641,949.71)
Revaluation Reserve				
Treasury Grant - Cash	40,682,000.00			40,682,000.00
Assets				
Statement of Financial Performance				
Currency Exchange Differences				
Surplus /Deficit for the period		4,902,973.30		4,902,973.30
Balance as at 31.12.2020	110,949,206.31	20,733,332.27	6,578,345.91	138,260,884.49

National Design Centre

Accounting Policies for the year 2021

01. Basis of Preparation

Financial Statements have been prepared in accordance with Sri Lanka Public Sector Accounting Standards. No adjustments have been made for inflationary factors affecting the accounts and the financial statements are prepared in Sri Lanka Rupees

These financial statements are for a public sector entity .The financial statements encompass the reporting entity as specified in the relevant legislation / guidelines.

The financial statements comply with Sri Lanka Public Sector Accounting Standards for the accrual basis of accounting. The measurement base applied is historical cost adjusted for revaluation of assets.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

02. Government Grants

The Institutions receives two types of Government Grants namely, Recurrent and Capital.

03. Depreciation

Depreciation on tangible fixed assets has been provided on diminishing balance method at the following annual rates.

Building	5%
Office Equipment	10%
Computers and Accessories	20 %
Furniture & Fittings	10%
Tools & Equipment	25%
Motor Vehicles	20%
Machinery & Equipment	15%
Library Books	5%
Software	20%

04. Statement of Financial Performance

The revenue of the Institutions represents the income from Government Grants and other miscellaneous income. All income has been recognized on an accrual basis.

05. Valuation of Inventories

Inventories are valued at the lower of cost and Net Realizable Value. The cost of inventories is determined on first in first out (FIFO) basis.

06. Post Balance Sheet Events

All material events occurring after the Balance Sheet date are considered and when necessary adjustments have been made in the accounts

07. Value of the land where head office building and the project office building is located has not been included in the financial statements since the ownership has not been transferred to the institution from the Department of Small Industries

08. Provision for gratuity has been provided for employees who have Completed five years of service in the institute.

09. Construction of two storied building for National Design Centre has been commenced on March 2018 at the Head Office premises in Moratuwa. Total Estimated cost for the project is Rs. 80 Million. Construction work have been completed and started using the building from January 2021.

Note 01 - Cash & Cash Equivalent

	31-12-2021 Rs.	31-12-2020 Rs.
National Design Centre Account -Bank of Ceylon A/c No 407273	2,224,142.70	4,127,138.07
National Design Centre Account Bank of Ceylon Kandy A/C NO. 32777	13,344.91	32,517.58
Design Consultancy Account -Bank of Ceylon A/c No 407326	4,262,835.00	9,443,550.51
Design Education Account Peoples Bank A/c 313100143657050	6,159,760.43	2,464,801.72
Staff Loan Account Bank of Ceylon A/c 407325	692,626.57	838,660.51
Cash in transit	-	23,314.50
	13,352,709.61	16,929,982.89

Note 02 - Trade and Other Receivables

	31-12-2021 Rs.	31-12-2020 Rs.
Advance on cash	24,483.53	18,473.22
Advance for Deposits	8,894.55	8,894.55
Receivable 2.1	129,971.25	327,797.50
Advance Central Engineering Consultancy Bauer	-	221,452.85
Advance Mis in air Pvt) Ltd	-	738,186.80
<u>Deposits</u>		
Telephone Deposit	11,950.00	11,950.00
Fuel Deposits	10,000.00	10,000.00
Newspaper Deposit	300.00	300.00
Cylinder Deposit	6,500.00	6,500.00
Electricity Deposit	20,000.00	20,000.00
Fuel Deposit Lanka IOC	200,000.00	200,000.00
Design Education Account		
Class Fees Receivable	65,000.00	115,000.00

Advance	-	3,800.00
Design Consultancy Account		
Sri Lanka Handicraft Development Board	513,115.00	513,115.00
Barefoot	6,000.00	1,450.00
Advances	46,641.00	46,641.00
Trade Commerce and Tourism Dept. Central Province	137,832.00	137,832.00
Lakarcade Pvt Ltd	132,525.00	114,300.00
	1,313,212.33	2,495,692.92

Note 02.1 - Receivable

	31-12-2021 Rs.	31-12-2020 Rs.
National Craft Council	64,006.07	64,006.07
Receivables Vehicle accidents	65,965.18	65,965.18
S.S Weerasooriya	-	17,650.00
Sales For Staff Members samples & Scrap Items)	-	180,176.25
	129,971.25	327,797.50

Note 03 - Closing Stock

	31-12-2021 Rs.	31-12-2020 Rs.
Raw Materials	1,207,908.37	1,721,966.12
Finished Goods 3.1	5,561,132.88	4,911,895.04
Stationary	1,250,776.54	988,581.76
DCF Stock 3.2	46,600.00	42,050.00
	8,066,417.79	7,664,492.92

Note 3.1 - Finished Goods

	31-12-2021 Rs.	31-12-2020 Rs.
Finished Goods as per Board of Survey Report	5,792,525.92	4,974,350.04
Less : Excess /(Shortage) Adjustment	(173,953.49)	(7,500.00)
Unusable Finished Goods	(57,439.55)	(54,955.00)
	5,561,132.88	4,911,895.04

Note 3.2 -DCF Stock

	31-12-2021 Rs.	31-12-2020 Rs.
Stock at Head Office	40,800.00	40,800.00
Consignment Stock	5,800.00	1,250.00
	46,600.00	42,050.00

Note 04 - Prepayments

	31-12-2021 Rs.	31-12-2020 Rs.
Insurance	144,132.04	226,968.64
Contractual Services	223,343.85	111,478.72
License	22,202.76	22,510.00
Tax & Rate	188,950.00	-
	578,628.65	360,957.36

Note 05 -Staff Loans

	31-12-2021 Rs.	31-12-2020 Rs.
Distress Loan	12,940,610.00	12,214,475.00
Festival Advance	24,850.00	107,350.00
Bicycle Loan	-	2,000.00
Special Advance	-	2,000.00
	12,965,460.00	12,325,825.00

Note 6 - Non Current Assets
Note 6 - Property Plant & Equipment

	Buildings	Machinery	Vehicles	Computer	Office Equipment	Furniture & Fittings	Tools & Equipment	Library Books	Total
Cost	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.
Balance as at 01.01.2021	22,018,926.77	7,299,407.08	25,600,000.00	13,167,307.56	13,386,196.98	13,711,070.64	2,442,081.58	3,359,631.56	100,984,622.17
Transfer fro Building WIP	72,134,624.31								72,134,624.31
Additions during the year	15,774,534.83	1,034,292.88	549,825.00	3,017,360.00	1,207,389.00	12,887,609.29	768,733.00	128,269.90	35,368,013.90
Balance as at 31.12.2021	109,928,085.91	8,333,699.96	26,149,825.00	16,184,667.56	14,593,585.98	26,598,679.93	3,210,814.58	3,487,901.46	208,487,260.38
Depreciation									
Balance as at 01.01.2021	10,504,074.08	5,008,176.94	15,116,348.25	8,024,804.30	9,492,390.55	5,349,328.91	1,293,386.18	1,089,164.16	55,877,673.37
Charges for the year	4,422,067.08	365,152.14	2,101,407.26	1,098,457.26	397,373.53	1,283,109.99	300,558.17	115,333.20	10,083,458.63
Balance as at 31.12.2021	14,926,141.16	5,373,329.08	17,217,755.51	9,123,261.56	9,889,764.08	6,632,438.90	1,593,944.35	1,204,497.36	65,961,132.00
Net Book Value									
Balance as at 01.01.2021	11,514,852.69	2,291,230.14	10,483,651.75	5,142,503.26	3,893,806.43	8,361,741.73	1,148,695.40	2,270,467.40	45,106,948.80
Balance as at 31.12.2021	95,001,944.75	2,960,370.88	8,932,069.49	7,061,406.00	4,703,821.90	19,966,241.03	1,616,870.23	2,283,404.10	142,526,128.38

Building Work in Progress	2021 Rs.	2020 Rs.
Cost		
Balance as at 01.01.2021	72,134,624.31	60,117,201.80
Additions during the year	2,147,875.33	12,017,422.51
Transfer to Building Accounts	(74,282,499.64)	
Balance as at 31.12.2021	-	72,134,624.31

Intangible Assets	2021 RS	2020 Rs
Cost		
Balance as at 01.01.2021	693,000.00	-
Additions	88,175.00	-
Transferred from Computer	-	693,000.00
Balance as at 31.12.2021	781,175.00	693,000.00
Depreciation		
Balance as at 01.01.2021	300,908.00	
Transferred from Computer		202,885.00
Additions	84,544.45	98,023.00
Balance as at 31.12.2021	385,452.45	300,908.00
Net Book Value		
Balance as at 01.01.2021	392,092.00	-
Balance as at 31.12.2021		392,092.00

Note 07 - Trade & Other Payables

	31-12-2021 Rs.	31-12-2020 Rs.
Audit Fees Payable (Provision year 2021)	700,000.00	700,000.00
Cancelled Cheques	8,000.00	8,000.00
Refundable Deposits	-	8,300.00
Retention Money Penth house Pvt Ltd.	1,886,005.83	3,772,011.65
Retention Money Sakura Project & Interiors	57,288.00	57,288.00
Retention Money U.G Gunarathna	10,750.00	10,750.00
Retention Payable - M/S in AIRE (PVT) LTD	201,471.78	-
Security Deposit	97,375.00	201,063.50
Retention Payable Eromic Internatiol pvt ltd	149,581.00	-
Retention payable Southren Constraction Pvt Ltd	211,665.95	-
Retention Payable -Colombo Interiors	51,743.32	-
Retention Payable -Indecor Interiors	59,410.75	-
Retention Payable Leema Creation Pvt Ltd.	338,630.42	-
Retention Payable Moden Interior Project Pvt Ltd	19,840.00	-
Payable - Leema Creation pvt ltd	421,485.69	-
Stamp Duty Payable	9,100.00	-
Divisional Secretariat Mirigama Payable Exp.	238,600.00	-
. John Keels Office Automation	1,027,200.00	-
Retention Payable - Mangalabishika	21,625.00	-
Batik Saree Project	819,650.00	-
Batik Training Program	49,050.00	-
Design Education Account		-
Security Deposit	-	29,302.00
Class Fees Received in Advance	3,397,000.00	-
Dynamic Fabricators	-	30,535.75

Stamp Duty Payable	100.00	100.00
Advance	-	3,800.00
Design Consultancy Account		
Retention payable leema creation (pvt) ltd	124,912.80	-
A D Perera Electricals	-	147,645.00
Nugegoda Electricals	-	6,280.00
Singha Construction	-	674,285.00
Timee Electric Co.	-	113,668.50
Retention Payable Singha Construction	38,329.20	38,329.20
Modern Interior Projects Pvt Ltd.	109,985.00	109,985.00
Stamp Duty Payable	75.00	-
Staff Loan Account		
Stamp Duty Payable	575.00	-
	10,049,449.74	5,911,343.60

Note 8 - Cash Received as an Advance for UNDP Programme

(Special project on technical capacity development and monitoring support for selected handicraft producer groups in Batticaloa, Mannar and Vavuniya districts where UNDP serves as implementing partner)

	31-12-2021 Rs.	31-12-2020 Rs.
Amount Received	2,312,227.97	2,312,227.97
Less -Work Completed	-	-
Balance in account to complete the project	2,312,227.97	2,312,227.97

Note 09 - Accured Expenses

	31-12-2021 Rs.	31-12-2020 Rs.
Fuel	36,540.00	118,144.89
Telephone	71,579.76	63,396.40
Electricity	116,321.00	119,480.00
EPF Payable	458,452.55	452,085.00
ETF Payable	114,613.14	113,021.25
Water	9,426.31	7,870.19
New Design Exhibition	538,788.96	5,200.00
Over Time	159,140.15	403,051.62
Travelling	17,005.00	19,065.00
Salaries & wages	305,635.03	301,390.00
Security Charges	133,684.00	51,728.00
Stationery & Office Requisites	3,800.00	-
Other allowances	30,975.00	-
Awareness/Training/TOT Program	21,914.00	26,871.68
Vehicle Maintanance	-	25,511.35
Central Eng, consultancy Beaur	187,574.25	-
Cleaning Charges	2,700.00	2,100.00
Printing of annual reports	499,475.00	14,580.00
Office Equipment Maintenance	39,395.00	-
Saff Welfare	3,920.00	-
Insuranse	9,730.06	-
Traseport Expences	4,500.00	-
Building Maintance	66,525.00	-
Product development	294,295.00	-
EDC Commission	5,469.31	-

Design Education Account		
Lecture Fees	45,150.00	128,475.00
Alpha Industries (Pvt) Ltd.	-	287,662.00
Telephone	-	504.20
J.P Wannigama	-	72,475.00
R.M.T.M.B Rathnayaka	-	30,625.00
Overtime & Travelling	64,694.09	-
	3,241,302.61	2,243,236.58

Note 10**Gratuity Provision as at 31.12.2021**

	Emp. Name	Date Joined	Completed Years as at 31/12/2021	Salary		Gratuity Provision as at 31.12.2021 (6) =(3) x (5)
	1		3	4	5	
1	U.L Wickramarathna	10/6/1985	36	51,060.00	25,530.00	919,080.00
2	P. Dharmasena	24/06/1985	36	44,955.00	22,477.50	809,190.00
3	G. Vithana	1/11/1985	35	64,750.00	32,375.00	1,133,125.00
4	D. Dharmasiri	10/6/1986	35	40,720.00	20,360.00	712,600.00
5	G.W. Ramyalatha	16/03/1987	34	47,760.00	23,880.00	811,920.00
6	D.J. Pieris	11/11/1987	34	64,750.00	32,375.00	1,100,750.00
7	M.A Somalatha	1/3/1988	33	81,295.00	40,647.50	1,341,367.50
8	W.A.P.K Wijesingha	1/8/1988	33	82,670.00	41,335.00	1,364,055.00
9	Palitha Pushpakumara	15/04/1988	33	43,800.00	21,900.00	722,700.00
10	K.P.J. Perera	14/02/1989	32	42,160.00	21,080.00	674,560.00
11	B.K.K Perera	28/06/1989	32	41,650.00	20,825.00	666,400.00
12	Manel Rajapaksa	2/10/1989	32	56,100.00	28,050.00	897,600.00
13	U.A.LS.K. Jayathissa	1/1/1990	31	41,530.00	20,765.00	643,715.00
14	K.K.S.De Silva	15/08/1991	30	53,700.00	26,850.00	805,500.00
15	M.K Mahinda	1/7/1992	29	47,760.00	23,880.00	692,520.00
16	G.A.G Silva	1/5/1993	27	41,655.00	20,827.50	562,342.50
17	L.A Kularathna	5/4/1993	28	42,150.00	21,075.00	590,100.00
18	H.B.T Damayanthi	3/1/1994	27	74,707.00	37,353.50	1,008,544.50
19	B.K.A Rodrigo	15/06/1994	27	40,840.00	20,420.00	551,340.00
20	A.M.T.K Alagiyawanna	2/5/1996	25	39,850.00	19,925.00	498,125.00
21	B. Manathunga	3/6/1996	25	76,635.00	38,317.50	957,937.50
22	D.M.A. Chandima	15/07/1996	25	45,370.00	22,685.00	567,125.00

23	M.A.R.U. Gunarathna	16/07/1998	23	44,460.00	22,230.00	511,290.00
24	Susil Wijethunga	1/9/1998	23	38,890.00	19,445.00	447,235.00
25	W.M. Piyarathna	4/1/1999	22	66,475.00	33,237.50	731,225.00
26	R.M. Vijitha Bandara *	1/6/1999	20	63,725.00	31,862.50	637,250.00
27	S.S Weerasuriya	1/2/2000	21	43,140.00	21,570.00	452,970.00
28	H.T. Dinesh Silva	1/2/2000	21	43,140.00	21,570.00	452,970.00
29	C.K.Kalansooriya	1/2/2000	21	42,645.00	21,322.50	447,772.50
30	N.D.H Mohotti	1/2/2000	21	36,610.00	18,305.00	384,405.00
31	K.R. Kumara	1/2/2000	21	38,050.00	19,025.00	399,525.00
32	Prashantha Kirthichandra	13/12/2000	20	65,100.00	32,550.00	651,000.00
33	P. C. J. De Silva	15/08/2005	16	53,420.00	26,710.00	427,360.00
34	G.C.N. Perera	15/08/2005	16	53,420.00	26,710.00	427,360.00
35	V.G.B.D. Weeranayaka	15/08/2005	16	52,665.00	26,332.50	421,320.00
36	S.W.Vijithani	25/10/2005	16	47,550.00	23,775.00	380,400.00
37	B. R. Ranaweera	15/02/2006	15	71,975.00	35,987.50	539,812.50
38	R. M .Gamini Rathnayaka	12/12/2007	14	35,820.00	17,910.00	250,740.00
39	I. A. kleetas Asanga	15/02/2008	13	39,060.00	19,530.00	253,890.00
40	M. A. D. P. Kithsiri	15/07/2008	13	38,460.00	19,230.00	249,990.00
41	M. T. R. Fanandu	1/9/2008	13	35,840.00	17,920.00	232,960.00
42	N.G.K Indika	6/8/2009	12	66,475.00	33,237.50	398,850.00
43	W.D.L.Sri Sugath Rathnayaka	11/4/2009	12	36,910.00	18,455.00	221,460.00
44	M.A.S.S.K. Chandrasiri	16/02/2012	9	115,095.00	57,547.50	517,927.50
45	H.M. S..D. Herath	3/6/2013	8	47,950.00	23,975.00	191,800.00
46	M. L.U. Edirisinghe	1/7/2013	8	51,910.00	25,955.00	207,640.00
47	P.L. Gamage	3/6/2013	8	51,910.00	25,955.00	207,640.00
48	S.A.S.C. Perera	1/7/2013	8	51,910.00	25,955.00	207,640.00
49	A. M. T. I Adikari	1/7/2014	7	45,310.00	22,655.00	158,585.00

50	R.M Sarath Ranasinghe	25/07/2013	8	36,910.00	18,455.00	147,640.00
51	W. K. Isuru Indika	1/7/2013	8	36,910.00	18,455.00	147,640.00
52	W.G.D.Anurada	15/07/2013	8	36,910.00	18,455.00	147,640.00
53	Champika Gunasekara	25/07/2013	8	38,060.00	19,030.00	152,240.00
54	R. M. Amith Kumara	25/07/2013	8	34,300.00	17,150.00	137,200.00
55	W. A . Amila Presanna	1/7/2014	7	36,310.00	18,155.00	127,085.00
56	N. A. S. A . Kumara	3/2/2014	7	33,550.00	16,775.00	117,425.00
57	L. C. Kodituvwakku	1/7/2014	7	36,910.00	18,455.00	129,185.00
58	P.H.G. N. Rathnasuriya	1/7/2014	7	36,910.00	18,455.00	129,185.00
59	G.G.D.M.K. Somarathna	1/7/2014	7	36,910.00	18,455.00	129,185.00
60	K.P.N.R. Ariyavansha	1/7/2014	7	36,910.00	18,455.00	129,185.00
61	R.J.MAGAMAGE	1/8/2014	7	47,290.00	23,645.00	165,515.00
	-					30,100,739.50
	Less:					
	<u>Gratuity Payments</u>					
3	G. Vithana	1/11/1985	35	64,750.00	32,375.00	1,133,125.00
6	D.J. Pieris	11/11/1987	34	64,750.00	32,375.00	1,100,750.00
32	Prashantha Kirthichandra	13/12/2000	20	65,100.00	32,550.00	651,000.00
16	G.A.G Silva	1/5/1993	27	41,655.00	20,827.50	562,342.50
19	B.K.A Rodrigo	15/06/1994	27	40,840.00	20,420.00	551,340.00
44	M.A.S.S.K. Chandrasiri	16/02/2012	9	115,095.00	57,547.50	517,927.50
40	M. A. D. P. Kithsiri	15/07/2008	13	38,460.00	19,230.00	249,990.00
						4,766,475.00
	stamp duty					(150.00)
						4,766,325.00
	Total Gratuity					25,334,414.50

Note 11 - Deferred Depreciation

-	-	31-12-2021 Rs.	31-12-2020 Rs.
Deferred Revenue Income			
<u>Capital Grant</u>			
Previous Years		96,217,012.42	87,081,398.04
Current Year		40,682,000.00	21,403,000.00
		136,899,012.42	108,484,398.04
<u>Less</u>			
Total Development Activities Expenses	11.2	16,307,856.40	(6,046,943.34)
		120,591,156.02	102,437,454.70
<u>- Less</u>			
Deferred Depreciation	11.1	(9,641,949.71)	(6,220,442.28)
Deferred Revenue Income		110,949,206.31	96,217,012.42

Capital Grant given by Treasury has been disclosed as deferred income in the Balance Sheet and it has been recognized as income based on depreciation rates on 2021

Note 11.1 Differed Depreciation

	31-12-2021 Rs.	31-12-2020 Rs.
Building	4,247,171.64	492,660.61
Machinery	365,152.14	348,332.29
Office Equipment	369,954.36	341,930.00
Furniture & Fittings	999,748.55	711,813.48
Tools	300,558.17	262,784.58
Library Books	115,163.19	110,462.63
Computer	1,058,249.95	1,250,452.12
Vehicle	1,058,249.95	2,620,912.93
Software	84,544.45	98,023.00
	9641949.71	6220442.28

Note 11.2 Total Development Activities Expense

-	31-12-2021 Rs.	31-12-2020 Rs.
Awareness / Training / TOT Programs	3,176,298.10	1,145,055.74
Awareness programmer chemical safety	34,975.00	-
Staff Training	516,903.00	315,216.30
Product Development	829,084.03	1,157,070.25
New Design Exhibition	9,399,368.74	1,033,046.00
Exhibition In Collaboration With Other Institution	750,420.96	243,064.74
Fashion Show	369,950.00	-
Monitoring of Evaluating Project & Program	4,890.00	-
Research Programs For Raw Material Processing	30,557.00	36,242.00
S.R.R. Design Element in Traditional Art pro,	123,085.00	-
Test Marketing & Market Surveys	-	23,900.00
Video Documentation for promotion handicraft	-	884,975.00
Raw Material Purchase Cost of creation of new design	681,999.57	1,208,373.31
Data Base on Lacquer survey research	293,550.00	-
Mechanical Research for introducing new Machine	56,775.00	-
Research on safe chemical dye material	40,000.00	-
	16,307,856.40	6,046,943.34

Note 12 - Accumulated Profit

	31-12-2021 Rs.	31-12-2020 Rs.
B/F Accumulated Profit	15,770,521.22	17,706,606.26
(+) prior Year adjustment	59,837.75	10,373.02
(-) prior Year adjustment	-	(455,100.00)
	15,830,358.97	17,261,879.28
Surplus/ Deficit for the Year	4,902,973.30	(1,491,358.06)
C/F Accumulated Profit	20,733,332.27	15,770,521.22

Note 13 - Treasury Grant Recurrent

	31-12-2021 Rs.	31-12-2020 Rs.
January	5,000,000.00	4,956,000.00
February	6,000,000.00	5,592,250.00
March	6,000,000.00	5,750,000.00
April	6,585,000.00	5,000,000.00
May	6,662,000.00	6,000,000.00
June	5,026,000.00	5,800,000.00
July	5,294,000.00	6,000,000.00
August	4,990,000.00	5,781,000.00
September	5,080,000.00	5,650,000.00
October	6,572,000.00	4,761,000.00
November	6,596,000.00	5,471,000.00
December	8,859,000.00	7,068,269.24
	72,664,000.00	67,829,519.24

Treasury Grant Capital

	31-12-2021 Rs.	31-12-2020 Rs.
Treasury Grant For Assets	21,374,143.60	15,356,056.66
State Ministry Batik & Handloom Grant for Assets	3,000,000.00	-
Treasury Grant For Development Activities	16,307,856.40	6,046,943.34
	40,682,000.00	21,403,000.00

Note 14 - Other Income

	Note	31-12-2021 Rs.	31-12-2020 Rs.
Levy on Private use of vehicles		6,000.00	6,000.00
NonRefundabal Tender Depocit		31,500.00	-
Miscelleneous		39,950.00	21,238.00
Profit & Loss (Sub note 01)	14.1	(542,991.82)	(591,074.23)
Government Contribution		6,000.00	6,000.00
Scarp Sales		-	305,573.25
No Pay		-	21,441.04
Design Education Account			
2021-2023 Diploma Course fee		528,000.00	-
2021-2022 Lifestyle Product Design Course kandy		1,150,000.00	-
2021-2023 Higher National Diploma Course fee		75,000.00	-
HND 2018-2020 Course fees		-	385,000.00
NDID 2019-2020 Course Fees		460,000.00	2,140,000.00
Application Fees		21,500.00	13,500.00
Repeat Exam		5,000.00	-
Design Consultancy income			
Design Consultancy Income	14.2	259,985.40	409,320.00
Laksala Project	14.3	-	5,890.00
Other Sales	14.4	28,150.00	114,780.00
Consignment Income		3,700.00	(2,850.00)
Staff Loan Account Income			
Interest Income		493,226.06	432,575.41
		2,565,019.64	3,267,393.47

Sub Note 14.1

National Design Centre

Statement of Profit & Loss Account for the Year end 31.12. 2021

	Note	31-12-2021 Rs.	31-12-2020 Rs.
Income (sales)	14.1.1	828,873.69	104,486.25
Cost of Sales (Note1.1)		1,375,903.51	719,057.98
Gross Profit		(547,029.82)	(614,571.73)
Common facility center income		4,038.00	23,497.50
Total Profit		(542,991.82)	(591,074.23)

Note14- 1-1 - Cost of sale

		31-12-2021 Rs.	31-12-2020 Rs.
<u>Raw Material</u>	-		
Opening Stock (1st January 2021)		1,721,966.12	805,234.00
Purchases		681,999.57	1,208,373.31
		2,403,965.69	2,013,607.31
	-		
Less Closing Stock		(1,207,908.37)	(1,721,966.12)
		1,196,057.32	291,641.19
<u>Finished Good</u>	-		
Opening Stock 1st January 2021		4,911,895.04	4,182,241.58
Material Consumed		6,107,952.36	4,473,882.77
Purchases		829,084.03	1,157,070.25
		6,937,036.39	5,630,953.02
<u>Less</u>	-		
Closing Stock 31December 2021	14.1.1-i	5,561,132.88	4,911,895.04
Cost of Sales		1,375,903.51	719,057.98

Sub Note 14.1.1-i

Closing Stock 31December 2021

	31-12-2021 Rs.	31-12-2020 Rs.
Stock as per Board of Survey Report 31.12.2021	5,792,525.92	4,974,350.04
Add :Excess Finished goods stock	9,714.00	-
	5,802,239.92	4,974,350.04
Less : Shortage in Finished goods stock	(183,667.49)	(7,500.00)
	5,618,572.43	4,966,850.04
less- Unusable Finish Goods	(57,439.55)	(54,955.00)
	5,561,132.88	4,911,895.04

Sub Note 14.2

Design Consultancy Income

	31-12-2021 Rs.	31-12-2020 Rs.
Batik Vesak Lantern Program		
Income	256,700.00	
Expenses	267,155.00	
	(10,455.00)	
Official Flag for Parliament		
Income	105,000.00	
Expenses	104,975.00	
	25.00	
Matale Aluvihare Service Centre		
Consultancy Fee	94,695.90	
National Craft Council Sales Centre		
BOQ preparation fee	80,170.50	
Institute of Cristal		
BOQ preparation fee	95,549.00	
Christmas decorations for Kandana Church		
Income		300,000.00

Expenses		299,480.00
		520.00
Aluvihare Exhibition Interior Project		
Income		1,473,600.00
Expense		1,099,825.00
		373,775.00
Fiber Extracting Machine		
Income		210,000.00
Expense		174,975.00
		35,025.00
	259,985.40	409,320.00

Sub Note 14.3 - Laksala Income

	31-12-2021 Rs.	31-12-2020 Rs.
Laksala Sales Income	-	73,865.00
Laksala Sales Expenses	-	(67,975.00)
	-	5,890.00

Sub Note 14.4 Other Sales Income

	31-12-2021 Rs.	31-12-2020 Rs.
CCC exhibition sales	9,925.00	-
Lakpahana	-	40,480.00
Lakarcade	18,225.00	74,300.00
	28,150.00	114,780.00

Note 15 - Personal Emoluments

	31-12-2021 Rs.	31-12-2020 Rs.	Estimate 2021 Rs.
Salaries & Wages	45,559,523.34	46,634,417.55	47,165,000.00
EPF	5,413,761.05	5,530,833.99	5,660,000.00
ETF	1,359,218.69	1,382,708.46	1,414,000.00
Over time	1,909,364.82	2,223,780.44	2,076,000.00
Other Allowances	562,865.99	12,750.00	
Chairmans Allowance	1,164,600.00	1,146,600.00	1,170,000.00
Fuel Allowances	100,716.00	246,600.00	270,000.00
Directors Transport Allowance	250,000.00	600,000.00	600,000.00
	56,320,049.89	57,777,690.44	58,355,000.00

Note 16 - Travelling Expenses

	31-12-2021 Rs.	31-12-2020 Rs.	Estimate 2020 Rs.
Domestic	227,063.50	156,373.95	400,000.00
Foreign	-	-	100,000.00
	227,063.50	156,373.95	500,000.00

Note 17 - Supplies

	31-12-2021 Rs.	31-12-2020 Rs.	Estimate 2020 Rs.
Stationery & Office Requisites	1,069,771.78	607,097.58	1,000,000.00
Fuel Expenses	1,111,540.68	650,757.55	1,356,000.00
Uniforms	80,000.00	84,000.00	100,000.00
Medical	3,500.00	8,709.48	25,000.00
Other Supplies	1,000.00	10,642.80	25,000.00
	2,265,812.46	1,361,207.41	2,506,000.00

Note 18 - Maintenance

	31-12-2021 Rs.	31-12-2020 Rs.	Estimate 2020 Rs.
Vehicle maintenance	1,330,155.03	1,189,121.19	3,000,000.00
Building maintenance	941,833.78	239,374.31	700,000.00
Plant & Machinery	4,860.00	122,470.00	1,182,000.00
Office Equipment	386,048.30	413,368.70	
	2,662,897.11	1,964,334.20	4,882,000.00

Note 19 - Contractual Services

	31-12-2021 Rs.	31-12-2020 Rs.	Estimate 2020 Rs.
Transport & Hire charges	6,500.00	8,900.00	250,000.00
Telephone charges	562,181.30	604,678.17	1,260,000.00
Postage	21,050.00	40,625.00	60,000.00
Electricity & water	1,450,635.70	1,180,924.02	2,775,000.00
Rates & Taxes	209,950.00	673,370.64	500,000.00

Audit fee	610,200.00	510,150.00	750,000.00
Legal fees	158,750.00	-	200,000.00
Pest Control Services	25,000.00	40,000.00	75,000.00
Advertisement	475,356.10	127,716.25	250,000.00
Petty Cash & miscellaneous	78,793.52	108,068.50	160,000.00
Bank Charges	3,870.00	25,787.75	25,000.00
Sanitary & Cleaning	264,475.00	163,349.00	500,000.00
News Paper and Subscriptions	34,500.00	88,918.00	200,000.00
Contractual services (Service Agreement)	245,061.37	234,097.45	750,000.00
Insurance	399,798.15	433,044.59	} 700,000.00
Vehicle Licence	62,117.24	76,333.87	
Meeting With clients	44,231.50	347,298.70	} 700,000.00
Staff welfare	224,054.00	-	
Printing Annual Reports	589,735.00	316,480.00	550,000.00
Stamp Duty	4,575.00	2,250.00	
Board Secretary fee	-	13,500.00	300,000.00
Board Member Fee	130,000.00	185,000.00	900,000.00
Audit & Management Committee Member fee	122,000.00	114,000.00	180,000.00
Interviews Expenses	9,019.00	19,361.50	150,000.00
Security Charges	620,289.00	541,166.00	720,000.00
Board of Survey Expenses	371,352.05	339,929.40	400,000.00
	6,723,493.46	6,194,949.65	12,355,000.00

Note 20 – Depreciation

	31-12-2021 Rs.	31-12-2020 Rs.
Building	4,422,067.08	475,731.25
Machinery	365,152.14	348,332.29
Office Equipment	397,373.53	341,930.00
Furniture & Fittings	1,283,109.99	711,813.48
Tools	300,558.17	262,784.58
Library Books	115,333.20	110,462.63
Computer	1,098,457.26	1,250,452.12
Vehicle	2,101,407.26	2,620,912.93
Software	84,544.45	98,023.00
	10,168,003.08	6,220,442.28

Note 21 - Development Activities

	31-12-2021 Rs.	31-12-2020 Rs.	Estimate 2021 Rs.
Awareness / Training / TOT Programs	3,176,298.10	1,145,055.74	6,785,000.00
Awareness program chemical safety	34,975.00	-	-
Staff Training	516,903.00	315,216.30	600,000.00
Mechanical Research - Introducing New Machine & Technology	56,775.00	-	-
New Design Exhibition	9,399,368.74	1,033,046.00	11,415,000.00
Exhibition In Collaboration With Other Institution	750,420.96	243,064.74	500,000.00
Data Base on Lacquer survey research	293,550.00	-	500,000.00
Monitoring of Evaluating Project & Program	4,890.00	-	400,000.00
Research Programs For Raw Material Processing	30,557.00	36,242.00	725,000.00

S.R.R. Design Element in Traditional Art pro,	123,085.00		685,000.00
Test Marketing & Market Surveys	-	23,900.00	100,000.00
Vedio Documentation for promotion handicraft	-	884,975.00	
Fashion Show	369,950.00	-	1,000,000.00
Research on Safe Chemical dye materials	40,000.00		
	14,796,772.80	3,681,499.78	22,710,000.00

Note 22

Expenses for Ministry Craft Development Project

	Rs.	31-12-2020 Rs.	Estimate 2021 Rs.
100 Handloom Batik Sarees Program	2,180,350.00	-	3,000,000.00
Ten Batik Training Programs in Ten villages	6,800,950.00	-	6,850,000.00
	8,981,300.00	-	9,850,000.00

Note 23 – Other Expenses

	Note	31-12-2021 Rs.	31-12-2020 Rs.
Design Education Account			
Education Activity	23.1	1,176,978.35	1,029,365.50
Building Rent		-	903,239.52
Overtime		116,842.89	323,193.53
Other		15,500.00	147,688.20
Electricity		-	39,366.36
Telephone & Internet		30,287.91	6,668.32
Stamp Duty		475.00	800.00
Preliminary Expenses		-	18,000.50

Service Agreement			43,715.00
Design Consultancy Account			
Other Sales Expenses	23.2	24,200.00	94,055.00
Obsolete stock			3,320.00
Other Expenses- New Building Opening ceremony		28,190.00	-
Incentive Allowance		-	77,192.25
Stamp Duty		275.00	175.00
Cost of chicken pens		-	250,000.00
		1,392,749.15	2,936,779.18

Note 23.1 - Education Activity

	31-12-2021 Rs.	31-12-2020 Rs.
NDID 2018-2020 Course Expenses	-	782,343.00
NDID 2019-2020 Course Expenses	167,685.00	245,522.50
HND 2021-2023 Course Expenses	335,794.00	-
NDID 2021 2023 Course EXPENSES	52,225.00	1,500.00
2021-2022 EX, LIFESTYLE PRODUCT DESIGN	621,274.35	-
	1,176,978.35	1,029,365.50

Note 23.2 – Other Sales Expenses

	31-12-2021 Rs.	31-12-2020 Rs.
CCC exhibition related Sample purchasing	5,975.00	-
Lakpahana	-	32,025.00
LakArcade	18,225.00	62,030.00
	24,200.00	94,055.00



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

} IMT/B/NDC/111/2021/FS

ඔබේ අංකය
உமது இல.
Your No.

}

දිනය
திகதி
Date

} 2022 ජූනි 30 දින

My No.} IMT/B/NDC/111/2021/FS

Your No.}

Date} 09 July 2022

Chairman
National Design Centre

Report of the Auditor General in terms of Section 12 of the National Audit Act No. 19 of 2018 on the Financial Statements and on other Regulatory Requirements of the National Design Centre for the year that ended on 31st December 2021.

1. Financial Statements

1.1. Qualified Opinion

The Financial Statements of the National Design Centre for the year that ended on 31st December 2021 comprising the Statement of Financial Position as at 31st December 2021; and the Statement of Financial Performance, the Statement of Changes in Equity, the Cash Flow Statement and Notes to Financial Statements for the year then ended; and a summary of significant financial policies were audited under my direction in terms of the provisions of the National Audit Act No. 19 of 2018, Section 13 (1) of the Finance Act No. 38 of 1971 and section 84 (3) of the National Crafts Council and Allied Institutions Act No. 35 of 1982 read with Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. My report will be tabled in Parliament in due course in terms of Article 154 (6) of the Constitution.

Apart from the effects of the matters stated in the section “Basis for the Qualified Opinion” in my Report, I am of the opinion that the Statements on financial position of the National Design Centre as at 31st December 2021, and its statements of financial operations and cash flows for the year then ended reflect a true and fair position in accordance with Sri Lanka Public Sector Accounting Standards.

1.2. Basis for Qualified Opinion

- Although a difference of Rs. 16,250,380 had been detected in comparing the values of 05 items of property, plant and equipment totalling Rs. 72,409,350 stated in the Financial Statements as at 31st December 2021 with their

corresponding values in the Assets Registers and a difference of Rs. 19,388,241 had been observed when comparing it with the asset survey reports, action had not been taken to carry out reconciliation and state the accurate figures in the Financial Statements.

- (b) Action had not been taken to review the accounted value and the reasonable value of buildings, machinery, computers, office equipment, furniture and fixtures, tools and instruments and library books, whose total cost was Rs.133,594,058, and to revalue those assets in terms of Section 47 of Sri Lanka Public Sector Accounting Standard 7.
- (C) Although as per Sri Lanka Public Sector Accounting Standard 9, provision should be made if stocks have been damaged, or have outdated or expired, and the lower of the two values, viz. the cost and the net realizable value assessed, should be stated in the Financial Statements, the final stock had been valued at its cost of Rs. 5,561,132 without calculating its net realizable value.

I have carried out the audit in accordance with Sri Lanka Accounting Standards. My responsibilities under these standards have been described further in the section: "Auditor's Responsibility pertaining to the Audit". It is my belief that the audit evidence I had obtained was adequate to provide the basis for a qualified opinion.

1.3. Other Information Contained in the Annual Report of the National Design Centre for 2020

Other information means the information intended to be given to me after the date of this Audit Report but not contained in Financial Statements and in my Audit Report regarding the Financial Statements although included in the Annual Report of the National Design Centre for the year 2021. Management should be responsible for this Other Information.

My opinion on Financial Statements does not cover other information and I do not express an assurance or opinion of any form regarding it.

My responsibility pertaining to my audit on the Financial Statements is to read 'other information' whenever possible to obtain and, in doing so, to consider whether this 'other information' is substantially inconsistent with the Financial Statements or the knowledge gained during the audit or in any other manner.

If I conclude, as I read the Annual Report of the National Design Centre for 2021, that it contains substantial misstatements, I must communicate such facts to the governing parties for rectification. If the misstatements persist further, such will be included in the report to be tabled by me in Parliament in due course in terms of Article 154 (6) of the Constitution.

1.4 Responsibilities of the Management and the Parties who Govern with regard to Financial Statements

It is the responsibility of the management to prepare these Financial Statements in accordance with the Sri Lanka Public Sector Accounting Standards and represent them fairly and determine the internal controls necessary for preparing the Financial Statements without substantial false statements which may be caused due to frauds and errors.

It is the responsibility of the management to determine the ability to maintain the Centre continuously in preparing Financial Statements and unless the management intends to liquidate the Centre or to stop operations when there is no alternative, it should keep the accounts on the basis of perpetual existence and disclose the matters pertaining to the continuous existence of the Centre.

The parties who govern bear the responsibility for scrutinizing the financial reporting process of the Centre.

The Centre should properly maintain its books and reports pertaining to its incomes, expenses, assets and liabilities so that annual and periodic financial statements of the Centre can be prepared as per subsection 16 (1) of the National Audit Act No. 19 of 2018.

1.5. Auditor's Responsibility pertaining to the Auditing of Financial Statements

My aim is to give a fair assurance that Financial Statements as a whole are devoid of substantial false statements caused due to frauds and errors and to issue the Audit Report containing my opinion. Although a fair assurance is a high quality assurance, it is not an assurance that it always unveils substantial misstatements in carrying out the

audit in accordance with the Sri Lanka Accounting Standards. Substantial misstatements may occur due to individual or collective effects of frauds and errors while its magnitude depends on its effect on the economic decisions taken based on these Financial Statements by their users.

I acted with professional conviction and professional ambivalence as part of this audit in terms of Sri Lanka Accounting Standards. Further,

- Adequate and appropriate audit procedures were planned and implemented for identifying and assessing the risks of substantial false statements that could occur in Financial Statements due to frauds or errors, in forming a basis for the audit opinion declared. The impact of a fraud is stronger than the effects of the substantial misstatements because they occur due to collusion, forgery, deliberate omission, misrepresentation or bypassing internal controls.
- Though not with the intention of expressing an opinion about the effectiveness of the internal control, an understanding on the internal controls of the Centre was obtained before planning the opportune and appropriate audit procedures.
- The relevancy of the accounting policies used, the reasonability of the accounting estimates, and the related revelations made by the management were evaluated.
- The relevancy of using the basis of perpetual existence of the organization for accounting was determined based on the audit evidence obtained on whether there exists a substantial uncertainty about the continuity of the Centre due to incidents or circumstances. If I conclude that there exists a substantial uncertainty, I should point in my Audit Report to the revelations made in the Financial Statements in this regard while if the revelations are not adequate, I should modify my opinion. However, perpetual existence may cease due to future incidents or circumstances.
- Whether the Financial Statements fairly and appropriately include the transactions and incidents that led to the structure and content of the Financial Statements and the overall presentation of the Financial Statements containing the revelations was subjected to evaluation.

I keep the parties who govern informed of the significant audit findings, major internal control weaknesses and other matters identified during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 The National Audit Act No. 19 of 2018 contains special provisions regarding the following requirements:

- 2.1.1 Apart from the effects of the matters described in the part “Basis for Qualified Opinion” in my Report, I have obtained all the information and explanations necessary for my audit according to the requirements in section 12 (a) of the National Audit Act No. 19 of 2018 and as evident from my examination the Centre has maintained proper financial reports.
- 2.1.2 The Financial Statements of the Centre correspond with the previous year’s, in accordance with the requirement stated in section 6 (1) (d) (iii) of the National Audit Act No. 19 of 2018.
- 2.1.3 Apart from the observations in 1.2 (a) and (b) in the section “Basis for Qualified Opinion” in my Report, the recommendations made by me in the previous year have been included in the Financial Statements presented according to the requirement stated in section 6 (1) (d) (iv) of the National Audit Act No. 19 of 2018.

2.2 Within the confines of courses of action followed, evidence obtained and substantial facts available, nothing which warrants the making of following statements came to my attention:

- 2.2.1 That a member of the governing body has a relationship direct or otherwise extraneous to the ordinary course of business affairs in respect of an agreement pertaining to the Centre, as per the requirement stated in Section 12 (d) of the National Audit Act No. 19 of 2018.
- 2.2.2 That action has been taken in a manner inconsistent with any applicable written law or other general or specific directions issued by the governing body of the Centre as per the requirement stated in Section 12 (f) of the National Audit Act No. 19 of 2018 apart from the following observation:

Reference to Laws/ Regulations	Observations
Paragraph 1.2.1 (a) of the Procurement Guidelines 2006	The contract had been awarded to a private firm to design and commission the refurbishment of the Auditorium for Rs. 4,999,001 and the Board room for Rs. 2,498,569. The newspaper advertisement published for the two contracts for “Designing and Commissioning” these two contained the two estimated values. Because of this, it had not been possible to gain economic value from the procurement. At the same time, the “designing and commissioning” had not been submitted for evaluation and approval by the Technical Evaluation Committee before the selection of the procurement method for “Designing and Commissioning”.

2.2.3 That action has been taken in a manner inconsistent with the powers, functions and tasks of the Centre as per the requirement stated in Section 12 (g) of the National Audit Act No. 19 of 2018.

2.2.4 That the resources of the Centre had not been procured and used in a frugal, efficient and effective manner within the timeframe and in compliance with relevant laws and rules as per the requirement stated in Section 12 (g) of the National Audit Act No. 19 of 2018, apart from the following observations:

The Centre had implemented ten projects of ten-day batik training course through a private firm under Ministry allocations. This service had been obtained without calling tenders for a price of Rs. 6,850,000 based on the estimate of the service provider.

3. Other Matters

The National Design Centre had entered into a contract with the United Nations Development Programme for a value of Rs. 46,715,763 on 21st August, 2015 to provide technical knowhow, skill-development and consultancy assistance in

crafts for handicraftsmen and craftsmen groups in the Districts of Batticaloa, Mannar, Vavunia, Anuradhapura, Monaragala, Puttalam and Ampara. Although allocations amounting to Rs. 51,313,305 had been made available till 31st December 2017, no extension of the period of contract or entering into a new contract had taken place. A sum of Rs. 14,806,278 is left unused out of the money received for this project. Although a sum of Rs. 2,312,228 had been retained in the account since the year 2019 for implementing projects further, no project activity had been conducted using it.

W.P.C. Wickramarathna
Auditor General

அதிகாரம் 01

இணைப்பு 01

Annexure 01

“Yugayata Nimavum 2021” New Design Exhibition

KCC, Kandy



“Yugayata Nimavum 2021” New Design Exhibition

KCC, Kandy



New Design Samples 2021



WOOD



BAMBOO & CANE

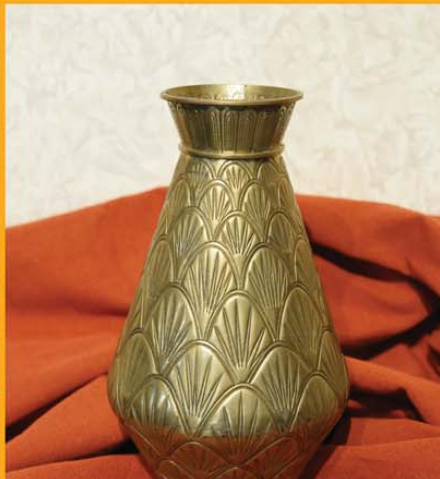
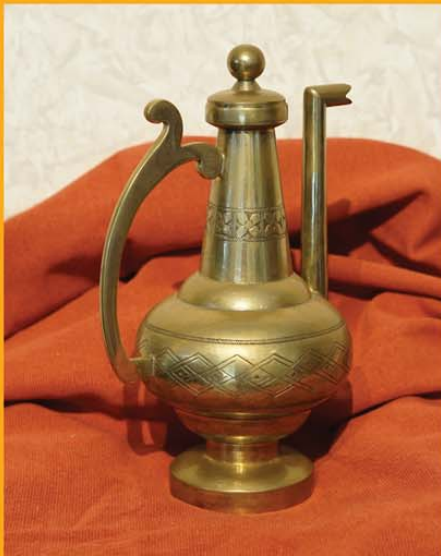


JEWELLERY

New Design Samples 2021



RUSH & REED



BRASS



LACQUIRE

New Design Samples 2021



RED CLAY



COIR



TEXTILE

New Design Samples 2021



LEATHER



BATIK



BATIK

New Design Trainning Workshops - 2021



NEW DESIGN



TRAINNING



WORKSHOPS