

Centre for Excellence

National Institute of Plantation Management



**National Institute of Plantation Management,
M.D.H. Jayewardene Mawatha,
Athurugiriya.**

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**Welcome to National Institute of
Plantation Management**

Annual Report 2016

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VISION

To be the Centre of excellence in providing training and conducting consultancy and research on plantation management



MISSION

To elevate the professional competence of all human assets in the plantation industry towards refection through quality training

Chairman's Message



It is my great pleasure to write a message for the annual report of the year 2016. The NIPM academic activity has maintained its impressive national profile. This is reflected in the programmes we conducted and comments we received for the same and success in attracting public and private stake holders, and many rewards recognizing the contributions of our academic staff. In order to continue to be a strong educational competitor nationally and globally, the NIPM must anticipate and respond to its growing challenges of the national and global education sector, while developing our research capacity, teaching techniques

and promotion of its reputation. The NIPM is investing in more academic staff and nonacademic staff and on focusing strategic support for areas of capacity building and attitudes development where it can maximize its impact. It took significant strides in 2016 towards reaching its target of reaching over 11000 participants for various programmes conducted by the institute. Development of infrastructure is also crucial to supporting and enhancing the institutional academic and teaching capabilities. The NIPM plans to develop human resources and physical resources on the industrial sustainability while developing three degree programmes with a view to enhancing skills and proficiency of working groups of the industry.

In concluding, I wish to thank Hon. Minister of Plantations Industries for his great support extended for the development of this institute and Secretary of the Ministry and his staff. It is my commitment to thank Director of the institute and NIPM family members for their great sacrifice for the sake of progressive financial year.

Sgd.

Deepthi Asoka Abeywickrama

Chairman/NIPM

31/07/2017

Director / CEO's Review



The role of the National Institute of Plantation Management has become extremely complex over the time and having understood our mandate as the national plantation education provider in an era of enormous competition and challenges, NIPM has taken all possible steps to enhance and develop the skills and knowledge of planters and small holders directly and indirectly attached to the industry and its professionals in ensuring they serve their duties diligently, while progressing in line with local changes and global trends.

Institutional contribution to industrial sustainability

We continue to work with RPCs, small holders, research institutes, public and private firms and other stake holders around the Island to promote our programs to build a strong pipeline of potential planters who will carry the torch in to the future. Accordingly, we

condition made the domestic uncertainty of the plantation economy of the Island which were factors to detect in investing of plantation education and human

carried out over 180 programs in all districts reaching over 11337 students to enumerate the benefits of this institute.

A highlight of NIPM activities in year 2016 was, conduction of 22 academic and professional programs for which were attended by over 580 participants from all planting districts. It is our pleasure to mention that institute has estimated in conducting 126 capacity building programs for the small holding sector on the allocation of Rs. 6.30Mn in the year 2016, the institute shows an imperative achievement in conducting 160 programs. The NIPM has reported Rs.6.553Mn on training programs and it was reported Rs. 12.787 as total income from all training activities conducted by the institute, despite the industry was on global and local anxiety.

Industry is in crisis

The economic and political circumstances in the global arena particularly with in the main plantation goods export market, adverse climatic effects and uncertainty with in the agricultural commodity sector, kept on the asphyxiate progress of the economy of the plantation sector. Wage hike, Labor unrest along with socio-economic affliction and adverse weather

resources development plus enhancement.

Our Network

The NIPM has a strong and effective network of extension services with all research institutions, private and public institutes in the Island disseminating latest technology, knowledge and relevant skills to the planters, farmers and extension functionaries. These units performed important tasks of assessment and refinement of technologies, organizing training programs for farmers, and RPCs undertaking diagnostic field visits, awareness programmes, demonstrations, group discussions and organizing field days. These were crucial factors of NIPM to enlighten the planting community on industrial developments.

Plans ahead

NIPM plans to launch three degree programmes in developing National Vocational Qualifications (NVQ) for the plantation industry with a view to uplifting skills and capacity of human resources attached to the sector by 2020. Research and development would play a vital role for the sustainability of the industry in which was realized by the institute to prioritize within our next medium term plan as an Independent Degree Awarding Institute.

The 2017–2020 strategic goals set out an overview of what we must achieve as an

organization over the next four years; these are:

- **Strategic Goal 1:** *To strengthen academic faculty and development of human resources of the institute in order to serve quality services to the sector*
- **Strategic Goal 2:** *To widen a reputation for outstanding with high-impact education solutions in our core areas of expertise while to fortify marketing and promotions*
- **Strategic Goal 3:** *To development infrastructure facilities and lush environment with Quality Management System (QMS).*

Finally I would like to mention that of as we grow, we need to find new ways and means to retain and enhance our spirit of innovation and contribution, and maintain an enthusiastic environment wherein people feel empowered to do things, to take on challenges, to innovate, and self-evaluation on the contribution made to the institute. At last, the Institute has been able to make strides mainly because of patronage and guidance received from the Hon. Minister of Plantation Industries, Mr. Navin Dissanayake, The secretary of the Ministry of Plantation Industries. Special thanks are due to the Chairman of the Institutes and for NIPM family members for their great support to make the year success.

Sdg.

Dr. Prasad Dharmasena
National Institute of
Plantation Management
31/07/2017

The Establishment and the objectives of the Institute

The National Institute of Plantation Management (NIPM) was established in July, 1979 by the Act No. 45 of 1979, amended in 1981 by Act No. 76, in 1987 by Act No. 05 and in 2003 by Act No. 38 in order to make the NIPM a more effective and viable statutory body of the government. The registered office of the Institute is located at M.D.H. Jayawardana Mawatha, Athurugiriya.



As per these acts, NIPM is the only government organization empowered to award certificates for those who successfully complete training programs/academic courses and confer professional Membership to eligible plantation executives under three (03) major categories. It ensures the maintenance of a high standard of professional competence of those who work in the Plantation Industry including the smallholding sector.

To achieve these objectives, the NIPM conducts various training courses, seminars, workshops, examinations and provides research and consultancy services to public and private sector organizations. It has also the capacity to conduct training programmes for foreign students as well.

OBJECTIVES:

The General objectives of the Institute as outline in the Act and the amended Acts are as follows.

- a. To provide by itself or in association with other Institutions in Sri Lanka or abroad, training facilities and programmes relating to Plantation Management to all categories of employees working in the Plantations.

- b. To provide regular, refresher and orientation courses in Plantation Management to employees in Service.
- c. To offer training in Plantation Management to personnel working in the Plantations both in the public sector as well as in the private sector.
- d. To provide Diploma Courses in association with the Tea Research Institute, the Rubber Research Institute, the Coconut Research Institute and other related institutions and to award Diplomas where appropriate.
- e. To sponsor and hold seminars, workshops and conferences and publish journals and magazines in connection with plantation management and development.
- f. To carry out research into areas of plantation management and labour relations that are not already provided for in other similar institutions.
- g. To offer training in Plantation Management to persons who have the necessary aptitude for Plantation Management having regard to the man-power requirement in the Plantation Industry.
- h. To furnish managerial, technical and administrative advices and services to any Government Departments, Public Corporation or other Institutions within or outside Sri Lanka in respect of Plantation Industry.

REPORT OF THE BOARD OF GOVERNERS

During the year 2016, twelve (12) Board meetings were held at NIPM, Athurugiriya to oversee the followings and the directors are responsible

- To ensure highest level of compliance is adhered to in all operations of the institutional activities.

- To ensure that highest standards of disclosure is maintained resulting in transparency in all training activities and operations.
- To effectively and efficiently direct Institute's resources to bring about the best desired results for its stakeholders.
- To provide direction by approval of Institute's medium and long term strategy, annual budgets, action plan and significant financial cum operational policies.

In terms of the section 06 of NIPM Act No. 45 of 1979 as amended by Act No. 76 of 1981, 05 of 1987 and 38 of 2003, the following members consisted as the board of governess of the Institute during the year 2016.

COMPOSITION OF BOARD OF GOVERNORS

Name of the Board member	Position	Name of the Board member	Position
Mr. Deepthi Abeywickrama Chairman / NIPM	Chairman	Mr. Malin Gonathilake, Secretary General, Sri Lanka Planters' Association	Member
Dr. Prasad Dharmasena, Director / NIPM	Member	Mr. Indika Premaratne, Director, Department of External Resources, Ministry of finance and Planning	Member
Dr. W. M. G. Seneviratne Director/ R.R.I	Member	Mr. Titus Sunil Silva, Chairman, Thurusaviya fund	Member
Dr. I. S. B. Abeysinghe, Director/Tea Research Institute	Member	Mr. M. M. D. Thilakaratne, representative , trade union	Member
Dr L. C. P. Fernando, Director, Coconut Research Institute	Member	Mr. N. M. R. Jayathilaka, Representative Sri Lanka Federation of Tea Small Holdings Development	Member
Ms. Kumari Somaratne, Additional Secretary, MPI	Member	Mr. Chandana Jayasekara, representative, Tea Factory Owners Association	Member
Mr. Arjun Deraniyagala	Member		

- Dr. Jayantha Gunathilake , the Director of Coconut Research Institute, retired from the service w. e. f. April 2016.
- Dr. Nissnaka Iddagoda, the Director/ CEO retired from the service w. e. f. September 2016

REPORT OF THE AUDIT AND MANAGEMENT COMMITTEE (AMC)

The AMC of the Institute has formed in compliance with the guide line issued by Ministry of Finance and Planning and duly empowered by the Board of Directors to oversee the following;

- Financial Reporting of the institute.
- Ensure internal control of the institute.
- Matters relating to Audit Queries and Audit Reports and recommendation for the replies made by the Institute.
- Review the decisions of the procurement committee and usage of capital and recurrent expenditure
- Budget Estimates and the progress of the Actual performance
- Comparison the expenditure relating to Overtime, Fuel, Telephone and Electricity etc. with the budget Estimate
- The expenditure incurred on conducting training programs and their activities.
- Other Financial activities relating to the Institute.

Four meetings of the Audit committee, were held for the year 2016 on January 13th, March 14th, June 10th and July 25th

Internal Audit

Due to delaying of recruitment process of internal auditor on the various constraints, the internal audit function has performed by the Chief Internal Auditor of the Ministry of Plantation Industries as experienced in the previous years. He represented as observe member to the AMC

Name of the member	Position	Name of the member	Position
Mr. Indika Premaratne, Director/ Department of External Resources Ministry of Finance and Planning	Chairman	Mr. W. A. D. D. M. Priyantha, Internal Auditor/ MPI	Observe Member
Dr. Prasad Dharmasena Director / NIPM	Member	Mr.L..D.J.Priyantha, Accountant/NIPM	Staff Member
Miss. Kumari Somaratne Additional Secretary, Ministry of Plantation Industries	Member	Mrs. S. N. Illanganthilaka Training Specialist / NIPM	Staff Member
Dr. L. C. P. Fernando, Director / CRI	Member	Ms. C. D. Magina Arachchi Asst. Director / NIPM	Secretar y/AMC

Membership of the Audit and Management Committee

The AMC was chaired by Mr. Indika Premarathne of the representative of Ministry of Finance and Planning. The above Non Executive and Executive Directors, served as the Audit and Management Committee in the year 2016.

- Dr. Jayantha Gunathilake , the Director of Coconut Research institute, retired from the service w. e. f. April 2016.
- Dr. Nissnaka Iddagoda, the director/ CEO of NIPM retired from the service w. e. f. September 2016

STAFF OF THE INSTITUTE

The Director who has been appointed by Hon Minister of Plantation Industries is the Chief Executive Officer of the Institute. Under his vertex, total workforce stood at 46 as permanent staff as at end of the year 2016. The Institute operates under three main functions as Training, Administration and Finance.

Chairman and Chief Executive Officer

The Chairman and The Director/CEO both are Executive Directors who have been appointed by the Minister of Plantation Industries.

The clear distinction and segregation of responsibilities and authority between the Chairman and Chief Executive Officer (CEO), ensures balance of power.

- Mr. Deepthi Abeywickrama - Chairman
- Dr. K. H. G. M. Prasad Dharmasena - Director/CEO
- Dr. Nissanka Iddagoda, The Director/CEO appointed by the Minister of Plantation Industries, retired from the service w. e. f. September 2016.

Managerial staff

The names of the key staff members who served as the middle managerial positions are given below.

- 1) Mrs. S.N. Illangantillake, Training Specialist (Agric. Econ) is the Head of the Training Division.
- 2) Mr. L.D.J. Priyantha, The Accountant of the Institute is the head of the Finance Division.
- 3) Miss. C. D. Magina Arachchi, Assistant Director (Administration) is the head of Administration division.
- 4) P.H. Jayathilake, Training Specialist (Accounting. & Fin. (Mgt.) served to Training division
- 5) Mrs. R.N. Lokuhetti, Training Specialist (Mgt) served to Training division

Other Executive staff

- 1) Mr. Chameera Pathinayake Training Officer (Agri. Econ)
- 2) Mr. M. L. R. Jayantha Administrative Officer
- 3) Mr. N D. S. B Tennakoon- Hostel Manager / RWPSC, Bogawanthalawa.
- 4) Mr. K. G. Nepala - Staff Assistant (Training)



Deepthi Abeywickrama
Chairman



Dr. Prasad Dharmasena
Director / CEO



Mrs. S.N. Illanganthilake
Head - Training



Mr. L.D.J. Priyantha
Accountant



Miss. C. D. Magina
Arachchi
Asst. Director (Admin.)



Mr. P. H. Jayathilake
Training Specialist
(Acctg. & Fin. Mgt.)



Mrs. Ruvini N. Lokuhetti
Training Specialist
(Management)



Mr. N.D.S.B. Thennakoon
Hostel Manager -
Bogawanthalawa



Mr. C. D. Pathinayake
Training Officer (Agri.
Econ.)



Mr. M.L.R. Jayantha
Administration Officer



Mr. K. G. Nepala
Staff Assistant (Training)

Actual Total Staff as at 31/12/2016 as follows.

Training Division (Total Staff -14)

Training Specialist (Agri. Econ.)	01
Training Specialist (Mgt.)	01
Training Specialist (Acct. Fin Mgt.)	01
Training Officer (Agric. Econ.)	01
Staff Assistant (Training)	01
Management Assistant	07
Office Aide	02

Administration Division (Total Staff -24)

Asst. Director (Admin.)	01
Administrative Officer	01
Hostel Manager	01
Management Assistant	05
Driver	06
Garden Aide	03
Office Aide	03
Hostel Aide	03
Sanitary Aide	01

Finance Division (Total staff -8)

Accountant	01
Management Assistant	06
Office Aide	01

REVIEW OF THE ADMINISTRATION

The head of administration is Assistant Director (admin) who is responsible for general Administration of the Institute. All staff matters such as staff recruitment, HR promotions are conducted by the admin department. Procurement of all items for the institute including improvement and renovation of buildings are directed by Admin Division. During the year 2016, the institute advertised to recruit the vacant staff positions in accordance with the limitation in the approved cadre. Interview has been conducted to recruit hostel manager for Athurugiriya, Audio visual assistant, Librarian and Printing assistant. The related activities of the hostel manager were covered up by the work

supervisor as experienced in the previous years. Purchasing of food items was done by a purchasing committee consisting of Management Assistants until recruitment of procurement officer. This committee has been changed in 06 months to ensure transparency of purchasing activities.

The institute provides accommodation facilities for the outside organisations whenever required such facilities both in Athurugiriya and Bogawanthalawa centre. The Institute has made arrangements to improve further its quality services with a view to increase the earning income from renting out activities. A sum of Rs. 14.232 million generated from renting out service in 2016.

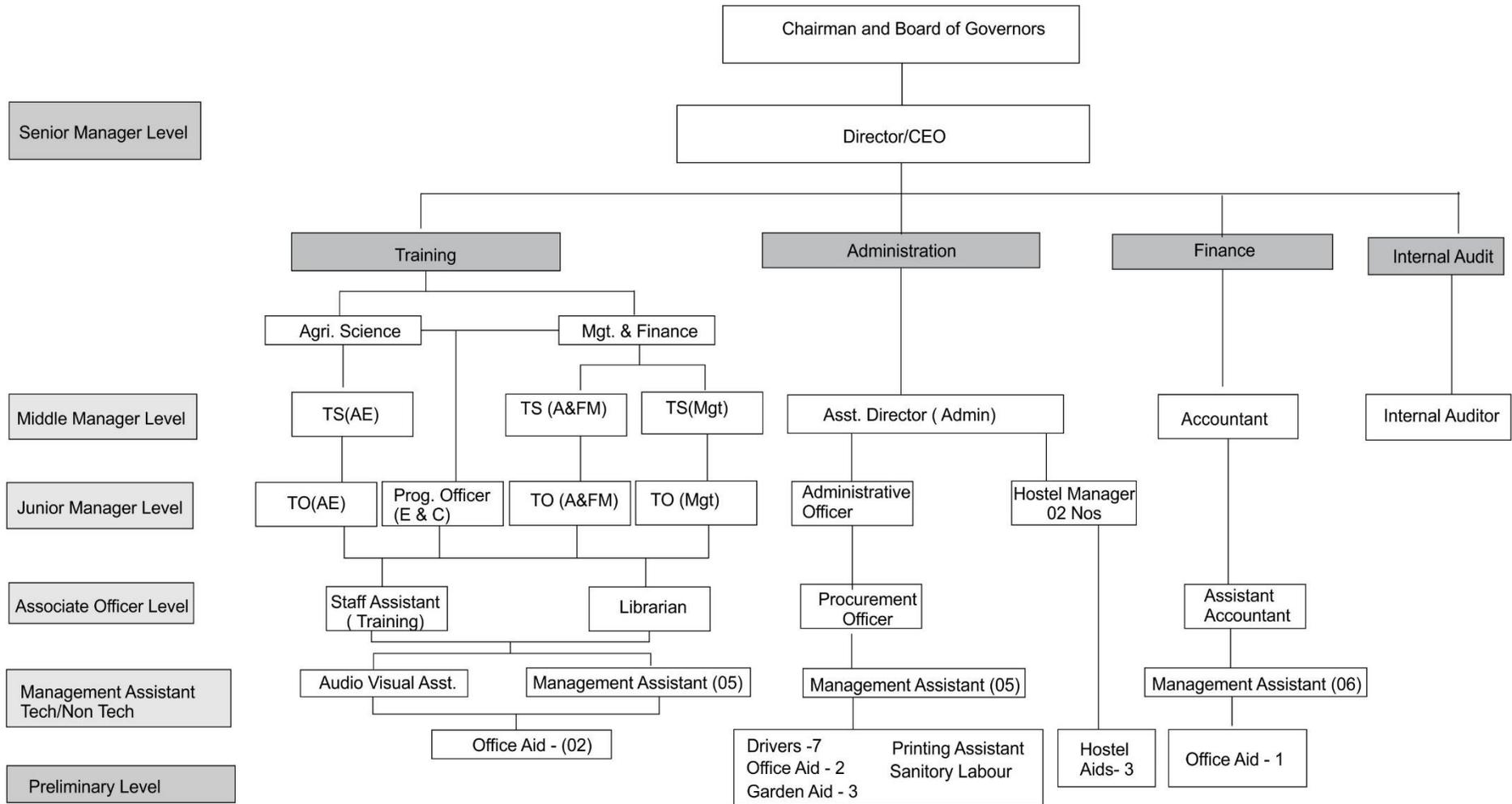
Employee benefits

In order to develop the career growth of employees, the management guided them to improve their skills, knowledge within the service and provide local and international training programmes as and when the employee requested. Institutional welfare benefits scheme which was prevailed prior to 2015 continued in the year 2016 as same.

The Director/CEO and five senior staff members visited to Indian Institute of Plantation Management (IIPM) Bangalore, India in January 2016 to attend special seminar with field visit in Mysore in Karnataka.

The organization structure is given in page No. 16

ORGANIZATION STRUCTURE



TS - Training Specialist . TO - Training Officer AE - Agric. Econ A&FM - Accounting & Fin. Mgt. Mgt. - Management E & C. - Exam & Coordinating

PRINCIPAL ACTIVITIES OF THE INSTITUTE

According to the Act No. 45 in 1979 and the amendments made thereafter for the said Act, the main objective of the Institute is to provide training and learning opportunities to the plantation sector personnel including smallholders. The plantation sector includes perennial crops such as tea, rubber, coconut, sugarcane, oil palm, Palmyra, cashew, and cinnamon etc. The principal activities of the Institute which are aimed at achieving the objectives of the Institute are categorized mainly into 07 areas as listed below.

(a) Academic Programmes

Academic Courses have been designed to upgrade the educational qualifications of the participants and enhance their competencies. In order to award the certificates for these courses, the participants are required to maintain a satisfactory academic record and meet the obligations mentioned in the course modules which they are enrolled. The following courses are included in the category of Academic programs.



- B.Sc. Degree in Plantation Management (jointly with the University of Wayamba)
- National Diploma in Plantation Management
- National Diploma in Plantation Extension Management
- Certificate Course in Plantation Accounting and Financial Management
- Certificate Course in Book- Keeping and Plantation Accounting
- Certificate Course in Human Resource Management
- Certificate Course in Business English
- Certificate Course in Tamil Language
- National Certificate Examination in Tea Manufacture and Tea Factory Management
- Induction Course for Planter Trainees.

(b) Professional Programmes

Main objective of conducting the professional courses are to impart theoretical/ practical knowledge and skills in different aspects of the plantation education. These courses are designed to assess and enhance the participant's career prospects and to increase their value to the organization.



The professional programmes conducted by the Institute are as follows.

- Tea Manufacture and Factory Practices
- Rubber Manufacture and Factory Practices
- Coconut Processing (Technology & Practices)
- Language Proficiency Examination
- Professional Programme in Tea Agronomy
- Professional Programme in Rubber Agronomy

(c) Competency Development Programs

The programs under this category are specially designed to upgrade the skills and capabilities which are directly relevant to particular jobs. It is also expected to familiarize the participants with modern technologies and improved methods with related to job descriptions.

The Institute conducts following competency Development programs.

- Workshops, Seminars and Symposiums
- Skill Development Programmes
- Worker Development Programmes
- Management Development Programmes
- Training Programs for Smallholders.



- (d) Issuing publications related to plantation Management (Journal in Plantation Management, Newsletter, Student Manuals of training programs, text books and other periodicals)
- (e) Providing research and consultancy services in Plantation Management to the sector and conduct aptitude tests and examinations (oral and written) for selecting and promoting employees for public/private sector organizations.
- (f) Conferring Professional Membership of the Institute to eligible plantation executives (Hon. Member, Fellow Member, Associate Member and Student Member)
- (g) Providing Institute's facilities (Food, accommodation and lecture hall etc.) to outside organizations to conduct their training programmes and related activities.



PROGRESS REVIEW OF THE TRAINING PROGRAMMES

The Institute conducts training programmes basically for two segments i.e. **income earning programmes** for the corporate sector and **Capacity Development Programmes** for smallholding sector under free of charge using Government funds. In the year 2016, the institute initiated the programs for school levers under National Vocational Qualification framework (NVQ) to develop the competencies of the younger generations who are willing to capture the plantation segment.

Income earning programmes

During the year 2016, the institute initiated the following academic and professional programmes in order to generate the income for the Institute.

<i>No</i>	<i>Programmes Name and category</i>	<i>No. of Prog. conducted</i>	<i>Duration of each Programme</i>	<i>No. of Participants</i>
01	B.Sc. Degree in Plantation Mgt.	01	03 years	N.A
02	Professional Programme in Tea Manufacture and Factory Practices	01	11 days	27
03	Certificate Course in Plantation Accounting & Financial Management	01	12 months	14
04	Certificate Course in Book-keeping& Plantation Accounting	01	12 months	9
05	Advance Certificate Course in Plantation Management – English and Sinhala Medium	02	06 months	28
06	Skill Development of Tea Factory Officers	01	05 days	15
07	Basic oil palm course	01	01 day	42
08	Management Development Programmes	7	01 day/ 02 days	243
09	Technical Development Programmes	01	03 days	15
10	Special Programmes	06	01 day	193
Total		22	-	587

Table No.01

Apart from the above, the institute continued the following academic programmes commenced in previous year to complete academic period and the examinations.

<i>No</i>	<i>Programme Name and category</i>	<i>No. of Prog. conducted</i>	<i>Duration of each Programme</i>	<i>No. of Participants</i>
01	B.Sc. Degree in Plantation Mgt.	01	03 years	
02	National Diploma on Plantation Management	01	18 months	10
03	National Diploma in Plantation Extension Management	01	18 months	17
04	National Diploma in business Communication	01	12 months	11
05	Certificate Course in Plantation Accounting & Financial Management	01	14 months	14
06	Certificate Course in Book-keeping & Plantation Accounting	01	12 months	9
Total		06		61

Table No. 02

Profit and loss analysis of the Income Earning programmes

With the intention of earning an income for the institute, the institute conducts programmes especially for corporate sector to cover up the cost with a nominal profit margin in order to survive the Institute without burden to the National budget. During the year 2016, the Institute has reported a net income of Rs. 6.553 million from the training activities with an average profit margin of 51% on the total training income of Rs.12.787 million. As per the previous year statistics, it was reported a net income of Rs. 9.938 million from the total training income of Rs 18.008 million resulting year on year drop in 34%.The main reason for the drop due prices of the end product of the plantation crops dropped in global market in 2015 and 2016 and therefore it was resulted a drop of the training activities in the year 2016. When compared with 2015, the Institute conducted huge programme for Rubber Development Department (RDD) and earned income of Rs 7.8 million which was leading to make negative net income in the year 2016.

The analysis of the profit and loss for each category of courses are given bellow in table No 03

Name of Programme	Income (Rs. mn)	Cost (Rs. mn)	Profit/Loss	Profit margin
Academic and Professional	1.769	1.276	0.493	28%
Management and Technical Development	1.369	0.722	0.647	47%
Skill Development	0.252	0.124	0.128	51%
Induction course for Planter Trainee	2.520	0.590	1.930	76%
Special Training	5.629	2.771	2.857	51%
Income from External Examinations	1.248	0.750	0.498	40%
Total	12.787	6.233	6.553	51%

Table No. 03

Progress of the Income Earning Training Programmes - 2016

The Institute concluded 22 number of income generated programmes against the action plan target of 51. The progress of the number of programme conducted was reported as 43.1% in the year 2016. Moreover, the Institute completed final examinations on six programmes which have been commenced in the year 2015. At the year end the institute achieved financial progress of 53% against the expected training income. The number of trainees for the year 2016 was 587 plantation estate employees out of the planed target of 905. i.e 64.8% against the target. The following table (No.4) shows the details of the physical and financial progress of the year 2016.

Physical and Financial progress of training programs

Name of Programme	Estimate			Actual			Progress (percentage)		
	No. of Progs.	No. of Students	Income (Rs. Mn.)	No. of Progs	No. of Students	Income (Rs. Mn.)	Programs	Students	Income
Academic and Professional Programmes	11	155	5.910	4	51	1.80	36%	32.9%	30.4%
Management and Technical Development Programmes	16	240	2.062	8	258	1.37	50%	107.5%	66.4%
Skill Development Programmes	5	75	1.350	1	15	0.25	20%	20%	18.5%
Basic Courses	4	60	0.510	1	42	0.04	25%	70%	7.8%
Worker Development Programme	3	45	0.080	-	-	-	-	-	-
Induction course for Planter Trainees	2	30	2.70	2	28	2.52	100%	93.3%	93.3%
Special Training Programmes	10	300	10.00	6	193	5.59	60%	64.3%	55.9%
Income from External Examinations	-	-	1.50	-	-	1.25	-	-	83.3%
Total	51	905	24.15	22	587	12.81	43.1%	64.8%	53.0%

Table 04

Capacity Development Programs for Small holders - 2016

The Institute has the obligation to conduct training programs for smallholders whose total contribution is around 75% to the plantation sector. Having identified important role of smallholders in the plantation sector, a significant amount of funds has been allocated for institute's budget under Capacity Development for smallholders. With a view to improving their knowledge and increase of the income of the smallholders, the Institute had scheduled 126 training programmes with the financial allocation of Rs 6.30 million in 2016. During the year, the

institute conducted 160 programs for smallholders incurring Rs 7.18 million. The following programs have been conducted for smallholders.

- Alcohol prevention
- Attitude development
- Management development
- Entrepreneur development
- Technical Skills development

The details of conducted Capacity Building programs for smallholders are given below in table No 05

Type of Programme	Expected program mes	Expected participations	Estimated cost (Rs Mn)	No. of Program mes	No. of Participants	Cost (Rs. mn.)
Rubber small holders	40	2,000	2.00	67	4576	2.80
Tea small holders	40	2,000	2.00	26	2,181	1.30
Coconut Smallholders	40	2,000	2.00	64	3,817	2.94
Other crops	6	300	0.30	3	266	0.14
Total achieved	-	-	-	160	10840	7.18
Total planned	126	6,300	6.30	-	-	-
Progress	-	-	-	127%	172%	114%

Table No 05

In this segment a significant improvement has been achieved in this year conducting 160 programmes reporting a progress of 127% over the estimate in 2016 and the institute was able to train 10,840 smallholders reporting 172% progress over the expected number of trainees. The cost incurred for these programme was Rs. 7.18 million in 2016. It was 114% financial progress over the allocated funds.



COMPETENCY DEVELOPMENT PROGRAMMES FOR SCHOOL LEAVERS UNDER NATIONAL VOCATIONAL QUALIFICATION (NVQ)

The Institute allocated fund in 2015 and 2016 to develop training programme for newcomers under technological scheme to enhance the competencies of the young generation who are willing to enter into plantation sector. Under which it has been developed three courses up to NVQ level 4 according to the needs of the plantation sector as listed below.

- Tea factory officer
- Tea field officer
- Tea factory mechanic

The institute was able to start tea factory officer and tea field officer programme in August 2016 and trained 32 young school leavers with the job guarantee for those who were participated the programme successfully. All students who have participated for this programme, got the job opportunities before the conclusion of the programme.



PROGRESS OF TRAINING PROGRAMMES AGAINST THE PREVIOUS YEAR

When compared with the previous year training statistics, it was reported negative progress in number of programmes, number of trained and the generated income from training activities in 2016. Lower Net Sale Average of plantation products in the global market were reported in 2015 and it had been further declined in 2016. Not only that it was reported unexpected weather pattern resulting flood and land slide in the plantation districts in 2016. It was caused to decline the volume of production and the profitability of the plantation companies who are the main customers of the institute. When the down turning situation, the companies forced to cut down their training budgets in order to make possibilities to meet the other essential commitments.

When compared with the year 2015, it was reported 26.6% decrease in conducting programmes and 46.6% decrease of the participants in income generated programmes. In resulting that, training income of 2016 has decreased by 28.8% against 2015.

In the case of smallholding sector training programmes was reduced by 18.3% and training participants also reduced by 15.4% parallel to the drop in programmes. The main reason for this reduction in progress against the previous year was the focus away from priorities of the general public and the plantation companies with the reduction of prices of plantation produce. Any how it would be adversely affected to the training culture of the plantation community. The following table (No. 06) shows the results of the negative impacts in 2016 against the year 2015

	2015	2016	Percentage Increase/ (decrease)
No. of Programmes (income generated programmes)	30	22	(26.6%)
No. of Participants (income generated programmes)	1101	587	(46.6%)
Training income (Rs. Mn.)	18.008	12.81	(28.8%)
No. of Programmes for Small holders	196	160	(18.3%)
No. of Smallholders trained	12,825	10,840	(15.4%)
Cost incurred on training of Small holders (Rs. Mn.)	7.71	7.18	(06.8%)

Table No. 06

CONDUCTING EXAMINATIONS FOR OTHER ORGANIZATIONS

One of the objectives of the NIPM is to provide consultancy services in different subjects in relation to plantation management. It has been providing such services for different public/private sector organizations which are specialised in the plantation sector to promote their employees and to recruit new employees conducting examinations since 1987. As



experienced in the previous years, the Institute conducted 23 examinations and earned 1.248 million in the year 2016. The following Table No 07 shows the details of such examinations.

Organization	No. of Examinations	No. of Candidates	Income Generated (Rs.)
Sri Lanka Tea Board	18	199	668,113.50
Tea Small Holdings Development Authority	02	109	218,940.00
Coconut Research Institute	01	13	24,992.50
Tea Research Institute	02	67	229,352.00
Coconut Development Authority	01	31	53,040.00
Thurusaviya Fund	02	16	53,722.00
Total	23	435	1,248,160.00

Table No 07

B.Sc. DEGREE IN PLANTATION MANAGEMENT

The B.Sc. Degree in Plantation Management is a new dimension of managerial and technological development, specially designed for senior and middle level executives attached to the plantation and related sectors towards corporate level development.

Until 2006 there was no opportunity for the plantation sector personnel for higher education in the field of plantation management. There was a need in the plantation sector to explore ways and means for the advancement of individuals in the sector to achieve greater competence, develop management skills and professionalism at a level higher than the diploma level. The

demand for qualifications in the plantation sector at this level had to be met. The Managers had to be developed to face the challenges of the future, and had to be prepared to face them professionally. In order to ensure productivity and profitability of the industry and its sustainability, it was necessary to bridge this need gap and provide a high degree of scientific, theoretical and managerial competence at both micro and macro levels for the senior and middle level executives in the plantation sector. For this purpose, a comprehensive academic programme had to be designed. Accordingly with much effort, the B.Sc. Degree in Plantation Management launched in 2006, and was offered jointly by the University of Wayamba and NIPM filling a vacuum that existed. This was a 03 year programme and was conducted as a distance learning course. Initially, 21 Plantation Executives registered for the course and 17 passed out in 2008. The details of the number of students registered each year and number who successfully completed the programme are given below.

<i>Batch</i>	<i>Year</i>	<i>No. of Registered Students</i>	<i>No. of Passed out Students</i>
1	2006	21	16
2	2007	17	11
3	2008	35	21
4	2009	34	16
5	2010	47	29
6	2011	32	17
7	2012	54	37
8	2013	81	
9	2014	91	
10	2015	106	
11	2016	105	

The results of ongoing programmes during 2014 to 2016 yet to be finalized. Out of the applications received, 105 have been selected to follow the degree in 2016. The above chart shows that the demand for the B.Sc. Degree in Plantation Management has been increasing and it is a positive trend. The certificate is awarded jointly by NIPM & Wayamba University.

It is indeed prestigious for the Institute to jointly offer the Degree programme along with the University of Wayamba.

PROFESSIONAL MEMBERSHIP OF THE INSTITUTE

The Institute continued in conferring professional membership of the Institute to eligible Plantation Executives based on the criteria and conditions constituted in the Act No. 5 of 1987. During the year under review, one associate member promoted as fellow member and awarded a fellow membership for one executive. At the end of the year, total numbers of membership holders under each category are listed below.

Honorary membership	-	20
Fellow membership	-	208
Associate membership	-	20
Student membership	-	<u>02</u>
Total	-	<u>250</u>



PUBLICATIONS

The Institute published two issues of Journal and four issues of Newsletter before 2015. Instead of above two publications, the Institute decided to issue one magazine named as PLANTATION as a new version. It consist various articles in three languages related to the plantation industry written by scientists of the Crop Research Institutes, lecturers of the Universities and professional planters and the plantation smallholders. The Editorial Committee comprised Dr. (Mrs.) Priyani Senevirathne, Rubber Research Institute Mr. B. A. D. Samansiri, Tea Research Institute. Dr.(Mrs.) Kusum Wijesinghe, University of Wayamba, Dr. K H G. M. P Dharmasena, Director, NIPM, Mrs. S. N. Illanganthilake, Head training of NIPM, Mrs. R. N. Lokuhetti, Training Specialist, NIPM and Mr. K. G. Nepala Staff assistant NIPM. The Chief Editor of the magazine is Mr.S. M. P. Jayantha,



FACILITIES AVAILABLE

• LIBRARY FACILITIES

The library of the Institute has a collection of more than 4000 books covering various subject areas relating to Plantation Sector such as tea, rubber, coconut, sugarcane, cashew, accountancy, general management, human resource management, marketing management, strategic management, positive thinking, time management, productivity, industrial safety & hygiene and quality management etc. It has both lending and reference sections. The participants of the long-term

programmes and the staff of the Institute are eligible to use the books in the lending section while the participants of short-term programmes, staff of the Institute, external resource personnel of the Institute, school children of the area and outside resource personnel can use the reference section.

- **ACCOMADATION FACILITIES**



The Institute has adequate infrastructure facilities that are required for an educational and training Institute. The national budget allocates funds every year for upgrading and modernization in keeping with the trend in the market with respect to local and international demands. The facilities at Athurugiriya center consists of three lecture halls and auditorium

with air-conditioning facilities. The Auditorium can accommodate 200 persons at a time. Hostel facilities can be provided for 60 persons.



Hostel at Athurugiriya

Hostel at Bogawantalawa (RWPSC)

The Ranjan Wijerathne Plantation School (RWPSC) which located in Theresia Estate, Bogawantalawa is the other



Regional Training Centre for conducting training programmes. It should be certainly improved up to training centre with modern facilities. The Auditorium with a capacity for nearly 100

persons and two medium size lecture halls are available, which can be accommodated around 50 in each.

The hostel at Bogawanthalawa can provide accommodation facilities for nearly 70 people at a time. It has a fairly big dining hall, 3 office rooms and a mini library having more than 600 books. There is a bungalow for the Hostel Manager. Apart from the Hostel Manager and a peon, there are no other permanent workers at this center and therefore, necessary workers are employed on contractual basis during training sessions with the prior approval from the Director. There are three workers and one watcher on casual basis and at present all training facilities are being rented out for the Korean training programmes which are conducted by Sri Lanka Bureau of Foreign Employment under supervision of the Hostel manager.

FINANCIAL REVIEW

Performance

The Institute reported a total income of Rs. 101.828 million in year 2016 compared to the previous year income of Rs. 84.796 million. The main contributory factor towards this income was the Government recurrent and capital grant contributed by the General Treasury which were Rs. 38.961 million and Rs. 32.689 million respectively. The training income of the year was Rs. 12.87 million which contributed satisfactory amount toward the generated income. As experience in the previous years, the Institute generated a significant income from offering renting out facilities for the outside organisations where there were room to accommodation availability in both Bogawanthalawa and Athurugiriya. A sum of Rs 14.232 million generated from the renting out facilities in 2016. At the end of the financial year 2016, the institute reported a net surplus of Rs. 14.757 million.

The Summary of Financial performance compared to the previous year is given bellow.

	2015	2016	Variance	Key reason
Government recurrent grant	28.502	38.961	36.69%	Treasury released sufficient funds in 2016
Income from capital grant	23.072	32.689	41.68%	Due to increasing in capital grants and utilize the funds
Training Income	18.008	12.787	(28.99%)	Due to decline in number of programmes under unexpected price reduction and various other environmental and natural issues
Renting out income (Both Bogawanthalawa and Athurugiriya)	13.575	14.232	4.83%	Mild increase could be seen despite the limitation of accommodations.
Total Generated income	33.222	30.178	9.16%	Due to decline of number of training programme resulted to decrease in training income
Salaries and wages and employee benefits	30.907	31.834	2.99%	Due to annual increment of government servants salaries
Total Recurrent Expenditure	84.163	87.070	3.45%	Mild increase could be seen
Depreciation	17.740	18.951	6.82%	Increased due to new purchases
Surplus	0.632	14.757	2234%	Due to increase in Government grant both capital and recurrent. Total grant has been considered as the income of the institute as per the accounting standard.

Liquidity position

Liquidity position of the Institute shows a slight improvement at the end of the year recording current ratio of 2.04 times compared to the previous year's ratio of 1.77 times. It seems an improvement of the liquidity assets.

Capital expenditure

During the year 2016, the Institute continued of infrastructure development plan and invested for tangible fixed assets of Rs 27.71 million as scheduled in the capital expenditure budget. Moreover, the Institute invested a sum of Rs. 7.18 million for capacity development programme for smallholders and 1.266 million for NVQ programmes under capital expenditure budget. Total capital expenditure for the year 2016 was Rs. 36.94 million. Following table shows estimated and actual performance of capital expenditure in 2016

Budget and Actual performance of the Capital Expenditure 2016 (Rs. Millions)

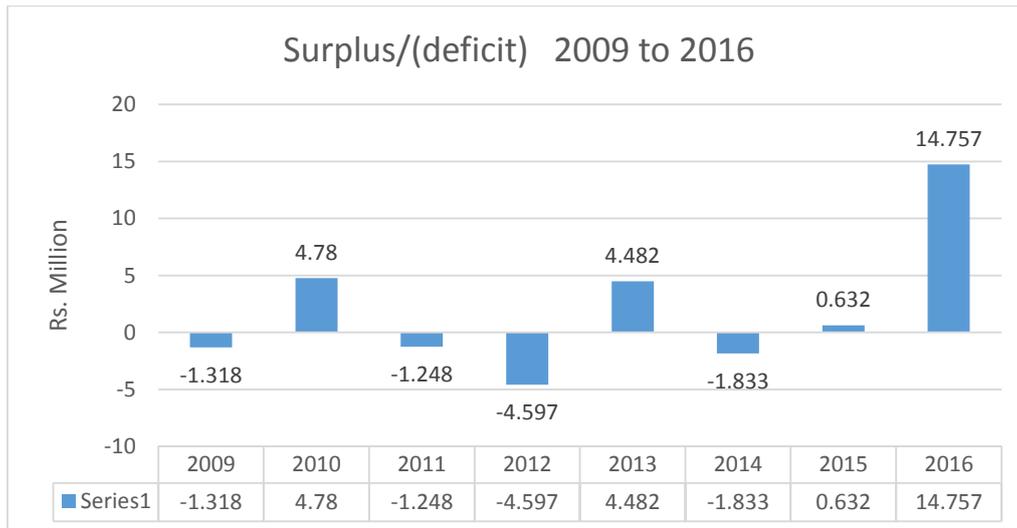
Capital items	Budget	Actual	Progress
Renovation and rehabilitation of Capital assets	17.75	13.62	76.7%
Acquisition of capital assets	16.25	14.09	86.7%
Other investment	2.00	0.78	39.0%
Capacity Development Programmes	10.00	8.45	84.5%
Total	46.00	36.94	80.3%

Initially, a sum of Rs. 25.0 Mn. has been allocated for capital expenditure by Department of National Budget and later a supplementary allocation of Rs 9.00 million has been approved to purchase a Bus for the Institute. Major capital activities are listed below.

- Purchasing of a 34 seated ROSA bus.
- Renovation of office complex ,corridors and directors office with staff wash rooms
- Renovation of electrical panels of the institute.
- Installation of AC Units for lecture rooms.
- Conducted 160 No. of capacity Development training programmes for smallholders

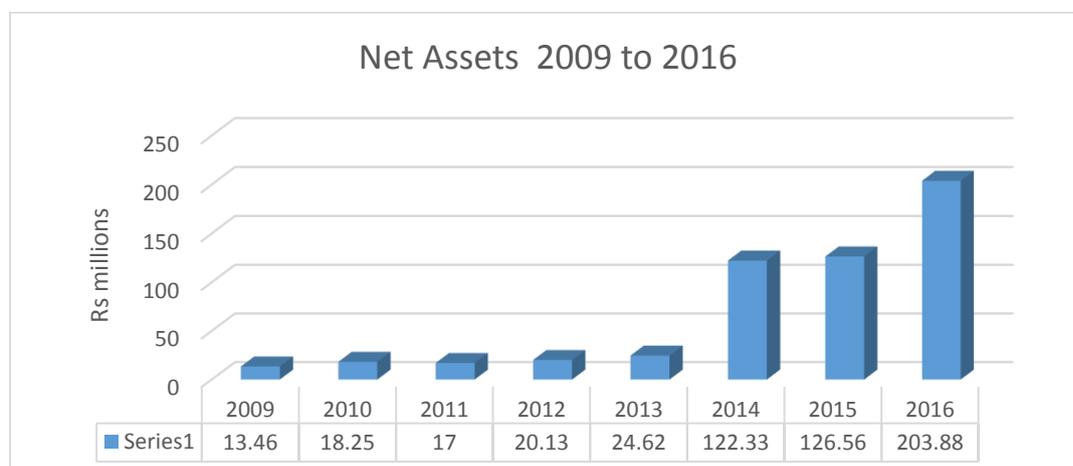
Surplus /Deficit

During the under review, the Institute reported a surplus of Rs. 14.757 million after deducting depreciation cost of Rs.18.95 million. The surplus of Rs. 0.632 million reported in the Statement of Financial Performance in the year 2015. The Institute received a sum of Rs. 32.689 million and Rs. 38.961 millions capital and recurrent grant respectively. This was the major contributory factor for the improvement of surplus when compared with the previous year.



Net Assets

The Net Asset of the Institute has increased up to Rs. 203.88 Mn. as at 31 December 2016, it shows 61% improvement over the previous year figure of Rs.126.56 Mn. As per the Accounting Standard, the Institute transferred the deferred government grant balances at 31/12/2015 to the carried forward retained profit balance which was resulted to increase the retained profit amount up to positive figure of Rs 51.765 million. This adjustment and current year's profit increased the Net assets of the year 2016 up to 203.88 million. The Institute has revalued its assets in 2014 on which revaluation surplus generated by Rs. 96.6 Mn causing a hyper increment of the Net Assets in 2014.



Financial Position

Statement of Financial Position indicated the Net asset of Rs. 203.88 million as at 31.12.2016 compared to the previous year figure of Rs. 126.562 million. According to the financial statements, the value of total assets recorded as Rs. 228.849 million compared to the previous year figure of Rs. 221.743 million. Total liabilities as at end of the year was Rs. 24.969 million compared previous year figure of Rs. 95.181 million. The Institute provided a provision for Employee Benefits Plan for Rs. 7.581 and invested in fixed deposit to secure the commitments for the employee benefits. Total current assets recorded as Rs. 35.256 million and the current liabilities was Rs. 17.277 million as at 31.12.2016.

CONSTRAINTS FACED BY THE INSTITUTE

As experienced in the previous years after restructuring process took place in 2004, the Institute had to face several constraints in the year 2016 as well. Shortage of staff in the training faculty was one of the main constraints. There were only 06 members in the training faculty. The Institute could not recruit the staff due to inadequate salary scales against the qualifications and skills even if the approved staff vacancies were available. The Institute faced shortage of staff quarters due to acquisition of four and half acres of the land and three executive grade staff quarters by Seventh Engineers' Regiment of Sri Lanka Army.

Many of the plantation companies were reluctant to release their executives to participate on week days and long term programmes since their absent might affect the production and administrative activities of the estates. Therefore, the Institute had to change the training arrangement on weekends. This was caused to limited capacity of the lecture halls and accommodation facilities to increase the number of programmes.

The participation of school leavers for plantation training is minimal, since the plantation sector is not attractive for the younger generation. The Institute had to invest more fund to develop course modules to convert the selected professions which are not being easily recruited by the plantation companies due to lack of competencies. In order to get the service of the consultant for module development, the Institute had to face difficulties on the government bidding procedure.

Office building complex is more than 60 years old building which was converted into office in 1980s. Therefore, it is beyond the repairing stage. A new office complex has to be constructed to develop infrastructure facilities.

Out of the 08 vehicles that the Institute has at present, 06 are over 20 years old. The age of the Pajero jeep is more than 25 years. As previously mentioned, the programmes for smallholders are conducted in different regions in the country. To travel such distances, the existing vehicles are thoroughly unsuitable. In order to ensure a more effective service to the clients all these vehicles have to be replaced with new vehicles.

Further, in conducting programmes in the regions, the audio visual equipments gets damage if they are not properly packed and transported. But, the existing vehicles are not suitable for transportation of audio visual equipments safely. Hence, there is a need to buy a suitable vehicle to prepare as a mobile training unit.

Even though plantation estates are owned by the government, there is no specific qualifications for recruitment and promotion schemes of plantation staff in the Regional Plantation Companies which brings the difficulties to attract the students for the institute's programmes.

Future plan

The institute has taken steps to develop some of the courses up to NVQ level 7 with a view to establishing degree awarding institute for the plantation sector by 2020. A proposal of Rs 314 million has already been approved by the treasury in order to develop infrastructure facilities and the course modules. In parallel to the above a new development proposal for improvement of Hostel facilities up to 200 heads submitted by the Institute and hopefully it will be recommended by the department of National planning which is estimated at Rs 223.00 million

A sum of Rs 10.00 million has been allocated for the year 2017, in order to initiate the degree awarding project, the institute expects a significant fund for the year 2018 to success the project on time.

Conclusion

Although the Institute had various constraints and impediments, in the past after restructuring process took place in the end of 2004; the Institute has made gains, financially in the year under

review when compared with the previous year 2015. Due to drop the prices of the plantation crops such as rubber and tea were adversely affected to the physical number of training programmes in 2016 both corporate and the smallholding sectors compared to the previous years. Any now there was a possibility of conducting more programmes for smallholders and estate workers in future years if the capacity of the staff is strengthened.

A surplus of Rs.14.757 Mn. was seen between the income and expenditure in the year 2016 and the Net assets of the Institute has increased up to Rs.203.88 million from 126.56 million in the year 2015.

Further, the Institute was able to start the module development process to obtain NVQ accreditation which is mandatory for skill development of the plantation sector. The Institute conducted 160 training programmes for smallholders incurring a sum of Rs. 7.18 using the funds granted by the Treasury. The greater emphasis will be paid to programmes for smallholders and estate workers in the next year too. Based on this information, it can be satisfied with the physical and financial progress in the year under review and the expectation of the Institute is to achieve the planned targets in the year 2017 under the effort and commitment of the staff and the proper guidance and advices of the Board of Governors and the line ministry.

The Chairman and the Board of Directors and the Management of the Institute take this opportunity to convey its sincere thanks and gratitude to each and every person who extended their fullest co-operation to achieve the gains made in the activities of the Institute during the year 2016.

Sgd.

Deepthi Asoka Abeywickrama

Chairman/NIPM

31/07/2017

2016

**FINANCIAL
STATEMENTS**

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NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

ACCOUNTING POLICIES AND THE NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR 2016

1.0 REPORTING ENTITY

National Institute of Plantation Management is a statutory board established under the National Institute of Plantation Management (NIPM) Act No. 45 of 1979 was amended in 1981 by Act No. 76, in 1987 by Act No. 05 and in 2003 by Act No. 38 in order to make the NIPM a more effective and viable statutory body of the government.

As per these acts, NIPM is the only organization empowered to award certificates for those who successfully complete training programmes/academic courses and confer professional Membership to eligible plantation executives under three (03) major categories. It ensures the maintenance of a high standard of professional competence of those who work in the Plantation Industry including the smallholding sector. To achieve these objectives, the NIPM conducts various kinds of seminars, workshops, examinations and provides research hand consultancy services to public and private sector organizations. It has also the capacity to conduct training programmes for foreign students as well.

The registered office of the Institute is located at M. D. H. Jayawardana Mawatha, Athurugiriya.

2.0 BASIS OF PREPARATION

2.1 Statement of compliance

The Financial statements of the Institute such comprise Statement of Financial Position, statement of financial performance, Statement of Changes of Equity, Statement of cash flow, statement of budgeted and actual performance together with the Significant Accounting policies and Notes to the Financial Statement which have been prepared in accordance with ***Sri Lanka Public Sector Accounting Standards*** on the accrual basis of accounting formulated by Association of Public Finance Accountants of Sri Lanka.

2.2 Basis of Measurement

The financial statements have been prepared in accordance with the historical cost conversion basis except for following material items in the statement of financial position.

- Vehicles are presented in revaluation basis
- Property plant and equipment have been revalued in 2014 and disclosed as first time adaption in the financial statement in 2014. Cost model is effective for annual reporting period on the subsequent years. The properties in the Bogawanthalawa regional center revalued on 31/12/2014 and reported to the financial statement in 2015.

3.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial statement have been prepared on a ***Going Concern Concept*** and the account policy has been applied consistently throughout the period. Funds are available from Government grants and income generated from training programmes, academic courses, undertaking of consultancy assignments, professional membership subscriptions and sales of publications. Such accumulated funds are utilized to meet institutional liabilities as and when necessary.

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

3.1 INTANGIBLE ASSETS

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a ***straight line basis*** over their estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each annual reporting period and the effect of any changes for estimate are accounted for on a prospected basis.

Computer software

Computer software which has been developed for Accounting, Payroll, Training Statistics, and Resource Management are recognized as intangible Assets to the Institute, since it is not part of the operational system of the computer. These assets are written off from the Account over 4 years.

The Development cost of Distance Learning Modules

The Development cost of the distance learning course for National Diploma in Plantation Management has been recognized as intangible assets and the useful life of the prepared modules (written) is four years.

The cost involved to develop the course content to NVQ standard

The Institute develops its courses to obtain NVQ accreditation, the development cost of the course contents are considered as intangible cost, it will be written off from the account in four years.

The estimated useful lives of intangible assets are as follows.

Description	Computer software	Development cost of Distance learning course	Development cost of NVQ standard courses	
<i>Useful lives</i>	<i>4 years</i>	<i>4 years</i>	<i>4 year</i>	

3.2 The capacity Development programme for smallholders and school leavers

The Institute conducts capacity development programmes for out growers to uplift the living standards and enhance the knowledge of the smallholders. The costs of these programmes are considered as the capital development cost of the entity. It is meeting a contemporary need of the smallholders to improve the knowledge, skills to enhance expected levels of agricultural practices with a view to producing higher quality end product in the hand of the consumer.

The management skills, knowledge and productivity of the smallholders will be improved through these programmes, whilst enabling the enhancement of the goodwill of the Institute.

In addition to the above, the Institute conducts the programmes for school leavers under National Vocational Qualification (NVQ) system to enhance the competencies of young generation who are willing to enter into the Plantation sector.

It is assumed that the impact of such programmes would be realized within one year. Therefore the value of such investment would be written off in the year itself.

The Institute incurred Rs 8.446 Mn. to enhance the knowledge of the plantation out growers' ground level workers conducting 160 programmes in 2016 and two NVQ programmes for the Scholl leavers under the financing of the National Budget.

3.3 PROPERTY PLANT AND EQUIPMENTS

Property plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. This historical cost includes all cost directly attributable to bringing an asset to working condition for its intended use and significant renovations.

When part of an item of property, plant and equipment has different useful lives, they are accounted for as separate items (Major component) of property plant and equipment.

3.3.1 Useful lives

Depreciation is calculated using straight line method based on rates estimated to write off the assets over the term of its useful life living a residual value for accounting purpose.

The estimated useful lives and the depreciation rates used for the current and comparative periods are as follows. (These rates are commonly used unless otherwise stated in below paragraphs as exceptions)

Free holding buildings	20 years	5%
Office furniture	10 years	10%
Motor Vehicles	5 years	20%
Infrastructure assets	10 years	10%
Library Books	10 years	10%
Land improvements	10 years	10%

Exceptions

- The Equipment consists of plant and machinery, office equipment and miscellaneous items such as linen, cutlery items etc. These items have different useful lives as listed bellow

Plant and machinery	5years
Office equipment	5years
Cutlery items and hostel linen	4 years

- Even though the Networking of computers is categorized as the infrastructure assets, the useful lives of the Networking of computers are recognized as 5 years.
- 150KVA Generator is categorized as Plant and machinery and its useful lives is recognized as 10 years.

The following Assets are considered as Infrastructure assets in accordance with Public Sector Accounting Standard.

- Road improvement,
- Water and power supply and power generation systems
- Supply of Electricity
- Computer Networking

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

Basis of measurement

All Property Plant and Equipment are depreciated as per cost model and the vehicles are accounted in accordance with the revaluation model. The depreciation is not charged for Land of the Institute.

3.3.2 Disposal

The carrying amount of an item of Property plant and Equipment is de-recognized or when no future economic benefits are expected from its use or disposal. The gains or losses on disposal are determined by comparing proceeds with carrying on disposal value. These are included in the statement of financial performance.

3.3.3 Annual board of survey

The Institute conducts an annual board of survey at the end of the year and recommended to dispose the items which are uneconomical to use

3.3.4 Present status of the land acquired by Sri Lanka Army

The land extents of 1.9499 hectares and three staff quarters had been transferred to seventh regiment of Sri Lanka Army. The ownership of the above properties had been acquired under section 38(A) of Land Acquisition Act. The compensation of Rs 55.0 million to be received to the institute. The transaction process is ceased since the institute has taken necessary action to take the properties back.

4.0 DEPOSITS FOR INFRASTRUCTURE FACILITIES

This includes security deposits payment against the infrastructure facilities for the service providing organizations.

5.0 INVENTORIES

Inventories consist of institutional publication, printing materials, stationaries and office requisites, tires, building maintenance materials and other consumables. They are valued at the cost on the basis of First in First out principle. The publication stocks comprise the donated publication books from Tea Development project.

Cost formula used: "Purchasing cost + cost of conversion + other cost"

Caring amount of the inventories is listed bellow

<i>Item</i>	<i>Caring value at fair value (LKR '000)</i>	<i>Cost to sell</i>	<i>Caring value at fair value (LKR '000)</i>
<i>Stationary</i>	<i>175.9</i>	<i>-</i>	<i>175.9</i>
<i>Printing materials</i>	<i>343.1</i>	<i>-</i>	<i>343.1</i>
<i>Welfare items</i>	<i>10.3</i>	<i>-</i>	<i>10.3</i>
<i>Consumable items</i>	<i>24.7</i>	<i>-</i>	<i>24.7</i>
<i>Building maintenances material</i>	<i>100.6</i>	<i>-</i>	<i>100.6</i>
<i>Tire and tubes</i>	<i>30.8</i>	<i>-</i>	<i>30.8</i>
<i>Publications</i>	<i>425.0</i>	<i>-</i>	<i>425.0</i>
<i>Total</i>	<i>1110.6</i>	<i>-</i>	<i>1110.6</i>

Donated Publication stocks

Value of donated publication books include in the publication stock and it has been shown in the differed income account under current liabilities. Income is recognized as and when it realize to the relevant accounting period

6.0 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, current accounts balance at Bank of Ceylon Athurugiriya Branch.

7.0 FINANCIAL INSTRUMENTS

The Institute initially recognizes loans and receivables and deposits on the date that they are originated. The Institute recognizes financial assets to the cash flows from the asset expire.

Held -to- maturity financial assets

The institute has the positive intend and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held to maturity financial assets are recognized initially at fair value plus any directly attributable transaction cost using the effective interest method, less any impairment losses. Any sale or reclassification of more than insignificant amount of held-to-maturity investment not close to their maturity would result in the reclassification of all held to maturity investment as available -for-sale

Loan and receivables

Loan and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction cost. Subsequent to the initial recognition loan and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

8.0 EMPLOYEE RETIREMENT BENEFIT

The gratuity provision has been provided for all employees of the Institute to meet the cost of retirement benefits as and when they retire from the services. The amount fall due for payments with one year is included in the current liabilities. The Institute has invested the equitant amount of gratuity provision in the fixed deposit account in Bank of Ceylon to secure the payment on time.

Defined contribution plan- Employees' Provident Fund and employees Trust Fund

A defined contribution plan under which the Institute pays fixed contribution rate for the all employees. The Basic salary and cost of living allowance are considered to calculating the contributions.

9.0 DEFERRED INCOME

Government grant for Capital Expenditures

Department of National Budget allocates significant amount for capital expenditure for the Institute annually. The Institute accounted such grant in the differed government grant account and write off systematic basis over the period in which the Institute recognizes expenses for which the grants are intended to compensate according to the useful lives of the assets as per the LKAS 20 up to the reporting period ended 31/12/2015.

The Public Sector Accounting Standard has been introduced and it will effective from 2017. Early adoption is encouraged by the standard therefore the institute get the value of capital grant to the statement of financial performance as the income of the institute.

10 PROVISIONS AND CONTINGENT LIABILITIES

10.1 Contingent Liability

Mr. A. K. C. Atthanagoda who worked as the Audio Visual Officer of the Institute has filed a case against the Institute challenging termination of his employment on disciplinary grounds. The contingent liability of Rs. 708,378.00 has been provided to cover the payment of his salary and other emolument up in the year 2015. The Labour Tribunal is at present hearing the case. As at the 31/12/2015 the total contingent liability of Rs. 3,765,756.00 has been provided to the Accounts.

The institute did not provide any provision in the year 2016, if there is possible obligation or present obligation that may, but will not, require any outflow of resources.

10.2 Provision for doubtful Debtors

The Institute has provided a provision for doubtful and bad debtors at 6 % on the year end Account balance Note No 48 shows additional information

11.0 REVENUE RECOGNITION

TRAINING INCOME

11.1 Short term programmes

If the course period is less than six months, it would be considered as a short term course. The entire income of the short term courses is taken to the statement of financial performance if the Training programmes commenced during the Accounting period.

11.2 Long term training programmes (ongoing training Programmes)

If the course period is more than six months, it would be considered as long term programme (ongoing training Programme). The revenue of these training courses would be applied a pro-rata basis to the statement of financial performance considering the commencing month of such training programme and the duration of the programme

11.3 Bogawanthalawa Regional Centre

The Income and Expenditure in relation to Bogawanthalawa Regional Centre has been reported separately in the Statement of Financial Performance. It was reported a net surplus of Rs. 2,369,572.54 in the year 2016.

11.4 Renting out facilities to outside organization

The Institute rent out its facilities to the outside organization to generate an income for the Institute. The income and expenditure have been reported separately in the statement of financial performance due to different project to the desired mission of the Institute.

11.5 Government Grants

The Department of National Budget allocates significant amount of fund from the annual budget the institute recognizes the both recurrent and capital grant as the income of the institute in accordance with the SLPSAS 11.

12.0 EVENT OCCURRING AFTER REPORTING DATE

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

Adjusting events

There have been no material events occurring after the date of the statement of financial position that require adjustments.

Disclosure events

Present status of the land acquired by Sri Lanka Army

The land extents of 1.9499 hectares and three staff quarters had been transferred to seventh regiment of Sri Lanka Army. The ownership of the above properties had been acquired under section 38(A) of Land Acquisition Act. The compensation of Rs. 55 million to be received to the institute. The transaction process is ceased since the institute has taken necessary action to take the properties back in order to develop *the institute as degree awarding institute by 2020*. *The Department of National Planning already recommended this project and estimated cost would be Rs. 314 Mn out of which the first phase of the project would be commenced in 2017.*

13.0 Standard issued but not yet effective.

Sri Lanka Public Sector Accounting Standard (SLPSAS) 11 to 20 have been issued and the effective date beginning for annual reporting period on or after 30th June 2016 with early adoption permitted.

The Institute applies the SLPSAS 11 for the accounting for government grant in the year 2016

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT
STATEMENT OF FINANCIAL POSITION

As at December 31

	Notes	2016	2015 (Restated)
ASSETS		LKR	LKR
Current assets			
Cash and cash equivalents	14	9,429,122.50	13,162,263.14
Receivables	15	6,406,142.67	7,105,336.93
Inventories	16	1,110,640.27	1,486,914.96
Prepayments	17	2,174,165.11	350,140.40
Other Current Assets	18	16,136,788.77	19,486,768.12
		35,256,859.32	41,591,423.55
Non-Current assets			
Receivables	19	1,308,730.19	1,534,485.18
Property plant and Equipment	20	190,082,148.84	176,755,723.14
Intangible Assets	21	1,590,188.79	1,250,381.79
Other Non-Current Assets	22	611,975.00	611,975.00
		193,593,042.82	180,152,565.11
TOTAL ASSETS		228,849,902.14	221,743,988.66

LIABILITIES			
Current Liabilities			
Payables	23	13,511,832.17	18,925,639.12
Short - term Provisions	24	3,765,756.60	3,765,756.60
Employee Benefits	25	-	850,287.00
		17,277,588.77	23,541,682.72

Non- current liabilities			
Deferred Government Grants	26	-	62,560,661.33
Employee Benefits	27	7,581,312.24	8,959,642.00
Refundable security deposits	28	110,649.71	119,923.60
		7,691,961.95	71,640,226.93
TOTAL LIABILITIES		24,969,550.72	95,181,909.65
NET ASSETS		203,880,351.42	126,562,079.01
NET ASSETS/EQUITY			
Capital contributed by Government & other Government Entities	29	38,386,495.21	38,386,495.21
Reserves	30	113,728,054.19	113,728,054.19
Accumulated surpluses/(Deficits)	31	51,765,802.02	(25,552,470.39)
TOTAL NET ASSETS/EQUITY		203,880,351.42	126,562,079.01

The Accounting policies and Notes on pages. 1 to 11 and Notes on pages to 44 from 14 an integral part of these financial statements.

I certify that the financial statements have been prepared in compliance with the requirement of Public Sector Accounting Standards.

Sdg.
L D J Priyantha
Accountant/NIPM

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

Sdg.
Dr. K. H. G.M. Prasad Dharmasena
Director/CEO- NIPM

Sdg.
Deepthi Ashoka Abeywickrama
Chairman/NIPM

Athurugiriya.

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended December 31,

REVENUE	Note	2016 LKR	2015 LKR
Government Recurrent grants	32	38,961,000.00	28,502,000.00
Income from Government capital grant	33	32,689,000.00	23,072,107.53
Training income	34	12,787,802.17	18,009,514.48
Renting out of residential facilities	35	9,397,659.33	8,210,182.12
Income from Bogawanthalawa Regional Centre	36	4,835,304.57	5,365,812.44
Interest income	37	992,211.13	939,416.94
Other income	38	2,165,320.96	697,104.23
TOTAL REVENUE		101,828,298.16	84,796,137.74
EXPENSES			
Wages, Salaries and employee benefits	39	31,834,558.90	30,907,243.90
Supplies and consumable used	40	3,008,488.36	3,022,117.39
Repairs and Maintenance	41	4,032,431.91	4,062,089.64
Communication and utility services	42	8,547,744.86	7,097,806.41
Training Expenses including capacity building Progs.	43	14,326,920.45	15,918,425.76
Expenses in Relation to Renting out facilities	44	2,561,429.35	1,819,174.91
Expenses for Bogawanthalawa Regional Centre	45	2,465,732.03	2,872,680.37
Depreciation and Amortization expenses	46	18,951,476.64	17,740,102.78
Other Expenses	47	1,341,904.58	724,058.56
TOTAL EXPENSES		87,070,687.08	84,163,699.72
Surplus/(Deficit) for the period Attributable to		14,757,611.08	632,438.02
Owners of controlling entity		14,757,611.08	632,438.02

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT
STATEMENT OF CHANGES
IN NET ASSETS/EQUITY
for the year ended
December 31, 2016

Statement of changes in Equity				
Descriptions	Contributed Capital	Revaluation Reserves	Accumulated Surpluses/ (deficits)	Total Net Assets/Equity
Balance as at January 01, 2014	38,386,495.21	10,584,233.03	(24,351,329.70)	24,619,398.54
Re-stated Revaluation Surplus 2014	-	99,539,399.11	-	99,539,399.11
Re-stated Surplus/(deficit) for the year 2014	-	-	(1,833,578.71)	(1,833,578.71)
Balance as at December 31, 2014	38,386,495.21	110,123,632.14	(26,184,908.41)	122,325,218.94
Revaluation Surplus RWPSC		3,604,422.05		3,604,422.05
Surplus for the year 2015			632,438.02	632,438.02
Balance as at December 31, 2015	38,386,495.21	113,728,054.19	(25,552,470.39)	126,562,079.01
Differed income balance as at 31/12/2015 transfer to accumulated surplus account			62,560,661.33	62,560,661.33
Surplus for the year 2016			14,757,611.08	14,757,611.08
Balance as at December 31, 2016	38,386,495.21	113,728,054.19	51,765,802.02	203,880,351.42

As per the Public Sector Accounting Standard No 11, the Government grants recognize as the revenue of the entity and the depreciation expenses recognize over the periods of the useful lives of the Assets in which the entity has purchased. The Institute recognized a capital grant of Rs. 32,689,000/- as revenue of the year 2016 and indicated in the statement of financial performance.

Therefore the Institute transfer the balance of Differed government grant Account as at 31st Dec. 2015 to accumulated surplus Account thereby the Net Assets of the institute has increased to Rs. 203,880,351.42

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT		
CASH FLOW STATEMENTS		
<i>for the year ended</i>		(Restated)
<u>CASH FLOW FROM OPARATING ACTIVITIES</u>	31/12/2016	31/12/2015
	LKR	LKR
-		
Surplus (Deficit) for the year	14,757,611.08	632,438.02
<i>less-Interest income</i>	1,444,824.09	939,416.94
<u>Net cash inflow/(outflow) from operating Activities</u>	13,312,786.99	(306,978.92)
<u>NON CASH MOVEMENTS</u>		
<i>Depreciation</i>	18,512,040.64	17,344,477.78
<i>Amortization</i>	439,436.00	395,625.00
<i>Provision of retiring Gratuity</i>	(2,228,616.76)	2,599,464.37
<i>(Profit) /Loss on sale of ppe</i>	78,522.92	-
<i>capital grant/Deferred income</i>	(32,689,000.00)	(23,072,107.53)
<i>Increase of Provision of doubtful debtors</i>	200,399.00	50,848.00
<i>(Increase)/Decrease in Trade and other receivable</i>	602,036.66	(2,517,649.10)
<i>(Increase)/Decrease in Inventories</i>	376,274.69	(551,558.71)
<i>(Increase)/Decrease in Prepayments</i>	(1,824,024.71)	179,586.87
<i>(Increase) /Decrease in Other Current Assets</i>	4,381,936.15	(4,931,726.03)
<i>Increase /(Decrease) in trade and other payables</i>	(5,413,806.95)	4,387,654.00
<i>Increase/(Decrease)in short term provision</i>	-	708,378.00
<i>Loss on amortization of financial instruments</i>	452,612.96	-
<i>Increase/(Decrease)in security deposits-(payable to employees)</i>	(9,273.89)	17,127.70
<u>NET CASHFLOW FROM OPARATING ACTIVITIES</u>	(3,808,676.30)	(5,696,858.57)
<u>INVESTING ACTIVITIES</u>		
<i>Acquisition of Property plant and equipment</i>	(32,050,477.26)	(9,332,646.08)
<i>Acquisition of Intangible Assets</i>	(779,243.00)	(625,246.79)

<i>Sale of PPE</i>	<i>133,488.00</i>	
<i>Investment in short term deposits</i>	<i>(866,270.60)</i>	<i>(3,056,664.98)</i>
<i>Encashment of Fixed/call deposits</i>		<i>5,000,000.00</i>
<i>Payment of loan and advances</i>	<i>(1,976,280.00)</i>	<i>(2,341,150.00)</i>
<i>Cash recoveries from loan and advances</i>	<i>1,982,199.64</i>	<i>1,444,411.81</i>
<i>Interest received</i>	<i>943,118.88</i>	<i>664,563.91</i>
<i>Net cash out flow in investing activities</i>	<i>(32,613,464.34)</i>	<i>(8,246,732.13)</i>
<u>FINANCING ACTIVITIES</u>		
Government Grant for capital expenditure	<i>32,689,000.00</i>	<i>18,200,000.00</i>
<i>Net cash inflow in financing activities</i>	<i>32,689,000.00</i>	<i>18,200,000.00</i>
<i>Net (Decrease)/Increase in cash and cash equivalents</i>	<i>(3,733,140.64)</i>	<i>4,256,409.30</i>
<i>Cash and cash equivalent at beginning of the year</i>	<i>13,162,263.14</i>	<i>8,905,853.84</i>
<i>Balance of cash and cash equivalents at the end of the year Note 14</i>	<i>9,429,122.50</i>	<i>13,162,263.14</i>

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

Budgeted and Actual Performance

For the year ended December 31, 2016 (Rs 000')

REVENUE		ACTUALS	BUDGETED	Progress
Government grants	32	38,961	40,000	97%
Income from Government capital grant	33	32,689	34,000	96%
Training income	34	12,788	24,112	53%
Renting out of residential facilities	35	9,398	8,400	112%
Income from Bogawabthalawa Regional center	36	4,835	7,000	69%
Interest income	37	992	1,100	90%
Other income	38	2,165	1,588	136%
TOTAL REVENUE		101,828	116,200	88%
RECURRNT EXPENSES				
Wages, Salaries and employee benefits	39	31,835	38,376	83%
Supplies and consumable used	40	3,008	5,104	59%
Repairs and Maintenance	41	4,032	3,670	110%
Communication and utility services	42	8,548	8,890	96%
Training Expenses	43	14,327	17,300	83%
Expenses in relation to renting out facilities	44	2,561	2,350	109%
Expenses for Bogawathalawa Regional Centre	45	2,466	2,750	90%
Depreciation and amortization expenses	46	18,951	16,000	118%
Other Expenses	47	1,342	1,760	76%
TOTAL RECURRENT EXPENDITURE		87,071	96,200	91%
CAPITAL EXPENDITURE				
Property plant and equipment		32,050	34,000	94%
Intangible assets		779	2,000	39%
Capacity Development and NVQ programmes		8,447	10,000	84%
TOTAL CAPITAL EXPENDITURE		41,276	46,000	90%
TOTAL EXPENDITURE		128,347	142,200	90%
Treasury Grants				
Recurrent expenditure		38,961	40000	97%
Capital Expenditure		32,689	34,000	96%
TOTAL GOVERNMENT GRANT		71,650	74,000	97%

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT
NOTE TO THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016

		2016	2015
14	CASH AND CASH EQUIVALANTS	LKR	LKR
	Bank of Ceylon Athurugiriya- 3697566	2,714,122.50	6,447,263.14
	Call Deposit Bank of Ceylon- AC No. 8693502	1,715,000.00	1,715,000.00
	Call Deposit Bank of Ceylon- AC No.74689528	5,000,000.00	5,000,000.00
		9,429,122.50	13,162,263.14

15 RECEIVABLES- (SHORT TERM)

15 (a)	Trade receivables		
	Kelanivally Plantation Plc	7,500.00	7,500.00
	Elkaduwa plantation Plc	75,000.00	75,000.00
	Plantation Housing Development Trust	164,901.40	164,901.40
	Wayamba University (B.Sc. Degree)	2,075.00	2,075.00
	Elpitiya plantation	-	122,500.00
	Kalubovitiyana Tea Factory	-	17,500.00
	Turusaviya fund	18,070.00	-
	Sri Lanka Bureau of Foreign Employment	1,851,688.31	2,643,941.25
	National Paper corporation	-	23,174.66
	Sri lanka Tea Board	20,800.00	52,577.50
	Kotagala Plantation Plc	-	15,000.00
	Coconut Research Institute	-	5,000.00
	Ministry of Disaster Management Small Plantation Entrepreneurship Development programme	1,765,000.00	20,679.26

Tea Small holder Development Authority	5,661.00	19,142.59
National Livestock Development Boards	14,787.25	138,011.00
Central Environment Authority	-	11,289.01
Tea Research Institute	181,220.00	-
Course fees from students	738,110.69	481,818.82
D S A Kumara	1,215.00	-
Sri Lanka Sustainable Energy Authority	145,600.00	-
Rubber Development Authority	-	1,645,160.00
Women in Action Alliance	57,078.18	-
Gem and Jewelry Corporation	240,000.00	200,000.00
Mr. T T R M Raj	5,752.00	-
Mr. H. M Rathnasinghe	5,875.00	-
Mr. K M Hemasiri	10,650.00	-
University of Moratuwa - NDT Camp	-	267,750.00
Total Trade receivables	5,310,983.83	5,913,020.49
Less - Provision for doubtful debtors	318,659.00	118,260.00
Net Total trade Receivables	4,992,324.83	5,794,760.49

15 (b)	Loans and Advances to Employees		
	Distress Loan-	1,388,367.84	1,292,876.44
	Festival Loan	21,450.00	13,700.00
	Special Advance	4,000.00	4,000.00
	Total Loan and advance	1,413,817.84	1,310,576.44
	TOTAL SHORT TERM RECEIVABLES	6,406,142.67	7,105,336.93

	At the beginning of the year	2,845,061.62	1,948,323.43
	Payment to the employees	1,976,280.00	2,341,150.00
	Recoveries from the employees	(1,982,199.64)	(1,444,411.81)
	Year-end balance	2,839,141.98	2,845,061.62
	Short term - Loan and advances Note 15 (b)	1,413,817.84	1,310,576.44
	Long term loan and advances Note 19	1,425,324.14	1,534,485.18
16	INVENTORIES		
	Stationary and office Requisites	175,902.65	301,810.15
	Printing materials	343,131.50	440,427.72
	Maintenance materials	100,622.00	308,443.00
	Tires and tubes	30,893.00	30,893.00
	Welfare items	10,314.00	16,975.00
	Consumables	24,724.00	15,697.58
	Institute' s publication	425,053.12	369,104.96
	Dry food items	-	3,563.55
	TOTAL INVENTORIES	1,110,640.27	1,486,914.96

17	PREPAYMENTS		
	Motor Traffic Department (Revenue License)	32,737.58	25,088.92
	metropolitan office (Pvt) ltd	1,131.28	-
	office network (Pvt) ltd	7,532.50	-
	IDAC (PVT) Ltd	4,889.29	-
	P Y Samantha	5,819.18	-
	Gestetner Ceylon plc	3,468.83	-
	CBA (Pvt) Ltd - service agreement	1,811.52	-

	science land information system	4,744.11	-
	liyakta office network system	1,772.19	-
	Sri Lanka Insurance Co PLC- Fire Insurance	332,666.93	119,161.88
	National Insurance Trust	-	107,922.18
	John Keels office automation service agreement	4,799.32	4,153.51
	Receivables from IRD(excess input tax)	1,691,816.38	93,813.91
	H C J Perera - fuel	80,976.00	
	Total Prepayments	2,174,165.11	350,140.40

18	OTHER CURRENT ASSETS
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18 (a)	Short Term investments - held to maturity		
	Deposit for Gratuity Provision- Bank of Ceylon	11,322,072.39	10,555,679.27
	Membership Deposit Account-AC No. 74175590	1,011,236.58	940,765.60
	Membership Deposit Account - Saving Accounts	194,175.12	164,768.62
	Interest Receivables- Bank of Ceylon	2,275,217.33	1,773,512.12
	Total short term investments	14,802,701.42	13,434,725.61
	Amortization cost	(336,019.01)	-
	Total short term investments	14,466,682.41	13,434,725.61
18(b)	Security Deposits		
	Mr. N.D.S.B.Tennakoon A/C No 1 - 0053-03-1521-4	13,187.15	12,621.20
	Mr. P.N. Perera A/C No 1 - 0053-03-0542-1	31,035.19	29,702.92
	Mrs. C.S.Liyanage A/C No 1 - 0053-03-0314-3	3,697.08	3,538.55
	Mrs. G.Rajapakshe A/C No 1 - 0053-03-0319-4	3,347.97	3,204.36
	Mrs. W.D.S.Hettiarachchi A/C No 1 - 0053-03-0617-7	2,738.81	2,621.34

	Mr. L D J Priyantha A/C No- 8634723	56,643.51	48,529.46
	Mrs S N Illanganthilake- Ac No 74046706	-	19,705.77
	Medical Contribution Deposit Account- NSB- Athurugiriya	1,559,456.65	1,392,868.91
	Total Security Deposits	1,670,106.36	1,512,792.51
18 (c)	WORK IN PROGRESS		
	Committed cost for 150 kva Generator from Hayleys Electrical Solution (Pvt) Ltd	-	4,539,250.00
		-	4,539,250.00
	TOTAL OTHER CURRENT ASSETS	16,136,788.77	19,486,768.12

19	RECEVABLE - LONG TERM		
	Distress loan-(over one year)	1,425,324.14	1,534,485.18
	Amortization cost	(116,593.95)	
	Total long term receivables	1,308,730.19	1,534,485.18

20	PROPERTY PLANT AND EQUIPMENTS note No	190,082,148.84	176,755,723.14
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SCHEDULE OF PROPERTY, PLANT AND EQUIPMENTS

Description	Land Including improvements	Buildings	Equipment	Furniture	Motor Vehicles	Infrastructure Assets	Library Books	Total
Cost								
As at 01/01/2015	1,726,876.68	150,093,440.95	11,612,158.43	8,061,691.00	26,044,302.19	14,855,447.28	2,247,148.40	214,641,064.93
Additions	-	3,790,709.24	3,715,520.99	1,623,669.25	-	202,746.60	-	9,332,646.08
Transfers	-	-	-	-	-	-	-	-
Revaluations	-	686,225.34	-	-	-	-	-	686,225.34
					-		-	-
As at 31/12/2015	1,726,876.68	154,570,375.53	15,327,679.42	9,685,360.25	26,044,302.19	15,058,193.88	2,247,148.40	224,659,936.35
Additions	-	10,382,641.98	7,487,903.82	1,838,754.50	8,900,000.00	3,238,573.36	202,603.60	32,050,477.26
Disposal-Furniture and equipment	-		(198,228.29)	(194,682.86)				(392,911.15)
Disposal-Linen items	-		(409,504.00)					(409,504.00)
Transfers	-	-	(6,930.00)	6,930.00				-
As at 31/12/2016	1,726,876.68	164,953,017.51	22,200,920.95	11,336,361.89	34,944,302.19	18,296,767.24	2,449,752.00	255,907,998.46
Depreciations								

Accumulated as at 01/01/2015	-	11,622,733.54	2,607,039.89	1,048,226.00	13,957,626.12	2,583,314.68	1,658,991.91	33,477,932.14
Depreciation charge	-	7,401,125.02	2,436,595.45	796,120.70	5,208,860.43	1,422,131.33	79,644.85	17,344,477.78
Disposal								
Revaluation Adjustment	-	(2,918,196.71)						(2,918,196.71)
Transfers	-	-			-		-	-
Accumulated as at 31/12/2015	-	16,105,661.85	5,043,635.34	1,844,346.70	19,166,486.55	4,005,446.01	1,738,636.76	47,904,213.21
Depreciation	-	7,544,608.18	3,240,192.18	953,245.10	5,218,040.04	1,493,039.49	79957.88	18,529,082.87
Disposal- Furniture and equipment	-	-	(122,493.26)	(58,406.97)	-	-	-	(180,900.23)
Disposal-Linen items	-	-	(409,504.00)	-	-	-	-	(409,504.00)
Adjustments	-	-	(539.21)	539.21	(17,042.23)	-		(17,042.23)
Accumulated as at 31/12/2016	-	23,650,270.03	7,751,291.05	2,739,724.04	24,367,484.36	5,498,485.50	1,818,594.64	65,825,849.62

Net Book Value as at 31/12/2015	1,726,876.68	138,464,713.68	10,284,044.08	7,841,013.55	6,877,815.64	11,052,747.87	508,511.64	176,755,723.14
Net Book Value as at 31/12/2016	1,726,876.68	141,302,747.48	14,449,629.90	8,596,637.85	34,944,302.19	12,798,281.74	631,157.36	190,082,148.84

Revaluation

Motor vehicles are revalued within 3 to 5 year in accordance with the accounting standards.

The institute conducted a revolution of Property plant and equipment except land, infrastructure assets and library books in the Athurugiriya main training center in the year 2014. The Property plant and equipment of Bogawanthalawa regional center have been revalued on 31/12/2014 in order to get the value of the asset to the statement of financial position as the first time adaption to the Public Sector Accounting Slandered

(a)Motor Vehicles

Motor vehicles of the Institute have been revalued on 23rd August 2012 by a professional **Automobile Engineer**. The gain on the revaluation has been included in the revaluation reserves account. The Revaluation gain of the vehicle was Rs. 7,833,012.66. then the total revaluation reserve on vehicle has increased up to Rs10, 584,233.03. As at 31/12/2013 The Details are given bellow.

Name of the Valier	Mr. D. B. De Siva	
Qualification	Professional Automobiles Engineer.	
Date of Valuation	23 rd August 2012	
Revalued amount	32-4086 Jeep	Rs. 1,450,000/-
	61-2361 Bus	Rs. 950,000/-
	250-3161 Cab	Rs. 1,700,000/-
	58-3717 Cab	Rs. 1,700,000/
	250-2603 Cab	Rs. 1,550,000/-
	250-2604 Van	Rs. 1,950,000/-

(b) Furniture, Equipment and Miscellaneous items

The above assets held at Athurugiriya office as at 01/01/2014 have been revalued by professional value of Valuation Departments.

Valuation of the Properties of the Group with the necessary details are given bellow

Name of the Valier	Mr. K.A.D.N.J.Nanayakkara
Qualification	Regional Valuer
Date of valuation	01 st January 2014
Location	Athurugiriya

Category of Assets	Cost as at 1/01/2014 (LKR '000)	Revalued Amount (LKR '000)	Revaluation Surplus/(Deficit) (LKR '000)
Office Equipment	17,611	3,438	(2,635)
Furniture and fittings	5,129	5,669	3,604
Plant and machineries	1,004	335	32
Miscellaneous Equipment	2,893	859	(228)
Total	26,670	10301	773

(c) Buildings

The institute revalued the buildings at Athurugiriya main training center on 01/01/2014. The professional valuer of valuation Department has conducted the revaluation process and revolution gain included in statement of changes of net assets. The revalued amount of the building was Rs. 134.074 Mn. Net gain of Rs 95.902 MN was reported on the building revolution

Name of the Valuer	Mr. K.A.D.N.J. Nanayakkara
Qualification	Regional Valuer Western province Valuation Department
Date of valuation	01 st January 2014

(d) The Assets held at RWPSC, Bogawantalawa

The buildings and equipment of the Bogawantalawa Regional Center have been revalued at Rs. 8,479,500.00 and Rs. 933,000.00 respectively. The revaluation gain of the buildings reported as Rs. 3,604,422.05.

Name of the Valuer Mr. R. G. Wimalasena
Qualification Regional Valuer
Central Regional Office, Valuation Department
Date of valuation 31stDecember 2014

Item	Cost of revalued item	Revalued amount LKR. 000	Revaluation surplus/deficit LKR.000
Buildings	7,793	8,479	3,604
Furniture	512	933	<i>Yet to be finalized</i>
Equipment and linen	1447		

(e) Property plant and equipment which are not revalued

The following classes of property plant and equipment have not been revalued.

	Cost as at 31/12/2015 (LKR '000)	Cost as at 31/12/2016 (LKR 000)	Net value as at 31/12/2015 (LKR '000)	Net value as at 31/12/2016 (LKR 000)
Land and land improvements	1,727	1,727	1,727	1,727
Infrastructure asset	14,855	22,622	11,052	16,913
Books	2,247	2,449	508	631

Revaluation Reserve

Reserves include revaluation gain arise from the revaluation of property plant and equipment. The Revaluation reserve as at 31st December 2016 was amounted to Rs. 113,728,054.00. Movements of the reserve have been shown in the statement of changes in Equity.

21	INTANGIBLE ASSETS _ Note 49	1,590,188.79	1,250,381.79
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22	OTHER NON-CURRENT ASSETS		
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22 (a)	Deposit for infrastructure facilities		
	Post Master General	14,225.00	14,225.00
	Ceylon Gas Company	12,900.00	12,900.00
	Ceylon Electricity Board	576,550.00	576,550.00
	Sri Lanka Telecom - (Head Office)	6,300.00	6,300.00
	Sri Lanka Telecom -(RWPSC at Bogawantalawa)	2,000.00	2,000.00
	TOTAL OTHER NON CURRENT ASSETS	611,975.00	611,975.00

23	PAYABLES		
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23 (a)	Creditors		
	Geo Edge (Pvt) Ltd		84,000.00
	Road Development Authority	4,921,000.00	4,921,000.00
	Horana plantation Plc	10,000.00	10,000.00
	C and H Organisation (Pvt) Ltd	2,460,489.90	
	The open university of Sri Lanka	105,000.00	105,000.00
	Sinhagiri (Pvt) Ltd	120,007.67	
	Leema creation (pvt) ltd	86,412.50	37,116.04
	Liyakta Office Network (PVT) Ltd	46,396.50	
	Dulitha advertising	400.00	400.00
	Frostair Industries (pvt) Ltd	36,053.75	144,213.00
	Saw Engineering (Pvt) Ltd	154,543.00	
	State General Trading Ltd	163,597.50	

Heleys Electrical solution Pvt Ltd		4,444,250.00
Bogawanthalawa Sought Rural Development Society	111,315.58	933,828.88
Lalan sports goods Manufactures (Pvt) Ltd		25,197.00
Korathota Rural Development society	63,183.84	88,159.84
Total Creditors	8,278,400.24	10,793,164.76

23(b)	Accrued Expenses		
	Telephone	117,413.20	174,332.22
	Electricity bill -	197,298.66	177,003.69
	Fuel and Lubricant		139,457.50
	Vehicle Maintenance	167,985.00	247,563.00
	Salaries (Casual & contract employees December)	101,750.34	108,437.82
	Stamp Duty - (Internal Revenue Department)		2,115.00
	Traveling subsistence	12,532.00	20,930.00
	Overtime - December	109,865.00	97,446.00
	Periodicals & newspapers - Mr. Upali Laxman	4,440.00	
	Employees' Trust Fund - December	3,451.12	52,001.19
	Employees' Provident fund	25,308.20	388,934.13
	Security Bill (Dec.)	144,923.00	187,445.70
	Allowances	70,250.00	50,250.00
	Salaries - Madulsiman Plantations Ltd. Holiday pay (December)	67,853.18	125,307.34 4,214.00
	Stationary items	61,223.80	135,789.00
	Medical Contribution (National Savings Bank)	135,647.97	107,957.19
	Lecture Fee for outside resources	276,863.80	626,762.30
	Printing payments		86,950.00
	Capacity Development Programmes	467,409.12	699,640.00

	Outside exam fees	102,200.00	170,124.00
	water bills	3,051.31	3,470.61
	Department of IRD - VAT Control		151,774.65
	Department of IRD - N B T	20,489.15	83,850.15
	Department of IRD - Payee	5,222.00	10,621.24
	RDO's Programme		1,310,869.67
	Daily Paid wages	67,853.18	
	Other Sundry Training Expenses	183,497.75	13,500.00
	Vehicle hireling	67,296.00	81,500.00
	Equipment Maintenance	24,251.20	70,086.25
	Other Accrued Expenses	378,741.05	304,529.28
	Auditors Generals Departments- Audit fee	180,000.00	197,765.50
	Total Accrued Expenses	2,996,816.03	5,830,627.43

23 (c)	Other payables		
	Total Forward course fees	369,733.75	664,733.77
	Tea Development Project Publication differed income	25,956.00	27,556.00
	Total Other payables	395,689.75	692,289.77

23 (d)	Refundable Deposits		
	Refundable course loan	33,281.25	7,500.00
	Refundable Tender Deposits	245,000.00	206,000.00
	Refundable Medical Deposits	1,562,644.90	1,396,057.16
	TOTAL	1,840,926.15	1,609,557.16

	TOTAL SHORT TERM PAYBLES	13,511,832.17	18,925,639.12
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24	SHORT-TERM PROVISIONS		
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	Contingent Liability		
	Balance as at 1/01	3,765,756.60	3,057,378.60
	Charged to Income statement	-	708,378.00
	Balance as at 31/12	3,765,756.60	3,765,756.60

	TOTAL SHORT TERM PROVISION	3,765,756.60	3,765,756.60
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	Mr. A. K. C. Atthanagoda who worked as the Audio Visual Officer of the Institute has filed a case against the Institute challenging termination of his employment on disciplinary grounds. The contingent liability of Rs. 708,378.00 has been provided to cover the payment of his salary and other emolument in the year 2015. The Labour Tribunal is at present hearing the case. The total contingent liability of Rs 3,765,756.00 has been provided in the accounts as at 31/12/2015. The annual obligation of Rs. 709,000/- has not been provided to the statement of financial performance in 2016.		
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	The institute did not provide any provision in the year 2016, since there is no possible obligation or present obligation that may, but will not, require any outflow of resources.		
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	Outflow of the contingent liability is uncertainty, therefore the time duration cannot be disclosed in the financial statement.		
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25	EMPLOYEE BENEFITS		
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	Gratuity Payables- Within one year	-	850,287.00
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26	DEFERRED GOVERNMENT GRANT		
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	Deferred Government grant for capital		
	Balance as at 01/01	62,560,661.33	67,432,768.86
	Government Grant for capital Expenditure- Transfer to accumulated surplus account as per the SLPSAS11	-	18,200,000.00
	Less- Transfer to income statement (Note 01)	(62,560,661.33)	(23,072,107.53)
	Balance as at 31/12	-	62,560,661.33

	Transfer to Statement of Financial performance		
	From deferred Capital Grant account	-	15,362,107.53
	Capacity building Progs.	-	7,710,000.00
		-	23,072,107.53

27	EMPLOYEE BENEFITS		

	Gratuity payments - long term	7,581,312.24	8,959,642.00
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	Retirement benefit Obligation		
	At the beginning of the year	9,809,929.00	7,210,464.63
	benefit paid to employees	(291,492.00)	-
	Provision (reversed) made during the year.	(1,937,124.76)	2,599,464.37
	At the end of the year	7,581,312.24	9,809,929.00
	obligation within one year	-	850,287.00
	Long term obligation	7,581,312.24	8,959,642.00
	Actuarial valuation of the retirement benefit obligation will be calculated with effect from 2017, in accordance with Public sector Accounting standard.		

28	REFUNDABLE SECURITY DEPOSIT		
	Refundable security Deposits- employee	110,649.71	119,923.60

29	CAPITAL CONTRIBUTED BY GOVERNMENT & OTHER GOVERNMENT ENTITIES		
	Capital Grant from Sri Lanka Tea Board	1,900,000.00	1,900,000.00
	Bagowanthalawa Regional Centre (SLSPC)	4,205,519.00	4,205,519.00
	Capital Grant from consolidated fund	32,280,976.21	32,280,976.21
	TOTAL	38,386,495.21	38,386,495.21

30	RESERVES		
	Revaluation reserve	113,728,054.19	113,728,054.19
31	ACCUMILATED SERPLUS/(DEFICITS)		
	Retained Earnings	51,765,802.02	(25,552,470.39)
		51,765,802.02	(25,552,470.39)
32	GOVERNMENT GRANT FOR RECURRENT EXPENDITURE	38,961,000.00	28,502,000.00
33	INCOME FROM DEFERRED GOVERNMENT CAPITAL GRANT		
	Deferred income for Capital expenditure Before 2010	-	5,213,759.00
	Deferred income for Capital expenditure in 2010	-	3,110,124.75
	Deferred income for Capital expenditure in 2011	-	2,973,935.64
	Deferred income for Capital expenditure in 2012	-	899,432.59
	Deferred income for Capital expenditure in 2013	-	1,586,333.80
	Deferred income for Capital expenditure in 2014	-	1,454,147.05
	Deferred income for Capital expenditure in 2015	-	124,374.70
	Capacity building programmes for smallholders	-	7,710,000.00
		-	23,072,107.53
	Changes of Accounting Standard		
	The Institute disclosed the capital grant in accordance with the LKAS 20 up to 31, Dec 2015, The Institute applies the Public Sector Accounting Standard no. 11 with effect from 01.01.2016 in order to recognize the grant received from general treasury. According to this application, total government grant received as recurrent and capital grant are recognized as the revenue for the Institute. During the year 2016, total grant received as recurrent was Rs 38,961,000/- and Rs 32,689,000/- received as capital. Both are included in the statement of financial performance.		
	Government capital grant Transfer to statement of financial performance as per SLPSAS 11 Refer Note No.	32,689,000.00	
34	TRAINING INCOME		

34(a)	ACADEMIC, AND PROFESSIONAL PROGRAMMES		
	National Diploma in Plantation Management	335,000.00	860,000.00
	National Diploma in Plantation-Extension Management	77,500.00	950,000.00
	Diploma in Business communication	48,000.00	191,000.01
	Certificate course in Accounting and Financial Management	323,041.67	798,043.53
	Certificate course in Book-Keeping and Plantation Accounting	302,500.00	274,294.00
	Professional Programme in Tea Manufacture and Factory Practices	683,775.00	845,000.00
	Language Proficiency Examination		112,000.00
	Professional programme in Tea Agronomy		625,800.00
		1,769,816.67	4,656,137.54

34 (b)	MANAGEMENT AND TECHNICAL DEVELOPMENT PROGRAMMES		
	Management Development programmes	1,210,000.00	1,506,000.00
	Technical Development programmes	159,000.00	288,000.00
		1,369,000.00	1,794,000.00

34 (c)	SKILL DEVELOPMENT PROGRAMMES		
	Skill Development of Tea Factory Officer	252,500.00	405,000.00
	Skill Development of Tea Field Officer		227,500.00
		252,500.00	632,500.00

34 (d)	BASIC COURSE		
	Basic course in Oil palm Cultivations		115,000.00
	Awareness course in Oil palm cultivation	42,000.00	
		42,000.00	115,000.00

34 (e)	INDUCTION COURSE FOR PLANTER TRAINEES	2,520,000.00	1,788,000.00
34 (f)	WORKER DEVELOPMENT AND PROJECT PROGRAMMES		
	Worker Development programme		40,000.00
		-	40,000.00
34 (g)	SPECIAL PROGRAMMES		
	Special programme For Rubber Development Department	535,365.00	7,864,410.00
	Special programmes	517,460.00	279,400.00
	SEPN Project programme	4,412,500.00	
	NVQ programmes	121,000.00	
		5,586,325.00	8,143,810.00
34 (h)	INCOME FROM EXTERNAL EXAM ACTIVITIES	1,248,160.50	840,066.94
	TOTAL TRAINING INCOME	12,787,802.17	18,009,514.48
35	INCOME FROM RENTING OUT THE FACILITIES		
	Renting out residential facilities to outside programmes	4,393,842.00	3,422,529.04
	Income from Accommodation internal training students	13,900.00	31,000.00
	Korean Training programme	4,989,917.33	4,756,653.08
		9,397,659.33	8,210,182.12
36	BOGAWANTHALAWA REGENAL CENTRE		
	Income from renting out training Facilities	704,530.57	1,305,163.44
	Korean training programmes	4,130,774.00	4,060,649.00
		4,835,304.57	5,365,812.44

37	INTEREST INCOME		
	Staff Loan interest- Distress Loan	95,198.28	82,098.09
	Interest income from Membership Account	7,386.50	6,315.67
	Interest income from Bank Deposits	1,338,569.31	846,599.18
	Income From Special Loan	3,670.00	4,404.00
	Loss on amortization due to effective annual interest	(452,612.96)	-
		992,211.13	939,416.94

38	OTHER INCOME		
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38(a)	SUNDRY INCOME		
	Income - Pass papers and applications		8,000.00
	House Rent income	78,867.41	103,762.61
	Transport income	19,784.39	10,730.62
	Tender fee	51,000.00	8,800.00
	Publications	47,502.00	41,945.00
	souvenir income		125,500.00
	Membership subscriptions	22,020.00	7,600.00
	Write back to income statement	1,937,124.76	373,700.00
	Sundry income	9,022.40	17,066.00
		2,165,320.96	697,104.23

39	WAGES, SALARIES AND EMPLOYEE BENEFITS		
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39	PERSONAL EMMOLUMENTS		
(a)			
-	Salaries and wages	11,702,038.90	10,020,621.56
	Cost of Living and other Allowances	11,103,578.72	11,726,428.35

	Over Time	1,049,155.80	907,244.02
	Holiday Pay	156,746.00	124,086.25
	Lecture Fees for Institute's Staff	176,778.00	179,000.00
	Contribution for E.T.F.	485,227.12	566,289.13
	Contribution for E.P.F.	1,926,631.06	2,265,114.68
	Chairman's Remuneration	900,000.00	615,706.67
		27,500,155.60	26,404,490.66

39 (b)	TRAVELING EXPENSES		
	Traveling and Subsistence (Local)	159,132.50	116,613.48
	Traveling and Subsistence (Foreign)	2,347,307.76	186,540.00
		2,506,440.26	303,153.48

39 (c)	RETIREMENT BENEFITS		
	Increased Provisions for Gratuity	-	2,599,464.37
		-	2,599,464.37

39 (d)	CONTRIBUTIONS, SUBSIDIES AND WELFARE		
	In-service Training	311,749.90	312,975.97
	Staff Welfare (liquid tea and medical treatment)	322,590.00	347,334.22
	Contributions for Medical Aid Scheme	1,193,623.14	939,825.20
		1,827,963.04	1,600,135.39

	Total Salaries wages and Employee benefits	31,834,558.90	30,907,243.90
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40	SUPPLIES AND CONSUMABLE USED		
	Printing Materials and papers	527,335.78	800,942.58

	Stationery & Office Requisites	542,260.86	377,547.30
	Consumables	245,167.58	197,227.42
	Fuel	1,304,059.86	1,188,389.85
	Periodicals & News Papers	66,340.00	86,489.00
	Uniforms	88,000.00	84,000.00
	Institute's Publications	235,324.28	287,521.24
	Total Supplies and consumable used	3,008,488.36	3,022,117.39

41	REPAIRS & MAINTENANCE OF FIXED ASSETS		
	Plant and Machinery	29,251.20	61,328.70
	Buildings	1,045,332.03	753,325.63
	Equipment	841,246.05	757,032.20
	Water telephone and Electricity	132,462.87	316,270.89
	Motor Vehicles	1,984,139.76	2,174,132.22
	Total Repairs and Maintenance	4,032,431.91	4,062,089.64

42	COMMUNICATION, UTILITY AND OTHER CONTRACTUAL SERVICES		
	Telephone and internet	1,087,516.28	750,137.85
	Postage	166,615.00	189,035.00
	Electricity and water	2,479,838.51	2,029,289.39
	Insurance (Buildings, Vehicles, Cash etc)	391,315.82	575,095.81
	Security Service	1,930,420.90	2,067,585.70
	Audit Fees (External)	210,143.50	160,000.00
	Vehicle hire charges	329,928.00	115,780.00
	Cleaning and Janitorial works	430,550.00	319,350.00

	Bank Charges	46,855.40	24,325.00
	Stamp Duty , rate and tax	71,212.70	78,633.40
		7,144,396.11	6,309,232.15

42	MEDIA, ADVERTISING AND PUBLICITY		
(b)			
	Advertising Expenses	1,297,041.08	728,094.70
	Entertainments	106,307.67	60,479.56
		1,403,348.75	788,574.26

	Total Communication utility services and media expenses	8,547,744.86	7,097,806.41
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43	TRAINING EXPENSES		
	Lecture Fees for Visiting Staff	1,744,438.50	2,250,655.40
	Training programs for small Holders and NVQ programme for school leavers	8,446,609.46	7,710,673.10
	Fees to the Committees relating to Training Activities	31,500.00	69,000.00
	Meals & Accommodations for Trainees	2,324,772.51	4,182,305.92
	Laundering Linen	9,950.00	42,010.00
	Under provision for Bad debtors	200,399.00	50,848.00
	External exam expenditure	750,744.75	501,713.98
	Award Ceremony & Academic Functions	57,250.00	370,657.04
	Education materials	35,950.00	7,100.00
	Sundry Training Expenses	725,306.23	733,462.32
	Total Training Expenditure	14,326,920.45	15,918,425.76

44	EXPENSES IN REALATION TO RENTING OUT FACILITIES -		
	Meal expenses	1,731,238.68	1,355,500.34

	Salaries and wages and cost of living allowance	256,421.74	342,532.78
	Allowances	537,505.96	54,622.08
	E P F	29,010.30	55,233.99
	E T F	7,252.67	11,285.72
	Total Expenditure for Renting out facilities	2,561,429.35	1,819,174.91

45	BOGAWANTHALAWA OPARATIONAL EXPENSES		
	Electricity	484,671.29	418,303.10
	Telephone and postage	64,059.00	48,452.00
	Maintenance	94,253.03	28,200.00
	Meal and accommodation	395,666.00	569,554.88
	Salaries and Wages	725,900.00	943,106.04
	Allowances	160,300.00	162,017.14
	Employee Benefits	40,125.00	30,940.00
	Daily Wages	368,062.71	472,485.30
	E T F	21,777.00	31,912.39
	E P F	87,108.00	127,649.52
	Consumables	23,810.00	40,060.00
	Total Bogawanthalawa Expenses	2,465,732.03	2,872,680.37

46	DEPRECIATION AND AMORTISATION OF ASSETS		
	Depreciation	18,512,040.64	17,344,477.78
	Amortization	439,436.00	395,625.00
		18,951,476.64	17,740,102.78

47	MISCELLANEOUS EXPENDITURE		
	Allowances for the Board of Governors	737,090.50	200,000.00
	Allowances for Other Committees and professional Charges	194,382.50	164,330.00
	Allowances for the Committee of Medical Aid Scheme	5,500.00	6,000.00
	loss on Disposal old equipment	78,522.92	5,500.00
	Garden up keep	138,464.00	80,901.00
	Others	187,944.66	267,327.56
		1,341,904.58	724,058.56
48	Financial Risk Management		
	Credit risk is the risk of financial loss of the Institute, if the customer or counter party to a financial instrument fails to meet its contractual obligation, and arises principally from the institute's receivable from customer and investment securities		
	Interest received on loan and advances to the employees	98,868.28	
	Amortize cost due to fair value (10.17% per annum 31.12.2016	215,462.23	
	Net (loss)/gain on interest received on loan and advances	(116,593.95)	
	Interest received on short term investment		
	The Institute invested in short term deposit to secure the payment of gratuity and the liabilities which is arising from the credit purchases etc. the Institute has received a sum of Rs. 1,269,205.75.		
	interest received on short-term investment	1,345,955.81	
	Interest as pre the effective interest method	1,681,974.82	
	Amortize cost of the investment due to effective interest at 10.17% per annum	(336,019.01)	
	Total Amortize cost due to effective annual interest	(452,612.96)	
	The Institute assumed that the effective interest rate at the end of 2016 was 10.17% per annum according to the bond rate which was published by Central Bank of Sri Lanka.		
	Institute deduct withholding tax at the rate of 10% on effective annual interest		

INTANGIBLE ASSETS

49	Computer Accounting soft wear	Development cost of Training modules	Data base for training	Resource management soft wear	Total
Cost as at 01/01/2015	209,500.00	682,500.00	240,000.00	500,000.00	1,632,000.00
Adjustment	-	-	-	-	-
Impairment	-	-	-	-	-
New acquisitions	-	625,246.79	-	-	625,246.79
As at 31/12/2015	209,500.00	1,307,746.79	240,000.00	500,000.00	2,257,246.79
Adjustment	-	-	-	-	-
New acquisitions	-	779,243	-	-	779,243.00
As at 31/12/2016	209,500.00	2,086,989.79	240,000.00	500,000.00	3,036,489.79
Amortization as at 1/1/2015	97,490.00	453,750.00	60,000.00		611,240.00
Adjustment					-
Amortization	40,000.00	170,625.00	60,000.00	125,000.00	395,625.00
as at 31/12/2015	137,490.00	624,375.00	120,000.00	125,000.00	1,006,865.00
Amortization	40,000.00	214,436.00	60,000.00	125,000.00	439,436.00
As at 31/12/2016	177,490.00	838,811.00	180,000.00	250,000.00	1,446,301.00
Net realizable value 31/12/2015	72,010.00	683,371.79	120,000.00	375,000.00	1,250,381.79
Net realizable value 31/12/2016	32,010.00	1,248,178.79	60,000.00	250,000.00	1,590,188.79

FINANCIAL HIGHLIGHTS

Descriptions	2009	2010	2011	2012	2013	2014	2015	2016
Revenue	LKR 000							
Treasury grant for Recurrent Expenditure	13,100	10,505	8,500	8,480	18,744	24,792	28,502	38,961
Deferred Government Grant write back to Income statement		3,368	3,934	9,415	9,253	10,937	15,362	24,243
Government Grant for Capacity Building Progs.				4,865	7,498	9,900	7,710	8,446
Training income	1,233	10,397	9,648	13,731	11,573	10,037	18,010	12,787
Income from Bogawanthala wa Regional center	735	2,318	3,970	3,796	8,247	7,824	5,366	4,835
Other income	5,097	10,565	10,746	8,935	7,407	7,457	9,847	12,554
Total income	20,165	37,153	36,798	49,222	62,722	70,946	84,796	101,828
Expenditure								
Total Personnel emoluments	11,123	13,352	14,623	20,907	18,794	19,453	30,907	31,834
Training Expenditure	748	4,132	4,348	6,425	4,256	4,439	8,208	5,880
Small holder training expenses (FOC)			1,790	4,865	7,498	9,936	7,711	8,446
Other expenditure	6,737	11,515	13,339	12,472	17,198	20,255	19,598	21,959
Total operating Expenses	18,608	28,999	34,100	44,669	47,746	54,083	66,424	68,119
Government Recurrent Grant as a percentage of the Total Operating Expenditure	70%	36%	25%	19%	39%	46%	43%	57%
Surplus/(Deficit) before Depreciation	1,557	8,154	2,698	4,553	14,976	16,863	18,373	33,709
Depreciation / Amortization	2,875	3,374	3,946	9,150	10,495	15,833	17,740	18,951

Net (Deficit)/Surplus after Depreciation	(1,318)	4,780	(1,248)	(4,597)	4,481	(1,833)	632	14,757
No of Training Programme- (Income Generated)	5	45	30	61	22	32	30	22
No of Participants	346	1449	976	2135	772	993	1,101	586
No of Training programmes for Out growers (FOC)	-	-	74	188	236	355	196	160
Total cost for capacity Development programmes for Out growers -	-	-	1,790	4865	7,498	9,936	7,711	8,446
No of trained out growers	-	-	3292	8196	12,149	25,100	12,825	10,840
Total Number of trained	346	1449	4268	10331	12921	26093	13,926	11,426
Total Training programmes for the year	5	45	104	249	258	387	226	182
No of Employees	33	33	44	46	41	52	46	46
Generated Income per Employee Rs. 000'	214	705	554	575	664	487	722	652
Training cost per smallholder Rs. 000'	N/A	N/A	0.54	0.59	0.62	0.40	0.60	0.73
Net Assets of the Institute (Rs Million)	13.46	18.25	17.00	20.13	24.64	123.08	126.56	203.88

AUDITOR'S REPORT



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No.

} PLA/D/NIPM/1/16/5

මගේ අංකය
உமது இல.
Your No.

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දිනය
திகதி
Date

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17 August 2017

The Chairman

National Institute of Plantation Management

Report of the Auditor General on the Financial Statements of the National Institute of Plantation Management for the year ended 31 December 2016 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of financial statements of the National Institute of Plantation Management for the year ended 31 December 2016 comprising the statement of financial position as at 31 December 2016 and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 23 of the National Institute of Plantation Management Act, No 45 of 1979 as amended by the Acts, No.76 of 1981, No.5 of 1987 and No.38 of 2003. My comments and observations which I consider should be published with the Annual Report of the Institute in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was issued on 29 May 2017 to the Chairman of the Institute.

1.2 Management's Responsibility for the Financial Statements

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



1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000- 1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No.38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

2. Financial Statements

2.1 Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the National Institute of Plantation Management as at 31 December 2016 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.



2.2 Comments on Financial Statements

2.2.1 Accounts Receivable and Payable

The following observations are made.

- (a) Out of the loan balance totalling Rs.5,310,984 receivable from 19 debtors, the amount outstanding over a period of 2 years was Rs.322,308 and the amount, over a period of 5 years was Rs.82,500.
- (b) The loan balance of Rs.8,278,400 payable to 13 creditors included a sum of Rs.4,931,400 that remained unsettled over a period of 2 years.

2.2.2 Lack of Evidence for Audit

Evidence indicated against the following items was not made available to Audit.

Item	Value	Evidence not made available
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	Rs.	
(a) Debtors	5,310,984	Letters of Confirmation of Balances
(b) Creditors	8,278,400	Letters of Confirmation of Balances
(c) Library Books	631,157	Reports on stocks verification

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the financial result of the Institute for the year under review had been a surplus of Rs.14,757,611 as compared with the corresponding surplus of Rs.632,438 for the preceding year, thus indicating an improvement of Rs.14,125,173 in the financial result of the year under review as compared with the preceding year. The increase in the Government grants by Rs.20,075,893 had been the main reason for the above improvement.

An analysis of financial results of the year under review and 04 preceding years revealed a deficit in the years 2012 and 2014. Nevertheless, there had been a surplus



in the years 2013, 2015 and 2016. Taking into consideration the employees' remuneration and depreciation on the non-current assets, the contribution from the year 2012 up to the year under review had been a positive value. Moreover, the contribution had continuously improved from the year 2012 and it had increased by 33 per cent in the year under review as compared with the year 2015.

4. Operating Review

4.1 Performance

The main objectives of the Institute in terms of the National Institute of Plantation Management Act, No.45 of 1979 are as follows.

- To provide, by itself or in association with other institutions in Sri Lanka or abroad, training facilities and programmes relating to plantation management to all categories of employees working in the plantations ;
- To provide regular refresher and orientation courses in Plantation Management to employees in service ;
- To offer training in Plantation Management to personnel working in the plantations both in the public sector as well as in the private sector;
- To provide Diploma Courses in association with the Tea Research Institute, the Rubber Research Institute, the Coconut Research Institute and other related institutions and to award Diplomas where appropriate;
- To sponsor and hold seminars, workshops and conferences and publish journals and magazines in connection with plantation management and development ; and
- To carry out research into areas of plantation management and labour relations those are not already provided for in other similar institutions.



The following observations are made in respect of the achievement of those objectives.

- (a) Even though internationally recognized courses with National Vocational Qualifications (NVQ) relating to plantations had been commenced in the year under review by the Institute, courses for the post of Tea Factory Technician had not been commenced.
- (b) Even though courses for Tea Factory Officers and Tea Field Officers had been commenced in the year under review, out of the number of students registered, the participation of students for those courses by the end of the year under review had been 64 per cent and 66 per cent respectively.
- (c) Even though the Institute had planned to conduct 25 income generating programmes in the year under review, only 17 programmes had been conducted.
- (d) Only one training programme had been conducted on behalf of the smallholders in cashew and cinnamon industries and action had not been taken to conduct training programmes after the year 2014 on behalf of the smallholders relating to the sugarcane industry.
- (e) Even though the number of programmes which were planned according to the Action Plan of the year under review stood at 51, the number of programmes conducted, stood at 20. As such, the progress of conducting programmes was 39 per cent.
- (f) Even though it had been planned to commence 3 courses with National Vocational Qualifications (NVQ) in the year under review, the Institute had commenced only 02 courses with National Vocational Qualifications (NVQ) during the year.



4.2 Management Activities

The following observations are made.

- (a) The National Institute of Plantation Management which was established with a vision to be the centre of excellence in providing training and conducting consultancy and research on plantation management, had conducted 26 external examinations in public and private sectors extraneous to its key function by now. The officers of the Institute had contributed more to conduct external examinations and as such, the possibility of conducting courses, workshops and training programmes which were organized by the Institute, had decreased.
- (b) The number of students participated in the Course of National Diploma in Plantation Management had gradually decreased since the year 2013 and the course relating to the year 2016 had not been commenced even by the end of the year under review. The Skills Development Programmes for Rubber Field Officers had not been conducted after the year 2014 and the number of students participated in Certificate Courses on Book Keeping and Plantation Accounting had gradually decreased since the year 2012.
- (c) The students' participation in the Induction Course for Trainee Planters and Skills Development Training Courses for Tea Field Officers and Officers in Tea factories had speedily decreased from 69 per cent to 9 per cent as compared with 05 preceding years.
- (d) A National Vocational Qualification Certificate (NVQ) is not awarded for the courses such as Educational and Vocational Courses, Technical and Management Development Programmes, Skills Development Programmes and Foundation Courses conducted by the Institute at present. As such, the validity of the certificate awarded to the participants of those programmes is diluted.
- (e) Even though a land of 04 acres 03 roods 05.90 perches in extent belonging to the National Institute of Plantation Management, had been handed over to the Sri Lanka Army on 15 December 2014, the assessed value of that land



amounting to Rs.55,000,000 had not been recovered from the relevant institution.

4.3 Staff Administration

The post of Librarian of the Institute had been vacant since the year 2014 and newspaper advertisements had been published and interviews, called for in two instances in the years 2014 and 2016. However, the candidate selected had not accepted the appointment and as such, that post has been vacant up to now.

5. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Institute. Special attention is needed in respect of the following areas of control.

Areas of Systems and Controls

Observations

(a) Staff Administration

Failure in taking prompt action to recruit relevant officers for the vacant posts.

(b) Operating Control

Failure in taking action to award a National Vocational Qualification Certificate (NVQ) for Educational and Vocational Courses and Development Programmes conducted by the Institute at present.

H. M. Gamini Wijesinghe

Auditor General

Sgd / H.M. GAMINI WIJESINGHE
Auditor General