# OUR VISION

"To be an Internationally Renowned Training Education and Technical Service Provider for the Textile & Apparel Industry with Integrity and Professionalism."

# OUR MISSION

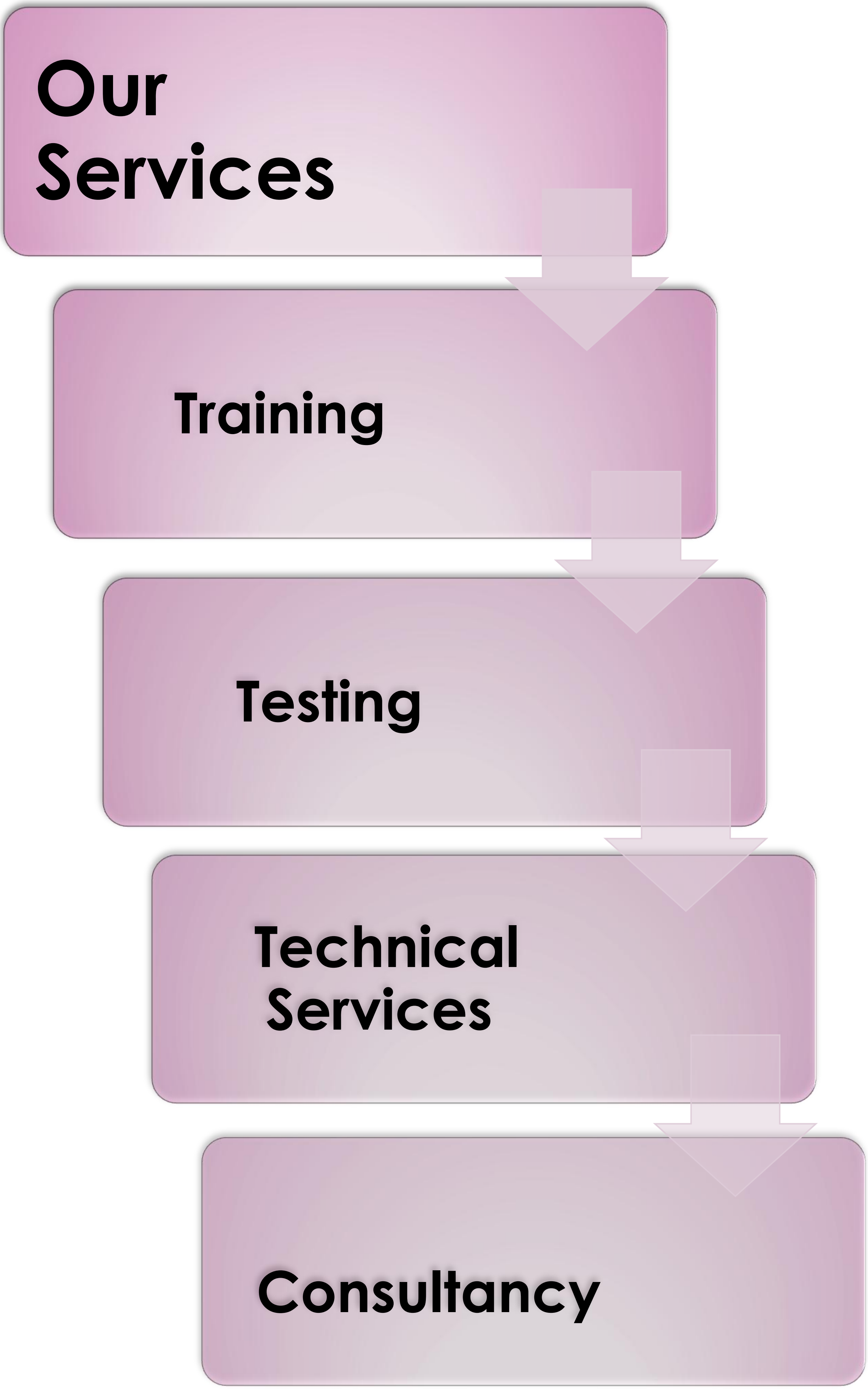
To Facilitate Sustainable Development of Textile & Apparel Industry

Through

Enhancement of quality and productivity

By

Providing required human capital, reliable experts and technical services.


Our Services
Training
Testing
Technical Services
Consultancy

# CORPORATE INFORMATION

| | | |
|---|---|---|
| **Name of the Institution** | : | Sri Lanka Institute of Textile & Apparel |
| **Address** | : | Kandawela Estate, No.02<br>Gen. Sir John Kotalawela Mawatha<br>Ratmalana |
| **Registration** | : | Act No. 12 of 2009 |
| **Legal Form** | : | Statutory Board |
| **Line Ministry** | : | Industry & Commerce |
| **Board of Directors** | : | • Mr.M.A.Thajudeen (Chairman)<br>• Mr.Roy Jayasinghe-Advisor to the Board<br>• Mr. K.H. Bandula Fernando<br>• Dr.U.S.W.Gunasekara<br>• Dr.M.E.R.Perera<br>• Mr.E.A.N.S.Perera<br>• Mrs.T.V.D.D.S.Karunarathna.<br>• Mr.W.D.U.Silva<br>• Mr.Felix Fernando<br>• Mrs.R.M.Jayanthi<br>• Mr.Jafar Sattar<br>• Mr.Harsha Wijewardana<br>• Ms.W.M.Nimali De Silva |
| **Auditor** | : | Department of Auditor General |
| **Telephone Nos.** | : | 2632406/2636336/2636337 |
| **Fax No.** | : | 2636337 |
| **E.Mail** | : | director@textile-clothing.lk |
| **Website** | : | www.slita.lk |

# Content

# AN OVERVIEW OF THE INSTITUTE

## INTRODUCTION

Textile and apparel sector is one of the most significant contributors to the Sri Lankan economy and the country's industry sector boasts of its strength in its ability to produce high quality products at competitive prices. The existing industry, armed with its high caliber employees, targets to compete in the international market as an export oriented industry. Many companies, both of local and foreign origins, have established their manufacturing facilities to serve the requirements of the industry and SLITA, Sri Lanka Institute of Textile and Apparel, as a pioneer in its service delivery to the industry is poised to take the challenge in meeting the new industry requirements.

SLITA provides its expertise in the spheres of training, testing and allied services in consultancy and has taken its new dimensions to serve the industry needs with greater resilience to deliver services with the focus on following areas;

- Offer services to educate and enhance sustainable development of the Textile and Apparel sector

- Enhance knowledge management capabilities in the industry sector on emerging technological developments

- Technical and Consultancy services to local and overseas textile and apparel manufacturers

- Expertise to upgrade domestic handloom industry

- Provide technical assistance to small scale entrepreneurs in rural sectors engaged in garment, handloom and footwear manufacture

- Liaise with foreign institutions to offer degree programmes

- Access of service delivery through information and communication based technology for better customer satisfaction

- Involve in research and development activities on technical areas

Textile and apparel industry sector, at present, provides employment to a larger section of the labour force involved in the manufacturing sector of the country. To further develop human resource capital in the textile and apparel industry, SLITA is now geared to take up the challenges ahead of its path to excellence with the participation of the government and the private sector collaborations.

## The Board of Governors

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

## **The Board as at 31.12.2017**

| | | | |
|---|---|---|---|
| 1 | Mr.M.A.Thajudeen | Chairman | Ministry of Industry & Commerce |
| 2 | Dr.M.E.R.Perera | Member | Open University |
| 3 | Dr.U.S.W.Gunasekara | Member | University of Moratuva |
| 4 | Mr.W.Dhananjaya U Silva | Member | Textile Manufacturing Association |
| 5 | Mr.K.H.Bandula Fernando | Member | Chamber of Garment Exporters Association |
| 6 | Mr.Felix Fernando | Member | Sri Lanka Apparel Exporters Association |
| 7 | Mr.Jafar Sattar | Member | Sri Lanka Apparel Exporters Association |
| 8 | Ms.R.M.Jayanthi | Member | Ministry of Finance & Planning |
| 9 | Mr.Harsha Wijewardana | Member | Ministry of Industry & Commerce |
| 10 | Ms.W.N.Nimali De Silva | Member | Ministry of Higher Education |
| 11 | Ms.T.V.D.D.S.Karunarathna | Member | Ministry of Development Strategies &International trade |
| 12. | Mr.E.A.N.S.Perera | Observer | |
| 13. | Mr.Roy Jayasinghe | Advisor | Ministry of Industry & Commerce |

## Staff As At 31.12.2017

The total staff strength – 104

| *Category* | *Management & Operation* | *Technical/ Operation* | *Finance* | *General/ Administration* |
|---|---|---|---|---|
| Employees | 06 | 52 | 04 | 36 |
| Casual/Trainee | - | - | - | - |
| Contract/Assignment | - | 6 | - | - |

Mr. A.Robert .V. Peries - Director General
B.Sc (Eng.) Hons,MBA(UK),AMIE(SL),MIAE(HK)
MCPM(SL), PG Dip IE,MA Dev.studies & Public Policy

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

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

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

Mrs. Y.A.P.G. Yapa - Accountant
B.Com (Special) , CBA

Mrs. U.M. Praboshini - Internal Auditor
BBA (Special), CBA

## Senior Staff ( Technical)

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

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

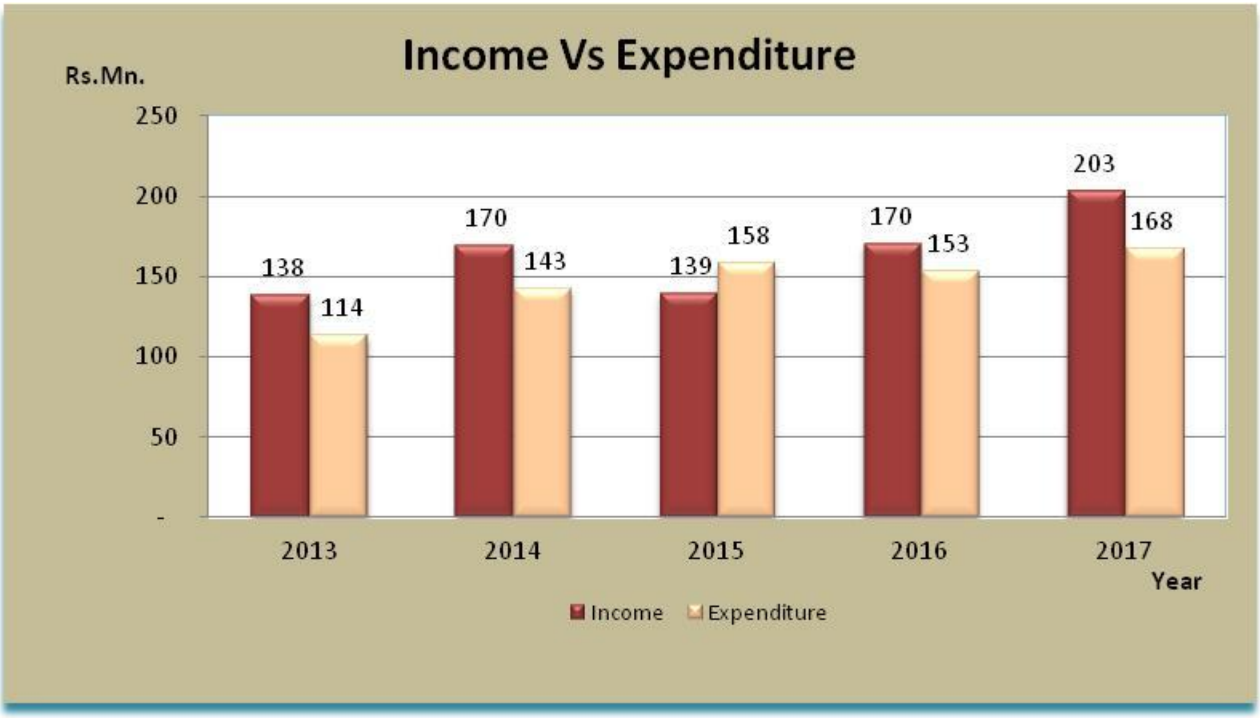
Mr. J.P. Samarakoon - Chief Technologist, NDT (Mech)

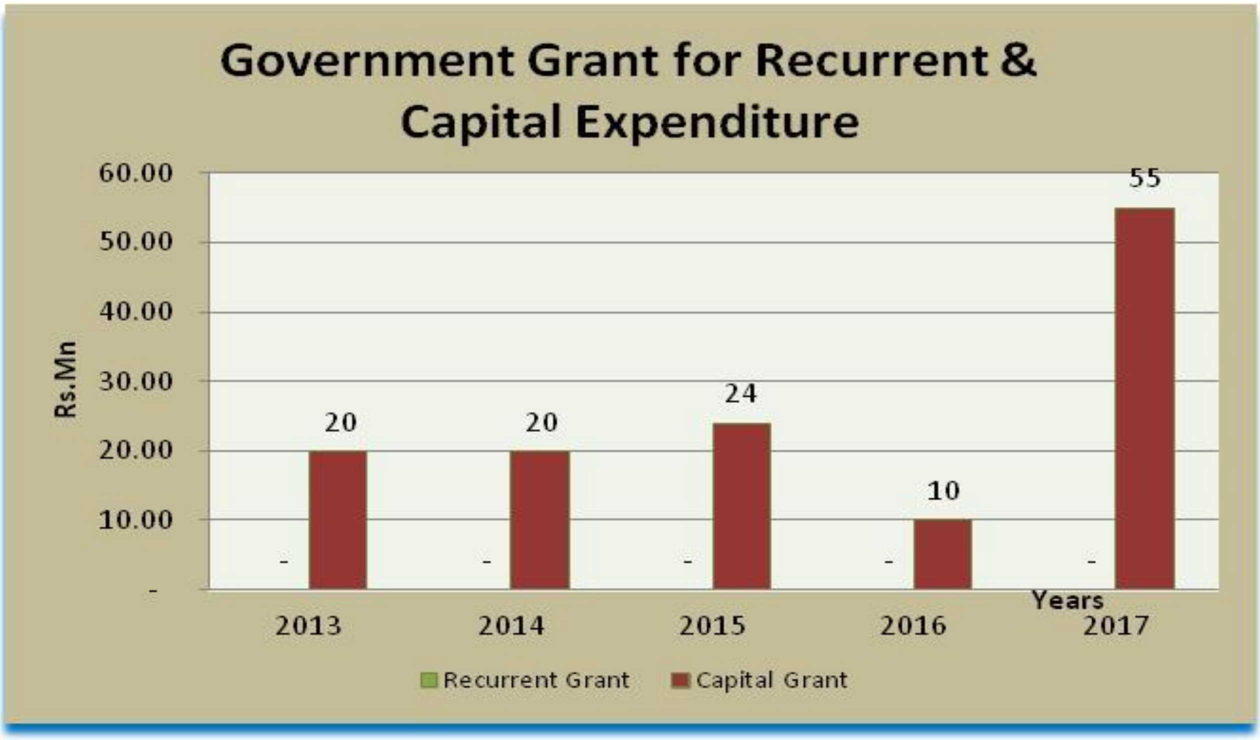
Mrs. K.A.R.V. Abeywardena - Chief Technologist NDT (Text. Tech.)

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

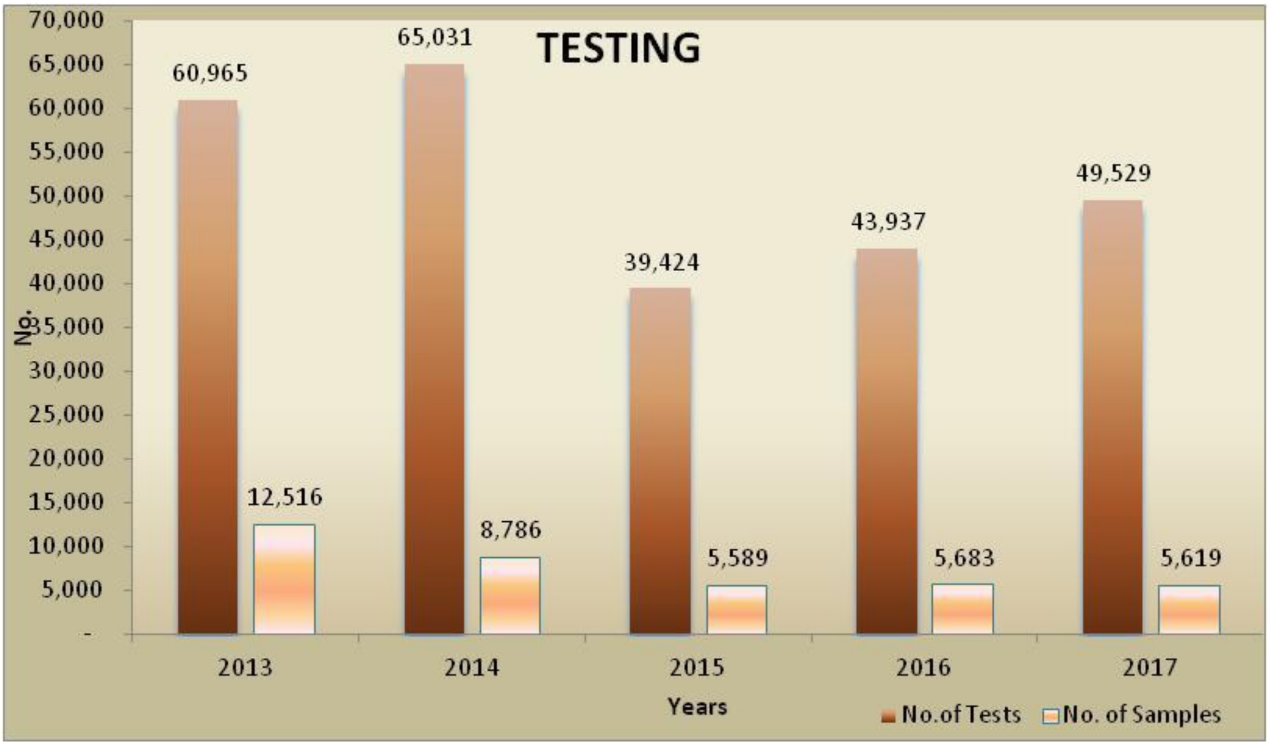
## PERFORMANCE HIGHLIGHTS

## 1. Financial Performance



## 2. Physical Performance

## MESSAGE FROM CHAIRMAN

In the forefront of the business world of Textile and Apparel industry is Sri Lanka Institute of Textile and Apparel, which is well recognized by the industry. The institution has been contributing to the success of the industry, over the past few decades, in testing, training and consultancy services, which , in turn, would be adapted to industry advantages. Further, industrialists have been able to develop their competencies unceasingly, with the contribution of our organization.

SLITA has envisioned to grow with the latest industry demands, required in the global arena of textile and apparel industry. As the current trends in the industry are revolutionary in nature, users are more intelligent than ever, to select the right product to their satisfaction. As a result, producers are cautious about the pulse of the users, as the competition between the product and the mind-set of the users gets stiffened to fine and flawless products, in the market.

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

During the year under review, the Institute has gained sizeable portions of income through training activities and testing activities. Student population is reaching to a couple of thousands and more facilities are planned, to increase the intake, in the years to come. Further, specialized training programmes are offered to those industrialists, that require improvements in productivity in order to compete in local and international markets. In parallel to this, training courses for emerging entrepreneurs take a centre stage of the services of the institute to upgrade their standards of living through a sustainable livelihood. As we tread on the path of progress, we encounter openings, worthy of being tried to grow with.

M.A.Thajudeen,

Chairman - SLITA

## MESSAGE FROM DIRECTOR GENERAL

Sri Lanka Institute of Textile has been in the forefront of the business world of Textile and Apparel, as a pioneer services provider to the industry. Among the gamut of services offered by the institute, training takes a centre stage with an annual student population of around 4000, for full time and part time courses. The courses offered , varying from certificate to diploma levels, are in high demand from the industry, and we are proud to say that all students, are gainfully engaged in prosperous employment opportunities.

In order to reach the next level of training, the Institute is planning to offer an accredited degree, on its own, and the course curricula are being, constantly, upgraded, to cater to the industry expectations, with latest teaching techniques. This is complemented by the opportunities accorded to the teaching faculty, so that human resources are upgraded to meet the future demands. While operating as an institute, we have, now, embarked on innovative opportunities in research activities, and an appreciable endeavour is exerted on a banana yarn extraction project. The intended project serves the country, at large, as a backward integration activity for the textile industry. Consequently, banana farmer communities, are largely benefited, with the prospective openings for women empowerment in the banana farming communities.

Institute is , additionally, strengthened with the capability of its ISO 17025 accredited laboratory, having its upgraded facilities for numerous tests, that are demanded in the industry. Currently, facilities have been extended to perform leather and footwear tests, as well, that are demanded from the industry. We take pride in mentioning that, the institute has contributed, immensely to the export oriented industry, in terms of training, testing and consultancy services, and subsequently, institute has achieved its self-sufficiency in finances, through its operational activities.

Robert. V.Peiris

Director General

## STATEMENT OF DIRECTOR GENERAL'S RESPONSIBILITIES

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

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

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

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

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

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

# ACCOUNTING POLICIES

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

## 1. Basis of Preparation

(i) The financial statements comply with Sri Lanka Public Sector Accounting Standards (SLPSAS) for the accrual basis of accounting .The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

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

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

## Accounting Policies

### 1. Property, Plant and Equipment

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

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

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

### 2. Depreciation

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

Following rates are applied for the depreciation .

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

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

## 3. Inventories

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

## 4. Trade Receivables

Trade receivables are carried at original invoice amount.

## 5. Cash and Cash Equivalents

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

## 6. Provisions

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

## 7. Foreign Currency Transactions

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

## 8 Superannuation

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

## 9. Defined Contribution Plan

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

## 10. Revenue Recognition

Revenue is recognized on an accrual basis on invoiced value for sale of services net off Value Added Tax, Nation Building Tax and discounts.

## 13. Expenditure

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

## 14. Cash Flow

Statement of Cash Flow is prepared using the Indirect Method.

## 13. Government Grant

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

## GENERAL DISCLOSURE

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

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

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

**3. Provision for Bad Debtors**

Bad debtors provision is represented under deduction of Trade receivables .
In compliance with SLFRS, debtors are grouped in different categories' and according to their pattern of payment following bad debtors provisions are applied.

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

**4. Inventories**

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

**5. Gratuity provision**

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

**6. Government Grant**

Depreciation portion of the Capital purchases from grants are accounted as deferred income.
Depreciation portion of the grants related to assets is included in the deferred income.

**7. Revaluation**

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

**8. Productivity Improvement programme**

The excess amounts received by the institute on PIP programs are included under Other consultancy income.

**9. Excess on SME Programme**

The excess incomes earned by the institute on SME (Small and Medium Enterprises) development programme have been included in the income account.

**10. Disposal of Assets**

Disposal process was completed in the year and adjustments will not be accounted in the assets accounts due to non identification of assets code. Sale proceeds of the assets were adjusted in the accounts due to zero balance assets.

**11. Provision for staff development fund**

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

**12 Apparel Based Cottage Industry Projects**

SLITA implements the Apparel based Cottage industry project in several districts in the island and expenses related to this project are reimbursed by the ministry.

**13 Mini Apparel Cottage Industry Project**

**SLITA** implements the Mini Apparel Cottage industry project in the island and expenses related to this project are reimbursed by the ministry.

**14. Research and Development Project**

**SLITA** implements the Banana Yarn project under Reserch and development project and funded by the Ministry.

## 15. Capital Grant

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

- Building
- Productivity Improvement Programme
- SME
- Health and safety project
- Footwear Training
- Development of new Banana Yarn
- Sewing Machine maintenance programme
- Wet Processing programme
- Training for DTAC members
- upgrading SLITA workshop
- Purchases of lab equipment and training equipment

## 16. Palamunai Dye Centre

SLITA operates business at palamunai dye centre and operating profit/loss of this centre was separately calculated.

## 17. Advance payment on Building Construction

Capital allocation for Building construction was Rs.75 mn for the year. It was allocated by the treasury based on cabinet paper passed by the parliament.Rs.35 Mn of money was transferred to building department to initiate the piling work.

## 18. Projects

Several projects were completed in the year and expenses were born by the Institute. An amount of Rs.41,640,890.37 is due from Ministry of Industry and Commerce at the end of the year.

## SRI LANKA INSTITUTE OF TEXTILE & APPAREL

## STATEMENT OF FINANCIAL POSITION AS AT 31.12. 2017

| | *Note No.* | 2017 Rs | 2016 Rs |
|---|---|---|---|
| **ASSETS** | | | |
| ***Current Assets*** | | | |
| Cash and Cash Equivalents | 1 | 196,684,602 | 194,332,871 |
| Receivables | 2 | 92,730,546 | 41,372,142 |
| Inventories | 3 | 3,006,954 | 3,810,204 |
| Pre payments | 4 | 1,447,685 | 2,008,518 |
| Payment in advance for capital works | 5 | 36,805,755 | 1,048,201 |
| Other current Assets | 6 | 9,803,464 | 6,842,493 |
| **Total current Assets** | | **340,479,007** | **249,414,429** |
| ***Non - Current Assets*** | | | |
| Infrastructure, Plant and Equipment (Net) | 7 | 104,132,958 | 87,613,713 |
| Land & Buildings (Net) | 8 | 49,167,918 | 47,978,364 |
| | | **153,300,876** | **135,592,077** |
| **Total assets** | | **493,779,883** | **385,006,506** |
| **LIABILITIES** | | | |
| ***Current liabilities*** | | | |
| Payables | 9 | 11,318,721 | 12,067,055 |
| Short - term provisions | 10 | 2,247,802 | 1,057,000 |
| | | 13,566,523 | 13,124,055 |
| ***Non current liabilities*** | | | |
| Superannuation | 11 | 38,548,057 | 39,297,047 |
| | | 38,548,057 | 39,297,047 |
| **Total liabilities** | | **52,114,580** | **52,421,102** |
| **Net assets** | | **441,665,303** | **332,585,404** |
| **Net assets/ Equity** | | | |
| Govt.Contributions & Foreign Aid | 12 | 182,257,166 | 127,554,173 |
| Other projects | 13 | 23,129,956 | 22,172,075 |
| Revaluation Reserve | 14 | - | - |
| Accumulated surplus (Deficit) | 15 | 236,278,182 | 182,859,157 |
| **Total net assets / Equity** | | **441,665,303** | **332,585,404** |

The Board of Directors is responsible for the preparation and presentation of these financial statements.
These Financial statements were approved by the Board of Directors on 23.02.2018
and singed on their behalf.

| ……………………. | ……………………. | ………………… |
|---|---|---|
| **BOARD MEMBER** | **ACCOUNTANT** | **CHAIRMAN** |

**SRI LANKA INSTITUTE OF TEXTILE & APPAREL**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31.12.2017**

| | ***Note No.*** | ***2017 Rs*** | **2016 Rs.** |
|---|---|---|---|
| **Revenue** | | | |
| Fees and others | **16** | **202,882,320** | **170,024,308** |
| **Total Operating Revenue** | | **202,882,320** | **170,024,308** |
| **Expenses** | | | |
| Personal Emoluments (Wages, Salaries & Employee benefits) | 17 | 87,371,113 | 83,708,432 |
| Traveling | 18 | 745,075 | 433,569 |
| Supplies & Consumables used | 19 | 9,724,897 | 11,428,787 |
| Repairs and Maintenance | 20 | 5,063,229 | 5,525,581 |
| Contractual Services | 21 | 18,711,819 | 16,811,572 |
| Depreciation & Amortization expenses | 22 | 21,456,927 | 21,519,946 |
| Other expenses | 23 | 24,490,637 | 14,373,160 |
| Finance Cost | 24 | 156,506 | 114,680 |
| | | **167,720,204** | **153,915,728** |
| **Surplus/(Deficit) from operation activities** | | **35,162,116** | **16,108,579** |
| **Other revenue** | | | |
| Deferred Income | 25 | 19,373,429 | 22,310,402 |
| Total other revenue | | **19,373,429** | **22,310,402** |
| **Total Surplus/(Deficit) for the period** | | **54,535,545** | **38,418,981** |

The Board of Directors is responsible for the preparation and presentation of these financial statements.
These Financial statements were approved by the Board of Directors on 23.02.2018
and singed on their behalf.

| ........................ | ..................... | .................. |
|---|---|---|
| **BOARD MEMBER** | **ACCOUNTANT** | **CHAIRMAN** |

**SRI LANKA INSTITUTE OF TEXTILE & APPAREL**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31st DECEMBER 2017**

| | Schedule No. | 2017 Rs | 2016 Rs. |
|---|---|---|---|
| Surplus/(Deficit) for the period | | 54,535,545 | 38,418,981 |
| Adjustments for | | | |
| Amortization - Deferred income | | (19,373,429) | (22,310,402) |
| Depreciation | | 21,456,927 | 21,519,946 |
| Operating surplus/(Deficit) before working capital changes | | 56,619,044 | **37,628,525** |
| Adjustment to Property, Plant & Equipment | | - | 43,800 |
| Increase in provision for Gratuity | | 3,033,726 | 2,988,298 |
| Proceeds from Sale of Plant & Equipment | | - | - |
| (Increase)/Decrease in Inventories | | 803,251 | (1,785,376) |
| (Increase)/Decrease in pre payments | | 560,833 | (772,128) |
| (Increase)/Decrease in other current assets | | (2,960,971) | 559,840 |
| Adjustment to Depreciations | | - | (211,983) |
| (Increase)/Decrease in Trade & Other Receivables | | (51,358,404) | (24,099,923) |
| Decrease in previous year deficit (P/y/adj) | | (1,116,520) | 2,377,212 |
| Increase in Trade other Payables | | (748,334) | (2,419,058) |
| Increase in provisions | | 1,190,802 | (253,087) |
| Gratuity Payments made | | (3,782,716) | (1,768,156) |
| **Net Cash Flows from Operating Activities** | | **2,240,710** | **12,287,964** |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Acquisition of Plant & Equipments | | (39,165,727) | (9,866,116) |
| Advance Payment for Capital Expenditure | | (35,757,554) | (987,001) |
| Capital work in Progress | | - | - |
| Human Capacity Building | | - | - |
| **Net Cash Flows from Investing Activities** | | **(74,923,281)** | **(10,853,117)** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Capital Grants (Cash) | | 25,000,000 | 18,364,500 |
| Under stated Deferred Income | | - | (1,664,335) |
| Capital Grants (Assets) | | 49,076,423 | - |
| Changes in other projects | | 957,881 | 15,256,138 |
| **Net Cash Flows from financing Activities** | | **75,034,304** | **31,956,303** |
| **Net increase/(Decrease) in cash and cash equivalents** | | **2,351,733** | **33,391,150** |
| **Cash and cash equivalent at beginning of period** | | **194,332,870** | **160,941,720** |
| **Cash and cash equivalent at end of period** | **1** | **196,684,603** | **194,332,870** |

**Schedule No.1**

**Cash & Cash Equivalents**

| | |
|---|---|
| **Cash at Bank** | |
| Bank of Ceylon -Ratmalana(A/C 9521019) | 3,481,534 |
| Bank of Ceylon Ratmalana Foreign Currency (A/C7011691) | 485,572 |
| **Short term Investments** | |
| Fixed deposits in NSB | 3,559,746 |
| Treasury Bills (Gratuity fund) | 13,400,235 |
| Call deposit (including Gratuity fund) | 175,757,516 |
| | **196,684,602** |

**SRI LANKA INSTITUTE OF TEXTILE & APPAREL**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2017**

| | *Schedule No.* | *Contributed capital* | *Other reserves* | *Translation reserves* | *Accumulated surplus/deficit* | *Total NA/E* |
|---|---|---|---|---|---|---|
| | | Rs. | Rs. | Rs. | Rs. | Rs. |
| Balance as at 31.12.2016 | 1 | 149,726,247 | - | | 182,859,156 | 332,585,403 |
| | | | | | | |
| Changes in accounting policy | | - | - | - | - | - |
| | | | | | | |
| Changes NA/E in the year | 2 | 55,660,874 | - | | (1,116,519) | 54,544,355 |
| | | | | | | |
| Gain on property revaluation | | - | - | - | - | - |
| | | | | | | - |
| Loss on revaluation of Investments | | - | - | - | - | - |
| Foreign currency translation losses | | - | - | - | - | - |
| | | | | | | |
| Net revenue directly recognized in NA/E | | 55,660,874 | - | - | (1,116,519) | 54,544,355 |
| | | | | | | |
| Surplus/deficit for the period | | - | - | - | 54,535,545 | 54,535,545 |
| | | | | | | |
| Total revenue recognized for the period | | | | | | - |
| | | | | | | - |
| **Closing balance as at 31.12.2017** | | **205,387,121** | **-** | **-** | **236,278,182** | **441,665,303** |

| | |
|---|---|
| **Schedule No. 1** | **Rs.** |
| **Contributed capital** | |
| Govt. contributions & Foreign Aid Balance as at 31.12.2016 | 139,944,934 |
| Total balance of other projects as at 31.12.2016 | 9,781,313 |
| | 149,726,247 |
| **Schedule No. 2** | |
| **Changes NA/E in the year** | |
| Capital Grants in the year | 79,796,245 |
| Amortization of Assets in the year | (19,373,428) |
| Previous Year-Improvement of Student Facilities | (3,219,824) |
| FDDI | (2,500,000) |
| Changes in other projects during the year | 957,881 |
| | **55,660,874** |

# Notes to Financial Statements contd....

| | | | 2017 Rs | 2016 Rs. |
|---|---|---|---|---|
| 1 | **Cash & Cash Equivalents** | | | |
| | **Cash at Bank** | | | |
| | Bank of Ceylon -Ratmalana(A/C 9521019) | | 3,481,533.64 | 1,574,119.69 |
| | Bank of Ceylon Ratmalana Foreign Currency (A/C7011691) | | 485,571.68 | 147,534.84 |
| | Short term Investments (Discloser No.2) | 1.1 | 192,717,496.75 | 192,611,216.64 |
| | | | **196,684,602.07** | **194,332,871.17** |
| 1.1 | **Short term Investments (Disclosure No2 )** | | | |
| | Fixed deposits in NSB (Gratuity fund) | | 3,559,746.11 | 3,287,310.29 |
| | Treasury Bills (Gratuity fund) | | 13,400,234.72 | 12,038,921.73 |
| | Call deposit (including Gratuity fund) | | 175,757,515.92 | 177,284,984.62 |
| | | | **192,717,496.75** | **192,611,216.64** |
| 2 | **Receivables** | | | |
| | **Trade receivables (Disclosure No.3)** | | | |
| | Testing debtors | **(2.1)** | 4,738,250.42 | 5,291,906.64 |
| | Training - Internal debtors | **(2.2)** | 8,719,291.58 | 9,728,217.58 |
| | Training - External debtors | **(2.3)** | 251,600.00 | 896,292.00 |
| | Consultancy services debtors | **(2.4)** | 83,558.64 | 113,342.64 |
| | Customer / Technical Services debtors | **(2.5)** | 70,800.39 | 119,851.35 |
| | Seminars | **(2.6)** | - | 8,160.00 |
| | Other Trade debtors | **(2.7)** | 489,561.20 | 4,604,989.84 |
| | | | **14,353,062.23** | 20,762,760.05 |
| | Less - Provision for Bad debtors | | (3,800,665.49) | (3,569,837.16) |
| | | | 10,552,396.74 | 17,192,922.89 |
| | Sundry debtors | **(2.8)** | **82,178,149.66** | 24,179,219.31 |
| | | | 92,730,546.40 | 41,372,142.20 |
| **2.1** | **Testing Debtors** | | | |
| | Alpha Apparels | | 575,484.00 | - |
| | American & Efird Lanka Pvt Ltd | | 10,302.00 | 61,302.00 |
| | Ansell Textiles lanka (Pvt) Ltd | | - | 6,670.80 |
| | Brandix Apparel Ltd | | 19,317.75 | 19,317.75 |
| | Brandix Apparel Ltd - FC | | 1,879.88 | 1,879.88 |
| | Brandix Casual wear Ltd - FC | | 1,727.52 | 1,727.52 |
| | Brandix Finishing (Pvt.) Ltd | | 4,255.00 | 4,255.00 |
| | Brandix Intimate Apparels Ltd | | 4,830.00 | 4,830.00 |
| | Britania Garment Packaging | | 820.85 | 820.85 |
| | Cal Exports Lanka (Pvt) Ltd | | - | 9,282.00 |
| | Ceylon Petroleum Storage Terminals Ltd | | - | 215,274.83 |
| | Civil Security Department | | 80,211.35 | 48,892.25 |
| | Cliftex Industries Ltd - Forces uniform | | - | 116,769.60 |
| | Cliftex Industries Ltd - Normal Testing | | 22,643.40 | 41,283.90 |
| | Consumer Affairs Authority | | 5,255.04 | 5,255.04 |
| | Creative Textile Mills - Forces Uniform | | - | 991,004.26 |
| | Creative Textile Mills - Normal testing | | 69,734.86 | 61,494.53 |
| | Dankotuwa weaving mills - Forces uniform | | - | 302,817.60 |
| | Department of Chritian Religious Affairs | | - | 21,788.48 |
| | Department of Textile Industry | | 10,674.30 | 27,389.55 |
| | DG Fashions Garment (pvt) Ltd | | 7,539.84 | 7,539.84 |
| | D R Enterprises | | - | 7,712.48 |
| | Directorate of Ordnance Services S.L.Army | | 248,600.40 | 248,600.40 |
| | Eligant Knitting(pvt)ltd | | 2,142.00 | - |
| | Firefiles for Lanterns | | 3,636.30 | - |
| | Fabric Technology Department | | - | 4,700.00 |
| | Genaral Sir John Kotalawala Defense University | | 22,111.05 | - |
| | Globe Knitting (pvt)Ltd | | 4,437.00 | - |

# Notes to Financial Statements contd....

| | 2017<br>Rs | 2016<br>Rs. |
|---|---|---|
| G P Enterprises | - | 1,290.30 |
| G P Garments (Pvt) Ltd | 273,987.30 | 82,388.70 |
| Hands Dipping (Pvt) Ltd | - | 14,700.00 |
| Harsha International (Pvt) Ltd - Forces uniform | - | 29,735.55 |
| Hayleys Fabric PLC | - | 6,349.50 |
| Hela Clothing (Pvt) Ltd | 570.80 | 570.80 |
| Hela Clothing (Pvt) Ltd - FC | 44,999.21 | 44,999.21 |
| Hela Marketing & Design Centre | 9,775.00 | 9,775.00 |
| Janasri Mills (Pvt) Ltd | - | 20,879.40 |
| Interteck Lanka(pvt)ltd | 7,448.55 | - |
| J K Garments (Pvt) Ltd | - | 1,528.47 |
| J.P.Fernando & Sons | 4,809.30 | |
| Lanka Salusala | 27,096.30 | - |
| Lumiere Textiles Ltd | 13,606.80 | 4,752.54 |
| Mas Active (Pvt) Ltd - Linea Intimo | 245,259.00 | - |
| Mas Active | - | 3,563.56 |
| Ministry of Education & Higher Education | 6,740.16 | 6,740.16 |
| Ministry of Law & Order | 31,802.96 | - |
| Mirage Industries - Forces Uniform | 21,134.40 | 21,134.40 |
| M.S.R.Apparel | 3,753.60 | - |
| NTS Interlining(pvt) Ltd | 5,155.30 | - |
| Pathma Distributers | - | 21,084.68 |
| Penguin Leisurewear (Pvt)Ltd | 26,128.58 | 26,128.58 |
| Prera weaving- A L S L Perera | - | 919.91 |
| Police Head Quarters | 222,729.81 | 265,387.23 |
| Praba Tex Industries - Forces Uniform | 289,203.16 | - |
| Praba Tex Industries | - | 42,755.86 |
| Rajitha Tex - Forces uniform | 86,729.80 | - |
| Regitsrar - Magistrate Court | 49,999.99 | 49,999.99 |
| Rainwear Apparel(pvt) Ltd | 23,284.05 | - |
| Rhino Consultants & Facilitators | - | 45,951.00 |
| Sarasavi Industries - Forces Uniform | - | 263,643.48 |
| Sarasavi Exports (Pvt) Ltd | 14,193.30 | 16,832.55 |
| Sarasavi Indus.(pvt) Ltd | 38,210.48 | - |
| S.G.S Lanka (Pvt) Ltd | 180,816.28 | 203,906.61 |
| Shinsee Lanka (Pvt) Ltd | 12,850.47 | 12,850.47 |
| Sigiri Weaving Mills Ltd | - | 5,982.30 |
| Special Task Force | 50,937.53 | - |
| Skansco Trading Com.(Pvt) Ltd | - | 29,735.55 |
| Spencer Denim Industries (Pvt) Ltd | 1,583.55 | 1,583.55 |
| Sri Lanka Airforce Head Quarters | 33,342.53 | - |
| Sri Lanka Army Headquarters | 412,366.75 | 209,535.50 |
| Sri Lanka Army | 85,445.32 | 85,445.32 |
| Sri Lanka Army Engineers | - | 14,662.50 |
| Sri Lanka Army Ordance Factory | 5,539.00 | - |
| Sri lanka Home guard Forces | 17,250.00 | 17,250.00 |
| Sri Lanka Navy | 383,718.22 | 232,872.10 |
| Sri Lanka Standard Institution | 47,725.00 | 7,960.30 |
| S & S Safety Equipment Holdings | 23,973.10 | 23,973.10 |
| Star Textiles processing Industries | 38,269.13 | 29,735.55 |
| Sri Lanka Customs | 17,595.00 | - |
| Super Fashion Garment | 523.43 | - |
| Super Tex | 656,234.85 | - |
| Texpro Industries Ltd - Normal Testing | 1,377.00 | - |
| Texpro Industries Ltd - Forces Uniform | - | 783,360.00 |
| Textured Jersey Lanka PLC | - | 40,267.71 |
| Trischel Fabrics(Pvt) Ltd | - | 3,162.00 |
| Tristar Apparel Export (Pvt) Ltd | 790.00 | 790.00 |
| Vanguard Industries Ltd | 74,110.52 | 30,789.57 |
| Vanguard Industries Ltd - Forces Uniform | 151,582.35 | 366,325.08 |
| | 4,738,250.42 | 5,291,906.64 |

# Notes to Financial Statements contd....

| | | 2017 Rs | 2016 Rs. |
|---|---|---|---|
| **2.2** | **Internal Training Debtors** | | |
| | Course fees to be received from students | 6,618,515.00 | 5,795,198.00 |
| | Air Force | - | 1,200.00 |
| | Air Force Sewavanitha Garment (SME) | 20,400.00 | 20,400.00 |
| | Alpha Apparels Ltd | 16,200.00 | 23,340.00 |
| | Alpine Clothing(pvt) Ltd | 12,240.00 | - |
| | Amma Shopping Center | - | 22,032.00 |
| | Broadway Kids(pvt)ltd | 20,400.00 | - |
| | Benji Ltd | - | 391,170.00 |
| | Chamber of commerce | 86,700.00 | - |
| | Celcious (Pvt) Ltd | 46,000.00 | 46,000.00 |
| | CIB Shopping centre | - | 4,795.00 |
| | Courtaluds Clothing Lanka (Pvt) Ltd | 51,000.00 | 51,000.00 |
| | Daya Apparel | - | 204,000.00 |
| | District Secretariat | 40,800.00 | - |
| | D S Office Jaffna | - | 40,800.00 |
| | Dynamic Clothing(Pvt) Ltd | 7,650.00 | 7,650.00 |
| | Eastern courage Women Forum | - | 12,640.00 |
| | Everest Footwear Industries | 40,800.00 | - |
| | Hameedia (Pvt) Ltd | - | 23,460.00 |
| | Hidramni International Exports (PVT) Ltd | - | 178,500.00 |
| | Jayz Arvind Enterprises Ltd | 118,320.00 | 118,320.00 |
| | Lebara Welness Centre | 40,800.00 | - |
| | Lucky Industries | - | 39,500.00 |
| | Malith Apparel | - | 18,196.80 |
| | Ministry of Education service | 601,800.00 | 200.00 |
| | Nayomi Fashion | - | 2,040.00 |
| | Nature Purest Lanka (Pvt) Ltd | - | 21,379.20 |
| | New Univers Coorprate Clothing (Pvt) Ltd | - | 20,400.00 |
| | Nordex (Pvt) Ltd | 54,840.00 | 54,840.00 |
| | N P N Perera & Co . (Pvt) Ltd | 40,800.00 | 52,000.00 |
| | Omega Line Ltd | - | 21,140.00 |
| | One Time Training Customers | 347,456.98 | 347,456.98 |
| | Palla & company | - | 30,400.00 |
| | Paradigm Clothing (Pvt) Ltd | 3,750.00 | 3,750.00 |
| | Pathma Distributors | 10,200.00 | - |
| | Pearly Fashion | 30,600.00 | 30,600.00 |
| | Perks Clothing | 10,300.00 | 10,300.00 |
| | Prym Intimates lanka (Pvt) Ltd | 25,600.00 | 25,600.00 |
| | Prym Intimates | - | 168,300.00 |
| | Rainbow Clothing | - | 26,750.00 |
| | Ranaviru Apparel | - | 57,120.00 |
| | Rusirumal (Pvt) Ltd. | 1,000.00 | 1,000.00 |
| | Sri Lanka Army | 4,000.00 | 4,000.00 |
| | Sirio Ltd | 408,000.00 | 3,570.00 |
| | Smart Shirts Lanka Ltd | - | 30,400.00 |
| | Statement Hats | - | 2,500.00 |
| | Textured Jersey (Pvt) Ltd | 46,350.00 | 1,774,350.00 |
| | Texstyle Lanka | - | 1,250.00 |
| | The cobber | - | 25,900.00 |
| | Trig Apparel (Pvt) Ltd | 14,769.60 | 14,769.60 |
| | | **8,719,291.58** | **9,728,217.58** |

# Notes to Financial Statements contd....

| | | 2017 Rs | 2016 Rs. |
|---|---|---|---|
| **2.3** | **External Training Debtors** | | |
| | Design Clothing International( Pvt)ltd | 30,000.00 | - |
| | Eligant Knitting(pvt)Ltd | 30,000.00 | - |
| | GSL | - | 11,475.00 |
| | Hayleys Fabric PLC | - | - |
| | Kane Apparel | 10,200.00 | 10,200.00 |
| | Lanka Garments Mfg. Co Ltd | 7,500.00 | 7,500.00 |
| | Pattern Garment (SME) | 12,500.00 | 12,500.00 |
| | Queens workwear | 30,000.00 | - |
| | Shas Wear (Pvt) Ltd | 30,600.00 | 30,600.00 |
| | S G Q Apparel | 30,000.00 | - |
| | Smart Shirts Lanka | - | - |
| | Sri Lanka Army Ordnance Factory | 40,800.00 | 701,827.00 |
| | Sparkle Link (Pvt) Ltd | 30,000.00 | 30,000.00 |
| | Vavuniya Apparels Ltd | - | 92,190.00 |
| | | **251,600.00** | **896,292.00** |
| **2.4** | **Consultancy Services Debtors** | | |
| | Department of Health services | 1,730.40 | 1,730.40 |
| | Pathma Distributors | 2,203.20 | 22,848.00 |
| | Policy Headquarters | 18,506.64 | 18,506.64 |
| | Special Task Force | 22,505.28 | 22,505.28 |
| | Sri Lanka Customs | 13,708.80 | 13,708.80 |
| | Sri Lanka Navy | 24,904.32 | 24,904.32 |
| | T & T Fashions | - | 9,139.20 |
| | | 83,558.64 | **113,342.64** |
| **2.5** | **Customer /Technical Services Debtors** | | |
| | Cliftex Industries Ltd | - | 45,109.50 |
| | Department of Industries Development | 4,628.20 | 18,497.70 |
| | Nordex (Pvt) Ltd | 3,300.00 | 3,300.00 |
| | Rajitha Tex | 45,222.19 | - |
| | Sarasavi Industries | - | 15,138.73 |
| | Sha Lanka Apparel | 17,650.00 | 17,650.00 |
| | T & T Fashion | - | 20,155.42 |
| | | 70,800.39 | 119,851.35 |
| **2.6** | **Seminars** | | |
| | Wolaby Lanka Footwear | - | 8,160.00 |
| | | - | 8,160.00 |
| **2.7** | **Other Trade Debtors** | | |
| | Bearfoot (Pvt) Ltd | 2,500.00 | 2,500.00 |
| | Dream Fashion | 11,700.00 | - |
| | Department of Textile Industry | - | 3,791,911.20 |
| | Fidelity Manufacturing (Pvt) Ltd | 200.00 | 200.00 |
| | Forte Healthcare (pvt )ltd | 3,240.00 | 3,240.00 |
| | Kulendran Palamunai | 17,367.75 | - |
| | MAS Active (Pvt) Linea Intimo | 500.00 | 500.00 |
| | MAS Capital (Pvt) Ltd | 46,920.00 | 46,920.00 |
| | MAS Intimates (Pvt.) Ltd | 91,900.86 | 82,516.86 |
| | MAS cap team | 800.00 | 800.00 |
| | Ocean fashion | - | 30,000.00 |
| | Orients Garments Ltd Sam-Dyeing | 8,625.00 | 8,625.00 |
| | Ministry of Industry & Commerce' | - | 321,690.56 |
| | Prison Headquarters | - | 46,920.00 |
| | Special Task Force | - | 40,759.20 |

# Notes to Financial Statements contd....

| | | | 2017<br>Rs | 2016<br>Rs. |
|---|---|---|---|---|
| | Senthikumaran Palamunai | | 5,400.00 | - |
| | Sri Lanka Chamber of Garment Exporters | | 12,000.00 | 12,000.00 |
| | Sri Lanka army Head Quarters | | 35,644.80 | - |
| | S S Vitharana | | - | 2,830.50 |
| | State Ministry of Education | | 161,500.04 | 161,500.04 |
| | Vanguard Industries | | 70,380.00 | - |
| | Texpro Industries Ltd | | - | 45,893.73 |
| | Textured jersey lanka (Pvt) Ltd | | 3,300.00 | 3,300.00 |
| | Unichella (Pvt.) Ltd - Dyed sample | | 2,882.75 | 2,882.75 |
| | Yasinndu Textiles | | 14,700.00 | - |
| | | | 489,561.20 | 4,604,989.84 |
| 2.8 | **Sundry Debtors** | | | |
| | Ministry of Industry & Commerce (PIP & SME) | | 4,300,000.00 | 5,000,000.00 |
| | Ministry of Industry & Commerce -Research &Dev. Unit Banana fiber | | 11,545,698.00 | 4,000,000.00 |
| | Ministry of Industry & Commerce- FDDI | | 5,529,761.50 | 3,210,000.00 |
| | Ministry of Industry & Commerce- Mini Apparel project | | 810,000.00 | 6,000,000.00 |
| | Ministry of Industry & commerce Sewing Machi.Dev Programme | | 2,265,680.00 | - |
| | Ministry of Industry & Commerce- Wet Process.Ind.Project | | 1,250,000.00 | - |
| | Ministry of Industry & Commerce- Diviyata Udana | | 437,147.08 | - |
| | Ministry of Industry & Commerce- Health & Safety Project | | 15,502,603.79 | - |
| | General Treasury | | 30,000,000.00 | - |
| | Canteen rental receivable A/C | | 5,000.00 | 5,000.00 |
| | Miscellaneous advance | | 55,537.76 | 53,452.76 |
| | Interest receivable on F/D | | 246,851.28 | 162,600.25 |
| | Interest receivable on Treasury bill | | 5,337.84 | 235,271.86 |
| | Interest receivable for Call deposits | | 9,126,855.68 | 3,190,583.04 |
| | Returned Cheques | | 9,765.63 | - |
| | VAT receivable | | 290,441.19 | 290,441.19 |
| | Input VAT | | 403,289.41 | 1,554,086.00 |
| | Losses & Loss recoveries A/C | | - | 2,343.75 |
| | Salary advance. For communication | | - | 1,299.63 |
| | PAYE Tax | | - | 1,960.33 |
| | Bank guarantee for bid Security - Palamunei dye centre | | 350,900.00 | 428,900.00 |
| | Lanka Ashok Leyland PLC | | 43,280.50 | 43,280.50 |
| | | | 82,178,149.66 | 24,179,219.31 |
| **3** | **Inventories (Discloser No.4 )** | | | |
| | Stationery | | 1,024,990.86 | 834,015.33 |
| | Training material & Consumables | | 1,271,778.03 | 189,887.28 |
| | Dyes & Yarn | **16.4.1** | **513,327.50** | 2,589,444.50 |
| | Spare parts & Accessories | | 196,857.30 | 196,857.30 |
| | | | 3,006,953.69 | 3,810,204.41 |
| **4** | **Pre payments** | | | |
| | Insurance - Medical | | 227,156.55 | 218,404.82 |
| | Insurance- Motor vehicles | | 376,167.32 | 326,159.57 |
| | Insurance - Fire & other | | 107,042.10 | 91,619.98 |
| | Insurance - Money in transit | | 6,331.78 | 5,982.50 |
| | Service Contracts - Computers | | 44,609.26 | 42,106.82 |
| | Service Contract - Plant & Machinery | | - | 76,982.15 |
| | Service Contract - Furniture & Equipment | | 116,850.11 | 52,672.57 |
| | Vehicle License | | 39,539.93 | 34,044.63 |
| | Supplies- Accreditation fee of Testing Laboratory | | 529,988.04 | 1,153,149.99 |
| | Municipal council | | - | 7,395.00 |
| | | | 1,447,685.09 | 2,008,518.03 |

# Notes to Financial Statements contd....

| | | | 2017 Rs | 2016 Rs. |
|---|---|---|---|---|
| **5** | **Payment in Advance for capital works** | | | |
| | Master plan for proposed new building ,Soil testing & Advance Payment | | 36,805,755.23 | 1,048,201.00 |
| | | | **36,805,755.23** | **1,048,201.00** |
| **6** | **Other Current Assets** | | | |
| | Staff loans | **(6.1)** | 9,181,464.17 | 6,410,493.24 |
| | Deposits | **(6.2)** | 622,000.00 | 432,000.00 |
| | | | 9,803,464.17 | 6,842,493.24 |
| **6.1** | **Staff loans** | | | |
| | Distress loan | **(6.1.1)** | 9,168,964.17 | 6,395,493.24 |
| | Festival advance | **(6.1.2)** | 12,500.00 | 15,000.00 |
| | | | 9,181,464.17 | 6,410,493.24 |
| **6.1.1** | **Distress Loan** | | | |
| | Mr. D L Wijetunga | | - | 43,208.20 |
| | Mrs.W A C Ashoka | | 120,833.46 | 170,833.38 |
| | Mr. M N Amarasinghe | | 41,666.64 | 15,148.08 |
| | Mr. S D R Hemajith Fernando | | 14,062.32 | 56,249.88 |
| | Mrs. R M N D Ranasinghe | | 166,666.64 | 109,624.94 |
| | Mr. R A D R I Perera | | 114,887.56 | 160,842.52 |
| | Mr. H L P Gunawardena | | - | 158,333.30 |
| | Mr. J A Priyantha | | 149,999.96 | 57,638.90 |
| | Mrs. D A M Priyangika | | 72,875.00 | 112,625.00 |
| | Mrs. W M D A Warnasooriya | | 124,999.97 | 174,999.98 |
| | Mrs. H M I Herath | | - | 5,050.39 |
| | Miss. G S Waduge | | 218,750.02 | 8,333.44 |
| | Miss. S L S Karunaratne | | 218,750.02 | 58,333.41 |
| | Miss. T R Jayatilake | | 218,750.02 | 120,312.55 |
| | Mrs. E A D Sunitha | | 149,999.96 | 77,702.12 |
| | Miss. P K R S Ariyaratne | | 124,999.94 | 174,999.98 |
| | Mr. L T D Hettiarchchi | | 206,250.00 | 156,312.50 |
| | Mr. M D U Jayadasa | | 124,999.95 | 174,999.99 |
| | Mrs. H P D Fonseka | | - | 12,500.11 |
| | Mr. G R P Pushpa Kumara Perera | | 5,833.33 | 23,533.95 |
| | Mr. J P D R Wijewardene | | 215,000.00 | 12,500.11 |
| | Mrs. D N Dodangoda | | 244,791.67 | - |
| | Mrs. R A D T Samaranayake | | 129,166.78 | 179,166.70 |
| | Miss. G S Ranjani | | 116,250.00 | 161,250.00 |
| | Mr. R A N Prera | | 23,333.30 | 17,444.47 |
| | Mrs. C A D S Kandambi | | 244,791.67 | 64,192.75 |
| | Mrs. T Balachndra | | 124,999.94 | 174,999.98 |
| | Mrs. J M A S A Jayakodi | | 124,999.94 | 174,999.98 |
| | Mrs. J M D R R Jayasekara | | 244,791.67 | 62,666.76 |
| | Mrs. P D R R de Silva | | 250,000.00 | 174,999.98 |
| | Mrs. B S A Mendis | | 201,388.92 | 20,601.92 |
| | Mr. W M S K Wijebahu | | 250,000.00 | 174,999.98 |
| | Mr. Y N Wikramanayake | | 133,333.29 | 183,333.33 |
| | MR. K A M Priyantha | | 215,277.80 | 161,111.08 |
| | Mr. P B S de Silva | | - | 20,370.43 |
| | Mr. R Wikramanayake | | - | 17,037.02 |
| | Miss B Chithrangani | | - | 20,833.44 |
| | Mr. W M J Warnasuriya | | - | 22,916.77 |
| | Mr. Susil Mapatuna | | 200,000.02 | 133,333.33 |
| | Mr. U Wikramasinghe | | 244,791.67 | 66,645.88 |
| | Mr. S I Rajapaksha | | 118,066.25 | 166,921.25 |
| | Mr. M R S K Manchanayake | | 55,555.57 | 188,888.89 |
| | Mr. R D Premathilaka | | - | 20,987.74 |
| | Mr. N P P S K Pathirana | | 111,111.04 | 177,777.76 |

# Notes to Financial Statements contd....

| | | 2017<br>Rs | 2016<br>Rs. |
|---|---|---|---|
| | Mrs. H T M D Dinesha | 223,958.35 | 70,124.95 |
| | Mr. S P A Sathyapala | 4,166.55 | 54,166.59 |
| | Mr. N P K Rajapaksha | 4,166.51 | 54,166.55 |
| | Mrs. S M R Bhanu | 4,166.51 | 54,166.55 |
| | Mrs. R A D W S Rupasinghe | 8,333.18 | 58,333.22 |
| | Mrs. N K C Kiriella | - | 58,333.22 |
| | Mrs.S Thewarapperuma | 8,333.31 | 58,333.22 |
| | Mr. K D Daya Rohana | 7,102.16 | 49,714.64 |
| | Mr. R M U Ratnayake | 244,791.67 | 62,499.92 |
| | Mr. K A R V Abeywardene | 12,499.88 | 62,499.92 |
| | Mr. P D R S Gunasekara | 8,125.12 | 40,625.08 |
| | Mr. D P Weeraratne | 244,791.67 | 62,499.92 |
| | Mrs. Amali Chathurika | 183,333.32 | 46,666.59 |
| | Mrs. Y M de Silva | 229,166.68 | 64,266.59 |
| | Mrs. W D Nirosha | 154,166.63 | 66,666.59 |
| | Mrs. N K Manoja Badrani | 16,666.55 | 66,666.59 |
| | Mrs. N C Ranasinghe | 229,166.68 | 61,979.25 |
| | Mr. G T A Hemanha | 20,833.21 | 70,833.25 |
| | Mr. H T G S Perera | - | 33,333.23 |
| | Mr.J M D Jayalath | 124,999.94 | 174,999.98 |
| | Miss. H M L K Wathupola | - | 100,000.00 |
| | Mrs. M N Ranasinghe | 29,166.53 | 79,166.57 |
| | Mr. S Illangovan | 29,166.53 | 79,166.57 |
| | Mr. W A L N Kumara | 26,250.00 | 71,250.00 |
| | Mr. J P Samarakoon | 33,333.20 | 83,333.24 |
| | Mr. G K K S Kumara | 229,166.68 | 116,666.60 |
| | Mr. A M Chandrartne | 27,805.62 | 75,472.26 |
| | Mrs. L I Kariyawasam | - | 116,666.65 |
| | Mr. P V S Wijeratne | - | 133,333.33 |
| | Mr.K.A.P.Fernando | 213,541.69 | - |
| | Mr.A.H.Hibras | 213,541.69 | - |
| | Mr.D.P.Wettasinghe | 170,833.31 | - |
| | Mrs.N.A.C.K.Thirimawithana | 133,333.33 | - |
| | Mrs.Y.A.P.G.Yapa | 218,750.02 | - |
| | Mrs.P.D.Maduwanthi | 107,500.00 | - |
| | Mrs P.A.Buddhika | 179,166.65 | - |
| | Mr.M.M.Mifras | 91,666.68 | - |
| | Mr.N.M.M.Rihan | 165,000.00 | - |
| | Mr.P.V.S.Wijayaratne | 250,000.00 | - |
| | | 9,168,964.17 | 6,395,493.24 |
| | | | |
| **6.1.2** | **Festival Advance** | | |
| | Mr. M M M Shabeer | 2,500.00 | 2,500.00 |
| | Mrs. Rameeza Bhanu | 2,500.00 | 2,500.00 |
| | Mr. M M Misraf | 2,500.00 | 2,500.00 |
| | Mr A H Hibraz | 2,500.00 | 2,500.00 |
| | Mr. N M M Rihan | - | 2,500.00 |
| | Mr.A Ahamed | 2,500.00 | 2,500.00 |
| | | 12,500.00 | 15,000.00 |
| | | | |
| **6.2** | **Deposits** | | |
| | Electricity Board deposit | 250,000.00 | 250,000.00 |
| | R.L.Fernando-Fuel deposit | 100,000.00 | 100,000.00 |
| | Oxygen & Acytesity cylinder | 12,000.00 | 12,000.00 |
| | Rent Deposit | 240,000.00 | - |
| | Transport deposit | - | 50,000.00 |
| | Dialog Telecom PLC roaming facility | 20,000.00 | 20,000.00 |
| | | 622,000.00 | 432,000.00 |

# Notes to Financial Statements contd....

**7. Infrastructure, Plant and Equipment**

| | Plant & Machinery | Motor Vehicles | Industrial Sewing Machinery | Furniture, Fittings & Equipment | Lab Equipment | Computers | Books & Periodicals | Video Programme | Spare Parts & Acc. | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| **Cost** | | | | | | | | | | |
| Cost as at 01/01/2017 | **44,292,533.39** | **24,169,059.33** | **42,788,370.36** | **62,133,654.05** | **145,167,147.37** | **35,807,687.46** | **6,893,344.88** | **582,055.00** | 1,356,195.00 | **363,190,046.84** |
| Additions Note no.7.1 | 593,021.98 | - | 4,759,344.58 | 5,628,488.06 | 21,112,339.16 | 3,931,736.82 | 56,055.50 | - | - | **36,080,986.10** |
| Cost as at 31/12/2017 | **44,885,555.37** | **24,169,059.33** | **47,547,714.94** | **67,762,142.11** | **166,279,486.53** | **39,739,424.28** | **6,949,400.38** | **582,055.00** | **1,356,195.00** | **399,271,032.94** |
| **Accumulated Depreciation** | | | | | | | | | | |
| Accumulated Depreciation as at 01/01/2017 | **33,226,765.79** | **13,205,935.86** | **37,248,286.39** | **37,678,179.53** | **115,923,901.67** | **30,655,671.85** | **6,094,015.72** | **526,430.00** | **1,017,147.00** | **275,576,333.81** |
| Depreciation for the year | 1,962,796.24 | 2,048,891.61 | 1,267,139.29 | 4,354,905.32 | 6,936,062.08 | 2,436,009.71 | 164,388.50 | 52,500.00 | 339,048.00 | **19,561,740.75** |
| | | | | | | | | | | **-** |
| Accumulated Depreciation as at 31/12/2017 | **35,189,562.03** | **15,254,827.47** | **38,515,425.68** | **42,033,084.85** | **122,859,963.75** | **33,091,681.56** | **6,258,404.22** | **578,930.00** | **1,356,195.00** | **295,138,074.56** |
| Net Book Value as at 31/12/2017 | **9,695,993.34** | **8,914,231.86** | **9,032,289.26** | **25,729,057.26** | **43,419,522.78** | **6,647,742.72** | **690,996.16** | **3,125.00** | **-** | **104,132,958.38** |

# Notes to Financial Statements contd....

**7.1 Infrastructure, Plant and Equipment**

***Property , Plant & Equipment - Additions***

| | | 2017 Rs |
|---|---|---|
| **Plant & Machinery** | | |
| Air conditioner- Inverter Split | 1 | 143,021.98 |
| Stem Cutting Machine | 1 | 275,000.00 |
| Fibre Extracting Machine with 1 H.P.Electric Motor | 1 | 175,000.00 |
| | | **593,021.98** |
| **Furniture, Fittings, Fixtures & Equipment** | | |
| Low Back Chairs | 5 | 54,684.78 |
| Office Cupboard | 1 | 16,023.91 |
| Low Back Chairs | 2 | 25,155.00 |
| LED TV Innovex | 1 | 19,900.00 |
| Digital Photocopy Machine (Toshiba) | 1 | 725,625.00 |
| Steel Cupboard | 1 | 18,221.25 |
| Camera D3400(Nikon) | 1 | 141,900.00 |
| Low Back Chairs | 1 | 13,207.50 |
| Platform Scale 60KG | 1 | 69,875.00 |
| Cash Box | 1 | 3,700.00 |
| Visitor Chairs | 10 | 45,687.50 |
| White Board 6x4 with Stand | 2 | 17,000.00 |
| Ladder | 1 | 13,600.00 |
| Teak wood Table 1' Thickness 02 nos Racks | 1 | 144,840.00 |
| Crimp Tester | 1 | 561,118.71 |
| Co power IR Sample Dyeing Machine | 1 | 1,763,870.06 |
| Steel Cupboard 6x 3 | 2 | 37,732.50 |
| Multi Media Projectors(Casio) | 6 | 1,472,680.00 |
| Digital Multi Media CD 800 | 1 | 8,500.00 |
| Electronic Sounder ( Apollo Brand) | 1 | 26,500.00 |
| Electric Kettle | 1 | 4,504.35 |
| Digital Camera( canon 1300) | 2 | 179,525.00 |
| Water Dispensers | 2 | 35,000.00 |
| Lecturer Chair with Foldable Writing Pad | 25 | 229,637.50 |
| | | **5,628,488.06** |
| **Laboratory Equipment** | | |
| Hardness Tester Shore A | 1 | 183,000.00 |
| Magnetic Stirrer With Hot Plate | 1 | 81,500.00 |
| FT-IR System | 1 | 4,920,000.24 |
| Gas Chromatograph Mass Spectrometer | 1 | 12,681,850.48 |
| Martindale Abrasion Pilling Tester | 1 | 3,161,688.44 |
| Electronic Balance | 1 | 84,300.00 |
| | | **21,112,339.16** |
| **Computers** | | |
| UPS (Praline) | 1 | 9,455.00 |
| UPS PRO 700(Praline) | 3 | 12,750.00 |
| Desk Top Computer (HP) | 1 | 130,000.00 |
| Laptop (Dell) with Briefcase | 5 | 835,000.00 |
| Gerber Accomack System | 1 | 871,933.82 |
| Tab Samsung Galaxy | 1 | 115,000.00 |
| Online UPS(Pro 910WS Praline | 1 | 220,600.00 |
| Laptop (Dell) with Briefcase | 1 | 167,000.00 |
| CPU Multimedia ,Key Board, Mouse | 18 | 1,350,000.00 |
| Tab Samsung Galaxy S3 | 2 | 219,998.00 |
| | | **3,931,736.82** |
| **Industrial Sewing Machine** | | |
| Single Needle for Shoe Pro/Machines | 4 | 2,469,594.58 |
| Single Needle Direct Drive Dry Head Lockstitch | 10 | 2,289,750.00 |
| | | **4,759,344.58** |

# Notes to Financial Statements contd....

| | | 2017<br>Rs |
|---|---|---|
| **Books & Periodicals** | | |
| Purchase of books | | |
| Standard Bidding Document | 2 | 6,500.00 |
| AR Book 2 | 1 | 140.00 |
| FR Book | 1 | 430.00 |
| Govt.Financial Mgt | 1 | 810.00 |
| Finance Regulations | 1 | 630.00 |
| Inst.Activities | 2 | 1,260.00 |
| Batik Books | 5 | 23,921.50 |
| Machine Embroidery | 2 | 2,645.75 |
| Shirt Making | 1 | 2,047.25 |
| Patch Work | 1 | 2,090.00 |
| Classic Quilts | 1 | 1,080.00 |
| labors of Love | 1 | 1,525.00 |
| Scandinavian Stitch | 1 | 1,620.00 |
| Quilting Patchwork & Appliqué | 1 | 5,616.00 |
| Antique Quilts | 1 | 1,125.00 |
| Stitch Books | 2 | 4,615.00 |
| | | **56,055.50** |

# Notes to Financial Statements contd....

## 8. LAND & BUILDINGS AS AT 31/12/2017

| | Land | Buildings | Total |
|---|---|---|---|
| | Rs. '000 | Rs. '000 | Rs. '000 |
| **Cost** | | | |
| Cost as at 01/01/2017 | 5,018,434.00 | 74,236,658.24 | 79,255,092.24 |
| Additions - Note No.8 . 1 | - | 3,084,741.07 | 3,084,741.07 |
| Adjustments to Assets | | | - |
| Cost as at 31/12/2017 | **5,018,434.00** | **77,321,399.31** | **82,339,833.31** |
| **Accumulated Depreciation** | | | |
| Accumulated Depreciation as at 01/01/2017 | | 31,276,728.69 | 31,276,728.69 |
| Depreciation for the year | - | 1,895,186.64 | 1,895,186.64 |
| Adjustments to Acc. Depreciation | - | - | - |
| Accumulated Depreciation as at 31/12/2017 | **-** | **33,171,915.33** | **33,171,915.33** |
| Net Book Value as at 31/12/2017 | **5,018,434.00** | **44,149,483.98** | **49,167,917.98** |

### 8.1 Land & Buildings
**Buildings**

| | |
|---|---|
| Construction of Washrooms for Students | 3,084,741.07 |
| | **3,084,741.07** |

# Notes to Financial Statements contd....

| | | | 2017 Rs | 2016 Rs. |
|---|---|---|---|---|
| 9 | **Payables** | | | |
| | Trade creditors | **(9.1)** | **776,075.98** | 784,130.98 |
| | Accrued expenses | **(9.2)** | **6,059,732.68** | 3,938,573.72 |
| | Sundry creditors | **(9.3)** | **4,231,273.14** | 7,041,661.74 |
| | Current Tax Payable | **(9.4)** | **251,639.51** | 302,688.97 |
| | | | 11,318,721.31 | **12,067,055.41** |

| | | 2017 Rs | 2016 Rs. |
|---|---|---|---|
| 9.1 | **Trade Creditors** | | |
| | Cash received in advance | **776,075.98** | 776,670.98 |
| | Excess amounts received from Trade Debtors | **-** | 7,460.00 |
| | | **776,075.98** | **784,130.98** |

| | | 2017 Rs | 2016 Rs. |
|---|---|---|---|
| 9.2 | **Accrued Expenses** | | |
| | Casual wages & allowance for trainees | - | 171,569.33 |
| | Staff payment for week end | 939,958.75 | 892,583.33 |
| | Telephone allowance | 1,800.00 | 900.00 |
| | Co-coordinating fees | 112,722.00 | 83,542.90 |
| | Transport | 211,998.00 | 146,370.40 |
| | Stamp duty | 12,100.00 | 13,800.00 |
| | Repairs &Maintenance of Furniture & Fittings & Equ. | - | 2,500.00 |
| | Repairs & Maintenance of Motor Vehicles | 125,025.05 | 2,400.00 |
| | Repairs & Maintenance of Plant & Machinery | - | 18,870.00 |
| | Repairs & Maint.of Building | 17,008.78 | 0.00 |
| | Overtime | 452,846.02 | 332,590.35 |
| | Traveling & subsistence | 73,750.00 | 68,150.00 |
| | Water | 22,014.84 | 8,720.48 |
| | Electricity | 832,411.03 | 601,620.00 |
| | Security charges | 166,675.00 | 140,739.60 |
| | Communication services | 100,478.93 | 86,361.53 |
| | Fuel for vehicles & Generator | 55,253.00 | 127,552.00 |
| | Medical scheme labour welfare | 83,588.96 | 47,246.66 |
| | Janitorial services | 275,630.00 | 268,614.17 |
| | Expenses on gaze testing | 21,600.00 | 12,600.00 |
| | Advertisement charges | - | 10,000.00 |
| | Purchase of consumables | - | 2,800.00 |
| | Expenses for Testing of Forces Uniform | 1,233.00 | - |
| | Visiting Lecture fees | 297,044.40 | 156,300.00 |
| | News paper bill | - | 3,410.00 |
| | Office Rent | 80,000.00 | - |
| | Productivity Improvement Project | 112,992.32 | 98,484.61 |
| | Membership Subscription | 4,347.00 | - |
| | Plat & machinery | - | 144,000.00 |
| | ABC Project Expenses | 112,805.52 | - |
| | Training courses expenses | 6,095.00 | 1,615.00 |
| | Building | - | 284,828.86 |
| | Fees to Board of Governors | - | 4,000.00 |
| | Mannar branch | 11,576.95 | 63,067.00 |
| | Handloom Dye centre project - Palamunei | 107,071.15 | 143,337.50 |
| | Degree Awarding Status Expenses | 80,000.00 | 0.00 |
| | Dev.of New Banana Yarn | 37,187.50 | 0.00 |
| | ESC | 241,806.53 | 0.00 |
| | E.P.F. | 1,037,482.41 | 0.00 |
| | E.T.F. | 141,474.87 | 0.00 |
| | Improvement of Student Facilities | 283,755.67 | 0.00 |
| | | **6,059,732.68** | **3,938,573.72** |
| 9.3 | **Sundry Creditors** | | |
| | Consultancy advances | 20,000.00 | - |
| | Research & Develpementunit-Banana Fiber Project with Mortuwa University | - | 2,893,763.60 |
| | Canteen tender deposit | 15,000.00 | 15,000.00 |
| | Bid security | 25,500.00 | 107,500.00 |
| | Refundable Deposit | 100,000.00 | - |
| | General Treasury (Vehicle Sale Proceed) | 3,871,448.14 | 3,871,448.14 |
| | Sundry creditors | **153,950.00** | 153,950.00 |
| | Refundable Tender Deposit | 45,375.00 | - |
| | | **4,231,273.14** | **7,041,661.74** |

| | | 2017 Rs | 2016 Rs. |
|---|---|---|---|
| 9.4 | **Current Tax payable** | | |
| | NBT Payable | 251,639.51 | 302,688.97 |
| | | **251,639.51** | 302,688.97 |

| | | 2017 Rs | 2016 Rs. |
|---|---|---|---|
| 10 | **Short-term provisions** | | |
| | Provision for audit fees | 1,457,000.00 | 1,057,000.00 |
| | Staff Development Fund | 790,802.00 | - |
| | | 2,247,802.00 | 1,057,000.00 |

# Notes to Financial Statements contd....

| | | | 2017 Rs | 2016 Rs. |
|---|---|---|---|---|
| 11 | **Superannuation** | | | |
| | **Provision for Gratuity (Disclosure No.6)** | | | |
| | Balance as at the beginning of the year | | 39,297,047.00 | 38,076,905.20 |
| | Less - Payments for the year | | (3,782,716.00) | (1,768,156.00) |
| | | | 35,514,331.00 | 36,308,749.20 |
| | Provision for the year | | 3,033,726.00 | 2,988,297.80 |
| | Balance at the end of the year | | **38,548,057.00** | **39,297,047.00** |
| 12 | **Govt.Contributions & Foreign Aid (Disclosure No 7 )** | | | |
| | Balance as at the beginning of the year | | 121,834,349.29 | **133,028,997.32** |
| | Add - Grants in the year | 12.1 | 79,796,245.45 | 18,364,500.33 |
| | | | 201,630,594.74 | 151,393,497.65 |
| | Less- Amortization of the year | 12.2 | (19,373,428.98) | (22,174,989.38) |
| | Under stated deferred income in previous years | | - | (1,664,335.25) |
| | Balance as at end of the year | 12.3 | **182,257,165.76** | **127,554,173.02** |
| 12.1 | **Capital Grant** | | | |
| | Cash Grant in the year | | 25,000,000.00 | 9,796,388.00 |
| | Capital Grant Receivable | | 30,000,000.00 | |
| | Cash received from the Ministry for Waste water disposal project | | - | 2,848,288.60 |
| | Improvement of student facilities | | - | 3,219,823.73 |
| | Grant received from Government through Ministry for Capital Expendit | 12.1.1 | 24,796,245.45 | |
| | Grant received from Government through Ministry for Footwear Design & Development centre | | - | 2,500,000.00 |
| | | | **79,796,245.45** | **18,364,500.33** |
| 12.1.1 | **Grant received from Govern. through Ministry for Capital Expend.** | | | |
| | Handloom Dev.Mardamunai Project | | 941,808.82 | |
| | Banana Fibre Project | | 732,000.00 | |
| | Footwear Train Skill Development | | 199,761.50 | |
| | Prod. Improvement Project | | 109,999.00 | |
| | Upgrading SLITA W.Shop | | 2,000,000.00 | |
| | Sewing Mach.Maint Project | | 2,289,750.00 | |
| | Health & Safety Project | | 12,826,690.48 | |
| | ABC Project | | 141,900.00 | |
| | Improvement of Student Facilities | | 3,084,741.07 | |
| | Footwear Train Skill Development | | 2,469,594.58 | |
| | | | **24,796,245.45** | |
| 12.2 | **Amortization of the year** | | | |
| | Depreciation portion of assets py the Government Grant | | 19,373,428.98 | 19,378,620.98 |
| | Government contribution for human capacity building | | - | 2,796,368.40 |
| | | | **19,373,428.98** | **22,174,989.38** |
| 12.3 | **Govt.Contributions & Foreign Aid** | | | |
| | Capital Grant from the Government | | 446,784,787.37 | 372,708,365.33 |
| | Assets transferred by the Ministry | | 50,043,791.00 | 50,043,791.00 |
| | Foreign Aid (World bank & JICA) | | 99,276,267.00 | 99,276,267.00 |
| | Other donations received | | 291,081.00 | 291,081.00 |
| | | | 596,395,926.37 | 522,319,504.33 |
| | Less- Accumulated total of amortization | | (414,138,760.61) | **(394,765,331.63)** |
| | | | 182,257,165.76 | **127,554,172.70** |

# Notes to Financial Statements contd....

| | | | 2017 Rs | 2016 Rs. |
|---|---|---|---|---|
| **13** | **Other projects** | | | |
| | Handloom Development programme | | 140,235.20 | 1,036,404.02 |
| | Handloom Development programme - Marandmunei | | 2,243,449.88 | 2,882,179.23 |
| | Ministry of industry & commerce Scholarship Fund | | 236,867.04 | 236,867.04 |
| | FDDI | | 30,405.02 | - |
| | Improvement of Student Facilities | | 135,082.66 | |
| | Mini Apparel teacher training programme | | 688,515.58 | 4,203,653.59 |
| | *Development of New Banana Yarn -Rs.8.4 Mn* | | *10,061,505.63* | - |
| | *Health & Safety Survay Project-Rs.15 M* | | *1,406,663.00* | - |
| | *Sawing Machine Maintenance-Rs.8.290Mn* | | *1,047,343.77* | - |
| | *Wet Processing Rs.2.5Mn* | | *420,537.04* | - |
| | Apparel base cottage Industry | | 6,719,350.85 | 13,812,970.75 |
| | | | **23,129,955.67** | **22,172,074.63** |
| | | | | |
| **14** | **Re-valuation reserve** | | | |
| | Balance at beginning of the year | | - | 135,412.33 |
| | Less - Amortization of re-valuation reserve | | - | (135,412.33) |
| | Balance at end of the year | | - | - |
| | | | | |
| **15** | **Accumulated surpluses/ (deficit)** | | | |
| | Profit Brought Forward | | 182,859,156.57 | 142,062,963.84 |
| | Prior Year Adjustments for event occurred after balance sheet date | | | |
| | Adjustment of F.D.Interest | | 13,550.02 | - |
| | Visiting Lect fees Mini App Teach Tra.Prog. | | (72,000.00) | - |
| | Closing Stock adjustment Palamunai Dye centre | | (1,058,070.00) | - |
| | Cancelled voucher | | - | 8,000.00 |
| | Revised entry of Staff Development Fund | | - | 653,087.28 |
| | Un paid Bonus for 2014 hold in lieu of lost laptop | | - | (46,500.00) |
| | Payee Tax correction | | - | (2,000.00) |
| | Error correction of deferred income (1985-2015) | | - | 1,664,335.25 |
| | Under stated depreciation 2015 | | - | (26,040.00) |
| | Fixed deposit interest correction 2015 | | - | 126,329.02 |
| | | | 181,742,636.59 | 144,440,175.39 |
| | Excess for the year | | 54,535,545.28 | 38,418,981.18 |
| | | | 236,278,181.87 | **182,859,156.57** |
| | | | | |
| **16** | **Operating Income** | | | |
| | Testing | **(16.1)** | 48,645,836.62 | 44,873,464.89 |
| | Training | **(16.2)** | 113,797,288.34 | 90,890,335.16 |
| | Consultancy services | **(16.3)** | 5,248,319.93 | 4,246,679.05 |
| | Customer / Technical Services & other sales | | 13,296,105.14 | 11,874,477.27 |
| | Seminars | | - | 42,500.00 |
| | Profit form sale of Yarn at Palamuei Dye center | **(16.4)** | (2,641,543.92) | 2,121,297.43 |
| | Other income | **(16.5)** | 24,506,443.38 | 15,972,443.77 |
| | Excess amount received for SME project | **(16.6)** | 3,770.74 | 3,110.00 |
| | Excess amount received on disposal of assets | | 26,100.00 | - |
| | | | **202,882,320.23** | **170,024,307.57** |
| | | | | |
| **16.1** | **Testing** | | | |
| | Normal testing | | 42,054,084.06 | 31,729,347.03 |
| | School uniforms | | - | 453,285.50 |
| | Forces uniforms | | 6,849,734.75 | 13,144,863.89 |
| | less - Discounts given-Testing | | (257,982.19) | (454,031.53) |
| | | | **48,645,836.62** | **44,873,464.89** |

# Notes to Financial Statements contd....

| | | 2017 Rs | 2016 Rs. |
|---|---|---|---|
| 16.2 | **Training** | | |
| | Week Day Training | 28,200,286.46 | 21,198,358.01 |
| | Week End Training | 56,012,690.00 | 51,728,124.29 |
| | External Training | 13,458,153.45 | 12,652,012.86 |
| | SME Training | 5,200,158.43 | 5,311,840.00 |
| | Footwear Training | 8,007,000.00 | 6,210,000.00 |
| | DTAC Training | 2,919,000.00 | - |
| | | **113,797,288.34** | **90,890,335.16** |
| 16.3 | **Consultancy services (Discloser No. 10)** | | |
| | **Consultancy service income** | 172,031.96 | **1,153,383.23** |
| | **Add-Institute portion of Productivity Improvement Progarmme by consultancy** | | |
| | Funds received from The Government | 15,000,000.00 | 10,000,000.00 |
| | Received from Factories | 690,000.00 | 420,000.00 |
| | | 15,690,000.00 | 10,420,000.00 |
| | **Less- Expenditure** | | |
| | Electricity | 426,466.00 | 429,131.00 |
| | Advertisement | 239,552.91 | 162,150.00 |
| | Refreshments | 37,801.00 | 22,158.00 |
| | Allowance to co-coordinator | 90,000.00 | 68,375.00 |
| | W/E,Ot,Trav. | 2,593,449.85 | 557,741.84 |
| | Staff Training | 5,000.00 | - |
| | Telephone bill | 15,014.37 | 16,407.73 |
| | Telephone allowance | 74,250.00 | 46,000.00 |
| | Transport | 2,429,810.28 | 1,295,264.00 |
| | Purchase of Tab | 109,999.00 | - |
| | Publication & Magazines | 49,687.50 | - |
| | Salary , EPF,ETF,& Other allowance | 3,556,522.99 | 4,433,660.16 |
| | Purchase of consumables | 9,736.10 | 67,768.80 |
| | Medical Bills | 23,944.64 | - |
| | Stationery | 119,597.34 | 12,900.00 |
| | Legal Fees | 195,300.00 | - |
| | Allowance to trainees | - | 27,000.00 |
| | Accommodation | 199,400.00 | 10,000.00 |
| | Visiting lecture fee | 153,707.80 | 4,800.00 |
| | Repairs & Maint.of Equipments | 51,341.25 | - |
| | Repairs & Maint.of Building | 20,784.00 | - |
| | Repairs & Maint of Pl.& Machi | 4,500.00 | - |
| | Others | 5,520.00 | - |
| | Postage | 2,400.00 | - |
| | GSD upgrading | 199,927.00 | 173,347.65 |
| | **Less - Total expenditure** | 10,613,712.03 | 7,326,704.18 |
| | **Institute portion received from PIP** | **5,076,287.97** | **3,093,295.82** |
| | **Total consultancy service income** | **5,248,319.93** | **4,246,679.05** |

# Notes to Financial Statements contd....

| | | | 2017 Rs | 2016 Rs. |
|---|---|---|---|---|
| **16.4** | **Profit form sale of Yarn at Palamuei Dye center (Discloser No.21)** | | | |
| | **Income** | | | |
| | Sale of Yarn | | 978,534.91 | **4,197,641.16** |
| | **Less- Expenditure** | | | |
| | Raw material used | **16.4.1** | 2,149,636.15 | 650,062.01 |
| | Electricity charges | | 67,301.05 | 55,860.70 |
| | Physical verification | | 18,351.00 | 6,980.00 |
| | Maintenance of equipment | | - | 29,170.00 |
| | Electrical items | | 4,795.00 | 30,000.00 |
| | Cleaning items | | - | 3,320.00 |
| | Bid security expenditure | | 3,500.00 | 2,346.93 |
| | Consumables | | - | 97,363.96 |
| | training Expenses | | - | 20,000.00 |
| | Salaries & Wages | | 1,303,347.63 | 1,035,038.00 |
| | Opening ceremony expenses | | - | 94,742.00 |
| | Refreshments | | - | 20,065.00 |
| | Stationery | | - | 3,795.13 |
| | Casual wages | | - | 18,600.00 |
| | Transport | | 73,148.00 | 9,000.00 |
| | **Total expenditure** | | **3,620,078.83** | **2,076,343.73** |
| | **Profit/(loss)** | | **(2,641,543.92)** | **2,121,297.43** |

| | | | |
|---|---|---|---|
| **16.4.1** | **Raw materials used during the year** | | |
| | **Opening Stock** | | |
| | Dyes & chemicals | 136,486.00 | 575,651.51 |
| | Yarn | 1,394,888.50 | 2,663,855.00 |
| | | **1,531,374.50** | **3,239,506.51** |
| | Add-Purchases during the year | **1,131,589.15** | |
| | | **2,662,963.65** | **3,239,506.51** |
| | **Less - Closing stock** | | |
| | Dyes & chemicals | 110,880.00 | 136,486.00 |
| | Yarn | 402,447.50 | 2,452,958.50 |
| | | **513,327.50** | **2,589,444.50** |
| | Amount used | **2,149,636.15** | **650,062.01** |

| | | | | |
|---|---|---|---|---|
| **16.5** | **Other Income** | | | |
| | Other Sales Income | **(16.5.1)** | 711,950.00 | |
| | Miscellaneous income | **(16.5.2)** | 1,661,992.05 | 362,210.91 |
| | Savings A/C interest | | 6,858.47 | 5,626.75 |
| | Fixed Deposit interest | | 351,935.21 | 252,039.22 |
| | Treasury Bills interest | | 1,131,381.93 | 918,180.33 |
| | Call deposit interest | | 19,988,533.20 | 12,636,376.94 |
| | Staff Loan Interest | | 518,792.52 | 488,343.69 |
| | Transport charges (PIP and Divineguma,Funerals, Others) | | | 854,518.63 |
| | Registration of Suppliers | | 46,000.00 | - |
| | Canteen rental | | 60,000.00 | 52,500.00 |
| | Tender deposits/document Fees | | 29,000.00 | 15,000.00 |
| | Auditorium,Seminar Hall,Class Room Hiring Charges | | | - |
| | Excess amount received from certificate award ceremony | | - | 195,884.00 |
| | Over provision of bad debtors adjustment | | - | 191,763.30 |
| | Forex Gain | | - | - |
| | | | **24,506,443.38** | **15,972,443.77** |

| | | |
|---|---|---|
| **16.5.1** | **Other Sales Income** | |
| | Auditorium, Seminar Hall, Class Room Hiring Charges | 671,000.00 |
| | GSD Reports | 15,600.00 |
| | General Sewing Data | 25,350.00 |
| | | **711,950.00** |

# Notes to Financial Statements contd....

| | | 2017<br>Rs | 2016<br>Rs. |
|---|---|---|---|
| **16.5.2** | **Miscellaneous Income** | | |
| | Admin. Fee for course fees refunded | 8,050.00 | - |
| | Sale of Coconut | 1,050.00 | - |
| | Sale of Tires | 8,500.00 | - |
| | Not taken Bid Security | 17,500.00 | - |
| | Sales - Work diaries | - | 14,600.00 |
| | Un presented & Not taken cheques | 73,914.50 | - |
| | Photocopy charges | 101,303.50 | 105,473.00 |
| | Repeat exam fees & VIVA | 63,000.00 | 48,000.00 |
| | Cancellation of sundry credit balances | 3,664.33 | 23,799.08 |
| | Cancellation un claimed tender deposits & Consultancy fee | - | 62,495.50 |
| | Excess amount journalized fully depreciated Lost Lap top computers | - | 104,380.00 |
| | Other | 933.30 | 3,463.33 |
| | Transport charges (PIP and Divineguma,Funerals, Others) | 1,379,426.42 | |
| | Unidentified Direct Credit | 4,650.00 | - |
| | | **1,661,992.05** | **362,210.91** |

| | | | |
|---|---|---|---|
| **16.6** | **Small and Medium Enterprises development programme (Discloser No. 11)** | | |
| | Funds received from The Government | 5,000,000.00 | 5,000,000.00 |
| | | 5,000,000.00 | ***5,000,000.00*** |
| | **Less- Expenditure** | | |
| | Amount transferred to training income | 4,782,084.96 | 4,876,720.00 |
| | Allowance paid to co-coordinator | 60,000.00 | 60,000.00 |
| | Telephone allowance | 12,000.00 | 11,000.00 |
| | Advertisement | 129,794.30 | 49,170.00 |
| | Transport | 9,950.00 | - |
| | Postage | 2,400.00 | - |
| | **Less - Total expenditure** | 4,996,229.26 | **4,996,890.00** |
| | **Excess amount received for SME programme** | **3,770.74** | **3,110.00** |

| | | | |
|---|---|---|---|
| **17** | **Personal Emoluments (Wages, Salaries & Employee benefits)** | | |
| | Salaries & wages (Including interim allowance) | 37,186,027.85 | 35,467,254.02 |
| | Adjustment Allowance | 4,473,211.20 | 6,600,940.55 |
| | Cost of Living Allowance | 7,996,060.80 | 8,269,820.00 |
| | 5 % Special Allowance | - | 476,229.66 |
| | EPF | 5,972,006.92 | 6,399,723.37 |
| | ETF | 1,439,212.06 | 1,597,699.05 |
| | Allowance to chairman | 450,000.00 | 450,000.00 |
| | Casual wages / Allowance to trainees | 1,250,655.20 | 2,096,624.43 |
| | Overtime | 5,354,590.87 | 3,030,016.40 |
| | Week-end payments | 11,663,204.04 | 9,779,404.14 |
| | Professional Allowance | *657,000.00* | - |
| | Bonus/Appreciation allowance | 1,429,500.00 | 1,387,000.00 |
| | Board secretarial fee | 60,000.00 | 60,000.00 |
| | Allowance for week-end school staff | 408,000.00 | 378,000.00 |
| | Telephone allowance | 344,000.00 | 342,900.00 |
| | Transport allowance | 4,302,050.00 | 2,800,000.00 |
| | Co-coordinating fee | 912,540.32 | 937,316.55 |
| | Testing lab Staff allowance | 423,000.00 | 378,000.00 |
| | Gratuity | 3,033,726.00 | 2,988,297.80 |
| | Concession payment on political reasons | - | 269,206.17 |
| | Salary arrears paid on emalgamation-2011-2014 | 16,327.99 | - |
| | | **87,371,113.25** | **83,708,432.14** |

# Notes to Financial Statements contd....

| | | | 2017 Rs | 2016 Rs. |
|---|---|---|---|---|
| 18 | **Traveling** | | | |
| | Local | | 745,075.00 | 433,569.26 |
| | | | **745,075.00** | **433,569.26** |
| 19 | **Supplies & Consumables** | | | |
| | Stationery & office requisites | **(19.1)** | 2,489,566.57 | 2,910,960.28 |
| | Other consumables | **(19.2)** | 1,018,673.08 | 2,069,434.59 |
| | Accreditations & certification fees | | **2,318,319.67** | 2,675,310.06 |
| | Fuel for vehicles & generator | | **3,898,337.83** | 3,773,082.40 |
| | | | **9,724,897.15** | **11,428,787.33** |
| 19.1 | **Stationery & Office Requisites** | | | |
| | Stock as at beginning of the year | | 834,015.33 | 682,024.31 |
| | Add -Purchases during the year | | 2,680,542.10 | 3,062,951.30 |
| | | | 3,514,557.43 | 3,744,975.61 |
| | Less - Stock as at end of the year | | (1,024,990.86) | (834,015.33) |
| | | | **2,489,566.57** | **2,910,960.28** |
| 19.2 | **Consumables,QC Lab materials, Yarn & Dyes** | | | |
| | Stock as at beginning of the year | | 189,887.28 | 1,145,946.75 |
| | Add -Purchases during the year | | 2,100,563.83 | 1,113,375.12 |
| | | | 2,290,451.11 | 2,259,321.87 |
| | Less - Stock as at end of the year | | (1,271,778.03) | (189,887.28) |
| | | | **1,018,673.08** | **2,069,434.59** |
| 20 | **Repairs and Maintenance** | | | |
| | Land & Buildings | | 566,707.96 | 932,907.39 |
| | Motor Vehicles | | 2,371,544.49 | 2,475,595.77 |
| | Furniture & Fittings and Equipment | | 443,121.94 | 502,814.15 |
| | Lab Equipment | | 639,248.75 | 429,134.09 |
| | Plant & Machinery | **(20.1)** | **379,581.00** | 494,702.34 |
| | Computers | | 427,390.35 | 621,810.85 |
| | Generator | | 235,634.13 | 68,616.90 |
| | | | **5,063,228.62** | **5,525,581.49** |
| 20.1 | **Repairs and Maintenance** | | | |
| | Spare parts stock as at beginning of the Year | | 196,857.30 | 196,857.30 |
| | Repairs & maintenance | | 379,581.00 | 494,702.34 |
| | | | 576,438.30 | 691,559.64 |
| | Less - Stock as at end of the year | | | - |
| | Cash received for lost accessories | | (196,857.30) | (196,857.30) |
| | **Transferred to Maintenance of Machinery** | | **379,581.00** | **494,702.34** |

# Notes to Financial Statements contd....

| | | | 2017 Rs | 2016 Rs. |
|---|---|---|---|---|
| **21** | **Contractual Services** | | | |
| | Insurance | | **149,161.60** | 145,063.95 |
| | Security charges | | 1,745,998.96 | 1,746,041.49 |
| | Janitorial services | | 3,238,622.84 | 3,134,945.68 |
| | Electricity | | 7,813,409.03 | 7,698,673.00 |
| | Water | | 510,434.51 | 325,594.45 |
| | Communication services | | 1,025,875.71 | 923,177.08 |
| | Postage | | **164,002.00** | 157,473.00 |
| | Advertisement Expenses | | 849,276.39 | 654,109.36 |
| | Office Rent | | 560,532.40 | |
| | Transport charges | | 2,654,505.49 | 2,026,493.95 |
| | | | **18,711,818.93** | **16,811,571.96** |
| **22** | **Depreciation** | | | |
| | Building | | 1,895,186.64 | 1,821,023.77 |
| | Computers | | 2,436,009.71 | 4,294,284.63 |
| | Furniture ,Fittings & equipment | | 4,354,905.32 | 4,131,296.24 |
| | Motor Vehicles | | 2,048,891.61 | 2,048,891.61 |
| | Plant & Machinery | | 1,962,796.24 | 1,895,234.56 |
| | Industrial sewing machinery | | 1,267,139.29 | 978,528.73 |
| | Lab Equipment | | 6,936,062.08 | 5,772,162.97 |
| | Video Programmes | | 52,500.00 | 52,500.00 |
| | Books & Periodicals | | 164,388.50 | 186,974.34 |
| | Spare parts & accessories | | 339,048.00 | 339,049.00 |
| | | | **21,456,927.39** | **21,519,945.85** |
| **23** | **Other expenses** | | | |
| | Visiting lecturer fees | | 2,907,175.20 | 1,969,231.00 |
| | Audit fees - provision for the year | | 400,000.00 | 400,000.00 |
| | Training courses expenses | | 5,710,492.09 | 2,153,790.87 |
| | Miscellaneous expenses | **(23.1)** | 416,228.45 | 1,109,771.96 |
| | Human capacity building /Staff training - Local | | 1,295,115.00 | 390,103.33 |
| | Human capacity building - Foreign | | 1,207,065.01 | 1,207,643.51 |
| | Staff Welfare - Tea Expenses | | 939,446.72 | 836,475.14 |
| | Staff Medical scheme labour welfare | | 1,523,246.15 | 1,300,077.89 |
| | Welfare society | | 1,700,000.00 | 200,000.00 |
| | Fees to Board of Governors | | 460,000.00 | 489,400.00 |
| | Exhibition expenses | | 538,817.00 | 249,219.75 |
| | Stamp duty | | 63,220.00 | 46,750.00 |
| | Career guidance programme | | 233,722.55 | 58,820.00 |
| | Doubtful debtors | | 230,828.33 | - |
| | Research & Development unit expenses | | 9,000.00 | 121,125.00 |
| | Expenses of gauze testing | | 282,900.00 | 253,300.00 |
| | CSR Programme | | - | 6,020.00 |
| | Exp. For testing of school uniform material | | 18,651.79 | 54,241.36 |
| | Withholding Tax | | 2,056,596.16 | 1,210,349.57 |
| | VAT | | 209,646.10 | 10,620.00 |
| | NBT - 2% expenses | | 19,564.33 | 39,178.38 |
| | Allowance to TEC and MTB Members | | 163,000.00 | 101,250.00 |
| | Allowance to Audit & Management committee, Academic council members | | 136,654.00 | 114,675.00 |
| | Professional membership fees - Officers/ Institute | | 145,403.02 | 107,811.48 |
| | Annual subscription fees | | 21,286.38 | 45,419.33 |
| | Entertainment expenses | | 184,145.08 | 133,374.63 |
| | ISO 9001-2015 Implementation | | - | 90,000.00 |
| | Certificate Award ceremony | | 25,565.00 | - |
| | Expenses on Mannar Centre | **(23.2)** | **108,889.34** | 1,228,111.81 |
| | Degree Awarding status Expenses | | 791,647.00 | - |
| | Diviyata Udana Prgramme Expenses | | 115,016.00 | - |
| | Economic Service Charges | | 658,985.05 | - |
| | Legal Fees | | 32,700.00 | - |
| | Publication & magazines | | 1,094,829.69 | 446,400.00 |
| | Staff Development Fund | | 790,802.00 | - |
| | | | **24,490,637.44** | **14,373,160.01** |

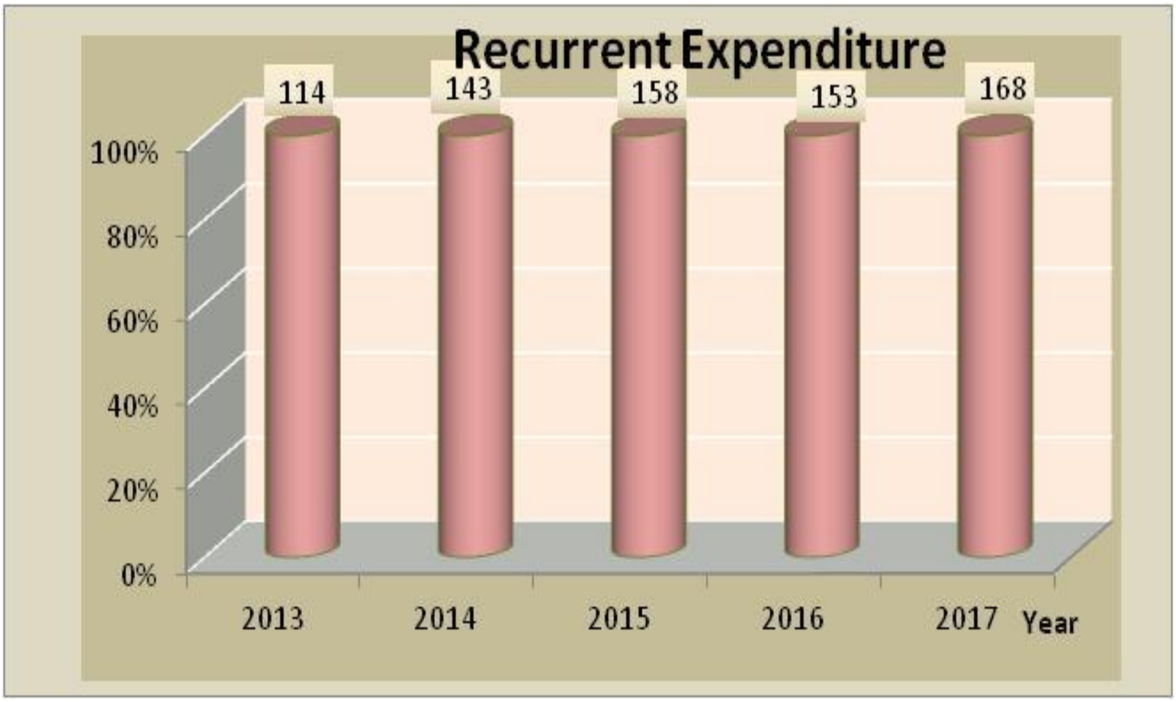
# Notes to Financial Statements contd....

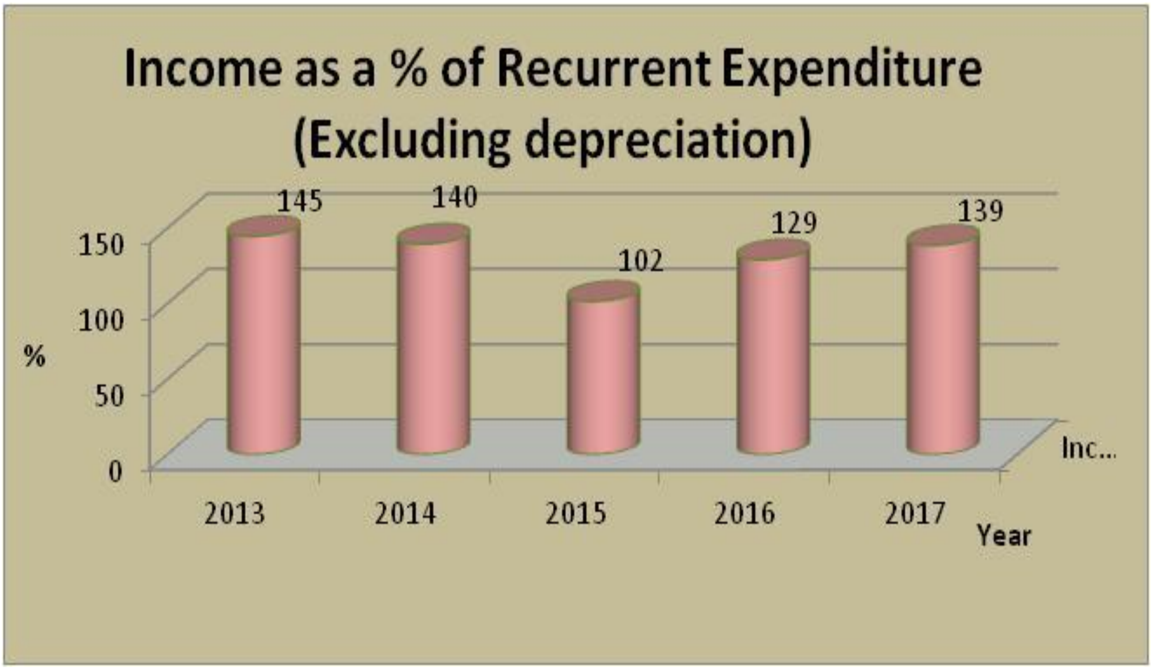
| | | 2017<br>Rs | 2016<br>Rs. |
|---|---|---|---|
| **23.1** | **Miscellaneous Expenses** | | |
| | News paper bills | 39,690.00 | 31,990.00 |
| | Labour charges | 4,135.00 | 12,250.00 |
| | Uniform for drivers | - | 54,000.00 |
| | Medical tests for drivers | - | 11,275.00 |
| | Renewal of driving license | 2,700.00 | 2,200.00 |
| | Donation for Aranayake Land slide victims | - | 10,000.00 |
| | Garbage removal charges | 25,199.20 | 10,353.00 |
| | Honorarium fee | 65,000.00 | 28,500.00 |
| | Translation Fees - annual report & others | 30,205.00 | 24,219.00 |
| | Vehicle parking fee (BOI) | 4,049.00 | 900.00 |
| | Medicine/Medical treatment for students | 6,776.25 | 8,161.25 |
| | Books & report binding | 2,014.00 | 8,725.00 |
| | Identity cards for staff | - | 43,830.00 |
| | Pirith ceremony | 35,000.00 | - |
| | Vesak decorating & Sinhala New year festival contribution | 67,874.00 | 80,200.00 |
| | Interview panel charges | 8,000.00 | 8,000.00 |
| | Rain coats for staff | - | 12,939.00 |
| | Fish Tank | 3,200.00 | - |
| | Bad debtors | - | 754,317.71 |
| | Laundry fee | 1,000.00 | 2,085.00 |
| | Other Expenses | 16,310.00 | 5,827.00 |
| | New Year Greetings | 57,575.00 | - |
| | Textile Institute | 15,000.00 | - |
| | Wall Clock | 3,320.00 | - |
| | Coconut Plucking | 1,600.00 | - |
| | Visa Photos | 2,300.00 | - |
| | Tender Documents | 2,000.00 | - |
| | Refreshments | 16,371.00 | - |
| | Appreciation Gift | 6,910.00 | - |
| | | **416,228.45** | **1,109,771.96** |
| 23.2 | **Expenses on Mannar Centre** | | |
| | **Expenditure** | | |
| | House rent | - | 195,067.00 |
| | Visits | - | 67,325.00 |
| | Purchase of consumables | - | 9,672.10 |
| | Allowances for Mannar staff | 42,000.00 | 307,000.00 |
| | Security | - | 483,091.40 |
| | Transport furniture to Palamunei | - | 24,625.00 |
| | Overtime,Traveling,Week end payment | 25,850.54 | 96,774.71 |
| | Physical verification | 18,351.00 | 11,875.00 |
| | Electricity | 11,820.30 | 466.20 |
| | Telephone charges | - | 23,923.12 |
| | Water | 10,867.50 | 8,292.28 |
| | **Expenses incurred by the Institute** | **108,889.34** | **1,228,111.81** |

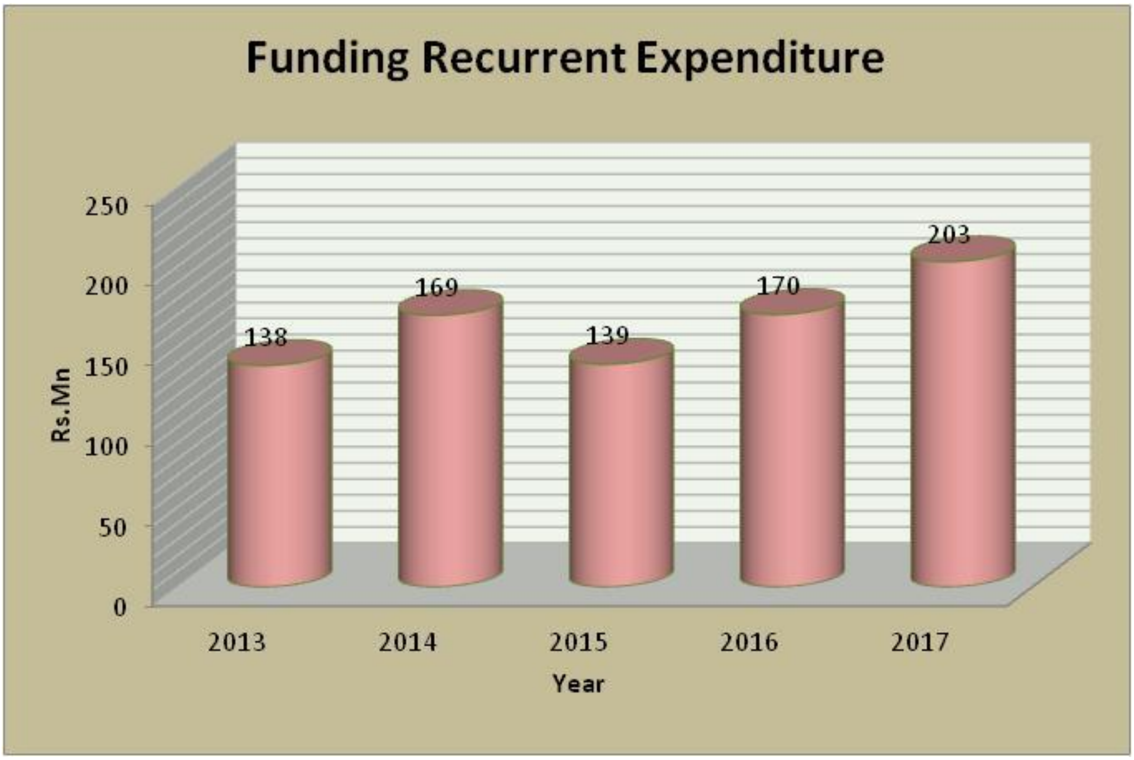
# Notes to Financial Statements contd....

| | | 2017<br>Rs | 2016<br>Rs. |
|---|---|---|---|
| **24** | **Finance cost** | | |
| | Foreign exchange loss | 597.97 | 1,354.71 |
| | Bank charges | 155,908.18 | 113,325.35 |
| | | **156,506.15** | **114,680.06** |
| **25** | **Deferred income** | | |
| | Depreciation portion of assets by the Government Grant | 19,373,428.98 | 19,378,620.98 |
| | Amortization of re-valuation reserve | - | 135,412.33 |
| | Government contribution for human capacity building | - | 2,796,368.40 |
| | | **19,373,428.98** | **22,310,401.71** |

# PERFORMANCE INDICATORS

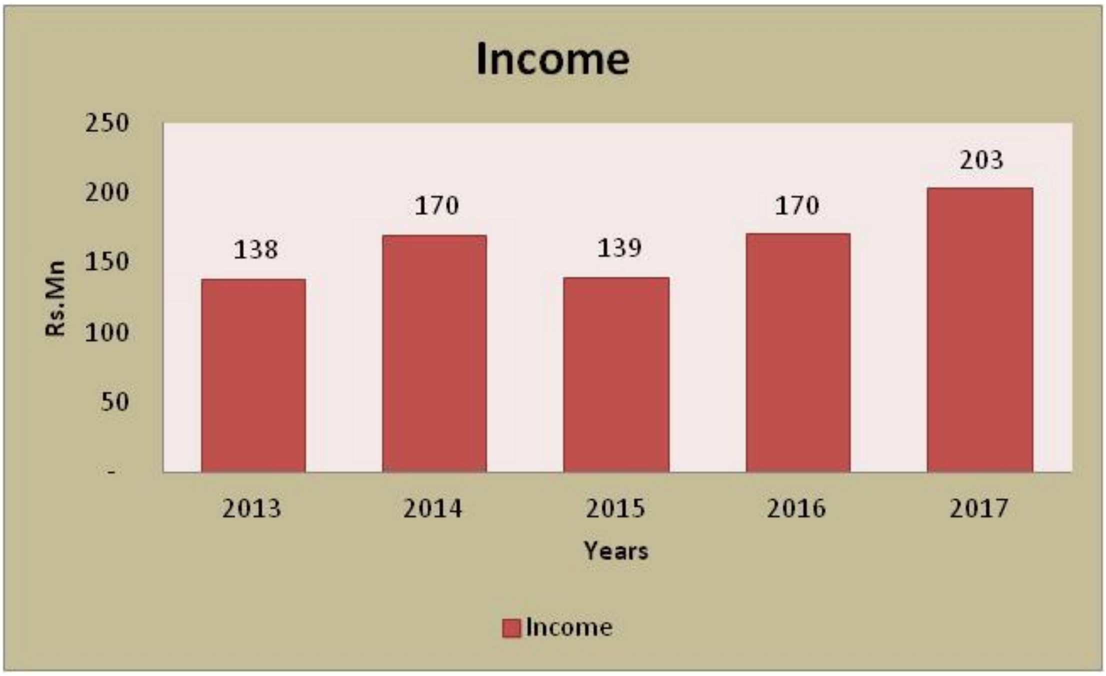




Income as a % of Recurrent Expenditure
(Excluding depreciation)
%
150
100
50
0
145
140
102
129
139
Inc...
2013
2014
2015
2016
2017
Year


Funding Recurrent Expenditure
Rs.Mn
250
200
150
100
50
0
138
169
139
170
203
2013
2014
2015
2016
2017
Year

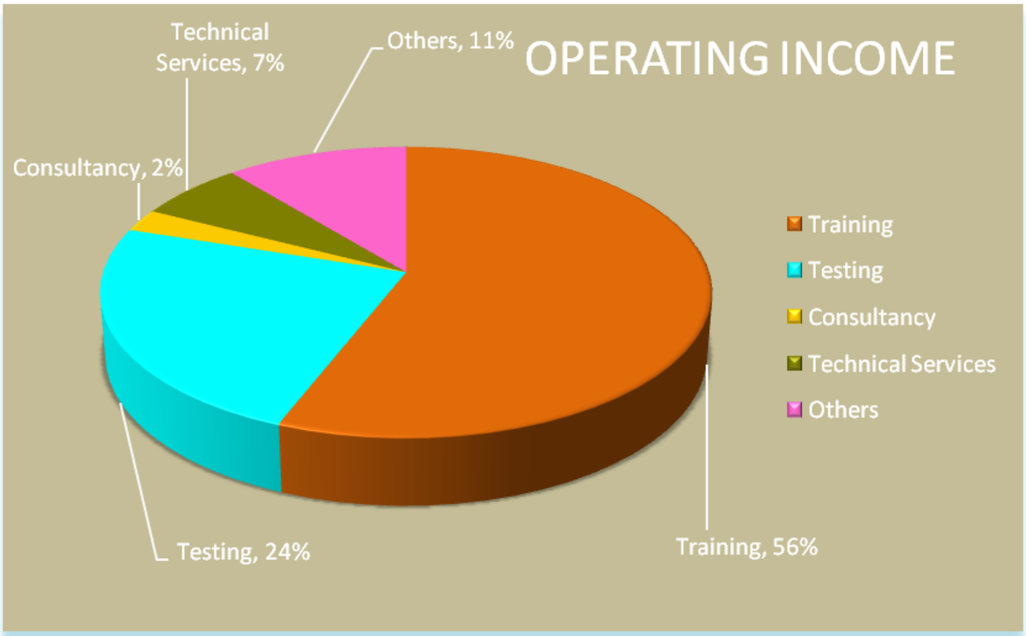
# REPORT ON FINANCIAL STATEMENTS

## Income




The Institute has recorded a total annual income of Rs. 202 Mn during the year under review which is an increase of 19% compared to the year 2016 and this is the highest income generated during the last five years.

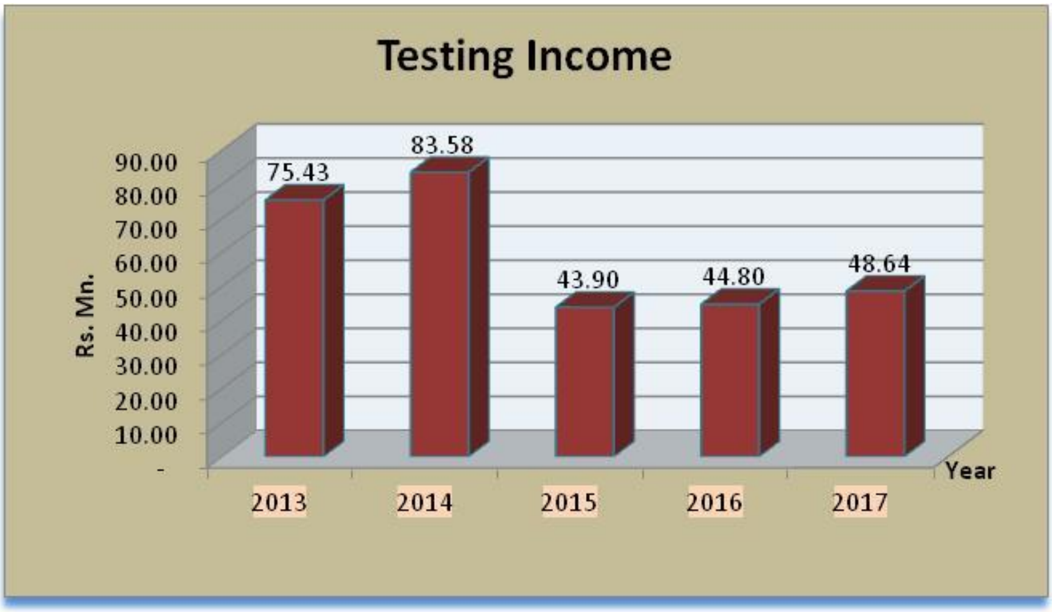
## Operating Income



The income generated by Testing, Training and Consultancy services are 82% of the total operating income while 11% of the operating income is contributed by sources such as Interests Income (Fixed Deposit, Treasury Bills and Call Deposits interest), Transport income and, miscellaneous activities. The technical Services income is 7% of the total income. However, training is the main income source over the year contributing to the total income in the current year.

## Testing Income

During the year, testing has generated an income of Rs. 48.64 Mn. through 49,529 tests from 5,619 samples, which resulted in an income increase of 8% compared to the previous year.




## Training and Consultancy

Training is one of the key services provided by the Institute. In the year 2017, Institute records a total number of Trainees as 5,409 and total number of Training Programs as 201, Total training income generated in the year under review amounts to Rs.113.8 Mn. compared to Rs. 90.8 Mn. earned in 2016. This is an increase of 25%, compared to the year 2016.This is the highest income earned for the last several years from training.


## Income from Other Sources

Other income sources, comprise mainly of Interest on Fixed deposits, Treasury bills and Call Deposit investments income ,transport income, Distress loan interest income and the balance contribution is made from Miscellaneous activities such as Sample Dyeing, Canteen rent and Tender document fees, photocopy charges, ....etc.

## Expenditure

| | 2017 Mn | 2016 Mn |
|---|---|---|
| Operating Income | 202.88 | 170.00 |
| *Less:* Total Operating Expenditure | 167.72 | 153.91 |
| Operating profit/loss | 35.16 | 16.09 |
| *Deferred Income* | 19.37 | 22.31 |
| Net Surplus/ (Deficit) for the Period | 54.53 | 38.40 |

Total recurrent expenditure incurred during the year is Rs. 167.72 Mn. compared to Rs. 153.91 Mn. previous year and this indicates a increase of 9 % of expenditure.

Recurrent expenditure mainly consists of personal emoluments, supplies and consumables, contractual services, maintenance expenditure , depreciation and gratuity provision and other expenses.

## Overall Financial Structure.

Infrastructure, Plant and Equipment consist of a net value of Rs. 153.3 Mn. Total investment during the year is Rs. 39 Mn.

The Institute received a allocation of Capital Grant of Rs.55 Mn. It consist of a advance received for building construction of Rs. 5Mn and other capital assets of Rs.20 Mn.

Current Assets increased from Rs. 249.41 Mn. to Rs.340.47 Mn. Liquidity Ratio (ie. Current assets to Current liabilities) is 25 times compared to 19 times of previous year.

- Overall institutional income increased by 18% that is income from 170 Mn to 202 Mn for this year.
- Total Expenditure increased by 9% from 153 Mn to 167 Mn.
- Total operating income increased by 118% and total surplus for this year increased by 42% .

# ACTIVITIES - YEAR 2017

**Teachers Training Program 2017 / 08 / 31**

**Sri Lanka Institute of Textile & Apparel and Sri lanka Army Ordnance Factory Dombagoda Entered into an MOU in Dombagoda on 2nd May 2017**

SLITA Annual Trip & Get Together - 2017

Staff Training in South Korea

Sustainable Lanka (Thirasara Lanka) @BMICH


Sri Lanka Institute of Textile & Apparel and Lovely Professional University- Punjab,India entered into an MOU in Rathmalana on 3rd February 2017

Bangladesh High Commissioner Deligation.11.12.2017

Ethiyopiya deligation. 11.12.2017


Chinese Delegation Visit

# FUTURE PLANS FOR THE YEAR 2018

- Obtain NVQ standards for all the Diploma and Certificate Courses
- Acquire degree awarding status to award degrees
- Commence the construction of the proposed six storied building to expand infrastructure facilities
- Develop members of the staff to acquire qualifications to conduct undergraduate lectures
- Develop Banana fibres, suited to be used in fabric production
- Expand services of SLITA to South Asian region, and to establish links and collaborations with prestigious textile and apparel institutions in the region
- Introduce " Health and Safety" test requirements for children-wear, for locally produced and imported textile related products
- Popularize Leather and Footwear trainings among cottage and community based entrepreneurs, and introduce sewing mechanic training programmes among the youths in the rural communities

මගේ අංකය / எனது இல. / My No. TCM/B/SLITA/1/17/43    ඔබේ අංකය / உமது இல. / Your No.    දිනය / திகதி / Date 15 October 2018

SRI LANKA INSTITUTE OF TEXTILE & APPAREL
21 DEC 2018
RECEIVED

The Chairman,
Sri Lanka Institute of Textiles and Apparels.

**Report of the Auditor General on the Financial Statements of the Sri Lanka Institute of Textiles and Apparels for the year ended 31 December 2017 in terms of Section 14 (2) (c) of the Finance Act. No. 38 of 1971.**

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The audit of Financial statements of the Sri Lanka Institute of Textiles and Apparels for the year ended 31 December 2017 comprising the statement of financial position as at 31 December 2017 and the statement of financial performance, cash flow statement and statement of changes in equity 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 14(3) of Sri Lanka Institute of Textiles and Apparels Act, No.12 of 2009. 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, No. 38 of 1971 was issued to the Chairman of the Institute on 28 August 2018.

**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 the 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 judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority'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 Authority'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 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.

**Basis for Qualified Opinion**

My opinion is qualified based on the matters described in paragraph 2.2 of this report.

## 2. Financial Statements

### 2.1 Qualified Opinion

In my opinion, except for the effect of the matters described in paragraph 2.2 this report, the financial statements give a true and fair view of the financial position of the Sri Lanka Institute of Textiles and Apparels as at 31 December 2017 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 Sri Lanka Public Sector Accounting Standards

**(a) Sri Lanka Public Sector Accounting Standards 07**

In terms of section 65 of this standard, the cost of non-current assets had not been revised annually for a life expectancy of fixed assets which amounted to Rs. 201,323,461 had been depreciated but were still in use. Accordingly the estimated error was not revised in accordance with Sri Lanka Accounting Standard 03.

**(b) Sri Lanka Public Sector Accounting Standards 02**

The following observations are made. When examining the cash flow statement.

(i) A sum of Rs. 230,828 of doubtful debts adjusting from the operating income and had not been indicated under debtors.

(ii) The interest income of Rs. 21,478,709 relating to the year had not been adjusted from the operational activities and interest income of Rs. 15,688,119 received by cash had not been indicated under financial activities.

(iii) A sum of Rs. 30,000,000 receivable from the Ministry for the construction of the new building had not been indicated as cash inflow under financial activities.

### 2.2.2 Accounting Deficiencies

The following observation are made.

(a) A sum of Rs. 80,400 had been paid for external lecture fees during the year 2017 relevant to the year 2016, had been accounted as an expenditure for the year under review.

(b) The cost relating to the fixed assets disposed of in the year under review and a sum of Rs.153,950 received from sale of those assets, had not been adjusted to the Account of Removal of Assets. Instead, only the amount received from sale of assets had been erroneously credited to the sundry creditors.

(c) The profit of selling 05 No. of vehicles amounting to Rs. 3,871,448 had been credited to the Sunday creditors and the actions had not been taken to adjusting that profit from the creditors account even in the year under review.

### 2.3 Accounts Receivable and Payable

The following observations are made.

(a) The trade debtors balance as at the end of the year under review amounted to Rs.14,353,062 and that balance included the debtors balance of Rs.3,739,162 about 26 percent exceeding 04 years.

(b) Even though the Value Added Tax totalling Rs.290,441 brought forward in the accounts of the Textile Training and Services Centre, had been shown as a balance receivable since the establishment of the Institute in the year 2011 up to now, action had not been taken to settle those balances even by the date of this report.

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## 2.4 Non-compliance with Laws, Rules, Regulations and management decisions.

The following non-compliance were observed.

| | Reference to Laws, Rules, Regulations etc. | Non-compliance |
|---|---|---|
| (a) | General contract Act No. 03 of 1987 sub terms of No. 8 and procurement guide line No. 13 | When selection of suppliers for interior designs of the cafeteria for the value of Rs, 8,024,885 and the procurement of laboratory equipments amounting to Rs. 17,601,850 the actions had not been taken to register the agreements under the Act of General Contracts. |
| (b) | Financial Regulations 371 (5)<br>Public Finance (Revised) circular No.3/2015 dated 14 July 2015 | Even though the ad-hoc sub imprests obtained should be settled immediately after the completion of the purpose for which it is granted, the value of ad-hoc sub imprest of Rs. 556,720 granted in 22 instances had been settled delay in 11 days to 34 days. |
| (c) | Financial Regulations 371 (2) (amendment) | Even though the amount of ad-hoc sub imprest up to maximum of Rs. 100,000 exceeding that amount sub imprest had been granted in two instances as Rs. 200,000 and Rs. 283,300 |

## 2.5 Transactions not Supported by Adequate Authority

In terms of Public Enterprises Circular No.95 of 14 June 1994, approval of the General Treasury or the Ministry of Public Administration should be obtained for all allowances paid to employees of Corporations, Boards and Statutory Bodies on the approval of the Secretary to the Ministry concerned. Nevertheless, contrary to that, sums totalling Rs.1,574,691 and Rs.1,602,540 had been paid to the staff in the years 2016 and 2017 respectively as additional allowances from the Fund of the Sri Lanka Institute of Textiles and Apparels.

## 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. 54,535,545 as compared with the corresponding surplus of Rs. 38,418,981 for the preceding year, thus indicating an improvement of Rs. 16,116,564 in the financial result of the year under review as compared with the preceding year. Even though the expenditure of the year under review had increased by Rs. 13,804,478 as compared to preceding year. The increase in the income from interest by Rs.7,666,425 and in the income from trainings by Rs.22,906,953 of the year under review had been the main reason for the above improvement.

An analysis of the financial results of the year under review and preceding four years revealed a financial surplus from the year 2013 to the year 2017. Nevertheless, it had decreased in the year 2015. However, in readjusting the employees remuneration, the Government tax and the depreciation on non-current assets to the financial result, the contribution of the Institute which was Rs. 115,076,875 in the year 2013 had improved to Rs.137,931,510 as at the end of the year 2014. However, it had decreased to Rs.111,088,905 in the year 2015 and further, it had again improved to Rs.142,154,257 in the year 2016 and Rs. 161,410,561 in the year 2017.

**3.2 Analytical Financial Review**

Even though the current Assets Ratio and Acid Test Ratio should be 2:1 and 1:1 respectively, the current Assets Ratio and Acid Test Ratio of the Institute had been improved by 2:1 in the year 2016 and 19:1 in the year 2017, though it was 2:1 in the year 2015. The major reason for this was the excess funds of the institute had invested on short term deposits amounting to Rs. 154,169,439 at the end of the year, instead of using economically to obtain key functions of the institute.

**4. Operating Review**

**4.1 Performance**

**4.1.1 Planning**

The following observations are made relevant to this.

(a) Even though the revised budget should be presented to the secretary of the line Ministry in terms of sub section 5.2.3 of the Public Enterprise Circular No. PED-12 of dated 02 June 2003. The Institute had not done it.

(b) The Institute had not taken actions to revise action plan in accordance with the revised budget.

**4.1.2 Performance and Review**

The following observations are made.

(a) Even though the participation of 3,182 students for 215 courses had been expected according to the Action Plan for the year 2017, only 201 courses had been conducted by the end of the year with the participation of 3,463 students. Actual courses were less than expected courses by 6.51 percent and students participated for that was increased by 8.83 percent. According to that it was observed that when planning courses expected to be conduct and making decisions relevant to the students who expected to be participate. The institute had not been planned properly.

(b) Even though in the Engineering Section 44 number of courses were expected to be conduct with the participation of 773 students, only 21 courses had been conducted with the participation of 302 students at the end of the year.

(c) Except the courses which were held for the request of the external persons and institutes, only 19 courses about 13 percent had been conducted out of 146 courses which was planned to be conducted by the institute during the year under review.

(d) A provision amounting to Rs. 06 million had provided to the institute by the Line Ministry for Teacher training programme for the purpose of starting 150 small scale industries in the year 2016. Even though amounting to Rs. 1,796,346 in2016 and amounting to Rs. 4,325,138 totalling of Rs. 6,121,484 had been incurred 15 trainees in Mannar out of 150 to be trained had not been trained even by the end of the year under review.

(e) Even though it is mentioned that giving consultancy service to get opportunities to enter the market for the production of trainees. As a project proposal of domestic garment factories had been implemented along with the Ministry of Industrial & Commerce for the purpose of enhancing the economic empowerment of the people by creating new employment opportunities, empowering women, social development etc. The information had not been furnished to the audit relating to that activity was implemented. Even though the amounting to Rs. 103,598,120 had been spent for 2040 number of Sawing Machines and 41 Over Lock Machines from the year 2015 to year under review. Follow up actions not been implemented whether these trainees were engaged in the said business and issues they faced.

(f) Training programmes of the national programme of "Diviyata Udanaya" had transferred to the institute by the Industrial Development Board which is planned to implement under the provisions of the Ministry of Industrial and commercial affairs. But both parties had not been came over an agreement about programme detail, time line, No. of trainees should be trained, charges for the service given regarding the training programme to be implemented.

(g) Even though the sales income of Rs. 978,535 include in the total operating income of Rs. 202,882,320 shown in the financial statements, in the thread colouring center of "Palamunei" there had been a net loss of Rs. 2,641,544 due to the usage of raw material in the year amounting to Rs. 2,149,636. The main impact of this loss was coloured threads which were ordered by the textile department were not standard quality and therefore those threads had to be coloured again.

## 4.2 Management Efficiency

The following observations are made.

(a) Even though the Efficiency Bar Examination should be held at least once in a year, in terms of 4.4.4 of the section of Junior Managers, in the scheme of Recruitment. The management of the Institute had not been conducted the Efficiency Bar Examinations relating to each post from the date of the scheme of Recruitment approved on 23 March 2015.

(b) The officer had employed in the post of senior technologist (Leather) had been released for the volunteer service of Sri Lanka Army and five programms were in progress under the "Exchange of Technology and Quality promotion programme 2017" at the time of that period. Due to the vacancy of that post the practical training of this programmes had been stacked. That section had been closed by the date of audited on 27 April 2018. Training of the trainees who related to foot ware and leather had been broken down due to that reason.

(c) Even though a sum of Rs. 822,480 had been paid to the Department of Valuation in the year 2015 for revaluation of assets of the Institute, action had not been taken to obtained the accurate revaluation reports on assets and to adjust the fair values there of to accounts of the year under review in terms of the Standard.

## 4.3 Uneconomic transactions

The following observations are made.

(a) It was observed that in the physical verification 22 No. of wooden tables which had bought at a cost of Rs.1,385,200 for the section of footwear and leather items had been kept as an idle in the practical Training Section without using.

(b) A building had been purchased monthly rental value of Rs. 80,000 for a office accommodation from the 01 June 2017 because of the part of the old building had to be demolish for the construction of the new building constructions had not been started even by the audit day of 27 April 2018. Therefore the building which rent out had been closed without using. Boarding facilities had been given to a few training students for several days. The agreement date of that rented building had been cancelled from the date of 16 April 2018, amounting to Rs. 800,000 as 10 month value of rental had been paid.

Even if the agreement cancelled it should be noticed to the other party before 03 months in compliance with the section 3(F) of the agreement. It had noticed that the agreement to be cancelled on the date of 09 March 2018 thus before 38 days. Therefore only Rs. 80,000 had been received on 6 August 2018 out of Rs. 240,000 of advanced paid and had a loss of Rs. 160,000 for the institute.

## 4.4 Staff Administration

The following observations are made.

(a) The approved cadre of the Institute stood at 140 and actual cadre were 98 and 42 vacancies existed. Even though actions had not been taken to fill these posts which have been existing for more than two years by the end of the year under review.

(b) Institute which consist of 82 officers in senior, secondary and tertiary level even though the approved cadre of work Aids stood at 13, only one work Aide is engaged in the service.

(c) According to the section 5.3 of the Scheme of Recruitment an officer had been recruited for the post of Assistant Engineer (Information Technology) without calling application through the public notice.

## 5. Sustainable Development

### 5.1 Approaching the Sustainable Development Goals

In terms of the "vision 2030 Agenda" of United Nations, regarding Sustainable Development Goals, Every Government institute should approach it self, and the institute aware of the way should be implement regarding activities under the scope of the institute for the year under review. But the Institute had not been identified sustainable Development Goals under the scope of the institute.

### 5.2 Unsettled Audit Para's

The actions had not been taken to the following observations had stated in the report of the Auditor General's in 2016.

(a) Even though 08 years had elapsed by the end of the year 2017 since the establishment of the Institute in the year 2009, necessary arrangements had not been made even by 31 December 2017 for conducting Postgraduate and Degree Programmes on Textiles and Apparels Industry in terms of paragraph 04(a) of Part 01 of the Sri Lanka Institute of Textiles and Apparels Act, No.12 of 2009.

(b) Even though the issuance of Certificates of Conformity to the persons engaged in the Textiles and Apparels Industry conforming to the International and National Standards and the Standard Systems of Companies, is an objective of the Institute, action had not been taken even by the end of the year under review to obtain the National Vocational Qualification Level recognition for other courses except for the Course of "Work Study" conducted by the Institute.

(c) A Jeep not in running condition, had been obtained from the Ministry of Industries and Commerce in November 2014 on temporary basis and a sum of Rs.362,175 had been spent there for as expenditure on repairs. However, it had not converted to running condition and as such, it had been returned to the Ministry. Moreover, action had not been taken for the recovery of the money spent on repairs from the Ministry of Industries and Commerce.

(d) Even though the double cab motor vehicle given to the Institute by the General Treasury in the year 2012 had been released on 04 September 2013 for the use of the line Ministry, the Institute had spent a total sum of Rs.910,472 as its repair expenses. But the amount had spent could not be reimbursed from the Ministry by the year under review.

## 6. Accountability and Good Governance

### 6.1 Procurement and Procedure of Contract

#### 6.1.1 Procurement

The following observations are made regarding this.

(a) Even though the Institute had prepared a Procurement Plan, it had not been prepared in compliance with Guideline 4.2.1(a),(b),(c) and (e) of the Government Procurement Guidelines. Even though the Procuring Entity should prepare a Master Procurement Plan including the procurement activities envisaged at least for a period of three years and the procurement activities for the following year in detail and that the Master Procurement Plan be updated within a period not less than 06 months, the Institute had not prepared the Procurement Plan accordingly.

(b) All bidder who participate the procedure of invitation for bids, should be presented bid bond in required format incompliance with the Guideline 5.3.11 of the Procurement Guideline for the services of and security service, cleaning services and transport service for staff and the students, had not been kept thus, the procurement entity had not been aware of the bidders.

(c) In compliance with Guideline 5.4.10 of the Government Procurement Guidelines. Even though the responsibility should be covered not less than 10 percent by the estimated contract value. The performance bonds had not been taken regarding expenditure amounting to Rs. 3,360,000 cleaning and a sum of Rs. 2,142,000 of security services in 2017/2018.

### 6.1.2 Deficiencies in Contract Administration

The following observations are made.

**(a)** Bidds have been invited under National Competitive bidding procedure on 14 October 2017 for proposed interior designing in the cafeteria of the Institute. Bidds were represented by three bidders. Actions had been taken to select a contractor among them. The following observations are made relevant to this.

(i) Even though the minimum period of time for inviting bidds were 21 days in compliance with the section 6.2.2 of the Government Procurement Guideline. Inviting for bidds of this procurement had been given only 12 days.

(ii) Even though the consultants should not be the members of the Technical Evaluation Committee, in compliance with the section 7.3.1 (a) of the Government Procurement Guideline. A consultant appointed for this procurement also being a member of Technical Evaluation Committee.

(iii) Even though the bid security should be extent before the validity date which was conformed, when the required period for the contract finished is extend in compliance with the section 18 appendix of the Government Procurement Guideline. The validity period of advance bid security amounting to Rs. 1,882,638 by the date of 06 March 2018 and performance bid security amounting to Rs. 802,488 by the date of 07 March 2018 regarding this contract. Even though a mobilization advance of Rs. 1,882,638 had been paid for the contractor on 03 January 2018 on bid security, proposed interior designing in the cafeteria had not been implemented even by the date of 30 June 2018 by the Institute.

**(b)** A sum of Rs. 23 million had been provided from 2015 to 2017 by the treasury for the construction of a building for the purpose supply of fundamental facilities needed to conduct post Graduate Courses, Graduate Courses and Diploma Courses regarding Textiles and Apparels field. Out of that provisions Rs. 1,586,831,had been incurred, only for the master plan and the samples of soil testing by the 31 May 2018 and the constructions had not been commenced even by 31 July 2018. The remaining amount of Rs. 21,413,619 had been invested in short term deposits.

**6.2 Budgetary Control**

Variances ranging from 10 per cent to 310 per cent were observed between the budgeted and the actual income and expenditure, thus indicating that the budget had not been made use of as an effective instrument of management control.

**7. 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 from time to time. Special attention is needed in respect of the following areas of control.

| Areas of Systems and Controls | Observations |
|---|---|
| (a) Debtors | Failure in implementation of a proper procedure for the recovery of balances of debtors. |
| (b) Conducting Courses | An Examination Division had not been established for examinations of those courses impartially and regularly. |
| (c) Procurement procedures | Action had not been taken in compliance with the Guideline of The Government Procurement Guideline. |