

Annual Report and Accounts 2011

National Design Centre

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Act of Incorporation

National Design Centre (NDC) is a service oriented Organization which was established under the National Crafts Council and Allied Institutions Act No: 35 of 1982 and commenced its operations in 1983, and currently functions under the purview of the Ministry of Traditional Industries & Small Enterprise Development to guide and train the traditional craftsmen with the main objective of their development and progress.

Vision

Making the handicraft sector a more dynamic and economically viable sector, through the development of market oriented designs enabling the introduction of creative new designs to the handicraft market.

Mission

Promote, develop, build capacity, popularize & mainstream market oriented creative new designs in line with global and local market trends.

Obejectives

- Upgrade existing products of handicraft producers and develop and introduce new design concepts in line with the current market trends in the local and export market.
- Conduct research programmes with scientific and technical institutions to introduce appropriate technology to improve quality standards and production capacity in the handicraft sector.
- Provide advanced skills development, technical and design development training to up lift the handicraft sector and enhancing the income levels of craftsmen.
- Provide common facility services to craftsmen and small scale entrepreneurs enabling them to use advanced technology.
- To introduce new and more efficient methods of production of Handicrafts.
- Provide information and assistance to carry out market promotions to craftsmen ,traders and others in the handicraft sector.
- Provide design consultancy services to public and other institutions.
- Conduct Design Education Programmes to produce design professionals.

Organization

National Design Centre is situated at No: 10, De Mel Road, Katubedda, Moratuwa where the workshop and National College of Designs are also located within the premises of the Head Office. In addition to this, a Project Office is situated in Kalapuraya, Nattarampotha in Kandy where a Brass and Lacquer workshop and a Common Service Centre is maintained. Similarly, a Tourist Village Project is carried out in this premises itself.

National Design Centre implements its activities in accordance with the action plan under the guidance of the Head Office with the support of the Nattarampotha Project Office in view of executing the Vision and Self-employment Development and the Ministry of Traditional Industries and Small Enterprises Development and the support of sister Organizations, Provincial Councils, Government and non-Governmental Organizations, Private Sector Organizations engaged in Handicraft Industries, craftsmen and other institutions empower us in executing the objectives of the institution.

The Head Office is assigned with the responsibility of dealing with important matters relating to the main objectives such as Administration, Finance, Market Promotion, Design Development, Design Education, Technical Development, Research and Development, Common Facility Centre and Library Facilities as well.

- | | | |
|------|--|---|
| (i) | Head Office
Chairman
Director Tel:/Fax
General
Fax
e-mail | : No. 10, De Mel Road, Katubedda, Moratuwa.
: 011-2607114
: 011-2626345
: 011-2607814
: 011-2607111
: slndcrisep@yahoo.com |
| | | |
| (ii) | Nattarampotha Common Facility Centre

Tel:/Fax

e-mail | : Kalapura, Nattarampotha

: 081-2420038

: slndcna@yahoo.com |

Board Of Directors

Members of the Director Board

Mr. D.W. Marshal Janatha

Chairman- National Design Centre

Members

Mr. S. Sri Chandran

Mr. Buddhi Keerthisena

Mrs. Anoma Lapier

Miss. Sherin Shavier

Mrs. Sujatha Weerakoon

Mrs. N. Godakanda

Mr. Anil Koswatta

Observer

Mrs. V. Gegarajasingam

Senior Management

Mr. D.W. Marshal Janatha
Chairman - National Design Centre

Mr. W.M.T.B. Wijayakoon
Director – National Design Centre

Mr. Lionel Perera
Deputy Director (Design)

Mr. J.A.A.R.C. Gunaratne
Technical Development Engineer

Mr. A.A. Gamini
Asst. Director (Design Education & Training)

Mr. K.M.P.S. Asitha Kusaladharma
Asst. Director (Research & Development)

Mr. P.K. Wijesinghe
Asst. Director (Nattarampotha)

Mrs. B. R. Ranaweera
Accountant

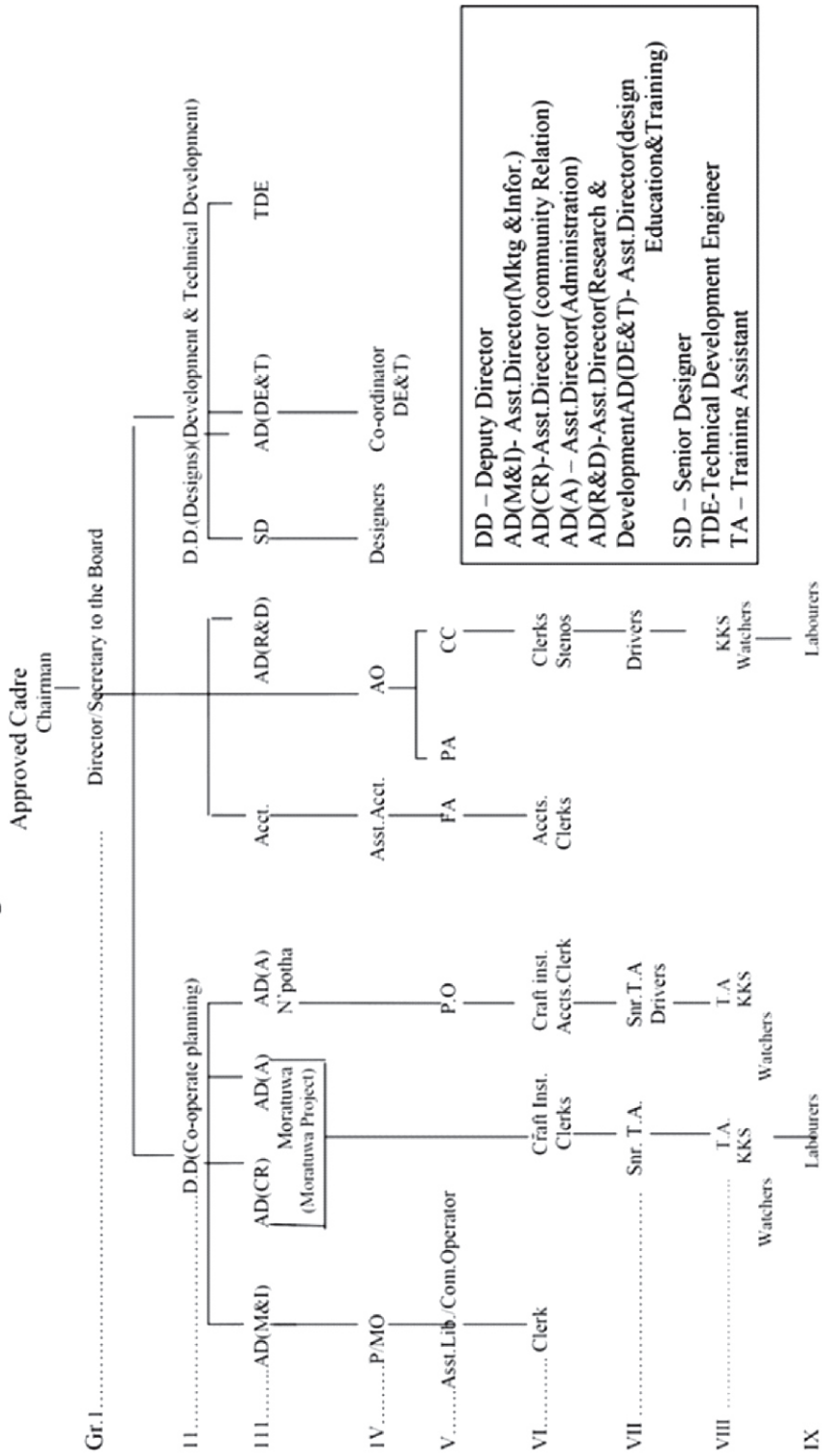
Bankers

Bank of Ceylon - Katubedda.
Peoples' Bank - Katubedda.

Auditors

Auditor General
Department Of Auditor General

Organisational Structure



Human Resources

Senior Management

	Approved	Actual
Director	01	01
Deputy Director	01	01
(Designs)		
Deputy Director	01	--
(Planning)		
Asst. Director	06	03
Technical Development		
Engineer	01	01
Accountant	01	01

Direct Contributors For the Development Activities

	Approved	Actual
Senior Designer/		
Asst. Director(Design Dev.)	08	06
Designer	08	07
Craft Instructor	06	06
Senior Training Asst.	07	06
Training Asst.	09	06

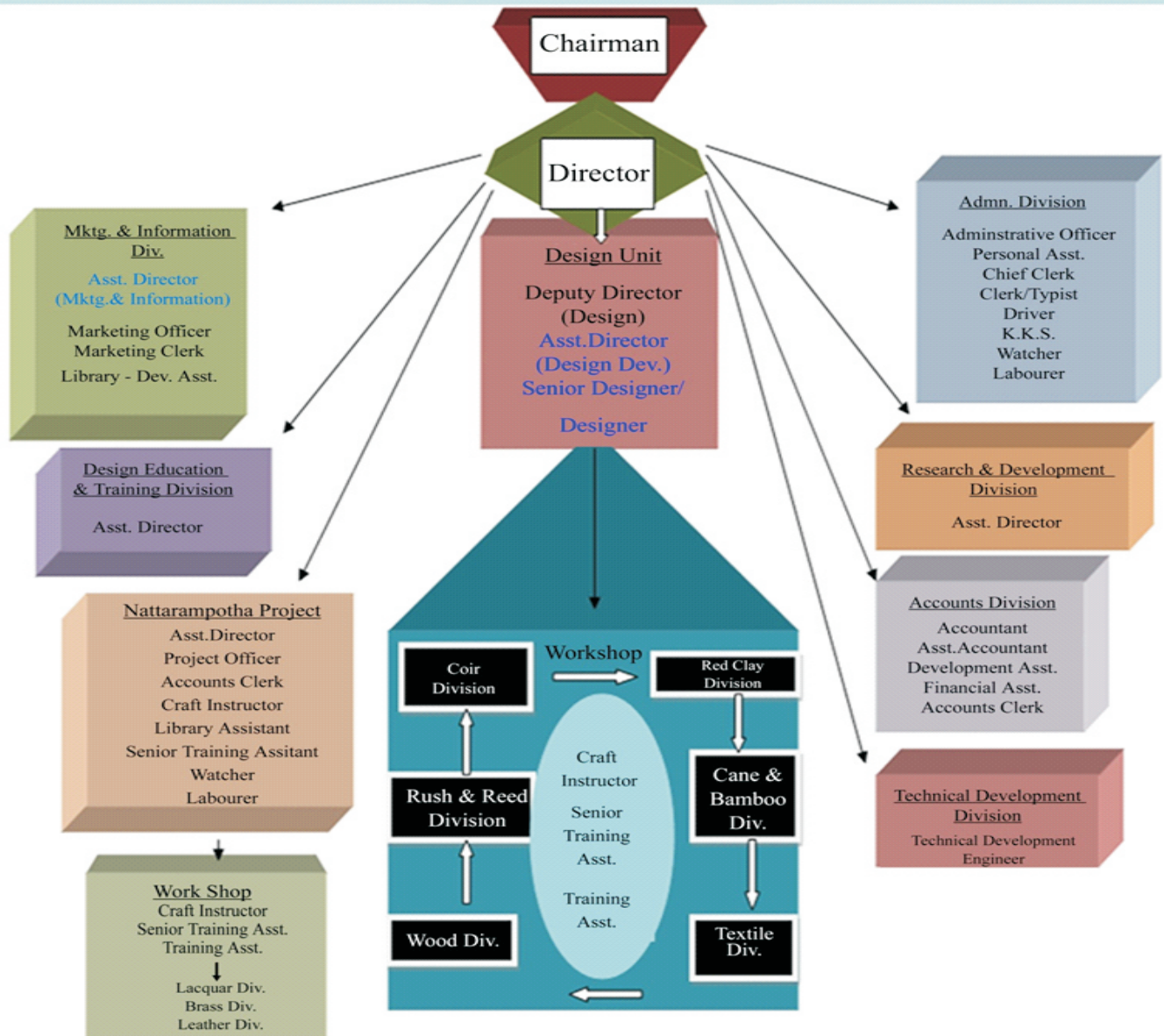
Support Staff

	Approved	Actual
Administrative		
Officer	01	01
Project Mktg,		
Officer	01	01
Asst. Accountant	01	01
Co-ordinating		
Officer	01	--
Development Asst.	11	03
Financial Asst.	01	01
Personal Asst.	02	02
Chief Clerk	01	01
Project Officer	01	01
Clerk/Stenographer		
& Typist	07	06
Accounts Clerk	03	03

Minor Staff

	Approved	Actual
Driver	07	04
K.K.S.	05	04
Watcher	07	07
Labourer	05	04

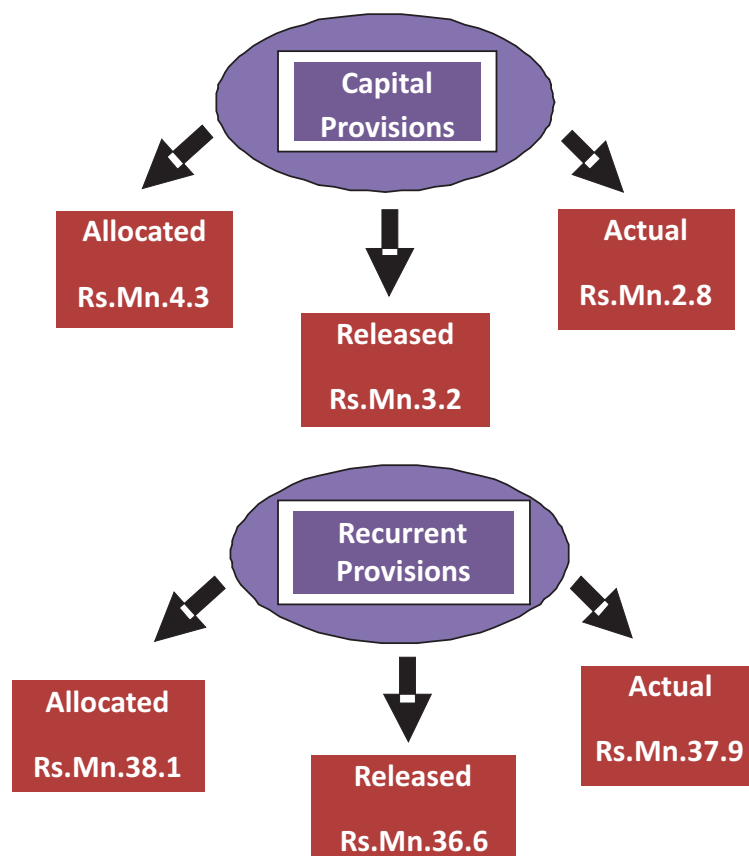
Organizational Hierachy



Financial Performance

Funds

National Design Centre is a service oriented institute. It functions as a statutory body and required financial provisions are provided by the government treasury.



In addition to the provisions allocated the National Design Centre generates income by providing its services especially in the form of consultation fees, fees for the Design Development Training Programmes sponsored by Government and non-governmental organizations and the fees levied for Design Diploma Courses.

- | | | |
|-----|-----------------------------|-------|
| (1) | National Design Centre Fund | (NDC) |
| (2) | Staff Loan Fund | (SLF) |
| (3) | Design Consultancy Fund | (DCF) |
| (4) | Test Marketing Fund | (TMF) |
| (5) | Design Education & Training | (DET) |

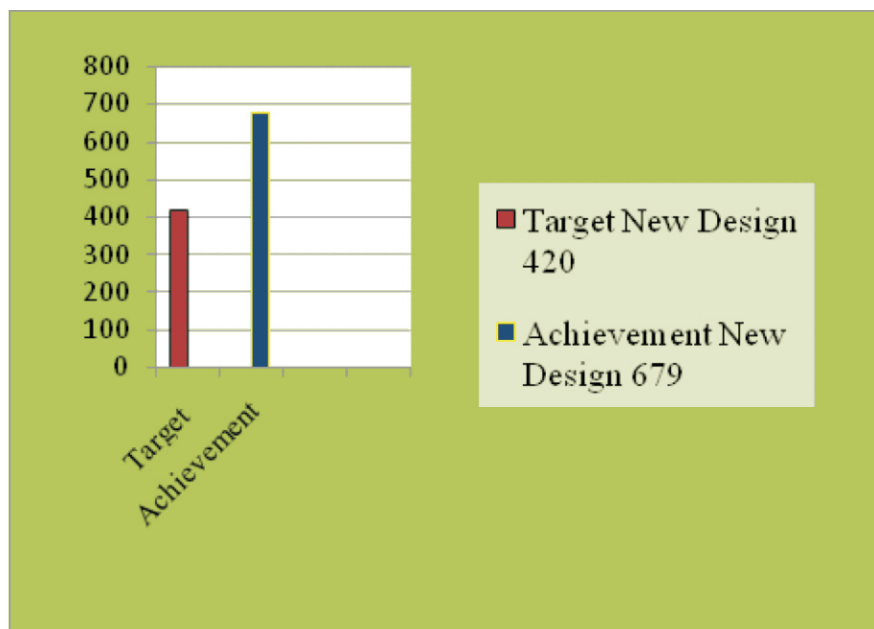
Development Activities

1. New Design Development

New Design Development denotes an activity which first conceptualizes in the mind of a Designer and finally comes out as a new design by essential modifications done to an existing product, to suit the society and the current market. The final outcome of this process is the new design so developed.

It is the responsibility of the Design Division to introduce new products through the development of new designs, in keeping with the primary function of the National Design Centre. By this activity, it is envisaged to develop and introduce to craftsmen new designs that could enhance the demand in the market for such new products, thereby uplifting the living conditions of the craftsmen. The National Design Centre creates and provides new designs to the many types of crafts within the handicrafts sector of which the main areas are, Rush & Reed, Red Clay, Coir, Cane & Bamboo, Textiles, Wood, Lacquer, Brass, Leather and Jewellery.

Given below are the accomplishments in the development of new design prototypes in 2011, to suit the current Market trends and consumer needs, with the objective of introducing them to craftsmen who are engaged in The handicraft industry targeting the local and foreign markets.

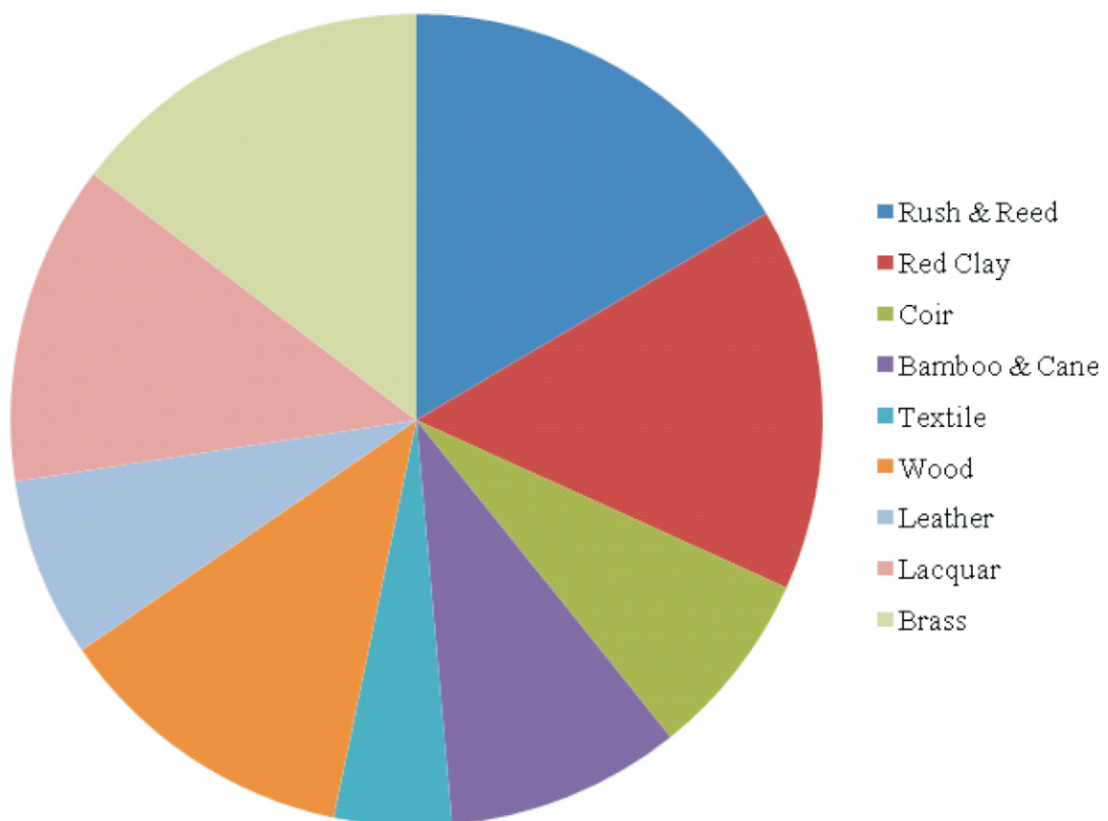


2) Conversion of New Designs into Prototypes

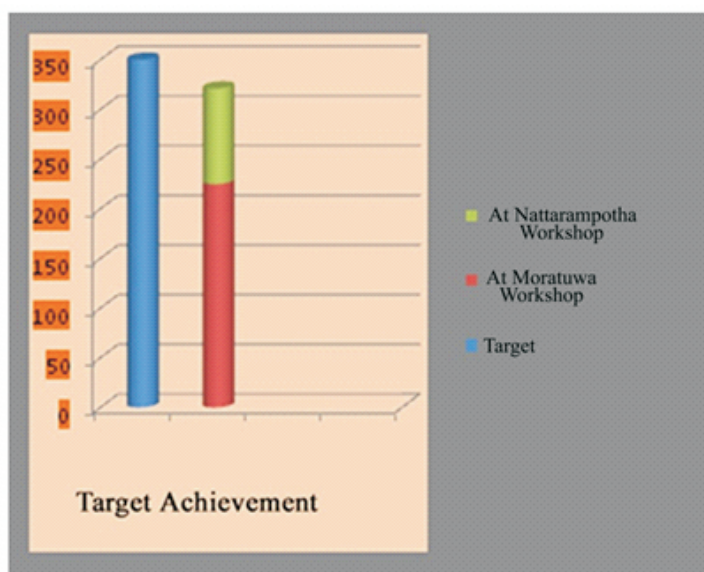
Designs selected from new designs concepts are being turned into prototypes at the workshops situated in office premises at Moratuwa and Nattarampotha. While the workshop at Nattarampotha turns out prototypes out of brass and lacquer new designs, Moratuwa workshop makes prototypes with new designs prepared for areas of Rush & Reed, Red Clay, Coir, Cane & Bamboo Textiles, Wood and Leather.

Majority of these prototypes are being introduced through the craftsmen, who visit the National Design Centre to obtain its services; through craft training programmes conducted by the Provincial Councils, Export Development Board, National Crafts Council, Other State & Non Governmental Institutions to produce handicrafts products out of new designs and market them through the sales exhibitions and the Sri Lanka Handicrafts Board.

New Designs Prototypes



Achievements of targets set under the action plan 2011 are as given hereunder



As per the above diagram, out of the targeted 350 units, Moratuwa Workshop turned out 225 prototypes while the Nattarampotha Workshop made 96 prototypes and the total number made was 321 prototypes.

1) Awareness & New Design Development Training Programmes

The new designs innovated by the National Design Centre are introduced to the Handicraftsmen through Awareness and Practical Training Programmes conducted by the Centre

Throughout the year training programmes covering the many handicraft segments had been held in various parts of the country as a way of aligning itself to the Mahinda Chinthana Development Programme and as complying with the requests of the Divi Neguma National Development Programme, National Crafts Council and the many State and Non-Governmental Organizations'

This Development activity with the main objective of introducing the new designs developed is carried out in several ways, through the :

Awareness Programmes on handicrafts and New Designs.

Practical Training Programmes to introduce new designs to the craftsmen

Practical Training Programmes, to introduce new designs to Craft Instructors.

Awareness Programmes on Handicrafts & New Designs

Awareness programmes under the above subject had been conducted to make craftsmen aware of the functions of the National Design Centre, the Handicrafts Sector and also to provide awareness about the Rush & Reed, Textiles and Soft- toys. These have been implemented as one-day programmes.

Serial No:	Programme & Field	Venue & Date	Officer conducting the Programme	Co-ordinating Institution / Organisation	No. of beneficiaries
01	Provide a basic awareness programme about the handicrafts Sector and the functions of NDC.	Jaffna - Arali 15 th February	Mr. Bernard Manatunga – Asst. Director (Design Dev.)	NDC Co-ordinating Institute- Jaffna	30
02	Initial Training Programme for Rush & Reed, Textile based industries.	Seeduwa- Katunayake Town Hall 25 th February	Mrs. M.A.S. Gamlath Asst. Director (Design Dev.)	Divisional Secretariat - Katana	63
03	Training Programme to impart new technologies for soft toys production.	National Design Centre - Nattarampotha 06th May	Mr. P.K. Wijesinghe – Asst. Director (N'potha)	National Design Centre - Nattarampotha	16
04	Conducting awareness programmes for tatting-lace makers about the services available at NDC.	Dikwella Lace Centre – 07 th May	Mrs. Thushini Wijeratne - Designer	De Neuclius Foundation	45
05	Awareness on Lace Making	Weligama – Kapparathota 26th May	Mrs. Thamara Damayanthi – Asst. Director (Design Dev.)	NDC – under Community Tourist Village Project	15
06	Practical work programme for seasoning of Bamboo – Stage 1.	Vidatha Centre - Weeraketiya 29 th July.	Mr. W. M. Piyaratne Asst. Director (Design Dev.)	Vidatha Centre Weeraketiya.	11
07	Awareness Programme for trainees at the Bataleeya Archaeological Replica / model making Centre	NDC - Nattarampotha 17th August.	Mr. P.K. Wijesighe Asst. Director (Nattarampotha)	NDC Nattarampotha	31

Awareness Programmes implemented under the “Divi Neguma” Programme.

Serial No:	Programme & Field	Venue held & Date	Conducting Officer	Co-ordinating Organisation	No. of Beneficiaries
01	Awareness Programme for craftsmen referred to NDC under the “Divi Neguma” Programme in the Colombo District.	National Design Centre	Mr. Bernard Manatunga – Asst. Director (Design Dev.)	Industrial Development Board	14
02	Awareness Programme for craftsmen referred to NDC under the “Divi Neguma” Programme for the Kegalle District.	Kegalle 13 th -14 th October	Mrs. Thamara Damayanthi – Asst. Director (Design Dev.)	Industrial Development Board	11
03	Awareness Programme for craftsmen referred to NDC under the “Divi Neguma” Programme for the Anuradhapura District.	Divisional Secretariat - Kekirawa 06 th October	Mr. Bernard Manatunga. Asst. Director (Design Dev.)	Industrial Development Board	22
04	- do -	Thambuththegama D.S. Office 06 th October		Industrial Development Board	21
05	- do -	Anuradhapura – D.S. Office 07 th October		Industrial Development Board	15
06		Kabithigollawa D.S. Office 07 th October		Industrial Development Board	09
07	Awareness Programme for craftsmen referred to NDC under “Divi Neguma” Programme for the Gampaha District.	Ja-ela - D.S. Office			6
08		Aththanaglle			6
09		Meerigama			4
10		Gampaha			6

**Training Programmes to introduce new designs & new technology under “Mahinda
Chinthana”Development Programme for Handicraftsmen**

Serial No:	Programme & Field	Venue & Date	Conducting Officer	Co-ordinating Organisation	No. of Beneficiaries
01	Red Clay based new designs & new technologies.	Webadamulla Red Clay Training Centre March 15	Mr. Vijitha Bandara A.D.(Design Dev.)	Industrial Development Board National Crafts Council	19
02	Practical Training Workshop for Rush & Reed based new designs & Technologies.	“Jayamini” Shilpa Samithiya Liyanagemulla Seeduwa from March 29-31	Mrs. Shashie Prabha Wickremasinghe - Designer	National Crafts Council	14
03	Practical Training Programme on Technology for treating Bamboo.	Vidatha Centre Nattandiya March 31	Mr. W.M. Piyaratne A.D.(Design Dev.)	Vidatha Centre Nattandiya	18
04	Bamboo based Training Programme	Vidatha Centre Nattandiya April 27,28,29	Mr. W.M. Piyaratne A.D.(Design Dev.)	Vidatha Centre Nattandiya	26
05	Training Programme on Curtain Designing.	N.D.C. Nattarampotha May 06,07,08	External Resource Person	N.D.C. Nattarampotha	17
06	Red Clay based training Programme	Webadamulla May 08,09,10	Mr. Vijitha Bandara A.D.(Design Dev.)	N.D.C.	12
07	Paper Pulp training programme	Thelippalai May 08,09,10	Mr. Vijitha Bandara A.D.(Design Dev.)	I.D.B. Jaffna & Relevant Divisional Secretariat	20
08	Red Clay based training	Chankanai May 28,29,30, 31, June 01, 02		- do -	14
09	Training Programme on Fabric Painting.	Chankanai May 28,29,30, 31, June 01,02			18
10	Training Programme on Batik.	Kanthanamam - do -	External Resource Person		14
11	Training Programme on Curtaining.	Nallur - do			29
12	Coir based training programme	Chankanai			13

Serial No:	Programme & Field	Venue & Date	Conducting Officer	Co-ordinating Organisation	No. of Beneficiaries
13	Coir based training programme	Allari - do-			14
14	Palmyrah Leaf based training programme	Thunavi - do-			11
15	Palmyrah Leaf based training programme	Kytes - do -			29
16	Palmyrah Leaf based training programme	Jaffna - do -			14
17	Palmyrah Leaf based training programme	Jaffna - do -			16
18	Leather based training programme	Leather Shoe Making Centre- Vadiri Village - Jaffna - 2011 May 28-29-30-31- June 01-02	Miss. Rubika Karunaratne Asst. Director(Design Development)		26
19	Training programme on ornament production using discarded material and screen printing based souvenir production.	Non-formal Education Unit July 7, 8, 9, 10, 11	Mr. Vijitha Bandara Asst. Director (Design Development)		30
20	Training programme on Leather designs creations / Techniques	NDC, Nattarampotha July 18 19 20	Miss. Rubika Karunaratne Asst. Director (Design Development)	NDC Nattarampotha	22
21	Theory & Practical training programme Wood based products	Malkaduwwa - Wood Training Centre - Kurunegala	Mr. Bernard Manatunga - Asst. Director (Design Development)	Department of Small Industries North Western Province	35
22	Red Clay & Foundry Liquid based trainingprogram	Clay Training Centre Mawathagama July 20 21 22	Mr. N. Dhammajith Nishantha Designer	Small Industries North Western Province Department of	34
23	Stage I Training Programme on Bamboo treatment(Seasoning)	Vidatha Centre - Weeraketiya July 29	Mr. W.M. Piyaratne Asst. Director (Design Development)	Vidatha Centre Weeraketiya	11
24	Training Programme to introduce coir based technology to novices.	N.D.C. - Katubedda August 16, 17	Mr. Bernard Manatunga Asst. Director(Design Development)	Post Sunami coasted Rehabilitation & Resume Management Programme Ministry of Fisheries & Aquatic Resources	12

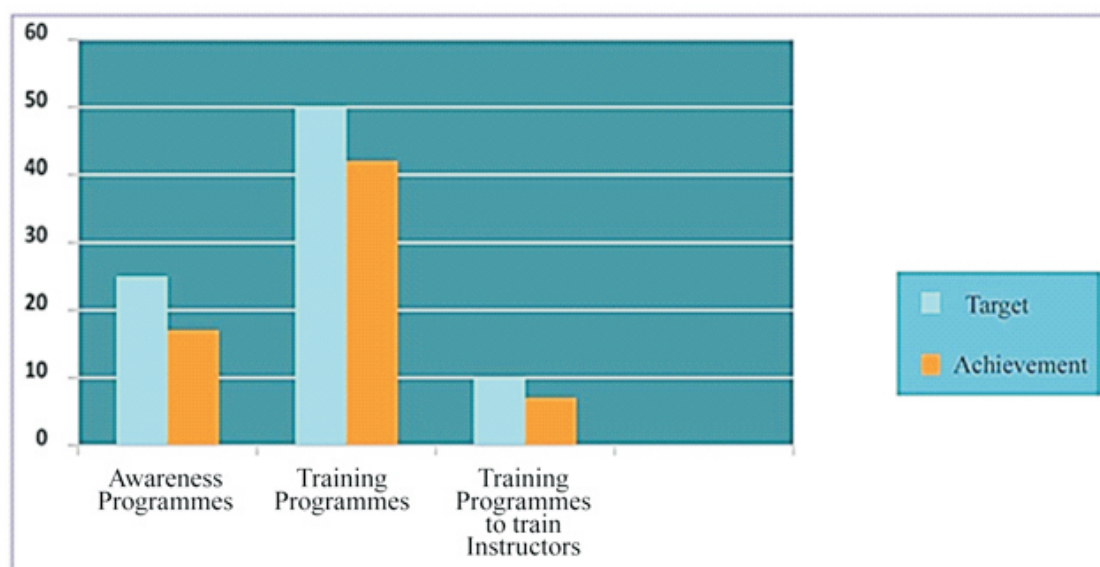
Serial No:	Programme & Field	Venue & Date	Conducting Officer	Co-ordinating Organisation	No. of Beneficiaries
25	Workshop on Soft Toys	Digana- Rajawella August 8, 9,10	Mr. P.K. Wijesinghe Asst. Director (Nattarampotha)	Industrial Development Authority Central Province	20
26	Programme on Fabric Painting	NDC Nattarampotha August 25, 26, 30	Mr. P.K. Wijesinghe Asst. Director (Nattarampotha)	Industrial Development Authority Central Province	31
27	Programme to introduce Design and Jute and Dumbara patterns to students of the Visual Arts Faculty in the University of Aesthetic Studies	NDC Nattarampotha August 22, 23, 24	Mr. P.K. Wijesinghe Asst. Director (Nattarampotha)	University of Aesthetic Studies	08
28	Stage III of Practical Training Programme on Production of Bamboo based furniture	Vidatha Centre - Weeraketiya August 24, 25, 26, 27	Mr. W.M. Piyaratne Asst. Director(Design Development)	Vidatha Centre - Weeraketiya	12
29	Coir based Training Programme	Coir Training Centre - Pannala	Mr. Channa Perera Designer		35
30	Rush & Reed based Training Programme	Liyanagemulla - Seeduwa August 29 30	Mr. P.K. Wijesinghe Asst. Director (Nattarampotha) By External Resource Person	Industrial Development Authority Central Province	22
31	Leather based advanced Training Programme	NDC Nattarampotha September 19 - 23	Mr. P.K. Wijesinghe Asst. Director (Nattarampotha) By External Resource Person	Industrial Development Authority Central Province	22

Serial No:	Programme & Field	Venue & Date	Conducting Officer	Co-ordinating Organisation	No. of Beneficiaries
32	Introduction of Coir based Designs & Technology Training Programme.	Coir Training Centre - Paragammana Kurunegala September 28 - 30	Mr. Channa Perera' Designer	Department of Small Industries- NWP	26
33	Training Programme on treatment (Seasoning) of Bamboo	Carpentry School Ratnapura	Mr. W.M. Piyaratne Asst. Director(Design Development)		18
34	Training Programme on Leather goods production machinery & equipment	NDC Nattarampotha October 03 - 07	Mr. P.K. Wijesinghe Asst. Director(Design Development)	Department of Small Industries- NWP	21
35	Brass Sheets Training Programme	Bataleeya Replica School ,Gampaha October 03 & 04	Mr. S.K. Wimalasiri- ^=Craft Instructor& Nattarampotha	Bataleeya Replica School	28
36	Theory & Practical Training Programme on new designs for Rush and Reed	2011/11/10 & 11	Podu jana Himikam Kamituwa	National Design Centre	15
37	Leather goods new design training programme	2011/11/24- 28	Vidatha Centre Galewela	Vidatha Centre	26
38	Leather, Jute & Textile based new designs ; bag designs	2011\$12\$13-14	Nattarampotha	NDC Nattarampotha	27
39	Rush & Reed based training programme		Hambantota	National Crafts Council	29
40	Textile based design Training Programme	2011\$12\$21-22	Kekirawa	National Design Centre	10
41	Rush & Reed based Training Programme	2011\$12\$21-22	Kekirawa	National Design Centre	20
42	Rush & Reed based Design Development Training Programme		Horana	National Design Centre	20

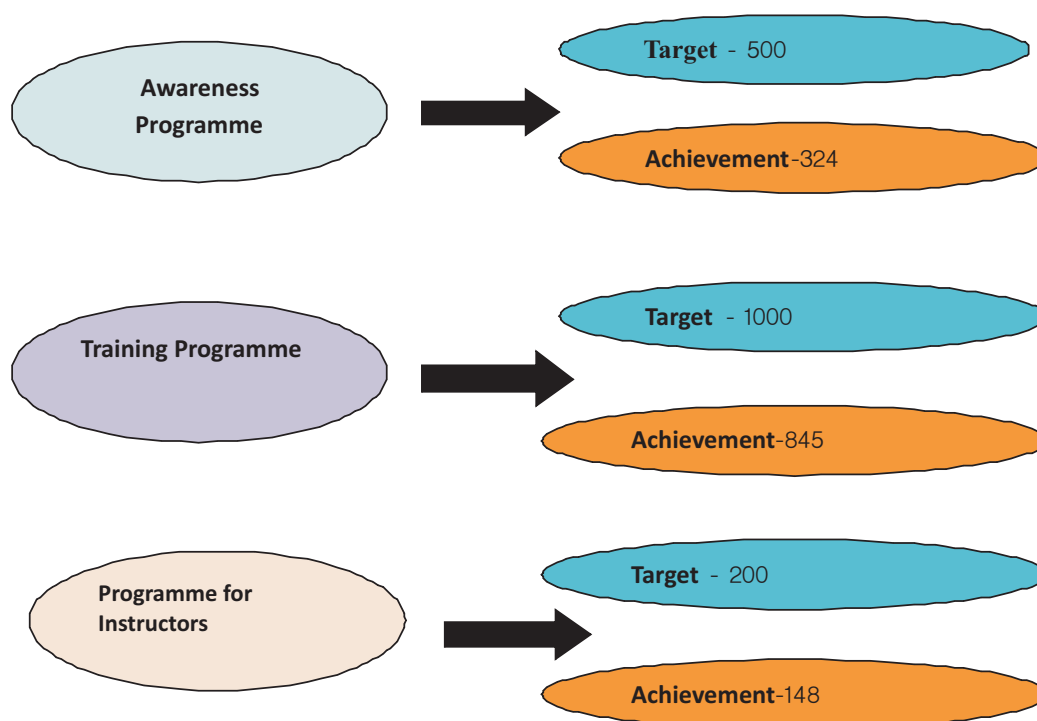
**Awareness and Practical Training Programme Implemented for Craft Instructors & Instructresses on
New Designs**

Serial No:	Programme & Field	Place & Date	Co-ordinating Officer	Co-ordinating Institute	No. of Craftsmen
01	Practical Training Workshop to introduce new designs & technologies based on Rush & Reed	Folk Art Centre Battaramulla March 28 & 29	Mrs. M.A.S. Gamlath Asst. Director (Design Development)	National Crafts Council	21
02	Red Clay based, new designs & technology introduction Practical Training Workshop.	Folk Art Centre Battaramulla March 28 & 29	Mr. Vijitha Bandara Asst. Director (Design Development)	National Crafts Council	07
03	Coir based new designs & technology, introduction Practical Training Workshop	Folk Art Centre Battaramulla March 28 & 29	Mr. Channa Nadeera Perera Designer	National Crafts Council	04
04	Advisory Programme based on Rush & Reed	National Design Centre May 03	Mrs. M.A.S. Gamlath Asst. Director (Design Development)	National Design Centre	10
05	Training Programme based on Bamboo	Carpentry School Ratnapura 03 days October 18-20	Mr. W.M. Piyaratne Asst. Director (Design Development)	Ministry of Industries Sabaragamuwa Province	26
06	Awareness Programme based on brass sheets, plating and Lacquer, for Art teachers in Ibbagamuwa Educational Zone/Kurunegala.	National Design Centre Nattarampotha October 21	Mr. P.K. Wijesinghe Asst. Director (Nattarampotha)	National Design Centre Nattarampotha	40
07	Awareness Programme on new designs, brass sheets plating and lacquer, for school art teachers in Kalutara Educational Zone.	National Design Centre Nattarampotha October 28	Mr. P.K. Wijesinghe Asst. Director (Nattarampotha)	National Design Centre Nattarampotha	40

Target & the Progress of the New Design Awareness Programme & Practical Training Programme



Beneficiaries



Launching of Souvenir Designs through New Designs for Handicrafts

The State attention has been drawn on a priority basis for souvenir designs that depict the Sri Lankan identity as a timely need. It is the functional responsibility of the National Design Centre to introduce new designs for the Souvenir Products aimed at the foreign delegates coming to Sri Lanka on State visits, other foreigners visiting Sri Lanka, locals making foreign visits and Sri Lankans touring within Sri Lanka.

Introduction of New Designs

Through out the year, the National Design Centre produces new designs targeting the market and through training programmes, exhibitions and on craftsmen's requests. Accordingly, the NDC has been able to produce 357 new designs for the year 2011.

National Design Centre's contribution towards the Divi Neguma National Development Programme

As per a concept of the Economic Development Ministry, it was able to consolidate several services to secure guidance, technical know-how machinery & equipment and financial assistance to facilitate the introduction of new income generation methods through many areas of industries and also developing the existing industries for the benefit of the rural masses. The Ministry of Economic Development while giving leadership and financial assistance for this gigantic programme was able to successfully implement it with the co-operation and assistance from other Ministries, Private & Public Sector Institutions. Accordingly, the National Design Centre which comes under the purview of the Ministry of Traditional Industries and Small Enterprises Development got the opportunity to make its contributions to this programme through the functional ambit of the Ministry.

As the first stage, the NDC planned to have islandwide two day awareness Programmes through exhibitions. The first exhibition programme was started in the Colombo District in July this year, and followed by exhibition programmes in the District of Gampaha, Jaffna and Anuradhapura. At these exhibitions the National Design Centre showcased the new designs developed and the visitors to the exhibition were made aware of the services given by the NDC.

Information pertaining to the individuals who participated at these exhibitions were collected by an information Unit set up at the site and depending on their needs were referred to the relevant organisations. Under this set-up the National Design Centre's duty was to conduct training programmes in respect of new designs for handicrafts, with a view to educating them to produce high quality handicrafts that could increase the market demand and thereby increase their income levels.

Yugayata Nimaum – New Designs Exhibition

The annual “Yugayata Nimaum” – New Designs Exhibition organized by the National Design Centre as a means of depicting its' identity was planned and held in the North Central Province Divisional Secretariat Auditorium on the 22nd & 23rd of December.

At this exhibition, the National Design Centre was able to showcase 400 newly designed products that were turned out at the NDC Workshops and by the craftsmen in Dambulla and Anuradhapura areas to whom the new designs were introduced by the NDC.

During the period of this exhibition, Activity Stalls were set-up for Rush-Reed, Red clay, Coir, Textile printing, Lacquer in order to provide practical training and know-how to the craftsmen in these areas. At least 500 handicraftsmen visited this exhibition.

Consultancy Services through the National Design Centre **Co-ordination of Design Consultancy Services**

Among the objectives of the National Design Centre providing Design Consultancy Services at the request of Government and non-Governmental organizations are being carried out as a continuous activity. Accordingly, the National Design Centre provided a number of Design Consultancy Services to the following organizations upon their requests for a multitude of projects.

Service Requesting Institution

Function / Service

Economic Development Ministry

Production of containers for nursery plants.

Department of Cultural Affairs

Production of models of display cages for poultry.

Production of Awards for State Television

(Rupavahini Awards Ceremony)

Ministry of Traditional Industries and Small Enterprise Development.

(01) National Crafts Council

Production of Awards for “Shilpa” – 2011 Awards

(02) Industrial Development Board.

Presentation Ceremony.

Ministry of Traditional Industries and Small Enterprise Development.

Tasks connected with decorations & pandol for “Shilpa” – 2011 Awards Presentation Ceremony. Designing of Stage background & connected work.

Activities of the Marketing and Information Section

Presentation of Certificates to subscribing handicraftsmen of the National Design Centre. A Certificate Presentation Ceremony was held at the Jana Kala Kendraya(Folk Art Centre), Battaramulla on 03.03.2011, with the idea of commending the above craftsmen. 200 craftsmen who obtained the services of the National Design Centre, participated at this Ceremony.

“ Shilpa ” 2011 - Exhibition

National Design Centre participated and showcased a considerable number of newly designed products at the subject exhibition held annually under the patronage of the Ministry of Traditional Industries and Small Enterprise Development with the participation of the Institutions under the Ministry.

Provisions of facilities to handicraftsmen to sell their products.

NDC was able to provide market opportunities to 18 craftsmen, by direct introduction to buyers and through providing sales stalls.

Library Services and supplying Information

NDC provided to above services to a total of 281 persons including those interested in the handicrafts industry and craftsmen

Multi-Disciplinary Design Education and Training Activities

The National Design Centre provides a valuable opportunity through it's Design College to those youth who are keen on Design Education.

The youth who have inherent design capabilities could pursue a Design education leading to a Diploma which could compensate for the opportunity they missed in obtaining a higher education due to the highly competitive nature of University admissions. Further, the G.C.E.(O/L) qualified children in the downs and villages who are desirous in fashionizing their designing capabilities too have been provided with an avenue to acquire the required basic theoretical knowledge in Design.

As there is a dearth in the skillful and efficient Designers locally, opportunities through the Design College have been provided for those who aspire to further their Design Education and secure good employment opportunities.

The Design College strives to produce professional level designers by imparting basic knowledge as well as the practical knowledge in Design through its several design courses. The students who follow the Design Courses, at the end of their study programme get an opportunity to hold an exhibition to launch their creations, which could be considered as an invaluable practical experience to them.

Currently the Design College conducts the following week-day as well as week-end programmes.

- Higher National Diploma Course in Design (2010-2012)
(week-days) – 10 students followed the course.
- Higher National Diploma Course in Design(2011-2013)
(week-days) 15 students followed the course.
- Higher National Diploma Course in Interior Design (2008-2011)
(week-end) – 14 student followed the course.
- National Diploma Course in Interior Design (2011-2013)
(week-end) 09 students followed the course.

While all lectures were conducted during week-ends, the field academic studies for design projects, tutorials, field work, practicals and research work were carried out during week-days. Their Diploma Project and exhibition was launched along with the “Yugayata Nimavum – 2010” National Exhibition held in Jaffna. The students showcased sixteen (16) design creartions at this exhibition.

The prescribed examination was held after the above National Exhibition. In accordance with a request made by the students who followed this course, the College would consider to re-name the course as a Higher National Diploma in the future enabling the students who complete the course successfully to be Higher National Diplomates.

Services

Beneficiaries of National Design Centre

Service	No. of Beneficiaries
1. Awareness Programme on New Designs and Practical Training Programmes	1317
2. Beneficiaries received Orders & Sales Opportunities	18
3. Beneficiaries received Information on Market, Craftsmen & Fields.	55
4. No. of Beneficiaries received Practical Training Opportunities in the Workshop.	64
5. No. of Beneficiaries received Common Facilities	62
6. New Designs provided to craftsmen who visit to the institute /on the request of craftsmen(including Graphics)	48
7. Beneficiaries – received Library services.	226
8. Services provided to School Children and Under-Graduates (for preparing Project Reports etc.)	05
9. No. of Beneficiaries - In-house Awareness and Out-door Awareness	1085
Total No. of Beneficiaries	2880 =====

National Design Centre

Physical Progress as at 31st December 2011

<u>Serial No:</u>	<u>Project/Programme/Activity</u>	<u>Physical Progress Target Achievement</u>	
1.	<u>Planning of New Design Development</u>		
1.1	No. of New Designs planned	420	679
1.2	No. of Innovative Designs developed	350	321
	No. of Prototypes finished in Moraruwa Workshop	225	
	No. of Prototypes finished in Nattarampothe W/shop	96	
2.	<u>New Designs Awareness Training & Practical Training Programmes</u>		
2.1	Awareness Programme on new designs	25	17
	No. of Beneficiaries	500	324
2.2	Practical training programme on new designs Introduced	50	42
	No. of Beneficiaries	1000	845
2.3	Introduction of new designs for Teachers Training	10	07
	No. of Beneficiaries	200	148
2.4.	No. of new designs introduced	450	357
3.	<u>Gaining on New Designs and Technology for Craftsmen and new Designers</u>		
3.1	Higher National Diploma in Multi-disciplinary Design	100	39
3.2	Interior Design and Higher National Diploma in Design	50	09

3.3	Short-Term Practical Training Programme (new craftsmen)	25	34
3.4	No. of Beneficiaries (new commers)	125	64
4.	<u>Market Promotion Programmes for New Designs</u>		
4.1 01	New Designs Handicrafts Exhibition	01	
4.2	Young Designers' Exhibition	01	--
4.3	Participation for special exhibition with the Co-ordination of Provincial Council.	03	06
5.	<u>Information, Sales opportunities, Research and Development Programme</u>		
5.1	Research and Awareness Programme on Material Technology	02	--
5.2	Providing Sales Opportunities	25	18
5.3	Providing Sales/Market Information	50	55
5.4	Providing Library Facilities	300	226
6.	<u>Design Consultancy Services</u>		
6.1	Providing Design Consultancy Services for Govt. & Private Sector	20	06

National Design Centre
Statement of Financial Position as at 31st December 2011

	31.12.2011	31.12.2010
	Rs.	Rs.
<u>ASSETS</u>		
NON CURRENT ASSETS		
Property Plant Equipment	26,838,817.50	23,419,612.35
Other Financial Assets	22,450.00	22,450.00
	26,861,267.50	23,442,062.35
Other Intangibal Assets	2,020,150.19	3,030,225.28
CURRENT ASSETS		
Closing Stock	2,708,480.61	2,157,613.81
Trade & Other receivable	9,862,256.06	8,697,136.07
Prepayments	178,938.12	84,379.41
Cash & Cash Equivalent	3,958,673.13	8,730,229.42
	16,708,347.92	19,669,358.71
TOTAL ASSETS	45,589,765.61	46,141,646.34
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Trade and Other Payables	4,469,605.07	5,115,153.40
Accrued Expenses	1,857,629.09	1,462,542.23
	6,327,234.16	6,577,695.63
Provision for Gratuity	13,682,780.38	12,851,025.00
TOTAL LIABILITIES	20,010,014.54	19,428,720.63
TOTAL NET ASSETS	25,579,751.07	26,712,925.71
NET ASSETS/EQUITY		
Revaluation Reserve	1,324,628.25	1,324,628.25
<u>DEFERRED REVENUE INCOME</u>		
Capital Grant	18,714,309.25	18,597,611.43
<u>Less</u>		
Provision for Deferrd Depreciation		
Current Year	2,314,187.28	2,143,227.09
<u>Less</u>	16,400,121.97	16,454,384.34
Deferred Expences	1,010,075.09	1,010,075.09
	15,390,046.88	15,444,309.25
Accumulated Profit	8,865,075.94	9,868,437.03
Difference in Current A/C Balances	-	75,550.95
TOTAL NET ASSETS/EQUITY	25,579,751.07	26,712,925.48

Director
National Design Centre

Chairman
National Design Centre

National Design Centre
Statement of Financial Performance for the year ended 31st December 2011

	2011 Rs.	2010 Rs.
OPERATING REVENUE		
Treasury Grant - Recurrent	36,621,000.00	34,915,000.00
Other Income	<u>2,741,396.03</u>	<u>1,920,230.83</u>
	<u>39,362,396.03</u>	<u>36,835,230.83</u>
OPPERATING EXPENSES		
Personal Emoluments	25,691,326.04	25,371,032.74
Travelling Expenses	447,076.00	401,090.91
Supplies	927,355.18	806,173.51
Maintenace	728,647.08	807,174.93
Contractual Services	9,158,321.41	5,098,417.05
Depreciation	2,320,286.58	2,417,170.16
Gratuity	1,775,119.25	1,124,341.00
Other Expenses	<u>1,550,646.02</u>	<u>567,896.53</u>
	<u>42,598,777.56</u>	<u>36,593,296.83</u>
SURPLUS/DEFICIT FROM OPERATING ACTIVITIES	(3,236,381.53)	241,934.00
Add		
Capital Income		
Deferrd Income	<u>2,314,187.28</u>	<u>2,143,227.09</u>
	<u>2,314,187.28</u>	<u>2,143,227.09</u>
SURPLUS/DEFICIT FOR THE YEAR	<u>(922,194.25)</u>	<u>2,385,161.09</u>

National Design Centre Fund
Cash Flow Statement for year ended 31.12.2011

	2011		2010	
	Rs.	Rs.	Rs.	Rs.
Cash Flow from Operating Activities				
Surplus/Deficit from Ordinary Activities	(3,236,381.53)		241,934.00	
(+) Prior year adjustments	206,931.48		139,504.64	
(-) Prior year adjustments	<u>(286,020.66)</u>	(331,5470.71)	<u>(126,575.00)</u>	254,863.64
Non Cash Movements				
Depreciation	2,320,286.58		2,417,170.16	
Gratuity	1,775,119.25		1,124,341.00	
Inter company Balances Deference	(75,550.95)		-	
(Increase) / Decrease in Closing Stock	(550,866.80)		(273,015.13)	
(Increase) / Decrease in Trade & Other Receivables	(1,165,119.94)		(1,024,402.29)	
(Increase) / Decrease prepayment	(94,558.71)		(24,372.93)	
Increase / (Decrease) in Trade & Other Payables	(250,461.47)		(465,841.73)	
Gratuity Payments	<u>(943,363.80)</u>	<u>1,015,484.16</u>	<u>(253,250.00)</u>	<u>1,500,629.08</u>
Net Cash flow from operating activities		(2,299,986.55)		1,755,492.72
Cash Flow from Investing Activities				
Purchase of Building	(1,523,014.48)		(83,240.25)	
Purchase of Plant & Machinery	(375,265.00)		-	
Purchase of Furniture	(1,302,676.30)		(15,330.00)	
Purchase of Office Equipment	(285,370.00)		(373,954.40)	
Purchase of Tools	(9,250.00)		(4,640.00)	
Purchase of Library Books	(409,805.96)		(12,462.00)	
Computer & Others	(1,121,408.00)		(980,374.00)	
Purchase of Vehicles	<u>(714,780.00)</u>		<u>-</u>	
Net Cash Flow from Investing Activities		(5,741,569.74)		(1,470,000.65)
Cash Flow from Financing Activities				
Capital Grant from Treasury	<u>3,270,000.00</u>		<u>5,500,000.00</u>	
Net Cash flow from financing activities		3,270,000.00		5,500,000.00
Net Increase in Cash & Cash Equivalent		(4,771,556.29)		5,78,5492.07
Cash & Cash Equivalent at the beginning of the year		8,730,229.42		2,944,737.77
Cash & Cash Equivalent at the end of the year		3,958,673.13		8,730,229.42

Statement of Changes in Net Assets for the year ended 31.12.2011

	Capital Grant	Accumulated	Revaluation	Total
	Rs.	Reserve Rs	Reserve Rs.	Rs.
Balance as at 01.01.2011	15,444,309.25	9,868,437.03	1,324,628.25	26,637,374.53
Changes in Accounting Policy				
Fondamental Error		(81,166.84)		(81,166.84)
Deferred Expences	(1,010,075.09)			(1,010,075.09)
Provision for Deferrd Depreciation	(2,314,187.28)			(2,314,187.28)
Revaluation Reserve				
Treasury Grant	3,270,000.00			3,270,000.00
Statement of Financial Performance				
Currency TRanslation Differences				-
Surplus /Deficit for the period		(922,194.25)		(922,194.25)
Balance as at 31.12.2011	15,390,046.88	8,865,075.94	1,324,628.25	25,579,751.07

National Design Center
Budget Politics for the year 2011

01. Basic of Preparation
The financial statement have been prepared in a accordance with general accepted accounting principals under the historical accounting conventions. No adjustments have been made for inflationary factors affecting the accounts and the financial statements are prepared in Sri Lanka Rupees.
02. Government Grants.
The Institutions receives two types of Government Grants namely, Recurrent and Capital.
03. Depreciation
Depreciation on tangible fixed assets has been provided at diminishing balance method at the following annual rates.
- | | |
|---------------------------|-------------------------|
| Building | 5% |
| Office Equipment | 10% |
| Computers and Accessories | 20% |
| Furniture & Fittings | 10% |
| Tools and Equipments | 25% |
| Bicycle | 15% |
| Motor Vehicle | 20% (on revalued value) |
| Machinery & Equipment | 15% |
| Library Books | 5% |
- Depreciation has not been provided for the current year purchases.
04. Cash Flow Statement
The cash flow statement is prepared using indirect method in accordance with public enterprises circular No.PED/19 cash flow statement.
05. Income & Expenditure Account
The revenue of the Institutions represents the income from government Grants and other miscellaneous income.
- All income has been recognized on as accrual basis.
06. Valuation of Inventories
Inventories are valued at the lower of cot and net realizable value. The cost of inventories id determined on a first out basis.
07. Post Balance Sheet Events
All material events occurring after the balance Sheet date are considered and when necessary adjustment made in the accounts.
08. Motor Vehicles have been revalued at its market value.

National Design Centre Fund
Statement of Financial Position as at 31st December 2011

		31.12.2011	31.12.2010
	Note	Rs.	Rs.
ASSETS			
NON CURRENT ASSETS			
Property Plant Equipment	1	26,612,304.46	23,184,922.00
Other Financial Assets		<u>6,500.00</u>	<u>6,500.00</u>
Other intangibal Assets	2	26,618,804.46	23,191,422.00
		2,020,150.19	3,030,225.28
CURRENT ASSETS			
Closing stock	3	2,190,572.54	1,975,785.34
Trade & Other Receivables	4	3,782,094.64	4,157,859.92
Prepayments	5	178,938.12	84,379.41
Cash and cash equivalents	6	<u>3,326,975.54</u>	<u>6,743,796.28</u>
		9,478,580.84	12,961,820.95
TOTAL ASSETS		<u>38,117,535.49</u>	<u>9,183,468.23</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	7	3,264,847.30	4,238,823.93
Accrued Expenses	8	<u>679,201.20</u>	<u>464,217.20</u>
		3,944,048.50	4,703,041.13
NON CURRENT LIABILITIES			
Provision for Gratuity	9	<u>13,682,780.38</u>	<u>12,851,025.00</u>
TOTAL LIABILITIES		<u>17,626,828.88</u>	<u>17,554,066.13</u>
TOTAL NET ASSETS		<u>20,490,706.61</u>	<u>21,629,402.10</u>
NET ASSETS/EQUITY			
Revaluation Reserve		1,324,628.25	1,324,628.25
<u>Deferred Revenue Income</u>			
Capital Grant		18,714,309.25	18,597,611.43
<u>Less</u>			
Provision for Deferred Depreciation			
Current Year	10	<u>2,314,187.28</u>	<u>2,143,227.09</u>
		16,400,121.97	16,454,384.34
<u>Less</u>			
Deferred Expenses		<u>1,010,075.09</u>	<u>1,010,075.09</u>
		15,390,046.88	15,444,309.25
Accumulated Fund	11	<u>3,776,031.48</u>	<u>4,860,464.60</u>
TOTAL NET ASSETS/EQUITY		<u>20,490,706.61</u>	<u>21,629,402.10</u>

National Design Centre Fund
Statement of Financial Performance for the year ended 31st December 2011

	Note	2011 Rs.	2010 Rs.
OPERATING REVENUE			
Treasury Grant - Recurrent	12	36,621,000.00	34,915,000.00
Other Income	13	<u>818,015.25</u>	<u>827,469.79</u>
		37,439,015.25	35,742,469.79
OPERATING EXPENSES			
Personal Emoluments	14	25,691,326.04	25,371,032.74
Travelling Expenses	15	447,076.00	401,090.91
Supplies	16	927,355.18	806,173.51
Maintenace	17	728,647.08	807,174.93
Contractual Services	18	9,158,321.41	5,098,417.05
Depreciation	19	2,314,187.28	2,408,152.74
Gratuity		<u>1,775,119.25</u>	<u>1,124,341.00</u>
		41,042,032.24	36,016,382.88
SURPLUS/DEFICIT FROM OPERATING ACTIVITIES		(3,603,016.99)	(273,913.09)
Add			
Capital Income			
Deferred Income		<u>2,314,187.28</u>	<u>2,143,227.09</u>
		<u>2,314,187.28</u>	<u>2,143,227.09</u>
SURPLUS / DEFICIT For the Year		<u><u>(1,288,829.71)</u></u>	<u><u>1,869,314.00</u></u>

Indirect Method Cash Flow Statement
National Design Centre Fund
Cash Flow Statement for year ended 31.12.2011
2011

2010

	Rs.	Rs.	Rs.	Rs.
Cash Flow from Operating Activities				
Surplus/Deficit from Ordinary Activities	(3,603,016.99)		(273,913.09)	
Prior year adjustments	<u>204,396.59</u>	(3,398,620.40)	<u>139,504.64</u>	(134,408.45)
Non Cash Movements				
Depreciation	2,314,187.28		2,408,152.74	
Gratuity	1,775,119.25		1,124,341.00	
(Increase) / Decrease in Closing Stock	(214,787.20)		(310,822.93)	
(Increase) / Decrease in Trade & Other Receivables	375,765.28		(1,066,562.55)	
(Increase) / Decrease prepayment	(94,558.71)		(24,372.93)	
Increase / (Decrease) in Trade & Other Payables	(973,976.63)		(329,070.51)	
Increase / (Decrease) in Accured Expenses	214,984.00		(574,229.88)	
Gratuity Payments	<u>(943,363.87)</u>	<u>2,453,369.40</u>	<u>(253,250.00)</u>	<u>974,184.94</u>
Net Cash flow from operating activities		(945,251.00)		839,776.49
Cash Flow from Investing Activities				
Purchase of Building	(1,523,014.48)		(83,240.25)	
Purchase of Plant & Machinery	(375,265.00)			
Purchase of Furniture	(1,302,676.30)		(15,330.00)	
Purchase of Office Equipment	(285,370.00)		(373,954.40)	
Purchase of Tools	(9,250.00)		(4,640.00)	
Purchase of Library Books	(409,805.96)		(12,462.00)	
Purchase of Computer & Equipment	(1,121,408.00)		(980,374.00)	
Purchase of Vehicles	<u>(714,780.00)</u>			
Net Cash Flow from Investing Activities		(5,741,569.74)		(1,470,000.65)
Cash Flow from Financing Activities				
Capital Grant from Treasury	<u>3,270,000.00</u>		<u>5,500,000.00</u>	
Net Cash flow from financing activities		3,270,000.00		5,500,000.00
Net Increase in Cash & Cash Equivalent		(3,416,820.74)		4,869,775.84
Cash & Cash Equivalent at the beginning of the year		6,743,796.28		1,874,020.85
Cash & Cash Equivalent at the end of the year		3,326,975.54		6,743,796.28

1. Property Plant & Equipment										
	Buildings	Machinery	Vehicles	Computer	Office Equipment	Furniture & Fittings	Tools & Equipment	Bicycle	Library Books	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost										
Balance as at 31.12.2010	17,583,275.18	2,203,561.00	3,660,000.00	4,264,257.84	9,189,887.84	2,275,181.91	565,269.00	6,047	1,193,043.93	40,940,523.70
Disposals for the year										
Revalue for the year										
Additions during the year	1,523,014.48	375,265.00	714,780.00	1,121,408.00	285,370.00	1,302,676.30	9,250.00		409,805.96	5,741,569.74
Balance as at 31.12.2011	19,106,289.66	2,578,826.00	4,374,780.00	5,385,665.84	9,475,257.84	3,577,858.21	574,519.00	6,047	1,602,849.89	46,682,093.44
Depreciation										
Balance as at 31.12.2010	6,240,835.16	1,374,524.18	732,000.00	1,472,475.18	5,827,953.74	1,399,567.90	543,341.91	6,047	158,856.63	17,755,601.70
Revalue for the year										
Charges for the year	567,122.00	124,355.52	585,600.00	558,356.53	336,193.41	87,561.40	3,289.06		51,709.36	2,314,187.28
Balance as at 31.12.2011	6,807,957.16	1,498,879.70	1,317,600.00	2,030,831.71	6,164,147.15	1,487,129.30	546,630.97	6,047	210,565.99	20,069,788.98
Net Book Value										
Balance as at 31.12.2010	11,342,440.02	829,036.82	2,928,000.00	2,791,782.66	3,361,934.10	875,614.01	21,927.09		1,034,187.30	23,184,922.00
Balance as at 31.12.2011	12,298,332.50	1,079,946.30	3,057,180.00	3,354,834.13	3,311,110.69	2,090,728.91	27,888.03		1,392,283.90	26,612,304.46

Note 02 - Other Intangible Assets

විලම්භිත අයහාර වියදම් අවුරුදු පහක් තුළ සමාන වාරික වලින් කපා හැරීම් කර ඇත

	31-12-2011 Rs.	31-12-2010 Rs.
Balance B/F as at 01.01.2011	3,030,225.28	4,040,300.37
Less : Deferred Revenue Expenditure as for the year	1,010,075.09	1,010,075.09
Balance C/F as at 31.12.2011	2,020,150.19	3,030,225.28

Note 03 - Closing Stock

	31-12-2011 Rs.	31-12-2010 Rs.
Raw Matirials	42,688.10	43,695.36
Finished Goods	1,966,634.15	1,602,656.96
Stationary	134,175.77	282,358.50
Chemicals	47,074.52	47,074.52
	2,190,572.54	1,975,785.34

Note 04 - Trade & Other Receivables

	31-12-2011 Rs.	31-12-2010 Rs.
Export Development Board	-	3,115.00
Sale of old Items	-	250.00
Ministry of Foreign Affairs	-	900.00
U.K Upali	-	100.00
Lakpahana	-	90.00
Debtors on new design	-	1,984.00
W.I.D.S. Wckramasekara	-	4,572.00
Govt Treasury Workshop	-	185,558.00
Debtors on Treasury Workshop	-	15,800.00
Other debtors	-	2,796.00
Staff loan on NDC	13,720.00	13,720.00
Other Advances	427,666.10	427,666.10
Advances from Other Agencies	282,492.26	282,492.26
Suspense A/C	22,079.41	18,458.58
Advance on Fuel	4,489.94	4,489.94
Advance on Foreign Travel	113,568.88	113,568.88
Vehicle Service Advance	-	341.75
Petty Cash Advance Moratuwa	-	9,061.00
Advance on Goods & Service	-	150.00
Raw Material Advance	38,425.00	38,425.00
Settlement of Water Bills	-	2,020.35
Advance on cash	31,365.22	33,959.08
Advance on Thousand Village Programme	-	13,785.00
Advance on Cheque	93,566.79	598,039.50
Receivable Cash	-	27,224.50
Receivable Deposit	9,728.00	9,728.00
H.B Suhath Rohana	61,280.35	
Deposits		
Telephone Deposit	11,950.00	11,950.00
Fuel Dposits	10,000.00	10,000.00
Newspaper Deposit	300.00	300.00
Cylinder Deposit	3,000.00	3,000.00
Other Deposit	77,600.00	77,600.00
Electricity Deposit	20,000.00	20,000.00
SLC Dharmarathna	240,000.00	
Current Account Balances		
Current A/C with CFC	847,350.91	850,633.00
Current A/C with DCF	571,574.78	474,144.55
Current A/C with SLF	901,937.00	901,937.43
	3,782,094.64	4,157,859.92

Note 05 - Prepayments

	31-12-2011 Rs.	31-12-2010 Rs.
Insurance	50,659.17	36,442.78
Contractual Services	47,947.20	42,771.43
Licence	8,331.75	5,165.20
Rent & Hire Charges	72,000.00	
	178,938.12	84,379.41

Note 06 - Cash & Cash Equivalent

	31-12-2011 Rs.	31-12-2010 Rs.
Cash in Hand - Head Office	3,324,595.72	6,724,103.86
Natharampotha	2,379.82	19,692.42
	3,326,975.54	6,743,796.28

Note 07 - Trade & Other Payables

	31-12-2011 Rs.	31-12-2010 Rs.
Election Duty Payable	-	8,142.50
Audit Fees Payable	814,586.60	814,586.60
Salaries Payable	-	1,926.62
EPF Payable	-	157,086.60
ETF Payable	-	51,383.55
Other Creditors	893,947.00	893,947.00
Welfare Payable	-	75.00
Suspense A/C	456,382.11	456,382.11
Donations	-	424.51
Tender Deposits	-	25,750.00
Cancelled Cheques	78,574.25	63,822.25
Training Programme Advance	-	155,000.00
Ministry of Rural Economy Advance	-	200,000.00
Fuel Advance	1,000.00	1,000.00
Suspense		(21,681.97)
Spectrum - Deposits	-	20,000.00
Industrial development Board	160,819.50	
Prajasancharaka gammana	158,165.69	450,124.71
Current Account Balances		
Current A/C with TMF	164,242.00	250,525.00
Current A/C with DEA	537,130.15	549,509.95
	3,264,847.30	4,078,004.43

Note 08 - Accured Expenses

	31-12-2011 Rs	31-12-2010 Rs.
B/F Balance		
Telephone	37,621.16	53,572.06
Electricity	23,381.41	24,778.15
Maintance of Buiidings	6,850.70	7,829.60
Office Equipment		9,738.96
Audit fee		8152.60
News paper	1,800.00	1,730.00
EPF Payable	144,501.96	
ETF Payabal	50,536.54	
Water	8,327.94	8,689.52
Tax & Rates	6,318.88	6,318.88
Service Agreement	133.47	
Rent & Hire Charges		32,258.06
Exhibition Expenses	229,515.84	18,500.00
Over Time	74,490.99	88,931.84
Travelling	12,875.00	25,858.00
Printing of Annual Report		140,000.00
Craft training	17,504.63	
Other Exhibition	6,845.40	
Prajasancharaka Gammana wadasatahana		25,444.75
Other allowances	42,055.39	12,414.78
New Design Showroom	16,441.89	
	679,201.20	464,217.20

Note No.09**Gratuity Provision as at 31.12.2011**

	Emp. Name	Date Joined	Completed Years as at 31/12/2011	Salary	1/2	Gratuity Provision as at 31.12.2011 (6) = (3) x (5)
	1	2	3	4	5	
1	T. Asoka Thirimanna	26/09/1983	28	22,555.50	11,277.75	315,777.00
2	S.K Wimalasiri	10/6/1985	26	23,217.00	11,608.50	301,821.00
3	U.L Wickramarathna	10/6/1985	26	23,217.00	11,608.50	301,821.00
4	P.G. Gnanathilaka	10/6/1985	26	23,049.00	11,524.50	299,637.00
5	P. Dharmasena	24/06/1985	26	21,584.25	10,792.13	280,595.25
6	M. Hettiarachchi	27/09/1985	26	29,084.25	14,542.13	378,095.25
7	M.S Nalini	25/10/1985	26	23,217.00	11,608.50	301,821.00
8	G.D Premasili	25/10/1985	26	22,041.00	11,020.50	286,533.00
9	G. Vithana	1/11/1985	26	29,598.50	14,799.25	384,780.50
10	H.A. Premalatha	1/11/1985	26	21,736.50	10,868.25	282,574.50
11	Manel Bulathgama	6/12/1985	26	29,278.50	14,639.25	380,620.50
12	D. Dharmasiri	10/6/1986	23	20,823.00	10,411.50	239,464.50
13	D.P.G Hemachandra	2/6/1986	25	20,728.50	10,364.25	259,106.25
14	K.L.A Premalatha	22/09/1986	25	22,219.50	11,109.75	277,743.75
15	R.M. Abeyrajapaksa	24/09/1986	25	21,584.25	10,792.13	269,803.13
16	U.G.G. Amarathunga	26/10/1986	25	21,001.50	10,500.75	262,518.75
17	T.N Karunaratna	21/11/1986	25	23,049.00	11,524.50	288,112.50
18	H.M.A.U Shantha	8/12/1986	25	26,910.50	13,455.25	336,381.25
19	G.W. Ramyalatha	16/03/1987	24	22,707.50	11,353.75	272,490.00
20	I.R. Piyathilaka	17/06/1987	24	22,881.00	11,440.50	274,572.00
21	A.A Gamini	1/9/1987	24	36,431.25	18,215.63	437,175.00
22	D.J. Pieris	11/11/1987	24	30,098.50	15,049.25	361,182.00
23	W.A.P.K Wijesingha	1/8/1988	23	35,853.75	17,926.88	412,318.13
24	M.A Somalatha	1/3/1988	23	34,698.75	17,349.38	399,035.63
25	Palitha Pushpakumara	15/04/1988	23	21,306.00	10,653.00	245,019.00
26	W.A. Kulathilaka	1/6/1988	23	21,001.50	10,500.75	241,517.25
27	K.P.J. Perera	14/02/1989	22	21,153.75	10,576.88	232,691.25
28	R. Alvitigala	3/4/1989	22	22,209.00	11,104.50	244,299.00
29	B.K.K Perera	06/09/1989	22	21,127.50	10,563.75	232,402.50
30	Manel Rajapaksa	6/09/1989	22	26,574.50	13,287.25	292,319.50
31	U.A.LS.K. Jayathissa	1/1/1990	21	21,001.50	10,500.75	220,515.75
32	R.A.P Udayangani	20/02/1990	21	24,558.50	12,279.25	257,864.25
33	K.K.S.De Silva	15/08/1991	20	25,246.50	12,623.25	252,465.00

35	M.K Mahinda	1/7/1992	19	22,537.50	11,268.75	214,106.25
36	G.A.G Silva	22/03/1993	18	21,001.50	10,500.75	189,013.50
37	L.A Kularathna	5/4/1993	18	20,865.00	10,432.50	187,785.00
38	H.B.T Damayanthi	3/1/1994	17	31,811.25	15,905.63	270,395.63
39	B.K.A Rodrigo	15/06/1994	17	20,865.00	10,432.50	177,352.50
40	P.A.L Perera	1/3/1996	15	54,237.75	27,118.88	406,783.13
41	A.M.T.K Alagiyawanna	2/5/1996	15	20,319.00	10,159.50	152,392.50
42	B. Manathunga	3/6/1996	15	33,543.75	16,771.88	251,578.13
43	J.A.A.R.C Gunarathna	1/7/1996	15	35,276.25	17,638.13	264,571.88
44	D.M.A. Chandima	15/07/1996	15	22,180.50	11,090.25	166,353.75
45	M.A.R.U. Gunarathna	16/07/1998	13	21,673.50	10,836.75	140,877.75
46	Susil Wijethunga	1/9/1998	13	19,909.50	9,954.75	129,411.75
47	D.R. Kotuwegedara	4/1/1999	12	26,944.50	13,472.25	161,667.00
48	W.M. Piyarathna	4/1/1999	12	29,317.50	14,658.75	175,905.00
49	Asitha Kusaladarma	4/1/1999	11	28,805.00	14,402.50	158,427.50
50	R.M. Vijitha Bandara	1/6/1999	12	28,551.00	14,275.50	171,306.00
51	S.S Weerasuriya	1/2/2000	11	21,492.75	10,746.38	118,210.13
52	H.T. Dinesh Silva	1/2/2000	11	21,637.75	10,818.88	119,007.63
53	B. Suhath Rohana	1/2/2000	11	21,188.25	10,594.13	116,535.38
54	C.K.Kalansooriya	1/2/2000	11	21,790.00	10,895.00	119,845.00
55	P.B. Piyawathi	1/2/2000	11	19,909.50	9,954.75	109,502.25
56	N.D.H Mohotti	1/2/2000	11	19,636.50	9,818.25	108,000.75
57	K.R. Kumara	1/2/2000	11	19,636.50	9,818.25	108,000.75
58	Prashantha Kirthichandra	13/12/2000	11	25,180.50	12,590.25	138,492.75
59	P. C. J. De Silva	15/08/2005	6	23,133.00	11,566.50	69,399.00
60	G.C.N. Perera	15/08/2005	6	24,592.50	12,296.25	73,777.50
61	V.G.B.D. Weeranayaka	15/08/2005	6	23,133.00	11,566.50	69,399.00
62	S.W.Vijithani	25/10/2005	6	23,133.00	11,566.50	69,399.00
63	B. R. Ranaweera	15/02/2006	5	29,317.50	14,658.75	73,293.75
						14,626,144.25
Less:						
<u>Gratuity Payments</u>						
1	P.A.L Perera	1/3/1996	15	54237.75	27118.88	406,783.13
2	R.N. Karunarathna	3/2/1992	19	30766.5	15383.25	292,281.75
3	R. Alvitigala	3/4/1989	22	22209	11104.5	244,299.00
						943,363.88
						13,682,780.38

* D. Dharmasiri - nopay

3Year

Asitha kusaladharma

2Year

Note 10 - Deferred Depreciation**Deferred Revenue Income**

Capital Grant	Rs	Rs
Previous Years	15,444,309.25	13,097,611.43
Current Year	3,270,000.00	5,500,000.00
	18,714,309.25	18,597,611.43
Less		
Deferred Depreciation	(2,314,187.28)	(2,143,227.09)
Deferred Revenue Income	16,400,121.97	16,454,384.34

Capital Grant given by Treasury has been disclosed as deferred income in the Balance Sheet and it has been recognized as income based on depreciation rates on 2011

Note 11 - Accumulated Profit

	31-12-2011 Rs.	31-12-2010 Rs.
B/F Accumulated Profit	4,860,464.60	2,851,645.96
(+) Prior year Adjustment	507,891.71	143,704.64
(-) Prior year Adjustment	(303,495.12)	(4,200.00)
Surplus/ Deficit for the Year	(1,288,829.71)	1,869,314.00
C/F Accumulated Profit	3,776,031.48	4,860,464.60

Note 12

Treasury Grant & Other Capital Grant

	2011	
	Recurrent	Capital
	Rs.	Rs.
January	2,200,000.00	
February	3,115,000.00	
March	3,100,000.00	
April	3,000,000.00	
May	3,470,000.00	
June	3,070,000.00	
July	3,080,000.00	
August	3,080,000.00	
September	2,780,000.00	
October	2,900,000.00	2,000,000.00
November	2,000,000.00	
December	4,826,000.00	1,270,000.00
	36,621,000.00	3,270,000.00

Note 13

Other Income

	31-12.2011	31-12.2010
	Rs	Rs
Income on Training Courses	44146.49	45,799.00
Levy on Private use of vehicles	8585.48	9,446.78
Recovery on No Pay	127972.19	121,646.79
Telephone Usage		7,020.82
Miscellaneous	357734.1	486,250.50
Profit & Loss (Sub note 01)	206307.24	(30,050.86)
Recovery of Administration cost	72429.75	181,236.76
Government Contribution	840.00	6,120.00
	818,015.25	827,469.79

Sub Note 01

National Design Centre

Statement of Profit & Loss Account for the Year end 31.12. 2011

	31-12-2011	31-12-2010
	Rs	Rs
Income (sales)	83,126.00	75,408.20
Cost of Sales (Note 1.1)	123,181.24	(105,459.06)
Gross Profit	206,307.24	(30,050.86)

Note 1.1 - Cost of saleRaw Material

Opening Stock (1st January 2010)	43,695.36	42,575.85
Purchases	218,063.69	271,056.85
	261,759.05	313,632.70

Less

Closing Stock 31st December 2010	42,688.10	43,695.36
Material Consumed	219,070.95	269,937.34

Finished Good

Opening Stock 1st January 2010	1,602,656.96	1,438,178.68
Material Consumed	219,070.95	269,937.34
Purchases	21,725.00	
	1,843,452.91	1,708,116.02

Less

Closing Stock 31 December 2011	1,966,634.15	1,602,656.96
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Cost of Sales	(123,181.24)	105,459.06
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Note 14

Personal Emoluments

	31 . 12. 2011 Rs.	31 . 12. 2010 Rs.
Salaries & Wages	22,002,665.25	21,663,401.47
Pension Fund	62,245.52	101,115.00
EPF	1,815,177.96	1,900,991.79
ETF	633,590.10	626,198.16
Over time	973,160.09	976,587.94
Other Allowances	204,487.12	102,738.38
	25,691,326.04	25,371,032.74

Note 15

Travelling Expenses

	31 . 12. 2011 Rs.	31 . 12. 2010 Rs.
Domestic	439,076.00	401,090.91
Foreign	8,000.00	
	447,076.00	401,090.91

Note 16

Supplies

	31 . 12. 2011 Rs.	31 . 12. 2010 Rs.
Stationery & Office Requisites	608,495.43	502,499.51
Fuel Expenses	258,112.75	254,748.50
Uniforms	53,358.00	46,170.00
Medical	7,389.00	2,755.50
	927,355.18	806,173.51

Note 17**Maintanance**

	31 . 12. 2011 Rs.	31 . 12. 2010 Rs.
Vehicle maintainance	554,094.98	507,327.30
Building maintainance	61,294.20	48,147.44
Plant & Machinery	21,959.92	39,294.00
Office Equipment	91,297.98	212,406.19
	728,647.08	807,174.93

Note 18**Contractual Services**

	31 . 12. 2011 Rs.	31 . 12. 2010 Rs.
Transport & Hire charges	339,293.68	470,707.38
Telephone charges	414,166.00	440,022.63
Postage	36,526.00	38,270.00
Electricity & water	636,577.80	592,084.73
Rates & Taxes	3,976.55	4,184.00
Audit fee		160,000.00
New Design Exhibition	2,961,113.76	-
Sanitary & Cleaning	50,516.60	58,811.75
News Paper	32,095.00	30,825.00
Design Awareness Programmes		277,599.88
Young Design Exhibition	169,380.00	-
Contractual services (Service Agreement)	88,269.46	115,468.45
Advertisement	114,105.60	68,200.00
Legal fees	96,150.00	70,687.00
Insurance	72,067.73	76,549.63
Petty Cash & miscellaneous	161,832.50	89,219.70
Bank Charges	14,433.67	14,932.76
Vehicle Licence	14,618.45	11,909.40
Meetings with clients	202,569.95	224,764.25
Traning Services Local	29,950.00	51,425.00
Design Showroom	792,555.14	-
Craft training	1,327,297.07	963,377.48
Printing Annual Reports	49,158.00	140,000.00
Exhibition	371,217.77	714,205.39
Audit & Manegemet m. g. t.	75,000.00	-
Board Director fee	10,500.00	18,000.00
Board Member Fee	97,000.00	32,000.00
Fuel Allovances	372,967.68	435,172.62
Compensation	246,150.00	-
Certificate Award Serammany-Jafna	348,258.00	-
TOT Programme	30,265.00	-
Lost library book	310.00	-
	9,158,321.41	5,098,417.05

Note 19

Depreciation	31 . 12. 2011 Rs.	31 . 12. 2010 Rs.
Building	567,122.00	592,589.46
Machinery	124,355.52	146,300.61
Office Equipment	336,193.41	331,997.75
Furniture & Fittings	87,561.40	95,587.07
Tools	3,289.06	3,050.66
Library Books	51,709.36	53,775.03
Computer	558,356.53	452,852.16
Vehicle	585,600.00	732,000.00
	2,314,187.28	2,408,152.74

National Design Centre - Design Consultancy Fund**Statement of Financial Position as at 31.12.2011**

	Note	31.12.2011 Rs.	31.12.2010 Rs.
<u>Assets</u>			
Non Current Assets			
Property Plant and Equipment	`01	199,264.22	205,363.52
Current Assets			
Closing Stock		325,000.00	
Trade and Other Receivables	`02	4,158,098.93	2,436,804.65
Cash and Cash Equivalants		34,234.30	1,623,046.70
		4,517,333.23	4,059,851.35
Total Assets		4,716,597.45	4,265,214.87
Liabilities			
Current Liabilities			
Trade and Other Payables	`03	2,267,214.23	1,987,039.98
Accrued Expenses	`04	925,827.89	857,110.03
		3,193,042.12	2,844,150.01
Total Net Assets		1,523,555.33	1,421,064.86
<u>Equity and Liabilities</u>			
Accumulated Profit	`05	1,523,555.33	1,421,065.27
Total Net Assets/Equity		1,523,555.33	1,421,065.27

National Design Centre - Design Consultancy Fund
Statement of Financial Performance for the year ending 31.12.2011

	Note	2011 Rs.	2010 Rs.
Design Consultancy Income		184,143.64	442,521.23
Plant container Income	`06	89,851.85	-
Divi Nrguma Exhibition & Training Programe		<u>913,276.71</u>	<u></u>
		<u>1,187,272.20</u>	<u>442,521.23</u>
Less Expenses			
Divi Neguma Exhibition & Training Programe	`07	913,276.71	-
Other Expenses	`08	34,475.38	6,112.77
Depreciation	`09	<u>6,099.30</u>	<u>6,758.50</u>
		<u>953,851.39</u>	<u>12,871.27</u>
Surplus from Operating Activities		<u><u>233,420.81</u></u>	<u><u>429,649.96</u></u>

Notes to Financial Statements

`02. Trade and Other Receivables	31.12.2011 Rs.	31.12.2010 Rs.
Cultural Department	(4,306.00)	(4,306.00)
Other Debtors	375,903.00	375,903.00
Deposits	2,706.25	2,706.25
Advances	166,276.05	36,478.00
Ministry of Rural Economy	1,500.00	1,500.00
Industrial Development Board	559,050.00	559,050.00
Ministry of Rural Industries & Self Employment Promotion	1,855,099.73	312,292.00
Ministry of Economic Development(Chicken Coops)	99,732.50	
Inland Revenue (WHT Receivable)	9,042.00	9,042.00
Peshakarma	508,648.65	508,648.65
Current Account Balance		
Current A/C with DET	143,836.75	143,835.75
Current A/C with TMF	<u>440,610.00</u>	<u>491,655.00</u>
	<u><u>4,158,098.93</u></u>	<u><u>2,436,804.65</u></u>

01. Property Plant and Equipment

	Building	Office Equipment	Furniture & Fittings	Library Books	Total
Cost					
Balance as at 1.1.2011	141,206.80	112,825.00	80,065.00	7,380.00	341,476.80
Additions					
Balance as at 31.12.2011	141,206.80	112,825.00	80,065.00	7,380.00	341,476.80
Depreciation					
Balance as at 1.1.2011		81470.51	53590.2	1052.57	136113.28
Charges for the year		3,135.45	2,647.48	316.37	6,099.30
Balance as at 31.12.2011		84,605.96	56,237.68	1,368.94	142,212.58
Net Book Value					
Balance as at 1.1.2011	141,206.80	31,354.49	26,474.81	6,327.43	206,022.72
Balance as at 31.12.2011	141,206.80	28,219.04	23,827.32	6,011.06	199,264.22

03. Trade and Other Payables	31.12.2011	31.12.2010
	Rs.	Rs.
Other Creditors	718,216.00	718,216.00
Advances with Other Organizations	114,938.00	114,938.00
Kajugama Project	55,325.29	55,325.29
Vistrart Grphics	5,750.00	5,750.00
Advance Over Settlement	1,500.00	1,500.00
Intect 2003 EDB Advance	62,740.00	62,740.00
Moratuwa Municipal Council	31,880.00	31,880.00
Ministry of Cultural Affairs	56,500.00	56,500.00
Ministry of Enterprise Development	210,316.66	210,316.66
A.D.K. Muthumina	10,985.00	10,985.00
Diploma Course Fees	36,609.00	36,609.00
Deposits	58,187.50	12,650.00
Refundable Deposit	50,000.00	
Lanka Craft Council	33,000.00	33,000.00
I.R. Piyathilaka	121,300.00	
Current Account Balance		
Current A/C with CFC	128,392.00	128,392.00
Current A/C with NDC	571,574.78	508,238.03
	<u>2,267,214.23</u>	<u>1,987,039.98</u>
04. Accrued Expenses	31.12.2011	31.12.2010
	Rs.	Rs.
Tasma Travels Pvt Ltd	65,455.26	-
Travelling Allowance	2,936.50	-
Overtime	1,729.12	-
Supervision Allowance(Plant Containers)	37,500.00	-
Other	368.00	-
Arts & CraftExports	-	28,756.64
Vistrart Graphic	126,500.00	126,500.00
D.P.Wickramaarachchi and Company	590,900.99	590,900.99
WHT payable	-	10,514.38
Balance B/F	<u>100,438.00</u>	<u>100,438.00</u>
	<u>925,827.89</u>	<u>857,110.03</u>

`05. Accumulated Profit	31.12.2011	31.12.2010
	Rs.	Rs.
Accumulated Profit B/F	1,421,065.27	991,415.31
Prior Year Adjustment	130,930.75	-
	1,290,134.52	-
Profit for the year	<u>233,420.81</u>	<u>429,649.96</u>
Accumulated Profit C/F	<u>1,523,555.33</u>	<u>1,421,065.27</u>

`06. Plant Container Income	31.12.2011	31.12.2010
	Rs.	Rs.
Income	<u>3,254,680.00</u>	
Less: Cost of Plant containers sold		
Production cost	3,283,800.00	
Less: Closing Cost	<u>325,000.00</u>	
Cost of Sales	2,958,800.00	
Gross Income	295,880.00	
Less Other Expenses	<u>206,028.15</u>	
	<u>89,851.85</u>	-

`07. Divi Neguma Exhibition & Training Programe	31.12.2011	31.12.2010
	Rs.	Rs.
Colombo District -Homagama	308,563.03	
Anuradhapura District	133,180.36	
Jaffna District	209,362.33	
Kegalle District	69,572.74	
Hambanthota District	5,000.00	
Gampaha District	49,918.69	
Monaragala District	89,516.66	
Puttlam District Halawatha	39,501.90	
Kandy District	<u>8,661.00</u>	
	<u>913,276.71</u>	

`08. Other Expenses	31.12.2011	31.12.2010
	Rs.	Rs.
		-
Bank Charges	475.38	6,112.77
Other	34,000.00	-
	<u>34,475.38</u>	<u>6,112.77</u>

`09. Depreciation	31.12.2011	31.12.2010
	Rs.	Rs.
Office Equipment	3,135.45	3,483.83
Furniture & Fittings	2,647.48	2,941.65
Library Books	316.37	333.02
	<u>6,099.30</u>	<u>6,758.50</u>

National Design Centre - Staff Loan Fund
Statement of Financial Position as at 31.12.2011

		31.12.2011	31.12.2010
		Rs.	Rs.
Assets			
Current Assets			
Trade and Other Receivables	1	4,128,195.83	4,172,825.83
Cash		374,529.90	213,367.92
		<u>4,502,725.73</u>	<u>4,386,193.75</u>
Liabilities			
Current Liabilities			
Tarde and Other Payables	2	1,766,537.00	1,815,198.00
		<u>1,766,537.00</u>	<u>1,815,198.00</u>
Total Net Assets		<u>2,736,188.73</u>	<u>2,570,995.75</u>
Equity and Liabilities	3		
Accumulated Profit		2,736,188.73	2,570,995.23
		<u>2,736,188.73</u>	<u>2,570,995.23</u>
Total Net Assets/Equity		<u>2,736,188.73</u>	<u>2,570,995.23</u>

National Design Centre - Staff Loan Fund
Statement for Financial Performance for the year ended 31.12.2011

	31.12.2011	31.12.2010
	Rs.	Rs.
Interest Income	166,176.43	157,926.61
Less: Expenses		
Bank Charges	1,388.45	2,335.75
	<u>1,388.45</u>	<u>2,335.75</u>
Accumulated Profit for the year	164,787.98	155,590.86

Notes to Financial Statements

	31.12.2011	31.12.2010
	Rs.	Rs.
1. Trade and Other Receivables		
Distress Loan	4,040,674.00	4,071,304.00
Festival Advance	94,130.00	99,630.00
Special Advance	11,061.83	11,061.83
Bicycle Loan	(17,670.00)	(9,170.00)
	<u>4,128,195.83</u>	<u>4,172,825.83</u>
2. Trade and Other Payables		
Spectacle Loan	5,000.00	5,000.00
Vehicle Loan	1,200.00	1,200.00
Payable		6.00
Current Account Balances		
Current Account with DET	450,000.00	450,000.00
Current Account with TMF	408,400.00	408,400.00
Current Account with NDC	901,937.00	950,592.00
	<u>1,766,537.00</u>	<u>1,815,198.00</u>
3. Accumulated Profit		
Accumulated Profit B/F	2,570,995.23	2,415,404.37
Prior Year Adjustment	405.52	-
	2,571,400.75	2,415,404.37
Profit for the year	164,787.98	155,590.86
Accumulated Profit C/F	<u>2,736,188.73</u>	<u>2,570,995.23</u>

National Design Centre - Common Facility Centre Fund
Statement of Financial Position as at 31.12.2011

		31.12.2011	31.12.2010
Assets		Rs.	Rs.
Non Current Assets			
Property Plant and Equipment	1	27,248.82	29,326.83
Current Assets			
Closing Stock		183,335.07	172,255.47
Trade and Other Receivables	2	273,067.00	273,127.00
Cash		99,574.88	43,715.28
		555,976.95	489,097.75
Total Assets		583,225.77	518,424.58
Liabilities			
Current Liabilities			
Trade and Other Payables	3	847,350.81	819,988.90
Accrued Expenses		44,535.00	48,135.00
		891,885.81	868,123.90
Total Net Assets		(308,660.04)	(349,699.32)
Equity and Liabilities			
Accumulated Fund		(308,660.04)	(349,699.79)
Total Net Assets/Equity		(308,660.04)	(349,699.79)

National Design Centre - Common Facility Centre Fund
Statement for Financial Performance for the year ended 31.12.2011

	Note	2,011.00 Rs.	2010 Rs.
Income			
Service Charges		9,993.00	13,156.00
Training Programme income		<u>72,553.85</u>	
		82,546.85	
Gross Profit	4	<u>15,071.30</u>	<u>6,165.20</u>
		<u>97,618.15</u>	<u>19,321.20</u>
Less: Other Expenses			
Training Programme Expenses		12,720.00	
Damaged Stock		14,418.95	
Depreciation	5	<u>2,078.00</u>	<u>2,258.92</u>
		<u>29,216.95</u>	<u>2,258.92</u>
Surplus /Deficit ofr the year for the year		68,401.20	17,062.28
Accumulated Profit B/F		(349,699.80)	(326,937.07)
Prior Year Adjustment		(27,361.44)	(39,825.00)
Accumulated Profit C/F		(308,660.04)	(349,699.79)

Notes to Financial Statements

	31.12.2011 Rs.	31.12.2010 Rs.
2. Trade and Other Receivables		
Current Account with DCF	128,392.00	139,840.00
Advances	81,028.00	69,640.00
Debtors	<u>63,647.00</u>	<u>63,647.00</u>
	<u>273,067.00</u>	<u>273,127.00</u>
3 Trade and Other Payables		
Current A/C with NDC	847,350.81	819,988.90
4 Gross Profit		
Sales	-	11,448.00
Transfers to H/O		
Less: Cost of Sales	4.1 15,071.30	5,282.80
Gross Profit	15,071.30	6,165.20

4.1 Cost of Sales

Raw Material Stock as at 01.01.2010	88,229.35	86,932.15
Add: Purchases	<u>10,427.25</u>	<u>7,300.00</u>
	98,656.60	94,232.15
Damaged Stock	(14,418.95)	-
Less: Closing Stock	<u>(79,334.57)</u>	<u>(88,229.35)</u>
	4,903.08	6,002.80
Add: Indirect Expenses		<u>-</u>
		-
 Finished Goods Stock as at 01.01.2010	 84,026.12	 83,306.12
	<u>4,903.08</u>	<u>6,002.80</u>
	88,929.20	89,308.92
Less: Closing Stock	<u>104,000.50</u>	<u>84,026.12</u>
Cost of Sales	<u>(15,071.30)</u>	<u>5,282.80</u>

5 Depreciation

Wall & Gate	848.67	893.34
Office Equipment	1,177.19	1,307.99
Furniture & fittings	46.14	51.27
Library Books	<u>6.00</u>	<u>6.32</u>
	<u>2,078.00</u>	<u>2,258.92</u>

1. Property Plant and Equipment

	Wall & Gate	Machinery	Office Equipment	Furniture & Fittings	Tools and Equipment	Library Books	Total
Cost							
Balance as at 1.1.2011	27,010.00	1,638,155.00	108,658.00	7,632.00	62,182.00	140.00	1,843,777.00
Additions							
Balance as at 31.12.2011	27,010.00	1,638,155.00	108,658.00	7,632.00	62,182.00	140.00	1,843,777.00
Depreciation							
Balance as at 1.1.2011	10,036.55	1,638,155.00	96,886.11	7,170.54	62,182.00	19.97	1,814,450.17
Charges for the year	848.67		1,177.19	46.15		6.00	2,078.01
Balance as at 31.12.2011	10,885.22	1,638,155.00	98,063.30	7,216.69	62,182.00	25.97	1,816,528.18
Net Book Value							
Balance as at 1.1.2011	16,973.45	-	11,771.89	461.46	-	120.03	29,326.83
Balance as at 31.12.2010	16,124.78	-	10,594.70	415.31	-	114.03	27,248.82

National Design Centre - Test Marketing Fund
Statement for Financial Performance for the year ended 31.12.2010

		2011	2010
		Rs.	Rs.
Sales		-	-
Less: Cost of Sales	4	-	-
Gross Profit		-	-
Add: Other Income		-	-
Surplus/Deficit from operating activities		-	-

Notes of Financial Statements

	31.12.2011	31.12.2010
	Rs.	Rs.
1. Trade and Other Receivables		
Advances	15,324.00	15,324.00
Other Debtors	94,565.00	94,565.00
Debtors	(2,500.00)	(2,500.00)
Current Account Balances		
Current A/C with SLF	408,400.00	408,400.00
Current A/C with NDC	164,242.00	164,607.00
	<u>680,031.00</u>	<u>680,396.00</u>
2. Trade and Other Payables		
Small and Rural Industries Ministry	36,519.92	36,519.92
Current A/C with DCF	440,610.00	440,610.00
	<u>477,129.92</u>	<u>477,129.92</u>
3. Accumulated Profit		
Accumulated Profit B/F	267,999.69	267,999.69
Opening Stock		
Profit for the year	(364.75)	
Accumulated Profit C/F	<u>267,634.94</u>	<u>267,999.69</u>
4. Cost of Sales		
Opening Stock	9,573.00	9,573.00
Purchases	-	
	<u>9,573.00</u>	<u>9,573.00</u>
Less: Closing Stock	<u>9,573.00</u>	<u>9,573.00</u>
	<u>-</u>	<u>-</u>



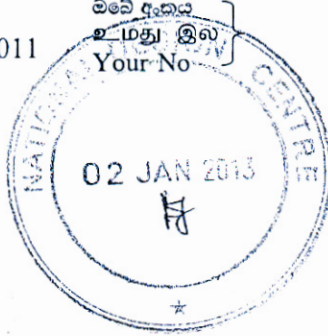
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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



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எனது இல } TC/A/NDC/FA/2011
My No }

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உமது இல }
Your No }

දිනය }
திகதி } 18 December 2012
Date }



The Chairman,
National Design Centre

Report of the Auditor General on the Financial Statements of the National Design Centre for the year ended 31 December 2011 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

With reference to my letter even number dated 22 October 2012 on the above subject.

2. The English version of the above mentioned report is sent herewith.


H.A.S. Samaraweera
Auditor General

- Copies to : 1. Secretary - Ministry of State Resources and Enterprises Development
2. Secretary - Ministry of Finance and Planning

Handwritten:
13/01/07

ක 306/72 පොල්දූව පාර,
பதரமுல்லை, கி. பனாவ

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இல. 306/72, பொல்துவ வீதி,
பத்தரமுல்லை இலங்கை

தமிழ் அංசை }

No.306/72, Polduwa Road,
Battaramulla, Sri Lanka

தேவன்மொகித் தலைவர் }



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



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எனது இய } TC/A/NDC/FA/2011
My No }

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உமது இல }
Your No }

දිනය }
திகதி } 22 October 2012
Date }

The Chairman,
National Design Centre

Report of the Auditor General on the Financial Statements of the National Design Centre for the year ended 31 December 2011 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of financial statements of the National Design Centre for the year ended 31 December 2011 comprising the balance sheet as at ended 31 December 2011 and the income statement-, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 84(3) of the National Crafts Council Affiliated Act, No.35 of 1982. My comments and observations which consider should be published with the Annual Report of the Centre in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was furnished to the Chairman of the Centre on 27 June 2012.

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 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.

අංක 306/72 පොල්දූව පාර,
பந்தரமுல்லை, சீ லங்கா

இல. 306/72, பொல்துவ வீதி,
பந்தரமுல்லை இலங்கை

No.306/72, Polduwa Road,
Battaramulla, Sri Lanka

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அதிகாரி

கணக்காய்வாளர்

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. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, 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 Centre'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 in opinion on the effectiveness of the Centre'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 their 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 qualified audit opinion.

1:4 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 of opinion, except for the effects of the matters described in paragraph 2.2 of the this report, the financial statements give a true and fair view of the financial position of the National Design Centre as at 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

2:2 Comments on Financial Statements

2:2:1 Sri Lanka Accounting Standard

Action had not been taken in terms of Sri Lanka Accounting Standard 18 to revalue and bring to accounts the machinery, equipment, instruments, tools and bicycles belonging to the Centre which are being used at present although they had been fully depreciated.

2:2:2 Accounting Deficiencies

The following observations are made.

- (a) Action had not been taken to identify and settle the balances of Suspense Account amounting to Rs.22,079 (Debit) and Rs.456,382 (Credit) which continued to be brought forward in the financial statement for a long time.
- (b) A difference of Rs.74,320 was observed between the Register of Individual Loans and the Ledger as at 31 December 2011.

2.2.3 Accounts Receivable and Payable

The following observations are made.

- (a) Trade and other Accounts Receivable for the year under review aggregated Rs.1,098,381. Of these, the balances exceeding 5 years amounted to Rs.902,441.

- (b) Trade and other Accounts Payable of the Design Consultancy Fund for the year under review aggregated Rs.2,855,434. Balances exceeding 5 years amounted to Rs.2,229,737.

2.2.4 Lack of Evidence for Audit

Fixed assets aggregating Rs.26,838,817, debtors aggregating Rs.9,862,956 and creditors aggregating Rs.4,469,605 could not be satisfactorily verified or vouched in audit due to non submission of a register of fixed assets , letters of confirmation etc.,

2.2.5 Non-compliance with Laws, Rules, Regulations and Management Decisions

Instances observed in audit are given below.

Reference to Laws, Rules, Regulations etc.	Non-compliance
(a) Employees' Provident Fund Act, No.15 of 1958	Contributions should be calculated and remitted based on the salaries and allowances. But, contributions had been remitted to the Fund based on the initial salaries alone.
(b) Gazette Extra Ordinary of the Democratic Socialist Republic of Sri Lanka No.1530/13 issued on 01 January 2008	Action had not been taken recover stamp fees of Rs.25 from the salaries on 152 occasions.
(c) <u>Establishments Code</u>	
(i) Chapter xii, Paragraph 16.5	An officer had left the island for employment on no pay leave without signing an agreement.
(ii) Chapter xxiv, Paragraph 3	It was unable to recover the interest due for 14 months on the balance of distress loan amounting to Rs.107,250 as at 01 March 2010 from the officer concerned.

(d) Financial Regulation (F.R)

F.R.396(C)

Action had not been taken with regard to 2 cheques valued at Rs.54,817 which had been issued in 2011 and remaining unrepresented to the bank.

3. Financial Review

3:1 Financial Results

According to the financial statements presented for the year under review, the overall activities of the Centre had resulted in a net deficit of Rs.922,194 after taking into consideration the Government Grant for recurrent expenditure amounting to Rs.36,621,000 as against the surplus of Rs.2,385,161 after taking into consideration the Government Grant for recurrent expenditure amounting to Rs.34,915,000 received for the previous year resulting in a serious deterioration in financial results amounting to Rs.3,307,355 representing 128%.

3:2 Analytical Financial Review

The increase in expenditure of contractual services by Rs.1,706,000 or 80% compared with that of the previous year and the increase in other expenditure by Rs.982,749 or 173% compared with that of the previous year had mainly attributed to the serious deterioration in financial results.

4. Operating Review

4.1 Performance

The following observations are made.

- (a) During the year under review, 679 new products had been manufactured at the Moratuwa and Naththarampotha Projects. Of these, 333 had been handed over to the workshop. The number of samples of designs manufactured in the preceding year were 748 showing that it had been reduced by 10% in the year under review. However, the Centre had not made adequate arrangements with the National Crafts Council so as to convey all these new designs among craftsmen.

There were 13 designers at the Centre. The target fixed for a designer was to produce 5 designs for a month. But, during the year under review 7 designers failed to supply this quantity.

- (b) The number of training programmes operated during the year 2011 were 66. The expenditure on 24 out of 66 programmes had been incurred by other institutions. The National Design Centre had incurred an expenditure of Rs.1,113,065 on behalf of 42 programmes during the year under review.

4.2 Management Inefficiencies

The following observations are made.

- (a) The Centre had given Rs.2,398,000 to a contractor to manufacture 100 samples of poultry cages under the Divi Neguma Project. According to the agreement, this work should have been completed by 18 October 2011. However, 10 poultry cages alone had been manufactured by 28 December 2011. As a result, the Centre could have recovered a demurrage of Rs.177,000. But, it had not acted accordingly.
- (b) (i) The Centre was offered to manufacture 10 lakhs of led clay seed containers under the Divi Neguma Project. The contractors were selected and one contractor was requested to manufacture 4 lakhs of seed containers at Rs.6.50 each and the other contractor was requested to manufacture seed containers at Rs.6.75 each. However, 530,200 seed containers only had been manufactured at the end of the year. As such, this was 53% of the entire manufacture. Further, the percentage that could not be achieved by the management of the Centre was 47%.
- (ii) The Centre had incurred a direct expenditure of Rs.3,283,800 and other expenditure amounting to Rs.206,028 during the year under review on behalf of this Project. But, action had not been taken to get a reimbursement of this expenditure from the Ministry of Economic Development.
- (c) The Centre had incurred an expenditure aggregating Rs.2,280,911 for constructing a building for exhibitions during the year under review. However, there were shortcomings requiring repairs such as, non operative toilets, bathrooms and accessories of water tubes, non-operative door locks, non-operative air conditioners

and inflow of water to the upper flow and the front portion during rainy days. As a result, the preservation of samples of designs had become a problem.

4.3 Idle and Under-utilized Assets

Ten years had elapsed since the opening of a laboratory for research at the Naththarampotha Project. However, the laboratory as well as the assets therein aggregating Rs.164,904 were idling as necessary staff had not been appointed.

4.4 Staff Administration

Details of approved and actual cadre of the Centre for the year 2011 are shown below.

Staff	Approved	Actual	Vacancies
-----	-----	-----	-----
Executives	30	18	12
Non-executives	34	23	11
Others	<u>40</u>	<u>31</u>	<u>09</u>
	<u>104</u>	<u>72</u>	<u>32</u>

It was observed that twelve vacancies in the executive positions had affected the smooth operation of the Centre.

05. Accountability and Good Governance

5.1 Corporate Plan

A Corporate Plan for the Centre covering the period 2011 to 2014 had been prepared. However, action had not been taken to update it.

5.2 Physical and Financial Progress according to the Actual Action Plan

The following observations are made.

(a) An Action Plan for the year 2011 had been prepared. However, adequate attention had not been paid to fulfil the objectives shown in the Corporate Plan. It had become impossible to fulfil 15 programmes targeted in the Annual Action Plan. It was observed that the progress in seven programmes was less than 40%

(b) Financial Progress

During the year under review, a sum of Rs.675,000 had been provided in the budget for 5 items of expenditure. But, none of it had been spent.

5.3 Procurement Plan

The Centre had not prepared a Procurement Plan for the year under review.

5.4 Budgetary Control

Significant variations were observed between the budgeted income and expenditure and actual income and expenditure showing that the budget had not been used as an effective instrument of managements control. There were instances where the percentage of variations between the budgeted and actual figures ranged up to 98%.

6. Systems and Controls

Deficiencies observed during the course of audit were brought to the notice of the Chairman from time to time. Special attention is needed in respect of the following areas of control.

- (a) Accounting
- (b) Fixed Assets
- (c) Stocks
- (d) Debtors and Creditors
- (e) Advances

H.A.S Samaraweera

Auditor General

Mn/I,928