

## **Introduction**

The Sri Lanka Co-operative School was re-established as the National Institute of Co-operative Development with the intention of moving away from the traditional co-operative education system that prevailed and to present a new co-operative educational system with new strategies and methodologies enabling to face globalization.

With the intention of enabling the co-operative system and the co-operative education to face globalization and also work as an independent organization without much state bondages, the National Institute of Co-operative Development was established and incorporated under act No. 01 2001 on 01<sup>st</sup> July 2001.

A Board of Management consisting of representatives from important Ministries and eminent personnel selected from the state and the private sector were appointed to manage the organization.

The goal of the newly established Institution is to develop skills through vocational training applying local & international level educational & training strategies. The educational environment and ample space that the institution possesses is a major factor that enables to achieve the expected goals.

During the year under review, the institute has carried out a number of Diploma level, Certificate Level and short term subject oriented training programmes for the benefit of co-operative and official of state sector.

## Message of the Chairman

I am very glad to write this message for the Annual Report of 2012 of the NICD which was established by the Act No.1 of 2001, addressing the requirements of global dynamics with the objective of development of human capital of the Co-operative Movement and thereby development of the human capital of entire Sri Lanka.

It was a victory for us to increase the income of the Institute during the year 2012 by diversification of training programs and education through a new approach and bring all other facilities to a higher level for building up of the “Miracle of Asia” under Mahinda Chintana Policy.

The Institute was able to move several steps forward from its routine work in the year 2012 and was able to widen the Sri Lankan professional education as a government Institution covering the subjects such as Professional Accounting, Banking, Language field and Information Technology and thereby strengthening its courses. It was also a special land mark that the institute was able to establish NVQ standards for its permanent courses.

I appreciate and value very much the devoted services rendered by the Board of Management and all other staff of the Institute under the leadership of the Director General. I wish to mention further that carrying forward the legacy of the auditorium of national standards and to participate at the Deyata Kirula National Program were special abilities that increased the strengths of the institute.

I wish good luck and success to the institute for having fulfilled a number of activities such as physical and human resource development for all its efforts to drive the co-operative movement to become the Miracle of Asia.

Lakmal Ratnayake, Attorney -at -Law  
Chairman  
National Institute of Co-operative Development  
Polgolla

## **Message of the Director General**

Sri Lanka Co-operative School which was dedicated to promote the capacity of the human resources of Sri Lankan Co-operative Movement, the National Institute of Co-operative Development was established by the Act No. 1 of 2001 with the structural changes brought into a wide developmental background.

The NICD, with a new vision in the co-operative movement is trying to produce human resources with management capabilities and modern technical knowledge. In addition to professional courses this institute was able to commence training courses for Sri Lanka Banking Institute, thus by diversifying its courses and using physical resources

It was possible for this institute to offer a productive contribution by conducting maximum number of training programs which were directed towards the requirements of the co-operative movement combined with different parties.

I am very much thankful to all those who provided guidance, and contributed to make the activities of the Institute a success in this year as well.

W. A. R. Wimalasiri

Director General

National Institute of Co-operative Development

Polgolla

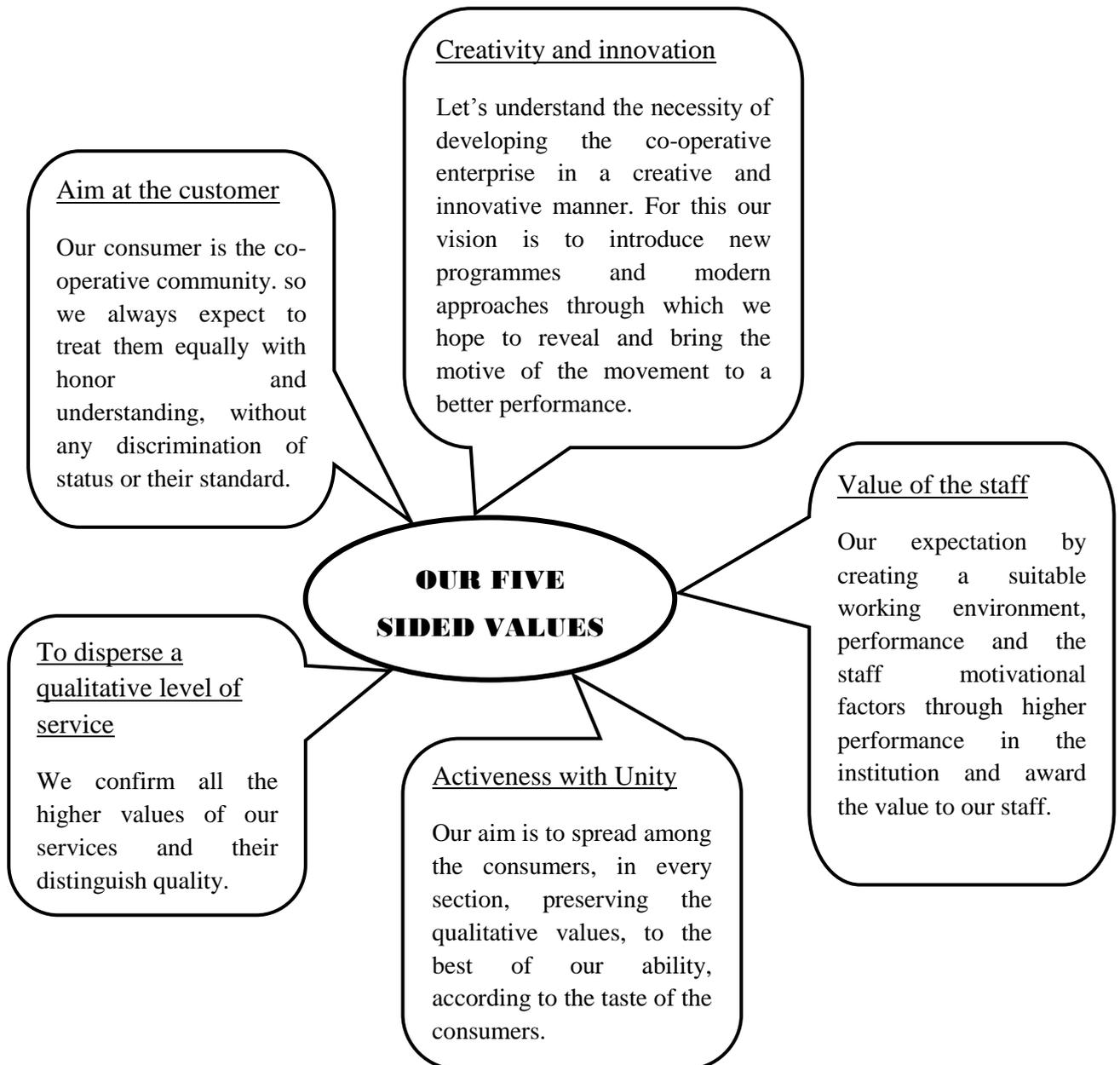
## **Vision**

Establishment of a sustainable, creative, novel and perfect co-operative movement connected with global relations in Sri Lanka.

## **Mission**

Development of necessary human capital for the purpose of producing natural and sustainable entrepreneurship which confirms the collective participation comprising of good governance and creativity.

## **OUR VALUES**



## The Aims and the Goals of the Institute

1. Effective development of the human capital involved in the co-operative movement of Sri Lanka
  01. Organising discussions, workshops, seminars and field visits for the advancement of management level professionals of the co-operative organizations
  02. Organising discussions, workshops, seminars and field visits to enhance the knowledge, skills, and attitudes of middle-managers.
  03. Organising workshops and training programs to develop knowledge, skills, capabilities and attitudes of operational level managers.
  04. Enhancing knowledge, skills and capabilities of co-operative officers of the State Sector.
  05. Using distant education systems.
2. Contributing to bring the efficiency of the co-operative organizations to a higher level.
  06. Bringing the efficiency and the quality of co-operative organizations to a higher level.
  07. Introducing and carrying out consultancies.
  08. Holding at least two 'business clinics' per year according to requests made by the weak organizations and helping those organizations to overcome those weaknesses.
3. Carry out research and development activities for the expansion and revival of the co-operative movement.
  09. Researching into the instances of successes and failures of the co-operative movement and based on findings providing guidance for the benefit of the co-operative movement.
  10. Producing and obtaining documentaries about the success stories of the co-operative movement.
  11. Contributing to the creation of model co-operative enterprises and empowering and organizing women within the co-operative concept.
4. Acting as a centre development of co-operatives
  12. Creating and maintaining an information database and a website that covers the entire co-operative sector.
  13. Maintaining a fully equipped library that provides knowledge in all the fields related to the co-operative sector.
  14. Setting up a Co-operative Museum
5. Empowering the civil society to establish and expand the co-operative movement.
  15. Taking steps to inculcate the co-operative philosophy and practices in the civil society.
  16. Launching an educational supplementary and other publications about the co-operative movement.
6. Forming a network with local and international co-operative organizations.
  17. Developing a network with co-operative organizations at the apex of the national co-operative movement.

18. Securing the membership of the international Co-operative movement and reaping the benefits by expanding the network.
  19. Developing a network with other relevant co-operative institutes of the world.
7. Diversifying the services of the National Institute of Co-operative Development to provide facilities for the State and Private Sector and other Non-governmental Organisations.
    20. Identifying and conducting programs to cater to the needs of the Private Sector.
    21. Identifying the products needed by the State Sector and initiating them.
    22. Identifying the products needed by the Non-governmental Sector and initiating them.
  8. Increasing the performance of the National Institute of Co-operative Development to provide an excellent service to the co-operative sector.
    23. Developing the knowledge, skills and attitudes of the staff.
    24. Developing the management processes.
    25. Raising the quality of services provided for other external institutions.

## **Main Activities of the Institute**

- a). Acting as a centre for the promotion and co-ordination of activities related to the co-operative development.
- b). Among other things, making use of modern techniques in providing training on co-operative development.
- c). Promoting research on co-operative development.
- d). Facilitating and sharing of information among the people involved in activities related to co-operative development.
- e). Functioning as a resource centre for the collection of data pertaining to co-operative development and dissemination of collected data through publications.
- f). Conducting academic training programs on subjects related to co-operative development and presenting certificates and other awards of excellence to those who follow such programs and successfully get through the relevant examinations.
- g). Taking over and managing the co-operative enterprises which are in need of management skills.
- h). Providing professional advice for co-operative enterprises.
- i). Setting up model co-operative villages, model co-operative outlets and regional centres.
- j). Collaborate with other institutions which accomplish tasks similar to those being carried out by the institute.

## Board of Management

The Board of Management of the Institute must consist of the following members.

### (a) Ex - officio Members

- i. The person for the time being holding office as Secretary to the Ministry of the Minister in charge of the subject of Co-operative Development or his nominee;
- ii. The Commissioner of Co-operative Development of the Department of Co-operative Development;
- iii. The Chairman of the National Co-operative Council of Sri Lanka;
- iv. The Director General of the institute appointed under section 16

### (b) Members appointed by the Hon. Minister (a member so appointed is here after referred to as an “appointed member”)

- i. Three persons who have had a wide experience in the field of co-operatives and experience in management, nominated by the Minister in charge of the subject of Co-operative Development;
- ii. A representative of the Minister of Higher Education, nominated by the Secretary to the Ministry of the Minister in charge of that subject; and
- iii. A representative of the General –Treasury, nominated by the Secretary to the Ministry of the Minister in charge of the subject of Finance.

The Board of Management is responsible for administration, management and control of the affairs of the institute.

The Board of Management must also execute the powers vested by the Act upon the institute for the administrative purposes of the institute.

In addition, directing the resources of the institute to achieve the aims and objectives of the institute while evaluating and approving annual development plans, annual budgets, policy planning, supervision and scheduled evaluation of the performance of the institute, analysis and evaluation of quarterly, mid-year and annual financial reports and Auditor General’s reports and if the achievements do not match the expected targets, taking the necessary remedial action to reach the expected targets are other responsibilities of the Board of Management.

During the year under review the management and the administration of the Institute was the responsibility of the Board of Management which included the following members.

The following members constituted the Board of Management during the year under review.

1. Chairman - Mr. A.M.A.A. Lakmal Rathnayaka, Attorney-at-Law,  
National Institute of Co-operative Development
2. Member - Mr. W.A.R. Wimalasiri, Director General,  
National Institute of Co-operative Development (Sri Lanka Administrative  
Service- Class I)
3. Member - Mr. A.P.P. Kithsiri, Additional Secretary, Co-operative Section, Ministry of  
Co-operatives & Internal Trade (Upto 11.09.2012)
4. Member - Mr. W.H. Karunathathne, (from 06.01.2012) Commissioner, Co-operative  
Development and Registrar (Central Govt.) Department of Co-operative  
Development
5. Member - Mr. P.T.G. Gunathilake, Additional Director General, Department of  
Treasury
6. Member - Ms. H.J.A. Caldera, Additional Director (Development) Ministry of Higher Education  
(to 2012.02.13)
7. Member - Mr. Bandupala Ranawaka Chairman, Sri Lanka National Co-operative  
Council
8. Member - Mr. K.M.M. Shakeer
9. Member - Mr. R.M. Premathilake Ratnayake
10. Member - Ms. B. M. S. Bandara, Director (Development), Ministry of Higher  
Education (from 2012.02.13)
11. Member - Mr. M.M.P.K. Mayadunne, Additional Secretary ( Planning, Development &  
Co-operative) Ministry of Co-operative & Internal Trade (from 2012.09.1)

The quorum for a meeting of the Board of Management shall be five (5) members. Board Meetings shall be held at least once in three months.

Six (6) Board of Management Meetings were held during the period under review.

### Details of the Board of Management meetings held during the year 2012

Name		Dates of meetings held							
		01/31	02/30	05/25	06/19	07/09	07/24	09/20	11/22
1	Mr. A.M.A.A. Lakmal Rathnayale, Chariman	✓	✓	✓	✓	✓	✓	✓	✓
2	Mr. W.A.R. Wimalasiri, Director General	✓	✓	✓	✓	✓	✓	✓	✓
3	Mr. A.P.P. Kithsiri	✓	✓	✓	ab	ab	ab	-	-
4	Mr. W. H. Karunarathne	✓	✓	✓	✓	ab	✓	✓	✓
5	Mr. P.T.G. Gunathilake	✓	ab	✓	✓	✓	✓	✓	✓
6	Mrs. H.J.A. Caldera	ab	-	-	-	-	-	-	-
7	Mr. Bandupala Ranawaka	✓	ab	ab	ab	✓	ab	ab	ab
8	Mr. K.M.M. Shakeer	ab	✓	ab	✓	✓	✓	✓	✓
9	Mr. R.M. Premathilake Ratnayake	ab	ab	ab	✓	✓	✓	ab	✓
10	Mrs. B.M.S. Bandara (from 2012/02/13)	-	✓	✓	✓	✓	✓	✓	✓
11	Mr. M.M.P. K. Mayadunna (from 2012/09/11)	-	-	-	-	-	-	✓	✓

✓ - Attendance (Present)

ab - Absent

- - Position Vacant

## Board of Studies

The Board of Studies of the Institute shall consist of the following members appointed by the Board of Management.

- a) The Director-General of the Institute who shall be the Chairman of the Board of Studies;
- b) A representative of the academic staff of any University nominated by the University Grants Commission established by the Universities Act, No. 16 of 1978;
- c) The Commissioner-General of Examinations or his representative;
- d) A representative nominated by the Commissioners of Co-operative Development; and
- e) A person employed in the Co-operative sector or private sector, who is in the opinion of the Minister has wide experience in Management and Training.

The Board of Studies of the Institute shall consist of the following members appointed by the Board of Management.

1. Mr. W.A.R. Wimalasiri - Chairman  
Director General (Acting) (to 2012.07.24)  
National Institute of Co-operative Development  
Polgolla
2. Dr. Vijitha Nanayakkara - Member  
Senior Lecturer, Dept. of Sociology  
University of Peradeniya  
Peradeniya
3. Mr. W.M.P.K. Weerasekera - Member  
Commissioner of Co-operative Development, CP  
Department of Co-operative Development  
Kandy
4. Mr. Anura Edirisinghe - Member  
Commissioner General of Education  
Sri Lanka Department of Education  
Pelawatte, Battaramulla
5. Mr. W.A.R. Wimalasiri - Secretary  
Registrar  
National Institute of Co-operative Development  
Polgolla

## Functions of the Board of Studies

- a) Preparation of training & research activities of the institute.
- b) Development of curriculum for the courses conducted at the institute.
- c) Evaluate, administrate and investigate the examinations held by the institution and prepare suitable methods to evaluate them.
- d) Issue the results of the examinations conducted by the institution, under the approval of the examination board.
- e) Prepare conditions to grant donations for scholarships, official badge and other donations.

Arrangements have been made to conduct the Board of Studies meeting on 25<sup>th</sup> February 2012 and release the examination results. On the same day, results of the 10 Nos of first examinations and the results of the re-sitting candidates who failed the 04 examinations will also be released. Details of the 14 documents giving the results are given below.

### A. The Board of Study meeting held on 25.02.2012

Examinations conducted for the first time					
Course	No. of participants	No. Passed	No. Deficient	No. Failed	No. left the program.
1. Diploma in Accountancy (2010/2011)	21	16	02	-	03
2. Diploma in Auditing (2010/2011)	17	14	-	-	03
3. Diploma in Bank Management (2010/2011)	28	23	01	03	01
4. Diploma in Bissness Administration Management (2010/2011)	15	15	-	-	-
5. Diploma in Human Resource Management(2010/2011)	18	14	02	01	01
6. Diploma in Social Development (2010)	17	17	-	-	-
7. Diploma in Micro Finance (2010/2011)	08	07	01	-	-
8. Diploma in Information Technology (2010/2011)	24	11	11	-	02
9. Certificate Course in Computer Studies (2011)	16	09	04	-	03
10. Certificate in Spoken English (2011)	17	17	-	-	-
Repeat Exams					
11. Diploma in Human Resource Management (2008)	02	02	-	-	-
12. Diploma in Information Technology (2008)	11	01	-	-	-
13. Diploma in Information Technology (2009/2010)	03	03	-	-	-
14. Certificate Course in Computer Studies (2010)	14	14	-	-	-
<b>Total</b>	<b>201</b>	<b>163</b>	<b>21</b>	<b>04</b>	<b>13</b>

## Staff

The total number of staff allocated to the Institute is 59. The number of staff as at 31<sup>st</sup> December 2012 is 31. The number of vacancies is 28. Preliminary steps are being taken to fill these vacancies.

### Details of Staff Designations and number of staff as at 31<sup>st</sup> December 2012

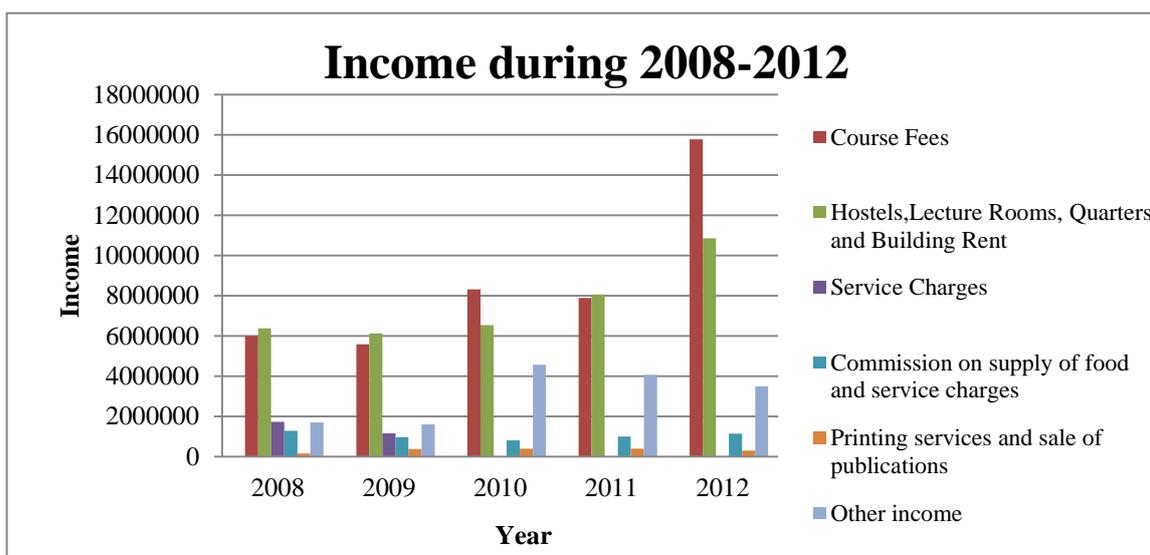
No	Designation	No. in Cadre	No. in Service	Vacant
1.	Director General	01	01	-
2.	Registrar	01	-	01
3.	Director - Academic and Development	01	-	01
4.	Lecturer	06	03	03
5.	Librarian	01	01	-
6.	Senior Finance Manager	01	01	-
7.	Senior Press Manager	01	-	01
8.	Hostel Manager	01	-	01
9.	Assistant Registrar	01	01	-
10.	Extension Officer	01	-	01
11.	Computer Programmer	01	01	-
12.	Assistant Lecturer	06	03	03
13.	Assistant Hostel Manager	01	01	-
14.	Assistant Librarian	01	01	-
15.	Management Service Assistant (Graduate)	12	04	08
16.	Computer Instructor	03	01	02
17.	Computer Word Processor	01	01	-
18.	Management Service Assistant	05	-	05
19.	Offset Machine Operator	01	01	-
20.	Audio Visual Machine Operator	01	01	-
21.	Circuit Bungalow Keeper	01	01	-
22.	Driver	04	04	-
23.	Service Assistant	07	05	02
	<b>Total</b>	<b>59</b>	<b>31</b>	<b>28</b>

## Information about the progress of Insitutional Funds

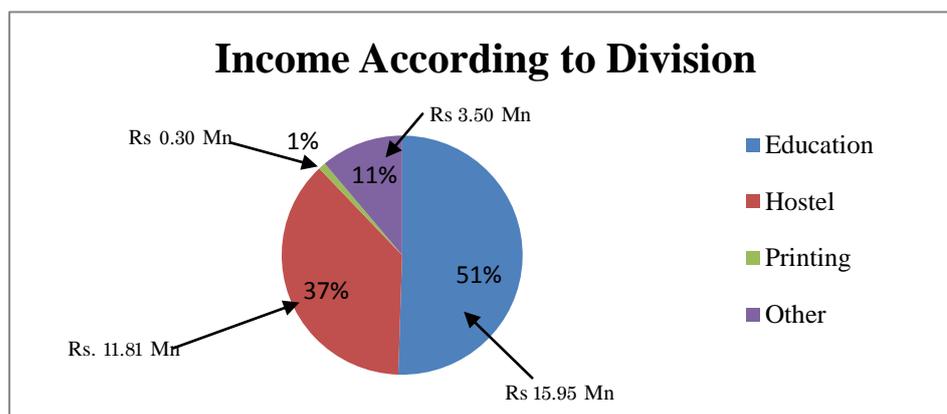
Mentioned below is brief statement of income, expenditure and treasury allocation to the institute during the last five years.

### Income from 2008 - 2012

Description	2008	2009	2010	2011	2012
1. Course Fees	5,999,038	5,594,102	8,320,364	7,889,115	15,953,198
2. Hostels, Lecture Rooms, Quarters and Building Rent	6,390,476	6,130,260	6,543,381	8,057,757	10,851,292
3. Service Charges	1,730,750	1,158,914	-	-	-
4. Commission on supply of food and service charges	1,284,315	972,492	805,864	999,972	1,145,887
5. Printing services and sale of publications	155,285	387,932	395,727	405,768	301,200
6. Registration fees for staff development competition	-	-	1,225,600	-	-
7. Income by sale of fixed assets	-	-	1,144,039	1,060,830	34,650
8. Other income	1,692,359	1,607,621	2,209,656	3,007,189	3,295,694
<b>Total</b>	<b>17,252,223</b>	<b>15,851,319</b>	<b>20,644,631</b>	<b>21,420,631</b>	<b>31,581,921</b>

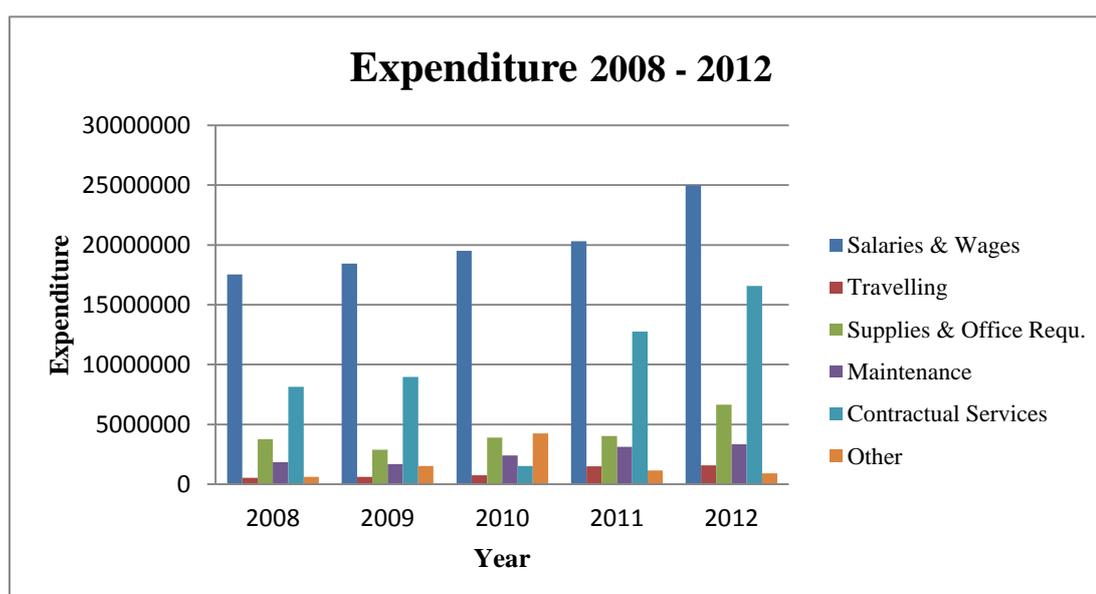


The Income of the NICD in the year 2012 is Rs. 21.39 million, they are categorized according to divisions as follows



## Expenditure for 2008 – 2012

Description	2008	2009	2010	2011	2012
1.Salaries and Wages, Lectuare fees and other	17,535,359	18,445,338	19,512,564	20,323,326	24,989,993
2.Travelling	542,174	623,357	753,427	1,503,396	1,583,574
3. Supplies and Office Requesites	3,775,773	2,896,742	3,902,331	4,020,919	6,651,487
4. Maintenance Cost	1,838,114	1,686,323	2,405,953	3,125,426	3,340,968
5. Contractual Services	8,130,603	8,969,645	9,206,898	12,751,894	16,564,579
6. Other	622,995	1,513,243	-	-	919,182
a. Expenditre for Staff Development Program	-	-	2,458,531	-	-
b. Nation Building Tax	-	-	829,082	429,394	-
c. Difffferent Expenditure	-	-	967,970	733,302	-
<b>Total Expenditure</b>	<b>32,445,018</b>	<b>34,134,648</b>	<b>40,036,756</b>	<b>42,887,657</b>	<b>54,049,783</b>



## Treasury Allocations during 2008 - 2012

Description	2008 Rs	2009 Rs	2010 Rs	2011 Rs	2012 Rs
<b>Capital Allocation</b>	<b>19,500,000</b>	<b>49,400,000</b>	<b>70,200,000</b>	<b>2,000,000</b>	<b>27,597,956</b>
<b>Recurrent Allocation</b>	<b>19,680,000</b>	<b>21,470,211</b>	<b>22,390,000</b>	<b>22,743,582</b>	<b>18,262,259</b>

## Income, Expenditure and Allocation of the Institute during 2008-2012

Description	2008	2009	2010	2011	2012
1. Institutional Income	17,252,222	15,851,319	20,644,631	21,420,631	31,581,921
2. Expenditure	32,445,018	34,134,648	40,036,756	42,887,657	54,049,783
Deficit before allocations	(15,192,795)	(18,283,329)	(19,392,125)	(21,467,026)	(22,467,862)
3. Recurrent allocation (treasury allocations and grants of Peoples Bank)	19,680,000	21,470,211	22,390,000	22,743,582	18,262,259
Deficit/surplus after allocation	4,487,205	3,186,882	2,997,875	1,276,556	(4,205,603)

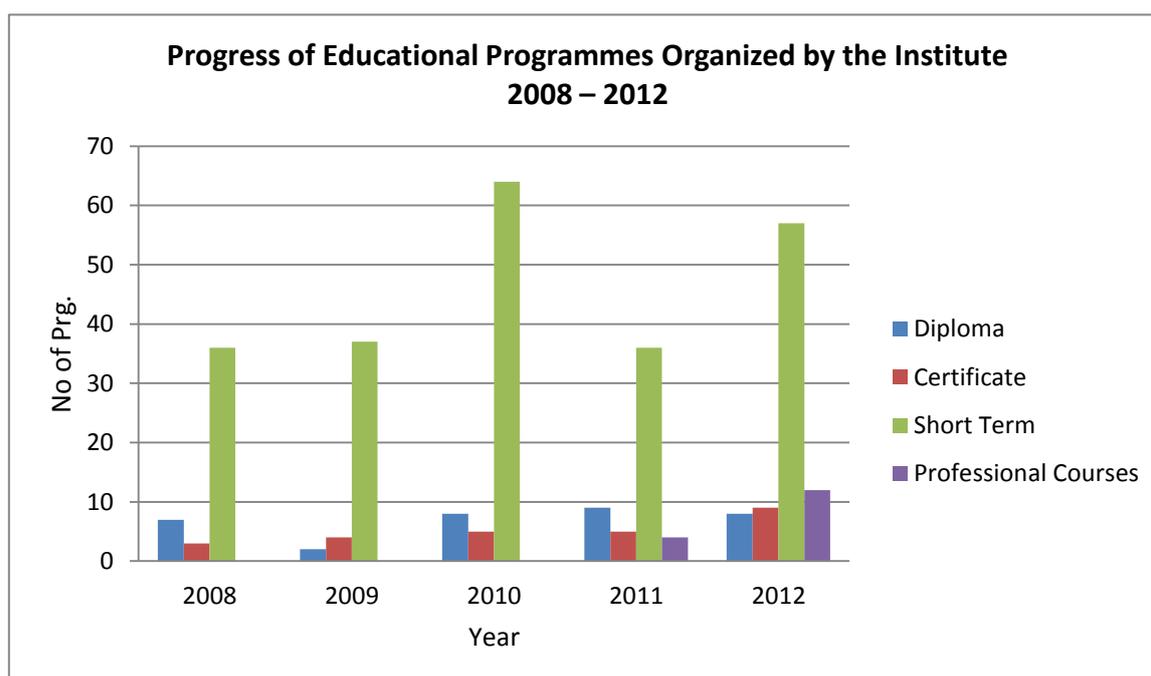
## Treasury capital allocations, Receipts and Utilization during the years 2008 - 2012

Description	2008	2009	2010	2011	2012
Balance of Capital allocation brought forward	1,060,354	-	10,484,405	31,521,228	27,404,196
Receipt of capital allocation	19,500,000	49,400,000	70,200,000	2,000,000	1,000,000
<b>Total Capital allocation</b>	<b>20,560,354</b>	<b>49,400,000</b>	<b>80,684,405</b>	<b>33,521,228</b>	<b>28,404,196</b>
<b>Utilization of capital allocation</b>					
(a) Holiday Bungalow, Kitchen, canteen, lecture room complex. Refurbishment of hostels	7,268,108	-	-	-	-
(b) Construction of second and Final steps of the multi purpose building	10,632,028	9,242,800	2,178,133	46,500	180,462.19
(c) Wiring and electricity supply for the bulding of the institute	-	-	-	-	-
(d) Installation of transformer to the multi purpose building and auditorium	-	2,272,795	-	-	-
(e) Purchase of furniture, office equipment and computers	1,036,758	1,000,000	8,374,044	725,956	-
(f) Construcation of auditorium	344,484	26,400,000	38,611,000	5,344,576	25,891,456
(g) Road development inside the premises and fencing around the premises	1,278,976	-	-	-	-
<b>Total expenditure</b>	<b>20,560,354</b>	<b>389,915,595</b>	<b>49,163,177</b>	<b>6,117,032</b>	<b>26,071,918</b>
Balance brought forward	-	10,484,405	31,521,228	27,404,196	<b>2,332,278</b>

## Details of Educational Activities

### Progress of Educational Programmes Organized by the Institute 2008 – 2012

Programme	2008		2009		2010		2011		2012	
	No Of Prog.	Particip -ants								
Diploma	07	124	02	55	08	142	09	181	08	212
Certificate	03	103	04	04	05	156	05	97	09	205
Short Term	36	1051	37	1331	64	2738	36	1413	57	2062
Professional Courses	-	-	-	-	-	-	04	47	12	220
<b>Total</b>	<b>46</b>	<b>1278</b>	<b>43</b>	<b>1510</b>	<b>77</b>	<b>3036</b>	<b>54</b>	<b>1738</b>	<b>86</b>	<b>2699</b>



When compared to the previous years, it seems that there is a relative increase in Diplomas, Certificates and short term management development programs organized by the NICD. The possible reason is that the Institute was able to identify the requirement of the co-operative movement and create programs accordingly.

## Training Programmes organized by External Organizations

2008 - 2012

Year	2008	2009	2010	2011	2012
No. of programmes conducted	368	329	255	329	570
No. of total participants	21,439	16,715	19,852	16,955	27,475

With the Development of the Human Resources as well as with administrative reforms, the Institute was able to satisfy the outside organizations. Therefore, we were able to achieve a remarkable development from other organizations which expected our facilities for training programs.

### 1. Human Resource Development

The main objective of the institute is to develop human resources in the co-operative sector. Accordingly, with this objective in mind, many training programs such as Diploma courses, certificate level courses, short term management courses combined with subjects were conducted for the co-operative sector and also officers in the public sector.

#### 1.1 Training of staff of the Department of Co-operative Development

##### a) Higher Diploma in Co-operative Development

This is an efficiency bar examination for the Officers of the Co-operative Development appointed for the Department of Co-operative Development. The Officers who have completed certificate course in the Department are eligible to follow this course. There were 90 co-operative development officers enrolled for this course from the different parts of the country for the year 2012 and successfully completed the course after the examination during the year, under review

Training Programs for Co-operative Development officers in the year 2012.

Name of Course	Date of commencement	Date Completed	No. of Trainees
1. Diploma in Co-operative Development (for the Sourthern Province Co-operative Development Officers)	2012.03.05	2012.11.15	42
2. Diploma in Co-operative Development (for the Western, Eastern and North Western Province Co-operative Development Officers)	2012.03.05	2012.11.15	48
<b>Total</b>			<b>90</b>

A brief Account of the Diploma courses conducted for the co-operative development officers of the department of co-operative development is mentioned below.

Year	No. of Programmes	Total no. of participants
2007	01	41
2008	01	09
2011	01	26
2012	02	90
<b>Total</b>	<b>05</b>	<b>166</b>

- Not Conducted the courses in the year 2009 & 2010

## b) Certificate Course in Co-operative Development

This course is conducted as the first efficiency bar examination and confirmation in the post of Co-operative Development Officers. The two certificate courses and its examinations were held during the said period. The details are as follows.

Training Course	Date of Commencement	Date Completed/ to be Completed	No. of Participants
1. Certificate course in Co-operative Development (Co-operative Development Officers of Sabaragamuwa and Northern Province 01.11.2010) second term academic activities	2011.09.03	2012.04.06	51
2. Certificate course in Co-operative Development (Co-operative Development Officers of Southern Province) 05.03.2011 second term academic activities	2011.10.08	2012.02.15	30
<b>Total</b>			<b>81</b>

A brief Account of the Certificate Courses in Co-operative Development conducted from 2008 – 2012 is mentioned below.

Year	Programme details	
	No. of Programmes	Total number participated
2008	No certificate courses were conducted	
2009	02	95
2010	01	51
2011	01	30
2012	Not commenced in this year	

## 1.2 Diploma Courses in Co-operative Development

This is a part time course in order to enhance the knowledge of the professionals and employees of the co-operative movement.

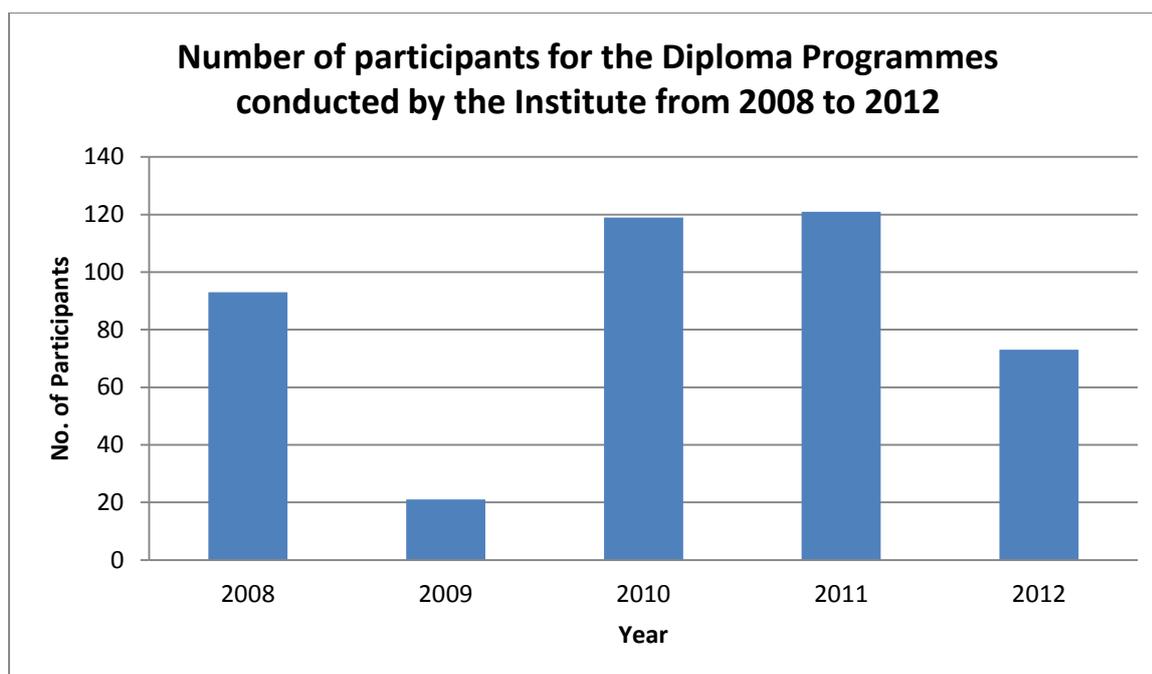
There were Five courses commenced in the said year and accordingly, 97 were trained. In addition, there were six such Diploma programs commenced in the year 2011 and completed during the said year.

The details of the Diploma courses commenced in the year 2012 were as follows.

Training Course	Commencing Date	Date completed/to be completed	No. participated
1. Diploma in Auditing 2012 - 2013	2012.12.17	2013 November	14
2. Diploma in Banking Management 2012/2013	2012.12.17	2013 November	26
3. Diploma in Business Administration 2012/2013	2012.12.17	2013 November	20
4. Diploma in Human Resource Management 2012/2013	2012.12.17	2013 November	24
5. Diploma in Accountancy 2012/2013	2012.12.17	2013 November	13
<b>Total</b>			<b>97</b>

The following is a brief account of the number of Diploma courses and number of participants from 2008 to 2012.

Year	Details	
	No. of programmes	No. of Participants
2008	05	93
2009	01	21
2010	07	119
2011	06	121
2012	05	97
<b>Total</b>	<b>28</b>	<b>536</b>



### 1.3 Certificate Course in Co-Operative Development

This course is designed with the objective of upgrading the knowledge of middle level employees of co-operative societies.

Two such courses were conducted during the said year and 73 were trained.

In addition, the certificate course in Banking and Financial Management course commenced in September 2011 and examinations have already been successfully conducted.

The details of the Certificate courses commenced in 2012 were as follows.

<b>Training Program</b>	<b>Date of Commencement</b>	<b>Date of Completion/ Expected to be Completed</b>	<b>No. Participated</b>
1. Certificate Course in Banking & Financial Management	2012.08.25	2013 March	35
2. Certificate course in employment oriented professional skills development	2012.12.20	2013 May	38
<b>Total</b>			<b>73</b>

A brief account of the number of certificate courses in co-operatives and number of trainees from the year 2007 – 2012 is as follows

Year	Details	
	No. of Courses	Total No. Participated
2007	02	26
2008	01	27
2009	01	22
2010	02	49
2011	01	15
2012	02	73



#### 1.4 Subject Related Short Term Management Training Programmes

This Institute annually organizes a large number of short term training programs for the leaders of co-operative societies, officers attached to the co-operative department and the employees in the government sector in the co-operative field.

The Institute designed and conducted 15 programs for employees of all levels of co-operative organisations during the said year.

In addition, at the request of co-operative organisations, the Institute designs and conducts 19 short term management training programs to enhance the knowledge of leaders of co-operative organizations and employees of Northern and Eastern Provinces and also other selected areas with donations provided by People's Bank

**Short Term Courses Conducted as Per Training Directory -2012**

	Short Term Courses	Date Held	No. of Participants
1.	Training Program for Secretarial Practice	2012 .03. 04 - 06	32
2.	Course for Valuation of Manpower	2012.06.08,09,10	29
3.	Training Program for Divisional Managers and Stock Managers	2012.06.23-24	22
4.	Office Automation	2012.07.21	17
5.	Skills Development for Rural Bank Clerks	2012.08.03 - 05	34
6.	Strategic Sales Methods and Customer Care	2012.08.04 - 05	36
7.	Skills Development Training Program for Rural Bank Managers	2012.08.10 - 12	34
8.	Internal Auditing	2012.08.28-09.01	19
9.	Skills Development Training Program for Sri Lanka Accounting Standards	2012.09.24-26	26
10.	Strategic Marketing Training Program for Empowering of Co-op cities	2012.10.18-19	15
11.	Workshop on Credit Management of a Sustainable Financial Institute	2012.10.20-21	53
12.	Director Board Training for Creative co-operataive Management	2012.10.22-23	35
13.	Certificate Course for Customer Development Management skills Field Officers in rural banks	2012.11.02-04	47
14.	Professional Management Skills Development of General Managers of Co-operative Societies	2012.11.11-12	20
15.	Workshop on Development of Roles of Provincial Ministers, Provincial Secretaries and Provincial Commissioners	2012.11.16-17	29
	<b>Total</b>		<b>448</b>

Year	Details	
	No. of Programmes	No. of Participants
2008	36	1051
2009	37	1331
2010	64	2738
2011	36	1413
2012	60	2062

This Institute designs its own training programs and also organizes courses based on requests and requirements of different co-operative societies. Accordingly, the following training programs were organized during the said year.

**Training Programs conducted at the Request of Outside Organizations**

	<b>Short Term Courses</b>	<b>Dates Held</b>	<b>Participation</b>
1.	Attitudes Development Program of Managers and Clerks of Rural Banks Multi Purpose Co-operative Societies conducted in Anuradhapura District simultaneously with the 2012 Deyata Kirula National Program	2012.01.12 - 13	80
2.	Awareness Training Program on Co-operative Movement for Southern Province Childrens of members of Multi Purpose Co-operative Societies	2012.01.17 - 19	37
3.	Attitude Development Program of Staff Members of Multi Purpose Co-operative Societies conducted in Anuradhapura District simultaneously with the 2012 Deyata Kirula National Program	2012.01.19	62
4.	Training Program on Advancement of Duties of Rural Bank Managers in Anuradhapura District.	2012.02.20	64
5.	Training Program for Director Boards and Staff Members of Employee of Co-operative Bank Society of Postal and Telecom Ltd	2012.03.03-04	40
6.	Attitudes Development Training Program for Human Resource Managers of Multi Purpose Co-operative Societies and Co-operative Development Officers in Anuradhapura District	2012.03.08	60
7.	Training Program of Lanka Co-opnet project - (TOT)	2012.03.22	15
8.	Training Program of Matara District SANASA Society Secretaries	2012.03.23 - 24	36
9.	Training Program of Matara District SANASA Society Staff	2012.05.26 2012.05.29	
10.	Training Program of Lanka Co-opnet Project – Operational Level	2012.04.21-30	50
11.	Program on Manpower Valuation for Co-operative Development Officers and Human Resource Managers in Special Societies in Anuradhapura District	2012.04.26 - 2012.04.27	70
12.	Training of Director Boards of Multi Purpose Co-operative Societies in Anuradhapura District under Deyata Kirula Program	2012.06.21	26
13.	Training of Officers of Rural Banks in Multi Co-operative Societies in Badulla District	2012.06.23- 2012.06.25	16
14.	Training Program for Rural bank Managers of Multi Purpose Co-operative Societies in Anuradhapura district	2012.06.28-29	81
15.	Practical Usage of 46/1 formal Inquiries for Co-operative Development Officers in Department of Co-operatives in Anuradhapura and Polonnaruwa District	2012.07.23-24	70
16.	Training of Director Boards of Anuradhapura District Multi Purpose Co-operative Societies	2012.07.28-29	50
17.	Mahaweli Farmers Organizations 28 <sup>th</sup> September – 02 <sup>nd</sup> October	2012.09.28 2012.10.02	42
18.	Workshop on Operations of Record Analysis for Education Officers in Co-operative department Deputy Commissioners Offices in	2012.11.29	24
19.	Training of Audit Officers in Mahaweli Farmers Organizations 09 <sup>th</sup> and 10 <sup>th</sup> December 2012	2012.12.09-10	27
<b>Total</b>			<b>850</b>

## Training Programmes Conducted Free of Charge and at Subsidized Rates for the Benefit of the Co-operative Sector

The Institute conducted 23 short term management training programs in order to upgrade the management skills of the employees of the organisations of the co-operative field during the said year. It was arranged to obtain funds for this purpose from the Co-operative Fund available in the People's Bank. The details of the programs conducted were as follows.

### Courses conducted under People's Bank donations

	Name of the Training Program	Dates Held	No. of Participants
1.	Training program for providing knowledge to members of the Director Boards of multi purpose co-operative societies in Trincomalle District	2012.01.03 - 04	32
2.	Training program for promotion of human resource capacity development in deputy commissioners division of multi purpose co-operative societies in Trincomalee District under Eastern national program	2012.01.10-11	56
3.	Workshop on Launching of Accounting standards	2012.01.24	12
4.	Training of Director Boards of Ampara District Co-operative Societies	2012.02.09 -10	46
5.	Training program for Executive Officers in Trincomalee District under Eastern Navodaya program	2012.02.13 -14	38
6.	Training of Director Boards in Batticaloa District under Eastern Navodaya program	2012.02.15 - 16	37
7.	Workshop on Launching of Accounting standards	2012.03.08 - 09	12
8.	Training program for providing knowledge to representatives of SANASA committees	2012.08.29 - 30	34
9.	Training Program for providing knowledge for Branch Managers of Rural Banks in Polonnawruwa District	2012.09.04-05	50
10.	Training Program for providing knowledge to members of Director Boards of Co-operative Societies in Vavuniya District	2012.10.14-15	80
11.	Training Program for providing knowledge to Co-op city Managers in Vaunia District	2012.10.14-15	
12.	Workshop for Identification of Training Requirements of Co-operative Sector	2012.10.23 -24	33
13.	Training Program for providing knowledge to members of Director Boards of Co-operative Societies in Kilinochchi District	2012.11.9 -10	65
14.	Training Program for providing knowledge to Co-op city Managers in Kilinochchi District	2012.11.9 -10	
15.	Training Program for providing knowledge to members of Director Boards of Co-operative Societies in Jaffna District	2012.11.11-12	62
16.	Training Program for providing knowledge to Co-op city Managers in Jaffna District	2012 .11. 11-12	
17.	Training Program for providing knowledge to members of Director Boards of Co-operative Societies in Trincomalee District	2012 .11.23-24	65
18.	Training Program for providing knowledge to Co-op city Managers in Trincomalee District	2012 .11.23-24	
19.	Workshop on Operations of Record Analysis for the Education Officers in Co-operative Deputy Commissioners offices	2012.11.29	24
20.	Training Program for Empowering of the School Co-operative Societies (Central Province)	2012.12.04, 06	17
21.	Workshop on Skills Development of accounting and auditing field for Deputy Commissioners who are responsible for auditing and District Officers	2012.12. 04-06	41
22.	Training Program on Training of Director Boards of Co-operative Societies in Batticaloa District under Eastern Navodaya National Development training Program in Eastern Province	2012.12. 08 - 09	60
23.	Training Program on Training of Managers of Co-op city and Mini Co-op cities under National Development Training Program in Eastern Province.	2012.12.08 -09	
	<b>Total</b>		<b>764</b>

## Other Diploma Courses, Certificate Courses and Professional Courses conducted by NICD

These Diploma, Certificate and Professional level courses were conducted to develop the Computer Skills, Information Technology skills & English Language skills for job seekers and government employees.

### 1. Diploma Course in Information Technology

This programme has been designed targeting the school leavers who are awaiting employment to improve their knowledge in information technology. This is a Six month full time Diploma Course. One Diploma programme was started in the year under review and has been completed. Two similar programmes started in 2011 was also completed this year. Details are given below.

ame of Course	Date of Commencement	Date Completed/Expected to be completed	No. of Trainees
1. Diploma in Information Technology 2011-2012	2011.09.15	2012.05.29	30
2. Diploma in Information Technology 2012-2013	2012.09.25	2013.05.13	25
3. Diploma in Information Technology	2011.06.04	2012.07.30	07
<b>Total</b>			<b>62</b>



### 2. Certificate Course in Computing

This programme has been designed to develop the computer skills of students sitting the G.C.E. (O/L) examination. During the year under review and 02 nos of programmes were started and completed successfully. In addition to that, three no of kids computer programmes for school children from grade 1 to 11 also started during the year and completed successfully 55 nos of students have been trained by these courses.

Course Name	Commenced Date	Date Completed	No. Trained
1. Certificate Course in Computer	2012.01.18	2012.15.16	09
2. Computer Course for Kids	2012.05	2012.11	12
Step - 01			14
Step - 02			17
3. Computer Hardware Course	2012.03	2012.06	03
<b>Total</b>			<b>55</b>

### 3. Certificate Course in English and Tamil

These courses are designed for the students who have left their school education for development of English knowledge and upgrading of Tamil language. There were 02 English and 01 Tamil course conducted during the said year. It was arranged for the first time in this year to train students for City and Guilds English Course. 77 no of Students have been trained by these courses.

In addition, there was an English Certificate Course commenced in the year 2011 for the employees and completed in the said year and 17 were trained.

Nae of Course	Date of Commencement	Datae Completed	No. of Trainees
1. Certificate Course in English Language	22.01.2012	April 2012	18
2. City & Guilds English Certificate Course	20.07.2012	November 2013	18
3. Certificate Course in Tamil Language	03. 2012	August 2013	16
4. Certificate Course in English Lanauge 20122 - 2012	10.2011	March 2012	17
5.Training in Spoken English	02.12.2012	28.12.2012	25
<b>Total</b>			<b>94</b>

### 4. Professional Courses

With affiliation of the School of Computing, University of Colombo academic programs were commenced for the Inforamation Technology Degree course for the year 2011.

Accordingly, there were 14 students registered for the 1<sup>st</sup> semester of the degree program and the course commenced in the year 2011 and 9 students successfully completed the first semester.

The first, second and third semesters of this degree program commenced in the year 2012 and 38 students were trained. The details are as follows.

Name of Course	Date of Commencement	Date Completed	No. of Trainees
1. Information Technology Degree Program 1 <sup>st</sup> semester – 1 <sup>st</sup> batch	September 2011	March 2012	09
2. Information Technology Degree Program 2 <sup>nd</sup> semester – 1 <sup>st</sup> batch	April 2012	June 2012	10
3. Information Technology Degree Program 1 <sup>st</sup> semester – 2 <sup>nd</sup> batch	September 2012	March 2013	20
4. Information Technology Degree Program 3 <sup>rd</sup> semester – 1 batch	September 2012	March 2013	08
<b>Total</b>			<b>47</b>

In addition, 220 students commenced their training for the examinations in Institute of Chartered Accountancy, Sri Lanka Certified Management Accountancy Institute, AAT, and Sri Lanka Banking Institute for their respective examinations.

Name of Course	Date of Commencement	Date Completed	No. of Trainees
1. Sri Lanka Institute of Chartered Accountancy 1 <sup>st</sup> examination (Sinhala)	2011 September	March 2012	10
2. Sri Lanka Institute of Chartered Accountancy 1 <sup>st</sup> examination (English)	September 2011	March 2012	05
3. Sri Lanka Institute of Management Accountancy Stage 1 (English)	September 2011	April 2012	23
4. Sri Lanka Institute of Accounting Technicians Foundation Course (Sinhala)	January 2012	June 2012	45
5. Sri Lanka Institute of Accounting Technicians Intemediate Course (Sinhala)	January 2012	July 2012	08
6. Sri Lanka Institute of Chartered Accountancy 1 <sup>st</sup> examination (Sinhala)	April 2012	September 2012	06
7. Sri Lanka Institute of Management Accountancy- Stage 1 (English)	May 2012	October 2012	17
8. Sri Lanka Institute of Management Accountancy- Stage 11 (English)	May 2012	October 2012	22
9. Sri Lanka Institute of Management Accountancy- Stage 1 (English)	September 2012	May 2013	28
10. Sri Lanka Institute of Accounting Technicians Foundation Course (Sinhala)	July 2012	December 2012	23
11. Sri Lanka Institute of Chartered Accountancy 1 <sup>st</sup> examination (Sinhala)	September 2012	March 2013	13
12. Sri Lanka Banking Institute – Certificate in Banking and Finances	September 2012	March 2013	20
<b>Total</b>			<b>220</b>

### Relationship with International Co-operative Movement

It is very important to have relationships with international Co-operative Agencies and Organisations for the advancement of our institute. Our Institute has obtained the membership of International Co-operative Agency (ICA) and Center for International Co-operation and Training in Agricultural Banking (CICTAB). 24 employees of our institute participated in a 5 day training program in Vaminicom Institute, Pune, under a bilateral agreement of Vykunthmetha Co-operative Institute, India

1. Ms. Kumudu Rathnasiri programmer of the institute participated at a training program on Skill development of trainers in the area of promotion and Financing of SFGs and JLGs for Financial Institutions of rural poor organized by CICTAB in Laknow India, during February 20-23.
2. The Asian Pacific Ministers Meeting was held from 17<sup>th</sup> February to 1<sup>st</sup> March 2012 in Bangkok. The Board member Mr. KMM Shakeer participated in it.
3. The Special Meeting of the ICA was held on 29<sup>th</sup> October 2013 in Manchester, London. Mr. Lakmal Ratnayake, Attorney-at-Law and the Chairman represented our institute.

## Divisions of the Institute Which Provide Assistance to Carry out our Academic Programs Successfully

### Hostel Division

The Main function of the Hostel Division is to provide accommodation to the trainees who come to the institute for academic programs according to their needs.

The Hostel Division consists of 07 hostels with 05 two floor buildings, 01 three floor building and 252 trainees can be accommodated in a given time.



Common Hostel



A/C Room

Hostel	No. of Rooms	No. of People accommodated
1. D Hostel	20	40
2. E. Hostel	20	40
3. F Hostel	20	40
4. G Hostel	20	40
5. H. Hostel	06	18
6. A. Ratnayake Hostel (air conditioned)	14	26
7. New Ratnayake Hostel (air conditioned)	22	26
8. RH Hostel 02	06	12
9. Holiday Bungalow	04	10
<b>Total</b>	<b>132</b>	<b>252</b>

The canteen administrated by the hostel division supply food items according to the needs of boarders and it provides food for 100 – 300 boarders per day.

## **Library Division**

The reader community of Library are teachers, trainees and other staff of the institute.

The total number of books available in this library is 21721. The main subject area is the co-operative field, The library also consists of books on other by-subjects such as management, accountancy, social science. Acquisition of books to this library in the year 2012 was 251.

There is internet facilities available in this library for search of information.

There is a collection of the subject of co-operative available in the library for the information and convenience of the readers. Weekend/daily news paper article collection is also available in the library on the co-operative discipline and related subjects and further an index for this subject is maintained in the library.

## **Audio Visual Division**

This division provides audio visual equipment during training programs. Equipment for playing videos and audios, projectors and loud speakers are also provided when there is a need. Another service provided by this division is videoing of training programs and photographing of different events

## **Academic and Training Division**

The main objective of the Institute is to provide education and training in the co-operative discipline. This division was categorized into the following sub divisions with this objective in mind.

1. Co-operative Development Division
2. Human Resource Development Division
3. Research and Training Division
4. Financial management and Development Division
5. Business Management Development Division
6. Information Technology Division

Each of the above division is supervised by a lecturer and there are 06 permanent scuh staff members attached to this institute. In addition, it has established a unit of resources persons consist of outside experts. The institute has tried its best to qualitatively develop all its courses conducted by it after obtaining the services of these lecturers and the unit.

There are more than 11 lecture halls with modern audio video facilities to carry out the academic programs of the institute. The total capacity of all those is 1245 seats. The details are as follows.

Serial No.	Hall	No. of Seats
1.	Vincent Subasinghe Hall	600
2.	Ratnayake Hall	55
3.	Rotchdale Hall	100
4.	New Rotchedale Hall	80
5.	B Hall	100
6.	C1 Hall	35
7.	C2 Hall	20
	Multi Purpose Building	
8.	Lecture Room NO. 1	45
9.	Lecturer Room No. 2	80
10.	Lecture Room No. 3	50
11.	Mini Conference Hall	80
	<b>Total</b>	<b>1245</b>

In addition, there is a computer laboratory consists of 96 computers in the institute, the details are as follows.

Serial No.	Details	No. of Computers
1.	Main Computer Laboratory located at the upper floor of the Printing Unit	30
2.	Located at the multi purpose building Computer laboratory No. 1	20
	Computer laboratory No. 2	24
	Computer laboratory No. 3	22
	<b>Total</b>	<b>96</b>

### Printing Division

Printing of all tutorials and lecturer notes and books, periodicals and also different printing requested by outside organizations are carried out in this division. This division has all equipment needed for a middle level printing press.



Printing Unit

### Physical Resources and Development of Physical Resources

The total expenditure for the development of physical resources of the institute in the year 2012 was Rs. 28.9 million. The details are as follows.

Details	From Treasury allocations	From income of the institute
1. Balance construction work of the auditorium	25,891,456.00	-
2. Railings of the Multi pupose building	180,462.00	-
3. Purchase of furniture, office equipment, computers and accessories	-	2,749,015
4. Purchase of Library books	-	86,982
<b>Total</b>	<b>26,071,918.00</b>	<b>2,835,997</b>

Mr. W.A.R. Wimalasiri

Director General

**STATEMENT OF FINANCIAL POSITION AS AT 31<sup>st</sup> DECEMBER 2012**

	NOTE	As Per SLAS	As Per SLFRS	
		AS AT 31.12.2011 Rs.	AS AT 31.12.2011 Rs.	AS AT 31.12.2012 Rs.
<b><u>ASSETS</u></b>				
<b><u>NON CURRENT ASSETS</u></b>				
Property, Plant & Equipment	02	433,831,937	433,831,937	458,820,582
Long Term Debts, Invest, & Deposits	03	645,000	-	-
Other non-current financial assets	3.1	-	1,440,837	1,492,918
		434,476,937	435,272,774	460,313,500
Differed expenditure on Transformers, curtain & Linen	3.2	4,037,640	4,037,641	4,056,811
Less : Written off differed expenditure against income		(320,085)	(320,085)	(503,327)
Balance differed expenditure on Transformer		3,717,555	3,717,556	3,553,484
<b><u>CURRENT ASSETS</u></b>				
Short Term Investment	04	8,400,000	-	-
Current Investment	4.1	-	9,115,972	7,169,465
Trade & Other Receivables	05	33,108,177	31,596,368	48,675,355
Stock	06	1,107,482	1,107,482	1,473,850
Cash at Bank	07	34,495,244	34,495,244	28,476,060
		<b>77,110,903</b>	<b>76,315,066</b>	<b>85,794,730</b>
<b>TOTAL ASSETS</b>		<b>515,305,394</b>	<b>515,305,396</b>	<b>549,661,714</b>
<b><u>EQUITY &amp; LIABILITIES</u></b>				
<b><u>CAPITAL &amp; RESERVES</u></b>				
Capital	08	233,254,215	233,254,215	233,254,215
Accumulated Profit/(Loss)	09	(82,212,917)	(72,485,927)	(77,076,032)
		<b>151,041,298</b>	<b>160,768,288</b>	<b>156,178,183</b>
<b><u>RESERVES</u></b>				
Capital Grant from Treasury	10	333,878,075	324,151,086	342,990,149
Capital Grant from Ministry	11	2,841,392	2,841,392	7,057,017
Revaluation Reserve		-	-	17,706,684
Publication Fund		3,417,039	3,417,039	3,417,039
		<b>340,136,506</b>	<b>330,409,516</b>	<b>371,170,888</b>
<b><u>NON CURRENT LIABILITIES</u></b>				
Provision for Gratiuty		1,987,359	1,987,359	2,790,169
Retention Money		9,990,811	5,566,400	6,354,800
		<b>11,978,170</b>	<b>7,553,759</b>	<b>9,144,969</b>
<b><u>CURRENT LIABILITIES</u></b>				
Creditors & Accrued Expences	12	12,149,420	12,149,421	8,879,625
Bank Over Draft		-	4,424,412	4,288,049
		<b>12,149,420</b>	<b>16,573,832</b>	<b>13,167,674</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>515,305,394</b>	<b>515,305,395</b>	<b>549,661,714</b>

A.M.A.A.L. Ratnayake  
ChairmanW.A.R Wimalasiri  
Director GeneralK.D.Anil  
Senior Manager (Finance)

	NOTE	As Per SLAS	As Per SLFRS	
		ACTUAL	ACTUAL	ACTUAL
		2011	2011	2012
		Rs	Rs	Rs
<b>Revenue</b>				
Grant for Recurrent Expences	13	22,743,582	22,743,582	18,262,259
Grant for Capital Expences		-	9,726,990	8,758,893
Income Earned by NICD	14	21,420,631	21,581,908	31,581,923
		<b>44,164,213</b>	<b>54,052,480</b>	<b>58,603,075</b>
<b>LESS : EXPENDITURE</b>				
01. PERSONNEL EMOLUMENTS	15	20,323,326	20,484,603	24,989,993
02. TRAVELLING	16	1,503,396	1,503,396	1,583,574
03. SUPPLIES	17	4,020,912	4,020,912	6,651,487
04. MAINTENANCE	18	3,125,426	3,125,426	3,340,968
05. CONTRACTUAL SERVICES	19	12,751,894	12,751,894	16,564,579
06. OTHERS	20	1,162,696	1,162,696	919,182
07. DEPRECIATION	21	10,869,316	10,869,316	9,536,115
08. Amotization OF DIFFERED EXPENDITURE		320,085	320,085	503,327
09. Loss on Reevaluation of Property, Plant & Equip		-	-	600,201
		<b>54,077,051</b>	<b>54,238,328</b>	<b>64,689,427</b>
Surplus or (Deficit) over the income from ordinary				
Activity before Taxation		<b>(9,912,838)</b>	<b>(185,848)</b>	<b>(6,086,352)</b>
Loss: Taxation		-	-	-
Net Surplus or (Deficit) for the period		<b>(9,912,838)</b>	<b>(185,848)</b>	<b>(6,086,352)</b>
Other comprehensive income				
Gain on Revaluation of property, Plant and equipment		-	-	<b>17,706,684</b>
Total comprehensive income for the year		<b>(9,912,838)</b>	<b>(185,848)</b>	<b>11,620,331</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012**

	2011	2012	
<b>Excess of Expenditure over Income before taxation</b>	<b>(9,912,838)</b>		<b>11,620,334</b>
<b><u>Adjustments for</u></b>			
Depreciation	10,869,316	9,531,203	
Amortization of differed expenditure	320,085	503,327	
Advance to contract	(5,000)	-	
Advance to contract	643	-	
Profit on sale of Fixed Assets	(1,060,830)	(34,650)	
Provision for Bad debtors	(283,589)	-	
Repairs & Maintenance – (Retemtoin)	86,238	-	
Provision for gratuity	520,418	1,016,899	
Gratuity Payment	(184,671)	(214,089)	
Revaluation Surplus	-	(17,706,684)	(6,903,994)
	10,262,610		
Operating Profit /(loss) before working capital changes	<b>349,772</b>		<b>4,716,337</b>
<b><u>Changes in working capital</u></b>			
Decrease/(Increase) in debtors & Receivables	(825,037)	(17,073,547)	
Increase in input tax	1,238,288	(1,323,864)	
(Decrease) /Increase in cred: & accrued expences	4,149,889	(3,279,181)	
Decrease / (Increase) in stock	(360,965)	(366,370)	(22,042,962)
	4,202,175		
<b>Net cash flow from operating activites</b>	<b>4,551,947</b>		<b>(17,326,625)</b>
<b><u>Cash flows from Investing activites</u></b>			
Retention money	(89,487)	652,037	
Purchase of – property, plant & equipment (Vat-2,748)	(398,147)	(7,799,203)	
- Land Development	(258,576)	-	
- Furniture & Fittings (Vat – 123,190.77)	(1,363,531)	(1,058,567)	
- Library Books	(74,826)	(86,982)	
- Other Equipment (Vat – 5,055.20)	(52,875)	(135,485)	
Investment in capital work – in – progress (Vat – 559,776)	(5,413,636)	(9,526,523)	
Amortisation of deffered expenditure on Transformer & others	(705,419)	(316,949)	
Investment in Fixed Deposit	(1,200,000)	1,946,507	
Sale proceeds on Fixed Assets	1,060,830	34,650	
<b>Net cash flow from investing activities</b>	<b>(8,495,667)</b>		<b>(16,290,515)</b>
<b><u>Cash flows from financing activites</u></b>			
Capital grant Received from treasury	2,000,000	27,597,956	
Received from Co-op Development fund – Peoples Bank	-	-	
Repayment of people’s Bank loan	-	-	
<b>Net Cash flows from financing activites</b>	<b>2,000,000</b>		<b>27,597,856</b>
<b>Net Increase in cash flows within the Year</b>	<b>(1,943,720)</b>		<b>(6,019,184)</b>
<b>Cash &amp; cash equivalents at the begining of the period</b>	<b>36,431,417</b>		<b>34,495,244</b>
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>34,487,697</b>		<b>28,476,060</b>

## STATEMENT OF CHANGES IN EQUITY

	<u>CAPITAL</u>	<u>PROFIT/(LOSS)</u>	<u>CAPITAL RESERVE</u>	<u>GENERAL RESERVE</u>	<u>TOTAL</u>
<b>Balance as at 01.01.2011</b>	<b>233,254,215</b>	<b>(71,637,899)</b>	<b>335,269,467</b>	<b>-</b>	<b>496,885,783</b>
Profit/(Loss) for the period	-	(9,912,838)	-	-	(9,912,838)
Prior Year Adjustment	-	(662,181)	-	-	(662,181)
Invested within the period	-	-	2,000,000	-	2,000,000
Invested within the period	-	-	(550,000)	-	(550,000)
<b>Balance as at 31.12.2011</b>	<b>233,254,215</b>	<b>(82,212,918)</b>	<b>336,719,467</b>	<b>-</b>	<b>487,760,764</b>
<b>Balance as at 01.01.2011</b>	<b>233,254,215</b>	<b>(71,637,899)</b>	<b>335,269,467</b>	<b>-</b>	<b>496,885,783</b>
<b>Less: Dep. On F/A purchased from Govt. Grant</b>	<b>-</b>	<b>-</b>	<b>(9,726,990)</b>	<b>-</b>	<b>(9,726,990)</b>
Profit/(Loss) for the period	-	(185,848)	-	-	(185,848)
Prior Year Adjustments	-	(662,181)	-	-	<b>(662,181)</b>
Invested within the period	-	-	2,000,000	-	<b>2,000,000</b>
Less : Depreciation	-	-	(550,000)	-	<b>(550,000)</b>
<b>Balance as at 31.12.2011</b>	<b>233,254,215</b>	<b>(72,485,928)</b>	<b>326,992,477</b>	<b>-</b>	<b>487,760,764</b>
<b>Balance as at 31.12.2012</b>	<b>233,254,215</b>	<b>(72,485,928)</b>	<b>326,992,477</b>	<b>-</b>	<b>487,760,764</b>
<b>Less: Dep. On F/A purchased From Govt. Grant</b>	<b>-</b>	<b>-</b>	<b>(8,758,893)</b>	<b>-</b>	<b>(8,758,893)</b>
Profit/(Loss) for the period	-	(6,086,353)	-	17,706,684	11,620,331
Prior Year Adjustments	-	1,496,247	-	-	1,496,247
Invested within the period	-	-	33,697,956	-	33,697,956
Less: Depreciation	-	-	(1,884,375)	-	(1,884,375)
<b>Balance as at 31.12.2012</b>	<b>233,254,215</b>	<b>(77,076,034)</b>	<b>350,047,165</b>	<b>17,706,684</b>	<b>523,932,030</b>

	ACTUAL 2011	ACTUAL 2011	ACTUAL 2012
<b>NOTE : 03</b>			
<b><u>LONG TERM INVEST, DEBTORS, DEPOSITS</u></b>			
3203 Deposit with Electricity	645,000	-	-
	<u>645,000</u>	<u>-</u>	<u>-</u>
<b>NOTE : 03.1</b>			
<b><u>Other non-current financial assets</u></b>			
Deposit with Electricity Board		645,000	645,000
Distress Loan-staff		795,837	847,918
		<u>1,440,837</u>	<u>1,492,918</u>
<b>NOTE : 04</b>			
<b><u>SHORT TERM INVESTMENT</u></b>			
3401 Short term Investment	8,400,000	-	-
	<u>8,400,000</u>	<u>-</u>	<u>-</u>
<b>NOTE : 04.1</b>			
<b><u>Current Investment</u></b>			
Investment in Fixed deposit		8,400,000	6,423,631
Distress Loan – staff		715,972	745,833
		<u>9,115,972</u>	<u>7,169,465</u>
<b>NOTE : 05</b>			
<b><u>Trade and Other Receivable</u></b>			
3501-3512 Course fee receivable (Schedule : 5A)	961,372	961,372	2,064,010
3504 Receivable on Programme Fee-Out Side	1,973,817	1,973,817	1,257,793
3513 Receivable on Printing Service	96,097	96,097	49,825
Other Deposit – (Shedule 5B)	5,000	5,000	-
3514 Receivables on Other services	42,230	42,230	272,308
3402 Advances to Contractors	12,438,630	12,438,630	28,272,544
3403 Security Deposit	227,200	227,200	217,200
3515 Interst Receivable on Investment	497,069	497,069	188,389
3518 Hostel fee Receivable	10,500	10,500	-
3520 House rent receivable	426,757	426,757	425,407
3521 Receivable on sales of publication	36,900	36,900	-
3523 Advance to suppliers	124,562	124,562	215,030
3524 Staff food supply control A/C	5,230	5,230	10,545
3525 Receivable on food supply to Co-op inspectors	130,896	130,896	130,896
3527 Festival advance receivable	31,000	31,000	56,000
3532 Advance to staff	67,147	67,147	60,247
3535 Transfer of Funds to other accounts	1,084,844	1,084,844	-
3539 Vat	12,899,032	12,899,032	14,988,477
3540 WHT Payment	273,527	273,527	283,795
3543 Distress Loan - staff	1,511,809	-	-
3545 Cheque Return control A/c	-	-	4,135
3548 Receivable bus hire	22,306	22,306	8,000
3549 Building rent receivable	242,250	242,250	170,750
<b>Less: Provision for bad debts</b>	-	-	-
<b>Specific Provision for bad debtor</b>	-	-	-
	<u>33,108,177</u>	<u>31,596,368</u>	<u>48,675,355</u>

	ACTUAL 2011 Rs	ACTUAL 2011 Rs	ACTUAL 2012 Rs
<b>NOTE : 06</b>			
<b>Inventories</b>			
3301 Stationery stock	291,266	291,266	370,487
3302 Printing Material stock	485,616	485,616	603,201
3303 Building Material	88,465	88,465	101,845
3304 Audio visual	4,368	4,368	6,552
3305 Sundry stock	165,565	165,565	256,546
3306 Publications- (Books & handouts)	72,201	72,201	32,950
Publication ii- Printing Material Stock	-	-	102,269
	<b>1,107,482</b>	<b>1,107,482</b>	<b>1,473,850</b>

**NOTE : 07****CASH AT BANK (People's Bank Katugastota)**

Hostal	0089 1001-72649555	3,024,237	3,024,237	-
Examination	0089 165 000304 8	3,996	3,996	-
Publication	0089 1001-92649564	101,201	101,201	14,061
Training & Education	0089-1001-32648143	2,032,781	2,032,781	168,851
Productivity Account	089-1001- 38092-967	1,202,148	1,202,148	1,342,866
Government	0089-1001-92648140	27,652,257	27,652,257	26,056,450
Service Charge Account	089-100150002158	<b>461,585</b>	<b>461,585</b>	<b>547,220</b>
Publication Account ii		<b>17,039</b>	<b>17,039</b>	<b>346,623</b>
		<b>34,495,244</b>	<b>34,495,244</b>	<b>28,476,060</b>

**NOTE : 08****CAPITAL**

Balance on 01.01.2001	233,254,215	233,254,215	233,254,215
<b>Add/Less : Adjustments to statement of affairs</b>	-	-	-
	<b>233,254,215</b>	<b>233,254,215</b>	<b>233,254,215</b>

**NOTE : 09****ACCUMULATED PROFIT/(LOSS)**

Balance as at 01 <sup>st</sup> of January	(71,637,898)	(71,637,898)	(72,485,927)
<b>Add/Less : Prior Year adjustments</b>			
Audit fee	-	-	-
Others – Addition	12,740	12,740	1,496,247
Others – Deduction	(674,921)	(674,921)	-
	<b>(662,181)</b>	<b>(662,181)</b>	1,496,247
<b>Accumulated profit after prior year adjustment</b>	<b>(72,300,079)</b>	<b>(72,300,079)</b>	<b>(70,989,679)</b>
Add : Surplus/ (Defecit)	<b>(9,912,838)</b>	<b>(185,848)</b>	<b>(6,086,353)</b>
	(9,912,838)	(185,848)	(6,086,353)
	<b>(82,212,917)</b>	<b>(72,485,927)</b>	<b>(77,076,032)</b>

**NOTE : 10****CAPITAL GRANTS FROM TREASURY**

	ACTUAL 2011	ACTUAL 2011	ACTUAL 2012
	Rs	Rs	Rs
Balance on 01.01	331,878,075	331,878,075	324,151,086
Add : Adjustment	-	-	-
	<b>331,878,075</b>	<b>331,878,075</b>	<b>324,151,086</b>
Add: Received for the Year	2,000,000	2,000,000	27,597,956
	<b>333,878,075</b>	<b>333,878,075</b>	<b>351,749,042</b>
Less : Depreciation of Assets purchased from capital grants		(9,726,990)	(8,758,893)
	<b>333,878,075</b>	<b>324,151,086</b>	<b>342,990,149</b>

**NOTE : 11****CAPITAL GRANTS FROM MINISTRY**

Balance on 01.01	6,749,800	6,749,800	6,749,800
Add : Received for the Year	-	-	6,100,000
	<b>6,749,800</b>	<b>6,749,800</b>	<b>12,849,800</b>
Less : Depreciation of Assets purchased from capital grants	(3,908,408)	(3,908,408)	(5,792,783)
	<b>2,841,392</b>	<b>2,841,392</b>	<b>7,057,017</b>

**NOTE : 12****CREDITORS & ACCRUED EXPENCES**

4001 Telecommunications	82,989	82,989	74,650
4002 Water	-	-	92,858
4003 Electricity	41,065	41,065	139,157
4004 Lecture Fees	124,295	124,295	223,983
4005 Other accrued expences	222,063	222,063	445,546
4015 Govt. Audit fee payable	703,118	703,118	487,837
4016 Payable to Treasury	49,860	49,860	110,603
4018 Advance receivead for programme - Outside	834,249	834,249	249,004
4019 Security Services	216,600	216,600	243,331
4020 Janitorial Services	224,076	224,076	302,108
4021 Laundry Services	21,080	21,080	29,540
4022 Building Constructors	-	-	-
Received in Advance as per (Schedule : 12A)	2,509,536	2,509,536	1,139,008
4027 Payable to suppliers	211,610	211,610	226,800
4035 Salary control A/c Casual	111,133	111,133	122,155
4040 Refundable course fee	100,358	100,358	56,400
4041 Productivity Control A/c	2,304,863	2,304,863	1,610,549
3902 Security Deposit	-	-	4,383
4043 VAT Receipt	2,388,212	2,388,212	1,862,151
3903 Refundable Tender Deposit	280,415	280,415	301,415
3907 Refundable Library fee	-	-	3,000
4049 Fuel bill payable	100,742	100,742	99,353
4053 Building Rental recived in advance	-	-	48,750
4052 CWE	1,623	1,623,142	1,007,028
	<b>12,149,421</b>	<b>12,149,421</b>	<b>8,879,625</b>

**NOTE : 13**

	ACTUAL 2011	ACTUAL 2011	ACTUAL 2012
<b><u>RECURRENT GRANTS (CODE : 11)</u></b>			
1021 From Treasury	22,743,582	22,743,582	18,126,398
1020 From Ministry	-	-	-
1044 From Co-operative fund	-	-	135,861
	<b>22,743,582</b>	<b>22,743,582</b>	<b>18,262,259</b>

**NOTE : 14****OTHER INCOME GENERATED FROM (CODE: 11)**

1001 -1011 Course fee – Shedule 14 -A	7,702,818	7,702,818	15,784,455
1012 Room Charges	5,651,382	5,651,382	7,814,042
1014 Lecture hall Fee	1,617,425	1,617,425	2,354,950
1015 House Rent	304,350	304,350	285,150
1017 Sales of Publications	201,639	201,639	75,345
1018 Service Charges	12,400	12,400	10,785
1023 Printing Service	204,129	204,129	225,855
1024 Library fees	71,000	71,000	91,500
1025 Exam fees	115,297	115,297	77,243
1026 Fixed Deposit interest	482,909	482,909	742,348
1027 Interest on staff Loan	69,119	69,119	68,368
1035 Non Rfundable Tender Deposit	13,500	13,500	6,399
Opportunity cost Interest on concessionary staff loar	-	161,277	221,351
1036 Profit on sale of fixed Assets	1,060,830	1,060,830	34,650
Miscellaneous income – (Shedule 14-B)	2,113,265	2,113,265	2,245,933
1043 Commission on food supply	999,972	999,972	1,145,887
1069 Rent Income on Building	484,600	484,600	397,150
1063 N.B.T.	315,996	315,996	510
	<b>21,420,631</b>	<b>21,581,908</b>	<b>31,581,923</b>

<b>NOTE : 15</b>	<b>ACTUAL 2011</b>	<b>ACTUAL 2011</b>	<b>ACTUAL 2012</b>
<b><u>PERSONNEL EMOLUMENTS (CODE : 01)</u></b>	Rs	Rs	Rs
101 Salaries & Wages	12,677,439	12,677,439	12,549,172
151 Lecture Fees	2,316,325	2,316,325	4,770,250
103 Over Time	948,068	948,068	1,190,258
104 Allowance	1,671,114	1,671,114	2,103,306
105 E.P.F. (Institution Contribution)	1,263,350	1,263,350	1,185,127
106 E.T.F. Contribution	252,670	252,670	237,026
153 Exam Supervision fees	45,900	45,900	58,650
154 Course Cordinating fee	102,298	102,298	326,252
110 Director Fee	100,000	100,000	152,000
112 Holiday pay & Others	71,539	71,539	118,652
115 Allowance for Audit Committee	-	-	68,000
155 Question Paper preparing fee	67,580	67,580	57,900
156 Paper Marking fee	78,560	78,560	224,535
118 Gratiuty	520,418	520,418	1,016,899
119 Pension fund	148,065	148,065	151,215
157 Consultancy fee	60,000	60,000	530,000
158 Instructing fee	-	-	29,400
Employment benefit on concessionary staff loan	-	161,277	221,351
	<b>20,323,326</b>	<b>20,484,603</b>	<b>24,989,993</b>

**NOTE : 16****TRAVELLING EXPENCES (CODE: 02)**

201 Domestic	320,329	320,329	419,473
202 Foreign	1,183,067	1,183,067	1,164,101
	<b>1,503,396</b>	<b>1,503,396</b>	<b>1,583,574</b>

**NOTE : 17****Supplies (CODE : 03)**

301 Stationary & Office Requisition	426,787	426,787	555,773
302 Fuel & Lubricants	2,140,002	2,140,002	3,005,253
303 Printing Materials	392,131	392,131	485,597
304 Newspapers & Periodicales	62,160	62,160	59,480
306 Diets	674,426	674,426	1,495,637
307 Mechanical & Electrical goods	110,275	110,275	104,825
308 Video cassette & others	2,738	2,738	3,437
310 Others	109,919	109,919	741,728
313 Cost of water bottle	87,665	87,665	108,408
314 Cost of Purchased publications for resale	14,810	14,810	58,850
315 Purchase of other selling item	-	-	32,500
	<b>4,020,912</b>	<b>4,020,912</b>	<b>6,651,487</b>

	ACTUAL 2011 Rs	ACTUAL 2011 Rs	ACTUAL 2012 Rs
<b>NOTE : 18</b>			
<b><u>MAINTENANCE EXPENCES (CODE : 04)</u></b>			
401 Vehicle	1,467,809	1,467,809	1,160,589
402 Plant, Machinery & Equipment	541,314	541,314	822,239
403 Building & Structures	1,002,855	1,002,855	904,623
404 Furniture	16,350	16,350	199,250
406 Motor Vehicle License & Insurance	97,099	97,099	254,267
	<b>3,125,426</b>	<b>3,125,426</b>	<b>3,340,968</b>

**NOTE : 19****CONTRACTUAL SERVICES (CODE : 05)**

501 Transportation	60,659	60,659	129,018
502 Telecommunications	927,853	927,853	993,232
503 Postal Charges	322,763	322,763	282,789
504 Electricity	2,307,627	2,307,627	3,894,590
505 Water	758,426	758,426	1,153,009
506 Rent & hire charges	5,000	5,000	-
508 Audit Fee	339,398	339,398	125,000
510 Advertisement/Publicity	1,040,304	1,040,304	1,431,392
512 Security Services	2,572,420	2,572,420	2,557,647
513 Janitorial Services	2,328,832	2,328,832	3,073,018
514 Laundry Services & Linen	260,610	260,610	417,395
515 Gardening	1,400	1,400	51,965
516 Insurance	21,876	21,876	65,627
517 Translations	73,810	73,810	108,860
520 Staff Training (Local/ Foreign)	106,725	106,725	261,496
521 Subscription & Membership fees	705,175	705,175	1,038,833
523 Other Expenses	258,732	258,732	842,817
524 Printing – Printing Section	129,868	129,868	103,541
525 Printing Charges – Audio Visual	27,245	27,245	34,351
529 Co-operative officer's Training	503,172	503,172	-
	<b>12,751,894</b>	<b>12,751,894</b>	<b>16,564,579</b>

<b>NOTE : 20</b>	<b>ACTUAL 2011</b>	<b>ACTUAL 2011</b>	<b>ACTUAL 2012</b>
	<b>Rs</b>	<b>Rs</b>	<b>Rs</b>
<b><u>OTHER EXPENCES (CODE : 06)</u></b>			
601 & 602 Legal fees & Donation	11,464	11,464	-
607 Entertainment	593,124	593,124	711,510
703 Bank Charges	22,424	22,424	10,134
705 Loan interest of Staff	43,890	43,890	37,016
609 Implimentation of office Language	62,400	62,400	-
707 Nation build tax	429,394	429,394	160,522
	<b>1,162,696</b>	<b>1,162,696</b>	<b>919,182</b>

**Shedule : 5-A****Course Fee Receivable**

3501 Diploma in Co-operatives	231,997	231,997	719,770
3502 Co-operative Certificate course	56,170	56,170	56,604
3503 Workshop	68,250	68,250	87,600
3505 Short term IT Training programme	-	-	16,200
3506 Short term Other Courses	531,142	531,142	923,700
3507 Professional courses	-	-	150,567
3508 NICD IT Diploma	30,250	30,250	68,570
3511 Course fee receivable for English course	4,313	4,313	-
3512 Degree programme – BIT	14,250	14,250	8,000
3522 Library fees & exam fees	25,000	25,000	33,000
	<b>961,372</b>	<b>961,372</b>	<b>2,064,010</b>

**Shedule : 5-B****Deposit**

3536 Tender deposit	5,000	5,000	-
	<b>5,000</b>	<b>5,000</b>	<b>-</b>

**Shedule : 10****Course fee Received in Advance**

4023 Diploma Courses in Co-operatives	1,158,915	1,158,915	948,667
4024 Work shop	565,837	565,837	-
4025 Others Courses	784,785	784,785	183,025
4042 Professional Courses	-	-	7,317
	<b>2,509,536</b>	<b>2,509,536</b>	<b>1,139,008</b>

	ACTUAL 2011 Rs	ACTUAL 2011 Rs	ACTUAL 2012 Rs
<b>Schedule : 14-A</b>			
<b><u>Course Fee Income</u></b>			
1001 Higher Diploma – Co-operatives	1,470,098	1,470,098	2,917,047
1002 NICD IT Diploma	983,250	983,250	1,217,970
1003 Certificate Courses – Copmuter	326,500	326,500	638,075
1004 Certificate in English	274,688	274,688	509,988
1005 Professional Course			
1005 - 01 Course fee for AAT	46,200	46,200	534,400
1005 - 02 Chartered Course fee	70,500	70,500	194,700
1005 - 03 CMA Course fee	81,000	81,000	858,600
1005 - 03 CBF Course fee	-	-	283,250
1006 Degree programme –BIT	193,750	193,750	883,425
1007 Certificate Courses - Co-operatives	639,341	639,341	628,675
1008 Short Term Courses – Workshop	2,088,350	2,088,350	2,863,034
1009 Short Term Courses - IT	494,196	494,196	319,300
1010 Short Term Courses – Others	950,515	950,515	3,352,565
1011 Co-op Net Training Programme	84,430	84,430	479,428
1072 Certificate Course in Tamil Language	-	-	104,000
	<u>7,702,818</u>	<u>7,702,818</u>	<u>15,784,455</u>

**Schedule : 14-B****Miscellaneous Income**

1016 Income from Garden	31,248	31,248	44,243
1034 Hostel manager fee	96,926	96,926	127,525
1038 Photocopy chargers	17,751	17,751	38,742
1040 Hire of Equipment	376,141	376,141	478,365
1041 Other Supplies	7,250	7,250	-
1044 Water Bottle	136,870	136,870	165,685
1045 Registration of supplies	82,750	82,750	104,566
1046 Photograph Income	67,025	67,025	49,700
1047 Fines	10,825	10,825	39,070
1048 Book Binding	4,870	4,870	7,880
1051 Miscellaneous Income	209,651	209,651	389,558
1056 Income from bus	906,938	906,938	568,856
1061 Additional income	2,110	2,110	29,751
1062 Unclaimed due payment	146,411	146,411	-
1071 Sales of new papers of uservisable item	16,500	16,500	-
1073 Sales of Purchasing item	-	-	25,600
1074 Collection for Mispladed item	-	-	176,394
	<u>2,113,265</u>	<u>2,113,265</u>	<u>2,245,933</u>

Note : 02

## PROPERTY, PLANT &amp; EQUIPMENT - 2012

Cost/Valuation	Balance As 01.01.2012	Prior Year		Balance After Adjustments	Additions during the year	Adjustments	ACTUAL 2012 RS
		Additions	Deductions				
Land	134,707,559	-	-	134,707,559	-	-	134,707,559
Building & Structures	191,955,884	-	-	191,955,884	650,615	-	192,606,499
Plant, Machinery & Equipment	43,411,122	-	-	43,411,122	1,548,063	(11,876,564)	33,082,622
Vehicles	6,108,331	-	-	6,108,331	6,260,000	6,096,257	18,464,588
Furnitures	11,329,607	-	-	11,329,607	1,058,567	-	12,388,175
Library Books	2,107,701	-	-	2,107,701	86,982	-	2,194,684
Curtain, Cutlary items & Others	1,025,758	-	(106,026)	919,733	135,485	(42,191)	1,013,027
<b>Total</b>	<b>390,645,964</b>	<b>-</b>	<b>(106,026)</b>	<b>390,539,939</b>	<b>9,739,713</b>	<b>(5,822,498)</b>	<b>394,457,154</b>
Accumulated Depreciation	Balance As at 01.01.2011	Prior Year Adjustments		Balance After Prior Year Adjustments	Additions during the year	Adjustments	ACTUAL 2011 RS
		Additions	Deductions				
Building & Structures	36,835,124	-	-	36,835,124	4,798,897	-	41,634,021
Plant, Machinery & Equipment	34,382,316	-	(1,131,589)	33,250,726	3,779,636	(16,895,523)	20,134,840
Vehicles	5,922,988	-	(364,657,75)	5,558,330	1,919,375	(4,553,743)	2,923,962
Furnitures	6,908,692	-	-	6,908,692	831,782	-	7,740,474
Library Books	1,966,979	-	-	1,966,979	67,898	-	2,034,877
Cutlary items & Others	971,376	-	(83,719)	887,658	22,902	(42,191)	868,369
<b>Total</b>	<b>86,987,475</b>	<b>-</b>	<b>(1,579,966)</b>	<b>85,407,509</b>	<b>11,420,490</b>	<b>(21,491,457)</b>	<b>75,336,542</b>
<b>Gross Book Value</b>	<b>390,645,964</b>	<b>-</b>	<b>(106,026)</b>	<b>390,539,939</b>			<b>394,457,154</b>
<b>Accumulated Depreciation</b>	<b>86,987,475</b>		<b>(1,579,966)</b>	<b>85,407,509</b>			<b>75,336,542</b>
<b>Net Book Value</b>	<b>303,658,489</b>		<b>(1,473,940)</b>	<b>305,132,430</b>			<b>319,120,612</b>
Capital work-in-Progress Contract No:	Balance As at 01.01.2011	Prior Year Adjustments		Balance After Prior Year Adjustments	Additions during the year	Adjustments	ACTUAL 2011 RS
		Additions	Deductions				
2/2/6/20- Auditorium	130,173,448	-	-	130,173,448	8,089,000	1,437,523	139,699,971
	<b>130,173,448</b>	<b>-</b>	<b>-</b>	<b>130,173,448</b>	<b>8,089,000</b>	<b>1,437,523</b>	<b>139,699,971</b>
<b>Carrying Value</b>	<b>433,831,937</b>		<b>1,473,940</b>	<b>435,305,877</b>			<b>458,820,582</b>

**NOTES TO THE ACCOUNTS AS AT 31<sup>ST</sup> DECEMBER 2012****NOTE : 01****ACCOUNTING POLICIES****1.1 General Accounting Policies****1.1 a. Accounting Conventions**

The Financial statements of the Institute comprise Statement of Financial position, Comprehensive Income statement, Cash Flow statement, Statement of changes in equity, Accounting Policies and Notes to the Accounts. The financial statements of the Institute are prepared on the historical cost basis and in accordance with generally accepted Accounting Principles. These principles apply consistently.

**1.1. b. Format of Accounts**

The Financial Statements are presented in accordance with the format issued by the Institute of Chartered Accountants of Sri Lanka. Previous year figures and phrases are re-arranged wherever necessary to conform to the current year's presentation.

**1.1. c. Post Balance Sheet Events**

All material events occurring after the Balance Sheet date are considered and where necessary adjustments and disclosures are made in the Financial Statements.

**1.2 ASSETS AND BASES OF THEIR VALUATION****1.2 a. Property, Plant & Equipment**

The cost of Property, Plant & Equipment is the cost of purchased or constructed value together with any incidental expenses thereon. These are accounted at cost or revalued amount less accumulated depreciation, which is provided, on the bases specified below.

**1.2 b. Depreciation**

The provision for depreciation is calculated on the cost of Property, Plant & Equipment so as to write off such cost over the estimated useful lifetime of the assets by equal annual installments as follows.

<u>Asset</u>	<u>Useful Lifetime</u>
Building & Structures	40 years
Motor Vehicles	04 years
Furniture & Fittings	10 years
Books and Manuals	04 years
Plant & Machinery	05 years
Cutlary items & Others	03 years

Depreciation is provided for the fixed assets on periodical bases.

Expenditure incurred on 2 Nos. of transformer provided by C.E.B. has been differed and amortized the cost over a period of 40 years and expenditure incurred for supply and fixing of curtains and purchasing of linen, mattresses has been differed and amortized over a period of three years.

### **1.3 LIABILITIES AND PROVISION**

#### **1.3 a. Provision for Gratuity**

Provision is made for the payment of retirement gratuities payable under the Gratuity Act No. 12 of 1983 in respect of all eligible employees, whose service periods are more than one year at the Balance Sheet date.

Employees are eligible for Employee's Provident Fund contributions and Employee's Trust Fund contributions in line with the respective statutes and regulations. The Institute contributes 15% and 3% on Basic salaries of employees to EPF and ETF respectively.

#### **1.3 b. Provisions for Bad Debtors**

No provision has been made for Bad Debtors.

#### **1.3 c. Other Liabilities**

provision has not been made for litigation of Employees and other parties in the Financial Statements

### **1.4 INCOME & EXPENDITURE ACCOUNT**

#### **1.4 a. Revenue Recognition**

- All Fees for services rendered are accounted on accrual basis
- Fees for Diploma courses and other certificate courses are accounted on period that services rendered (accrual basis of the services rendered)

#### **1.4 b. Expenses**

All expenses are accounted on accrual basis.

## **1.5 GOVERNMENT GRANTS**

### **1.5 a. Capital Grants**

Government grants received in the capital nature are treated as reserves in the statement of Financial Position and deducted in arriving at the carrying amount of the asset.

### **1.5 b. Recurrent Grants**

These are treated as an Income in the year in which it was received, in the Comprehensive Income & Expenditure Statement.

Rs. 800,000/- received as a grant from People's Bank for the Training Programmes in the year 2011. Out of that Rs. 234,163.40 was spent for 03 Nos. training programmes conducted during the year 2011, that amount included under short term courses –(others) and remaining portion of Rs. 565836.60 which was unutilized has been mentioned under other course fee received in advance.

During the Rs. 750,000/= has been received from the Co-Operative Fund of People's Bank to conduct the training programs to the Co-operative sector. Training directory for the year 2012 has been printed using unutilized People's Bank grant of Rs.565836.60. and the printing cost of Training directory is Rs.135,861/=. During the year 23 No of training programme for Co-operative sector have been done using unutilized grant and grant received for the year. The total cost of training is Rs.1,876,832.43 and this cost has been included under short term training programmes.

- 1.6 Preparation and submission of financial Statements is the responsibility of the management of the institute.
- 1.7 Balances of goods in the stores and printing press as at 31.12.2012 were calculated according to "Average Method" while the balances of publications for sale/printing were valued according to their cost.
- 1.8 Cash Flow Statement was prepared according to Indirect Method.
- 1.9 Legal action has been taken regarding the eviction of ex-employees from quarters occupied by them, while ex-employees have filed 02 Cases against the institute.
- 1.10 No of employees of this institute as at 31<sup>st</sup> December 2012 is 31
- 1.11 Value of the fixed Assets which were fully depreciated as at 31.12.2012 is as follow.

<b>Class of fixed Assets</b>	<b>Cost Rs. In Mn.</b>
a) Plant & Machinery & Office Equipment	31.92
b) Library Book	1.92
c) Motor vehicles	6.10
d) Furniture & fittings	3.87
<b>Total</b>	<b>43.81</b>

As at end of the year Rs. 20.66 Mn cost of Plant machinery & Office Equipment and Rs. 4.55 cost of motor Vehicles were revalued and taken in to Accounts as follows.

<b>Class &amp; Assets</b>	<b>Total cost</b>	<b>Depreciation as at 31.12.2012</b>	<b>Net Book Value</b>	<b>Revalues Amount</b>
1. Plant Machinery & Office Equipment	20,661,140.56	16,657,122.56	4,004,017.98	10,460,500.00
2. Motor Vehicles	4,553,743.00	4,553,743.00	0	10,650,000.00
<b>Total</b>	<b>25,214,883.54</b>	<b>21,210,865.56</b>	<b>4,004,017.98</b>	<b>21,110,500.00</b>

In addition to that, Rs. 5.02 cost of fixed assets, out of fully depreciated fixed assets mentioned above is not in use. These assets have been recommended to dispose by the Beard of Survey Committee 2012. Details are as follows.

<b>Description of the Fixed nest</b>	<b>Cost in Rs. Mn</b>
1. Office Equipment, Furniture & Fittings	470,510
2. Computers & Accessories	4,556,559
<b>Total</b>	<b>5,027,069</b>

1.12. 12 No of books published by NICD worth of Rs. 6000/= sent to M/s Sarasavi book shop to sell or return basis was remained unsold by the end of year 2012. The cost of the books is Rs. 2069.52

**Report of the Auditor General on the Financial Statements of the National Institute of Co-operative Development for the year ended 31 December 2012 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971**

The audit of financial statements of the National Institute of Co-operative Development for the year ended 31 December 2012 comprising the statement for the financial position as at 31 December 2012 and the comprehensive income and expenditure, 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 22 of the National Institute of Co-operative Development (Incorporation) Act, No.1 of 2001. My comments and observations which I consider should be published with the Annual Report of the Institute in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7) (a) of the Finance Act was furnished to the Chairman of the Institute on 16 August 2013.

**1.2 Management's Responsibility for the Financial Statements**

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Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles 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**

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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 Institute's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of 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 Audit Opinion**

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

### **2. Financial Statements**

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#### **2.1 Qualified Opinion**

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I am of the opinion that, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the National Institute of Co-operative Development as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

#### **2.2 Comments on Financial Statements**

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##### **2.2.1 Accounting Deficiencies**

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Action had not been taken to eliminate from the accounts the fixed assets such as computers, furniture, office equipment, machinery and equipment, library books valued at Rs.37,679,234 discarded from use or for disclosing those in the financial statements.

##### **2.2.2 Accounts Receivable and Payable**

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The following observations are made.

- (a) Course fees and external services fees, totaling Rs.1,153,412 remaining outstanding for periods ranging from 01 year to 05 years had not been recovered even by 30 August 2013.

- (b) Even though the Value Added Tax receivable amounting to Rs.14,999,156 had been accumulated over a period exceeding 05 years as at 31 December 2012, those balances had not been recovered.

### 2.2.3 Non-compliance with Laws, Rules, Regulations and Management Decisions

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The following non-compliances were observed.

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
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<u>Establishments Code of the Democratic Socialist Republic of Sri Lanka</u>	
(a) Chapter XIX Section 5.3	Instead of recovering 10 per cent of the salary or an economic rent from the employees occupying scheduled Government Quarters, nominal rent ranging from Rs.750 to Rs.2,000 had been recovered from 09 employees occupying scheduled Government Quarters.
(b) Chapter VII Section 12 of the Public Administration Circular No.06/97 of 03 February 1997.	Contrary to the Circular, a Lecturer who had been acting in the Post of Director (Education and Development) for more than 03 years as at 31 December 2012 had been paid acting allowance totalling Rs.366,013.

### 2.2.4 Transactions without Formal Authority

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Timetables for 4,320 lecture hours per year for the 06 Lecturers in the service of the Institute should have been prepared to cover 720 lecture hours per year per lecturer at least at the rate of 60 lecture hours per month with the objective of obtaining an adequate and efficient service from the Lecturers of the Institute. Even though the Board of Management of the Institute had decided at the fifty ninth meeting of the Board of Management held on 19 June 2009 that lecture fees should not be paid for the lectures delivered during week days for the courses organised by the Institute and the Lecturers who do not cover the minimum number of lecture hours, should not be paid lecture fees for the delivery of lectures for the courses conducted at the request of external institutions. The following observations are made on the action taken by the Institute contrary to that decision.

- (a) The time tables of the courses had not been prepared so as to cover the minimum lecture hours of the Lecturers and the actual lecture hours of the Lecturers during the year 2012 had been 2,274. That represented 53 per cent of the number of minimum lecture hours.
- (b) Despite the failure to cover the minimum number of lecture hours as decided by the Board of Management, Lecture fees amounting to Rs.260,750 for 335 lecture hours relating to the courses organised by the Institute and held on week days and lecture fees amounting to Rs.171,500 for 314 lecture hours relating to courses held at the request of external parties had been irregularly paid to two lecturers.
- (c) Even though the permanent Lecturers of the Institute had covered only 2,274 lecture hours out of 4,320 lecture hours that should be covered for the courses organised and held by the Institute, a sum of Rs.4,178,063 had been paid in the year under review as lecture fees for the services of external lecturers obtained instead of obtaining an adequate and efficient service from the Lecturers of the Institute.

### **3. Financial Review**

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#### **3.1 Financial Results**

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According to the financial statements presented, the operations of the Institute for the year under review had resulted in a deficit of Rs.6,086,352 as compared with the corresponding deficit of Rs.185,848 for the preceding year thus indicating an increase of the decrease by Rs.5,900,504.

#### **3.2 Increases in Expenditure and Continuous Deficit**

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The particulars of the increase in the expenditure during the five years from the year 2008 to 2012 and continuous deficits resulting from the related decrease in the income are given below.

	2012	2011	2010	2009	2008	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Millions	Millions	Millions	Millions	Millions	Millions
Surplus/(Deficit) according to the Comprehensive Statement of Income and Expenditure	(6.09)	(0.19)	(7.30)	(6.17)	(4.14)	(23.89)
Depreciation	10.03	11.19	10.30	9.36	8.63	49.51
Surplus before adjustment of Depreciation	3.94	11.00	3.00	3.19	4.49	25.62
<u>Less</u>						
Set off of Recurrent Grants and Capital Grants and Revaluation Profit	44.73	32.47	22.39	21.47	19.68	140.74
Deficit	(40.79)	(21.47)	(19.39)	(18.28)	(15.19)	(115.12)

The following observations are made in this connection.

- (a) The expenditure of the Institute during the five years from the years 2008 to 2012 totalled Rs.253.82 million and the other income totalled Rs.138.70 million. As such the expenditure had exceeded the income by a sum of Rs.115.12 million. Therefore the income of the Institute had not increased as compared with the expenditure.

#### 4. Operating Review

##### 4.1 Performance

The following observations are made.

- (a) The following main objectives expected to be achieved by the incorporation of the Institute in terms of Section 4 of the National Institute of Co-operative Development (Incorporation) Act, No.1 of 2001 had not been fulfilled.
- (i) Promotion of research in Co-operative development.
  - (ii) Acting as a resource centre for collection of data relating to Co-operative development and to collate and disseminate such data by way of publication.

(iii) Undertake and manage co-operative enterprises which require managerial skills.

(iv) Providing professional advice to co-operative enterprises.

(b) The progress of the courses conducted by the Institute as compared with the preceding year is given below.

Course	2012				2011	
	Targeted		Actual		Actual	
	Number of Courses/ Programmes	Number of Participants	Number of Courses/ Programmes	Number of Participant Trainers	Number of Courses/ Programmes	Number of Participant Trainers
Permanent Co-operative Training Courses	02	72	02	92	03	110
Higher Diploma Courses	15	309	14	279	16	297
Certificate Courses	07	155	06	173	05	81
Short Term Management Development Training Programmes	24	600	18	491	12	351
Training Programmes conducted at the request of External Institutions	-	-	19	850	16	682
Training Programmes conducted free of charge for the Advancement of the Co-operative Sector	-	-	23	764	08	380
Assisting Programmes for External Degrees and Professional Accountancy Examinations	-	-	10	213	04	57
<b>Total</b>	<b>48</b>	<b>1,136</b>	<b>92</b>	<b>2,862</b>	<b>64</b>	<b>1,958</b>

The following observations are made in this connection.

(i) Even though the conduct of 24 Short Term Management Development Training Programmes had been targeted for the year under review, 18 programmes only had been conducted. As such the performance had been 75 per cent.

(ii) Even though courses had been conducted in the year under review at the request of external institutions, free of charge programmes for the Advancement of the Co-operative Sector and the assisting programmes for External Degrees and Professional Accounting Examinations, their targets had not been determined.

## 4.2 Underutilization of Funds

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The following observations are made.

- (a) The Capital provision of Rs.20,056,450 received from the Treasury in the year 2010 had been idling in the Bank Current Account for about 02 years due to the delay of 04 years in the construction of the auditorium.
- (b) Out of a grant of Rs.2,932,250 received on 31 May 2011 from a State Bank for the National Productivity Performance Competition Programme of the Co-operative Sector for the year 2010, an unutilized sum of Rs.1,342,856 had been retained in the Bank Current Account even up to 31 December 2012.
- (c) A sum of Rs.893,843 accumulated in Bank Current Accounts over a period of 05 years had not been effectively utilized.

## 4.3 Transactions of Contentious Nature

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The following observations are made.

- (a) According to the Chief Valuer, the annual assessed rent of the ground floor of Multipurpose Building, amounted to Rs. 390,000. Disregarding the assessed amount, that floor had been irregularly rented out to an Association of Co-operative Societies for a period of 05 years from 01 April 2010 to 31 March 2015 for an annual rent of Rs.195,000. As such the Institute had been deprived of a rental income of Rs.536,250 up to 31 December 2012.
- (b) The bus belonging to Institute had been hired out to the external parties as well and in that connection an initial charge of Rs.8,000 per the first 100 kilometers and at Rs.65 per each additional kilometer should have been recovered. Nevertheless the bus had been run free of charge for 12,505 kilometers relating to the private trips of the officers of the line Ministry, and a sum of Rs.277,626 had been spent on fuel for that purpose. The Institute had been deprived of a sum of Rs.841,780 receivable in that connection.

## 4.4 Uneconomic Transactions

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A Consultant had been recruited on contract basis outside the approved cadre of the Institute for the promotion of the courses on the subject of Information Technology and a sum of Rs.360,000 had been paid as consultancy allowance in the year 2012. Nevertheless, his

consultancy services had not resulted in the introduction of new courses or improvement of the participant trainees in the courses or improvement of the Status of the courses or improvement of the income. The consultancy service procured had not resulted in the achievement of the expected promotion of the courses.

#### **4.5 Idle and Underutilized Assets**

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Three printing machines of the Printing Division had been idling over a period exceeding 10 years.

#### **4.6 Deficiencies in Contract Administration**

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The following observations are made.

##### **(a) Construction of the Auditorium**

The construction of the Auditorium at a cost estimate of Rs.44.5 million had been awarded to a private construction company in August 2001. Even though the construction works should have been completed by April 2003, the work had been stopped halfway due to the collapse of the roof during construction on 14 February 2005. Even though, the construction of the balance work including the roof had been awarded on a new cost estimate of Rs.113 million to the Central Engineering Consultancy Bureau in the year 2009 for completion by 31 December 2010, the work had not been completed even by 30 July 2013.

The following observations are made in this connection.

- (i) According to the Arbitration Award made by the Institute of Construction Training and Development and the letter No.CIT/4/4/8/2 dated 31 May 2012 of the Secretary to the Line Ministry, directions had been given to take legal action for the recovery of the loss of Rs.3,907,904 caused to the Institute due to the collapse of the roof at the rate of 50 per cent each from the consultant who provided Consultancy Services for construction and the Construction Company. The loss had not been recovered up to 30 June 2013.
- (ii) No disciplinary action had been taken against the consultant who had provided private Consultancy Services while being in public service and obtained consultancy fees amounting to Rs.2.15 million.

- (iii) The work that could have been completed at a cost of Rs.44.5 million had escalated by Rs.210.5 million to Rs.255 million due to the long delay of 11 years from the commencement in the year 2001 up to 31 December 2012 due to the revision of the designs from time to time.

(b) Procurement of Service Facilities

The following observations are made in connection with the procurement of security, janitorial and Canteen facilities.

- (i) The contract for the supply of Security, Janitorial and Canteen Services for the year 2012 had been awarded to the Contractor who had been irregularly selected for the supply of the above services for the year 2011 without inviting quotations and on irregularly obtained quotations by extending the periods of the contracts for the year 2012.
- (ii) The monthly fee of janitorial services amounting to Rs.224,930 according to the contract agreement had been irregularly increased by Rs.59,282 to Rs.284,212 in April 2012, thus resulting in a loss of Rs.533,538 to the Institute.

#### **4.7 Staff Administration**

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The approved cadre of the Institute had been 71 and the actual cadre had been 22. As such there were 49 vacancies. Even though the approval in terms of Financial Regulation 71 had been granted for filling the vacancies, action had not been taken up to 31 December 2012 to fill the vacancies.

### **5. Accountability and Good Governance**

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#### **5.1 Corporate Plan**

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A Corporate Plan for the years 2012 - 2016 had not been prepared in accordance with the instructions in the Public Enterprises Circular No.PED/12 of 02 June 2003.

#### **5.2 Internal Audit**

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An Internal Audit Unit had not been established in terms of Financial Regulation 133.

### **5.3 Procurement Plan**

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A Procurement Plan for the year under review had not been prepared in terms of Guideline 4.2 of the Government Procurement Guidelines.

### **6. Systems and Controls**

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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.

- (a) Fixed Assets.
- (b) Outstanding Income.
- (c) Contract Administration.
- (d) Human Resources Management.

H.A.S.Samaraweera  
Auditor General