



ஹூஸீய கர்மாஜீன னா கீவியம் ருக்ஷியா சூவரீபன ஈமாதனாண்டை
கிராமிய கைத்தொழில், சுயதொழில் அபிவிருத்தி அமைச்சு
MINISTRY OF RURAL INDUSTRIES & SELF EMPLOYMENT PROMOTION



வாரீகை வாரீனாவ வருடாந்த அறிக்கை ANNUAL REPORT 2008



உத்கட
லக்சல
LAKSHMI

சூனிக ருரூமலே விசிகீடுகீவிய
அதி உயர் தேசிய சொத்து
EXCELLENCE OF NATIONAL HERITAGE

Ministry of Rural Industries & Self
Employment Promotion

SRI LANKA HANDICRAFTS BOARD



LAKSALA
Excellence of national Heritage

**The State Owned Emporium for
Sri Lanka Arts & Crafts**

VISION

**PROSPEROUS CRAFTS COMMUNITY THROUGH
DYNAMIC MARKETING**

MISSION

**TO BUILD AN ECONOMICALLY VIABLE, SOCIALLY
RESPONSIVE MARKETING ORGANIZATION FOR
PRESERVING & DEVELOPING THE TRADITIONAL SKILLS
OF THE CRAFTSMEN & CONTRIBUTING TO THE PRESERVATION OF CRAFTS
WHICH FORM AN INTEGRAL
PART OF THE NATIONAL HERITAGE**



CONTENT

	<i>Page No.</i>
(01) SRI LANKA HANDICRAFTS BOARD	
01. Corporate Information	174
02. Branch, Regional Office Network	175
03. Objectives of the Board	176
04. Corporate Objectives	177
05. Powers, Functions & Duties of the Board	178
06. Members of the Board	179
07. Senior Management staff	180
08. Management Staff	181
09. Report of the Board	182-188
10. The Year in Brief - Sri Lanka Handicrafts Board	189
11. The Year in Brief - Craft Training	190
12. Sales Performance	191-192
13. Purchasing Performance	193
14. Craft Training Performance	194-195
15. Accounting Policies	196-198
16. Consolidated Balance Sheet	199
17. Consolidated Profit & Loss Statement	200
(02) HEAD OFFICE - FINANCIAL REVIEW	
01 Profit & Loss Statement	201
02 Balance Sheet	202
03 Notes to the Accounts	203-214
04 Cash Flow Statement	215
(03) PROJECT - FINANCIAL REVIEW	
01 Manufacturing Account	216
02 Profit & Loss Statement	217
03 Balance Sheet	218
04 Notes to the Accounts	219-222
(04) CRAFTS TRAINING - FINANCIAL REVIEW	
01 Income & Expenditure Statement	223
02 Balance sheet	224
03 Notes to the Accounts	225-229
04 Cash Flow Statement	230
(05) AUDITOR GENERAL'S REPORT	231-242
(06) CHAIRMAN'S OBSERVATION ON AUDITOR GENERAL'S REPORT	243-249
(07) CARDER ANALYSIS 2008	250



NAME OF THE BOARD

Sri Lanka Handicrafts Board

Under
Ministry of Rural Industries & Self Employment Promotion

LEGAL FORM

Statutory Board incorporated by National Crafts Council &
Allied Institution Act. No. 35 of 1982

HEAD OFFICE

No. 60, York Street, Colombo 01.
Tel : 011 - 2323513 /4
Fax : 011 - 2446582
Email : laksala@itmin.com
Web : www.laksala.lk

SALES INQUIRES

Local : 011 - 2329247
Export : 011 - 2323635

BANKERS

People 's Bank
Bank of Ceylon

AUDITORS

Auditor General 's Department



Laksala Outlets

Fort	- # 60 York Street, Colombo - 01	011 - 2323513/4
Thummulla	- # 215, Bauddhaloka Mw; Thummulla, Colombo 7	011 - 2580579
Bambalapitiya	- # 06, Govt. flats, Colombo - 04	011 - 2505021
Galle	- # 7A, Sea Street, Galle	091 - 2222783
Kandy	- # 05, Sangaraja Mw; Kandy	081 - 2222087
Matara	- # 55, Dharmapala Mw; Matara	041 - 2222734
Nuwara Eliya	- Udupussellawa Rd, Nuwara Eliya	052 - 2222575
Katubedda	- # 282, Galle Rd, Katubedda, Moratuwa	011 - 2605600
Moragalle	- # 23, Galle Road, Moragalla, Aluthgama	034 - 2277138
Katunayake	- # 53, International Airport Departure Walkway	011 - 2260167
Thangalle	- # 75, Main Road, Thangalla	047 - 2241280
Molagoda	- Kandy Road, Molagoda, Kegalla	035 - 2230394
Waragoda	- # 739, Waragoda Road, Galborella, Kelaniya	081 - 2499501
Battaramulla	- Folk Art Center, Battaramulla	011 - 5633563

Projects

Carpentry	- # 282, Galle Road, Katubedda, Moratuwa	011 - 2605638
Light Engineering	- Sri Jina Mawatha, Keselwatta, Panadura	038 - 2299814
Textile	- Art Line Textile Project, Polgolla	081 - 2494645
Ceramic	- # 739, Waragoda Rd, Galborella, Kelaniya	011 - 2911016

Crafts Training Regional Offices

Kandy / Matale / Nuwara Eliya / Anuradhapura / Polonnaruwa	081 - 2494646
Sri Lanka Handicrafts Board, Regional Office, Art line Textile Project, Polgolla	
Kalutara / Colombo	011 - 2632402
Sri Lanka Handicrafts Board, Regional Office, Katubedda, Moratuwa	
Galle / Matara / Hambantota,	091 - 2244132
Sri Lanka Handicrafts Board Regional Office, Laksala Galle	
Kegalle / Ratnapura	035 - 2228593
Sri Lanka Handicrafts Board, Regional Office, Molagoda, Kegalle	
Kurunegala / Puttalam	037 - 2224448
Sri Lanka Handicrafts Board, Regional Office, Laksala, Kurunegala	
Batticaloa / Trincomale / Ampara	-
Sri Lanka Handicrafts Board Regional Office, Toy Center, Mylampavelly, Batticaloa	



- 1 Promote the expansion of the production of Handicrafts in Sri Lanka & the improvement of their quality.

- 2 Promote the sales & marketing of handicrafts of Sri Lanka both in Sri Lanka & abroad.



- ◆ To be the leader in the Sri Lanka handicrafts market and foreign market and sustain this position
- ◆ To maintain an adequate rate of growth of the organization
- ◆ To achieve a planned growth expansion of activities and performance levels
- ◆ To continue to sustain the financial viability of the organization
- ◆ To achieve efficiency the utilization and management of resources
- ◆ To foster, protect and uplift the crafts and improve living standards of the crafts community
- ◆ To provide training facilities to rural youth to gain skills in domestic crafts by utilization of raw materials available locally & to assist them to encourage in self employment to alleviate Poverty.



- ◆ Establish, maintain and operate and assist in the establishment, maintenance & operation of centers, workshops or other institutions for the purpose of creating or adopting designs to be used in the production of handicrafts and the marketing of goods produced at such centers, workshops or other institutions.
- ◆ Provide machinery, equipment and raw materials required for the production of handicrafts.
- ◆ Procure, Provide and distribute raw materials required for the production of handicrafts
- ◆ Give such assistance as may be necessary by way of medium term and short term credit facilities to craftsmen.
- ◆ Provide for the training of craftsmen
- ◆ Expand the production of handicrafts and to improve the quality of the raw material used for such production and of the finished products.
- ◆ Co - operate with scientific and technical institutions, organizations and agencies for the improvement of crafts materials and craft materials and craft production techniques
- ◆ Maintain shops and showrooms both in Sri Lanka and abroad for display and sale of handicrafts and to conduct displays, exhibitions and sale to do all things incidental to such sales.
- ◆ Promote the sale of handicrafts both in Sri Lanka and abroad and their export
- ◆ Appoint such officers and servants as may be necessary for carrying out the work of the Board.
- ◆ Establish a provident fund and provide welfare and recreational facilities, houses, hostels and like accommodation for persons employed by the Board.
- ◆ Make rules in respect of the administration of the affairs of the Board.
- ◆ Acquire hold, take or give on lease on hire, mortgage, pledge, sell or otherwise dispose of any movable or immovable property.
- ◆ Charge fees for any services or facilities provided by the Board.
- ◆ Do all such acts or things as are incidental consequential upon the exercise, performance, discharge of its powers, duties and functions.



01	Mrs. Somakumari Thennakoon	Chairperson
02	Mr Roy Jayasinghe	Member
03	Mr. Aruna Gunawardena	Member
04	Mr. W.M.T.B. Wijekoon	Member
05	Mr.W. M. K. Balachandra	Member - Trade Ministry Representative
06	Mrs. P. M. S. Sudarshini	Treasury Representative



- | | |
|---|---------------------------|
| ♦ Managing Director (Covering)
Executive Director (finance) | Mrs.L.M.E.Perera |
| ♦ Executive Director
(Administration) | Mr.K.P.P.S.K.Pathirana |
| ♦ Executive Director
(Local Seles) | Mrs.S.R.M. Perera |
| ♦ Executive Director (Covering)
(Export) | Mrs. V.E.N.De Mel |
| ♦ Executive Director (Covering)
(Purchase & Product Development) | Mr. A.U.D.Perera |
| ♦ Executive Director (Covering)
(Craft Training) | Mrs. N.K.K.Wijesekara |
| ♦ Senior Manager (Internal Audit) | Mr. J.K.D.S.K.Jayaneththi |



◆ **Assistant Directors**

Mr. C. N. Dahanayake	Administration
Mr. K. D. Abeywardena	Craft Training
Mrs. Jayanthi Lekamge	Craft Training

◆ **Senior Managers**

Mrs. Malani Siriwardena	Sales
Mrs. H. Sonnadara	Purchasing
Mrs. K.G. Mahinda	Ceramic Project (Waragoda)
Mr S. M. D. J. Lakshmipriya	Administration
Mr O. J. Kelanthotuwa	Sales
Mrs. S.S Jayasinghe	Sales
Mrs. K.A.D.N Authkooral	Sales
Mr. Manamperi	Sales (Galle)
Miss R.P.L Ranasinghe	Sales (Kandy)



Report of the Directors of the Sri Lanka Handicrafts Board for the year ended 31st December 2008

● Review of the Year

The Sri Lanka Handicrafts Board better known as "Laksala" began its operation on 04th November 1964. Upon its incorporation its incorporation by National Crafts Council & Allied Institution Act No.35 of 1982 the Sri Lanka Handicrafts Board was under the purview of the Ministry of Rural Industries and Self - Employment Promotion.

● Finance Structure

The capital structure of the Sri Lanka Handicrafts Board is as follows.

	2008	2007
	<u>(Rs)</u>	<u>(Rs)</u>
Capital	609,779	603,879
Revaluation Reserves	159,843,643	189,843,643
Profit (Loss) Carried Forward	(176,552,866)	(150,967,437)



● Performance

Purchasing Division

During the year review, handicrafts valued Rs. 35.6 million was purchased from the registered craftsman, as compared with the purchased of Rs.52.1 million in the previous year. This is approximately 46% decrease in purchasing when compared with the previous year. The details break down of the purchase done is given below.

Category	Value (Rs) 2008	Decrease 2008	Value (Rs) 2007	Decrease 2007
A - Silver Items & gems	7,789,271	(4%)	7,470,006	(32%)
B - Brass & Silver Plated	5,308,300	(61%)	8,543,038	(15%)
C - Reed Rush & Leather	5,810,634	(53%)	8,896,374	(16%)
D - Coir, Pottery, Toys & Miscellaneous	3,181,894	(52%)	4,844,685	(3%)
E - Handloom Textiles	1,541,694	(41%)	2,170,384	(58%)
F - Wood Carving Mask	6,859,135	(75%)	12,032,164	(1.8%)
G - Batik, Lace & Embroidery	5,154,407	(59%)	8,175,784	(18%)
Consignment Stock	19,899,792			
	<u>55,545,127</u>	(46%)	<u>52,132,435</u>	



Marketing Division

The sales network of the Board during the year under review was comprised of 13 outlets including the main emporium in Colombo Fort. Sales revenue collected through this network was Rs. 103.32 million during the year and the percentage decrease over the last year is 2%. The decrease of export sales by 4% compared with previous year.

The achievement of sales targets during the year 2008 is as follows. Compared with year 2007.

	Actual - 2008	Actual - 2007
	Rs.000'	Rs.000'
Local Sales	103.2	101.2
Export	2.4	0.52



Development steps undertaken during the period under review

- Up graduation of main building at Fort.
- Product development
- A design department established commenced crafts demonstration in Laksala Fort.
- Improved the display arrangements in main Emporium and other main branches in order to make more attraction
- Opened a new branches at Molagoda , Kegalle
- Put up a new showroom at Thummulla
- Re opened sales outlet at Departure aria B.J.A Katunayake and Central Market Complex Kurunegala



Product Units

Velona Carpentry Project

Velona Carpentry Project provides advanced meachanized carpentry training to 70 - 100 trainees who complete their basic training at provincial centers. In addition various type of furniture of high quality are produced for the market in this project. During the year special approval got through the cabinet to supply all the necessary furniture and fittings to all of Government Institutions from this project.

Keselwatthe Project

Under this project provides a Light Engineering Training facility to youth who are willing to continue the carries with a self employment to make more sophisticated training introduced a modern technology with a new tools and equipment value of Rs. 47 million.

Belgium Lace Project

Under the Sri Lanka Belgium Joint Venture the production of export quality hand knitted lace is taking place at 5 locations in the country namely Maligawatta. (Colombo), Dikwella and Kottegoda (Matara), Baddegama and Mawella (Galle). This project provides employment to 125 persons.



The turnover for the year 2008 compared with previous two years as follows.

	2008 Rs.000'	2007 Rs.000'
General Trading	103,310	101,256
Export	2,475	526
Gross Profit (Loss)	46,716	42,399

Administration Division

The Administration Division is responsible for the management of human resources of the Sri Lanka Handicrafts Board and the Crafts Training Division.

Total Employer Strength

	<u>2008</u>	<u>2007</u>
Executives	20	12
Clerical and Allied Cadre	297	305
Main : Asst. & Others	41	41
Casual	-	25
Total	<u>358</u>	<u>383</u>



Acknowledgement

I would like to take this opportunity of expressing our appreciation to Hon. S.B. Navinna, Minister of Rural Industries & Self Employment Promotion, whose leadership and advice assisted this Board throughout his tenure as our Minister, we also take this opportunity to thank our secretary and the official of the Ministry who were available for us with their guidance at all times.

We also, wish to thank our employee without their support and efforts our Board would not have been able to product the results presented in this report. Finally, I wish to thank our members of the Board of Directors for the guidance given by them to put the organization in to a firm footing.

Sgd/W.M.T.B Wijekoon

Chairman (Actg) Broad Member

SRI LANKA HANDICRAFTS BOARD



Turnover	2008 Rs.000'	2007 Rs.000'
General Trading	103,310	101,256
Export	2,475	526
Gross Profit/ (Loss)	46,716	42,399
Operating Expenses	73,960	61,806
T. T.	1,033	1,012
Income from Other Sources	2,361	2,747
Net Profit (loss) Before Income Tax	(115,739)	(90,504)

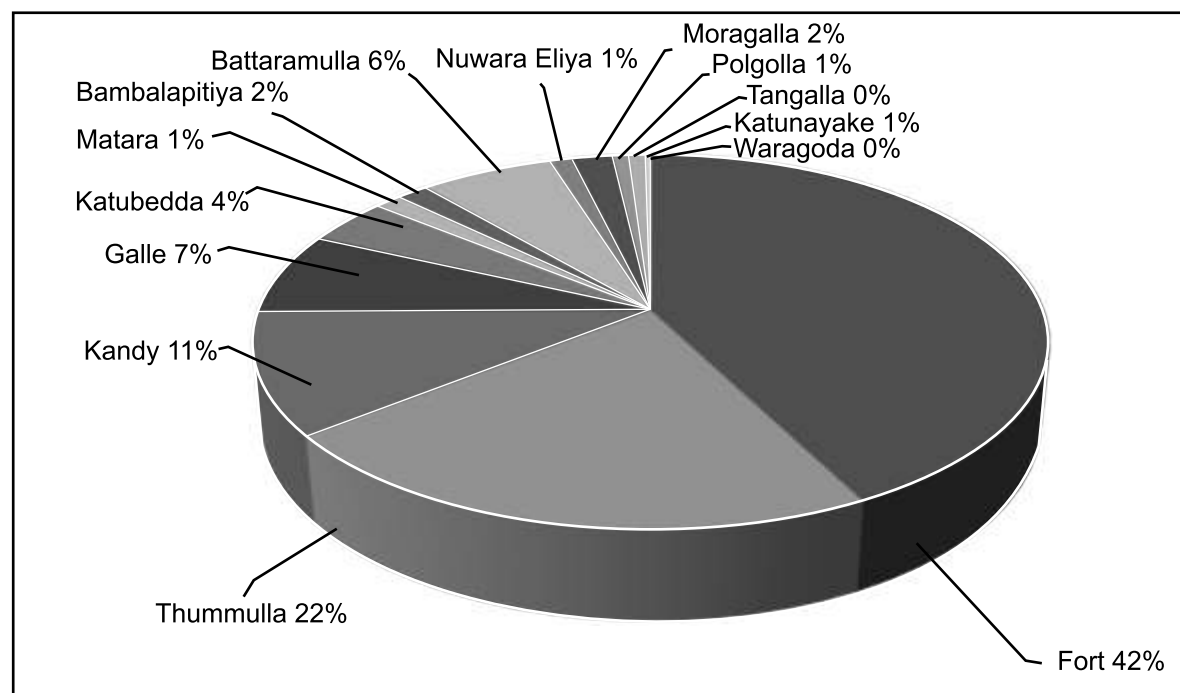


Craft Training	2008 Rs.000'	2007 Rs.000'
<u>Capital Grant</u>		
Grant from the treasury	48,530	48,530
<u>Recurrent Grant</u>		
Grant from the treasury	43,550	47,320
Monthly stipend & other direct expenses	332	3,968
Administration & est. expenses	35,515	43,785
Financial expenses	-	-
Number of youth trained	207	742
Cost per trainee	-	92
No.of training center	131	132



Laksala Branches	2008 (Rs)	2007 (Rs)
Fort	42,093,076	52,655,053
Thummulla	21,818,903	19,269,635
Kandy	10,448,269	9,462,077
Galle	7,040,475	6,340,542
Katubedda	3,882,970	2,225,815
Matara	1,318,041	1,655,333
Bambalapitiya	1,520,289	1,475,215
Battaramulla	6,311,920	1,357,197
Nuwara Eliya	1,057,975	1,328,521
Moragalla	1,918,833	1,008,064
Polgolla	741,529	781,550
Tangalla	-	548,503
Katunayake	826,287	-
Waragoda	259,741	-

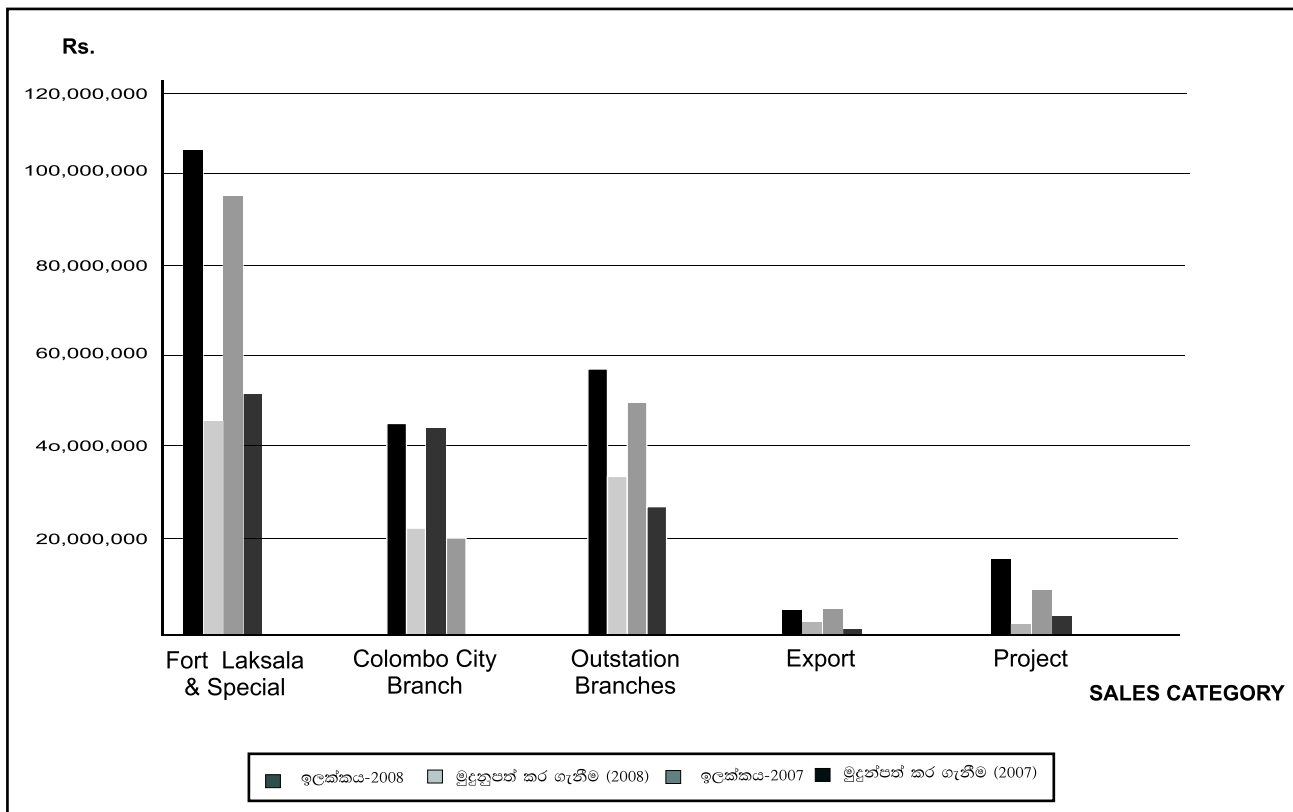
2008 SALES PERFORMANCE





(Rs)

Sales Category	Target (2008)	Achievement (2008)	% (2008)	Target (2007)	Achievement (2007)	% (2007)
Fort Laksala & Special	106,028,000	46,164,630	43.5	96,044,000	52,655,053	43.59
Colombo City Branch	46,082,000	23,339,192	50.6	45,000,000	20,865,538	17.4
Outstation Branches	57,500,000	33,806,040	58.8	50,500,000	27,735,492	23.1
Export	5,000,000	2,475,287	49.5	5,000,000	526,314	0.4
Project	15,527,000	1,659,660	10.6	9,000,000	3,468,025	2.9



Main Branch

Fort

Colombo City Branches

Thummulla, Bambalapitiya

Outstation Branches

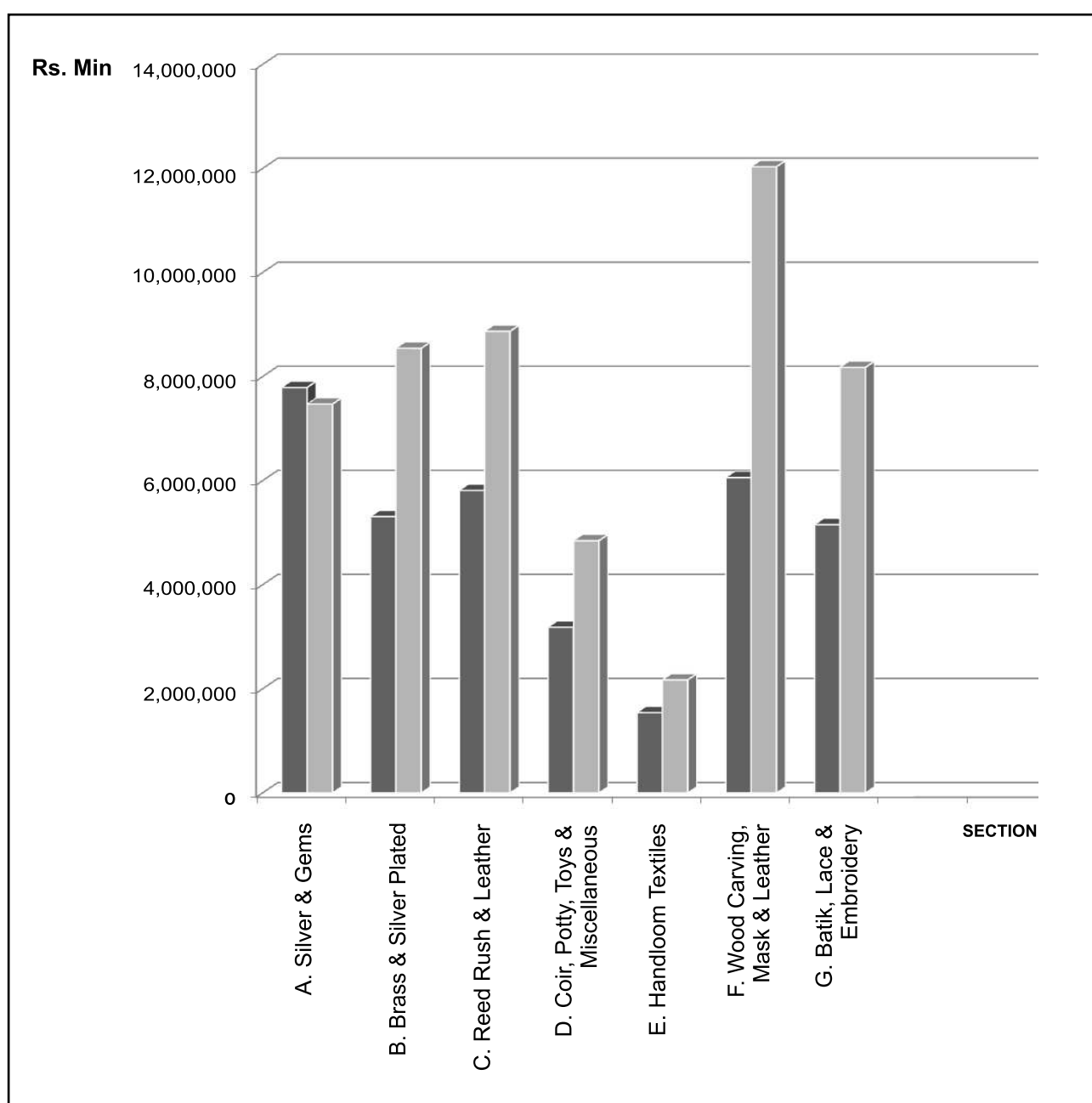
Katubedda, Kandy, Galle, Matara, Bentota, Nuwaraeliya, Kurunegala, Moragalle, Katunayake, Polgolla, Janakala, Warsgoda

Projects

Katubedda - Furniture, Polgolla - Textile, Waragoda - Ceramic

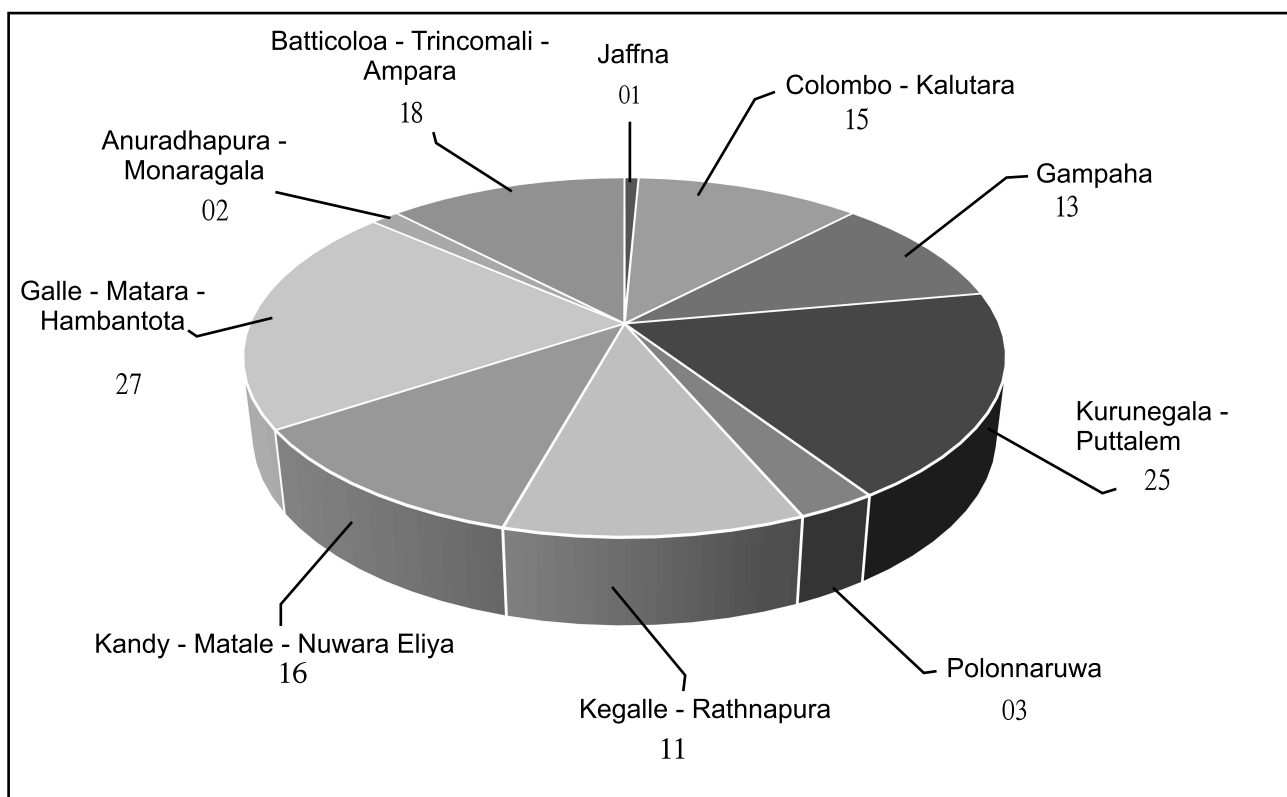


Section	2008	(Rs) 2007
A. Silver & Gems	7,789,271	7,470,006
B. Brass & Silver Plated	5,308,300	8,543,038
C. Reed Rush & Leather	5,810,634	8,896,374
D. Coir, Potty, Toys & Miscellaneous	3,181,894	4,844,685
E. Handloom Textiles	1,541,694	2,170,384
F. Wood Carving, Mask & Leather	6,859,135	12,032,164
G. Batik, Lace & Embroidery	5,154,407	8,175,784

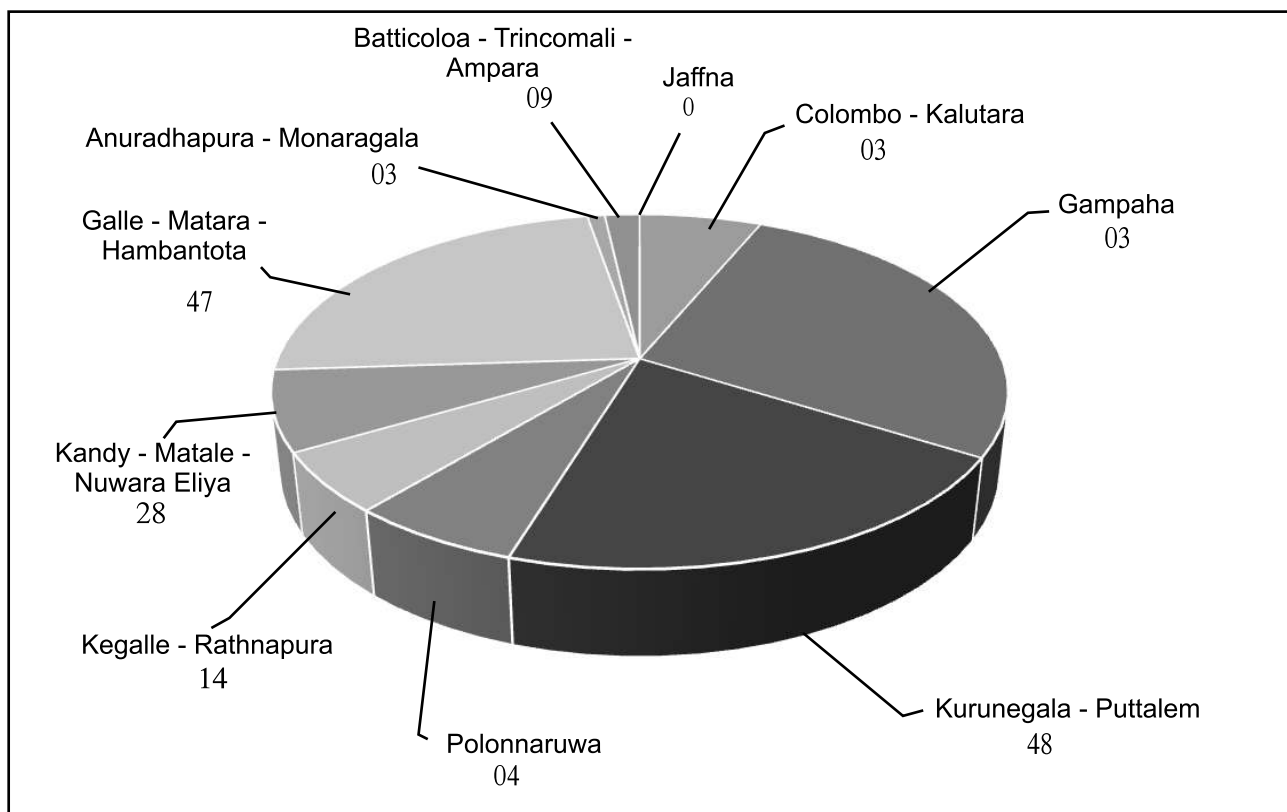




Distribution of Training Centers



Training Performance

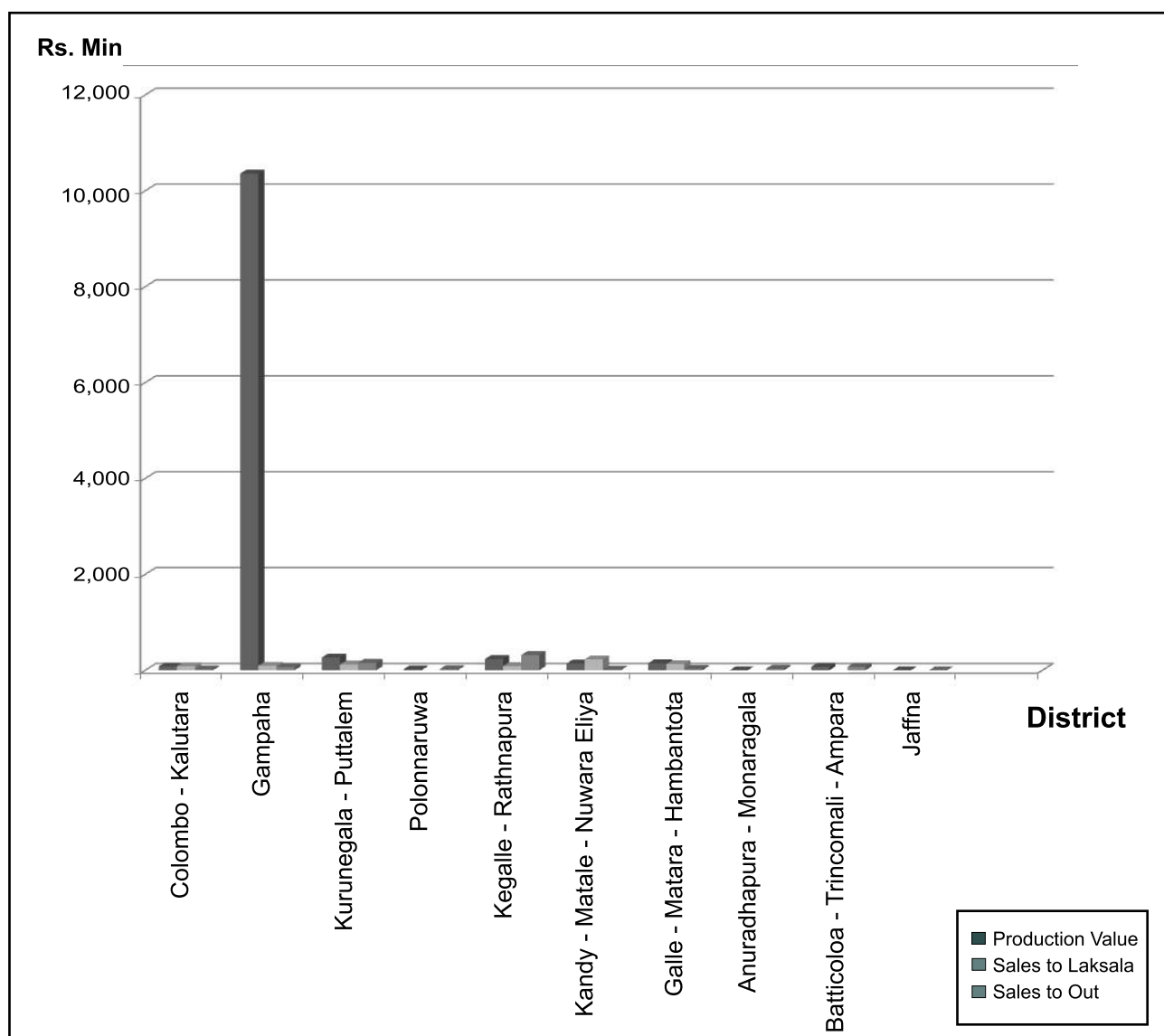




Production & Sales Performance

Rs.Mn.

District	Production Value	Sales to Laksala	Sales to Out
Colombo - Kalutara	0.079	0.083	0.019
Gampaha	10.362	0.093	0.065
Kurunegala - Puttalem	0.266	0.120	0.156
Polonnaruwa	0.019	-	0.023
Kegalle - Rathnapura	0.234	0.087	0.318
Kandy - Matale - Nuwara Eliya	0.141	0.228	0.015
Galle - Matara - Hambantota	0.146	0.129	0.028
Anuradhapura - Monaragala	0.018	-	0.031
Batticaloa - Trincomali - Ampara	0.071	-	0.071
Jaffna	0.001	-	0.001





NOTE Notes as Financial Statement for the year ended 31st December 2008.

A summary of the more important Accounting policies set out below.

1. Corporate Information

2. Introduction

The Sri Lanka Handicrafts Board is a statutory Board in corporate and domiciled in Sri Lanka. The head office of the Board is located at No: 60, York Street, Colombo 01. and the principal place business is situated.

3. Branches

There are 13 branches in all over the island some branches are located in high tourist area in are island like Kandy, Galle, Moragalle, and Katunayake.

4. Principal Activities and Nature of Operation

To establish maintain and operate and assist in the establishment maintenance and operation of centres, work shop or other institution for the purpose of creating or adopting design to be used in the production of handicrafts and the marketing of goods produce at such centres workshop or other institution.

To maintain shops and showrooms both in Sri Lanka abroad for the display and sales of handicrafts and to conduct display. Exhibition sales and to all things incidental to such sales. Purchase of handicrafts items done under centralized purchasing system.

Summary of Significant Accounting Policies

5. General Policies

6. Basic of Preparation

The Balance sheet, profit & loss account changes in equity and cash flows together with Accounting Polices and notes (Financial Statement) of the Board as at 31st December 2008 & for the year ended, complies with the Sri Lanka Accounting Standards. These Financial statements, presented in Sri Lanka Rupees, have been prepared on a historical cost basic.

7. Comparative Information

The Accounting Polices have been consistently applied by the company and are consistent with those used in the previous year.

8. Valuation of Assets & Their Measurement Basis.

9. Inventories

Inventories are valued at the lower of cost and net realizable value, after making obsolete and repairable items. Net realizable value is the price at which inventories can be sold in the ordinary course of business.

Damage stock and repair stock are shown under stock schedule.



10. Trade and Other Receivables

Trade receivables are stated at the amounts they are estimated receivable value.

11. Cash and Cash Equivalent

Cash and cash equivalents are defined as cash in hand, and short term highly liquid investment readily convertible to know amounts of cash for the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and net outstanding bank overdrafts, investment with short maturities.

12. Property Plant and Equipment

(a) Cost / Valuation

All items of property, plant & equipment are initially recorded at cost. The cost of purchase or construction together with any incidental expenses thereon. The assets which are transferred by the small industries.

(b) Depreciation

The provision for the depreciation is calculated using a straight line method on the cost of all property, plant & equipment other than freehold land in order to write off such amounts over the estimated useful lifetime.

The principal annual rates used are as follows.

- | | | |
|------------------------|---|-----|
| 1. Building | - | 1% |
| 2. Machinery Equipment | - | 10% |
| 3. Inventory Articles | - | 10% |
| 4. Motor Vehicle | - | 10% |

(c) Disposal of Fixed Assets

02 vehicles were disposed by the board.

(d) Investments

Long term investments are stated at cost invested at people's Bank and Bank of Ceylon.

(e) Liabilities and Provisions

14. Retirement Benefit Obligations

Defined Benefit Plan - Gratuity

Gratuity is a defined benefit plan, The board is liable to pay gratuity in terms of the relevant statute. In order to meet this liability a provision is carried forward in the balance sheet equivalent to an amount calculated based on a half months salary of the last month of the financial year of all employees for each completed year of service commencing from the first year of service. The resulting difference between the brought forward provision at the beginning of a year and the carried forward provision at the end of a year is dealt with in the income statement.



The Gratuity liability is not externally funded. This item is grouped under provisions & other liabilities in the Balance sheet. Already Gratuity Board employees & the Crafts trainees Employees.

	Grouped under Retirement Scheme	Amount
Board	Less Than 5 Years	-
	05 - 10	2,007,422
	11 - 15	4,411,196
	16 - 20	6,028,320
	Over 20 Years	7,526,905
CT	Less Than 5 Years	-
	05 - 10	1,145,397
	11 - 15	3,796,972
	16 - 20	2,904,885
	Over 20 Years	1,260,594

15 Pensionable Scheme

Payable to Pensions Department according to cabinet decision made on 6th July 2000 and the cabinet paper no:amp/00/575/12/004 awarded pensionable right to 20 employees by the Government, who were earlier contributed to the E.P.F/E.T.F. The contribution made by the Board (i.e. 12% + 3%) has been refunded and which is to be paid to the Pension Department.

16. Defined Contribution Plans.

Employee's Provident Fund & Employee's Trust Fund.

Employees are eligible for Employee's Provident Fund contributions and Employee's Trust Fund contributions in line with respective statutes and regulation. The company contributes 12% and 3% of gross emoluments of employee's to Employee's Provident Fund and Employee's Trust Fund respectively.

17. Income Statement

18. Revenue and Expenses

Revenue is accounted for accrual basis and matched with sales returns and related expenditure. interest income on fixed deposit interest bearing investments are counted on accrual basis, in the income statements and such interest accounts are shown in the balance sheet under receivables.

19. Other Income

Other operating income is recognized on an accrued basis. Other Non Current Assets including investments rent income, tender income have been accounted.

20. Benevolend Fund

Benevolend Fund account also amalgamated with the Head Office Account.

**As at 31st December 2008**

	Head Office	Projects	C/Training	Total 2008	Total 2007
ASSETS					
NON CURRENT ASSETS					
Property, Plant & Equipment	169,514,231	62,743,699	47,748,662	280,006,592	276,256,694
Investment	<u>18,766,876</u>			187,668,76	<u>18,101,173</u>
	<u>188,281,107</u>	<u>62,743,699</u>	<u>47,748,662</u>	298,773,468	<u>294,357,867</u>
CURRENT ASSETS					
Stocks	18,031,665	1,099,387	242,506	19,373,558	23,975,655
Debtor Deposits & Prepayments	33,454,980	17,296,737	28,297,018	79,048,735	65,396,972
Cash in hand & at Bank	<u>2,083,092</u>	<u>137,478</u>	<u>31,177</u>	2,251,747	<u>4,046,196</u>
	<u>53,569,737</u>	<u>18,533,602</u>	<u>28,570,701</u>	100,674,040	<u>93,418,823</u>
Total Assets	<u>241,850,844</u>	<u>81,277,301</u>	<u>76,319,363</u>	399,447,508	<u>387,776,690</u>
EQUITY & LIABILITIES					
CAPITAL & RESERVES					
Vested by D.M.E.P.H.	69,628,878	-	-	69,628,878	69,628,878
Treasury Grant	4,000,000	-	-	4,000,000	4,000,000
Special Grant	12,000,000	41,951,172	6,806,785	60,757,957	56,248,487
Dept of Small Industries	-	-	715,446	715,446	715,446
Capital Grant	-	-	48,530,044	48,530,044	48,530,044
Capital Reserves	510,806	-	98,973	609,779	603,879
Revaluation Reserves	129,592,365	21,164,824	9,086,454	159,843,643	189,843,643
Benevolent Fund	6,000,000	-	-	6,000,000	6,000,000
Accumulated Profit / (Loss)	<u>(115,739,579)</u>	<u>(43,124,705)</u>	<u>(17,688,582)</u>	(176,552,866)	<u>(150,967,437)</u>
	<u>105,992,470</u>	<u>19,991,291</u>	<u>47,549,120</u>	173,532,881	<u>224,602,940</u>
NON CURRENT LIABILITIES					
Provision for Taxation	1,517,706	-	-	1,517,706	11,081,774
Provision for Gratuity	24,401,080	-	12,167,622	36,568,702	20,090,403
Provision for Pension	651,199	287,431	-	938,630	591,674
General Treasury Loan	8,172,000	-	-	8,172,000	9,420,500
National Housing Authority	1,272,089	-	-	1,272,089	1,291,860
Peoples Leasing Company	-	2,035,135	-	2,035,135	-
					<u>91,879</u>
	<u>36,014,074</u>	<u>2,322,566</u>	<u>12,167,622</u>	50,504,262	<u>42,568,090</u>
CURRENT LIABILITIES					
Creditors and Accruals	78,626,709	57,384,200	13,465,441	149,476,350	100,452,879
Bank Overdrafts	<u>21,217,591</u>	<u>1,579,244</u>	<u>3,137,180</u>	25,934,015	<u>20,152,781</u>
	<u>99,844,300</u>	<u>58,963,444</u>	<u>16,602,621</u>	175,410,365	<u>120,605,660</u>
Total Equity & Liabilities	<u>241,850,844</u>	<u>81,277,301</u>	<u>76,319,363</u>	399,447,508	<u>387,776,690</u>

For the Year Ended 31st December 2008

	Head Office	Project	C/Training	Total -2008	Total -2007
Sales -					
Local	103,309,868	1,659,660		104,969,528	104,724,108
Export	<u>2,475,287</u>	<u>-</u>		2,475,287	526,314
	105,785,155	1,659,660		1,074,44815	105,250,422
Less -	<u>1,033,099</u>	<u>-</u>		1,033,099	1,012,561
Turnover Tax	104,752,056	1,659,660		106,411,716	104,237,861
Cost of Sales	<u>58,035,176</u>	<u>7,166,607</u>		65,201,783	65,736,981
Goods transfer from Projects					
Gross Profit (Loss)	46,716,880	(5,506,947)		41,209,933	38,500,880
Grant from the Treasury	-	-	43,550,000	43,550,000	47,320,000
Benevolent fund interest income					
Add Other Operating Income					
Interest on Investment	1,657,177	-	-	1,657,177	1,774,035
Profit on disposal assets	<u>704,559</u>	<u>75,200</u>	<u>1,650</u>	781,409	1,222,019
	49,078,616	(5,431,747)	43,551,650	87,198,519	88,816,934
Less					
Administrative expenses	70,874,721	1,551,799	35,315,042	107,741,562	104,682,385
Sell & distri. expenses	174,738	302,803		477,541	798,660
Export expenses	135,857			135,857	579,828
Monthly stipend & other direct exp	<u>-</u>	<u>-</u>	<u>331,755</u>	3,317,75	3,967,723
Profit from Operation	(22,106,700)	(7,286,349)	7,904,833	(21,488,216)	(21,211,662)
Less					
Finance cost	2,775,327	6,240	130	2,781,697	2,413,536
Net profit for the Period	(24,882,027)	(7,292,589)	7,904,703	(24,269,913)	(23,625,198)
Profit & Loss A/C Balance B/F	(89,761,675)	(27,483,254)	(25,593,285)	(142,838,214)	(119,213,016)
Prior Year adjustments	<u>(1,095,877)</u>	<u>(8,348,862)</u>	<u>(9,444,739)</u>	(8,129,223)	
Profit & Loss A/C Balance C/F	<u>(115,739,579)</u>	<u>(43,124,705)</u>	<u>(17,688,582)</u>	(176,552,866)	(150,967,437)



For the Year Ended 31st December 2008

		2008 Rs	2007 Rs
Sales			
Local		103,309,868	101,256,083
Export		<u>2,475,287</u>	<u>526,314</u>
		105,785,155	101,782,397
Less			
Turnover Tax		<u>1,033,099</u>	<u>1,012,561</u>
		104,752,056	100,769,836
Cost of Sales		<u>58,035,176</u>	<u>58,370,069</u>
Gross Profit/(Loss)		46,716,880	42,399,767
Add			
Other Operating Income			
Interest on investment		1,657,177	1,774,035
Other Income		704,559	973,389
Profit on Disposal of Assets		<u>49,078,616</u>	<u>45,147,191</u>
Less			
Administrative Expenses	03	70,874,721	58,434,910
Selling & Distribution Expenses	04	174,738	403,885
Export Expenses	05	<u>135,857</u>	<u>579,828</u>
Profit/(Loss) from operation		(22,106,700)	(14,271,432)
Finance Cost	06	2,775,327	2,387,231
Profit/(Loss) for the Period		(24,882,027)	(16,658,663)
Profit & Loss A/C Balance B/F		(89,761,675)	(73,103,012)
Prior Year Adjustment		(1,095,877)	(742,773)
Profit & Loss A/C Balance C/F		<u>(115,739,579)</u>	<u>(90,504,448)</u>



For the Year Ended 31st December 2008

		2008 Rs	2007 Rs
Assets			
Non Current Assets			
Property, Plant & Equipment	08	169,514,231	165,161,482
Investments		18,766,876	18,101,173
		<u>188,281,107</u>	<u>183,262,655</u>
Current Assets			
Stocks	10	18,031,665	21,341,705
Debtors, Deposits & Prepayments	11	33,454,980	32,351,161
Cash in hand & at Bank	12	2,083,092	2,609,168
		<u>53,569,737</u>	<u>56,302,034</u>
Total Assets		<u>241,850,844</u>	<u>239,564,689</u>
Equity & Liabilities			
Capital & Reserves			
Vested by D.M.E.P.H.		69,628,878	69,628,878
Treasury Grant		4,000,000	4,000,000
Department of Small Industries		-	-
Special Grant		12,000,000	12,000,000
Capital Grant		-	-
Capital Reserves		510,806	510,806
Benevolent Fund		6,000,000	6,000,000
Revaluation Reserves		129,592,365	129,592,365
Accumulated Profit/(Loss)		(115,739,579)	(90,504,448)
		<u>(105,992,470)</u>	<u>131,227,601</u>
Non Current Liabilities			
Provision for Taxation		1,517,706	1,973,926
Provision for Gratuity		24,401,080	20,090,403
Provision for Pension		651,199	293,781
General Treasury Loan		8,172,000	9,420,500
National Housing Authority		1,272,089	
People's Leasing Company			91,879
		<u>36,014,074</u>	<u>33,162,349</u>
Current Liabilities			
Creditors & Accruals		78,626,709	55,641,388
Bank Overdrafts		21,217,591	19,533,351
		<u>99,844,300</u>	<u>75,174,739</u>
Total Equity & Liabilities		<u>241,850,844</u>	<u>239,564,689</u>



● Note 01 - Sales Analysis

	2008 Rs	2007 Rs
Laksala Main Branch		
Fort	42,093,076	52,655,053
Laksala Branches	-	-
Kandy	10,448,269	9,462,077
Galle	7,040,475	6,340,542
Negombo	-	-
Bentota	-	-
Nuwara Eliya	1,057,975	1,328,521
Matara	1,318,041	1,655,333
Moragalla	1,918,833	1,008,064
Bambalapitiya	1,520,289	1,475,215
Kurunegala	-	-
Tangalle	-	548,503
Thummulla	21,818,903	19,269,635
Katubedda	3,882,970	2,225,815
Galadari	3,252,960	120,688
Polgolla	741,529	781,550
Katunayake	826,287	-
Waragoda	259,741	-
Special Sales	818,600	3,027,890
Janakala	6,311,920	1,357,197
Total	<u>103,309,868</u>	<u>101,256,083</u>



● Note 02 - Cost Of Sales

	2008 Rs	2007 Rs
Opening Stock	20,913,621	27,613,127
Add		
Purchases	55,545,127	52,132,435
Repair Stock		-
	<u>76,458,748</u>	<u>79,745,562</u>
Less		
Closing Stock/	<u>(18,423,572)</u>	<u>(21,375,493)</u>
	<u><u>58,035,176</u></u>	<u><u>58,370,069</u></u>



● **Note 03 - Administration Expenses**

	2008 Rs.	2007 Rs.
Causal Wages	446,825	229,822
Salaries & Allowances	39,563,791	32,122,669
Over time	2,213,168	2,071,461
Incentive & Bonus	5,120	1,000
Warrents & Tickets	31,749	66,235
E.P.F & E.T.P	4,283,241	4,738,284
Pension Contribution	308,170	786,059
Gratuity	5,702,698	123,091
Special Allowances	-	84,901
Staff Welfare	512,316	568,785
Uniform & IDS	28	-
Travelling - Local	502,528	325,946
Foreign	-	56,117
Staff Training	4,500	39,402
Medical Expenses	308,895	351,221
Director Fees	17,842	32,000
Audit Fees	-	375,000
Vehicle Licence Fees	419,827	19,515
Legal Fees	136,296	212,330
Advertisement	184,135	212,840
Security Service	1,324,402	624,815
Printing & Stationery	1,237,812	738,534
News Papers & Periodicals	37,909	37,192
Postage / Tele / Telex	953,868	1,253,849
Fuel & Lubricants	2,009,626	1,386,107
Tool & implement	-	2,480
Stock Veification	243,392	154,035
Others Expenses	530,180	112,316
Trade Licence Fees	26,796	45,990
Computer Expenses	293,371	168,587
Consultancy Fees	18,180	-
Rent / Trade / Tax	782,847	2,929,895
Insurance	67,757	618,307
Water Bill	118,558	321,086
Electricity	3,542,083	2,151,216
Lease Interest Charges	114,299	-
Special Order Expences	394,577	1,269,602
Rep & Maint - Building	781,982	613,515
Rep & Maint - Machinery	629,524	254,448
Rep & Maint - Vehicle	579,852	818,522
Rep & Maint - Others	79,602	3,085
Depreciation - Building	517,163	457,350
Depreciation - Machinery & Equip	1,595,668	1,595,667
Depreciation - Office Equip	118,428	159,789
Payee	-	64,052
Depreciation - Furniture & Fitting	235,716	237,793
	70,874,721	58,434,910



● **Note 04 - Selling & Distribution Expenses**

	2008 Rs.	2007 Rs.
Commission & Discount	66,240	61,588
Products Publicity	1,462	38,421
Fairs & Exhibition	-	3,370
Packing Materials Locals	44,023	91,973
Special Services	1,000	106,025
Rep. & Main. Purchased Goods	53,210	101,991
Rep. & Main. Engraving Goods	480	-
Transport	8,323	-
Export Promotion	-	-
Sales Promotion	-	517
	<u>174,738</u>	<u>403,885</u>

● **Note 05 - Export Expenses**

Packing Materials	12,370	338,500
Insurance & Freight Charges	110,045	213,520
Gift Samples	-	-
Others	13,442	27,808
	<u>135,857</u>	<u>579,828</u>

● **Note 06 - Finance Cost**

Overdrafts Interest	2,343,011	2,081,860
Bank Charges	432,316	305,371
	<u>2,775,327</u>	<u>2,387,231</u>

● **Note 07 - Other Income**

Rent Income	317,726	594,240
Miscellaneous Income	386,833	379,149
	<u>704,559</u>	<u>973,389</u>



● **Note 08 - Property, Plant & Equipment**

	Balance as at 01.01.2008	Additions/ Revaluation	Disposal	Balance as at 31.12.2008
At Cost				
Land	109,095,500		-	109,095,500
Building	46,439,999	10,960,814	-	57,400,813
Machinery & Equipment	15,956,682	-	-	15,956,682
Motor Vehicle	4,955,347	-	-	4,955,347
Inventory Articles	1,643,507	74,333	-	1,717,840
Furniture Fittings	2,377,932	255,925	-	2,633,857
Total Value of Assets	180,468,967	11,291,072		191,760,039
Asset on Lease Building	2,000,000			2,000,000
	182,468,967	11,291,072		193,760,039
	Balance as at 01.01.2008	Charge for the year	Disposal	Balance as at 31.12.2008
Depreciation				
Land	-	-	-	-
Building	8,251,166	464,400	-	8,715,566
Machinery & Equipment	1,988,788	1,492,772	-	3481560
Motor Vehicle	5,143,493	-	-	5143493
Inventory Articals	315,116	118,428	-	433544
Furniture Fittings	475,586	235,716	-	711302
Total Value of Assets	16,174,149	2,311,316	-	18,485,465
Assest on Lease Building	1,133,337	66,667	-	1,200,004
Net Book Value At Cost	164,294,819		-	173,274,574
On Lease	866,663		-	799,996
				174,074,570
Note				
Less				4,582,750
Advance Received Working				169,491,820
Capital				
Not Entered the J. Entry Lease Payment				22,411
				169,514,231



● Note 09 - Investment

Fixed Deposits		Rs	Rs
P.B. 1st City Branch	000000 3690	3,000,000	
	000000 3383	4,000,000	7,000,000
Bank of Ceylon - Taprobane Branch	162678		5,766,876
- Benevolent			6,000,000
			<u>18,766,876</u>



● **Note 10 - Physical Verified Stocks**

As at 31st December 2008

	2008 Rs	2007 Rs
Fort Showroom		
Section - A	2,415,560	2,291,561
Section - B	1,483,812	1,028,751
Section - C	517,731	423,807
Section - D	578,585	885,851
Section - E1&E2	1,056,796	1,196,844
Section - F	2,834,819	2,500,446
Main Stores		
Section - A	-	54,000
Section - B	-	502,046
Section - C	-	472,678
Section - D	-	496,038
Section - E,G	-	179,443
Section - E,1& F2	-	405,746
Export	-	94,063
Stationery	552,252	428,084
Return to Stores	-	270,429
Laksala Outlets		
Kandy	665,528	1,046,136
Galle	653,717	1,446,942
Bentota	-	-
Nuwara Eliya	786,246	788,050
Matara	591,457	710,587
Negambo	-	-
Moragalle	589,587	644,971
Bambalapitiya	499,047	479,535
Battaramulla	714,668	1,397,851
Tangalle	-	208,686
Thunmulla	1,821,496	1,954,742
Katubedda	535,189	847,071
Waragoda	734,383	-
Sigiriya	-	-
Polgolla	300,530	579,387
Katunayake	695,063	-
Molagoda	5,199	7,960
	18,031,665	21,341,705



● **Note 11 - Debtors Prepayments & Deposits**

	2008 Rs	2007 Rs
Repair Item	1,056,353	1,056,353
Trade Debtors	5,089,192	4,799,637
Receivable Credit Card	649,097	1,856,721
Festival Loan	115,200	60,600
Staff Loan	8,795	13,400
Three Months Loan	281,816	403,561
Shortages	204,756	219,632
Flood Loan	-	1,274
Receivable Fixed Deposit Interest	263,972	253,013
Receivable Rent	343,940	343,941
Receivable Temporary Pension	17,605	141,005
Ministry of T & R.Ind Development	-	74,639
Printing & Stationery	288,000	288,000
Fuel	132,773	73,556
Rent	87,097	87,097
Water	29,016	4,439
Telephone	63,519	63,519
Export Bank Guarantee	433,320	-
Security Deposit Parking	45,000	45,000
Abans Finance Ser. Ltd	37,182	-
Pur.AD. Mercandise	680,583	475,084
Pur.AD. Non Mercandise	58,164	443,444
Pur Goods by Ins	17,981	-
Small Industries	5,849,757	5,849,758
Project C /A	12,157,886	12,236,211
Graduates Salarya	98,175	98,176
Special Sales Debtors	-	400,601
Central Bank	-	203,038
Workers Bank	4,533	4,533
Comm. In. Rev.	55,290	747
The Finance Co.	92,053	10,601
National Housing Authority	159,316	66,846
United Govt. & Service Emp. Uni.	165	165
Interest Suspense	152,398	266,697
Damages	2,617,161	2,313,988
Advance SPU Unit	73,211	177,412
Rep. Vehicle Finance	-	18,473
Salary Advance	39,988	-
Ceylinco Insurance	5,398	-
N.S.B Housing Loan	45,130	-
C.T.C. Eagle	1,145	-
Save the Nation Fund	41,490	-
Security Refund	5,900	-
Head C/A Transfers	2,027,500	-
Receivable Insurance Clem	7,300	-
Repair Value Finance	107,207	-
Bank Dedution Fur. Emp Katubedda	10,616	-
	33,454,980	32,351,161



● **Note 12 - Cash in hand & at Bank**

	2008 Rs	2007 Rs
Cash at Bank - 1520100384 P/B Kandy	-	6,116
Cash at Bank - 119 P/B N/Eliya	61,059	-
Cash at Bank - 132000502 - 3 Bpitiya	-	14,267
Cash at Bank - 14201002210 P/B Galle	-	3,499
Cash at Bank - 1519 B/C Bentota	11,940	11,939
Cash at Bank - 513 P/B Mor	7,827	13,147
Cash at Bank - 1620005032 Negombo	-	3,035
Cash at Bank - 609 A/C Matara	-	81,791
Cash at Bank - 45142 Thangalle	390	9,514
Cash at Bank - Thunmulla	-	-
Cash at Bank - Matale	-	1,168,051
Cash at Bank - 207 P/B Kat	41,012	14,003
Cash at Bank - 151246 Galadari	-	-
Cash at Bank - P/B Waragoda	5,345	-
Cash at Bank - C30000648 Commin	25,986	-
Cash in Hand - Head Office	149,051	122,667
Cash in Hand - Fort	106,984	101,173
Cash in Hand - Kandy	45,000	15,000
Cash in Hand - Galle	51,424	17,916
Cash in Hand - Anuradhapura	-	-
Cash in Hand - Bentota	-	-
Cash in Hand - Nuwara Eliya	-	760
Cash in Hand - Matara	5,561	3,841
Cash in Hand - Moragalla	6,486	1,486
Cash in Hand - Bambalapitiya	14,197	1,697
Cash in Hand - Katunayake	9,350	9,350
Cash in Hand - Kurunegala	14,000	4,000
Cash in Hand - Tangalle	1,883	1,883
Cash in Hand - Sigiriya	12,386	12,386
Cash in Hand - Thunmulla	162,154	7,912



Cash in Hand - Galadari	17,848	4,848
Cash in Hand - F/EM Katubedda	28,480	5,981
Cash in Hand - Export Division	9,998	9,999
Cash in Hand - Battaramulla	5,000	-
Cash in Hand - GSOU	3,690	-
Petty Cash Imprest Negombo	5,156	5,157
Petty Cash Imprest P/D Section	5,000	5,000
Tourist Guide Commission - Kandy	18,925	13,446
Tourist Guide Commission	9,089	4,090
Tourist Guide Commission	5,000	5,000
Tourist Guide Commission - N/ Eliya	1,465	-
Coin Imprest	3,000	1,370
Cash in Transist	1,127,185	909,544
Coin Imprest - Thunmulla	43,575	3,000
Coin Imprest - Katubedda	-	-
Coin Imprest - Matara	2,000	2,000
Coin Imprest	3,000	-
Coin Imprest - Kandy	10,000	-
Coin Imprest - N/Eliya	5,000	-
Coin Imprest - Common	1,370	-
Coin Imprest - Sigiriya - Common	9,300	9,300
Coin Imprest - Sigiriya -Polonnaruwa	1,000	1,000
Guide Commission - Thangalle	2,000	2,000
Guide Commission - Thangalle	2,000	2,000
Inventory Sales Bambalapitiya	2,000	-
BPC Traproane	29,976	-
	<u>2,083,092</u>	<u>2,609,168</u>



● Note 13 - Creditors & Accruals

	2008 Rs	2007 Rs
Recoveries	-	1,504
Trade Creditors	7722	9,813,809
Leade Creditors	179,288	358,576
Trade Creditors	9,996,825	-
Accrued Charges	30,658,792	28,314,646
National Housing Authority	-	1,272,089
Gov. Drivers Union	2,240	280
Other Creditors	2,190,500	1,464,191
Refund of Security Deposit (NSB)	94,220	242,277
W & O.P	161,563	1,301
Central Bank 8%	2,469,972	-
Lady Lochore	23,498	24,474
Insurance	230,239	21,068
Laksala Welfare Society	39,709	14,694
The Finance & Company	-	-
Rtfundable Tender Deposits	33,000	33,000
J.S.S	21,625	5,625
R.P.S.S.	2,915	2,860
Branch C/A Transfers	5,775	-
Society of Exe. Staff of - S.L.H.B	4,715	770
P.A.Y.E	33,007	1,577
Craft Center C/A	10,180,749	5,159,447
Bank Deduction	1,479,395	423,953
S.L Freedom Workers Society	44,498	1,460
Export Bank Advance	-	2,245,504
General Tresury Loan	-	-
Comm. of Inland Revenue (Stamp Fees)	-	-
Singer Sri Lanka	135,389	135,389
Industrial Deve. Board	7,500,000	6,000,000
P/C Set. Admin.	-	815
General Treasury Guarantee	1,362,000	-
Export Bank Guarantee	-	102,079
NSB Securite Deposit	7,700	-
Prepayment	475,200	-
Ministry of & Rind Development	11,086,174	-
Export Advance	199,999	-
	<u>78,626,709</u>	<u>55,641,388</u>



● Note 14 - Bank Overdrafts

	2008 Rs	2007 Rs
Cash at Bank P/B A/C 162 0387264	13,226,428	15,102,984
Cash at Bank B/C A/C 7470002026526	5,111,812	3,668,767
Cash at Bank - N/Eliya	-	80,497
Cash at Bank - Thunmulla	112,624	602,205
Cash at Bank - 609 A/C Matara	82,921	-
Cash at Bank - Galadari	91,119	2,463
Cash at Bank - P/B Sigiriya	-	-
Cash at Bank - 1420513388 P/B Kur	-	-
Cash at Bank - 1520100384 P/B kandy	264,759	-
Cash at Bank - P/B 2120872	901,252	76,435
Cash at Bank - 1421.0221 P/B Galle	158,399	-
Cash at Bank - 132000502 -3 B Pitiya	21,868	-
Cash at Bank - A/C No 150400	4,582	-
Cash at Bank - Battaramulla	153,472	-
Cash at Bank - 60387264 - A	456,436	-
Cash at Bank - 70000649 - B	84,172	-
Cash at Bank - 50000645 - D	210,855	-
Cash at Bank - 0000644 - E	300,390	-
Cash at Bank - 0000647 - F	36,502	-
	<u>21,217,591</u>	<u>19,533,351</u>



For the Year Ended 31st December 2008

	2008 Rs.	2007 Rs.
Cash Flow from operating activities		
Net Profit/(Loss) from operating activities	(24,269,913)	(23,625,198)
Before taxation (Except for Investment Income & Profit On sale of p.p. & Equipment)		
Adjusted for		
Depreciation	3,803,955	4,021,220
Prior Year Adjustments	(25,551,297)	29,494,984
Depreciation for previous year	(1,095,877)	(3,039,616)
Operating profit/loss before Working capital changes	(22,843,219)	30,476,588
	(47,113,132)	6,851,390
(Increase)/Decrease in inventories	4,602,097	7,183,836
(Increase)/Decrease in trade & other receivables	(13,651,763)	(11,501,850)
Increase/(decrease) in Trade & Other Payables	50,045,412	(25,827,434)
	40,995,746	(30,145,448)
Net cash from operating activities	(6,117,386)	(23,294,058)
Cash Flow from investing activities		
Investment Income	1,657,177	1,774,035
Realization of Investment	18,101,173	17,641,650
Purchase of P.P. & Equipment	(2,449,771)	(8,434,696)
Investment	(18,766,876)	18,101,173
	(1,458,297)	29,082,162
Net cash from financing activities		
Net Increase in cash & cash equivalents	(7,575,683)	5,788,104
Cash & Cash Equivalents At the beginning of the year	(16,106,585)	(23,682,268)
Cash & Cash equivalents at the end of the year	(23,682,268)	(17,894,164)
Note	2008	2007
Cash & cash equivalents		
Bank Overdrafts	(25,934,015)	(20,210,027)
Cash in Hand & at Bank	2,251,747	2,315,863
	(23,682,268)	(17,894,164)



For the Year Ended 31st December 2008

	2008 Rs.	2007 Rs.
Raw Materials		
OP Stock	1,421,221	1,801,245
Purchases - Raw Mat.	<u>2,021,364</u>	<u>1,249,245</u>
	<u>3,442,585</u>	<u>3,050,490</u>
Less		
CL Stock	<u>1,412,405</u>	<u>1,421,221</u>
Raw Materials Usage	<u>2,030,180</u>	<u>1,629,269</u>
Add		
Direct Expenses		
Piece Rate & Stipend	<u>529,220</u>	<u>1,226,979</u>
Prime Cost	<u>2,559,400</u>	<u>2,856,248</u>
Add : Factory Overheads	<u>3,220,237</u>	<u>5,804,671</u>
	<u>5,779,637</u>	<u>8,660,919</u>
Add : OP. W.I.P.		
Less : CL W.I.P.	<u>53,827</u>	<u></u>
	<u><u>5,725,810</u></u>	<u><u>8,660,919</u></u>



For the Year Ended 31st December 2008

	Notes	2008 Rs.	2007 Rs.
Slaes		1,659,660	3,468,025
Cost of Sales	02	<u>7,166,607</u>	<u>7,366,912</u>
Gross Profit/(Loss)		(5,506,947)	(3,898,887)
Less: Operating Expenses			
Admin, & Est. Expenses	03	1,551,799	2,461,875
Selling & Dis Expenses	04	302,803	394,775
Finance Expenses	05	6,240	26,305
		<u>1,860,842</u>	<u>2,882,955</u>
Net Profit/ (Loss) from Operation			
Add: Other Income			(6,781,842)
Disposal of Assets		<u>75,200</u>	<u>193,806</u>
Net Profit/(Loss) for the Year		(7,292,589)	(6,588,036)
Profit & Loss A/C Balance B/F		(27,483,254)	(19,998,218)
Prior Year Adjustments		<u>(8,348,862)</u>	<u>(8,348,862)</u>
Profit & Loss A/C Balance C/F		<u><u>(43,124,705)</u></u>	<u><u>(34,935,116)</u></u>



As at 31st December 2008

	Notes	2008 Rs.	2007 Rs.
Non Current Assets			
Fixed Assets		62,743,699	61,853,912
Current Assets			
Stocks	06	1,099,387	2,391,444
Debtors, Deposits & Prepayments	07	17,296,737	19,899,734
Cash at Bank & in Hand	08	137,478	354,422
		<u>18,533,602</u>	<u>22,645,600</u>
Total Assets		<u>81,277,301</u>	<u>84,499,512</u>
Capital & Reserves			
Revaluation Reserver		21,164,824	51,164,824
Special Grant		41,951,172	37,418,702
Accumulated Profit / (Loss)		(43,124,705)	(34,935,116)
Non Current Liabilities			
Provision for Pension		287,431	297,893
Ministry of Rural industries		2,035,135	-
Current Liabilities			
Creditors & Accruals	09	57,384,200	30,322,206
Bank Overdrafts	10	1,579,244	231,003
		<u>61,286,010</u>	<u>30,553,209</u>
Total Equity & Liabilities		<u>81,277,301</u>	<u>84,499,512</u>



● Note 01 - Factory Overheads

	2008 Rs.	2007 Rs.
Salary	1,658,172	2,254,203
Overtime	45,202	140,662
Insentive		28,000
E.P.F. & E.I.F	82,315	68,179
Toots & Implements	-	-
Electricity	245,261	71,732
R/M Machinery	9,450	5,800
Depreciaton - Machine	710,577	1,722,891
- Tools	3,632	42,074
- Building	23,218	241,206
- Office	-	2,675
Piece Rate	340,020	865,279
Stipend	102,390	361,970
	<u>3,220,237</u>	<u>5,804,671</u>

● Note 02 - Cost of Sales

Opening Stock	2,254,239	960,232
Add : Goods transfered from Man A/C	<u>5,725,810</u>	<u>8,660,919</u>
	7,980,049	9,621,151
Less : Closing Stock	<u>(813,442)</u>	<u>(2,254,239)</u>
	<u>7,166,607</u>	<u>7,366,912</u>



● **Note 03 - Administration & Establishment Expenses**

	2008 Rs.	2007 Rs.
Casual & Wages	152,360	120,073
Salaries	723,704	925,740
E.P.F & E.T.F	35,278	86,332
Overtime	19,372	-
Pension	-	115,853
Special Allowances	-	-
Staff Welfare	48,176	85,596
Newspapers & Periodicals	-	-
Advertisement	12,420	-
Traveling	15,851	139,396
Staff Training	28,200	38,850
Medical	-	7,774
Insurance	-	6,845
Security	87,277	249,928
Printing	28,929	26,632
Postage/Telephone	42,323	84,821
Other Expenses	104,152	96,520
Water	140,920	133,925
Electricity	105,112	234,983
R/M Machinery	4,050	-
R/M Others	-	-
Rent Rate & Taxes	3,675	28,494
Dep - Office Equipment	-	-
- Furniture & Fittings	-	-
- Building	-	-
Grauity	-	74,073
Legal Fees	-	6,040
	<u>1,551,799</u>	<u>2,461,875</u>

● **Note 04 - Selling Expenses**

Fuel	55,153	128,535
Rep.M.Vehicles	163,065	265,521
Rep.M. Building	84,585	719
	<u>302,803</u>	<u>394,775</u>

● **Note 05 - Finance Charged**

Bank Int.	-	-
Bank Charges	6,240	26,305
Lease Charges	-	-
	<u>6,240</u>	<u>26,305</u>



● Note 06 - Stocks

	2008 Rs.	2007 Rs.
Pollgolla Project	63,457	63,457
Waragoda Project	265,605	604,651
Velona Project	493,810	1,446,821
Damage	276,515	276,515
	<u>1,099,387</u>	<u>2,391,444</u>

● Note 07 - Debtors Deposits & Prepayment

Trade Debtors - Waragoda	-	-
- Velona	-	53,319
- Polgolla	-	38,798
Textile Loan	34,400	2,616,230
Festival Loan	-	7,900
Three Months Loan	-	-
Staff Loan	-	500
Trade Debtors - Waragoda	53,319	-
Three Months Loan	-	833
Shortages	3,918	3,918
Receivable Temporary Pension	7,500	7,500
Contractors Security Deposits	-	13,488
Defence Fund	-	1,673
W & O.P.	-	-
Light Engineering	153,798	153,798
Barleet Finance Company	-	-
Project C/A	662,726	248,255
Head Office C/A	10,165,956	10,260,036
Crafts Training C/A	150,567	569,635
Electricity Deposits	8,866	8,866
Purchase Advance	5,140,536	5,091,503
Fuel Deposits	5,000	5,000
Stipend Advance	19,146	19,146
Security Advance	13,488	-
Vat Receivable	799,335	799,336
Tender Deposits	78,182	-
	<u>17,296,737</u>	<u>19,889,734</u>



● **Note 08 - Cash at Bank & in Hand**

	2008 Rs.	2007 Rs.
Waragoda Project	22,548	335,074
Polgolla Project	53,930	19,348
Velona Project	61,000	-
	<u>137,478</u>	<u>354,422</u>

● **Note 09 - Creditors & Accruals**

Sri Lanka Freedom Society	890	190
Unpaid Bonus	-	-
W. & O.P.	11,001	3,998
Central Bank 8%	139,185	62,549
Laksala Welfare Society	23,138	21,703
Commissioner of Inland Revenue	-	-
Compensation Scheme	-	-
Creditor	3,513,094	-
J.S.S.	1,675	175
Bank Deductions	85,660	74,970
Exe. Off. Sec. S.L.H.B.	-	100
Hatton National Bank	-	-
Security Deposits - N.S.B	-	-
CTC Eagle	91,292	-
Accrued Charges - Polgolla	1,343	-
- Waragoda	106,027	-
- Velona	1,098,427	-
Defence Fund	25,700	-
Bartleet Finance Company	5,747	5,717
Trade Creditors	-	3,511,244
Special Grant	25,467,530	-
E.O.S.S.L.H.B	250	-
Accrued Charges	-	1,299,651
Branch C/A	5,294	111,526
Craft Training C/A	3,499,532	3,499,532
Head Office C/A	21,356,515	20,525,219
Project C/A	1,951,900	1,205,632
	<u>57,384,200</u>	<u>30,322,206</u>
Bank Overdrafts		
Polgolla	385,394	
Waragoda	111,417	
Velona	1,082,432	
	<u>1,579,244</u>	



For the Year Ended 31ST December 2008

	Notes	2008 Rs.	2007 Rs.
Income			
Grant from the Treasury	01	43,550,000	47,320,000
Other Income	02	1,650	54,824
		<u>43,551,650</u>	<u>47,374,824</u>
Expenditure			
Monthly Stipend & Other Direct Expenses	03	331,775	3,967,723
Administration & Establishment Expenses	04	35,315,042	43,785,600
Financial Expenses		130	-
		<u>35,646,947</u>	<u>47,753,323</u>
Expenditure Over Income		<u>7,904,703</u>	<u>(378,499)</u>



As at 31ST December 2008

	Notes	2008 Rs.	2007 Rs.
Non Current Assets			
Property, Plant & Equipment	05	47,748,662	49,241,300
Current Assets			
Stocks		242,506	242,506
Staff Debtors	06	91,130	70,746
Advances		649,496	676,287
Deposits & Prepayments		261,784	236,784
Current Accounts - SLHB		22,088,712	7,794,903
Projects		1,755,648	1,176,188
Other Debtors	07	3,366,643	3,191,169
Petty Cash & Coin Imprest		83,605	60,110
Cash at Bank' - People Bank		31,177	33,749
Bank of Ceylon		-	988,747
		<u>28,570,701</u>	<u>14,471,189</u>
		<u>76,319,363</u>	<u>63,712,489</u>
Total Assets			
Equity & Liabilities			
Capital & Reserves			
Dept. of Small Industries		715,446	715,446
Capital Grant		48,530,044	48,530,044
Special Grant		6,806,785	6,829,785
Capital Reserve		98,973	93,073
Revaluation Reserves		9,086,454	9,086,454
Accumulated Profit/(Loss)		(17,688,582)	(25,527,873)
		<u>47,549,120</u>	<u>39,726,929</u>
Non Current Liabilities			
Provision for Gratuity		12,167,622	9,107,848
Provision for Pension		-	-
		<u>12,167,622</u>	<u>9,107,848</u>
Current Liabilities			
Staff Creditors		91,130	466,231
Other Creditors	08	8,512,072	8,597,912
Accrued Charges	09	4,862,239	5,425,142
Cash at Bank - Bank of Ceylon		2,748,753	-
Cash at Bank Keselwatta		208,587	208,587
Current A/C Light Engineering		179,840	179,840
		<u>16,602,621</u>	<u>14,877,712</u>
Total Equity & Liabilities		<u>76,319,363</u>	<u>63,712,489</u>



● **Note 01 - Treasury Grant Recurrent**

	2008	2007
	Rs.	Rs.
January	3,600,000	3,800,000
February	3,400,000	3,500,000
March	3,300,000	4,000,000
April	3,700,000	4,600,000
May	3,800,000	3,900,000
June	3,800,000	4,000,000
July	3,800,000	4,020,000
August	3,800,000	4,000,000
September	3,870,000	4,000,000
October	3,690,000	3,700,000
November	3,690,000	3,800,000
December	3,100,000	4,000,000
	<u>43,550,000</u>	<u>47,320,000</u>

● **Note 02 - Other Income**

Interest on Staff Loans	1,650	22,953
Light Engineering Sales	-	-
Non Refundable Tender Deposits	-	-
Auction Income	-	31,871
	<u>1,650</u>	<u>54,824</u>

● **Note 03 - Stipend & Other Direct Expenses**

Raw Materials	316,753	21,600
Direct Expenses	15,022	1,550
Stipend Allowances	-	3,926,500
Piece Rates	-	18,073
	<u>331,775</u>	<u>3,967,723</u>



● **Note 04 - Administration & Establishment Expenses**

	2008 Rs.	2007 Rs.
Casual Wages	1,759,333	1,133,884
Salaries & Allowances	25,953,685	31,313,145
Overtime	15,200	256,610
Incentive	-	3,477
Warrants & Tickets	211,772	51,700
EPF & ETF	197,971	1,988,816
Pension Contribution	1,062,539	3,097,086
Gratuity	3,618,954	1,172,932
Special Allowances	-	108,708
Training Program	-	-
Staff Welfare	45,983	92,439
Travailing - Local	37,200	152,884
Staff Training	74,000	151,878
Medical Expenses	380	42,170
License Insurance Vehicle	8,000	5,250
Legal Fees	-	30,092
Advertisement	9,315	87,939
Security Services	122,758	96,558
Printing & Stationery	25,302	123,442
News Papers & Periodicals	-	6,232
Post/Tele/Telex	183,415	342,501
Fuel & Lubricants	30,386	191,287
Tools & Implements	368	2,385
Other Expenses	42,533	43,444
Rent, Rate & Taxes	11,096	344,757
Water Bill	37,651	50,226
Electricity	111,057	343,780
Repair & Maintenance - Buildings	253,700	777,107
Machinery	6,415	34,752
Vehicles	3,390	118,933
Others	-	1,435
Depreciation - Buildings	397,359	456,719
Machinery & Equipment	801,152	801,152
Vehicle	-	-
Office Equipment	44,211	44,421
Furniture & Fittings	122,695	122,695
Tools & implements	127,222	78,958
Computer Expenses	-	34,337
Insurance	-	81,469
Transport	-	-
	35,315,042	43,785,600



● **Note 05 - Cost & Depreciation**

Cost	Balance as at 01/01/08	Additions Revaluation	Disposals	Balance as at 31/12/2008
Land & Building	39,735,922	-	-	39,735,925
Machinery & Equipment	8,011,523	-	-	8,011,523
Motor Vehicles	3,669,957	-	-	3,669,957
Office Equipment	444,211	-	-	444,211
Furniture & Fittings	1,226,950	-	-	1,226,950
Tools & Implements	1,281,807	-	-	1,281,807
	<u>54,370,373</u>	-	-	<u>54,370,373</u>

Depreciations

	Balance as at 01/01/2008	Additions Revaluation	Disposals	Balance as at 31/12/2008
Land & Building	865,558	397,359	-	1,262,917
Machinery & Equipment	1,110,777	801,152	-	1,911,929
Motor Vehicles	3,669,957	-	-	3,669,957
Office Equipment	57,616	44,211	-	101,827
Furniture & Fittings	244,110	122,695	-	366,805
Tools & Implements	905,844	127,222	-	1,033,066
	<u>6,853,862</u>	<u>1,492,639</u>	<u>-</u>	<u>8,346,501</u>

Net Book Value at Cost 47,516,511 46,023,872

	Balance as at 01/01/2008	Balance as at 31/12/2008
Capital Work in progress	-	1,724,790
Total Carrying Amount of Depreciable Property		
Plant & Equipment	<u>47,516,511</u>	<u>47,798,662</u>



● Note 06 - Staff Debtors

	2008	2007
	Rs.	Rs.
Textile Loan	-	-
Festival Loan	77,661	54,000
Staff Loan	-	-
Special Advance	-	800
Three Months Loan	13,469	13,611
Flood Loan	-	2,335
	<u>91,130</u>	<u>70,746</u>

● Note 07 - Other Debtors

Receivable Temporary Pension	785,791	907,956
Berlgium Reimbursa	30,175	30,176
Refundable Security Deposit	30,608	-
Refud of Security Deposit NSB	85,774	30,609
Comm. Of Inland Revenue	-	-
Rajaye Podu Sevake Sangamaya	05	-
Sal. Control	-	-
U.N.D.P. Project	4,636	4,636
Salary Advance	352,185	-
Receivable Tresury Grant	-	-
VAT Receivable	-	205,882
Other Debtors	-	-
Provision For Pension	1,882,875	1,817,315
With holding Tax	194,594	194,595
	<u>3,366,643</u>	<u>3,191,169</u>



● **Note 08 - Other Creditors**

	2008 Rs.	2007 Rs.
NSB, Security Deposit	-	97,865
Payable to Pension Department	4,680,296	4,680,296
Retention Money	387,213	387,213
Stipend Accured	1,298,589	1,298,589
Refundable Tender Deposit	304,069	304,069
Contractor Tunover Tax	100,634	100,634
Adcanve Supply Creditor	85,775	85,775
Molagoda Training Centre	9,200	9,200
Other Creditor C/T	1,634,271	1,634,271
Refund of Security	12,025	-
	<u>8,512,072</u>	<u>8,597,912</u>

● **Note 09 - Accrued Charges**

Rent	-	-
E.P.F. & E.T.F.	1,400,939	203,870
Overtime	-	-
Travelling	-	-
Straff Training	-	-
Salaries	-	-
Bonus	-	-
Casual Wages	129,080	56,886
Telephone & Postage	12,462	32,491
Electricity	6,717	8,686
Piece Rate	-	1,882
Staff Welfare	-	-
Water	24,045	690
Special Allowances	-	-
Stipend	3,239,472	4,220,987
Security	49,524	19,696
Pension	-	-
Advertisement	-	-
VAT Receivable	-	200,993
Withholding Tax	-	204,484
Pension Contribution	-	474,477
	<u>4,862,239</u>	<u>5,425,142</u>



For the Year Ended 31ST December 2008

	2008 Rs.	2007 Rs.
Cash Generated from Operating Activities		
Net profit (Loss) from operating activities	(24,882,027)	(16,658,663)
Before taxation (Except for investment income & Profit on sales of P.P& Equipment		
Adjusted for		
Depreciation	1,492,639	2,450,607
Deferred Revenue rent & revaluation	66,667	66,667
	(7,866,463)	-
Prior year adjustments	(1,095,877)	(813,810)
	(7,403,034)	1,297,523
		3,001,187
Operating profit / Loss before Working capital changes	(32,285,061)	(13,657,476)
(Increase) / Decrease in inventories	3,310,040	6,271,422
(Increase) / Decrease in trade & Other receivable	(1,103,819)	1,666,577
Increase / (decrease) in Trade & other payables	25,837,046	(19,890,682)
	28,043,267	11,952,683
Net Cash Operating Activities	(4,241,794)	(1,704,793)
Cash flow from Investing Activities		
Investment income	2,361,736	1,774,035
Realization of Investment	(18,766,876)	11,641,650
Purchase of P.P.& equipment	(330,258)	(750,638)
Investment	18,766,876	(12,101,173)
Net cash from financing activities		563,874
Net increase in cash equivalents	(2,210,316)	(1,140,919)
Cash & cash equivalents At the beginning of the year	(16,924,183)	(15,783,264)
Cash & cash equivalents	(19,134,499)	(16,924,183)
Note	2008	2007
Cash & Cash Equivalents		
Bank Overdrafts	(21,217,591)	(19,533,351)
Cash in Hand & at Bank	2,083,092	2,609,168
	(19,134,499)	(16,924,183)



විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அலுவலர் திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය } EL/C/SLHB/FA/2008
 எனது இல }
 My No. }

ඔබේ අංකය }
 உமது இல }
 Your No. }

දිනය } 14 May 2009
 திகதி }
 Date }

Chairman,
 Sir Lanka Handicrafts Board



Auditor General's Report in terms of the Section 14 (2) C of the finance act No. 38 or 1971 regarding the Monetary Statement of Sri Lanka Handicrafts Broad for the year ending on the 31st Dec 2008.

Draft Report of the above is sent herewith

- 0.2 If there are any matters in that report publication of which in your opinion in inimical to the public interest or false, and cannot be agreed, should be intimated to me within 14 days from the date of this letter.

If you intend to have a discussion regarding this matter it should be informed to me within 3 days

- 03 If a reply is not received from you as stated above, within 14 days, kindly regard that the final report will be issued based on that report considering that you have concurred with the facts contained in the draft report.

Sgd/-

(I.A. Abeyrathne)
 Deputy Auditor General
 For Auditor General

විද්‍යාල වහරුගල,
 කොළඹ 07, ශ්‍රී ලංකාව
 දුරකථනය }
 தொலைபேசி }
 Telephone }

2691151

පෞද්ගලික අමාත්‍යාංශ
 කොළඹ 07, ශ්‍රී ලංකාව
 ෆැක්ස් අංකය }
 உதவி அமைச்சு }
 Fax No. }

2697451

INDEPENDENCE SQUARE,
 COLOMBO 07, SRI LANKA
 ඉංග්‍රීසි බ්‍රොඩ්වේ මාර්ග
 e-මගීසිය }
 E-mail } oaggov@slnet.lk



Confidential

29, May

Draft
My No. EL/C/SI.HB

Chairman,
Sri Lanka Handicrafts Board

Auditor General's Report in terms of the Section 14 (2) C of the finance act No. 38 or 1971 regarding the monetary Statement of Sri Lanka Handicrafts Board for the year ending on the 31st Dec 2008.

Audited under my direction the monetary statement of Sri Lanka Handicrafts Board for the year ending 31st December 2008 in term of the section 13(1) of the finance act, of No.38 of 1971 read with provisions in the article 154 (1) of the constitution of the Democratic Socialist Republic of Sri Lanka

This report is issued in terms of section 13(7) of the finance act.

1.2 Management responsibility regarding the Monetary Statement

It is the responsibility of the management to present these monetary statement justifiably in compliance with the Sri Lanka Standard of Accounting. This responsibility includes in the planning, putting into action and maintaining relevant internal management and selection of proper accounting policies & utilization. Preparation of occasional sufficient accounted estimates relevant to prepare and present monetary statement devoid of false statement likely to have been caused by fraud and by wrong doing.



1.3 Scope for Auditor subject and basis for the opinion

Discoveries and presentation of opinion included in this report are based on the comparative analysis regarding monetary statement and examining the support of transaction presented for the Audit. That scope of the subject of comparative analysis and examination & it's extent is prepared in order to do a wider audit as far as it can be done within the limit of time and other resources and the staff available to me. The Audit was done in compliance with experience & system, audit standards of Sri Lanka to confirm that the monetary statement are devoid of false statements. The Audit included determining examination of evidence supporting in discoveries and values mentioned in the monetary statement, fundamentals of accounting followed in preparing the monetary statements, important estimates, assessment of decision, assessment of entire presentation of the Monitor statement and proper accounting principal utilized and adequately discovered.

Discretionary power vested in auditor general by sub section 3 &4 of sec 13 of act. No. 38 of the finance act 1971 to decide the scope and the extent the subject to be audited.

2 Monetary Statement

2.1 Opinion

I cannot express an opinion regarding the Monetary statement of Sri Lanka Handicrafts Board for the year ending on the 31st Dec 2008, presented for auditing due to observation & presentation of my opinion contained in the report. 18 years right throughout from 1990 to 2007 opinion has been expressed on the monetary statement of the Board, no action has been taken to change the position since then.

2.2 Expression of opinion on Monetary Statements

2.2.1 Accounting Standard of Sri Lanka

The purpose of the monetary statement presented by an organization in accordance with the three standard of accounting is to provide to the person who uses the monetary statement, use full information, monetary position required in making economic decision in respect of the business and, changes in monetary position in a wider scope, it has not been fulfilled by the board in presenting its monetary statement



2.2.2 Defects in Accounting

A Following observations are done

17 years right throughout from 1990-2007 the auditor general's expressed opinion on the monetary statement of the Board except in 2003. In all monetary statement it has been shown that the come is lesser than the expenditure. In subsequent years after the year in which monetary results discovered by the monetary statement of the each year, it has been a habit of the Board to do adequate adjustment.

Such adjustment done in several years are as follows.

Year	Monitory results for the year Profit/ Loss	Adjustment done on subsequent year
2001	(7,089,397)	(4,487,568)
2002	(8,806,668)	(10,295,175)
2003	(3,700,716)	(1,988,864)
2004	(1,082,610)	(11,867,442)
2005	(2,373,204)	(12,908,875)
2006	(27,211,387)	(1,606,579)
2007	(23,625,198)	(9,162,472)
2008	(25,813,502)	(9,944,739)

Due to Adjustment done as a habit and accounting defects setout in this report and dropping that it cannot be said adjustment is not to the monitory result of current year of auditing as well as equal adjustments in the coming years. Therefore the monitory position and monetary result as setout in the monetary statement of the current year auditing who cannot be trusted.

- B Bank overdraft limit of Rs.10,800,00 and 4,170,000 in respect of peoples bank respectively has been exceeded to 20 million and 39 million for the period from 2002-2008.



- C Stock verification reports has not been submitted to confirm final stock value for Craft training center, and stock value of the last year has been given as the stock value of the current year of the auditing
- D In the monetary statement of the current year of auditing submitted the accumulated loss should have been revealed as Rs.186,543,341 in the joined balance sheet of the year but it has been shown as Rs. 175,895,311 there by less amount of Rs. 9,646,030. And also in the previous year accumulated loss being,137,730,314 but it has been shown as Rs. 150,967,437 thereby less amount of Rs, 16,237,123.
- E Board when buying articles, it has followed after sale payment policies in respect the article purchased. This is 95% entire buying.

The Value of the these articles. in no manner taken in to accounts , it has been taken after sales of articles.

2.2.3 No Evidence

As balance inspection , ledger, journal, enters eight notes relevant to the account to the value of Rs. 111,577,955 , project accounts, relevant notes have not been submitted. For the inspection of the monetary statements submitted in respects of the current year of accounting a satisfactory observation could not be carried out

2.2.4 Non - Tallying of Monitory Statement

According to the final monitory statement total difference of Rs. 30,998,700 shown between monetary statement and the document.

2.2.5 Rules & Regulation & not complied with managerial decision

The following observation have been done

- A Internal Audit program prepared for the year 2008 have not been forwarded to Auditor General and obtained his approval in current year of auditing. Only 4 Audit programs have been carried out.
- B There are occasion where the article at centers have not been verified in term of the Monitory regulation No.756.



- C Contrary to the state enterprises circulars dated 2nd June 2003 and No. 2 in the current year of auditing 3 drivers of the board have being released to the Ministry .
- D The 15 Audit queries issued in the current year of auditing have not being responded
- E In term of the monitor regulation 387, the board is required to have check bank balance sheet before issuing cheques.

Several cheques have been issued dishonored due to the reasons of not following regulations
- F In respects of the erection of front fence, steps and wall of the showroom at Waragoda, quotation for the above contract should have been referred to the technical assessment committee in term of the paragraph of the 7 of the guidance code to select suitable quotation and articles as per it's recommendation.
But it had not been done and any tender papers have not been approved by a tender Board

2.2.6 Identified Losses

Following observation have been done

- A Rs. 184,535/- as a surcharge of 50% had to be paid to the Central Bank for the year 2007 on behalf of the EPF for the balance of Rs.369,070/- to be remitted to the fund .
- B Rs. 6900/- has been paid to obtained water connection at Laksala Head Office as it was disconnected due to non settlement of the water bill
- C Despite bad Monitory position Rs. 50,000/- had been paid for advertisement "THARUNNYATA HETAK" Souvenir .



A comparison of finance and operations

3.1 Monitory result

Net loss as a result of the activities of the Board for the period on the ending on the 31st Dec 2008 as per amalgamated monitory statement of the Craft training division and the project of the Sri Lanka Handicrafts Board being Rs. 28,813,502.

In the corresponding period it was Rs. 23,265,198. In comparison and increase of a net loss of Rs. 2,188,304/- has been recorded.

3.2 Objectives

The following matters are discovered on inspection of the objectives the Board

- A One of the chief aims of the Board is to develop the traditional and Inherent skills of the craftsmen's as a social obligation and give it to economic value.
- B The treasury has allocated provisions for the development of the craft training division of the Board annually and large some of money have been spent as organization management and monitory expenditure of the Craft Training Division in year 2004, 2005 ,2006. It has exceeded entire allocated provisions .

The Organization & Administrative Expenditure largely consists salaries and wages. The Organization Management expenses and Monitory expenditure trainee allowances and other expenses of the provision are as follows on percentage .

Accordingly it has been discovered that expected objectives have not been fulfilled from the above provision.

Year	2008	2007	2006	2005	2004
Organization Management and Monitory expenditure for the provision (%)	81.09	92.53	112.58	108.48	104.92
Training Allowances for the provision (%)	0.00	8.30	2.97	1.28	0.83
Other expenses provision	0.76	0.09	0.37	0.08	0.13



- A Rs.4,220,987 and Rs.3,329,472 shown as trainee allowances in the monitory statement in the year 2007 and 2008 respectively.
- B Craft Training Center of the Board had been widely spread in the Island but at the Year of year from 2004, 2008 11 Centers has been closed and No. of craftsmen trained annually from the year 2004-2008 decreased from 1049 -520
- C At Craft Training Center the value of the sale of the production being Rs. 14,237,172 and out of which Laksala Institute has achieved only 40 persons.

Balance 50% has been sold to external competitors. This fact has exerted a bad impact on the existence of the organization. And also Laksala has not bought any article for 90 production centers. As at the end of year 2008 , outstanding to be paid to production centers for articles bought by laksala was Rs. 2,229,842.

Inefficiencies of the Management

The following matters are disclosed

- A The Board had to pay total accrued interest of Rs. 2,359,491 on overdraft on the current account of the bank in the current year of auditing.
- B The Clay Center & Samagama was in a block of land owned by National Housing Development Authority. No action had been taken to obtain license for this land and erect a protective fence.
- C As there was no clay treatment Machine at Clay Center of Samagama problem arisen as to the carrying on the activities at the Clay Center continuously
- D Despite repeating request g reputing by the officer in charge of the Vetake Center at Payagaia North to Management to erect protective fence, no action had been taken in that regard .
- E Building in which the Moraglla show room was setup once occupied by the Beruwala Rural Center and a sales outlet and no action has been taken by the management to acquire the building last 15 years.
- F Walls of New two storied building constructed by the SYRUP fund in 2007 for the use of Light Engineering at Keselwatta have been already cracked despite intimating the relevant officer regarding, this no action had been taken by the management



- G Craft Training Center temporally closed due to retirement of Officers of those Centers, the management has failed to recruit officers before their retirement and maintain the Center.
- H Despite the high post of the Board had been the vacant for the long time , no action has been taken to either to fill vacancies or to do away with those on the cadre in term of the circular No PF1 /100/6 (AP) Ministry of Finance and planning
- I No adequate action taken by the board to fill the vacancy of managing Director with a qualified person which was vacant since July 2006. But the Board decided fill the vacancy with the appointment of the executive Director (Finance) to that Course without advertising the post in Newspapers on 28/05/2008. He had been paid an allowance of Rs. 9,120/- wef 1st Jan 2008 and it was clear to the auditor the reasons for the payment with retrospective effect.
- J Executive Director (Sales) has been appointed wef. 28/ 05/2008 in the actg. Capacity secretary to the Board. A total amount of Rs.52,850/- has being paid from the month of January 2008 to October at the rate of Rs. 5,285/- per month. In terms of section 12.2 of the chapter VII of the establishment Code of the Democratic Socialist Republic of Sri Lanka, while holding and high post cannot work in actg. capacity in a lower rank.
- K An Assistant Director has not being appointed to the craft training center in Sabaragmuwa province for last 2 years which managers 14 centers in the province
- L The Board had fixed a monthly target for the buying of the productions , But during the whole years even 75 % of the target could not be achieved.
- M The Board has failed to avail of and buy quality products as the Board in the current year of the auditing as taken a decision to decentralize the buying of product to each center.
- N Board has incurred no expenditure for the promotion sales programme in the current year of the auditing
- O In most outlet there was a void in the stocks past moving items.



p) Sales promotion and strategies should have been introduced to the employees of the show room organizing Sales Training Workshops, the Board has fail to do so for a long time.

q) Out of 710 items of the more than two years old have been placed for sale at reduced price at the Show Room of Waragoda, 16 items have been there without sale priced tags. And it was not possible to ascertain the items sold as the model numbers have not been given to 265 items. There were 55 items remain unsold, and there was no information to ascertain officers to whom these items were handed over to again.

r) The orders received could not be satisfactorily executed as raw materials were not stored in the Carpentry Division.

s) Since 1st May, 2006 the store was gradually done away with and all purchases were assigned to each Show Room and all items in Stores Division was subjected to collective responsibility of the Stores Manager, Store Keepers and Maintenance Assistants. When officers retire the losses, damages of the items were not accounted for. And also Bin Cards, GRNs, Item Distribution Papers were not properly maintained.

3.4 Following matters were disclosed on computerization of Lak Sala which commenced at a cost of Rs. 16 million with a contribution of Rs. 3.5 million from the Board and Rs. 12.5 million from World Bank in collaboration with Sri Lanka Institute of Information and Telecommunication Technology Agency

a) This Project was activated aiming to achieve 6 main targets and but those aims could not be achieved, and in the present the whole computer system has become mere machines to issue Receipts to the consumers.

b) In 2006 as the purchasing by the Board had been decentralized and the stores were done away with but the failure to adjust the computer system accordingly resulted in the failure of all expected aspirations of the computer project.



c)The Board has given training to 120 officers including a 12 days training per officer. As the computer project was not properly functioning the services of the trained officers could not be made available to the Board. The services of three permanent officers in the Computer System too, it was observed, could not be utilized effectively by the Board.

d)Internet web sites were not updated.

Therefore the computer project started at the cost of about 16 million became an uneconomical venture.

Idling Assets

- a) There were items stacked and packed and Clay Industries Show Rooms at Molagoda. This situation has arisen due to buying the production of the clay manufacturing centres without considering the stock level of the items suitable for sale at show rooms. There were no proper storing and stacking of the items for proper exhibition of the items, as a result of this lot of items have been damaged.
- b) Safe No. SL HB/7/37/17 has been idling for six years without functioning at the Clay Industry Centre at Molagoda.
- c) Sale Show Room is maintained by Sabaragamuwa Provincial Council "Yana Ena Gaman" in a block of land belonging to the Board and no agreement has been entered into by the respective parties in respect of the premises and either not paid any rent by the Council.
- d) Five categories of inventory items at the Clay Industries Centre at Molagoda had been idling without any use.
- e) It has been reported that 7000 "Pahan Theti" which have been manufactured but not sold till the end of the year.
- f) Spray machines valued at Rs.5,000/- has been idling for one and half years at Abeypussa centre without any use.



Unutilized Items

3.6 34 machinery and equipment which were lying at Ceramics Centre Warangal are reported to be decayed without being utilized for production.

Out of those items 17 are in good condition, other 17 could have been restored after minor repairs. Ten machines have been completely malfunctioning.

3.7 Unsettled Credits

The Board had been settling its credits for a long time. As at the end of the current year of auditing, the balance of Rs. 63,661,389 to be settled.

3.8 Control of Budget Documents

As the books and documents relevant to the activities of the Board has not been submitted, the correctness of the statistics could not be confirmed.

4. Nature of Administration

Defects observed in the audit have been repeatedly reported to the Chairperson of the Board. Following administrative measures specially to be addressed to.

- a) Administration of Assets
- b) Training of Craftsmen and maintenance of Training Centres
- c) Advances
- d) Purchasing of productions
- e) Sales
- f) Financial Management
- g) Internal Administration
- h) Budget
- i) Accounting



2009. 06. 05

Audit Superintendent,
Sri Lanka Handicrafts Board,
Laksala,
Colombo 01.

Report of the Auditor General of Accounts of Sri Lanka handicrafts Board for the year ending 31st December 2008, under section 14 (2) of Finance Act no . 38 of 1971

I kindly request you to draw to your attention to my further explanations and comments for the contents of your drafts.

This has reference to your draft no . EL / C / SLHB / FA / 2008 dated 15th May 2009.2.

Financial Statements

2.1 Opinion

I have presented this financial statements to the best of accuracy, following appropriate accounting standards with the assistance of my staff to the maximum capacity.

2.2 Comments on financial statements

2.2. 1 Sri Lanka Accounting Standards

I expect that the financial statements which have been presented by me following Sri Lanka Accountant Standards 03 provides vital information for decision making with regard to the financial position, changes of financial position and performance of the Board. If there are instances where this object has not been fulfilled, I reiterate that the financial statements for the next year would be presented accurately following your instructions.

2.2.2 Accounting Deficiencies

- (a) The material adjustments to financial results had been made during the following years to prevent omission and accounting errors which had been made in preparing accounts. Instructions have been given to present future financial statements with minimum shortcomings.
- (b) Even though the bank had not allowed overdraft facilities beyond the limit of overdraft, according to cashbook it appears as if the limit had been exceeded. This has occurred as a result of unrealized cheques.



- (c) The stock verification of Craft Training Division is carried out only once in two years. However the value of stocks in Craft Training Centers was not presented in the accounts of the Board. The value of stocks presented in accounts has been treated as a balance brought forward from previous years.
- (d) The difference of cumulative loss presented in accounts in accounts has already been rectified.
- (e) As the goods on consignment were not an asset of the Board and as the supplier might have removed them at any time, they were not taken in to be final Accounts. However, goods on consignment are expected to be taken into accounts from next financial year.

2.2.3 Lack of evidence

For the year under review, ledgers, trial balances and schedules relating to Final Accounts had been presented to the audit. A delay had been caused in presenting those documents as a result of a computer error. Project accounts and schedules thereof had been presented to government audit.

2.2.4 Non comparison of financial statements

The difference between financial statements and schedules has already been rectified.

2.2.5 Non compliance with rules, regulations and management decisions

- (a) Actions will be taken by the chief internal Auditor to implement the internal control program and report to Auditor General.
- (b) The stock verification of Craft Centers is carried once in two years only. There had been several instances where the verification of stores had been delayed. Instructions have issued to prevent these shortcomings.
- (c) Three drivers had temporarily been released to the Ministry as there was a surplus of drivers at that time. The drivers were released as the Ministry required three divers. At present the salaries and other allowances of these drivers are paid by the Ministry.
- (d) Most of the audit queries issued for the year under review had been answered and instructions have been issued to answer the rest as early as possible.
- (e) Even though the payments by cheques are made only when the bank balance is sufficient, there were many instances where the cheques had been dishonored. This had occurred in instances where a delay had been caused to realize the cheques credited to the bank account. However, instructions were issued to prevent these shortcomings.



- (f) Approved tender procedure had been followed and tender decisions had been approved for the goods required for the contract to construct the stair case, wall and the fence of Waragoda showroom. Those documents have been presented to the audit by the Administration Division.

2.2.6 Losses Identified

- (a) An amount of Rs. 369070/-, payable to the Central Bank of Sri Lanka for the contribution of Employees Provident Fund for the year 2007, had not been remitted as a result of severe financial crisis of the board. Instructions have been issued to prevent the above shortcoming once financial position comes to normal.
- (b) The financial crisis described in (1) above had resulted in the delay of payment of water bills. Steps will be taken in future to prevent this type of shortcomings.
- (c) An advertisement costing Rs. 15000/- was published in the souvenir "Tharunniyaya Hetak" as the souvenir circulated among many. It was expected that publishing an advertisement paying such a small amount of money, was advantageous to the Board and propaganda was necessary for the advancement of the board, even though a financial crisis existed.

(3) Financial and operational review

3.1 Financial Results

A loss has been incurred as a result of severe financial crisis of the Board. Reduction in sales was the fundamental cause for this. It is believed that, this was the direct result of the crisis situation prevailed during the period and the inability to park vehicles in front of the Head Office.

3.2 Performance

- (a) As a result of the salary increases and Other expenditure, Treasury provision was not sufficient. Payment for apprentices have been delayed. Therefore, there are instances where the objects expected to be achieved by the provision could not be achieved.
- (b) Allowances for apprentices have been delayed as a result of the cash not being sufficient after payment of salary and other expenses. It is expected to update this once the financial position comes to normal.
- (c) Closing down of several training centers of the Craft Training Division had occurred as there was a reduction of students to get the training. In addition to that, many officers in charge of centers have been retired. However, instructions have been issued to prevent this shortcoming by appointing the senior most students of those centers as acting officer in charge of such centers after training.



- (d) That part of the requirement of the Board from the production at Craft Training Centers are bought by the Board while the rest is sold to outdoor customers. This procedure is adopted to prevent any loss to the Board from the purchase over and above the limits. Payments to most of the productions at Craft Training Centers have been made and others are being paid.

3.3 Management Inefficiencies

- (a) Overdrafts facilities had to be acquired as a result of financial crisis of the Board. Such overdraft facilities had been acquired on the security of fixed deposit investment in Peoples Bank and Bank of Ceylon. Even though an interest has to be paid, it is more profitable to take overdraft facilities than to have borrowed long term loans at a higher interest rate.
- (b) As the Clay Center at Samagama is situated on a government owned land, permission has been given to use it for the Craft Training Division. It can be handed over, as and when it is necessary. This belongs to the regional office of the area. Instructions have been given to consult a safety fence to suit the requirement.
- (c) It has been unable to purchase a Clay Training Machine due to shortage of provision of cash.
- (d) As a considerable amount of money will be required to construct the safety fence at Wateke Center at North Payagala. It cannot be started until the financial position comes to normal.
- (e) The land and building at Moragolla showroom is the property of the regional office of the area and the Board is permitted to use it. A heavy cost will have to be incurred to acquire the building and to pay much for the rent thereafter. As it is not profitable, the acquisition has been abandoned.
- (f) The cracked walls and other defects identified in the two stored building at Kesseawatta Light Engineering institution under Sirup fund have been repaired during the retention period. If new defects have been occurred, actions will be taken to repair them.
- (f) Even though officers from other training centers have been appointed as officers in charge on acting basis temporarily, the senior most student of the apprentices have been trained as the officer in charge and acting appointments have been given.
- (g) Executive Director (finance) has been appointed as the Acting Chairman for the vacant post of Chairman. It has been made by a Board decision. A paper notice was published to fill the vacancy permanently and it has been reported to the Board of Directors by the Board paper No. 20 dated 2008.08.28 Acting appointments have been made to cover up the duties of the posts of Executive Director (Craft Training) and Executive Director (Export). Applications have been invited to recruit suitable officers on permanent basis.



- (h) The Executive Director (Finance) had been appointed to the post of Acting Chairman under a Board decision. The Board had decided it to pay be effective from 2008.01.01. The Board had decided to pay the acting allowance from 2008.01.01 as she had been acting in the same post since 2006.07.20 without any remuneration.
- (i) The decision to appoint the chief internal Auditor as the Acting Secretary by the Board was taken with the intention of securing the confidentiality and discharging the duties with credibility. The acting payment for post too was effective from 2008.01.01.01 under the Board decision.
- (j) The responsibility for the administration of the centers in sabaragamuwa province have been temporarily assigned to the respective officers in charge and, action will be taken to fill the vacancies of the Assistant Director.
- (k) Most of the purchases of the Board are made by the respective laksala branches. Purchases are made by the managers to suit the requirement of laksala branches. based on priority of sale. Purchases by the Head Office are made under the same criteria. This purchase procedure which was decided by the Board is profitable to the Board.
- (l) Purchases have been decentralized to each branch and and the officers of the purchase section take part in those activities. Therefore it has been possible to purchase high quality goods.
- (m) Propaganda campaign in a small level has been the made to advance the sales of the board, with due consideration of the financial position. Advertisements to several souvenirs have been given at low cost.
- (n) Steps have been taken to purchase a number of fast moving goods before the stock level comes to zero. Priority has been given by the Head Office and branches of Laksala to purchase these items.
- (o) It is expected to conduct Workshop on marketing to upgrade sales in future.
- (p) The code numbers and prices of goods which have been presented for sale at a discount have been discolored. In many instances, 55 Items of goods of which the tags containing the code names and Price have been lost re stored at Wragoda Project. The Items valuing Rs. 25200/- was Apart of goods on consignment and a customer had made an advance Payment of Rs. 5000/- to purchase it. However, as the consignor requested to return the items, it was released and the advance paid by the customer was settled. The D.N paper and other documents are available at the sales section.



- (q) When accepting orders from the Customer by the katubedda Carpentry Complex an advance from each institution of individuals are levied and materials required for each order is purchased. This procedure was adopted as result of the prevailing financial crisis and had been minor shortcomings when fulfilling the requirement with efficiency and without delay.
- (R) The responsibility of the stores at stores Division has been made the collective responsibility of stores manager, store keepers and maintenance assistants. As the purchases are made at Laksala branches and therefore it is not necessary to keep heavy stores division, this step has been taken. When the officers at the stores Division are transferred or retired, other officers including stores manager had taken the responsibility for the stocks and, If there had been anything to be sucharged from the retiring officers it had been deducted from their gratuity. As very limited issued are made by the stores, the documents related to such issues are maintained by the stored manager.

3.4 Uneconomical Transactions

- (a) In addition to the issuing of bills to customers, the newly established computers system is being used to achieve the targets expected by the board. Computers at several laksala Branches have been linked. Therefore, it has been be some small omissions as a result of defects of software.
- (b) Information on decentralized sales can be accurately acquired by the computer network. It is expected to provide computer systems for those branches having no computers so that the information can be retrieved.
- (c) The service of many officers with computer knowledge have been using by the Board and it is possible to get the services of other officers as and when it is necessary.
- (d) Instructions have been given to update the web pages.

3.5 Inactive Assets

- (a) stocks at the showroom of molagoad clay industry are issued to the laksala showrooms and the rest of the stocks are issued to customers. The production at craft training centers of the district in which molagoda showroom is situated are sold by molagoda show room. Even though the stocks figure appears to be high the stocks are sold from time to time.
- (b) Instruction have been given to repair the safe No. SLHB /7 / 37/ 17 for use
- (c) The building in which the showrooms at Sabaragamuwa sales center had been constructed by the Sabaragamuwa provincial council. Instruction have been given to levy some fee for the land owned by Sri Lanka Handicrafts board on a memorandum of understanding.



- (d) Inactive inventory at molagoda clay center had been brought forward from the period of department of small industries. It is expected to repair and use some of the items and other will be disposed for some income.
- (e) Some amount of clay lamps have been sold and the rest too will be sold.
- (f) The spray machine had been acquired from the department. If it is usable, it will be issued to some other center for use.

3.6 Underutilized Assets.

As a result of the poor financial position ,machinery at Waragoda Ceramic Center could not have been utilized for production and therefore it has been unable accept large scale orders. Completely in active machines have been brought forward from the department. However the instructions have been issued to get the maximum utilization from the machines which are serviceable and which can be repaired.

3.7 Unsettled Liabilities

It is expected to settle the liabilities of the board, once the finance position comes to normal.

3.8 Budgetary Control

Most of the documents related to the activities of the Board had been handed over to the audit and steps will be taken to hand over other documents if necessary.

4. System and Controls.

The respective officers have been instructed and educated as per your instructions on asset management, training of craftsmen, and maintenance of training centers, settlement of advances , purchase and disposals, financial managements, internal control, budgeting and accounting. They have been informed to draw their Special attention during the future financial years.

For Chairman Managing Director (Acting)

Sri Lanka Handicrafts Board Sri Lanka Handicrafts Board

Copy to : Secretary - Ministry of Rural Industries and Self Employment Promotion, Colombo 10



	Designation	Grade	Chairman	M.D.	Admin	Sales	Fort (sales)	Branch	Total-Sales	Purchasing	Stores	Finance	Inter Audit	Export	Total	Craft Training	Art Line	Keselwaththa	Carpentry	Waragoda	Special Unit	S.P.U.	T/Lace	Ministry	Total
1	Chairman		1												1										1
2	M.D	1A																							
3	Executive Director	1B			1							1			2										2
	Cheif Inter Audit												1		1										1
4	Deputy Director	1C																							
5	Assistant Director	11A			1	1			1	1				1	4	3									7
6	Accountant																								
7	Assistant Accountant	11B								1					1										1
	Senior Manager				1		1	1	2						3					1					4
	Management Asst.				1	1			1					1	3	1									4
8	Manager	111			2	3	5	3	12	4	1	1	1		21	3					1				25
	Counsultor																								
	Book Keeper																								
	Instructor																								
	Manager (M.I.S)											1			1										1
	Secretary															1									1
9	Asst. Manager	1VA			5		4	7	11			2	2	3	23	2	2		1			1			29
	Shrof							1	1						1										1
	Craft Supervisor																		3						3
	Supervisor															4									4
	Typist/ Secretary					1			1						1	1									2
	Deco Artist					1			1						1										1
	Assist. Manager (M.I.S)									1	1				2										2
10	Senior Sales Asst.	1VB			1		12	19	31				1		33	4									37
	Senior Audit Asst.				1										1										1
	Senior Admin Asst.				2										2										2
	Senior Account Asst.											4			4						1				5
	Industrial Teacher																								
	Lathman																	1							1
	Typist		1		1			2	2					1	5				1				1		7
	Driver				5										5	1			1						7
	Secretary																								
	Carpenter													1	1						2				3
	Handicrafts Instructor															1									1
	Machine Operator																					1			1
	Project Asst.																								
	Supervisor																								
	Demonstrator						1		1						1	83			1	2			5		92
	Clerk				1					1					2	12									14
	Senior Purch Asst.									2					2										2
	Store Keeper										2				2				1	2					5
	Motor Mechanic				1										1										1
	Work Asst.		1					1	1					1	3										3
	Shroff						1		1			1			2										2
	Packer																								
	Electrician				2										2				1						3
	Bungalow Keeper				2										2										2
11	Sales Asst.	1VC					3	10	13						13	3						1			17
	Admin Asst.				1			1	1						2										2
	Purch Asst.									1					1										1
	Audit Asst.											1			1										1
	Shroff						1		1						1										1
	Account Asst.											2			2										2
	Clerk																								
	Demonstrator																		3						3
	Typist / Computer				1							1			2	3									5
	Electrician				1										1										1
	Driver				3										3				1				2		6
	Store Keeper																								
	Demonstrator (c)																								
12	Main Asst.	VA			3		11	9	20	1	3	1			28	4			1	1		1			35
	Bungalow Keeper				1										1										1
	Packer						1	1	2					1	3										3
	Watcher															1	1								2
	Carpentry Asst.																								
13	Main Asst.	VB																							
	Main Asst. (c)																								
	Total		3		37	7	40	55	103	12	7	15	5	9	191	127	3	1	14	6	4	3	6	3	358