

ANNUAL REPORT 2012



SRI LANKA INSTITUTE OF PRINTING

(Established by an Act of parliament in 1984)

Ministry of Youth Affairs & Skills Development

118, Dr. Danister De Silva Mawatha, Colombo-08

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Web:- www.sliop.edu.lk

GENERAL INFORMATION

Name :- Sri Lanka Institute of Printing

Statues :- Established by an Act of Parliament in 1984

Address :- Government Printing Department
118, Dr. Danister De Silva Mawatha, Colombo-08

Telephone :- +941286162, +9412679791

Fax :- +9412686162

Registered Office :- 118, Dr. Danister De Silva Mawatha, Colombo-08

Banks :- Peoples Bank, National Savings Bank, Bank of Ceylon

Auditors :-
1. D. H. P. Munaweera & Company
2. Auditor General Department

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Sri Lanka Institute of Printing

INTRODUCTION

Sri Lanka Institute of Printing (SLIOP) is the pioneer professional body committed to the advancement of knowledge, skills and expertise in the Print & Graphic Industry in Sri Lanka is totally dedicated to the realization of the major objectives set out at its inception.

The Institute was established by an Act of Parliament in 1984 under the Ministry of Information & Media. It is an organization devoted to the furtherance of scientific and technical education, and the ever-widening knowledge and skills demanded by the Graphic Arts Industry. Hence, its special task is to assist the industry meet the demands of modernization in the context of the country's socio-economic progress.

MISSION STATEMENT

Student centered effective quality training for a professional work force for the enhancement of Graphic Arts Industry in Sri Lanka

STRATEGIES AND COMMITMENTS

In the backdrop of increased competition in trade and commerce, Sri Lanka Institute of Printing is now engaged in the process of reformulating/restructuring its strategies and implementation of programmes for continued furtherance of knowledge and skills to meet the demands of advanced technology and managerial requirements.

OBJECTIVES

- ❖ To train those presently employed in the printing industry by improving techniques, processes, raw-material utilization, planning, etc, with a view to improving the standards of printing establishments in Sri Lanka.
- ❖ To organize Training Courses in Printing Technology and Management.
- ❖ To award Certificates and Diplomas relating to the Training courses conducted by the Institute.
- ❖ To organize and disseminate information in the Printing Trade, on new syllabuses, techniques and available courses of study through a newsletter and/or other periodic publications.
- ❖ To sponsor training abroad in schools of Printing of Printing Houses to reciprocate through a student exchange programme.
- ❖ To participate in trade fairs relating to the printing trade, with a view to acquiring latest techniques/know-how and information relevant to the upliftment of standards of the country's Graphic Arts Industry.

THE STRENGTHS OF THE INSTITUTE

The SLIOP with over two decades of experience of running a training institute relating to all the prime aspects of the Graphics Art Industry, is now considered to be a leading academy specialized in this field of activity. Apart from a comprehensive and a well-structured training programmes, providing an insight into all the relevant facets of the Industry, the Institute is backed by computer Labs and machinery to gain skills and technical know-how in their proper usage. However, the most important and noteworthy aspects is its experienced and professionally qualified panel of Instructors and visiting lectures who continuously guide the trainees with their updated expertise.

The success stories of those who have already passed out, the keenness and enthusiasm of the current batches of trainees and the demand to secure slots in the forthcoming technical training programmes are, for certain, the real yardstick to measure the efficiency and effectiveness of the Institute.

At the time of its inauguration, the institute was considered an important tool in the development of professional skills in Graphic Arts, both in the technical and management spheres, necessary to bring the industry up to acceptable international levels of competence, after more than two decade of a highly regulated economy which gave little opportunity for skills development.

Sri Lanka Institute of Printing has developed several modules of training in different fields of study and expertise leading up to a recognized Advanced Diploma in Printing Technology & Management and Visual Communication & Management, conducted by the Institute in collaboration with the University of Colombo.

Qualifications in the varied types of training including hands on experience, provide required inputs to follow higher levels of training abroad in more advanced technological environment. These opportunities provide those in the Printing Industry in Sri Lanka to achieve higher echelons of knowledge and skills thus bringing the desired inputs for the overall improvement of printing standards of the country.

In the imparting of knowledge and skills the Institute is fortunate to obtain the services of a number of professionals in the industry and allied fields. Their direct involvement in the formulation of study courses and syllabuses; preparation of course-material and in the conducting of teaching sessions, have provided the much desired stature/status and standards to the varied activities of the Institute.

The Institute also possesses a library with an unmatched collection of books and publications on the Graphic Arts Industry. These provide the desired depth to the inputs received in the practical and theory sessions.

VIEWS & COMMENTS

GENERAL

It is correct to say that the Graphic Arts provides the base and bases for almost every human endeavor. The industry is therefore, undergoing rapid technology changes, especially with the ever changing Information Technology. The Graphic Arts Industry had to take giant-strides to cope with the rapid current and future demands. The rapid transformation of the methods and methodology of the industry has become all the more important and relevant as the country is now in the process of readjusting its commercial and industrial bases to meet the demands of the international market. The institute is aware of the new challenges and demands, more so, in the fields of Packaging, Graphic Design and Quality Control.

To support the Government's endeavor to make the country Quality and Productivity conscious, the Institute has already formulated and commenced short courses for managerial and supervisory staff with a view to enhancing their managerial knowledge and skills. Quality and Productivity have been made two inseparable elements in these courses.

The setting up of more investment promotion zones, influx of foreign entrepreneurs with their packages of investment, technical know-how and the art of business, and also the increasing emphasis on Private Sector development, have made a rich environment for a thriving Graphic Arts Industry. The industry's continued success would, however, depend on how far and how soon we could meet the new demands and challenges.

The SLIOP is in the continuous process of upgrading its resources & training programmes in line with the new technological developments in the industry.

The collaboration with the University of Colombo to conduct the two Advanced Diploma Programmes in Printing Technology & Management & Visual Communication & Management was a remarkable achievement by SLIOP.

The acceptance of the Advanced Diploma as pre-quisite to enter the MBA Programme conducted by the University of Colombo was a valued recognition to SLIOP.

The Printing Industry in Sri Lanka is getting well established and quality of printing therefore needs to be developed. Modern printing industry is updating its activities with the electronic pre-press production processes. If Sri Lanka is to maintain its capability of quality printing and enter into foreign competition, knowledge and expertise in the printing processes become important.

The only organization that can provide the training in the various disciplines of the Graphic Arts industry and higher levels of education in Sri Lanka at present is the Sri Lanka Institute of Printing. Given the necessary infrastructure, equipment and machinery, the Institute could provide all the training requirements of the industry. Additionally the Institute could provide

advice and assistance to individual printers to develop techniques and methods to meet the technological demands of the industry. The Institute, when equipped with space and required training resources could further provide additional services to those who seek the assistance such as: In-plant audits, ink and paper testing, quality analysis etc.

NEW PREMISES TO SLIOP

Considering all the above factors, with the expansion of Graphic Arts activities in Sri Lanka, it has become necessary to construct a well equipped Technical Training Centre to further enhance the activities of the Institute. The Board of Governors of the Institute, being well aware of the constraints placed on the Institute, due to lack of space and facilities available, has justified the course with the Government for a fully equipped Technical Training Centre. The Government has provided a land to Sri Lanka Institute of Printing within the Government Printing Department in extent of 40 perches.

The next step is to seek financial assistances of set up a training center to house the proposed technical training centre for SLIOP.

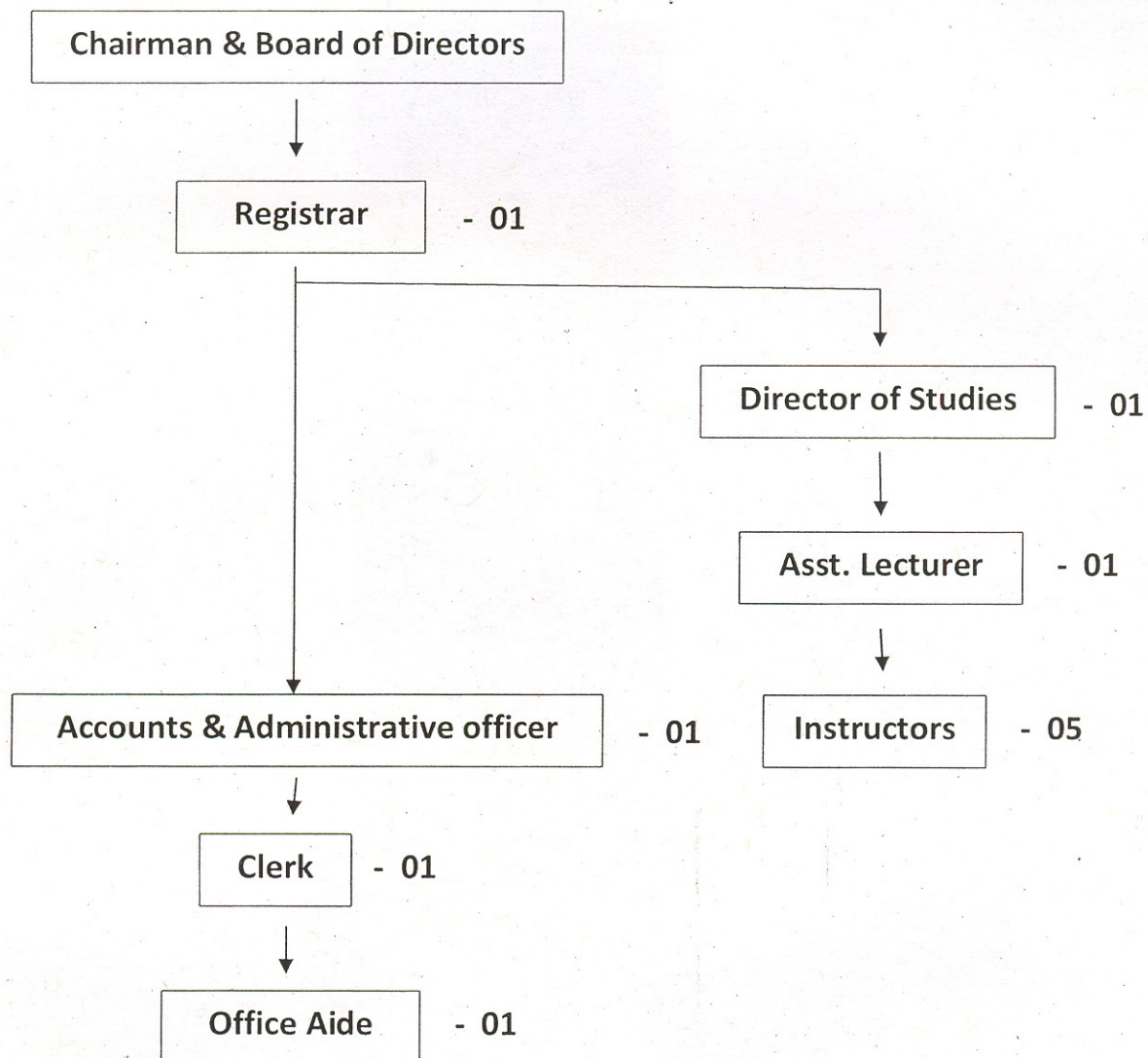
BOARD OF GOVERNORS - SRI LANKA INSTITUTE OF PRINTING

- ❖ **Mr. Lakshman Goonewardena**
Government Printer – Department of Government Printing
- ❖ **Mr. J.B.Heenkenda**
Chairman - State Printing Corporation
- ❖ **Mr. Mr.Sanjeev Mohan**
President – Sri Lanka Association of Printers
- ❖ **Mr. Dudley Thambinayagam**
President - Sri Lanka Institute of Packaging
- ❖ **Mr. Ajit R. De Silva**
Director/CEO - DAC Graphics
- ❖ **Mr. Abhaya Amaradasa**
General Manager – ANCL, Lake House.
- ❖ **Mr. Nihal Athukorala**
Managing Director – Jawana Graphics
- ❖ **Mr. Jayantha Weerasinghe**
Managing Director – Lamamuthu Publications
- ❖ **Mr. C.C.Siribaddana**
Assistant Director – General Treasury

STAFF – SRI LANKA INSTITUTE OF PRINTING

❖ Mr. Sisira Baranage		Registrar
❖ Mr. Asoka Nanayakkara	-	Director of Studies
❖ Mrs. Himashi Fonseka	-	Administrative & Accounts Assistant
❖ Mrs. Thanuja Damayanthi	-	Instructor
❖ Mr. R. A. M. Premasiri	-	Instructor
❖ Mr. Chamal Hettiarachchi	-	Instructor
❖ Mr. W. M. Sanath	-	Instructor
❖ Mr. Haritha Vandabona	-	Instructor
❖ Mr. Samantha Kulathunga	-	Instructor
❖ Mr. W. A. M. Lankathilaka	-	Clerk
❖ Mr. Easrawari Eadin	-	Office Aide

Organizational Chart



Approved Cadre

Registrar	- 01
Director of Studies	- 01
Asst. Lecturer	- 01
Instructor	- 07
Accounts & Administrative Officer	- 01
Clerk	- 01
Office Aide	- 01

Existing Cadre

Registrar	- 01
Director of Studies	- 01
Asst. Lecturer	- 01
Instructor	- 05
Accounts & Administrative Officer	- 01
Clerk	- 01
Office Aide	- 01

VISITING TUTORIAL STAFF

Dr. A.A.C. Abeyesinghe	-	Senior Lecturer Faculty of Management & Finance. University of Colombo
Ms. S.B. Ranasinghe	-	Senior Lecturer Faculty of Management & Finance. University of Colombo
Ms. Ruwangi Chandrasekara	-	Senior Lecturer Faculty of Management & Finance. University of Colombo
Mr. Chandana Wijekoon	-	Senior Lecturer Faculty of Management & Finance. University of Colombo
Mr. G.S.P Randiwela	-	Senior Lecturer Faculty of Management & Finance. University of Colombo
Mr. G.R.T. Silva	-	Senior Lecturer Faculty of Management & Finance. University of Colombo
Mr. S. Sasidaran	-	Senior Lecturer Faculty of Management & Finance. University of Colombo
Mr. M.C.P. Atapattu	-	Senior Lecture Faculty of Management & Finance. University of Crolombo
Mr. Asoka Nanayakkara	-	Director of Studies
Mr. Madhawa Waidyarathna	-	Lecture & Consultant in Digital Media Studies
Mr. Abhaya Amaradasa	-	Genaral Manager / ANCL
Ms. Gangani Liyanage	-	Deputy Government Printer
Mr. B. Pathirana	-	Printing Manager/Print Care Pvt.Ltd
Mr. Rasantha Chandratilake	-	Production Manager - Rivira Publications
Mr. N.T.S. Kodikara	-	Head-Commercial Printing Department/ANCL

Mr. Rev. Beling	-	Design Consultant
Mr. Chaminda Rathnayake	-	Manager Quality Control/Print Care (Pvt)Ltd.
Mr. Jagath Madanayake	-	Sale Manager/DIC Lanka (Pvt)Ltd.
Mr. M. A. Justin	-	Lecture/Paper Technology
Mr. Sisira Baranage	-	Registrar - SLIOP
Mr. M. D. Mahindapala	-	Lecturer & Consultant in Cinematography
Mr. Stanley Hettiarachchi	-	Lecturer & Consultant in TV & Electronics Technology
Mr. Osman Jayah	-	DGM Lake House
Mr. Rohan Piyrathne	-	Instuctor - Design & Digital Printing Technology
Mr. Prasanna Jayaratne	-	Instuctor - Design & Digital Printing Technology
Mr. Niel Cooray	-	Lecturer - Digital Animation
Mr. Lakmal Perera	-	Lecturer - Web Design & MS Office
Mr. Nalin Wijenayake	-	Lecturer - Web Design & MS Office
Mr. Ranjith Jayatilake	-	Lecturer - Book Binding
Mr. J. A. D. Premathunga	-	Lecturer - Book Binding
Mr. Subasinghe	-	Asst : Lecturer - Book Binding
Mr. W. F. Priyantha	-	Lecturer - Costing
Mr. Dhammika Wimalaratne	-	Lecturer - Printing Technology

BRANCHES

Sri Lanka Institute of Printing has a branch in Matale

Matale Branch Address

Sri Lanka Institute of Printing

District Secretariat

Matale

Tel: 060-2683839

Course Conducted in Matale Branch

1. Typesetting & DTP
2. Computer Graphic Designing
3. MS Office
4. Web Designing

COURSE DETAILS

Course	Duration	Course Fee (Rs)
Typesetting/Desktop Publishing	20 Weeks	11,000
Costing & Estimating for Printers	01 Year	11,000
Offset Lithography	01 Year	13,500
Digital Per Press	01 Year	19,000
Computer Graphic Designing	18 Weeks	13,500
Sheet Fed Litho Press Operations	26 Weeks	13,500
Design for Print	01 Year	11,000
Web Design	16 Weeks	13,750
Offset Press Operation for School Leavers	14 Weeks Full time	18,000
Non Linear Editing	16 Weeks	19,000
Digital Animation	24 Weeks	19,000
Computer Hardware & PC Assembly	14 Weeks	10,000
MS office	16 Weeks	9,750
Planing & Plate Making	12 Weeks	9,750
Book Binding & Finishing	01 Year	12,750
Advanced Diploma in Visual Communication & Management	2 Years Part time	90,000
Advanced Diploma in Printing Technology & Manegment	2 Years Part time	90,000
Diploma in Computer Graphic Designing	01 Year	28,350
Print Production Management	24 Weeks	13,750

Work shops and seminar conducted in 2012

Free Seminars

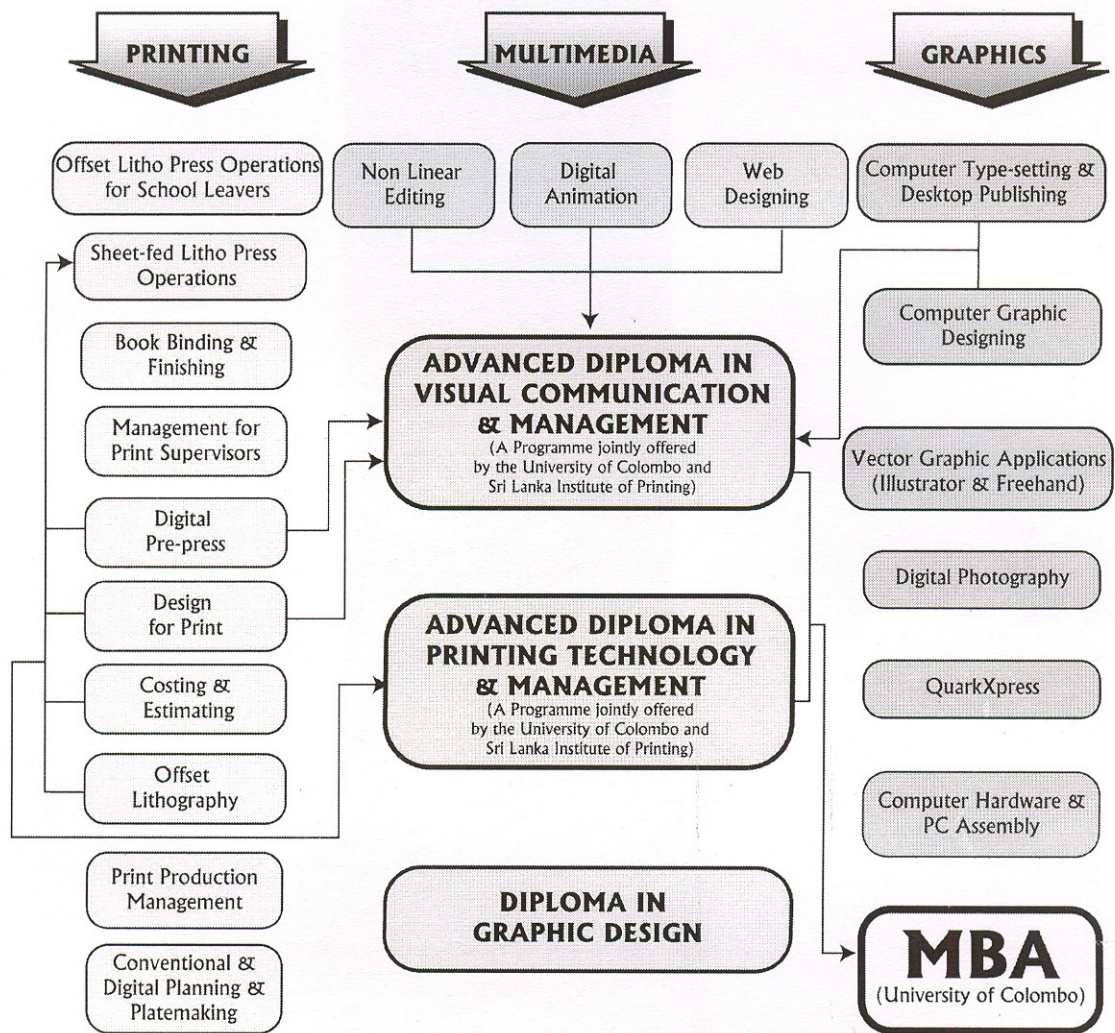
Seminar	Date Conducted	Participation
1.Graphic Design	2012.01.15	51
2.Graphic Design	2012.04.08	19
3.Graphic Design	2012.05.20	33

Technical Seminars / Workshops

Seminar	Date Conducted	Participation
1.Effective Advertising Design Techniques	2012.03.24	53
2.Quality control in the Press Room	2012.01.21	19
3.Quality control in the Pre Press	2012.01.22	18
4.Essential Costing & Estimating basic Accounting & Finance for Graphic Arts and Printing Professionals	2012.01.28	16



Sri Lanka Institute of Printing
(Established by an Act of Parliament in 1984)
Ministry of Mass Media & Information
CAREER DEVELOPMENT PATH



Student Data

Courses	2012	
	Number of Target Students	Number of Actual Students
1. Graphic Design	280	284
2. Offset Lithography	30	40
3. Typesetting	120	159
4. Costing & Estimating	15	15
5. Design for print	15	28
6. Digital Pre-press	15	15
7. Web Design	35	38
8. Non - Liner Editing	20	17
9. Offset Lithography (full time) / Sheet - fed	70	70
10. Digital Animation	20	12
11. Computer Hardware & PC Assembling	14	-
12. Print Management Production	10	-
13. Microsoft Office	50	88
14. Diploma in Graphic Design	45	30
15. Planning & Plate Making	10	11
16. Book Binding & Finishing	30	56
17. Advanced Diploma in Printing Technology & Management	15	Continuing..
18. Advanced Diploma in Visual Communication & Management	10	Coutinuing..
Total	804	863

HARDWARE AND MACHINERY / EQUIPMENT

GRAPHIC UNIT

- ❖ Computer Lab 01 - 10 PCs + 01 Scanner
- ❖ Computer Lab 02 - 12 PCs
- ❖ Computer Lab 03 - 08 PCs + 01 Scanner

MULTIMEDIA UNIT

- ❖ Multimedia Lab - 10 PCs
- 01 Camera
- 01 Non Linear Editing System
- 01 Television

PRINTING UNIT

- ❖ KORD Single Colour Offset Printing Machine 01
- ❖ SORZ Two Colour Offset Printing Machine 01
- ❖ Plate Exposure Unit 01
- ❖ Guillotine Machine 01

QUALITY CONTROL UNIT

Spectrodensitometer
Duro Meter
Micro Meter
UGRA Step Wedge
Digital Colour Proofer
Spectro eye

Sri Lanka Institute of Printing

Financial Analysis As at 31 December 2012

Head Office: -	Budget 2012 Rs.	Actuals as at 31 st December 2012 Rs.
Operational Income	11,270,000.00	13,218,392.96
Non Operational Income	2,300,000.00	6,215,344.02
Total Income	13,570,000.00	19,433,736.98
Expenditure	10,798,303.00	11,772,648.32
Operational Profit / Loss	471,697.00	1,445,744.64
Total Profit / Loss	2,771,697.00	7,661,088.66
Matale Branch: -	Budget 2012 Rs.	Actuals as at 31 st December 2012 Rs.
Income	610,000.00	634,600.00
Expenditure	356,500.00	328,020.04
Total Profit / Loss	253,500.00	306,579.96

FINANCIAL STATEMENT 2012

**FINANCIAL STATEMENTS
OF
SRI LANKA INSTITUTE OF PRINTING
FOR THE YEAR ENDED
31ST DECEMBER, 2012.**

SRI LANKA INSTITUTE OF PRINTING
NO.118, DR. DANISTER DE SILVA MAWATHA, COLOMBO - 8.
STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER		2012	2011	As at 1st January
	Note	Rs.	Rs.	2011
				Rs.
<u>ASSETS</u>				
<u>NON-CURRENT ASSETS</u>				
Property, Plant & Equipment	1	7,393,990.56	6,519,197	7,144,867
		<u>7,393,990.56</u>	<u>6,519,197</u>	<u>7,144,867</u>
<u>CURRENT ASSETS</u>				
Trade and other Receivables	2	2,879,046.66	1,521,991	689,180
Cash and Cash Equivalents	3	43,256,040.06	39,799,356	35,211,316
		<u>46,135,086.72</u>	<u>41,321,346</u>	<u>35,900,496</u>
TOTAL ASSETS		<u><u>53,529,077.28</u></u>	<u><u>47,840,543</u></u>	<u><u>43,045,363</u></u>
<u>FUNDS & LIABILITIES</u>				
<u>FUNDS</u>				
Accumulated Fund	4	52,042,754.79	44,381,666	41,522,277
Total		<u>52,042,754.79</u>	<u>44,381,666</u>	<u>41,522,277</u>
<u>NON-CURRENT LIABILITIES</u>				
Provision for Retiring Gratuity	5	826,351.77	838,503	744,163
		<u>826,351.77</u>	<u>838,503</u>	<u>744,163</u>
<u>CURRENT LIABILITIES</u>				
Trade and other Payables	6	659,970.72	2,620,374	778,923
		<u>659,970.72</u>	<u>2,620,374</u>	<u>778,923</u>
TOTAL FUNDS AND LIABILITIES		<u><u>53,529,077.28</u></u>	<u><u>47,840,543</u></u>	<u><u>43,045,363</u></u>

21st March 2013

The Accounting Policies and Notes on pages 4 through 21 form an integral part of the Financial Statements.

SRI LANKA INSTITUTE OF PRINTING
NO.118, DR. DANISTER DE SILVA MAWATHA, COLOMBO - 8.
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER

	<u>Note</u>	<u>2012</u> Rs.	<u>2011</u> Rs.
Revenue from Course Fees, Registration Fees & Examination Fees etc,	7	13,218,392.96	12,211,214
Direct Expenditure on Course Fees, Registration Fees Examination Fees etc,	8	(5,256,882.62)	(5,789,170)
Contribution before Employee Costs & Overheads		7,961,510.34	6,422,044
Other Income	9	4,215,369.02	2,654,610
Operating Income		12,176,879.36	9,076,655
<u>Overhead Expenses</u>			
Employee Cost	10	(3,081,658.44)	(2,637,226)
Depreciation		(1,231,348.50)	(1,360,481)
Other Operating Expenses	11	(2,202,758.76)	(2,219,557)
Total Expenditure		(6,515,765.70)	(6,217,265)
Net Operating Income		5,661,113.66	2,859,389
Government Grant		1,999,975.00	-
		7,661,088.66	2,859,389
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year Transferred to Accumulated Fund		7,661,088.66	2,859,389

The Accounting Policies and Notes on pages 4 through 21 form an integral part of the Financial Statements.

SRI LANKA INSTITUTE OF PRINTING
NO.118, DR. DANISTER DE SILVA MAWATHA, COLOMBO - 8.
CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER

	2012	2011
	Rs.	Rs.
<u>Cash Flows from Operating Activities</u>		
Excess of Income Over Expenditure	7,661,089	2,859,389
Adjustments for non-cash income and expenses:		
Depreciation	1,232,793	1,361,926
Provision for Retiring Gratuity	104,979	94,341
Interest Received	(4,169,703)	(2,556,645)
Profit on Asset Disposal	-	(47,037)
Discarded Assets	-	68,310
Operating Income before Working Capital Changes	4,829,158	1,780,285
(Increase)/Decrease in Debtors & Amounts Receivable	(1,161,801)	(767,035)
Increase/(Decrease) in Amounts Payable	(1,960,403)	(158,525)
Net Cash Flow from Operating Activities	1,706,954	854,725
Gratuity Paid	(117,130)	-
Net Cash Flow from Operating Activities	1,589,824	854,725
<u>Cash Flows from Investing Activities</u>		
Interest Received	3,974,449	2,490,872
Sale of Property, Plant & Equipment	-	87,520
Deferred Grant Received	-	1,999,975
Purchase of Property, Plant & Equipment	(2,107,587)	(845,049)
Net Cash from Investing Activities	1,866,861	3,733,317
<u>Cash Flows from Financing Activities</u>		
	-	-
Net Cash from Financing Activities	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	3,456,684	4,588,041
Cash & Cash Equivalents at the beginning of the year	39,799,356	35,211,315
Cash & Cash Equivalents at the end of the year	43,256,040	39,799,356
<u>Cash & Cash Equivalents</u>		
Cash at Bank	1,823,525	2,841,278
Short Term Investments	41,427,279	36,952,842
Cash in hand	5,236	5,236
Cash & Cash Equivalents at the end of the year	43,256,040	39,799,356

The Accounting Policies and Notes on pages 4 through 21 form an integral part of the Financial Statements.

SRI LANKA INSTITUTE OF PRINTING
NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General.

Sri Lanka Institute of Printing was established in Sri Lanka in 1984 under the Institute of Printing Act No. 18 of 1984. The Registered office of the Institute and the principal place of business are located at No. 118, Dr. Danister de Silva Mawatha, Colombo 8.

1.2 Principal Activities and Nature of Operations.

During the year 2012, the Institute continued to engaged in principal activities authorized in the Incorporation Act as follows,

- a. Conducting of courses in printing, graphics and digital media technologies,
- b. Organising seminars and workshops to provide knowledge on new technological developments in the industry,
- c. Providing higher educational facilities in printing, graphics and digital media technologies
- d. Fulfilling training requirements of the industry in order to provide access for employment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Financial Statements of the Institute have been prepared in accordance with Sri Lanka Accounting Standards as issued by the Institute of Chartered Accountants of Sri Lanka.

For all periods up to and including year ended 31 December 2011, the Institute prepared its Financial Statements in accordance with Sri Lanka Accounting Standards applicable as at 31 December 2011 ("SLAS"). These Financial Statements for the year ended 31 December 2012 are the first the Institute has prepared in accordance with Sri Lanka Accounting Standards effective 01 January 2012 comprising Sri Lanka Accounting Standards for Small and Medium sized Entities (SLFRS for SMEs).

The Financial Statements of the Institute have been prepared on a historical cost basis, except for Derivative Financial Instruments, Financial Assets and Liabilities held for Trading and Available for Sale Financial Investments all of which have been measured at fair value.

2.2 Statement of Compliance

The Financial Statements of the Institute have been prepared in accordance with Sri Lanka Accounting standards for small and medium- sized entities ("SLFRS" for SMEs) as issued by the Institute of Chartered Accountants of Sri Lanka.

SRI LANKA INSTITUTE OF PRINTING
NOTES TO THE FINANCIAL STATEMENTS

2.3 Significant Accounting Judgments, Estimates and Assumptions

In the process of applying the Institute's accounting policies, the management has exercised judgment and estimates in determining the amounts recognized in the Financial Statements. Use of available information, estimates and assumptions and application of judgment is inherent in the preparation of the Financial Statements as they affect the application of accounting policies and the recorded amounts in the Financial Statements.

The Institute believes its estimates including the valuation of assets and liabilities are appropriate. Estimates and underlying assumptions are reviewed on a continuous basis. However the actual results may differ from those estimates. The most significant uses of judgments and estimates are as follows:

2.3.1 Judgments, Estimates and Assumptions

Going Concern

The Board has made an assessment on the Institute's ability to continue as a going concern and is satisfied that it has the resources to continue in operation for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Institute's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

Fair Value of Financial Instruments

Where the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish fair values.

2.4 Financial Instruments - Initial Recognition and Subsequent Measurement

Financial Assets within the scope of Section 11, 12 and 11.41 of SLFRS for SMEs are classified as Financial Assets at Fair Value through Profit or Loss, Debt Instruments at amortized Cost, Equity Instruments measured at Cost less Impairment, Financial Liabilities measured at fair value through Profit or Loss, Financial Liabilities measured at amortized Cost and Loan Commitments measured at Cost less Impairment as appropriate. The Institute determines the classification of its Financial Assets at initial recognition.

2.4.1 Date of Recognition

All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Institute becomes a party to the contractual provisions of the instrument.

2.4.2 Initial Measurement of Financial Instruments

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are

SRI LANKA INSTITUTE OF PRINTING
NOTES TO THE FINANCIAL STATEMENTS

measured initially at the transaction price (including transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or Loss).

2.4.3 Subsequent Measurement of Financial Instruments

After initial measurement, at the end of each reporting period, the Institute shall measure all financial instruments within the scope of Section 12 at fair value and recognize changes in fair value in profit or Loss.

2.4.4 Derecognition of Financial Assets and Financial Liabilities

2.5.4.1 Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired or;
- The Institute has transferred substantially all the risks and rewards of the asset.

2.5.4.2 Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or Loss.

2.5.5 Determination of Fair Value

The fair value for financial instruments traded in active markets at the reporting date is based on their average quoted market price or average dealer price quotation without any deduction for transaction costs. For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison with similar instruments for which market observable prices exist and other relevant valuation models.

2.5.6 Impairment of Financial Assets

The Institute assesses at each reporting date, whether there is any objective evidence that a financial asset or a Group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an 'incurred loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

2.6 Property, Plant and Equipment

Property, Plant and Equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

The Institute reviews its assets' residual values, useful lives and method of depreciation at each reporting date. Judgment by the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

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NOTES TO THE FINANCIAL STATEMENTS

Depreciation on other Property, Plant & Equipment has been provided on straight line basis to write down the cost of property, plant and equipment to their residual values over their estimated useful lives from the time the asset is placed in use. Depreciation rates are as follows:

- Machinery & Others	10 years
- Computers	3 years

Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in 'Other Operating Income' or 'Other Operating Expenses' as appropriate in the Income Statement in the year the asset is derecognized.

2.7 Trade Receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Institute will not be able to collect all amounts due according to the original terms of the receivables.

2.8 Government Grants

Government grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Government grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

2.9 Employee Benefit Liability

2.9.1 Defined Contribution Plans - Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund and Employees' Trust Fund contributions in line with respective statutes and regulations.

2.9.2 Defined Benefit Plan - Gratuity

The Institute uses the Projected Unit Credit Method with the simplifications to measure its defined benefit obligations and the related expenses.

2.10 Provisions

Provisions are recognised when the Institute has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

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NOTES TO THE FINANCIAL STATEMENTS

2.11 Trade Payables

Trade Payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

2.12 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.13 Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefit will flow to the Institute and the revenue and associated cost incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Rendering of Services

Revenue from the rendering of services is recognized in the accounting period in which the services are rendered.

2.14 Interest Income

Interest income is recognised using the effective interest method.

2.15 Expenditure Recognition

Expenses are recognized in the Income & Expenditure Statement on the basis of a direct association between the cost incurred and the earning of specific items of Income. All Expenditure incurred in the running of the Institute and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to the profit or Loss.

SRI LANKA INSTITUTE OF PRINTING
NOTES TO THE FINANCIAL STATEMENTS

3 FIRST - TIME ADOPTION OF SLFRS for SMEs

3.1 - Reconciliation of Equity as at 1 January 2011 (Date of transition to SLFRS for SME's)

	Note	SLAS* Rs.	Re-classification Rs.	Re measurements Rs.	SLFRS for SMEs** 1st January 2011 Rs.
<u>ASSETS</u>					
Property, Plant & Equipment		7,144,867	-	-	7,144,867
Trade and other Receivables		689,180	-	-	689,180
Cash and Cash Equivalents		35,211,316	-	-	35,211,316
TOTAL ASSETS		43,045,363	-	-	43,045,363
<u>FUNDS & LIABILITIES:</u>					
Accumulated Fund	C	39,916,571	1,605,706	-	41,522,277
Deferred Income - Grant	B	1,605,706	(1,605,706)	-	-
		41,522,277	-		41,522,277
<u>LIABILITIES:</u>					
Provision for Retiring Gratuity		744,163	-	-	744,163
Trade and other Payables		778,923	-	-	778,923
		1,523,086	-	-	1,523,086
TOTAL FUNDS & LIABILITIES		43,045,363	-	-	43,045,363

* Based on Sri Lanka Accounting Standards ("SLAS") as at 01 January 2011 (Date of transition).

**Based on Sri Lanka Accounting Standards comprising SLFRS for SME's as at 01 January 2011 (Date of transition).

SRI LANKA INSTITUTE OF PRINTING
NOTES TO THE FINANCIAL STATEMENTS

3 FIRST - TIME ADOPTION OF SLFRS for SMEs

3.2 - Reconciliation of Equity as at 31 December 2011

	Note	SLAS*	Re-classification	Re-measurements	SLFRS for SMEs**
		Rs.	Rs.	Rs.	31st December 2011
					Rs.
<u>ASSETS</u>					
Property, Plant & Equipment		6,519,196	-	-	6,519,196
Trade and Other Receivables		1,521,994	-	-	1,521,994
Cash and Cash Equivalents		39,799,356	-	-	39,799,356
		47,840,546	-	-	47,840,546
TOTAL ASSETS		47,840,546	-	-	47,840,546
<u>FUNDS & LIABILITIES</u>					
Accumulated Fund	C	43,027,960	1,353,706	-	44,381,666
Deferred Income - Grant	B	3,353,681	(3,353,681)	-	-
		46,381,641	(1,999,975)	-	44,381,666
<u>LIABILITIES:</u>					
Provision for Retiring Gratuity		838,507	-	-	838,507
Trade and other payables		620,398	1,999,975	-	2,620,373
		1,458,905	1,999,975	-	3,458,880
TOTAL FUNDS AND LIABILITIES		47,840,546	-	-	47,840,546

* Based on Sri Lanka Accounting Standards ("SLAS") as at 31 December 2011.

**Based on Sri Lanka Accounting Standards comprising SLFRS for SME's as at 31 December 2011

SRI LANKA INSTITUTE OF PRINTING
NOTES TO THE FINANCIAL STATEMENTS

3 FIRST - TIME ADOPTION OF SLFRS for SMEs

3.3 - Reconciliation of Income for the year ended 31 December 2011

	Note	SLAS*	Re-classification	Re measurements	SLFRS for SMEs** 31st December 2011
		<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Revenue from Course Fees, Registration Fees Examination Fees etc		12,211,214	-	-	12,211,214
Direct Expenditure on Course Fee Registration Fees & Examination Fees etc.	B	(5,789,170)	-	-	(5,789,170)
Contribution before Employee Costs & Overhead		6,422,044	-	-	6,422,044
Other Income		2,906,610	(252,000)	-	2,654,610
Operation Income		9,328,654	(252,000)	-	9,076,654
<u>Overhead Expenses</u>					
Employee Cost		(2,637,226)	-	-	(2,637,226)
Depreciation		(1,360,481)	-	-	(1,360,481)
Other Operating Expenses		(2,219,557)	-	-	(2,219,557)
Total Expenditure		(6,217,264)	-	-	(6,217,264)
Excess of Income Over Expenditure		3,111,390	(252,000)	-	2,859,390

*Based on Sri Lanka Accounting Standards ("SLAS") as at 31 December 2011.

**Based on Sri Lanka Accounting Standards comprising SLFRS for SME's as at 31 December 2011.

SRI LANKA INSTITUTE OF PRINTING
NOTES TO THE FINANCIAL STATEMENTS

3.4 Notes to the reconciliation of equity as at 1 January 2011, 31 December 2011 and total comprehensive income for the year ended 31 December 2011

The Institute adopted Sri Lanka Accounting Standards comprising SLFRS for SMEs effective 01st January 2012. Prior to the adoption of SLFRS for SMEs, the Institute prepared its Financial Statements in accordance with the Sri Lanka Accounting Standards. The Institute prepared its opening SLFRS for SMEs Financial Statements on 01st January 2011, the date of transition to SLFRS for SMEs which forms the starting point for the Institute's financial reporting under SLFRS for SMEs. These Financial Statements have been prepared in accordance with the accounting policies described in Note 2.

In preparing these Financial Statements, the Institute has applied the requirements of SLFRS for SMEs - First-time adoption of Sri Lanka Accounting Standards, including retrospective application of SLFRS for SMEs effective for the Institute on adoption, unless otherwise indicated. The resulting adjustments are described below;

A) Property Plant and Equipment

On adoption of SLFRS for SMEs, the Institute treated the re valued amounts of Machinery and Computers as Deemed cost as at the transitional date.

B) Government Grants

SLFRS for SMEs requires that the Government Grants which impose specified performance is recognized as income when the performance conditions are met.

C) Funds

The net effect of adoption of SLFRS for SMEs as of the transition date of 01st January 2011 is recorded through "Accumulated Fund".

SRI LANKA INSTITUTE OF PRINTING
NOTES TO THE FINANCIAL STATEMENTS

1 PROPERTY, PLANT & EQUIPMENT

		Balance As at 01/01/2012 Rs.	Additions during the year Rs.	Transfers Rs.	Disposal during the year Rs.	Balance As at 31/12/2012 Rs.
<u>At Deemed Cost</u>						
Machinery	Head Office	5,849,583.39	1,830,044.95	-	-	7,679,628.34
Computer	Head Office	3,039,882.46	198,800.00	-	-	3,238,682.46
<u>At Cost</u>						
Furniture & Fittings	Head Office	854,202.21	66,317.50	-	-	920,519.71
	Matale Branch	8,700.00	-	-	-	8,700.00
Office Equipment	Head Office	597,470.40	7,975.00	-	-	605,445.40
	Matale Branch	5,750.00	-	-	-	5,750.00
Library Books		728,045.89	4,450.00	-	-	732,495.89
Crockery & Cutlery		10,599.90	-	-	-	10,599.90
Carpets		314,945.80	-	-	-	314,945.80
Name Board		5,400.00	-	-	-	5,400.00
Total		11,414,580.05	2,107,587.45	-	-	13,522,167.50

		Accumulated Depreciation As at 01/01/2012 Rs.	Depreciation during the Year Rs.	Transfers Rs.	Disposal during the year Rs.	Accumulated Depreciation As at 31/12/2012 Rs.
<u>Depreciation</u>						
<u>On Deemed Cost</u>						
Machinery	Head Office	1,188,374.64	436,159.70	-	-	1,624,534.33
Computer	Head Office	1,887,093.35	650,128.56	-	-	2,537,221.91
<u>On Cost</u>						
Furniture & Fittings	Head Office	406,310.07	72,897.56	-	-	479,207.63
	Matale Branch	4,350.00	870.00	-	-	5,220.00
Office Equipment	Head Office	536,179.94	31,606.72	-	-	567,786.66
	Matale Branch	2,875.00	575.00	-	-	3,450.00
Library Books		593,151.73	31,031.48	-	-	624,183.21
Crockery & Cutlery		7,582.50	745.80	-	-	8,328.30
Carpets		264,066.22	8,778.68	-	-	272,844.90
Name Board		5,400.00	-	-	-	5,400.00
Total		4,895,383.44	1,232,793.50	-	-	6,128,176.94

Net Book Value		6,519,196.61				7,393,990.56
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SRI LANKA INSTITUTE OF PRINTING
NOTES TO THE FINANCIAL STATEMENTS

1.1 DEEMED COST OF MACHINERY & COMPUTERS

	<u>Machinery</u>	<u>Computers</u>
	Rs.	Rs.
Cost as at 01/01/2011	6,997,284.03	2,976,410.46
Revaluation Adjustments	<u>(1,200,000.00)</u>	<u>(365,978.00)</u>
Deemed Cost as at 01/01/2011	5,797,284.03	2,610,432.46
Additions during the year 2011	159,799.36	435,200.00
Disposals during the year 2011	<u>(107,500.00)</u>	<u>(5,750.00)</u>
Deemed Cost as at 01/01/2012	<u>5,849,583.39</u>	<u>3,039,882.46</u>

SRI LANKA INSTITUTE OF PRINTING
NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 ST DECEMBER			2012	2011
		Note	Rs.	Rs.
2	<u>TRADE AND OTHER RECEIVABLES</u>			
Debtors		2.1	1,457,600.00	-
Prepayments		2.2	549,003.00	870,636
Interest Receivable			540,943.00	345,688
Staff Debtors		2.3	331,500.66	225,667
Award Ceremony - Sponsorship Income Receivable			-	80,000
			<u>2,879,046.66</u>	<u>1,521,991</u>
2.1	<u>DEBTORS</u>			
Debtors	Head Office		1,867,100.00	-
	Matale Branch		229,750.00	
			<u>2,096,850.00</u>	
Provision for Bad Debtors			(639,250.00)	-
			<u>1,457,600.00</u>	<u>-</u>
2.2	<u>PRE-PAYMENTS</u>			
ADPTM Diploma Expenses			321,632.75	643,266
Advance Payment for Building			227,370.25	227,370
			<u>549,003.00</u>	<u>870,636</u>
2.3	<u>STAFF DEBTORS</u>			
Loan --	Haritha Wandabona		50,000.08	100,000
	M.W.Sanath		25,000.12	75,000
	M.T.D. Wijesiri		91,666.84	8,333
	Chamal Hettiarachchi		91,666.84	33,333
	Samantha Kulathunge		58,333.40	-
	W.A.M.Lankathilaka		5,833.38	-
Festival Advance -	Head Office		8,000.00	8,000
	Matale		1,000.00	1,000
			<u>331,500.66</u>	<u>225,667</u>

SRI LANKA INSTITUTE OF PRINTING
NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 ST DECEMBER		2012	2011
	Note	Rs.	Rs.
3	<u>CASH AND CASH EQUIVALENTS</u>		
Treasury Bills		41,427,279.47	36,952,842
		<u>41,427,279.47</u>	<u>36,952,842</u>
Current A/c. No. I		1,030,201.68	2,452,805
Current A/c. No. II		793,322.91	388,473
Cash in hand		5,236.00	5,236
		<u>1,828,760.59</u>	<u>2,846,514</u>
		<u>43,256,040.06</u>	<u>39,799,356</u>
4	<u>ACCUMULATED FUND</u>		
Balance as at 1st January		44,381,666.13	41,522,277
Transferred from Statement of Comprehensive Income		7,661,088.66	2,859,389
		<u>52,042,754.79</u>	<u>44,381,666</u>
5	<u>PROVISION FOR RETIRING GRATUITY</u>		
Balance as at 1st January		838,503.27	744,162
Provision for the year			
Head Office		96,815.50	83,757
Matale		8,163.00	10,584
		<u>943,481.77</u>	<u>838,503</u>
Payments during the year		(117,130.00)	-
		<u>826,351.77</u>	<u>838,503</u>

SRI LANKA INSTITUTE OF PRINTING
NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 ST DECEMBER

	<u>Note</u>	<u>2012</u> Rs.	<u>2011</u> Rs.
6 <u>TRADE AND OTHER PAYABLES</u>			
Other Payables		102.72	103
Deferred Income - Grant		-	1,999,975
Accrued Expenses	6.1	659,868.00	620,296
		<u>659,970.72</u>	<u>2,620,374</u>
6.1 <u>ACCRUED EXPENSES</u>			
Allowances to Peon		6,700.00	5,600
Labour Charges - Branch A/c.		1,500.00	1,000
Accountancy Fees		26,794.00	20,973
Audit Fees		125,000.00	96,000
Salaries and Overtime		11,601.30	9,130
Bonus		-	110,000
Practical Fees		80,560.00	71,734
Practical Fees - Matale		5,940.00	4,950
Lecture Fees		86,490.00	112,805
Internet Service Charges		1,959.20	1,469
Welfare Charges		32,715.00	21,136
Honorarium		14,450.00	7,875
Maintenance of Support Fees		2,500.00	5,000
Attendance Allowances for Board Meeting		45,000.00	15,000
Electricity - Matale		3,648.73	-
Consolidated Fund		17,759.50	13,572
Telephone - Head Office		10,485.98	11,926
Telephone - Matale		4,500.82	5,327
Advertising		112,716.80	-
Chairman's Allowance		7,500.00	7,500
Photocopy Rental Fees		35,046.67	74,299
Co-operate Plan		-	25,000
Course Co ordination Fees		10,000.00	-
Attending Fees for Management Audit Meeting		6,000.00	-
IT Support Service		4,000.00	-
Repairs & Maintenance of Head Office		7,000.00	-
		<u>659,868.00</u>	<u>620,296</u>

SRI LANKA INSTITUTE OF PRINTING
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER

			<u>2012</u>	<u>2011</u>
		<u>Note</u>	<u>Rs.</u>	<u>Rs.</u>
7	<u>REVENUE FROM COURSE FEES, REGISTRATION FEES & EXAMINATION FEES ETC</u>			
Course Fees			12,407,563.00	10,963,660
Registration Fees			199,750.00	181,950
Examination Fees			19,000.00	27,670
Income from Producing Video			-	423,500
Award Ceremony Fees			-	300,500
Award Ceremony - Sponsorship Income			-	140,000
Seminar Income			204,500.00	98,000
Over Provisions written Back			-	59,196
Deyata Kirula Seminar Sponsorship Fees			81,000.00	-
Excess of Expenditure Over Income -	Beruwala Branch	7.1	-	(70,132)
	Matale Branch	7.2	306,579.96	86,870
			<u>13,218,392.96</u>	<u>12,211,214</u>

7.1 STATEMENT OF INCOME - BERUWALA BRANCH

Income

Course Fee

Expenses

Staff Salaries & Bonus

Employees' Provident Fund

Employees' Trust Fund

Excess of Income Over Expenditure/ (Expenditure Over Income)

-	-
-	(60,984)
-	(7,318)
-	(1,830)
<u>-</u>	<u>(70,132)</u>
<u>-</u>	<u>(70,132)</u>

SRI LANKA INSTITUTE OF PRINTING
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER

7.2 STATEMENT OF INCOME - MATALE BRANCH

	<u>Note</u>	<u>2012</u> Rs.	<u>2011</u> Rs.
<u>Income</u>			
Course Fee		634,600.00	399,450
		<u>634,600.00</u>	<u>399,450</u>
<u>Expenses</u>			
Staff Salaries & Bonus		223,392.02	192,952
Employees Provident Fund		22,127.04	21,945
Employees Trust Fund		5,531.76	5,489
Electricity		23,257.50	21,054
Travelling		500.00	500
Depreciation		1,445.00	1,445
Practical Fees		21,780.00	34,155
Labour Charges		6,000.00	-
Telephone		15,823.72	21,307
Provision for Gratuity		8,163.00	10,584
Seminar Expenses		-	3,150
		<u>328,020.04</u>	<u>312,580</u>
Excess of Income Over Expenditure		<u><u>306,579.96</u></u>	<u><u>86,870</u></u>

**8 DIRECT EXPENSES ON COURSE FEES, REGISTRATION
FEES & EXAMINATION FEES ETC**

Staff Salaries, Bonus, Overtime & Allowances	1,574,735.50	1,434,783
Employees' Provident Fund	141,447.06	136,174
Employees' Trust Fund	35,361.75	34,043
Lecture Fees & Payments to Consolidated Fund	1,083,551.40	1,160,108
Practical Fees & Payment to Consolidated Fund	948,276.90	878,671
Honorarium & Payment to Consolidated Fund	108,200.00	119,175
Course Co-ordination Fees	40,000.00	-
Maintenance of Support Fees	42,500.00	93,000
IT Support Service	48,000.00	-
Seminar Expenses	220,392.00	61,910
Awards Ceremony Expenses	-	633,176
ADPTM Diploma Expenses	321,632.75	643,266
ADPTM Diploma Repeat Exam Expenses	-	16,200
Photocopy Rental Fee	191,640.00	198,553
Material for practical	81,562.00	60,970
T Shirt - Off-set Full Time Course	37,142.56	-
Postage & Stationery	122,190.70	150,391
Rent, Electricity & Water	247,750.00	168,750
Equipment Hiring Charges	12,500.00	-
	<u><u>5,256,882.62</u></u>	<u><u>5,789,170</u></u>

SRI LANKA INSTITUTE OF PRINTING
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER

	<u>Note</u>	<u>2012</u> Rs.	<u>2011</u> Rs.
9 <u>OTHER INCOME</u>			
Interest Income		4,169,702.92	2,556,645
Interest Income on Staff Loans		12,094.38	6,911
Sundry Income		23,571.72	33,518
Tender Fees		10,000.00	10,500
Profit on Disposal of Assets		-	47,037
		<u>4,215,369.02</u>	<u>2,654,610</u>
10 <u>EMPLOYEE COST</u>			
Staff Salaries, Bonus, Overtime & Allowances		2,283,655.00	1,995,420
Employees' Provident Fund		219,710.63	194,909
Employees' Trust Fund		54,926.81	48,725
Labour Charges & Allowance to Peon		60,650.00	76,100
Welfare Charges		95,820.00	132,335
Staff Training		270,080.50	105,981
Provision for Retirement Gratuity		96,815.50	83,757
		<u>3,081,658.44</u>	<u>2,637,226</u>

SRI LANKA INSTITUTE OF PRINTING
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER

	<u>Note</u>	<u>2012</u> Rs.	<u>2011</u> Rs.
11 <u>OTHER OPERATING EXPENSES</u>			
Chairman Allowances		80,500.00	114,750
Attendance Allowance for Board Meetings		38,000.00	29,000
Academic Board Meeting Expenses		7,500.00	13,000
Attendance Allowances for Management Audit Meetings		36,000.00	-
Travelling		17,395.00	12,937
Travelling Allowances for Marketing Executives		32,269.00	-
Board Meeting Expenses		12,132.00	11,660
Repairs & Maintenance		147,556.39	627,450
Feasibility Report Expenses		16,550.00	-
Telephone		130,167.29	131,731
Internet Service Charges		5,877.60	5,878
Accountancy Charges		129,798.00	121,316
Audit Fees		151,640.00	96,000
Insurance		17,080.61	17,195
Advertising		511,179.66	355,081
Provision for Bad Debtors		639,250.00	-
Charges for preparing Recruitment Scheme		30,000.00	-
Bank Charges		8,419.05	37,710
Discarded Assets written off		-	68,310
Annual Report Expenses		33,432.00	-
Exhibition Expenses		41,110.00	134,709
Expenses on Producing Video		-	366,000
Translation Fees		19,840.00	22,710
TVEC Registration Fees		1,000.00	-
Web Hosting Charges		32,144.16	-
Corporate Plan		-	37,000
Sponsorship Fees		50,000.00	-
Sundry Expenses		13,918.00	17,121
		2,202,758.76	2,219,557

AUDITOR GENERAL'S REPORT 2012 AND COMMENTS



විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அறிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය } JP/E/SLIOP/FA/12
 எனது இல }
 My No }

ඔබේ අංකය }
 உமது இல }
 Your No. }

දිනය } 27 October 2013
 திகதி }
 Date }

The Chairman
 Sri Lanka Institute of Printing

Report of the Auditor General on the Financial Statements of the Sri Lanka Institute of Printing for the year ended 31 December 2012 in terms of Section 14(2)(c) of the Finance Act. No. 38 of 1971.

The audit of financial statements of the Sri Lanka Institute of Printing for the year ended 31 December 2012 comprising the statement of financial position as at 31 December 2012 and the comprehensive income statement and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 25(3) of the Sri Lanka Institute of Printing Act, No. 18 of 1984. My comments and observations which I consider should be published with the Annual Report of the Institute in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed Report in terms of Section 13(7)(a) of the Finance Act will be furnished to the Chairman of the Institute in due course.

1:2 Management's Responsibility for the Financial Statements

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

අංක 306/72 පොල්දූව පාර,
 බත්තරමුල්ල, ශ්‍රී ලංකාව

දුරකථනය }
 தொலைபேசி } 2887028 -34
 Telephone }

இல. 306/72, பொல்துவ வீதி,
 பத்தரமுல்லை இலங்கை

ෆැක්ස් අංකය }
 பக்ஸ் இல } 2887223
 Fax No. }

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

ඉලෙක්ට්‍රොනික් තැපෑල }
 #- மெயில் } oaggov@slt.net.lk
 E-mail. }

1:3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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

1:4 Basis for Qualified Opinion

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



2. Financial Statements

2:1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2:2 of this report, the financial statements give a true and fair view of the financial position of the Sri Lanka Institute of Printing as at 31 December, 2012 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

2:2 Comments on Financial Statements

2:2:1 Accounting Policies

Even though accounting on the accrual basis is the accounting policy of the Institute, it was observed that the income from the courses with a duration less than one year had been brought to account on the cash basis.

2:2:2 Accounting Deficiencies

The following accounting deficiencies were observed.

- (a) A sum of Rs.242,847 paid as the hire charge of photocopying machine and publicity expenses relating to the year 2011 had been brought to account as an expenditure of the year under review.
- (b) Audit fees payable had been understated by a sum of Rs.96,000.
- (c) A sum of Rs.1,999,975 received in the year 2011 from the Tertiary and Vocational Education Commission as capital grants had been brought to account as income for the year under review.



2:2:3 Accounts Receivable

The debtors balance receivable included a sum of Rs.2,096,850 receivable as course fees from 275 apprentices and a proper course of action had not been taken for the recovery of those debtors balances. Out of that, a sum of Rs.639,250, that is, 30.48 per cent had been written off as bad debts without obtaining the approval.

2:2:4 Transactions not supported by Adequate Authority

In terms of the decision No. 1024 F/600/29/CD dated 30 November 1963 of the Cabinet of Ministers, Public Corporations should formulate Financial and Administrative Regulations without delay. The Institute of Printing had not formulated those regulations in compliance with that decision. Even though the Government Financial Regulations and the Establishments Code should be followed in that connection, the provisions of the Shop and Office Employees Ordinance had been followed only in connection with the annual leave and overtime. As such an overpayment of overtime amounting to Rs.47,778 had been made in the year under review.

2:2:5 Non-compliance with Laws, Rules, Regulations and Management Decisions

The following non-compliances were observed.

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
(a) Sri Lanka Institute of Printing Act, No. 18 of 1984	
Section 14(1)	Even though at least one meeting of the Board of Governors should be held in each month, 8, 4 and 3 meetings only had been held in the years 2010, 2011 and 2012 respectively.



- (b) Finance Act, No. 38 of 1971 Section 8(3) and Section 5.2.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003.

A budgeted balance sheet and a cash flow statement had not been presented with the budget for the year under review.

- (c) Financial Regulations of the Democratic Socialist Republic of Sri Lanka.

Financial Regulation 225(1) and (2)

There were 22 instances of payments made on vouchers without signatures of the officers responsible for preparing the voucher, recommending the payment, approving and making the payment while the voucher format did not conform to the specified format.

- (d) Notification published in the Gazette Extraordinary No. 1530/3 of 21 January 2008

Even though stamp fee of Rs. 25 should be changed on each payment exceeding Rs.25,000, it had not been so done in connection with all payments.

- (e) Public Enterprises Circular No. PED/12 of 2 June 2003 Section 6.5.1

A draft Annual Report for the year under review had not been prepared and presented.

- (f) Paragraph 07 of the letter No. DMS/E4/37/7/235/2 dated 23 February 2011 of the Director General of the Department of Management Services.

Even though the Schemes of Recruitment and Promotions should be prepared in accordance with the provisions in the Management Services Circular No. 30 and approval obtained, the approval for the Scheme of Recruitment had not been obtained.



3. Financial Review

3:1 Financial Results

According to the financial statements presented, the operations of the Institute for the year ended 31 December 2012 had resulted in a surplus of Rs.7,661,089 as compared with the corresponding surplus of Rs.2,859,389 for the preceding year. The improvement of the financial results for the year under review as compared with the preceding year by a sum of Rs.4,801,700 had been mainly due to the accounting for the capital grant of Rs.1,999,975 received from the Tertiary and Vocational Education Commission as income.

4. Operating Review

4:1 Performance

The following observations are made.

- (a) Even though 19 courses for the Head Office and 03 courses for the Matale Branch had been planned for the year 2012, five courses planned had not been conducted. Even though it was expected to admit 60 students for those 05 courses, the expected income had not been achieved due to the non-conduct of those courses.
- (b) The expected number of students for the 02 courses conducted by the Matale Branch in the year 2012 had been 60 while only 42 students had participated. As such the non-achievement of the targets had been 30 per cent.
- (c) The expected number of students for the 05 courses conducted by the Head Office and the Matale Branch in the year under review had been 188, the actual number of student admitted had been 97. As such it was observed that it had not been possible to admit students in the range of 7 per cent to 57 per cent.



4:2 Management Inefficiencies

The following observations are made.

- (a) Quotations in terms of the provisions in the Government Procurement Guidelines had not been invited in 04 instances for purchases amounting to Rs.1,349,449. The information on the selection of suppliers, orders made, receipt of goods, etc. had not been recorded in the files on purchases.
- (b) The Institute had obtained a photocopying machine on hire basis from the year 2009 for photocopying purposes and a sum of Rs.191,640 had been spent thereon in the year under review. A register of photocopies made had not been maintained. The benefits accruing from the purchase of a photocopying machine had not been considered.

(d) Expenditure of Seminars

The following matters were observed.

- (i) A sum of Rs.60,000 for 03 days at the rate of Rs.20,000 per day for 02 resource persons had been spent for the conduct of seminars on 21, 22 and 28 January 2012 at the Deyata Kirula Exhibition held in Anuradhapura. A file with information thereon was not available.
- (ii) Even though a sum of Rs.78,750 at the rate of Rs.750 per day per participant for 03 days for 35 participants had been spent for accommodation, the participation on the 03 days had been only 19, 18 and 16 respectively.

4:3 Delayed Projects

Even though the approval of the Cabinet of Ministers for the construction of a new building for the Sri Lanka Institute of Printing had been received on 09 December 2004, the construction work had not been commenced despite the elapse of over 06 years. The transfer of the proposed land had also not been completed. Prior to the transfer of the land, a sum of Rs.227,370 had been spent in the year 2009 for the preparation of the building plans.



4:4 Uneconomic Transactions

Even though an accounts clerk had been recruited for book keeping and accounts work of the Institute, sums of Rs.42,000 for the preparation of Bank Reconciliations, Rs.87,798 for the preparation of accounts and a sum of Rs.13,424 for the preparation of financial statements for the year under review had been paid to a private firm of Accountants.

4:5 Transactions of Contentious Nature

The salary scales of all the officers of the Sri Lanka Institute of Printing in accordance with the Management Services Circular No. 30(1) had been shown in the letter No. DMS/E4/37/7/235/2 dated 23 February 2011 of the Department of Management Services. Contrary to those provisions salaries had been paid to the officers placing them on different salary scales and as such the Institute had to make overpayments amounting to Rs.601,320 annually.

5. Accountability and Good Governance

5:1 Corporate Plan

Even though a Corporate Plan had been prepared in terms of the Public Enterprises Circular No. PED/12 of 02 June 2003, the particulars of the periods for the implementation of the targets of that plan had not been indicated.

5:2 Budgetary Control

The variances between the budgeted and the actual expenditure of the Head Office and the Matale Branch for the year under review ranged between 10 per cent to 36 per cent, thus indicating that the budget had not been made use of as an effective instrument of management control.



6. Systems and Controls

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

- (a) Accounting
- (b) Conduct of Courses
- (c) Maintenance of Books
- (d) Financial Control
- (e) Funds Control

W.P.C. Wickramarathne
Acting Auditor General



2:2:2 Accounting Deficiencies

The following accounting deficiencies were observed.

- (a) The sum of Rs.242,847 paid as the hire charge of photocopying machine and publicity expenses relating to the year 2011 had been brought to account as an expenditure of the year under review.
- (b) Audit fees payable had been overstated by a sum of Rs.96,000.
- (c) A sum of Rs.1,999,975 received in the year 2011 for the Tertiary and Vocational Education Commission as Capital grants had been brought to account as income for the year.

Reply

- (a) This had happened due to the delay in the receipt of bills. Those could not be adjusted to the accrued expenses at the time of preparation of final accounts due that reason.
- (b) This has happened due to the delay in the receipt of the Audit Fees Bills relating to the year. As such the total of the allocations made on the accrual of basis was reduced.
- (c) The preparation and presentation of financial statements according to the above change according to Sri Lanka Accounting Standards for small and Medium sized Entities have to be done from the year 2012.

2:2:3 Accounts Receivable

The debtors balance receivable included a sum of Rs.2,096,850 receivable as course fees from 275 apprentices and a proper course of action had not been taken for the recovery of those debtor balances. Out of that, a sum of Rs.639,250, that is, 30.46 per cent had been written off as bad debts without obtaining the approval of the audit committee.

Reply

The sum of Rs.2,096,850 receivable from 275 apprentices included in the debtors balance receivable relate to the apprentices of the courses held in the latter part of the year 2012 who paid half of the fees and agreed to pay the balance in the year 2012. The sum recoverable from the 275 apprentices amounted to Rs.2,096,850 and out of that a sum of Rs.1,444,350 has already been recovered.

The sum of Rs.639,250 relates to the apprentices who followed the courses in the year 2012 on the payment of a part of the course fees and later abandoned the courses halfway. The number of such students is 102 and money cannot be recovered from those 102 students. That amount was classified as bad debts. Those students represented 11 per cent of the total number of students for the year 2012 and represented 12 per cent of the total income. Such situations prevail in every institution. Action will be taken to minimize such bad debts in the future. In addition, the approval of the Board of Governors was obtained for write off of the bad debts balance of Rs.639,250.

2:2:4 Transactions not supported by Adequate Authority

In terms of the decision No. 1024F/600/29/CD dated 30 November 1963 of the Cabinet of Ministers, Public Corporation should formulate Financial and Administrative Regulations without delay. The Institute of Printing had not formulated those regulations in compliance with the decision. Even though the Government Financial Regulations and the Establishments Code should be followed in that connection, the provisions of the Shop and Office Employees Ordinance had been followed only in connection with the annual leave and overtime. As such an overpayment of overtime amounting to Rs.47,777 had been made in the year under review.

Reply

The preparation of an Establishments Code for the Sri Lanka Institute of Printing has been entrusted to an external resource person with the approval of the Secretary to the Ministry of Youth Affairs and Skills Development. Action in accordance with that will be taken in the future.

2:2:5 Non-compliance with Laws, Rules, Regulations and Management Decisions

The following non-compliances were observed.

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
(a) Sri Lanka Institute of Printing Act, No. 18 of 1984	
Section 14(1)	Even though at least one meeting of the Board of Governors should be held in each month, 8, 4 and 3 meetings only had been held in the years 2010, 2011 and 2012 respectively.
Reply : -----	It was not possible to hold 03 meetings during the year 2012 due to the retirement of the Government Printer and the Chairman of the Sri Lanka Institute of Printing. The 03 meetings could not be held due to the delay in the appointment of the Government Printer and the Chairman of the Sri Lanka Institute of Printing. The replies to the appointment of the Board of Governors for the years 2010 and 2011 have been given in the replies to the respective audit reports.
(b) Finance Act, No. 38 of 1971 Section 8(3) and Section 5.2.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003.	A budgeted balance sheet and a cash flow statement had not been presented with the budget for the year under review.
Reply : -----	A budgeted balance sheet and a cash flow statement could not be furnished with the budget for the year under review. The balance sheet and the cash flow statements were furnished with the budget for the year 2013.
(c) Financial Regulations of the Democratic Socialist Republic of Sri Lanka.	
Financial Regulation 225(1) and (2)	There were 22 instances of payments made on vouchers without the signatures of the officers responsible for preparing the voucher, recommending the payment, approving and making the payment while the voucher format

did not conform to the specified format.

Reply : This was due to an omission Action according to the Tally Software
----- introduced for accounting work is taken to prevent such instances.
Recommendation and approval of payments are included therein. As such,
similar deficiencies would not occur in the future.

- (d) Notification published in the Gazette Extraordinary No. 1530/3 of 21 January 2008 Even though stamp fee of Rs. 25 should be charged on each payment exceeding Rs.25,000, it had not been so done in connection with all payments.

Reply : Action will be taken in the future to obtain stamp duty of Rs. 25 for
----- payments exceeding Rs.25,000.

- (e) Public Enterprises Circular No. PED/12 of 2 June 2003 Section 6.5.1 A draft Annual Report for the year under review had not been prepared and presented.

Reply : Annual Report for the year 2010 was tabled in Parliament and the approval
----- of the Cabinet of Ministers has been received for the Annual Report for the year 2011 and sent for tabling in Parliament.

- (f) Paragraph 07 of the letter No. DMS/E4/37/7/235/2 dated 23 February 2011 of the Director General of the Department of Management Services. Even though the Schemes of Recruitment and Promotions should be prepared in accordance with the provisions in the Management Services Circular No. 30 and approval obtained, the approval for the Scheme of Recruitment had not been obtained.

Reply : The Scheme of Recruitment has been approved at present.

3. Financial Review

3:1 Financial Results

According to the financial statements presented, the operations of the Institute for the year ended 31 December 2012 had resulted in a surplus of Rs.7,661,089 as compared with the corresponding surplus of Rs.2,859,389 for the preceding year. The improvement of the financial results for the year under review as compared with the preceding year by a sum of Rs.4,801,700 had been mainly due to the accounting for the capital grant of

Rs.1,999,975 received from the Tertiary and Vocational Education Commission as income.

4. Operating Review

4:1 Performance

The following observations are made.

- (a) Even though 19 courses for the Head Office and 03 courses for the Matale Branch had been planned for the year 2012, five courses planned had not been conducted. Even though it was expected to admit 60 students for those 05 courses, the expected income had not been achieved due to the non-conduct of those courses.
- (b) The expected number of students for the 02 courses conducted by the Matale Branch in the year 2012 had been 60 while only 42 students had participated. As such the non-achievement of the targets had been 30 per cent.
- (c) The expected number of students for the 05 courses conducted by the Head Office and the Matale Branch in the year under review had been 188 and the actual number of student admitted had been 97. As such it was observed that it had not been possible to admit students in the range of 7 per cent to 57 per cent.

Reply :

- (a) Five courses planned for the year 2012 were not conducted due to the unavailability of the minimum number of students for the courses.
- (b) There is a decrease in the number of students for certain courses of the Matale Branch as well due to the decreased demand.
- (c) The reason was due to the lack of demand for the 05 courses referred to.

Special Note :

The demand for the courses of the Sri Lanka Institute of Printing conducted each year varies. The trainees available for certain courses are more than the target and less for certain other courses. Nevertheless, courses are commenced only after enrolling the minimum number of students. Otherwise such courses have either to be postponed or not held in the year. It is due to the lesser demand for certain courses resulting from the development of technology. Even though 765 trainees were targeted for the year 2012, it had increased to 898. Since Sri Lanka Institute of Printing as a self-generating institution, what is important to the institution is the number of students admitted and the income rather than the number of courses.

4:2 Management Inefficiencies

The following observations are made.

- (a) Quotations in terms of the provisions in the Government Procurement Guidelines had not been invited in 04 instances for purchases amounting to Rs.1,349,449. The information on the selection of suppliers, orders made, receipt of goods, etc. had not been recorded in the files on purchases.
- (b) The Institute had obtained a photocopying machine on hire basis from the year 2009 for photocopying purposes and a sum of Rs.191,640 had been spent thereon in the year under review. A register of photocopies made had not been maintained. The benefits accruing from the purchase of a photocopying machine had not been considered.

Reply :

- (a) In making purchases in terms of provisions in the Procurement Guidelines, action on inviting quotations and the selection of suppliers are done in accordance with the reports of the Technical Evaluation Committee.
- (b) The photocopy machines used by our Institute earlier were purchased by us. The expenditure incurred in the connection was very heavy large amounts of money had to be spent on the repairs to those machines. As the Institute conducts courses on

daily basis, it is necessary to obtain large quantities of copies of hand books/ tutorials and that had resulted in the break down of the machines causing costly and time consuming repairs. During such repairs we had to outsource the photocopying on payment. As such the Board of Governors, decided that a photocopy machine should be procurement on hire basis. Accordingly the photocopy machine was procured on hire basis as an alternative. All maintenance of the machines are promptly attended to by that institution and we only to bear the cost of paper and copying fees. The Board of Governors had decided that this method is more effective and profitable.

(c) Expenditure of Seminars

- (a) A sum of Rs.60,000 for 03 days at the rate of Rs.20,000 per day 02 resource persons had been spent for the conduct of seminars on 21, 22 and 28 January 2012 at the Deyata Kirula Exhibition held in Anuradhapura. A file with information thereon was not available.

Reply

- (a) A sum of Rs.60,000 had to be paid to 06 lecturers at the rate of Rs.10,000 per lecturer for 03 days in connection with the Seminar organized in the Anuradhapura city for the printers in the Anuradhapura area on 21,22 and 28 January 2012 concurrently with Deyata Kirula Exhibition. The payment was made for 04 hours per lecturer and a question and answer session of one hour duration followed the lectures. As such they had to spend the whole day in connection with the Seminar. The file containing the information was produced to audit.
- (b) Even though a sum of Rs.78,750 at the rate of Rs.750 per day per participant for 03 days for 35 participants had been spent for accommodation, the participation on the 03 days had been only 19, 18 and 16 respectively.

Reply

Only one lecturer from our Institute participated in the seminar. All the other five are the external lecturers of the Institute. The other officers of the Institute did not participate.

These Seminars was conducted free by the Institute concurrently with the Deyata Kirula Exhibition for the improvement of the technical knowledge of the printers in the Anuradhapura city. A sum of Rs.750 was spent for the supply of lunch and tea in the morning and afternoon to the participants. The expenditure of the 35 persons had to be paid in advance before the commencement of Seminar. As this was a free seminar the participation of all could not be assured. If it is a seminar for which a fee is charged, the participation can be assured. It does not so happen in the case of a free seminar. There is a tendency to register in advance and refrain from attending.

4:3 Delayed Projects

Even though the approval of the Cabinet of Ministers for the construction of a new building for the Sri Lanka Institute of Printing had been received on 04 December 2004, the construction work had not been commenced despite the elapse of over 06 years. The transfer of the proposed land had also not been completed. Prior to the transfer of the land, a sum of Rs.227,370 had been spent in the year 2009 for the preparation of the building plans.

Reply

The land for the construction of the building has been transferred to the Ministry of Youth Affairs and Skills Development at present. The Ministry of Youth Affairs and Skills Development is taking action to prepare the plans for the construction of a new building by utilizing the Government funds.

4:4 Uneconomic Transactions

Even though an accounts clerk had been recruited for book keeping and accounts work of the Institute, sums of Rs.42,000 for the preparation of Bank Reconciliations, Rs.87,798 for the preparation accounts and a sum of Rs.13,424 for the preparation of financial statements for the year under review had been paid to a private firm of Accountants.

Reply

The outsourced resource person for the preparation of Bank Reconciliation Statements had been removed from October 2012 and the preparation of the Bank Reconciliation Statements was assigned to the officer of the Institute handling accounts work.

4:5 Transactions of Contentious Nature

The salary scales of all the officers of the Sri Lanka Institute of Printing in accordance with the Management Services Circular No. 30(1) had been shown in the letter No. DMS/E4/37/7/235/2 dated 23 February 2011 of the Department of Management Services. Contrary to those provision salaries had been paid to the officers placing them on different salary scales and as such the Institute had to make overpayments amounting to Rs.601,320 annually.

Reply

Sri Lanka Institute of Printing is a self-generation institute and its salaries were determined by the Board of Governors. That situation changed with the instructions of the Department of Management Services. Thereafter the changes in the salary resulting from the changes in the salary steps, has been brought to the notice of the Ministry for rectification and action accordingly will be taken in the future.

5. Accountability and Good Governance

5:1 Corporate Plan

Even though a Corporate Plan had been prepared in terms of the Public Enterprises Circular No. PED/12 of 02 June 2003, the particulars of the periods for the implementation of the targets of that plan had not been indicated.

This Corporate Plan was prepared for the years 2012 to 2013 and most of the matters appearing in the Corporate Plan can be implemented only after the Sri Lanka Institute of Printing moving into the new building.

5:2 Budgetary Control

The variances between the budgeted and the actual expenditure of the Head Office and the Matale Branch for the year under review ranged between 10 per cent to 36 per cent, thus indicating that the budget had not been made use of as an effective instrument of management control.

6. Systems and Controls

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

- (a) Accounting
- (b) Conduct of Courses
- (c) Maintenance of Books
- (d) Financial Control
- (e) Funds Control

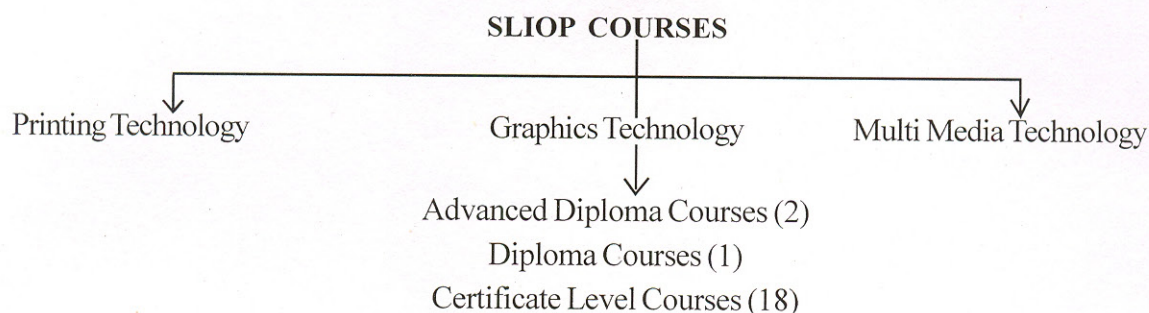
ACTION TAKEN FOR THE PROGRESS AND SUCCESS OF THE INSTITUTE

Sri Lanka Institute of Printing has prepared a Cooperate plan for 2012-2016 to effectively function the institute. Accordingly the action plan has been divided in to each year to obtain desired results.

The action plan has been prepared under the headings stated below to reach its goals and objectives.

• SERVICE PRODUCT

To continue its study programmes as it is in the current year



The study program have been developed through a carrier development process. The study programmes are being revised annually if necessary or once in 3 years.

• SEMINARS & WORKSHOPS.

- * The institute organises awareness seminars for schools to educate the students on carrer development path.
- * The institute organises technical seminars & workshops for those who are in the industry to develop their skills and knowledge in new technnological developments in the industry.

• PROMOTION AND PRODUCT DEVELOPMENT

- * Promote SLIOP courses through newspapers and gazette notices.
- * Conduct free awareness programmes to promote and develop the brand and its courses.
- * Publish news items in national newspapers and television to develop the SLIOP brand and its courses.
- * Employed a Marketing Executive to promote the SLIOP brand and the image among government and non government organisations.

SLIOP has deposited a sum of Rs. 41,427,279.47 in government banks by the end of 2012.

Institutional Development

The institute is situated in an old building belongs Department of Government Printing is facing a major problem with the available space to conduct its study programmes effectively. Therefore a new building for SLIOP has become an urgent necessity.

Finally the government has provided with a land to SLIOP thorough the Ministry of Youth Affairs & Skills Development to construct a new building for SLIOP.