

# Annual Report 2018

*Centre for Excellence*



**National Institute of Plantation Management,  
M.D.H. Jayewardene Mawatha,  
Athurugiriya.**

**Tel: 011-2770232**

**Fax: 011-2798775**

**Email: [nipm1979@gmail.com](mailto:nipm1979@gmail.com)**

**Website: [www.nipm.gov.lk](http://www.nipm.gov.lk)**

# Contents

Vision and Mission	01
Chairman's Message	02
Director's review	03-05
The Establishment and objectives of the Institute	06-07
Powers of the Institute	07-08
Report of the Board of Governors	08-10
Report of the Audit and management committee	10-11
Staff of the Institute	11-14
Organizational Chart	15
Review of the Administration	16
Principal Activities of the institute	17-19
Progress review of the programmes	19-27
Competency development programmes under NVQ	27
Conducting examination for other organization	28-29
BSc Degree in Planation Management	29-31
Professional membership of the institute	32
Facilities available	32-34
Our activities and CSR event	34-37
Financial Review	38-43
Constrain face by the institute	44-45
Conclusion	46

““

## **VISION**

To be the Centre of excellence  
in providing training and  
conducting consultancy and  
research on plantation  
management

””

““

## **MISSION**

To elevate the professional  
competence of all human assets in  
the plantation industry towards  
perfection through quality training

””

## Chairman's Message



It is with great pleasure, I am sending this message for the annual report of the year 2018 as the incumbent chairman of National Institute of Plantation Management.

Any organization marshals a variety of resources in order to achieve its objectives. Human resources are the only living resource among these diverse resources. Human resource is very important in achieving objectives of organization. That is because of all other non-living resources are led by a cohort of people. In a wider sense, human resource development is carried out by means of knowledge sharing, skill improvement and inculcating positive

Sgd.

B. Wijayaratne  
Chairman/NIPM  
29<sup>th</sup> May 2019

attitudes among people. In this context, The National Institute of Plantation Management has a wide social responsibility as a training institute to create talented human resource pool equipped with updated knowledge, skills and attitudes for the plantation sector.

Looking back at the year 2018, the plantation industry happened to face several challenges. The entire plantation system was compounded by these challenges from global warming to lack of labor attraction. But as the National Institute of Plantation Management, we have resolutely stood up to these challenges and have done the job being the facilitator in training. This performance report will bear witness in this respect.

I wish to thank Hon. Navin Dissanayake, Minister of Plantation Industries, Secretary and other officers of Plantation Ministry as well who guided to bringing a satisfying level of performance and the members of Board of Governors, Director and other staff of the National Institute of Plantation Management to their tireless contribution.

## Director's Review



The National Institute of Plantation Management has a rich tradition of pursuing excellence and has continually re-invented itself in terms of academic, skills development and professional programmes and infrastructure for small holder's programmes. Students are exposed to challenging skills based academics and a host of spiritual, cultural and organizational activities on its vibrant location. The presence of ample modern learning facilities, vigorous institute-industry collaborations, international exchange programmes, interdisciplinary research collaborations and industrial training opportunities help the students of NIPM to excel and race ahead in the competitive professional environment. I am pleased to state that the Institute continues to be standardizing as one of the top education destination of the country and among the best in the plantation industry. NIPM attracts the brightest students from the school leavers for its academic and skills development programmes. The Institute provides the best and it ensures that its students are also of exceptionally high quality.

### Academic initiatives

NIPM continuously strives to introduce new areas in its academic programmes and innovate in its academic activities, in a bid to generate the kind of intellectual capital that will keep the Institute and the industry up-to-date on the technological front. During the year 2018, two diplomas in plantation crop technology and plantation extension management have

been started with accreditation through the National Vocational Qualification (NVQ) based education mode. Another new initiative is the implemented the Quality Management System for the institute guided by the TVEC quality control unit.

The board of governors has approved formation of its new academic committee in order to " to review, monitor and evaluate teaching and learning methods adopted and practiced so that pedagogy at NIPM maintains pace with changing times and incorporates the state of the art methodology in its courses. TVEC guides the evolution and formulation of new structure and directions, as and when required. The Institute has initiated steps to join the some renowned institutes such as Wayamba University, CIPM to maintain a repository of specific programs awarded by NIPM. With development of new diploma and certificates programmes it had become very difficult for the management of existing resources. Hence we are proud to notice that the institute made a step to construct a six storied administrative and academic complex at main campus at Athurugiriya as a milestone of the institute which is commemorated its 40<sup>th</sup> anniversary in year 2019.

### **NIPM aligns with sustainable development goals (SDGs) through its mandate**

The Institute intimately maintain to work with RPCs, small holders, research institutes, public and private firms and other stake holders around the country as well as with the international community to promote our programmes to build a strong pipeline of potential planters who will carry the torch in to the future. Accordingly, we carried out over 289 including small holders' programmes and income generated courses in all districts reaching over 14702 students to

enumerate the benefits of this institute to the industry.

A highlight of NIPM activities in year 2018 was conduction of 57 incomes generated programmes for which were attended by over 1847 participants from all planting districts amount earned was Rs. 31.009Mn. It is significant to notice that institute has estimated for conducting 200 capacity building programmes for the small holding sector on the allocation of Rs. Rs. 7.00Mn in the year 2018, the institute shows an imperative achievement in conducting 232 programmes. The NIPM has reported total generated income of Rs.199.77Mn which as a percentage of progress is 73.1%. Total government grant received is Rs 80.95Mn as a percentage increase is 35.20% compared with the previous year and income from training programmes is reported as Rs. 31.009Mn, it is reported as a 95.5% of progress in compared to the year 2017. The institute reported 39.2% progress of renting out income as amounted Rs. 17.92Mn and it was reported Rs. 132.11Mn as recurrent expenditure which is an increase of 23.3% in comparison to year 2017. This amount has been raised up due to some recruitment and more outsidess programmes conducted during the particular financial year. Since the core mandate of the institute is training activities, which we have shown predominantly progress despite the industry was on global and local anxiety.

### **Industrial crisis makes NIPM ride slow**

The economic and political circumstances in the global arena particularly with in the main plantation goods export market, adverse climatic effects and uncertainty with in the agricultural commodity sector, kept on the asphyxiate progress of the economy of the plantation sector. Wage hike, Labor unrest along with socio-economic affliction and adverse weather condition made the domestic uncertainty

of the plantation economy of the Island which were factors to detect in investing of plantation education and human resources development plus enhancement.

### **Networking makes NIPM stronger**

The NIPM has a strong and effective network of extension services with all research institutions, private and public institutes in the Island disseminating latest technology, knowledge and relevant skills to the planters, farmers and extension functionaries. These units performed important tasks of assessment and refinement of technologies, organizing training programmes for farmers, and RPCs undertaking diagnostic field visits, awareness programmes, demonstrations, group discussions and organizing field days. Those were crucial factors of NIPM to enlighten the planting community on industrial developments.

### **Strategic Development Goals**

NIPM plans to launch three degree programmes in developing National Vocational Qualifications (NVQ) for the plantation industry with a view to uplifting skills and capacity of human recourses attached to the sector by 2020. Research and development would play a vital role for the sustainability of the industry in which was realized by the institute to prioritize within our next medium term plan as an Independent Degree Awarding Institute.

The 2017–2020 strategic goals set out an overview of what we must achieve as an organization over the next four years; these are:

- **Strategic Goal 1:** *To strengthen academic faculty and development of human resources of the institute in order to serve quality services to the sector*
- **Strategic Goal 2:** *To widen a reputation for outstanding with high-impact education solutions in our core areas of expertise while to fortify marketing and promotions*

- **Strategic Goal 3:** *To development infrastructure facilities and lush environment with Quality Management System (QMS).*

Obviously, there is a lot happening in the Institute that its faculty, staff and students, as well as its well-wishers and supporters can be truly proud of. But it is indeed that progress and utilization of the regional centers are not adequate enough. However, we still have a long way to go. While we will continue to do what we have already done well, the Institute needs to develop new focus areas such as:

1. Development of well-equipped modern infrastructure facilities that will attract local and foreign students and that will be conducive to great scholarly work for decades ahead.
2. Recruitment of the most outstanding and practical scholars who will bring glory to the institute through their ground of experiences.
3. To be center for excellence through awarding some scholarships to students who are shown interest for the plantation industry, but no financial viability for the same. We must significantly scale up our efforts to raise philanthropic funds.
4. To develop strategic partnerships with academic world as well as the industries. On one hand we wish to be partner with top universities in the world, on the other hand we would like to engage the best undergraduate colleges in Sri Lanka.

### **Introducing new education policy to the plantation industry**

It has been observed the lacking of well-defined education policy for the plantation industry in the Island, subject to form a high immoral employment percentage which imitate erroneous picture of the industry. We as the national institute of respective industry urge to the pertinent authorities to rectify in developing an education policy to the plantation industry.

### **In concluding**

In conclusion, it is my great pleasure to mention that of as we grow, we need to find new ways and means to retain and enhance our spirit of innovation and contribution, and maintain an enthusiastic environment wherein people feel empowered to do things, to take on challenges, to innovate, and self-evaluation on the contribution made to the institute. At last, the Institute has been able to make strides mainly because of patronage and guidance received from the Hon. Minister of Plantation Industries, Mr. Navin Dissanayake, The secretary of the Ministry of Plantation Industries. Special thanks are due to the Chairman of the Institutes and for NIPM family members for their great support to make the year success.

**Sgd.**

**Dr. K.H.G.M. Prasad Dharmasena**  
**Director/CEO**

National Institute of Plantation  
Management  
15<sup>th</sup> May 2019

## **The Establishment and the objectives of the Institute**

The National Institute of Plantation Management (NIPM) was established in July, 1979 by the Act No. 45 of 1979, amended in 1981 by Act No. 76, in 1987 by



Act No. 05 and in 2003 by Act No. 38 in order to make the NIPM a more effective and viable statutory body of the Government. The registered office of the Institute is located at M.D.H. Jayawardana Mawatha, Athurugiriya.

As per these act and the amendment of it, NIPM is the only Government organization empowered to award certificates for those who successfully complete training programs/academic courses and confer professional Membership to eligible plantation executives under three (03) major categories. It ensures the maintenance of a high standard of professional competence of those who work in the Plantation Industry including the smallholding sector.

To achieve these objectives, the NIPM conducts various training courses, seminars, workshops, examinations and provides research and consultancy services to public and private sector organizations. It has also the capacity to conduct training programmes for foreign students as well.

### **OBJECTIVES:**

The general objectives of the Institute according to the Act and the amended Acts are as follows.

- I. To provide by itself or in association with other Institutions in Sri Lanka or abroad, training facilities and programmes relating to Plantation Management to all categories of employees working in the field of Plantation.
- II. To provide regular, refresher and orientation courses in Plantation Management to employees in the sector.

- III. To offer training in Plantation Management to personnel working in the Plantations both in the public sector as well as in the private sector.
- IV. To provide Diploma Courses in association with the Tea Research Institute, the Rubber Research Institute, the Coconut Research Institute and other related institutions and to award Diplomas where appropriate.
- V. To sponsor and hold seminars, workshops and conferences and publish journals and magazines in connection with plantation management and development.
- VI. To carry out research into areas of plantation management and labour relations those are not already provided for in other similar institutions.
- VII. To offer training in Plantation Management to persons who have the necessary aptitude for Plantation Management having regard to the man-power requirement in the Plantation Industry.
- VIII. To furnish managerial, technical and administrative advices and services to any Government Departments, Public Corporation or other Institutions within or outside Sri Lanka in respect of Plantation Industry.

**Powers of the Institute:**

- I. Acquire in any manner and hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of, any movable or immovable property.
- II. Acquire, establish, install and operate field training centres and pilot projects relating to plantation research.
- III. Import plant, machinery and equipment required for the purpose of the Institute and receive equipment, funds, personnel and any other assistance for the efficient conduct of the Institute.

- IV. Conduct, assist, co-ordinate and encourage research into all aspects of plantation development.
- V. Levy fees or charges for any services rendered by the Institute.
- VI. Appoint, employ, remunerate and exercise disciplinary control over its officers and servants.
- VII. Establish and maintain provident funds and provide welfare and recreational facilities for its employees.
- VIII. Make rules in respect of the administration of the affairs of the Institute.
- IX. Delegate to any member, the Director of the Institute, or any employee such functions as the Board of Governors may consider necessary for the efficient transaction of its business.
- X. Assess the eligibility of candidates for admission to various grades of membership and to conduct or provide for the conduct of the qualifying examination for all grades or membership of the Institute and to promote, provide or approve courses of study for such examination.
- XI. Ensure the maintenance of high standards in the professional activities and the general conduct its members.
- XII. Promote investment in plantation management.
- XIII. Undertake the collection and the dissemination of data relating to plantations and plantation management, and to conduct research to ascertain the development potential of plantations.
- XIV. Advise the minister on appropriate policies relating to plantation management and to co-ordinate with relevant agencies

### **REPORT OF THE BOARD OF GOVERNORS**

During the year 2018, ten (10) Board meetings were held at NIPM, Athurugiriya to oversee the followings which the Board of Governors are responsible,

- To ensure highest level of compliance is adhered to in all operations of the institutional activities.
- To ensure that highest standards of disclosure is maintained resulting in transparency in all training activities and operations.
- To effectively and efficiently direct Institute's resources to bring about the best desired results for its stakeholders.
- To provide direction by approval of Institute's medium and long term strategy, annual budgets, action plan and significant financial cum operational policies.

In terms of the section 06 of NIPM Act No. 45 of 1979 as amended by Act No. 76 of 1981, 05 of 1987 and 38 of 2003, the following members consisted as the Board of Governors of the Institute during the year 2018.

### **COMPOSITION OF BOARD OF GOVERNORS**

<b>Name of the Board Member</b>	<b>Position</b>	<b>Name of the Board Member</b>	<b>Position</b>
<b>Mr. Deepthi Abeywickrama</b> Chairman/NIPM	Chairman	<b>Mr. D.G. Mahipala</b> General Manager/TSHDA	Member
<b>Dr. Prasad Dharmasena</b> Director/NIPM	Member	<b>Mr. A.B. Titus Sunil Silva</b> Chairman/Thurusaviya Fund	Member
<b>Mrs. W.M.D.T. Wickramasinghe</b> Additional Secretary/MPI	Member	<b>Mr. N.M.R. Jayathilaka</b> Representative/SLFTSHDS	Member
<b>Dr. I.S.B. Abeysinghe</b> Director/TRI	Member	<b>Mr. Isuru Ishan</b> Representative/SLTFOA	Member
<b>Dr. W.M.G. Senevirathna</b> Director/RRI	Member	<b>Mr. S.K.L. Obeysekara</b> Secretary General/TPAC	Member
<b>Dr. L.C.P. Fernando</b> Director/CRI	Member	<b>Mr. P.A.M. Deraniyagala</b> Representative/CGASL	Member
<b>Mr. Indika Premarathna</b> Director, Department of External Recourses/Ministry of National Policies, Economic Affairs, Resettlement and Rehabilitation, Northern Province Development and Youth Affairs.	Member	<b>Mr. M.M.D. Thilakarathne</b> Representative/Trade Union	Member
		<b>Mr. H.W.M.L.K. Weerasuriya</b> Representative/Trade Union	Member

- Mr. Chandana Jayasekara has been reappointed on behalf of the representative of Tea Factory Owners Association w.e.f. March 2018 on behalf of Mr. Isuru Ishan
- Mrs. Aruni S. Ranasinghe, Additional Secretary at Ministry of Plantation Industries has been appointed w.e.f. March 2018 on behalf of Mrs. W.M.D.T Wickramasinghe
- Mr. B.W. Harrison Silva has been appointed on behalf of the representative of Trade Union w.e.f. April 2018.
  - Mr. R.T. Gurusinghe has been appointed on behalf of the representative of Sri Lanka Federation of Tea Small Holdings Development Society w.e.f. July 2018.
- Mr. Lal Kaluarachchi has been appointed as the Chairman of National Institute of Plantation Management and as the Chairman of the Board of Governors' w.e.f. November to December 2018.
- Mr. A.B. Titus Sunil Silva left the Board, due to dissolving of the cabinet w.e.f. October 2018.
- Dr. L.C.P. Fernando (Director/CRI) retired from the service w.e.f. November 2018.
- Dr. W.M.G. Senevirathna (Director/RRI) retired from the service w.e.f. November 2018.

### **REPORT OF THE AUDIT AND MANAGEMENT COMMITTEE (AMC)**

The AMC of the Institute has formed in compliance with the guideline issued by Ministry of Finance and Planning and duly empowered by the Board of Directors to oversee the following;

- Financial Reporting of the institute.
- Ensure internal control of the institute.
- Matters relating to Audit Queries and Audit Reports and recommendation for the replies made by the Institute.
- Review the decisions of the procurement committee and usage of capital and recurrent expenditure
- Budget Estimates and the progress of the Actual performance
- Comparison the expenditure relating to Overtime, Fuel, Telephone and Electricity etc. with the budget Estimate
- The expenditure incurred on conducting training programs and their activities.
- Other Financial activities relating to the Institute.

Four meetings of the Audit and Management Committees were held for the year 2018 on March 26<sup>th</sup>, May 28<sup>th</sup>, September 25<sup>th</sup> and December 14<sup>th</sup>.

## **COMPOSITION OF AUDIT AND MANAGEMENT COMMITTEE**

<b>Name of the Member</b>	<b>Position</b>	<b>Name of the Member</b>	<b>Position</b>
<b>Mr. Indika Premarathna</b> Director, Department of External Recourses/Ministry of National Policies, Economic Affairs, Resettlement and Rehabilitation, Northern Province Development and Youth Affairs.	Chairman	<b>Dr. Prasad Dharmasena</b> Director/NIPM	Staff Member
<b>Dr. L.C.P. Fernando</b> Director/CRI	Member	<b>Mr. L.D.J. Priyantha</b> Accountant/NIPM	Staff Member
<b>Mr. Jayantha Pushpakumara</b> Superintendent of Audit/AGD	Observe Member	<b>Mr. K.H.U.P. Wijeweera</b> Internal Auditor/NIPM	Secretary/AMC

### **Membership of the Audit and Management Committee**

The AMC was chaired by Mr. Indika Premarathne, the representative of Ministry of Finance and Planning. The above Non Executive and Executive Directors, served as the Audit and Management Committee in the year 2018.

- Dr. L.C.P. Fernando (Director/CRI) retired from the service w.e.f. November 2018.
- Mrs. Aruni S. Ranasinghe, Additional Secretary at Ministry of Plantation Industries has been appointed w.e.f. December 2018.

### **STAFF OF THE INSTITUTE**

The Director who has been appointed on the scheme of recruitment by Hon Minister of Plantation Industries is the Chief Executive Officer of the Institute. Under his vertex, total workforce was at 55 as permanent staff as at end of the year 2018. The Institute operates under three main divisions as Training, Administration and Finance and Auditing

### **Chairman and Chief Executive Officer**

The Chairman and The Director/CEO both are Executive Directors who have been appointed by the Minister of Plantation Industries.

The clear distinction and segregation of responsibilities and authority between the Chairman and Chief Executive Officer (CEO), ensures balance of power.



Deepthi Abeywickrama  
Chairman



Dr. Prasad Dharmasena  
Director / CEO

### **Managerial staff**

The names of the key staff members who served as the middle managerial positions are given below.



Mrs. S.N. Illanganthilake  
Head - Training



Mr. L.D.J. Priyantha  
Accountant



Mrs. R.P.I.H. Rajapaksha  
Assistant Director (Admin.)



Mr. P. H. Jayathilake  
Training Specialist  
(Accounting & Financial Management)



Mrs. Ruvini N.  
Lokuhetti  
Training Specialist

## Other Executive staff



**Mr. C. D. Pathinayake**  
Training Officer ( Agri. Econ.)



**Mr. M.L.R. Jayantha**  
Administration Officer



**Mr. K.H.U.P. Wijeweera**  
Internal Auditor



**Mr. N.D.S.B. Thennakoon**  
Hostel Manager -  
Athurugiriya



**Mr. M.B.M.A.L. Bandaranayake,**  
Hostel Manager -  
Bogawanthalawa.



**Mr. P.W.G.N.C. Weerakoon**  
Training Officer (Mgt.)



**Mr. L.S. Liyanage**  
Training Officer (Acct. &  
Fin. Mgt.)



**Mrs. Indrani Jayasuriya**  
Programme Officer (Exam  
& Coordinating)



**K. G. Nepala**  
Staff Assistant (Training)

Actual Total Staff as at 31/12/2018 as follows.

**Training Division (Total Staff -16)**

Training Specialist (Agricultural Economics)	01
Training Specialist (Management)	01
Training Specialist (Accounting & Financial Management)	01
Training Officer (Agricultural Economics)	01
Training Officer (Management)	01
Training Officer (Accounting & Financial Management)	-
Programme Officer (Exam & Coordinating)	01
Staff Assistant (Training)	01
Librarian	-
Management Assistant	08
Audio Visual Assistant	01

**Administration Division (Total Staff - 30)**

Asst. Director (Admin.)	01
Administrative Officer	01
Hostel Manager	02
Management Assistant	06
Procurement Assistant	01
Driver	06
Garden Aids	03
Office Aids	04
Hostel Aids	03
Printing Assistant	01
Labourer	02

**Finance Division (Total staff - 8)**

Accountant	01
Account Assistant	01
Management Assistant	06

**Internal Audit Division (Total Staff - 1)**

Internal Auditor	01
------------------	----



Senior Manager Level  
(HM 1-2)

Middle Manager Level  
(MM 1-1)

Junior Manager Level  
(JM 1-1)

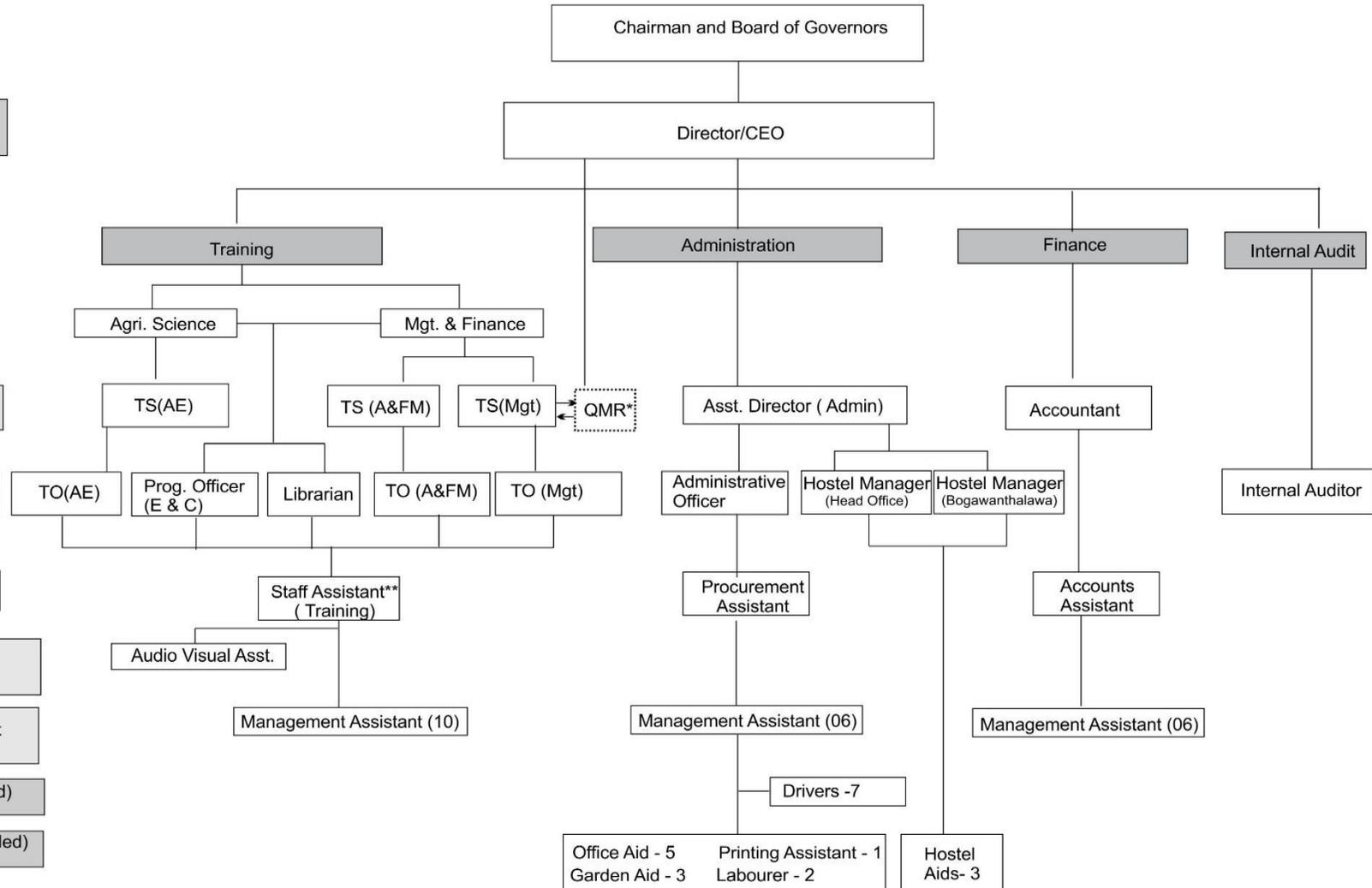
Associate Officer Level  
(MA 3)

Management Assistant  
Tech (MA 2-1)

Management Assistant  
Non Tech (MA 1-1)

Primary Level (Skilled)  
(PL-3)

Primary Level (Unskilled)  
(PL-1)



TS - Training Specialist    . TO - Training Officer    AE - Agric. Econ    A&FM - Accounting & Fin. Mgt.    Mgt. - Management    E & C. - Exam & Coordinating  
 \* Head of the Quality Unit    \*\* Suppressed

Prepared By : Management Representative  
 Revised Date :

Checked By : Asst. Director ( Admin.)  
 Revised Date :

Approved By : Chief Executive Officer / Director  
 Revision No :

## **REVIEW OF THE ADMINISTRATION**

The head of Administration is the Assistant Director (Admin.) who is responsible for general Administration of the Institute. All staff matters such as staff recruitment, HR promotions are conducted by the Administration Division. Procurement of all items for the Institute including improvement and renovation of buildings are directed by the division. During the year 2018, the Institute could fulfill the vacant staff positions as per the approved Scheme of Recruitment.

The institute provides accommodation facilities for the outside organizations whenever required such facilities both in Athurugiriya and Bogawanthalawa centres. The Institute has made arrangements to improve further its quality services with a view to increase the earning income from renting out activities.

### **Employee benefits**

In order to develop the career growth of employees, the management guided them to improve their skills, knowledge within the service and provide local and international training programmes as and when the employee requested. Institutional welfare benefits scheme which was prevailed prior to 2017 continued in the year 2018 as same.

## **PRINCIPAL ACTIVITIES OF THE INSTITUTE**

The National Institute of Plantation Management (NIPM) is the only government organization empowered to award certificates for those who successfully complete training programmes / academic courses and confer professional membership to eligible plantation executives. It ensures the maintenance of a high standard of professional competence of those who work in the plantation industry including the smallholders who are engaged in cultivation of tea, rubber, coconut, sugarcane, cashew, cinnamon and Palmyra etc.

The principal activities of the Institute which are aimed at achieving the objectives of the Institute are categorized mainly into 07 areas as listed below.

### **(a) Academic Programmes**

Academic Courses have particularly been designed to uplift the skills of the participants and enhance their competencies. In order to award the certificates for these courses, the participants are required to maintain a satisfactory academic record and meet the obligations mentioned in the course modules which they are enrolled. The following courses are included in the category of Academic programs.

- B.Sc. Degree in Plantation Management (jointly with the University of Wayamba)
- National Diploma in Plantation Management
- National Diploma in Plantation Extension Management
- National Diploma in Plantation Crop Technology
- Advance Certificate Course in Coconut Cultivation & Processing
- Certificate Course in Plantation Accounting and Financial Management
- Certificate Course in Book- Keeping and Plantation Accounting
- Certificate Course in Micro Finance



- Foundation Course in Human Resource Management
  - Certificate Course in Human Resource Management
  - Advance Certificate Course in Plantation Management.
  - NVQ Programmes level 4-5
- } Jointly with the  
CIPM

### (b) Professional Programmes

Main objective of conducting the professional courses are to impart theoretical/ practical knowledge and skills in different aspects of the plantation education. These courses are designed to assess and enhance the participant's career prospects and to increase their value to the organization.

The professional programmes conducted by the Institute are as follows.

- Tea Manufacture and Factory Practices
- Rubber Manufacture and Factory Practices
- Language Proficiency Examination



### (c) Competency Development Programmes

The programs under this category are specially designed to upgrade the skills and capabilities which are directly relevant to particular jobs. It is also expected to familiarize the participants with modern technologies and improved methods with related to job descriptions.



The Institute conducts following competency Development programmes. Workshops, Seminars and Symposiums

- Technical Development Programmes
  - Skill Development Programmes
  - Worker Development Programmes
  - Management Development Programmes
  - Training Programs for Smallholders.
- (d) Issuing publications related to plantation Management (Journal in Plantation Management, Newsletter, Student Manuals of training programs, text books and other periodicals)
- (e) Providing research and consultancy services in Plantation Management to the sector and conduct aptitude tests and examinations (oral and written) for selecting and promoting employees for public/private sector organizations.
- (f) Conferring Professional Membership of the Institute to eligible plantation executives (Hon. Member, Fellow Member, Associate Member and Student Member)
- (g) Providing Institute's facilities (Food, accommodation and lecture hall etc.) to outside organizations to conduct their training programmes and related activities.

## **PROGRESS REVIEW OF THE TRAINING PROGRAMMES**

The Institute conducts training programmes basically for two segments i.e. **income earning programmes** for the Plantation corporate sector and **Capacity Development Programmes** especially for smallholding sector under free of charge using Government funds.



### Income generating programmes

During the year 2018, the institute initiated the following academic and professional programmes in order to generate the income for the Institute.

#### Income earning programmes details in 2018

No	Programme Category	Duration	No of Prog.	No, of Partici pants
<b>ACADEMIC PROGRAMMES 2018/2019</b>				
01	National Diploma in Plantation Management	18 months	1	17
02	National Diploma in Plantation Extension Mgt.	18 months	1	32
03	Diploma in Plantation Crop Technology	12 months	1	24
04	Professional Programme in Tea Manufacture Factory Practices	09 days	1	30
05	Language Proficiency Examination	04 days	1	11
06	Certificate Course in Accounting & Financial Management	14 months	1	17
07	Certificate Course in Book Keeping & Plantation Acctg.	12 months	1	17
08	Certificate Course in Human Resource management	03 months	1	13
09	Advance Certificate Course in Plantation Management	06 months	1	33
<b>TECHNICAL DEVELOPMENT PROGRAMES (DEMAND DRIVEN)</b>				
10	Tea Tasting & Grading	03 days	1	21
<b>MANAGEMENT DEVELOPMENT PROGRAMES (DEMAND DRIVEN PROGRAMME)</b>				
<b>The Art of Enjoying Work(Attitude Development Programme)</b>				
11	Ministry of Petroleum	01 day	1	18
12	Coconut Development Authority	01 day	1	42
13	Coconut Development Authority	01 day	1	58
14	RDD- Monaragala	01 day	1	30
15	RDD- Ratnapura	01 day	1	41
16	RDD- Welikadamulla	01 day	1	81
17	RDD- Kegalle Office	01 day	1	86
18	RDD- Kalutara	01 day	1	61
19	Productivity & Quality Management Techniques	01 day	1	29
<b>SKILL DEVELOPMENT PROGRAMMES</b>				
20	Skill Development of Tea Factory Officers	05 Days	1	19
21	Skill Development Programme for Rubber Factory Officers	03 Days	1	18
<b>WORKER DEVELOPMENT PROGRAMMES- 2018</b>				
22	Scientific Tea Plucking for tea Pluckers	02 days	8	248

<b>PRODUCTIVITY IMPROVEMENT PROGRAMMES FOR SMALL SCALE ESTATES</b>				
	Good agricultural practices for field officers		3	136
<b>WORK SHOPS</b>				
	Oil Palm Cultivation (Non Executives)	03 days	1	33
	Oil Palm Cultivation ( Executives)	08 days	1	10
	Oil Palm Cultivation & Processing (PMMD)	02 days	1	13
	Language Proficiency	01 day	1	16
<b>SPECIAL PROGRAMMES</b>				
	MA .Training Programme for SLTB	01 day	1	40
	Morawakkole Tea Society - Drivers	01 day	1	18
	Morawakkole Tea Society -Staff	01 day	1	97
	Morawakkole Tea Society - Drivers	01 day	1	98
	Morawakkole Tea Society - Drivers	01 day	1	64
	Tea Factory Account & Audit for KTFL	02 days	1	25
	Tea Factory Account & Audit for KTFL	02 days	1	30
	Integrated approaches to convert plantation productivity to sustainable profitability	01 day	1	30
	Training Programme for PMMD Staff	02 days	1	15
	Rubber Cultivation & Field Practices	02 days	1	17
	Skill Dev. Programme for PMMD	02 days	1	22
	Skill Dev. Tea Field Officers - Vitanakanda Tea Factory	01 day	1	15
	Training Programme Primary level staff of Sri Lanka Tea board	02 days	1	30
	Technical Programme for Drivers Ministry of Education	02 days	1	18
	Coconut Cultivation & field practices - PMMD	02 days	1	15
	Tea Manufacture & Marketing Sri Lanka Tea Board	02 days	1	26
	Tea Manufacture & Marketing Sri Lanka Tea Board	02 days	1	24
<b>NEW COURSES/WORKSHOPS</b>				
	GIS & Remote Sensing	02 days	1	24
	Labour Law	01 day	1	30
	Soil Conservation	01 day	1	21
	Climate Change	01 day	1	34
	<b>Total</b>		<b>57</b>	<b>1847</b>

Table No.01

Apart from the above, the institute continued the following academic programmes commenced in previous year to complete academic period and the examinations.

### Academic programmes continued from 2017

No	Programme Name and Category	No of Programmes conducted	Duration of each programmes	No, of Participants
01	B.Sc. Degree in Plantation Management	01	03 years	-
02	National Diploma in Plantation Management	01	18 months	12
03	Certificate Course in Plantation Accounting & Financial Management	01	14 months	15
04	Certificate Course in Book-keeping & Plantation Accounting	01	12 months	17
05	Certificate Course In Micro Finance	01	10 days	18
Total		05		62

Table No. 02

### Progress of the Income generating Training Programmes - 2018

The Institute concluded 57 number of income generated programmes against the action plan target of 50. The progress of the number of programmes conducted was reported as 114% in the year 2018. At the year end the institute achieved financial progress of 121% against the expected training income. The number of trainees for the year 2018 was 1847 plantation estate employees out of the planed target of 2710. i.e 68% against the target. Further the institute has conducted a symposium on the theme "Sustainable plantation management" for the plantation industry. A workshop on integrated approaches to convert plantation productivity to sustainable profitability also conducted for the membership holders of to NIPM under special Academic related activities. 114 school leavers have registered in Tea Factory Officers & Tea Field Officers NVQ 04 programmes.

Total income from training including special academic related activities and NVQ student registration fees was 31.009 Mn. The following table (No.3) shows the details of the physical and financial progress of the year 2018.

Physical and financial progress of Training programme for the year 2018

Name of Programmes	Budgeted			Actual			Progress		
	No of Progs.	No.of Students	Income	No of Progs.	No.of Students	Income	No of Progs.	No.of Students	Income
			Rs.			Rs.			Rs.
Academic and Professional Programmes	13	230	18.42	9	194	16.470	69%	84%	89.0%
Skill development programmes	2	30	0.75	2	37	0.864	100%	123%	115%
Technical Development	1	30	0.60	1	21	0.420	100%	70%	70%
Special Training Programmes	20	2000	2.00	17	584	2.349	85%	30%	117%
Management development programmes	4	120	0.78	9	446	1.425	225%	371%	182%
Productivity Improvement	2	60	0.12	3	136	0.148	150%	229%	123%
Foreign Programme	-	-	-	1	10	3.000	100%	100%	100%
Workshop	2	60	1.14	7	171	1.858	350%	285%	162%
Worker Development	6	180	0.18	8	248	0.24	133%	138%	133%
<b>Total</b>	<b>50</b>	<b>2710</b>	<b>23.99</b>	<b>57</b>	<b>1847</b>	<b>26.775</b>	<b>114%</b>	<b>68%</b>	<b>111%</b>
<b>Other Training Income</b>									
Outside Exams	20	-	1.60	15	-	3.153	75%	-	197%
Special Academic related Activities						0.853	-	-	-
Registration of NVQ						0.228	-	-	-
<b>Total Training Income</b>	<b>70</b>	<b>2710</b>	<b>25.59</b>	<b>72</b>	<b>1847</b>	<b>31.009</b>	<b>121%</b>	<b>68%</b>	<b>121%</b>

Table No. 03



Chart 01



Chart 02

### Profit and Loss analysis of the income generating programmes

The Institute conducts different types of Academic, Professional and skill development programmes by charging a nominal course fee in order to generate an income. During the year 2018, the Institute has reported a net income of 17.615 Mn from the training programmes with an average profit margin of 58% on the total training income of Rs.29.926 Mn. As per the previous year statistics, it was reported a net income of Rs. 8.942 Mn from the training income of Rs 15.853 million, therefore the net income has increased by Rs 8.485 Mn. with compare to the previous year.

The analysis of the profit and loss for each category of courses are given bellow in table No 04.

Name of Programme	Income ( Rs. mn)	Cost ( Rs. mn)	Profit/Loss	Profit margin
<b>Academic and Professional</b>	16.470	5.724	10.746	65%
<b>Management and Technical Development</b>	1.846	0.904	0.942	51%
<b>Skill Development</b>	0.864	0.375	0.489	56%
<b>Worker Development</b>	0.240	0.076	0.164	68%
<b>Workshop</b>	1.857	0.643	1.214	65%
<b>Foreign Programmes</b>	3.000	2.088	0.912	30%
<b>Special Training</b>	2.348	1.594	0.757	32%
<b>Productivity Improvement</b>	0.148	0.076	0.072	49%
<b>Income from External Examinations</b>	3.153	0.834	2.319	73%
<b>Total</b>	<b>29.926</b>	<b>12.314</b>	<b>17.615</b>	<b>58%</b>

Table No. 04

## Capacity Development Programs for Small holders – 2018

The Institute has identified the importance of smallholding sector, their contribution to the plantation industry and importance of developing the human resources of this sector. Conveying this message to the treasury it was possible to allocate a significant amount of funds from institute’s budget under Capacity Development for smallholders. With a view to improving their knowledge and increase of the income of the smallholders, the Institute had scheduled 200 training programmes with the financial allocation of Rs 7.0 million in 2018. During the year, the institute conducted 232 programs for smallholders incurring Rs 7.4 million. The following programs have been conducted for smallholders.

- Alcohol prevention
- Attitude development
- Management development
- Entrepreneur development
- Technical Skills development

The details of conducted Capacity Building programs for smallholders are given bellow in table No 05

### The details of conducted Capacity Building programs for smallholders

Type of Programme	Expected progs.	Expected participants	Estimated cost	No. of Progrs	No. of Participants	Cost
			(Rs Mn)			(Rs. mn.)
<b>Rubber small holders</b>	50	2,500	1.75	30	1667	0.96
<b>Tea small holders</b>	60	3,000	2.10	43	2924	1.504
<b>Coconut Smallholders</b>	60	3,000	2.10	131	6213	3.613
<b>Other crops</b>	30	1500	1.05	28	2051	1.348
<b>Total achieved</b>	-	-	-	<b>232</b>	<b>12855</b>	<b>7.432</b>
<b>Total planned</b>	<b>200</b>	<b>10,000</b>	<b>7.0</b>	-	-	-
<b>Progress</b>	-	-	-	<b>116%</b>	<b>129%</b>	<b>106%</b>

Table No 05

In this segment a significant improvement has been achieved in this year conducting 232 programmes reporting a progress of 116% over the estimate in 2018 and the institute was able to train 12,855 smallholders reporting 129% progress over the expected number of trainees.

The cost incurred for these programme was Rs. 7.432 million in 2018. It was 106% financial progress over the allocated funds.



### **PROGRESS OF TRAINING PROGRAMMES AGAINST THE PREVIOUS YEAR**

When compared with the previous year training statistics, it was reported a significant progress in number of programmes, number of trained and the generated income from training activities in 2018.

When compared with the year 2017, it was reported 72% increase in No. of programmes and 95% increase of the participants in income generated programmes. In resulting that, training income of 2018 has increased by 84% against 2017.

In the case of smallholding sector training programmes was increased by 23% and training participants also increased by 27%. The following table (No. 06) shows the progress of the 2018 against the year 2017.

**Progress of the 2018 against the year 2017**

	2017	2018	Percentage Increase/ (decrease)
<b>No. of Programmes (income generated programmes)</b>	33	57	72%
<b>No. of Participants (income generated programmes)</b>	958	1847	93%
<b>Training income ( Rs. Mn.)</b>	15.85	31.009	95%
<b>No. of Programmes for Small holders</b>	228	232	2%

<b>No. of Smallholders trained</b>	12,638	12,855	2%
<b>Cost incurred on training of Small holders (Rs. Mn.)</b>	7.80	7.40	-5%

*Table No. 06*

**COMPETENCY DEVELOPMENT PROGRAMMES FOR SCHOOL LEAVERS UNDER NATIONAL VOCATIONAL QUALIFICATION (NVQ) LEVEL**

The institute successfully conducted NVQ Level 04 courses to fulfill the requirement of recruiting qualified fresher's to the sector. The NVQ is a work based qualification which recognizes the skills and knowledge a person needs to do a job.

Following the basis of NVQ framework NIPM conducted two NVQ level 04 courses to fulfill needs of the plantation sector as listed below

**Assistant Factory Officer**

- To provide training opportunities on the technical and management aspects of tea manufacture
- To enhance the knowledge and understanding of factory and office activities without much technical rigor to improve efficiency and effectiveness with which information is used for decision making and performance monitoring at factory level.
- Assist the plantation companies & private tea factories in the identification and selection of the most appropriate candidates as trainee tea factory officers

**Field Officer**

- To introduce agricultural practices, estate management and provide training in the theoretical, technical and managerial aspects on plantation agricultural towards producing competent field officers with NVQ level 4
- To assist plantation companies and estates in identifying and selecting the most appropriate young candidates as field officers.

The Institute was able to complete tea field officer and tea factory officer courses successfully and students who have successfully completed those programme able to find the job opportunities. NIPM has planned to conduct upcoming NVQ level 4 programmes (Tea Field

officer/ Tea Factory officer) together with the students attached to 13 years guaranteed education programme which is organized by the Ministry of Education.

### **CONDUCTING EXAMINATIONS FOR OTHER ORGANIZATIONS**

One of the objectives of the NIPM is to provide consultancy services in different subjects in relation to plantation management. It has been providing such services for different public/private sector organizations which are specialised in the plantation sector to promote their employees and to recruit new employees conducting examinations since 1987. As experienced in the previous years, the Institute conducted 15 examinations and earned 3.153Mn. in the year 2018. The following Table No 07 shows the details of such examinations.

#### **Examinations conduct in 2018**

Organization	No. of Examinations	No. of Candidates	Income Generated (Rs. Mn. )
Efficiency Bar Examination -TSHDA	1	50	0.161
Recruitment Exam- Sri Lanka Tea Board	1	04	0.018
Recruitment Examination -TSHDA-	1	32	0.106
Recruitment Exam- Sri Lanka Tea Board	1	12	0.038
Efficiency Bar Examination -TRI	1	53	0.250
Recruitment Exam -RRD	1	131	0.301
Efficiency Bar Examination - CRI	1	38	0.192
Efficiency Bar Exam - Sri Lanka Tea Board	1	15	0.036
Recruitment Exam - Sri Lanka Tea Board	1	350	0.788
Recruitment Exam - Sri Lanka Tea Board	1	50	0.331
Recruitment Exam - TSHDA	1	75	0.150
Recruitment Exam - Sri Lanka Tea Board	1	19	0.035
Efficiency Bar Exam - National Livestock Development Board	1	18	0.047
Western Province Passenger Transport	1	213	0.597
Recruitment Examination -RRD	1	22	0.096
<b>Total</b>	<b>15</b>	<b>1082</b>	<b>3.153</b>

*Table No 07*

### **B.Sc. DEGREE PLANTATION MANAGEMENT**

The Faculty of Agriculture and Plantation Management of Wayamba University, in consultation with the National Institute of Plantation Management obtained approval from the UGC in the year 2000 to prepare a B.Sc. level external degree programme on Plantation Management by utilizing the resources of the two institutions & accessing resources of different academic, research & management institution available in Sri Lanka.



In the past, the higher education institutes in Sri Lanka have not developed programmes to attract the management or executive level personnel in the plantation sector to provide them with opportunities in upgrading their educational background to degree level. Therefore, this is the first time in Sri Lankan history that a local university jointly with NIPM has come forward to develop a degree programme in plantation management targeting the senior and middle level managers, executives, technical officers in the plantation sector. Accordingly with much effort, the B.Sc. Degree in Plantation Management launched in 2006 and this is a 03 year programme & is conducted as a distance learning course.

#### **Objectives of this programme are as follows.**

- a. To provide a high degree of scientific background in advanced plantation crop production technology and aspects of management (conceptual and theoretical)
- b. To help plantation managers and executives to identify global changes with regard to technology, external environment, tendencies of markets for plantation crops, consumer behavior and social trends.
- c. To improve the skills in diagnosing production, technological, market, labour and management problems on micro and micro basis.

The study programme is basically targeted for the officers from the Plantation Management Companies, Tea Small Holding Development Authority, Rubber Development Department, Tea Board, Coconut Cultivation Board, Crop Research Institute (TRI, RRI, CRI, SRI), Department of Export Agriculture, Department of Agriculture, Department of Agrarian Services, Department of

Animal Production and Health, National Livestock Development Board, Janatha Estate Development Board, Sri Lanka State Plantation Cooperation, Mahaweli Authority, Banks and other relevant institutions in the country.

The details of the number of students registered each year and number who successfully completed the programme are given below.

**Details of registered & passed out students**

<i>S/N</i>	<i>Batch Year</i>	<i>No. of Registered Students</i>	<i>No. of Passed out Students</i>
1.	2006	21	16
2.	2007	17	11
3.	2008	35	21
4.	2009	34	16
5.	2010	47	29
6.	2011	32	17
7.	2012	54	37
8.	2013	81	-
9.	2014	91	52
10.	2015	105	17
11.	2016	121	37 33
12.	2017	117	48
13.	2018	143	55
14.	2019	180	-

*Table No 08*

**Symposium**

The National Institute of Plantation Management organized its first National Symposium on Sustainable Plantation Management covering contemporary themes on 10th of March 2018, with the participation of Honorable Minister Mr. Navin Disanayake - Minister of Plantation Industries, Mr. J.A. Ranjith – Secretary of Plantation Industries, Dr. Pornchai Mongkhonvanit – President of

Siam University, Thailand. Foreign and local university expertise, senior planters, plantation company CEOs' and the senior officials of the institutions attached to the MPI participated for the technical sessions and the Gala Dinner was at Grand Monarch - Thalawathugoda. The Symposium was highly commented by the expertise those who are participated was created good platform for dissemination of research findings covering all aspects relating to Sustainable Plantation Management.



### **Foreign Programme**

During the year 2019 the institute has organized and conducted a foreign training programme on Oil Palm cultivation and processing collaborate with SIAM University and Univarnich Palm oil company Thailand from the programme remedial were find out for the existing issues face by the growers and cultivators in Sri Lanka



## **PROFESSIONAL MEMBERSHIP OF THE INSTITUTE**

The Institute continued in conferring professional membership of the Institute to eligible Plantation Executives based on the criteria and conditions constituted in the Act No. 5 of 1987.



During the year under review, one (01) student member promoted as Associate member and awarded six (06) fellow membership for six (06) executives. At the end of the year, total numbers of membership holders under each

category are listed below.

<b>Honorary membership</b>	<b>20</b>
<b>Fellow membership</b>	219
<b>Associate membership</b>	16
<b>Student membership</b>	<u>02</u>
<b>Total</b>	<b><u>257</u></b>

*Table No 09*

During the year 2018 the Institute has organized and conducted an Awareness Workshop on Economic Trends Imposed on Plantations to update the current trends in plantation sector and also to share the information among the members. It was held at the Thurya hostel in July, 2018 and participated 53 members for the event.

## **FACILITIES AVAILABLE**

### **• LIBRARY FACILITIES**

The library of the Institute has a collection of more than 4000 books covering various subject areas relating to Plantation Sector such as tea, rubber, coconut, sugarcane, cashew, accountancy, general management, human resource management, marketing management, strategic management, positive thinking, time management, productivity, industrial safety & hygiene and quality management etc. It has both lending and reference sections. The participants of the long-term programmes and the staff of the Institute are eligible to use the books in the lending section while the participants of short-term programmes, staff of the Institute, external resource



personnel of the Institute, school children of the area and outside resource personnel can use the reference section.

- **ACCOMMODATION FACILITIES**



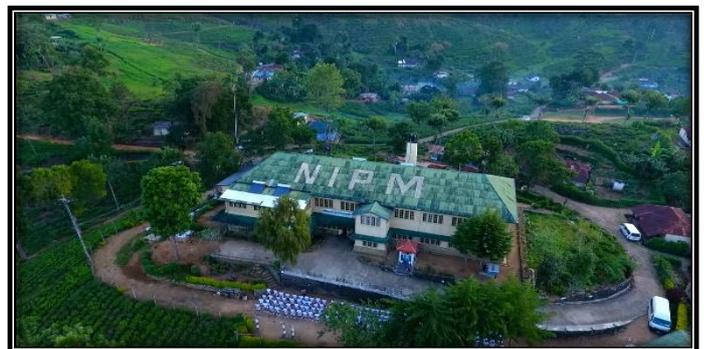
The Institute has adequate infrastructure facilities that are required for an educational and training Institute. The national budget allocates funds every year for upgrading and modernization in keeping with the trend in the market with respect to local and international demands. The facilities at Athurugiriya center consists of three lecture halls and auditorium with air-conditioning facilities. The Auditorium can accommodate 200 persons at a time. Hostel facilities can be provided for 60 persons.



**Hostel at Athurugiriya**

**Hostel at Bogawantalawa Regional Centre ( RWPSC)**

Ranjan Wijerathne Plantation School (RWPSC) which located in Theresia Estate, Bogawantalawa is the other Regional Training Centre for conducting training programmes. It should be certainly improved up to training center with modern facilities. The Auditorium with a



capacity for nearly 100 persons and two medium size lecture halls are available, which can be accommodated around 50 in each.

The hostel at Bogawanthalawa provides accommodation facilities for nearly 70 people at a time. It has a fairly big dining hall, 3 office rooms and a mini library having more than 600 books. There is a bungalow for the Hostel Manager. Apart from the Hostel Manager and a peon, there are no other permanent workers at this center and therefore, necessary workers are employed on contractual basis during training sessions with the prior approval from the Director. There are three workers and one watcher on casual basis and at present all training facilities are being rented out for the Korean training programmes which are conducted by Sri Lanka Bureau of Foreign Employment under supervision of the Hostel manager.

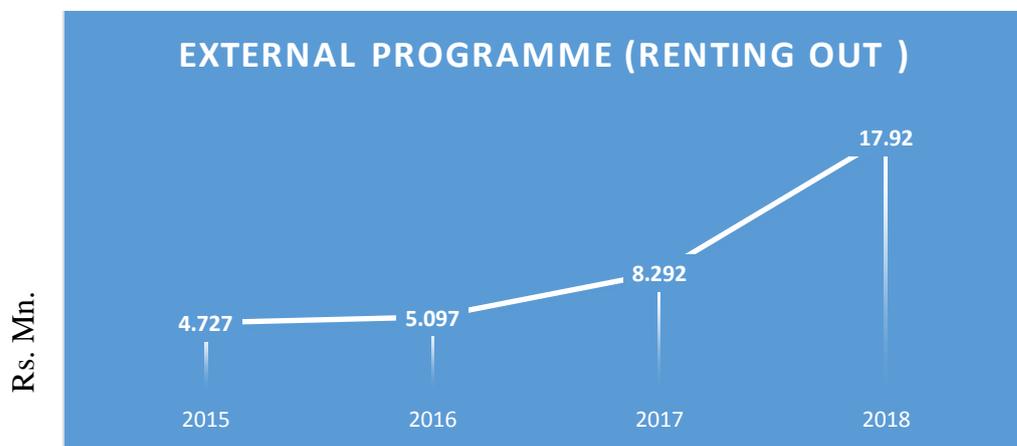


Chart 03

## **OUR ACTIVITIES**



### **Starting work for 2018**

Chairman, Director / CEO and Staff of NIPM started their duties for year 2018, by declaring the state service oath in front of the National flag.

### **Deniyaya New Regional Centre**

A regional centre of NIPM was declared open at Deniyaya with participation of Hon. Minister Mr. Sagala Ratnayake, Minister of law & peace and Southern Development in January 2018



### **National Symposium on Sustainable Plantation Management (NSSPM)**

First NSSPM was on 10th of March 2018, with the participation of Honorable Minister Mr. Navin Dissanayake - Minister of Plantation Industries, Mr. J.A. Ranjith - Secretary of Ministry of Plantation Industries, Dr. Pornchai Mongkhonvanit - President of Siam University, Thailand



### **New Year Festival**

Sinhala New year festival of NIPM with their staff family members was held in April 2018



### **Interactive session**

"The way forward in Plantation Sector" Awareness & Interactive session for General Managers /HR Managers & Executives attached to the Plantation Companies to develop Human Resources of the plantation Sector, was conducted on 06th July 2018

### **Cricket Match**

Cricket match among the two teams of NIPM held on 04<sup>th</sup> February 2018 at Ratnaloka Hotel, Ratnapura





### **Tree Planting Programme**

The Director / CEO and staff of NIPM has organized a tree planting programme to celebrate the world Environment day in June 2018



### **Capacity development programme**

A capacity development programme was organized for the staff of NIPM with the Objective of enhancing the team work. The programme was held on 19th and 20th November 2018 at Kirinda beach resort- Kirinda

### **New Administrative building**

The Foundation Stone laying ceremony of the New Administrative Building for the NIPM was held on 18<sup>th</sup> October 2018 as the auspicious time 8.16 a.m. Chief Guest of the ceremony was Hon. Minister Mr. Navin Dissanayake – Minister of Plantation Industries

### **Pirith Ceremony**

Annual Pirith Ceremony was held in December 2018 at the Institute





### **Exhibition**

NIPM organized a stall at Career Fair & Exhibition October 2018 @ Kuliyaipitiya

### **CSR EVENTS**



### **Plant Donation**

NIPM has donated some valuable plants to Korothota Somananda Vidyalaya in June 2018, parallel to celebration of World Environment day

### **Dana Punyakarma**

The staff of NIPM Organized a “ Dana Punyakarma” to Mariyasewana Elders” Home at Athurugiriya in September, 2018



## **FINANCIAL REVIEW**

### **Performance**

The Institute recorded a total income of Rs. 199.77 Mn. in year 2018 when compare with previous year income of Rs. 115.39 Mn. with the increase of 73.12% improvement against the previous year. The main contributory factor towards the income was the Government grant contributed by the National Budget which was amounting to Rs 80.95 Mn and special capital grant of Rs 60.00 Mn granted by Ministry of Plantation Industries under special project of upgrading training facilities towards the plantation sector development in accordance with degree awarding institute by 2020. Total training income has increased up to Rs. 31.00Mn when compare with previous year training income of Rs. 15.85Mn. The progress of the training income was 95.5% against the previous year. As experience in the previous years, the Institute generated a significant income providing renting out facilities for other organisations whenever the capacities were available in both centres. This renting out facilities generated a sum of Rs. 16.37 Mn. by main office in Athurugiriya and it was Rs 1.55 Mn in Bogawthalawa training centre. In the case of expenditure in concern, a sum of Rs 132.11 Mn has incurred during the financial year 2018 including depreciation of Rs 24.40 Mn . and It was Rs107.11 Mn in 2017 . At the end of the financial year, the institute recorded the net surplus of Rs. 67.65 Mn. which has been attributed to Net Assets of the Institute.

The Summary of Financial performance compared to the previous year is given bellow.

	2017	2018	Variance	Key reason
<b>Government grant</b>	59.87	80.95	35.2%	Institute received Rs. 50.00Mn for recurrent and Rs 30.95 Mn for the capital grant.
<b>Training Income</b>	15.85	31.00	95.5%	Due to increase of Number of training programme compare with 2017 and conducted special workshops.

<b>Renting out income (Both centers)</b>	<b>12.87</b>	<b>17.92</b>	<b>39.2%</b>	<b>Increased the number of programme with the special propaganda.</b>
<b>Total Generated income</b>	115.39	199.77	73.1%	Due to increase of income and government grant with the special project grant of Rs 60.00 Mn.
<b>Salaries and wages and employee benefits</b>	38.79	45.57	17.4%	Due to annual increment of salaries and recruited vacancies in the year 2017
<b>Total Recurrent Expenditure</b>	107.11	132.11	23.3%	Due to increase of salary, training expenditure and other expenditures in parallel to increase of income.
<b>Depreciation</b>	20.53	24.40	18.8%	Increased due to new acquisition of assets.
<b>Surplus</b>	8.27	67.65	730.1%	Surplus increased due to Grants and generated income

*Table No 10*

### **Liquidity position**

Liquidity position of the Institute shows a favourable ratio of 9.05 times in the year 2018. It has reported rapid increase when compared with the previous year ratio of 1.55 times. The composition of Rs. 155.00 Mn received during the year 2018 from the acquisition of land and three staff quarters to Seventh Engineers Regiment of Sri Lanka Army in 2014. This amount has been invested in short term deposit to utilise the money for the development activities which have been already implemented since 2017.

### **Capital expenditure**

The Institute continued with the infrastructure development programme on tangible fixed assets as scheduled in the capital expenditure budget in the year 2018 for which the treasury allocated a sum of Rs. 32.00 Mn. from the National budget. However the released amount was limited to Rs. 30.95 Mn due to various constrain face by the government. Following table shows estimated and actual performance of capital expenditure in 2018. Meanwhile a sum of Rs 60 Mn received

from Ministry of Plantation industries for the capital development project to improve training facilities with the infrastructure development. The total approved amount for this project is Rs. 264.00 Mn for the period of 2017 to 2020 including Institute's contribution of Rs.47.1 Mn.

### **Budget and Actual performance of the Capital Expenditure 2018 (Rs. Millions)**

Capital items	Budget	Actual	Progress
<b>Renovation and rehabilitation of Capital assets</b>	27.45	19.75	71.9%
<b>Acquisition of capital assets</b>	10.02	8.69	86.7%
<b>Other investment</b>	1.25	0.36	28.8%
<b>Capacity Development Programmes</b>	12.10	9.22	76.1%
<b>Total</b>	50.82	38.02	74.8%

*Table No 11*

Major capital Development activities are listed below.

- Renovation of Hostel room in the main complex at Athurugiriya.
- Installation of AC Units for lecture rooms.
- Conducted 232 No. of capacity Development training programmes for smallholders
- Conducted 2 NVQ level -4 programmes for school leavers under capacity development
- Renovated hostel roof and hostel building at Athurugiriya.
- Purchased furniture and equipment for Athurugiriya and Bogawanthalawa

### **Special Development Project**

The Special capital Development Project call "upgrading the training facilities towards the plantation sector development in accordance with degree awarding Institute" has already been implemented in 2017. This project will be activated up to end of 2021. Total Estimated cost would be Rs 314.00 Mn which comprise Rs 264 Mn. capital component and Rs. 50.00Mn recurrent. The general treasury would be funded for 216.9 Mn and the institute's contribution would be Rs 47.1 Mn from disposal income of Land and building which was acquired by the Sri

Lanka Army. The compensation income of Rs 155.00 Mn has received in 2018 and this amount has been deposited in Fixed Deposit to use the fund as and where necessary for the above project including Institute contribution.

A sum of Rs 75.3 million utilized for the above project to develop course curriculum up to NVQ level 06 and improve training facilities up to end of 2018. The financial plan for this project is as follows.

<b>Upgrading the NIPM training facilities towards the degree awarding institute</b>		<i>Allocation upto 2018</i>	<i>Expenditure up to 31.12.2018</i>	2019	2020	2021	Total cost
<b>Project Expenditure</b>							
Project Capital Expenditure							
2001	Improvement of Hostel facilities	11.70	11.70	-	-	-	11.7
2104	New Office Building , lecture hall and Establishment of R & D Unit	59.60	59.60	99.00	38.6	-	197.2
2507	Development of course modules	4.00	4.00	1.00	3.00	-	8.0
Total project Capital Cost		75.30	75.30	100.00	41.6		216.9
Generated funds							
2001	Improvement of Hostel facilities	-	2.00	-	-	-	2.00
2104	New Office Building , lecture hall and Establishment of R & D Unit			38.00	7.1		45.1
Project Capital Expenditure Total		75.30	77.30	138.00	48.7		264.00

Table No 12

### Surplus /Deficit

During the year under review, the Institute recorded the surplus of Rs. 67.65 Mn after deducting depreciation cost of Rs.24.40 Mn it was Rs 8.27 Mn in 2017. Following chart indicate the behaviour of surplus and deficit during the period of 2009 to 2018. Government grant is the most significant factor for the increasing of surplus in 2018.

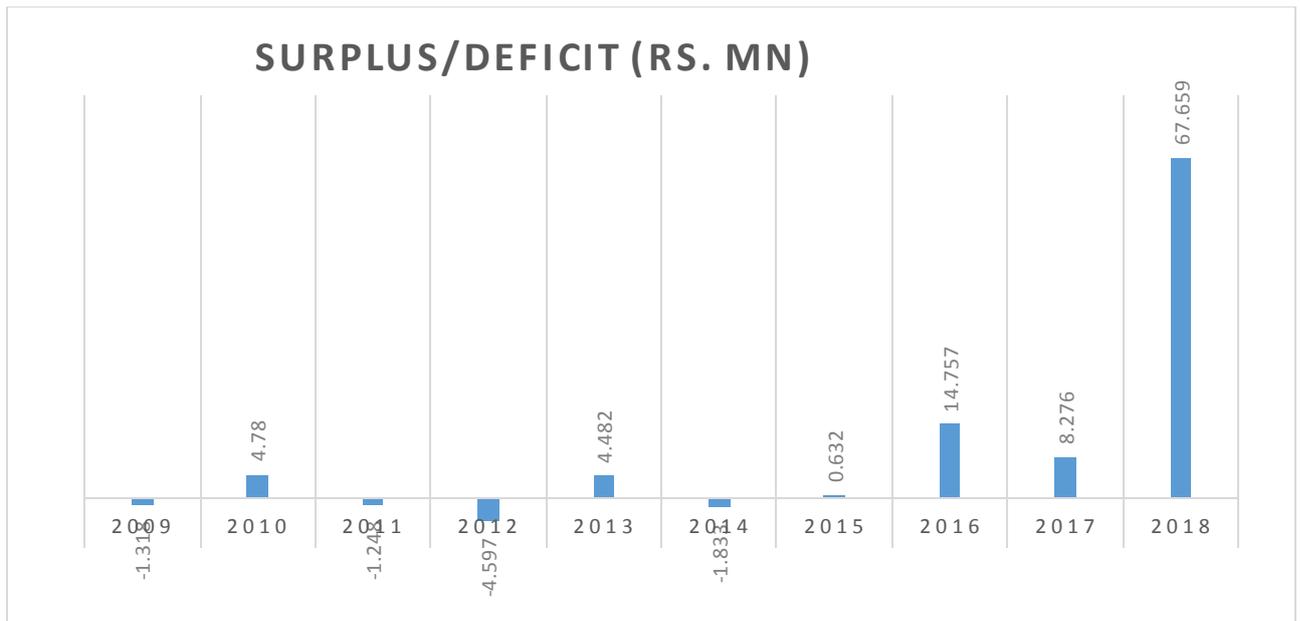
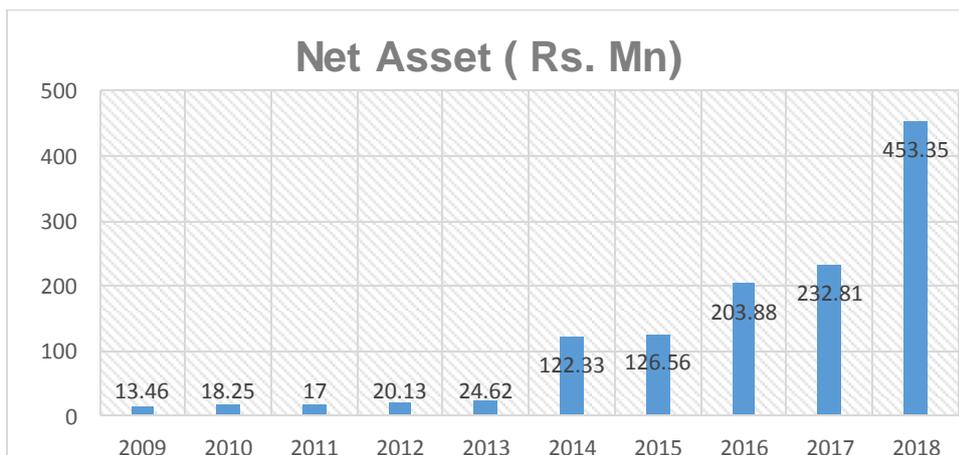


Chart 04

Year

### Net Assets

The Net Asset of the Institute has increased up to Rest. 453.35 Mn. as at 31 December 2018, it shows 94.73% improvement over the previous year figure of Rs.232.81 Mn. The main reason of this rapid improvement is due to compensation of Rs.155.00Mn received from Sri Lanka Army. The second reason of this improvement is the increasing of infrastructure development activities which have been implement in 2017.



Year

Chart 05

## **Financial Position**

Statement of Financial Position indicated the Net asset of Rs. 453.35 Mn as at 31.12.2018 compared to the previous year figure of Rs. 232.81 Mn. According to the financial statements, the value of total assets recorded as Rs. 486.98 Mn compared to the previous year figure of Rs. 263.47 Mn. Total liabilities as at end of the year recorded as Rs. 33.62 Mn. when compare with previous year figure of Rs. 30.65 Mn. The Institute provided a provision for Employee Benefits Plan for Rs. 11.39 Mn according to auctorial valuation method and invested in fixed deposit to secure the commitments for the employee benefits. Total current assets recorded as Rs. 213.25 Mn and current liabilities was Rst. 23.59 Mn as at 31.12.2018.

## **CONSTRAINTS FACED BY THE INSTITUTE**

As experienced in the previous years after restructuring process took place in 2004, the Institute had to face several constraints in the year 2018 as well. Shortage of staff in the training faculty was one of the main constraints. There were only 06 members in the training faculty. The Institute could not recruit the staff due to inadequate salary scales against the qualifications and skills even if the approved staff vacancies were available. The Institute faced shortage of staff quarters due to acquisition of four and half acres of the land and three executive grade staff quarters by Seventh Engineers' Regiment of Sri Lanka Army.

Many of the plantation companies were reluctant to release their executives to participate on week days and long term programmes since their absent might be affected the production and administrative activities of the estates. Therefore, the Institute had to change the training arrangement on weekends. This was caused to limited capacity of the lecture halls and accommodation facilities to increase the number of programmes.

The participation of school leavers for plantation training is minimal, since the plantation sector is not attractive for the younger generation. The Institute had to invest more fund to develop course modules to convert the selected professions which are not being easily recruited by the plantation companies due to lack of competencies. In order to get the service of the consultant for module development, the Institute had to face difficulties on the government bidding procedure.

Most of the office buildings are more than 60 years old, Therefore, Institute has to allocate more fund to renovate these building.

Out of the 08 vehicles that the Institute has at present, 06 are over 20 years old. The age of the Pajero jeep is more than 25 years. As previously mentioned, the programmes for smallholders are conducted in different regions in the country. To travel such distances, the existing vehicles are thoroughly unsuitable. In order to ensure a more effective service to the clients all these vehicles have to be replaced with new vehicles.

Further, in conducting programmes in the regions, the audio visual equipment gets damage if they are not properly packed and transported. But, the existing vehicles are not suitable for transportation of audio visual equipment safely. Hence, there is a need to buy a suitable vehicle to prepare as a mobile training unit.

Even though plantation estates are owned by the government, there is no specific qualifications for recruitment and promotion schemes of plantation staff in the Regional Plantation Companies which brings the difficulties to attract the students for the institute's programmes.

### **Future plan**

The institute has taken steps to develop some of the courses up to NVQ level 7 with a view to establishing degree awarding institute for the plantation sector by 2021. This project is already being implemented under supervision of Ministry of Planation Industries. Total cost of this project would be Rs 264.00 Mn. A sum of Rs 75.30 million has been utilized up to end of 2018 and significant amount of fund would be allocated in 2019 to success the project on time

In parallel to the above, a new development proposal for improvement of Hostel facilities up to 200 heads has been approved by the Cabinet and hopefully it would be started in mid-2019 under the supervision of Ministry of Planation Industries. Total approved project cost of this project would be Rs. 223.00Mn.



New building with lecture halls and R & D Unit

## **CONCLUSION**

As the premier training academy for plantation sector NIPM keep abstract of current trends and constantly upgrade our products today's needs. The Institute has made gains, physically and financially in the year under review when compared with the previous year 2017. The prices of the plantation crops such as rubber coconut and tea adversely affected to the physical number of training programmes in 2017. However in the year 2018, it was marginally increased and the number of training programme also increased in line with to the above in both corporate and the smallholding sector compared to the previous years. Anyhow there was a possibility of conducting more programmes for smallholders and estate workers in future years if the capacity of the staff is strengthened.

A surplus of Rs.67.65 Mn. was seen between the income and expenditure in the year 2018 and the Net assets of the Institute has increased up to Rs.453.35 Mn. from 23281 million in the year 2017

Further, the Institute was able to start the module development process of Diplomas and higher Diploma to obtain NVQ accreditation which is mandatory for skill development of the plantation sector. The Institute conducted 232 training programmes for small holders and two NVQ level4 programmes for school leavers incurring a sum of Rs. 9.22 Mn using the funds granted by the Treasury. The greater emphasis will be paid to programmes for smallholders and estate workers in the next year too. Based on this information, it can be satisfied with the physical and financial progress in the year under review and the expectation of the Institute is to achieve the planned targets in the year 2019 under the effort and commitment of the staff and the proper guidance and advices of the Board of Governors and the line ministry.

The Chairman and the Board of Directors and the Management of the Institute take this opportunity to convey its sincere thanks and gratitude to each and every person who extended their fullest co-operation to achieve the gains made in the activities of the Institute during the year 2018.

**Sgd.**  
**B. Wijyaratne**  
**Chairman/NIPM**  
**15/05/2019**

# Financial Reports 2018

## Page Nos.

Accounting Policies and Notes	48-56
Statement of Financial Position	57-58
Statement of Financial Performance	59
Cash Flow Statements	60-61
Statement of Changes in Equity/Net assets	612
Budgeted and Actual Performance	63
Schedule of Property Plant and Equipment	64-65
Schedule of Intangible assets	66
Notes and schedules	67-86
Segmental Report	87-88
Financial Highlights	89-90
Auditors General's Report	91-97

# **NATIONAL INSTITUTE OF PLANTATION MANAGEMENT**

## **ACCOUNTING POLICIES AND THE NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR 2018**

### **1.0 REPORTING ENTITY**

National Institute of Plantation Management is a statutory board established under the National Institute of Plantation Management (NIPM) Act No. 45 of 1979 was amended in 1981 by Act No. 76, in 1987 by Act No. 05 and in 2003 by Act No. 38 in order to make the NIPM a more effective and viable statutory body of the government.

As per the act and amendments, NIPM is the only organization empowered to award certificates for those who successfully complete training programmes/academic courses and confer professional Membership to eligible plantation executives. It ensures the maintenance of a high standard of professional competence of those who work in the Plantation Industry including the smallholders who are engaged in cultivation of tea, rubber, coconut, sugarcane, cashew, cinnamon and palmyra etc. To achieve these objectives, the NIPM conducts various seminars, workshops, examinations and provides research and consultancy services to public and private sector organizations. The institute conducts Degree programmes related to plantation Management in collaboration with the local and foreign universities. It has also the capacity to conduct training programmes for foreign students as well.

The registered office of the Institute is located at M. D. H. Jayawardana Mawatha, Athurugiriya.

### **2.0 BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

The Financial statements of the Institute comprise the Statement of Financial Position, Statement of Financial Performance, Statement of Changes of Equity, Statement of cash flow, Statement of Budgeted and Actual performance together with the Significant Accounting Policies and Notes to the Financial Statement which have been prepared in accordance with ***Sri Lanka Public Sector Accounting Standards*** on the accrual basis of accounting promulgated by the Association of Public Finance Accountants of Sri Lanka.

#### **2.2 Basis of Measurement**

The financial statements have been prepared in accordance with the historical cost conversion basis except for following material items in the statement of financial position.

- Vehicles are presented in revaluation basis.
- Property plant and equipment were revalued and disclosed in the financial statement in 2014 on wards in order to adapt Public Sector

Accounting Standard. Cost model is applicable for annual reporting period and the subsequent years. The properties of Bogawanthalawa Regional Center were revalued and reported to the financial statement in 2015.

- Retirement benefit Obligation recognized based on Actuarial Valuation method

### 2.3 Functional and presentation Currency

These Financial statements are presented in Sri Lankan Rupees (LKR) which is institute functional and presentation currency.

## 3.0 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Financial statement are prepared on a **Going Concern Concept** and the Accounting policies are applied consistently throughout the period. Funds are available from Government grants and income generated from training programmes, academic courses, undertaking of consultancy assignments, subscriptions on professional membership and sales of publications etc. Such accumulated funds are utilized to meet institutional liabilities as and when necessary.

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied in all years presented unless otherwise stated.

### 3.1 **INTANGIBLE ASSETS**

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a **straight line basis** over their estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each annual reporting period and the effect of any changes for estimate are accounted for on a prospected basis.

#### **Computer software**

*Computer software which has been developed for Accounting, Payroll, Training Statistics, and Resource Management are recognized as intangible Assets to the Institute, since it is not part of the operational system of the computer. These assets are written off from the Account over 4 years.*

#### **The Development cost of Distance Learning Modules**

*The Development cost of the distance learning course for National Diploma in Plantation Management has been recognized as intangible assets and the useful life of the prepared modules (written) is four years.*

#### **The cost involved to develop the course content to NVQ standard**

The Institute develops its courses to obtain NVQ accreditation, the development cost of the course contents are considered as intangible cost, it will be written off from the account in four years.

**The estimated useful lives of intangible assets are as follows.**

<b>Description</b>	<b>Computer software</b>	<b>Development cost of Distance learning course</b>	<b>Development cost of NVQ standard courses</b>
<i>Useful lives</i>	<i>4 years</i>	<i>4 years</i>	<i>4 year</i>

### 3.2 *The capacity Development programme for smallholders and school leavers*

The Institute conducts capacity development programmes for smallholders to uplift their living standards and to enhance their knowledge. The cost of these programmes are considered as the capital development cost of the entity. It is meeting a contemporary need of the smallholders to improve the knowledge, skills to enhance expected levels of agricultural practices with a view to producing high quality end product in the hand of the consumer.

The management skills, knowledge and productivity of the smallholders will be improved through these programmes, whilst enabling the enhancement of the goodwill of the Institute.

In addition to the above, the Institute conducts the programmes for school leavers under National Vocational Qualification (NVQ) system to enhance the competencies of younger generation who are willing to enter into the plantation sector.

It is assumed that the impact of such programmes would be realized within one year. Therefore the value of such investment would be written off in the year itself.

The Institute incurred Rs 9.220 Mn. to enhance the knowledge of the plantation smallholders and ground level workers conducting 232 programmes in 2018 and two NVQ programmes for the school leavers under the financing of the National Budget.

### 3.3 *PROPERTY PLANT AND EQUIPMENTS*

Property plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. This historical cost includes all cost directly attributable to bringing an asset to working condition for its intended use and significant renovations.

Property, plant and equipment has different useful lives, they are accounted for as separate items (Major component) of property plant and equipment.

### 3.3.1 Useful lives

Depreciation is calculated using straight line method based on rates estimated to write off the assets over the term of its useful life living a residual value for accounting purpose.

The estimated useful lives and the depreciation rates used for the current and comparative periods are as follows. (These rates are commonly used unless otherwise stated in below paragraphs as exceptions)

<b>Free holding buildings</b>	<b>20 years</b>	<b>5%</b>
<b>Office furniture</b>	<b>10 years</b>	<b>10%</b>
<b>Motor Vehicles</b>	<b>5 years</b>	<b>20%</b>
<b>Infrastructure assets</b>	<b>10 years</b>	<b>10%</b>
<b>Library Books</b>	<b>10 years</b>	<b>10%</b>

#### Exceptions

- Plant and machinery, office equipment and other miscellaneous items such as linen, cutlery items etc. are included in the value of equipment. Different useful lives are recognized on these assets as listed bellow

Plant and machinery	5years
Office equipment	5years
Cutlery items and hostel linen	4 years

- Networking of computers are included in the infrastructure assets, its useful lives is recognized as 5 years.
- Useful lives of the 150 KVA Generator which is categorized under Plant and machinery, is 10 years.

The following Assets are included in the Infrastructure assets in accordance with Public Sector Accounting Standard.

- Road improvement,
- Water and power supply and power generation systems
- Supply of Electricity
- Computer Networking

**Depreciation method and useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.**

## **Basis of measurement**

All Property Plant and Equipment are depreciated according to cost model and vehicles are reported in accordance with the revaluation model. Depreciation is not calculated and charged for the Lands belongs to the institute.

### *3.3.2 Disposal*

The carrying amount of the item of Property Plant and Equipment are de-recognized when there is no future economic benefit expect from the items. The gains or losses on disposal are determined by comparing proceeds with carrying amount with disposed value. Disposal gain or losses include in the Statement of Financial Performance.

### *3.3.3 Annual board of survey*

The Institute conducts an annual board of survey at the end of each year and recommended to dispose the item which are uneconomical to use.

### *3.3.4 Present status of the land acquired by Sri Lanka Army*

*The land extents of 1.9499 hectares and three staff quarters had been transferred to seventh regiment of Sri Lanka Army. The ownership of the above properties had been acquired under section 38(A) of Land Acquisition Act. The compensation of Rs 155.0 Million received by the institute in October 2018.*

## **4.0 DEPOSITS FOR INFRASTRUCTURE FACILITIES**

This includes security deposit kept against the contractual obligation on the service of infrastructure providing organizations.

## **5.0 INVENTORIES**

Inventories consist of institutional publication, printing materials, stationary and office requisites, tires, building maintenance materials and other consumables. These are valued at the cost on the basis of First in First out principle. The publication stock comprises the donated publication books from Tea Development project.

*Cost formula used: "Purchasing cost + cost of conversion + other cost"  
Caring amount of the inventories is listed bellow*

<b>Item</b>	<i>Caring value at fair value (LKR '000)</i>	<i>Cost to sell</i>	<i>Caring value at fair value (LKR '000)</i>
<i>Stationary</i>	<i>287.58</i>	<i>-</i>	<i>287.58</i>
<i>Printing materials</i>	<i>785.17</i>	<i>-</i>	<i>785.17</i>
<i>Welfare items</i>	<i>1.77</i>	<i>-</i>	<i>1.77</i>
<i>Consumable items</i>	<i>35.81</i>	<i>-</i>	<i>35.81</i>
<i>Maintenances material</i>	<i>53.61</i>	<i>-</i>	<i>53.61</i>
<i>Tire and tubes</i>	<i>10.60</i>	<i>-</i>	<i>10.6</i>
<i>Publications</i>	<i>578.02</i>	<i>-</i>	<i>578.02</i>
<i>Dry food items</i>	<i>2.32</i>	<i>-</i>	<i>2.32</i>
<i>Total</i>	<i>1754.92</i>	<i>-</i>	<i>1754.92</i>

#### *Donated Publication stocks*

*Value of donated publication books include in the publication stock and it has been shown in the differed income account under current liabilities. Income is recognized as and when it realize to the relevant accounting period*

#### **6.0 CASH AND CASH EQUIVALENTS**

*Cash and cash equivalents include cash in hand, current accounts balance and short term time deposits less than 3 months periods kept in the Bank of Ceylon Athurugiriya Branch.*

#### **7.0 FINANCIAL INSTRUMENTS**

*The Institute initially recognizes loans and receivables and deposits on the date that they are originated. The Institute recognizes a financial assets to the cash flows from the asset expire.*

##### **Held –to- maturity financial assets**

*The institute has the positive intend and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held to maturity financial assets are recognized initially at fair value plus any directly attributable transaction cost using the effective interest method, less any impairment losses. Any sale or reclassification of more than insignificant amount of held-to-maturity investment not close to their maturity would result in the reclassification of all held to maturity investment as available -for-sale.*

##### **Loan and receivables**

*Loan and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction cost. Subsequent to the initial recognition*

*loan and receivables are measured at amortized cost using the effective interest method, less any impairment losses.*

## **8.0 EMPLOYEE RETIREMENT BENEFIT**

Defined benefit plan- Gratuity

*Defined contribution plan is a post- empowerment the benefit plan other than the defined contribution plan. The Institute's net obligation in respect of defined benefit gratuity plan is calculated annually using Projected Unit Credit method (PUC). A provision has been provided for all employees of the Institute to meet the cost of retirement benefits as and when they retire from the services and past service cost is recognized immediately in the Statement of Financial Performance. Actuarial gain or losses arising is recognized as income or expenditure in the period in which they arise. The amount fall due for payments within one year is included in the current liabilities. The Institute has invested the equivalent amount of gratuity provision in the fixed deposit in Bank of Ceylon to secure the payment on time.*

*Defined contribution plan- Employees' Provident Fund and employees Trust Fund*

*A defined contribution plan under which the Institute pays fixed contribution rate for the all employees. The Basic salary and cost of living allowance are considered for calculating the contributions. The institute contribute 12% for EPF and 3% for ETF.*

## **9.0 GOVERNMENT GRANT FOR CAPITAL EXPENDITURE**

*Sri Lanka Public Sector Accounting Standard (SLPSAS) introduced for the accounting of capital grant under SLPSAS 11 and applied in 2016 onwards. As per the standard the received grants are considered as the income of the institute in the Statement of Financial Performance.*

## **10 PROVISIONS AND CONTINGENT LIABILITIES**

### **10.1 Contingent Liability**

*Mr. A. K. C. Atthanagoda who worked as the Audio Visual Officer of this Institute has filed a case against the Institute challenging termination of his employment on disciplinary grounds. Total of Rs 3,765,756/- has been provided as contingent liability up to 31/12/2015. The Labour Tribunal is at present hearing the case. Possible outcome of the case is not clear up to the closing date of the accounting year.*

*As at the 31/12/2015 the total contingent liability of Rs. 3,765,756.00 has been provided to the Accounts.*

*The institute did not provide any provision in 2016 onwards, since there is possible obligation or present obligation that may not, require any outflow of resources.*

*Therefore the institute has reversed the contingent liability to Statement of Financial performance therefore the amount of contingent liability is nil as at 31/12/2018*

#### 10.2 *Provision for doubtful Debtors*

*The Institute has provided a provision for doubtful and bad debtors at 6 % in the year end trade receivable balance. Note No 48 shows additional information for the financial risk of the loan and advances and other time deposit account*

### **11.0 REVENUE RECOGNITION**

#### *Training income*

##### 11.1 *Short term programmes*

*It would be considered as short term course when the duration of course period is less than six months. The entire income of the short term courses is taken to the statement of financial performance despite of the duration.*

##### 11.2 *Long term training programmes (ongoing training Programmes)*

*It is considered as long term training programme when the duration of course period is more than six months. The revenue of these training courses are calculated using pro-rata basis considering number of module or effective months of training programme as applicable.*

##### 11.3 *Bogawanthalawa Regional Centre*

*The Income and Expenditure in relation to Bogawanthalawa Regional Centre has been reported separately in the Statement of Financial Performance.*

##### 11.4 *Renting out facilities to outside organization*

*The Institute rent out its facilities to the outside organization to generate an income for the Institute. The income and expenditure have been reported separately in the Statement of Financial Performance due to different project to the desired mission of the Institute.*

## 11.5 Government Grants

*The Department of National Budget allocates significant amount from annual National budget to the institute. Both recurrent and capital grant are recognized as the income of the institute in accordance with the SLPSAS 11.*

## 12.0 EVENT OCCURRING AFTER REPORTING DATE

*Event after the reporting period are those events favorable and unfavorable occur between the end of the reporting period and the date when the financial statements are authorized for issue. The materiality of the events occurring after the reporting period is considered and appropriate adjustments to or disclosures are made in the financial statements where necessary.*

### **Adjusting events**

*There have been no material events occurring after the date of the statement of financial position that require adjustments.*

### **Disclosure events**

- *Present status of the land acquired by Sri Lanka Army.*

*The land extents of 1.9499 hectares and three staff quarters had been transferred to seventh regiment of Sri Lanka Army. The ownership of the above properties had been acquired under section 38(A) of Land Acquisition Act. The compensation of Rs 155.00 million received in October 2018 which has been deposited for future development activities of the institute which are already being implemented.*

- *New Development project*

*Department of National Planning has already recommended the project for Developing the Institute up to Degree Awarding status. Total project cost is estimated as Rs 314.00 mn including recurrent component of Rs. 50.00Mn. At the end of the year 2018, a sum of Rs. 75.3 mn has been granted by Ministry of Plantation Industries out of the total sum of Rs 216.9 Mn which have to granted by the consolidated Fund*

- *Revaluation of the Land*

*The existing land extend of 8A 2R 5.03 P has been revalued by the valuation department. The report of the revaluation is yet to be submitted. Therefore revaluation adjustment has not been done in the reporting period*

**NATIONAL INSTITUTE OF PLANTATION MANAGEMENT**  
**STATEMENT OF FINANCIAL POSITION**

*As at December 31*

	Notes	2018	2017
<b>ASSETS</b>		LKR	LKR
<b>Current Assets</b>			
Cash and cash equivalents	13	13,502,106.62	8,322,092.15
Receivables	14	9,361,720.09	6,512,657.73
Inventories	15	1,754,928.22	1,573,072.96
Prepayments	16	13,077,042.22	3,277,962.77
Other Current Assets	17	175,562,238.55	16,427,324.05
		<b>213,258,035.70</b>	<b>36,113,109.66</b>
<b>Non-Current Assets</b>			
Receivables	18	1,509,019.25	1,422,443.34
Property plant and Equipment	19	221,622,554.98	223,701,258.60
Intangible Assets	20	811,641.44	1,022,076.79
Other Non Current Assets	21	49,779,866.61	1,211,975.00
		<b>273,723,082.28</b>	<b>227,357,753.73</b>
<b>TOTAL ASSETS</b>		<b>486,981,117.98</b>	<b>263,470,863.39</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	22	22,103,130.54	19,464,317.04
Short - term Provisions	23	-	3,765,756.60
Employee Benefits	24	1,446,557.00	-
		<b>23,549,687.54</b>	<b>23,230,073.64</b>
<b>Non- current Liabilities</b>			
Employee Benefits	25	9,947,012.31	7,313,626.00
Other long term liabilities	26	125,252.12	114,637.87

<b>Total Noncurrent liabilities</b>		<b>10,072,264.43</b>	<b>7,428,263.87</b>
<b>TOTAL LIABILITIES</b>		<b>33,621,951.97</b>	<b>30,658,337.51</b>
<b>NET ASSETS</b>		<b>453,359,166.01</b>	<b>232,812,525.88</b>
<b>NET ASSETS/EQUITY</b>			
Capital contributed by Government & other Government Entities	27	35,490,371.21	35,490,371.21
Reserves	28	130,407,699.08	135,710,198.08
Accumulated surpluses/(Deficits)	29	287,461,095.72	61,611,956.59
<b>TOTAL NET ASSETS/EQUITY</b>		<b>453,359,166.01</b>	<b>232,812,525.88</b>

*The Accounting policies and Notes on pages 48 to 56 and Notes on pages to 86 from 59 an integral part of these financial statements.*

*We certify that the financial statements have been prepared in compliance with the requirement of Public Sector Accounting Standards*

*Sgd.*  
*Dr. K. H. G.M. Prasad Dharmasena*  
*Director, CEO / NIPM*

*Sgd.*  
*L D J Priyantha*  
*Accountant/NIPM*

*The Board of Directors are responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.*

*Sgd.*  
*Badullage Wijayarathne*  
*Chairman/NIPM*

*Sgd.*  
*Aruni S. Ranadinghe*  
*Board of Governor of NIPM*  
*(Additional Secretary, Ministry of*  
*Plantation Industries)*

*Colombo*  
*14.03.2019*

**NATIONAL INSTITUTE OF PLANTATION MANAGEMENT**

**STATEMENT OF FINANCIAL PERFORMANCE**

For the year ended December 31,

<b>REVENUE</b>	Note	<i>2018 LKR</i>	<i>2017 LKR</i>
Government Recurrent grants	30	50,000,000.00	40,000,000.00
Government capital grant	31	30,950,000.00	19,874,000.00
Income from Special project grant (MPI)	32	60,000,000.00	15,300,000.00
Generated Training income	33	31,009,354.00	15,853,414.62
Renting out of residential facilities	34	16,371,693.87	10,983,170.45
Income from Bogawanthalawa Regional Center	35	1,555,451.64	1,896,323.90
Interest income	36	4,968,988.41	2,115,931.09
Other income	37	4,920,212.05	9,372,943.62
<b>TOTAL REVENUE</b>		<b>199,775,699.97</b>	<b>115,395,783.68</b>
<b>EXPENSES</b>			
Wages, Salaries and employee benefits	38	45,576,846.26	38,796,942.45
Supplies and consumable used	39	4,614,961.64	3,690,033.86
Repairs and Maintenance	40	6,475,847.57	5,058,616.60
Communication and utility services	41	12,689,202.95	11,388,958.28
Training Expenses including capacity building Progs.	42	25,833,627.41	20,135,784.88
Expenses in Relation to Renting out facilities	43	4,565,765.31	3,488,241.76
Expenses for Bogawanthalawa Regional Centre	44	2,472,979.31	2,516,813.45
Depreciation and Amortization expenses	45	24,406,714.81	20,533,532.72
Other Expenses	46	5,480,325.21	1,510,422.78
<b>TOTAL EXPENSES</b>		<b>132,116,270.47</b>	<b>107,119,346.78</b>
Surplus/(Deficit) for the period Attributable to		67,659,429.50	8,276,436.90
Owners of controlling entity		67,659,429.50	8,276,436.90

<b>NATIONAL INSTITUTE OF PLANTATION MANAGEMENT</b>			
<b>CASH FLOW STATEMENTS</b>			
<i>for the year ended</i>			
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>	-	<b>31/12/2018</b>	<b>31/12/2017</b>
-		LKR	LKR
<b>Surplus (Deficit) for the year</b>		67,659,429.50	8,276,436.90
<i>less-Interest income</i>		5,142,664.26	1,900,656.95
<b><u>Net cash inflow/(outflow) from operating Activities</u></b>		62,516,765.24	6,375,779.95
<b><u>NON CASH MOVEMENTS</u></b>			
<i>Depreciation</i>		23,896,279.46	19,965,420.72
<i>Amortization</i>		510,435.35	568,112.00
<i>(over)/under Provision of retiring Gratuity</i>		4,079,943.31	(267,686.24)
<i>(Profit) /Loss on sale of ppe</i>		4,162,361.90	(2,682,075.47)
<i>Capital grant from Government</i>		(90,950,000.00)	(35,174,000.00)
<i>(over)/under Provision of doubtful debtors</i>		148,297.00	(46,612.76)
<i>(Increase)/Decrease in Trade and other receivable</i>		(1,926,374.17)	231,637.31
<i>(Increase)/Decrease in Inventories</i>		(181,855.26)	(462,432.69)
<i>(Increase)/Decrease in Prepayments</i>		(9,799,079.45)	(1,103,797.66)
<i>(Increase) /Decrease in Other Current Assets</i>		(10,614.25)	955,468.49
<i>Increase /(Decrease) in trade and other payables</i>		2,638,813.50	5,952,484.87
<i>Loss/(profit) on amortization of financial instruments</i>		173,675.85	(215,274.14)
<i>Increase/(Decrease)in security deposits-( payable to employees)</i>		10,614.25	3,988.16
<i>Increase/(Decrease)in short term provision</i>		(3,765,756.60)	-
<b><u>NET CASHFLOW FROM OPERATING ACTIVITIES</u></b>		(8,496,493.87)	(5,898,987.46)
<b><u>INVESTING ACTIVITIES</u></b>			
<i>Acquisition of Property plant and equipment</i>		(28,450,058.11)	(30,426,308.45)
<i>Acquisition of Intangible Assets</i>		(300,000.00)	-
<i>Sale of PPE</i>		155,357,331.00	3,075,715.00
<i>Investment in short term deposits</i>		(165,698,725.44)	(1,135,475.77)
<i>Encashment of Fixed/call deposits</i>			-

		9,208,565.07	
<i>Payment of loan and advances</i>		(4,100,920.00)	(2,958,470.00)
<i>Cash recoveries from loan and advances</i>		2,885,639.97	2,529,143.67
<i>Interest received</i>		2,392,567.46	1,429,476.65
<i>Investment on new building</i>		(48,567,891.61)	-
<b><i>Net cash out flow in investing activities</i></b>		<b>(77,273,491.66)</b>	<b>(27,485,918.90)</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Government Grant for capital expenditure		30,950,000.00	19,874,000.00
Grant from Ministry of Plantation industries		60,000,000.00	15,300,000.00
Cash refund to treasury		-	(2,896,124.00)
<b><i>Net cash inflow in financing activities</i></b>		<b>90,950,000.00</b>	<b>32,277,876.00</b>
<b><i>Net (Decrease )/Increase in cash and cash equivalents</i></b>		<b>5,180,014.47</b>	<b>(1,107,030.36)</b>
<b><i>Cash and cash equivalent at beginning of the year</i></b>		<b>8,322,092.15</b>	<b>9,429,122.51</b>
<b><i>Balance of cash and cash equivalents at the end of the year Note 13</i></b>		<b>13,502,106.62</b>	<b>8,322,092.15</b>

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT				
STATEMENT OF CHANGES IN NET ASSETS/EQUITY				
for the year ended December 31, 2018				
Statement of changes in Equity				
Descriptions	Contributed Capital	Revaluation Reserves	Accumulated Surpluses/(deficits)	Total Net Assets/Equity
<b>Balance as at December 31,2015</b>	<b>38,386,495.21</b>	<b>113,728,054.19</b>	<b>(25,552,470.39)</b>	<b>126,562,079.01</b>
Differed income balance as at 31/12/2015 transfer to accumulated surplus account	-	-	62,560,661.33	62,560,661.33
Surplus for the year 2016	-	-	14,757,611.08	14,757,611.08
<b>Balance as at December 31,2016</b>	<b>38,386,495.21</b>	<b>113,728,054.19</b>	<b>51,765,802.02</b>	<b>203,880,351.42</b>
Revaluation transfer to retained earning	-	(1,569,717.67)	1,569,717.67	-
Revaluation surplus 2017	-	23,551,861.56	-	23,551,861.56
Value transferred to General treasury	(2,896,124.00)	-	-	(2,896,124.00)
Surplus for the year 2017	-	-	8,276,436.90	8,276,436.90
<b>Balance as at December 31,2017</b>	<b>35,490,371.21</b>	<b>135,710,198.08</b>	<b>61,611,956.59</b>	<b>232,812,525.88</b>
<i>Revaluation transfer to retained earning</i>	-	<i>(5,302,499.00)</i>	<i>5,302,499.00</i>	-
<i>Net Gain from disposal of land to sri Lanka Army</i>	-	-	<i>152,887,210.63</i>	<i>152,887,210.63</i>
<i>Surplus for the year 2018</i>	-	-	<i>67,659,429.50</i>	<i>67,659,429.50</i>
<b>Balance as at December 31,2018</b>	<b>35,490,371.21</b>	<b>130,407,699.08</b>	<b>287,461,095.72</b>	<b>453,359,166.01</b>
<i>The Net gain from disposal of Land and building which were acquired by SL Army include in accumulated surplus/(deficit)acco unt</i>				

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

Budgeted and Actual Performance

For the year ended December 31, 2018 ( LKR 000')

<b>REVENUE</b>		<b>ACTUALS</b>	<b>BUDGETED</b>	<b>Progress</b>
Government grants	30	50,000	50,000	100%
Income from Government capital grant	31	30,950	32,000	97%
MPI Priject funds	32	60,000	60,000	100%
Training income	33	31,009	25,591	121%
Renting out of residential facilities	34	16,372	38,000	43%
Income from Bogawabthalawa Regional center	35	1,555	5,000	31%
Interest income	36	4,969	1,028	483%
Other income	37	4,920	600	820%
<b>TOTAL REVENUE</b>		<b>199,776</b>	<b>212,219</b>	<b>94%</b>
<b>RECURRNT EXPENSES</b>				
Wages, Salaries and employee benefits	38	45,577	45,416	100%
Supplies and consumable used	39	4,615	5,617	82%
Repairs and Maintenance	40	6,476	5,200	125%
Communication and utility services	41	12,689	11,667	109%
Training Expenses , including capacity development	42	25,834	31,500	82%
Expenses in relation to renting out facilities	43	4,566	7,600	60%
Expenses for Bogawathalawa Regional Centre	44	2,473	5,500	45%
Depreciation and amortization expenses	45	24,407	35,000	70%
Other Expenses	46	5,480	1,500	365%
<b>TOTAL RECURRENT EXPENDITURE</b>		<b>132,116</b>	<b>149,000</b>	<b>89%</b>
<b>CAPITAL EXPENDITURE</b>				
Property plant and equipment		24,196	37,470	65%
Project - MPI		60,000	60000	100%
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>84,196</b>	<b>97,470</b>	<b>86%</b>
<b>TOTAL EXPENDITURE</b>		<b>216,313</b>	<b>246,470</b>	<b>88%</b>
Treasury Grants				
Recurrent expenditure		50,000	50,000	100%
Capital Expenditure		30,950	32,000	97%
Mpi special project		60,000	60,000	100%
<b>TOTAL GRANT</b>		<b>140,950</b>	<b>142,000</b>	<b>99%</b>

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENTS								
Description	Land	Buildings	Equipment	Furniture	Motor Vehicles	Infrastructure Assets	Library Books	Total
<b>Cost</b>								
<b>As at 01/01/2017</b>	1,726,876.68	164,953,017.51	22,200,920.95	11,336,361.89	34,944,302.19	18,296,767.24	2,449,752.00	255,907,998.46
Additions	-	23,945,763.89	2,977,443.71	2,009,019.72	707,250.00	559,746.00	227,085.13	30,426,308.45
Transfers	-				-		-	-
Revaluations	-		-	-	(1,201,552.19)			(1,201,552.19)
Disposals			(1,341,355.58)	(373,862.21)	(950,000.00)		-	(2,665,217.79)
<b>As at 31/12/2017</b>	<b>1,726,876.68</b>	<b>188,898,781.40</b>	<b>23,837,009.08</b>	<b>12,971,519.40</b>	<b>33,500,000.00</b>	<b>18,856,513.24</b>	<b>2,676,837.13</b>	<b>282,467,536.93</b>
Additions		19,752,387.98	4,845,656.45	2,263,194.25	465,100.00	710,388.00	413,331.43	28,450,058.11
Transfers								-
Revaluations								-
Disposals	(630,838.37)	(8,980,712.00)	(357,291.71)	(1,046,194.83)				(11,015,036.91)
<b>As at 31/12/2018</b>	<b>1,096,038.31</b>	<b>199,670,457.38</b>	<b>28,325,373.82</b>	<b>14,188,518.82</b>	<b>33,965,100.00</b>	<b>19,566,901.24</b>	<b>3,090,168.56</b>	<b>299,902,558.13</b>

<b>Depreciations</b>								
<b>Accumulated as at 01/01/2017</b>	-	23,650,270.03	7,751,291.05	2,739,724.04	24,367,484.36	5,498,485.50	1,818,594.64	65,825,849.62
Depreciation charge	-	8,063,740.28	4,037,773.52	1,145,381.39	4,734,230.04	1,880,355.95	103,939.54	19,965,420.72
Disposal	-	-	(1,173,114.07)	(148,464.19)	(950,000.00)	-	-	(2,271,578.26)
Revaluation Adjustment	-	-	-	-	(24,753,413.75)	-	-	(24,753,413.75)
Transfers	-	-	-	-	--	-	-	-
<b>Accumulated as at 31/12/2017</b>	-	<b>31,714,010.31</b>	<b>10,615,950.50</b>	<b>3,736,641.24</b>	<b>3,398,300.65</b>	<b>7,378,841.45</b>	<b>1,922,534.18</b>	<b>58,766,278.33</b>
Depreciation	-	9,203,130.39	4,540,556.29	1,352,794.12	6,699,997.40	1,823,894.89	275906.37	23,896,279.46
Disposal-	-	(3,247,584.00)	(357,089.72)	(777,880.92)	-	-	-	(4,382,554.64)
Revaluation Adjustment	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
<b>Accumulated as at 31/12/2018</b>	-	<b>37,669,556.70</b>	<b>14,799,417.07</b>	<b>4,311,554.44</b>	<b>10,098,298.05</b>	<b>9,202,736.34</b>	<b>2,198,440.55</b>	<b>78,280,003.15</b>
<b>Net Book Value as at 31/12/2017</b>	<b>1,726,876.68</b>	<b>157,184,771.09</b>	<b>13,221,058.58</b>	<b>9,234,878.16</b>	<b>30,101,699.35</b>	<b>11,477,671.79</b>	<b>754,302.95</b>	<b>223,701,258.60</b>
<b>Net Book Value as at 31/12/2018</b>	<b>1,096,038.31</b>	<b>162,000,900.68</b>	<b>13,525,956.75</b>	<b>9,876,964.38</b>	<b>23,866,801.95</b>	<b>10,364,164.90</b>	<b>891,728.01</b>	<b>221,622,554.98</b>

**INTANGIBLE ASSETS**

	Computer Accounting soft wear	Development cost of Training modules	Data base for training	Resource management soft wear	Total
<b>Cost as at 01/01/2017</b>	<b>209,500.00</b>	<b>2,086,989.79</b>	<b>240,000.00</b>	<b>500,000.00</b>	<b>3,036,489.79</b>
Adjustment	-	-	-	-	-
Impairment	-	-	-	-	-
New acquisitions	-	-	-	-	-
<b>As at 31/12/2017</b>	<b>209,500.00</b>	<b>2,086,989.79</b>	<b>240,000.00</b>	<b>500,000.00</b>	<b>3,036,489.79</b>
Adjustment	-	-	-	-	-
New acquisitions	-	-	-	300,000.00	300,000.00
<b>As at 31/12/2018</b>	<b>209,500.00</b>	<b>2,086,989.79</b>	<b>240,000.00</b>	<b>800,000.00</b>	<b>3,336,489.79</b>
Amortization as at 1/1/2017	177,490.00	838,811.00	180,000.00	250,000.00	1,446,301.00
Impairments	-	-	-	-	-
Amortization	32,000.00	351,122.00	59,990.00	125,000.00	568,112.00
<b>as at 31/12/2017</b>	<b>209,490.00</b>	<b>1,189,933.00</b>	<b>239,990.00</b>	<b>375,000.00</b>	<b>2,014,413.00</b>
Amortization	-	351,122.00	-	159,313.35	510,435.35
impairments	-	-	-	-	-
<b>As at 31/12/2018</b>	<b>209,490.00</b>	<b>1,541,055.00</b>	<b>239,990.00</b>	<b>534,313.35</b>	<b>2,524,848.35</b>
<b>Net realizable value 31/12/2017</b>	<b>10.00</b>	<b>897,056.79</b>	<b>10.00</b>	<b>125,000.00</b>	<b>1,022,076.79</b>
<b>Net realizable value 31/12/2018</b>	<b>10.00</b>	<b>545,934.79</b>	<b>10.00</b>	<b>265,686.65</b>	<b>811,641.44</b>

<b>NATIONAL INSTITUTE OF PLANTATION MANAGEMENT</b>			
<b>NOTE TO THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018</b>			
		2018	2017
<b>13</b>	<b>CASH AND CASH EQUIVANTS</b>	<b>LKR</b>	<b>LKR</b>
	Bank of Ceylon Athurugiriya- 3697566	6,787,106.62	1,607,092.15
	Call Deposit Bank of Ceylon- AC No. 8693502	1,715,000.00	1,715,000.00
	Call Deposit Bank of Ceylon- AC No.74689528	5,000,000.00	5,000,000.00
		13,502,106.62	<b>8,322,092.15</b>
<b>14</b>	<b>RECEIVABLES- (SHORT TERM)</b>		
<b>a</b>	<b>Trade receivables</b>		
	Agarapathana Plantation Plc.	66,000.00	-
	Bogawantalawa Tea estate Plc.	53,500.00	-
	C B Lanka Micro Credit Ltd		45,366.54
	Central Environment Authority	48,000.00	-
	Ceylon Petroleum Corporation	272,881.87	-
	Chandra kumaran	31,700.00	-
	Coconut Development Authority	890,000.00	-
	Course fees from students	299,000.00	324,500.00
	Department of Immigration and Emigration	-	314,812.90
	Department of labour	-	17,042.29
	Department of National community water supply	166,088.31	-
	District Secretary Government	-	27,369.50
	Elkaduwa plantation Plc.	75,000.00	75,000.00
	Elpitiya plantation	929,500.00	86,000.00
	Enforce Security Services	10,000.00	-
	Finlay Tea estate	20,000.00	-
	Hapugastanna Plantation Plc.	29,000.00	-
	Hatton Plantation Plc	136,000.00	
	Horana plantation Plc	220,000.00	
	Jima Holding (pvt) Ltd		121,571.50
	Kelanivally Plantation Plc	40,000.00	52,000.00
	Kumara Construction	50,000.00	
	Lalan Rubber Company	175,000.00	
	Mahamathya Viddyalaya - Athurugiriya		

			90,000.00
	Mahamaya Viddayala		33,142.83
	Maskeliya Planation Plc	12,000.00	
	Ministry of Agriculture	21,959.25	
	Ministry of Plantation Industries	348,292.80	1,141,000.00
	Ministry of Plantation Industries- PMMD	293,450.00	
	Morawaka Tea Producers co. society	127,500.00	
	Mr. C D Maginaarachchi- telephone	-	2,191.65
	Mr. C D Pathinayake	-	2,820.00
	Mr. Chandimal Thisera	-	57,599.60
	Mr. Gayan Sujeewa	-	9,200.00
	Mr. Niroshan	-	76,995.00
	Mr. Premasiri Perera	5,655.59	
	Mr. UNP perera	-	3,050.00
	National Livestock Development Boards	47,912.50	
	National Transport Commission	567,450.00	
	Plantation Housing Development Trust	164,901.40	194,880.55
	Pussallawa Plantation PLC	126,200.00	
	Rubber Development Department	331,070.00	
	Sri Lanka Bureau of Foreign Employment	74,198.17	253,226.59
	Sri Lanka Tea Board	770,000.00	945,139.00
	T Sevarajah	21,376.00	-
	Mr. M P Aarasinghe	4,072.30	-
	Tea Research Institute	-	255,106.00
	Tea Small holder Development Authority	150,937.50	209,015.00
	Thalawakele Tea Estate Plc	200,000.00	
	University of Rajarata	225,000.00	195,000.00
	University of Wayamba (B.Sc. Degree)	2,075.00	2,075.00
	Total Trade receivables	<b>7,005,720.69</b>	<b>4,534,103.95</b>
	Less - Provision for doubtful debtors	420,343.24	272,046.24
	<b>Net Total trade Receivables</b>	<b>6,585,377.45</b>	<b>4,262,057.71</b>
<b>b</b>	<b>Loans and Advances to Employees</b>	<b>LKR</b>	<b>LKR</b>

	Distress Loan-	2,755,592.64	1,695,357.45
	Festival Loan	18,750.00	10,000.00
	Special Advance	2,000.00	-
	<b>Total Loan and advance</b>	<b>2,776,342.64</b>	<b>1,705,357.45</b>
	<b>At the beginning of the year</b>	<b>3,268,468.31</b>	<b>2,839,141.98</b>
	Payment to the employees	4,100,920.00	2,958,470.00
	Recoveries from the employees	(2,885,639.97)	(2,529,143.67)
	<b>Year-end balance</b>	<b>4,483,748.34</b>	<b>3,268,468.31</b>
	Short-term - Loan and advances Note 15 (b)	2,776,342.64	1,705,357.45
	Long term loan and advances Note 19	1,707,405.70	1,563,110.86
<b>c</b>	Receivables from Medical aids scheme	-	545,242.57
	<b>TOTAL SHORT TERM RECEVABLES</b>	<b>9,361,720.09</b>	<b>6,512,657.73</b>
<b>15</b>	<b>INVENTORIES</b>	LKR	LKR
	Stationary and office Requisites	287,587.00	327,107.26
	Printing materials	785,179.00	697,479.00
	Maintenance materials	53,615.00	57,495.00
	Tires and tubes	10,608.02	30,893.00
	Welfare items	1,775.00	41,280.00
	Consumables	35,815.00	48,537.00
	Dry food items	2,328.00	-
	Institute' s publication	578,021.20	370,281.70
	<b>TOTAL INVENTORIES</b>	<b>1,754,928.22</b>	<b>1,573,072.96</b>
<b>16</b>	<b>PREPAYMENTS</b>	LKR	LKR
	Motor Traffic Department (Revenue License)	40,908.26	52,832.48
	Metropolitan office (pvt) ltd - Service Agreement	3,459.44	7,349.73

	IDAC (PVT) Ltd- Service Agreement	12,243.25	10,365.65
	Gestetner Ceylon plc.- Service Agreement	-	18,036.90
	CBA (Pvt) Ltd - service agreement	4,915.07	3,416.57
	Tough Solution (Pvt) Ltd- Service Agreement	164,509.98	19,855.00
	National Insurance Trust- Vehicle insurance	-	192,817.99
	Sri Lanka Insurance Co Ltd. fire policy	-	147,129.76
	Sri Lanka Insurance Co Ltd -vehicles insurance	170,011.99	81,365.97
	Sri Lanka Insurance Co Ltd_ Medical Insurance	1,259,619.66	253,838.86
	Frostaire cooling service (Pvt) Ltd	-	6,598.37
	Hayleys Industrial Solution	-	108,428.77
	NSSPM	-	32,833.25
	Receivables from IRD(Excess input tax )	11,271,374.57	2,258,123.47
	R S Pindenya	150,000.00	84,970.00
	<b>Total Prepayments</b>	<b>13,077,042.22</b>	<b>3,277,962.77</b>
<b>17</b>	<b>OTHER CURRENTS ASSETS</b>	LKR	LKR
<b>a</b>	<b>Short Term investments - held to maturity</b>		
	Deposit for Development of university project	155,207,475.00	
	Deposit for Gratuity Provision-Bank of Ceylon	13,588,404.34	12,512,951.43
	Membership Deposit Account-AC No.82338810	1,203,067.13	1,119,101.06
	Membership Deposit Account - Saving Accounts	154,173.76	30,907.37
	Interest Receivables - Bank of Ceylon	5,496,494.42	2,746,397.62
	<b>Total short term investments</b>	<b>175,649,614.65</b>	<b>16,409,357.48</b>
	Amortization cost	(212,628.22)	(96,671.30)
	<b>Total short term investments</b>	<b>175,436,986.43</b>	<b>16,312,686.18</b>
<b>b</b>	<b>Security Deposits</b>	LKR	LKR

	Mr. N.D.S.B.Tennakoon A/C No 1 - 0053-03-1521-4	14,276.18	13,738.00
	Mr. P.N. Perera A/C No 1 - 0053-03-0542-1	33,598.60	32,332.43
	Mrs. G.Rajapakshe A/C No 1 - 0053-03-0319-4	3,624.68	3,487.65
	Mr. L D J Priyantha A/C No- 8634723	73,752.66	65,079.79
	<b>Total Security Deposits</b>	<b>125,252.12</b>	<b>114,637.87</b>
	<b>TOTAL OTHER CURRENT ASSETS</b>	<b>175,562,238.55</b>	<b>16,427,324.05</b>
<b>18</b>	<b>RECEVABLE - LONG TERM</b>	LKR	LKR
	Distress loan-( over one year)	1,707,405.70	1,563,110.86
	Amortization cost	(198,386.45)	(140,667.52)
	Total long term receivables	<b>1,509,019.25</b>	<b>1,422,443.34</b>
<b>19</b>	<b>PROPERTY PLANT AND EQUIPMENTS Page No</b>	<b>221,622,554.98</b>	<b>223,701,258.60</b>
	The value of three staff quarters and land extend of 1.994 Ha. which had been acquired by 7th Engineers Regiment of Sri Lanka Army, had been written off from the book of Account in 2018. Compensation of Rs 155 million received through Divisional Secretariat of Kaduwela. Therefore net gain of Rs 152.8 Mn generated through this transaction. This amount transferred to retained earing account in the Statement of Changes of Net Asset (Page No 13)		
<b>20</b>	<b>INTANGIBLE ASSETS Page No.</b>	<b>811,641.44</b>	<b>1,022,076.79</b>
	Intangible assets contain Software development and training modules development cost. The institute spent a sum of Rs.2, 331797.25 for development of course curricular and improvement of training facilities under special Development Project in 2017 and 1.00 Mn in 2018. Moreover the Institute spent Rs 141,250.- for developing the National Competency Standard.. These expenditure have been written off in the year incurred itself under training and academic expenditure.		
<b>21</b>	<b>OTHER NON-CURRENT ASSETS</b>	LKR	LKR
<b>a</b>	<b>Deposit for infrastructure facilities</b>		
	Post Master General	14,225.00	14,225.00
	Ceylon Gas Company	12,900.00	12,900.00
	Ceylon Electricity Board	264,050.00	576,550.00
	Sri Lanka Telecom - (Head Office)	6,300.00	6,300.00
	Sri Lanka Telecom - (RWPS at Bogawantalawa)	2,000.00	2,000.00
	<b>TOTAL OTHER NON CURRENT ASSETS</b>	<b>299,475.00</b>	

			<b>611,975.00</b>
<b>b</b>	<b>Work in progress (New Building under Special project)</b>		
	Building with lecture hall and R n D unit - under constrictions	49,480,391.61	600,000.00
	<b>TOTAL OTHER NON CURRENT ASSETS</b>	<b>49,779,866.61</b>	<b>1,211,975.00</b>
<b>22</b>	<b>PAYABLES</b>	LKR	LKR
<b>a</b>	<b>Creditors</b>		
	Horana plantation Plc	10,000.00	10,000.00
	C and H Organization (Pvt) Ltd	410,623.54	4,125,956.85
	The open university of Sri Lanka		105,000.00
	Leema creation (Pvt) Ltd	86,412.50	86,412.50
	Liyakta Office Network (PVT) Ltd	46,396.50	46,396.50
	Dulitha advertising		400.00
	Frostair Industries (Pvt) Ltd	36,053.75	36,053.75
	Saw Engineering (Pvt) Ltd	154,543.00	154,543.00
	Neil Motors	1,011,800.00	
	Bogawanthalawa Sought Rural Development Society	118,265.00	118,265.00
	State Engineering cooperation	254,773.43	1,084,387.61
	Sevana Builders and suppliers	145,018.92	848,202.00
	Kumara Construction	10,753,800.52	
	Indika Construction	1,204,790.80	8,170,190.00
	Bomiriya Rural Development society	55,798.40	
	<b>Total Creditors</b>	<b>14,288,276.36</b>	<b>14,785,807.21</b>
<b>b</b>	<b>Accrued Expenses</b>		
	Telephone	183,181.17	174,631.33
	Electricity bill -	208,963.23	211,742.00
	Fuel bill	281,649.27	
	Tire purchasing		146,050.00
	Vehicle Maintenance	53,230.00	

			42,248.00
	Salaries Casual & contract employees ( December)	122,736.81	80,003.94
	Stamp Duty - ( Internal Revenue Department)	4,450.00	4,575.00
	Traveling subsistence	13,350.00	23,388.50
	Overtime - December	188,383.00	88,918.22
	Periodicals & newspapers -	3,700.00	9,120.00
	Employees' Trust Fund - December	67,013.03	2,712.34
	Employees' Provident fund	474,681.93	19,889.06
	Security Bill (Dec.)	310,385.00	282,605.70
	Allowances	49,500.00	40,250.00
	Salaries - Madulsima Plantations Ltd.	102,254.62	95,527.62
	consumables		50,751.00
	Holiday pay	2,718.00	
	R & D Expenditure	98,000.00	
	Lecture Fee for outside resources	680,866.50	229,340.00
	Meals expenditure - Hewagam Korele coop society		485,068.75
	National water supply and Drainage Board - Water		20,172.00
	Meals expenditure -	420,604.00	
	Meals expenditure - inside programme	197,044.50	
	Welfare items	80,746.00	
	Morawakkorale Rent	120,000.00	
	Meals expenditure - Hewagam Korele coop society- external programmes		54,914.75
	Capacity Development Programmes		90,360.00
	Outside exam fees	283,075.00	267,945.50
	Water bills - Employees Deductions	6,625.61	2,491.31
	Koratota Rural Development society- Cleaning labour	178,400.00	156,250.00
	Department of IRD - N B T	13,436.55	33,235.15
	Department of IRD - Payee	12,511.23	18,431.00
	Department of IRD -WHT	21,264.04	
	Advertisements	386,986.50	60,375.00
	NIPM welfare Society	110.00	

			95,760.00
	Daily Paid wages		413.91
	Educational materials	146,270.00	
	Lecture Fee Cancelled cheques		15,200.00
	Other Sundry Training Expenses	26,450.00	56,100.00
	Vehicle hireling	63,146.00	
	Equipment Maintenance	52,430.00	34,300.00
	Other Accrued Expenses	52,112.44	59,850.00
	Auditors Generals Departments- Audit fee	718,550.00	666,350.00
	Total Accrued Expenses	5,624,824.43	3,618,970.08
<b>c</b>	<b>Other payables</b>		
	Total Forward course fees	1,963,503.75	780,733.75
	Differed income Donated Tea Development Project Publication	7,806.00	7,806.00
	<b>Total Other payables</b>	1,971,309.75	<b>788,539.75</b>
<b>d</b>	<b>Refundable Deposits</b>		
	Refundable course loan	35,000.00	35,000.00
	Refundable Tender Deposits	181,720.00	236,000.00
	Refundable Library Deposits	2,000.00	
	<b>TOTAL</b>	<b>218,720.00</b>	<b>271,000.00</b>
	<b>TOTAL SHORT TERM PAYBLES</b>	<b>22,103,130.54</b>	<b>19,464,317.04</b>
<b>23</b>	<b>SHORT-TERM PROVISIONS</b>	LKR	LKR
	<b>Contingent Liability</b>		
	Balance as at 1/01	3,765,756.60	3,765,756.60
	Charged to Income statement	3,765,756.60	-
	Balance as at 31/12	-	<b>3,765,756.60</b>
	<b>TOTAL SHORT TERM PROVISION</b>	-	<b>3,765,756.60</b>

	<i>Mr. A. K. C. Atthanagoda who worked as the Audio Visual Officer of the Institute has filed a case against the Institute challenging termination of his employment. The contingent liability of Rs. 3 765,756.60 has been provided to cover his salary and other emolument up to 31.12.2015. The Labour Tribunal is at present hearing the case but possible and present obligation for this case is not clear at the end of the financial year.</i>		
	<i>The Institute did not provide any provision in the year 2016 to 2018, due to possible or present obligation that may, but will not, require for any outflow of resources.</i>		
	<i>Outflow of the contingent liability is uncertainty, therefore the time duration cannot be disclosed in the financial statement.</i>		
	<i>As per the standard, the institute wrote back all short term provision which has not provided for this purposes to statement of Financial performance.</i>		
<b>24</b>	<b>EMPLOYEE BENEFITS</b>	LKR	LKR
	Gratuity Payables- Within one year	1,446,557.00	-
	<b>DEFERRED GOVERNMENT GRANT</b>		
	<b>Deferred Government grant for capital</b>		
	All capital grant from the Treasury and other government Institute are charged to statement of Financial performance as the Sri Lanka Public sector Accounting Standard No 11		
		-	-
<b>25</b>	<b>EMPLOYEE BENEFITS</b>	LKR	LKR
	Gratuity payments - long term	<b>9,947,012.31</b>	<b>7,313,626.00</b>
	<b>Retirement benefit Obligation</b>		
	At the beginning of the year	<b>7,313,626.00</b>	<b>7,581,312.24</b>
	Benefit paid to employees	(324,995.00)	
	Provision /(reversed) made during the year.	4,404,938.31	(267,686.24)
	At the end of the year- Total present value of obligation	<b>11,393,569.31</b>	<b>7,313,626.00</b>
	Obligation within one year	<b>1,446,557.00</b>	-
	Present Value of net obligation	<b>9,947,012.31</b>	<b>7,313,626.00</b>
	Retirement benefit obligation has been calculated on the basis of Actuarial Valuation method and disclosed in the financial statements w. e.f. 2017. Calculation method and assumptions are as follows.		

	Projected Unit Credit Method is used for the calculation of Actuarial Valuation.		
	Rate of discounting is considered as 10.99% per annum as at 31/12/2018. it was 8.9% per annum according to the bond rate published by Central Bank of Sri Lanka.		
	Past and future service period of the employees has been taken into account for calculating the employee benefits		
	Retirement age of the employee is 60 years		
	Future salary growth rate is 11.22% per annum in 2018 and 5.73% in 2017		
<b>26</b>	<b>OTHER LONG TERM PAYABLES</b>		
	Refundable security Deposits-for employees	<b>125,252.12</b>	<b>114,637.87</b>
<b>27</b>	<b>CAPITAL CONTRIBUTED BY GOVERNMENT &amp; OTHER GOVERNMENT ENTITIES</b>	LKR	LKR
	Capital Grant from Sri Lanka Tea Board	1,900,000.00	1,900,000.00
	Bagowanthalawa Regional Centre (SLSPC)	4,205,519.00	4,205,519.00
	Capital Grant from consolidated fund	29,384,852.21	29,384,852.10
	<b>TOTAL</b>	<b>35,490,371.21</b>	<b>35,490,371.10</b>
<b>28</b>	<b>RESERVES</b>		
	<b>Revaluation reserve</b>	<b>130,407,699.08</b>	<b>135,710,198.08</b>
	Revaluations- The Institute revalues the motor vehicles within 3 to 5 years in accordance with the Accounting policy. Therefore all vehicles except recently purchased Fuso bus (NC 8980) were revalued on 04/08/2017 by professional valuer Mr. Rohan Lal Kurruppu of S. Godwin Yapa Associate. The revaluation amount are as follows.		
		<b>Revalued amount</b>	<b>Gain/(loss)</b>
	Bus - NB 1632	6,500,000.00	6,499,999.00
	Cab - 250-3161	2,400,000.00	2,387,856.15
	Cab - 250-2603	2,400,000.00	2,236,598.69
	Cab- 58-3717	2,300,000.00	2,287,856.15
	Jeep 32-4086	2,400,000.00	2,211,902.81
	Van- 250-2604	3,000,000.00	2,327,649.76

	Cab- PD 4024	5,600,000.00	5,599,999.00
	bus NC 8980	8,900,000.00	-
	Total value of Motor vehicle	33,500,000.00	23,551,861.56
	<b>Revaluation gain from the vehicles at the beginning of the year</b>	32,566,376.92	10,584,233.03
	Revaluation gain/(loss)	-	23,551,861.56
	Transferred to retained earning account due to disposal of revalued Bus 61-2361	-	(1,569,717.67)
	<b>Revaluation surplus of the vehicles at the end of year</b>	<b>32,566,376.92</b>	<b>32,566,376.92</b>
	Building and furniture and equipment was revalued on 01/01/2014 in order to adapt into the Public Sector Accounting Standard. This revaluation was conducted by Mr. K. A. D.N. Nanayakkara , regional valuer , western province in the Department of Valuation		
	Category of assets	Revaluation surplus	
	Equipment	32,532.17	32,532.17
	Furniture	3,604,633.21	3,604,633.21
	Building - Bogawanthalawa	3,604,422.05	3,604,422.05
	Buildings- Athurugiriya	95,902,233.73	95,902,233.73
	Total of Other Property plant and equipment revaluation	103,143,821.16	103,143,821.16
	Transfer to Retained earning account disposal of old training building	(5,302,499.00)	
	Total of Revaluation surplus at the end of year	<b>130,407,699.08</b>	<b>135,710,198.08</b>
	Value of the Books, Land and Infrastructure assets has not been revalued and therefore these assets were recorded at purchasing cost. Land Value of the institute has revalued in end December 2018. However the report are pending up to account certifying date.		
<b>29</b>	<b>ACCUMILATED SERPLUS/(DEFICITS)</b>		
	Retained Earnings	287,461,095.72	61,611,956.59
		<b>287,461,095.72</b>	<b>61,611,956.59</b>
	<b>GOVERNMENT GRANT</b>	LKR	LKR

<b>30</b>	Recurrent grant	50,000,000.00	<b>40,000,000.00</b>
<b>31</b>	Capital Grant	30,950,000.00	<b>19,874,000.00</b>
<b>32</b>	Special Development project MPI	60,000,000.00	<b>15,300,000.00</b>
	<b>Changes of Accounting Standard</b>		
	Capital and recurrent grant contributed by General treasury is recognized as the income of the institute in accordance with the Public Sector Accounting Standard No 11. Therefore Sri Lanka Public Sector Accounting Standard No 11 is applied with effect from 01/01/2016. The subsequent cost such as depreciation of the property plant and equipment and any impairment cost are accounted in each accounting period separately.		
<b>33</b>	<b>GENERATED TRAINING INCOME</b>	<b>LKR</b>	<b>LKR</b>
<b>a</b>	<b>ACADEMIC, AND PROFESSIONAL PROGRAMMES</b>		
	National Diploma in Plantation Management	637,230.00	640,000.00
	National Diploma in Plantation-Extension Management	1,490,000.00	3,000.00
	National Diploma in Plantation Crop Technology	1,167,500.00	
	Certificate course in Accounting and Financial Management	359,500.00	248,000.00
	Certificate course in Book-Keeping and Plantation Accounting	590,500.00	341,000.00
	Professional Programme in Rubber Manufacture and Factory Practices		207,000.00
	Professional Programme in Tea Manufacture and Factory Practices	904,000.00	493,975.00
	Language Proficiency Examination	124,000.00	290,000.00
	Foundation course in H R Management		380,500.00
	Certificate course in Micro Finance	607,250.00	
	Certificate course in Human Recourse management	590,000.00	
		<b>6,469,980.00</b>	<b>2,603,475.00</b>
<b>b</b>	<b>MANAGEMENT AND TECHNICAL DEVELOPMENT PROGRAMMES</b>		
	Management Development programmes	1,425,975.00	2,865,553.12
	Technical Development programmes	420,000.00	408,000.00
		<b>1,845,975.00</b>	

			<b>3,273,553.12</b>
<b>c</b>	<b>SKILL DEVELOPMENT PROGRAMMES</b>		
	Skill Development of Tea Factory Officer	360,000.00	396,000.00
	Skill Development of Tea field Officer	398,000.00	-
	Skill Development of rubber Field Officer	-	144,000.00
	Skill Development of rubber factory Officer	106,200.00	
		<b>864,200.00</b>	<b>540,000.00</b>
<b>d</b>	<b>BASIC COURSE</b>		
	Awareness Programme for Oil palm cultivation	-	1,326,000.00
		-	<b>1,326,000.00</b>
<b>e</b>	<b>ADVANCE COURSE IN PLANATION MANAGEMENT (INDUCTION COURSE)</b>	<b>10,000,000.00</b>	<b>4,987,500.00</b>
<b>f</b>	<b>WOKER DEVELOPMENT AND WORK SHOPS</b>		
	Worker Development programme	240,000.00	-
	Special workshops	1,857,700.00	
		2,097,700.00	-
<b>g</b>	<b>SPECIAL PROGRAMMES</b>		
	Special programmes	2,294,054.00	1,165,085.00
	Awareness programme for NIPM members	203,000.00	190,000.00
	NVQ programme Registration	228,000.00	
		2,725,054.00	1,355,085.00
<b>h</b>	<b>FORIGN TRAINING PROGRAMME</b>	<b>2,999,975.00</b>	-
<b>i</b>	<b>INCOME FROM EXTERNAL EXAM ACTIVITIES</b>	3,153,870.00	1,767,801.50
<b>j</b>	<b>INCOME FROM TRAINING RELATED ACTIVITIES</b>	852,600.00	-
	<b>TOTAL TRAINING INCOME</b>	<b>31,009,354.00</b>	<b>15,853,414.62</b>
<b>34</b>	<b>INCOME FROM RENTING OUT THE FACILITIES</b>	LKR	LKR

	Renting out residential facilities to out side programmes	16,335,593.87	7,369,755.70
	Income from Accommodation internal training students	36,100.00	8,600.00
	Korean Training programme		3,604,814.75
		<b>16,371,693.87</b>	<b>10,983,170.45</b>
<b>35</b>	<b>BOGAWANTHALAWA REGENAL CENTRE</b>		
	Income from renting out training Facilities	1,555,451.64	923,923.90
	Korean training programmes		972,400.00
		<b>1,555,451.64</b>	<b>1,896,323.90</b>
<b>36</b>	<b>INTEREST INCOME</b>	LKR	LKR
	Staff Loan interest- Distress Loan	128,602.19	121,737.29
	Interest income from Membership Account	2,087.39	5,032.25
	Interest income from Bank Deposits	5,007,056.88	1,769,923.81
	Income From Special Loan	4,917.80	3,963.60
	Gain/(Loss) on amortization due to effective annual interest	(173,675.85)	215,274.14
		<b>4,968,988.41</b>	<b>2,115,931.09</b>
<b>37</b>	<b>OTHER INCOME</b>	LKR	LKR
<b>a</b>	<b>SUNDRY INCOME</b>		
	Income - Pass papers and applications	1,250.00	23,000.00
	House Rent income	135,278.18	133,425.70
	Transport income	15,299.66	3,765.60
	Tender fee	541,400.00	78,250.00
	Publications	77,300.00	130,975.00
	souvenir income		154,500.00
	Membership subscriptions	126,779.00	7,550.00
	other sundry income	151,748.61	164,810.75
		<b>1,049,055.45</b>	

			<b>696,277.05</b>
<b>(b)</b>	<b>GAIN ON DISPOSAL OF VEHICLES</b>		
	<i>Bus -61-2361</i>		<b>2,896,125.00</b>
<b>c</b>	<b>WRITE BACK TO INCOME STATEMENT</b>		
	Contingent Provision write back to income statement	3,765,756.60	
	Unsettled creditors write back to income statements	105,400.00	4,921,000.00
	Medical balance transferred to institute income	-	545,242.57
	Over provision of gratuity	-	267,686.24
	Over provision of doubtful debts	-	46,612.76
	Total	3,871,156.60	5,780,541.57
	<b>Total other income</b>	<b>4,920,212.05</b>	<b>9,372,943.62</b>
	<b>Recurrent Expenditure</b>		
<b>38</b>	<b>WAGES, SALARIES AND EMPLOYEE BENEFITS</b>	LKR	LKR
<b>a</b>	<b>PERSONAL EMMOLUMENTS</b>		
-	Salaries and wages	20,089,553.48	16,994,197.05
	Cost of Living and other Allowances	8,854,581.26	10,327,167.00
	Over Time	1,634,910.06	1,210,079.00
	Holiday Pay	313,354.25	202,294.70
	Lecture Fees for Institute's Staff	209,718.00	180,000.00
	Contribution for E.T.F.	764,455.60	668,314.80
	Contribution for E.P.F.	2,950,283.66	2,586,685.07
	Contribution for CPPS	107,538.83	69,019.08
	Chairman's Remuneration and allowances for board of directors	1,516,708.57	1,647,649.00
		<b>36,441,103.71</b>	<b>33,885,405.70</b>
<b>b</b>	<b>TRAVELING EXPENSES</b>		
	Traveling and Subsistence (Local)	233,391.00	189,539.06
	Traveling and Subsistence ( Foreign)	1,293,279.69	1,870,642.50
		1,526,670.69	<b>2,060,181.56</b>

<b>c</b>	<b>RETIREMENT BENEFITS</b>		
	Increased Provisions for Gratuity	4,404,938.31	-
			-
<b>d</b>	<b>CONTRIBUTIONS, SUBSIDIES AND WELFARE</b>		
	In-service Training and staff training capacity building	698,632.00	386,857.00
	Staff Welfare Activities	465,829.70	633,865.00
	Membership and subscriptions	35,300.37	24,400.00
	Contributions for Medical Aid Scheme	2,004,371.48	1,806,233.19
		3,204,133.55	<b>2,851,355.19</b>
	<b>Total Salaries wages and Employee benefits</b>	<b>45,576,846.26</b>	<b>38,796,942.45</b>
<b>39</b>	<b>SUPPLIES AND CONSUMABLE USED</b>	LKR	LKR
	Printing Materials and papers	391,406.55	600,756.14
	Stationery & Office Requisites	993,219.21	526,722.13
	Consumables	467,760.02	332,064.90
	Fuel and lubricant	2,173,230.80	1,443,060.29
	Periodicals & News Papers	64,587.00	70,579.95
	Uniforms	124,000.00	89,240.00
	Institute's Publications	400,758.06	627,610.45
	Total Supplies and consumable used	<b>4,614,961.64</b>	<b>3,690,033.86</b>
<b>40</b>	<b>REPAIRS &amp; MAINTENANCE OF FIXED ASSETS</b>	LKR	LKR
	Plant and Machinery	27,706.41	32,360.91
	Buildings	1,354,244.65	1,458,068.58
	Equipment	1,700,712.31	810,074.38
	Water telephone and Electricity	43,750.00	30,346.00
	Motor Vehicles	3,349,434.20	2,727,766.73
	Total Repairs and Maintenance	<b>6,475,847.57</b>	<b>5,058,616.60</b>

<b>41</b>	<b>COMMUNICATION, UTILITY AND OTHER CONTRACTUAL SERVICES</b>	LKR	LKR
	Telephone and internet	1,191,618.04	1,285,953.39
	Postage	295,306.00	257,935.00
	Electricity and water	2,536,838.99	2,549,408.34
	Insurance (Buildings equipment Cash etc.)	244,074.16	200,651.60
	Security Service	3,312,320.51	2,960,797.40
	Audit Fees (External)	600,000.00	486,350.00
	Vehicle hire charges	506,735.28	270,052.00
	Cleaning and Janitorial works	2,238,450.00	654,300.00
	Bank Charges	48,644.09	45,014.83
	Stamp Duty , rate and tax	73,442.33	80,212.22
	Rent	240,000.00	
		<b>11,287,429.40</b>	<b>8,790,674.78</b>
<b>b</b>	<b>MEDIA, ADVERTISING AND PUBLICITY</b>	LKR	LKR
	Advertising Expenses	1,292,163.75	2,492,747.50
	Entertainments	109,609.80	105,536.00
		<b>1,401,773.55</b>	<b>2,598,283.50</b>
	Total Communication utility services and media expenses	<b>12,689,202.95</b>	<b>11,388,958.28</b>
<b>42</b>	<b>TRAINING EXPENSES</b>	LKR	LKR
	Lecture Fees for Visiting Staff	3,268,965.00	2,486,936.20
	Fees to the Committees relating to Training Activities	89,707.00	69,000.00
	Meals & Accommodations for Trainees	2,581,137.15	2,373,404.20
	foreign training expenses	1,756,493.47	
	Laundering Linen		86,775.00
	Under provision for Bad debtors	148,297.00	-
	External exam expenditure	834,988.80	553,105.98

	Award Ceremony & Academic Functions	3,070,120.55	902,951.04
	Education materials	146,270.00	135,978.00
	Miscellaneous Training Expenses	986,250.00	1,031,471.36
	promotion and advertising	2,370,612.00	
	Total	15,252,840.97	7,639,621.78
	Research and Development Cost	190,342.00	
	Development cost of NVQ training facilities and degree awarding institute	1,169,893.00	2,483,227.25
	Capacity Building programmes smallholders and NVQ students	9,220,551.44	10,012,935.85
	Total Training Expenditure	<b>25,833,627.41</b>	<b>20,135,784.88</b>
<b>43</b>	<b>EXPENSES IN REALATION TO RENTING OUT FACILITIES -</b>	LKR	LKR
	Meal expenses accommodation facilities	4,015,605.31	2,216,584.00
	Salaries, daily wages and cost of living allowance	478,400.00	1,212,815.07
	E P F	57,408.00	48,426.15
	E T F	14,352.00	10,416.54
	<b>Total Expenditure for Renting out facilities</b>	<b>4,565,765.31</b>	<b>3,488,241.76</b>
<b>44</b>	<b>BOGAWANTHALAWA OPARATIONAL EXPENSES</b>	LKR	LKR
	Electricity	182,549.85	245,455.00
	Telephone and postage	19,445.04	20,546.00
	Maintenance	313,004.90	59,995.00
	Meal and accommodation	658,378.62	538,750.25
	Salaries and Wages	720,300.00	715,400.00
	Allowances	79,200.00	287,700.00
	Employee Benefits	45,038.50	37,709.00
	Daily Wages	322,545.90	464,812.20
	E T F	21,609.00	21,462.00
	E P F	86,436.00	

			85,848.00
	Consumables	24,471.50	39,136.00
	<b>Total Bogawanthalawa Expenses</b>	<b>2,472,979.31</b>	<b>2,516,813.45</b>
<b>45</b>	<b>DEPRECIATION AND AMORTISATION OF ASSETS</b>		
	Depreciation	23,896,279.46	19,965,420.72
	Amortization	510,435.35	568,112.00
		<b>24,406,714.81</b>	<b>20,533,532.72</b>
<b>46</b>	<b>MISCELLANEOUS EXPENDITURE</b>	LKR	LKR
	Allowances for Other Committees and professional Charges	230,496.45	353,542.20
	Write off - bad debtors	434,071.50	221,065.23
	Special welfare programme	307,600.00	191,736.57
	Allowances for the Committee of Medical Aid Scheme		5,000.00
	loss on Disposal old equipment and damage stock	4,182,646.90	243,924.53
	Garden up keep	212,250.00	222,821.00
	Others Expenses	113,260.36	272,333.25
		<b>5,480,325.21</b>	<b>1,510,422.78</b>
<b>47</b>	<b>Financial Risk Management</b>		
	Credit risk is the risk of financial loss of the Institute, if the customer or counter party to a financial instrument fails to meet its contractual obligation, and arises principally from the institute's receivable from customer and investment securities. A provision of 6% provided to the debtors account on the closing balance of the year end. Interest on loan, advances and the interest are calculated according to the effective annual interest rate as per the year end bond rate which is published by Central bank of Sri Lanka		
	Interest received on loan and advances to the employees	133,520.00	125,700.89
	Interest calculation as pre the effective interest rate method	331,908.44	266,370.41
	BF balance of amortizes cost	140,669.52	<b>(116,593.95)</b>
	CF balance of amortize cost of loan and advances	198,388.45	<b>(140,669.52)</b>

	Net (loss)/gain on interest received on loan and advances transfer to income account	(57,718.93)	(24,075.57)
	<b>Interest received on short term investment</b>		
	The Institute invested in short term deposit to secure the payment of gratuity and the liabilities which was raised due to credit purchases etc.		
	Interest received on short-term investment	5,009,144.27	1,774,956.06
	Interest calculation as pre the effective interest rate @ 10.99% in 2018 and 8.9% in 2017	5,221,772.49	1,535,608.35
	Total Amortize cost BF balance due to effective annual interest	(96,671.30)	(336,019.01)
	Amortize gain or (loss)	(212,628.22)	239,347.71
	Total Amortize cost CF balance due to effective annual interest	(212,628.22)	(96,671.30)
	<b>Net (loss)/gain on interest received on Short term investment transfer to income account</b>	(115,956.92)	239,347.71
	The Institute assumed that the effective interest rate is 10.99% per annum in 2018 and 8.9% per annum in 2017 according to the bond rate published by Central Bank of Sri Lanka.		
	Withholding tax rate of 10% on the Effective Annual interest in 2017 and 5% in 2018		

**NATIONAL INSTITUTE OF PLANTATION MANAGEMENT**

**Segmental Reporting**

This report is presented in Rs 000'

The Institute recognize Three (3) different segments as training related activities renting out facilities and other supportive service. The surplus or deficit of each segment are shown in the following table during the year 2018 and 2017

Segmental Category	Training activities		Renting out Facilities		Other supportive services		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Income	Rs. 000'		Rs. 000'		Rs. 000'		Rs. 000'	
Generated income	31,009	15,853	17,927	12,879	9,889	11,490	58,826	40,222
Grants-Special Projects	1,000	3,000	-	-	59,000	12,300	60,000	15,300
Capital grant	18,372	10,012	296	-	12,282	9,862	30,950	19,874
Recurrent grant	17,241	10,345	4,310	3,448	28,448.28	26,207	50,000	40,000
<b>Total</b>	<b>67,623</b>	<b>39,210</b>	<b>22,533</b>	<b>16,327</b>	<b>109,620</b>	<b>59,859</b>	<b>199,776</b>	<b>115,396</b>
Expenses								
Wages, Salaries and employee benefits	16,863	8,922	4,102	2,656	24,611	27,219	45,577	38,797
Supplies and consumable used	1,591	954	398	318	2,626	2,418	4,615	3,690
Repairs and Maintenance	2,233	1,308	558	436	3,685	3,314	6,476	5,059
Communication and utility services	4,376	2,945	1,094	982	7,220	7,462	12,689	11,389

Training Expenses including capacity building Programmes.	25,834	20,136	-	-	-	-	25,834	20,136
Expenses in Relation to Renting out facilities	-	-	4,566	3,488	-	-	4,566	3,488
Expenses for Bogawanthalawa Regional Centre	-	-	2,473	2,517	-	-	2,473	2,517
Depreciation and Amortization expenses	8,416	5,310	2,104	1,770	13,887	13,453	24,407	20,534
Other Expenses	396	391	99	130	5,070	990	5,480	1,511
<b>Total Expenditure</b>	<b>59,709</b>	<b>39,966</b>	<b>15,394</b>	<b>12,297</b>	<b>57,098</b>	<b>54,856</b>	<b>132,116</b>	<b>107,119</b>
Net surplus/deficit	7,914	(756)	7,140	4,030	52,522	5,003	67,659	8,277
No of employees	20	15	5	5	33	38	58	58

\* Supplies, repairs, communication are absorbed on the basis of Number of employees attached to the each segment

\*Other expensed includes the losses on disposal amounting to Rs 4,332,502/- which was absorbed to other supportive services, Others are absorbed according to Number of employees.

\* Grant received for Capacity development expenditure under capital grant are allocated to training segments .

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT							
FINANCIAL HIGHLIGHTS ( Rs 000)							
Descriptions	2012	2013	2014	2015	2016	2017	2018
<b>Income</b>							
Treasury grant- Recurrent	8,480	18,744	24,792	28,502	38961	40000	50,000
Government Grant write back to Income statement	9415	9,253	10,937	15,362	24243	25162	81,729
Government Grant for Capacity Building Programmes (smallholders and school leavers)	4865	7,498	9,900	7,710	8446	10012	9,221
Generated Training income	13,731	11,573	10,037	18,010	12787	15,853	31,009
Income from Bogawanthalawa Regional centre	3,796	8,247	7,824	5,366	4835	1,896	1,555
Other income	8,935	7,407	7,457	9,847	12402	22,472	26,261
<b>Total income</b>	<b>49,222</b>	<b>62,722</b>	<b>70,947</b>	<b>84,796</b>	<b>101674</b>	<b>115395</b>	<b>199,776</b>
<b>Expenditure</b>							
Total Personnel emoluments	20,907	18,794	19,453	30,907	31,834	38,796	45,577
Training Expenditure	6,425	4,256	4,439	8,208	5,880	10,123	16,613
Capacity Development of Small holder training expenses (FOC)	4,865	7,498	9,936	7,711	8,446	10,012	9,221
Other expenditure	12,472	17,198	20,255	19,598	21,959	27,655	36299
<b>Total operating Expenses</b>	<b>44,669</b>	<b>47,746</b>	<b>54,083</b>	<b>66,424</b>	<b>68,119</b>	<b>86,586</b>	<b>107,710</b>
Government Recurrent Grant as a percentage of the Total Operating Expenditure	19%	39%	46%	43%	57%	46%	46%
Surplus/(Deficit) before Depreciation	4,553	14,976	16,864	18,372	33,555	28,809	92,066
Depreciation /Amortization	9,150	10,495	15,833	17,740	18,951	20,533	24,407
<b>Net (Deficit)/Surplus after Depreciation</b>	<b>(4,597)</b>	<b>4,481</b>	<b>(1,833)</b>	<b>632</b>	<b>14,604</b>	<b>8,276</b>	<b>67,659</b>
No of Training Programme- (Income Generated)	61	22	32	30	22	32	57
No of Participants	2135	772	993	1,101	586	958	1779
No of Training programmes for smallholders and school leavers	188	236	355	196	160	230	232
<b>Total Expenditure for capacity Development programmes- smallholder and School leavers</b>	<b>4865</b>	<b>7,498</b>	<b>9,936</b>	<b>7,711</b>	<b>8446</b>	<b>10012</b>	<b>9,221</b>

<b>No of trained smallholders</b>	<b>8,196</b>	<b>12,149</b>	<b>25,100</b>	<b>12,825</b>	<b>10,840</b>	<b>12,661</b>	<b>12940</b>
<b>Total Number of trained</b>	<b>10331</b>	<b>12921</b>	<b>26093</b>	<b>13,926</b>	<b>11426</b>	<b>13619</b>	<b>14719</b>
<b>Total Training programmes for the year</b>	249	258	387	226	182	262	289
<b>No of Employees</b>	<b>46</b>	<b>41</b>	52	46	46	58	58
<b>Generated Income per Employee Rs. 000'</b>	575	664	487	722	653	693	1,014
<b>Training cost per smallholder Rs. 000'</b>	0.59	0.62	0.40	0.60	0.78	0.79	0.71
<b>Net Assets of the Institute ( Rs Million)</b>	20.13	24.64	123.08	126	203	232	453

# **Auditor's Report**

***2018***

The Chairman,  
National Institute of Planation Management

**Auditor's report in terms of Section 12 of the National Audit Act No. 19 of 2018 in respect of Financial Statements as at 31 December 2018 and other legal and regulatory requirements**

---

**I. FINANCIAL STATEMENTS**

**1.1 Audited opinion**

Statement of financial position, statement of financial performance, statement of change of equity and cash flow statement for the year ending on 31 December 2018 and notes in respect of financial statements containing summarized important principles of accounting of the National Institute of Planation Management have been audited under my supervision in terms of the Finance Act No. 38 of 1971 and National Audit Act No. 12 of 2018 read with Article 154(1) of the Democratic Socialist Republic of Sri Lanka. In terms of Article 154(6) of the Constitution, my report shall be presented to the Parliament in due course.

It is my view that the institution's financial position, financial performance and cash flow for the year ending on 31 December 2018 reveal a true and fair view in terms of the accounting standards of the government sector of Sri Lanka save and except for the impact caused by factors explained in the part containing the basis for the audited opinion in my report.

**1.2 Basis for the audited opinion**

In terms of paragraph 31 of Accounting Standard No. 07 of the Sri Lanka Public Sector Accounting Standards (SLPSAS), though the cost of commencing new facilities, advertising and promotion costs, administrative costs and overhead costs cannot be added to cost of real estate plant equipment, it has been added to the institution's advertising and promotions

costs and value of ongoing work of Rs. 1,162,025 in respect of the year of review.

The audit has been done in terms of Sri Lanka Auditing Standards (SLAuSs). My responsibility in terms of this auditing standards has been further elaborated in under the section, 'auditor's responsibilities in respect of the audit'. I believe that the auditing evidence obtained by me are sufficient and appropriate in formulating a basis for my opinion.

### **1.3 The responsibility of the management of administration in respect of financial statements**

It is the responsibility of the management to decide on the internal control mechanisms to ensure that the financial statements are prepared in accordance Sri Lanka Public Sector Accounting Standards and presented in a fair manner without quantitative false statements caused by fraud or error.

It is the responsibility of the management to decide on the continuation of the institution in preparing financial statements. Management is also responsible for maintaining accountability and disclosing matters of continuity, unless the management intends to liquidate or cease operations when there is no other option. The responsibility for the financial reporting process of the organization is borne by the controlling parties.

In accordance with Section 16(1) of the National Audit Act No. 19 of 2018, books and records of income, assets and liabilities must be maintained in a proper manner in order to prepare annual and periodic financial statements of the Institution.

### **1.4 The responsibility of the auditor in respect of auditing financial statements**

Overall, my aim is to provide a reasonable assurance that the financial statements are adequately free from false statements caused by fraud and error, and to issue an auditor's report containing my opinion. Although fair

certification is a guarantee of high quality, it does not always ensure that the audit is conducted in accordance with the Sri Lanka Auditing Standards. Fraud, error and individual or collective impact are likely to result in substantial misstatements which is expected to affect the economic decisions of users based on financial statements.

I have conducted the audit in accordance with the Sri Lanka Audit Standards with professional judgment and compliance. Further,

- In my view, obtaining adequate and appropriate audit evidence to avoid risks of fraud misstatement is based on the appropriate audit procedures in identifying and assessing the risks of financial statements that may result in fraudulent errors. While the impact of fraud is stronger than the impact of quantitative inaccuracies, factors such as misconduct, forgery, intentional avoidance and avoidance of internal controls can lead to fraud.
- Even though internal controls of the institution are understood in order to plan the appropriate audit procedures, there is no intention in expressing an opinion on the effectiveness of internal controls.
- The suitability of the accounting policies and accounting estimates used, and the relevance of the related disclosures made by the management have been evaluated.
- The relevance of using the basis of institution's continuity for accounting was determined based on the audit evidence obtained regarding whether there was sufficient uncertainty about the institution's existence as a result of the events or circumstances. If I conclude that there is sufficient uncertainty, my audit report should focus on the disclosures in the financial statements. If such disclosure is insufficient, my opinion must be modified. However, continued existence may end based on future events or circumstances.

- The presentation, structure and content of the financial statements included in the disclosures were evaluated and the underlying transactions and events were evaluated in an appropriate and reasonable manner.

The controlling parties have been briefed on key audit findings, major internal control deficiencies and other issues identified during my audit.

## 2. REPORT IN RESPECT OF LEGAL AND OTHER REQUIREMENTS

National Audit Act No. 19 of 2018 contains special provisions in respect of the following requirements:

- In terms of the requirements stipulated in Section 12(a) of the National Audit Act No. 19 of 2018, I obtained all information and explanations necessary for the audit, excluding the impact of those that have been described in the section pertaining to the basis for the audited opinion of my report. As per my review, the institution has maintained proper financial reports.
- In terms of the requirement stipulated in Section 6(1)(d)(III) of the National Audit Act No. 19 of 2018, the financial statements submitted by the institution are consistent with the preceding year.
- In terms of the requirement stipulated in Section 6(1)(d)(IV) of the National Audit Act No. 19 of 2018, the recommendations made by me last year are included in the financial statements that are submitted.

In considering the course of action, evidence obtained within the limitation of substantial factors, I have not come across matters significant enough to make the following statements:

- In terms Section 12(d) of the National Audit Act No. 19 of 2018, that any member of the Board of the institution has any involvement with any contract entered into with the institution directly or otherwise that is outside the normal course business.
- In terms Section 12(f) of the National Audit Act No. 19 of 2018, that there has been non-compliance with any applicable written law or other general or special directives issued by the Board of the institution.
- In terms Section 12(g) of the National Audit Act No. 19 of 2018, that the institution has not acted in accordance with its powers, duties and functions.
- In terms Section 12(h) of the National Audit Act No. 19 of 2018, that the resources of the institution are not procured and utilized in a timely and efficient manner and in accordance with the relevant rules and regulations.

### 3. OTHER AUDITING OBSERVATIONS

- (a) Compared to the last 5 years, the number of programs conducted by the Institute for Rubber and Tea as well as the number of students who participated in the training program have decreased. Although the number of participants for Tea and Rubber programs have declined by 88% and 54% respectively, no course of action has been taken to revise the syllabus nor the course fee in order to increase student participation.
- (b) Although the institution has sufficient physical and human resources to conduct training programs for sugarcane and cinnamon, it has not taken action to recruit trainees as planned. No programs have been conducted for sugarcane in the years 2015 and 2016 and for cinnamon for the years 2015 and 2016.

- (c) The student participation in respect of the Tea Factory course and Field Officer course which commenced in January 2018 had dropped from 54 and 53 respectively to 36 and 39 by the end of the year due to the lack of planning such courses in light of the objectives and motives of students selected for such courses.
- (d) The Institution has not taken necessary action to issue a certificate in conjunction with the Tertiary & Vocational Education Commission to students who have completed the Tea Factory and Field Officer Courses that commenced in June 2016 for obtaining NVQ 04 qualification.
- (e) Although a Memorandum of Understanding (MoU) was signed with the Human Resources Management Institution on 16 January 2018 to train non-executive officers, the Institution has not taken any steps to recruit and train candidates for the course.
- (f) Although a Memorandum of Understanding (MoU) was signed with the University of Wayamba on 22 June 2016 for the purpose of sharing agronomic knowledge, research and development activities, designing agricultural research projects, jointly developing workshops, seminars, training courses, internships for technical staff, no such courses were conducted.
- (g) Since the post of Librarian of the Institute had been vacant since 2014 no actions have been taken to recruit an officer for such post, the students have been unable to make complete use of the books available in the library.
- (h) Amounts receivable from two institutions which had been in the accounts for more than five years amounted to Rs. 239,901 and such amount had not been recovered even by the end of the year under review.

*Sgd.*

W. P. C. Wickramaratne  
Auditor General