

Annual Report 2020

Centre for Excellence



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

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Contents

Vision and Mission	01
Chairman's Message	02
Director's Review	03-06
The Establishment and Corporate Profile of the Institute	07-08
Powers of the Institute	08
Scope of the Board of Governors	08-10
Scope of the Audit and Management Committee	10-11
Staff of the Institute	11-14
Review of the Administration	15
Organizational Chart	16
Principal Activities of the Institute	17-18
Progress Review of the Programmes	19-22
Competency Development Programmes under NVQ	23
Conducting Examination for Other Organization	24
BSc Degree in Plantation Management	25-28
Professional Membership of the Institute	29
Facilities Available	29-31
Our activities	32
Financial Review	33-37
Challenges Face by the Institute	37-38
Conclusion	38

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VISION

To be the Centre of Excellence in Providing
Training and Conducting Consultancy and
Research on Plantation Management

An orange decorative shape with a wavy, organic border, containing the Mission statement.

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 that I send this message for the Annual Report of the year 2020 as the Chairman of the National Institute of Plantation Management.

Diversification of resources is very important to achieve the objectives of any organization. Human Resources are the only living resource among these diverse resources. Human Resources are very important in achieving the objectives of an organization. That is because all the other resources are utilized by a cohort of people. In a wider sense, Human Resource Development is carried out through knowledge sharing, skills improvement and inculcating positive attitudes.

Looking back at the year 2020, the Plantation Industry was faced with several challenges. The entire plantation system was compounded by factors including the effects of global warming, lack of workforce attraction and the COVID – 19 pandemic situation. As the National Institute of Plantation Management, we have persistently stood up to overcome these challenges and have done our part of the job

being the key facilitator in workforce development in the Plantation Industry. This performance report will bear witness to our efforts.

I wish to thank Hon. Dr. Ramesh Pathirana, Minister of Plantation; Hon. Eng. Kanaka Herath, State Minister of Company Estate Reforms, Tea and Rubber Estates Related Crops Cultivation and Factories Modernization and Tea and Rubber Estate Promotion; Mr. Raveendra Hewavitharana, the Secretary to the Ministry of Plantation; Mr. J.M. Thilakarathna Banda, the Secretary to the State Ministry of Company Estate Reforms, Tea and Rubber Estates Related Crops Cultivation and Factories Modernization and Tea and Rubber Estate Promotion and other officials of the Ministry of Plantation and State Ministry of Plantation; as well as others who guided our team to enhance the institutional performance.

I am grateful to the members of the Board of Governors for their guidance and taking our institution towards sustainable growth.

I wish to make a special tribute, to the Director/CEO, Dr. Prasad Dharmasena and other staff of the National Institute of Plantation Management for their tireless contribution.

A.L.A. Asoka Siriwardana
Chairman
National Institute of Plantation
Management
5th August 2021

Directors' Review



The National Institute of Plantation Management is pleased to release its Annual Report for the academic year 2020 and I am delighted to share with you the highlights of our major activities, achievements and initiatives despite the COVID 19 pandemic and future plans of the Institute with new normalcy.

Over the past few years, particularly from 2017 onwards, quietly but surely, we have also built a strong education culture, which is easily seen in the impressive statistics that the Institute can boast of in terms of various academic credentials. Specially, we have continuously improved on our credentials in professional development, as evidenced by number of programmes conducted and the number of people trained under the institutional flag. Our target of continuously searching for and significantly increasing the intake of quality youngsters into our school leavers courses in order to uplift the skill base of the plantation community and we have grown to a significant level in this direction over the last few years.

The end of the last financial year brought unique challenges presented to mankind in form of the COVID-19 pandemic. The current activities and future plans have all been plagued with deep uncertainty. Although, there are few realities that the

nation will continue to demand quality academic and training from premier Institute like NIPM and the NIPM community will continue to overcome the challenges to provide solutions that are of immediate needs. The current pandemic has changed the spectrum of education and academic focus for now.

Academic Credentials

As you all know, the Institute has undertaken many new initiatives covering academic, research, administrative and infrastructural domains during the year 2020 too, despite of pandemic situation. All these initiatives undertaken are making a comparatively good progress by today. Our outstanding students and staff for their outstanding contributions leading to the industrial recognition for the Institute. Let us realize that we stand on the shoulders of professional membership of the Institute, Alumni, as well as dedicated NIPM family members.

During the academic year 2020, two diplomas in Plantation Crop Technology and Plantation Extension Management have been started with accreditation through the National Vocational Qualification (NVQ) level 5-6 based education system. It was initiated to certify the Institute on ISO standard qualification.

The collective vision of NIPM is to be a leading academic/ professional institution in the country by advancing knowledge through high impact education tools and imparting quality education to produce technologically adept and socially conscious professionals, and by catalyzing innovation-driven, entrepreneurship, thereby addressing the

strategic goals of the industry and the needs of the island.

The Institute commissioned a full-fledged model Tea Processing Centre with a novel tea tasting laboratory with a view to enhancing the capacity development of NVQ based education system.

The professional membership is one of the strong armrests the Institute bestowed with, which is to be further developed in recognizing the professionalism of industrialists in the plantation sector. The Act of the Institute is to be amended in introducing contemporary membership categories.

The Institute has initiated steps to develop the Institute as an independent Degree Awarding Institute. It is pleasing to note that we have completed the development of three-degree programmes and institutional review, to submit for the approval of the Ministry of Higher Education in Sri Lanka. Accordingly, we are proud to notice that the Institute has taken a step to construct a six-storied administrative and academic complex at the main campus at Athurugiriya as a milestone of the Institute which is to be commissioned with the declaration of the Institute as a Degree Awarding Institute.

Institution of Eminence

The Institute intimately maintains link with RPCs, Smallholders, Research Institutes, Public and Private Firms, and other stakeholders around the country as well as with the international community to promote our programmes to build a strong pipeline of potential planting professionals and entrepreneurs who will carry the torch into the future. Accordingly, we carried out 17 income generating programmes and trained

453 students together with 13 years guaranteed education project, and the total students and smallholders trained for the academic year 2020 is 1146.

A highlight of the NIPM activities in the year 2020 was, registered percentage of students for different courses was 90% despite of the COVID 19 pandemic situation. The Institute earned Rs. 23.73Mn from academic programmes and progress of the students' registration for academic programmes reported as 62% of the estimated number of students. It is significant to notice that the Institute has estimated for conducting 50 capacity-building programmes for the smallholding sector on the allocation of Rs. 2.5Mn in the year 2020. The Institute shows acquitted achievement in conducting 14 programmes. The NIPM has reported a total generated income of Rs. 45.95Mn, which is as a percentage of academic financial progress is 59%. The total government grant received was Rs 164.37Mn and the asset value has been increased to Rs. 940.68Mn at the end of the 2020 financial year. While the Institute acquired the tangible assets Rs.41.99Mn and intangible assets RS. 0.24Mn during the financial year 2020.

The Institute reported a renting out income of Rs. 6.36Mn and it was reported Rs.113.53Mn as recurrent expenditure which is a decrease of 18.1 % in comparison to the year 2019. This amount has been lower due to less number of office-based working days in the financial year 2020. Since the core mandate of the Institute is training activities, which we have shown a ride slow due to the global pandemic situation.

Global Pandemic Makes NIPM Ride Slow

It is imperative that we are negatively affected by the pandemic but that we use this

experience to become better prepared for future crises.

To support this aim, the Institute needs to build our capacity to provide blended models of education in the future. Academic staff should be better prepared to switch fairly between physical and virtual teaching as needed. This will protect the education of students not only during future pandemics, but also during other shocks that might cause education system closures, such as natural disasters or adverse weather events. It will also create opportunities for more individualized approaches to teaching and learning. With this in mind, it will be necessary to develop flexible curricula that can be taught in person or online. Additionally, our lecturers need to be better equipped to manage a wide range of IT devices in the event of future closures and mandatory to conduct some lectures in virtual mode since most of our participants are scattered all around the island.

Networking Makes NIPM Stronger

The NIPM has a strong and effective network of extension services with all research institutions, private and public institutes on the island disseminating the 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 for the NIPM to enlighten the planting community on industrial developments.

Training and Placements

We actively interacted with various industrial, technical, management, and research organizations in the country. The dual aim of establishing this rapport is to ensure that students are given adequate technical exposure/ industrial training and subsequently, get employment in organizations which match their aspirations and objectives. Most of our students are in the industry in different categories of employment levels.

Strategic Development Goals

NIPM made an effort to launch three-degree programmes in developing National Vocational Qualifications (NVQ) for the Plantation Industry with a view to uplifting the skills and capacity of human resources attached to the sector by 2022. Research & 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 2019–2022 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 develop infrastructure facilities and a lush environment with Quality Management System (QMS) and ISO Standards.*

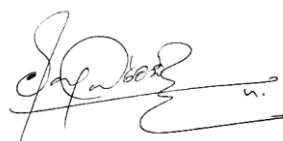
Obviously, there is a lot happening in the Institute that its faculty, staff, and students, as well as its well-wishers and supporters, can be truly proud of. But it is indeed that the progress and utilization of the regional centres are not adequate enough. However, we still have a long way to go. While 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 a centre for excellence through awarding some scholarships to students who are shown an 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 the academic world as well as the industry. On one hand, we wish to be a partner with top universities in the world, on the other hand,

we would like to engage the best undergraduate colleges in Sri Lanka.

In Concluding

In conclusion, it is my great pleasure to mention that 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 the patronage and guidance received from the Hon. Minister of Plantation, Hon. State Minister of Company Estate Reforms, Tea and Rubber Estates Related Crops Cultivation and Factories Modernization and Tea and Rubber Estate Promotion, Secretary to the Ministry of Plantation and Secretary to the State Ministry of Tea and Rubber Company Estate Reforms, Tea and Rubber Estates Related Crops Cultivation and Factories Modernization and Tea and Rubber Estate Promotion and other officials, Special thanks to the Chairman of the Institute and to the NIPM family members for their great support to make the year a success.



Dr. Prasad Dharmasena
Director/CEO

National Institute of Plantation Management
05.08.2021

The Establishment and the Goals

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 the act, NIPM is the only Government organization empowered to award certificates for those who successfully complete training Programmes/ Academic courses in the Plantation Industry and confer professional membership to eligible plantation executives under three (03) major categories. It ensures the maintenance of a high standard of professional competence for those who work in the Plantation Industry including smallholders.

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

Objectives

The general objectives of the Institute as outline in 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 service.
- 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 that 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 advice and services to any Government Departments, Public Corporations 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, coordinate 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 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 other relevant agencies.

The Scope of the Board of Governors

During the year 2020, six (06) board meetings were held at NIPM, Athurugiriya to oversee the followings and the Board of Governors is responsible,

- To ensure the highest level of compliance is adhered to in all operations of the institutional activities.
- To ensure that the highest standards of disclosure is maintained resulting in transparency in all training activities and operations.
- To effectively and efficiently direct the Institute's resources to bring about the best desired results for its stakeholders.

- To provide direction by approval of the Institute's medium and long term strategy, annual budgets, action plan and significant financial cum operational policies.

Members of the Board of Governors

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 2020.

Name of the Board Member	Position	Name of the Board Member	Position
Mr. A.L.A. Asoka Siriwardana Chairman/ NIPM	Chairman	Mr. Mahinda Widanapathirana Chairman/ TSHDA	Member
Dr. Prasad Dharmasena Director/ CEO NIPM	Member	Dr. Kanchana Silva Director/ CEO Thurusaviya Fund	Member
Mrs. Aruni S. Ranasinghe Additional Secretary/ Ministry of Plantation	Member	Mr. Gehan De Livera Representative/ SLTFOA	Member
Dr. L.S.K. Hettiarachchi Director/ Tea Research Institute	Member	Mr. S.K.L. Obeysekere Secretary General/ Sri Lanka Planters Association	Member
Dr. (Mrs) C.S. Ranasinghe Director/ Coconut Research Institute	Member	Mr. P.A.M. Deraniyagala Representative/ Coconut Growers Association of Sri Lanka	Member
Mrs. S.N. Meetalawa (Director/ Department of National Budget)	Member		

- Mr. A.L.A. Asoka Siriwardana has been appointed as the Chairman of National Institute of Plantation Management and as the Chairman of the Board of Governors w.e.f. July 2020.
- Mrs. S.N. Meetalawa (Director/ Department of National Budget) has been appointed w.e.f. February 2020
- Mr. Mahinda Widanapathirana (Chairman/ Tea Small Holdings Development Authority) has been appointed w.e.f. March 2020
- Dr. Kanchana Silva (Director/ CEO, Thurusaviya Fund) has been appointed w.e.f. February 2020

- Mr. Gehan De Livera (Representative/ Tea Factory Owners Association) has been appointed w.e.f. March 2020 and retired from the service w.e.f. December 2020.

The Scope of the Audit and Management Committee (AMC)

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

- To ensure effective internal control systems of the Institute.
- To recommend Matters relating to Audit Queries, Audit Reports and replies made by the Institute.
- To review budget Estimates and the progress of the actual performance
- To review other financial activities relating to the Institute.

Three meetings of the Audit and Management Committees were held for the year 2020 on 28th July, 20th November and 24th December.

Members of the Audit and Management Committee

Name of the Member	Position	Name of the Member	Position
Mrs. S.N. Meetalawa (Director/ Department of National Budget)	Chairman	Mr. Mahinda Widanapathirana Chairman/ TSHDA	Alternative Member
Mrs. Aruni S. Ranasinghe Additional Secretary/ MPI	Member	Dr. Prasad Dharmasena Director/ NIPM	Staff Member
Dr. Kanchana Silva Director/ CEO Thurusaviya Fund	Member	Mr. L.D.J. Priyantha Accountant/ NIPM	Staff Member
Mr. Jayantha Pushpakumara Superintendent of Audit/ NAO	Observe Member	Mr. K.H.U.P. Wijeweera Internal Auditor/ NIPM	Secretary/AMC
Mr. S U D Manawasinghe Superintendent of Audit/ NAO	Observe Member		

- Mrs. S.N. Meetalawa (Director/ Department of National Budget) has been appointed w.e.f. February 2020
- Mr. Jayantha Pushpakumara (Superintendent of Audit/ NAO) retired from the service w.e.f. August 2020
- Mr. S.U.D. Manawasinghe (Superintendent of Audit/ NAO) has been appointed w.e.f. November 2020
- Dr. Kanchana Silva (Director/ CEO, Thurusaviya Fund) has been appointed w.e.f. February 2020

- Mr. Mahinda Widanapathirana (Chairman/ Tea Small Holdings Development Authority) has been appointed w.e.f. March 2020

The AMC was chaired by Mrs. S.N. Meetalawa, the representative of the Ministry of Finance. The above Non-Executive and Executive Directors, served as the Audit and Management Committee in the year 2020.

The staff of the Institute

The Director who has been appointed with the concurrence of the Hon Minister of Plantation, is the Chief Executive Officer of the Institute. Under his vertex, total workforce was at 55 permanent staff at end of the year 2020. The Institute operates under five main divisions as Training, Finance, Administration, Examinations and Audit.

Chairman and Chief Executive Officer



Mr. A.L.A. Asoka Siriwardana
Chairman



Dr. Prasad Dharmasena
Director/CEO

Training Division

The names and the positions of the staff members of the Training Division are given below.



Mrs. S.N. Illanganthilake
Training Specialist (Agri. Econ)
Head - Training



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



Mrs. R.N. Lokuhetti
Training Specialist
(Management)



Mr. H.M.V.S. Bandara
Training Officer
(Accounting & Financial
Management)



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



Mr. N.S. Hettiarachchi
Librarian

Accounts Division

The names and the positions of the staff members of the Accounts Division are given below.



Mr. L.D.J. Priyantha
Accountant



Mrs. N.L. Senadheera
Accounts Assistant

Administration Division

The names and the positions of the staff members of the Administration Division are given below.



Mr. M.L.R. Jayantha
Administration Officer



Mr. M.B.M.A.L. Bandaranayke
Hostel Manager - Athurugiriya

Examination Division

The names and the positions of the staff members of the Examination Division are given below.



Mr. D.L.P. Kulasekara
Training Officer (Agri. Econ.)



Mrs. J.A.D.G.M. Indrani
Programme Officer (Exam &
Coordinating)

Internal Audit Division



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

The actual total staff as at 31.12.2020 is as follows,

Training Division (Total Staff - 15)

Training Specialist (Agricultural Economics)	01
Training Specialist (Management)	01
Training Specialist (Accounting & Financial Management)	01
Training Officer (Management)	01
Training Officer (Accounting & Financial Management)	01
Staff Assistant (Training)	01
Librarian	01
Management Assistant	07
Audio Visual Assistant	01

Finance Division (Total staff - 7)

Accountant	01
Account Assistant	01
Management Assistant	05

Administration Division (Total Staff - 28)

Assistant Director (Administration)	vacant
Administrative Officer	01
Hostel Manager	01
Procurement Assistant	vacant
Management Assistant	06
Driver	07
Garden Aids	02
Office Aids	05
Hostel Aids	03
Printing Assistant	01
Labourer	02

Exam Division (Total Staff – 03)

Training Officer (Agri. Econ)	01
Programme Officer (Exam & Coordinating)	01
Management Assistant	01

Internal Audit Division (Total Staff – 01)

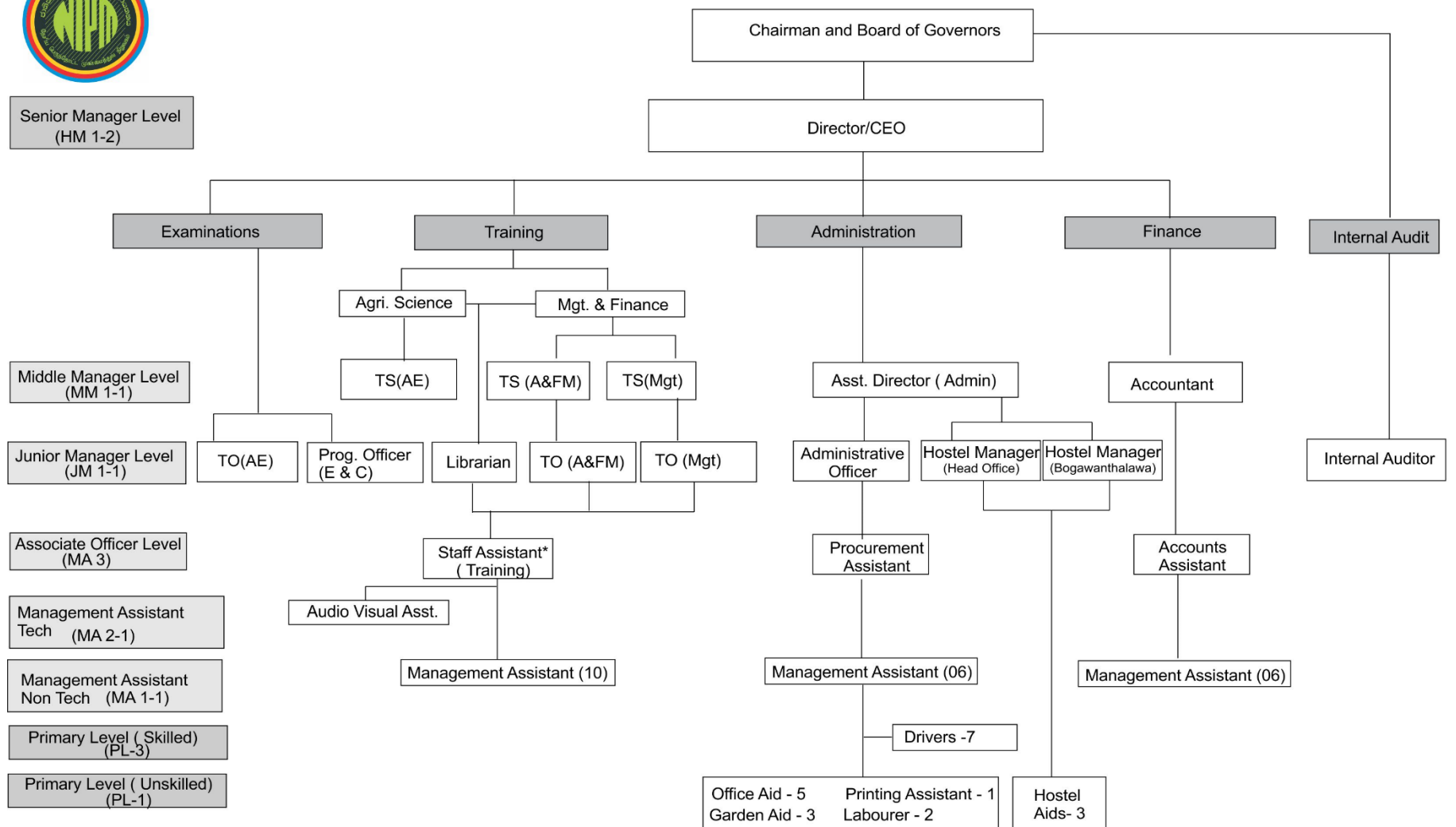
Internal Auditor	01
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Review of the Administration Division

The Head of Administration is the Assistant Director (Administration) who is responsible for the General Administration of the Institute. All staff matters such as staff recruitment and 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. The Institute provides accommodation facilities for outside organizations whenever required such facilities both in Athurugiriya and Bogawanthalawa Centre. The Institute has made arrangements to improve further its quality services with a view to increasing the earning income from renting out activities. During the year 2020, the Institute could fill the vacant staff positions as per the approved Scheme of Recruitment.

Employee Benefits

In order to develop the career growth of employees, the management guided them to improve their knowledge, attitude and skills within the service and provide local and international training programmes as and when the employees requested. Institutional welfare benefits scheme which prevailed prior to 2019 continued in the year 2020 as same.



TS - Training Specialist

.TO - Training Officer

AE - Agric. Econ

A&FM - Accounting & Fin. Mgt.

Mgt. - Management

E & C. - Exam & Coordinating

* Suppressed

Review of the Training Division 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 in the Plantation Industry 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 the cultivation of Tea, Rubber, Coconut, Sugarcane, Cashew, Cinnamon, Kithul and Palmyra etc.

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

1. Academic Programmes

Academic Courses are designed to upgrade the educational qualifications of the participants and enhance their competencies. To award the certificates of these courses the participants are required to maintain a satisfactory academic record and meet the obligations of the courses in which they are enrolled

The following courses are included in the category of Academic Programmes

- B.Sc. Degree in Plantation Management (jointly with the University of Wayamba)
- National Diploma in Plantation Management
- Higher National Diploma in Plantation Crop Technology (NVQ Level 6)
- National Diploma in Plantation Extension Management
- National Diploma in Plantation Crop Technology (NVQ Level 5)
- Diploma in Plantation Management & Technology (Planter Trainee)
- Advance Certificate Course in Coconut Cultivation & Processing
- Advance Certificate Course in Plantation Accounting, Financial & Cost Management (In collaboration with CMA)
- Certificate Course in Bookkeeping and Plantation Accounting
- Certificate Course in Microfinance
- NVQ level 4 Programmes



2. Professional Programmes

The main objective of conducting the professional courses is to impart theoretical/ practical knowledge and skills in different aspects of 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;

- Professional Programme in Tea Manufacture and Factory Practices
- Professional Programme in Rubber Manufacture and Factory Practices
- Language Proficiency Examination



3. Competency Development Programmes

The programmes 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 related to job tasks. Under this category, in the year 2020 the Institute has introduced Staff Development Programmes in order to enhance the knowledge, attitude and skills of the job profiles of the officers attached to the public and private sectors.

The Institute conducts the following Competency Development Programmes. Workshops, Seminars and Symposiums

- Technical Development Programmes
- Skill Development Programmes
- Worker Development Programmes
- Management Development Programmes
- Staff Development Programmes
- Workshops & Special Programmes
- Training Programmes for Smallholders.



4. Issuing publications related to Plantation Management (Journal in Plantation Management, Newsletter, Student Manuals of training programmes, text books and other periodicals)
5. Providing research and consultancy services in Plantation Management to the sector and conducting aptitude tests and examinations (oral and written) for selecting and promoting employees for public/ private sector organizations.
6. Conferring Professional Membership of the Institute to eligible plantation executives (Hon. Member, Fellow Member, Associate Member and Student Member)
7. Providing the 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 free of charge using government funds.

To face the challenging environmental situation in the country, NIPM shifted to online education system. Introduced new online workshops related to the plantation sector and was able to complete ongoing programmes through the aforesaid technology.

Income Earning Programmes

During the year 2020, the Institute initiated the following academic and professional programmes in order to generate income for the Institute.

Details of Income Earning Programmes Started in 2020

No	Programme Category	Duration	No of Programmes	No, of Participants
ACADEMIC PROGRAMMES				
01	National Diploma in Plantation Management	18 months	1	15
02	National Diploma in Plantation Extension Management (NVQ 05)	18 months	1	32
TECHNICAL DEVELOPMENT PROGRAMMES (DEMAND DRIVEN)				
03	Tea Tasting & Grading	03 days	1	14
MANAGEMENT DEVELOPMENT PROGRAMMES (DEMAND DRIVEN PROGRAMME)				
04	Productivity Improvement Programme for the Staff Attached to CRI	01 day	1	43
SKILL DEVELOPMENT PROGRAMMES				
05	Tea Factory Officers	05 Days	1	14
WORKER DEVELOPMENT PROGRAMMES				
06	Worker Skill Dev. for Tapper - Oyata Estate	01 Day	1	35
07	Skill Dev. Prog. on Tapping and Fixing of Rain Guards	01 Day	1	65
ONLINE WORK SHOPS				
08	Online Workshop on Strengthening the Capacity for Climate Change Adaptation in the Plantation Sector in Sri Lanka	01 Day	1	12
09	Land law & Handling of Encroachment Matters (online)	01 Day	1	25
STAFF DEVELOPMENT PROGRAMMES				
10	How to Answer Commonly Occurred Audit Queries	01 Day	1	29
11	Awareness Programme on Disciplinary Procedures.	01 Day	1	12
12	Workshop on Office Procedures	01 Day	1	42
SPECIAL PROGRAMMES				
13	Training Programme for Thurusaviya Fund	02 days	1	25
14	Machine Service Technique and Maintenance	01 day	1	19
13 YEARS EDUCATION PROGRAMME- NVQ - 4				
15	Tea Factory Officer and Tea Field Officer- NVQ - 4	6 months	3	71
	Total		17	453

Table No.01

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

Academic Programmes Continued from the Year 2019

No	Programme Name	No of Programmes conducted	Duration of each Programmes	No, of Participants
01	National Diploma in Plantation Management	02	18 months	17
02	National Diploma in Plantation Extension Management	01	18 months	29
03	Diploma in Plantation Crop Technology	01	12 months	20
04	Higher National Diploma in Plantation Crop Technology (NVQ - 06)	01	12 months	16
05	Diploma in Plantation Crop Technology (NVQ - 05)	01	12 months	23
06	Diploma in Plantation Management & Technology	01	12 months	15
07	Professional Programme in Tea Manufacture & Factory Practices	01	09 days	21
08	Certificate Course in Plantation Accounting & Financial Management	01	14 months	15
09	Certificate Course in Bookkeeping & Plantation Accounting	01	12 months	16
10	Certificate Course in Microfinance	01	10 days	25
Total		10		197

Table No. 02

Progress of the Income Generating Training Programmes – 2020

The Institute has conducted 17 income generated programmes out of the 27 programmes in the Action Plan. The progress of the programmes conducted was 62% in the year 2020. During the year, the Institute achieved financial progress of 59% against the expected training income. The number of trainees for the year 2020 was 453 plantation estate employees, out of the target of 507, which is 90% of the target. A negative impact was reported on the training progress during the year 2020 due to COVID -19 pandemic situation.



Physical and Financial Progress of Training Programme for the Year 2020

Name of Programmes	Budgeted			Actual			Progress		
	No of Programmes	No. of Students	Income	No of Programmes	No. of Students	Income	No of Programmes	No. of Students	Income
Academic Programme	8	157	11.51	2	47	0.96	25%	27%	8%
Skill Development Programmes	2	29	0.81	1	14	0.28	50%	48%	35%
Technical Development	1	14	0.46	1	14	0.46	100%	100%	100%
Special Workshops and Training Programmes	10	119	0.75	7	164	0.52	70%	138%	69%
Management Development Programmes	3	58	0.44	1	43	0.29	33%	74%	64%
13 Year Education Programme	2	70	25.06	3	71	13.48	150%	101%	53%
Worker Development	1	60	0.03	2	100	0.06	200%	200%	200%
Total	27	507	39.06	17	453	16.05	62%	90%	41%
Outside Exams	-		0.86	-	-	0.94	-	-	109%
Income from Ongoing Academic Programmes 2019/2020	-		-	-	-	6.60	-	-	-
Income from Other Training Activities	-		-	-	-	0.14	-	-	-
Total Academic Income	27	507	39.92	17	453	23.73	62%	90%	59%

Table No. 03

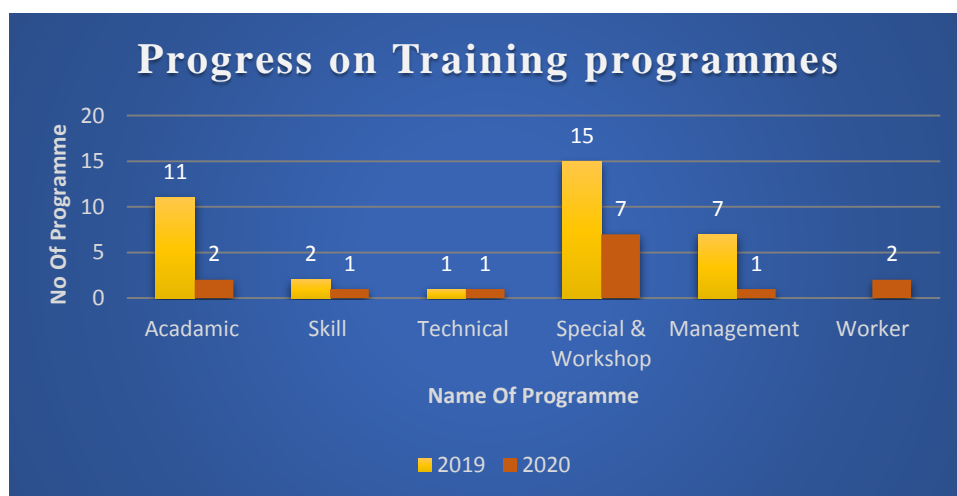


Chart 01

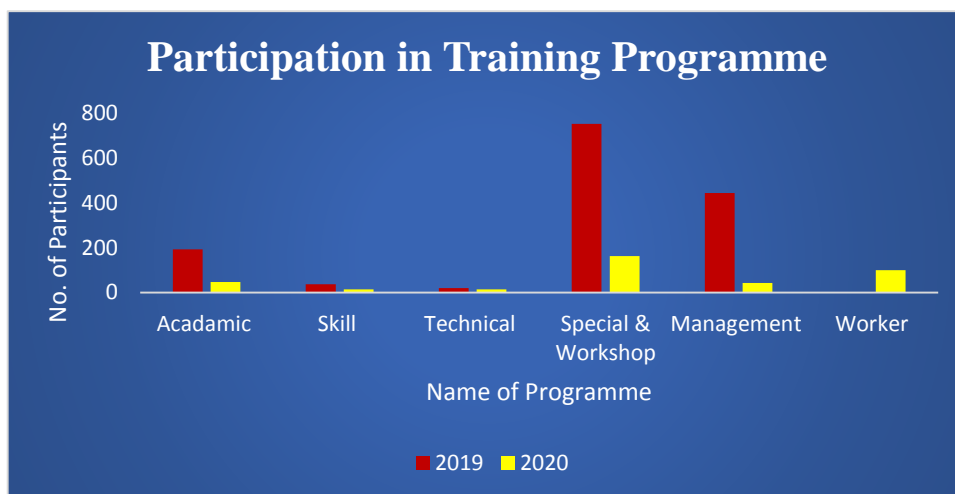


Chart 02

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 2020, the Institute has reported a net income of 14.66Mn from the training programmes with an average profit margin of 62% on the total training income of Rs. 23.58 Mn. As per the previous year statistics, it was reported a net income of Rs. 43.89 Mn. from the training income of Rs 69.01 Mn. therefore, the net income has decreased by 77% compared with the previous year training surplus.

The analysis of the profit and loss for each category of programmes is given below in table No. 04.

Name of Programme	Income (Rs. mn)	Cost (Rs. mn)	Profit/Loss	Profit margin
Academic and Professional Programmes Including Last Year Batches	7.55	3.11	4.44	58%
Management Development	0.29	0.17	0.12	41%
Technical Development	0.46	0.13	0.33	72%
Skill Development	0.28	0.14	0.14	50%
Worker Development Programmes	0.06	0.04	0.02	33%
Workshops and Special Programmes	0.52	0.18	0.34	65%
13 Year Education Programmes	13.48	4.61	8.87	65%
Income from External Examinations	0.94	0.54	0.40	42%
Total	23.58	8.75	14.66	62%

Table No. 04

Competency Development Programmes for School Leavers under National Vocational Qualification (NVQ) Level-4

The Institute successfully conducted NVQ Level -4 courses together with the students attached to the 13 Year Guaranteed Education Programme which is organized by the Ministry of Education and in this programme aims to fulfil the following objectives;

- Provide opportunities to all children to join a vocational stream after the GCE O/L including those children who will not achieve higher academic performance at GCE O/L.
- Provide flexible learning opportunities to meet the needs of all children after the GCE O/L.
- And enable the participation in the higher education for further learning process or joining the world of work.
- Introduce vocational subjects with highly demanded job opportunities at the national and international level.



Following the basis of the NVQ framework, the NIPM conducted two NVQ level 4 courses to fulfil the 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 rigour to improve efficiency and effectiveness with which information is used for decision making and performance monitoring at the factory level.
- Assist the plantation companies and private tea factories in the identification and selection of the most appropriate candidates as trainee tea factory officers.

Field Officer

- To introduce agricultural practices and estate management, and provide training in the theoretical, technical and managerial aspects of the plantation agriculture 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 students who have successfully completed Tea Field Officer and Tea Factory Officer Courses, were able to find job opportunities.

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 and 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 10 examinations and earned 0.94 Mn.in the year 2020. The following table No. 07 shows the details of such examinations.

Examinations Conduct in 2020

Organization	No. of Examinations	No. of Candidates	Income Generated Rs. Mn
Efficiency Bar Examination for Coconut Development Authority	1	44	0.210
Efficiency Bar Examination for Coconut Research Institute	1	22	0.130
Written Examination for Improve the Potential of Asst.SD/SD Elakaduwa Plantations	1	11	0.014
Efficiency Bar Examination for Sri Lanka Tea Board	1	11	0.026
Efficiency Bar Examination for Sri Lanka Tea Board	1	2	0.017
Efficiency Bar Examination for Sri Lanka Tea Board	1	3	0.024
Efficiency Bar Examination for Coconut Development Authority	1	23	0.158
Efficiency Bar Examination for National Livestock Development	1	131	0.313
Efficiency Bar Examination for Sri Lanka Tea Board	1	1	0.021
Efficiency Bar Examination for Sri Lanka Tea Board	1	8	0.025
Total	10	256	0.941

Table No. 05

B.Sc. Degree in Plantation Management

This degree programme was offered in 2006 by the National Institute of Plantation Management jointly with Faculty of Agriculture and Plantation Management of Wayamba University of Sri Lanka.

This was specially designed and targeted for senior and middle-level managers, executives, and technical officers in the plantation and related sectors. Students who completed diploma programmes



conducted by the institute with the relevant experience are entitled to apply for this degree programme. This will provide then with advanced knowledge and comprehensive professional and academic training enabling them to be effective and efficient managers in their respective organizations.

The programme is of three-year duration with six semesters and the resource panel is comprised of senior academic staff and researchers working in different institutions. The intended outcomes of this degree programme are as follows;

- To provide opportunities for managerial, executive, and technical level employees of the plantation sector to improve and develop technical and managerial skills in plantation management by
 - Offering theoretical and practical knowledge
 - Arranging practical classes, exposing students to laboratory techniques and instrument handling,
 - Arranging visits to relevant organizations to gain knowledge in practical applications of relevant study areas.
- To provide a high degree of scientific background in advanced plantation and plantation technology and aspects of management.
- To help plantation managers and executives to identify global changes with regard to technology, extent environment, the tendency of the market for plantation crops, consumer behavior.

The details of registered students who have successfully completed the programme are given below;

Details of Registered and 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	70
12.	2017	117	48
13.	2018	143	55
14.	2019	180	73
15.	2020	275	yet to complete

Table No 06

Capacity Development Programmes for Smallholders – 2020

The Institute has identified the importance of the smallholding sector, their contribution to the Plantation Industry and importance of developing the human resources of the sector. Conveying this message to the treasury it was possible to allocate a significant amount of funds from the Institute's budget under the Capacity Development Programmes for the smallholders. With a view to improving their knowledge and increasing the income of the smallholders, the Institute had scheduled 83 training programmes with the financial allocation of Rs 4.15 Mn. in 2020. However, it has to be rescheduled 50 programmes with financial allocation of 2.5 Mn. due to the COVID -19 pandemic issue.

However, due to various constrain faced by the Institute, the Institute conducted 14 programmes for smallholders incurring Rs 0.52 Mn. in the year 2020. The following Programmes have been conducted for smallholders.

- Alcohol Prevention
- Attitude Development
- Management Development
- Entrepreneur Development
- Technical Skills Development



The details of the conducted Capacity Building Programmes for smallholders are given below in table No. 05.

The Details of Conducted Capacity Building Programmes for Smallholders

Type of Programme	Expected Programmes	Expected Participants	Estimated Cost (Rs Mn)	No. of Programmes	No. of Participants	Cost (Rs. Mn.)
Rubber Smallholders	15	750	0.75	3	98	0.12
Tea Smallholders	15	750	0.75	6	331	0.20
Coconut Smallholders	12	600	0.6	3	170	0.12
Other Crops	8	400	0.4	2	94	0.08
Total Achieved	-	-	-	14	693	0.52
Total Planned	50	2,500	2.5	-	-	-
Progress	-	-	-	24%	28%	20%

Table No 07

In the year 2020, the Institute planned 50 programmes and has conducted only 14 programmes with 24% of physical progress and 20% of Financial Progress.

Progress of Training Programmes against the Previous Year

When compared with the year 2019, there was observed a slight decrease in the number of programmes, number of participants and the income. The main reason for this decrease was the COVID-19 pandemic in the country. It badly affected the practical based training and field training of the Institute.

It was reported 66% of decrease in the number of programmes and a 62% of decrease of participants in income generating programmes. The income from the training programmes has decreased by 86%. In the year 2019, the main income of the Institute was the 13 Year Guaranteed Education Programme.

However, the expected income of the particular programme was not generated due to the COVID -19 pandemic situation in the year 2020.

The number of programmes and number of participants in the smallholding sector training programmes has been decreased by 89% and 87% respectively. Utilization of funds for the small holders' programmes also decreased by 88% compared to the previous years.

Summary of the Training Progress of the Year 2020 against 2019

	2019	2020	Percentage Increase/ (Decrease)
No. of Programmes (income generated programmes)	41	17	-41%
No. of Participants (income generated programmes)	1015	449	-55%
Training Income (Rs. Mn.)	69.29	23.73	-65%
No. of Programmes for Small Holders	106	14	-86%
No. of Smallholders Trained	5414	693	-87%
Cost Incurred on Training of Small Holders (Rs. Mn.)	3.64	0.52	-85%

Table No. 08



Professional Membership of the Institute

The Institute continued to confer professional membership of the Institute to eligible Plantation Executives based on the criteria and conditions constituted in Act No. 5 of 1987. During the year under review, the Institute awarded nine (09) associate memberships to six (06) executives.

At the end of the year, the total numbers of memberships holders under each category are listed below.



Honorary Membership	22
Fellow Membership	227
Associate Membership	29
Student Membership	01
Total	281

Table No 09

During the year 2020 the Institute planned to organize and conduct an awareness workshop on Integrated Approaches to Sustainable Plantation Management in Sri Lanka: Re-engineering the way forward and aims to share the information among the members. Considering the prevailing COVID-19 situation in the country, it was shifted to the year 2021 and held at the Hotel Queensbury in February 2021 with the participation of professional members.

Facilities Available

• Library Facilities

More than 4200 sources of information are available in the library of the National Institute of Plantation Management & they are categorized as books, Magazines and periodicals, Posters, Leaflets, articles and CDs and DVDs. Further, those sources are being developed into two categories; lending collection and reference collection. Moreover, all the above information sources are categorized according to DDC.

The library of the National Institute of Plantation Management already owns a valuable collection of books related to the Plantation Industries such as Tea, Rubber, Coconut, Cashew and Agriculture. Further, it has a collection of books related to Accounting, Management, Human Resource Management Marketing, Biology, Physics, Chemistry, Mathematics, Computer Science, English Language, General Knowledge and Entertainment. Further, the library provides the services of reading, lending, reference and extension services. Finally, the library of the NIPM has kept its first step of the evaluation of the library into a



research library by converting it into an automated library. It is expected to complete its work by 2021.

- **Learning Centre**

The Institute has a learning center to fulfil the practical needs of the existing diploma programmes and prospective planters in the country in order to familiarize with all aspects of Tea Manufacturing Operations. This centre is equipped with modern tea manufacturing machines and an excellent tea tasting room, which can be accommodated 20 students at a time.



- **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 the Aturugiriya center consist of three lecture halls and an auditorium with air-conditioning facilities. The people auditorium can accommodate 200 people at a time. Hostel facilities can be provided for 60 people.

Hostel Aturugiriya



Regional Centre – Bogawanthalawa

A regional centre of the NIPM, located in Bogawanthalawa, is also conducting training programmes. It should certainly be improved up to a training centre with modern facilities. The Auditorium has a capacity of nearly 100 people and two medium sized lecture halls with a capacity of 50 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 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 centre and therefore, necessary workers are employed on a contractual basis during training sessions with the prior approval from the Director. There are three workers and one watcher on a casual basis at present.

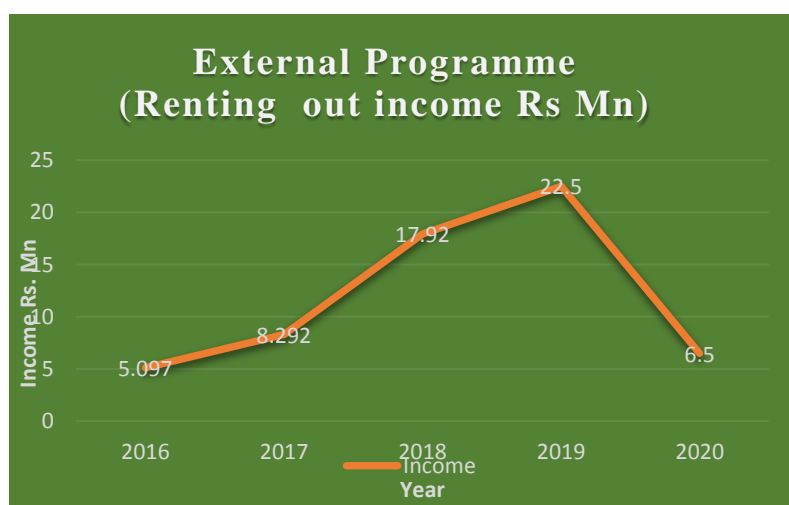
Regional Centre - Deniyaya

A was Established in 2018 at Diyadawa to provide training programmes and facilities for Southern Province, Which can accommodate 40 students at a time.

Renting out Facilities

The earnings from renting out facilities such as hostel, lecture halls, meals, etc; are shown in the following graph.

It has been observed that a drastic decrease in the income from renting out facilities to outside organizations in 2020, as many organizations did not conduct Programmes due to COVID 19 pandemic situation.



Our Activities



Starting work for 2020 the Director/ CEO and staff of the NIPM started their duties for the year 2020, by declaring the state service oath in front of the National Flag.

The National Institute of Plantation Management Commemorated 72nd Independence Day on February 4th 2020, after the Independence Day celebration, the Institute organized its consecutive 4th “NIPM Challenge Trophy” cricket tournament. All staff, students attached to the NIPM and members of the Alumni Association also were part of the event which was held at Steel Corporations Play Ground, Aturugiriya.



Former Secretary to the State Ministry of Foreign Affairs, Mr. A.L.A. Asoka Siriwardana, has been appointed as the Chairman of the National Institute of Plantation Management

The NIPM Learning Centre was declared open on 24th September 2020 by Hon. Dr. Ramesh Pathirana, Minister of Plantation with the participation of Hon. Kanaka Herath, State Minister of Company Estate Reforms, Tea Estate Related Crops, Tea Factory Modernization and Tea Export Promotion.



Financial Review

Performance

The following table No. 10, shows the comparison of the summary of the Financial Performance in the year 2020 compared to 2019.

	2020 (Rs. Mn.)	2019 (Rs.Mn.)	Difference (Rs Mn)	Progress (%)
Total Income	210.34	244.62	-34.28	-14.0%
<u>Government Grant</u>				
Recurrent Grant	57.81	54.00	4.81	8.9%
Capital Grant	25.75	21.00	4.75	22.6%
Grants on Special Development Projects	80.81	60.78	20.03	32.9%
Training Income	23.74	69.29	-45.54	-65.7%
Other Income	22.21	39.55	-17.34	-43.8%
Total Expenditure	113.52	138.82	-25.29	-18.2%
Salaries, Wages and Employee Benefit	45.13	43.42	1.72	3.9%
Training and Academic Expenditure	11.34	32.39	-21.04	-64.9%
Other Expenditure	57.03	63.01	-5.97	-9.4%
Net Surplus	96.81	105.89	-9.07	-8.5%

Table No. 10

In the year 2020, the Institute has shown a considerable progress in receiving the Recurrent, Capital and the Grants on Special Development Project from the Treasury, compared to the year 2019. The treasury grant income a the significant factor in the net surplus recorded in the year 2020.

The income earned through training programmes in the year 2020 has declined by Rs. 45.54 Mn. reporting unfavourable progress of 65.7% compared to the year 2019. This unfavorable result is reflected because of the COVID 19 pandemic in 2020. The scheduled programmes had to be cancelled and postponed on that issue.

As per the financial statements of the year 2020, total expenditure has reduced by Rs. 25.29 Mn, recording 18.2% negative progress due to the decline in the cost of training and other expenditure respectively.

Salaries, wages and employee benefits have been increased in the year 2020 by 3.9% compared to the previous year, However, the training expenditure has decreased by Rs 21.04 Mn. reporting negative progress of 64.9% relating to the decreasing ratio of the training income.

Other expenditures, including the value of depreciation, recorded a decrease of Rs 5.97 Mn. It was a 9.4% decrease with compared to previous year.

The net surplus of Rs 96.81 Mn has been recorded in the year 2020, with a decrease of 8.5% net surplus when compared to the previous year.

Even though, this decline can be seen in the entire economy of the country as a result of the closure of the entire world due to the COVID 19, the management of the Institute was able to maintain a significant level of progress as a whole.

Progress of the Financial Position in 2020 Compared to 2019

The table below shows the changes in the financial position of 2020 as compared to 2019.

	2020	2019	Difference	Progress
Total Asset	978.14	873.56	104.58	11.9%
Current Asset	272.01	247.13	24.88	10.0%
Current Liabilities	28.11	21.36	6.75	31.6%
Current Ratio	9.67	11.56	-1.89	-16.3%
Net Asset	940.68	843.91	96.77	11.46%

Table No. 11

The increase in the current assets was reported as 10% as a result of an increase in the cash and cash equivalents at the end of the year 2020. The current liability also increased by 31.6% due to an increase in payable arising on the main development projects. Therefore, it reflects a decrease in the Current Ratio by 16.3% compared with the year 2019. However, it represents an excellent financial position in taking the Current Ratio rate to the 9.67% level.

Net Assets

Total Net Assets have increased up to Rs. 940.68 Mn as a result of generating a surplus of Rs. 96.87Mn during the year 2020. It is an 11.4% increase compared to the year 2019. The investment in the construction of the new building with lecture halls and an R & D unit was affected on the increment. The Government has granted a sum of Rs. 80.81 Mn for this new building, which includes The Lecture Halls and Research and Development Unit, in parallel to the development of the Institute up to a Degree Awarding Institute. Moreover, a sum of Rs. 25.75 Mn has been granted for Capital Expenditure for the year 2020. The following chart No 03 shows the incremental trend of the net assets from 2014 to 2020.

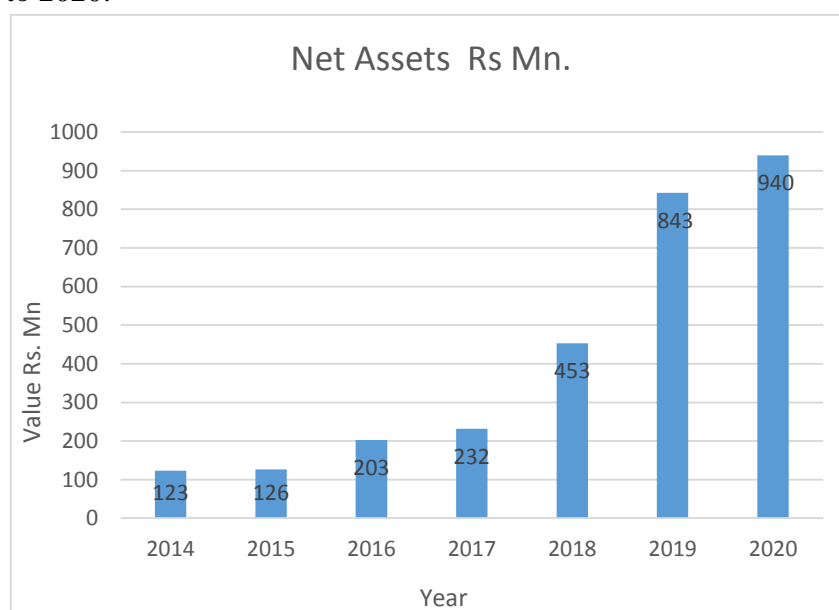


Chart No 3

Liquidity Status

The current ratio of the Institute was 9.67 times for each current liability as of the end of 2020, which indicates healthy financial stability has been maintained by the Institute in the year 2020. However, the Current Ratio of 2019 was 11.56 times for each current liability, which represents a decrease in the ratio during 2020 because of the increase in current liabilities during the period.

Investment in Property Plant and Equipment

In 2020, The Institute acquired tangible assets of Rs 41.99 Mn and Rs 0.24 Mn intangible assets during the year 2020. There by the net value of property plant and equipment was reported as Rs 502.49 Mn at the end of the year 2020. The Institute converted an old building as a learning centre including a modern Tea Testing Room with an investment of Rs 12.46 Mn for the building renovation, and Rs 14.00. Mn for the installation of mini tea processing machinery during the year 2020. The Institute purchased furniture fittings valued at Rs 4.00 Mn. and increased the library book count by Rs 2.02 Mn.



NIPM Learning Center and Tea Testing Unit

In addition to the above, the Institute has developed its training and infrastructure facilities to improve the Institute towards Degree Awarding Status in the near future. The first phase of the project was completed in 2020 with a total financial assistance of Rs. 216.9 Mn granted by the government from 2017 to 2020. The invested amount for the building has been recorded as the work in progress value of Rs 199. Mn since it is in the contraction phase. The second phase of the project will be commenced in 2021 using the generated funds of the Institute.

Summary of Capital Expenditure against the Budget 2020

The Institute received Rs. 25.75 Mn. from the treasury for capital expenditure in the year 2020. Total capital expenditure incurred for the year was Rs 34.60 Mn. Therefore, the Institute had to utilize the sum of Rs 8.85 Mn. from the generated income to finance the capital expenditure. The following Table No. 12 indicates the details of the capital expenditure incurred during the year against the budgeted amount.

Capital Items	Budget Rs.Mn.	Actual Rs.Mn.	Progress
Capital Asset Improvement and Renovations	12.01	8.13	67.6%
Furniture and Improvement	11.83	9.37	79.2%
Plant and Machineries	12.00	12.14	101.1%
Land Improvements	3.00	1.14	38.0%
Software Development	3.00	2.66	88.6
Capacity Development	4.75	0.72	15.1%
Other Investment	0.30	0.19	63.3%
Total	46.90	34.60	73.7%

Table No. 12

Challenges Faced by the Institute during the Year 2020

The functions of the Institute had to shut down for a considerable period during 2020 due to COVID 19 pandemic situation not only for the Institute but also for the whole country. All functions of the Institute had to be temporally postponed since the Institute function is based on the educational background and deals with the students' participation. Specially, we had to stop essential programmes such as the Capacity Development Programme for smallholders in the field and therefore, the Institute had to find alternative solutions to continue the programmes.

In 2020, the Institute faced an extremely challenging situation due to shortages of employees on compulsory leave due to quarantine and pandemic curfew. Our client base also suffered severe damage from this issue and they also felt the shortage of staff due to the inability to stay in the office and the workstations.

Further to the above, the Institute was impacted by the negative consequences of the global economic crash due to COVID 19 pandemic from the year 2020 onwards.

The construction phase of the new building with lecture halls and an R & D unit has been delayed due to the above circumstances and it has been forecasted that the completion date of the new building has to be extended and project deliverables such as obtaining the Degree Awarding Status for the Institute will be deferred towards 2022 beyond the expected time period.

Furthermore, the Institute has to spend its own generated funds of Rs. 26.0 Mn. for the existing building to launch a modern tea processing factory with a tea tasting unit, and a new learning centre complex for the NVQ students. The capacity of the learning centre is up to 300 kg of green leaves at a time.

The Institute is planning to establish the similar type of learning centre for other major agricultural products like coconut and rubber.

Conclusion

The Institute was able to maintain its financial stability even though the Institute had to shut down its functions temporarily due to the spread of COVID 19 pandemic. However, It was happy to inform here that the government has granted the sum of Rs. 164.37 Mn. during the year 2020 as Recurrent, Capital and Special Development Project grants despite the issues faced by the Government. Total net asset value has increased up to Rs. 940.68 Mn at the end of 2020.

Whereas the training income has declined due to pandemic issues faced by the entire world. Therefore the Institute had to conduct the theoretical parts of the recognized training programme in virtual mode and also revised the course modules appropriately. This resulted to reduce the course fee to some extent with the new revision of the course modules.

The Institute could be able to develop the courses from NVQ level 4 to NVQ level 6 during the reporting period, especially NVQ level 4 programmes that have been developed for the student who has not completed the G C E O/L examination successfully. This 13 Year Guaranteed Education Programme was introduced by the Ministry of Education. All facilities of the Institute have to be developed by the Institute towards the prompt target as the Degree Awarding Institute to obtain NVQ Level 7 by 2021/22.

As a government organization, the NIPM plays a vital role to meet the goals of Quality Education and Economic Growth in Sustainable Development Goals which have to be achieved by 2030.



A.L.A. Asoka Siriwardana
The Chairman/ NIPM
20.07.2021

2020

FINANCIAL STATEMENTS

**NATIONAL INSTITUTE OF PLANTATION
MANAGEMENT**

**M. D. H. Jayawardana Mawatha,
Athurugiriya**

28th February 2021

Financial Report

Page Nos.

Accounting Policies and Notes	41-50
Statement of Financial Position	51-52
Statement of Financial Performance	53
Cash Flow Statements	54-55
Statement of Changes in Equity/Net assets	56
Budgeted and Actual Performance	57
Notes and schedules	58-63
Schedule of Property Plant and Equipment	64-65
Schedule of Intangible Assets	66
Notes and Schedules (cont.,)	67-83
Segmental Report	84-85
Financial Highlight	86-87
Audit Report	88-96

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

ACCOUNTING POLICIES AND THE NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR 2020

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. This Act 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, NIPM is the only government organization empowered to award certificates to those who successfully complete training Programmes/academic courses and confer professional membership to eligible plantation executives. It ensures 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. (APFASL)

2.2 Basis of Measurement

The financial statements have been prepared in accordance with the historical cost basis except for following material

items in the statement of financial position.

- Vehicles are presented in revaluation basis.
- Property plant and equipment were revalued in order to adapt Public Sector Accounting Standard in 2014 and presented in the financial statement. Cost model is applicable for annual reporting period and the subsequent years. The properties of Bogawanthalawa Regional Centre were revalued and reported in the financial statement with effect from 2015.
- Retirement benefit Obligation recognized based on Actuarial Valuation method according to year end bond rate.
- Land has been revalued in 2019 and shown in the financial statement

2.3 Functional and Presentation Currency

These Financial statements are presented in Sri Lanka Rupees (LKR) which is

functional currency of the Sri Lanka and convert all other currencies into LKR.

3.0 Summary of Significant Accounting Policies

Financial statements 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 activities, 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 are acquired separately and 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 prospective basis.

Computer Software

Computer software which has been developed for Accounting, Payroll, Training Statistics, GIS and Resource Management Software system are recognized as intangible Assets to the

Institute, since it is not a part of the operational system of the computer. These assets are written off from the Account over 4 years.

The Development Cost of Course Curriculum

The Development cost of the course curriculums have been recognized as

intangible assets and the useful life of the prepared modules (written) is four years.

NIPM Theme Song

The Institute has composed a theme song and music directed with the visuals. The cost of composition and music direction

are considered as an intangible asset of the Institute. The amortization cost does not apply for the cost of theme song.

The estimated useful lives of intangible assets are as follows.

<i>Description</i>	<i>Computer software</i>	<i>Development cost of course curriculum</i>	<i>NIPM theme song</i>
<i>Useful lives</i>	<i>4 years</i>	<i>4 years</i>	<i>N/A</i>

3.2 The Capacity Development Programmes for Smallholders and School Leavers

The Institute conducts capacity development programmes for smallholders to uplift their living standards and to enhance their competencies. 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 their knowledge to enhance expected levels of agricultural practices with a view to producing high quality end product to 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) framework to enhance the competencies of youth 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 0.53 Mn. to enhance the knowledge of the plantation smallholders and ground level workers conducting 14 Programmes in 2020 and .

three NVQ level 4 Programmes for the school leavers under 13 year guaranteed education programme. Due to covid -19 pandemic, the smallholders training programme have been postponed to 2021.

3.3 **Property Plant and Equipment**

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, which 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)

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

Exceptions

- The cost of plant and machineries, office equipment 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
Other Equipment	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 is 10 years which is categorized under plant and machinery.
- Linen, cutleries, small lab equipment and ceramic items are recognized as consumable assets with effect from 2019.

The following assets are categorized 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.

3.3.2 Basis of measurement

All Property Plant and Equipment are depreciated according to the cost model and vehicles are reported in accordance with the

Revaluation model. The Lands belongs to the Institute has not been depreciated.

3.3.3 Disposal

The carrying amount of the item of Property Plant and Equipment are de-recognized when there is no future economic benefit. The gains or losses on disposal are determined by comparing

proceeds with carrying amount with disposed value. The disposal gain or losses include in the Statement of Financial Performance.

3.3.4 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.

3.3.5 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 as per the Land Acquisition Act. The compensation of Rs 155.0 million

received to the Institute in October 2018 and it kept under security deposit to use for the second phase of the special development project which is in progress from 2017 to 2021

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, linen, cutleries 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

Item	Caring value at fair value (LKR)	Cost to sell	Caring value at fair value (LKR)
Stationary	527,295.30	-	527,295.30
Printing materials	1291720.00	-	1,291,720.00
Welfare items	35,839.00	-	35,839.00
Consumable items	128,081.80	-	128081.80
Maintenances material	232,340.00	-	232,340.00
Publications	819,850.00	-	819,850.00
		-	

Cutlery and linen items and lab equipment

Linen item	1265947.50	-	1265947.50
Cutlery and ceramic	219,444.00	-	219444.00
Lab equipment	68,392.50	-	68392.50
total	4,588,910.10		4,588,910.10

Donated Publication stocks

Value of donated publication books include in the publication stock and it has been shown as the differed income 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 staff loan, receivables and deposits on the date that they are originated. The Institute

recognizes a financial assets to the cash flows from the asset expire or en-cash..

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 does 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-employment benefit plan other than the defined contribution plan. The Institute's net obligation in respect of defined benefit plan (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. 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 in the fixed deposit for the equal amount of the gratuity provision in Bank of Ceylon, Athurugiriya branch to secure the payment on time.

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

A defined contribution plan is a post-employment benefit 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 contributes 12% for EPF and 3% for ETF and recognized as an employee benefit expenses.

9.0 Government Grant for Capital and Recurrent Expenditure

Sri Lanka Public Sector Accounting Standard (SLPSAS) introduced for the accounting of capital grant under SLPSAS 11 and applied to the financial statement in 2016 onward. As per the standard, capital grants are considered as the income of the

Institute in the Statement of Financial Performance. Recurrent grant is the income of the Institute according the standard and presented in the Statement of financial performance.

10. Provisions and Contingent Liabilities

10.1 Contingent Liability

There is no any contingent liability shown in the statement of

financial position in the year 2020.

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 47 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 recognized as short term course when course duration period is less than six months. The total programme income of the short term courses are shown in the statement of financial

performance. The total cost of the programme is recognized to the income statement by providing necessary adjustment under short term provision.

11.2 Long term training Programmes (ongoing training Programmes)

Long term training programme are recognized when course duration is more than six months. The revenue of these training courses are calculated using pro-

rata basis considering number of module completed during the year or number of effective months of the training programme which ever is applicable.

11.3 Bogawanthalawa Regional Centre

The Income and Expenditure of the Bogawanthalawa Regional Centre

are reported 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 additional 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 to 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 other material events occurring after the date of the statement of financial position that require adjustments.

Disclosure events

- Deactivate of the VAT registration
The Department of Inland Revenue deactivated the VAT registration with effect from 01/01/2020 due to liable turnover is not exceed the applicable limit

New Development projects

Institute upgrade its training facilities towards the plantation sector development in accordance with the degree awarding Institute. First phase of the building project have been completed in 2020 and the second phase of the building construction will be started in 2021. In parallel to above course curriculum of the three degree Programmes.

13.0 **Changes in Accounting Policy**

With effect from 01/01/2019, all hostel cutleries, ceramic items and linen items are recognized as consumable asset. Any losses damages or impairment losses are

immediately recognized in the statement of Financial Performance in the reporting period itself.

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT
STATEMENT OF FINANCIAL POSITION

As at December 31

	<i>Notes</i>	<i>2020</i>	<i>2019</i>
ASSETS		<i>LKR</i>	<i>LKR</i>
Current Assets			
Cash And Cash Equivalents	14	18,557,323.03	4,792,291.33
Receivables	15	19,678,719.31	23,101,346.33
Inventories	16	4,588,910.10	3,967,720.14
Prepayments	17	21,257,750.53	22,810,766.76
Other Current Assets	18	207,936,454.12	192,466,222.03
		272,019,157.09	247,138,346.59
Non-Current Assets			
Receivables	19	2,034,328.11	2,257,069.74
Property Plant and Equipment	20	502,498,844.17	513,976,390.62
Intangible Assets	21	1,326,816.21	1,601,904.44
Other Non-Current Assets	22	200,267,626.69	108,591,969.09
		706,127,615.18	626,427,333.89
Total Assets		978,146,772.27	873,565,680.48

Liabilities			
Current Liabilities			
Payables	23	27,186,456.42	20,051,592.74
Short - Term Provisions	24	357,110.00	547,110.00
Employee Benefits	25	571,010.00	762,691.03
		28,114,576.42	21,361,393.77
Non- Current Liabilities			

Employee Benefits	26	9,250,014.91	8,192,410.74
Other Long Term Liabilities	27	96,332.93	101,129.87
		9,346,347.84	8,293,540.61
TOTAL LIABILITIES		37,460,924.26	29,654,934.38
NET ASSETS		940,685,848.01	843,910,746.10
NET ASSETS/EQUITY			
Capital Contributed by Government & Other Government Entities	28	35,490,371.21	35,490,371.21
Reserves	29	416,311,660.77	416,311,660.77
Accumulated Surpluses/ (Deficits)	30	488,883,816.03	392,108,714.12
TOTAL NET ASSETS/EQUITY		940,685,848.01	843,910,746.10

The Accounting policies and Notes on pages. 43 to 52 and Notes on pages to 86 from 54 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.

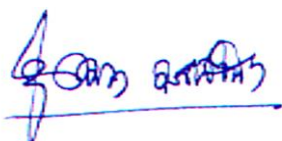


Dr. K. H. G.M. Prasad Dharmasena
Director, CEO / NIPM

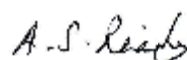


L. D. J. Priyantha
Accountant/NIPM

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.



A. L. A. Asoka Siriwardana.
Chairman/NIPM
Colombo



Aruni S. Ranasinghe
Board of Governor of NIPM
(Additional Secretary, Ministry of
Plantation)

26.03.2021

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended December 31,

REVENUE	Note	<i>2020 LKR</i>	<i>2019 LKR</i>
Government Recurrent Grants	31	57,811,000.00	54,000,000.00
Government Capital Grant	32	25,750,000.00	21,000,000.00
Government Grant for Special Development Project (MPI)	33	80,817,396.60	60,782,603.40
Generated Training Income	34	23,747,526.82	69,292,106.32
Renting Out of Residential Facilities	35	6,365,758.03	20,368,591.95
Interest Income	36	14,744,742.56	17,465,493.03
Other Income	37	1,105,182.27	1,721,091.18
TOTAL REVENUE		210,341,606.28	244,629,885.88
EXPENSES			
Wages, Salaries And Employee Benefits	38	45,139,623.93	43,417,746.30
Supplies And Consumable Used	39	4,114,293.09	5,013,920.48
Repairs And Maintenance	40	8,894,540.43	7,137,163.37
Communication And Utility Services	41	12,405,928.82	13,161,884.26
Training Expenses Including Capacity Building Programmes	42	11,349,815.35	32,392,533.77
Expenses In Relation To Renting Out Facilities	43	2,149,739.51	8,029,320.95
Expenses For Bogawanthalawa Regional Centre	44	1,864,514.71	2,888,019.69
Depreciation And Amortization Expenses	45	26,658,934.23	25,136,857.21
Other Expenses	46	948,348.50	1,642,796.45
TOTAL EXPENSES		113,525,738.57	138,820,242.48
Surplus/(Deficit) for the Period Attributable to Owners of Controlling Entity		96,815,867.71	105,809,643.40

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT			
CASH FLOW STATEMENTS			
<i>for the year ended</i>			
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>	-	31/12/2020	31/12/2019
-		LKR	LKR
Surplus (Deficit) for the year		96,815,867.71	105,809,643.40
<i>Less-Interest Income</i>		14,662,364.15	17,215,138.43
<i>Net Cash Inflow/(Outflow) From Operating Activities</i>		82,153,503.56	88,594,504.97
<u>NON CASH MOVEMENTS</u>			
<i>Depreciation</i>		26,135,846.00	24,677,970.21
<i>Amortization</i>		523,088.23	458,887.00
<i>(Over)/Under Provision of Retiring Gratuity</i>		865,923.14	(2,438,467.54)
<i>(Profit) /Loss on Sale/ Dispose of PPE</i>		20,098.82	45,648.18
<i>Value of Transfer from the PPE</i>		27,278,139.87	805,772.70
<i>Capital Grant from Government</i>		(106,567,396.60)	(81,782,603.40)
<i>(Over)/ Under Provision of Doubtful Debtors</i>		(215,740.06)	914,544.56
<i>(Increase)/ Decrease in Trade and Other Receivable</i>		3,595,667.76	(15,242,409.40)
<i>(Increase)/ Decrease in Inventories</i>		(621,189.96)	(2,212,791.92)
<i>(Increase)/ Decrease in Prepayments</i>		1,553,016.23	(9,733,724.54)
<i>(Increase) / Decrease in Other Current Assets</i>		(16,455,054.02)	24,122.25
<i>Increase / (Decrease) in Trade and Other Payables</i>		7,134,863.68	(2,051,537.80)
<i>Loss/ (Profit) on Amortization of Financial Instruments</i>		(82,378.41)	(250,354.60)
<i>Increase/ (Decrease) in Security Deposits-(Payable To Employees)</i>		(4,796.94)	(24,122.25)
<i>Increase/ (Decrease)in Short Term Provision</i>		(190,000.00)	547,110.00
<i>Net Cash flow from Operating Activities</i>		(57,029,912.26)	(86,261,956.55)
<u>Investing Activities</u>			
<i>Acquisition of Property Plant and Equipment</i>		(41,997,304.04)	(31,979,265.04)
<i>Acquisition of Intangible Assets</i>		(248,000.00)	(1,249,150.00)

<i>Investment in Short Term Deposits</i>		(177,578,156.99)	(17,691,536.65)
<i>Encashment Of Fixed/ Call Deposits</i>		176,324,094.59	-
<i>Payment Of Loan And Advances</i>		(2,608,000.00)	(3,544,140.00)
<i>Cash Recoveries From Loan And Advances</i>		2,955,819.36	3,422,054.49
<i>Interest Received</i>		16,901,248.48	18,191,197.57
<i>Investment on New Building Under Construction and Learning Centre</i>		(91,675,657.60)	(59,974,127.48)
<i>Net Cash Out Flow in Investing Activities</i>		(117,925,956.20)	(92,824,967.11)
<u>FINANCING ACTIVITIES</u>			
Government Grant for Capital Expenditure		25,750,000.00	21,000,000.00
Grant from Ministry of Plantation Industries		80,817,396.60	60,782,603.40
			-
<i>Net Cash Inflow in Financing Activities</i>		106,567,396.60	81,782,603.40
<i>Net (Decrease)/ Increase in Cash and Cash Equivalents</i>		13,765,031.70	(8,709,815.29)
<i>Cash and Cash Equivalent at Beginning of The Year</i>		4,792,291.33	13,502,106.62
<i>Balance of Cash and Cash Equivalents At the End of The Year Note 14</i>		18,557,323.03	4,792,291.33

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT
STATEMENT OF CHANGES IN NET ASSETS/EQUITY

For the year ended December 31, 2020

Statement of changes in Equity				
Descriptions	<i>Contributed Capital</i>	<i>Revaluation Reserves</i>	<i>Accumulated Surpluses/ (deficits)</i>	<i>Total Net Assets/Equity</i>
Balance as at December 31,2017	35,490,371.21	135,710,198.08	61,611,956.59	232,812,525.88
<i>Revaluation Transfer To Retained Earning</i>	-	(5,302,499.00)	5,302,499.00	-
<i>Net Gain From Disposal Of Land To Sri Lanka Army</i>	-	-	152,887,210.63	152,887,210.63
<i>Restated -Surplus For The Year 2018</i>	-	-	66,497,404.50	66,497,404.50
Balance as at December 31,2018	35,490,371.21	130,407,699.08	286,299,070.72	452,197,141.01
<i>Revaluation Of Land</i>	-	285,903,961.69	-	285,903,961.69
<i>Surplus For The Year 2019</i>	-	-	105,809,643.40	105,809,643.40
Balance as at December 31,2019	35,490,371.21	416,311,660.77	392,108,714.12	843,910,746.10
<i>Adjustment - See Bellow Note</i>	-	-	(40,765.80)	(40,765.80)
<i>Surplus For The Year 2020</i>	-	-	96,815,867.71	96,815,867.71
Balance as at December 31,2020	35,490,371.21	416,311,660.77	488,883,816.03	940,685,848.01

The adjustment has been made to Accumulated surplus account due to net effect on accounting error reported in 2019. The net amount arises as follows.

<i>Description</i>	<i>Dr</i>	<i>Cr</i>
<i>Water Tank Renovation Transferred to Recurrent Nature Expenditure form Building Account</i>	273,699.80	-
<i>Depreciation Over Charge on above Transaction</i>	-	12,223.00
<i>Depreciation Over Charge Furniture Account (Bogawantalawa)</i>	-	63,911.00
<i>Depreciation Over Charge On Building Account Due to Transferring of Equipment Rs 3,136,000/@5%</i>	-	156,800.00
<i>Total</i>	273,699.80	232,934.00
<i>Net Effect To The Retained Earning Account-</i>	-	40,765.80

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT
Budgeted and Actual Performance
For the year ended December 31, 2020 (Rs 000')

REVENUE		ACTUALS	BUDGETED	Progress
Government Grants	30	57,811	60,000	96%
Income from Government Capital Grant	31	25,750	29,750	87%
MPI Project Funds	32	80,817	80,817	100%
Training Income	33	23,748	39,854	60%
Renting Out Of Residential Facilities	34	6,366	8,440	75%
Interest Income	35	14,745	16,860	87%
Other Income	36	1,105	1,022	108%
TOTAL REVENUE		210,342	236,743	89%
RECURRNT EXPENSES				
Wages, Salaries And Employee Benefits	37	45,140	49,402	91%
Supplies And Consumable Used	39	4,114	5,511	75%
Repairs And Maintenance	39	8,895	9,817	91%
Communication And Utility Services	40	12,406	15,843	78%
Academic And Training Expenses , Including Capacity Development	41	11,350	22,901	50%
Expenses In Relation To Renting Out Facilities	42	2,150	3,055	70%
Expenses For Bogawathalawa Regional Centre	43	1,865	3,000	62%
Depreciation And Amortization Expenses	44	26,659	26,000	103%
Other Expenses	45	948	1,118	85%
TOTAL RECURRENT EXPENDITURE		113,526	136,647	83%
CAPITAL EXPENDITURE				
Property Plant and Equipment		26,384	41,856	63%
Development Project - MPI		91,676	123,317	74%
TOTAL CAPITAL EXPENDITURE		118,060	165,173	71%
TOTAL EXPENDITURE		231,585	301,820	77%
Government Grants				
Recurrent Expenditure		57,811	60,000	96%
Capital Expenditure		25,750	29,750	87%
Special Development Project		80,817	80,817	100%
TOTAL GRANTS		164,378	170,567	96%

The total released amount of the government grant has been spent in 2020, therefore the progress against the released government grants was 100%.

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

NOTE TO THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2020

		2020	2019
14	CASH AND CASH EQUIVANTS	LKR	LKR
	Bank of Ceylon Athurugiriya- 3697566	3,557,323.03	3,077,291.33
	Call Deposit Bank of Ceylon- AC No. 8693502	15,000,000.00	1,715,000.00
		18,557,323.03	4,792,291.33

15	RECEIVABLES- (SHORT TERM)		
a	Trade Receivables		
	Bogawanthalawa Tea Estate Plc	98,500.00	98,500.00
	Central Environment Authority	18,976.00	191,130.00
	Chanaka Weerakoon	-	15,000.00
	Coconut Cultivation Board	18,000.00	-
	Coconut Development Authority	164,502.50	-
	Coconut Research Institute	16,000.00	45,000.00
	Course Fees From Students	2,343,999.50	1,495,000.00
	Department Of Wildlife Conservation	634,172.00	-
	Dhanuska Jayasooriya	-	3,500.00
	Elkaduwa Plantation Plc	58,000.00	58,000.00
	Elpitiya Plantation Plc	655,000.00	825,000.00
	Hapugastanna Plantation Plc	20,000.00	93,000.00
	Hatton Plantation Plc	2,000.00	10,000.00
	Central Engineering Consultancy Services (Pvt) Ltd	201,961.29	-
	Irrigation Department	-	191,632.00
	Janatha Estate Development Board	56,000.00	71,000.00

	Kalubovityana Tea Factory Ltd	65,000.00	110,000.00
	Kurunegala Planation Plc.	2,000.00	-
	Lalan Rubber (Pvt) Ltd	22,000.00	-
	Madolsima Plantation Plc	-	140,000.00
	Maskeliya Planation Plc	12,000.00	32,000.00
	Mathurta Plantation Plc	270,000.00	270,000.00
	Ministry Of Education	13,488,810.32	14,934,727.00
	Ministry Of Plantation Industries	-	387,755.80
	Ministry Of Plantation - PMMD	8,000.00	-
	Morawaka Tea Producers Co. Society	-	-
	Mr A L S Sampath	12,000.00	-
	Mr. B B N Marasinghe	45,000.00	-
	Mr. C T Mathugama	45,000.00	-
	Mr. M P Amarasinghe	4,072.30	4,072.30
	Namunukula Plantation Plc	2,000.00	-
	National Development Enterprise Authority	6,000.00	-
	National Election Commission	-	8,797.50
	National Livestock Development Boards	52,115.00	-
	National Productivity Secretariat	-	676,981.40
	Nishamini Illanganthilke	-	285.00
	Plantation Housing Development Trust	-	5,310.00
	Pussallawa Plantation Plc	-	30,000.00
	State Ministry Of Bathik Handloom Textile	41,992.50	-
	Sri Lanka Bureau Of Foreign Employment	-	74,198.17
	Sri Lanka Tea Board	-	2,215,165.92

	Sugarcane Research Institute	2,000.00	-
	Tea Small Holder Development Authority	272,200.00	-
	Thalawakele Tea Estate Plc	2,000.00	215,000.00
	Udupussalawa Plantation Plc	-	45,000.00
	Mr. LDJ Priyantha	1,584.71	-
	Mrs. Ruvini Lokuhetti	3,332.67	-
	Mr. Keerthi Salath Kumara	549.86	-
	Mrs. U G M N Lakmali	5,604.00	-
	Mrs. B B Seuwandi	14.68	-
	Wayamba University (B.Sc. Degree)	2,075.00	2,075.00
	Total Trade receivables	18,652,462.33	22,248,130.09
	Less - Provision for Doubtful Debtors	(1,119,147.74)	(1,334,887.80)
	Net Total Trade Receivables	17,533,314.59	20,913,242.29

b	Loans and Advances to Employees	LKR	LKR
	Distress Loan-	2,135,904.72	2,177,354.04
	Festival Loan	7,500.00	8,750.00
	Special Advance	2,000.00	2,000.00
	Total Loan and advance	2,145,404.72	2,188,104.04
	At the beginning of the year	4,605,833.85	4,483,748.34
	Payment to the Employees	2,608,000.00	3,544,140.00
	Recoveries from the Employees	(2,955,819.36)	(3,422,054.49)
	Year-End Balance	4,258,014.49	4,605,833.85
	Short-Term - Loan and Advances Note 15 (B)	2,145,404.72	2,188,104.04
	Long Term Loan and Advances Note 19	2,112,609.77	2,417,729.81

	TOTAL SHORT TERM RECEVABLES	19,678,719.31	23,101,346.33
16	INVENTORIES	LKR	LKR
	Stationary And Office Requisites	527,295.30	523,125.00
	Printing Materials	1,291,720.00	1,094,998.00
	Maintenance Materials	232,340.00	86,305.00
	Welfare Items	35,839.00	55,026.00
	Consumables	128,081.80	71,381.60
	Dry Food Items	-	3,836.00
	Institute's Publication	819,850.00	835,700.00
	Linen Items	1,265,947.50	1,062,573.27
	Cutlery and Ceramic Items	219,444.00	234,775.27
	Laboratory Equipment	68,392.50	
	TOTAL INVENTORIES	4,588,910.10	3,967,720.14

17	PREPAYMENTS	LKR	LKR
	Motor Traffic Department (Revenue License)	48,192.68	37,235.72
	Metropolitan office (pvt) ltd - Service Agreement	21,292.00	18,809.60
	IDAC (PVT) Ltd- Service Agreement	15,150.00	10,062.51
	Gestetner Ceylon plc- Service Agreement	9,960.00	7,875.17
	CBA (Pvt) Ltd - service agreement	6,022.66	4,130.25
	John keells Office Automation - Service agreement	31,396.98	-
	Business machine Co Ltd - Service agreement	14,864.00	-
	Sri Lanka Insurance Co Ltd. fire policy	7,740.88	8,282.21
	Vehicles insurance	302,637.92	97,499.40
	Sri Lanka Insurance Co Ltd_ Medical Insurance	-	2,531,220.00
	Alliance insurance Lanka (Pvt) Ltd_ Medical Insurance	707,413.00	-

	Assessment tax - Town council 2021	65,622.06	65,642.33
	Science land Information Technology	57,337.00	59888.22
	Receivables from IRD(Excess input tax)	19,820,121.35	19,820,121.35
	R S Pideniya- fuel	150,000.00	150,000.00
	Total Prepayments	21,257,750.53	22,810,766.76

18	OTHER CURRENTS ASSETS	LKR	LKR
a	Short Term investments - held to maturity		
	Deposit For Development Of University Project	176,472,003.53	171,654,487.82
	Deposit For Gratuity Provision- Bank Of Ceylon	10,736,251.45	14,459,067.90
	Membership Deposit Account-Ac No.82338810	1,441,034.23	1,326,756.15
	Membership Deposit Account - Saving Accounts	449,430.03	404,345.01
	Interest Receivables- Bank Of Ceylon	2,281,550.99	4,520,435.28
	Total Short Term Investments	191,380,270.23	192,365,092.16
	Amortization Cost	-	-
	Total Short Term Investments	191,380,270.23	192,365,092.16
b	Security Deposits	LKR	LKR
	Mr. N.D.S.B.Tennakoon A/C No 1 - 0053-03-1521-4	-	14,276.18
	Mrs. G.Rajapakshe A/C No 1 - 0053-03-0319-4	3,909.03	3,624.68
	Mr. L D J Priyantha A/C No- 8634723	92,423.90	83,229.01
	Total Security Deposits	96,332.93	101,129.87
c	Work In Progress- Not Completed Work And Services	16,459,850.96	
	TOTAL OTHER CURRENT ASSETS	207,936,454.12	192,466,222.03

Hostel Building improvements, developing of Learning Management System and laboratory items have been included in the work in progress account, the value will be transferred to the Property plant and equipment immediately after practical usage.

19	RECEVABLE - LONG TERM	LKR	LKR
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	Distress loan-(over one year)	2,112,609.77	2,417,729.81
	Amortization cost	(78,281.66)	(160,660.07)
	Total long term receivables	2,034,328.11	2,257,069.74

20	PROPERTY PLANT AND EQUIPMENTS Page No	502,498,844.17	513,976,390.62
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	<p>The following effects have been identified due to the accounting errors reported in 2019</p> <p>* The cost of water tank renovation has been erroneously capitalized in the year 2019. Therefore it has been transferred to building maintenance account and the depreciated amount of Rs 12,223/- removed from the accumulated depreciation account. Net effect to the retained earnings was the reducing of Rs. 261,476.80.</p> <p>*The value of Rs 3,136,000/- transferred to equipment account form the building account , therefore building depreciation cost of Rs 156,800/- transferred to retained earning account due to over charged in 2019.</p> <p>* The over charged depreciation value of Rs 63,911/-due to transferring of furniture from equipment account, increased the retained earing account by the same value.</p> <p>*The net effect of the above transaction reduced the retained earing by Rs 40, 765.80 and this figure shows in the Statement in changes in Net assets.</p> <p>* The renovation cost of Rs 24,142,139.97 which was incurred for the renovation of hostel room and learning Centre during the year 2019 has been transferred to work in progress account. However the value of improvement of learning centre has been capitalizes in 2020. therefore the building cost has been reduced up to Rs 208,994, 645.89 as at 31/12/2020</p>		
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21	INTANGIBLE ASSETS Page No.	1,326,816.21	1,601,904.44
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	During the year 2020, the sum of Rs. 248,000/- valued intangible assets have been acquired by the Institute.		
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SCHEDULE OF PROPERTY, PLANT AND EQUIPMENTS									
Description	Land	Buildings		Equipment	Furniture	Motor Vehicles	Infrastures Assets	Library Books	Total
Cost									
As at 01/01/2019	1,096,038.31	199,670,457.38		28,325,373.82	14,188,518.82	33,965,100.00	19,566,901.24	3,090,168.56	299,902,558.13
Additions	-	24,415,839.77		4,199,662.64	1,059,672.70	1,400,740.00	420,978.00	482,371.93	31,979,265.04
Transfers	-			(1,365,392.10)		-		-	(1,365,392.10)
Revaluations	285,903,961.69								285,903,961.69
Disposals	-	-		(235,138.00)	(114,017.86)			-	(349,155.86)
As at 31/12/2019	287,000,000.00	224,086,297.15		30,924,506.36	15,134,173.66	35,365,840.00	19,987,879.24	3,572,540.49	616,071,236.90
Additions		12,460,188.41		22,090,476.38	3,999,066.50		1,419,387.40	2,028,185.35	41,997,304.04
Transfers		(27,551,839.67)		(277,169.00)	277,169.00				(27,551,839.67)
Revaluations	-								-
Disposals				(65,125.70)	(64,699.50)				(129,825.20)
As at 31/12/2020	287,000,000.00	208,994,645.89		52,672,688.04	19,345,709.66	35,365,840.00	21,407,266.64	5,600,725.84	630,386,876.07

Depreciations								
Accumulated as at 01/01/2019	-	37,669,556.70	14,799,417.07	4,311,554.44	10,098,298.05	9,202,736.34	2,198,440.55	78,280,003.15
Depreciation charge	-	9,995,745.63	4,294,365.31	1,494,068.95	6,832,160.40	1,881,313.17	180,316.75	24,677,970.21
Disposal		-	(235,138.00)	(68,369.68)				(303,507.68)
Revaluation Adjustment	-	-						-
Transfers	-	-	(559,619.40)				-	(559,619.40)
charged Over depreciation								
Accumulated as at 31/12/2019	-	47,665,302.33	18,299,024.98	5,737,253.71	16,930,458.45	11,084,049.51	2,378,757.30	102,094,846.28
Depreciation	-	9,995,703.50	5,503,381.61	1,556,797.32	7,073,165.40	1,881,313.17	125,485.00	26,135,846.00
Disposal-	-		(65,054.00)	(44,672.38)		-	-	(109,726.38)
Revaluation Adjustment	-	-					-	-
Transfers	-	(169,023.00)	(277,169.00)	213,258.00		-		(232,934.00)
Accumulated as at 31/12/2020	-	57,491,982.83	23,460,183.59	7,462,636.65	24,003,623.85	12,965,362.68	2,504,242.30	127,888,031.90
Net Book Value as at 2019/12/31	287,000,000.00	176,420,994.82	12,625,481.38	9,396,919.95	18,435,381.55	8,903,829.73	1,193,783.19	513,976,390.62
Net Book Value as at 2020/12/31	287,000,000.00	151,502,663.06	29,212,504.45	11,883,073.01	11,362,216.15	8,441,903.96	3,096,483.54	502,498,844.17

INTANGIBLE ASSETS

	Computer Accounting Soft Wear	Development Cost of Training Modules	Training Related Software	Resource Management Soft Wear	Web Design And Development	GIS Software	Theme Song	Total
Cost as at 01/01/2019	209,500.00	2,086,989.79	240,000.00	800,000.00	-	-	-	3,336,489.79
New acquisitions	300,000.00			-	270,000.00	339,150.00	340,000.00	1,249,150.00
As at 31/12/2019	509,500.00	2,086,989.79	240,000.00	800,000.00	270,000.00	339,150.00	340,000.00	4,585,639.79
Adjustment								
New acquisitions	-		248,000.00		-	-		248,000.00
As at 31/12/2020	509,500.00	2,086,989.79	488,000.00	800,000.00	270,000.00	339,150.00	340,000.00	4,833,639.79
Amortization as at 1/1/2019	209,490.00	1,541,055.00	239,990.00	534,313.35	-	-	-	2,524,848.35
Impairments								-
Amortization	-	351,122.00	-	75,000.00	16,273.00	16,492.00	-	458,887.00
as at 31/12/2019	209,490.00	1,892,177.00	239,990.00	609,313.35	16,273.00	16,492.00	-	2,983,735.35
Amortization	75,000.00	194,811.79	25,988.94	75,000.00	67,500.00	84,787.50	-	523,088.23
Impairments		-	-	-	-	-	-	-
As at 31/12/2020	284,490.00	2,086,988.79	265,978.94	684,313.35	83,773.00	101,279.50	-	3,506,823.58
Net Realizable Value 31/12/2019	300,010.00	194,812.79	10.00	190,686.65	253,727.00	322,658.00	340,000.00	1,601,904.44
Net Realizable Value 31/12/2020	225,010.00	1.00	222,021.06	115,686.65	186,227.00	237,870.50	340,000.00	1,326,816.21

22	OTHER NON-CURRENT ASSETS	LKR	LKR
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a	Deposit for infrastructure facilities		
	Post Master General	14,225.00	14,225.00
	Ceylon Gas Company	12,900.00	12,900.00
	Ceylon Electricity Board	264,050.00	264,050.00
	Sri Lanka Telecom - (Head Office)	6,300.00	6,300.00
	Sri Lanka Telecom - (RWPS at Bogawantalawa)	2,000.00	2,000.00
	TOTAL OTHER NON CURRENT ASSETS	299,475.00	299,475.00

b	Work in progress (New Building under Special project)		
	Building With Lecture Hall And R N D Unit - Under Constrictions (Completion In 2020)	199,968,151.69	105,313,400.49
	NIPM Learning Centre - Tea Machineries	-	2,979,093.60
		199,968,151.69	108,292,494.09

* First phase of the construction of Building with lecture hall facilities and R & D unit has been completed in Nov 2020, second phase of this project will be implemented in Jan, 2021

** Installation of tea manufacturing machines to the NIPM learning centre has been completed in July 2020. The tea manufacturing process started operation in September 2020. therefore the amount indicated in the WIP in 2019 has been capitalized in 2020

	TOTAL OTHER NON CURRENT ASSETS	200,267,626.69	108,591,969.09
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23	PAYABLES	LKR	LKR
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a	Creditors		
	CESL (Pvt) Ltd	16,994,327.89	-
	C and H Organization (PVt) Ltd	754,571.49	3,291,146.00
	Kanthi Builders	625,048.46	3,733,434.47
	Helix Engineering (Pvt) Ltd	1,410,462.00	-
	Liyakta Office Network (PVT) Ltd	46,396.50	46,396.50
	PYS software		180,000.00

	Frostair Industries (pvt) Ltd	36,053.75	36,053.75
	R Ramachandran	107,120.00	-
	Neil Motors	-	141,085.00
	Uni lanka Enterprises	-	188,275.00
	Teshora industries	99,000.00	-
	Sevana Builders and suppliers	145,018.92	145,018.92
	Athurigiriya Electricals	-	99,650.00
	Kumara Construction	319,013.51	1,231,101.39
	Indika Construction	-	331,358.67
	Firerex international (Pvt) Ltd	119,331.00	-
	Total Creditors	20,656,343.52	9,423,519.70

b	Accrued Expenses		
	Telephone	223,073.70	123,394.18
	Electricity bill -	145,071.23	228,475.50
	Fuel bill	128,490.47	257,224.23
	Building Maintenance	97,795.00	41,500.00
	Vehicle Maintenance	66,595.00	151,260.00
	Salaries Casual & contract employees (December)	64,015.71	90,576.75
	Stamp Duty - (Internal Revenue Department)		
	Traveling subsistence	13,800.00	3,600.00
	Overtime - December	92,582.00	214,886.00
	Periodicals & Newspapers -	5,420.00	4,760.00
	Employees' Trust Fund - December	75,087.70	73,075.24
	Employees' Provident fund	528,959.39	516,721.39
	Security Bill (Dec.)	322,470.00	404,082.00
	Allowances	31,000.00	98,250.00

	Salaries - Madulsiman Plantations Ltd.	99,180.00	
	Holiday pay	2,167.00	7,738.00
	Printing Materials	74,950.00	
	Lecture Fee for outside resources	263,625.00	757,325.00
	Stationary items	51,979.62	65,500.00
	Cleaning service	261,100.00	157,500.00
	Meals expenditure -	288,600.55	324,450.50
	Meals expenditure - inside programme	56,653.50	228,369.50
	Welfare items	89,757.00	
	Morawakkorale Rent	99,247.62	306,000.00
	Outside Exam Fees	200,989.60	
	Water Bills -	17,543.53	4,860.48
	Koratota Rural Development Society- Cleaning Labour		
	Consumable Item	43,389.00	
	Department Of IRD - Payee		
	Department Of IRD -WHT		29,948.04
	Promotion And Advertisement	555,976.00	1,173,000.00
	NIPM Welfare Society	110.00	360.00
	Daily Paid Wages	3,700.00	16,750.00
	Garden Upkeep		114,800.00
	Educational Materials		
	Lecture Fee Cancelled Cheques	15,425.88	
	Other Sundry Training Expenses	8,000.00	36,499.00
	Vehicle Hireling	2,200.00	40,180.00
	Equipment Maintenance	68,200.00	2,500.00
	Other Accrued Expenses	262,868.65	
	13 yeas education programme expenses		990,397.48

	Auditors Generals Departments- Audit fee	1,072,550.00	1,318,550.00
	Total Accrued Expenses	5,332,573.15	7,782,533.29

c	Other payables		
	Total Forward Course Fees	704,733.75	2,446,733.75
	Differed Income Donated Tea Development Project Publication	7,806.00	7,806.00
	Total Other payables	712,539.75	2,454,539.75

d	Refundable Deposits		
	Refundable Tender Deposits	479,000.00	389,000.00
	Refundable Library Deposits	6,000.00	2,000.00
	TOTAL	485,000.00	391,000.00

	TOTAL SHORT TERM PAYBLES	27,186,456.42	20,051,592.74
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24	SHORT-TERM PROVISIONS	LKR	LKR
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	Contingent Liability	2020	2019
	Balance as at 1/01		
	Charged to Income statement		
	Balance as at 31/12		
Contingent liabilities has not been recognized in 2020, but provision has made for the liabilities which will be paid due to conducting training programme with the Chartered Institute of personal Management.			
	Provision For Course Expenses	357,110.00	547,110.00
		357,110.00	547,110.00
25	EMPLOYEE BENEFITS	LKR	LKR
	Gratuity Payables- Within one year	571,010.00	762,691.03

		2020	2019
26	EMPLOYEE BENEFITS	LKR	LKR

	Gratuity payments - long term	9,250,014.91	8,192,410.74
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	Retirement benefit Obligation		
	At The Beginning Of The Year	8,955,101.77	11,393,569.31
	Benefit Paid To Employees	(1,077,737.50)	(1,652,615.00)
	Provision / (Reversed) Made During The Year.	1,943,660.64	(785,852.54)
	At The End Of The Year- Total Present Value Of Net Obligation	9,821,024.91	8,955,101.77
	Obligation Within One Year	571,010.00	762,691.03
	Present Value Of Net Obligation Over One Year	9,250,014.91	8,192,410.74
	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.		
	Discounting rate was 5.05% at the end of year 2020 according to the bond rate published by Central Bank of Sri Lanka. It was 8.45% in the year 2019.		
	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 has been calculated according to the category of the employee and their wage incremental rate as per the circular issued by the Department of Management Services(HM- MM, JM, MA, PL		
	Bank deposit are kept for the secure the payment on time.		

27	OTHER LONG TERM PAYABLES		
	Refundable Security Deposits-For Employees	96,332.93	101,129.87

28	CAPITAL CONTRIBUTED BY GOVERNMENT & OTHER GOVERNMENT ENTITIES	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	29,384,852.21
	TOTAL	35,490,371.21	35,490,371.21

29	RESERVES		
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	Revaluation reserve	416,311,660.77	416,311,660.77
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Revaluations- The motor vehicles are revalued within 3 to 5 years in accordance with the Accounting policy which is adapted by the Institute. 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. The next revaluation year would be in 2022			
		Revalued amount	Gain/(loss)
	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
	Revaluation gain from the vehicles at the beginning of the year	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)
	Revaluation surplus of the vehicles at the end of year	32,566,376.92	32,566,376.92
Building and furniture and equipment were 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 revaluation surplus of old training building transferred to retained earning account due to disposal of the building	(5,302,499.00)	
Total of Revaluation surplus at the end of year	130,407,699.08	135,710,198.08
Land of the Institute revalued at Rs 287,000,000 /-Mn as at 1/01/2019 and the revaluation gain transferred to revaluation account in 2019	285,903,961.69	-
Total revaluation value	416,311,660.77	-
Land was revalued on 18/09/2019 by professional valuer Mr. L. J. D. K. Silva, regional valuer (WP) of Valuation Department. Revalued amount is Rs 287,000,000/-. Therefore revaluation gain of Rs. 285,903,961.69 included in the statement of changes of net assets		
Value of the Books, and Infrastructure assets has not been revalued and therefore these assets were recorded at purchasing cost .		

30	ACCUMILATED SERPLUS/(DEFICITS)		
	Retained Earnings	488,883,816.03	392,108,714.12
		488,883,816.03	392,108,714.12

	GOVERNMENT GRANT	LKR	LKR
31	Recurrent grant	57,811,000.00	54,000,000.00
32	Capital Grant	25,750,000.00	21,000,000.00
33	Special Development project - Development of NIPM infrastructure facilities in accordance with plantation sector development toward degree awarding Institute	80,817,396.60	60,782,603.40
	Changes of Accounting Standard		

	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 which is arisen from the capital expenditure such as depreciation of the property plant and equipment and any impairment cost are accounted in each accounting period separately.		
34	GENERATED TRAINING INCOME	2020	2019
		LKR	LKR
a	ACADEMIC, AND PROFESSIONAL PROGRAMMES		
	National Diploma in Plantation Management	1,415,500.00	1,071,270.00
	National Diploma in Plantation-Extension Management- NVQ-5	1,351,000.00	1,499,000.00
	National Diploma in Plantation Crop Technology - NVQ-5	1,150,000.00	1,960,500.00
	Higher national Diploma in Planation Crop technology- NVQ-6	1,100,250.00	500,000.00
	Certificate course in Accounting and Financial Management	21,500.00	439,500.00
	Certificate course in Book-Keeping and Plantation Accounting	769,635.00	782,000.00
	Advance certificate course in Plantation, financial and cost Accounting	45,000.00	70,000.00
	Professional Programme in Tea Manufacture and Factory Practices	-	945,000.00
	Language Proficiency Examination	-	270,000.00
	Certificate course in Micro Finance	50,500.00	1,549,500.00
	Certificate course in Agriculture technology	30,000.00	260,000.00
	Certificate course in Human Recourse management	-	286,000.00
		5,933,385.00	9,632,770.00
b	MANAGEMENT AND TECHNICAL DEVELOPMENT PROGRAMMES		
	Management Development Programmes	290,000.00	2,210,640.00
	Technical Development Programmes	455,000.00	270,000.00
		745,000.00	2,480,640.00

c	SKILL DEVELOPMENT PROGRAMMES	2020	2019
	Skill Development of Tea Factory Officer	280,000.00	340,000.00
	Skill Development of rubber Field Officer	-	210,000.00
		280,000.00	550,000.00
d	13 YEARS EDUCATION PROGRAMME		
	Plantation Factory Assistant and Field Assistant- NVQ-4	13,488,810.32	39,301,342.00
		13,488,810.32	39,301,342.00
e	ADVANCE COURSE IN PLANATION MANAGEMENT		
	Diploma in plantation Management and technology-Induction	1,629,000.00	2,671,000.00
f	WOKER DEVELOPMENT AND WORK SHOPS		
	Worker Development Programme	60,000.00	-
	Special Workshops	277,500.00	776,332.00
		337,500.00	776,332.00
g	SPECIAL PROGRAMMES		
	Special Programmes	257,740.00	12,128,925.52
	Awareness Programme For NIPM Members	-	416,500.00
	Sundry Training Income	35,000.00	-
		292,740.00	12,545,425.52
h	FORIGN TRAINING PROGRAMME	-	-
i	INCOME FROM EXTERNAL EXAM ACTIVITIES	941,091.50	1,334,596.80
j	INCOME FROM TRAINING RELATED ACTIVITIES	100,000.00	-
	TOTAL TRAINING INCOME	23,747,526.82	69,292,106.32

35	INCOME GENERATED FROM RENTING OUT THE FACILITIES	LKR	LKR
	Renting out the residential facilities to outside Programmes- Athurugiriya Training Centre	6,365,758.03	20,320,206.45
	Renting out the residential facilities to outside Programmes- Bogawanthalawa regional Centre	-	8,797.50
	Income from Accommodation internal training students	-	39,588.00
		6,365,758.03	20,368,591.95

36	INTEREST INCOME	LKR	LKR
	Staff Loan interest- Distress Loan	248,946.38	171,304.63
	Interest income from Membership Account	15,210.02	11,105.25
	Interest income from Bank Deposits	14,394,244.15	17,027,737.35
	interest Income From Special Loan	3,963.60	4,991.20
	Gain/(Loss) on amortization cost calculation on the interest	82,378.41	250,354.60
		14,744,742.56	17,465,493.03

37	OTHER INCOME	LKR	LKR
a	SUNDRY INCOME		
	Income - Pass papers and applications	2,250.00	4,000.00
	House Rent income	236,977.84	205,439.41
	Transport income	12,300.00	15,397.00
	Tender fee	300,500.00	164,250.00
	Publications	13,450.00	34,440.00
	Telephone	34,687.53	3,337.23
	Membership subscriptions	32,375.00	273,115.00
	T- shirt and tie sale income	27,750.00	159,620.00

	other sundry income	223,301.84	18,140.00
		883,592.21	877,738.64

(b)	GAIN ON DISPOSAL OF USED ITEMS	5,850.00	57,500.00
			-
(c)	WRITE BACK TO INCOME STATEMENT		
	Over provision of Gratuity	-	785,852.54
	Over provision of bad debtors	215,740.06	-
	Total	215,740.06	785,852.54
	Total other income	1,105,182.27	1,721,091.18

38	WAGES, SALARIES AND EMPLOYEE BENEFITS	LKR	LKR
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a	PERSONAL EMMOLUMENTS		
-	Salaries and wages	24,181,402.91	22,782,893.94
	Cost of Living and other Allowances	7,069,952.93	7,455,985.07
	Over Time	1,557,834.22	2,710,352.03
	Holiday Pay	453,495.00	500,735.40
	Lecture Fees for Institute's Staff	180,000.00	237,750.00
	Contribution for E.T.F.	879,300.53	833,022.90
	Contribution for E.P.F.	3,377,878.02	3,210,495.30
	Contribution for CPPS	139,324.20	123,095.76
	Chairman's Remuneration and allowances for board of directors	1,083,744.38	1,348,447.98
	Daily wages for internship	164,700.00	482,925.00
		39,087,632.19	39,685,703.38

b	TRAVELING EXPENSES		
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	Traveling and Subsistence (Local)	389,458.00	475,776.00
			-
		389,458.00	475,776.00

c	RETIREMENT BENEFITS		
	Increased Provisions for Gratuity (Retirement Benefit)	1,943,660.64	-
	Compensation paid	-	452,970.00
		1,943,660.64	452,970.00

d	CONTRIBUTIONS, SUBSIDIES AND WELFARE		
	In-service Training and staff training capacity building	66,000.00	523,337.73
	Staff Welfare Activities	383,337.05	488,594.50
	Membership and subscriptions	241,514.80	76,830.00
	Contributions for Medical Aid Scheme	3,028,021.25	1,714,534.69
		3,718,873.10	2,803,296.92

	Total Salaries wages and Employee benefits	45,139,623.93	43,417,746.30
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39	SUPPLIES AND CONSUMABLE USED		LKR
	Printing Materials and papers	1,071,600.60	1,329,284.00
	Stationery & Office Requisites	506,329.62	664,402.48
	Consumables	329,349.40	471,688.65
	Fuel and lubricant	1,557,923.47	2,027,960.35
	Periodicals & News Papers	54,090.00	82,394.80
	Uniforms	96,000.00	116,000.00
	Institute's Publications	499,000.00	322,190.20
	Total Supplies and consumable used	4,114,293.09	5,013,920.48

40	REPAIRS & MAINTENANCE OF FIXED ASSETS		
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	Plant and Machinery		137,390.00
	Buildings	3,789,889.22	1,713,671.51
	Equipment	1,379,346.17	1,578,767.99
	Water telephone and Electricity	472,257.00	165,125.60
	Motor Vehicles	3,253,048.04	3,542,208.27
	Total Repairs and Maintenance	8,894,540.43	7,137,163.37

41	COMMUNICATION, UTILITY AND OTHER CONTRACTUAL SERVICES	LKR	LKR
	Telephone and internet	1,875,303.72	1,142,555.79
	Postage	212,345.00	284,314.00
	Electricity and water	2,567,682.15	3,203,671.28
	Insurance (Buildings equipment Cash etc.)	278,788.92	259,753.56
	Project recurrent expenditure		-
	Security Service	3,852,290.00	3,554,146.70
	Audit Fees (External)	600,000.00	600,000.00
	Vehicle hire charges	161,182.00	287,478.05
	Cleaning and Janitorial works	2,038,644.00	2,133,050.00
	Bank Charges	22,650.00	38,050.00
	Stamp Duty , rate and tax	71,542.33	74,962.64
	legal fee	438,532.00	30,000.00
			-
		12,118,960.12	11,607,982.02

b	MEDIA, ADVERTISING AND PUBLICITY		
	Advertising Expenses	258,406.20	1,457,917.24
	Entertainments	28,562.50	95,985.00
		286,968.70	1,553,902.24

	Total Communication utility services and media expenses	12,405,928.82	13,161,884.26
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42	TRAINING EXPENSES	LKR	LKR
	Lecture Fees for Visiting Staff	2,420,123.50	4,532,065.04
	Fees to the Committees relating to Training Activities	12,000.00	139,169.00
	Meals & Accommodations for Trainees	1,124,825.81	3,278,767.64
	Laundering Linen	2,400.00	25,800.00
	Under provision for Bad debtors		914,544.56
	External exam expenditure	540,164.60	752,980.00
	Award Ceremony & Academic Functions	196,903.90	2,425,946.09
	Education materials	295,901.20	214,460.00
	Miscellaneous Training Expenses	531,746.50	1,512,457.20
	promotion and advertising	735,857.00	4,635,896.25
	13 years education programme expenses	4,611,446.84	9,219,306.07
	Total	10,471,369.35	27,651,391.85
	Research and Development Cost		4,286.00
	Development cost of NVQ training facilities and degree awarding Institute	352,000.00	1,068,980.00
	Capacity Building Programmes smallholders and NVQ students	526,446.00	3,667,875.92
	Total Training Expenditure	11,349,815.35	32,392,533.77

43	EXPENSES IN REALATION TO RENTING OUT FACILITIES -	LKR	LKR
	Meal expenses accommodation facilities	2,050,662.97	7,298,816.70
	Hostel consumables	96,661.54	181,909.25
	Salaries, daily wages and cost of living allowance	2,100.00	478,800.00

	E P F	252.00	55,836.00
	E T F	63.00	13,959.00
	Total Expenditure for Renting out facilities	2,149,739.51	8,029,320.95

44	BOGAWANTHALAWA OPARATIONAL EXPENSES		
	Electricity	213,241.65	483,140.55
	Telephone and postage	27,478.27	41,210.64
	Maintenance		9,250.00
	clening and janitril services	3,745.00	508,000.00
	Meal and accommodation		-
	Salaries and Wages	1,030,789.28	835,800.00
	Allowances	48,300.00	327,450.00
	Employee Benefits	8,285.00	22,955.00
	Daily Wages	419,650.01	483,364.50
	E T F	18,889.50	25,074.00
	E P F	75,558.00	100,296.00
	Consumables	18,578.00	51,479.00
	Total Bogawanthalawa Expenses	1,864,514.71	2,888,019.69

45	DEPRECIATION AND AMORTISATION OF ASSETS		
	Depreciation	26,135,846.00	24,677,970.21
	Amortization	523,088.23	458,887.00
		26,658,934.23	25,136,857.21

46	MISCELLANEOUS EXPENDITURE	LKR	LKR
	Allowances for Other Committees and professional Charges	270,031.04	584,559.31
	Write off - bad debtors		289,901.40
	Special welfare programme	14,266.55	201,663.00

	Implementation of environment policy	-	163,272.56
	loss on Disposal old equipment and damage stock	20,098.82	45,648.18
	Garden up keep	212,695.00	223,950.00
	Others Expenses	431,257.09	133,802.00
		948,348.50	1,642,796.45
47	Financial Risk Management		
<p>* 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 trade debtors account on the closing balance of the year end.</p> <p>*Interest on loan, advances are calculated according to the effective annual interest rate according to the year-end bond rate which was published by Central bank of Sri Lanka.</p>			
	BF balance of provision of impairment loss on loan and advances	160,660.07	198,386.45
	CF balance of provision of impairment loss on loan and advances	78,281.66	160,660.07
	Net (loss)/gain on interest received on loan and advances transfer to interest income	82,378.41	37,726.38
	Interest received on loan and advances to the employees	252,909.98	176,295.83
	Interest calculation as pre the effective interest rate method	331,191.64	336,955.90
	Impairment loss on loan and advances	(78,281.66)	(160,660.07)
Interest received on short term investment			
The Institute invested in fixed deposits to secure the payment of gratuity and other liabilities which were arise due to credit purchases etc. These investments are reported according to amortize cost model			
	BF balance on provision of impairment loss due to effective annual interest	-	212,628.22
	CF balance on provision of impairment loss due to effective annual interest	-	-

Net (loss)/gain on interest received on investment in fixed deposits transfer to interest income	-	212,628.22
Interest received on short-term investment	14,409,454.17	17,038,842.60
Interest calculation as pre the effective interest rate @ 8.45% in 2019 and 10.99% in 2018. In 2020 it was 5.05%	-	15,821,367.21
Impairment (loss) on investment on fixed deposits	14,409,454.17	1,217,475.39
The Institute assumed that the effective interest rate was 8.45 per% annum at the end of year 2019 and 5.05% at the end of year 2020 as per the published bond rate of Central Bank of Sri Lanka		

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

Segmental Reporting

This report is presented in LKR 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 2020 and 2019

Segmental Category	Training activities		Renting out Facilities		Other supportive services		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Income								
Generated income	23,748	69,292	6,366	-	15,850	39,555	45,963	108,847
Grants-Special Projects	3,000	1,000		-	77,817	59,783	80,817	60,783
Capital grant	25,750	4,850		16,029		121	25,750	21,000
Recurrent grant	19,934.83	18,305	4,984	4,576	32,892.47	31,119	57,811	54,000
Total	72,432	93,447	11,349	20,605	126,560	130,578	210,342	244,630
Expenditure								
Wages, Salaries and employee benefits	17,235	14,718	3,282.	3,679	24,621.	25,020	45,140	43,418
Supplies and consumable used	1,570	1,700	299.	425	2,244.	2,889	4,114	5,014
Repairs and Maintenance	3,396	2,419	646.	605	4,851.	4,113	8,895	7,137
Communication and utility services	4,736	4,462	902.	1,115	6,766.	7,585	12,406	13,162

Segmental Category	Training activities		Renting out Facilities		Other supportive services		Total	
Training Expenses including capacity building Programmes.	11,350	32,393	-	-	-	-	11,350	32,393
Expenses in Relation to Renting out facilities		-	2,150	8,029	-	-	2,150	8,029
Expenses for Bogawanthalawa Regional Centre		-	1,865	2,888	-	-	1,865	2,888
Depreciation and Amortization expenses	10,178.87	8,521	1,938.	2,130	14,541	14,486	26,659	25,137
Other Expenses	321	557	68.	139	517.	947	948	1,643
Total Expenditure	48,789	64,769	9,621	11,764	53,543	55,040	113,526	138,820
Net surplus/(deficit)	23,643	28,678	1,729	8,841	73,017	75,538	96,816	105,810
No of Employees	21	20	4	5	30	33	55	58

* Expenses which are directly attributable to the segment are charged to relevant segments. Others are segregated accounting to the number of employee attached for the segment

Generated income are charged according to the income generation

Capital grant divided accounting to the budget activities which have performed

Recurrent Grant are segregated accounting to the number of employee

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT
FINANCIAL HIGHLIGHTS Rs 000'

Descriptions	2013	2014	2015	2016	2017	2018	2019	2020
Income								
Treasury Grant- Recurrent	18,744	24,792	28,502	38,961	40,000	50,000	54,000	57,811
Government Grant for Capital Expenditure	9,253	10,937	15,362	24,243	25,162	81,730	78,115	106,041
Government Grant for Capacity Building Programmes (Smallholders and school leavers)	7,498	9,900	7,710	8,446	10,012	9,221	3,668	526
Generated Training income	11,573	10,037	18,010	12,787	15,853	31,009	69,292	23,748
Generated Renting out income	8,247	7,824	5,366	4,835	1,896	17,927	20,369	6,366
Generated Other income	7,407	7,457	9,847	12,402	22,472	9,889	19,187	15,850
Total income	62,722	70,947	84,796	101,674	115,395	199,776	244,631	210,342
Expenditure								
Total Personnel emoluments	18,794	19,453	30,907	31,834	38,796	45,577	43,418	45,140
Training Expenditure	4,256	4,439	8,208	5,880	10,123	16,613	28,725	10,823
Capacity Development Programme for Small holder	7,498	9,936	7,711	8,446	10,012	9,221	3,668	526
Other expenditure	17,198	20,255	19,598	21,959	27,655	37,461	37,873	30377
Total operating Expenses	47,746	54,083	66,424	68,119	86,586	108,872	113,684	86,867
Government Recurrent Grant as a percentage of the Total Operating Expenditure	39%	46%	43%	57%	46%	46%	48%	67%
Surplus/(Deficit) before Depreciation	14,976	16,864	18,372	33,555	28,809	90,904	130,947	123,475
Depreciation /Amortization	10,495	15,833	17,740	18,951	20,533	24,407	25,137	26,659
Net (Deficit)/Surplus after Depreciation	4,481	(1,833)	632	14,604	8,276	66,497	105,810	96816
No of Income Generated Training Programme	22	32	30	22	32	57	41	17
No of Participants	772	993	1,101	586	958	1779	1,015	453
No of Capacity Development Training Programmes for Smallholders and School leavers	236	355	196	160	230	232	125	14

Total Expenditure for Capacity Development Programmes for Smallholder and School leavers	7,498	9,936	7,711	8446	10012	3,668	3,668	526
No of Trained Smallholders	12,149	25,100	12,825	10,840	12,661	12940	5,414	693
Total Number of Trained	12921	26093	13,926	11426	13619	14719	6,429	1142
Total Training programmes	258	387	226	182	262	289	166	31
No of Employees	41	52	46	46	58	58	59	56
Generated Income per Employee Rs. 000'	664	487	722	653	693	1,014	1,845	821
Training cost per smallholder Rs. 000'	0.62	0.40	0.60	0.78	0.79	0.28	0.68	0.76
Net Assets of the Institute	24,619	122,325	126,563	203,880	232,812	453,359	843,911	940,685

NATIONAL AUDIT OFFICE

My No } PLA/D/NIPM/01/20/21

Date } 15 October 2021

The Chairman
National Institute of Plantation Management

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the National Institute of Plantation Management for the year ended 31 December 2020 in terms of Section 12 of the National Audit Act, No. 19 of 2018

The aforesaid report has been sent herewith.

W. P. C. Wickramaratne
Auditor General

Copies:- 1. Secretary – Ministry of Finance
2. Secretary -- *State Ministry of Company Estate Reforms,. Tea and Rubber Estate Related Crop Cultivation* and Factories Modernization and *Tea and Rubber* Export Promotion

NATIONAL AUDIT OFFICE

My No}PLA/D/NIPM/01/20/21

Date} 15 October 2021

The Chairman
National Institute of Plantation Management

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the National Institute of Plantation Management for the year ended 31 December 2020 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the National Institute of Plantation Management for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act, No. 19 of 2018 and the Finance Act, No.38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements give a true and fair view of the financial position of the Institute as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

- (a) In terms of paragraph 09 of Sri Lanka Public Sector Accounting Standard 2, fixed deposit moneys amounting to Rs.20,000,000 to be matured within 03 months and indicated under cash and cash equivalents, had been indicated under investing activities.
- (b) The value of the land of the Training Center of 0.468 hectares in extent, located at Bogawantalawa in Nuwara Eliya District, owned by the Institute and valued at Rs.1,387,500 on 20 October 2015, had not been included in the financial statements. Moreover, even though the said Centre had been obtained by the Ministry of Health on 03 November 2020 as a COVID 19 intermediate care center, it had not been disclosed in the financial statements.
- (c) Eight cheques had been written for activities and purchase of library books ordered at the end of the year under review and out of that, sums of Rs.2,156,200 and Rs.828,669 had been debited to the Work-In-Progress Account and Library Books Account respectively and retained in hand until goods and services are received, thus overstating the balances of Work-In-Progress Account and Library Books Account by those values and understating the balance of the cash book by Rs.2,984,869.
- (d) Even though the sum of Rs.152,585,000 to be paid as compensation for vesting a portion of 1.9499 hectares in extent of the land on which the Institute is operated, in the Army by the Gazette Extraordinary No.1884/23 of 15 October 2014, had been granted on 11 October 2018, the interest of Rs.42,594,530 receivable due to delay in paying compensation had not been brought to account, thus understating the surplus of the year under review by the same value.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other Information included in the Annual Report-2020 of the National Institute of Plantation Management

Other information means the information included in the Annual Report -2020 of the National Institute of Plantation Management which is expected to be submitted to me after the date of this report, but not included in the financial statements and my audit report thereon. The Management should be responsible for other information.

Other information is not enclosed by my opinion on financial statements and I do not make any certification or express an opinion in that connection.

My responsibility relating to my audit on financial statements is to read other information identified as above when it is available and to consider whether other information is not materially compatible with financial statements or with my knowledge gained in audit or any other manner.

When reading the Annual report 2020 of the National Institute of Plantation Management, if I conclude that material misstatements exist, those matters should be communicated to those charged with governance for correction. If any material misstatements further exist, those will be included in the report tabled in Parliament by me in due course in terms of Article 154(6) of the Constitution.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the National Institute of Plantation Management's ability to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute's financial reporting process.

As per Sub-section 16(1) of the National Audit Act, No. 19 of 2018, the National Institute of Plantation Management is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Institute

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1.5 Auditor's Responsibility for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

- 2.1 National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.
- 2.1.1 Except for the effect of the matters described in the Basis for Qualified Opinion paragraph, I have obtained all the information and explanations that is required for the audit and as far as appears from my examination, proper financial records have been kept by the Institute as per the requirement of Section 12(a) of the National Audit Act, No.19 of 2018.
- 2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of Section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.
- 2.1.3 Except for the observations indicated in paragraphs 2.3 (b),(c) and (d) of this report, the financial statements presented includes all the recommendations made by me in the previous year as per the requirement of Section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

- 2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention;
- 2.2.1 To state that any member of the Governing body of the Institute has any direct or indirect interest in any contract entered into by the Institute which are out of the normal cause of business as per the requirement of Section 12 (d) of the National Audit Act, No. 19 of 2018
- 2.2.2 Except for the following observations, to state that the Institute has not complied with any applicable written law, general and special directions issued by the Governing body of the Institute as per the requirement of Section 12 (f) of the National Audit Act, No. 19 of 2018

Reference to law/direction	Description
(a) Paragraphs 6.5.1 and 6.5.3 of Public Enterprises Circular No. PED/12 of 06 June 2003	Even though the draft Annual Report along with financial statements should be submitted to the Auditor General within 60 days after closure of the accounting year, the draft Annual Report had not been submitted along with financial statements of the year under review. Further, steps had not been taken to table and publish the Annual Report of the year 2019 in Parliament.
2.2.3	Except for the following observations, to state that the Institute has not performed according to its powers, functions and duties as per the requirement of Section 12 (g) of the National Audit Act, No. 19 of 2018.
(a)	It was not observed that adequate attention had been drawn towards the achievement of matters such as “carry out research into areas of plantation management and labour relations that are not already provided for in other similar institutions” indicated as objectives of the Institute under Section 2 (f), “conduct research into all aspects of plantation development” indicated as powers of the Institute under Section 4(d) of the National Institute of Plantation Management Act, No.45 of 1979 and “to be the center of excellence in conducting research on plantation management” that comes under the vision of the Institute.

- 2.2.4 To state that the resources of the Institute had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of Section 12 (h) of the National Audit Act, No. 19 of 2018.

2.3 Other Matters

- (a) Even though the registration of Value Added Tax of the National Institute of Plantation Management had been inactive from 01 January 2020 by the Inland Revenue Department due to inadequacy of turnover, a compensation tax amounting to Rs.19,820,121 receivable from the Inland Revenue Department relating to the period up to the year 2019 had been shown in the financial statements and it was observed in audit that it was an irrecoverable balance. Moreover, the accuracy of the said balance as well had not been confirmed.
- (b) Even though 232 feasibility development programmes had been conducted with the participation of 12,855 students in the year 2018 relating to Rubber, Tea, Coconut and other crops, the number of students participated in programmes conducted in the years 2019 and 2020 had been 5,414 and 693 respectively and the number of programmes conducted stood only at 106 and 12.
- (c) There were 259 students who had registered for 02 courses completed out of 06 courses including National Diploma in Plantation Management, Certificate Course in Book Keeping and Plantation Management conducted by the Institute and 103 representing 40 per cent students of them had dropped out the course. However, attention had not been paid to improve the qualitiveness and effectiveness of courses by inquiring into on matters affected therefor.
- (d) Even though the Institute had planned to conduct 08 academic and vocational training programmes with the participation of 157 students in the year under review, only 02 programmes had been conducted with the participation of 47 students and in taking into consideration the situation of 04 preceding years, 50 programmes had been planned to be conducted with the participation of 760 students. However, only 38 programmes had been

conducted with the participation of 609 students. Even though, it had been planned to conduct 05 skills development programmes with the participation of 74 students in the years 2019 and 2020, only 03 programmes had been conducted with the participation of 38 students. It was observed that failure in revising the syllabus of these courses on timely requirement and failure in improving necessary facilities had been the reason for the above situation.

- (e) Government capital and revenue grants amounting to Rs.135,782,603 of the year 2019 had increased up to Rs.164,378,397 in the year 2020 by Rs.28,595,794 representing 21 per cent. However, self-earning income of the Institute, which was Rs. 108, 847,282 in the preceding year had decreased up to Rs. 45,963,210 by 57.8 per cent. It was observed in audit that failure in paying attention towards the conduct of courses relating to agricultural activities held by the Institute in a proper manner due to COVID -19 pandemic had mainly attributed to the said situation.
- (f) It was observed that existence of 16 vacancies in posts including Training Consultant (Plantation Management), Assistant Director (Marketing, Business Promotion and Planning), and Training Officer (Plantation Engineer) of the approved cadre which was 71 of the Institute had affected the achievement of objectives expected by establishment of the Institute. Moreover, even though 08 posts had been approved under 06 designations in the years 2019 and 2020, recruitments could not be made due to failure in obtaining the approval for the recruitment scheme relating thereto.

W. P. C. Wickramaratne
Auditor General