

Annual Report 2019

Centre for Excellence



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

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VISION

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

””

““

MISSION

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

””

Chairman's Message



of Plantation Management.

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

Looking back at the year 2019, the plantation industry happened to face several challenges. The entire plantation system was compounded by factors including the effects of global warming inability attract workforce. As the National Institute of Plantation Management, we have resolutely stood up to these challenges and have done our part of the job being the key facilitator in workforce

development. This performance report will bear witness to our efforts.

I wish to thank Hon. Dr. Ramesh Pathirana, Minister of Plantation Industries and Export Agriculture, Mr. Raveendra Hewavitharana, the Secretary and other officials of the Ministry of Plantation Industries and Export Agriculture, as well others who guided our team to enhance the Institutional performance. I wish to make a special tribute to the members of the Board of Governors, Director/CEO and other staff of the National Institute of Plantation Management for their tireless contribution.

Sgd.

A. L. A. Asoka Siriwardana

Chairman/NIPM

14th July 2020

Directors' Review



National Institute of Plantation Management has a rich tradition of pursuing excellence and has continually re-invented itself in terms of academic programmes and

professional aptitudes in the progression of delivering requisites of plantation human capital development. Students are exposed to challenging skills-based academics and extracurricular, cultural and organizational activities on its vibrant at Athurugiriya and regional centers. The presence of modern and novel academic facilities, vigorous institute-industry collaborations, national exchange programmes, interdisciplinary research collaborations and industrial training opportunities help the students of NIPM to excel and race ahead in the competitive professional environment.

I am pleased to state that the Institute continues to dominate as one and only plantation education service provider in the country and it is also listed among one of the best education service providers in the country. NIPM attracts the brightest students from the country for its diploma, professional and other programmes. The Institute provides the best and it ensures that its students are also of exceptionally high quality.

NIPM continuously strives to introduce new areas in its academic programmes and innovate in its academic activities in the year 2019, in a bid to generate the kind of intellectual capital that will keep the Institute and the nation up-to-date on the technological front. During the year 2019, Diploma in plantation management and technology programme has been started with admission through A/L qualified school leavers in order to be fulfilled the creepers' requirement of RPCs. Another new initiative is the offering of an interdisciplinary degree programme in

Plantation Crop Technology, which has been developed with a view to launching the degree awarding-programme by year 2021 for the students of this Institute who are qualified in NVQ levels 5 and 6 and those who are successfully qualified in A/L.

The Institute has signed important MoUs with various universities and institutes from countries, for exploring areas of collaboration and cooperation. The Institute has been able to attract outstanding external members not just from universities but also senior professionals and researchers.

Sustainable Development Goals (SDGs) and Adaptation Progress of the Institute

Poverty alleviation plays an important role in sustainable development goals. The Institute intimately maintains to work with the corporate sector and smallholders to promote our programmes to build a strong pipeline of potential planters/farmers who will carry the torch into the future in order to address the poverty reduction among the planting community. Accordingly, we carried out over 125 smallholders' programmes and 41 income generated programmes.

The Most memorable highlights of the year 2019 were accommodated 1015 participants for incomes generated programmes which were earned Rs. 69.29Mn. against the total training income for the year 2018 was Rs. 31.Mn, the training income of the institute has been increased by over 123 percent compared with the previous year which is the ever highest income of the institute since total income reported as Rs. 108.8 Mn. But it is significant to notice that the institute has estimated for conducting 200 capacity building programmes at the planning stage in allocating for the smallholding sector amounted Rs. 7Mn, the institute could conduct only 125 programmes due to the Easter attack and other natural hazards that occurred during the year 2019. The NIPM has reported a total renting out income Rs. 20.37Mn which as a percentage of progress is 13.6% compared to the year 2018. Total government grant received is Rs 75 Mn as a percentage

decreased is 7% compared with the previous year and however total income of the institute is reported as Rs. 244Mn inclusive of Government grants, The highest revenue ever reported was in the year 2019, a growth of 22% over 2018. It was reported Rs. 138.82Mn as recurrent expenditure which is an increase of 4.2% in comparison to year the 2018. This amount has been raised up due to some recruitments and more outside programmes conducted during the financial year. Since the core mandate of the institute is training activities, from which we have shown predominantly progress despite the industry was on global and local uncertainty.

NIPM and industrial challenges

The fluctuation of the plantation market in the global arena particularly within the main plantation goods export market, adverse climatic effects and uncertainty within the agricultural commodity sector, kept on the asphyxiate progress of the plantation economy. Easter attack, wage hike, labour unrest along socio-economic affliction and adverse weather condition made the domestic uncertainty and other political and social factors which were to deject in investing of plantation education and human resources development plus enhancement.

Driving towards networking

The NIPM has developed a strong and effective network of extension services with help of 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. Since these units performed important tasks of assessment and refinement of technologies, organizing training programmes for farmers, and RPCs undertaking diagnostic field visits, awareness programmes, demonstrations, group discussions and organizing field days. Those were crucial factors of NIPM to enlighten the planting community on industrial developments. The institute also signed some memorandum of understanding with Certified Management Accountants (CMA) and the Ministry of Education, in order to provide a

superior service to our students and participants. Some of the TV commercial was developed in order to popularize the brand of NIPM among students while introduced the anthem of the institute which is considered as a momentum episode of the history of the institute.

Next Paradigm and exemplary model

NIPM is in the final stage of launching three degree programmes for the plantation industry with a view to uplifting competencies of human resources attached to the sector by 2022. Even if the institute planned to accomplish the mission by 2022, it was delayed due to various justifiable circumstances. We seek to introduce higher quality standard degree programmes. Aligned to Research and development, would play a vital role in 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 fortifying marketing and promotions
- **Strategic goal 3:** To be accredited with global academic and professional institutes/association in order to strengthen professional membership of the institute
- **Strategic Goal 4:** To development infrastructure facilities and a lush environment with Quality Management System (QMS).

The institute must follow the below motioned exemplary business strategies to address the

contemporarily needs of the plantation world since the global trends moves rapidly.

- Smart and modern infrastructure facilities to be developed to attract local and foreign students and that will be conducive to great scholarly work for decades ahead.
- Recruitment of the most outstanding and practical scholars who will bring glory to the institute through their ground of experiences.
- To be Centre for excellence through awarding some scholarships to students who are shown interest in the plantation allied subjects.
- To develop strategic partnerships with the academic world as well as the industries on one hand we wish to be a partner with top universities in the world, on the other hand we would like to brand as the best educational, professional institute in Sri Lanka.

CSR and appreciation

The year 2019 was indeed a year of accolades to be center of excellence in which the best award received during the year; **NIPM** was commended as the best government institute who contributed to the environment during the year 2019 by the presidential green award. Some of the

officials were tribute by leading institutes/universities of the country being delivered honorary speeches in which was commended by the institute. Imperative CSR works were carried out during the calendar year 2019 in view of the fact that **NIPM** needs to be carried out our social responsibilities towards humanitarian insight.

In concluding

In conclusion it is with great contentment to note the importance of finding new ways and means to retain and enhance our spirit of innovation and contribution towards sustainable development while maintaining high quality academic / professional competencies. At last, the Institute has been able to make strides mainly because of **NIPM** family members, the secretary of the Ministry of Plantation Industries. Special thanks to Chairmen who worked with us during the financial year for their great support to make the year a success.

Sgd.

Dr. K. H. M. Prasad Dharmasena
Director/CEO
National Institute of Plantation
Management

14th July 2020

The Establishment and corporate profile of the Institute

The National Institute of Plantation Management (NIPM) was established in July, 1979 by the Act No. 45 of 1979, amended in 1981 by Act No. 76, in 1987 by Act No. 05 and in 2003 by Act No. 38 in order to make the NIPM a more effective and viable statutory body of the Government. The registered office of the Institute is located at M.D.H. Jayawardana Mawatha, Athurugiriya.

As per these acts, NIPM is the only Government organization empowered to award certificates for those who successfully complete training programs/academic courses and confer professional Membership to eligible plantation executives under three (03) major categories. It ensures the maintenance



of a high standard of professional competence of those who work in the Plantation Industry including the smallholding sector.

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

Objectives

The general objectives of the Institute 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 the sector.
- III. To offer training in Plantation Management to personnel working in the Plantations both in the public sector as well as in the private sector.
- IV. To provide Diploma Courses in association with the Tea Research Institute, the Rubber Research Institute, the Coconut Research Institute and other related institutions and to award Diplomas where appropriate.
- V. To sponsor and hold seminars, workshops and conferences and publish journals and magazines in connection with plantation management and development.

- VI. To carry out research into areas of plantation management and labour relations those are not already provided for in other similar institutions.
- VII. To offer training in Plantation Management to persons who have the necessary aptitude for Plantation Management having regard to the man-power requirement in the Plantation Industry.
- VIII. To furnish managerial, technical and administrative advices and services to any Government Departments, Public Corporation or other Institutions within or outside Sri Lanka in respect of the Plantation Industry.

Powers of the Institute

- I. Acquire in any manner and hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of, any movable or immovable property.
- II. Acquire, establish, install and operate field training centres and pilot projects relating to plantation research.
- III. Import plant, machinery and equipment required for the purpose of the Institute and receive equipment, funds, personnel and any other assistance for the efficient conduct of the Institute.
- IV. Conduct, assist, co-ordinate and encourage research into all aspects of plantation development.
- V. Levy fees or charges for any services rendered by the Institute.
- VI. Appoint, employ, remunerate and exercise disciplinary control over its officers and servants.
- VII. Establish and maintain provident funds and provide welfare and recreational facilities for its employees.
- VIII. Make rules in respect of the administration of the affairs of the Institute.
- IX. Delegate to any member, the Director of the Institute, or any employee such functions as the Board of Governors may consider necessary for the efficient transaction of its business.
- X. Assess the eligibility of candidates for admission to various grades of membership and to conduct or provide for the conduct of the qualifying examination for all grades or membership of the Institute and to promote, provide or approve courses of study for such examination.

- XI. Ensure the maintenance of high standards in the professional activities and the general conduct its members.
- XII. Promote investment in plantation management.
- XIII. Undertake the collection and the dissemination of data relating to plantations and plantation management, and 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.

Report of the Board of Governors

During the year 2019, nine (09) 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 the highest standards of disclosure are maintained resulting in transparency in all training activities and operations.
- To effectively and efficiently direct Institute's resources to bring about the best desired results for its stakeholders.
- To provide direction by approval of the Institute's medium and long-term strategy, annual budgets, action plan and significant financial cum operational policies.

In terms of the section 06 of NIPM Act No. 45 of 1979 as amended by Act No. 76 of 1981, 05 of 1987 and 38 of 2003, the following members consisted as the Board of Governors of the Institute during the year 2019.

Composition of Board of Governors

Name of the Board Member	Position	Name of the Board Member	Position
Mr. B. Wijayaratne Chairman/NIPM	Chairman	Mr. Rohana Galabada Chairman/Thurusaviya Fund	Member
Dr. Prasad Dharmasena Director/NIPM	Member	Mr. R.T. Gurusinghe Representative/SLFTSHDS	Member
Mrs. Aruni S. Ranasinghe Additional Secretary/MPI	Member	Mr. Chandana Jayasekara Representative/SLTFOA	Member
Dr. I.S.B. Abeysinghe Director/TRI	Member	Mr. S.K.L. Obeysekara Secretary General/TPAC	Member

Dr. (Mrs) C.S. Ranasinghe Director/CRI	Member	Mr. P.A.M. Deraniyagala Representative/CGASL	Member
Mr. Indika Premarathna Director, Department of External Recourses/Ministry of Finance and Mass Media	Member	Mr. B.W. Harrison Silva Representative/Trade Union	Member
Mr. D.G. Mahipala General Manager/TSHDA	Member		

- Mr. B. Wijayaratne has been appointed as the Chairman of National Institute of Plantation Management and as the Chairman of the Board of Governors January 2019 and retired in November 2019.
- Dr. W. Jinadasa has been appointed on behalf of Mr. Chandana Jayasekera as the representative of Tea Factory Owners Association w.e.f. February 2019.
- Dr. I.S.B. Abeysinghe (Director/TRI) retired from the service w.e.f. March 2019.
- Dr. (Mrs) C.S. Ranasinghe (Director/CRI) has been appointed w.e.f. May 2019.
- Mr. Rohana Galabada (Chairman/Thurusaviya Fund) has been appointed w.e.f. May 2019
- Dr. L.S.K. Hettiarachchi (Director/TRI) has been appointed w.e.f. July 2019.

Report of the Audit and Management Committee (AMC)

The AMC of the Institute has formed in compliance with the guideline issued by the Ministry of Finance and Mass Media and duly

empowered by the Board of Directors to oversee the following;

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

- The expenditure incurred on conducting training programs and their activities.
- Other Financial activities relating to the Institute.

Three meetings of the Audit and Management Committees were held for the year 2019 on March 22nd, June 24th and September 30th

Composition of Audit and Management and Committee

Name of the Member	Position	Name of the Member	Position
Mr. Indika Premarathna Director, Department of External Recourses/Ministry of Finance and Mass Media	Chairman	Dr. Prasad Dharmasena Director/NIPM	Staff Member
Mrs. Aruni S. Ranasinghe Additional Secretary/MPI	Member	Mr. L.D.J. Priyantha Accountant/NIPM	Staff Member
Mr. Jayantha Pushpakumara Superintendent of Audit/AGD	Observe Member	Mr. K.H.U.P. Wijeweera Internal Auditor/NIPM	Secretary/ AMC

Membership of the Audit and Management Committee

The AMC was chaired by Mr. Indika Premarathne, the representative of the Ministry of Finance and Mass Media. The above Non-Executive and Executive Directors, served as the Audit and Management Committee in the year 2019.

Staff of the Institute

The Director who has been appointed by the Hon Minister of Plantation Industries is the Chief Executive Officer of the Institute. Under his vertex, the total actual workforce

was at 58 as permanent staff as at end of the year 2019. The Institute operates under five main divisions as Training, Administration, Finance, Audit and Exam.

Chairman and Chief Executive Officer

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

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



Mr. A.L.A. Asoka Siriwardana
Chairman



Dr. Prasad Dharmasena
Director / CEO

Training Division

The names of the staff members & positions at 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. D.L.P. Kulasekara
Training Officer (Agri. Econ.)



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



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



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



Mr. N.S. Hettiarachchi
Librarian



K. G. Nepala
Staff Assistant (Training)

Accounts Division

The names of the staff members & positions at the Accounts division are given below.



Mr. L.D.J. Priyantha
Accountant



Mrs. N.L. Senadheera
Accounts Assistant

Administration Division

The names of the staff members & positions at the Administration division are given below.



Mr. M.L.R. Jayantha
Administration Officer



Mr. N.D.S.B. Thennakoon
Hostel Manager - Bogawanthalawa



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

Internal Audit Division

The names of the staff members & positions at the Internal Audit division are given below.



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

Actual total staff as at 31/12/2019 as follows,

Training Division (Total Staff - 20)

Training Specialist (Agricultural Economics)	01
Training Specialist (Management)	01
Training Specialist (Accounting & Financial Management)	01
Training Officer (Agricultural Economics)	01
Training Officer (Management)	01
Training Officer (Accounting & Financial Management)	01
Programme Officer (Exam & Coordinating)	01
Staff Assistant (Training)	01
Librarian	01
Management Assistant	10
Audio Visual Assistant	01

Administration Division (Total Staff - 29)

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

Finance Division (Total staff - 7)

Accountant	01
Account Assistant	01
Management Assistant	05

Internal Audit Division (Total Staff – 1)

Internal Auditor	01
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Review of the administration

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, 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.

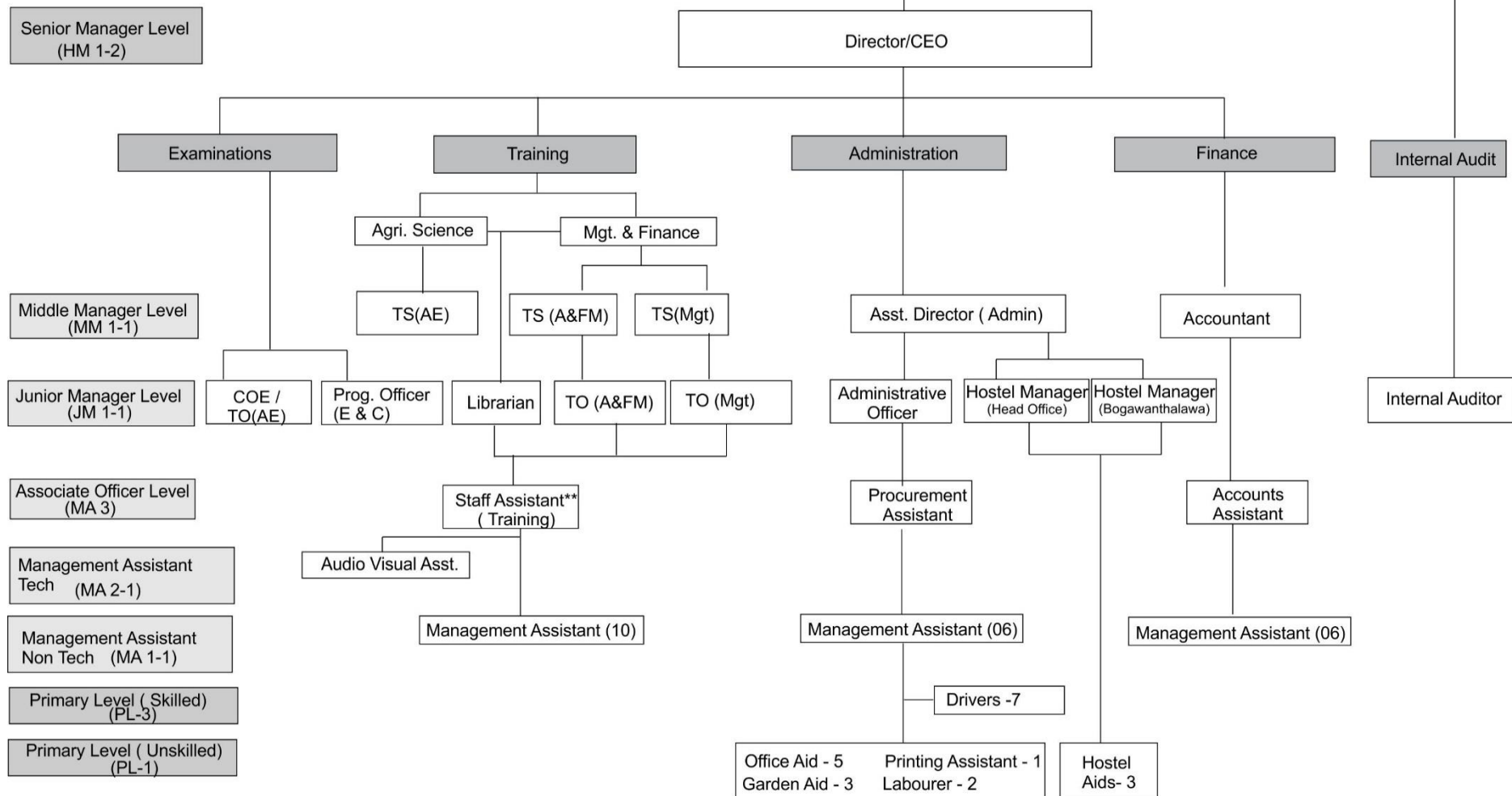
The institute provides accommodation facilities for the outside organisations

whenever required such facilities both in Athurugiriya and Bogawanthalawa centres. The Institute has made arrangements to improve further its quality services with a view to increase the earning income from renting out activities. During the year 2019, the institute could fulfil 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 skills, knowledge within the service and provide local and international

Training programmes as and when the employee requested. Institutional welfare benefits scheme which was prevailed prior to 2018 continued in the year 2019 as same.



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

Prepared By : Management Representative
 Revised Date :

Checked By : Asst. Director Chief Executive Officer / Director
 Revision No :

Approved By : Chief Executive Officer / Director
 Revision No :

PRINCIPAL ACTIVITIES OF THE INSTITUTE

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

coconut, sugarcane, cashew, cinnamon and Palmyra etc.

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

(a) Academic Programmes

Academic Courses have particularly been designed to uplift the skills of the participants and enhance their competencies. In order to award the certificates for these courses, the participants are required to maintain a satisfactory academic

record and meet the obligations mentioned in the course modules in which they are enrolled. The following courses are included in the category of Academic programs.

- B.Sc. Degree in Plantation Management (jointly with the University of Wayamba)
- National Diploma in Plantation Management
- 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
- Advance Certificate Course in Coconut Cultivation & Processing
- Advance Certificate Course in Plantation Accounting, Financial & Cost Management (Jointly with the CMA)
- Certificate Course in Book- Keeping and Plantation Accounting
- Certificate Course in Micro Finance
- Certificate Course in Human Resource Management (Jointly with the CIPM)
- Advance Certificate Course in Plantation Management.
- NVQ Programmes level 4



(b) 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.

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

(c) Competency Development Programmes

The programs under this category are specially designed to upgrade the skills and capabilities which are directly relevant to particular jobs. It is

also expected to familiarize the participants with modern technologies and improved methods related to job descriptions.



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

- Technical Development Programmes
- Skill Development Programmes
- Worker Development Programmes
- Management Development Programmes
- Training Programs for Smallholders.



(d) Issuing publications related to plantation Management (Journal in Plantation Management, Newsletter, Student Manuals of training programs, text books and other periodicals)

- (e) Providing research and consultancy services in Plantation Management to the sector and conduct aptitude tests and examinations (oral and written) for selecting and promoting employees for public/private sector organizations.
- (f) Conferring Professional Membership of the Institute to eligible plantation executives (Hon. Member, Fellow Member, Associate Member and Student Member)
- (g) Providing Institute's facilities (Food, accommodation and lecture hall etc.) to outside organizations to conduct their training programmes and related activities.

PROGRESS REVIEW OF THE TRAINING PROGRAMMES

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

From 2019, it has been started a new project for the Ministry of Education under thirteen year guaranteed education programme. Under this project NVQ level 4 programmes were conducted for the students who sat for G.C.E. (O/L) examination.



Income generating programmes

During the year 2019, the institute initiated the following academic and professional programmes in order to generate income for the Institute.

Income earning programmes details in 2019

No	Programme Category	Duration	No of Prog.	No, of Participa nts
ACADEMIC PROGRAMMES 2019/2020				
01	National Diploma in Plantation Management	18 months	1	16
02	Higher National Diploma in Plantation Crop Technology	12 months	1	16
03	Diploma in Plantation Crop Technology	12 months	1	25

04	Diploma in Plantation Management and Technology	18 months	1	15
05	Professional Programme in Tea Manufacture Factory Practices	09 days	1	21
06	Language Proficiency Examination	04 days	1	16
07	Advance Certificate Course in Plantation Accounting, Financial & Cost Management	15 months	1	10
08	Certificate Course in Book Keeping & Plantation Acctg.	12 months	1	27
09	Certificate Course in Micro Finance	10 days	2	42
10	Certificate Course in Human Resource management	03 months	1	9
13 YEAR GUARANTEED EDUCATIONAL PROGRAMMES				
11	Plantation Production Assistant - Tea	06 months	1	35
12	Plantation Field Assistant - Tea	06 months	1	40
13	Plantation Production Assistant - Tea	06 months	1	18
14	Plantation Field Assistant - Tea	06 months	1	39
15	Plantation Field Assistant - Tea	06 months	1	14
TECHNICAL DEVELOPMENT PROGRAMES (DEMAND DRIVEN)				
16	Tea Tasting & Grading	03 days	1	9
MANAGEMENT DEVELOPMENT PROGRAMES (DEMAND DRIVEN PROGRAMME)				
The Art of Enjoying Work(Attitude Development Programme)				
17	The Art of Enjoying Work for RDD-Kegalle	01 day	1	106
18	The Art of Enjoying Work for RDD-Head Office	01 day	1	33
19	The Art of Enjoying Work - National Archives DPT	02 day	1	42
20	The Art of Enjoying Work - Kurunegala Plantation	02 day	1	30
21	The Art of Enjoying Work - Sri Lanka Tea Board	02 day	1	42
22	Productivity improvement programme for the staff attached to CRI	01 day	1	56
23	Attitude Development programme for primary labour of SLTB	02 day	1	27
SKILL DEVELOPMENT PROGRAMMES				
24	Plantation Field Officer	10 days	1	07
25	Tea Factory Officers	05 days	1	17
WORK SHOPS				
26	Oil Palm Cultivation	02 days	1	12
SPECIAL PROGRAMMES				
27	Training Prog. For Newly recruited Rubber Development Officers	01 month	1	49
28	Office Administration, Tax & Labour Regulations for Finlays Tea Estates	01 day	1	30

29	Climate change effects mitigation and Adaptation in Plantation Industry	01 day	1	45
	Skill Dev. Programme for Drivers	01 day	1	17
31	Skill Dev. Programme for Drivers	01 day	1	15
32	Certificate Course in Agriculture Technology	01 month	1	13
33	English Course -Tea Board (Executives)	06 months	3	44
34	English Course -Tea Board (Non Executives)	03 months	2	23
NEW COURSES/WORKSHOPS				
35	Application of GIS & Remote sensing for plantation	03 days	1	10
36	Energy Efficiency and sustainable Production in Plantation	01 day	1	22
37	Food Safety (GMP) for Food Manufacturing	01 day	1	23
Total			41	1015

Table No.01

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

Academic programmes continued from 2018

No	ProgrammeName and Category	No of Programmes conducted	Duration of each programmes	No,of Participants
01	National Diploma in Plantation Management	01	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	Certificate Course in Plantation Accounting & Financial Management	01	14 months	15
05	Certificate Course in Book-keeping & Plantation Accounting	01	12 months	16
Total		05		97

Table No. 02

Progress of the Income generating Training Programmes – 2019

The Institute concluded 41 income generated programmes against the action plan target of 32. The progress of the number of programmes conducted was reported as 128% in the year 2019. At the year end the institute achieved financial progress of 112% against the expected training income. The number of trainees for the year 2019 was 1015 plantation estate employees out of the planned target of 730. i.e 139% against the target. Further, the institute has conducted a symposium on the theme “Sustainable plantation management” for the plantation industry. A workshop on integrated approaches to convert plantation productivity to sustainable profitability also conducted for the membership holders of NIPM under special Academic related activities.



114 school leavers have registered in Tea Factory Officers & Tea Field Officers NVQ 04 programmes.

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

Physical and financial progress of Training programme for the year 2019

Name of Programmes	Budgeted			Actual			Progress		
	No of Progs .	No of Parts	Income (Rs Mn)	No of Progs.	No of Part	Income (Rs Mn)	No of Progs.	No.of Students	Income Rs.
Academic and Professional Programmes	14	215	17.90	11	197	12.31	79%	92%	69%
Technical Development Programmes	1	15	0.45	1	9	0.27	100%	60%	60%
Management Development Programmes	4	169	1.09	7	336	2.21	175%	199 %	202%
Skill Development Programmes	3	45	1.13	2	24	0.55	67%	53%	49%
Worker Development	1	50	0.03				0%	0%	0%
Foreign Training programme	1	10	3.00				0%	0%	0%

Special Training Programmes / work shop	7	140	9.20	15	303	13.32	214%	216 %	144%
NVQ level programme-13 Year education programme	1	86	26.00	5	146	39.30	500%	170 %	151%
Total income generated programmes	32	730	58.80	41	1015	67.96	128%	139 %	115%
Examinations	15		3.00	12		1.33	80%		44%
Total Training Income	47	730	61.80	53	1015	69.29	113%	139 %	112%

Table No. 03

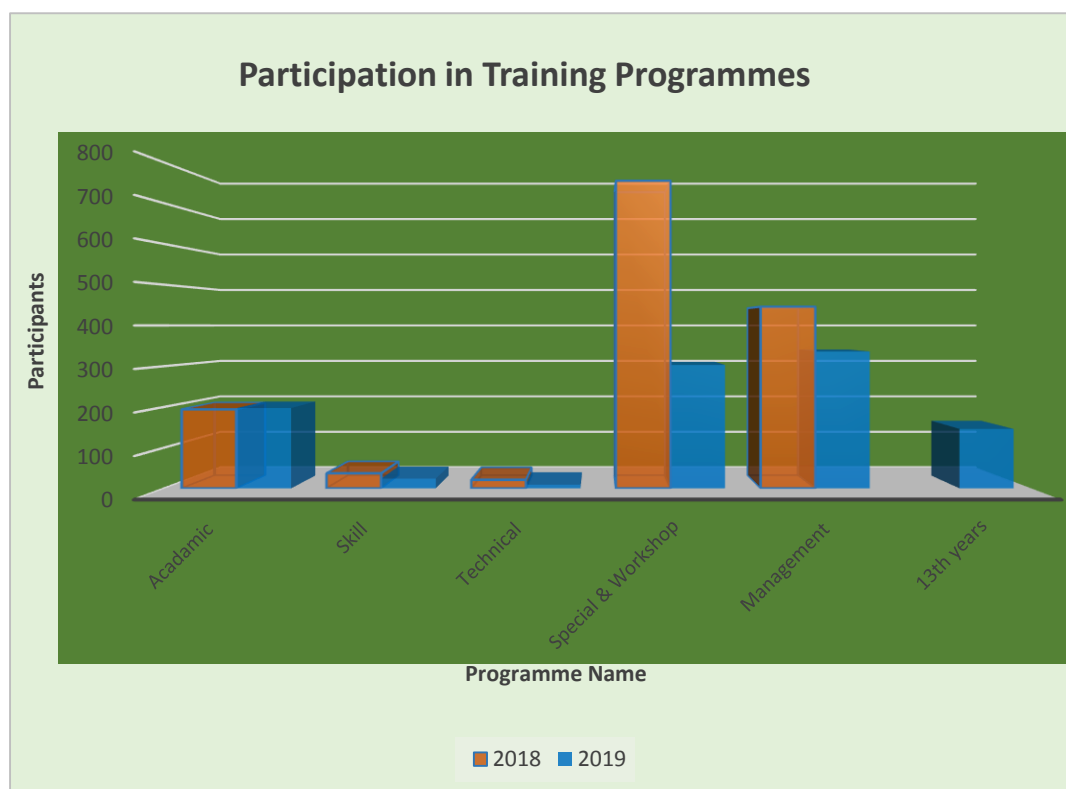


Chart 01

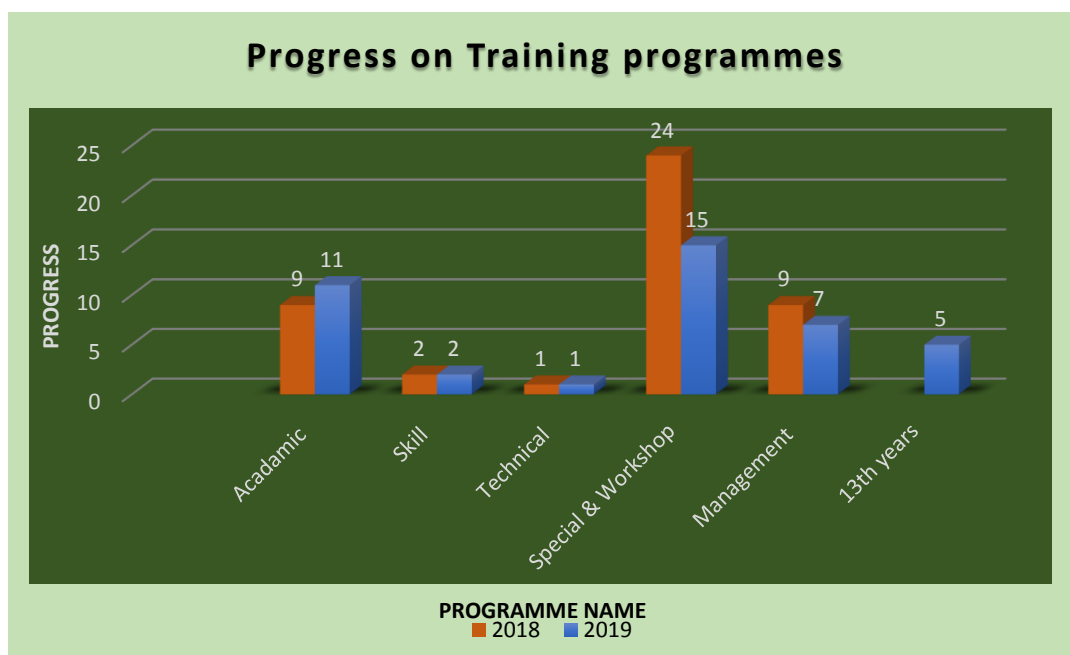


Chart 02

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 2019, the Institute has reported a net income of 43.89 Mn from the training programmes with an

average profit margin of 64% on the total training income of Rs. 69.29Mn. As per the previous year statistics, it was reported a net income of Rs. 17.165 Mn from the training income of Rs 29.926 million, therefore the net income has increased by Rs. 26.725 Mn. compare to the previous year.

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

Name of Programme	Income (Rs. mn)	Cost (Rs. mn)	Profit/Loss	Profit margin
Academic and Professional	11.89	6.49	5.40	45%
Management Development	3.26	1.86	1.40	43%
Technical Development	0.27	0.103	0.17	62%
Skill Development	0.55	0.328	0.22	40%
Workshop	1.11	0.706	0.40	36%
Special Training	11.3	2.696	8.60	76%
13 Year Guaranteed Educational Programmes	39.30	12.19	27.11	69%
Income from External Examinations	1.33	0.752	0.58	43%
Total	69.01	25.13	43.89	64%

Table No. 04

Capacity Development Programs for Small holders – 2019

The Institute has identified the importance of the smallholding sector, their contribution to the plantation industry and the importance of developing the human resources of this sector. Conveying this message to the treasury it was possible to allocate a significant amount of funds from the institute's budget under Capacity Development for smallholders. With a view to

improving their knowledge and increase of the income of the smallholders, the Institute had scheduled 125 training programmes with the financial allocation of Rs 4.0 million in 2019. During the year, the institute conducted 106 programs for smallholders incurring Rs 3.65 million. The following programs have been conducted for smallholders.

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



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

The details of conducted Capacity Building programs for smallholders

Type of Programme	Expected progs.	Expected participants	Estimated cost (RsMn)	No. of Progs	No. of Participants	Cost (Rs.mn.)
Tea small holders	40	2000	1.280	26	1403	0.74
Rubber small holders	25	1250	0.800	21	952	0.67
Coconut small holders	50	2500	1.600	40	1890	1.42
Other crops	10	500	0.320	19	1169	0.83
Total achieved	-	-	-	106	5414	3.65
Total planned	125	6250	4.00	-	-	-
Progress	-	-	-	85%	87%	91%

Table No 05

In this segment a significant improvement has been achieved in this year conducting 106 programmes reporting a progress of 85% in 2019 and the institute was able to train 5414



smallholders reporting an 87% progress number of trainees. The cost incurred for these programme was Rs. 3.65 million in 2019. It was 91% financial progress over the allocated funds.



PROGRESS OF TRAINING PROGRAMMES AGAINST THE PREVIOUS YEAR

In the previous there was a higher demand for special training programmes which are conducted on request of different organizations than in 2019. Therefore, it has been observed a slight decrease in progress in number of the programmes, number of trained when compared with the previous year training statistics. However, it was reported a significant increase in the generated income from training activities in 2019.

When compared with the year 2018, it was reported a 28% decrease in No. of the programmes and a 45% decrease of the participants in income

generated programmes. Even though training income of 2019 has increased by 123% against 2018 as a significant income generated by 13 years guaranteed education programme.

It was compelled to reduce the number of programmes planned initially according to the budget revision in the middle of the year. Therefore in the case of smallholding sector training programmes was decreased by 54% and training participants also decreased by 58% accordingly. The following table (No. 06) shows the progress of 2019 against the year 2018.

Progress of the 2019 against the year 2018

	2018	2019	Percentage Increase/ (decrease)
No. of Programmes (income generated programmes)	57	41	-28%
No. of Participants (income generated programmes)	1847	1015	-45%
Training income (Rs. Mn.)	31.009	69.29	123%
No. of Programmes for Small holders	232	106	-54%

No. of Smallholders trained	12,855	5414	-58%
Cost incurred on training of Small holders (Rs. Mn.)	7.4	3.649	-51%

Table No. 06

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

The institute successfully conducted NVQ Level 04 courses together with the students attached to 13 years guaranteed education programme which is organized by the Ministry of Education and in this programme aims to fulfill the following objectives,



- Provide opportunities to all children to 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 of further learning process or joining the world of work
- Introduce vocational subjects with highly demanding job opportunities at the national and international level

Following the basis of the NVQ framework NIPM conducted two NVQ level 04 courses to fulfill 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 rigor to improve efficiency and effectiveness with which information is used for decision making and performance monitoring at the factory level.
- Assist the plantation companies & private tea factories in the identification and selection of the most appropriate candidates as trainee tea factory officers

Field Officer

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

The Institute was able to complete tea field officer and tea factory officer courses successfully and students who have successfully completed those programmes 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/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 12 examinations and earned 1.33 Mn.in the year 2019. The following Table No 07 shows the details of such examinations.

Examinations conduct in 2019

Organization	No. of Examinations	No. of Candidates	Income Generated (Rs.Mn.)
Efficiency-Bar Examination 2019 Coconut Development Authority	1	56	0.322
Efficiency-Bar Examination for Junior Management-Grade II of Sri Lanka Tea Board	1	4	0.060
Efficiency-Bar Examination for Junior Management-Grade I of Sri Lanka Tea Board	1	2	0.047
Aptitude Test for Promotion of Assistant Directors of Sri Lanka Export Development Board	1	14	0.038
Examination of Recruitment of Receptionist & Telephone Operator for Sri Lanka Tea Board	1	75	0.360
Efficiency-Bar Examination for Management Assistants (Technical) – Grade III of Sri Lanka Tea Board	1	9	0.042
Efficiency-Bar Examination for Medium Management - Grade II of Sri Lanka Tea Board	1	8	0.068
Efficiency-Bar Examination for Management Assistants/Coconut Research Officers of Coconut Research Institute	1	8	0.036
Sri Lanka Tea Board-Receptionist & Telephone Operator - VIVA	1	20	0.015

Recruitment of Tea Inspectors/Extension Officers for Tea Small Holdings Development Authority	1	131	0.213
English Language Placement Test for Employees of Sri Lanka Tea Board	1	47	0.038
Recruitment of Rubber Development Officers for Rubber Development Department	1	22	0.087
Total	12	396	1.326

Table No 07

B.Sc. DEGREE PLANTATION MANAGEMENT

The B.Sc. Degree in Plantation Management is specially designed for senior and middle level executives attached to the plantation and related sectors towards the development of corporate level.

Until 2006 there was no opportunity for the plantation sector personnel to upgrade their educational background to degree level. There was a need in the plantation sector to explore ways and means for the advancement of individuals in the sector to achieve greater competence, develop management skills and professionalism at a level higher than the diploma level.

Accordingly, the Faculty of Agriculture and Plantation Management of Wayamba University, in consultation with the National Institute of Plantation Management obtained approval from the UGC and started B.Sc. level external degree programme on Plantation Management in 2006 by utilizing the resources of the two institutions & accessing resources of different academic, research & management institutions available in Sri Lanka.



This is a 03 year programme & conducted as a distance learning course. The target groups of this degree are officers from the Plantation Management Companies, Tea Small Holding Development Authority, Rubber Development Department, Tea Board, Coconut Cultivation Board, Crop Research Institute (TRI, RRI, CRI, SRI), Department of Export Agriculture, Department of Agriculture, Department of Agrarian Services, Department of Animal Production and Health, National Livestock Development Board, Janatha Estate Development Board, Sri Lanka State Plantation Cooperation, Mahaweli Authority, Banks and other relevant institutions in the country.

Objectives of this programme

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

Details of registered & passed out students

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

<i>S/N</i>	<i>Batch Year</i>	<i>No. of Registered Students</i>	<i>No. of Passed out Students</i>
1.	2006	21	16
2.	2007	17	11
3.	2008	35	21
4.	2009	34	16
5.	2010	47	29
6.	2011	32	17
7.	2012	54	37
8.	2013	81	-
9.	2014	91	52
10.	2015	105	17
11.	2016	121	37
			33
12.	2017	117	48
13.	2018	143	55
14.	2019	180	73
15.	2020	275	

Table No 08

PROFESSIONAL MEMBERSHIP OF THE INSTITUTE

The Institute continued in conferring professional membership of the Institute to eligible Plantation Executives based on the criteria and conditions constituted in the Act No. 5 of 1987. During the year under review, one (01) student member promoted as an Associate member and awarded six (06) fellow membership for six (06) executives. At the end of the year, the total

numbers of membership holders under each category are listed below.



Honorary membership	22
Fellow membership	227
Associate membership	18
Student membership	<u>01</u>
Total	<u>268</u>

Table No 09

During the year 2019 the Institute has organized and conducted an Awareness Workshop on Economic Trends Imposed on Plantations to update the current trends in the plantation sector

and also to share the information among the members. It was held at the Thurya hostel in August, 2019 and participated 32 members in the event.

FACILITIES AVAILABLE

• LIBRARY FACILITIES

More than 4000 sources of information have established in the library of National Institute of Plantation Management & they are categorized as books, Magazines and periodicals, Posters, Leaflets, articles and CDs, DVDs. Further those sources are being developed into categories; lending collection, reference collection. Moreover, all the above information sources categorized according to DDC.

The library of 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 NIPM has kept its first step of the evaluation of the library into a research library by converting it in to an automated library. It is expected to complete its work by 2021

• ACCOMMODATION FACILITIES

Hostel at Athurugiriya



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

Hostel at Bogawanthalawa Regional Centre(RWPSC)

Ranjan Wijerathne Plantation School (RWPSC) which located in Theresia Estate, Bogawanthalawa is the other Regional Training Centre for conducting training programmes. It should be certainly improved up to training center with modern facilities. The Auditorium with a capacity for nearly 100 persons and two medium size lecture halls are



available, which can be accommodated around 50 in each.

The hostel at Bogawanthalawa provides accommodation facilities for nearly 70 people at a time. It has a fairly big dining hall, 3 office rooms and a mini library having more than 600 books. There is a bungalow for the Hostel Manager. Apart from the Hostel Manager and a peon, there are no other permanent workers at this center and therefore, necessary workers are employed on contractual basis during training sessions with prior approval from the Director. There are three workers and one watcher on casual basis and at present. The earnings by renting out institute's

facilities i.e. Hostel, Lecture halls, meals are shown in the following graph.

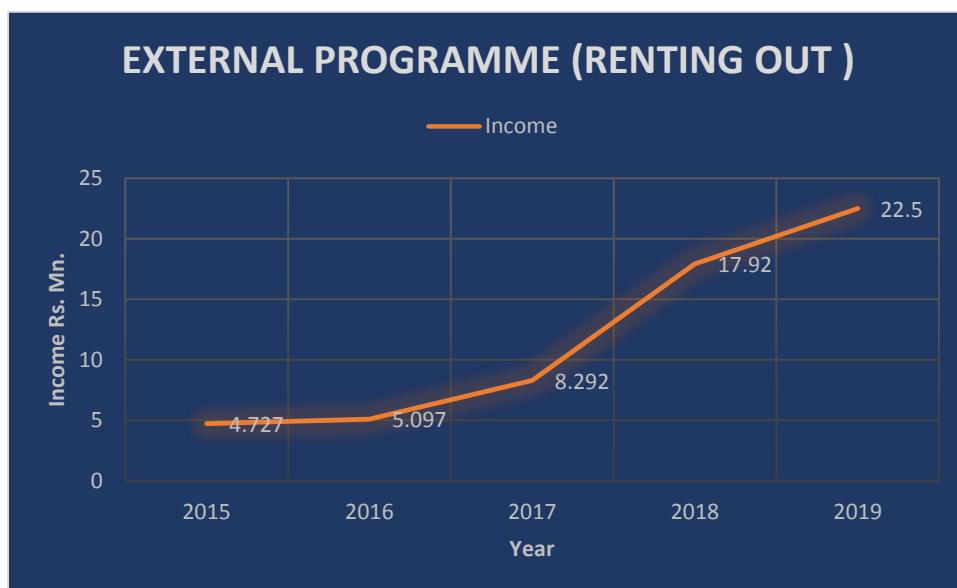


Chart 03

OUR ACTIVITIES



Director / CEO and Staff of NIPM started their duties for year 2019, by declaring the state service oath in front of the National flag.

A cricket match was held among NIPM and National Institute of Education (NIE) on 04th January 2019 at NIE ground



A TV commercial was developed with a view to promote courses and the brand name of NIPM.

Certificate Course in Micro Finance started on 12th January 2019 for Government Sector Executives, Development Officers & Private Sector Executives attached to Micro Finance Industry, at NIPM, Athurugiriya.



An awareness programme was conducted for the students of 1st intake of 2019 of Tea Field Assistant and Tea Factory Assistant (NVQ Level 04) programmes on 10th January 2019 at Bogawanthalawa Regional Center. These programmes are conducted under thirteen years guaranteed Education programme of Ministry of Education. A few officers of Ministry of Education and the parents of the students also participated for this programme.



The Annual cricket match was held on 04th February 2019 at Abayapura ground with parallel to the National Independent day celebration

Training Programme for newly recruited Rubber Development Officers of RDD conducted by NIPM from 21st January to 20th February 2019.



Talent show of newly recruited Rubber Development Officers glamorously organized by NIPM on 20th February 2019.

A cleaning day by the staff of NIPM was held on 23rd February 2019 at the premises of the institute.



The NIPM was sworn the Bak Maha Oath according to a unique concept of his Excellency president for a Sri Lanka without drugs,

Annual Award Ceremony of National Institute of Plantation Management was glamorously held on a grand scale on 06th June 2019, at BMICH, Colombo under the patronage of the Hon. Navin Dissanayake – Minister of Plantation Industries, Hon. Wadiwel Suresh – State Minister of Plantation Industries, Dr. Indarjith Coomaraswamy – Governor of Central Bank and other distinguished guests, and over 300 recipients were awarded at the event.



The theme song of National Institute of Plantation Management was launched simultaneously with the 40th anniversary of the institute by showing the pride & dignity of the institute.
 Lyricist – Mr. Nilar.M.Kasim
 Music Composer & Singer– Mr. Nawarathna Gamage - July

Workshop on "GIS & Remote Sensing Technology to Enhance Productivity of Plantation Sector" was held in November 2019 at National Institute of Plantation Management.



Green initiatives of NIPM on the first week of July 2019. NIPM has taken several steps to adopt the green concept & maintain the aesthetic beauty of the office premises although situated in a suburban district like Colombo.

NIPM signed a Memorandum of Understanding (MOU) with Institute of Certified Management Accountants of Sri Lanka (CMA - SL). Advanced Certificate Course in Plantation Accounting, Financial & Cost Management will be jointly awarded by NIPM & CMA - SL, arming plantation accounting officers with the modern Accounting and Financial Management techniques.

Dr. Prasad Dharmasena and Prof. Laxman R. Watawala signed the MOU on behalf of NIPM and CMA - SL respectively. Mr. Dilantha Senevirathne, Director/CEO of Heyleys Plantation Services (Pvt) Ltd and Mr. D.W.S. Narangoda of CMA and senior officers of NIPM also represented the event.



National Institute of Plantation Management provided a sponsorship to an athlete in order to participate Sri Lanka Veteran Athletics (open) Championship Meet as another CSR activity of the institute. The Institute contributed to this event as he is attached to the plantation community.

A workshop on “Climate change effects, mitigation and adaptation in plantation industry” & Fellowship Night was held at Hotel Turyaa, Kalutara on 02nd August 2019. Some senior professional fellow members & associate members of NIPM participated for the Programme and also eminent speakers namely Prof. B. Marambe (Senior Prof, Dept. of Crop Science – University of Peradeniya) Mr. Jagathdeva Widanagamage (GHG mitigation expert – World Bank PMR project climate change secretariat), Mr. Ranga Pallawala (CEO- Janathakshan) and Dr. J.M.S.B. Jayasundara (Head- Dept. of Environment Management, University of Rajarata) delivered speeches of the workshop.



The registration and the awareness programme of the students of the 02nd intake of Tea Field Asst. & Tea Factory Asst. programmes (NVQ level4) under 13 years guaranteed Education programme of Ministry of Education held on 2019.09.07 at NIPM, AThurugiriya. The group consisted of 90 students from 23 schools. Officers of Ministry of Education, Director, Staff officers of NIPM participated for this event.

"The Art of Enjoying Work (OBT) Programmne" was successfully conducted for the Executives attached to Kurunegala Plantation Ltd from 13th to 14th September 2019 at Oruthota Chalet - Digana to improve their managerial skills.



Certificate Course in Book Keeping & Plantation Accounting for non-executives attached to plantation industry started on 28th September 2019 at National Institute of Plantation Management.

Certificate Course in Agriculture Technology for school leavers started on 28th October 2019 at National Institute of Plantation Management.



Second batch of Certificate Course in Micro Finance for Government sector and Private sector Executives attached to Micro Finance Industry and other interested parties started on 02nd November 2019 at National Institute of Plantation Industries.

The annual outing of NIPM was organized at Amethyst Resort, Pasikuda on 9th and 10th November 2019 with the participation of Director/ CEO Dr Prasad Dharmasena and all staff also were participated at this event.





A special event organized by NIPM for the officials attached to the plantation industry on 13th December 2019 at National Institute of Plantation Management. A special speech delivered by Mr. Kishu Gomes (Former Chairman, Sri Lanka Tourism Promotion Bureau) and a Mindful Music Therapy Programme conducted by Mr. Dammika Bandara.

Annual Pirith Ceremony was held in 27th December 2019 at the Institute



Skill Development of Factory Officers



Skill Dev. Programme for Drivers



Energy Efficiency and sustainable Production in Plantation



Work shop on Oil Palm Cultivation



*Diploma in Plantation Management
& Technology*



Language Proficiency Examination



*Higher National Diploma in Plantation
Crop Technology (NVQ Level 6)*



*Advance Certificate Course in Plantation
Accounting, Financial & Cost Management*



*National Diploma in Plantation Crop
Technology (NVQ Level 5)*

FINANCIAL REVIEW

Performance

The Institute recorded a total income of Rs. 244.63 Mn. in year the 2019 with a 22.45% improvement when compared with the previous year income of Rs. 199.77 Mn. The main contributory factor towards the increasing income was the contribution of Government grant as recurrent and capital grants which are amounting to Rs 75.00 Mn. In addition to the above special capital grant of Rs 60.78 Mn received through Ministry of Plantation Industries under a special project of upgrading training facilities towards the plantation sector development in accordance with degree awarding institute by 2020. Total training income has increased up to Rs. 69.29Mn when compared with the previous year figure of Rs. 31.00Mn. Therefore the progress of the increase of training income is 123.5% against the year 2018. The institute conducted special training programmes (NVQ level 4) for GCE O/L fail students under 13 years guaranteed education

programme coordinated by the Ministry of Education. This programme contributed a sum of Rs. 39.30 Mn toward the total training income. As experienced in the previous years, the Institute generated a significant income providing renting out facilities for the other organisations as and when training and accommodation capacities were available in both centres. This renting out facilities generated a sum of Rs. 20.36 Mn. in 2019 and it was Rs 17.92 Mn. in the year 2018.

In the case of expenditure in concern, a sum of Rs 138.82 Mn. Incurred during the financial year 2019 including depreciation and amortisation cost of Rs 25.13 Mn compared to the total expenditure of 2018 figure of Rs 133.27Mn. At the end of the financial year, the institute recorded a net surplus of Rs. 105.80 Mn. which has been attributed to Net Assets of the Institute.

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

	2019	2018	Variance	Key reason
Government grant	75.00	80.95	-7.35%	Institute received Rs. 54.00Mn for recurrent and Rs 21.00 Mn for the capital grant. Shortage of capital grant was Rs.7.00 Mn.
Project capital grant	60.78	60.00	1.3%	Shortage of Rs 39.22 Mn from the total allocation of 100 Mn in 2019
Training Income	69.29	31.00	123.5%	Increase of NVQ training programme and conducted special NVQ -4 training programme for O/L fail students

Renting out income (Both centers)	20.37	17.93	13.6%	Increased the number of programmes due to special advertising campaign
Total income	244.62	199.77	22.45%	Due to increase of training income and government grant with the special development project grant.
Salaries and wages and employee benefits	43.42	45.57	-4.71%	Due to reduction of employee benefit and employee travelling expenses even though salaries and wages were slightly increased.
Total Recurrent Expenditure	138.82	133.28	4.15%	Due to increase of salary, training expenditure and other expenditures in parallel to increase of income.
Depreciation	25.14	24.40	3.03%	Slightly Increased due to new acquisition of assets.
Surplus	105.80	66.49	59.12%	Surplus increased due to increase of training income and other income

Table No 10

Liquidity position

The liquidity position of the Institute shows a favourable ratio of 11.56 times in the year 2019. It has reported a rapid increase when compared with the previous year ratio of 9.05 times. The compensation of Rs 155.0 Mn. received during the year 2018 from the acquisition of land and three staff quarters to the Seventh Engineers Regiment

of Sri Lanka Army. This amount has been invested in short term deposits to utilise in 2020 for the second stage of the construction of the new building with lecture halls which has been implemented in 2017.

Capital expenditure

The Institute continued with the infrastructure development programme on tangible fixed assets as scheduled in the capital expenditure budget in the year 2019 for which the treasury allocated a sum of Rs. 28.00 Mn. from the National Budget. However due to various draw back and constraints face by the government, it was limited to Rs 21.00 Mn. as the actual released amount at the end of the year 2019. The following table shows the estimated and actual performance of capital expenditure in 2019. In addition to that, a sum of Rs. 60.782 Mn received from the Ministry of

Plantation industries for the capital development project which has been in progress since 2017 to 2020 to improve training facilities with the infrastructure development. The shortage of Rs 39.218 Mn. has reported from the total allocation of Rs 100.00 Mn for the year 2019. At the end of year 2019, a sum of Rs . 175.3 Mn utilised for this project from the total project cost of Rs.264.00 Mn including the Institute's contribution of Rs.47.1 Mn which will be scheduled to spend in 2020.

Budget and Actual performance of the Capital Expenditure 2019 (Rs. Mn.)

Capital items	Budget	Actual	Progress
Renovation and rehabilitation of Capital assets	60.30	24.41	40.5%
Acquisition of capital assets	24.45	8.8	36.0%
Other investment	1.25	1.06	84.8%
Capacity Development Programmes	5.00	4.19	83.8%
Total	91.00	38.46	42.2%

Table No 11

The Department of National Budget allocated a sum of Rs 33.00 Mn for the capital expenditure in the first instant, it was cut down up to 28.00 Mn after the Easter attack and further cut down another 10% during the last quarter due to various issues faced by the government. At the end of the year 2019, the total released amount limited to Rs 21.00 Mn with the shortage of Rs 7.00 Mn. Furthermore the institute had to put off some planned development activities due to shortage of

- Renovation of 8 Hostel rooms in the main hostel complex at Athurugiriya.
- Converted old computer room and general stores to NIPM learning center with mini tea factory.
- Conducted 106 No. of capacity Development training programmes for smallholders
-

funds such as improvement of hostel cafeteria and kitchen which has been estimated to Rs 28.00Mn, installation of solar power system estimated to Rs 6.00 Mn, and purchasing of auditorium chairs and purchasing a Land Development of Rs 5.00 Mn etc. However important and urgent development activities have been completed using treasury grants and internally generated funds as listed below.

- Installation of GIS software and upgraded accounting software.
- Installation of I panel for lecture hall to introduce smart class room.
- Purchased equipment for Athurugiriya and Bogawanthalawa

Special Development project

The Special capital Development Project call “upgrading the training facilities towards the plantation sector development in accordance with degree awarding Institute” has been initiated in 2017. This project will be continued up to end of 2021. Total Estimated cost would be Rs 314.00 Mn which comprises a capital component of Rs 264.0 Mn. and Rs. 50.00Mn for recurrent. The General treasury would be funded Rs 216.9 Mn

through the Ministry of Plantation Industries and the institute’s contribution is Rs 47.1 Mn from compensation income of disposal of land and building to Sri Lanka Army. In first instant, the institute constructs a new building with lecture halls and R & D unit. The second phase of construction is scheduled to commence in 2020 using the compensation income estimated at Rs. 155.00 million deposited in the bank.

A sum of Rs 175.3Mn utilized for the above project including development of course curriculum up to NVQ level 06. The financial plan of the project is as follows.

Upgrading the NIPM training facilities towards the degree awarding institute		Allocation up to 2019	Expenditure up to 31.12.2019	2020	2021	Treasury funds
Project Expenditure						
Project Capital Expenditure						
2001	Improvement of Hostel facilities	11.70	11.70	-	-	11.70
2104	New Office Building , lecture hall and Establishment of R & D Unit	158.60	158.60	38.60	-	197.20
2507	Development of course modules	5.00	5.00	3.00	-	8.00
Total project Capital Cost		175.30	175.30	41.60	-	216.90
Generated funds with second stage						
2001	Improvement of Hostel facilities	2.00	2.00	-	-	2.00
2104	New Office Building , lecture hall and Establishment of R & D Unit			45.10	155.00	200.10
Project Capital Expenditure Total		177.30	177.30	179.60	155.00	419.00

Table No 12

Surplus /Deficit

During the year 2019, the Institute recorded a surplus of Rs. 105.80 Mn after deducting depreciation cost of Rs.25.136 Mn. compared to the previous year surplus of Rs 66.49 Mn. the Following chart shows the behaviour of surplus and deficit during the period of 2009 to 2019.

Cash inflows from government grant is the significant factor for increasing of surplus in 2019. Generated revenue including training income has increased beyond Rs. 100.00 Mn. for the first time of the NIPM history.

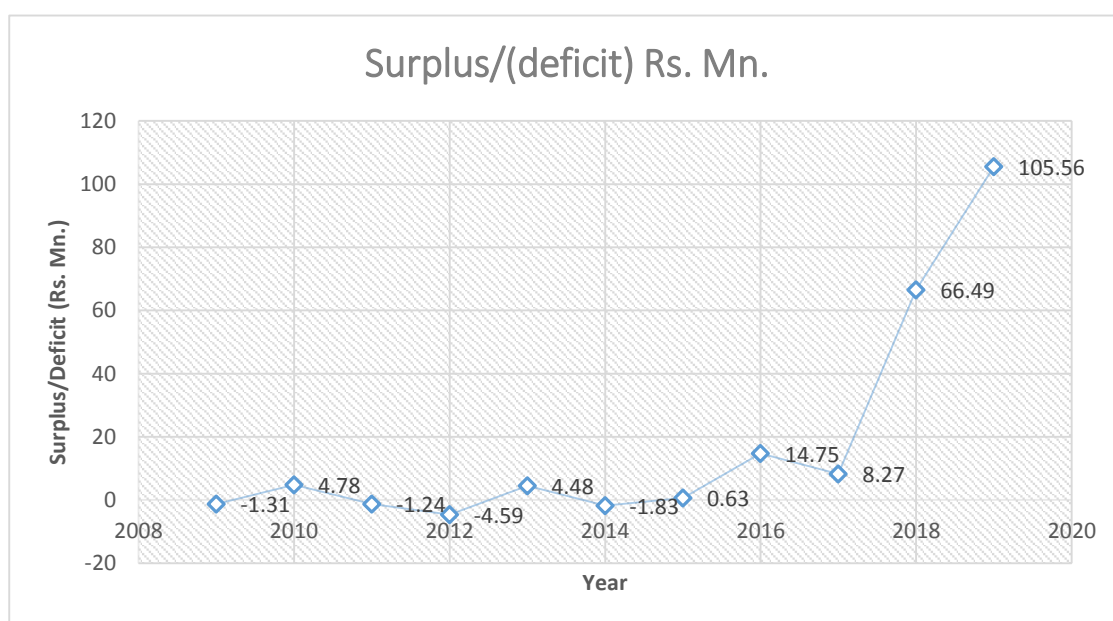


Chart 04

Net Assets

The Net Asset of the Institute has increased up to Rs. 843.91 Mn. as at 31 December 2019. It shows an 86.6% improvement over the previous year figure of Rs.452.19 Mn. the main reason for this improvement is due to revaluation of land and it

created a revaluation surplus of Rs 285.90 Mn in the year 2019. Moreover the investment for ongoing degree awarding project and capital investment from National Budget caused to improvement of the net asset from 2017 to 2019

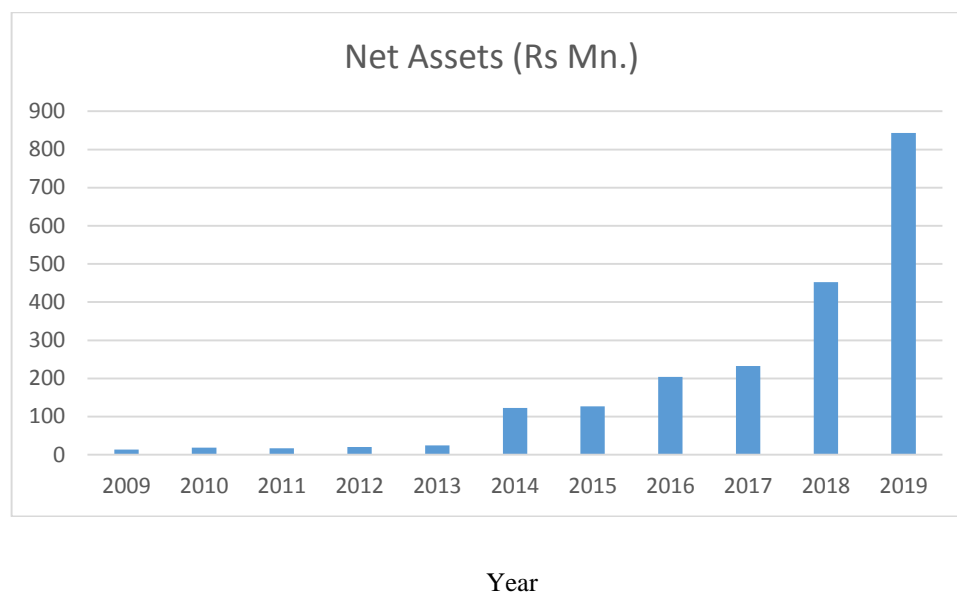


Chart 05

Financial Position

Statement of Financial Position recorded the Net asset of Rs. 843.91Mn as at 31.12.2019 compared to the previous year figure of Rs. 452.19Mn. According to the financial statements, the value of total assets recorded as Rs. 873.56Mn compared to the previous year figure of Rs485.81Mn. Total liabilities as at end of the year recorded as Rs. 29.65Mn. when compared with the previous year

figure of Rs. 33.62 Mn. The Institute provided a provision for Employee Benefits Plan for Rs. 8.95 Mn according to the auctorial valuation method and invested the contribution in fixed deposit to secure the commitments for the employee benefits as and when it requires. Total current assets recorded as Rs. 247.13 Mn and current liabilities were Rs. 21.36 Mn as at 31.12.2019

CONSTRAINTS FACED BY THE INSTITUTE

As experienced in the previous years, the Institute had to face several constraints in the year 2019 as well. Shortage of staff in the training faculty is one of the main constraints. There are only 06 members in the training faculty. Inadequate salary scales against the qualifications and skills resulted in to recruit of qualified professionals for the training faculty even if the approved staff

vacancies are available. The Institute faced a shortage of staff quarters due to the acquisition of four and half acres of the land and three executive grade staff quarters by the Seventh Engineers' Regiment of Sri Lanka Army.

Many of the plantation companies were reluctant to release their executives to participate on weekdays and long-term programmes since their

absent might be affected the production and administrative activities of the estates. Therefore, the Institute had to change the training arrangement on weekends. This was caused for

The participation of school leavers for plantation training is minimal, since the plantation sector is not attractive for the new generation. The Institute had to invest more fund to develop course

Institute has to allocate more funds to renovate the buildings of the institute since it is over 60 years converted to the training center in the 1980s. Out of the 08 vehicles that the Institute has at present, 06 are over 20 years old. The age of the Pajero jeep is more than 25 years. As previously mentioned, the programmes for smallholders are conducted in different regions in the country. To travel such distances, the existing vehicles are thoroughly unsuitable. In order to ensure a more

Even though plantation estates are owned by the government, there are no specific qualifications for recruitment and promotion schemes of

Country's political situation and working environment would be worse after the Easter attack and this outbreak collapse nearly 3 months.

Future plan

The institute has taken steps to develop two main courses up to NVQ level 7 (degree level) and one programme in line with the Sri Lanka Qualification Framework (SLQF) with a view to establishing a degree awarding institute for the plantation sector by 2021. The application has been handed over to the Ministry of Higher education in late 2019. Hopefully it will be

In parallel to the above a new development proposal for improvement of Hostel facilities up to 200 heads has already been approved by the Cabinet and hopefully it will be started in mid-2020 under the supervision of Ministry of

insufficient accommodation and training on facilities to increase the number of programmes.

modules to convert the selected professions which are not being easily recruited by the plantation companies due to lack of competencies.

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

plantation staff in the Regional Plantation Companies which brings difficulties to attract the students for the institute's programmes.

Therefore the institute had to vacate the training activities till situation back to the normal

evaluated in end 2020 and grant their approval to start new degree programmes with effect from 2021. This project has been initiated under the supervision of the Ministry of Planation Industries (MPI) with a total estimated cost of Rs 264.00 Mn. Second phase of this project has been estimated to Rs 155.00 Mn which will be scheduled to start in mid - 2020.

Planation Industries if the applicable finance will be granted in time by the treasury. Total approved project cost of this project would be Rs. 299.00Mn.

The institute installed mini tea factory machineries to establish the NIPM learning center in 2019 and it will be started in mid-2020 to

accommodate training facilities for the recruited students.

It is proposed to develop a new leaning center in the southern region of the country to cater smallholder in the region.

CONCLUSION

As the premier training academy for the plantation sector NIPM keep abstract of current trends and constantly upgrade our products to today's needs. The Institute has made gains, physically and financially in the year under review when compared with the previous year 2019. The prices of the plantation crops such as rubber coconut and tea adversely affected the physical number of training programmes in 2019. However in the year 2019, training programme progress was very successful and exceed the total income of over 100 Mn in the first time of

the NIPM history. The institute was able to sign an MOU with the Ministry of Education to educate the students under NVQ Level 4 whose O/L examination results are below the standard. Training programme for the smallholding sector is reducing the number because of the country's political situation compared to the previous years. Anyhow there was a possibility of conducting more programmes for smallholders and estate workers in future years if the capacity of the staff is strengthened.

A surplus of Rs.105.5 Mn. was reported between the income and expenditure in the year 2019 and the Net assets of the Institute

have increased up to Rs.843.9 Mn. from Rs.452.19Mn in the year 2018.

Further, the Institute was able to start the module development process of Diplomas and higher Diploma to obtain NVQ accreditation which is mandatory for skill development of the plantation sector. The Institute conducted 106 training programmes for smallholders incurring a sum of Rs. 3.65 Mn using the funds granted by the Treasury. The greater emphasis will be paid to programmes for smallholders

and estate workers in the next year too. Based on this information, it can be satisfied with the physical and financial progress in the year 2019 and the expectation of the Institute is to achieve the planned targets in the year 2020 under the effort and commitment of the staff and the proper guidance and advices of the Board of Governors and the line ministry.

The Chairman and the Board of Directors and the Management of the Institute take this opportunity to convey its sincere thanks and gratitude to each and every person who

extended their fullest co-operation to achieve the gains made in the activities of the Institute during the year 2019.

Sgd.

A. L. A. Asoka Siriwardana
Chairman/NIPM
14/07/2020

2019

FINANCIAL STATEMENTS

**NATIONAL INSTITUTE OF PLANNATION
MANAGEMENT**

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

14th July 2020

Financial Report

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NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

ACCOUNTING POLICIES AND THE NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR 2019

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 has 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 the following

material items in the statement of financial position.

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

2.3 Functional and presentation Currency

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

institute functional and presentation currency.

3.0 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Financial 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 the estimate are accounted for on a prospect basis.

Computer software

Computer software which has been developed for Accounting, Payroll, Training Statistics, GIS and Resource Management 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 has 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 which

has indefinite life span. Therefore amortization cost does not apply for this intangible asset.

The estimated useful lives of intangible assets are as follows.

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

3.2 The Capacity Development programme for smallholders and school leavers

The Institute conducts capacity development programmes for smallholders to uplift their living standards and to enhance their 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 products 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 younger generation who are willing to enter into the plantation sector.

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

The Institute incurred Rs 3.65 Mn. to enhance the knowledge of the plantation smallholders and ground level workers conducting 106 programmes in 2019 and two NVQ level 4 programmes for the school leavers under 13 year education programme

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, they are accounted for as separate items (Major component) of property plant and equipment

3.3.1 Useful lives

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

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

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

- Plant and machinery, office equipment and other miscellaneous items such as linen, cutlery items etc. are included in the value of the 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 which is categorized under Plant and machinery, is 10 years.
- Linen, cutleries and ceramic items are recognized as consumable assets with effect from 2019.

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

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

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

Basis of measurement

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

model. Depreciation is not calculated and charged for the Lands belongs to the institute.

3.3.2 Disposal

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

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

3.3.3 Annual board of survey

The Institute conducts an annual board of survey at the end of each year and recommended to dispose

of the items which are uneconomical to use.

3.3.4 Present status of the land acquired by Sri Lanka Army

The land extents of 1.9499 hectares and three staff quarters had been transferred to seventh regiment of Sri Lanka Army 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 2020.

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	523,125/-	-	523,125/-
Printing materials	1,094,998/-	-	1,094,998/-
Welfare items	55,026/-	-	55,026/-
Consumable items	71,381/60	-	71,381/60
Maintenances material	86,305/-	-	86,305/-
Publications	835,700/-	-	835,700/-
Dry food items	3,836/-	-	3,836/-

Cutlery and linen items

Linen item	1,062,573/27	-	1,062,573/27
Cutlery and ceramic	234,775/27	-	234,775/27
Total	3,967,720/14		3,967,720/14

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

Held –to- maturity financial assets

The institute has the positive intend and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held to maturity

financial assets are recognized initially at fair value plus any directly attributable transaction cost using the effective interest method, less any impairment losses. Any sale or reclassification of more than insignificant amount of held-to-maturity investment 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

A 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 to 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 2019

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 considered as short term course when the duration of course period is less than six months. The total programme income of the short term courses are shown in to 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)

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

considering number of module completed during the year or number of effective months of the training programme whichever 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 an income for the Institute. The income and

expenditure have been reported separately in the Statement of Financial Performance due to different project to the desired mission of the Institute.

11.5 Government Grants

The Department of National Budget allocates significant

amount from annual National budget to the institute. Both

recurrent and capital grant are recognized as the income of the

institute in accordance with the SLPSAS 11.

12.0 **EVENT OCCURRING AFTER REPORTING DATE**

Event after the reporting period are those events favorable and unfavorable occur between the end of the reporting period and the date when the financial statements are authorized 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

The interest income of the call deposit of Rs 1,715,000/-reported a deficit of Rs 980,642.44 from the estimated interest rate of 11.5% at the encashment on 10/01/2020. The deficit has immediately adjusted from the total interest income in the reporting year 2019. The deposit date

of this call deposit was 27/12/2009 in Bank of Ceylon Athurugiriya branch.

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

- Department of National Planning has already recommended the project for Developing the Institute up to Degree Awarding status. Total project cost is estimated as Rs 314.00 Mn including recurrent component of Rs. 50.00Mn. At the end of the

year 2019, a total of Rs. 135 Mn has been granted by Ministry of Plantation Industries out of the total allocation of Rs 216.9 Mn which should be granted from the consolidated Fund. A sum of Rs 39.4 Mn was granted in the January and February 2020 from the total allocation of Rs 100.00 Mn in the year 2019.

- A project proposal has been approved to enhance the hostel facilities up to 200 heads. A sum of Rs 218.00 Mn has approved for the first phase of the hostel building.

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>2019</i>	<i>2018</i>
ASSETS		<i>LKR</i>	<i>LKR</i>
Current Assets			<i>Restated</i>
<i>Cash and cash equivalents</i>	<i>14</i>	<i>4,792,291.33</i>	<i>13,502,106.62</i>
<i>Receivables</i>	<i>15</i>	<i>23,101,346.33</i>	<i>9,361,720.09</i>
<i>Inventories</i>	<i>16</i>	<i>3,967,720.14</i>	<i>1,754,928.22</i>
<i>Prepayments</i>	<i>17</i>	<i>22,810,766.76</i>	<i>13,077,042.22</i>
<i>Other Current assets</i>	<i>18</i>	<i>192,466,222.03</i>	<i>175,562,238.55</i>
Total current assets		247,138,346.59	213,258,035.70
Non-Current Assets			
<i>Receivables</i>	<i>19</i>	<i>2,257,069.74</i>	<i>1,509,019.25</i>
<i>Property plant and Equipment</i>	<i>20</i>	<i>513,976,390.62</i>	<i>221,622,554.98</i>
<i>Intangible Assets</i>	<i>21</i>	<i>1,601,904.44</i>	<i>811,641.44</i>
<i>Other Non-current Assets</i>	<i>22</i>	<i>108,591,969.09</i>	<i>48,617,841.61</i>
Total Non- current Assets		626,427,333.89	272,561,057.28
TOTAL ASSETS		873,565,680.48	485,819,092.98
LIABILITIES			
Current Liabilities			
<i>Payables</i>	<i>23</i>	<i>20,051,592.74</i>	<i>22,103,130.54</i>
<i>Short - term Provisions</i>	<i>24</i>	<i>547,110.00</i>	<i>-</i>
<i>Employee Benefits</i>	<i>25</i>	<i>762,691.03</i>	<i>1,446,557.00</i>
Total current Liabilities		21,361,393.77	23,549,687.54
Non- current Liabilities			
<i>Employee Benefits</i>	<i>26</i>	<i>8,192,410.74</i>	<i>9,947,012.31</i>
<i>Other long term payables</i>	<i>27</i>	<i>101,129.87</i>	<i>125,252.12</i>
Total Non-current Liabilities		8,293,540.61	10,072,264.43
TOTAL LIABILITIES		29,654,934.38	33,621,951.97
NET ASSETS		843,910,746.10	452,197,141.01
NET ASSETS/EQUITY			
<i>Capital contributed by Government & other Government Entities</i>	<i>28</i>	<i>35,490,371.21</i>	<i>35,490,371.21</i>

<i>Reserves</i>	<i>29</i>	<i>416,311,660.77</i>	<i>130,407,699.08</i>
<i>Accumulated surpluses/(Deficits)</i>	<i>30</i>	<i>392,108,714.12</i>	<i>286,299,070.72</i>
TOTAL NET ASSETS/EQUITY		843,910,746.10	452,197,141.01

The Accounting policies and Notes on pages. 50 to 58 and Notes on pages to 91 from 61 an integral part of these financial statements.

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

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

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

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

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

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

14.07.2020

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended December 31,

REVENUE	Note	<i>2019</i> <i>LKR</i>	<i>2018</i> <i>LKR (Restated)</i>
Government Recurrent grants	31	54,000,000.00	50,000,000.00
Government capital grant	32	21,000,000.00	30,950,000.00
Income from Special project grant (MPI)	33	60,782,603.40	60,000,000.00
Generated Training income	34	69,292,106.32	31,009,354.00
Renting out of residential facilities	35	20,368,591.95	17,927,145.51
Interest income	36	17,465,493.03	4,968,988.41
Other income	37	1,721,091.18	4,920,212.05
TOTAL REVENUE		244,629,885.88	199,775,699.97
EXPENSES			
Wages, Salaries and employee benefits	38	43,417,746.30	45,576,846.26
Supplies and consumable used	39	5,013,920.48	4,614,961.64
Repairs and Maintenance	40	7,137,163.37	6,475,847.57
Communication and utility services	41	13,161,884.26	13,851,227.95
Training Expenses including capacity building Progs.	42	32,392,533.77	25,833,627.41
Expenses in Relation to Renting out facilities	43	8,029,320.95	4,565,765.31
Expenses for Bogawanthalawa Regional Centre	44	2,888,019.69	2,472,979.31
Depreciation and Amortization expenses	45	25,136,857.21	24,406,714.81
Other Expenses	46	1,642,796.45	5,480,325.21
TOTAL EXPENSES		138,820,242.48	133,278,295.47
Surplus/(Deficit) for the period Attributable to		105,809,643.40	66,497,404.50
Owners of controlling entity		105,809,643.40	66,497,404.50

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT CASH FLOW STATEMENTS			
for the year ended			Restated
CASH FLOW FROM OPARATING ACTIVITIES		31/12/2019	31/12/2018
		LKR	LKR
Surplus (Deficit) for the year		105,809,643.40	66,497,404.50
less-Interest income		17,215,138.43	5,142,664.26
<u>Net cash inflow/(outflow) from operating Activities</u>		88,594,504.97	62,516,765.24
<u>NON CASH MOVEMENTS</u>			
Depreciation		24,677,970.21	23,896,279.46
Amortization		458,887.00	510,435.35
(over)/under Provision of retiring Gratuity		(2,438,467.54)	4,079,943.31
(Profit) /Loss on sale/dispose of PPE		45,648.18	4,162,361.90
Linen and cutleries value transfer to consumable inventories		805,772.70	-
Capital grant from Government		(81,782,603.40)	(90,950,000.00)
(over)/under Provision of doubtful debtors		914,544.56	148,297.00
(Increase)/Decrease in Trade and other receivable		(15,242,409.40)	(1,926,374.17)
(Increase)/Decrease in Inventories		(2,212,791.92)	(181,855.26)
(Increase)/Decrease in Prepayments		(9,733,724.54)	(9,799,079.45)
(Increase) /Decrease in Other Current Assets		24,122.25	(10,614.25)
Increase /(Decrease) in trade and other payables		(2,051,537.80)	2,638,813.50
Loss/(profit) on amortization of financial instruments		(250,354.60)	173,675.85
Increase/(Decrease)in security deposits-(payable to employees)		(24,122.25)	10,614.25
Increase/(Decrease)in short term provision		547,110.00	(3,765,756.60)
NET CASHFLOW FROM OPARATING ACTIVITIES		2,332,548.42	(8,496,493.87)
<u>INVESTING ACTIVITIES</u>			
Acquisition of Property plant and equipment		(31,979,265.04)	(28,450,058.11)
Acquisition of Intangible Assets		(1,249,150.00)	(300,000.00)
Sale of PPE		-	155,357,331.00

Investment in short term deposits		(17,691,536.65)	(165,698,725.44)
Encashment of Fixed/call deposits		-	9,208,565.07
Payment of loan and advances		(3,544,140.00)	(4,100,920.00)
Cash recoveries from loan and advances		3,422,054.49	2,885,639.97
Interest received		18,191,197.57	2,392,567.46
Investment on new building under construction and learning center		(59,974,127.48)	(48,567,891.61)
Net cash out flow in investing activities		(92,824,967.11)	(77,273,491.66)
<u>FINANCING ACTIVITIES</u>			
Government Grant for capital expenditure		21,000,000.00	30,950,000.00
Grant from Ministry of Plantation industries		60,782,603.40	60,000,000.00
Cash refund to treasury			-
Net cash inflow in financing activities		81,782,603.40	90,950,000.00
Net (Decrease)/Increase in cash and cash equivalents		(8,709,815.29)	5,180,014.47
Cash and cash equivalent at beginning of the year		13,502,106.62	8,322,092.15
Balance of cash and cash equivalents at the end of the year Note 14		4,792,291.33	13,502,106.62

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT				
STATEMENT OF CHANGES IN NET ASSETS/EQUITY				
for the year ended December 31, 2019				
Statement of changes in Equity				
Descriptions	Contributed Capital Rs.	Revaluation Reserves Rs.	Accumulated Surpluses/ (deficits) Rs.	Total Net Assets/Equity Rs.
Balance as at December 31,2016	38,386,495.21	113,728,054.19	51,765,802.02	203,880,351.42
Revaluation transfer to retained earning	-	(1,569,717.67)	1,569,717.67	-
Revaluation surplus 2017	-	23,551,861.56	-	23,551,861.56
Value transferred to General treasury	(2,896,124.00)	-	-	(2,896,124.00)
Surplus for the year 2017	-	-	8,276,436.90	8,276,436.90
Balance as at December 31,2017	35,490,371.21	135,710,198.08	61,611,956.59	232,812,525.88
Revaluation transfer to retained earning	-	(5,302,499.00)	5,302,499.00	-
Net Gain from disposal of land to sri Lanka Army	-	-	152,887,210.63	152,887,210.63
Restated -Surplus for the year 2018	-	-	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
Revaluation of land	-	285,903,961.69	-	285,903,961.69
Surplus for the year 2019	-	-	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

Land belongs to the institute revalued in 2019 ,therefore revaluation gain has been increased by Rs 285.90 Mn.

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

Budgeted and Actual Performance

For the year ended December 31, 2019 (Rs 000')

REVENUE		ACTUALS LKR.	BUDGETED LKR.	Progress
Government grants	31	54,000	60,000	90%
Income from Government capital grant	32	21,000	28,000	75%
MPI Project funds	33	60,783	100,000	61%
Training income	34	69,292	61,802	112%
Renting out of residential facilities	35	20,369	25,000	81%
Interest income	36	17,465	35,000	50%
Other income	37	1,721	2,353	73%
TOTAL REVENUE		244,630	312,155	78%
RECURRNT EXPENSES				
Wages, Salaries and employee benefits	38	43,418	52,518	83%
Supplies and consumable used	39	5,014	8,287	61%
Repairs and Maintenance	40	7,137	6,950	103%
Communication and utility services	41	13,162	15,750	84%
Training Expenses , including capacity development	42	23,173	18,400	126%
Expenses in relation to renting out facilities	43	8,029	5,000	161%
Expenses for Bogawathalawa Regional Centre	44	12,107	12,800	95%
Depreciation and amortization expenses	45	25,137	25,000	101%
Other Expenses	46	1,643	1,450	113%
TOTAL RECURRENT EXPENDITURE		138,820	146,155	95%
CAPITAL EXPENDITURE				
Property plant and equipment		25,927	28,000	93%
Project - MPI		59,974	100000	60%
TOTAL CAPITAL EXPENDITURE		85,901	128,000	67%
TOTAL EXPENDITURE		224,721	274,155	82%
Treasury Grants				
Recurrent expenditure		54,000	60,000	90%
Capital Expenditure		21,000	28,000	75%
MPI special project		60,783	100,000	61%
TOTAL GRANT		135,783	188,000	72%

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT
NOTE TO THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2019

		2019	2018
			<i>Restated</i>
14	CASH AND CASH EQUIVANTS	LKR	LKR
	Bank of Ceylon Athurugiriya- 3697566	3,077,291.33	6,787,106.62
	Call Deposit Bank of Ceylon- AC No. 8693502	1,715,000.00	1,715,000.00
	Call Deposit Bank of Ceylon- AC No.74689528	-	5,000,000.00
		4,792,291.33	13,502,106.62

15	RECEIVABLES- (SHORT TERM)		
a	Trade receivables		
	Agarapathana Plantation Plc		66,000.00
	Bogawanthalawa Tea estate Plc	98,500.00	53,500.00
	Central Environment Authority	191,130.00	48,000.00
	Ceylon Petroleum Corporation	-	272,881.87
	Mr. Chandra kumaran	-	31,700.00
	Coconut Development Authority	-	890,000.00
	Coconut Research institute	45,000.00	-
	Course fees from students	1,495,000.00	299,000.00
	Department of National community water supply	-	166,088.31
	District Secretary Government	-	-
	Elkaduwa Plantation Plc	58,000.00	75,000.00
	Elpitiya Plantation Plc	825,000.00	929,500.00
	Enforce Security Services	-	10,000.00
	Finlay Tea estate	-	20,000.00
	Hapugastanna Plantation PLc	93,000.00	29,000.00
	Hatton Plantation Plc	10,000.00	136,000.00
	Horana Plantation Plc	-	220,000.00
	Irrigation Department	191,632.00	-
	Janatha Estate Development Board	71,000.00	-
	Kalubovityana Tea Factory Ltd	110,000.00	-
	Kelanivally Plantation Plc	-	40,000.00
	Kumara Construction	-	50,000.00
	Lalan Rubber Company	-	175,000.00
	Madolsima Plantation Plc	140,000.00	-

	Udupussalawa Planation Plc	45,000.00	-
	Maskeliya Planation Plc	32,000.00	12,000.00
	Ministry of Agriculture	-	21,959.25
	Ministry of Education	14,934,727.00	-
	Ministry of Plantation Industries	387,755.80	348,292.80
	Ministry of Plantation Industries- PMMD	-	293,450.00
	Morawaka Tea Producers co. society	-	127,500.00
	Mr. M P A, arasinghe	4,072.30	4,072.30
	Mr. Premasiri Perera	-	5,655.59
	National Transport Commission	-	567,450.00
	National Election Commission	8,797.50	-
	National Livestock Development Boards	-	47,912.50
	National productivity Secretariat	676,981.40	-
	Plantation Housing Development Trust	5,310.00	164,901.40
	Pussallawa Plantation PLC	30,000.00	126,200.00
	Rubber Development Department	-	331,070.00
	Sri Lanka Bureau of Foreign Employment	74,198.17	74,198.17
	Sri Lanka Tea Board	2,215,165.92	770,000.00
	T Sevarajah	-	21,376.00
	Mathurta Planation Plc	270,000.00	-
	Tea Small holder Development Authority	-	150,937.50
	Thalawakele Tea Estate Plc	215,000.00	200,000.00
	University of Rajarata	-	225,000.00
	Wayamba University (B.Sc. Degree)	2,075.00	2,075.00
	Nishamini Illanganthilke	285.00	-
	Dhanuska Jayasooriya	3,500.00	-
	Chanaka weerakoon	15,000.00	-
	Total Trade receivables	22,248,130.09	7,005,720.69
	Less - Provision for doubtful debtors	1,334,887.80	420,343.24
	Net Total trade Receivables	20,913,242.29	6,585,377.45

		2019	2018
b	Loans and Advances to Employees	LKR	LKR
	Distress Loan-	2,177,354.04	2,755,592.64
	Festival Loan	8,750.00	18,750.00
	Special Advance	2,000.00	2,000.00
	Total Loan and advance	2,188,104.04	2,776,342.64
	At the beginning of the year	4,483,748.34	3,268,468.31
	Payment to the employees	3,544,140.00	4,100,920.00
	Recoveries from the employees	(3,422,054.49)	(2,885,639.97)
	Year-end balance	4,605,833.85	4,483,748.34
	Short-term - Loan and advances Note 15 (b)	2,188,104.04	2,776,342.64
	Long term loan and advances Note 19	2,417,729.81	1,707,405.70
	TOTAL SHORT TERM RECEVABLES	23,101,346.33	9,361,720.09
16	INVENTORIES		
	Stationary and office Requisites	523,125.00	287,587.00
	Printing materials	1,094,998.00	785,179.00
	Maintenance materials	86,305.00	53,615.00
	Tires and tubes	-	10,608.02
	Welfare items	55,026.00	1,775.00
	Consumables	71,381.60	35,815.00
	Dry food items	3,836.00	2,328.00
	Institute' s publication	835,700.00	578,021.20
	Linen items	1,062,573.27	-
	Cutlery and ceramic items	234,775.27	-
	TOTAL INVENTORIES	3,967,720.14	1,754,928.22

		2019	2018
17	PREPAYMENTS	LKR	LKR
	Motor Traffic Department (Revenue License)	37,235.72	40,908.26
	Metropolitan office (Pvt) Ltd - Service Agreement	18,809.60	3,459.44
	IDAC (PVT) Ltd- Service Agreement	10,062.51	12,243.25
	Gestetner Ceylon plc- Service Agreement	7,875.17	-
	CBA (Pvt) Ltd - Service agreement	4,130.25	4,915.07
	Tough Solution (Pvt) ltd- Service Agreement	-	164,509.98
	National Insurance Trust- Vehicle insurance	-	-
	Sri Lanka Insurance Co Ltd- Fire policy	8,282.21	-
	Sri Lanka Insurance Co Ltd -Vehicles insurance	97,499.40	170,011.99
	Sri Lanka Insurance Co Ltd_ Medical Insurance	2,531,220.00	1,259,619.66
	Assessment tax - Town council 2020	65,642.33	-
	Science land Information technology	59,888.22	-
	Receivables from IRD(Excess input tax)	19,820,121.35	11,271,374.57
	R S Pindeniya- fuel	150,000.00	150,000.00
	Total Prepayments	22,810,766.76	13,077,042.22

18	OTHER CURRENTS ASSETS	2019	2018
		LKR	LKR
a	Short Term investments - held to maturity		
	Deposit for Development of university project	171,654,487.82	155,207,475.00
	Deposit for Gratuity Provision- Bank of Ceylon	14,459,067.90	13,588,404.34
	Membership Deposit Account-AC No.82338810	1,326,756.15	1,203,067.13
	Membership Deposit Account - Saving Accounts	404,345.01	154,173.76
	Interest Receivables- Bank of Ceylon	4,520,435.28	5,496,494.42
	Total short term investments	192,365,092.16	175,649,614.65
	Amortization cost	-	(212,628.22)
	Total short term investments	192,365,092.16	175,436,986.43
b	Security Deposits		
	Mr. N.D.S.B.Tennakoon A/C No 1 - 0053-03-1521-4	14,276.18	14,276.18
	Mr. P.N. Perera A/C No 1 - 0053-03-0542-1	-	33,598.60

	Mrs. G.Rajapakshe A/C No 1 - 0053-03-0319-4	3,624.68	3,624.68
	Mr. L D J Priyantha A/C No- 8634723	83,229.01	73,752.66
	Total Security Deposits	101,129.87	125,252.12
	TOTAL OTHER CURRENT ASSETS	192,466,222.03	175,562,238.5
19	RECEVABLE - LONG TERM		
	Distress loan-(over one year)	2,417,729.81	1,707,405.70
	Amortization cost	(160,660.07)	(198,386.45)
	Total long term receivables	2,257,069.74	1,509,019.25

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENTS (LKR.)									
Description	Land	Buildings		Equipment	Furniture	Motor Vehicles	Infrastructure Assets	Library Books	Total
Cost									
As at 01/01/2018	1,726,876.68	188,898,781.40		23,837,009.08	12,971,519.40	33,500,000.00	18,856,513.24	2,676,837.13	282,467,536.93
Additions	-	19,752,387.98		4,845,656.45	2,263,194.25	465,100.00	710,388.00	413,331.43	28,450,058.11
Transfers	-					-		-	-
Revaluations	-								-
Disposals	(630,838.37)	(8,980,712.00)		(357,291.71)	(1,046,194.83)			-	(11,015,036.91)
As at 31/12/2018	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

Depreciations	Land	Buildings		Equipment	Furniture	Motor Vehicles	Infrastructure Assets	Library Books	Total
Accumulated as at 01/01/2018	-	31,714,010.31		10,615,950.50	3,736,641.24	3,398,300.65	7,378,841.45	1,922,534.18	58,766,278.33
Depreciation charge	-	9,203,130.39		4,540,556.29	1,352,794.12	6,699,997.40	1,823,894.89	275,906.37	23,896,279.46
Disposal		(3,247,584.00)		(357,089.72)	(777,880.92)				(4,382,554.64)
Revaluation Adjustment	-	-		-	-	-	-	-	-
Transfers	-	-		-	-	-	-	-	-
Accumulated as at 31/12/2018	-	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	-	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)
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
Net Book Value as at 31/12/2018	1,096,038.31	162,000,900.68		13,525,956.75	9,876,964.38	23,866,801.95	10,364,164.90	891,728.01	221,622,554.98
Net Book Value as at 31/12/2019	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

INTANGIBLE ASSETS LKR

	Computer Accounting soft wear	Development cost of Training modules	Data base for training	Resource management soft wear	web design and development	GIS software	Theme song	Total
Cost as at 01/01/2018	209,500.00	2,086,989.79	240,000.00	500,000.00	-	-	-	3,036,489.79
New acquisitions				300,000.00	-	-	-	300,000.00
As at 31/12/2018	209,500.00	2,086,989.79	240,000.00	800,000.00	-	-	-	3,336,489.79
Adjustment								
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
Amortization as at 1/1/2018	209,490.00	1,189,933.00	239,990.00	375,000.00	-	-	-	2,014,413.00
Impairments								-
Amortization	-	351,122.00	-	159,313.35	-	-	-	510,435.35
as at 31/12/2018	209,490.00	1,541,055.00	239,990.00	534,313.35	-	-	-	2,524,848.35
Amortization	-	351,122.00		75,000.00	16,273.00	16,492.00	-	458,887.00
Impairments								
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
Net realizable value 31/12/2018	10.00	545,934.79	10.00	265,686.65	-	-	-	811,641.44
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

		2019	2018
		LKR	LKR
20	PROPERTY PLANT AND EQUIPMENTS Page No	513,976,390.62	221,622,554.98
	<p>The value of property Plant and equipment has increased up to Rs 513,976,390.62 in 2019. Total acquisition of the year 2019 was Rs 31,979,265/-. The land extend of 8.9 acres were revalued by Valuation Department. The value of the land increased up to Rs 287,000,000/-.</p> <p>A sum of Rs 1,365,392/- worth of hostel cutleries and linen item have been transferred to consumable inventory as changes in accounting policy w.e.f. 2019.</p>		
21	INTANGIBLE ASSETS Page No.	1,601,904.44	811,641.44
	<p>Intangible assets consist of Software development and training modules development cost. The institute spent a sum of Rs.1249150/- in 2019 as acquisition of intangible assets including cost of developing Theme song for the institute.</p>		

		2019	2018
22	OTHER NON-CURRENT ASSETS	LKR	LKR

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 constructions (completion in 2020)	105,313,400.49	48,318,366.61
	NIPM Learning center - tea machineries	2,979,093.60	-
		108,292,494.09	48,318,366.61

	TOTAL OTHER NON CURRENT ASSETS	108,591,969.09	48,617,841.61
		2019	2018
23	PAYABLES	LKR	LKR

a	Creditors		
	Horana plantation Plc	-	10,000.00
	C and H Organization (Pvt) Ltd	3,291,146.00	410,623.54
	Kanthi Builders	3,733,434.47	
	Leema creation (pvt) ltd	-	86,412.50
	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
	Saw Engineering (Pvt) Ltd	-	154,543.00
	Neil Motors	141,085.00	1,011,800.00
	Uni lanka Enterprises	188,275.00	
	Bogawanthalawa Sought Rural Development Society	-	118,265.00
	State Engineering cooperation	-	254,773.43
	Sevana Builders and suppliers	145,018.92	145,018.92
	Athurigiriya Electricals	99,650.00	
	Kumara Construction	1,231,101.39	10,753,800.52
	Indika Construction	331,358.67	1,204,790.80
	Bomiriya Rural Development society	-	55,798.40
	Total Creditors	9,423,519.70	14,288,276.36

b	Accrued Expenses		
	Telephone	123,394.18	183,181.17
	Electricity bill -	228,475.50	208,963.23
	Fuel bill	257,224.23	281,649.27
	Building Maintenance	41,500.00	-
	Vehicle Maintenance	151,260.00	53,230.00
	Salaries Casual & contract employees (December)	90,576.75	122,736.81
	Stamp Duty - (Internal Revenue Department)	-	4,450.00
	Traveling subsistence	3,600.00	13,350.00
	Overtime - December	214,886.00	188,383.00

Periodicals & newspapers -	4,760.00	3,700.00
Employees' Trust Fund - December	73,075.24	67,013.03
Employees' Provident fund	516,721.39	474,681.93
Security Bill (Dec.)	404,082.00	310,385.00
Allowances	98,250.00	49,500.00
Salaries - Madulsima Plantations Ltd.	-	102,254.62
Holiday pay	7,738.00	2,718.00
R & D Expenditure	-	98,000.00
Lecture Fee for outside resources	757,325.00	680,866.50
printing material	65,500.00	-
Cleaning service	157,500.00	-
Meals expenditure -	324,450.50	420,604.00
Meals expenditure - inside programme	228,369.50	197,044.50
Welfare items		80,746.00
Morawakkorale Rent	306,000.00	120,000.00
Outside exam fees		283,075.00
Water bills -	4,860.48	6,625.61
Koratota Rural Development society- Cleaning labour		178,400.00
Department of IRD - N B T		13,436.55
Department of IRD - Payee		12,511.23
Department of IRD -WHT	29,948.04	21,264.04
Promotion and advertisement	1,173,000.00	386,986.50
NIPM welfare Society	360.00	110.00
Daily Paid wages	16,750.00	
Garden upkeep	114,800.00	
Educational materials		146,270.00
Lecture Fee Cancelled cheques		
Other Sundry Training Expenses	36,499.00	26,450.00
Vehicle hireling	40,180.00	63,146.00
Equipment Maintenance	2,500.00	52,430.00

	Other Accrued Expenses		52,112.44
	13 yeas education programme expenses	990,397.48	
	Auditors Generals Departments- Audit fee	1,318,550.00	718,550.00
	Total Accrued Expenses	7,782,533.29	5,624,824.43

c	Other payables		
	Total Forward course fees	2,446,733.75	1,963,503.75
	Differed income Donated Tea Development Project Publication	7,806.00	7,806.00
	Total Other payables	2,454,539.75	1,971,309.75

d	Refundable Deposits	LKR	LKR
	Refundable course loan	-	35,000.00
	Refundable Tender Deposits	389,000.00	181,720.00
	Refundable Library Deposits	2,000.00	2,000.00
	TOTAL	391,000.00	218,720.00

	TOTAL SHORT TERM PAYBLES	20,051,592.74	22,103,130.54
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24	SHORT-TERM PROVISIONS	LKR	LKR
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	Contingent Liability	2019	2018
	Balance as at 1/01	-	3,765,756.60
	Charged to Income statement		3,765,756.60
	Balance as at 31/12	-	-

Provision made under contingent liability for the termination of Mr A K C Attanagoda was write back to income statement in 2018.

	Provision for course expenses	547,110.00	-
		547,110.00	-

		2019	2018
25	EMPLOYEE BENEFITS	LKR	LKR
	Gratuity Payables- Within one year	762,691.03	1,446,557.00

	NON CURRENT LIABILITIES	2019	2018
26	EMPLOYEE BENEFITS	LKR	LKR

	Gratuity payments - long term	8,192,410.74	9,947,012.31
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	Retirement benefit Obligation		
	At the beginning of the year	11,393,569.31	7,313,626.00
	Benefit paid to employees	(1,652,615.00)	(324,995.00)
	Provision /(reversed) made during the year.	(785,852.54)	4,404,938.31
	At the end of the year- Total present value of net obligation	8,955,101.77	11,393,569.31
	Obligation within one year	762,691.03	1,446,557.00
	Present Value of net obligation over one year	8,192,410.74	9,947,012.31
	Retirement benefit obligation has been calculated on the basis of Actuarial Valuation method and disclosed in the financial statements w. e.f. 2017. Calculation method and assumptions are as follows.		
	Projected Unit Credit Method is used for the calculation of Actuarial Valuation.		
	Rate of discounting is considered as 8.45% per annum at the end of year 2019. it was 10.99% per annum in the year 2018 according to the bond rate published by Central Bank of Sri Lanka.		
	Past and future service period of the employees has been taken into account for calculating the employee benefits		
	Retirement age of the employee is 60 years.		
	Future salary growth rate is 4.49% per annum at the end of year 2019 and it was 11.22% in 2018		

27	OTHER LONG TERM PAYABLES		
	Refundable security Deposits-for employees	101,129.87	125,252.12

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	29,384,852.10
	TOTAL	35,490,371.21	35,490,371.10

29	RESERVES	2019	2018
		LKR	LKR
	Revaluation reserve	416,311,660.77	130,407,699.08

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 Kuruppu of S. Godwin Yapa Associate. The revaluation amount are as follows.		
	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 revolution 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 include 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)	2019	2018
		LKR	LKR
	Retained Earnings	392,108,714.12	286,299,070.72
		392,108,714.12	286,299,070.72

	GOVERNMENT GRANT	LKR	LKR
31	Recurrent grant	54,000,000.00	50,000,000.00
32	Capital Grant	21,000,000.00	30,950,000.00
33	Special Development project - Development of NIPM infrastructure facilities in accordance with plantation sector development toward degree awarding institute	60,782,603.40	60,000,000.00
	Changes of Accounting Standard		
	Capital and recurrent grant contributed by General treasury are 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 arise 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	2019	2018
		LKR	LKR
a	ACADEMIC,AND PROFESSIONAL PROGRAMMES		
	National Diploma in Plantation Management	1,071,270.00	637,230.00

	National Diploma in Plantation-Extension Management- NVQ-5	1,499,000.00	1,490,000.00
	National Diploma in Plantation Crop Technology - NVQ-5	1,960,500.00	1,167,500.00
	Higher national Diploma in Planation Crop technology- NVQ-6	500,000.00	-
	Certificate course in Accounting and Financial Management	439,500.00	359,500.00
	Certificate course in Book-Keeping and Plantation Accounting	782,000.00	590,500.00
	Advance certificate course in planation, financial and cost Accounting	70,000.00	-
	Professional Programme in Tea Manufacture and Factory Practices	945,000.00	904,000.00
	Language Proficiency Examination	270,000.00	124,000.00
	Certificate course in Micro Finance	1,549,500.00	607,250.00
	Certificate course in Agriculture technology	260,000.00	-
	Certificate course in Human Recourse management	286,000.00	590,000.00
		9,632,770.00	6,469,980.00

b	MANAGEMENT AND TECHNICAL DEVELOPMENT PROGRAMMES	LKR	LKR
	Management Development programmes	2,210,640.00	1,425,975.00
	Technical Development programmes	270,000.00	420,000.00
		2,480,640.00	1,845,975.00

c	SKILL DEVELOPMENT PROGRAMMES		
	Skill Development of Tea Factory Officer	340,000.00	360,000.00
	Skill Development of Tea field Officer		398,000.00
	Skill Development of rubber Field Officer	210,000.00	-
	Skill Development of rubber factory Officer		106,200.00
		550,000.00	864,200.00

d	13 YEARS EDUCATION PROGRAMME	LKR	LKR
	Plantation Factory Assistant and Field Assistant- NVQ-4	39,301,342.00	-
		39,301,342.00	-

e	ADVANCE COURSE IN PLANTATION MANAGEMENT		
	Diploma in plantation Management and technology- Induction	2,671,000.00	10,000,000.00

f	WOKER DEVELOPMENT AND WORK SHOPS	LKR	LKR
	Worker Development programme		240,000.00
	Special workshops	776,332.00	1,857,700.00
		776,332.00	2,097,700.00

g	SPECIAL PROGRAMMES	LKR	LKR
	Special programmes	12,128,925.52	2,294,054.00
	Awareness programme for NIPM members	416,500.00	203,000.00
	NVQ programme Registration		228,000.00
		12,545,425.52	2,725,054.00

h	FORIGN TRAINING PROGRAMME	-	2,999,975.00
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i	INCOME FROM EXTERNAL EXAM ACTIVITIES	1,334,596.80	3,153,870.00
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j	INCOME FROM TRAINING RELATED ACTIVITIES		852,600.00
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	TOTAL TRAINING INCOME	69,292,106.32	31,009,354.00
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35	INCOME GENERATED FROM RENTING OUT THE FACILITIES	LKR	LKR
	Renting out the residential facilities to outside programmes- Athurugiriya Training Centre	20,320,206.45	16,335,593.87
	Renting out the residential facilities to outside programmes- Bogawanthalawa Regional Centre	8,797.50	1,555,451.64
	Income from Accommodation internal training students	39,588.00	36,100.00
		20,368,591.95	17,927,145.51

		2019	2018
36	INTEREST INCOME	LKR	LKR
	Staff Loan interest- Distress Loan	171,304.63	128,602.19

	Interest income from Membership Account	11,105.25	2,087.39
	Interest income from Bank Deposits	17,027,737.35	5,007,056.88
	interest Income From Special Loan	4,991.20	4,917.80
	Gain/(Loss) on amortization cost calculation on the interest	250,354.60	(173,675.85)
		17,465,493.03	4,968,988.41

37	OTHER INCOME	LKR	LKR
a	Sundry income		
	Income - Pass papers and applications	4,000.00	1,250.00
	House Rent income	205,439.41	135,278.18
	Transport income	15,397.00	15,299.66
	Tender fee	164,250.00	541,400.00
	Publications	34,440.00	77,300.00
	Telephone	3,337.23	-
	Membership subscriptions	273,115.00	126,779.00
	T- shirt and tie sale income	159,620.00	-
	other sundry income	18,140.00	151,748.61
		877,738.64	1,049,055.45

(b)	GAIN ON DISPOSAL OF USED ITEMS	57,500.00	-
(c.)	WRITE BACK TO INCOME STATEMENT	LKR	LKR
	Contingent Provision write back to income statement	-	3,765,756.60
	Unsettled creditors write back to income statements	-	105,400.00
	Gratuity over provision	785,852.54	-
	Total	785,852.54	3,871,156.60
	Total other income	1,721,091.18	4,920,212.05

38	WAGES, SALARIES AND EMPLOYEE BENEFITS	2019	2018
a	PERSONAL EMMOLUMENTS	LKR	LKR

	Salaries and wages	22,782,893.94	20,089,553.48
	Cost of Living and other Allowances	7,455,985.07	8,854,581.26
	Over Time	2,710,352.03	1,634,910.06
	Holiday Pay	500,735.40	313,354.25
	Lecture Fees for Institute's Staff	237,750.00	209,718.00
	Contribution for E.T.F.	833,022.90	764,455.60
	Contribution for E.P.F.	3,210,495.30	2,950,283.66
	Contribution for CPPS	123,095.76	107,538.83
	Chairman's Remuneration and allowances for board of directors	1,348,447.98	1,516,708.57
	Daily wages for internship	482,925.00	-
		39,685,703.38	36,441,103.71

b	TRAVELING EXPENSES		
	Traveling and Subsistence (Local)	475,776.00	233,391.00
	Traveling and Subsistence (Foreign)	-	1,293,279.69
		475,776.00	1,526,670.69

c	RETIREMENT BENEFITS		
	Increased Provisions for Gratuity	-	4,404,938.31
	Compensation paid	452,970.00	-
		452,970.00	4,404,938.31

d	CONTRIBUTIONS, SUBSIDIES AND WELFARE		
	In-service Training and staff training capacity building	523,337.73	698,632.00
	Staff Welfare Activities	488,594.50	465,829.70
	Membership and subscriptions	76,830.00	35,300.37
	Contributions for Medical Aid Scheme	1,714,534.69	2,004,371.48
		2,803,296.92	3,204,133.55

	Total Salaries wages and Employee benefits	43,417,746.30	45,576,846.26
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		2019	2018
39	SUPPLIES AND CONSUMABLE USED	LKR	LKR

	Printing Materials and papers	1,329,284.00	391,406.55
	Stationery & Office Requisites	664,402.48	993,219.21
	Consumables	471,688.65	467,760.02
	Fuel and lubricant	2,027,960.35	2,173,230.80
	Periodicals & News Papers	82,394.80	64,587.00
	Uniforms	116,000.00	124,000.00
	Institute's Publications	322,190.20	400,758.06
	Total Supplies and consumable used	5,013,920.48	4,614,961.64

40	REPAIRS & MAINTENANCE OF FIXED ASSETS	LKR	LKR
	Plant and Machinery	137,390.00	27,706.41
	Buildings	1,713,671.51	1,354,244.65
	Equipment	1,578,767.99	1,700,712.31
	Water telephone and Electricity	165,125.60	43,750.00
	Motor Vehicles	3,542,208.27	3,349,434.20
	Total Repairs and Maintenance	7,137,163.37	6,475,847.57

41	COMMUNICATION, UTILITY AND OTHER CONTRACTUAL SERVICES	LKR	LKR
	Telephone and internet	1,142,555.79	1,191,618.04
	Postage	284,314.00	295,306.00
	Electricity and water	3,203,671.28	2,536,838.99
	Insurance (Buildings equipment Cash etc.)	259,753.56	244,074.16
	Project recurrent expenditure	-	1,162,025.00
	Security Service	3,554,146.70	3,312,320.51
	Audit Fees (External)	600,000.00	600,000.00
	Vehicle hire charges	287,478.05	506,735.28
	Cleaning and Janitorial works	2,133,050.00	2,238,450.00
	Bank Charges	38,050.00	48,644.09
	Stamp Duty , rate and tax	74,962.64	73,442.33
	legal fee	30,000.00	-

	Rent	-	240,000.00
		11,607,982.02	12,449,454.40
b	MEDIA, ADVERTISING AND PUBLICITY	LKR	LKR
	Advertising Expenses	1,457,917.24	1,292,163.75
	Entertainments	95,985.00	109,609.80
		1,553,902.24	1,401,773.55

	Total Communication utility services and media expenses	13,161,884.26	13,851,227.95
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42	TRAINING EXPENSES	LKR	LKR
	Lecture Fees for Visiting Staff	4,532,065.04	3,268,965.00
	Fees to the Committees relating to Training Activities	139,169.00	89,707.00
	Meals & Accommodations for Trainees	3,278,767.64	2,581,137.15
	foreign training expenses	-	1,756,493.47
	Laundering Linen	25,800.00	-
	Under provision for Bad debtors	914,544.56	148,297.00
	External exam expenditure	752,980.00	834,988.80
	Award Ceremony & Academic Functions	2,425,946.09	3,070,120.55
	Education materials	214,460.00	146,270.00
	Miscellaneous Training Expenses	1,512,457.20	986,250.00
	Promotion and advertising	4,635,896.25	2,370,612.00
	13 years Education Programme expenses	9,219,306.07	-
	Total	27,651,391.85	15,252,840.97
	Research and Development Cost	4,286.00	190,342.00
	Development cost of NVQ training facilities and degree awarding institute	1,068,980.00	1,169,893.00
	Capacity Building Programmes smallholders and NVQ students	3,667,875.92	9,220,551.44
	Total Training Expenditure	32,392,533.77	25,833,627.41
		2019	2018

43	EXPENSES IN REALATION TO RENTING OUT FACILITIES -	LKR	LKR
	Meal expenses accommodation facilities	7,298,816.70	4,015,605.31
	Hostel consumables	181,909.25	-
	Salaries, daily wages and cost of living allowance	478,800.00	478,400.00
	E P F	55,836.00	57,408.00
	E T F	13,959.00	14,352.00
	Total Expenditure for Renting out facilities	8,029,320.95	4,565,765.31

44	BOGAWANTHALAWA OPARATIONAL EXPENSES	LKR	LKR
	Electricity	483,140.55	182,549.85
	Telephone and postage	41,210.64	19,445.04
	Maintenance	9,250.00	313,004.90
	Cleaning and Janitorial services	508,000.00	-
	Meal and accommodation	-	658,378.62
	Salaries and Wages	835,800.00	720,300.00
	Allowances	327,450.00	79,200.00
	Employee Benefits	22,955.00	45,038.50
	Daily Wages	483,364.50	322,545.90
	E T F	25,074.00	21,609.00
	E P F	100,296.00	86,436.00
	Consumables	51,479.00	24,471.50
	Total Bogawanthala Expenses	2,888,019.69	2,472,979.31

45	DEPRECIATION AND AMORTISATION OF ASSETS	LKR	LKR
	Depreciation	24,677,970.21	23,896,279.46
	Amortization	458,887.00	510,435.35
		25,136,857.21	24,406,714.81

46	MISCELLANEOUS EXPENDITURE	LKR	LKR
	Allowances for Other Committees and professional Charges	584,559.31	230,496.45
	Write off - bad debtors	289,901.40	434,071.50

	Special welfare programme	201,663.00	307,600.00
	Implementation of environment policy	163,272.56	-
	loss on Disposal old equipment and damage stock	45,648.18	4,182,646.90
	Garden up keep	223,950.00	212,250.00
	Others Expenses	133,802.00	113,260.36
		1,642,796.45	5,480,325.21
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 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	198,386.45	140,669.52
	CF balance of provision of impairment loss on loan and advances	160,660.07	198,386.45
	Net (loss)/gain on interest received on loan and advances transfer to interest income	37,726.38	(57,716.93)
	Interest received on loan and advances to the employees	176,295.83	133,520.00
	Interest calculation as pre the effective interest rate method	336,955.90	331,908.44
	Impairment loss on loan and advances	(160,660.07)	(198,388.44)
	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	96,671.30
	CF balance on provision of impairment loss due to effective annual interest	-	212,628.22
	Net (loss)/gain on interest received on investment in fixed deposits transfer to interest income	212,628.22	(115,956.92)

	Interest received on short-term investment	17,038,842.60	5,009,144.27
	Interest calculation as pre the effective interest rate @ 8.45% in 2019 and 10.99% in 2018	15,821,367.21	5,221,772.49
	Impairment (loss)/gain on investment on fixed deposits	1,217,475.39	(212,628.22)
	The Institute assumed that the effective interest rate was 10.99% per annum at the end of year 2018 and 8.45% per annum at the end of year 2019 as per the published bond rate of Central Bank of Sri Lanka		
	Withholding tax rate is considered as 5% in 2019 and 2018.		
	A surplus of Rs 1,004,847.17 has been shown in 2019 compare to the effective annual interest rate of 8.45% (Bond rate) at the end of 2019. This amount has been ignored in recording as the income of the institute due to unrealized gain.		

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

Segmental Reporting

This report is presented in Rs 000'

The Institute recognize Three (3) different segments as training related activities renting out facilities and other supportive service. The surplus or deficit of each segment are shown in the following table during the year 2019 and 2018

Segmental Category	Training activities		Renting out Facilities		Other supportive services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Income								
Generated income	69,292	31,009	-	17,927	39,555	9,889	108,847	58,825
Grants-Special Projects	1,000	1,000		-	59,783	59,000	60,783	60,000
Capital grant	4,850	18,372	16,029	296	121	12,282	21,000	30,950
Recurrent grant	18,305	17,241	4,576	4,310	31,119	28,448	54,000	50,000
Total	93,447	67,622	20,605	22,533	130,577	109,619	244,630	199,775
Expenditure								
Wages, Salaries and employee benefits	14,717.88	16,863	3,679.47	4,102	25,020.40	24,611	43,418	45,576
Supplies and consumable used	1,699.63	1,591	424.91	398	2,889.38	2,626	5,014	4,615
Repairs and Maintenance	2,419.38	2,233	604.84	558	4,112.94	3,685	7,137	6,476
Communication and utility services	4,461.66	4,376	1,115.41	1,094	7,584.81	7,220	13,162	12,690
Training Expenses including capacity building Programmes.	32,393	25,834	-	-		-	32,393	25,834
Expenses in Relation to Renting out facilities		-	8,029	4,566	-	-	8,029	4,566
Expenses for Bogawanthalawa Regional Centre		-	2,888	2,473	-	-	2,888	2,473
Depreciation and Amortization expenses	8,520.97	8,416	2,130.24	2,104	14,485.65	13,887	25,137	24,407

Other Expenses	556.88	396	139.22	99	946.70	5,070	1,643	5,565
Total Expenditure	64,769	59,709	11,764.43	15,394	55,040	57,099	138,820	132,202
Net surplus/(deficit)	28,678	7,913	8,841	7,139	75,538	52,520	105,810	67,573
No of employees	20	20	5	5	34	33	59	58

* Expenses which are directly attributable to the segment are charged for relevant segments. Others are segregated accounting to the number of employee assigned to 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	2012	2013	2014	2015	2016	2017	2018	2019
Income								
Treasury grant- Recurrent	8,480	18,744	24,792	28,502	38,961	40,000	50,000	54,000
Government Grant write back to Income statement	9,415	9,253	10,937	15,362	24,243	25,162	81,730	78,115
Government Grant for Capacity Building Programmes (smallholders and school leavers)	4,865	7,498	9,900	7,710	8,446	10,012	9,221	3,668
Generated Training income	13,731	11,573	10,037	18,010	12,787	15,853	31,009	69,292
Generated Renting out income	3,796	8,247	7,824	5,366	4,835	1,896	17,927	20,369
Generated Other income	8,935	7,407	7,457	9,847	12,402	22,472	9,889	19,187
Total income	49,222	62,722	70,947	84,796	101,674	115,395	199,776	244,630
Expenditure								
Total Personnel emoluments	20,907	18,794	19,453	30,907	31,834	38,796	45,577	43,418
Training Expenditure	6,425	4,256	4,439	8,208	5,880	10,123	16,613	28,725
Capacity Development of Small holder training expenses (FOC)	4,865	7,498	9,936	7,711	8,446	10,012	9,221	3,668
Other expenditure	12,472	17,198	20,255	19,598	21,959	27,655	37,461	37,873
Total operating Expenses	44,669	47,746	54,083	66,424	68,119	86,586	108,872	113,683
Government Recurrent Grant as a percentage of the Total Operating Expenditure	19%	39%	46%	43%	57%	46%	46%	48%
Surplus/(Deficit) before Depreciation	4,553	14,976	16,864	18,372	33,555	28,809	90,905	130,946
Depreciation /Amortization	9,150	10,495	15,833	17,740	18,951	20,533	24,407	25,137
Net (Deficit)/Surplus after Depreciation	(4,597)	4,481	(1,833)	632	14,604	8,276	66,498	105,810
No of Training Programme- (Income Generated)	61	22	32	30	22	32	57	41
No of Participants	2135	772	993	1,101	586	958	1779	1,015
No of Training programmes for smallholders and school leavers	188	236	355	196	160	230	232	125
Total Expenditure for capacity Development programmes- smallholder and School leavers	4865	7,498	9,936	7,711	8446	10012	3,668	3,668
No of trained smallholders	8,196	12,149	25,100	12,825	10,840	12,661	12940	5,414
Total Number of trained	10331	12921	26093	13,926	11426	13619	14719	6,429
Total Training programmes for the year	249	258	387	226	182	262	289	166

No of Employees	46	41	52	46	46	58	58	59
Generated Income per Employee Rs. 000'	575	664	487	722	653	693	1,014	1,845
Training cost per smallholder Rs. 000'	0.59	0.62	0.40	0.60	0.78	0.79	0.28	0.68
Net Assets of the Institute	19660	24619	122325	126,563	203880	232812	453359	843,911

My No.: PLA/D/NIPM/01/19/05

Date: 30th November 2020

Chairman,
National Institute of Plantation Management.

The audit report of National Institute of Plantation Management in terms of Section 12 of the National Audit Act No. 19 of 2018 on financial statements and other legal and regulation requirements for the year ended on 31st December 2019.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the of National Institute of Plantation Management for the year ended on 31 December 2019 comprising the statement of financial position as at 31 December 2019 and the statement of financial performance, statement of changes in equity for the year then ended, and cash flow statement and notes to the financial statements, including a summary of significant accounting policies, for the year then ended, 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 will be tabled in Parliament in due course as per Article 154 (6) of the Constitution.

In my opinion, except for the effects of the matters described in the basis for qualified opinion in my report, the financial statements give a true and fair view of the financial position of the Institute as at 31 December 2019 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) As the recurrent expenditure of Rs. 273,700 incurred for the renovation of a water tank in the institute had been capitalized in to the building account, the balance of the building account had been overstated by the same amount and the balance of the depreciation account of

buildings had been overstated by Rs. 12,223. Therefore, the surplus of the year had been overstated by Rs. 261,477.

- (b) The consultancy fees of Rs. 645,865 which had been paid in relation to the construction of a canteen of which the construction work had not been commenced even by the end of the year under review, and the cost of Rs. 22,416,609 related to the renovation work of the hostel building and the teaching centre of the institute which remained incomplete had been capitalized as buildings instead of being accounted as incomplete work had resulted in an overstatement of the value of buildings by a similar amount in the financial statements.
- (c) A sum of Rs. 7,024,580 as a balance payable for the said renovation contract had been accounted as creditors, without a certified report of work from the consultancy firm on the value of the completed renovation work of the hostel and the teaching centre of the institute as at the last day of the year, and in consequence, the creditors had been over-calculated by the above amount.
- (d) The balance confirmation letters for the debtor balance of Rs.5,430,647 had not been presented for the audit.

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

1.3 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 determine 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 Institute'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 Institute 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.

1.4 Auditor's Responsibilities 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. Further, I have:

- Identified and assessed 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 or the override of internal control.
- Obtained 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.

- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Concluded 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. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluated 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.

The significant audit findings, the key internal administrative defects and other matters identified during my audit were communicated to the relevant governing parties.

2. Report on Other Legal and Regulatory Requirements

Special provisions on the following requirements are set out in the National Audit Act No. 19 of 2018.

- I have obtained all details and explanations required for the audit in terms of the requirements set out in Section 12 (a) of the National Audit Act No. 19 of 2018 except for the effects of the matters described in the basis for opinion in my report and, as it is apparent from my inquiry the Institute has maintained proper financial reports.
- The financial statements of the Institute which were submitted in terms of the requirement set out in Section 6 (1) (d) (III) of the National Audit Act No. 19 of 2018 are consistent with the preceding year.

- The financial statements which were submitted contained the recommendations I had made in the preceding year in terms of the requirement set out in Section 6 (i) (d) (iv) of the National Audit Act No. 19 of 2018.

There are no sufficient facts that have drawn my attention to make any of the following statements upon the measures followed and the evidence obtained, and being confined to quantitative facts.

- That any member of the Board of Administration of the Institute has any direct or indirect interest in any contract entered into by the Institute outside the general business condition in terms of the requirement set out in Section 12 (d) of the National Audit Act No. 19 of 2018.
- That the Institute has not complied with any applicable written law or other general or special directions issued by the Board of Administration of the Institute in terms of the requirement set out in Section 12 (f) of the National Audit Act No. 19 of 2018.
- That the Institute has failed to perform in compliance with its powers, functions and duties in terms of the requirement set out in Section 12 (g) of the National Audit Act No. 19 of 2018.
- That the resources of the Institute have not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws in terms of the requirement set out in Section 12 (h) of the National Audit Act No. 19 of 2018.

3. Other Audit Observations

- (a) When comparing the details of 05 preceeding years, a decrease in the number of programmes conducted by the institute in relation to rubber and tea as well as the number of students who participated therein was observed. Although a decline was seen in the number of training programmes conducted in relation to rubber, tea and coconut by 69 percent, 46 percent and 50 percent respectively, and a decrease in the number of participants of the programmes held for rubber, tea and coconut by 79 percent, 56 percent and 62 percent respectively, in the year 2019 compared to the year 2015, action had not been taken to revise the syllabus as needed and attract more students by revising the course fees.

- (b) Despite the fact that the Institute possessed adequate physical and human resources to conduct training programmes for sugar cane and cinnamon and that, the same had been incorporated in the action plan, action had not been taken to recruit the trainees and conduct the programmes as planned in the year under review.
- (c) Although NVQ Level 04 qualifications had been fulfilled by 95 students who were recruited in relation to tea factories and tea field officers courses in the years 2016 and 2018, no action had been taken by the institute to issue the relevant certificates to date as the consent of the Tertiary and Vocational Education Commission had not been granted.
- (d) The institute had planned to conduct 195 training programmes for tea, rubber, coconut and cashew with the participation of 9,750 small holders. However, only 106 training programmes had been conducted by the institute with the participation of 5,414 small holders within the year under review, and accordingly, the institute had been unable to hold training programmes to small holders as expected.
- (e) 41 income generation programmes had been conducted by the National Institute of Plantation Management in the year under review. 1015 students had participated in these programmes whereas, 57 income generation programmes had been conducted with the participation of 1779 students in the preceding year. Accordingly, the physical progress of the conducting of income generation programmes had decreased by 28 percent and the student participation, by 43 percent in the year under review in comparison to the preceding year.

Sgd./illegibly
W.P.C. Wikramratne
Auditor General