

CENTRE FOR

EXCELLENCE

NATIONAL INSTITUTE OF
PLANTATION MANAGEMENT



National Institute of Plantation Management
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Athurugiriya

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WELCOME TO NATIONAL
INSTITUTE OF PLANTATION
MANAGEMENT

ANNUAL REPORT 2015

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OUR VISION

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

OUR MISSION

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

CHAIRMAN'S MESSAGE

I am happy to present the Annual Report of the National Institute of Plantation Management for the year ended by 31st December 2015.

During the course of the year, as it was done in the previous year having identified a much needed service we continued to implement courses to offer our services to a group hitherto left very much on their own, namely the Out Growers who account for over 70% of the major crops, Tea, Rubber and Coconut. During the year under review 196 programmes were conducted for this group over the year. We also covered other plantation crop producers such as Sugarcane and Cashew. Under the out grower programmes, 12,825 persons trained at a cost of Rs 7.710 million using government treasury grant.

It should be highlighted that total programmes conducted during the year 2015 was declined by 44% when compared to the year 2014. In the year 2015 commenced with political events with Sri Lanka with the presidential election followed by general election resulting in a change of the Executive President followed by a change of Government. In addition, tea and rubber sectors faced a number of challenges during the year including the global commodities crash which lowered tea and rubber prices. These events and economic conditions crashed our programmes and resulted in a decline.

However, the institute was able to generate income of Rs 18.008 million from training programs which was 79.42% progress over the last year. Ultimately the institute ended up with a surplus of Rs.0.630 million that was an improvement compared to year 2014.

I would like to express my gratitude and appreciation to our stakeholders who continue to use our services and others who have continued to support us in so many ways to make our operation better and successful.

I would also like to thank the Honorable Minister, Minister of Plantation Industries for the support, guidance and assistance given to us thus to make the Institute more effective. I must thank, Secretary, Ministry of Plantation Industries and all other officials in the Ministry and other organizations within the Ministry, members of the Board of Governors of the Institute which made the task of the Management much easier.

I would like to extend my thanks and acknowledge the services rendered by all the employees of the Institute who have served us very well, making all our achievements over the year. I fervently hope that the name of NIPM would remain in the hearts and minds of all people of Sri Lanka as the Centre of Excellence for training in the plantation sector.

Sgd.

Deepthi Asoka Abeywikrama

Chairman/NIPM

30/11/2016

DIRECTOR/CEO'S REVIEW

The National Institute of Plantation Management (NIPM) is the only government body established for the development of human resources in the plantation sector in Sri Lanka. Since the inception in 1979, the Institute accrued resources and facilities to equip the Head Office at Athurugiriya and the Regional Centre in Bogawanthalawa while enhancing the competency of the personnel in the plantation sector, which is mandatory.

Being the sole authorized professional body, the NIPM is responsible to conduct programmes on Academic, Professional Skills Development, Management Development including demand-driven programmes, not only for the plantation sector, but also for any other organization that is willing to upgrade their professional skills and knowledge base.

The NIPM formulated programmes targeting the Government Owned estate and the employees of the other Plantation Companies. Since they have been contributing in transferring GDP major component of plantation crop production to the hands of small holders, the Institute has been continuously conducting further encouraging, product enhancement and management programmes to smallholder under the aegis of the government directives and finance.

The period under review was fraught with challenges for the entire plantation sector. It is evident that different social, political economic and environment changes for which we had to think of strategies to overcome. It was aggravating challenges to conducting training programmes as originally scheduled.

It is revealed that when the progress of the year 2015 was compared with five consecutive years from 2011, a slight decline has been reported in 2015. Our programmes related to income generation on Academic, Professional and Skill Development. Besides, NIPM with its competence resource personnel could manage to conduct 12 examinations either to select or to promote employees of the Governmental Departments and other Institutions.

Infrastructure and other resource facilities such as provisionally available lecture halls, auditorium, hostel accommodations and resource personnel at Athurugiriya and Bogawanthalawa of NIPM were offered for both the public and private sectors, in between the institutional programmes at concessional rates in order to their optimum utilization. In 2015, NIPM generated Rs. 13.575 million rupees providing such facilities for over 100 outside training programmes.

Being the Director/CEO of National Institute of Plantation Management, I thank Honorable Minister of Plantation Industries, Secretary to the Ministry and other officials of the Ministry for the guidance and support extended towards the development of the Institute.

I would like to express my gratitude to the members of the Board of Governors of the Institute, stakeholders and affiliated public and private sector institutions for their contribution for making the year 2015 a success. I highly appreciate all the staff members of the Institute for their untiring contribution towards reaching the NIPM as the “Centre for Excellence” in plantation management sector.

Sgd.

Dr. Prasad Dharmasena

Director/CEO-NIPM

30/11/2016

The Establishment and the objectives of the Institute

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

As per these acts, 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 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 kinds of 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.

- a. 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 Plantations.
- b. To provide regular, refresher and orientation courses in Plantation Management to employees in Service.
- c. To offer training in Plantation Management to personnel working in the Plantations both in the public sector as well as in the private sector.
- d. 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.
- e. To sponsor and hold seminars, workshops and conferences and publish journals and magazines in connection with plantation management and development.



- f. To carry out research into areas of plantation management and labour relations that are not already provided for in other similar institutions.
- g. 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.
- h. To furnish managerial, technical and administrative advice and services to any Government Departments, Public Corporation or other Institutions within or outside Sri Lanka in respect of Plantation Industry.

REPORT OF THE BOARD OF GOVERNERS

During the year under review, six (06) meetings of the Board of Governors were held at NIPM, Athurugiriya. At these meetings, the following principal activities and matters were reviewed / discussed and appropriate approvals were granted for the same.

- a) Preparation of Budget Estimates and Action Plan.
- b) Monitoring receivable and payables.
- c) Training activities of the Institute and the other matters relating to Finance and Administrative divisions.
- d) Short-term and long term local and foreign scholarships and workshops offered to the employees of the Institute.
- e) The progress of the activities of each division.
- f) Matters recommended by the Audit and Management Committee.
- g) Replies for the Audit queries prepared by the Institute pertaining to the present year (2015).
- h) New recruitments and promotions.
- i) Updated medium term Plan and Action Plan.
- j) The budget estimate for the following year.
- k) The Administrative Report and Final Accounts related to the previous.
- l) Strategies to improve the quality of work and performance of the Institute.
- m) Appointment of the Procurement Committees and review the Procurement Committee decisions
- n) Progress of the Academic Courses and Professional Programmes.
- o) Appointment of the Boards of Study.
- p) Approving financial statement and the Annual Report

THE COMPOSITION OF BOARD OF GOVERNORS

In terms of the section 06 of the National Institute of Plantation Management Act No. 45 of 1979 as amended by Act Nos. 76 of 1981, 05 of 1987 and 38 of 2003 the Board of Governors during the year consisted of the following personnel.

<u>Name</u>	Executive Directors
Mr. Deepthi Abeywickrama Chairman/NIPM	Chairman (From October 2015)
Dr. Nissanka Iddagoda Director/NIPM	Member (Ex-officio) (From June 2015)
Dr. W.M.G. Seneviratne Director Rubber Research Institute	Member (Ex-Officio)
Dr. I.S.B. Abeysinghe Director Tea Research Institute	Member (Ex-Officio)
Dr. Jayantha Gunathilake Director Coconut Research Institute	Member (Ex-Officio)
Mrs. S. R. S. De Silva Acting General Manager, Tea Small Holding Authority	Member (Ex- Officio)
Mr. Arjun Deraniyagala Representative/Coconut Growers' Association	Member (appointed)
Mr. Indiaka Premaratne Director Ministry of Finance & Planning	Member (appointed)
Mr. Malin Goonathilake Secretary General The Planters' Association of Ceylon	Member (Appointed) from Dec 2015
Ms. K. N. Kumari Somarathne Additional Secretary Ministry of Plantation Industries	Member (Appointed) from Nov 2015
Mr. R. M. Gunasekara Representative/SLFTSHDS	Member (Appointed)
Mr. A. R. Titus Sunil Silva	Member (Appointed)

Chairman/Thurusaviya	from Dec 2015
Mr. B. H. P. M Peris Representative/Tea Factory Owners Association.	Member (Appointed) from Nov 2015
Mr. M. M. D. Thilakarathne Representative/ Trade Union	Member (Appointed) from Nov 2015
Mr. H W M L Kumara Weerasooriya Representative/ Trade Union	Member (Appointed) from Nov 2015

- Mr. Milton Amarasinghe, the appointed Chairman of the board, resigned from August 2015
- Dr. D. V. Severathnam, (Appointed member), representative of Tea Planters Association resigned from the service with effect from March 2015.
- Ms Hansika Kumarasinghe, (Appointed member) , representative of Ministry of Plantation Industries resigned with effect from August 2015
- Mr. Rohana Galaboda, (Appointed member), Chairman, Thurusaviya fund resigned with effect from August 2015
- Mr. Gihan De Livera, (Appointed member), representative of Tea factory Owners Association, resigned with effect from August 2015
- Mr. M B Cyril, (Appointed Member), Acting General Manager of Tea Small Holding Authority, resigned from May 2015.

REPORT OF THE AUDIT AND MANAGEMENT COMMITTEE (AMC)

The AMC of the Institute is formed in compliance with the guide line issued by Ministry of Finance and Planning and duly empowered by the board of directors to oversee the following;

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

The Audit Committee held three meetings for the year 2015 on April 20, July 10 and November 3, 2015

Internal Audit

As experience in the previous years, Internal Audit function of the Institute is continued be handed over to Chief Internal Auditor of the Ministry of Plantation Industries since recruitment of the internal Auditor for the Institute has yet to be completed.

Membership of the Audit and Management Committee

The following Non Executive and Executive Directors, served as the Audit and Management Committee in the year 2015. The AMC was chaired by the representative of Ministry of Finance and Planning.

Mr. Indika Premaratne Director / Department of External Resources Ministry of Finance and Planning	-	Chairman
Dr. Jayantha Goonathilake Director / CRI	-	Member
Mrs. K. N. Somarathne Additional secretary/MPI	-	Member
Dr. Nissanka Iddagoda Director/NIPM	-	Member
Mr. W. A. D. D. M. Priyantha Internal Auditor / MPI	-	Observer Member
Mrs. Lalani Gunathilake Audit Superintendent Department of Auditor Generals	-	Observer Member
Mrs. Nishamani Illanganthilake Head Training/ NIPM	-	Representative/NIPM
Mr. L.D.J.Priyantha Accountant / NIPM	-	Secretary to the AMC

- Miss. Hansika Kumarasinghe, Assistant. Secretary of Ministry of Plantation Industries resigned with effect from August 2015.

STAFF OF THE INSTITUTE

The Director who has been appointed by Hon Minister Plantation Industries is the Chief Executive Officer of the Institute. Under his vertex, total workforce stood at 46 as permanent staff as at end of the year 2015. The Institute operates under three main functions as Training, Administration and Finance.

Chairman and Chief Executive Officer

There is a clear distinction and segregation of responsibilities and authority between the Chairman and Chief Executive Officer (CEO), ensures balance of power. The Chairman and Chief Executive Officer both are Executive Directors.

- 1) *Mr. Deepthi Abeywickrama* *Chairman*
- 2) *Dr. Nissanka Iddagoda* *Director/CEO*

- *Mr. Milton Amarasinghe, The Chairman appointed by the Minister of Plantation Industries, resigned from the post with effect from August 2015*

Managerial staff

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

- 1) *Mrs. S.N. Illangantillake, Training Specialist (Agric. Econ) is the Head of the training Division.*
- 2) *Mr. L.D.J. Priyantha, The Accountant of the Institute is the head of the finance Division.*
- 3) *Miss. C. D. Magina Arachchi, Assistant Director (Administration) is the head of Administration division.*
- 4) *P.H. Jayathilake, Training Specialist (Accounting. & Fin. (Mgt.) served to training division*
- 5) *Mrs. R.N. Lokuhetti, Training Specialist (Mgt) served to training division*

Other Executive staff

- 1) *Mr. Chameera Pathinayake* - *Training Officer (Agri. Econ)*
- 2) *Mr. M. L. R. Jayantha* - *Administrative Officer*
- 3) *Mr. N D. S. B Tennakoon* - *Hostel Manager / RWPSC, Bogawanthalawa.*
- 4) *Mr. K. G. Nepala* - *Staff Assistant (Training)*

Actual Total Staff as at 31/12/2015

Training Division (Total Staff -12)

<i>Training Specialist (Agric. Econ.)</i>	01
<i>Training Specialist (Mgt.)</i>	01
<i>Training Specialist (Actng. Fin Mgt.)</i>	01
<i>Training Officer (Agric. Econ.)</i>	01
<i>Staff Assistant (Training)</i>	01
<i>Management Assistant</i>	05
<i>Office Aide</i>	02

Administration Division (Total Staff -24)

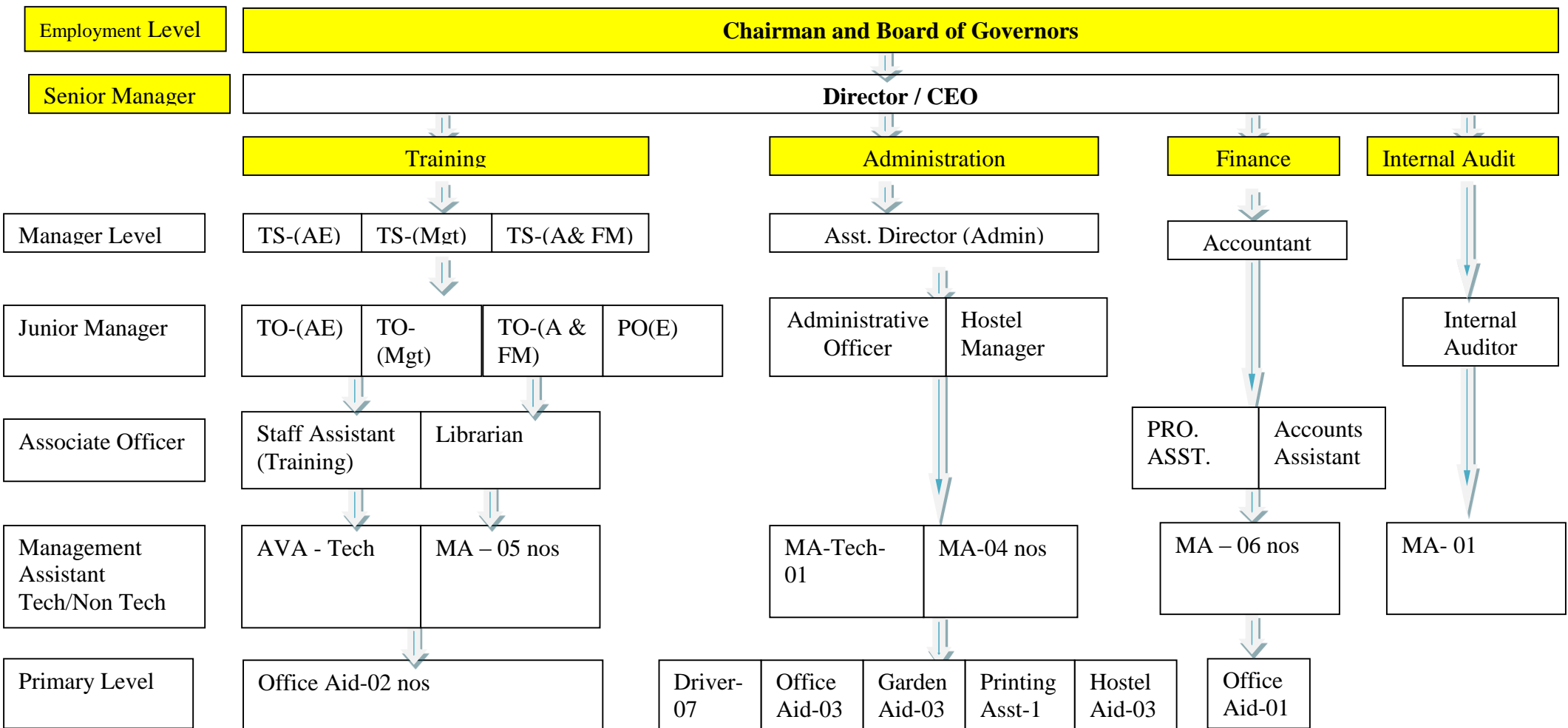
<i>Asst. Director (Admin.)</i>	01
<i>Administrative Officer</i>	01
<i>Hostel Manager</i>	01
<i>Management Assistant</i>	05
<i>Driver</i>	06
<i>Garden Aide</i>	03
<i>Office Aide</i>	03
<i>Hostel Aide</i>	03
<i>Sanitary Aide</i>	01

Finance Division (Total staff -8)

<i>Accountant</i>	01
<i>Management Assistant</i>	06
<i>Office Aide</i>	01

The organization structure is given in page No. 14

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT ORGANIZATION STRUCTURE



- Suppressed
- TS-Training Specialist MA-Management Assistant Mgt-Management Tech-Technical PO-Programme Officer(Exam & Coordinating)
- TO-Training Officer A & FM-Accounting & Financial Management AVA-Audio Visual Assistant AE-Agricultural Economics PRO.ASST-Procurement Assistant

PRINCIPAL ACTIVITIES OF THE INSTITUTE

According to the Act No. 45 in 1979 and the amendments made thereafter of the said Act, the main objective of the Institute is to provide training and learning opportunities to the Plantation sector personnel including smallholders. The plantation sector can be defined as perennial crops such as tea, rubber, coconut, sugarcane, oil palm, Palmyra, cashew, and cinnamon etc. The principal activities of the Institute which are aimed at achieving the objectives of the Institute can be categorized mainly into 07 areas as listed below.

(a) Academic Programmes

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

The following courses are included in the category of Academic programmes.



- B.Sc. Degree in Plantation Management (jointly with the University of Wayamba)
- National Diploma in Plantation Management
- National Diploma in Plantation Extension Management
- Certificate Course in Plantation Accounting and Financial Management
- Certificate Course in Book- Keeping and Plantation Accounting
- Certificate Course in Human Resource Management
- Certificate Course in Business English
- Certificate Course in Tamil Language
- National Certificate Examination in Tea Manufacture and Tea Factory Management
- Induction Course for Planter Trainees.
- Advanced Training Course for Planter Trainees

(b) **Professional Programmes**

Main objective of the Professional courses are to impart theoretical / practical knowledge and skills in different aspects. 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 this Institute as follows.



- Tea Manufacture and Factory Practices
- Rubber Manufacture and Factory Practices
- Coconut Processing (Technology & Practices)
- Language Proficiency Examination
- Professional Programme in Tea Agronomy
- Professional Programme in Rubber Agronomy

(c) **Competency Development Programmes**

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

The Institute conducts following competency Development programmes.



- Workshops, Seminars and Symposiums
- Skill Development Programmes
- Worker Development Programmes
- Management Development Programmes
- Training Programmes for Smallholders

- (d) Issuing publications related to Plantation Management (Journal in Plantation Management, Newsletter, Student Manuals of training programmes, 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 OF THE TRAINING PROGRAMMES

The Institute conducts training programmes basically two deferent segments in the plantation sector i.e. income earning programmes for the corporate sector and Capacity Development Programmes for smallholders using Treasury funds. The details of such programmes conducted are given below.



Training Programmes for Smallholders



Leadership Training Programmes

Progress of the Income Earning Training Programmes – 2015

The Institute concluded 30 programmes with a progress of 42.8% over the expected 70 number of training programmes in the action plan. However the Institute was able to achieve a financial progress of 71.7% against the expected training income because of Rubber Development Department entrusted some special training programmes for newly recruited Rubber Development Officers in the last quarter in 2015. The revenue of Rs 7.8 million added to the training income in this special programme achieving remarkable total training revenue of Rs. 18.008 million in 2015. The actual participation for the income earning programmes was 1101 students as against the estimated number of 1190. Therefore 92% progress reported on student participation under the income earning programme in 2015. The details are given in table 1 and 2

Table I

INCOME EARNING PROGRAMMES –2015

The details of income earning programme and the course duration with the actual participation are listed below.

<i>No</i>	<i>Programme Category</i>	<i>No. of Prog. conducted</i>	<i>Duration of each Programme</i>	<i>No. of Participants</i>
01	B.Sc. Degree in Plantation Mgt.	01	03 years	105
02	National Diploma in Plantation Management	01	16 months	19
03	Professional Programme in Tea Manufacture and Factory Practices	01	09 days	34
04	Language Proficiency Examination	01	02 days	16
05	Certificate Course in Plantation Accounting & Financial Management	01	14 months	15
06	Certificate Course in Book-keeping & Plantation Accounting	01	12 months	10
07	Advance Certificate Course in Plantation Management – Sinhala Medium	01	06 months	21
08	Skill Development of Tea Field Officers	01	05 days	13
09	Skill Development of Tea Factory Officers	01	05 days	23
10	Basic Courses	01	01 day	28
11	Management Development Programmes	10	01 day/02 days	366

12	Technical Development Programmes	01	03 days	29
13	Special Programmes	08	01 day	222
14	Worker Development Programmes	01	01 day	200
	Total	30	-	1101

Table 02

Physical and financial progress of training programs

Name of Programmes	Estimate			Actual			Progress (percentage)		
	No. of Progs	No. of Students	Income (Rs. Mn.)	No. of Progs	No. of Students	Income (Rs. Mn.)	Programmes	Students	Income
Academic and Professional Programmes	16	285	9.65	06	199	4.656	37.5%	69.8%	48.2%
Management and Technical Development Programmes	13	245	0.93	11	395	1.794	84.6%	161.2%	192%
Skill Development Programmes	5	100	1.75	2	36	0.632	40%	36%	36%
Basic Courses	8	160	2.33	1	28	0.115	12.5%	17.5%	5%
Worker Development Programme	3	100	0.06	1	200	0.04	33.3%	200%	66.6%
Induction course for Planter Trainee	5	75	6.38	1	21	1.788	20%	28%	28%
Special Training Programmes	20	225	2.5	8	222	8.143	40%	98.6%	325%
Income from External Examinations	-	-	1.5	-	-	0.840	-	-	56%
Total	70	1190	25.09	30	1101	18.008	42.8%	92%	71.7%

Profit and loss analysis of the Income Earning programmes

The intension is conducting income earning training programme for corporate sector to cover up the cost of the programmes with a nominal profit margin in order to survive the Institute without burden to the National budget. During the year under review, the Institute has obtained a profit of Rs. 9.938 million with the average profit margin of 55.1% on the total training income. In the previous year, it has been reported a profit of Rs. 4.402 million resulting year

on year remarkable gain of 125% over the last year. The analysis of the profit and loss for each category of courses are given bellow in table No 03

Table 03

Name of Programme	Income (Rs. millions)	Cost (Rs. millions)	Profit/Loss	percentage
Academic and Professional Programmes	4.656	2.336	2.320	49.8%
Management and Technical Development Programmes	1.794	0.972	0.822	45.8%
Skill Development Programmes	0.632	0.282	0.350	55.3%
Basic Courses	0.115	0.081	0.034	29.5%
Worker Development Programme	0.04	0.017	0.023	57%
Induction course for Planter Trainee	1.788	0.587	1.201	67.1%
Special Training Programmes	8.143	3.303	4.840	59.4%
Income from External Examinations	0.840	0.493	0.347	41.3%
Total	18.008	8.071	9.938	55.1%

Capacity Development Programmes for Smallholders – 2015

The Institute has the obligation to conduct training programmes for smallholders whose total contribution is around 75% to the plantation sector. Having identified importance of the role of the smallholders in production of plantation sector, a significant amount of fund have been allocated from the Institute's budget under capacity development. With a view to improve their knowledge and income, the Institute had scheduled 300 training programmes with financial allocation of Rs 12.0 million for the year 2015. During the year under review, the Institute was able to conduct 196 capacity development programmes under following topics.

- Alcohols prevention
- Attitude development
- Management development
- Entrepreneur development
- Technical Skills developments

The details of conducted Capacity Building programmes for smallholders are given below.

Type of Programme	Expected programmes	Expected participants	Estimated cost (Rs Mn)	No. of Programmes	No. of Participants	Cost (Rs. mn.)
Rubber smallholders	120	6,000	4.80	67	4,493	2.408
Tea smallholders	100	5,000	4.00	48	3,224	1.751
Coconut Smallholders	50	2,500	2.00	80	5,048	3.499
Other crops	30	1,500	1.20	01	60	0.051
Total achieved	-	-	-	196	12,825	7.710
Total planned	300	15,000	12.00	-	-	-
Progress	-	-	-	65.33%	85.5%	64.25%

In the year 2015, it was expected to conduct 300 training programme for smallholders since the Institute was able to conduct 355 programmes in 2014. However the Institute concluded 196 programmes reporting a progress of 65.33 % over the estimated capacity development programmes. During the year under review, 12,825 smallholders have participated for these capacity development training programmes. It was reported 85.5% progress over the expected number of trainees. The cost incurred for these programme was Rs. 7.71 million and reported 64.25% financial progress over the allocated funds.



PROGRESS OF TRAINING PROGRAMMES AGAINST THE PREVIOUS YEAR

When compare with the previous year statistics, it shows a slight decline of conducting income earning programmes, and considerable decline reported in capacity development programmes for smallholders in 2015. However training income has increased despite the adverse condition of conducting programmes to the plantation sector caused by reducing prices of the plantation

products. Training income has gone up by 79.42 % against previous year because of special programme conducted for the newly recruited Rubber Development officers. The number of trainees also increased by 10.87% despite the adverse effect from the number of training programmes

In the case of smallholding category, numbers of training programmes and the participation for such activities have decreased by 44.78% and 48.78% respectively. The year 2015 commenced with political events in Sri Lanka with the Presidential election followed by the general election resulting in change of the Executive president followed by a change the Government might be diverted the focus away from priorities of the general public, and it would be adversely effected to the training culture of the plantation community. Other main reason was the drop the prices of the plantation products in the world market and it also might be adversely affected to decline the training courses.

	2014	2015	Percentage Increase/ (decrease)
No. of Programmes (income generated programmes)	32	30	(6.25%)
No. of Participants (income generated programmes)	993	1101	10.87%
Training income (Rs. Mn.)	10.037	18.008	79.42%
No. of Programmes for Smallholders	355	196	(44.78%)
No. of Smallholders trained	25,100	12,825	(48.90%)
Cost incurred on training of Smallholders (Rs. Mn.)	9.98	7.710	(22.74%)

CONDUCTING EXAMINATION FOR OTHER ORGANISATIONS

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 organization since 1987. In the year under review, the Institute conducted 12 examinations especially in the Government organizations which are in the plantation sector to recruit and promote their employees as detailed below.

Organization	No. of Examinations	No. of Candidates	Income Generated (Rs.)
Sri Lanka Tea Board	02	23	48,903.00
Tea Small Holdings Development Authority	03	149	228,629.00
Coconut Research Institute	03	164	209,433.00
Tea Research Institute	02	48	158,810.00
National Livestock Development Board	01	111	177,417.00
State Plantation corporation	01	02	16,874.00
Total	12	497	840,066.00

B.Sc. DEGREE IN PLANTATION MANAGEMENT

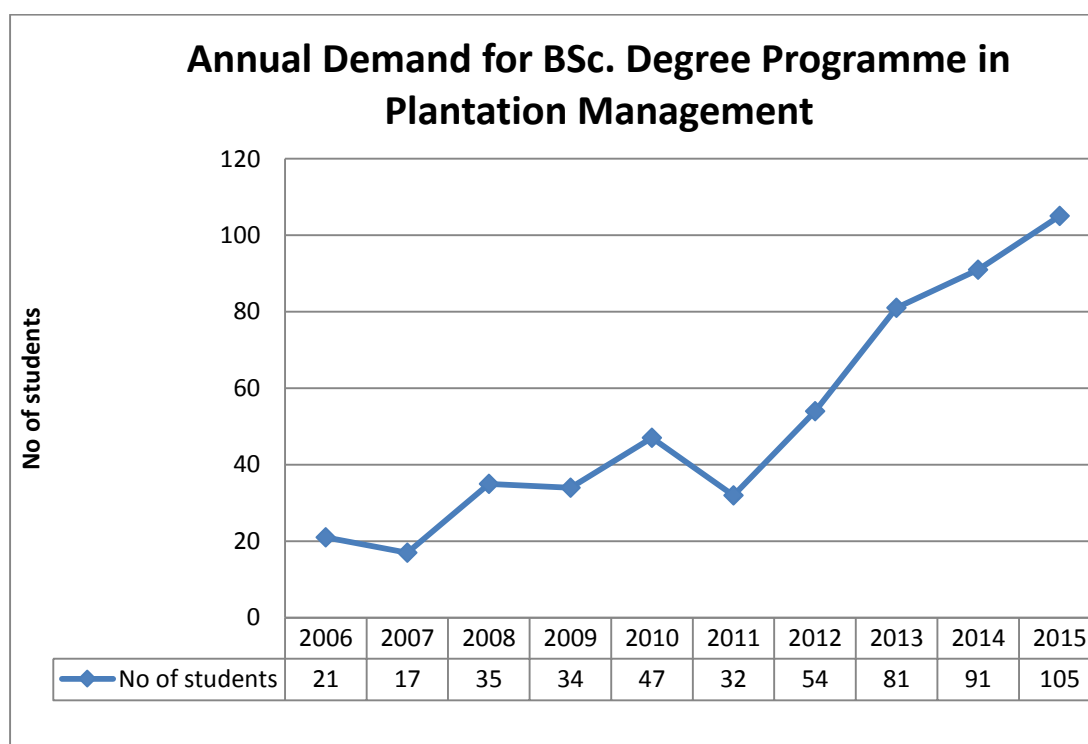
The B.Sc. Degree in Plantation Management is a new dimension of managerial and technological development, specially designed for senior and middle level executives attached to the plantation and related sectors towards corporate level development.



Until 2006 there was no opportunity for the plantation sector personnel for higher education in the field of plantation management. 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. The demand for qualifications in the plantation sector at this level had to be met. The Managers had to be developed to face the challenges of the future, and had to be prepared to face them professionally. In order to ensure productivity and profitability of the industry and its sustainability, it was necessary to bridge this need gap and provide a high degree of scientific, theoretical and managerial competence at both micro and macro levels for the senior and middle level executives in the plantation sector. For this purpose, a comprehensive academic programme had to be designed. Accordingly with much effort, the B.Sc. Degree in Plantation Management launched in 2006, and was offered jointly by the University of Wayamba and NIPM filling a vacuum that existed. This was a 03 year programme and was conducted as a distance learning course. Initially, 21 Plantation Executives registered for the course and 17

passed out in 2008. The details of the number of students registered each year and number who successfully completed the programme are given below.

	<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	} yet to be completed
9	2014	91	
10	2015	105	



The results of ongoing programmes during 2013 to 2015 yet to be finalized. Out of the applications received, 105 have been selected to follow the degree in 2015. The above graph shows that the demand for the B.Sc. Degree in Plantation Management has been increasing

considerably and it is a very positive trend. The certificate is awarded jointly by NIPM & Wayamba University.

It is indeed prestigious for the Institute to jointly offer the Degree programme along with the University of Wayamba.

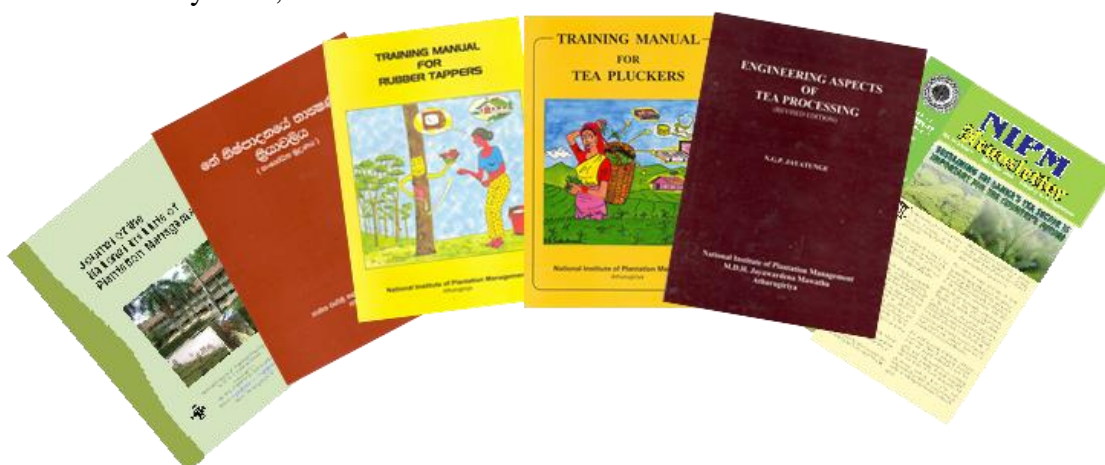
PROFESSIONAL MEMBERSHIP OF THE INSTITUTE

The Institute continued with conferring Professional Membership of the Institute to eligible Plantation Executives based on the criteria and conditions mentioned in the Act of Parliament No. 5 of 1987. During the year under review, eight fellow memberships and three Associate memberships were granted by the Institute. The total numbers of membership at the end of 2015 granted under each category are as follows.

Honorary membership	-	20
Fellow membership	-	206
Associate membership	-	21
Student membership	-	<u>02</u>
Total	-	<u>249</u>

PUBLICATIONS

The Institute published two issues of Journal and four issues of Newsletter before 2015. Instead of above two publications, the Institute decided to issue one magazine named as PLANTATION as a new version. It consist various articles in three languages related to the plantation Industry written by scientists of the Crop Research Institutes, lecturers of the Universities and professional planters and the plantation smallholders. The Editorial Committee comprised Prof. Mangala Fonseka, University of Sri Jayawardanapura, Dr. (Mrs.) Priyani Senevirathne, Rubber Research Institute Mr. B. A. D. Samansiri, Tea Research Institute. Dr.(Mrs.) Kusum Wijesinghe, Coconut Cultivation Board. The Chief Editor was Mr.S. M. P. Jayantha,



FACILITIES AVAILABLE

- **LIBRARY FACILITIES**

The library of the Institute has a collection of more than 6000 books covering various subject areas relating to Plantation Sector such as tea, rubber, coconut, sugarcane, cashew, accountancy, general management, human resource management, marketing management, strategic management, positive thinking, time management, productivity, industrial safety & hygiene and quality management etc. It has both lending and reference sections. The



participants of the long-term programmes and the staff of the Institute are eligible to use the books in the lending section while the participants of short-term programmes, staff of the Institute, external resource personnel of the Institute, school children of the area and outside resource personnel can use the reference section.

- **ACCOMADATION FACILITIES**

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



The Institute has submitted a new development proposal to the Department of National Planning to upgrade all facilities to set up new environment friendly buildings immediately to house the above offices.

The Ranjan Wijerathne Plantation School (RWPS which located in Theresia Estate, Bogawantalawa is the other Regional Training Centre for conducting training programmes. It should be certainly improved up to a modern training facilities. The Auditorium has 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 can provide accommodation facilities for nearly 70 people at a time. This has a fairly big dining hall, 3 office rooms and a mini library having more than 600 books. There is a bungalow for the Hostel Manager. Apart from the Hostel Manager and a peon, there are no other permanent workers at this center and therefore, necessary workers are employed on contractual basis during training sessions with the prior approval from the Director.

There are three workers and one watcher on casual basis and at present all the facilities for the Training programmes of the institute and Korean programmes of the Sri Lanka Bureau of Foreign Employment are being provided by this staff; under supervision of Hostel Manager.

REVIEW OF THE ADMINISTRATION FUNCTION

The Administration Division is headed by the Asst. Director (Admin.) who is responsible for General Administration of the Institute, and was recruited in 02nd July 2015. The total approved cadre for the Institute in the year was 62. However, there were several vacancies and it was difficult to fill some of those posts due to reasons such as Institutional requirements in respect of qualifications are high, while salary scales offered are not competitive. In addition to that the prevailed two elections were compelled to delay recruitment process.

As the post of Hostel Manager at the Head Office at Athurugiriya was vacant, the related activities were covered up by the Works Supervisor. Purchasing of food items was done by a Food Committee consisting of Management Assistants. The committee is changed once in 06 months. This system of purchasing food items ensures transparency of purchasing activities. The Hostels both at Bogawantalawa and Athurugiriya provide food and accommodation facilities for the participants of the programmes. A sum of Rs. 1,120/- was charged for food and refreshments per day from a participant while accommodation charge was Rs. 300/-. These rates were merely to recover the cost of the respective services and facilities. The participants who have used these services and facilities have expressed their appreciation. The Institute has made arrangements to improve its quality services further.

In order to provide employees with a career growth path within the organization and to improve their skills, most of them underwent local training programmes. Institutional welfare benefits that were prevailed prior to 2015 were continued during the year.

FINANCIAL REVIEW

Performance

The Institute reported total income of Rs. 84.796 million in year under review compared to the previous year income of Rs. 70.946 million. The main contributory factor towards this income was the Government recurrent grant received and deferred income from capital grants contributed by the General Treasury which were Rs. 28.502 and Rs. 23.072 million respectively. The training income was Rs. 18.009 million which contributed satisfactory amount toward the generated income as against the previous year. As experience in the previous years, the Institute generated a significant income from offering renting out facilities for the outside organisations where there were room to accommodation availability in both Bogawanthalawa and Athurugiriya.

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

	2015	2014	Variance	Key reason
Government recurrent grant	28.502	24.702	15.38%	Treasury released sufficient funds in 2015
Income from deferred government grant	23.072	20.837	10.72%	Due to increasing in capital grants and utilize the funds
Training Income	18.008	10.036	79.44%	Due to increase a special programme for Rubber Development Department
Renting out income (Both Bogawanthalawa and Athurugiriya)	13.575	14.042	(3.32%)	Due to limitation of accommodation facilities for other organization
Total Generated income	33.222	25.313	31.24%	Due to increase in training income at the end of year
Salaries and wages and employee benefits	30.907	19.452	58.88%	Due to increase of the government servants salaries and recruited new carder
Total Recurrent Expenditure	84.163	72.779	15.64%	Due to increase of salaries
Depreciation	17.740	15.833	12.04%	Increased due to Revaluation and new purchase of Assets
Surplus	0.632	(1.833)	134.47%	Due to increase in Government grant and training income

Liquidity position

Liquidity position of the Institute shows a slight improvement at the end of the year recoding current ratio of 1.78 times compared to the previous year's ratio of 1.598 times.

Capital expenditure

During the year under review, the Institute continued with the committed development plan and invested Rs. 13.871 million for tangible capital expenditure for infrastructure development. As a Government services oriented organization, the Institute invested a sum of

Rs. 7.710 million to develop Capacities of smallholders under capital budget. In order to get NVQ accreditation, the selected course modules have been developed according to the requirement of the governing body of NVQ incurring a sum of Rs. 0.625 million. Total capital expenditure for the year under review was Rs. 22.206 million. The following Table No 04 shows estimated and actual performance of capital expenditure in 2015

Table No 04

Budget and Actual performance of the Capital Expenditure 2015 (Rs. Millions)

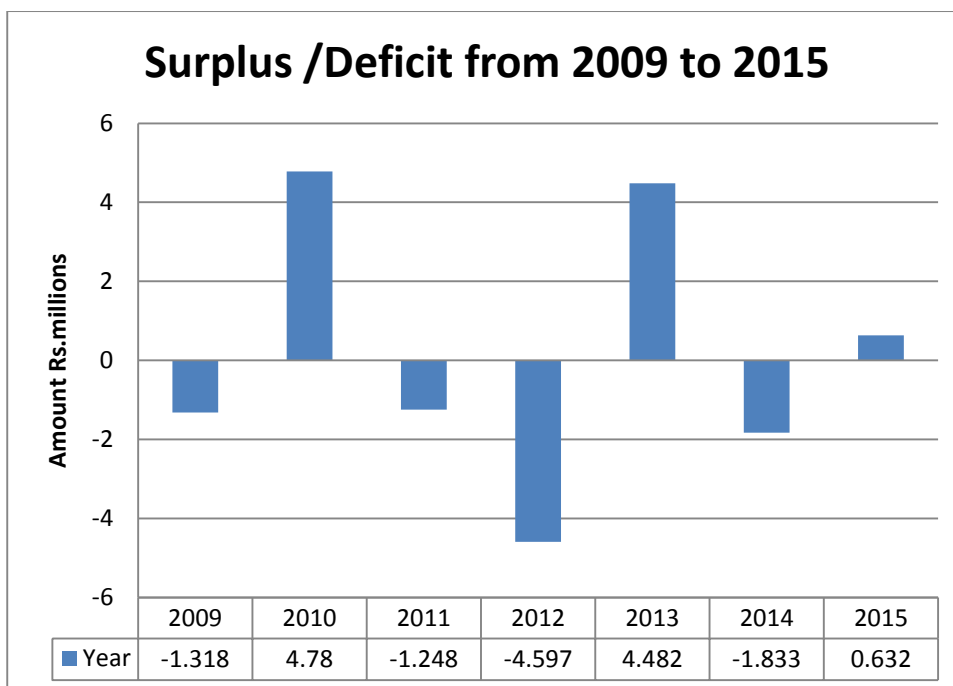
Capital items	Budget	Actual	Progress
Renovation and rehabilitation of Capital assets	5.50	3.79	68.9%
Acquisition of capital assets	15.00	10.07	83.4%
Development of training modules	3.50	0.62	17.7%
Capacity Development Programmes	12.00	7.71	64.2%
Total	36.00	22.19	61.6%

A sum of Rs. 26.00 Mn. has been allocated by the National Budget for the capital Expenditure and the Institute contribution Rs. 10.00 Mn. The Institute has spent a sum of Rs. 22.19 Mn. for the year 2015. It was 61.6% progress over the estimated amount. Major capital development activities are listed below.

- Purchasing of 150 KV Generator
- Put up a building for bath room at RWPSC
- Put up a vehicle garage
- Purchasing of Chairs and Tables for hostel
- Installation of AC Units for lecture rooms.
- Conducted 196 No. of capacity Development training programmes for smallholders

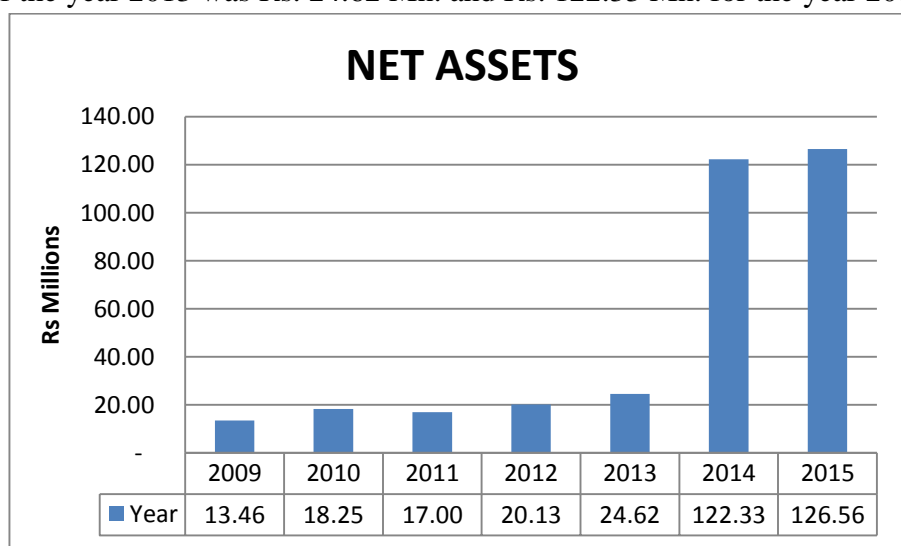
Surplus /Deficit

During the under review, the Institute reported a surplus of Rs. 632,438/- after deducting depreciation cost of Rs.17.74 Mn. The Statement of Financial Performance of the year 2014 reported a surplus of Rs. 1.03 Mn. however it was restarted a deficit of Rs. 1.833 Mn. due to adjustment of revaluation deficit of Rs. 2.863 Mn as the requirement of Accounting Standards.



Net Assets

The Net Asset of the Institute has increased up to Rs. 126.5 Mn. during the 2015 it was Rs. 122.3 Mn. in the year 2014. It has reported 3.4% increment over the previous year. The Institute has revalued the assets in 2014 on which revaluation surplus reported as Rs. 96.6 Mn. It was caused to hyper increment of the Net Assets in 2014. This was reported further improvement in connection with the reduction of accumulated deficit due the surplus reported in 2015. Net asset of the year 2013 was Rs. 24.62 Mn. and Rs. 122.33 Mn. for the year 2014.



Financial Position

Statement of Financial Position indicated the net asset of Rs. 126.56 million as at 31.12.2015 compared to the previous year figure of Rs. 122.33 million. According to the financial statements, the value of total assets recorded Rs. 221.74 million compared to the previous year

figure of Rs. 183.72 million. Total liabilities as at end of the year was Rs. 95.18 million compared previous year figure of Rs. 92.34 million. The Institute provided a provision for Employee Benefits Plan for Rs. 9.80 and invested in fixed deposit to secure the liabilities for the employee benefits. Total current assets recorded Rs. 41.50 million and the current liabilities reported as Rs. 23.51 million as at 31.12.2015

CONSTRAINTS FACED BY THE INSTITUTE

As experienced in the previous years after restructuring process took place in 2004, the Institute had to face several constraints in the year 2015 as well. Shortage of staff in the training faculty was one of the main constraints. There were only 06 members in the training faculty. The Institute could not recruit the staff due to elections and inadequate salary scales against the qualifications and skills even if the approved staff vacancies were available. The Institute faced shortage of staff quarters due to acquisition of four and half acres of the land and three executive grade staff quarters by Seventh Engineers' Regiment of Sri Lanka Army.

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

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

Office building complex is more than 60 years old building converted into office in 1980s. Therefore, it is beyond the repairing stage. A new office complex has to be constructed to develop infrastructure facilities.

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

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

CONCLUSION

Although the Institute had various constraints and impediments, in the past after restructuring process took place in the end of 2004; the Institute has made gains, financially in the year under review when compared with the previous year 2014. Due to prices drop in the plantation crops such as Rubber and Tea were adversely affected to the physical number of training programmes both corporate and the smallholding sectors compared to the previous year. It is a matter of satisfaction that the total number of trainees for corporate sector has increased compared to the previous year. Although there was a possibility of conducting more programmes for smallholders and estate workers it was not possible to do so as the Institute was short of training staff.

A surplus of Rs.0.632 Mn. was seen between the income and expenditure in the year 2015 and the Net assets of the Institute has increased up to Rs.126.562 million from 122.325 million in the year 2014.

Further, the Institute was able to begin the modules development process to obtain NVQ accreditation which is mandatory for skill development of the plantation sector. The Institute conducted 196 training programmes for smallholders incurring a sum of Rs. 7.710 using the funds granted by the Treasury. The greater emphasis will be paid to programmes for smallholders and estate workers in the next year too. Based on this information, it can be satisfied with the physical and financial progress in the year under review and it is the expectation of the Institute to achieve the planned targets in the year 2016 under the effort and commitment of the staff and the proper guidance and advices of the Board of Governors.

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 2015.

Sgd.

Depthi Asoka Abeywikrama

Chairman/NIPM

30/11/2016

• FINANCIAL STATEMENTS

**NATIONAL INSTITUTE OF PLANATION
MANAGEMENT**

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

Amended report
28 June 2016

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NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

ACCOUNTING POLICIES AND THE NOTE TO THE FINANCIAL ACCOUNTS FOR THE YEAR 2015

1.0 REPORTING ENTITY

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

As per these acts, NIPM is the only organization empowered to award certificates for those who successfully complete training programmes/academic courses and confer professional Membership to eligible plantation executives 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 Small Holding Sector. To achieve these objectives, the NIPM conducts various kinds of 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.

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

2.0 FUNDAMENTAL ACCOUNTING CONCEPTS

The accounts have been prepared under the *Going Concern Concept*, since it is the advice of the Board of Governors of the Institute. Adequate funds are available from Government grants and income generated from training programmes, academic courses, undertaking of consultancy assignments, professional membership subscriptions and sales of publications. Such accumulated funds enable to meet institutional liabilities as and when necessary.

3.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.0 BASIS OF PREPARATION

The Financial Statements have been prepared in accordance with *Sri Lanka Public Sector Accounting Standards* on the accrual basis of accounting. The measurement base applied is historical cost adjusted for revaluation of assets.

The financial statements have been prepared on a *Going Concern Basis* and the Account policy has been applied consistently throughout the period.

4.1 WORK, SERVICES AND SUPPLIES

Procurement procedures are followed for procuring works, services and supplies in accordance with standard procurement guideline.

4.2 INTANGIBLE ASSETS

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

Computer software

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

The Development cost of Distance Learning Modules

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

The cost involved to develop the course content to NVO level standard

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

The estimated useful lives of intangible assets are as follows.

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

4.3 THE CAPACITY DEVELOPMENT PROGRAMMES FOR SMALLHOLDERS

The Capacity Development Programmes for out growers are considered as a capital Development cost of the entity. It is meeting an urgent need of the smallholders to improve the knowledge, skills to enhance expected levels of agricultural practices with a view to producing higher quality end product in the hand of the consumer. This is a very important aspect in assisting the exporters to make gains in the local and export markets.

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

It is assumed that the impact of such programmes would be realized within one year. Therefore the value of investment for such programmes would be written off in the year itself. The Institute incurred Rs 7.77 Million to enhance the knowledge of the plantation out growers and ground level workers conducting 196 programmes in 2015 financed by the National Budget.

4.4 PROPERTY PLANT AND EQUIPMENTS

Property plant and equipment are stated at historical cost less accumulated depreciation.

This historical cost includes all cost directly attributable to bringing an asset to working condition for its intended use and significant renovations.

4.4.1 Depreciation

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 depreciation rates generally used are as follows.

Free holding buildings	5%
Office furniture	10%
Office Equipment	20%
Motor Vehicles	20%
Plant and machinery	20%
Road water supply, Electricity and Telephone (Infrastructure Assets)	10%
Library Books	10%
Misc. Equipment	25%
Land improvements	10%

As per Sri Lanka Public Sector Accounting Standard, the following Assets are considered as Infrastructure Assets.

- Road improvement,
- Water and power supply
- Supply of electricity

Basis of measurement

All Property Plant and Equipment except Vehicles and Land are depreciated as per cost method and the vehicles are accounted in accordance with the revaluation method. The depreciation is not charged for Land of the Institute.

4.4.2 Disposal

The gains or losses on disposal are determined by comparing proceeds with carrying amount. These are included in the statement of financial performance.

4.4.3 Revaluation

(a) Motor Vehicles

The following motor vehicles of the Institute were revalued on 23rd August 2012 by a professional **Automobile Engineer**. The gain on the revaluation has been included in the revaluation reserves account. The Revaluation gain of the vehicle was Rs. 7,833,012.66. Then the total revaluation reserve on vehicle has increased up to Rs10, 584,233.03. The Details are given bellow.

Name of the Valuer	Mr. D. B. De Siva	
Qualification	Professional Automobiles Engineer.	
Date of Valuation	23 rd August 2012	
Revalued amount	32-4086 Jeep	Rs. 1,450,000/-
	61-2361 Bus	Rs. 950,000/-
	250-3161 Cab	Rs. 1,700,000/-
	58-3717 Cab	Rs. 1,700,000/-
	250-2603 Cab	Rs. 1,550,000/-
	250-2604 Van	Rs. 1,950,000/-

(b) Furniture, Office Equipment, Plant and Machineries and Miscellaneous Equipment

The above assets held at Athurugiriya office as at 01/01/2014 have been revalued by Valuation Departments.

The details of the Property Plant and Equipment including the adjustment entries of the revaluation are set out in page No. 16 to the financial statement. The net gain on the revaluation is included in the revaluation reserve account

Valuation of the Properties of the Group with the necessary details are given bellow

Name of the Valuer	Mr. K.A.D.N.J.Nanayakkara
Qualification	Regional Valuer
Date of valuation	01 st January 2014
Location	Athurugiriya

Category of Assets	Gross Value (cost) as at 1/01/2014 (LKR '000)	Revalued Amount (LKR '000)	Revaluation Surplus/(Deficit) (LKR '000)
Office Equipment	17,611	3,438	(2,635)
Furniture and fittings	5,129	5,669	3,604
Plant and machineries	1,004	335	32
Miscellaneous Equipment	2,893	859	(228)

(c) Buildings

All buildings of the Institute excepts buildings at Bogawantalawa Regional Centre and three staff quarters, which the ownership to be transferred to Seventh Engineers Regiment of the Sri Lanka Army have been revalued by Valuation Department as at 01/01/2014.

Name of the Valuer Mr. K.A.D.N.J. Nanayakkara
Qualification Regional Valuer
 Western province
 Valuation Department
Date of valuation 01st January 2014

Restated values for revaluation

Category of Assets	Gross value (Cost) as at 1/01/2014 (LKR '000)	Revalued Amount (LKR '000)	Revaluation Surplus/(Deficit) (LKR '000)
Office Equipment	17,611	3,438	(2,635)
Furniture and fittings	5,129	5,669	3,604
Plant and machineries	1,004	335	32
Miscellaneous Equipment	2,893	859	(228)
Buildings	74,424	134,074	95,902

As per the accounting entries in the year 2014, it had been set off the deficit with surplus of revaluation accounts of above assets and disclosed net value as a surplus of Rs. 96,675,557.18. Therefore, it has been restated that the value of surplus account as Rs. 99,539,399.11 in the statement in changers of the Net Assets. The reported deficit of Rs. 2,863,841.93 has been accounted in the statement of financial performance. Therefore, the Statement of Financial Performance in the previous year ended up with a net deficit of Rs. 1,833,578.71. Final outcome has not been changed in the Statement of Changes in Net Assets due to above adjustment.

(d) **The assets held at RWPSC, Bogawanthalawa**

The buildings of the Bogawanthalawa Regional Center and other equipment have been revalued as Rs. 8,479,500.00 and Rs. 933,000.00 respectively. The revaluation gain of the Building is Rs. 3,604,422.05. The schedules of revaluation break down of the other equipment is yet to be received from the Central Province Regional Center of the Valuation Department. Therefore, the adjustment entries in respect of revaluation of other equipment will be done in 2016.

Name of the Valuer Mr. R. G. Wimalasena
Qualification Regional Valuer
Central Regional Office, Valuation Department
Date of valuation 31stDecember 2014

Item	Cost of revalued item	Revalued amount (LKR 000)	Revaluation surplus/deficit (LKR 000)
Buildings	7,793	8,479	3,604
Furniture	512	933	Disclose in 2016
Equipment	937		
Other miscellaneous	510		

(e) **The Assets which were not revalued**

The following assets have not been revalued in 2014 and 2015.

	Gross Value 31/12/2015 (LKR '000)	Net carrying value as at 31/12/2015 LKR '000)
<i>Land and land improvements</i>	<i>1,727</i>	<i>1,727</i>
<i>Infrastructure asset</i>	<i>14,855</i>	<i>11,052</i>
<i>Books</i>	<i>2,247</i>	<i>508</i>
<i>Linen item at Athurugiriya</i>	<i>409</i>	<i>nil</i>
Total	19,238	13,287

4.4.4 *Annual board of survey*

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

4.4.5 *Present status of the land acquired by Sri Lanka Army*

The land extends of 1.9499 hectares and three staff quarters had been transferred to Sri Lanka Army. The ownership of the above properties had been acquired under section 38(A) of Land Acquisition Act. The gazette declaration under section five of the above has been published in 2015. The compensation of Rs. 55 Mn has to be received to the Institute.

4.4.6 Disposal of the value of land and three staff quarters

All assets in the transferred land to Sri Lanka Army will be disposed after completing the acquisition process which is yet to be completed.

4.4.7 The committed asset.

The Institute has signed a contract agreement with M/s Hayleys Electrical Solution (Pvt) Ltd to purchase a 150 KVA generator, which is amounting to Rs.4,449,250.00. The Institute already committed to pay the above amount after completing the installation of Generator. The Generators would be fixed to the Institute before first week of the march. This amount has included in work in progress under other current assets.

5.0 DEPOSITS FOR INFRASTRUCTURE FACILITIES

This includes security deposits that were made against the infrastructure facilities for the service providing organizations.

6.0 INVENTORIES

Inventories consist of Institute's publication, printing material, stationary and office requisites, tires, building maintenance materials and other consumables. They are valued at the material cost on the basis of First in First out principle. The publication stocks comprise 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*

<i>Item</i>	<i>Caring value at fair value (LKR '000)</i>	<i>Cost to sell</i>	<i>Caring value at fair value (LKR '000)</i>
<i>Stationary</i>	<i>301.8</i>	<i>-</i>	<i>301.8</i>
<i>Printing materials</i>	<i>440.4</i>	<i>-</i>	<i>440.4</i>
<i>Welfare items</i>	<i>16.9</i>	<i>-</i>	<i>16.9</i>
<i>Consumable items</i>	<i>15.6</i>	<i>-</i>	<i>15.6</i>
<i>Building maintenances material</i>	<i>308.4</i>	<i>-</i>	<i>308.4</i>
<i>Tyre and tubes</i>	<i>30.8</i>	<i>-</i>	<i>30.8</i>
<i>Publications</i>	<i>369.1</i>	<i>-</i>	<i>369.1</i>
<i>Total</i>	<i>1,486.9</i>	<i>-</i>	<i>1486.9</i>

7.0 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, current accounts balance at Bank of Ceylon Athurugiriya Branch.

8.0 SHORT TERM INVESTMENTS

The Institute has invested generated excess income in short term time deposits, fixed deposits and membership savings account at Bank of Ceylon, Athurugiriya branch in order to utilize for the future development activities of the Institute as well as to finance the commitments.

9.0 RESERVES

9.1 Revaluation Reserve

Reserves include revaluation surplus of the Institute's vehicles in 2012. The building and other equipment have been revalued accepts the assets mentioned in Para No.4.4.3. (e) of the page No.08 of this report. The Net gain of the Revaluation reserve as at 31st December 2015 amounted to Rs. 113,728,054.00. Movements of the reserve are given in the statement of changes in Equity.

10.0 EMPLOYEE RETIREMENT BENEFIT

The gratuity provision has been provided to the Accounts for all employees of the Institute to meet the cost of retirement benefits as and when they retire from the services. The amount fall due for payments with one year is included in the current liabilities. The Institute has invested to Fixed Deposit for the equitant amount of gratuity provision as at the end of the year.

11.0 DEFERRED INCOME

11.1 *Donated Publication stocks*

Value of donated publication books from Tea Development Project has been shown in the differed income donation account under Non-current liabilities. Income will be taken into account when it realize in the relevant accounting period.

11.2 *Government grant for Capital Expenditures*

Significant amounts of fund for Capital expenditure were granted by the Department of National Budget. This amount has been shown in the deferred income account and recognized to the income statement as income on a systematic and rational basis over the useful life of the assets. Normal useful life of the assets is given bellow.

Free holding buildings	20 yrs.
Office furniture	10 yrs.
Office equipment	5 yrs.

Motor vehicles	5 yrs.
Plant and machinery	5 yrs.
Road water supply, Electricity and Telephone (Infrastructure Assets)	10 yrs.
Library book	10 yrs.

Misc. equipment	4 yrs.
Land improvements	10 yrs.

Useful life of the following Asset items has been changed considering impairment of the assets, since these assets are not in good condition due to causing natural impact; therefore the deferred income has been calculated revising the useful life which has originally decided.

Item name	Original rate according to useful life	Revised rate as per new useful life
Painting of hostel building	5%	100%
Bogawanthalawa bath rooms	5%	25%
Hostel Curtain	5%	100%
Renovation cost of lecture room No 02 (Painting)	5%	100%

The balance of the deferred income account has been reduced by Rs 2.54 million due to revision of useful life of the above assets. The income of the year has increased by Rs 2.54 million due to above adjustment .The effect of the deferred income account for each category of the assets are given bellow.

Item name	As per original rate (LKR '000)	Revised Rate (LKR'000)	Effect to the Statement of Financial Performance (LKR'000)
Painting of hostel building	65	1107	1042

Bogawanthalawa bath rooms	21	85	64
Hostel Curtain	54	918	864
Renovation cost of lecture room No 02 (Painting)	35	602	567
Total	175	2712	2540

12.0 SHORT TERM PROVISIONS AND CONTINGENCIES

12.1 Contingent Liability

Mr. A. K. C. Atthanagoda who worked as the Audio Visual Officer of the Institute has filed a case against the Institute challenging termination of his employment on disciplinary grounds. The contingent liability of Rs. 708,378.00 has been provided to cover the payment of his salary and other emolument up to the end of the year. The Labour Tribunal is at present hearing the case. We have concluded the accounts for this year with provision for contingent liability of Rs. 3,765,756.00 at the end of year 2015. The opening balance of the liability was Rs. 3,057,378.60

12.2 Provision for Doubtful Debtors

The Institute has provided a provision for Bad debt at 2% on the year end Account balance

13.0 TRAINING INCOME

13.1 Short term programmes

If the course period is less than six months, it would be considered as a short term course. The entire income of the short term courses is taken to the statement of financial performance if the Training programmes commenced during the Accounting period.

13.2 Long term training programmes (ongoing training Programmes)

If the course period is more than six months, it would be considered as long term programme (ongoing training Programme). The revenue of these training courses would be applied a pro-rata basis to the statement of financial performance considering the commencing month of such training programme and the duration of the programme

14.0 EVENT OCCURRING AFTER REPORTING DATE

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

Adjusting events

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

Disclosure events

The Institute has committed to purchase a 150KVA Generator from Hayleys Electrical solution (Pvt) Ltd, which is amounting to Rs. 4,539,250.00. The commissioning of the generator would be done after reporting date. The payment will be made after commissioning.

The recognize gain on the revaluation of Furniture and equipments conducted in 2015 at Bogawanthalawa Ranjan Wijerathne Plantation School will be accounted in 2016. The cost of the revalued assets was Rs 1,960,197/- and revalued amount was amounting to Rs.933, 000/-. The breakdown of the items has not been received at the date of confirmation of the statement of financial Position.

15.0 BOGAWANTHALAWA REGIONAL CENTRE (RWPSC)

The Income and Expenditure in relation to Bogawanthalawa Regional Centre has been reported separately in the Statement of Financial Performance. It was reported a net surplus of Rs. 2,551,107.00 in the year 2015.

16.0 RENTING OUT FACILITIES TO OUTSIDE ORGANISATION

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.

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT
STATEMENT OF FINANCIAL POSITION

As at December 31

	Notes	2015	2014
		LKR 000	LKR 000
ASSETS			
Current assets			
Cash and cash equivalents	1	6,447	2,191
Receivables	2	7,105	4,355
Inventories	3	1,487	935
Prepayments	4	350	530
Other Current Assets	5	26,202	22,938
		41,591	30,949
Non-Current assets			
Receivables	6	1,535	921
Property plant and Equipment	7	176,756	181,163
Intangible Assets	8	1,250	1,021
Other Non-Current Assets	9	612	612
		180,153	183,717
TOTAL ASSETS		221,744	214,666
LIABILITIES			
Current Liabilities			
Payables	10	18,898	14,510
Short - term Provisions	11	3,766	3,057
Employee Benefits	12	850	1,663
		23,514	19,230
Non- current liabilities			
Deferred Government Grants	13	62,560	67,433
Deferred Income- Donation	14	28	28
Employee Benefits	15	8,959	5,547
Refundable security deposits	16	120	102
		71,667	73,110
TOTAL LIABILITIES		95,181	92,340
NET ASSETS		126,563	122,326
NET ASSETS/EQUITY			
Capital contributed by Government & other Government Entities	17	38,386	38,386
Reserves	18	113,728	110,123
Accumulated surpluses/(Deficits)	19	(25,551)	(26,183)
TOTAL NET ASSETS/EQUITY		126,563	122,326

The Accounting policies and Notes on pages. 35 to 45 and Notes on pages to 65 from 48 an integral part of these financial statements.

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

Sgd.

L D J Priyantha

Accountant/NIPM

The Board of Directors is 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.

Dr. Nissanka Iddagoda

Director/CEO- NIPM

Colombo

28/06/2016

Sgd.

Deepthi Ashoka Abeywickrama

Chairman/NIPM

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT
STATEMENT OF FINANCIAL PERFORMANCE

For the year ended December 31,

REVENUE	Note	2015 LKR	2014 LKR(Restated)
Government Recurrent grants	20	28,502	24,792
Income from Deferred Government capital grant	21	23,072	20,837
Training income	22	18,009	10,036
Renting out of residential facilities	23	8,210	6,219
Income from Bogawanthalawa Regional Centre	24	5,366	7,823
Interest income	25	940	1,039
Other income	26	697	199
TOTAL REVENUE		84,796	70,945
EXPENSES			
Wages, Salaries and employee benefits	27	30,907	19,452
Supplies and consumable used	28	3,022	2,910
Repairs and Maintenance	29	4,062	3,670
Communication and utility services	30	7,098	7,116
Training Expenses including capacity building Progs.	31	15,918	14,375
Expenses in Relation to Renting out facilities	32	1,820	1,923
Expenses for Bogawanthalawa Regional Centre	33	2,873	3,763
Depreciation and Amortization expenses	34	17,740	15,833
Other Expenses	35	724	873
Loss on revaluation of fixed assets	36	-	2,864
TOTAL EXPENSES		84,164	72,779
Surplus/(Deficit) for the period		632	(1,833)
Attributable to owners of controlling entity		632	(1,833)

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT				
STATEMENT OF CHANGES IN NET ASSETS/EQUITY				
for the year ended December 31, 2015				
Statement of changes in Equity (LKR 000)				Total Net Assets /Equity
Descriptions	Contributed Capital	Revaluation Reserves	Accumulated Surpluses/ (deficits)	
Balance as at January 01, 2013	38,386	10,584	(28,833)	20,137
Surplus/(Deficit) for the year 2013	-	-	4,483	4,483
				-
Balance as at December 31, 2013	38,386	10,584	(24,350)	24,620
				-
Re-stated Revaluation Surplus 2014	-	99,539	-	99,539
Re-stated Surplus/(deficit) for the year 2014	-	-	(1,833)	(1,833)
Balance as at December 31,2014	38,386	110,123	(26,184)	122,326
Revaluation Surplus RWPSC	-	3,604	-	3,604
Surplus for the year 2015	-	-	632	632
				-
Balance as at December 31,2015	38,386	113,728	(25,552)	126,562

Revaluation deficits of the equipment has been adjusted to the statement of financial performance in the year 2014, therefore the statement of financial performance has restated with a deficit of Rs 1,833,578.71. Revaluation surplus of the year 2014 restated as Rs. 99,539,399.11.

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT CASH FLOW STATEMENTS		
<i>for the year ended</i>		
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>	31/12/2015	31/12/2014
	LKR 000	LKR 000
Surplus (Deficit) for the year	632	1,030
<i>less-Interest income</i>	940	1,039
<u>Net cash inflow/(outflow) from operating Activities</u>	(307)	8
<u>NON CASH MOVEMENTS</u>		
<i>Depreciation (Note 2)</i>	17,344	15,557
<i>Amortization</i>	396	276
<i>Provision of retiring Gratuity</i>	2,599	773
<i>Profit / (Loss) on sale of fixed Assets</i>	-	-
<i>Deferred income</i>	(23,072)	(20,837)
<i>Increase of Provision of doubtful debtors</i>	50	67
<i>(Increase)/Decrease in Trade and other receivable</i>	(2,518)	1,728
<i>(Increase)/Decrease in Inventories</i>	(551)	(92)
<i>(Increase)/Decrease in Prepayments</i>	180	19
<i>(Increase) /Decrease in Other Current Assets</i>	(4,931)	(167)
<i>Increase / (Decrease) in trade and other payables</i>	4,388	2,085
<i>Increase/ (Decrease)in short term provision</i>	708	608
<i>Increase/ (Decrease)in security deposits-(payable to employees)</i>	17	17
<u>NET CASHFLOW FROM OPERATING ACTIVITIES</u>	5,697	27
<u>INVESTING ACTIVITIES</u>		
<i>Acquisition of Property plant and equipment</i>	(9,333)	(16,069)
<i>Acquisition of Intangible Assets</i>	(625)	(500)
		(6,273)
<i>Investment in fixed/call deposits</i>	(3,058)	
<i>Encashment of Fixed/call deposits</i>	5,000	2,000
<i>Payment of loan and advances</i>	(2,341)	(1,167)
<i>Cash recoveries from loan and advances</i>	1,444	1,620
<i>Interest received</i>	664	727
<u>Net cash out flow in investing activities</u>	(8,246)	(19,662)
<u>FINANCING ACTIVITIES</u>		
<i>Government Grant for capital expenditure</i>	18,200	21,500
<u>Net cash inflow in financing activities</u>	18,200	21,500
<u>Net (Decrease) /Increase in cash and cash equivalents</u>	4,256	1,864
<u>Cash and cash equivalent at beginning of the year</u>	2,190	325
<u>Balance of cash and cash equivalents at the end of the year</u>	6,447	2,191

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

Budgeted and Actual Performance

For the year ended December 31, 2015 (Rs 000')

REVENUE		ACTUALS	BUDGETED	Progress
Government grants	20	28,502	32,000	89%
Income from Deferred Government capital grant	21	15,362	16,144	95%
Capacity Building Programmes	21	7,710	12,000	64%
Training income	22	18,010	25,085	72%
Renting out of residential facilities	23	8,210	6,500	126%
Income from Bogawanthalawa Regional center	24	5,366	8,000	67%
Interest income	25	939	1,100	85%
Other income	26	697	1,115	63%
TOTAL REVENUE		84,796	101,944	83%
RECURRNT EXPENSES				
Wages, Salaries and employee benefits	27	30,907	33,818	91%
Supplies and consumable used	28	3,022	4,642	65%
Repairs and Maintenance	29	4,062	2,825	144%
Communication and utility services	30	7,098	8,380	85%
Training Expenses	31	15,918	18,750	85%
Expenses in relation to renting out facilities	32	1,819	2,488	73%
Expenses for Bogawathalawa Regional Centre	33	2,873	3,734	77%
Depreciation and amortization expenses	34	17,740	16,144	110%
Other Expenses	35	724	1,163	62%
TOTAL EXPENSES		84,164	91,944	92%
CAPITAL EXPENDITURE				
Property plant and equipment		13,777	20,500	67%
Intangible assets		625	3,500	18%
Capacity Development Programmes		7,711	12,000	64%
TOTAL CAPITAL EXPENDITURE		22,113	36,000	61%
TOTAL EXPENDITURE		106,276	127,944	83%
Treasury Grants				
Recurrent expenditure		28,502	32,000	89%
Capital Expenditure		18,200	26,000	70%
TOTAL GRANT		46,702	58,000	81%

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENTS										
Description	Including Land improvements	Buildings	Plant and Machinery	Equipment	Furniture	Motor Vehicles	Infrastructure Assets	Library Books	Misc. Equipment	Total
Cost										
As at 01/01/2014	3,400	84,264	1,004	18,549	5,642	25,589	11,231	2,168	3,813	155,660
Additions	104	6,180	1,818	2,663	1,880	455	2,247	79	643	16,069
Transfers	-1,777	-	-	-	-	-	1,377	-	-	-400
Revaluations	-	134,074	335	3,438	5,669	-	-	-	858	144,374
Revaluation Adjustments	-	-74,423	-1,004	-17,612	-5,129	0	0	0	-2,893	-101,061
As at 31/12/2014	1,727	150,093	2,153	7,038	8,062	26,044	14,855	2,247	2,421	214,642
Additions	-	3,791	0	3,628	1,623	-	203	-	87	9,332
Disposal	-	-	-	-	-	-	-	-	-	-
Revaluations	-	686	-	-	-	-	-	-	-	686
Transfers	-	0	-	-	-	-	-	-	-	-
As at 31/12/2015	1,727	154,572	2,153	10,667	9,685	26,044	15,058	2,247	2,508	224,660

Depreciations										
Accumulated as at 01/01/2014	536	40,861	702	12,147	3,527	8,798	798	1,586	2,337	71,292
Depreciation charge	-	7,014	67	965	585	5,159	1,257	73	437	15,557
Revaluation Adjustment	-	(36,252)	(702)	(11,538)	(3,065)	-	-	-	(1,807)	(53,364)
Transfers	(536)	-	-	-	-	-	528	-	-	(8)
Accumulated as at 31/12/2014	-	11,623	67	1,574	1,047	13,957	2,583	1,659	967	33,477
Depreciation	-	7,401	431	1,421	796	5,209	1,422	79	585	17,344
Disposal	-	-	-	-	-	-	-	-	-	-
Revaluation Adjustment	-	(2,918)	-	-	-	-	-	-	-	(2,918)
Accumulated as at 31/12/2015	-	16,106	498	2,995	1,843	19,166	4,005	1,738	1,552	47,903

Book Value as at Net 31/12/2014	1,727	138,472	2,086	5,464	7,015	12,087	12,272	588	1,454	181,163
Net Book Value as at 31/12/2015	1,727	138,465	1,655	7,672	7,841	6,878	11,053	508	956	176,756

INTANGIBLE ASSETS (Rs. 000)

	Computer Accounting soft wear	Development cost of Training modules	Data base for training	Resource management soft wear	Total
Cost as at 01/01/2014	49	683	-	-	732
Adjustment	160	-	240	-	400
Impairment	-	-	-	-	-
New acquisitions	-	-	-	500	500
As at 31/12/2014	209	683	240	500	1,632
Adjustment	-	-	-	-	-
New acquisitions	-	625	-	-	625
As at 31/12/2015	209	1,308	240	500	2,257
Amortization as at 1/1/2014	43	283			326
Adjustment	8				8
Amortization	46	171	60		277
as at 31/12/2014	97	454	60	-	611
Amortization	40	171	60	125	396
As at 31/12/2015	137	625	120	125	1,007
Net realizable value 31/12/2014	112	229	180	500	1,021
Net realizable value 31/12/2015	72	683	120	375	1,250

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT
NOTE TO THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015

		2,015	2,014
1	CASH AND CASH EQUIVANTS	LKR	LKR
	Bank of Ceylon Athurugiriya- 3697566	6,447	2,191
		6,447	2,191
2	RECEIVABLES- (SHORT TERM)		
2 (a)	Trade receivables		
	Kelanivally Plantation Plc	8	40
	Elkaduwa plantation Plc	75	75
	Plantation Housing Development Trust	165	165
	Wayamba University (B.Sc. Degree)	2	2
	Elpitiya plantation	123	-
	Kalubovitiyana Tea Factory	18	-
	Mrs H A P Anusha	-	30
	Sri Lanka Bureau of Foreign Employment	2,644	1,477
	National Paper corporation	23	23
	Sri lanka Tea Board	52	79
	Kotagala Plantation Plc	15	6
	Coconut Research Institute	5	204
	Ministry of Disaster Management	21	-
	Sri lanka postal Department	-	186
	Tea Small holder Development Authority	19	70
	National Livestock Development Boards	138	-
	Central Environment Authority	11	107
	Course fees from students	481	444
	Department of Registration of Persons	-	43
	Rubber Development Authority	1,645	420
	Gem and Jewelry Corporation	200	-
	University of Moratuwa - NDT Camp	268	-
	Total Trade receivables	5,913	3,371
	Less - Provision for Bad debts	118	67
	Net Total Trade Receivables	5,795	3,304

2(b)	Loans and Advances to Employees		
	Distress Loan-	1,293	1,009
	Festival Loan	13	42
	Special Advance	4	-
	Total Loan and advance	1,310	1,051

	TOTAL SHORT TERM RECEIVABLES	7,105	4,355
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3	INVENTORIES		
	Stationary and office Requisites	302	156
	Printing materials	440	411
	Maintenance materials	308	36
	Tires and tubes	31	101
	Welfare items	17	14
	Consumables	16	11
	Students ties	-	5
	Institute' s publication	369	196
	Dry food items	4	5
	TOTAL INVENTORIES	1,487	935

4	PREPAYMENTS		
	Motor Traffic Department (Revenue License)	25	32
	CBA (Pvt) Ltd - service agreement	-	3
	Money in transit	-	5
	Sri lanka Insurance Co PLC- Fire Insurance	119	70
	National Insurance Trust	108	212
	John Keels office automation service agreement	4	3
	Receivables from IRD(excess input tax and WHT)	94	204
	Total Prepayments	350	529

5	OTHER CURRENTS ASSETS		
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5 (a)	Short Term investments		
	Call Deposit Bank of Ceylon- AC No. 8693502	1,715	1,715
	Call Deposit Bank of Ceylon-AC No.	-	5,000
	Call Deposit Bank of Ceylon- AC No.74689528	5,000	5,000
	Deposit for Gratuity Provision- BOC	10,556	7,558
	Membership Deposit Account- Fixed Deposit- AC No. 74175590	941	894
	Membership Deposit Account - Saving Accounts	165	152

	Interest Receivables- Bank of Ceylon	1,773	1,499
	Total short term investments	20,150	21,818
5 (b)	Security Deposits		
	Mr. N.D.S.B.Tennakoon A/C No 1 - 0053-03-1521-4	13	11
	Mr. P.N. Perera A/C No 1 - 0053-03-0542-1	30	28
	Mrs. C.S.Liyanage A/C No 1 - 0053-03-0314-3	4	4
	Mrs. G.Rajapakshe A/C No 1 - 0053-03-0319-4	3	3
	Mrs. W.D.S.Hettiarachchi A/C No 1 - 0053-03-0617-7	3	2
	Mr. L D J Priyantha A/C No- 8634723	48	41
	Mrs Nishamani Illanganthilake- Ac No 74046706	19	13
	Medical Contribution Deposit account- NSB- Athurugiriya	1,392	1,018
	Total Security Deposits	1,512	1,120

5 (c)	WORK IN PROGRESS		
	Committed cost for 150 kva Generator from Hayleys Electrical Solution (Pvt) Ltd	4,539	-
		4,539	-
	TOTAL OTHER CURRENT ASSETS	26,201	22,938

6	RECEVABLE - LONG TERM		
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	Distress loan-(over one year)	1,534	921
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7	PROPERTY PLANT AND EQUIPMENTS	176,756	181,163
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8	INTANGIBLE ASSETS	1,250	1,021
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9	OTHER NON-CURRENT ASSETS		
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9 (a)	Deposit for infrastructure facilities		
	Post Master General	14	14
	Ceylon Gas Company	13	13
	Ceylon Electricity Board	577	577
	Sri Lanka Telecom - (Head Office)	6	6
	Sri Lanka Telecom - (RWPS at Bogawantalawa)	2	2
	TOTAL OTHER NON CURRENT ASSETS	612	612

10	PAYABLES		
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10 (a)	Creditors		
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Geo Edge (Pvt) Ltd	84	-
Road Development Authority	4,921	4,921
Horana plantation Plc	10	10
Ruwan Trade Centre		175
The open university of Sri Lanka	105	-
Science Land information Technology		25
Leema creation (pvt) Ltd	37	-
Dulitha advertising		
Frostair Industries (pvt) Ltd	144	
Sri Lanka Army 7th Regiment		373
Heleys Electrical solution (Pvt) Ltd	4,444	-
Bogawanthalawa Sought Rural Development Society	934	1,366
Lalan sports goods Manufactures (Pvt) Ltd	25	
Korathota Rural Development society	88	2,486
Total Creditors	10,793	9,358

10 (b)	Accrued Expenses		
	Telephone	174	84
	Electricity bill -	177	235
	Fuel and Lubricant W. A. Premanath	139	141
	Vehicle Maintenance	248	125
	Salaries Casual & contract employees (December)	108	126
	Stamp Duty - (Internal Revenue Department)	2	3
	Traveling subsistence	21	7
	Overtime - December	97	57
	Periodicals & newspapers - Mr. Upali Laxman		3
	Employees' Trust Fund - December	52	43
	Employees' Provident fund	389	319
	Security Bill (Dec.)	187	187
	Allowances	50	107
	Salaries - Madulsiman Plantations Ltd.	125	31
	Holiday pay (December)	4	25
	Stationary items	136	-
	Medical Contribution (National Savings Bank)	108	106

Lecture Fee for out side resources	626	118
Printing payments	87	18
Capacity Development Programmes	700	481
Outside exam fees	170	54
water bills	4	53
Department of IRD - VAT Control	152	-
Department of IRD - N B T	84	47
Department of IRD - Payee	11	2
RDO's Programme	1,311	
Daily Paid wages	-	25
Other Sundry Training Expenses	14	80
Vehicle hireling	82	3
Equipment Maintenance	70	12
Other Accrued Expenses	304	5
Auditors Generals Departments- Audit fee	198	335
Total Accrued Expenses	5,830	2,832

10 (c)	Forward course fees		
	Total Forward course fees	665	1,112

10 (d)	Refundable Deposits		
	Refundable course loan	8	8
	Refundable Tender Deposits	206	182
	Refundable Medical Deposits	1,396	1,017
	TOTAL	1,610	1,207

	TOTAL SHORT TERM PAYBLES	18,898	14,510
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11	SHORT-TERM PROVISIONS		
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11	Contingent Liability		
	Balance as at 1/01	3,057	2,448
	Charged to Income statement	708	609
	Balance as at 31/12	3,765	3,057

	TOTAL SHORT TERM PROVISION	3,765	3,057
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12	EMPLOYEE BENEFITS		
	Gratuity Payables- Within one year	850	1,663
13	DEFERRED GOVERNMENT GRANT		
	Deferred Government grant for capital		
	Balance as at 01/01	67,433	66,770
	Government Grant for capital Expenditure	18,200	21,500
	Less- Transfer to income statement (Note 01)	(23,072)	(20,837)
	Balance as at 31/12	62,561	67,433
	Note -01 Transfer from Government Grant to Statement of Financial statement		
	From Capital Expenditure	15,362	10,937
	Capacity building Progs.	7,710	9,900
		23,072	20,837
14	Deferred income- Donation		
	Tea Development Project Publication	28	28
	TOTAL	28	28
15	EMPLOYEE BENEFITS		
	Gratuity payments -over one year	8,959	5,547
16	REFUNDABLE SECURITY DEPOSIT		
	Refundable security Deposits- employee	120	102
17	CAPITAL CONTRIBUTED BY GOVERNMENT & OTHER GOVERNMENT ENTITIES		
	Capital Grant from Sri Lanka Tea Board	1,900	1,900
	Bagowanthalawa Regional Centre (SLSPC)	4,205	4,205
	Capital Grant from consolidated fund	32,281	32,281
	TOTAL	38,386	38,386
18	RESERVES		
	Revaluation reserve	113,728	110,124
19	ACCUMILATED SERPLUS/(DEFICITS)		

	Retained Earnings	(25,552)	(26,185)
		(25,552)	(26,185)

20	GOVERNMENT GRANT FOR RECURRENT EXPENDITURE	28,502	24,792
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21	INCOME FROM DEFERRED GOVERNMENT CAPITAL GRANT		
	Deferred income for Capital expenditure Before 2010	5,214	5,214
	Deferred income for Capital expenditure in 2010	3,110	567
	Deferred income for Capital expenditure in 2011	2,974	2,902
	Deferred income for Capital expenditure in 2012	899	369
	Deferred income for Capital expenditure in 2013	1,587	1,586
	Deferred income for Capital expenditure in 2014	1,454	299
	Deferred income for Capital expenditure in 2015	124	-
	Capacity building programmes for smallholders	7,710	9,900
		23,072	20,837

22	TRAINING INCOME		
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22(a)	ACADEMIC, AND PROFESSIONAL PROGRAMMES		
	National Diploma in Plantation Management	860	868
	National Diploma in Plantation-Extension Management	950	767
	Diploma in Business communication	191	280
	Certificate course in Accounting and Financial Management	798	591
	Certificate course in Book-Keeping and Plantation Accounting	274	535
	Professional Programme in Tea Manufacture and Factory Practices	845	837
	Language Proficiency Examination	112	-
	Certificate course in Business English(Executive and None Executive)	-	69
	Professional programme in tea Agronomy	626	-
	Professional programme in Rubber Manufacture	-	248
		4,656	4,195

22 (b)	MANAGEMENT AND TECHNICAL DEVELOPMENT PROGRAMMES		
	Management Development programmes	1,506	1,332
	Technical Development programmes	288	

		1,794	1,332
22 (c)	SKILL DEVELOPMENT PROGRAMMES		
	Skill Development of Tea Factory Officer	405	350
	Skill Development of Tea Field Officer	227	368
		632	718
22(d)	BASIC COURSE		
	Basic course in Oil plant Cultivations	115	-
		115	-
22 (e)	INDUCTION COURSE FOR PLANTER TRAINEES	1,788	2,465
22 (f)	WOKER DEVELOPMENT AND PROJECT PROGRAMMES		
	Worker Development programme	40	50
		40	50
22 (g)	SPECIAL PROGRAMMES		
	Special Programme For Rubber Development Department	7,864	866
	Special programmes	279	
		8,143	866
22 (h)	INCOME FROM EXTERNAL EXAM ACTIVITIES	840	410
	TOTAL TRAINING INCOME	18,009	10,036
23	INCOME FROM RENTING OUT FACILITIES		
	Renting out residential facilities to outside programmes	3,422	691
	Income from Accommodation internal training students	31	48
	Korean Training programme	4,757	5,480
		8,210	6,219
24	BOGAWANTHALAWA REGENAL CENTRE		
	Income from renting out training Facilities	1,305	2,557
	Korean training programmes	4,061	5,266
		5,366	7,823
25	INTEREST INCOME		
	Staff Loan interest- Distress Loan	82	87
	Interest income from Membership Account	6	6

	Interest income from Bank Deposits	847	945
	Income From Special Loan	5	1
		940	1,039
26	OTHER INCOME		

26(a)	SUNDRY INCOME		
	Income - Pass papers and applications	8	7
	House Rent income	104	90
	Transport income	11	6
	tender fee	9	-
	Publications	42	23
	souvenir income	126	-
	Telephone charges	-	2
	Membership subscriptions	7	15
	Write back to income statement	373	
	Sundry income	17	16
	Subscription	-	40
		697	199

27	WAGES, SALARIES AND EMPLOYEE BENEFITS
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27 (a)	PERSONAL EMMOLUMENTS		
-	Salaries and wages	10,021	7,853
	Cost of Living and other Allowances	11,726	5,142
	Over Time	907	896
	Holiday Pay	124	133
	Lecture Fees for Institute's Staff	179	139
	Daily Paid Wages	-	63
	Contribution for E.T.F.	566	342
	Contribution for E.P.F.	2,265	1,356
	Chairman's Remuneration	616	600
	Contributions for Medical Aid Scheme	940	820
		27,344	17,344

27 (b)	TRAVELING EXPENSES		
	Traveling and Subsistence (Local)	117	214

	Traveling and Subsistence (Foreign)	187	
		304	214

27 (c)	RETIREMENT BENEFITS		
	Increased Provisions for Gratuity	2,599	1,480
		2,599	1,480

27 (d)	CONTRIBUTIONS, SUBSIDIES AND WELFARE		
	In-service Training	313	110
	Staff Welfare (liquid tea and medical treatment)	347	302
	Subscriptions		2
		660	414

	Total Salaries wages and Employee benefits	30,907	19,452
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28	SUPPLIES AND CONSUMABLE USED		
	Printing Materials and papers	801	376
	Stationery & Office Requisites	378	330
	Consumables	197	111
	Fuel	1,188	1,708
	Periodicals & News Papers	86	14
	Uniforms	84	56
	Institute's Publications	288	315
	Total Supplies and consumable used	3,022	2,910

29	REPAIRS & MAINTENANCE OF FIXED ASSETS		
	Plant and Machinery	61	44
	Buildings	754	585
	Equipment	757	598
	Water telephone and Electricity	316	180
	Motor Vehicles	2,174	2,263
	Total Repairs and Maintenance	4,062	3,670

30	COMMUNICATION, UTILITY AND OTHER CONTRACTUAL SERVICES		
	Telephone and internet	750	612
	Postage	189	162

	Electricity	2,015	1,924
	Water supply	14	51
	Insurance (Buildings, Vehicles, Cash etc)	575	398
	Security Service	2,068	1,796
	Audit Fees (External)	160	150
	Vehicle hire charges	116	73
	Cleaning and Janitorial works	320	236
	Bank Charges	24	36
	Stamp Duty , rate and tax	79	79
		6,310	5,517

30(b)	MEDIA, ADVERTISING AND PUBLICITY		
	Advertising Expenses	728	1,570
	Entertainments	60	28
		788	1,598

	Total Communication utility services and media expenses	7,098	7,115
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31	TRAINING EXPENSES		
	Lecture Fees for Visiting Staff and transport	2,251	2,097
	Training programmes for small Holders	7,710	9,936
	Fees to the Committees relating to Training Activities	69	68
	Meals & Accommodations for Trainees	4,182	1,498
	Laundering Linen	42	199
	Under provision for Bad debtors	51	67
	External exam expenditure	502	111
	Award Ceremony & Academic Functions	371	-
	Education materials	7	86
	Sundry Training Expenses	733	313
	Total Training Expenditure	15,918	14,375
32	EXPENSES IN REALATION TO RENTING OUT FACILITIES -		
	Meal expenses	1,356	389
	Salaries and wages and cost of living allowance	343	949
	Allowances	55	429

	E P F	55	127
	E T F	11	29
	Total Expenditure for Renting out facilities	1,820	1,923
33	BOGAWANTHALAWA OPARATIONAL EXPENSES		
	Electricity	418	621
	Telephone and postage	48	50
	Maintenance	28	28
	Meal and accommodation	570	1,466
	Salaries and Wages	943	550
	Allowances	162	132
	Employee Benefits	31	73
	Daily Wages	473	738
	E T F	32	15
	E P F	128	59
	Consumables	7	10
	Others miscellaneous	33	21
	Total Bogawanthalawa Expenses	2,873	3,763
34	DEPRECIATION AND AMORTISATION OF ASSETS		
	Depreciation	17,344	15,557
	Amortization	396	276
		17,740	15,833
35	MISCELLANEOUS EXPENDITURE		
	Allowances for the Board of Governors	200	273
	Allowances for Other Committees and professional Charges	164	77
	Allowances for the Committee of Medical Aid Scheme	6	6
	loss on Disposal old equipment	6	-
	Garden up keep	81	262
	Others	267	255
		724	873
36	Loss on revolution of Property plant and equipment		
	Revaluation loss on equipment	-	2,636
	Revaluation loss on Mis. equipment	-	228
		-	2,864

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT
FINANCIAL HIGHLIGHTS

Descriptions	2009	2010	2011	2012	2013	2014	2015
Income	LKR 000						
Treasury grant for Recurrent Expenditure	13,100	10,505	8,500	8,480	18,744	24,792	28,502
Deferred Government Grant write back to Income statement		3,368	3934	9415	9,253	10,937	15,362
Government Grant for Capacity Building Progs.				4865	7,498	9,900	7,710
Training income	1,233	10397	9,648	13,731	11,573	10,037	18,010
Income from Bogawanthalawa Regional center	735	2318	3,970	3,796	8,247	7,824	5,366
Other income	5,097	10565	10,746	8,935	7,407	7,457	9,847
Total income	20,165	37,153	36,798	49,222	62,722	70,946	84,796
Expenditure							
Total Personnel emoluments	11,123	13,352	14,623	20,907	18,794	19,453	30,907
Training Expenditure	748	4,132	4,348	6425	4,256	4,439	8,208
Small holder training expenses (FOC)			1,790	4,865	7,498	9,936	7,711
Other expenditure	6,737	11,515	13,339	12,472	17,198	20,255	19,598
Total operating Expenses	18,608	28,999	34,100	44,669	47,746	54,083	66,424
Government Recurrent Grant as a percentage of the Total Operating Expenditure	70%	36%	25%	19%	39%	46%	43%
Surplus/(Deficit) before Depreciation	1,557	8,154	2,698	4,553	14,976	16,863	18,373
Depreciation /Amortization	2,875	3,374	3,946	9,150	10,495	15,833	17,740
Net (Deficit)/Surplus after Depreciation	(1,318)	4,780	(1,248)	(4,597)	4,481	1,030	632
No of Training Programme- (Income Generated)	5	45	30	61	22	32	30
No of Participants	346	1449	976	2135	772	993	1101
No of Training programmes for Out growers (FOC)	-	-	74	188	236	355	196
Total Expenditure for capacity Development programmes for Out growers -	-	-	1,790	4865	7,498	9,936	7,711
No of trained out growers	-	-	3292	8196	12,149	25,100	12,825
Total Number of trained	346	1449	4268	10331	12921	26093	13,926
Total Training programmes for the year	5	45	104	249	258	387	225
No of Employees	33	33	44	46	41	52	47
Generated Income per Employee Rs. 000'	214	705	554	575	664	487	707
Training cost per smallholder Rs. 000'	N/A	N/A	0.54	0.59	0.62	0.40	0.60
Net Assets of the Institute (Rs Million)	13.46	18.25	17.00	20.13	24.64	123.08	127

AUDITOR GENERAL'S REPORT

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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No.

PLA/D/NIPM/1/15/5

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

07 November 2016

The Chairman

National Institute of Plantation Management

Report of the Auditor General on the Financial Statements of the National Institute of Plantation Management for the year ended 31 December 2015 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of financial statements of the National Institute of Plantation Management for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the Section 13(1) of the Finance Act, No. 38 of 1971 and Section 23 of the National Institute of Plantation Management Act, No 45 of 1979 as amended by the Acts, No.76 of 1981, No.5 of 1987 and No.38 of 2003. My comments and observations which I consider should be published with the Annual Report of the Institute in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed Report in terms of Section 13(7) (a) of the Finance Act, No.38 of 1971 was issued to the Chairman of the Institute on 02 June 2016.

1.2 Management's Responsibility for the Financial Statements

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



1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000- 1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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

2. Financial Statements

2.1 Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the National Institute of Plantation Management as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.



2.2 Comments on Financial Statements

2.2.1 Accounts Receivable and Payable

The following observations are made.

- (a) Out of the sum of Rs. 5,913,020 receivable as at 31 December of the year under review from 19 debtors, the amount outstanding for over a period of one year was Rs. 345,486.
- (b) A sum of Rs. 10,793,165 had to be paid for 11 creditors as at 31 December of the year under review by the Institute and out of that, the value of loan balances older than two years was Rs. 4,931,400.

2.3 Non-compliance with Laws, Rules, Regulations and Management Decisions

Non-compliances with the following laws, rules regulations and management decisions were observed.

Reference to Laws, Rules, Regulations, etc.	Non-compliance
<p>(a) Section 11 of the Finance Act, No. 38 of 1971 and Section 8.2.2 of the Public Enterprises Circular No. PED/12 of 02 June 2003</p>	<p>A total sum of Rs. 12,566,077 had been invested in Term Deposits without an approval of the Minister of Finance and the relevant Minister.</p>
<p>(b) Guideline 5.4.12 of the Procurement Guidelines 2006</p>	<p>After making the payment to cover Value Added Tax, the Auditor General had not been informed of the details of those payments on or before the fifteenth day of the following month.</p>



(c) Section 9.12 of the Public Enterprises
Circular No. PED/12 of 02 June 2003

Even though the approval of the General Treasury should be obtained before the implementation of welfare programmes, it had not been so obtained.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Institute for the year under review had been a surplus of Rs. 632,438 as against the deficit of Rs. 1,833,579 for the preceding year, thus indicating an improvement of Rs.2,466,017 in the financial result of the year under review as compared with the preceding year. Even though the employees' remuneration had increased by Rs. 11,454,650, the increase in the income from training by Rs. 7,972,853, Government Recurrent Grants by Rs. 3,710,000 and Deferred Capital Grants by Rs. 2,235,102 had mainly attributed to the above improvement.

An analysis of financial results of the year under review and 04 preceding years revealed a financial deficit in the years 2011, 2012 and 2014. Nevertheless, there had been a surplus in the financial results in the years 2013 and 2015. Considering the employees' remuneration and depreciation for the non-current assets, the contribution from the year 2011 even up to the year under review had taken a positive value and it had been continuously improved up to the year 2013. Even though it had slightly deteriorated in the year 2014, it had increased again by 35 per cent in the year under review as compared with the year 2014.



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3.2 Legal Actions against the Institute

An employee, who was dismissed from the service due to submission of educational certificates prepared fraudulently, had been convicted by the Court for the offence of preparing forged documents. However, that employee had filed a case against the Institute in the Labour Tribunals claiming compensation. As a result, the Institute had made provisions of Rs. 3,765,757 as contingent liabilities in accounts.

4. Operating Review

4.1 Performance

The main objectives of the Institute in terms of the National Institute of Plantation Management Act, No.45 of 1979 are as follows.

- Providing 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 plantations,
- Providing regular refresher and orientation courses in Plantation Management to employees in service,
- Offering training in Plantation Management to personnel working in the plantations both in the public sector as well as in the private sector,
- Providing 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,



- Sponsoring and holding seminars, workshops and conferences and publishing journals and magazines in connection with plantation management and development, and
- Carrying out research into areas of plantation management and labour relations that are not already provided for in other similar institutions.

4.2 Management Activities

The following observations are made.

- (a) A Memorandum of Understanding had not been entered into between the Wayamba University of Sri Lanka and the Institute in connection with the External Degree Course in Bachelor of Science (Plantation Management) commenced in the year 2005. At present, this Degree Course is conducted by the University and the name of the National Institute of Plantation Management is used for the Degree Certificate. Accordingly, no income whatsoever could be earned by the Institute due to the unavailability of an agreement for this Degree Course.
- (b) A National Vocational Qualification Certificate (NVQ) is not awarded for the courses such as Educational and Vocational Courses, Technical and Management Development Programmes, Skills Development Programmes and Foundation Courses conducted by the Institute at present. As such, the validity of the certificate awarded to the participants of those programmes is diluted.
- (c) Even though a land of 04 acres 03 roods 05.90 perches in extent with an assessed value of Rs. 55,000,000 belonging to the National Institute of Plantation Management had been handed over to the Sri Lanka Army on 15 December 2014, no amount whatsoever had been recovered thereon up to June 2016.



4.3 Identified Losses

Hundred and four litres of Exterior Water Base Lacquer valued at Rs. 229,840 had expired due to purchasing without a proper study of the requirement.

4.4 Staff Administration

The following observations are made.

- (a) Even though a candidate had been selected for the post of Training Officer based on the results of the interview and a letter of appointment sent in the year 2014, the candidate had not reported for duty. As such, that post had been vacant and newspaper advertisements had been republished at a cost of Rs. 71,761 in the year 2015 as well. Nevertheless, recruitments had not been completed.
- (b) The posts of Internal Auditor and Printing Assistant had been vacant for a long period and no arrangement whatsoever had been made for the recruitment.
- (c) There had been considerable differences in the estimates prepared due to the unavailability of a qualified Technical Officer for the preparation of estimates in respect of constructions and contracts of the Institute.
- (d) Information in the application and certificate of the results of the examination submitted by a person selected for the post of Work Supervisor was contradictory. Despite this situation without taking action thereon, that officer had been recruited afterwards as a Management Assistant (Technical).



5. Accountability and Good Governance

5.1 Annual Action Plan

The following observations are made.

- (a) Even though 70 educational and training programmes had been planned according to the Action Plan for the year 2015, the progress of conducting of programmes was 41 per cent due to failure to conduct 41 programmes.
- (b) The total number of programmes conducted in the Computer Unit by November 2015 was only 5. However, 12 computers and accessories had been purchased at a cost of Rs. 1,378,040 on 30 November 2015.

5.2 Internal Audit

An internal audit in respect of the Institute had not been carried out by the Internal Audit Unit of the Ministry of Plantation Industries.

6. Systems and Controls

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



Areas of Systems and Controls

Observations

(a) Staff Administration

Failure in taking prompt action to recruit relevant officers for the vacant posts and failure in taking action to obtain confirmation of the results relevant to the educational qualifications of the officers recruited.

(b) Operating Control

Failure in taking action to award a National Vocational Qualification Certificate (NVQ) for educational and vocational courses and development programmes conducted by the Institute at present.

(c) Accounting

Failure in taking action to determine proper accounting policies and to disclose them in accounts and to prepare accounts accordingly.

H.M. Gamini Wijesinghe

Auditor General