

Report of the Director / Principal **Ceylon German Technical Training Institute – 2014**

Ceylon German Technical Training Institute is a pioneer educational Institute in Sri Lanka producing mechanics endowed with Skills in the Automobile Mechanic Field and other fields in Sri Lanka. This Institute was established in the year 1959 in the premises of the then Ceylon Transport Board situated at Werahera as the Ceylon-German Technical School as a result of an agreement entered into between the Government of the Federal Republic of Germany and the Government of Sri Lanka.

The basic objective of the commencement with an initial batch of 60 students was the creation of mechanics for maintenance and repair of the Mercedes Benz buses manufactured in Germany imported to Ceylon for the Ceylon Transport Board established by the nationalization of the private Bus Companies in the year 1958. The students trained by this Institute were employed by the then Ceylon Transport Board, and in addition they were able to find employment in local institutions as well as in foreign countries.

With the increase in the number of buses of the Ceylon Transport Board the need for trained mechanics was also increased. In order to fulfill that requirement, the Institute was shifted to the present premises at the year 1974 as the Ceylon-German Technical Training Institute with all facilities for the children of Sri Lanka to engage in mechanical education. At present the Institute conducts 10 full time Training Courses on the Automobile Mechanic Field and other fields related thereto and 450 students were enrolled during this year. In addition, training could be provided to about 3,300 students through 37 short term courses. The course on Mechatronics which has a very high demand in the industrial field was the latest full-time course introduced during this year. The period of the course is 3 ½ years. Similarly, it was possible to commence the National Diploma on Automobile Mechanics (NVQ5).

Action was taken to renovate the Vehicle Electronics Training Division to enable the conduct of Automobile Mechanics Course at a higher level.

Four new lathe machines were supplied in order to enable the systematic conduct of the training work of the Probationers in the Machinist Division. Two sheet bending machines were

supplied for the training work of the Welding Division. In addition the training equipment required for the systematic conduct of training in other Divisions were also supplied.

Steps were taken for the improvement of the quality of the courses through the development of the infrastructure facilities of the Institute and updating the course content. The students completing their training imparted by to our Institute successfully were able to secure local employment and many were able to secure foreign employment. It should be noted that such foreign employment generate a substantial amount of foreign exchange. Our sole objective is to carry forward the progress achieved making improvements in the meantime.

Shantha B.Karunaratne
Director / Principal
Ceylon-German Technical Training Institute

Ceylon German Technical Training Institute
Advisory Committee - 2014

	Name	Designation	
01	Emeritus Professor P.A. de Silva	Emeritus Professor, Department of Mechanical Engineering, University of Moratuwa.	Chairman
02	Mr. S.D.R.Perera	Director General, Tertiary and Vocational Education Commission.	Member
03	Mr. R.V.D. Piyathilake	Chief Executive Officer, Sri Lanka Central Transport Board	Member
04	Mr. H.R.V.P. Wijewardhana	Asst. Director (Department of National Planning)-General Treasury	Member
05	Mr. W.A. Jayawickrama	Additional Secretary (Administration & Finance), Ministry of Youth Affairs and Skills	Member
06	Mr. Kapila Kumara Ranasinghe	General Manager, South Asia Textiles Industries Lanka (Pvt) Ltd.	Member
07	Mr. P.Rangajeewa Gamage	Attorney- at- Law	Member
08	Dr. S.P.W.Jayasiriwardena	General Manager (Workshops), Auto Miraj Group of Companies	Member
09	Dr. A. S. Abeygoonewardana	Justice of Peace (All Island)	Member
10	Mr. Shantha Karunarathne	Director /Principal, Ceylon German Technical Training Institute	Member

CEYLON-GERMAN TECHNICAL TRAINING INSTITUTE (C.G.T.T.I)

Introduction

The Ceylon-German Technical Training Institute was established in the year 1960 in the premises of the Central Workshop of the then Ceylon Transport Board. The Institute was shifted to the present premises at Moratuwa Angulana in the year 1974. The administrative and organizational activities of this Institute up to 29 February 1976 were done by a German Director and the staff. Since then the administration of the Institute was transferred to a Sri Lankan Director / Principal and staff. The Institute was under the administration of the Sri Lanka Transport Board up to the year 2004 and in that year the Institute was brought under the purview of the Ministry of Skills Development, Vocational and Industrial Training. Thereafter, in the year 2005, it was brought under the purview of the Ministry of Skills Development and Public Enterprises Reform and under the Presidential Secretariat from February 2007. Once again on 19 October 2007 the Institute was brought under the Ministry of Transport and from the year 2010 it is functioning under the purview of the Ministry of Youth Affairs and Skills Development.

Our Vision is to be the excellent Institute in the South Asia Training Automobile Mechanics.

Our Mission – To be the Excellent Training Centre in the Automobile Mechanics Field in Sri Lanka maintaining the required standards and provide modern training to the Trainees through systematically developed technology related to the Automobile Mechanics and other Vocations related thereto, to enable them to achieve high level performance.

Objectives and Functions of the Institute

1. Creation of skilled mechanics required locally and internationally.
2. Conduct of full-time courses related to the Automobile Mechanics Field and other Fields.
3. Conduct of part-time courses as Evening Courses and Weekend Courses for the improvement of knowledge and imparting mechanical knowledge for students completing school education and for those employed.

4. Carrying out motor vehicles repairs including manufacturing activities for external institutions and outside parties at concessionary prices.
5. Conduct of special Courses and seminars on requests made by the Government Institutions, Industrial Sector and the Tri-Forces.

Full-time Courses conducted by the Institute

At present, the Institute conducts 10 full-time Courses related to the Automobile Mechanics Field other Fields and 510 Apprentices are enrolled annually to follow these Courses.

Course	Course Period	2014	2013	2012	2011
-----	-----	-----	-----	-----	-----
Number of Apprentices					
Preliminary Training 2014	09 months	450	-	-	-
Automobile Trade	04 years	-	120	100	101
Millwright Trade	04 years	-	47	46	42
Power Electrical Trade	03 ½ years	-	44	47	42
Air-conditioning and Refrigeration Trade	03 ½ years	-	45	40	41
Tool Machinery Trade	03 ½ years	-	28	27	23
Mechatronics Trade	03 ½ years	-	24	-	-
Auto Electrical Trade	03 years	-	37	32	-
Diesel Pump Trade	03 years	-	19	20	-
Welding Trade	03 years	-	34	28	-
Preliminary Training 2014 (Borella Branch)	09 months	55	-	-	-
Vehicle Body Repair and Painting Trade (Borella Branch)	03 years	-	-	27	-
Auto Electrical Trade (Borella Branch)	03 years	-	-	20	-

In respect of the Full-time Courses of the year 2014, 450 Apprentices and 55 Apprentices for the Borella Branch were enrolled. Based on the marks obtained at the Examination for selection of vocations held after the completion of the Training Programme and the course applied for, they will be attached to the above Courses by October 2015.

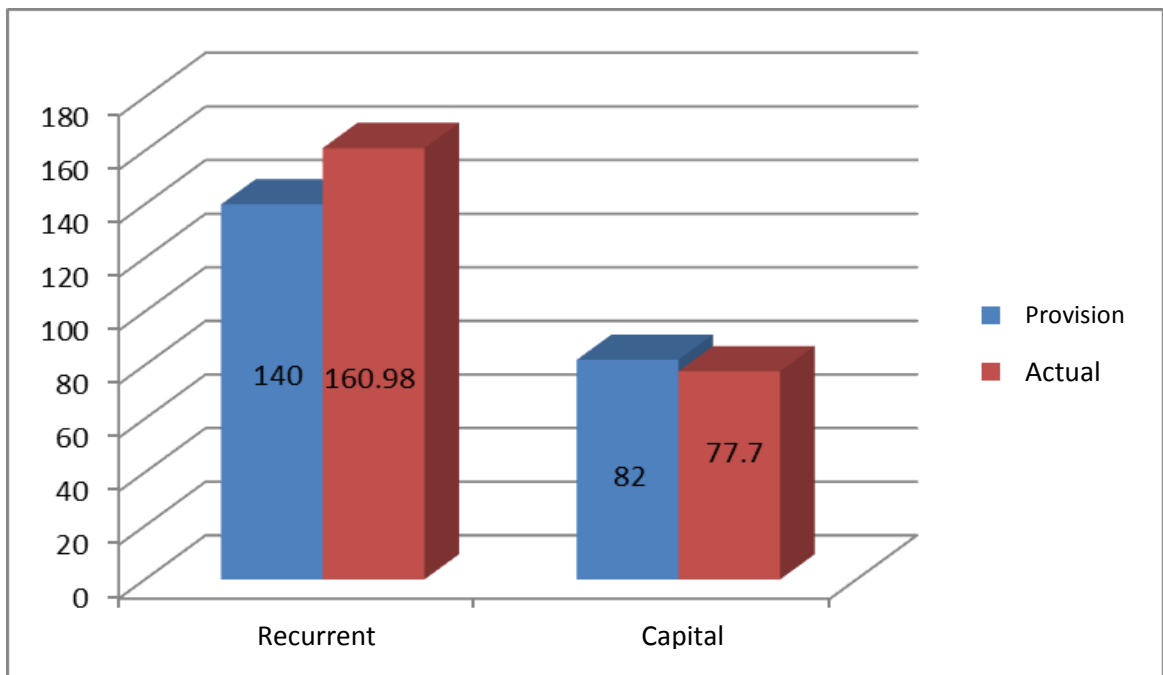
Short Term Courses conducted by the Institute (Evening / Weekend)

Thirty seven short Term Courses related to the following Fields are conducted as Evening and Weekend Courses for the improvement of knowledge and imparting mechanical knowledge for students completing school education and for those employed. The financial and administrative expenditure required for the conduct of these Short Term Courses is earned as course fees.

- Preliminary Training Courses
- Automobile Courses
- Power Electrical Courses
- Tool Machinery
- Air-Conditioning & Refrigeration
- Draughtsmanship
- Welding Courses
- Auto Electrical
- Industrial Electronics
- Machinery Maintenance & Repairing
- Industrial Automation

Financial Progress of C.G.T.T. Institute – Year 2014

According to the Budget for the year 2014 a sum of Rs.140 million was allocated for recurrent expenditure and a sum of Rs.82 million was allocated for capital expenditure. The recurrent expenditure incurred by the Institute amounted to Rs.160.98 million and the capital expenditure of Rs.77.7 million was incurred in the year 2014.



Achievements

- At the Skill Contests carried out at the Touch Your Future Industrial Exhibition, our Institute secured the following places in the under mentioned Fields.
 - Automobile Mechanics - First and Second Places
 - Electric Motor Winder - Third Place
 - Machinist - First Place
 - Refrigeration and Air-conditioning - First and Third Places
- Enrollment of 450 Apprentices for the Full-time courses of this year
- Introduction of a new course in Mechatronics on full-time basis
- Introduction of Automobile Mechanics National Diploma Course (NVQ 5)
- Enrollment of 55 Apprentices for the Full-time Course of the Borella Branch
- Introduction of a Course on Motor Vehicle Painting for 05 students with special requirements
- Providing industrial training to 3,300 students under 37 Short Term Courses
- The Automobile Electronic Training Section of the Automobile Repair Division was repaired for raising the training to a higher level.



Modernised Automobile Electronic Training Section (AETS)

- Supply of 4 new Lathe Machines for the Trainees of the Tool Machinery Trade.



- A sheet bending machine was supplied to the Welding Division for the systematic maintenance of training activities.



- An Instruction Board for Multi Ignition system was supplied for the Apprentices undergoing training in the Automobile Trade.
- In addition, the training activities of the other Divisions were successfully maintained by supplying the training equipment required.

Mid Term Plan 2014

- Ne Mechatronic Course was introduced under the Full-time courses.
- Provision of new technology and providing training to the staff on modern technology to enable the conduct of all courses at higher levels.
- Development of the infrastructure facilities to suit the needs of the Apprentices.

CEYLON- GERMAN TECHNICAL TRAINING INSTITUTE
Financial Position as at 31st December 2014

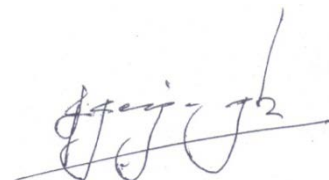
DESCRIPTION	NOTE	2014 Rs	2014 Rs	2013 Rs	2013 Rs
ASSETS					
Non Current Assets					
Property, Plant & Equipment	2	1,671,597,057		1,535,292,671	
Investment	8	<u>31,345,580</u>		<u>48,155,215</u>	
Other Financial Assets			1,702,942,637		1,583,447,886
Current Assets					
Non Movement Stocks		6,383,077		5,829,550	
Canteen Chairs Wip		328,834		769,250	
Stationery & Paints Stocks	29	400,000		435,000	
Income Receivable	26	837,450		1,201,872	
Advance A/C	5	1,560,000		1,490,802	
Current Accounts -S.L.C.T.B	7	1,133,529		1,133,529	
Deposit	4	272,000		272,000	
Advance for Fixed Assets	30	700,560		399,319	
Debtors	3	4,199,935		3,524,938	
Cash & Cash Equivalents	6	<u>30,083,181</u>		20,083,851	
			<u>45,898,566</u>		<u>35,140,111</u>
TOTAL ASSETS			1,748,841,203		1,618,587,997
LIABILITIES					
Current Liabilities					
Payables	28	-		-	
Accrued Expenses	9	11,149,826		32,997,720	
Loans	10	354,835		-	
Refundable Deposits	11	133,710		135,000	
Part Time Course Fees (2015)		7,000,000		6,500,000	
Creditors	27	<u>3,292,779</u>	21,931,150	<u>26,464,590</u>	66,097,310
				-	
Non Current Liabilities					
Deferred Income	13	344,063,939		321,981,373	
Gratuity payable		96,860,229		83,035,238	
			<u>440,924,168</u>		<u>405,016,611</u>
TOTAL LIABILITIES			462,855,318		471,113,921
			<u><u>1,285,985,885</u></u>		<u><u>1,147,474,076</u></u>

NET ASSETS / EQUITY

Accumulated Fund		845,275,098		845,275,098
Capital Reserve		4,407,578		4,407,578
Revaluation Reserve-Land/Building		699,363,298		532,074,670
Translation Reserve	14	<u>(263,060,089)</u>		<u>(234,283,270)</u>
			<u>1,285,985,885</u>	<u>1,147,474,076</u>



Director / Principal
C.G.T.T.I.
M.D.S.B. Karunaratne



Accountant
C.G.T.T.I.
J.D.Y.B. Jayasinghe

The Accounting policies on pages 21 to 22 and Notes on pages 05 to 20 from an integrate part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These financial statements wear approved by the Advisory committee and signed on their behalf.



Chairman
Advisory committee
D. Anura Thilak Athukorala



Member
Advisory committee
J.R.H. Hewage

CEYLON - GERMAN TECHNICAL TRAINING INSTITUTE
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
31ST DECEMBER 2014

DESCRIPTION	NOTE	2014	2013
OPERATION REVENUE		Rs.	Rs.
Recurrent Treasury Grant	12	132,488,000	125,200,000
Other Income	15	11,605,373	8,920,334
Part Time Income	1	9,692,500	8,162,875
MTTC Course Income	1 A	733,567	47,365
Transfer from Differed Income	13	59,916,696	51,716,770
SSDP Funds	38	11,027,462	
Production Net Income	16	2,047,660	1,193,144
TOTAL INCOME		227,511,258	195,240,488
OPERATING EXPENSES			
Personnel Emoluments	17	134,261,335	114,930,806
Traveling	18	91,185	301,866
Staff Training & Development	19	2,193,447	1,501,311
Contractual Service	20	13,201,896	11,695,797
Supplies & Consumable Used	21	6,371,158	6,475,501
Maintenance Expenses	22	6,199,354	7,721,885
Depreciation	2	79,571,821	72,720,479
Other Recurrent Expenses	23	7,066,751	7,473,902
Training Materials	24	5,419,963	4,092,978
Finance Cost	25	302,775	245,170
TOTAL OPERATING EXPENSES		254,679,685	227,159,695
Surplus/(Deficit) from Operating Activities		(27,168,427)	(31,919,207)
Deficit on Canteen Building Disposal		(14,543,557)	
Net Surplus/(Deficit) Before Extra Ordinary Items		(41,711,984)	(31,919,207)
Net Surplus/(Deficit) for the Period.		(41,711,984)	(31,919,207)
Prior Year Adjustment(Bank Charges)	32	12,935,165	
Net Surplus/(deficit) After Prior Year Adjustment		(28,776,819)	(31,919,207)

CEYLON - GERMAN TECHNICAL TRAINING INSTITUTE
CASH FLOWS STATEMENT
YEAR ENDED 31st DECEMBER 2014

	Note	2014 (Rs.)	2013 (Rs.)
Cash Flows From Operating Activities			
Surplus (Deficit) from Ordinary Activities		(27,168,427)	(31,919,207)
Prior Year Adjustment		12,935,165	
		(14,233,262)	(31,919,207)
Losses on Disposal of Canteen Building		(14,543,557)	
Non Cash Movements			
Depreciation		79,571,821	72,720,479
Prior Year Adjustment- Depreciation adjustment	32	(12,986,278)	
Building disposal - Canteen		14,543,557	
Gratuity Provision		15,035,955	18,890,291
Amortization – Deferred income		(59,916,696)	(51,716,770)
		7,471,540	7,974,793
Increase/ Decrease in Payables			
Increase/ Decrease in Accrued Expenses		(21,847,894)	13,914,390
Increase/ Decrease in Current Liabilities		(22,318,266)	20,570,810
Gratuity Payments		(1,210,964)	(8,232,736)
Fix assets creditors – A/C Ref Building		2,859,133	
Increase/ Decrease in Current Assets		(681,014)	6,387,621
Increase/Decrease in Stocks		(78,111)	(269,611)
Net Cash Flow from Operating Activities		(35,805,576)	40,345,267
Cash Flow from Investment Activitie			
Acquisition of fixed Assets		(53,003,991)	(62,946,665)
Building Constructions		(88,809,567)	(10,484,164)
		(88,809,567)	(33,085,562)
Cash Flow from Financing Activities			
Increase / Decrease Investments		16,809,635	(15,228,142)
Reserves/Capital Grant		81,999,262	43,000,000
		9,999,330	(5,313,704)
Cash & Cash equivalents at beginning of the Period.		20,083,851	25,397,555
Cash & Cash Equivalents at End of the Period.		30,083,181	20,083,851

CEYLON- GERMAN TECHNICAL TRAINING INSTITUTE

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31ST DECEMBER 2014

	Accumulated Fund	Government/ Grant Deferred Income	Translation Reserve	Capital Reserve	Revaluation Reserve	Total
Opening Balance 01.01.2014	845,275,098	321,981,373	(234,283,270)	4,407,578	532,074,670	1,469,455,449
Prior Year Adjustment			12,935,165		34,145,323	47,080,488
Net Surplus / (Deficit) For the Period			(41,711,984)			(41,711,984)
Capital Grant Treasury		78,700,000				78,700,000
Revaluation Reserves					96,600,000	96,600,000
Library Books		1,899,262				1,899,262
Vehicle		1,400,000			36,543,305	37,943,305
	845,275,098	403,980,635	(263,060,089)	4,407,578	699,363,298	1,689,966,520
Less:						
Transfer to Finance Performance A\C		(59,916,696)				(59,916,696)
Balance as at 31.12.2014	845,275,098	344,063,939	(263,060,089)	4,407,578	699,363,298	1,630,049,824

Note: 01

CEYLON- GERMAN TECHNICAL TRAINING INSTITUTE

PART TIME COURSES

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 2014

	Note	Rs	Rs
		2014	2013
Income			
Interview Fees		1,229,497	921,320
Course Fees & Admission		42,075,762	36,980,095
Course Fees- Diploma	35	930,000	1,178,900
Interest on Treasury Bills-E.W.P.T		630,963	767,505
Miscellaneous Income	34	95,805	94,824
Fixed Deposit Interest- E.W.P.T		1,446,380	1,730,753
Total Income		46,408,407	41,673,397
Expenditure			
Part Time & Other Allowances		32,146,586	29,222,484
Diploma course expenses (NVQ)	36	602,664	467,496
Refreshments		9,168	4,692
Stationery		669,566	430,808
Postage & Telegrams		91,924	121,335
Bank Charges		36,030	25,555
Electricity		2,312,940	2,262,026
Advertisements		162,086	94,153
Stamp Duty		1,875	6,575
Training Materials		286,055	593,483
Risk Allowances			1,890
Miscellaneous Expenses		25,413	101,025
Total Expenditure		36,344,307	33,331,522
Surplus/Deficit Before Bonus		10,064,100	8,341,875
Less: Bonus		(371,600)	(179,000)
Surplus/Deficit		9,692,500	8,162,875

CEYLON GERMAN TECHNICAL TRAINING INSTITUTE
MTTC COURSES

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2014

Income	Rs.	Rs.
	2014	2013
Course Fees	2,724,355	1,889,000
Total Income	2,724,355	1,889,000
Expenditure		
Part Time Allowance	655,580	673,607
Production Incentives		
Special Course incentive	289,751	331,780
Training		
Stationery	36,375	17,384
Maintenance Workshop Equipment	3,425	57,095
Postage & Telegrams		
Bank Charges		750
Advertisements		54,219
Stamp Duty	25	
Training Materials	22,475	18,840
Office Equipments Maintenance		19,350
Civil Maintenance		
Water	32,233	24,439
Telephone	54,361	58,880
Electricity	896,563	580,390
Miscellaneous Expenses		4,901
	1,990,788	1,841,635
Total Expenditure		
	733,567	47,365
Surplus / Deficit		

Note -02

Property, Plant and Equipments	Land		Building		other		Vehicle		Machinery		Furniture & Fittings		Library Books		Office Equipment		TOTAL	
	CGTTI	BORE.	CGTTI	BORE.	CGTTI	BORE.	CGTTI	BORE.	CGTTI	BORE.	CGTTI	BORE.	CGTTI	BORE.	CGTTI	BORE.	CGTTI/BORE.	
Balance as at 01.01.2013	694,180,000		352,797,188	3,617,115														
Construction Building			50,181,477															
Revaluation A/C	(694,180,000)		(402,978,665)	(3,617,115)														
	-	-	-	-														
Revaluation A/C	843,750,000	209,000,000	284,250,000	11,000,000														
Additions 2013			10,733,663															
Revaluation A/C	96,600,000																	
	940,350,000	209,000,000	294,983,663	11,000,000														
Cost																		
Balance as at 01.01.2014	940,350,000	209,000,000	294,983,663	11,000,000	8,466,268		45,882,460	515,000	352,680,119	16,400,906	27,101,592	714,395			41,474,904	400,170	1,948,969,477	
Revaluation A/C							(45,882,460)	(515,000)									(46,397,460)	
Additions			13,840,191		4,067,665		1,400,000		28,695,983	137,256	2,745,511		1,899,262		218,123		53,003,991	
Prior Year Adjustment			43,388,610														43,388,610	
Disposal			(16,224,000)														(16,224,000)	
Revaluation Value							36,568,000	202,000									36,770,000	
Balance as at 31.12.2014	940,350,000	209,000,000	335,988,464	11,000,000	12,533,933	-	37,968,000	202,000	381,376,102	16,538,162	29,847,103	714,395	1,899,262	-	41,693,027	400,170	2,019,510,618	
Balance as at 01.01.2013			294,245,656	1,088,958														
Revaluation A/C			(294,245,656)	(1,088,958)														
Additions			28,649,259	1,100,000														
			28,649,259	1,100,000														

Depreciation																	
Balance as at 01.01.2014			28,649,259	1,100,000	951,430		45,442,499	515,000	178,558,103	9,272,277	17,246,945	593,067			34,472,737	275,489	317,076,806
Prior Year Adjustment			(28,649,259)	(1,100,000)													(29,749,259)
Charge for the Year			28,806,372	1,100,000	2,348,617		1,761,600	42,083	35,273,055	1,569,386	1,953,115	28,174			6,627,386	62,033	79,571,821
Revaluation A/C Disposals			(1,680,443)				(45,655,765)	(515,000)									(47,851,208)
Prior Year Adjustment			28,281,192	584,209													28,865,401
Balance as at 31.12.2014	-	-	55,407,121	1,684,209	3,300,047	-	1,548,334	42,083	213,831,158	10,841,663	19,200,060	621,241	-	-	41,100,123	337,522	347,913,561
Written Down Value																	
As At 31.12.2014	940,350,000	209,000,000	280,581,343	9,315,791	9,233,886	-	36,419,666	159,917	167,544,944	5,696,499	10,647,043	93,154	1,899,262	-	592,904	62,648	1,671,597,057

Note-03

Debtors Accounts				Rs	Rs
				2014	2013
	C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Other Debtors	4,199,935			4,199,935	3,256,819
MTTC Allowances				-	268,119
Total	4,199,935	-	-	4,199,935	3,524,938

Note-04

Deposit				2014	2013
	C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Fuel (Security-Co-op. Society Moratuwa)	270,000			270,000	270,000
Electricity (Official Bungalow - Dehiwala)			2,000	2,000	2,000
Total	270,000	-	2,000	272,000	272,000

Note-05

Advance				2014	2013
	C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Festival Advance	207,900	7,500		215,400	206,700
Special Advance	609,500			609,500	589,500
Trainees Advance	24,200	3,150		27,350	27,350
Book Loan			548,600	548,600	552,200
Local Purchase	159,150			159,150	115,052
Salary Advance/4048/Tr.Insurance					
Total	1,000,750	10,650	548,600	1,560,000	1,490,802

Note-06

Cash & Cash Equivalents					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Return Money Order				2,400	2,400	2,400
Cash/Bank Balance	7,846,757		548,035	20,990,548	29,385,340	19,952,255
Bank Balance (Production)	1,462				1,462	1,462
Bank -MTTC	693,979				693,979	127,734
Total		8,542,198	548,035	20,992,948	30,083,181	20,083,851

Note-07

Current A/C S.L.C.T.B					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
S.L.C.T.B.Current A/C		480,268	653,261		1,133,529	1,133,529
Total		480,268	653,261	-	1,133,529	1,133,529

Note-08

Investment					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Fixed Deposit- PF		5,107,749			5,107,749	24,358,521
Fixed Deposit- E.W.P.T				18,082,920	18,082,920	16,430,259
Treasury Bills-E.W.P.T.				7,809,237	7,809,237	7,056,643
Fixed Deposit- D.P.T		345,674			345,674	309,792
Total		5,453,423	-	25,892,157	31,345,580	48,155,215

Note-09

Accrued Expenses				Rs	Rs
				2014	2013
	C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Salary Payable /4093	393,699	198,687		592,386	365,211
Salary Payable	305,920	59,291		365,211	759,523
E.T.F Payable	267,909	64,438		332,347	318,667
E.P.F Payable	5,097,455	96,745		5,194,200	25,598,884
Trainees Welfare	62,211	4,004		66,215	
Union - SLNSS	13,600	1,800		15,400	
MTTC Part Time Allowance	228,665			228,665	268,119
Sri Lanka Insurance	5,041			5,041	5,041
Union Payable	14,015	1,312		15,327	12,577
Welfare - Society - CGTTI	49,857	2,600		52,457	34,957
Sports	44,111	5,000		49,111	50,670
Welfare - Society -Trainees	29,770	3,780		33,550	46,021
Insurance Payables-Trainees	310,875	56,925		367,800	8,700
Book Loan	26,650	14,933		41,583	84,340
Social Security Board Payable	7,659			7,659	16,286
Stamp Duty	4,125	4,050		8,175	1,275
4080/1 Accrued Expenses	1,621,072			1,621,072	2,927,672
Tax	356,900	18,995		375,895	375,895
P.T Allowances			1,371,691	1,371,691	1,929,614
Union – Teachers Association	8,550	750		9,300	
4048/5012 Payable	15,268			15,268	15,268
National Skills Day	9,873			9,873	
Bonus Payable			371,600	371,600	179,000
Total	8,873,225	533,310	1,743,291	11,149,826	32,997,720

Note-10

Loans (Third Party)				2014	2013
	C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
P.F.Loan – 7075 (S.L.C.T.B.)	124,003			124,003	
Bank Loans (Third Party)	230,832			230,832	
Total	354,835	-	-	354,835	

Note-11

Refundable Deposit		C.G.T.T.I	BORELLA	PART TIME	2014	2013
					TOTAL	TOTAL
Canteen Tender		45,000			45,000	20,000
Tender		47,382			47,382	70,000
Tender Deposit - Sandeepsteel						31,000
Play Ground Deposit		15,000			15,000	9,000
Auditorium Deposit		1,000			1,000	
Name Board Tender		5,000			5,000	5,000
Scrap Item Tender		20,000			20,000	
Welfare Deposit		328			328	
Total		133,710	-	-	133,710	135,000

Note-12

Treasury A/C	Rs.	Rs.
	2014	2013
Capital Grant	78,700,000	43,000,000
Recurrent Grant	132,488,000	125,200,000
Total Grant	211,188,000	168,200,000
Less:- Deferred Income	78,700,000	43,000,000
Performance A/C	132,488,000	125,200,000

Note-13

Capital reserve	Debit	2014		2013
		Credit	Total	Total
Opening Balance		4,407,578		4,407,578
Balance		4,407,578	4,407,578	4,407,578
Deferred Income				
Opening Balance		321,981,373		330,698,143
Received from Treasury Account		78,700,000		43,000,000
Library Books		1,899,262		
Vehicle		1,400,000		
10% Transfer to P & L Account	59,916,696			(51,716,770)
Total	59,916,696	403,980,635	344,063,939	321,981,373

Note-14

	2014		2013
Translation Reserve	Credit		Credit
Opening Balance	(234,283,270)		(202,364,063)
Prior Year Adjustment	12,935,165		
Net Surplus (Deficit) for the Period	(41,711,984)		(31,919,207)
Total	(263,060,089)		(234,283,270)

Accumulated Fund	2013	2012
Opening Balance	845,275,098	845,275,098
Library Books		
Vehicle		
Total	845,275,098	845,275,098

Note-15

Other income				Rs	Rs
	C.G.T.T.I	BORELLA	PART TIME	2014	2013
				TOTAL	TOTAL
Examination Income	900,850			900,850	749,900
Traveling Pass	41,378	2,496		43,874	34,275
Miscellaneous Income	739,083	30,000		769,083	230,350
Insurance Commission					32
Trade Test Fees	162,520			162,520	41,875
Fitness Charges	79,850			79,850	80,544
NVQ Course Fees	119,652			119,652	
Special Course Fees	5,857,775			5,857,775	6,650,943
Skill competition receipt				-	10,000
Scrap Items sales	1,990,668			1,990,668	
Canteen Rent	58,167	3,600		61,767	63,600
Auditorium Income	9,000			9,000	
Admission – Training Materials	688,520	64,500		753,020	736,500
Welfare Income	17,789			17,789	
Ground Fees	122,700			122,700	84,000
ICDL recovery					16,000
Brief case recovery					7,500
Technological Studies	508,400			508,400	
Tender Fees	104,000			104,000	104,000
Milk Centre - Rent	36,000			36,000	36,000
FD Interest	27,605			27,605	34,015
Milk Centre	40,800			40,800	40,800
Total	11,504,777	100,596	-	11,605,373	8,920,334

Note-16

Production Unit					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Production Income Private		4,515,025	504,551		5,019,576	3,273,119
Canteen Chairs		50,000			50,000	
Production Income - SLTB		1,719,504			1,719,504	2,519,680
Less : Production Meterials		(3,925,627)	(10,040)		(3,935,667)	(3,557,406)
Paints Materials			(35,000)		(35,000)	(50,000)
Incentive		(704,603)	(66,150)		(770,753)	(992,249)
Total		1,654,299	393,361	-	2,047,660	1,193,144

Note-17

Personal Emoluments					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Salaries & Wages	17A	81,190,160	6,757,802		87,947,962	75,955,225
Allowances	17B	28,252,494	1,543,519		29,796,013	18,539,819
Gratuity		15,035,955			15,035,955	18,890,291
Over Time-Board Holiday		103,148			103,148	137,025
Over Time		1,323,600	54,657		1,378,257	1,408,446
Total		125,905,357	8,355,978	-	134,261,335	114,930,806

Note-17A

Salaries & Wages					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Salaries		52,225,826	4,221,120		56,446,946	49,638,421
Additional Allowances(COL)		17,850,980	1,448,875		19,299,855	15,847,326
Contract Salaries		674,683	226,371		901,054	448,345
Contract Additional Allowances (COL)						138,650
P.F. Board contribution		8,350,937	689,133		9,040,070	7,893,797
ETF		2,087,734	172,303		2,260,037	1,988,686
TOTAL		81,190,160	6,757,802	-	87,947,962	75,955,225

Note-17B

Allowances		C.G.T.T.I	BORELLA	PART TIME	2014	2013
					TOTAL	TOTAL
Band Training Allowances		204,900			204,900	200,100
Risk Allowances						740
Trade Test						
Fitness Charges						
English Teachers Allowances		855,325	34,650			868,408
Performance Allowances-SSDP		10,713,559			10,713,559	
Daily Pay Allowances		147,015			147,015	
Advisory Committee Allowances		531,000			531,000	480,000
Weekend Allowances						
Attendance Allowances - Technical Staff only		1,150,917			1,150,917	1,114,688
Trainees Allowances		13,204,196	1,508,869		14,713,065	14,211,519
Special Course		1,445,582			1,445,582	1,664,364
Total		28,252,494	1,543,519	-	29,796,013	18,539,819

Note-18

Traveling		C.G.T.T.I	BORELLA	PART TIME	2014	2013
					TOTAL	TOTAL
Foreign Travelling						210,796
Traveling Expenses		77,035	14,150		91,185	91,070
Total		77,035	14,150	-	91,185	301,866

Note-19

Staff Training & Development		C.G.T.T.I	BORELLA	PART TIME	2014	2013
					TOTAL	TOTAL
Leadership Training						
Capacity Building- Singapore Training	33	2,066,239			2,066,239	667,861
Teacher /Staff Training		127,208			127,208	833,450
Foreign Training/Travelling						
Total		2,193,447	-	-	2,193,447	1,501,311

Note-20

Contractual Service		C.G.T.T.I	BORELLA	PART TIME	2014	2013
					TOTAL	TOTAL
Electricity & Water Expenses	20A	5,822,321	238,010	-	6,060,331	5,316,487
Postage & Telecommunication	20B	618,842	101,876		720,718	704,396
Security Expenses		4,529,490	1,891,357		6,420,847	5,674,914
Total		10,970,653	2,231,243	-	13,201,896	11,695,797

Note-20A

Electricity & Water Expenses		C.G.T.T.I	BORELLA	PART TIME	2014	2013
					TOTAL	TOTAL
Electricity		4,959,300	190,252		5,149,552	4,753,447
Official Bungalow Water		863,201	47,758		910,779	563,040
Total		5,822,321	238,010	-	6,060,331	5,316,487

Note-20B

Postage & Telecommunication		C.G.T.T.I	BORELLA	PART TIME	2014	2013
					TOTAL	TOTAL
Postage & Telecommunication		588,252	101,876		690,128	665,078
Stamps		30,590			30,590	39,318
Total		618,842	101,876	-	720,718	704,396

Note-21

Supplies & Consumable Used		C.G.T.T.I	BORELLA	PART TIME	2014	2013
					TOTAL	TOTAL
Stationary		1,072,740	24,093		1,096,833	1,341,801
Fuel Expenses		5,271,455	2,870		5,274,325	5,133,700
Sports Items					-	
Fuel Expenses MTTC					-	
MTTC Stationery					-	
Total		6,344,195	26,963	-	6,371,158	6,475,501

Note-22

Maintenance Expenses					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Furniture & Office Equipments		402,110	23,880		425,990	343,741
Electricity Maintenance		926,883			926,883	672,683
Vehicle Maintenance		1,250,385	11,210		1,261,595	1,294,822
Civil Maintenance		2,147,978	62,802		2,210,780	2,311,117
Official Bungalow Maintenance		43,416			43,416	23,274
Work Shop Equipment Maintenance		1,241,103	69,062		1,310,165	3,051,623
Garden Maintenance		20,525			20,525	24,625
Total		6,032,400	166,954	-	6,199,354	7,721,885

Note-23

Other Recurrent Expenses					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Miscellaneous Expenses	23A	2,322,895	104,652	30,932	2,458,479	2,040,626
Welfare Expenses	23B	782,246	315,475		1,097,721	791,150
Verification Expenses		44,300			44,300	25,000
Ceremony & Exhibition		1,464,923			1,464,923	305,058
Uniforms		19,600			19,600	307,100
Intake Ceremony						99,257
Deyata Kirula Exhibition		428,822			428,822	297,702
Exhibition Expenses		106,286			106,286	73,032
Certificate Awarding Ceremony						195,365
Accounts Translate						-
Removing old toilets building-SSDP		313,902			313,902	
Audit Fees & Audit Meeting		74,000			74,000	58,000
Technological studies- schools	37	359,295			359,295	
Tender Expenses		94,000			94,000	35,500
Annual Report						96,550
Taxes	23C					2,276,565
Insurance	23D	582,765	22,658		605,423	872,997
Total		6,593,034	442,785	30,932	7,066,751	7,473,902

Note-23A

Miscellaneous Expenses		C.G.T.T.I	BORELLA	PART TIME	2014	2013
					TOTAL	TOTAL
Examination Expenses		934,684			934,684	741,580
Sports						50,340
News Papers		47,945	7,700		55,645	100,160
Ex-gratia Payments						
Refreshments		220,452	29,012		249,464	251,928
Innovation Test Fees						-
Legal Fees						
Other Miscellaneous		266,974	67,940		334,914	453,121
Other Miscellaneous				30,932	30,932	3,175
Airport Charges						
Staff Uniforms						
Paper Advertisement		852,840			852,840	403,492
Seminar Expenses						36,830
Total		2,322,895	104,652	30,932	2,458,479	2,040,626

Note-23B

Welfare Expenses		C.G.T.T.I	BORELLA	PART TIME	Rs	Rs
					2014	2013
					TOTAL	TOTAL
Welfare Expenses		488,404	163,814		652,218	386,324
Medical Bills		293,842	151,661		445,503	403,633
Trainees Welfare						1,193
Total		782,246	315,475	-	1,097,721	791,150

Note-23C

Taxes		C.G.T.T.I	BORELLA	PART TIME	2014	2013
					TOTAL	TOTAL
VAT Receivable						2,276,565
Stamp Duty						
Total		-	-	-	-	2,276,565

Note-23D

Insurance					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Assets Insurance		561,164	22,658		583,822	665,989
Insurance (Money in Transit)		21,601			21,601	24,605
Vehicle						182,403
Total		582,765	22,658	-	605,423	872,997

Note-24

Training Materials					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Training Materials		5,072,064	347,899		5,419,963	4,092,978
Total		5,072,064	347,899	-	5,419,963	4,092,978

Note-25

Finance Cost					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Bank Charges		273,065	29,710		302,775	245,170
Bank Charges Production						
MTTC Bank Charges						
Total		273,065	29,710	-	302,775	245,170

Note-26 Income Receivable

					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Fixed Deposit Interest Receivable				481,384	481,384	716,567
Treasury Bills Interest Receivable				306,641	306,641	428,272
Fixed Deposit Interest Receivable FT		20,625			20,625	
Milk Bar Electricity Recovery		6,800			6,800	10,200
Canteen Rent						21,833
Milk Bar Rent		22,000			22,000	25,000
		49,425	-	788,025	837,450	1,201,872

Note-27

Fixed Asset Creditors					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Swedish Trading		289,500			289,500	289,500
Metropolitan Eng. (Pvt) Ltd		682,272			682,272	3,906,080
Waterman Eng.(Pvt) Ltd		54,540			54,540	54,540
Ananda Constructions		47,511			47,511	47,511
Sandeep Steel		17,000			17,000	
Savidzone		174,358			174,358	207,060
Abans (Pvt) Ltd		327,995			327,995	327,995
Abans (Pvt) Ltd		111,809			111,809	
Megaheters		53,395			53,395	53,395
Open system pvt Ltd		185,460			185,460	108,885
Singn tec advertising		49,237			49,237	49,237
NGP Engineering		237,888			237,888	84,930
Prasans Contraction		16,900			16,900	190,089
Alcobronz						89,250
Electroserve		45,103			45,103	45,103
Electroserve		270,710			270,710	
Electroserve		127,535			127,535	
API Machinery						5,376,000
VK Construction						2,669,262
E-Tex (pvt) ltd.		72,500			72,500	
DIMO		344,400			344,400	
Fiber glass Industries		18,300			18,300	
Ace Cam pvt ltd		90,835			90,835	
Waterman Eng.pvt.ltd.						5,000,000
Nett Engineering		25,303			25,303	380,370
Daccess Engineering						97,457
Nikini Automation pvt ltd.						1,468,544
United Tractor pvt ltd.		38,068			38,068	546,460
John keels office						33,157
State Development & Cons.Co.						5,427,605
HM Enterprise		12,160			12,160	12,160
Total		3,292,779	-	-	3,292,779	26,464,590

Note-28

Payables					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Total		-	-	-	-	-

Note-29

Stocks					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Paints			400,000		400,000	435,000
Total		-	400,000	-	400,000	435,000

Note-30

Advance for Fixed Assets					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Abans (Pvt) Ltd NGP Engineering pvt ltd.		700,560			700,560	399,319
Total		700,560	-	-	700,560	399,319

Note-31

Sales of Non Movement Stocks					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Sales Value						
Book Value						
Total		-	-	-	-	-

Note-32

Prior Year Adjustment					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Prior year expenses		(51,113)			(51,113)	
Provision for depreciation		(28,865,401)			(28,865,401)	
Provision for depreciation		41,851,679			41,851,679	
Total		12,935,165	-	-	12,935,165	-

Note-33

Capacity Building – Capital Expenses					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Training & Capacity Building		2,066,239			2,066,239	667,861
Transfer to training & devp A/C		(2,066,239)			(2,066,239)	(667,861)
Total		-	-	-	-	-

Note-34

Miscellaneous income part time					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Examination fees				34,400	34,400	70,600
Miscellaneous income				61,405	61,405	26,224
Total		-	-	95,805	95,805	94,824

Note-35

Diploma Course income NVQ					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Course Fees				831,000	831,000	1,080,000
Registration fees				99,000	99,000	98,900
Total		-	-	930,000	930,000	1,178,900

Note-36

Diploma Course expenses NVQ					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Visiting lecture				577,539	577,539	333,000
Other staff allowance						86,930
Other expenses				25,125	25,125	47,566
		-	-	602,664	602,664	467,496

Note-37

Technological studies - Schools					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Teaching Allowance		359,295			359,295	
Other recurrent expenses	23	(359,295)			(359,295)	
		-	-	-	-	-

Note-38

Skills Sector Development Program (SSDP)					2014	2013
		C.G.T.T.I	BORELLA	PART TIME	TOTAL	TOTAL
Performance Allowance		10,713,559			10,713,559	
Other (Remove scrub toilet Building)		313,903			313,903	
		11,027,462	-	-	11,027,462	-

Note : SLTB Spair parts stocks value Rs. 627273 with our stocks items.

1. General Policies

1.1 Basis of Preparation

The Balance Sheet Statements of Income changes in equity and Cash flows together with Accounting policies and notes of C.G.T.T.I. as at 31st Dec. 2014 and for the year then ended comply with Sri Lanka Public Sector Accounting Standards. These Financial Statements presented in Sri Lankan Rupees.

1.2 Foreign Currency Transaction

All transaction involving foreign exchange was converted to Sri Lankan Rupees at the rate of exchange prevailing at the time of transaction in this financial Statement.

1.3 Event Occurring subsequent to the Balance Sheet

All material events occurring after the balance sheet date have considered in the financial statement.

2. Assets and base of their valuation.

2.1 The C.G.T.T.I. was functioning as an S.L.C.T.B. Training Institute and was converted to a statutory body under the Ministry of Skills Development Vocational and Technical Education with effect from 28th April 2004. (As per the special Gazette Notification.) Assets including vehicles owned by the C.G.T.T.I. were valued according to instructions given by, Board of Governors. Land & building revalued by Department of Valuation at the year 2013 and Vehicle revalued at the year of 2014. Value of Library Books Rs.1,899,262.00 taken for this year accounts.

2.2 Depreciation is provided from month of purchased. The annual rates of depreciation generally used by institute are as follows.

	Per annum
Buildings	10%
Vehicles	25%
Machinery	12.5 %
Furniture & Fittings	10%
Office equipments	25%
Other equipments	25%
Library Books	25%

2.3 Assets classified as Current Assets on the balance sheet are those which are expected to be realized in cash during the normal operating cycle or within one year from the Balance Sheet date whichever is shorter.

3. Liabilities and Provisions

3.1 All known liabilities have been accounted in preparing the financial statement and Adequate provision has been made for liabilities which are known to exist.

3.2 Retirement Gratuity

Provision is made in the financial statements for retiring Gratuity which may fully Due for payment, under the payment of gratuity act no 12 of 1983 and additional two weeks salary as gratuity for each year of service to employees who wear in service at the time the peoplisation programme commenced (28.12.1990) under the SLTB Board Paper 21 of 1994.

3.3 Deferred Income

Capital Grant received under the Treasury funds are treated as deferred income and Amortized 10% per year.

**CEYLON- GERMAN TECHNICAL TRAINING INSTITUTE
STUDENTS PERSONAL ACCIDENT INSURANCE & BENEVOLENT SCHEME
TRAIL BALANCE AS AT 31.12.2014**

	Dr	Cr
Accumulated Fund		6,449,647
Premium Income		367,800
Interest Income		385,579
Premium income receivable	367,800	
Fixed Deposit	6,524,622	
Bank Balance	156,234	
Interest Receivable	154,370	
Expenses		
Bank Charges		
	7,203,026	7,203,026

**CEYLON- GERMAN TECHNICAL TRAINING INSTITUTE
STUDENTS PERSONAL ACCIDENT INSURANCE & BENEVOLENT SCHEME
Income Expenditure Account Year ended 31.12.2014**

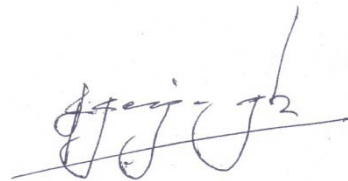
	2014	2013
Income		
Premium Income	367,800	325,900
Interest Income	385,579	388,066
Total Income	753,379	713,966
Expenses		
	-	-
Total Expenses	-	-
Surplus	753,379	713,966
Prior Year Adjustment		
Surplus	753,379	713,966

CEYLON- GERMAN TECHNICAL TRAINING INSTITUTE
STUDENTS PERSONAL ACCIDENT INSURANCE & BENEVOLENT SCHEME
Balance Sheet as at 31.12.2014

Assets	2014	2013
Fixed Assets		
Fixed Deposit	6,524,622	3,852,789
Current Assets		
Bank Balance	156,234	2,404,255
Premium income receivable	367,800	
Interest Receivable	154,370	192,603
Total Assets	7,203,026	6,449,647
Liabilities		
Accumulated Fund	6,449,647	5,735,681
Ad: Surplus	753,379	713,966
Total Liabilities	7,203,026	6,449,647



Director/Principal
CGTTI



Accountant
CGTTI



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය } YS/D/CGTTI/1/14/03
எனது இல. }
My No. }

ඔබේ අංකය }
உமது இல. }
Your No. }

දිනය }
திகதி }
Date }

07 November 2015

The Director/Principal,

Ceylon German Technical Training Institute.

Report of the Auditor General on the Financial Statements of the Ceylon German Technical Training Institute for the year ended 31 December 2014

The audit of financial statements of the Ceylon German Technical Training Institute for the year ended 31 December 2014 comprising the statement of financial position as at 31 December 2014 and the statement of financial performance, statement of changes in net assets 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. My comments and observations on the aforesaid financial statements appear in this report. A detailed report for the year under review, will be issued to the Principal of the Institute in due course.

1.2 Management's Responsibility for the Financial Statements

The 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 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 misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

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

1.4 Incorporation of the Institute

It had been decided as per the Cabinet Memorandum, No. 05/0994/029 /013 of 18 August 2005 that the Ceylon German Technical Training Institute, until incorporated formally, should be allowed to function under the identity of the Central Transport Board. Even after 11 years since the decision, action had not been taken to incorporate the Institute.

1.5 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 2:2 of this report.



2. Financial Statements

2.1 Qualified Opinion

In my opinion, except of the matters described in paragraph 2:2 of this report the financial statements give a true and fair view of the financial position of Ceylon German Technical Training Institute as at 31 December 2014 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 Sri Lanka Public Sector Accounting Standards

The following observations are made.

(a) Although contribution for EPF had been computed for 2 groups of employees of the Institute under 02 schemes, additional information relating to the expenses on the benefits of the staff, had not been disclosed in the financial statements in accordance with Sri Lanka Public Sector Accounting Standard 01.

(b) In accordance with Sri Lanka Public Sector Accounting Standard 03, action had not been taken to restate the financial position of the preceding year by adjusting the corrections of prior period errors in a retrospective manner. Instead, sums of Rs. 47,088,488 and Rs. 29,989 had been adjusted to the reserve accounts and the profit of the year under review respectively.

2.2.2 Accounting Deficiencies

The following observations are made.

(a) A sum of Rs. 35,500 given in cash in the year under review to settle an advance granted, had been credited to the revenue account instead of the advance account. Hence, the balance of the advance account and the income of the year had been overstated by that amount.



(b) As the advance amounting to Rs 44,520 paid to an external institution had been shown as an expenditure instead of being posted to that account. In settling it, the expenditure account had been debited once again by crediting the advance account. As such, the balances of the advance account and the relevant expenditure account had been understated and overstated respectively.

2.2.3 Lack of Evidence for Audit

The evidence shown against the following 3 items of accounts totaling Rs. 14,328,966, had not been made available to audit.

<u>Item of Account</u>	<u>Value</u> Rs.	<u>Evidence not Made Available</u>
Expenses payable	11,149,826	Age analysis and detailed schedules
Twenty one creditor balances	3,089,019	Evidence to substantiate the payments (bills)
Vehicle repair expenses	90,121	The bill

2.3 Accounts Receivable

Loan balances amounting to Rs. 4,199,935 remained recoverable as at 31 December of the year under review, including balances amounting to Rs 3,018,576 remained outstanding for more than 01 year.





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

The following instances of non-compliances with laws, rules, regulations and management decisions were observed.

Reference to Laws, Rules, Regulations and Management Decisions

Non-compliance

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

Financial Regulation 188 (2)

Money order balances amounting to Rs. 35,036 deposited but not realized relating to the years 2006 and 2007, had remained unsettled.

- (b) Treasury Circular, No. IAI/2002/02 dated 28 November 2002

A register of fixed assets on computers and software had not been maintained.

- (c) Letter No. PFD/RED/03/03/01 dated 17 October 2014 of the Secretary to the Treasury, and the Public Finance Circular, No. 2/2014.

Board of survey reports of the year under review should have been presented to the Auditor General before 17 March 2015. However, board of survey reports relating to inventory items valued at Rs. 6,383,077 had not been presented to the Auditor General even by the date of audit 02 September 2015.





3. Financial Review

3.1 Financial Results

The operations of the Institute for the year under review had resulted in a deficit of Rs.28, 776,819 as compared with the corresponding deficit of Rs.31, 919,207 for the preceding year. As such, an improvement of the financial result amounting to Rs. 3,142,388 had been observed. The increase in the recurrent grants from the Treasury for the year under review by a sum of Rs. 7,288,000 had mainly attributed to this improvement.

4. Operating Review

4.1 Performance

The Institute had conducted 10 full time training courses in the year under review, of which 2 courses had not been accredited.

4.2 Management Inefficiencies

The following observations are made.

- (a) Even though a sum of Rs. 591,100 had been spent in the years 2010 and 2011 on the installation of a computerized accounting system valued at Rs. 1,103,200, the system remained non-functional even by the end of the year under review due to prevalence of bugs and omissions. The expenditure incurred was observed as fruitless as the management had not properly drawn its attention in that connection.
- (b) Despite an advance had been paid to a private institution in the month of June of the year under review in order to purchase a training equipment valued at Rs. 1,517,824, the said equipment had not been supplied to the Institute even up to the date of audit 29 September 2015. The management had not taken actions to obtain the equipment on time.





(c) Action had not been taken even by the end of the year under review to uniquely identify the relevance to the courses and the years in connection with the revenue from the short term courses totaling Rs. 848,398 that had directly been credited to the bank.

(d) The Institute had carried out repairs of vehicles belonging to external parties, but action had not been taken to introduce a cost accounting system in a manner to measure the performance of those divisions and to share the financial results by absorbing the relevant expenses.

4.3 Operating Inefficiencies

An average cash balance of Rs. 37,769,860 had existed in the bank current accounts, but the management had not drawn its attention to invest such money in an appropriate investment, or in an activity that fulfils the objectives of the Institute.

4.4 Idle and Under-utilized Assets

A sum of Rs 345,674 earned from the sale of lotteries issued in commemoration of the Silver Jubilee of the Institute, had remained idle for over a period of 30 years without being utilized in any useful activity.

4.5 Personnel Administration

The number of approved cadre of the Institute had been 252 as at 31 December 2014, whereas the actual number was 223. Hence, there had been 34 vacancies, and 5 employees in excess.





5. Systems and Controls

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

- (a) Procurement
- (b) Internal Control
- (c) Debtors and Income Receivable

W.P.C. Wickramaratne

Acting Auditor General



**Replies for the Report of the Auditor General on the Financial
Statements of the Ceylon German Technical Training Institute
For the year ended 31 December 2014**

1.2 Responsibility of the Management for the Financial Statements

1.3 Auditor's Responsibility

1.4 Incorporation of the Institute

1.5 Basis for Qualified Opinion

2. Financial Statements

2.1 Qualified Opinion

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

(a) The contributions to the Employees' Provident from the officers of the Institute who were appointed by the Sri Lanka Transport Board are recovered at 10 per cent of the salary and in respect of the officers appointed by the C.G.T.T.I, at 8 per cent of their salaries is recovered as contribution to the Employees Provident Fund in terms of the provisions in the Employees Provident Fund Act. The share of the Institute in respect of all these employees is provided at 12 per cent of the salaries.

This information is disclosed under Accounting Policy 3.4 of the Accounts furnished for the year 2015.

(b) In the revaluation of lands and buildings in the year 2013 two buildings which had not been fully completed were also revalued thus increasing the Revaluation Reserve. The Revaluation Reserve was debited the related amount for the rectification of the error. The effect on the financial position due to the adjustment of the depreciation related to the revaluations was adjusted with retrospective effect in the accounts presented.

2.2.2 Accounting Deficiencies

- (a) Necessary steps will be taken to rectify the accounting error made in accounting to rectify the relevant accounts

Prior years Financial Performance Account Dr. Rs.35,500.00

To Advance Account Rs.35,500.00

(Rectification of the erroneous accounting of Rs.35,500.00 received for the settlement of an advance)

- (b) Action will be taken rectify this error made in accounting.

Advance Account Multipurpose Co-operative Society Dr. Rs. 44,520.00

To expenditure on Fuel - Prior Years Financial Performance Account Rs. 44,520.00

(Rectification of Fuel expenses erroneously not recorded in the Advance Account)

2.2.3 Lack of Evidence for Audit

The particulars of balance of expenditure payable amounting to Rs.11,149,826.00 are furnished under Note No. 9 to the Annual Financial Statements. The bill for the payment of Rs.90,121.00 made to the KIA MOTORS (LANKA) Ltd. for the purchase spare parts for carrying the repairs to motor vehicles, received from that Company was produced to the Audit Officers.

2.3 Accounts Receivable

Repairs to the buses of the Sri Lanka Transport Board, and motor vehicles of the Government Institutions and the Private Sector are carried out for the purposes of gaining practical expenses by the Apprentices and earning an income by the Institute.

In this case, repairs related to the Private Sector are done only on cash basis and the repairs related to the Sri Lanka Transport Board and the Government Institutions are done on cash basis as well as subsequent payment basis. Out of the debtors receivable 90 per cent are due from the Depots of the Sri Lanka Transport Board. Letters are sent regularly to those institutions for the recovery of debts recoverable.

2.4 Instances of Non-compliances with Laws, Rules, Regulations and Management Decisions

- (a) The approval of the Advisory Board of the Institute has been obtained for the write off of the unrealized Money Orders. This matter was forwarded to the Secretary to the Ministry to obtain the approval for the write off. On the receipt of an approval, action will be taken for the write off of the value of the unrealized Money Orders from the books.
- (b) A Register of Fixed Assets on Computers and Software is being maintained at present.
- (c) The Report on the Verification of Inventory Goods was furnished to the Auditor General on 03 March 2016.

3. Financial Review

3.1 Financial Results

4. Operating Review

4.1 Performance

The necessary steps have been taken for the accreditation of the Courses not accredited so far, that is the Millwright Course, Diesel Mechanic Course and the recently introduced Mechatronic Course and it could be completed soon.

4.2 Management Inefficiencies

- (a) Computer and Accounting Software operation has not been completely ceased and is being used for preparation of salaries etc.
- (b) Even though the supplier made available the training equipment referred to within the specified period due to certain defects in the equipment, it was returned without taking over. Thereafter the institution has taken action to supply the correct equipment. In this case payment was made after deducting the liquidated damage for the delay.
- (c) This is an amount credited direct to the Banks for the short term courses conducted by the Institute. This amount is accumulated from the year 2007 due to direct credits, made to the Bank from the year 2007. The Accountant was instructed to examine the amount and account for as Courses income.
- (d) All Work Orders executed by the Institute are costed according to a costing methodology and price are determined.

4.3 Operating Inefficiencies

An excessive balance in the Bank Account of the Institute do not occur regularly. When short term courses conducted by the Institute are commenced. Course fees are paid at the commencement in a single payment and in such instances, a high balance remain in the Bank Current Account. When the expenditure connected therewith is incurred in the following months the Bank balance is reduced. In addition, action was taken for the investment of surplus balance in short term investments (in call deposits in the Bank of Ceylon).

4.4 Idle and Underutilized Assets

The income from the sale of lottery tickets for the Silver Jubilees of the Institute was invested in a fixed deposit. With the interest received on that over a long period of the value of the fixed deposit amounted to Rs.345,674.00. It was decided at the meeting of the Audit and Management Committee of the Institute to remit the money to the Treasury. According the fixed deposit was encashed and the balance as at that date amounting to Rs.397,373.86 was remitted to the Treasury.

4.5 Staff Administration

Action has been taken at present to fill many of the vacancies referred to and action is being taken to fill the several remaining vacancies.

5. System and Controls

Instruction were given to the relevant officials, to pay special attentions to the procurement work of the Institute, formulation proper methodologies for improvement of the internal controls and for the collection of money due from debtors. It is emphasized that in taking action special attention will be taken with regard to those fields.



Director/Principal
Ceylon German Technical Training Institute.