

ANNUAL REPORT 2013

NATIONAL DESIGN CENTRE

**National Design Centre
Annual Report 2013**



Lessons Learnt and Best Practices

“It is in no way a waste of time to look at the past inquisitively”

It is very important to have an awareness on the previous actions and experience received in order to achieve success and future growth. Such retrospection gives opportunity to gain an understanding on the lessons learnt and identify the best actions that brought quality results.

We will find the best solutions to handicrafts maker, who is our client, while providing more facilities for the risk identification and mitigation process, identifying and enhancing our strengths, and enhancing productivity.

National Design Centre
Annual Report 2013



Contents

Incorporation Act and Registration

Guiding Principles

○ Vision

○ Mission

Institutional Objectives

Core Values

Management

Board of Directors

Senior Management

Message from the Chairman

Message from the Director

Organizational Structure

Human Resources

Financial Performance

Development Activities

Service Provision

Final Accounts for the Year Ended 31st December 2013

Report of the Auditor General on the Accounts for the Year 2013

National Design Centre
Annual Report 2013

Guiding Principles

Vision :-

Making the handicrafts sector a more vibrant sector through development of products and introduction of creative designs

Mission :

Introducing market oriented creative designs through promotion, development, capacity building, dissemination and main streaming

Institutional Objectives

- To develop handicrafts turned out by handicraftsmen and to introduce new designs in keeping with the trends in local as well as international market.
- To introduce proper techniques and methods of preparing raw materials with a view to enhancing production capacity and presenting handicrafts with a good finish.
- To provide craftsmen with advanced technical, technological and design development training support aiming at a better growth in the handicrafts sector through enhancement of incomes.
- To provide handicraftsmen with facilities to use new techniques and to make available common facility services in order to provide common facilities.
- To introduce more efficient, innovative manufacturing methods for handicraft products.
- To supply information necessary for handicraftsmen, sellers and those involved in the handicrafts sector through publications, seminars, workshops and library facilities.
- To provide design consultancy services on the requests by state and non-state organizations.
- To enhance design making skills and conduct vocational education programmes.

Core Values

- ✓ We are accountable.
- ✓ We are honest and transparent.
- ✓ We believe in competence and collaborative efforts.
- ✓ We are inspired to use new technology and desire.
- ✓ We believe in providing a good customer service.

Incorporation Act and Registration

The National Design Centre, which was incorporated under the National Crafts Council and Allied Institutions Act No. 35 of 1982, is a state service institution established for the development of the local handicrafts industry by taking handicraftsmen beyond the tradition for the advancement of the nation's handicrafts industry. It is operating under the Ministry of Traditional Industry & Small Enterprises Development at present.

Organization

National College of Designs, which also serves as an educational institute creating new designers through certificate and diploma courses, situated at the Head Office premises and provides youths creative talents with the opportunity to obtain vocational knowledge ranging from local level to international level.

In addition, the brass, lacquer and leather based workshop and common facility centre situated in Nattarampotha provides the handicraftsmen with ongoing services.

The National Design Centre, in its fulfilment of Objectives through its Mission driven by its Vision, implements its activities according to the Action Plan with support from the Branch Office located in Naththarampotha and direction from the Head Office. In addition to this, the guidance of the Ministry of Traditional Industries and Small Enterprise Development and the support of organisations which handle similar subjects, Provincial Councils, government and non –governmental organisations, private sector organisations engaged in handicraft industries, craftsmen and other institutions link with us in executing the above objectives of the institution.

The Head Office is assigned with the responsibility of dealing with important matters relating to the main objectives such as administration, finance, sales promotion, design development, design education, technology development as well as research and development, Common Facilities Centre and library facilities as well. The Project Office in Naththarampotha also deals with the same activities except the operation of administration, finance and sales promotion.

- (i) Head Office - No. 10 De Mel Road, Katubedda, Moratuwa.
TP/ Fax Nos. Chairman 011-2607114
- Director 011-2626345
- General 011-2607814
- Fax 011-2607111
E-mail - slndcrisep@yahoo.com or info@slndc.gov.lk
Common Facilities Centre in Naththarampotha -
Kalapuraya, Naththarampotha

Telephone No. - 081-2420038

National Design Centre
Annual Report 2013

Management

Board of Directors

Mr. D. W. Marshal Janatha	- Chairman, National Design Centre
Mr. Buddhi Keerthisena	- Member
Mr. S. Sri Chandran	- Member
Mrs. Anoma Lafir	- Member
Miss. Shereen Xavier	- Member
Mrs. Sujatha Weerakoon	- Member
Mrs. N. Godakanda	- Member
Mr. Anil Koswatta	- Member
Mrs. V. Jegarasasingham	- Instructor

Bankers

Bank of Ceylon, Katubedda
Katubedda

Auditors

Auditor General People's Bank,
Auditor General's Department

Senior Management

- Mr. D. W. Marshal Janatha - Chairman, National Design Centre
- Mr. M.A.S.S.K. Chandrasiri - Director, National Design Centre
- Mr. J.A.A.R.C. Gunarathne - Assistant Director - Research (Mechanical)
- Mr. A. A. Gamini - Asst . Director (Design Education & Training)
- Mr. P. K. Wijesingha - Asst. Director (Nattarampotha)
- Mrs. Bhadrani Ranaweera - Accountant

Message from the Chairman

The National Design Centre, which was incorporated by the National Crafts Council and Allied Institutions Act No. 35 of 1982 and operating since 1983, is a national institute capable of delivering a specialised service to uplift the handicraftsmen from the grassroots to the international.

The service rendered by the National Design Centre in year 2013 in keeping with its Vision and Mission is admirable.

The 2013 marks 30 years of operation of the National Design Centre as a service provider that functions through funding from the Treasury.

It is significant to note that the income earned by the National Design Centre during the year through providing consultancy services, educational programmes and training courses among other services necessary for the promotion of micro and small scale industries has grown as against the previous year.

I wish to mention with gratitude the support and guidance given by the Board of Directors and the assistance and commitment on the part of the Management, Staff and other stakeholders in achieving the goals of the National Design Centre during the year under review.

The Centre operates with policy decision making vested in the Board of Directors who appoints necessary committees as occasion warrants in keeping with good governance practices and has been achieving its objectives through the handicraftsmen upliftment programmes conducted through foreign funded projects. It must be stated at this juncture that these programmes aimed at strengthening rural economy are a huge support in enhancing the economic condition of the grassroots.

I make this an opportunity to extend my sincere appreciation to the Board of Directors, **management** and the staff, who shoulder this valuable exercise in order to contribute effectively towards upliftment of the rural economy.

Marshal Janatha
Chairman
National Design Centre

Message from the Director

It is evident that the conducive environment created by the establishment of peace and security in the country has become a great strength for the achievement of economic growth. The correctly adapted fiscal and financial policies provide the boost necessary to enhance the economy continuously and in this context it is important to focus special attention on the nation's small and medium scale industrial sectors.

The National Design Centre, which performs a foremost role in uplifting the handicraftsman and thereby elevating the rural economy, has been taking measures for the implementation of development projects necessary for the development of the rural handicraftsman.

The National Design Centre has prepared its manpower plan according to the statutory requirements, mission and essential organizational requirements.

I make this an opportunity to express my sincere gratitude to the Hon. Douglas Devananda, Minister of Traditional Industries and Small Enterprise Development, the Hon. Weerakumara Dissanayake, Deputy Minister, and Mr. Sivagnanasothy, Secretary to the Ministry, who provided the guidance and support necessary for the enhancement of the rural handicrafts industry that functions using local raw materials, and the staff of the National Design Centre for their commitment.

M.A.S.S.K. Chandrasiri
Director
National Design Centre

Content



Page No

Organizational Structure	12 - 17
Financial Performance	18
Development Activities	20

Page No

Development Programmes	20 - 34
Product Exhibitions	35 - 36
Consultancy Services	37 - 38

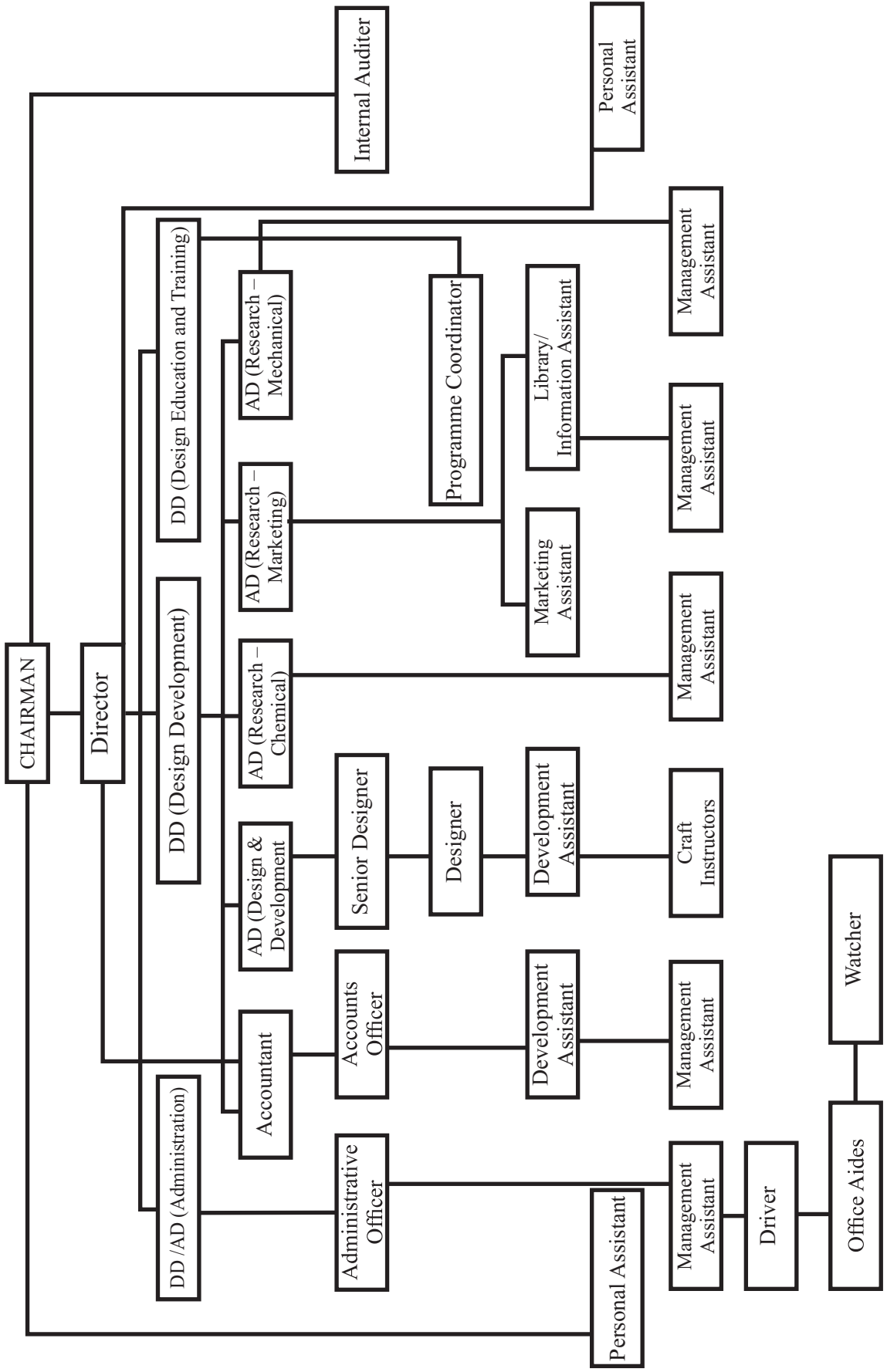


Page No



Educational Services	39
Physical Progress	40 - 41
Creation of New handicrafts	42 - 45

ORGANISATIONAL STRUCTURE



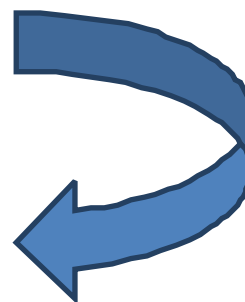
Human Resources

Designation	Service Category	Approved	Existing	Vacant	Superior
Director	HM 1-3	01	01	-	Chairman
Deputy Director (Design Development & Research)	MM 1-1	01	-	01	Director
Deputy Director (Design Education and Development)	MM 1-1	01	-	01	
Assistant Director /Deputy Director (Administration)	MM 1-1	01	-	01	
Assistant Director (Design Development)	MM 1-1	01	-	01	
Assistant Director - Research (Mechanical)	MM 1-1	01	01	-	
Assistant Director - Research (Marketing)	MM 1-1	01	-	01	
Assistant Director - Research (Chemical)	MM 1-1	01	-	01	
Accountant	MM 1-1	01	01	-	
Administrative Officer	JM 1-1	01	01	-	
Accounts Officer	JM 1-1	01	01	-	
Internal Audit Officer	JM 1-1	01	-	01	
Senior Designer	JM 1-1	04	05	-	
Designer	MA 5-1	09	07	02	
Programme Coordinator	MA 5-1	01	-	01	
Marketing Assistant	MA 3	01	-	01	
Library and Information Assistant	MA 3	01	-	01	
Development Assistant	MA 3	03	02	01	
Personal Assistant	MA 2-1	02	02	-	
Management Assistant	MA 1-1	10	14	Excess - 4	
Craft Istructors	MA 1-1	32	16	16	
Driver	PL 3	06	04	02	
Office Aids	PL 1-1	17	09	08	
Watcher	PL 1-1	04	07	Excess 03	

Personal to Holder					
Asst. Director	JM 1-1		02		
Training Assistant	PL - 1		01		

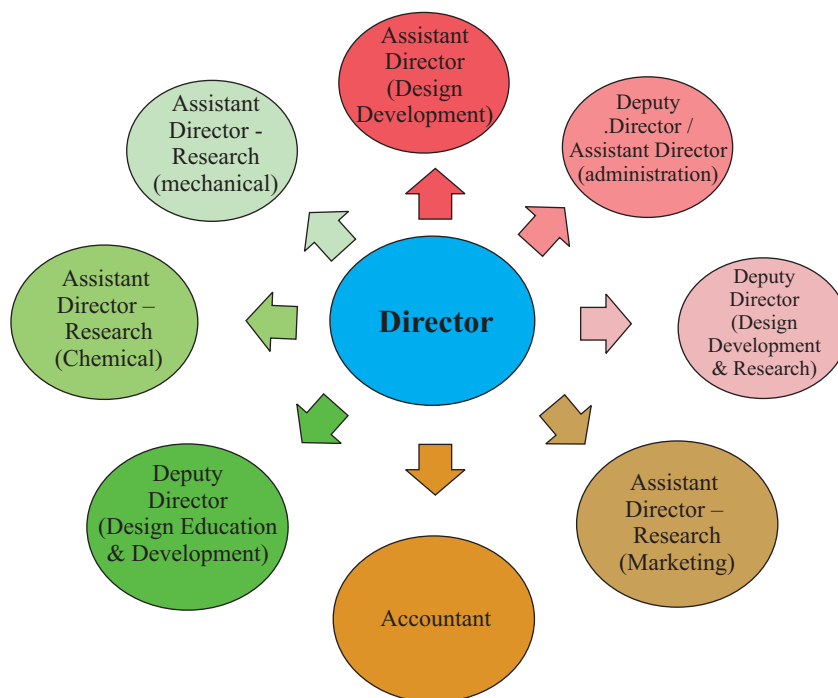
Consultancy and Overall Supervision

Chairman		
Deignatison	Approved	Existing
Director	01	01



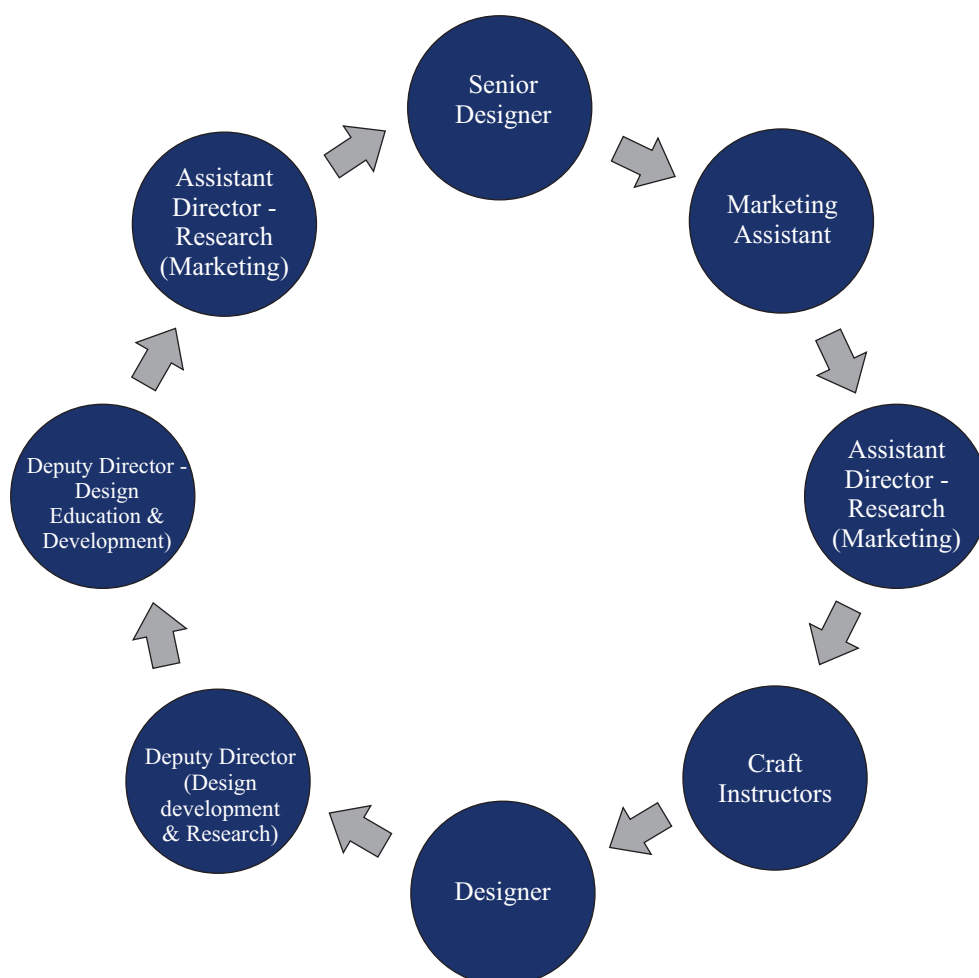
Direction

Designation	Approved	Existing	Vacant
Deputy Director	02	--	02
Deputy Director /Assistant Director (administration)	01	--	01
Assistant Director – Research (Mechanical)	01	01	-
Assistant Director (Design Development)	01	--	01
Assistant Director – Research (Marketing)	01	--	01
Assistant Director – Research (Chemical)	01	--	01
Accountant	01	01	-



Persons Directly Involved in the Development Process

Designation	Approved	Existing	Vacant
Deputy Director (Design development & Research)	01	--	01
Deputy Director - Design Education & Development)	01	--	01
Assistant Director - Research (Marketing)	--	--	--
Senior Designer	04	05	
Designer	09	07	02
Marketing Assistant	01	--	01
Crafts Instructor	32	15	17
Training Assistant	--	03	



Persons Indirectly Involved in the Development Process

Designation	Approved	Existing	Vacant
DD/AO (Admin)	01	--	01
Assistant Director - Research (Mechanical)	01	01	
Assistant Director - Research (Chemical)	01	--	01
Accountant	01	01	
Administrative Officer	01	01	
Internal Audit Officer	01	--	01
Accounts Officer	01	01	
Programme Coordinator	01	--	01
Development Assistant	03	02	01
Library /Information Assistant	01	--	01
Personal Assistant	02	02	
Management Assistant	10	14	
Driver	06	04	02
Office Aids	17	09	08
Watcher	04	07	



Organizational Hierarchy

Chairman



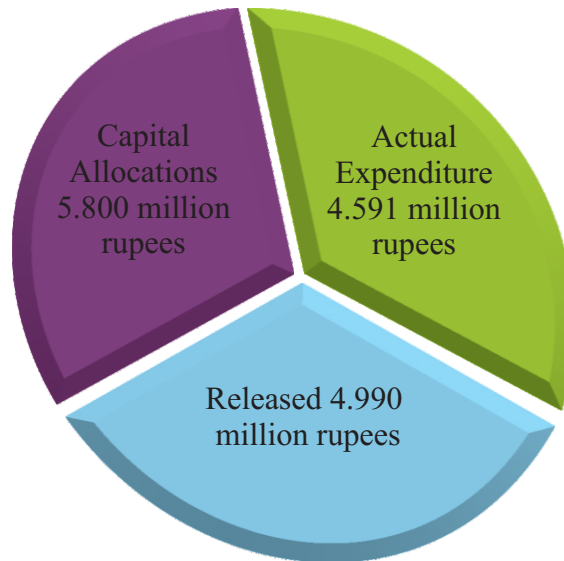
Financial Performance

necessary for its operations are supplied from the Treasury.

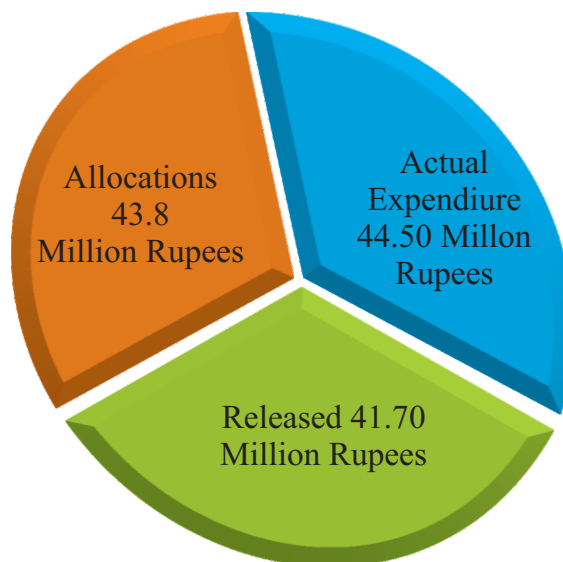
The National Design Centre, which operates as a service provision agency, falls under the state statutory boards category and the funds

The following graph shows data on the Budget approved for the year 2013 and on capital and recurrent allocations received

Capital Allocations



Recurrent Allocations



Consultancy service takes a prominent place among the services provided by the National Design Centre. Fees charged for consultancy services, course fees charged for Diploma in Designing, and financing from state institutions and NGOs for design development and training programmes as well as allocations received for projects make up the funds of the National Design Centre. As such, the funds used for the operation of the National Design Centre are as follows:

- (1) National Design Centre Fund (NDC)
- (2) Staff Loan Fund (SLF)
- (3) Design Consultancy Services Fund (DCF)
- (4) Design Education and Training Fund (DET)

Development Activities

Planning & Development of New Creations

Planning, introduction and development of new products is a prominent task of the National Design Centre. It is essential to fulfil the important tasks of strengthening the rural handicraftsman to streamline craftsmen for uplifting the rural economy by introducing timely products targeting local and international market.

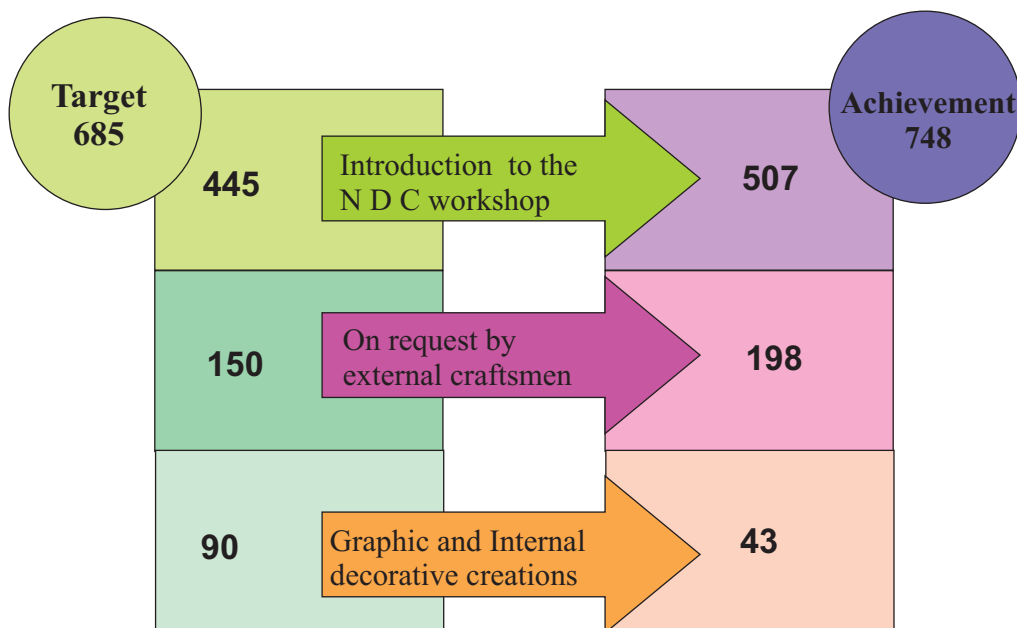
Local raw materials are used for this purpose. The National Design Centre always acts as an untiring guide for the handicraftsman to move beyond traditional products.

The National Design Centre performs the creation of new designs for all types of handicrafts in the handicrafts industry. Handicrafts based on rush & reed, red clay, coir, bamboo and cane, fabric, timber, lacquer, brass

and leather and jewellery take prominence among them.

The National Design Centre identifies new market expectations, depicts new creations displaying innovativeness through new concepts and presents them outside the norm. Also, the Centre creates new designs on the request of clients of the Centre. The National Design Centre bears the responsibility to launch new creations through the handicrafts sector in respect of souvenirs and gift items on which government's special attention is focused.

Planning and developing new designs has been done as follows in the year 2013 by keeping to targeted objectives as mentioned above as well as creating designs of high quality and seasonal demands in order to uplift the craftsmen and small industrialists who are engaged in the production process aiming at local and international markets:



Turning New Creations into Prototypes

Creations selected from among those incorporating new design concepts are developed as prototypes by the factories located in Moratuwa and Nattarampotha. Steps are taken to manufacture through external craftsmen the products that cannot be manufactured in the workshop. As such, the annual target was planned to be met by developing 315 at the workshop and 50 through external craftsmen. Under this move, 102 brass, lacquer and leather based creations were converted to prototypes at the Nattarampotha workshop and 278 creations associated with rushes, reeds and fibers, red clay, coir, bamboo and cane, cloth (fabric) and timber were turned to prototypes at the Moratuwa Workshop.

As such, it was possible to launch 395 new



Converting new creations into prototypes at workshop

product prototypes, 380 of which were from the workshop and 15 from the external craftsmen, for the handicrafts sector in the year 2013.

Steps will be taken to introduce these prototypes to craftsmen at the development programmes conducted by the National Design Centre and through the craftsmen's training programmes conducted through Provincial Councils, the Export Development Board, the National Crafts Council and other state agencies and NGOs and to direct them to manufacture new products. Also, steps have been taken to introduce these new creations to the market largely through product exhibitions and trade fairs, through craftsmen who come to the National Design Centre to obtain services, and through training programmes for craftsmen conducted by Provincial Councils, the Export Development Board, the National Crafts Council and other state agencies and NGOs.

Launching Souvenirs through New Handicraft Creations

Compared to the last year, the field of handicrafts has grown more vibrant through the development of products and the introduction of new creative designs. The National Design Centre has performed a significant part of work in the handicrafts sector for the purpose of placing specially the rural economic sector at the foremost place of the national development programme.

Attention will be focused as to how the quantitative increase in the tourist arrivals resulted in by the massive development in the tourism industry of this country could help enhance the living conditions of local craftsmen. Souvenirs and gift items produced targeting tourists will take a prominent place in this regard.

Therefore, the National Design Centre has acted to launch new products focusing on souvenirs and gift items that showing local identity and to introduce such products to the handicraftsmen. As such, the National Design Centre has worked to create 23 souvenirs and gift items representing local style depicting places of interest such as the House of Parliament, the Temple of the Sacred Tooth and Anuradhapura for 22 such items and those depicting elephants in various postures.

Programme for the Development of New Products

The National Design Centre, which functions continuously identifying the market trends, creates new products that suit the market and capable of creating a demand in the market and works to introduce them to the market through handicraftsmen.

In this connection, the National Design Centre

implements its development programmes with a proper consciousness about its mission that should be undertaken in the field of handicrafts as envisioned in the Mahinda Chintana Vision for the Future. At the same time, the Divi Neguma Programme is a gigantic development programme that has been commenced by the Ministry of Economic Development to cover the whole island to give financial contributions in opening an effective pathway for working people. In addition, the traditional handicrafts villages development programme that was inaugurated this year is also a productive programme launched for the good of the handicrafts sector.

The National Design Centre has been able to implement awareness programmes on new creations and product development training programmes covering various Provinces, making its contribution to all these development programmes under the guidance and direction of the Ministry of Traditional Industries and Small Enterprise Development as follows:



Innovative Products Development Programmes Conducted in 2013

	Nature of the Programme	Special Comments	Field	Venue	Date of Commencement & No. of Days	Financial Contribution	No: of Beneficiaries	No. of New Creations Introduced	Officer Responsible
1	New Creations Training Programme	UNDP Project	Palmyrah Leaves	Jaffna – Mattuivil	January 07	UNDP	23	3	Mr. W.M. Piyarathne – Assistant Director (Design Development)
2	New Creations Training Programme	UNDP Project	Palmyrah Leaves	Jaffna- Velani	January 7	UNDP	16	5	Mr.. Channa Perera - Designer
3	New Creations Training Programme	UNDP Project	Palmyrah Leaves	Jaffna- Velani	January 7	UNDP		5	Mrs. S. Gamlath – Assistant Director (Design Development)
4	New Creations Training Programme		Curtains -	Galle	January 31	National Design Centre	29	7	Mrs. Thamara Damayanthi – Assistant Director (Design Development)
5	New Creations Initial Training Programme	UNDP Project	Palmyrah Leaves	MulathivuChemmamalai	February 11 – 5 days	UNDP	42	4	Mr. Channa Perera - Designer
6	New Creations Initial Training Programme	UNDP Project	Palmyrah Leaves	Mulathivu-Puthukudi Piruppu	February 11 – 5 days	UNDP	35	5	Mrs. S. Gamlath - Assistant Director (Design Development)

7	New Creations Initial Training Programme	UNDP Project	Palmyrah Leaves	KilinochchiPalai	February 11 – 5 days	UNDP	31	3	Mr. W.M. Piyarathne – Assistant Director (Design Development)
8	New Creations Training Programme		Bamboo and Cane	Gampaha-Radawadunna	February 21 – 3 days		17	5	Mr. W.M. Piyarathne – Assistant Director (Design Development)
9	New Creations Training Programme Awareness Programme	For Freshers	Soft Toys	National Design Centre Colombo	February 18 – 1 day	National Design Centre	15	3	Mrs. Thamara Damayanthi – Assistant Director (Design Development)
10	Awareness Programme		Red Clay	Batticaloa	February 28 – 1 day	Ministry	50		Mr. Vijitha Bandara – Assistant Director (Design Development)
11	Awareness Programme		Red Clay	Colombo-Ranala	February 8	Industrial Development Board	35		Mr. Vijitha Bandara – Assistant Director (Design Development)
12	Awareness Programme		Timber Based	Amalabgoda-Galle	February 8 – 1 day	National Development Bank	50		Mr. Bernard Manathunga – Assistant Director (Design Development)
13	Practical Training Programme to Introduce New Creations and technology	Traditional Handicraft Villages Development	Timber Based	Galle-Bope Poddala	March 20 – 3 days	Ministry	36	15	Mr. Bernard Manathunga – Assistant Director (Design Development)

14	Awareness Programme	Divi Neguma	Timber Based	Galle	March 22 – 1 day	Ministry of Economic Development	62		Mr. W.M. Piyarathne – Assistant Director (Design Development)
15	New Technology Training Programme		Bamboo and Cane	Galle-Baddegama	March 27 – 2 days	Ministry of Economic Development	22		Mr. W.M. Piyarathne – Assistant Director (Design Development)
16	Awareness Programme	Divi Neguma	Timber Based	Galle	March 27 – 2 days	Ministry of Economic Development	38		Mr. W.M. Piyarathne – Assistant Director (Design Development)
17	New Technology Training Programme		Fabric	Matara-Weligama	March 21 – 1 day	Ministry of Economic Development	29		Mrs. Thamara Damayanthi – Assistant Director (Design Development)
18	New Technology Training Programme	University Students	Bamboo and Cane	Colombo-Moratuwa	March 1 – 2 days	Ministry of Economic Development	20		Mr. W.M. Piyarathne – Assistant Director (Design Development)
19	New Creations Training Programme	For Instructors	Palmyrah Leaves	Vavuniya	March 18	Chamber of Commerce	30	40	Mrs. S. Gamlath - Assistant Director (Design Development)

20	Awareness Programme		Coir	Kalutara			National Crafts Council	20	4	Mr. Channa Perera – Designer
21	New Creations Training Programme	Divi Neguma	Timber Based	Galle District Secretariat	April 2 – April 2 days		Galle Divisional Secretariat	40	24	Mr. Bernard Manathunga – Assistant Director (Design Development)
	Common Awareness Programmes - 06	For SHILPA Exhibition		Jaffna, Mulathivu, Vavuniya, Mannar, Anuradhapura, Polonnaruwa	April 2, 3, 4, 5, 21 and 22		National Crafts Council	191"65"150" 51" 110"69 - 636		Mr. Vijitha Bandara – Assistant Director (Design Development)
	Common Awareness Programmes 07	For SHILPA Exhibition		Ambalantota, Matara, Galle, Monaragala, Badulla, Kurunegala, Chilaw	April 1, 2, 3, 5, 6, 24 & 26		National Crafts Council	51"157"118" 54" 86"252"103- 821		Mr. W.M. Piyarathne – Assistant Director (Design Development)
	Common Awareness Programmes 03	For SHILPA Exhibition		Nuwara Eliya, Kandy, Matale	April		National Crafts Council	450		Mr. P.K. Wijesinghe – Assistant Director (Naththarampotha)
22	New Creations Training Programme		Curtains	Naththarampotha	May		National Design Centre	24	10	Mr. P.K. Wijesinghe – Assistant Director (Naththarampotha)

23	Training Programme		Screen Printing	Naththarampotha	May	National Design Centre	29	5	Mr. P.K. Wijesinghe – Assistant Director (Naththarampotha)
24	New Creations Training Programme		Bamboo and Rush & Reed	Angunakolapeless a- Vidatha Centre - Hambantota	May	National Design Centre & Vidatha Centre	16	5	Mr. W.M. Piyarathne – Assistant Director (Design Development)
25	New Creations Training Programme	GIZ	Plantain fibre	Jaffna	June 27 – July 7	GIZ	40	22	Mr. Channa Perera - Designer
26	New Creations Training Programme		Red Clay	Yakvila - Kurunegala	May		15	8	Mr. Vijitha Bandara – Assistant Director (Design Development)
	Common Awareness Programmes 06	For SHILPA Exhibition		Ampara, Trincomalee, Batticaloa	May	National Crafts Council	46"24"78 - 148		Mr. Vijitha Bandara – Assistant Director (Design Development)

27	New Creations Training Programme	Divi Neguma	Timber Based	Matarara	May	Ministry of Economic Development	38	22	Mr. Bernard Manathunga – Assistant Director (DesignDevelopment)
28	New Technology Training Programme		Brass	Kiriwawula - Kandy	May	Craft Development Society, Design Centre	12		Mr. Torrin Chandrasekara – Designer
29	New Creations Training Programme		Fabric	Veralupe, Ratnapura	May	National Crafts Council	22	2	Mrs. Thamara Damayanthi – Assistant Director (Design Development)
30	Awareness Programme		Rush & Reed	Colombo	June 21	Horana People's Rights Commission, National Design Centre	30		Mrs. S. Gamlath - Assistant Director (Design Development)
31	New Creations Training Programme		Rush & Reed	Weeravila - Hambantota	June 15 – 3 days	National Crafts Council	24	17	Mrs. S. Gamlath - Assistant Director (Design Development)

32	New Creations Training Programme		Leather and Rush Combined	Anuradhapura	June 25 - 4 days		27	8	Mrs. S. Gamlath - Assistant Director (Design Development)
33	New Creations Training Programme		Fabric	National Design Centre - Colombo	June 24 - 3 days	National Design Centre	15	5	Mrs. Thamara Damayanthi - Assistant Director (Design Development)
34	Awareness Programme		Bamboo and Cane	Monaragala	June 15	National Crafts Council	26		Mr. W.M. Piyarathne - Assistant Director (Design Development)
35	Awareness Programme		Cane	Monaragala	June 16	National Crafts Council	11		Mr. W.M. Piyarathne - Assistant Director (Design Development)
36	New Technology Training Programme		Bamboo	Kandy - Galewela	June 3 - 2 days	Central Province Department of Industries	19		Mr. W.M. Piyarathne - Assistant Director (Design Development)

37	New Creations Training Programme	Bamboo	Kandy - Galewela	June 24 – 5 days			19	21	Mr. W.M. Piyarathne – Assistant Director (Design Development)
38	New Creations Training Programme	Brass	Madawala - Kandy	June 9 – 2 days		National Design Centre	10	10	Mr. Torin Chandrasekara (Designer)
39	New Creations Training Programme	Lacquer	*Pahalhapuv ida - Matale			Ministry	42	40	Mr. P.K. Wijesinghe – Assistant Director (Naththarampotha)
40	Advanced Technology Training Programme	Batik	Watawala – Nuwara Eliya	June 6 – 10 days		National Design Centre	20	5	Mr. P.K. Wijesinghe – Assistant Director (Naththarampotha)
41	Awareness Programme	Masks	Mawugama-Horana-Kalutara	June 22		Ministry	20		Mr. Vijitha Bandara – Assistant Director (Design Development)
42	Awareness Programme	Musical Instruments	Kooragala - Kandy	June 29		Ministry	30		Mr. Vijitha Bandara – Assistant Director (Design Development)

43	New Creations Training Programme		Coir	Puttalam – Madampe Divisional Secretariat	July 2 – 3 days	National Design Centre & Vidatha Centre	13	7	Mr. Bernard Manathunga – Assistant Director (Design Development)
44	New Creations Training Programme		Timber	Ampara – Uhana – Ministry of Industry	July 30 – 2 days	National Design Centre	26	21	Mr. Bernard Manathunga – Assistant Director (Design Development)
45	New Creations Training Programme	For Freshers	Clothes, Soft Toys	National Design Centre, Natharampo	July 26	National Design Centre	13	2	Mrs. Thamara Damayanthi – Assistant Director (Design Development)
46	Training Programme to Introduce New Finish	THVD Project	Musical Instruments	Kooragala - Kandy	* July 15 & 23, August 1, 7, 8 & 13	Ministry	40		Mr. Vijitha Bandara – Assistant Director (Design Development)
47	New Creations Training Programme		Red Clay - Ornamental Goods and Gas Stove Cooking Vessels	Kurugala - Kanumale	July 29 – 3 days	National Design Centre	29	5	Mr. Vijitha Bandara – Assistant Director (Design Development)
48	New Creations Training Programme		Leather Based	Bogambara Prison - Kandy	July 26 - 4 days	National Design Centre	22	4	Mr. P.K. Wijesinghe – Assistant Director (Naththarampotha)

49	Awareness Programme and Technical Training Programme	New Technology	Bamboo and Cane	Kandy – Galewela – Timber Training Centre	July 8 – 3 days	Central Province Industry Department	19	3	Mr. W.M. Piyarathne – Assistant Director (Design Development)
50	Awareness Programme		Bamboo and Cane	Baddegama – Galle	July 26	National Design Centre	32		Mr. W.M. Piyarathne – Assistant Director (Design Development)
51	Awareness Programme Introducing New Creations, New Finish	THVD Project	Musical Instruments	Hiththatiya - Matara	July 19, September 13, December 5 & 19	Ministry Crafts Council	8	36	Mr. W.M. Piyarathne – Assistant Director (Design Development)
52	Awareness Programme, Introducing New Creations, New Finish	THVD Project	Sesath Parasols	Unaweruwa - Matale	August 8 September 18	Ministry	28	4	Mrs. S. Gamlath - Assistant Director (Design Development)
53	Awareness Programme	Divi Neguma	Timber	Kalutara District Secretariat	September 14 - 1 day	National Design Centre	25	22	Mr. Bernard Manathunga – Assistant Director (Design Development)

54	Awareness Programme	TOT	Bamboo Based	Galle – Baddegama-Ginimella Cane Centre	September 5, 6 & 7 – 3 days	National Design Centre	24	6	Mr. W.M. Piyarathne – Assistant Director (Design Development)
55	New Creations Training Programme	For Freshers	Bamboo Based	Puttalam – Naththandiya	September 16, 17 & 18 – 3 days	National Design Centre	23	4	Mr. W.M. Piyarathne – Assistant Director (Design Development)
56	Awareness Programme	TOT	Cane Based	Galle – Baddegama-Ginimella Cane Centre	September 5, 6 & 7	National Design Centre	24	6	Mr. W.M. Piyarathne – Assistant Director (Design Development)
57	Awareness Programme	TOT	Cane Based	Ampara, Uhana Divisional Secretariat Division Lathugala, Cane Centre	September 20	National Crafts Council	National Design Centre	28	Mr. W.M. Piyarathne – Assistant Director (Design Development)
58	New Creations Training Programme		Fabric	Kandy, Naththarampotha	September 12 & 25	National Design Centre	42	2	Mrs. Thamara Damayanthi – Assistant Director (Design Development)
59	New Creations Training Programme	UNDP	Palmyrah Leaves	Jaffna - Kayts	October 28 to November 1 – 5 days	UNDP	36	7	Mr. Channa Perera – Designer
60	New Creations Training Programme		Red Clay	Hambantota, Weeraketiya, Udukirivila	October 29 to November 1 – 4 days	National Design Centre	32	7	Mr. Vijitha Bandara – Assistant Director (Design Development)

61	New Creations Training Programme	TOT	Fabric and Soft Toys	Ampara	October 30 to 31 – 2 days	National Design Centre	20	2	Mrs. Thamara Damayanthi – Assistant Director (Design Development)
62	New Creations Training Programme		Reed and Fibre	Colombo - mdylal	October 9 to 11 – 3 days	National Design Centre	21	10	Mrs. S. Gamlath - Assistant Director (Design Development)
63	New Technology Training Programme		Curtains	Kandy" Naththarampo tha	October 30 to 31 & November 4 to 5 – 4 days	National Design Centre	31	10 methods	Mr. P.K. Wijesinghe – Assistant Director (Naththarampotha)
64	New Creations Training Programme	Providing Resource Persons	Red Clay- wdNrK	Colombo	October	Ministry of Youth Affairs and Skills Development	28	32	Mr. Torryn Chandrasekara – Designer
65	New Creations Training Programme		Cloth- Based Bags	Matale Divisional Secretariat	November 27 – 3 days	National Design Centre	28	5	Mr. P.K. Wijesinghe – Assistant Director (Naththarampotha)
66	New Creations Training Programme		Bamboo Based	Kegalle	November 4 – 2 days	National Crafts Council	National Design Centre	18	Mr. W.M. Piyarathne – Assistant Director (Design Development)
67	New Creations Training Programme	For Freshers	Bamboo Based	Gampaha- Negombo	November 7 – 4 days	Vidatha Institute -	National Design Centre	10	Mr. W.M. Piyarathne – Assistant Director (Design Development)
68	New Creations Training Programme	UNDP -TOT	Palmyrah Leaves	Jaffna	November 18 – 4 days	UNDP	UNDP	45	Mr. W.M. Piyarathne – Assistant Director (Design Development)

69	Awareness Programme	TOT	Coir	Galle	November 8 – 1 days	National Design Centre	20	7	Mr. Bernard Manathunga – Assistant Director (Design Development)
70	New Creations Training Programme		Brass	Kandy - Kalapuraya	November 12 – 2 days	National Design Centre	15	13	Mr. Torryn Chandrasekara – Designer
71	New Creations Training Programme		Coir	Kalutara - Divisional Secretarial Auditorium	December 09 – 3 days	National Design Centre	20	10	Mr. Channa Perera - Designer
72	New Creations Training Programme	TOT	Coir	Galle- Balapitiya	December 18 – 3 days	National Design Centre	20	10	Mr. Channa Perera - Designer
73	New Creations Training Programme	For Freshers	Leather	Kandy	December 11 – 3 days	National Design Centre	09	04	Mr. P.K. Wijesinghe – Assistant Director (Naththarampotha)
74	New Creations Training Programme	THVD Project	Silver Jewellery	Kandy – neelawala	December 01 – 4 days	Ministry	23	21	Mr. P.K. Wijesinghe – Assistant Director (Naththarampotha)
75	Awareness Programme	For Freshers	Decorative Jewellery	Jaffna	December 12 – 2 days	Ministry	232	35	Thushini Wejerathne (Designer)
76	New Creations & Technology Training Programme		Timber	Kegalle – IDB	December 13 – 2 days	Kegalle – IDB	28	24	Mr. Bernard Manathunga – Assistant Director (Design Development)
77	New Creations Training Programme	For Freshers	Textile	Kurunegala - Malkaduwwa	December 10 – 2 days	National Design Centre	15	02	Mrs. Thamara Damayanthi – Assistant Director (Design Development)

Introducing New Creations

The National Design Centre, targeting the current market needs, plans new creations suitable to the market, makes their initial samples within its workshops, and introduces such new creations through awareness and training programmes and on the request of craftsmen who approach the Centre.

The Contribution by the National Design Centre through the Development Projects for the Upliftment of the Handicrafts Sector

Divineguma National Development Programme

This year, too, the National Design Centre, functioning with active contribution under the Divineguma National Development Programme, which was commenced in the year 2012, conducted new creations training programmes conducted in the Galle, Matara and Kalutara Districts and provided equipment and implements necessary for the beneficiaries who attended new creations training programmes conducted in the Matara, Monaragala and Jaffna Districts.

Similarly the National Design Centre displays these creations at the “Yugayata Nimawum” annual exhibition, “Shilpa” national exhibition and other exhibitions in which it participates.

As such, the National Design Centre was able to present 380 new creations within the year 2013 to the handicrafts sector although the Centre had only targeted 315.

Traditional Handicraft Villages Development Programme

A bigger part for the Traditional Handicraft Villages Development Programme, on which awareness and data collection tasks were performed in the villages shown in the table below in the year 2012 under the allocations from the Ministry of Traditional Industries and Small Enterprise Development, was implemented during this year. Under this Programme, the National Design Centre took steps to conduct new creations technical development training programmes, introduce new creations suitable to the current market and build market links.

	Handicrafts Sector	District	Divisional Secretariat	Division	Village, Hamlet
01	Lacquer	Matale	Rattota		Pahalahapuvida
02	Timber	Galle	Bope, Poddala		Bope, Poddala
03	Musical Instruments	Matara	Matara		Hiththatiya
04	Masks	Kalutara	Horana		Bandarawatte, Mawugama (Batuvita)
05	Sesath Parasols	Matale	Yatawatte		Unaweruwa
06	Jewellery	Kandy	Pahalahewaheta		Neelawala
07	Musical Instruments	Kandy	Udunuwara		Kooragala

Implementing Programmes to introduce New Creations in Collaboration with Non-Governmental Organizations

Market Links Building Programme Conducted by the National Design Centre in collaboration with the UNDP for Handicraftsmen in the Northern Province

New Design Development and New Technology Practical Training Programme

The National Design Centre, in collaboration with and funded by the UNDP, took steps to conduct new creations development training programmes for both trained and trainee youth groups and women engaged in handicrafts sector within the Jaffna, Mulativu and Kilinochchi Districts and to lead them to markets through new creations with a view to providing all handicraftsmen with innovative craftsmanship training throughout the Northern Province to provide the consultancy, technical knowhow and support necessary to launch innovative and quality products so that they

Yugayata Nimavum Innovative handicrafts Exhibition

The Yugayata Nimavum New Creations Handicrafts Exhibition was held from 15th to 18th of August, 2013 at the Sirimavo Bandaranaike Exhibition Centre parallel to the Shilpa 2013 National Exhibition for the purpose of launching new creations of the National Design Centre. More than 350 new creations were exhibited and introduced to craftsmen at the exhibition. It enabled the building of market

could carry out promotion to suit the local and international market trends for the purpose of encouraging production activities in the sectors that are mainly based on the handicrafts sector and rural industries and resuscitating the handicraftsmen who have been affected by the past war menace of 30 years.

Implementation of the new creations development programme, which is the second phase of this project, was commenced in January 2013 and six 5-day training programmes were completed. In addition, craftsmen were directed to the exhibition organized by the Ministry of Traditional Industries and Small Enterprise Development side by side with Fiest of the Nallur Kovil and the JITF International Trade Fair held in Jaffna since 18 January 2013 and opportunity was given for them to sell their products through the trade stalls at the exhibition. At the same time, activities such as market research, providing sales opportunities and local market opportunities etc were carried out through this project.

links and conducting a **sales promotion programme** by providing trade stalls for 20 craftsmen and they were given the opportunity to sell the products introduced by the National Design Centre and produced by these craftsmen.

Awareness was created on the new creations by printing a Handbook on New Creations containing 100 selected products and distributing it among the craftsmen who came to the exhibition, to buyers and to those who show an interest in the handicrafts sector.

Consultancy Services through the National Design Centre _

Coordination of Design Consultancy Services

Institution Requesting Services	Activity
National Design Centre	Crafting awards and gifts for SHILPA 2012
Industrial Development Board	Crafting awards and gifts for SHILPA 2012
Ministry of Culture and Arts	Crafting Deshanethroo Awards
State Pharmaceuticals Corporation	Crafting awards for Suppliers' Awards Ceremony 2013
State Pharmaceuticals Corporation	Creating the Calendar

SHILPA 2013 Exhibition

Under the pre-exhibition duties of this exhibition, which was organized by the National Design Centre under the consultancy of the Ministry of Traditional Industries and Small Enterprise Development, the National Design Centre made its contribution in respect of all awareness programmes conducted for handicraftsmen and provided consultancy on new creations. In addition, the “Yugayata Nimawum” exhibition, which was conducted to launch new creations of the National Design Centre, was also conducted side by side with the SHILPA 2013 Exhibition.

Deyata Kirula National Exhibition

During the ten days in which this exhibitions was held under the Ministry of Traditional Industries and Small Enterprise Development, an exhibition stall was maintained to bring to limelight the new creations of the National Design Centre and awareness was raised in those interested in handicrafts while services were provided.

In addition, a programme was implemented to introduce new creation concepts to schoolchildren in the Ampara District, who were directed to produce new creations targeting this exhibition. 431 students were included in this process and new creations from among the ones they produced were exhibited at the exhibition with a competitive element and prizes and certificates were handed out for winning entries.

Contribution to Other Exhibitions

Entrepreneurship Exhibitions

At this Exhibition, which was organized by the Small Enterprises Development Division of the Ministry of Youth Affairs and Skills Development and held at the exhibition premises of the Bandaranaike International Memorial Conference Hall for three days, the National Design Centre maintained an exhibition stall and enlightened viewers on the services of the National Design Centre and its services.

Wayamba Mal Dakma Floral Exhibition

The National Design Centre maintained an exhibition stall for four days at this exhibition and awareness was raised on the new creations and the services of the National Design Centre.

Bingiriya Flora Springtide Exhibition – The National Design Centre contributed to this Exhibition, which was organized by the Export Development Board and held for four days, by running a stall for new creations.

The National Design Centre contributed to the exhibition styled “Reflections of 2013” held side by side with the Commonwealth Heads of Governments Meeting (CHOGM) from 13th to 17th by keeping an attractive exhibition stall and designing and presenting a File Bag made using jute.

Importance of Innovative Concepts for Entrepreneurship Development – The awareness seminar organized by the National Design Centre under the above topic was conducted at the Industrial Development Board auditorium on 25 July 2013 with the participation of 32 enthusiasts.

Marketing Research Programme

Under the marketing programme commenced in collaboration with the Sri Lanka Handicrafts Board, the National Design Centre implemented a marketing research programme for its new creations and coordinated the channeling of orders received through it to handicraftsmen and to the market in turn, which gives the opportunity to uplift the economy of handicraftsmen.

Providing Library Services and Information

Steps were taken to develop the library by purchasing books through the capital allocations provided for the libraries situated in the Katubedda Head Office premises and the Naththarampotha branch office. Library and information services were provided to 168 handicraftsmen and enthusiasts and also images of creations needed by them were photocopied from books for them.

Design Education and Training Activities

Sri Lanka Institute of Design

National Diploma in Design (2013-2014 Weekend Course)

28 students joined the above course during the year under review.

Higher National Diploma in Design (2011-2013 Weekdays Course)

Nine students joined this course during the year 2011.

National Diploma in Interior Design (2011-2013 Weekend Course)

Five students joined this course.

Website of the National Design Centre

The website of the National Design Centre was launched in 2012. Action has been taken to introduce 167 new designs by posting in the website. During the year, 2990 log-ins have been recorded.

Services by the National Design Centre

In the year 2013, the National Design Centre has provided services to 2509 individuals, which included conducting new creations awareness and practical training programmes, providing orders and sales opportunities, information on market, craftsmen and the field, training at the workshop of the Centre, common facilities, designs including graphics on request and

library services, and carrying out sales promotion and market research programmes.

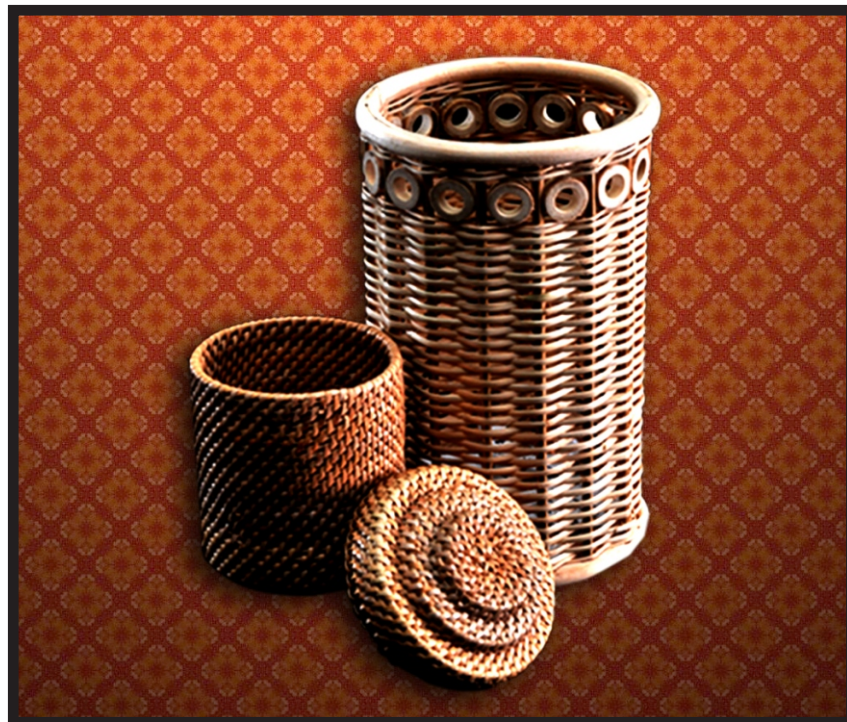
In addition, 812 persons including university students and schoolchildren interested in or studying the handicrafts sector, have benefited from have benefited from awareness activities or information provided.

**National Design Centre
Physical Progress as at 31 December 2013**

	Project / Programme / Activities	Physical Progress	
		Target	Achievement
1	New Creations Planning and Development		
1.1	Number of new creations planned	685	748
1.2	Number of new samples developed	365	395
1.2.1	Number of initial samples completed at the workshop in Moratuwa	315	278
1.2.2	Number of initial samples completed at the workshop in Naththarampotha		102
1.3	Number of creations produced through external craftsmen on the need of the Centre	50	15
2	New creations awareness and practical training programmes		
2.1	New creations awareness programmes	10	13
	Number of beneficiaries	330	640
2.2	Practical training programmes to introduce new creations	50	54
	Number of beneficiaries	1000	1286
2.3	Programmes to introduce new ceations to Master craftsmen	5	8
	Number of beneficiaries	75	199
2.4	Number of new ceations introduced	450	519
3	Guidance on new creation and technology for novices and handicraftsmen		
3.1	Higher National Diploma in Design	30	
3.2	National Diploma in Design	30	28
4	Market promotion programmes for new creations		
4.1	Handicrafts new creation exhibitions	01	01
4.2	Participation in exhibitions conducted under special fetures sposed by Provincial Councils	06	05
5	Information, market opportunities and research and development programmes		
5.1	Research on technology of using raw materials	02	01
5.2	Providing marketing opportunities	35	113
5.3	Providing information pertaining to the sector and sales	75	77
5.4	Providing library facilities	350	168
6	Design consultancy services		
6.1	Providing design consultancy services to government and private institutions	10	05

SEVERAL HANDICRAFT PRODUCTS MADE IN THE YEAR 2013

CANE AND BAMBOO DESIGNS



LACQUER



BRASS



RUSH AND REED



FABRIC



RED CLAY



WOOD



LEATHER



**Final Accounts for the Year Ended
31st December 2013**

NATIONAL DESIGN CENTRE

**Ministry of Traditional Industries and Small
Enterprise Development**

**No. 10, De Mel Road
Katubedda, Moratuwa**

National Design Centre
Statement of Financial Position as at 31st December 2013

	Note	31.12.2013 Rs.	31.12.2012 Rs.
<u>Assets</u>			
<u>Non-Current Assets</u>			
Non-Current Assets	1	41,755,263.10	45,783,632.93
Properties Plant and Equipment		22,450.00	22,450.00
Other Financial Assets			
		41,777,713.10	45,806,082.93
Other Intangible Assets	2	-	1,010,075.10
<u>Current Assets</u>			
Closing Stock	3	3,073,062.20	2,748,174.13
Trade and other Receivables	4	6,529,163.23	9,865,143.10
Pre-Payments	5	389,825.06	276,925.29
Cash and Cash Equivalents	6	5,636,279.68	5,878,107.81
		15,628,330.17	18,768,350.33
Total Assets		57,406,043.27	65,584,508.36
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Trade and other Payables	7	506,883.50	3,040,793.94
Advance Received for UNDP Workshop in the Northern Province	8	662,764.67	4,391,905.76
Accrued Expenses	9	1,079,982.89	3,019,411.69
		2,249,631.06	10,452,111.39
<u>Non-Current Liabilities</u>			
Provision for Gratuity	10	16,876,146.50	15,295,501.63
Total Liabilities		19,125,777.56	25,747,613.02
Total Net Assets		38,280,265.71	39,836,895.34
<u>Net Assets /Equity</u>			
Capital Grants		35,792,400.00	34,690,046.88
<u>Less</u>			
Provision for Amortisation	11		
Current Year		6,370,043.84	2,877,571.04
		29,422,356.16	31,812,475.84
<u>Less Deferred Revenue Expenses</u>			
		3,182,712.56	1,010,075.10
		26,239,643.60	30,802,400.74
<u>Re-Valuation Reserves</u>			
Accumulated Reserve	12	2,655,138.71	2,655,138.71
		9,385,483.40	6,379,355.89
Total Net Assets/Equity		38,280,265.71	39,836,895.34

Director
National Design Centre

Chairman
National Design Centre

National Design Centre
Statement of Financial Performance for the year Ended 31st December 2013

	Note	2013 Rs.	2012 Rs.
Operational Income			
Treasury Grants (Recurrent)	13	41,706,200.00	36,358,000.00
Other Incomes	14	6,968,180.20	4,134,525.71
		48,674,380.20	40,492,525.71
<u>Operational Expenses</u>			
Personal Emoluments	15	30,281,650.42	27,888,563.83
Travel Expenses	16	646,137.94	537,690.88
Supplies	17	743,122.96	901,852.36
Maintenance	18	763,481.75	747,793.20
Contractual Services	19	8,707,011.66	9,204,494.62
Depreciation	20	6,381,720.86	2,890,136.56
Gratuities		2,532,230.21	2,268,317.50
Other Expenses	21	1,831,639.12	2,567,360.03
		51,886,994.92	47,006,208.98
Surplus/(Deficit) from operations		(3,212,614.72)	(6,513,683.27)
<u>Add</u>			
Capital Grant for Capacity Building		2,172,637.47	
Deffered Incomes		<u>6,370,043.84</u>	<u>2,877,571.04</u>
		8,542,681.31	2,877,571.04
<u>Less</u>			
Deffered Expences		2,172,637.47	-
		6,370,043.84	-
Surplus/Deficit From the Current Year		3,157,429.12	(3,636,112.23)

Statement of Changes in Income for the Year Ended 31st December

	Capital Grants Rs.	Accumulated Fund Rs.	Revaluation Reserve Rs.	Total Rs.
Balance as at 01.01.2013	30,802,400.74	6,379,355.88	2,655,138.71	39,836,895.33
Chages In Accounting Policies				
Fundamental Errors		(151,301.60)		(151,301.60)
Written-off Deferred Revenue Expenses	(3,182,713.31)			(3,182,713.31)
Provision for Amortisation Revaluation Reserve	(6,370,043.84)			(6,370,043.84)
Treasury Grants	4,990,000.00			4,990,000.00
Statement of Financial Performance				
Diffrence in Currency Conversion				
Surplus/ Deficit for the Period		3,157,429.12		3,157,429.12
Balance as at 31.12.2013	26,239,643.59	9,385,483.40	2,655,138.71	38,280,265.70

Cash Flow Statement According to Indirect Method
National Design Centre
Cash Flow Statement for the year Ended 31.12.2013

	2013		2012	
	Rs.	Rs.	Rs.	Rs.
<u>Cash Flow from Operational Activities</u>				
Surplus / Deficit from Normal Operations			(6,513,683.27)	
(-) Adjustments for the previous years	(3,212,614.72)		1,752,115.98	
(-) Adjustments for the previous years	2,079,966.44		(601,723.81)	
	<u>(2,230,699.64)</u>		<u>(601,723.81)</u>	
<u>Non-Cash Movements</u>		(3,363,347.92)		(5,363,291.10)
Depreciation	6,381,720.86		2,890,136.56	
Gratuities	2,532,230.21		2,268,317.50	
(Increase)/Decrease in Closing Stock	(324,888.07)		(39,693.52)	
Decrease / (Increase) in Trade and other Receivables	3,335,979.87		(2,887.04)	
Decrease / (Increase) in Prepayments	(112,899.77)		(97,987.17)	
(Decrease) / Increase in Trade and other Payables	(2,533,910.44)		(1,428,811.13)	
Advanced Received for UNDP Programme	(3,729,141.09)		4,391,905.76	
Gratuity payments	(951,585.34)		(655,596.25)	
(Decrease)/Increase in Accrued Incomes	(1,939,428.80)	2,658,077.43	1,161,782.60	8,487,167.31
Net Cash Flow from Operational Activities		(705,270.49)		3,123,876.21
<u>Cash Flow from Investment Activities</u>				
Buildings			(204,485.09)	
Machinery	(211,028.40)		(441,046.72)	
Furniture and Fixtures	(201,076.00)		(833,852.30)	
Office Equipment	(32,555.00)		(461,700.20)	
Instruments and Tools	(79,996.14)		(58,325.00)	
Library Books	(175,733.60)		(187,600.00)	
Computers and Accessories	(650,122.00)		(1,801,058.00)	
Vehicles	(1,003,408.85)		(366,374.22)	
Enhancement of Capacity of Craftsmen	(2,172,637.47)		-	
Net Cash Flow from Investment Activities		(4,526,557.46)		(4,354,441.53)
<u>Cash Flow from Financial Activities</u>				
Capital Grants from the Treasury	4,990,000.00		3,150,000.00	
Net Cash Flow from the Financial Activities		4,990,000.00		3,150,000.00
Increase / (Decrease) of Cash and Cash Equivalents		(241,827.95)		1,919,434.68
Cash and Cash Equivalents at the Beginning of the Year		5,878,107.81		3,958,673.13
Cash and Cash Equivalents at the End of the Year	50	5,636,279.68		5,878,107.81

National Design Centre

Accounting Policies for the Year 2013

1. Basis of Accounting

Financial Statements have been prepared in accordance with the Sri Lanka Public Sector Accounting Standards. No adjustments have been made for inflation factors that affect accounts and the figures are given in Sri Lanka rupees.

2. Government Grants

Government grants received by the Centre are twofold, i.e. recurrent and capital.

3. Depreciation

Provision has been made for depreciations according to the following rates on a diminishing balance basis.

• Buildings	05%
• Office Equipment	10%
• Computers and Accessories	20%
• Furniture and Fixtures	10%
• Tools and Implements	25%
• Motor Vehicles	20%
• Machinery	15%
• Library Books	05%

No Provisions have been made for depreciation on purchases made in the year under review.

4. Statement of Financial Operations

Government grants and other miscellaneous receipts have been represented as incomes of the Centre. All incomes and expensed are recognized on accrual basis.

5. Valuation of Inventories

Inventories are valued at the lower of the cost and the net realizable value. Issue of stocks have been carried out on a first in and first out basis.

6. Events after the Balance Sheet

Adjustments have been made in respect of all events recognized after the date of the Balance Sheet.

7. Common Facility Centre, machinery, equipment, tools and implements have been revalued on market value.

8. As the Department of Small Industries has not formally transferred the lands in the possession of the Centre in favour of the Centre, the values of the lands in which the Head Office and the Naththarampotha branch are located have not been included in the financial statements.

1. Property Plant & Equipment

	Buildings	Machinery	Vehicles	Computer	Office Equipment	Furniture & Fittings	Tools & Equipment	Library Books	Total
Cost	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01.01.2013	19,478,991.55	4,350,383.18	20,891,154.22	7,186,723.84	10,158,441.04	4,499,407.51	695,026.00	1,797,969.89	69,058,097.23
Disposals for the year		211,028.40	1,003,408.85	650,122.00	32,555.00	201,076.00	79,996.14	175,733.60	2,353,919.99
Revalue for the year		4,561,411.58	21,894,563.07	7,836,845.84	10,190,996.04	4,700,483.51	775,022.14	1,973,703.49	71,412,017.22
Additions during the year									
Balance as at 31.12.2013	19,478,991.55	4,561,411.58	21,894,563.07	7,836,845.84	10,190,996.04	4,700,483.51	775,022.14	1,973,703.49	71,412,017.22
Depreciation									
Balance as at 01.01.2013	7,441,625.58	1,860,448.20	1,929,036.00	2,701,798.53	6,682,378.85	1,762,080.82	615,784.97	281,881.31	23,275,034.26
Disposals									
Revalue for the year									
Charges for the year	601,868.30	373,490.25	3,792,423.64	896,985.10	347,606.21	273,732.67	19,810.26	75,804.43	6,381,720.86
Balance as at 31.12.2013	8,043,493.88	2,233,938.45	5,721,459.64	3,598,783.63	7,029,985.06	2,035,813.49	635,595.23	357,685.74	29,656,755.12
Net Book Value									
Balance as at 01.01.2013	12,037,365.97	2,489,934.98	18,962,118.22	4,484,925.31	3,476,062.19	2,737,326.69	79,241.03	1,516,088.58	45,783,062.97
Balance as at 31.12.2013	11,435,497.67	2,327,473.13	16,173,103.43	4,238,062.21	3,161,010.98	2,664,670.02	139,426.91	1,616,017.75	41,755,263.10

Note 02 - Other Intangible Assets

	31-12-2013 Rs.	31-12-2012 Rs.
Balance B/F as at 01.01.2013	1,010,075.09	2,020,150.19
Capital Grant For Capacity Building	2,154,993.97	
	3,165,069.06	
Less : Deferred Revenue Expenditure as for the year	3,165,069.06	1,010,075.09
Balance C/F as at 31.12.2013	-	1,010,075.09

Note 03 - Closing Stock

	31-12-2013 Rs.	31-12-2012 Rs.
Raw Materials	165,510.03	170,825.88
Finish goods	2,218,791.08	2,150,927.22
Stationary	444,958.57	234,846.51
Chemicals	47,074.52	47,074.52
Plant container stock	-	144,500.00
Raw Matirials - Capacity Building	126,593.00	-
Finished Goods - UNDP Project	70,135.00	-
	3,073,062.20	2,748,174.13

Note 04 - Trade & Other Receivables

	31-12-2013 Rs.	31-12-2012 Rs.
Staff loan on NDC	-	13,720.00
Other Advances	-	440,268.10
Advances from Other Agencies	-	57,492.26
Suspense A/C		22,079.41
Traditional Village Programmer	84,927.28	-
Advance on cash	8,424.67	35,857.47
Advance on Cheque	5,496.18	113,673.10
H.B Suhath Rohana	-	8,780.35
Other Debtors	-	155,712.00
Receivable Cash	1,016.00	387,816.00
Deposits		
Telephone Deposit	11,950.00	11,950.00
Fuel Deposits	10,000.00	10,000.00
Newspaper Deposit	300.00	300.00
Cylinder Deposit	3,000.00	3,000.00
Other Deposit	77,600.00	77,600.00
Electricity Deposit	20,000.00	20,000.00
Design Education Account		
Class Fees Receivable	658,750.00	618,250.00
Design Consultancy Account		
Sri Lanka Handicraft Development Board	380,530.00	-
Sri Lanka Pharmaceuticals Manufacturing Corporation	25,000.00	-
Advances	289,905.43	39,905.48
Industrial Development Board	-	559,050.00
Ministry of Rural Industries & Self Employment Promotion	385,592.00	1,261,092.00
Ministry of Economic Development(Chicken Coops)	-	506,063.38
Peshakarma	-	508,648.65
District secretariat	-	650,513.74
Staff Loan Account		
Distress Loan	4,433,649.84	4,243,024.33
Festival Advance	94,530.00	98,535.00
Special Advance	7,811.83	11,061.83
Bicycle Loan	30,680.00	10,750.00
	6,529,163.23	9,865,143.10

Note 05 - Prepayments

	31-12-2013 Rs.	31-12-2012 Rs.
Insurance	268,444.70	155,939.46
Contractual Services	22,289.00	64,417.55
License	35,324.10	56,568.28
Rent & Hire Charges	63,767.26	-
	389,825.06	276,925.29

Note 06 - Cash & Cash Equivalent

	31-12-2013 Rs.	31-12-2012 Rs.
National Design Centre Account - Head Office	2,621,776.25	621,692.69
for UNDP Project	662,764.67	4,391,905.76
National Design Centre Account Natharampotha	16,408.96	152,163.60
Design Consultancy Account	1,396,301.55	410,967.97
Design Education Account	656,686.37	3,095.40
Staff Loan Account	282,341.88	298,282.39
	5,636,279.68	5,878,107.81

Note 07 - Trade & Other Payables

	31-12-2013 Rs.	31-12-2012 Rs.
Audit Fees Payable	290,398.00	814,586.00
Suspense A/C	985.50	456,382.11
Industrial development Board	-	160,819.50
Prajasancharaka gammana	-	155,165.69
Thousand Village Programme	-	175,278.64
Course Fees Received in Advance	136,000.00	-
Design Consultancy Account		
Ministry of Cultural Affairs	-	56,500.00
Deposits	-	12,650.00
Refundable Deposit	-	50,000.00
I.R. Piyathilaka	-	297,412.00
Manjula	-	782,500.00
Sarath	79,500.00	79,500.00
	506,883.50	3,040,793.94

Note 8 - Cash Received as an Advance for UNDP Programme

(Special Project for Technical Development and Market Linkage support for selected weaver producer groups in Northern Province)

	31-12-2013 Rs.	31-12-2012 Rs.
Amount Received	1,407,500.00	4,807,000.00
Expenses	744,735.33	415,094.24
Balance in account to complete the project	662,764.67	4,391,905.76

Note 09 - Accrued Expenses

	31-12-2013 Rs	31-12-2012 Rs
Other Supplies	-	8,000.00
Common Facility Center	15,757.65	47,743.33
Telephone	55,476.24	42,725.07
Electricity	41,097.16	34,218.85
Training Programmer Income	-	1,560.00
Advertisement	-	97,104.00
News paper	4,110.00	2,080.00
EPF Payable	254,509.23	280,951.41
ETF Payabal	63,627.50	70,237.83
Water	15,349.24	13,897.68
Capacity Building	10,406.00	-
Rent & Hire Charges	27,500.00	83,387.00
New Design Exhibition	97,361.68	1,088,902.76
Over Time	107,545.78	120,552.52
Travelling	26,325.50	19,068.50
Printing of Annual Report	4,323.50	9,090.00
Craft training	5,462.50	32,557.41
Petty Cash & Miscellaneous	11,712.00	-
Transport	-	2,900.00
Other allowances	24,750.00	49,959.68
UNDP Programmer	-	12,280.64
Traditional Industries Village Program.	4,534.09	492.50
Office Equipment maintenance	11,000.00	-
Employee motivation program	62,500.00	-
Design Education Account		-
Lecture Fees	58,000.00	159,580.00
Allowance	18,875.00	3,000.00
Design Consultancy Account		-
Amila Rathnasuriya	8,750.00	-
Allowance payable on design development program	131,057.75	-
Overtime	19,952.07	-
Travelling Allowance	-	6,283.52
R.S.P Embroidery	-	15,000.00
Vistrart Graphic	-	126,500.00
D.P.Wickramaarachchi and Company	-	590,900.99
Balance B/F	-	100,438.00
	1,079,982.89	3,019,411.69

Note No.10**Gratuity Provision as at
31.12.2013**

	Emp. Name	Date Joined	Completed Years as at 31/12/2013	Salary	1/2	Gratuity Provision as at 31.12.2013 (6) = (3) x (5)
	1	2	3	4	5	
1	T. Asoka Thirimanna	26/09/1983	30	26,862.00	13,431.00	402,930.00
2	S.K Wimalasiri	1985-10-06	28	28,596.00	14,298.00	400,344.00
3	U.L Wickramarathna	1985-10-06	28	28,596.00	14,298.00	400,344.00
4	P.G. Gnanathilaka	1985-10-06	28	27,024.00	13,512.00	378,336.00
5	P. Dharmasena	24/06/1985	28	25,692.00	12,846.00	359,688.00
6	M. Hettiarachchi	27/09/1985	28	35,322.00	17,661.00	494,508.00
7	M.S Nalini	25/10/1985	28	28,596.00	14,298.00	400,344.00
8	G.D Premasili	25/10/1985	28	26,484.00	13,242.00	370,776.00
9	G. Vithana	1985-01-11	28	35,594.00	17,797.00	498,316.00
10	H.A. Premalatha	1985-01-11	28	25,704.00	12,852.00	359,856.00
11	Manel Bulathgama	1985-06-12	28	35,274.00	17,637.00	493,836.00
12	D. Dharmasiri	1986-10-06	25	24,249.25	12,124.63	303,115.63
13	D.P.G Hemachandra	1986-02-06	27	23,944.50	11,972.25	323,250.75
14	K.L.A Premalatha	22/09/1986	27	26,196.00	13,098.00	353,646.00
15	U.G.G. Amarathunga	26/10/1986	27	24,786.00	12,393.00	334,611.00
16	T.N Karunaratna	21/11/1986	27	27,228.00	13,614.00	367,578.00
17	H.M.A.U Shantha	1986-08-12	27	32,138.00	16,069.00	433,863.00
18	G.W. Ramyalatha	16/03/1987	26	27,162.00	13,581.00	353,106.00
19	I.R. Piyathilaka	17/06/1987	26	27,228.00	13,614.00	353,964.00
20	A.A Gamini	1987-01-09	26	43,530.00	21,765.00	565,890.00
21	D.J. Pieris	1987-11-11	26	36,334.00	18,167.00	472,342.00
22	M.A Somalatha	1988-01-03	25	41,550.00	20,775.00	519,375.00
23	W.A.P.K Wijesingha	1988-01-08	25	42,870.00	21,435.00	535,875.00
24	Palitha Pushpakumara	15/04/1988	25	25,296.00	12,648.00	316,200.00
25	W.A. Kulathilaka	1988-01-06	25	24,786.00	12,393.00	309,825.00
26	K.P.J. Perera	14/02/1989	24	24,960.00	12,480.00	299,520.00
27	B.K.K Perera	28/06/1989	24	24,756.00	12,378.00	297,072.00
28	Manel Rajapaksa	1989.09.06	24	31,994.00	15,997.00	383,928.00
29	U.A.LS.K. Jayathissa	1990-01-06	23	24,786.00	12,393.00	285,039.00
30	R.A.P Udayangani	20/02/1990	23	29,450.00	14,725.00	338,675.00
31	K.K.S.De Silva	15/08/1991	22	30,282.00	15,141.00	333,102.00
32	M.K Mahinda	1992-01-07	21	26,922.00	13,461.00	282,681.00
33	G.A.G Silva	22/03/1993	20	24,684.00	12,342.00	246,840.00
34	L.A Kularathna	1993-05-04	20	24,684.00	12,342.00	246,840.00
35	H.B.T Damayanthi	1994-03-01	19	38,250.00	19,125.00	363,375.00

36	B.K.A Rodrigo	15/06/1994	19	24,444.75	12,222.38	232,225.13
37	A.M.T.K Alagiyawanna	1996-02-05	17	23,795.00	11,897.50	202,257.50
38	B. Manathunga	1996-03-06	17	40,230.00	20,115.00	341,955.00
39	J.A.A.R.C Gunarathna	1996-01-07	17	43,290.00	21,645.00	367,965.00
40	D.M.A. Chandima	15/07/1996	17	26058.00	13,029.00	221,493.00
41	M.A.R.U. Gunarathna	16/07/1998	15	25,500.00	12,750.00	191,250.00
42	Susil Wijethunga	1998-01-09	15	23,197.00	11,598.50	173,977.50
43	W.M. Piyarathna	1999-04-01	14	34296.00	17,148.00	240,072.00
44	R.M. Vijitha Bandara	1999-01-06	14	33,420.00	16,710.00	233,940.00
45	B. Suhath Rohana	16/08/1999	14	23,746.37	11,873.19	166,224.59
46	S.S Weerasuriya	2000-01-02	13	25,242.00	12,621.00	164,073.00
47	H.T. Dinesh Silva	2000-01-02	13	25,387.00	12,693.50	165,015.50
48	C.K.Kalansooriya	2000-01-02	13	25,616.00	12,808.00	166,504.00
49	P.B. Piyawathi	2000-01-02	13	23,484.50	11,742.25	152,649.25
50	N.D.H Mohotti	2000-01-02	13	21,743.52	10,871.76	141,332.88
51	K.R. Kumara	2000-01-02	13	22,898.00	11,449.00	148,837.00
52	Prashantha Kirthichandra	13/12/2000	13	29,388.00	14,694.00	191,022.00
53	P. C. J. De Silva	15/08/2005	8	31,230.00	15,615.00	124,920.00
54	G.C.N. Perera	15/08/2005	8	28,788.00	14,394.00	115,152.00
55	V.G.B.D. Weeranayaka	15/08/2005	8	27,384.00	13,692.00	109,536.00
56	S.W.Vijithani	25/10/2005	8	27,384.00	13,692.00	109,536.00
57	B. R. Ranaweera	15/02/2006	7	37,368.00	18,684.00	130,788.00
58	R. M .Gamini Rathnayaka	2007-12-12	6	21,759.50	10,879.75	65,278.50
59	J . Sunil Shantha	01/01//2008	6	21,759.50	10,879.75	65,278.50
60	I. A. kleetas Asanga	15/02/2008	5	23,317.75	11,658.88	58,294.38
61	M. T. T. Jayawardana	15/02/2008	5	22,984.25	11,492.13	57,460.63
62	T. C. Wijerathna	2008-03-03	5	29,258.00	14,629.00	73,145.00
63	K. A. T. Chandrasekara	2008-01-07	5	28,788.00	14,394.00	71,970.00
64	M. A. D. P. Kithsiri	15/07/2008	5	22,984.25	11,492.13	57,460.63
65	M. T. R. Pranandu	2008-01-09	5	21,759.50	10,879.75	54,398.75
66	D. M. Ramani Pushpalatha	2008-05-09	5	21,891.50	10,945.75	54,728.75
						17,827,731.85
	<u>Less:</u> <u>Gratuity Payments</u>					
1	G.D Premasili	25/10/1985	28	26,484.00	13,242.00	370,776.00
2	H.A. Premalatha	1985-01-11	28	25,704.00	12,852.00	359,856.00
3	B. Suhath Rohana D. M. Ramani	16/08/1999	14	23,746.37	11,873.19	166,224.59
4	Pushpalatha	2008-05-09	5	21,891.50	10,945.75	54,728.75
						951,585.34
	Total Gratuity					16,876,146.51

* D. Dharmasiri - nopay 3Year

Note 11 - Deferrd Dpriciation

Deferred Revenue Income		
<u>Capital Grant</u>	Rs	Rs
Previous Years	30,802,400.00	15,390,046.88
Current Year	4,990,000.00	19,300,000.00
	35,792,400.00	34,690,046.88
<u>Less</u>		
Capacity Building	2,154,993.97	-
	33,637,406.03	-
<u>Less</u>		
Deferred Depreciation	(6,370,043.84)	(2,877,571.04)
Deferred Revenue Income	27,267,362.19	31,812,475.84

Capital Grant given by Treasury has been disclosed as deferred income in the Balance Sheet and it has been recognised as income based on depreciation rates on 2013

Note 12 - Accumulated Profit

	31-12-2012 Rs.	31-12-2012 Rs.
B/F Accumulated Profit	6,379,355.89	8,865,075.95
(+) Prior year Adjustment	2,079,398.03	1,752,115.98
(-) Prior year Adjustment	(2,230,699.64)	(601,723.81)
	6,228,054.28	10,015,468.12
Surplus/ Deficit for the Year	3,157,429.12	(3,636,112.23)
C/F Accumulated Profit	9,385,483.40	6,379,355.89

Note 13**Treasury Grant Recurrent**

	2013	2012
	Rs.	Rs.
January	3,150,000.00	2,690,000.00
February	3,440,000.00	2,950,000.00
March	3,100,000.00	2,890,000.00
April	3,000,000.00	2,190,000.00
May	2,800,000.00	3,570,000.00
June	3,400,000.00	3,190,000.00
July	2,526,000.00	3,100,000.00
August	3,800,000.00	2,440,000.00
September	3,267,550.00	2,714,000.00
October	3,222,550.00	3,711,000.00
November	3,853,550.00	2,220,000.00
December	6,146,550.00	4,693,000.00
	41,706,200.00	36,358,000.00
Treasury Grant Capital		
	2013	2012
	Rs.	Rs.
Treasury Grant cash	4,990,000.00	3,150,000.00
Treasury Grant Vehicle	—	16,150,000.00
	4,990,000.00	19,300,000.00

Note 14**Other Income**

	Note	31-12.2013 Rs	31-12.2012 Rs
Training Programmers Income		999,822.00	527,644.00
Levy on Private use of vehicles		9,600.00	9,000.00
Recovery on No Pay		86,392.95	173,152.92
Telephone Usage		-	277.08
Received insurance claim		(23,823.92)	26,292.51
Miscellaneous		377,012.00	165,394.50
Profit & Loss (Sub note 01)	14.1	265,012.79	97,410.44
UNDP Programmer income Stage - 1	14.2	1,879,759.32	-
Grant from Ministry		100,000.00	381,800.00
Design Education Account			
Design College Registration Fees 2011-2013		-	6,000.00
Design College Fees 2010-2012		-	41,880.00
Design College Fees 2011-2013		185,500.00	312,000.00
Design College Registration Fees 2011-2013 Weekend course		-	20,000.00
Design College Fees 2011-2013 Weekend Course		150,000.00	270,000.00
Design College Fees 2013-2014		1,028,000.00	-
Application Fees		8,200.00	-
Design Consultancy income			
Design Consultancy Income		409,087.16	175,138.40
Laksala Project		197,005.18	
Plant container Income	14.3	(8,924.28)	(331,060.52)
Divi Neguma Programme		1,119,867.00	2,161,169.06
Chicken Coops		-	(76,145.50)
Interest Income		185,670.00	174,572.82
		6,968,180.20	4,134,525.71

Sub Note 14.1

National Design Centre

Statement of Profit & Loss Account for the Year end 31.12. 2013

	Note	31-12-2013 Rs	31-12-2012 Rs
Income (sales)		449,444.75	304,518.71
Cost of Sales (Note1.1)	13.1.1	202,369.96	231,264.27
Gross Profit		247,074.79	73,254.44
Common facility center income		17,938.00	24,156.00
Total Profit		265,012.79	97,410.44

Note14- 1-1 - Cost of sale

		31-12-2013 Rs	31-12-2012 Rs
<u>Raw Material</u>	-		
Opening Stock (1st January 2013)		170,825.88	131,595.67
Purchases		264,917.97	350,787.05
		435,743.85	482,382.72
<u>Less</u>	-		
Closing Stock 31st December 2013		165,510.03	170,825.88
Material Consumed		270,233.82	311,556.84
<u>Finished Good</u>	-		
Opening Stock 1st January 2013		2,150,927.22	2,070,634.65
Material Consumed		2,421,161.04	311,556.84
Purchases		2,421,161.04	2,382,191.49
<u>Less</u>	-		
Closing Stock 31December 2013		2,218,791.08	2,150,927.22
Cost of Sales		202,369.96	231,264.27

Sub Note 14.2

UNDP Programmer income Stage - 1	14.2	1,856,781.32
<u>Add</u>		
Gross Profit	14.2-1	22,978.00
		<u>1,879,759.32</u>
<u>UNDP -Sales</u>	14.2-1	
Sales		121,875.00
Less Cost of Sales		
Purchases		169,032.00
Less: Closing Stock		70,135.00
		<u>98,897.00</u>
Gross Profit		<u>22,978.00</u>

Sub Note 14.3

Plant Container Income		
	31.12.2013	31.12.2012
	Rs.	Rs.
Income	144,500.00	1,590,320.00
Less: Cost of Plant containers sold		
Opening stock	144,500.00	325,000.00
Production cost		1,705,700.00
Less: Closing Cost		144,500.00
Cost of Sales	144,500.00	1,886,200.00
Gross Income	-	(295,880.00)
Less Other Expenses	8,924.28	35,180.52
	<u>(8,924.28)</u>	<u>(331,060.52)</u>

Note 15**Personal Emoluments**

		31 . 12. 2013 Rs.	31 . 12. 2012 Rs.
Salaries & Wages		24,829,811.99	23,124,169.20
EPF		2,944,572.17	2,392,408.91
ETF		736,157.71	689,369.91
Over time		1,184,780.41	1,071,400.31
Other Allowances		586,328.14	611,215.50
		30,281,650.42	27,888,563.83

Note 16**Travelling Expenses**

		31 . 12. 2013 Rs.	31 . 12. 2012 Rs.
Domestic		366,785.44	330,513.73
Foreign		279,352.50	207,177.15
		646,137.94	537,690.88

Note 17**Supplies**

		31 . 12. 2013 Rs.	31 . 12. 2012 Rs.
Stationery & Office Requisites		334,860.96	562,736.11
Fuel Expenses		334,220.00	260,399.25
Uniforms		70,146.00	71,568.00
Medical		3,896.00	7,149.00
		743,122.96	901,852.36

Note 18**Maintenance**

		31 . 12. 2012 Rs.	31 . 12. 2012 Rs.
Vehicle maintenance		357,643.80	364,529.01
Building maintenance		172,586.45	32,525.00
Plant & Machinery		9,575.00	16,784.00
Office Equipment		223,676.50	333,955.19
		763,481.75	747,793.20

Note 19**Contractual Services**

	31 . 12. 2013 Rs.	31 . 12. 2012 Rs.
Transport & Hire charges	747,639.00	619,557.50
Telephone charges	494,583.20	460,329.10
Postage	46,468.00	38,071.00
Electricity & water	908,295.40	753,874.30
Rates & Taxes	67,230.00	-
Research Programmer for Raw Material	-	50,000.00
Craft training	621,371.60	1,147,241.56
New Design Exhibition & Young Design Exhibition	2,166,616.51	1,863,270.51
Other Exhibition	199,308.12	350,197.31
Pest Control Service	715.00	-
Market Promotion	130,930.50	38,394.00
Craft Directry	-	18,537.50
Developing Web site	-	165,324.50
Design Showroom	-	957,836.21
Yalpanam Festival & Trade Fair	-	543,939.88
Staff Training	60,120.00	112,824.50
Audit fee	190,848.00	164,976.00
Legal fees	8,400.00	7,000.00
Sanitary & Cleaning	93,517.00	65,204.87
Advertisement	-	165,200.00
Petty Cash & miscellaneous	84,679.00	126,191.98
Bank Charges	19,755.00	12,910.00
Translation	-	17,115.50
News Paper	34,395.00	33,270.00
Contractual services (Service agreement)	94,402.55	97,259.06
Insurance	335,350.82	194,621.99
Vehicle License	97,144.18	24,701.84
Semi lacxcery tax	20,000.00	40,876.63
Printing Annual Reports	235,380.00	199,123.00
Meetings with clients	255,203.00	260,240.00
Fuel Allowances	994,858.26	404,689.65
Board Director fee	18,000.00	16,500.00
Board Member Fee	90,000.00	170,000.00
Audit & Management m. g. t.	68,000.00	79,000.00
Design Catalogue	140,224.00	-
Interview	53,394.00	-
Training Programmer & Exhibition on Dayatakirula	406,243.52	-
Traditional Industries Village programs	-	6,216.23
Web Hosting Charges	23,940.00	-
	8,707,011.66	9,204,494.62

Note 20**Depreciation**

		31 . 12. 2013 Rs.	31 . 12. 2012 Rs.
Building		601,868.30	622,783.20
Machinery		373,490.25	361,568.50
Office Equipment		347,606.21	334,992.44
Furniture & Fittings		273,732.67	211,497.15
Tools		19,810.26	6,972.00
Library Books		75,804.43	69,920.45
Computer		896,985.10	670,966.82
Vehicle		3,792,423.64	611,436.00
		6,381,720.86	2,890,136.56

Note 21**Other Expenses**

		31 . 12. 2012 Rs.	31 . 12. 2012 Rs.
Design Education Account			
Education Activity		653,945.02	390,066.75
Other		29,932.01	14,624.00
Design Consultancy Account			
Divi Neguma Programme		1,119,258.59	2,161,169.28
Other Expenses		28,503.50	1,500.00
		1,831,639.12	2,567,360.03



විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அறிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No.

විසි1/ජ/එන්ඩීසී/1/13/01

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

2015 මැයි 26 දින




සභාපති,

ජාතික මෝස්තර මධ්‍යස්ථානය.

ජාතික මෝස්තර මධ්‍යස්ථානයේ 2013 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳව 1971 අංක 38 දරන මුදල් පනතේ 14(2)(සී) වගන්තිය ප්‍රකාරව විගණකාධිපති වාර්තාව.

මගේ සමාංක හා 2015 පෙබරවාරි 16 දිනැති ලිපියට යොමුවේ.

02. ඉහත සඳහන් ලිපිය සමග එවන ලද මාගේ වාර්තාවේ ඉංග්‍රීසි අනුවාදය මේ සමඟ එවා ඇත.


 ඩබ්ලිව්. පී. සී. වික්‍රමරත්න
 විගණකාධිපති (වැඩ බලන)

- පිටපත් -
1. ලේකම් - සංචාරක සහ ක්‍රීඩා අමාත්‍යාංශය.
 2. ලේකම් - මුදල් අමාත්‍යාංශය.



විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அபிவிதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல. }
My No. }

TC1/A/NDC/1/13/01

ඔබේ අංකය
உமது இல. }
Your No. }

දිනය
திகதி }
Date }

16 February 2015

The Chairman,
National Design Centre.

Report of the Auditor General on the Financial Statements of the National Design Centre for the year ended 31 December 2013 in terms of the Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of financial statements of the National Design Centre for the year ended 31 December 2013 comprising the statement of financial position as at 31 December 2013 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 Section 13(1) of the Finance Act, No. 38 of 1971 and Section 84(3) of the Affiliated Crafts Councils Act, No.35 of 1982. My comments and observations which I consider should be published with the Annual Report of the Centre 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 was furnished to the Chairman of the Centre on 23 June 2014.

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.

The Chairman,
Marine Environmental Protection Authority



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 judgment, 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 Centre'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 Centre'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. 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.

1.4 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 for the effects 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 the National Design Centre as at 31 December 2013 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) Credit balances amounting to Rs.2,079,398 consisting of accrued expenses amounting to Rs.751,823 , creditors balances amounting to Rs.893,220 and balances in suspense amounting to Rs.434,307 and debit balances amounting to Rs.2,230,700 consisting of debtors balances amounting to Rs.1,223,410 , advances amounting to Rs.644,453 and balances receivable amounting to Rs.362,856 relating to preceding years had been adjusted to the Accumulated Fund as at the end of the year under review without being brought to account as restatements according to the retrospective applications or retrospective effects.
- (b) Even though depreciating an asset commences from the date on which it is made fit for use, according to the accounting policy of the Centre, assets are not depreciated in the year of purchase and as such the provisions for depreciation had been understated.

2.2.2 Accounting Deficiencies

Provision had not been made for the audit fees payable for preceding years amounting to Rs.533,900 and the audit fees payable for the year under review.

2.2.3 Unreconciled Control Accounts

The following observations are made.

- (a) A difference of Rs.7,482,770 existed in relation to 04 Fixed Assets Accounts according to the accounts and the Verification Reports and the reasons for the difference had not been furnished to audit.



- (b) A difference of Rs.31,781 was revealed between the balance of the staff loans and the Individual Loan Accounts as at 31 December 2013.
- (c) Even though the value of motor vehicles had been shown as Rs.21,895,563 in the financial statements, the value thereof according to the Reports of the Board of Survey amounted to Rs.19,915,471. As such a difference of Rs.1,080,092 existed.

2.2.4 Transactions not Supported by Adequate Authority

Debtors balances totaling Rs.1,734,890 and creditors balances totaling Rs.1,103,346 brought forward over a long period had been treated as balances that cannot be identified and written off from the books in the year under review without formal authority.

2.3 Account Balances Receivable and Payable

The following observations are made.

- (a) According to the financial statements presented by the Centre, the total of the Trade and Other Accounts Receivable for the year under review amounted to Rs.6,532,740 and a sum of Rs.233,255 had been balances older than 05 years.
- (b) The Trade and other Accounts Payable of the Centre for the year under review totaled Rs.505,398 and a sum of Rs.290,398 out of that had been balances older than 05 years.



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

The following non-compliances were observed.

Reference to Laws, Rules, Regulations, etc.,	Non-compliance
(a) Establishments Code of the Democratic Socialist Republic of Sri Lanka Chapter XIV Section 28	Reimbursement of travelling expenses should be obtained by submitting an application within 30 days after the completion of duty travel and a surcharge should be imposed on applications not complying with the requirement. Nevertheless, a travelling claim totaling Rs.12,379 delayed for more than 03 months had been treated as a special case and paid without imposing the surcharge.
(b) Financial Regulation 396 of the Democratic Socialist Republic of Sri Lanka	Action in terms of the Financial Regulation had not been taken on 03 cheques totaling Rs.5,286 deposited but not realized.
(c) Treasury Circular No. 842 of 19 December 1978	A Register of Fixed Assets had not been maintained for buildings valued at Rs.19,842,682.



3. Financial Review

3.1 Financial Results

According to the financial statements presented for the year under review, the overall working of the Centre had resulted in a surplus of Rs.3,157,429 as against the deficit of Rs.6,513,683 for the preceding year, thus indicating an improvement of Rs.9,671,112 in the financial results. The increase of the recurrent grants and capital received from the Treasury as compared with the preceding year, by Rs.5,348,200 and Rs.2,172,637 respectively had been the main reasons for the improvement of the financial results.

4. Operating Review

4.1 Performance

The following observations are made.

(a) The Centre has 10 designers and each designer had been given a target of making 05 designs per month. Out of the 705 designs completed during the year under review, 507 had been issued to the workshop while 198 had been issued to external designers. A methodology had not been introduced to take follow up action in connection with implementation of programmes to popularize the designs among the craftsmen. The measurement of the extent of productivity accruing to the country from the new designs had become problematic.

(b) Physical Progress

Out of the 03 courses planned to be conducted in the year under review, 02 courses had not been conducted. The new designs presented under providing market facilities for new designs had achieved only about 58 per cent while the handicraft designs and the designers had not been done as planned. Out of the targets set for the supply of designs advisory services only 50 per cent had been achieved. As such, out of the total of 05 programmes targeted in the Annual Action Plan, the expected targets of 03 programmes had not been achieved.

4.2 Management Inefficiencies

The following observations are made.

(a) New Showroom – Battaramulla

Even though one of the primary objectives of the Centre is the popularization of new designs, the new showroom at Battaramulla had been opened on 28 November 2011 by spending a sum of Rs.2,853,627. As the showroom had been closed down from the preceding year, the goods valued at Rs.998,400 from a private institution received in the year 2011 and 338 design samples valued at Rs.250,024 sent by the Nattarampotha Branch had been stacked in different places in the Head Office. Those goods remained idle without being used even by 30 May 2014. The expected objectives had not been achieved.

(b) Construction of Chicken Pens Under the Divineguma National Project

Contrary to the objectives of the Centre and on the instructions of the Ministry of Economic Development and the Line Ministry an agreement had been entered into with a supplier in Kandy for the construction and supply of 67 chicken pots valued at Rs.2,074,474. Accordingly, 15 model chicken pots had been constructed, but the Centre had not taken action for the takeover of those chicken pots. The contractor had sent a letter of demand to the Centre informing that Court action will be taken for the loss of Rs.3,621,895 incurred in this connection.

4.3 Idle and Underutilised Assets

The following observations are made.

- (a) Even though the Centre and the Sri Lanka Tourism Development Authority had jointly constructed a common facilities centre and a rest room at the Nattarampotha Kalapura and purchased machinery for the Centre at a cost of Rs.68,470,615 and handed over to Crafts Society, those remained idle without being used over a period of 04 years.



- (b) Even though a sum of Rs.1,008,576 had been spent on the construction of the car park, playground and the Parapet Wall of the Common Facilities Centre of the Kalapura Village, those remained idle without being used for any purpose. Even though 20 feet of the Parapet Wall constructed near the car park and the playground had broken down over 04 years ago, action had not been taken to repair the wall.
- (c) As an officer had not been appointed to the laboratory of the Nattarampotha Branch, 79 inventory goods valued at Rs.145,089 and 48 kinds of chemicals valued at Rs.47,074 remained idle from the beginning of the year 2010 up to the end of the year 2013.

4.4 Staff Administration

A reconciliation of the approved and the actual staff of the Centre as at 31 December 2013 revealed 05 excess staff and 36 vacancies and the Centre had failed to fill those vacancies six non-substitute employees not belonging to the approved staff deployed in service had been paid a sum of Rs.1,930,500 as salaries and allowances during the year under review.

5. Accountability and Good Governance

5.1 Action Plan

Even though an Action Plan had been prepared, the Centre had failed to implement several targeted training programmes during the year under review.

5.2 Budgetary Control

Variances ranging from 12 per cent to 100 per cent were observed between the budgeted and the actual income and expenditure, thus indicating that the benefit had not been made use of as an effective instrument of financial control.



Systems and Controls

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

- (a) Accounting
- (b) Fixed Assets
- (c) Financial Control

W.P.C. Wickramaratne
Acting Auditor General