

MANAGEMENT SUMMARY

The Lideke Wery Educational Institute aims to provide top quality education for Sri Lankan youth, using modern teaching methods and resources. The LWEL wants to be an inspiring environment with a well-qualified and continuously developing staff. The Institute encourages its students to work towards mutual respect between the local community and school. Above all, our focus is to help deprived young people with their personal development and skills because every student could be the leader of tomorrow. We want to express our gratitude to the Lideke Wery Foundation. Without their continuous support we would not be able to achieve our goals.

The year 2016 has been a very special year for the Lideke Wery Educational Institute because we celebrated the 10th anniversary of the institute. Some other highlights of the year included a visit by the chairman of our board of directors, Dr. Cabral. Furthermore the annual teacher's day was organized by the students on which they showed appreciation to the effort of the teachers. Finally, 'Our Day' was held and students performed various plays, dramas, dances and songs.

Still being able to provide high qualified education to Sri Lankan youth, after ten years since the beginning of the institute in 2006, makes us very proud. In the ten years since we started the institute we have developed into one of the best educational institutes of the Southern Province. But besides our success we also realize how much need there still is for good education in this area.

This is one of the reasons we continued with providing free education for all our courses in 2016. By doing this we were able to keep our focus on financially underprivileged youngsters in Induruwa and area. Again, this resulted in a high number of students who registered for the courses and a very high class occupation. As the number of students who registered themselves for courses was higher than the capacity of students we can have, we even had to create a waiting list.

The collaboration with the British Council was extended during 2016. By the end of 2016 we were able to get customized certificates with the Lideke Wery logo. As the British Council is one of the highest qualified institutes for learning English both nationally as internationally, this fits very well within our mission of providing top quality education.

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CHAIRMAN'S STATEMENT



First of all the good news is that also for this year it has been possible, with the support of the Lideke Wery Foundation from the Netherlands and its donors, to offer the ICT and English courses free of charge for the second consecutive year. Again, this showed the great success of enrolment of students up to the maximum occupancy rate possible.

As mentioned in the statement of last year, 2016 is a very special year for the institute and the foundation in the Netherlands. The 10 years existence of the institute was celebrated in May and many students, parents and the ambassador of the Netherlands for Sri Lanka as well as all the directors of the Sri Lankan board of Lideke Wery Educational Institute participated. It is a great achievement of all who have been involved in these years, that after 10 years the institute is still present with an excellent reputation in the area. All the board directors in The Netherlands and Sri Lanka, as well as all the interns, project coordinators and the staff members, teacher trainers, consultant and others who supported the institute have voluntarily contributed to the success of the institute where more than 2500 students from financially underprivileged families had the opportunity to obtain a highly recognized certificate in ICT and/or English.

Also, this year the institute has been so fortunate to have the support of three Dutch project coordinators who decided to spend their valuable time after their university studies to further improve the quality in all we offer in the institute. It is a great pleasure to work with these young, energetic and dedicated people. By visiting the institute during every batch to give a lecture for the students, it is obvious that all the staff members are so very much dedicated to the institute and the students. It looks more like a family run institute. This is reflected in the number of participating students, the excellent results, the low drop-out rates and the joy that it is giving to all.

The results of the exams show amazing numbers. The passing rates for ICT and English for almost all batches are 95 to 100 percent. With the obtained certificates the students are offered much better chances on the labour market or access to higher or further education.

After some changes in the previous year on the examinations of English, it was decided to make a final choice for the Aptis online examination from the highly respected institute the British Council. After the exam the students get a certificate on which is exactly shown which level the student has in vocabulary & grammar, reading, writing, speaking and listening of the English language.

Next to the ICT and English courses the staff organizes together with the project coordinators, training programs on CV writing and facing recruitment interviews for the students who will start looking for a job after their classes in the institute. This training has been highly appreciated by the students.

Another goal of the institute is not only to provide the students with more knowledge, but also to make them aware of the social responsibilities and obligations as citizens. Accordingly all students are encouraged to organize a community activity to show their commitment and gratitude to the community.

Unfortunately, there were some changes in the staff due to resignations. We could attract a new well trained young teacher to fill one position. The other vacancy has been temporarily filled, for good reasons. Due to many applications for the ICT course, the staff has been expanded with one recently graduated ICT teacher.

The Dutch consultant of the institute Mr. Ron Wilke has informed the board of directors that after 10 years he would like to resign from the beginning of next year and will start enjoying his retirement. He has been of great value to the institute and made it possible that after 10 years the institute still blossoms to the fullest. At the same time the board of directors appreciates the cooperation and support rendered by Mrs. Yvonne Wilke in all activities throughout the last ten years. We welcome warmly the successor Mr. Joris van Nederveen, who will start his duties in the third month of next year.

The future of the institute looks very bright and there is a lot of confidence in the abilities of the headmaster to run the day to day business of the institute. When all involved in the success of the institute will cooperate in a constructive way, like they have been doing in the last ten years and what is appreciated very much, the institute will still exist in another 10 years as a highly reputed educational organization in Sri Lanka.

Ranjith Cabral, Ph. D.

Chairman Lideke Wery Educational Institute

1. COMPANY OVERVIEW

The Lideke Wery Educational Institute (LWEI) was founded in memory of Lideke Wery. Lideke Wery worked for Ebbinge & Company in the Netherlands. During her honeymoon in Thailand, she died in the tsunami on December 26th, 2004. This beautiful 30 year old person was very sympathetic towards people's development. In her honour, Lideke's colleagues and her husband initiated the Lideke Wery Foundation (LWF) in the Netherlands. The main objectives of LWF are:

- Keeping the memory of Lideke alive
- Supporting the development of people in the tsunami-struck area



MS. LIDEKE WERY

The Lideke Wery Foundation initiated the formation of an institute in Induruwa, Sri Lanka; the Lideke Wery Educational Institute. Since May 2007 this institute is located in Induruwa and since October 2007 it is registered as a non-profit making company. The institute is mainly involved in providing English and ICT education at low costs.

OUR MISSION

The Lideke Wery Educational Institute aims to provide top quality education for Sri Lankan youth, using modern teaching methods and resources. The LWEI wants to be an inspiring environment with a well-qualified and continuously developing staff. The Institute will encourage its students to work towards mutual respect between the local community and school. Above all, the education at the Institute should be affordable for all local youth.

2. THE BOARD OF DIRECTORS

In 2016, the board of directors of the Lideke Wery Educational Institute consisted of the seven persons mentioned below.



Dr. R. Cabral
Chairman



Mr. V.P. de Silva
Director



Mr. L.J.M. Pieries
Director



Ms. I.N. van 't Hoff
Director



Mr. S. van der Wielen
Director



Mr. J.J. Bijlsma
Director



Mr. T.D.H. Lokuge
Director

The board of members of the Lideke Wery Educational Institute consists of the following persons: Mrs. A.M.C. Gunasekera and Mrs. P. Srilayatha Ranaweera.

REMUNERATION TO THE DIRECTORS

The directors do not receive any remuneration for their work in the company.

DIRECTORS' INTEREST WITH THE CONTRACT OF THE COMPANY

The directors do not have any personal interest in the company. Mrs. A.M.C. Gunasekera and Mrs. P. Srilayatha Ranaweera signed the foundation contract of the company.

3. THE YEAR IN REVIEW

The year 2016 was an interesting and successful year for the Lideke Wery Educational Institute; with the celebration of the ten years existence of the institute in May as the highlight of the year. This chapter provides an overview of all activities that took place in 2016.

JANUARY

04 th	New Year celebration
04 th - 08 th	Registering of new students and placement tests
11 th	Start of batch I with first day presentation
12 th	First day of classes of batch I
14 th	First parents' day of batch I



New Year celebration



First Day Presentation

FEBRUARY

No events were held in February

MARCH

14 th - 18 th	Mock exams for ICT & English courses
16 th	Community day project batch I
26 th	Certificate ceremony of batch III, 2015
14 th - 18 th	Mock exams for ICT & English courses
26 th - 31 st	Second parents day of batch I



Certificate Ceremony



Community Day Project



APRIL

5th

Visit Dr. Chabral

11th - 15th

Annual staff leave

18th

New Year ceremony

23rd - 24th

Final exams Application Assistant

28th - 29th

Final exams English courses



Visit Dr. Cabral

MAY

2nd - 6th

Registering of new students and placement tests

16th

10th Year anniversary

17th

Start of batch II with first day presentation

28th

First parent's day of batch II



10th Year Anniversary

JUNE

24th

Community Day Project

25nd

Certificate Ceremony Batch I, 2016



Certificate ceremony of batch I, 2016

JULY

13th - 15th

Mock exams for ICT & English courses

22nd

Second parents' day of batch II

AUGUST

6th

CV & Interview training

13th

Final exams Application Assistant

18th - 19th

Final Exams English courses

22nd - 26th

Staff annual leave

29th - 31st

Registering of new students and placement tests



CV and Interview training (batch III, 2016)

SEPTEMBER

1st-2nd

Registering of new students and placement tests

5th

Start of batch III with first day presentation

6th

First day of classes of batch III

10th

First parent's day of batch III



First day presentation



First parents' day

OCTOBER

6th

Teachers Day

19th

Visit Dr. Cabral



Teachers Day

NOVEMBER

14 th	Mock exams for ICT & English courses
19 th	Board meeting in Colombo
25 th	Second parent's day of batch III

DECEMBER

02 th	Our Day
03 rd	CV & Interview training
5 th	Sinterklaas celebration
7 th	Dutch day
22 nd - 23 rd	Final exams English Courses
24 th -25 th	Final exams Application Assistant
26 th - 01 st	Annual staff leave



Our Day



Sinterklaas celebration

4. HUMAN RESOURCES

STAFF CHANGES

There have been some changes in the staff in 2016. English teacher Hasanthi Jayawardane resigned from the institute at the 31st of August. English teacher W.D. Chathurika resigned on December 31st, 2016. Therefore, new teachers were recruited: Pawani Liyanage started in May as an English teacher. Both Maduka Virajani (January 2016) and Chandana Jasayasekara (May 2016) started as IT teachers. Taniya Chamindi was recruited as a teacher trainee from August 2016.

OVERVIEW OF THE STAFF



Dinesh Abeynayake
Headmaster
Since December 2009



Akushla Jinappriya
Administrator
Since January 2007



Maduka Virajnini
ICT teacher
Since January 2016



**Chandana
Jasayasekara**
ICT teacher
Since May 2016



Pawani Liyanage
English teacher
Since May 2016



Taniya Chamindi
English teacher
Since August 2016



Subadra Wijehewa
Caretaker
Since July 2013



Hasanthi Jayawardane
English teacher
October 2011 – August
2016



W.D. Chathurika
English teacher
January 2011 –
December 2016

PROJECT COORDINATORS

Every batch, a project coordinator from the Netherlands visits the Lideke Wery Educational Institute to support the management of the institute's day to day activities and to teach the Achiever class. The coordinator is a student attending a Dutch university or a recent graduate who works for the institute on a charitable basis. In addition to their support for the daily management and their teaching, the coordinators work on one or more specific project(s) or assignment(s) for the institute. Below an overview of the project coordinators that worked at the institute in 2016 is provided.



Koen Bressers
December 2015 – May
2016



Sabrina Habes
September– December
2016



Aniek Meijer
December 2016 – April
2017

ADDITONAL STAFF

During the third batch of 2016, the chairwoman of the Lideke Wery Foundation from the Netherlands was present at the school. She was mainly involved in finding a successor for Ron Wilke. Besides this she trained the staff in improving their English language skills. Furthermore, she supported the staff and school where needed.



Irene van 't Hoff
Chairwoman LWF

October– December 2016

5. PERFORMANCE

The performance of the Lideke Wery Educational Institute is measured by the class occupation per batch, the drop-out rate per batch and the exam pass rates per batch.

CLASS OCCUPATION PER BATCH

Per batch, we have set maximum capacity per class to ensure sufficient individual attention for our students. Based on the maximum students per class and the availability of our teachers, the total capacity is calculated. Based on this capacity, the occupation rates are calculated below.

Total capacity was calculated based on the following assumptions.

- Every English teacher can take a maximum of three classes of 1 hour and 45 minutes per day; except for new teachers whom can only teach two classes a day during their first batch.
- Every ICT teacher can take one class of 3.5 hours per day;
- The project coordinator (if available for that batch) teaches the Achiever class(es);
- Every English class has a maximum of 14 students;
- Every ICT class has a maximum of 14 students.
- In batch II, the batch that is typically the least busy, English teachers teach only one or two classes instead of three, so they have some extra time to develop themselves and to prepare extra classes for the other batches, in which their time is limited.

The following table shows the capacity of 2016 for the different courses.

Course	Max. students per class	Number of classes			Capacity		
		Batch			Batch		
		I	II	III	I	II	III
Foundation, access, achiever	14	8	6	6	112	84	84
ICT	14	1	1	2	14	14	28
		Total capacity			336		
		ICT capacity			56		
		English capacity			280		

Some comments with regard to this table:

- In batch I and II, one IT class was taught, in batch III, two IT classes were taught.
- In batch II, a new English teacher started which means that she could only take two classes; due to the low number of students she took only one class.

- In batch II there was no project coordinator available, the achiever class was taught by one of the English teachers.

This leads to a total capacity of 280 students for English courses and 56 students for ICT courses in 2016, which comes to a total capacity of 336 students for the year of 2016.

The graphs below respectively show the occupation for the English and ICT classes, and the total occupation. In figure three 'courses' is shown instead of 'number of students' because in some cases students were allowed to follow multiple courses at the same time.

FIGURE 1: ENGLISH CLASS OCCUPATION

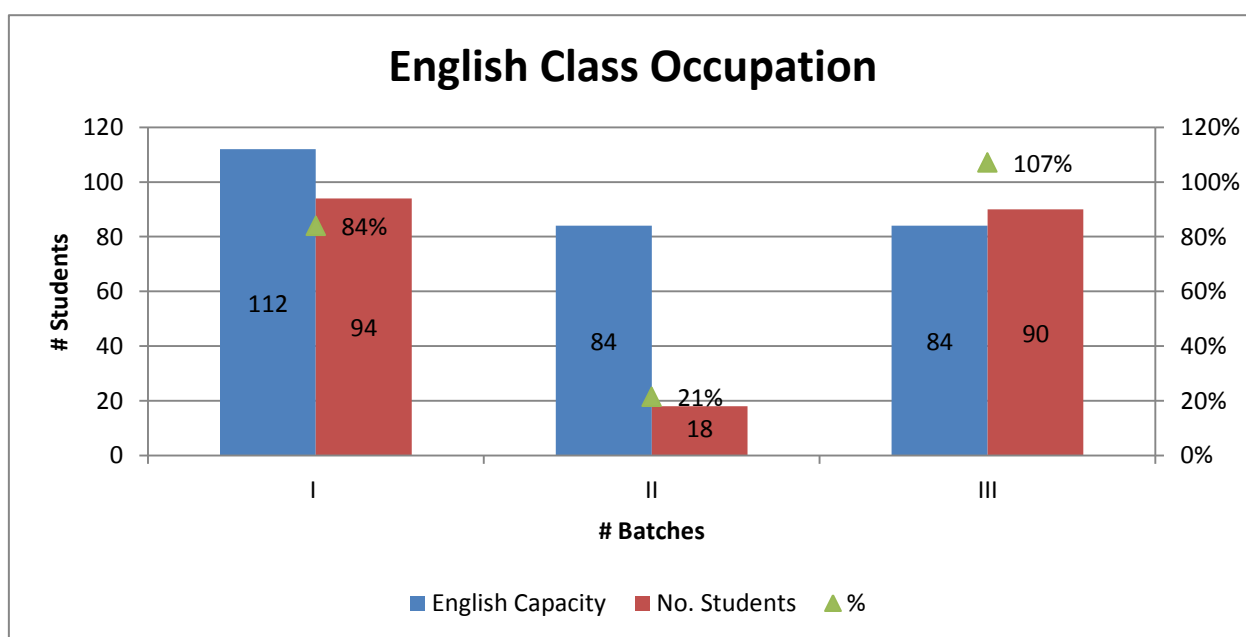


FIGURE 2: ICT CLASS OCCUPATION

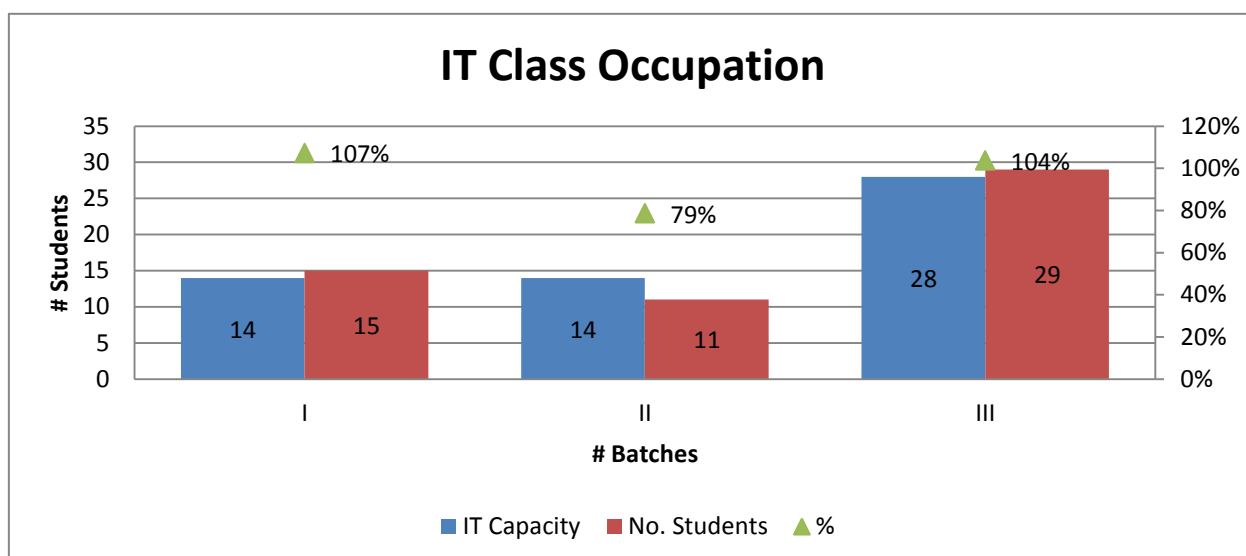
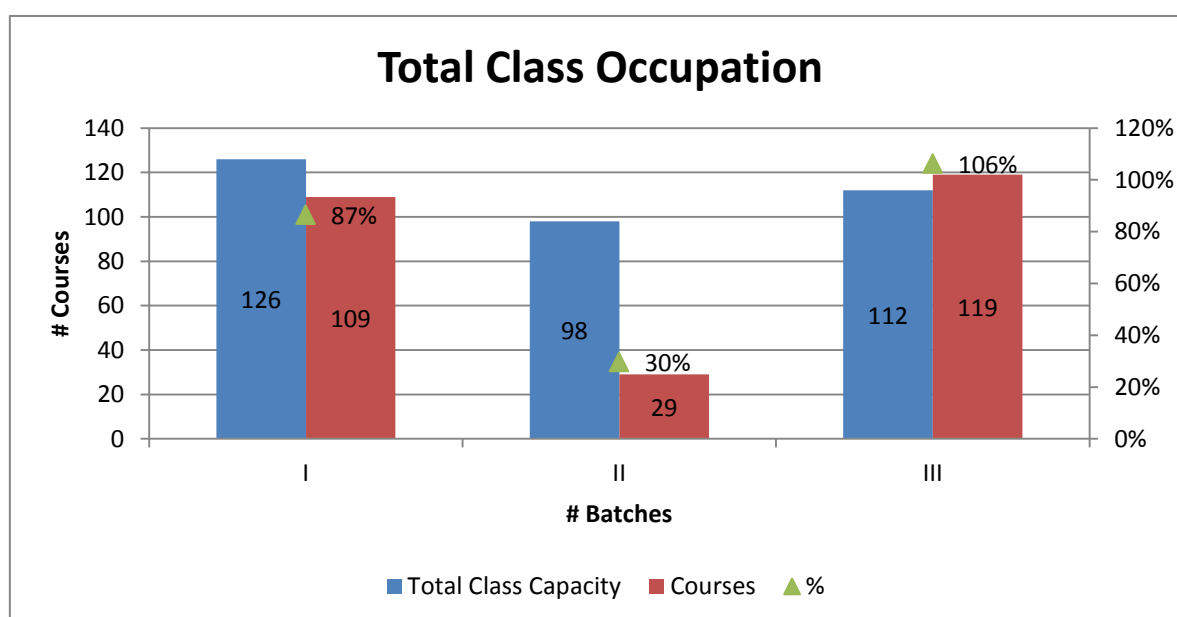


FIGURE 3: TOTAL CLASS OCCUPATION



DROP-OUT RATES

Figure 4 and Figure 5 respectively provide an illustration of the drop-out rates for the English courses, the ICT classes and for the institute as a whole. A student is considered a drop-out when he/she has started the class but has not taken the final exam. This means that students who register for a class but do not show up for the classes are not included in these numbers; they are so called 'no-shows'.

Only when students drop out after registration and payments have been made for their final exams, the LWEI faces a significant financial disadvantage. However, the main issue with drop-outs is that their registration for the course(s) causes a denial for other, perhaps more dedicated student to participate in a course.

In 2016 the overall drop-out rate was 11%, compared to a drop-out rate of 14% in 2015. In relative terms, the number of drop-outs was highest in batch II with 17%, but this percentage is significantly influenced by the low number of students in this batch. In absolute numbers the number of drop-out was highest in batch III; 11 out of 119 students dropped out which leads to 9%. The reason for this could be that students in batch III most often follow a course at the institute prior to their enrolment in higher education or university. Sometimes their courses at higher education or university start already while the courses at LWEI are not finished yet. Students of batch I on the other hand, most often come to the LWEI after their O-level exams. The subsequent courses for the A-level exam begin after the courses at LWEI are finished which causes less drop-outs in this batch.

FIGURE 4: ENGLISH DROP-OUTS

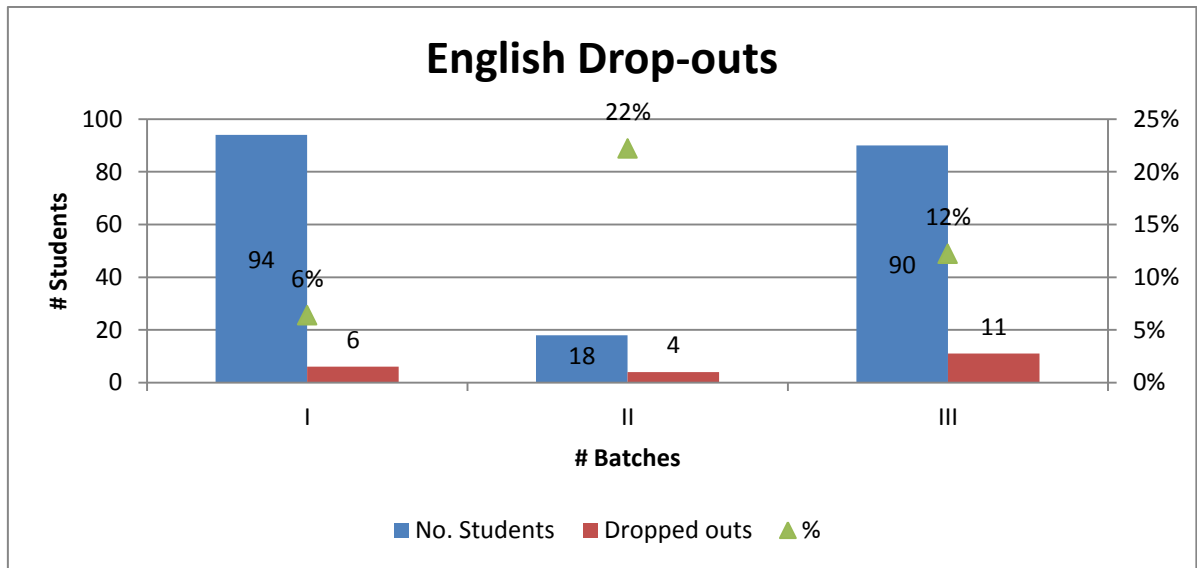


FIGURE 4: ICT DROP-OUTS

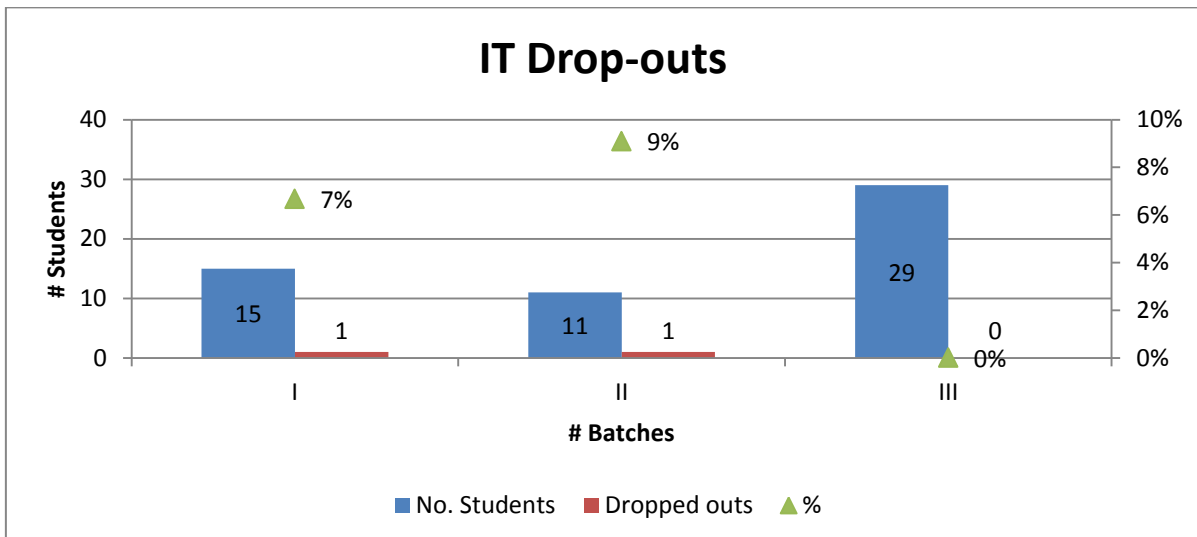
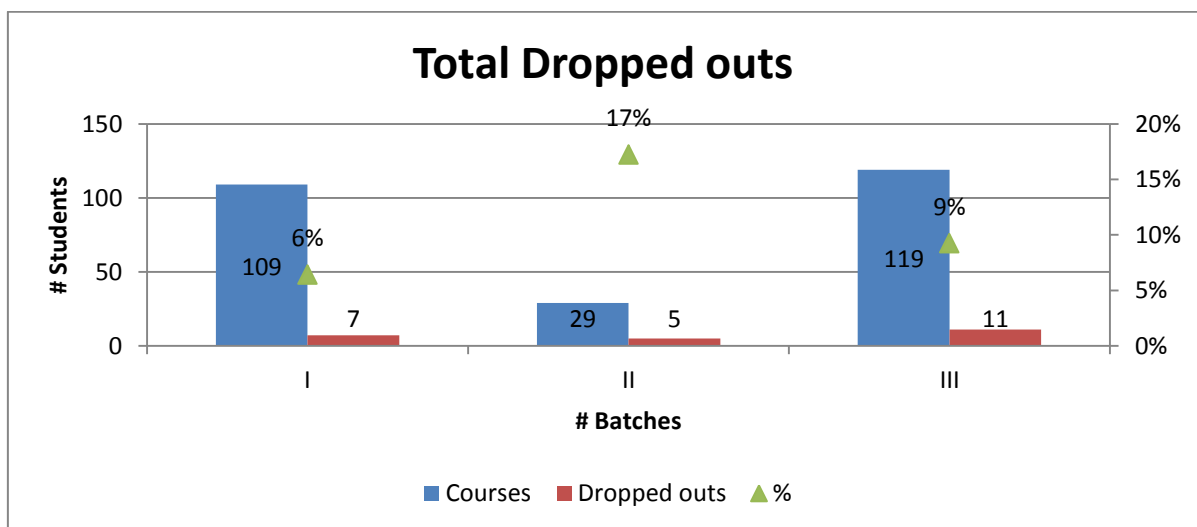


FIGURE 5: TOTAL DROP-OUTS



EXAM PASS RATES

The exam pass rate of the students at the Lideke Wery Educational Institute is calculated by dividing the number of students that passed the exam by the number of students that took the exam. In total, 238 exams were taken by the students, of which 236 resulted in a pass.

The graphs below show the number of students who took and passed the English and ICT exams, as well as the total pass rate for all courses.

FIGURE 6: ENGLISH EXAM PASS RATE

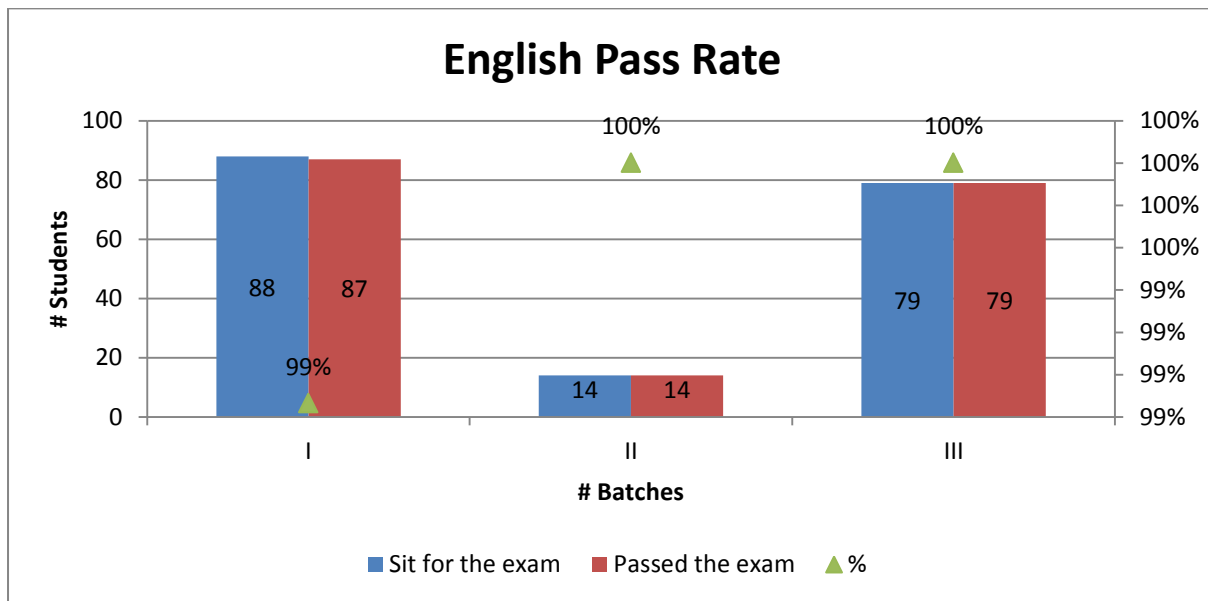


FIGURE 8: ICT EXAM PASS RATE

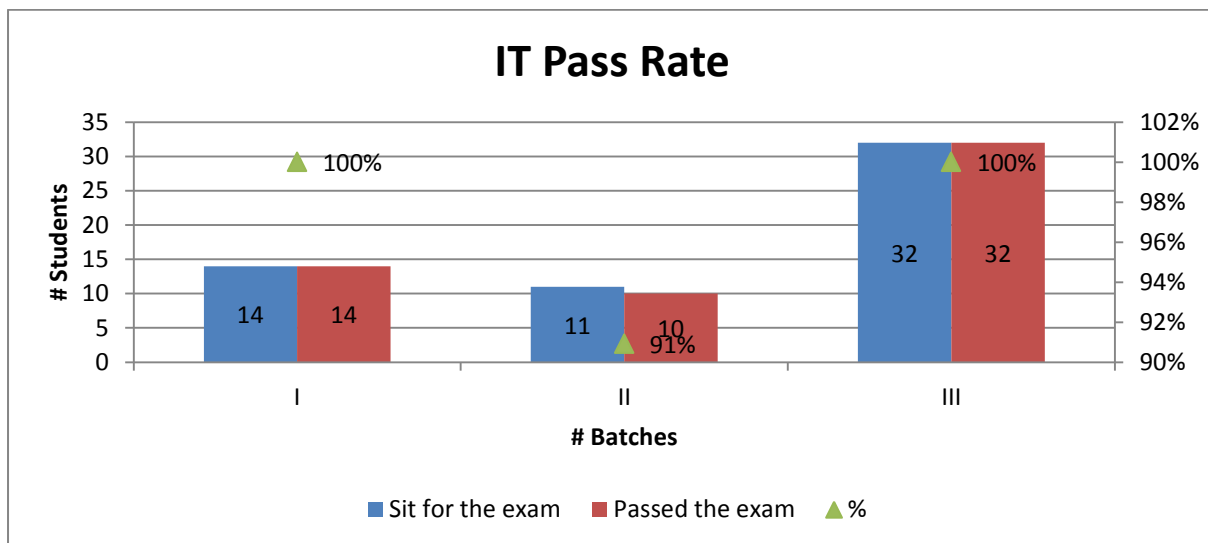
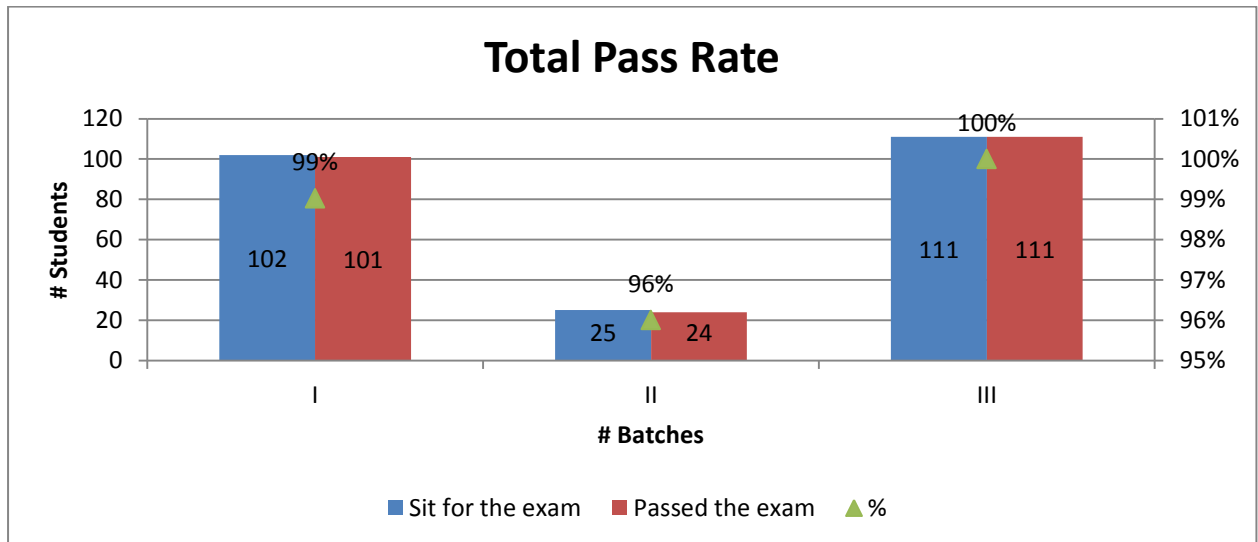


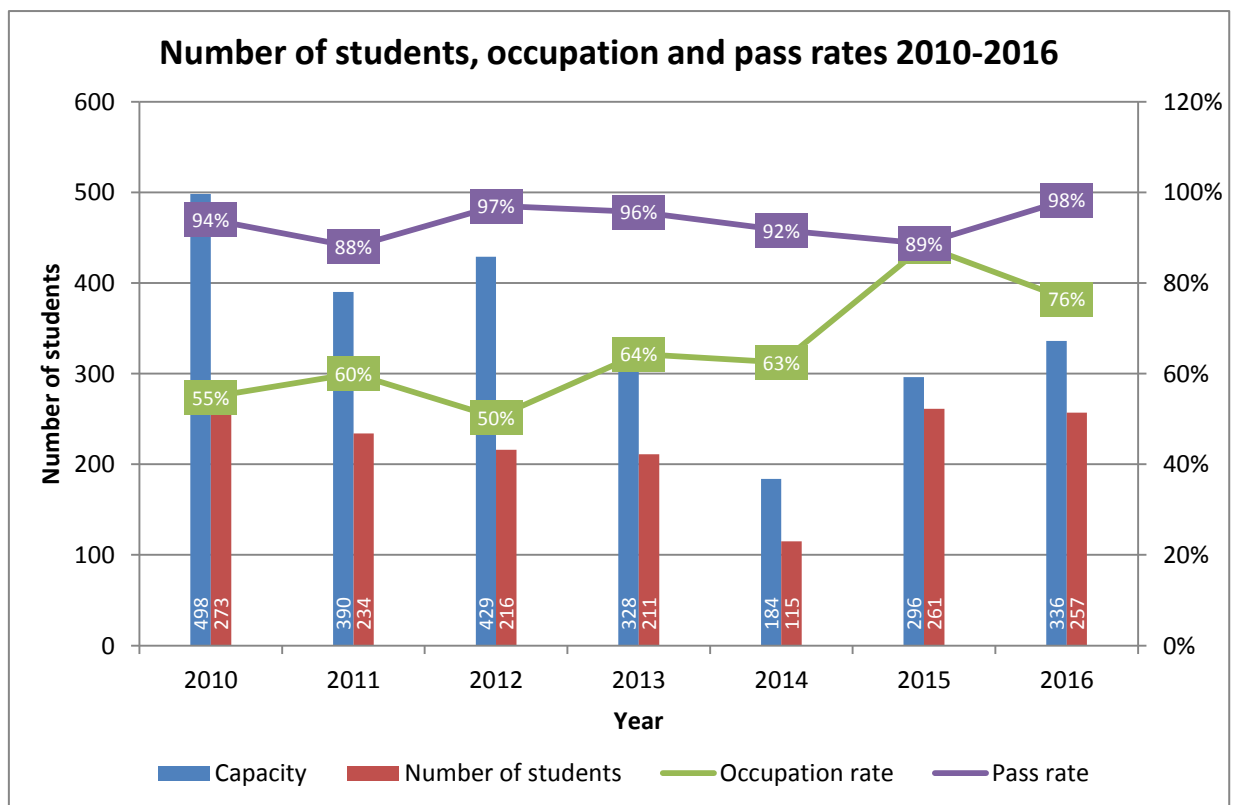
FIGURE 7 TOTAL EXAM PASS RATE



HISTORIC PERFORMANCE

Figure 8 shows an overview of the number of students, occupation and pass rates since 2010. As can be seen from the graph, the occupation rate for 2015 and 2016 was significantly higher than that of the last years, while keeping a similar passing rate.

FIGURE 8: NUMBER OF STUDENTS, OCCUPATION AND PASS RATES 2010-2016



Furthermore, the graph shows a lot of changes in capacity and the number of students. In the table below, and overview of strategic decisions and unforeseen events since 2011 is given, that give a (partial) explanation for the changes in these numbers. Also the difference between capacity and occupation can be explained by the fact that we normally have very few students in batch II because most students are either attending A/L or O/L classes, which makes the average occupancy rate much lower.

Year	Strategic decisions and unforeseen events
2011	<ul style="list-style-type: none"> • Maximum number of students for English classes from 18 to 14 • New teachers take a maximum of 2 classes in their first batch • Change ICT course from 4 x 12 students to 2 x 14 students (starting batch III)
2012	<ul style="list-style-type: none"> • Maximum number of students for English classes from 14 to 16 • Extra ICT course in the media lab of 9 students (batch III only)
2013	<ul style="list-style-type: none"> • Maximum number of students for English classes from 16 to 12 (batch II and batch III only) • Maximum number of students for spoken classes from 16 to 10 • Start of access spoken classes • Stopped graphic design course • Continue only with one ICT teacher
2014	<ul style="list-style-type: none"> • English classes limited to one teacher (batch I) • Three staff members worked ½ day during batch II • One ICT teacher (maximum of 14 students per batch) • Early leaving of two Project Coordinators
2015	<ul style="list-style-type: none"> • All courses offered for free to commemorate 10 year since tsunami • IT teacher resigned after batch II • Project coordinator only available in batch III
2016	<ul style="list-style-type: none"> • English teacher resigned during batch II • Two achiever classes in batch II and III • Extra IT teacher; two IT classes during batch III • New English teacher in batch III • New English teacher in training for foundation classes in batch III

STUDENT FEEDBACK

All students that complete one or more courses at the Lideke Wery Educational Institute are requested to fill out a student evaluation form. Below, an overview of the results of student evaluations in 2016 is provided.

Firstly, fifteen numeric scale questions are given. Answers are given according to the following scale: 5 = Excellent, 4 = Above average, 3 = Average, 2 = Below average, 1 = Unsatisfactory. In the table below an overview of the average overall score is given.

Question	Average Overall Score (1-5)
1. Did the teacher explain everything well?	4.9
2. Did the teacher make the topics interesting?	4.9
3. Was the teacher enthusiastic about the teaching?	4.9
4. Were you able to ask questions and give comments?	4.9
5. Were the teacher's answers satisfactory?	4.9
6. How was the atmosphere (the learning environment) in class?	4.9
7. Was the teacher well prepared for the lessons?	4.9
8. Did the teacher give good feedback on your homework?	4.9
9. Did you have enough class assignments?	4.8
10. Were you able to do the class assignments by yourself?	4.6
11. Do you understand all the discussed topics?	4.7
12. How was the workload?	4.7
13. Did you enjoy studying at the Lideke Wery Educational Institute?	5.0
14. Would you recommend (tell about) LWEI to others?	5.0
15. Overall rating for the course:	4.9

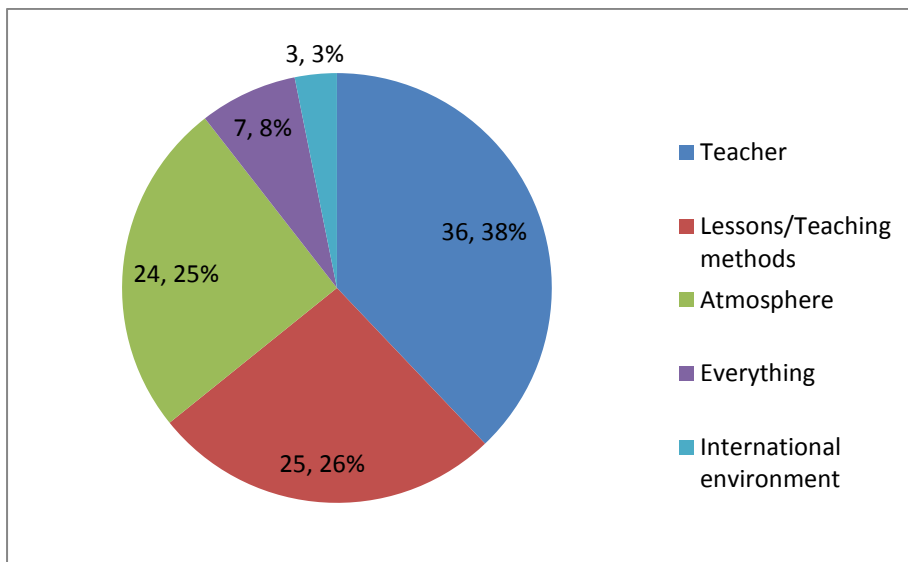
Furthermore, for the English classes, four 'yes or no' questions are included. In the table below, an overview of the percentage of students that answered 'yes' to these questions is given.

Question	Percentage 'yes'
We had enough exercises to practice reading.	97%
We had enough exercises to practice writing.	97%
We had enough exercises to practice listening.	98%
We had enough exercises to practice speaking.	88%

The questionnaire also included some open ended questions:

- What was the best thing about the class?

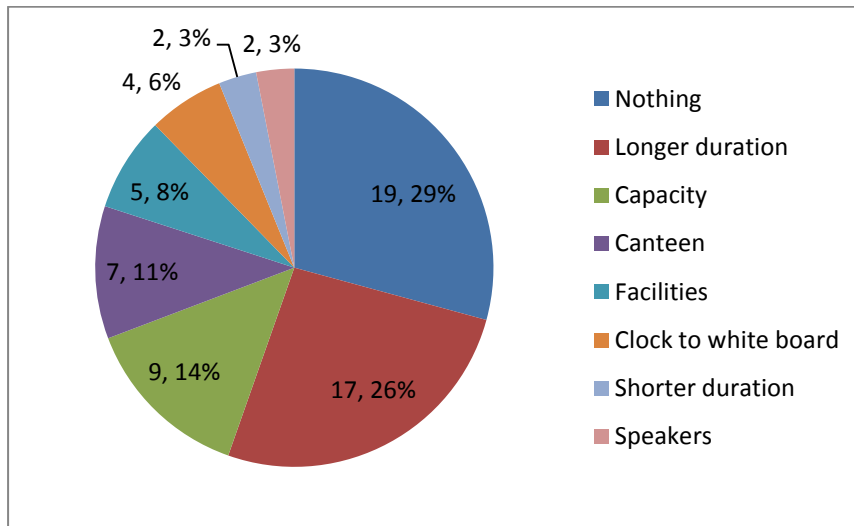
The figure below shows what students answered to the question "what was the best thing about the class". The total number of students that filled in this question was 92. By far, the most given answer to this question was 'the teacher'. Furthermore, students often praise LWEI's teaching methods and learning environment with a positive atmosphere, a feeling of unity and making new friends.



- What do you think could be improved about the class?

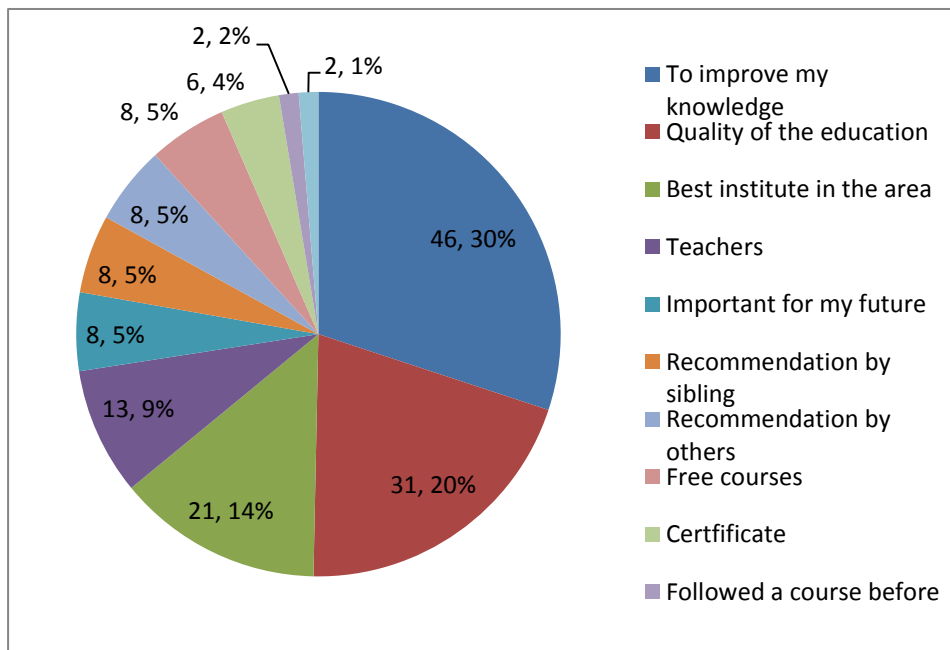
This question was answered by 65 students. Most of them answered 'nothing'. After that, the most given answer was 'longer duration' of classes and course. Some students answered that the duration of the class (one hour and forty-five minutes) was not enough and some thought that the duration of the course (three and a half months) should be longer. We are addressing this in upcoming batches by extending the classes with compulsory practicals in the Media Lab; at least three times a week students independently have to complete tasks given by their teachers such as listening, typing or preparing a presentation.

Furthermore, some students answered that a higher number of students should get the opportunity to follow a course at LWEL in terms of capacity. Unfortunately this is not possible since we want to provide high-quality education and we believe that we cannot achieve this when we accept more students as the attention for individual development will disappear. Moreover we are going to start our own canteen at the school with some snacks and drinks for the students to enjoy during school hours.



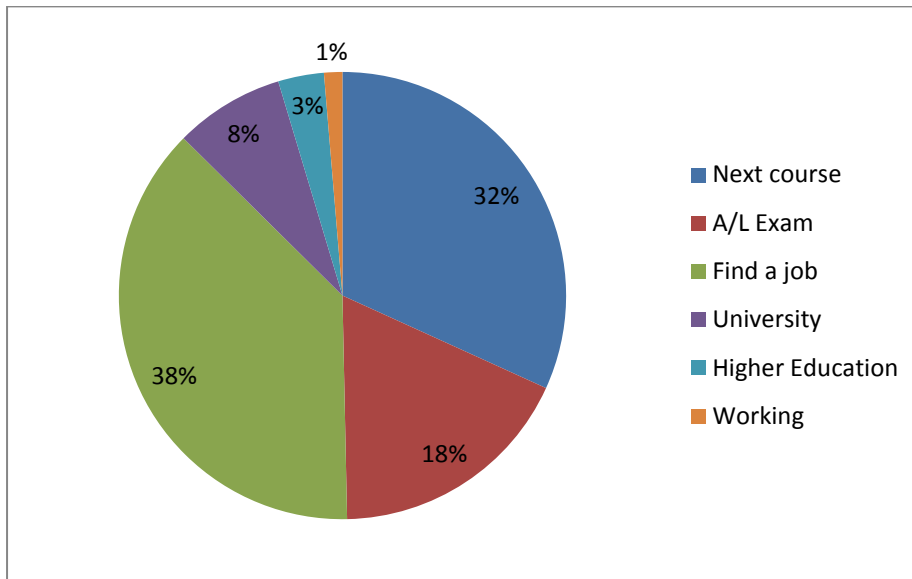
- What made you come to the Lideke Wery Educational institute instead of another institute?

The figure below gives an overview of student's reasons to study at LWEI. The total number of students that filled in this question was 153.



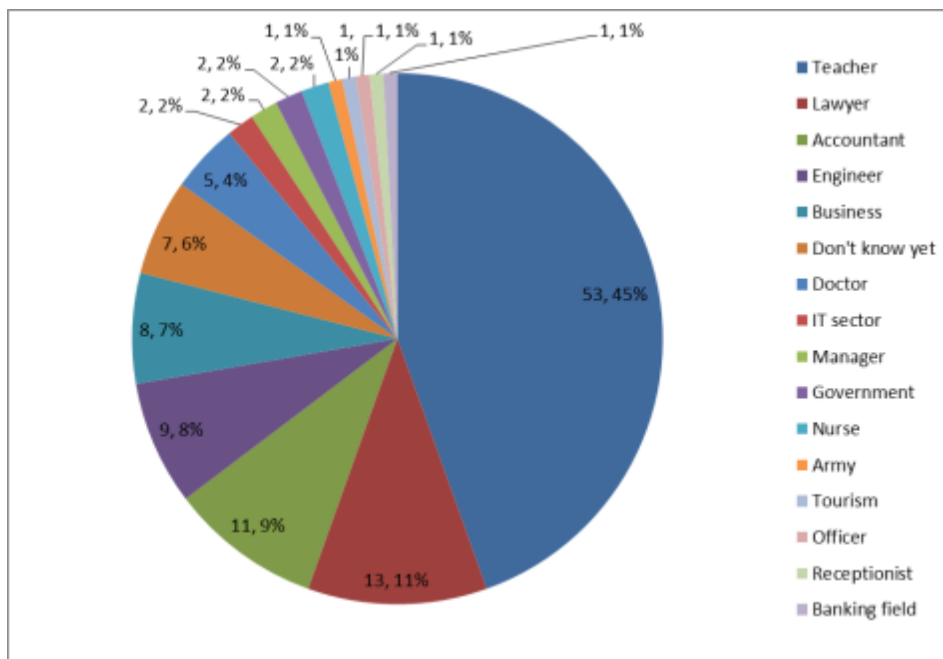
- What are you going to do after attending the Lideke Wery Educational institute?

The figure below shows what students want to do after attending LWEI. The total number of students that filled in this question was 151.



- What kind of job are you looking for in the future?

The figure below shows future job ambitions of students. The total number of students that filled in this question was 119.



Finally, below some quotes from students who described their appreciation towards our institute:

"I love Lideke Wery's teachers. I think you changed my future."

"You should have more schools in Sri Lanka."

"Our class is very fun and I like our friendship. Finally our teacher is the best one."

"I improved my English knowledge and I am not scared to use English."

"This is very good. It is not about only education, you teach about life and how to live in society."

"This is the best place to study English."

"The institute has facilities like computers, AC and so on. I love this institute."

"I experienced the unity, thanks a million!"

6. APPRECIATION OF DONORS

We would like to express our heartfelt gratitude to our donors and operational supporters who work tirelessly to ensure that the Lideke Wery Educational Institute can continue to provide top quality education to the underprivileged youth in Sri Lanka.



Special thanks to Mr. Frank Wade from TechSoup who provided software to us.

7. FINANCIAL STATEMENTS



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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIDEKE WERY EDUCATIONAL INSTITUTE.

Report on the Financial Statements

We have audited the accompanying financial statements of Lideke Wery Educational Institute, ("the Company"), which comprise the statement of financial position as at December 31, 2016, the statement of comprehensive income, statement of changes in equity and, statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standard for Small and Medium Sized Entities (SLFRS for SMEs), and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we 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 entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2016, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium Sized Entities (SLFRS for SMEs)

KPMG, a Sri Lankan partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

M.R. Mihular FCA	P.Y.S. Perera FCA	C.P. Jayatilake FCA
T.J.S. Rajakarier FCA	W.W.J.C. Perera FCA	Ms. S. Joseph FCA
Ms. S.M.B. Jayasekara ACA	W.K.D.C. Abeyaratne FCA	S.T.D.L. Perera FCA
G.A.U. Karunaratne FCA	R.M.D.B. Rajapakse FCA	Ms. S.K.D.T.N. Rodrigo FCA
R.H. Rajen ACA		

Principals - S.R.J. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA



**LIDEKE WERY EDUCATIONAL INSTITUTE
STATEMENT OF FINANCIAL POSITION**

AS AT 31ST DECEMBER

	Note	2016 Rs.	2015 Rs.
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	2	3,271,054	2,261,881
Other Financial Assets	3	100,000	100,000
Total Non - Current Assets		<u>3,371,054</u>	<u>2,361,881</u>
Current Assets			
Accounts Receivables	4	2,109	4,253
Prepayments	5	814,122	337,986
Cash and Cash Equivalents	6	4,054,187	861,114
Total Current Assets		<u>4,870,418</u>	<u>1,203,353</u>
Total Assets		<u>8,241,472</u>	<u>3,565,234</u>
LIABILITIES AND RESERVES			
Accumulated Reserves			
Reserves	7	3,309,394	3,309,394
Accumulated Surplus / (Deficit)	8	173,652	(24,584)
Total Accumulated Reserves		<u>3,483,046</u>	<u>3,284,810</u>
Current Liabilities			
Donations Received in Advance	9	4,452,540	-
Accrued Expenses	10	235,202	214,719
Income Tax Liability		70,684	65,705
Total Current Liabilities		<u>4,758,426</u>	<u>280,424</u>
Total Liabilities and Reserves		<u>8,241,472</u>	<u>3,565,234</u>

Figures in brackets indicate deductions.

These financial statements are to be read in conjunction with the related notes in page 07 to 16 which form as an integral part of these financial statements.

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.


.....
Administrator

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved and signed for and on behalf of the Board;

Name of the Director


.....

VASANTHA.P. DE SILVA
.....

1st March 2017

Signature


.....

.....



Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- a) The basis of opinion and scope and limitations of the audit are as stated above.
- b) In our opinion, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company and the financial statements of the Company, comply with the requirements of section 151 of the Companies Act.

CHARTERED ACCOUNTANTS

Galle, 1st March 2017

DR/SR

LIDEKE WERY EDUCATIONAL INSTITUTE
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER

	Note	2016 Rs.	2015 Rs.
Operating Income			
Income	11	8,414,717	7,822,055
Total Operating Income		<u>8,414,717</u>	<u>7,822,055</u>
Operating Expenditure			
Project Expenses	12	(789,299)	(955,196)
Administrative and Other Operating Expenses	13	(7,405,225)	(5,976,277)
Total Operating Expenditure		<u>(8,194,524)</u>	<u>(6,931,473)</u>
Net Operating Activities		220,193	890,582
Other Income			
Net Financial Income	14	5,527	8,500
Other Income	15	43,200	41,100
Total Other Income		<u>48,727</u>	<u>49,600</u>
Net of Non-Operating Activities		48,727	49,600
Net Surplus / (Deficit) Before Taxation		268,920	940,182
Income Tax Expense	16	(70,684)	(65,705)
Net Surplus / (Deficit) for the Year		<u>198,236</u>	<u>874,477</u>

Figures in brackets indicate deductions.

The notes on page 07 to 16 are an integral part of these financial statements.

LIDEKE WERY EDUCATIONAL INSTITUTE
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31ST DECEMBER 2016

	Capital Reserves	Accumulated Funds /(Deficit)	Total Reserves
	Rs.	Rs.	Rs.
As at 01 st January 2015	3,309,394	(899,061)	2,410,333
Surplus for the Year	-	874,477	874,477
As at 31 st December 2015	<u>3,309,394</u>	<u>(24,584)</u>	<u>3,284,810</u>
As at 01 st January 2016	3,309,394	(24,584)	3,284,810
Surplus for the Year	-	198,236	198,236
As at 31 st December 2016	<u>3,309,394</u>	<u>173,652</u>	<u>3,483,046</u>

Figures in brackets indicate deductions.

The notes on page 07 to 16 are an integral part of these financial statements.

LIDEKE WERY EDUCATIONAL INSTITUTE
STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST DECEMBER	2016 Rs.	2015 Rs.
Cash Flow from / (used in) Operating Activities		
Net Surplus / (Deficit) Before Taxation	268,920	940,182
Adjustment to Reconcile Surplus / (Deficit) to Net Cash Flow		
Depreciation	1,184,090	688,568
Loss on Disposal of Property, Plant and Equipment	-	92,351
Changes in Working Capital		
Accounts Receivable	2,144	(850)
Prepayments	(476,136)	(1,229)
Accrued Expenses	20,483	44,768
Donation Received in Advance	4,452,540	(3,104,122)
Cash Flow from / (used) in Operating Activities	<u>5,452,041</u>	<u>(1,340,332)</u>
Tax Paid	(65,705)	(47,188)
Net Cash Flow from / (used) in Operating Activities	<u>5,386,336</u>	<u>(1,387,520)</u>
Cash Flow from Investing Activities		
Acquisition of Property, Plant and Equipment	(2,193,264)	(1,157,882)
Net Cash Flow from / (used) in Investing Activities	<u>(2,193,264)</u>	<u>(1,157,882)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	3,193,073	(2,545,402)
Cash and Cash Equivalents at Beginning of the Year	<u>861,114</u>	<u>3,406,516</u>
Cash and Cash Equivalents at End of the Year (Note A)	<u>4,054,187</u>	<u>861,114</u>
Note A		
Cash and Cash Equivalents at the End of the Year		
Cash in Hand	122,859	249,907
Cash at Bank	3,931,328	611,207
	<u>4,054,187</u>	<u>861,114</u>

Figures in brackets indicate deductions.

The notes on page 07 to 16 are an integral part of these financial statements.

LIDEKE WERY EDUCATIONAL INSTITUTE

SIGNIFICANT ACCOUNTING POLICIES

1.1 Reporting entity

Lideke Wery Educational Institute has been incorporated & domiciled in Sri Lanka as an Association as per the Section 34 of the Companies Act No. 7 of 2007, with its registered office at Casa Marc Residence, Good Shed Road, No. 246/C, Galbada, Induruwa. The Organization is engaged in providing learning opportunities to students in English, Computer Science and other fields and improving, upgrading, teaching and language skills, especially those affected by the Tsunami disaster.

1.2 Basis of preparation

(a) Statement of compliance

The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Cash Flows together with the Accounting Policies and Notes to the financial statements as at 31st December 2016 and for the year then ended comply with the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organisations (SLSoRP) and Sri Lanka Accounting Standards for Small and Medium Sized Entities (SLFRS for SMEs) issued by the Institute of Chartered Accountants of Sri Lanka.

The financial statements were authorized for issue by the Board of Directors on 1st March 2017.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Sri Lanka rupees, which is the company's functional currency.

All financial information presented in Sri Lanka rupees has been rounded to the nearest rupee.

(d) Changes in accounting policies and disclosures

The accounting policies have been consistently applied, unless otherwise indicated, and are consistent with those used in previous years, except for the changes in accounting policies specified by the SL SoRP issued in 2013.

(e) Use of estimates and judgments

The preparation of financial statements in conformity with SLASs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the entity.

LIDEKE WERY EDUCATIONAL INSTITUTE
SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other income" in Income statements.

(ii) Subsequent costs

The cost of replacing part of an item of property plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied with the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in statement of comprehensive income as incurred.

The accounting policies have been consistently applied, unless otherwise indicated, and are consistent with those used in previous years, except for the changes in accounting policies specified by the SL SoRP issued in 2013.

The estimated useful lives for the period are as follows,

Computer Equipment	03 Years
Furniture & Fittings	03 Years
Other Equipment	03 Years
Solar System	05 Years
Course Books	03 Years

Depreciation for all property, plant and equipment are provided proportionately in the month of purchase and in the month of disposal of the assets.

LIDEKE WERY EDUCATIONAL INSTITUTE

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Impairment

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in Income statement. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other in the unit (group of units) on a *pro rata basis*.

(c) Other receivables

Other receivables are stated at the amounts they are estimated to be realized.

(d) Employee benefits

(i) Defined contribution plans – Provident / Trust fund

The group contributes 12% and 3% of gross salary to the Employees Provident Fund and Employees Trust Fund respectively, in terms of EPF Act No15 of 1958 as amended and to Employers Trust Fund in terms of the ETF Act No.46 of 1980 as amended.

(e) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(f) Income recognition

(i) Income sources

Income mainly consists of local and foreign donations and student fee income. Donations include with monetary and non-monetary resources and they are recognized as income on cash basis.

Student fees and other income are recognized as income based on the period in which it is received.

(ii) Interest Income

Interest income is recognized as it accrues in Statement of Comprehensive Income.

LIDEKE WERY EDUCATIONAL INSTITUTE

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant

(h) Taxation

(i) Income tax

The provision for income tax is based on sum of 3% of funds received (grants, donations, contributions or in any other form less any money received from the Government) treated as taxable income which is liable to tax at 28% in accordance with the provisions of the Inland Revenue Act No.10 of 2006 and amendments there to.

(h) Other payables

Other payables are stated at cost.

(i) Expenses recognition

Expenses are recognized in the Statement of Comprehensive Income on the basis of a direct association between the cost incurred and earning of a specific item of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in state of efficiency has been charged to revenue in arriving at the surplus for the year.

(j) Cash flow statement

The cash flow statements have been prepared in accordance with LKAS 7.

(k) Comparative information

Whenever necessary comparative figures are reclassified to conform to the changes in presentation in the current year and disclosed as notes to the financial statements.

(l) Events occurring after the balance sheet date

All material post balance sheet events have been considered and where appropriate adjustments or disclosures have been made in respective notes to the financial statements.

(m) Contingent liabilities

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the company's control.

LIDEKE WERY EDUCATIONAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment Rs.	Furniture & Fittings Rs.	Other Equipment Rs.	Solar System Rs.	Course Books Rs.	2016 Total Rs.	2015 Total Rs.
Cost							
Balance as at 01 st January	6,235,278	621,185	701,502	775,322	372,101	8,705,388	7,838,736
Additions	1,703,500	53,443	428,281	-	8,040	2,193,264	1,157,882
Disposals	-	-	-	-	-	-	(291,230)
Balance as at 31 st December	7,938,778	674,628	1,129,783	775,322	380,141	10,898,652	8,705,388
Depreciation							
Balance as at 01 st January	4,825,769	517,548	685,269	42,820	372,101	6,443,507	5,953,818
Charge for the Year	1,000,120	61,911	82,573	38,767	719	1,184,090	688,568
On Disposals	-	-	-	-	-	-	(198,879)
Balance as at 31 st December	5,825,889	579,459	767,842	81,587	372,820	7,627,597	6,443,507
Net Carrying Value							
As at 31 st December 2016	2,112,889	95,168	361,941	693,735	7,321	3,271,054	
As at 31 st December 2015	1,409,509	103,637	16,233	732,502	-	-	2,261,881

LIDEKE WERY EDUCATIONAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31ST DECEMBER

	2016	2015
	Rs.	Rs.
3. OTHER FINANCIAL ASSETS		
Fixed Deposit (Sanasa Development Bank PLC)	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
4. ACCOUNTS RECEIVABLES		
FD Interest Receivable	2,109	4,253
	<u>2,109</u>	<u>4,253</u>
5. PREPAYMENTS		
Building Rent Prepayment	800,000	320,000
Insurance Prepayment	12,731	16,662
Telephone Bill Prepayment	-	1,324
Sattelite TV Charges Payable	1,391	-
	<u>814,122</u>	<u>337,986</u>
6. CASH AND CASH EQUIVALENTS		
Cash at Bank	3,931,328	611,207
Cash in Hand	122,859	249,907
	<u>4,054,187</u>	<u>861,114</u>
7. RESERVES		
Capital Reserve	3,309,394	3,309,394
	<u>3,309,394</u>	<u>3,309,394</u>
The capital reserve represents the initial net capital investment made by the subscribers of the company.		
8. ACCUMULATED SURPLUS / (DEFICIT)		
As at 01 st January	(24,584)	(899,061)
Surplus for the Year	198,236	874,477
As at 31 st December	<u>173,652</u>	<u>(24,584)</u>
9. DONATIONS RECEIVED IN ADVANCE		
As at 01 st January	-	3,104,122
Donations from Mr. Ron Wilke	4,452,540	-
Transferred to Income Statement	-	(3,104,122)
As at 31 st December	<u>4,452,540</u>	<u>-</u>

LIDEKE WERY EDUCATIONAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31ST DECEMBER	2016	2015
	Rs.	Rs.
10. ACCRUED EXPENSES		
Auditors' Remuneration	78,000	87,000
Employees' Provident Fund	53,759	40,500
Employees' Trust Fund	5,799	5,192
Electricity	45,004	45,944
Telephone	5,979	-
Internet	26,078	7,670
Satellite TV	-	1,609
Tax Consultancy Charges	7,500	26,000
PAYE Tax	919	804
Insurance payable	12,163	-
	<u>235,202</u>	<u>214,719</u>
FOR THE YEAR ENDED 31ST DECEMBER 2016	2016	2015
	Rs.	Rs.
11. INCOME		
<u><i>Donations</i></u>		
Donation to LWEI in 2016	5,516,760	3,787,988
Donation Received For Depreciation	1,950,750	-
Donation Received for Building Rent	947,207	929,945
Donation Transferred from Advance	-	3,104,122
	<u>8,414,717</u>	<u>7,822,055</u>
12. PROJECT EXPENSES		
Course Materials	4,104	900
Computer Hardware and Software Maintenance	94,610	403,700
Teacher Training and Staff Training	-	6,000
Examination Fees	551,065	472,801
Promotion Materials	124,520	71,795
Student Committees	15,000	-
	<u>789,299</u>	<u>955,196</u>

LIDEKE WERY EDUCATIONAL INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER

	2016	2015
	Rs.	Rs.
13. ADMINISTRATIVE & OTHER OPERATING EXPENSES		
Staff Salaries	2,152,305	2,271,894
Incentives to Staff	12,575	-
Employees' Provident Fund	301,988	271,009
Employees' Trust Fund	69,682	67,752
EPF Surcharge	-	789
Casual Wages	267,668	25,000
Bonus - New Year	60,000	60,000
Leave Pay	41,014	12,734
PAYE	-	-
Staff Welfare	434,590	318,772
School Representation Cost	38,453	86,407
Building Rent	960,000	960,000
Building Repairs and Maintenance	120,160	29,953
Electricity	483,138	384,525
Water	15,560	12,600
Telephone	21,458	26,407
Internet	102,557	73,842
Satellite TV	19,442	18,707
Insurance	37,810	37,461
Copy and Printer Supply	198,041	114,306
Stamp and Postage	7,740	11,716
Website Expenses	3,500	4,900
Secretarial Fees	59,925	59,256
Auditors' Remuneration	78,000	87,000
Reimbursement of Audit Related Expenses	4,749	13,357
Reimbursement of Tax Related Expenses	1,173	1,490
Services (Laundry and Dust Bin)	13,200	-
Travelling	26,615	25,615
Depreciation	1,184,090	688,568
Equipment Repair and Maintenance	76,195	88,440
Bank Charges	4,160	4,957
Sundry Expenses	104,401	57,169
Solar Panel	32,280	-
Equipment rent Expense	11,500	13,300
Newspaper Advertisements	154,190	-
TAX Consultancy charges	7,500	26,000
10 th year Anniversary Expenses	250,365	-
Legal Matters	19,200	-
Coodinator's Visa	30,000	30,000
PPE Disposal Loss	-	92,351
	<u>7,405,225</u>	<u>5,976,277</u>

LIDEKE WERY EDUCATIONAL INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER

	2016	2015
	Rs.	Rs.
14. NET FINANCIAL INCOME		
Interest on Fixed Deposits	5,527	8,500
	<u>5,527</u>	<u>8,500</u>
15. OTHER INCOME		
T-Shirts Sales Income	11,000	38,400
Sundry Income	32,200	2,700
	<u>43,200</u>	<u>41,100</u>
16. INCOME TAX EXPENSE		
Current Tax on Ordinary Activities (<i>Note 16.1</i>)	-	-
NGO Tax on Grants Received (<i>Note 16.2</i>)	70,684	65,705
	<u>70,684</u>	<u>65,705</u>
16.1 Reconciliation between Net Deficit before Taxation and Current Tax on Ordinary Activities		
Net Surplus / (Deficit) Before Taxation	268,920	940,182
Add: Expenses Disallowed for Tax	1,184,090	781,708
Less: Foreign Donation Received	(8,414,717)	(7,822,055)
Tax Loss of PPE Disposal		(291,230)
Deductible b/f Losses	(35,815,198)	(29,423,803)
Taxable Loss	<u>(42,776,905)</u>	<u>(35,815,198)</u>
Provision for Current Year Profit @ 12%	-	-
16.2 NGO Tax on Grants Received		
Total Donation Received	8,414,717	7,822,055
3% of Total Donations Received	252,442	234,662
Tax at the Rate of 28%	<u>70,684</u>	<u>65,705</u>

As per the Inland Revenue Act No 10 of 2006, all Non Governmental Organizations are liable to tax at 12% on any surplus earned during the year; and 3% of all grants received during the year are taxable at 28% subject to certain specified exemptions.

17. CAPITAL COMMITMENTS

There were no major capital commitments approved or contracted by the Company as at balance sheet date.

LIDEKE WERY EDUCATIONAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016

18. CONTINGENT LIABILITIES

There were no contingent liabilities which require adjustments to/or disclosure in the financial statements as at the balance sheet date.

19. POST BALANCE SHEET EVENTS

No circumstances have been arisen since the balance sheet date which require adjustments to/or disclosure in the financial statements.

20. DIRECTORS' RESPONSIBILITY

The Directors are responsible for preparing and presenting these financial statements in accordance with the Sri Lanka Accounting Standards for Small and Medium Sized Entities (SLFRS for SMEs) & Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations ("SLSoRP") .

21. KEY MANAGEMENT PERSONNEL COMPENSATION

The Board of Directors of the Company are the members of the Key management personnel.
No transactions have been occurred during the period with the related parties & Key management personnel.

Board of Directors

Dr. R. Cabral (*Chairman*)
Mr. S. van der Wielen
Mr. V. P. de Silva
Mr. J.J. Bijlsma
Mr. L.J.M. Pieries
Ms. I.N. van 't Hoff
Mr. T.D.H. Lokuge

Lideke Wery Educational Institute

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