



Annual Report



2018

Lideke Wery Educational Institute

Non-profit making company

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 2018 has been a very special year for the Lideke Wery Educational Institute because we were successively running the institute for 12 consecutive years. Interesting community projects, visit of former coordinators, (Sabrina Habes, Guus Aerts) and some valued visitors. (Visit of Stefanie & Eline from - Ebbinge & Co.)

Still being able to provide high qualified education to Sri Lankan youth, after twelve years since the beginning of the institute in 2006, makes us very proud. In the twelve 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 2018. 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 2018. 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 – MR. VASANTHA DE SILVA



I want to start this statement by expressing my delight that, for the fourth consecutive year, the Lideke Wery Educational Institute (LWEI) has been successful in providing their ICT and English courses free of charge. This is made possible with the support from the Lideke Wery Foundation from the Netherlands and its donors. The high enrolment numbers, up to the maximum occupancy rate, are a testament to the demand for good education. I am glad that the LWEI is able to provide this for all local students, including those less fortunate.

It is undeniable that the courses offered by the LWEI are of top quality; this is also supported by the amazing exam results. The pass rates for both the ICT courses and the English courses for all batches are 97 to 100 percent. With the certificates obtained the students are offered much better chances on the labour market and enjoy access to further higher education. This means that the hard work that is done by the staff and all the other supporting volunteers is making real impact on the lives of these students.

This year the institute has been blessed with the support of a Dutch project coordinator who decided to spend his valuable time to provide English classes and further improve the quality of the institute as a whole. It is a great pleasure to work with these young, energetic and dedicated people. It shows from the feedback forms that this is also true for the students, as they highly appreciate the input from the project coordinators.

Apart from the ICT and English courses, the institute also organizes additional activities that allow students to develop their practical skills. A sample of these activities are the job interview training sessions, CV writing, workshops, debating classes and learning how to make a presentation. Furthermore, the students are actively encouraged to participate in the organisation of events such as the 'Community Day' or 'Our Day', which not only develops their organizational skills, but also teach them the value of giving back to their community.

The collaboration with Mr van Nederveen has proven to be very successful over the past year, and we're looking forward to continue working together in the future. Additionally, there is a lot of confidence in the ability of the headmaster Mr Dinesh Abeynayake to run the day-to-day business of the institute, and it must be mentioned of how much value he is to the success of the LWEI. I thank the Staff, Volunteers from the Netherlands, and members of the Board for their valuable contribution.

I also wish to thank my predecessor Dr Ranjith Cabral who served the Institute as chairman with much dedication and his professional approach was extremely beneficial to the staff and the board. His invaluable service to the Institute is deeply appreciated and I wish him well in all his future endeavours.

Finally, taking everything into consideration, we can't help but conclude that the institute is doing well and that the future looks bright. If all people involved in the success of the institute will continue to cooperate in a constructive manner, like they have been doing for the past twelve years, the institute will stay a highly reputed educational organisation in Sri Lanka for at least another ten years.

Vasanth P. de Silva,
Chairman of the 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 2017, the board of directors of the Lideke Wery Educational Institute consisted of the six persons mentioned below.



Mr. V.P. de Silva
Chairman



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



Mr. J.J. van Nederveen
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 2018 was an interesting and successful year for the Lideke Wery Educational Institute; This chapter provides an overview of all activities that took place in 2018.

JANUARY

2nd
2nd – 6th
09th
10th
14th

New-Year celebration
Registration of new students & placement tests
Kick-off batch I with first day presentations
First day of classes of batch I
First parents' day of batch I



FIRST DAY PRESENTATION



NEW YEAR'S CELEBRATION

FEBRUARY

No special events on February

MARCH

14th – 16th
24th – 29th

Mock exams
Second parent meetings batch I

APRIL

10th – 14th
24th
24th – 28th
27th

Sinhala & Tamil New year
Start promotional activities batch II
Final exams Batch I
Kings day

MAY

14 th	Kick-off batch II with first day presentations
15 th	First day of classes batch II
25 th	First parents' day batch II

JUNE

10 th	Certificate ceremony batch III
22 th	Sabrina visited
27 th	Ice cream Dansal



Sabrina visited



Ice cream Dansal

JULY

3 rd	Aunties fifth anniversary
12 th – 16 th	Mock exams
20 th	Second parent meetings batch II



Aunties fifth anniversary

AUGUST

1st
15th
20th
22th- 23th
27th – 31st

New English teacher - Vishmi
Visit Guus Aerts
Promotions
Final exam
Staff annual leave



Visit from an old coordinator

SEPTEMBER

4th – 8th
3th
5th
11th
12th
28nd
29rd

Registration of new students
New English teacher; Umesha
New project coordinator; Bas
Kick-off batch III with first day presentation
First day of classes batch III
Pawani's Farewell
First parents' day batch III



Pawani's farewell



First day presentation batch III

OCTOBER

8th
23th
31th

Teachers day
Teambuilding day
Farewell Iteke

NOVEMBER

2th
14th -16th
17th
17th – 24th
20th
23rd

Community day
Mock exams
Certificate ceremony batch I 2018
Visit of Stefanie and Eline
Cricket tournament
Second parents' meetings



Cricket tournament



Community day project

DECEMBER

5th
7th
16th
19th – 23nd
24th
25th – 29th

Sinterklaas
Start promotional activities batch I
Certificate ceremony batch II
Final Exams
Bas 's farewell
Staff on leave



Our day



Certificate ceremony batch II

4. HUMAN RESOURCES

STAFF CHANGES

There have been some changes in the staff in 2018. English teacher Hasanthi Jayawardane resigned from the institute at the 31st of August. Therefore, new teachers were recruited: Vishmi Vimarshana started in August as an English teacher. Umesha de Silva started shortly after as an English teacher.

OVERVIEW OF THE STAFF



Dinesh Abeynayake
Headmaster
Since December 2009



Akushla Jinappriya
Administrator
Since January 2007



Maduka Virajhini
IT teacher
Since January 2016



**Chandana
Jasayasekara**
IT teacher
Since May 2016



Bhagya Sewuwandi
English teacher
Since January 2017



Vishmi Vimarshana
English teacher
Since August 2018



Subadra Wijehewa
Caretaker
Since July 2013



Pawani Liyanage
English teacher
Since May 2016



Tharushi Prabodya
English teacher
Since September 2017



Umesha de Silva
English teacher
Since September
2018

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 2018.



Bas Keuzenkamp

September 2018 – December 2018

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 two classes of 1 hour and 45 minutes per day;
- 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, 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 2018 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	6	4	7	84	56	98
ICT	14	2	2	2	28	28	28
		Total capacity			322		
		ICT capacity			84		
		English capacity			238		

Some comments with regard to this table:

- In batch I, II and III two IT classes were taught.
- In batch III, a coordinator was present which means that there was capacity for one more class;
- In batch I and II there was no project coordinator available.

This leads to a total capacity of 238 students for English courses and 84 students for ICT courses in 2018, which comes to a total capacity of 322 students for the year of 2018.

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

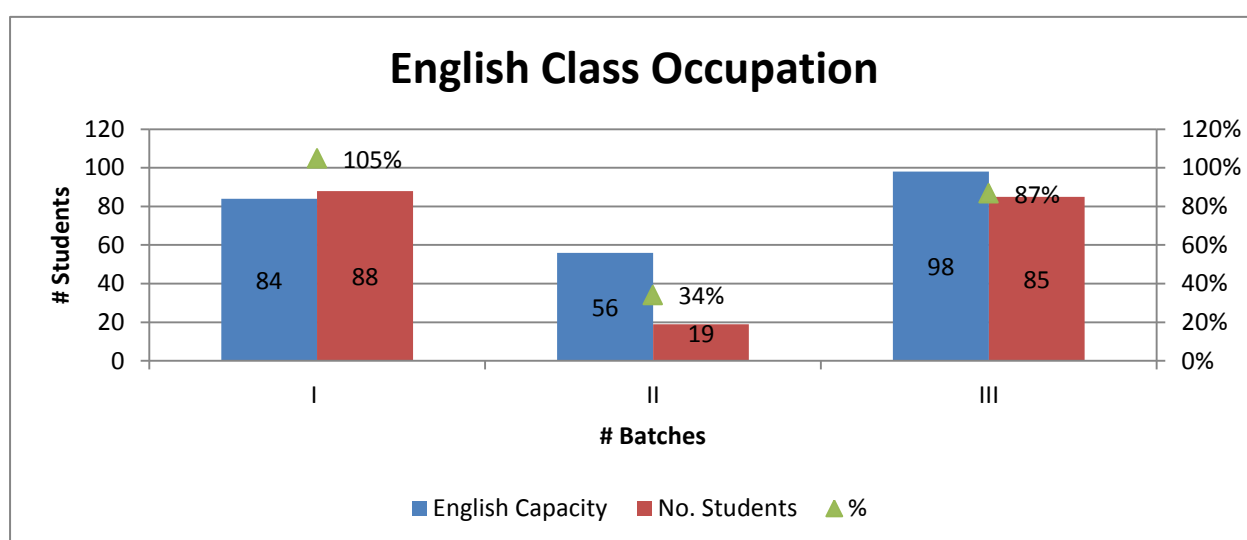


FIGURE 2: ICT CLASS OCCUPATION

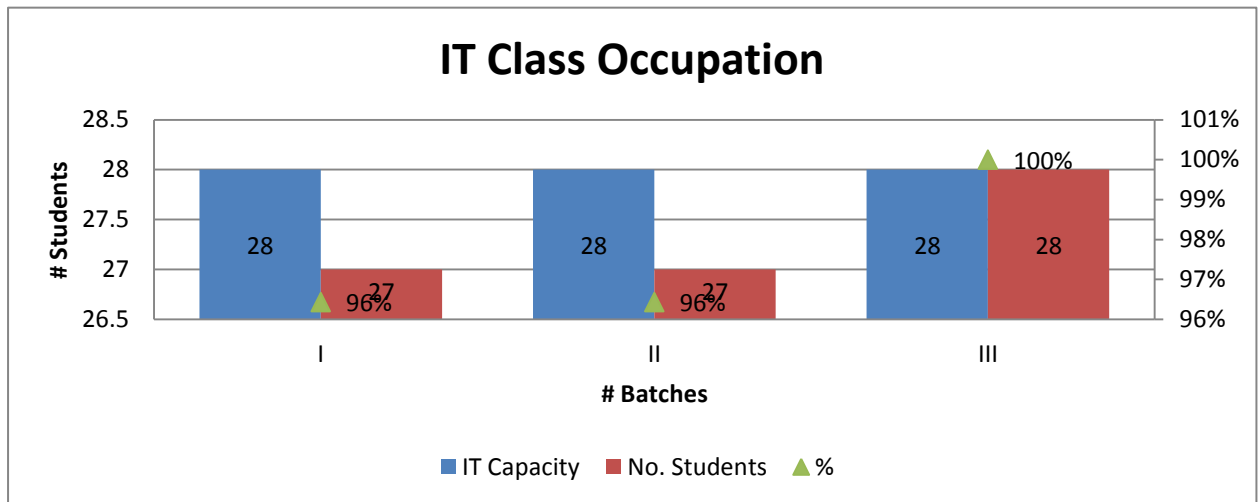
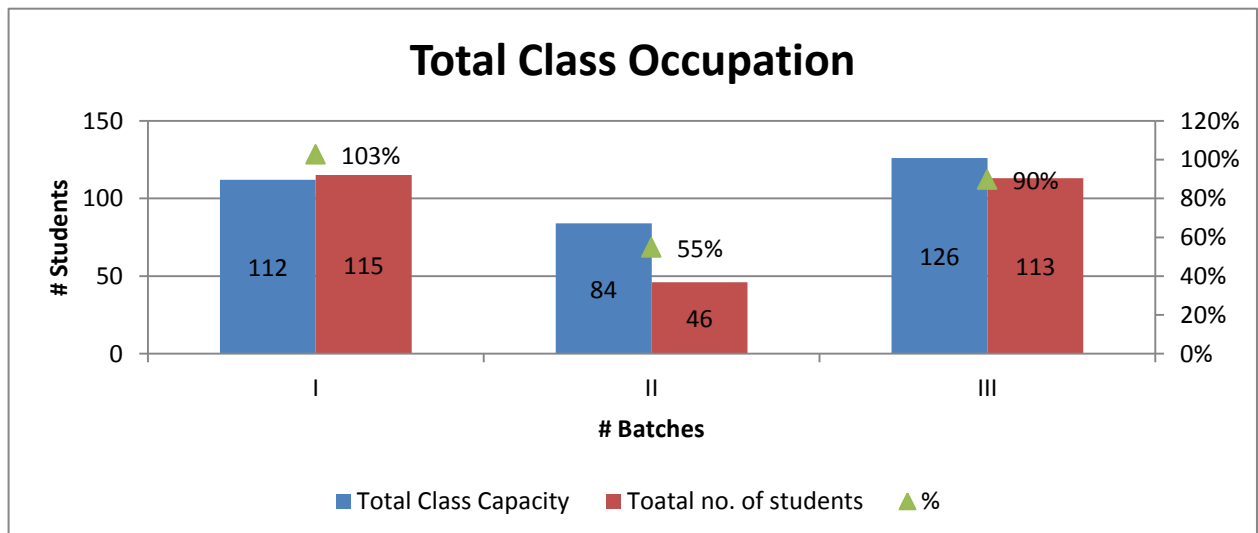


FIGURE 3: TOTAL CLASS OCCUPATION



DROP-OUT RATES

Figure 4, 5 and 6 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 2018 the overall drop-out rate was 9.5%, compared to a drop-out rate of 2% in 2017.

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 I; 13 out of 115 students dropped out which leads to 11%. The reason for this could be that students in batch I 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.

FIGURE 4: ENGLISH DROP-OUTS

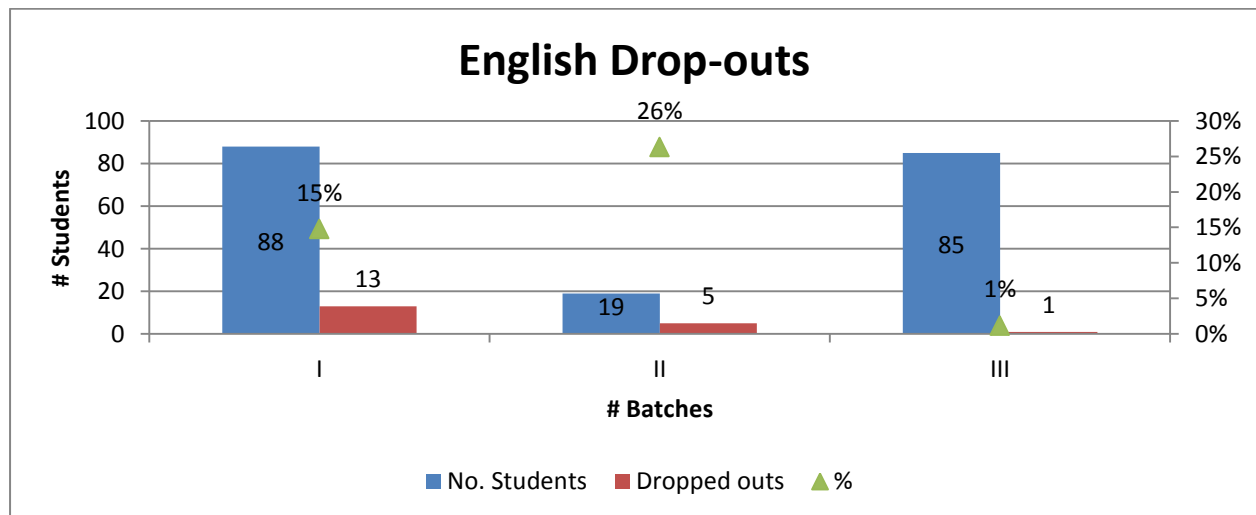


FIGURE 5: ICT DROP-OUTS

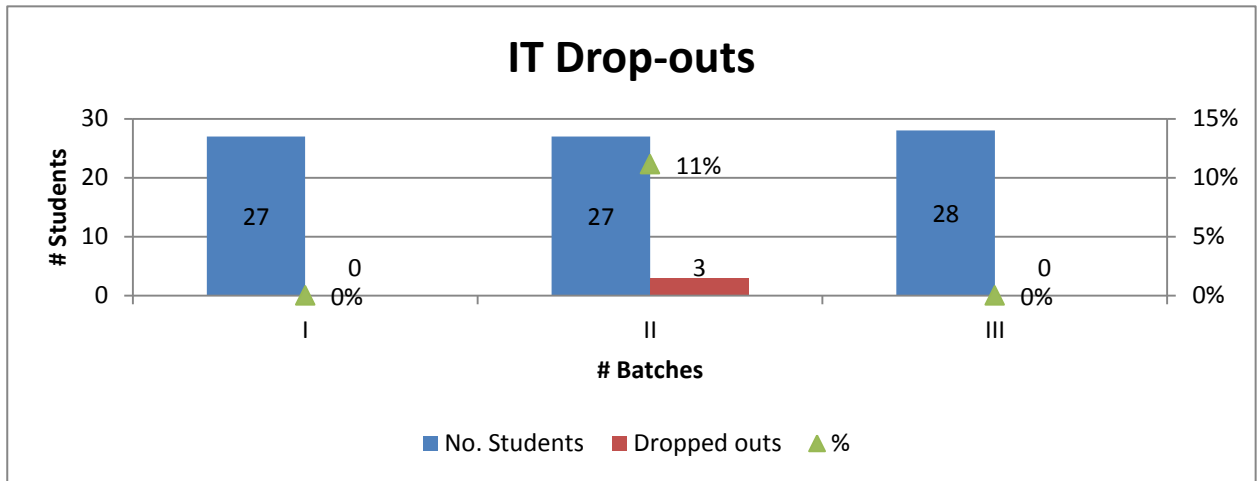
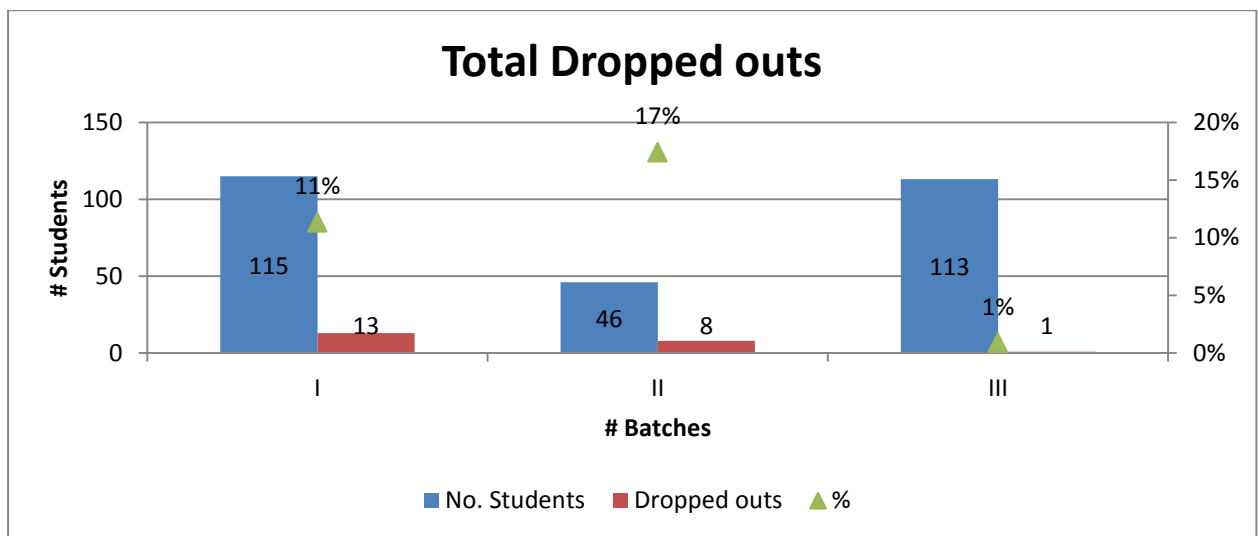


FIGURE 6: TOTAL DROP-OUTS



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, 252 exams were taken by the students, of which 247 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 7: ENGLISH PASS RATE

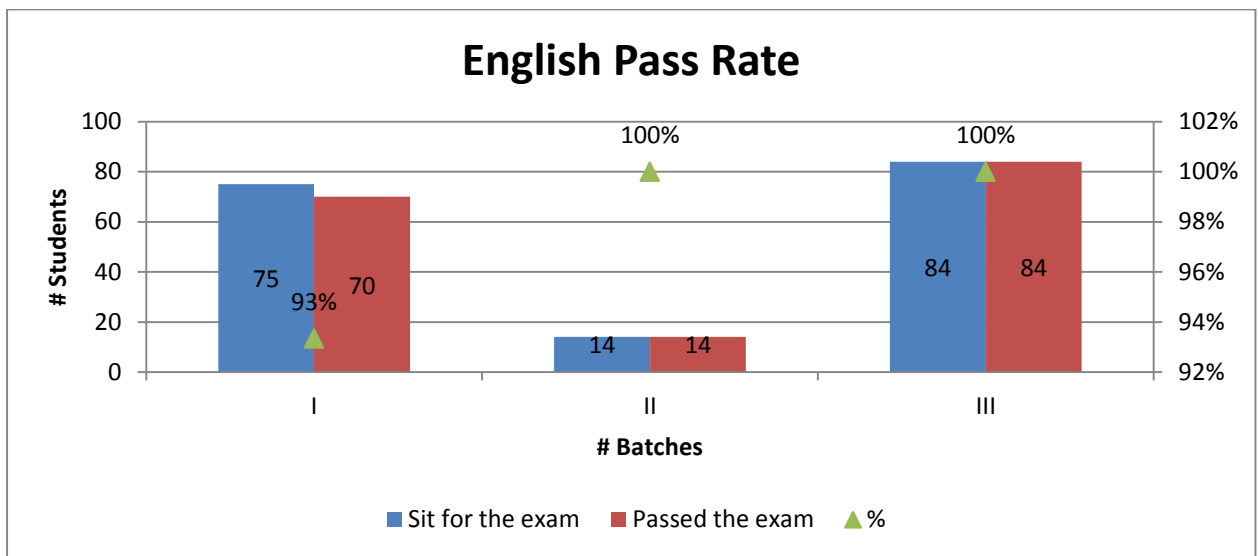


FIGURE 8: ICT PASS RATE

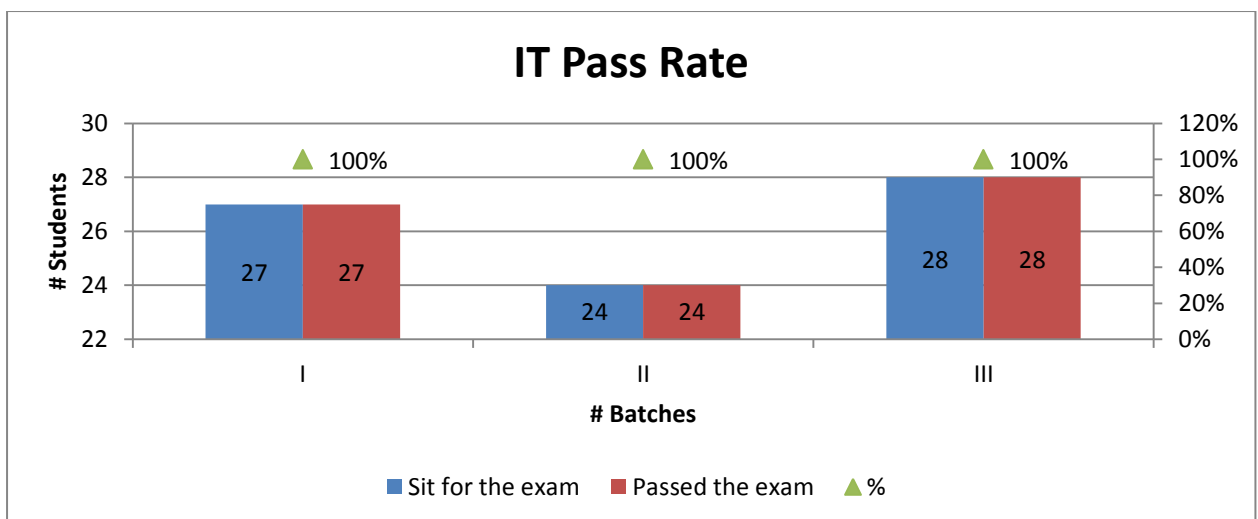
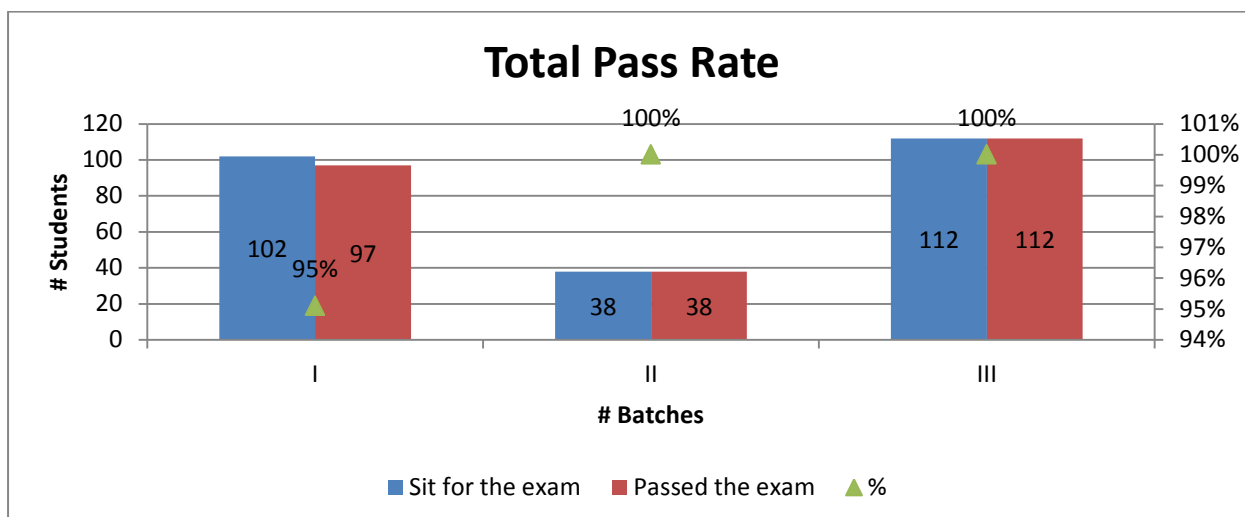


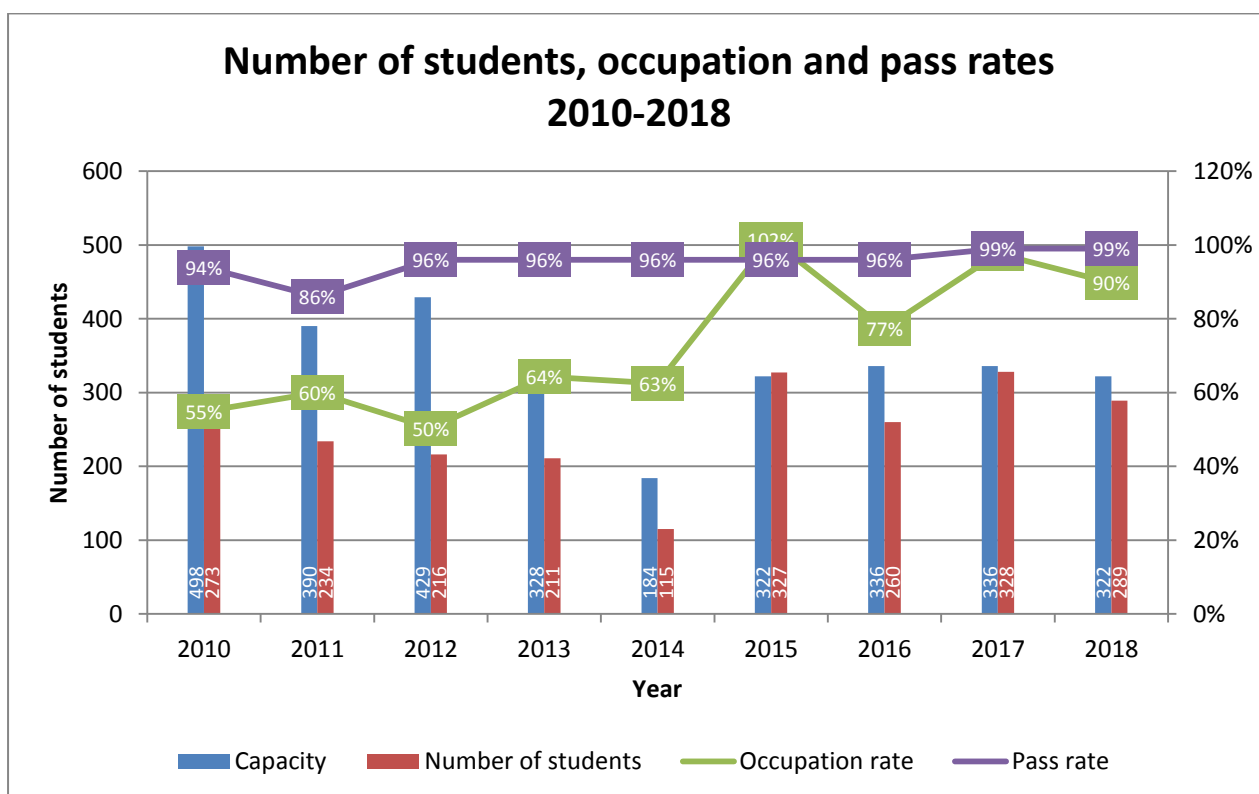
FIGURE 9: TOTAL PASS RATE



HISTORIC PERFORMANCE

This 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, 2016, 2017 and 2018 was significantly higher than that of the last years, while keeping a similar passing rate.

Figure 10: Number of students, Occupation and pass rates



Furthermore, the graph shows a lot of changes in capacity and the number of students. In the table below, an 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
2017	<ul style="list-style-type: none"> • English teacher resigned during batch 1 • Three achiever classes in batch I, II and III • Two ICT classes during batch I, II and III • New English teacher in training for foundation classes in batch III
2018	<ul style="list-style-type: none"> • One achiever class in batch III, Project coordinator only available in batch III • English teacher resigned during batch III • Two new teachers in training 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 2018 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?	5.0
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

As shown in table 3, the average overall scores are quite high. This gives an indication that the courses the LWEI is providing are of good quality and that we are on the right track. However, in terms of feedback, it does not provide a tool that can be used to determine on what points the LWEI can still improve its course. Many students fill in excellent scores and are not being asked to give constructive criticism. For the coming year it might be a good idea to re – evaluate the way in which feedback is obtained. For example, by in depth interview with students.

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.

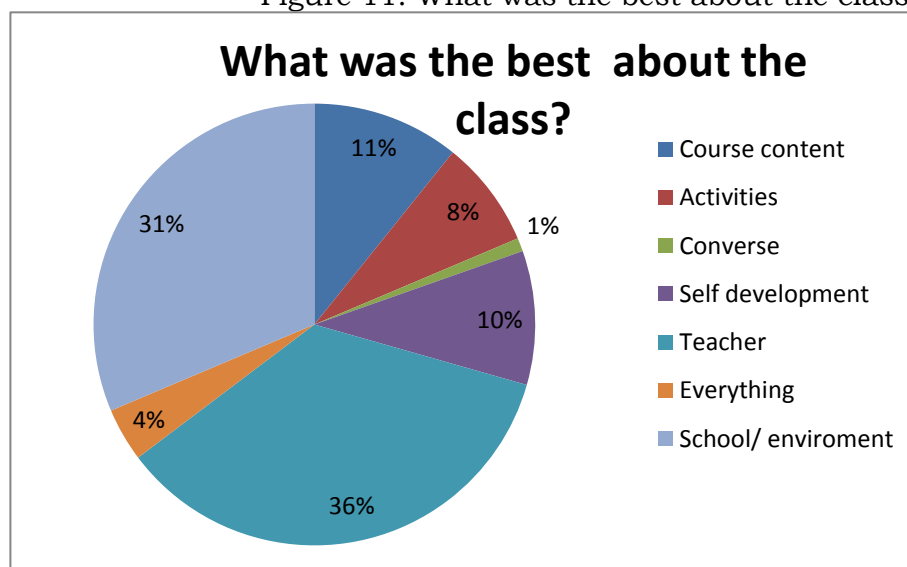
Question	Percentage 'yes'
We had enough exercises to practice reading.	97%
We had enough exercises to practice writing.	97%
We had enough exercises to practice listening.	98%
We had enough exercises to practice speaking.	88%

The questionnaire also included some open ended questions:

- What was the best thing about the class?

Figure 11 shows what students answered to the question “what was the best thing about the class”. 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.

Figure 11: What was the best about the class?



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

Figure 12 shows what students answered to the question: “What do you think could be improved about class?” Most of them answered ‘nothing’ Again, this shows that the quality of the courses offered by LWEI is good, but it also shows that students are not used to give ‘constructive feedback’ . Therefore, we should reconsider if obtaining feedback through the use of questionnaires is the best way to find possible improvements for the LWEI. . After that, 11% stated that the ‘Facilities’ of the school should be improved. Most students were revering the projector or air-conditioning or the student toilet. Some students answered that the duration of the class (one hour and forty-five minutes) was not enough.

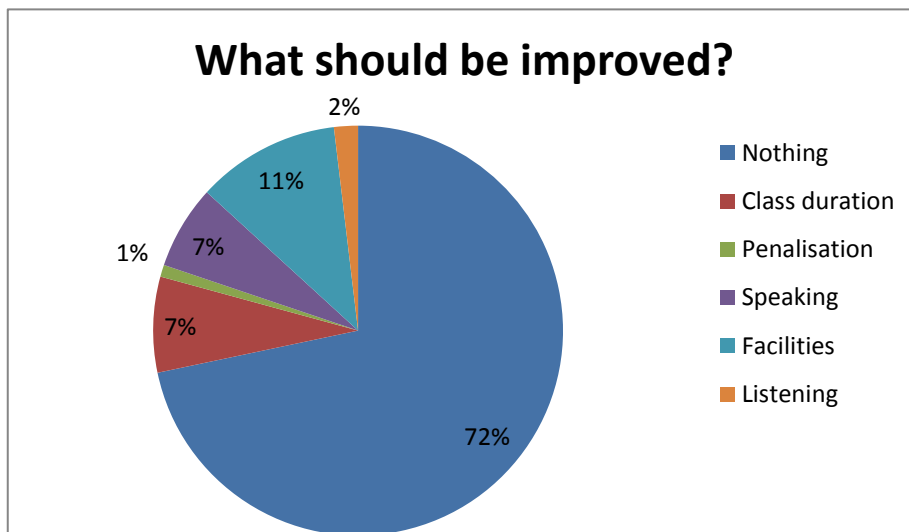
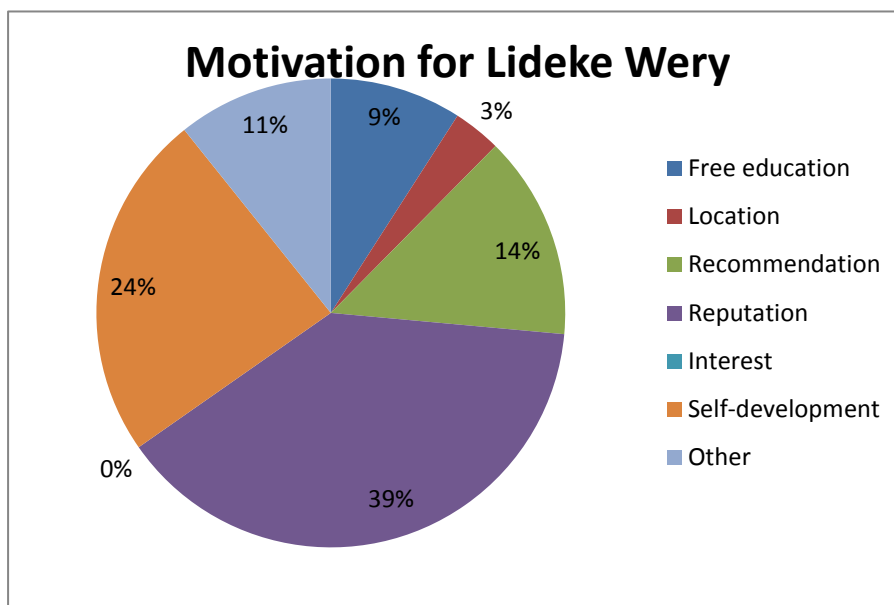


Figure 12: What should be improved?

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

Figure 13 gives an overview of student's reasons to study at LWEI. It shows that the institute's reputation is an important factor for attracting students. This stresses the importance of activities like community day for the institute. The 24% Self- development shows that students find it important that, in addition to the courses, the institute also provides opportunities to do presentations and organize school activities.

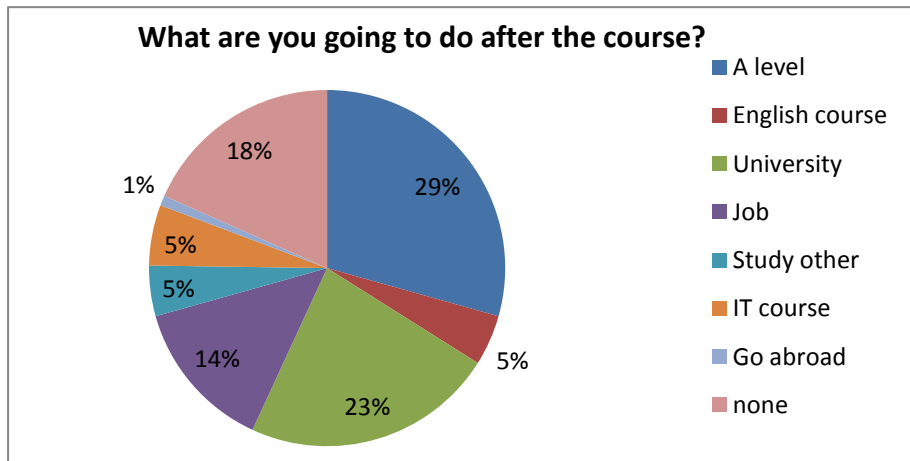
Figure 13: Motivation for Lideke Wery



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

Figure 14 shows what students want to do after attending LWEI. It shows that a large part wants to continue with their education in some form. 11% of the students are looking for another course at the LWEI.

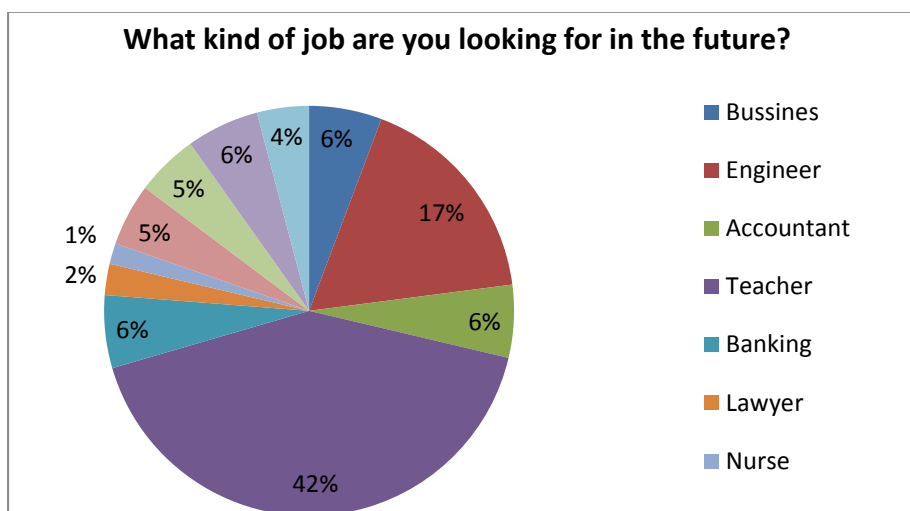
Figure 14: What are you going to do after the course?



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

Figure 15 shows future job ambitions of students. Almost half of the students (42%) want to become a teacher in the future. This indicates that whenever the institute is looking for new teachers in the future, it might be possible that students are willing and capable of doing the job.

Figure 15: What kind of job are you looking for in the future?



- 25. Do you have any other remarks?

The final question leaves room for student to give any advice or leave a message to the institute. A sample of the answers is given below:

“This institute is really important for the students.”

“I really appreciate the commitment of the teacher”

“This institute is excellent. I most like the teachers because they are very friendly”

“Good school, good teachers, good friends”

“I love the Lideke Wery Educational Institute!!”

*“I want to say that this institute is the best. I want to thank all the teachers and
our aunty.”*

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 SHAREHOLDERS OF LIDEKEWERY EDUCATIONAL INSTITUTE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lidekewery Educational Institute, ("the Company"), which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium-sized entities ("SLFRS for SMEs").

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. These financial statements do not comprise other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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. Mihula FCA
T.J.S. Rajasekera FCA
Ms. S.M.B. Jayasekera ACA
G.A.U. Karunaratna FCA
R.H. Rajan ACA
P.V.S. Perera FCA
W.W.J.C. Perera FCA
W.K.D.C. Abeyaratne FCA
R.M.D.S. Rajapaksa FCA
C.P. Jayatilaka FCA
Ms. S. Joseph FCA
S.T.D.L. Perera FCA
Ms. S.K.D.T.N. Rodrigo FCA
Principals - S.R.L. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardena ACA



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the Going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: http://slaasc.com/auditing/auditors_responsibility.php. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, 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, 12th June 2019
DR/DS



LIDEKE WERY EDUCATIONAL INSTITUTE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER

	Note	2018 Rs.	2017 Rs.
Operating Income			
Donations Received	2	11,579,410	8,252,641
Total Operating Income		<u>11,579,410</u>	<u>8,252,641</u>
Operating Expenditure			
Project Expenses	3	(926,460)	(1,016,336)
Administrative and Other Operating Expenses	4	(9,721,072)	(8,227,354)
Total Operating Expenditure		<u>(10,647,532)</u>	<u>(9,243,690)</u>
Net of Operating Activities		931,878	(991,049)
Other Income			
Net Financial Income	5	12,750	12,830
Other Income	6	-	12,000
Total Other Income		<u>12,750</u>	<u>24,830</u>
Net of Non-Operating Activities		12,750	24,830
Net Surplus / (Deficit) Before Taxation		944,628	(966,219)
Income Tax Expense	7	(97,267)	(69,322)
Net Surplus / (Deficit) for the Year		<u>847,361</u>	<u>(1,035,541)</u>

Figures in brackets indicate deductions.

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



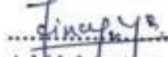
LIDEKE WERY EDUCATIONAL INSTITUTE
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER

	Note	2018 Rs.	2017 Rs.
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	8	2,743,676	2,616,656
Other Financial Assets	9	100,000	100,000
Total Non - Current Assets		2,843,676	2,716,656
Current Assets			
Accounts Receivables	10	3,825	3,188
Prepayments	11	347,416	323,392
Cash and Cash Equivalents	12	5,420,566	3,672,487
Total Current Assets		5,771,807	3,999,067
Total Assets		8,615,483	6,715,723
LIABILITIES AND RESERVES			
Reserves & Accumulated Surplus/(Deficit)			
Reserves	13	3,309,394	3,309,394
Accumulated Surplus / (Deficit)	14	(14,528)	(861,889)
Total Reserves & Accumulated Surplus/(Deficit)		3,294,866	2,447,505
Current Liabilities			
Donations Received in Advance	15	4,954,808	3,943,719
Accrued Expenses	16	268,542	255,177
Income Tax Liability	7	97,267	69,322
Total Current Liabilities		5,320,617	4,268,218
Total Reserves & Liabilities		8,615,483	6,715,723

Figures in brackets indicate deductions.

These financial statements are to be read in conjunction with the related notes, 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.

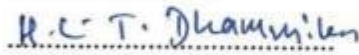


 Administrator

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



 L. J. M. Pieries

12th June 2019

Signature





LIDEKE WERY EDUCATIONAL INSTITUTE
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Capital Reserves	Accumulated Funds /(Deficit)	Total Reserves
	Rs.	Rs.	Rs.
As at 01 st January 2017	3,309,394	173,652	3,483,046
Surplus for the Year	-	(1,035,541)	(1,035,541)
As at 31 st December 2017	<u>3,309,394</u>	<u>(861,889)</u>	<u>2,447,505</u>
As at 01 st January 2018	3,309,394	(861,889)	2,447,505
Deficit for the Year	-	847,361	847,361
As at 31 st December 2018	<u><u>3,309,394</u></u>	<u><u>(14,528)</u></u>	<u><u>3,294,866</u></u>

Figures in brackets indicate deductions.

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

LIDEKE WERY EDUCATIONAL INSTITUTE

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST DECEMBER

	2018 Rs.	2017 Rs.
Cash Flow from / (used in) Operating Activities		
Net Surplus / (Deficit) Before Taxation	944,628	(966,219)
Adjustments;		
Depreciations	1,041,921	1,554,999
Changes in Working Capital		
Accounts Receivable	(637)	(1,079)
Prepayments	(24,024)	490,730
Accrued Expenses	13,365	19,974
Donation Received in Advance	1,011,089	(508,821)
Cash Flow from / (used in) Operating Activities	<u>2,986,341</u>	<u>589,584</u>
Tax Paid	(69,322)	(70,684)
Net Cash Flow from / (used in) Operating Activities	<u>2,917,019</u>	<u>518,900</u>
Cash Flow from Investing Activities		
Acquisition of Property, Plant and Equipment	<u>(1,168,939)</u>	<u>(900,600)</u>
Net Cash Flow from / (used in) Investing Activities	<u>(1,168,939)</u>	<u>(900,600)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	1,748,079	(381,700)
Cash and Cash Equivalents at Beginning of the Year	<u>3,672,487</u>	<u>4,054,187</u>
Cash and Cash Equivalents at End of the Year (Note A)	<u><u>5,420,566</u></u>	<u><u>3,672,487</u></u>
Note A		
Cash and Cash Equivalents at the End of the Year		
Cash in Hand	12 60,164	77,807
Cash at Bank	<u>5,360,402</u>	<u>3,594,680</u>
	<u><u>5,420,566</u></u>	<u><u>3,672,487</u></u>

Figures in brackets indicate deductions.

These financial statements are to be read in conjunction with the related notes ,which form as 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 2017 and for the year then ended comply with 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 12th April 2018.

(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.

(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.

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.

(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").

LIDEKE WERY EDUCATIONAL INSTITUTE

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(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.

(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 risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

(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.

LIDEKE WERY EDUCATIONAL INSTITUTE
SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Other payables

Other payables are stated at cost.

(j) 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.

(k) Cash flow statement

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

(l) 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.

(m) 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.

(n) 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 (CONTINUED)

AS AT 31ST DECEMBER

	2018 Rs.	2017 Rs.
2. INCOME		
<u>Donations Received</u>		
Donation to LWEI in 2018	5,566,249	3,236,065
Donation Received for Building Rent	960,000	960,000
Donation Transferred from Donations Received in Advance Ac	3,943,719	3,492,540
Other Donation	1,109,442	564,036
	<u>11,579,410</u>	<u>8,252,641</u>
3. PROJECT EXPENSES		
Course Materials	55,160	93,345
Computer Hardware and Software Maintenance	140,715	144,505
Examination Fees	610,180	679,160
Promotion Materials	88,370	71,012
Student Committees	30,000	28,314
Teacher training, staff training	2,035	-
	<u>926,460</u>	<u>1,016,336</u>
4. ADMINISTRATIVE & OTHER OPERATING EXPENSES	2018 Rs.	2017 Rs.
Staff Salaries	4,199,220	2,802,791
Incentives to Staff	14,650	47,510
Employees' Provident Fund	449,633	331,553
Employees' Trust Fund	112,457	82,888
Casual Wages	237,359	138,127
Bonus - New Year	306,900	87,500
Leave Pay	58,564	32,536
Staff Welfare	470,109	454,271
School Representation Cost	82,253	111,556
Building Rent	960,000	960,000
Building Repairs and Maintenance	337,376	334,549
Electricity	408,775	425,352
Water	10,560	12,000
Telephone	11,840	13,725
Internet	97,100	92,095
Satellite TV	24,400	17,530
Insurance	-	24,894
Copy and Printer Supply	248,445	191,983
Stamp and Postage	7,630	11,280
Website Expenses	6,950	3,500
Secretarial Fees	59,275	83,105
Carried forward	<u>8,103,496</u>	<u>6,258,745</u>

LIDEKE WERY EDUCATIONAL INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31ST DECEMBER	2018	2017
	Rs.	Rs.
Brought forward	8,103,496	6,258,745
Auditors' Remuneration	88,000	82,000
Reimbursement of Audit Related Expenses	16,938	17,014
Services (Laundry and Dust Bin)	20,850	26,150
Travelling	31,482	13,375
Depreciation	1,041,921	1,554,999
Equipment Repair and Maintenance	82,025	67,104
Bank Charges	4,950	4,890
Sundry Expenses	100,006	61,153
Solar Panel	4,250	4,900
Equipment rent Expense	15,700	19,500
Newspaper Advertisements	201,680	-
TAX Consultancy charges	9,000	8,000
Legal Matters	-	17,100
Coodinator's Visa	-	90,000
ETF Surcharge	773	880
PAYE Surcharge	-	369
Wth Holding Tax	-	1,175
	<u>9,721,072</u>	<u>8,227,354</u>
5. NET FINANCIAL INCOME		
Interest on Fixed Deposits	<u>12,750</u>	<u>12,830</u>
	<u>12,750</u>	<u>12,830</u>
6. OTHER INCOME		
T-Shirts Sales Income	<u>-</u>	<u>12,000</u>
	<u>-</u>	<u>12,000</u>
7. INCOME TAX EXPENSE		
Current Tax on Ordinary Activities (<i>Note 7.1</i>)	-	-
NGO Tax on Grants Received (<i>Note 7.2</i>)	<u>97,267</u>	<u>69,322</u>
	<u>97,267</u>	<u>69,322</u>

LIDEKE WERY EDUCATIONAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018

7.1 Reconciliation between Net Surplus before Taxation and Current Tax on Ordinary Activities

	2018 Rs.	2017 Rs.
Net Surplus Before Taxation	944,628	(966,219)
Add: Expenses Disallowed for Tax	-	1,574,979
Less: Foreign Donation Received	-	(8,252,641)
Deductible b/f Losses	-	(42,427,927)
Adjusted Loss	<u>944,628</u>	<u>(50,071,808)</u>
Provision for Current Year Profit @ 12%	-	-

7.2 NGO Tax on Grants Received

Total Donation Received	11,579,410	8,252,641
3% of Total Donations Received	<u>347,382</u>	<u>247,579</u>
Tax at the Rate of 28%	<u>97,267</u>	<u>69,322</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.

LIDEKE WERY EDUCATIONAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment Rs.	Furniture & Fittings Rs.	Other Equipment Rs.	Solar System Rs.	Course Books Rs.	2018 Total Rs.	2017 Total Rs.
Cost							
Balance as at 01 st January	8,590,428	844,128	1,137,743	775,322	451,631	11,799,252	10,898,652
Additions	962,941	185,938	20,060	-	-	1,168,939	900,600
Balance as at 31 st December	9,553,369	1,030,067	1,157,803	775,322	451,631	12,968,192	11,799,252
Depreciation							
Balance as at 01 st January	6,946,636	658,649	915,608	262,376	399,327	9,182,596	7,627,597
Charge for the Year	608,968	99,369	152,012	155,064	26,507	1,041,921	1,554,999
Balance as at 31 st December	7,555,604	758,018	1,067,620	417,440	425,834	10,224,517	9,182,596
Net Carrying Value							
As at 31 st December 2018	1,997,765	272,049	90,183	357,882	25,797	2,743,676	-
As at 31 st December 2017	1,643,792	185,479	222,135	512,946	52,304	-	2,616,656

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

AS AT 31ST DECEMBER	2018 Rs.	2017 Rs.
9. OTHER FINANCIAL ASSETS		
Fixed Deposit (Sanasa Development Bank PLC)	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
10. ACCOUNTS RECEIVABLES		
FD Interest Receivable	3,825	3,188
	<u>3,825</u>	<u>3,188</u>
11. PREPAYMENTS		
Building Rent Prepayment	320,000	320,000
Insurance Prepayment	24,024	-
Sattelite TV Charges Prepayment	3,392	3,392
	<u>347,416</u>	<u>323,392</u>
12. CASH AND CASH EQUIVALENTS		
Cash at Bank	5,360,402	3,594,680
Cash in Hand	60,164	77,807
	<u>5,420,566</u>	<u>3,672,487</u>
13. RESERVES		
Capital Reserve	3,309,394	3,309,394
	<u>3,309,394</u>	<u>3,309,394</u>
14. ACCUMULATED SURPLUS / (DEFICIT)		
As at 01 st January	(861,889)	173,652
Surplus for the Year	847,361	(1,035,541)
As at 31 st December	<u>(14,528)</u>	<u>(861,889)</u>
15. DONATIONS RECEIVED IN ADVANCE		
As at 01 st January	3,943,719	4,452,540
Donations to LWEI	4,954,808	3,943,719
Transferred to Income Statement	<u>(3,943,719)</u>	<u>(4,452,540)</u>
As at 31 st December	<u>4,954,808</u>	<u>3,943,719</u>

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

AS AT 31ST DECEMBER	2018	2017
	Rs.	Rs.
16. ACCRUED EXPENSES		
Auditors' Remuneration	88,000	82,000
Employees' Provident Fund	75,534	75,703
Employees' Trust Fund	9,090	9,090
Electricity	41,998	33,806
Telephone	9,192	7,192
Internet	4,549	18,177
Tax Consultancy Charges	24,500	15,500
PAYE Tax	313	1,544
Sattelite TV Charges	3,200	-
Insuarance payable	12,166	12,165
	<u>268,542</u>	<u>255,177</u>

17. CAPITAL COMMITMENTS

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

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 circumstance has 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).

21. KEY MANAGEMENT PERSONNEL COMPENSATION

The Board of Directors of the Company are the members of the Key Management Personnel.

No transaction has been occurred during the period with the Related Parties & Key Management Personnel.

Board of Directors

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

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