



# Sewalanka Foundation

Annual Report

2010/2011



Bringing Diverse Communities Together

# Our Partners



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Sewalanka Foundation thanks our partners for their support to build more peaceful and prosperous communities in Sri Lanka.

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**Our Mission** is to enhance the capacity of rural communities to democratically identify and address their own development needs and provides services that contribute to the economically viable, socially just, and ecologically sustainable development of Sri Lanka.



## Our Objectives

Strengthen civil society by mobilizing disadvantaged communities, building institutional capacities and linking community-based organizations with each other and with external resources.

Ensure the psychological, social and economic wellbeing of conflict and disaster affected communities and facilitate the shift from relief aid to self-reliance and sustainable development.

Promote sustainable rural development by offering training, support and services based on the interests and needs of community-based organizations.

# Chairman's Message



*Dr. Harsha Kumara  
Navaratne*

***"I have learned valuable things from birds. I've learned that instinctively they know north and south; they know where to go in the wintertime, where to go in the summer. Birds will take advantage of a tail wind, and when the wind is blowing the other way, they'll hole up. They rest, because if they rest that day and restore their strength, the next day they can much more than make up for what they lost by not going. As I read about birds, I realized that they not only use tail winds but they don't fight the winds. They change their course year after year on the basis of the particular situation. They never come back exactly the same way twice because the conditions are never the same, but they always get to their destination. I thought, for God's sake they're pretty smart, why can't we learn not to do things when it's almost impossible? Why can't we learn to hole up and renew our strength? Why can't we learn to change the entire route if it's necessary, so long as we get to the right point? ... Now sometimes even birds make the wrong analysis and fly into a storm. They have to fly against the wind, but after a while they stop fighting it and find a place to land and hole up. They don't try the impossible. I think that's very important in movements. There are times when you can't go ahead. That's the time to hole up and start thinking. You watch the wind, and wait for it to blow your way. – Myles Horton (1905-1990)***

It was a year of transition. For a long time now, our work has focused on emergency response and rehabilitation from natural disaster and war. In 2010/11, recovery was still the main priority in the north of the country, but we were able to start shifting to long-term development programs and services. We can feel the winds starting to change.

Grant aid and free services are critical during an emergency situation, but over time they can lead to a dependency mentality. We see this in many communities affected by the tsunami and the war, and we can see it among our own staff members. When people become used to free material assistance, it is difficult to transition to participatory problem solving and

development-oriented services. The government faces the same challenges. Internationally funded subsidy schemes and welfare programs have raised people's expectations and increased dependency.

Subsidies and welfare programs can be beneficial to development if they are well targeted and monitored. This is not easy. Aid often misses the places that urgently need it and goes to places that do not require it. When others are providing easy money and free services in an area, it is very difficult to build long-term sustainable programs. Grant aid can damage creativity and initiative. People start to wait for others to come in and solve their problems.

The prevalence of this dependency mentality is a real challenge for our country. Grant aid will not be so available in the future. As development practitioners, we need to prepare and adjust to the changing winds. We need to work together with like-minded groups to build capacity, help communities get ready for new conditions, and provide development services that are self-financing. In order to prepare for these changes, our management team has been working hard to set up stronger and more decentralized development programs at the district level. District Program Coordinators are responsible for working with their teams to develop district strategic plans and clear targets. These targets are used to monitor district performance and ensure they receive the necessary national level support services.

As access to grant funding declines, the Program Coordinators have worked to develop self-sustaining programs and services. Some district teams have made great progress; others have struggled. Quarterly review workshops have been held to increase exchange and learning between districts so that successful strategies are replicated and unsuccessful strategies are not repeated. These experiences have convinced us that our future depends on the capacity of district teams to provide decentralized development services in response to changing local conditions.

Our two sister organizations also made significant progress towards providing self-financing development services. Sewa Finance reached its break-even point and continued expanding its geographical outreach in partnership with the Sewalanka district teams. SEDCO assisted the district teams with their self-financing strategies, coordinated forward contracts, and served as an incubator for several rural enterprises.

We've flown through some heavy storms in recent years, and we still have a long way to go to reach our destination. This was a year of watching the wind, reflecting, and adjusting our route. We'd like to thank everyone that's flown with us, and we look forward to the next leg of the journey.

# Program Highlights





### DISASTER MANAGEMENT

#### Emergency Response:

Although Sewalanka was founded as a development organization, its mandate is to adjust its services to the needs and interests of the communities it supports. Since the early 1990s, Sewalanka has played a key role in assisting internally displaced people (IDPs) and conflict-affected communities in the north and east with basic emergency needs, resettlement, and rehabilitation.

The end of the 33-year conflict between Government forces and the separatist LTTE in May 2009 changed the operational environment in the country. There was a massive displacement of the population in the north in the final stages of the war, about 195,000 IDPs forced from their homes during the final fighting. Most of them returned to their homes by August 2010 through movements organized by the Government.

Towards the end of last year our immediate emergency response efforts came to an end. Sewalanka was still working in Menik Farm, Vavuniya. We worked closely with ECHO and WHH who supported an early recovery programme for 4,875 individuals providing safe drinking water, hygiene kits and infant kits. Funding from Oxfam Australia ensured that Sewalanka were able to provide emergency complementary food supplies to over 9700 individuals daily.

In December last year Sri Lanka experienced its heaviest rainfall in almost one hundred years.

Throughout January and February 2011, the situation heightened as river banks and reservoirs burst resulting in fatal flash flooding. At the peak of the floods over 1.2 million individuals were left without shelters and food. According to rescue services the death toll was sixty two. Extensive damage to infrastructure and crops has significantly harmed the Sri Lankan economy.

Sewalanka was able to reach IDPs in all the affected areas because of its excellent networks and close coordination with the Government, United Nations and other humanitarian organizations.

DCA and FCA played a huge role in supporting financial assistance to help with providing dry rations and support packages with immediate effect. These packages reached 2500 families in 4 DS divisions. With USAID's financial support, we provided support for 1860 families in Batticaloa and 1332 families in Trincomalee. Support was provided distributing clean drinking water, re-establishing environmental health conditions, agriculture and food security and organizing hygiene promotion to save affected households.

Sewalanka teams in Batticaloa and Ampara worked with CHF to implement health, physical security and livelihood projects in 5 DS divisions to help 5820 flood affected families.

Humanitarian assistance is still needed in Sri Lanka's conflict-affected areas even though the Government's focus is shifting from relief to early recovery and development.



### Rehabilitation:

The main priorities during the early recovery phase of the rehabilitation process are to establish water, shelter and sanitation facilities, employ returnees to construct basic infrastructure on a “cash-for-work” basis, and restore productive assets for livelihood recovery and food security. The following recovery and rehabilitation projects were initiated in the 2010/11 financial year to contribute to the efforts of national and local government in facilitating the return or resettlement and early recovery of populations displaced by armed conflict and monsoon floods.

Sewalanka foundation employed more than 1,350 families of the most vulnerable people in Kilinochchi in a cash-for-work program with ECHO funding. The quick impact program aimed at helping them get enough food to eat. The program provided a substantial infusion of cash which helped to restart the local economy and provide support to economic markets. At the most basic level, cash-for-work provided an essential source of income and for the majority of community members and their households was the only source of income in months after displacement. Cash-for-work programs have been used in a variety of disaster and emergency contexts. These programs have become a prominent component of Sewalanka's immediate response to the IDPs.

In 2010 Sewalanka provided 153 families in Jaffna with the repair and construction of houses, toilets and roads with support from DRC. 3300 families benefited from new wells, bathing places and toilets thanks to Sewalanka's UNICEF funded project. In partnership with BMZ/WHH Sewalanka

were able to assist 1400 returnee families in Vavuniya and Mullaittivu. Sewalanka were also able to construct and rebuild wells in Kilinochi with support from Oxfam Australia. In Mannar the IOM supported toilet construction projects that benefited 283 families. At the end of March last year Sewalanka finished constructing semi-permanent shelters in Trincomalee, the project was funded by JADE.

Having the idea of promoting sustainable livelihoods through the establishment of community-managed livestock schemes, our Jaffna team provided livestock assistance to 59 resettled families in Velani. The support included goats, cows and poultry. In partnership with IOM the project provided a viable livelihood opportunity, offered returnees income generating activities and contributed to household and community development.

In partnership with SDC, we have re-established the agriculture based livelihoods of 125 families in Kopay, Jaffna. The project distributed home gardening packages (vegetable seeds, fruit seedlings and tools), water pumps, horse-pipes and poultry.

In Jaffna and Mannar, USAID and Sewalanka worked in partnership ensuring the long term food security of resettled communities through cleaning and rehabilitation of agro wells and agro well channels. Support for backyard gardening is another important aspect of the project. Beneficiaries have been able to grow their vegetables in their backyards and sell the excess to the neighbors. 300 families have been assisted

# Program Highlights

DISASTER MANAGEMENT



with business plan preparation, installation and activation of self-help groups in Jaffna. These self-help groups, provide mutual support for each other. This livelihoods recovery project was funded by NRC. Also with financial support from CIDA, 700 vulnerable households were assisted with cash for work, well reconstruction, livestock, agriculture and fisheries.

As agriculture and fisheries are inherent to the Mullaittivu communities, Sewalanka is providing assistance with financial support of Japanese Embassy to reignite these skills. The project has made big changes in the Mullaittivu district helping 2272 families to restore assets for agriculture and fisheries. Communities have got together and started producing crops, within a few months community garden plots are now covered with vegetables such as; long beans, pumpkin, tomatoes, okra and aubergine. It is clear that the people of Mullaittivu have farming in their blood.

In Nedunkerny, Vavuniya, BMZ/WHH funded an integrated program that included complementary food, agricultural inputs, wells, tanks, and support for livelihoods. 1500 families were involved in the project. These integrated livelihood opportunities have allowed farmers to support their family by growing produce to feed their family and sell at local markets.

In Vavuniya, UNHCR funded a home gardening project especially for people with special needs and FCA helped in implementing a livelihoods assistance program for widows. The project provided inputs for small scale vegetable production such as seeds and tools. FCA's support in Batticaloa included awareness sessions and

programs on human rights, civil rights and child rights.

Immediate provision of shelter and basic non-food items to IDPs and returnees affected by conflict is acknowledged as the most critical priority for families to settle in the community in a conducive environment. Therefore, 255 vulnerable families who desperately required emergency support, shelter materials and shelter repairs were supported through funding by NRC.

In Cheddikulam, Vavuniya, Sewalanka constructed semi-permanent shelters for IDPs, with support from ECHO/WHH. The project also provided funding for bicycle supplies, well reconstruction, well cleaning and livelihood recovery support for 600 families.

The Norwegian Ministry of Foreign Affairs funded to enhance the livelihoods of resettled communities in Killinochi, Mullaittivu, Mannar and Vavuniya districts; supporting livelihood recovery, small enterprises, access to seed paddy and fish fingerling production. The project ensures availability and access to high quality paddy seeds to farmers in the Northern Province and uninterrupted supply of fish fingerlings to support inland fishery in minor irrigation tanks.

BMZ/WHH supported the construction of semi-permanent shelters, toilets, well cleaning, infrastructure repair, complementary food and livelihood recovery for 300 families and 1050 IDPs. The Japanese Embassy and DFID also implemented an infrastructure development project which rehabilitated internal network roads and



# Program Highlights

DISASTER MANAGEMENT / ORGANIZATIONAL DEVELOPMENT



wells in Puliyaankoodai, Jaffna.

With funding from FIDR, Sewalanka were able to construct a Paediatric ward at Chavakachcheri Base Hospital in Jaffna.

The Nippon Foundation Worked with Sewalanka to support the revival of education facilities in Jaffna, Killinochi, Mullaithivu, Mannar and Vavuniya by constructing schools. Sewalanka closely worked with the Department of Education and relevant line ministries for stakeholder awareness, identification, and confirmation of sites.

In October 2009, Sewalanka joined a consortium of international partners: ACTED, WHH and HI to start a 4-year EC-funded project in Trincomalee, Batticaloa, Vavuniya and Mannar. This longer-term rehabilitation project assists 40,916 families in 4 districts with common infrastructure development, social institutions and livelihood recovery. The project is aimed at strengthening Civil Society Organizations in representing public needs and engaging in local development planning, and supporting community-led socio-economic development through a holistic, multi-pronged approach including infrastructure, livelihood, psychosocial and conflict mitigation components. Special attention is given to people with disabilities.

## Risk Reduction:

Sewalanka's DRR programs are often a complementary or integral part of other programmes such as micro-finance, food security, promoting agricultural diversity, or

capacity building. On occasions, particularly with preparedness planning and advocacy issues, it can be a stand-alone activity. We take disaster risks into consideration during the community planning process. Drainage, bunds, water reservoirs, canals, and vegetation buffers are included in infrastructure planning to mitigate the risk of flooding or drought. Community savings systems, mixed cropping, and diversified livelihood strategies are encouraged to provide an economic buffer in the event of a disaster.

In early 2011, Diakonie funded a disaster risk response program in Mullaittivu. The project enhances the level of participation and the role of women in social and economic development activities. The goal is to increase community resilience in five neglected tsunami affected vulnerable villages in the event of a disaster.

Sewalanka continues to include DRR measures within project concept notes, programme cycle management and livelihoods models.

## ORGANIZATIONAL DEVELOPMENT

Sewalanka specializes in strengthening the institutional capacity of civil society organizations with a particular focus on community-based organizations (CBOs). In our experience, strong CBOs can reduce poverty, conflict, and environmental degradation, improve the living standards of disadvantaged groups, stimulate rural economies, and contribute to participatory, inclusive decision making and good governance.

# Program Highlights

ORGANIZATIONAL DEVELOPMENT / LIVELIHOOD SERVICES



Although it takes time to build effective, democratic and inclusive village institutions, the long-term impact of strengthening community organizations can be much greater than the short-term benefits of providing grants and services to individuals. Strong CBOs are able to contribute to a self-sustaining process of change that can result in unanticipated new initiatives, social services and businesses. Increasing the capacity of engaged community members to work together, solve problems, and meet their own goals can have a multiplier effect that expands the benefits of an intervention beyond its initial target group and time frame.

Nearly all of Sewalanka's programs and projects include an institutional capacity building component.

In the past year, Sewalanka provided organizational development services to 506 CBOs in 18 of Sri Lanka's 25 districts.

In Mannar and Vavuniya, EC and Oxfam GB are supporting Sewalanka by funding a civil society strengthening programme that includes training and rights awareness workshops. Also in Vavuniya the EC and WHH helped Sewalanka support 1700 families form linkages with the government to improve their access to resources as well as develop village committees through capacity building.

The EC and ACTED-funded Non-State Actors and Local Authorities project in Trincomalee, Batticaloa and Ampara also tested new strategies for improving links between CBOs and government officials. In addition to strengthening community

organizations in conflict-affected areas, the project provides training opportunities for local government officials and support for planning and coordination meetings.

In Batticaloa the ADB / GOSL supported the North East Coastal Community Development Project (NECCDEP) for conflict areas, which was completed in June last year. A total of 97 CBOs benefitted from training, infrastructure, livelihoods and environmental awareness. JICA funded an urgent rehabilitation project in Mannar for the resettling communities. The project included CAP workshops, MRE training and a survey of the local GN Division. ADB also supports for a connectivity improvement project in Anuradhapura. The project is rehabilitating 90 Km of rural access and internal network roads.

Throughout the island the Norwegian Ministry of Foreign Affairs funded capacity building initiatives through training and exchange programmes for youth and CBO leaders, as well as support for environmentally sustainable livelihoods through the development of an organic agriculture network, seeds, seedlings and livestock production. Last year the Sasakawa Peace Foundation funded a three year project to support the coordination of meetings, workshops, training and international exchange programmes through the engagement of youth and clergy.

## LIVELIHOOD SERVICES

Sewalanka's activities vary from village-to-village and district-to-district based on local needs and interests, but the basic approach remains the same. Experienced social mobilizers facilitate



participatory group discussions and help people assess their situation, identify and prioritize challenges and opportunities, work collectively towards common goals, and access external information, services, and resources.

Depending on the issue being addressed, Sewalanka links community groups with government service providers, private companies, universities, and other non-profit NGOs. Since livelihood development is usually identified as a main priority, Sewalanka has built up internal livelihood specialists and services to focus on these issues.

### **Sustainable Agriculture:**

In the disadvantaged rural areas where Sewalanka works, the majority of people are directly dependent on small-scale agriculture for their livelihood. Sewalanka's agricultural specialists and district teams help small-scale farmers access information according to their needs and interests. In general, Sewalanka promotes low-external input sustainable agriculture (LEISA) techniques and helps innovative and motivated farmers transition to organic cultivation.

Since Sewalanka's main priority is local food security, home gardening programs are often used as an entry point. Home gardens can improve household nutrition, reduce food expenses, and, if a surplus is produced, provide a supplementary income. In many households, women take a leading role in home garden development. The organic home garden program under the Norwegian Ministry of Foreign Affairs

was expanded to 3,487 members in CBOs in Moneragala, Hambantota and Nuwara Eliya.

Rather than duplicating agricultural services, Sewalanka tries to link small-scale farmers to available resources. Most training programs are organized in close coordination with government officers and other local resource people. Organic home garden training programs usually include practical demonstrations of bed preparation, compost preparation, liquid organic fertilizer and pesticide preparation and integrated pest management. Many families later expand these techniques to their commercial cultivation. The Islander Center works with a network of resource people to offer specialized courses to interested farmers.

In remote areas, access to quality productive materials is often identified as a main constraint. Farmers struggle with poor selection, late availability, low germination rates, and unexpectedly low-grade products. With support from the Norwegian Ministry of Foreign Affairs, Sewalanka is trying to improve farmers' access to high quality and indigenous varieties of seeds, seedlings and livestock.

During this past year, the Islander Center and the environmental centers in Batticaloa and Kalutara distributed more than 54,000 seedlings, and 62,000 kilograms of seed. The Kalutara Center is registered as a government-certified nursery and the Islander Center is registered to produce government-certified seed paddy. The Islander Center has collected 256 varieties of plants including local paddy, local vegetables, perennial crops, and dry zone trees. The Kalutara Center



has collected 71 varieties of plants and focuses primarily on producing cinnamon, pepper, and areca seedlings, ornamentals, and landscaping plants. It also maintains 6 banana varieties. The Batticaloa Center has collected 10 plant varieties and focuses on banana, drumstick, vegetable varieties, and ayurvedic plants.

Through the JTS funded project that finished at the end of last year Sewalanka were able to rebuild 20 agro and drinking wells, rehabilitate Kanugahawewa tank, provide agricultural inputs and water pumps, and support poultry farming to over 300 community members in Anuradhapura. In Killinochi, Mullaittivu, Mannar and Vavuniya the Norwegian Ministry of Foreign Affairs's Livelihood Enhancement for Resettled Communities (LERC) provides access to high quality seeds to farmers in the Northern Province of Sri Lanka.

### **Fisheries and Aquaculture:**

Fishing is a vital source of income and nutrition for many Sri Lankan families. An estimated 70% of Sri Lanka's protein consumption comes from its 1,770 kilometers of coastline or its thousands of inland reservoirs. In Velanai, Jaffna, 30 returnee families are working with Sewalanka through a JICA funded project that identified that the area has the perfect conditions for growing seaweed.

### **Other Livelihood Services**

#### **Community products:**

In Ampara, Sewalanka worked with ZOA to assist 250 families to strengthen the WRDS to commercialise value-added yoghurt production in Panama. Activities included business plan

development, operational management training and market linkages. Japan's Postal Savings for International Voluntary Aid (PARCIC), supported Kithul producers in Deniyaya and Matara by certifying community members and groups, constructing kithul processing facilities and creating market linkages, for thirty females in five villages.

### **Enterprise development and vocational training:**

In order to have an impact on the regional economy, Sewalanka tends to focus on livelihood activities which are shared by the majority of the rural poor in a particular area, for example, agriculture, fisheries, and community products. While these livelihood activities are collectively important, most rural households support themselves through a number of supplementary income generating activities. Depending on local interests, Sewalanka also provide specialised services to support enterprise development and vocational training.

In partnership with Swisscontact, Sewalanka's Ampara Coastal office implemented vocational training projects for youths. The training reached 700 families and covered income generation, business development and occupational skills development. In March this year Sewalanka completed the Migrant Access Programme (MAP) that supported 700 returnee migrants in Hambantota and Matara. The returnee migrants were given support through livelihood training, counselling and other support services for small business developments. The project was funded



by the EC, UN and ASB.

Sewalanka is working with UMCOR in Batticaloa to develop group-based enterprises that can support sustainable livelihoods in sectors like brick making, vegetable cultivation, and poultry farming.

### CROSS CUTTING ISSUES

Sewalanka focuses on three core program areas—disaster management, organisational development, and livelihood support services—but recognises that there are a number of key “cross-cutting issues” that must be considered in all of its programmes: psychosocial wellbeing, gender, youth and children, peace and cultural awareness, and environmental sustainability.

Sector specialists are responsible for mainstreaming sound practices into Sewalanka’s operations and programme activities. They coordinate awareness and training programmes related to these cross-cutting issues and help develop new initiatives based on requests from district offices or CBOs.

#### Psychosocial Wellbeing and Community Health:

In partnership with Abhina Academy Sewalanka are working with youths in 45 villages in the Northern region of Sri Lanka to address social problems through the performing arts. Sewalanka staff have formed cultural teams to train community volunteers to work with youths and encourage cultural integration in these villages. Activities include performing traditional plays and theatre productions.

Through MAP supported by EC, UN and ASB, Sewalanka were also able to provide counselling support services for migrant returnees who had been victims of emotional and physical abuse whilst working abroad.

Many district teams have also organised special awareness programmes on community health issues in coordination with government health officials and international partners. For example, malaria awareness programmes were conducted with support from the Global Fund for AIDS, Tuberculosis and Malaria (GFATM).

#### Gender, Youth and Children:

Although Sewalanka has a ‘community development’ approach to poverty reduction, its development practitioners recognize that communities are not homogenous. Men, women and children face different issues and sometimes require different interventions.

Sewalanka’s gender specialists are responsible for ensuring that gender sensitivity is mainstreamed and incorporated into all programmes.

An additional 32 CBOs were engaged in the Norwegian Ministry of Foreign Affairs funded environment programme in Hambantota, Moneragala and Nuwara Eliya bringing the total to 77 CBOs with 3,487 active members. 39 of the 77 CBOs have 100% female membership. Altogether, 74% of the participating CBO members are women. In CBOs that have both male and female members, women still play a strong leadership role.

In Vavuniya Sewalanka worked together with the



US Department of State with youths from 250 families to overcome their alcohol problems which are culturally and socially unaccepted. Through the programme Sewalanka conducted introduction sessions and organised monthly meetings. The US Department of State are also funding a youth project in Batticaloa that supports the enhancement of leadership skills and employment prospects of youths affected by the 2004 tsunami and the civil war. Activities include assessment of youth groups, meetings and monitoring and evaluation. At the beginning of last year Sewalanka teamed up with UNICEF to strengthen the capacity of the local police service with special attention on juvenile justice, child protection and awareness, and coordination.

### **Peace and Cultural Awareness:**

The absence of war is not peace. Peace is a continuous, dynamic and participatory process. Peace means encouraging dialog, honouring human dignity, rights and equality, and solving problems in a spirit of respect, mutual understanding, and cooperation. Sewalanka's peace specialists work with social mobilisers to integrate these principles into all operations and programmes. Together they provide training on non-violent communication skills, facilitation, mediation, participatory decision-making, community conflict analysis, and conflict sensitivity. Sewalanka's peace team also organizes programs to help bring people from different cultural, religious and language backgrounds together around issues of common interest.

Sewalanka's Islander Center has organized

residential training programs and workshops for youth leaders and civil society leaders from around the country with support from WHH, the Norwegian Ministry of Foreign Affairs, and the Sasakawa Peace Foundation. In addition to developing new skills, participants have an opportunity to share experiences with each other and build new friendships across conventional divides.

At the Islander Center Sewalanka have been delivering leadership training and conflict analysis to youths since 2008. The project is supported by WHH and aims to reduce social conflict.

Swisscontact supports a development and peace project in Ampara where vocational training, building inter-ethnic relationships, income generation, and business development training are all part of the training and experience for participating youth from 700 families representing the three ethnicities of Ampara (Muslim, Tamil and Sinhala).

In mid-2009, Sewalanka began working with the Norwegian Ministry of Foreign Affairs and Concerts Norway to organize a musical exchange program. The program focuses on exchange between countries, but it has also created opportunities for exchange within Sri Lanka.

The Royal Norwegian Embassy and Concerts Norway together organise music festivals, concerts, workshops, master classes in Sri Lanka at both city-level and village-level with Sri Lankan as well as International musicians, re-equip Northern Folk musicians with appropriate music instruments and costumes, and organise tours for Sri Lankan musicians to travel to Norway with the

# Program Highlights

CROSS CUTTING ISSUES / ISLANDER CENTER



objective of stimulating musical performing arts in Sri Lanka.

As the sister event of the biannual Galle Music Festival launched in 2009, the Jaffna Music Festival 2011 was funded by the Royal Norwegian Embassy and the United States Agency for International Development (USAID), and was implemented by Sewalanka Foundation, Concerts Norway and Aru Sri Art Theatre. The aim of the Jaffna Music Festival was to preserve traditional art forms and celebrate Sri Lanka's multi-cultural identity by showcasing diverse local folk artists alongside international folk music groups.

## Environmental Sustainability:

Sewalanka's environmental specialists are responsible for increasing environmental awareness and ensuring that principles of environmental sustainability are integrated into all internal operations and all programs. For example, if a Sewalanka team is implementing a rehabilitation project, environmental considerations should be incorporated into infrastructure design, locally available materials should be procured, soil erosion and topsoil loss should be minimized, and vegetation and tree cover should be maintained.

In addition to mainstreaming environmental best practices, Sewalanka environmental specialists help communities resolve environmental challenges by linking them with appropriate resource people. Sewalanka focuses on strengthening the management capacity of community organizations. Rather than duplicating the services of environmental agencies, Sewalanka partners with them and tries to provide complementary services.

Sewalanka is a member of the International Union for the Conservation of Nature (IUCN) and works closely with a network of Sri Lankan environmental organizations. Sewalanka environmental specialists and district teams also partner with university and government researchers on environmental issues.

The Royal Norwegian Embassy supports environment projects around the Island. Hambantota, Moneragala and Nuwara Eliya have been trained in home garden development, organic agriculture and waste management. Training programs differ slightly by district but generally include practical demonstrations of bed preparation, compost preparation, liquid organic fertiliser and pesticide preparation and integrated pest management. District teams also coordinated study visits to other communities and other government agricultural facilities.

In Moneragala and Hambantota, the annual Home Garden Competition has greatly increased the popularity of organic gardening among members. In Nuwara Eliya, the district team developed a training video on organic home gardening starring many community members that have developed successful gardens. This has been a very effective tool for generating interest among new members.

## ISLANDER CENTER

Sewalanka Islander Center provides space for people from all ethnicities, religions and regions of the country to come together, learn from one another and discuss strategies for social change, peace, understanding and social



development. In 2010/2011, two, three-month residential training programmes were conducted at the Islander Center for 54 youth covering 20 districts. The CBOs Sewalanka are working with were encouraged to nominate youth who were interested in volunteering and undertake social service, and who expect to continue working in their own communities after returning home.

The 2010/2011 programmes included a disproportionately high number of youth from Jaffna, Kilinochchi, and Mullaitivu as youth from these districts did not have an opportunity to participate previously in 2009.

Apart from the Youth Leadership Residential programme, many other Sewalanka and non-Sewalanka residential workshops and programmes also take place. This year a Non-Violent Communications residential programme was conducted by Sandhi Institute with foreign and local trainers. A food security and environmental sustainability project funded by the Royal Norwegian Embassy is also ongoing, under which many activities such as; strengthening Islander Alumni CBOs, organisational development and women's leadership trainings, training participant's organic home gardening, waste management and environmental initiatives, inter-regional exchange and national networking, providing market linkages, as well as distributing seeds, seedlings and livestock's were some of the activities implemented under this project. A waste management project has also been initiated by two graduate students from Berkley, University of California.

The Islander Festival 2011 was held from April 26 - 29, 2011. Supported by the Norwegian Ministry of Foreign Affairs and Sasakawa Peace Foundation the festival brought together 347 Sinhala, Tamil, and Muslim civil society leaders, 60 youth leaders and 19 religious leaders. The objective of the programme was to provide opportunities for inter-regional community exchange and networking between youth leaders, clergy and representatives from civil society organisations.

The programme started early morning each day with an hour devoted for Shramadana, followed by morning spiritual sessions, morning and afternoon learning sessions, a market fair in the evening, and a cultural exchange at night. The market fair opened their stalls to the "public" in the evenings; where each region had built a stall using natural materials to display their community products and highlight community initiatives.

The North Central group won the award for best market stall and the award for the best CBO product was given to "Blowhole Sahana Sewa" for their dry fish products. The cultural exchange programme alternated performances from different regions and cultural traditions including songs, dances and short dramas representing their regions.



# Project List



| District      | Location           | Project name   | Project start | Project end | Sources of funding | Activities  | Beneficiaries               |
|---------------|--------------------|--|---------------|-------------|--------------------|---|-----------------------------|
| <b>Jaffna</b> | Velanai            | Early recovery of re-settlers in the north of Sri Lanka  | Nov-09        | Sep-10      | BMZ / WHH          | Semi-permanent shelters and toilets, well cleaning, infrastructure repairs, livelihood recovery, complementary food                     | 300 families and 1,050 IDPs |
| <b>Jaffna</b> | Puliyankoodai      | Project for supporting socio-economic needs of returning communities in Puliyankoodai  | Jan-10        | Dec-10      | Embassy of Japan   | Irrigation and road rehabilitation, well construction, livelihood recovery, preschool equipment   | 478 families                |
| <b>Jaffna</b> | Chavakacheri       | Paediatric ward construction project at Chavakacheri Base Hospital   | Jan-10        | Jul-10      | FIDR               | Hospital ward construction  |                             |
| <b>Jaffna</b> | Tellippalai        | Supporting livelihoods of the returnee IDPs for early economic recovery in Jaffna  | Feb-10        | Apr-10      | DFID               | Well rehabilitation, livelihood recovery  | 316 families                |
| <b>Jaffna</b> | Tellippalai        | IDPs/refugees - integrated community durable solution programme  | Feb-10        | Apr-10      | DRC                | CBO development, toilet construction, repair of houses, toilets and roads.  | 153 families                |
| <b>Jaffna</b> | Velanai            | A project to provide livestock assistance and training to 59 resettled returnee families in mankumban village in Jaffna district | Feb-10        | Jun-10      | IOM                | Livestock husbandry- goat, cow and poultry.   | 59 families                 |
| <b>Jaffna</b> | Kopay              | Support for restoration of livelihoods of returning community in the Jaffna district   | Apr-10        | Sep-10      | SDC                | Distribution of home gardening packages, water pumps, hose pipes and poultry.   | 125 families                |
| <b>Jaffna</b> | Tellippalai        | Complementing return and enabling early livelihood recovery of returnee communities in the Northern Province                     | Apr-10        | Oct-10      | USAID              | Home gardening, rehabilitation of agro wells, cleaning of agro wells, capacity building and skills development                          | 1200 families               |
| <b>Jaffna</b> | Tellippalai, Kopay | Livelihood assistance in the district of Jaffna  | Apr-10        | Sep-10      | NRC                | Installation and activation of 30 self-help groups, meetings to strengthen self esteem, business plan programmes, livelihood assistance | 300 families                |

# Program Highlights

JAFFNA, KILLINOCHI, MULLAITHIVU

| District           | Location  | Project name  | Project start | Project end | Sources of funding | Activities  | Beneficiaries  |
|--------------------|---|---|---------------|-------------|--------------------|---|----------------|
| <b>Jaffna</b>      | Maruthankerny, Tellippalai, Velanai   | Supporting the revival of educational facilities in the north through the construction of primary schools | Oct-10        | Sep-11      | Nippon Foundation  | Conducting stake holder awareness meetings, identification and confirmation of sites of schools with the Department of Education, construction of schools.  | 3,300 families |
| <b>Jaffna</b>      | Tellippalai, Velanai, Chankanai, Uduvil, Chavakachcheri, Vaikkamam, Thenmaradachi, Vadamaradchi, Island, Jaffna | Relief, resettlement, recovery and emergency WASH response for IDPs in Jaffna district                    | Jul-10        | May-11      | UNICEF             | Relief, resettlement and recovery well cleaning, construction of gender specific bathing places, toilet construction and renovation, solid waste disposal, water tank repair and maintenance, tube well renovation, distribution of hygiene kits and awareness training | 30 families    |
| <b>Jaffna</b>      | Velanai   | Seaweed farming   | Aug-10        | Aug-11      | JICA               | Introducing seaweed farming   | 131 families   |
| <b>Kilinochchi</b> | Karachchi   | Recovery assistance in resettlement areas in northern Sri Lanka   | Jun-10        | Dec-10      | OXFAM Australia    | Wells cleaning, repair and construction, discussion and information sharing, psychosocial awareness training  | 700 families   |
| <b>Kilinochchi</b> | Poonagary   | Humanitarian response in northern Sri Lanka   | Apr-10        | Nov-10      | CIDA               | Rehabilitation of drinking wells, agro wells, agriculture training, capacity building training  | 255 families   |
| <b>Kilinochchi</b> | Kandawalai, Karachi   | Livelihood Enhancement for Resettled Communities (LERC)   | Nov-10        | Nov-11      | Norwegian Embassy  | Availability and access to high quality paddy seeds to farmers in the Northern Province, an uninterrupted supply of fish fingerlings to support inland fishery in seasonal and minor irrigation tanks is assured  | 1,350 families |
| <b>Kilinochchi</b> | Karachi, Palai  | Supporting the revival of educational facilities in the north through the construction of primary schools | Oct-10        | Sep-11      | Nippon Foundation  | Conducting stakeholder awareness meetings, identification and confirmation of sites of schools with the Department of Education, construction of schools  | 255 families   |
| <b>Kilinochchi</b> | Pachchilaipalli   | Immediate food and livelihood security for Vanni returnees.   | Dec-10        | Jun-11      | ECHO               | Cash for work and cash grants   | 255 families   |
| <b>Mullaithivu</b> | Oddusuddan  | Return and early recovery assistance in Mullaitivu district   | Apr-10        | Dec-10      | NRC                | Distribution shelter of materials/supervision   | 255 families   |

# Program Highlights

MULLAITHIVU, MANNAR

| District           | Location   | Project name  | Project start | Project end | Sources of funding    | Activities   | Beneficiaries   |
|--------------------|--|---|---------------|-------------|-----------------------|--|-----------------|
| <b>Mullaithivu</b> | Maritempattu   | Supporting the socio-economic needs of returnees in Mullaithivu district  | Nov-10        | Nov-11      | The Japan Embassy     | Home gardening seeds, seedlings and tools, land preparation, asset restoration, renovation, fisheries sector support   | 2,272 families  |
| <b>Mullaithivu</b> | Oddusuddan   | Livelihood enhancement for resettled communities (LERC)   | Nov-10        | Nov-11      | Norwegian Embassy     | Availability and access to high quality paddy seeds to farmers in the Northern Province, an uninterrupted supply of fish fingerlings to support inland fishery in seasonal and minor irrigation tanks is assured |                 |
| <b>Mullaithivu</b> | Maritempattu, Alampil, Semmalai, Kokilai, Kumulamunai                        | Disaster Risk Reduction in neglected tsunami-affected areas of northern Sri Lanka                                   | Jan-11        | Jan-13      | Diakonie              | Enhance the level of participation and the role of women in social and economic development activities   | 1,000 families  |
| <b>Mullaithivu</b> | Oddusuddan, Marithampattu, Katchchilaimadu, Sammalam, Mulliyavalai, Sammalam | Supporting the revival of educational facilities in the north through the construction of primary schools           | Oct-10        | Sep-11      | Nippon Foundation     | Conducting stakeholder awareness meetings, identification and confirmation of sites of schools with the Department of Education, construction of schools   |                 |
| <b>Mullaithivu</b> | Oddusuddan   | Recovery Assistance for Resettled Families in Northern Sri Lanka  | Sep-10        | Jul-11      | BMZ/WHH               | Shelter and latrine assistance to 600 families, Early recovery livelihood support, Basic capacity building, renovation or construction of livelihood infrastructure.   | 286 families    |
| <b>Mannar</b>      | Mannar, Madhu  | Strengthening civil society for the protection of rights of conflict-affected communities (EIDHR)                   | Jan-09        | Dec-11      | EC / Oxfam GB         | Civil society strengthening through awareness programmes, workshops, trainings   | 38,000 families |
| <b>Mannar</b>      | Madhu  | Socio-economic empowerment of conflict affected communities in Vavuniya, Mannar, Batticaloa, and Trincomalee (ACAP) | Aug-09        | Sep-13      | EC / ACTED / WHH / HI | CBO development, infrastructure, livelihood development, support for people with disabilities, psychosocial, legal aid, and conflict mitigation  | 2320 families   |
| <b>Mannar</b>      | Kanthankulam, Karukandal, Parapankandal                                      | Hygiene promotion   | Mar-10        | May-10      | IOM                   | Toilet construction  | 283 families    |

| District        | Location                            | Project name   | Project start | Project end | Sources of funding | Activities   | Beneficiaries     |
|-----------------|-------------------------------------|--|---------------|-------------|--------------------|--|-------------------|
| <b>Mannar</b>   | Manthai West                        | Livelihood enhancement for resettled communities (LERC)  | Nov-10        | Nov-11      | Norwegian Embassy  | Availability and access to high quality paddy seeds to farmers in the Northern Province, an uninterrupted supply of fish fingerlings to support inland fishery in seasonal and minor irrigation tanks is assured | 607 families      |
| <b>Mannar</b>   | Mannar town                         | Complementing return and enabling early livelihood recovery of returnees communities in the Northern Province in Sri Lanka | Apr-10        | Oct-10      | USAID              | Home gardening, Rehabilitation agro wells, Cleaning agro wells, Skill and capacity   |                   |
| <b>Mannar</b>   | Manthai West, Madu                  | Supporting the revival of educational facilities in the north through the construction of primary schools                  | Oct-10        | Sep-11      | Nippon Foundation  | Conducting stakeholder awareness meetings, identification and confirmation of sites of schools with the Department of Education, construction of schools   |                   |
| <b>Mannar</b>   | Nanatan, Manthai West, Madu         | Project for development planning for the urgent rehabilitation of the resettlement community in Mannar district            | May-11        | Apr-10      | JICA               | CAP workshop, MRE training, survey of the target GN Division   |                   |
| <b>Vavuniya</b> | Vavuniya, Cheddikulam               | Strengthening civil society for the protection of rights of conflict affected communities (EIDHR)                          | Jan-09        | Dec-11      | EC / Oxfam GB      | Civil society strengthening through awareness programmes, workshops, trainings   | 38,000 families   |
| <b>Vavuniya</b> | Vavuniya South, Cheddikkulam        | One Village, One Voice (EIDHR)   | Feb-09        | Feb-11      | EC / WHH           | Village committees, government linkages, dispute resolution mechanisms   | 1,778 families    |
| <b>Vavuniya</b> | Cheddikkulam                        | Emergency assistance for IDPs from former LTTE controlled areas  | Jun-09        | Sep-10      | ECHO / WHH         | Drinking water facilities, hygiene kits, infant kits   | 4,875 individuals |
| <b>Vavuniya</b> | Vavuniya North, Oddusuddan, Velanai | Recovery assistance for resettled families in northern Sri Lanka   | Sep-10        | Jun-11      | BMZ/WHH            | Shelter and latrine assistance, early recovery livelihood support, capacity building, renovation or construction of livelihood infrastructure  | 1,114 families    |

| District | Location                           | Project name   | Project start | Project end | Sources of funding     | Activities   | Beneficiaries     |
|----------|------------------------------------|--|---------------|-------------|------------------------|--|-------------------|
| Vavuniya | Nedunkerny                         | Resettlement assistance for IDPs in the north of Sri Lanka   | Jan-10        | Jan-11      | BMZ (WHH)              | Complementary food, agricultural tools, clean drinking wells, tank rehabilitation, livelihood support  | 1,500 families    |
| Vavuniya | Cheddikkulam                       | Securing the daily food needs of IDPs in Vavuniya District   | Aug-09        | Sep-10      | Oxfam Australia        | Emergency complementary food   | 9,779 individuals |
| Vavuniya | Vavuniya South                     | Socio-economic empowerment of conflict affected communities in Vavuniya, Mannar, Batticaloa and Trincomalee (ACAP) | Aug-09        | Sep-13      | EC / ACTED / WHH / HI  | CBO development, infrastructure, livelihood development, support for people with disabilities, psychosocial, legal aid, and conflict mitigation  | 6411 families     |
| Vavuniya | Cheddikkulam                       | Humanitarian assistance for the IDPs in the north of Sri Lanka   | Jan-10        | Jun-10      | ECHO / WHH             | Transitional and semi-permanent shelters, well rehabilitation and cleaning, livelihood recovery, bicycle supply  | 600 families      |
| Vavuniya | Adambankulam, Siththampapuram,     | Empowering youth to overcome their socially marginalised alcoholism problem  | Sep-10        | Jul-11      | US Department of State | Conducting the inauguration programme with youth team, organise monthly meetings, conduct the summer programme   | 250 families      |
| Vavuniya |                                    | Protection and durable solution for IDPs   | Feb-10        | Dec-11      | UNHCR                  | Providing home garden seeds and tools to do small scale vegetable production to identified PWSN cases  |                   |
| Vavuniya | Vavuniya North                     | Livelihood enhancement for resettled communities (LERC)  | Nov-10        | Nov-11      | Norwegian Embassy      | Availability and access to high quality paddy seeds to farmers in the Northern Province, an uninterrupted supply of fish fingerlings to support inland fishery in seasonal and minor irrigation tanks is assured |                   |
| Vavuniya | Maruthankerny, Tellipalai, Velanai | Supporting the revival of educational facilities in the North through the construction of primary schools          | Oct-10        | Sep-11      | Nippon Foundation      | Conducting stake holder awareness meetings, Identification and confirmation of sites of schools with the department of education, construction of schools  |                   |

# Program Highlights

TRINCOMALEE, BATTICALOA

| District           | Location  | Project name   | Project start | Project end | Sources of funding    | Activities  | Beneficiaries   |
|--------------------|---|--|---------------|-------------|-----------------------|---|-----------------|
| <b>Trincomalee</b> | Kuchchavelli, Kinniya, Muthur, Town & Gravets, Gomarangadewela, Morawewa, Seruvilla               | Institutional capacity building of state and non-state actors (NSA)  | Jan-09        | Sep-10      | EC / ACTED            | CBO development, support for local government officials, linking CBOs and local authorities, inter-community exchange   | 54 CBOs         |
| <b>Trincomalee</b> | Kinniya, Gomerankadawela, Morawewa, Town & Gravets, Muthur Kuchchavelli, Seruvila                 | Socio-economic empowerment of conflict affected communities in Vavuniya, Mannar, Batticaloa, and Trincomalee (ACAP)  | Aug-09        | Sep-13      | EC / ACTED / WHH / HI | CBO development, infrastructure, livelihood development, support for people with disabilities, psychosocial, legal aid, and conflict mitigation   | 1,1185 families |
| <b>Trincomalee</b> | Morawewa, Gomerankadawala, Kuchchavelli   | Emergency return semi-permanent house project  | Dec-09        | Mar-10      | JADE                  | Semi-permanent shelters   | 340 families    |
| <b>Trincomalee</b> | Kinniya, Kanthalai, Town & Gravets, Muthur Kuchchavelli, Seruvila                                 | Humanitarian Response to address immediate needs of accessibility to safe drinking water, food security, and income of the flood affected communities of the eastern region of Sri Lanka | Feb-11        | Aug-11      | USAID                 | To provide immediate emergency assistance to re-establish environmental health conditions, agriculture and food security, and income by creating a foundation for recovery to access clean drinking water | 1,332 Families  |
| <b>Batticaloa</b>  | Eravurpattu   | North East Coastal Community Development Project (NECCDEP) for conflict areas  | Jan-07        | Jan-10      | ADB / GoSL            | CBO development, infrastructure, livelihoods, environmental awareness   | 97 CBOs         |
| <b>Batticaloa</b>  | Valachchenai, Kattankudy, Kiran, Vellavelly, Vaharai, Chenkalady, Koralaipattu North, Eravurpattu | Institutional capacity building of state and non-state actors (NSA)  | Jan-09        | Sep-1-      | EC / ACTED            | CBO development, support for local government officials, linking CBOs and local authorities, inter-community exchange   | 54 CBOs         |
| <b>Batticaloa</b>  | Vellavelly, Pattipalai, Vaharai, Vavunathivu, Kiran, Chenkalady                                   | Socio-economic empowerment of conflict affected communities in Vavuniya, Mannar, Batticaloa, and Trincomalee (ACAP)  | Aug-09        | Sep-13      | EC / ACTED / WHH / HI | CBO development, infrastructure, livelihood development, support for people with disabilities, psychosocial, legal aid, and conflict mitigation   | 21,000families  |

| District          | Location  | Project name  | Project start | Project end | Sources of funding     | Activities   | Beneficiaries          |
|-------------------|---|---|---------------|-------------|------------------------|--|------------------------|
| <b>Batticaloa</b> | Vavunathivu ,<br>Manmunai North.  | Provide support costs for the enhancement of leadership qualities and employment prospects of war and tsunami affected youths                             | Sep-10        | Apr-11      | US Department of state | Village awareness programme, project orientation, special meeting, skills training, monitoring and evaluation  | 180 youth club members |
| <b>Batticaloa</b> | Vellavelly  | Humanitarian response to address immediate needs of water, food security, and income of the flood affected communities of the eastern region of Sri Lanka | Feb-11        | Aug-11      | USAID                  | To provide immediate emergency assistance to re-establish environmental health conditions, agriculture and food security, and income by creating a foundation for recovery to access clean drinking water, to assist the recovery and the rebuilding of the flood affected communities | 2,668 families         |
| <b>Batticaloa</b> | Eravurpattu,<br>Vavunathivu, Pattipalai                                     | Assistance to marginalised conflict /tsunami affected communities Batticaloa and Ampara districts (FCA 10866)   | Jul-10        | Mar-11      | FCA                    | Livelihood assistance for Widows & Women, livelihood assistance for Vanni returnee IDPs, human rights, civil rights and child rights programme, assistance to disable children, peace programme  | 1,860 families         |
| <b>Batticaloa</b> | Koralaipattu South,<br>Eravurpattu,<br>Manmunai West,<br>Koralaipattu North | Humanitarian response for flood affected families in Eastern Province of Sri Lanka  | Feb-11        | Aug-11      | CHF                    | Improved and maintained health, improved physical security, improved or maintained household and community livelihoods   | 4420 families          |
| <b>Batticaloa</b> | Koralaipattu South,<br>Kiran  | Livelihood development project (combined group livelihood activity for vulnerable community)  | Mar-11        | Dec-11      | UMCOR                  | Gain guaranteed sustainable livelihoods through brick making, vegetable cultivation and poultry farming, inauguration ceremony, training on management issues, technical skill and book keeping  | 166 families           |
| <b>Batticaloa</b> | Vellaveli, Kiran,<br>Vavunathivu  | Assistance to communities affected by prevailing floods in the eastern region   | Jan-11        | Jan-11      | DCA                    | Distribution of dry rations  | 1,000 families         |
| <b>Batticaloa</b> | Vellavelly  | Emergency response to the flood affected communities  | Jan-11        | Jan-11      | FCA                    | Provide emergency relief and support packages  | 1,500 families         |
| <b>Batticaloa</b> | Kiran   | Medium scale development project  | Nov-10        | Dec-10      | UMCOR                  | Village assessment, develop project proposals, documentation and reporting and prepare business plans  | 9 Villages in Kiran    |



# Program Highlights

AMPARA, NUWARA ELIYA, MONARAGALA, HAMBANTOTA

| District            | Location                      | Project name  | Project start | Project end | Sources of funding | Activities  | Beneficiaries  |
|---------------------|-------------------------------|---|---------------|-------------|--------------------|---|----------------|
| <b>Ampara</b>       | Mahaoya                       | Institutional capacity building of state and non-state actors (NSA)   | Jan-09        | Sep-10      | EC / ACTED         | CBO development, support for local government officials, linking CBOs and local authorities, inter-community exchange   | 18 CBOs        |
| <b>Ampara</b>       | Kalmunai, Akaraipattu, Ampara | Strengthen the capacity of the Sri Lankan police service related to the juvenile justice and child protection | Jan-10        | Dec-10      | UNICEF             | Community interaction programme, awareness session, linking between community groups  | 1,000 families |
| <b>Ampara</b>       | Lahugala                      | Strengthen capacity of WRDS to commercialise value added yoghurt production in Panama                         | Aug-09        | Aug-10      | ZOA                | Business plan development, operational management training, present plan of investment to committee, document operational activities and report on monthly basis, develop marketing strategies and increase market linkages, bringing repayment on investment | 250 families   |
| <b>Ampara</b>       | Coastal                       | Development & Peace Sri Lanka (DPSL)  | Oct-09        | Dec-10      | Swisscontact       | Income generation projects, business development training, occupational skills development for youths   | 700 families   |
| <b>Ampara</b>       | Kalmunai                      | Humanitarian response for flood affected families in Eastern Province of Sri Lanka                            | Feb-11        | Aug-11      | CHF                | Improve and maintain health, physical security, and household and community livelihoods   | 1,300 families |
| <b>Ampara</b>       | Alayadiwembu, Thirukovil      | Assistance to communities affected by prevailing floods in the eastern region                                 | Jan-11        | Jan-11      | DCA                | Distribution of dry rations   | 500 Families   |
| <b>Nuwara Eliya</b> |                               | Building social institutions for food security and environmental sustainability                               | Jul-08        | Dec-11      | Norwegian MFA      | CBO development, support for waste management and organic agriculture, environmental activities   | 45 CBOs        |
| <b>Monaragala</b>   |                               | Building social institution for food security and environmental sustainability                                | Jul-08        | Dec-11      | Norwegian MFA      | CBO development, support for waste management and organic agriculture, environmental activities   | 45 CBOs        |
| <b>Hambantota</b>   | Tangalle, Ambalantota         | Building social institution for food security and environmental sustainability                                | Jul-08        | Dec-11      | Norwegian MFA      | CBO development, support for waste management and organic agriculture, environmental activities   | 45 CBOs        |

# Program Highlights

HAMBANTOTA, MATARA, KALUTARA, ANURADHAPURA, ALL ISLAND

| District            | Location   | Project name  | Project start | Project end | Sources of funding  | Activities  | Beneficiaries   |
|---------------------|--|---|---------------|-------------|---|---|---|
| <b>Hambantota</b>   | Tangalle, Katuwana, Weerakeetiya, Suriyawewa, Wallasmulla  | Migrants ACCESS Programme (MAP)   | Oct-10        | Mar-11      | EC / UN / ASB   | Livelihood training, counselling and support services for migrant returnees   | 350 individuals   |
| <b>Matara</b>       | Dikwalla, Devinuwara, Devundara, Diyagoda, Hambururupitya  | Migrants ACCESS Programme(MAP)  | Oct-10        | Mar-11      | EC / UN / ASB   | Livelihood training, counselling and support services for migrant returnees   | 350 individuals   |
| <b>Matara</b>       | Deniyaya   | Conversion to organic tea cultivation   | Mar-11        | Mar-12      | (PARCIC) Japan's postal savings for International Voluntary Aid | 0.25 acres of the families land for organic tea cultivation conversion - agricultural inputs, agricultural trainings  | 25 families   |
| <b>Kalutara</b>     | Kalutara   | Building social institutions for food security and environmental sustainability                                     | Jul-08        | Dec-11      | Norwegian MFA   | Production of high quality planting materials, demonstration nursery and farm, environmental centre   | 1,000 families  |
| <b>Anuradhapura</b> | Mihinthale, Ehirapone, Kekirava, Ipologama, Palagala, Balin, Galinvintunuwewa, Nochiyagama, Nuwaragampalatha central, Mahavilakiya | Implementation of improving connectivity to support livelihoods and gender equality in the district of Anuradhapura | Dec-10        | Dec-11      | ADB   | Facilitating road user groups, Organising of road maintenance training for Sub Project Committees (SPC) and CBOs and renaming of SPCs as road user groups, preparation of a proposal/recommendations on lessons learnt for future upgrading of rural roads. | 840 Families  |
| <b>Anuradhapura</b> | Kebithigollewa   | Basic infrastructure and livelihoods development project in Kebithigollewa DS Division                              | Jul-10        | Dec-10      | JTS (Join Together Society)                                     | Rehabilitation of 20 agro and drinking wells, rehabilitation of Kanugahawewa tank, providing agriculture inputs and water pumps, supporting poultry farming   | 320 Direct Beneficiaries and 200 Indirect Beneficiaries |
| <b>All Island</b>   |  | Malaria Project   | Aug-10        | Jul-11      | GFATM   | Construction of bus shelters, hoardings, fish tanks, seminars   |   |
| <b>All Island</b>   |  | Building social institutions for food security and environmental sustainability                                     | Jul-08        | Dec-11      | Norwegian MFA   | Islander Center training and exchange programmes for youth and CBO leaders, support for environmentally sustainable livelihood initiatives, development of organic agriculture network, seed, seedling and livestock production                             |   |

| District          | Location | Project name  | Project start | Project end | Sources of funding                    | Activities   | Beneficiaries |
|-------------------|----------|---|---------------|-------------|---------------------------------------|--|---------------|
| <b>All Island</b> |          | Participatory leadership training programme for non-violent social change | Aug-08        | Nov-10      | WHH                                   | Leadership training, conflict analysis, social fund for community activities that reduce social conflict   |               |
| <b>All Island</b> |          | Engaging youth and clergy in peace and development in Sri Lanka           | Apr-10        | Mar-13      | Sasakawa Peace Foundation             | Support for coordination meetings, training programmes, workshops, and international exchange programmes   |               |
| <b>All Island</b> |          | Music Programme   | Aug-09        | Dec-11      | Norwegian Embassy and Concerts Norway | Organising music festivals, concerts, workshops, master classes in Sri Lanka at both city level and village level with Sri Lankan and international musicians, re-equip northern Folk musicians with music instruments, costumes and other musical properties and organising tours for Sri Lankan musicians to travel to Norway with the objective of stimulating musical performing arts in Sri Lanka |               |
| <b>All Island</b> |          | Jaffna Music Festival   | Mar-11        | Apr-11      | USAID                                 | Jaffna Music Festival and equip Folk musicians in the Vanni area with instruments, costumes and other properties. Jaffna Music Festival was also held as part of the activities of the Music Cooperation.  |               |

## SEWALANKA FOUNDATION (GUARANTEE) LIMITED

### ANNUAL REPORT OF THE BOARD ON THE AFFAIRS OF THE COMPANY

The Board of Directors (also referred to as the members of the Executive Council since the adoption of the new Articles of Association on 31<sup>st</sup> March 2008) of Sewa Lanka Foundation (Guarantee) Limited has pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2011.

This Annual Report on the affairs of the Company contains the information required in terms of the Companies Act, No. 7 of 2007.

#### General

Sewa Lanka Foundation is a company which was incorporated under the Companies Act, No.17 of 1982 under the name Sewalanka Foundation (Guarantee) Limited. Subsequently by a license issued by the Registrar of Companies, the name was changed to Sewa Lanka Foundation and the Company was re-registered under the Companies Act 07 of 2007 under the said name. The Company, consequent to the change of its Status to that of a Guarantee Company (without a license) on 24<sup>th</sup> May 2011 reverted to the original name, Sewalanka Foundation (Guarantee) Limited with effect from 24<sup>th</sup> May 2011.

#### Principal activities of the Company and review of performance during the year

The Company's principal object, as per the Articles of Association adopted on 31<sup>st</sup> March 2008, which remained unchanged during the year, is "to enhance the capacity of rural communities to democratically identify and address their own development needs and to provide services that contribute to the economically viable, socially just, and ecologically sustainable development in Sri Lanka".

#### Financial Statements

The complete Financial Statements of the Company duly signed by two Directors on behalf of the Board (being two members of the Executive Council as per the Articles of Association) and the Auditors are attached to this Annual Report.

#### Auditors' Report

The Report of the Auditors on the Financial Statements of the Company is attached to the Audited Financial Statements.

#### Accounting Policies

The accounting policies adopted by the Company in the preparation of Financial Statements are given on pages 39 to 40 of the Audited Financial Statements, which are, unless otherwise stated, consistent with those used in previous period.

#### Directors

The names of the Directors (also referred to as the members of the Executive Council since the adoption of the new Articles of Association on 31<sup>st</sup> March 2008) who held office as at the end of the accounting period are given on page 41 of the Audited Financial Statements.

Prof. A Navaratnarajah was appointed a Director with effect from 15<sup>th</sup> October 2010 and Ms. Jinadari Wedamulla was appointed as a Director on the 2<sup>nd</sup> September 2011.

Mr. A A P Deepal Chandrathilake resigned from the Board with effect from 1<sup>st</sup> August 2011.

## Interests Register

The Company maintains an Interests Register as stipulated by the Companies Act, No. 7 of 2007.

Prior to the change of status of the Company which occurred on the 24<sup>th</sup> May 2011 "no member of the Executive Council shall be appointed to any salaried office of the Organization or any office of the Organization paid by fees, and that no remuneration or other benefit in money or moneys worth shall be given by the Organization to any member of such Council except repayment of out of pocket expenses and interest at the rate aforesaid on moneys lent or reasonable and proper rent for premises demised or let to the Organization;". The Company had not made any borrowings from Directors (referred to as members of the Executive Council as per the Articles of Association).

Accordingly, no entries had been made in the Interests Register during the relevant period.

## Directors' Remuneration

In compliance with the provisions of the Articles of Association, applicable as at 31<sup>st</sup> March 2011, the Company has not made any payments on account of Directors' remuneration.

## Auditors

Messrs K S Karunadasa & Company, Chartered Accountants served as the Auditors during the year under review. The Auditors do not have any interest in the Company or its subsidiaries other than that of Auditor.

A sum of Rs 325,000/- is payable by the Company to the Auditors as Audit Fees for the year under review.

The Auditors have expressed their willingness to continue in office. A resolution to re-appoint the Auditors and to authorize the Directors (Executive Council) to determine their remuneration will be proposed at the Annual General Meeting.

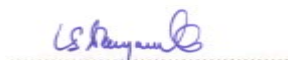
## Events occurring after the Balance Sheet date

No material events have taken place after the Balance Sheet date up to the date of the Report of the Auditors which require adjustment to, or disclosure in the Financial Statements except the change of Status and the resulting change of name disclosed under "General" in this Annual Report on Page 1.

This Annual Report is signed for and on behalf of the Board of Directors by two members of the Executive Council



Director



Director



**P W Corporate Secretarial (Pvt) Ltd**

**Secretaries**

September 19, 2011

Colombo

### **K. S. KARUNADASA & COMPANY**

CHARTERED ACCOUNTANTS

6A, Perera Mawatha,  
Panadura, Sri Lanka.

Phone: (094) 038 - 2240708

038 - 4925648

Fax : (094) 038 - 2232184

E-mail:k.karunadasa@gmail.com

#### TO THE MEMBERS OF SEWA LANKA FOUNDATION

##### **Report on the Financial Statements**

We have audited the accompanying financial statements of Sewa Lanka Foundation, which comprise the balance sheet as at March 31, 2011, and the statement of financial activities, statement of changes in accumulated fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

##### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and make accounting estimates that are reasonable in the circumstances.

##### **Scope of Audit and Basis of Opinion**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Accounting Standards and Sri Lanka Statement of Recommended practice for Not-for-Profit Organizations. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

##### **Opinion**

In our opinion, so far as appears from our examination, the Foundation maintained proper accounting records for the year ended March 31, 2011 and the financial statements give a true and fair view of the Foundation's state of affairs as at March 31, 2011 and its Surplus and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards and Sri Lanka Statement of Recommended practice for Not-for-Profit Organizations.

##### **Report on Other Legal and Regulatory Requirements**

In our opinion, these Financial Statements also comply with the requirements of Section 151(2) of the Companies Act No. 07 of 2007.



Chartered Accountants  
No. 6 A, Perera Mawatha,  
Panadura.  
Date : 22<sup>nd</sup> August 2011



CHARTERED ACCOUNTANTS

K. S. Karunadasa, B Com, FCA, FCMA.

# Financial Statements

## STATEMENT OF FINANCIAL ACTIVITIES

K. S. KARUNADASA & CO;  
CHARTERED ACCOUNTANTS

### SEWA LANKA FOUNDATION

#### Statement of Financial Activities

For the year ended 31st March

|  | Note | 2011<br>Rs.                   | 2010<br>Rs.                |
|--|------|-------------------------------|----------------------------|
| <b>Income Received</b>                     |      |                               |                            |
| Incoming Resources                         | 3.1  | 826,945,131.14                | 875,035,197                |
| <b>Project Expenditure</b>                 | 3.2  |                               |                            |
| Staff                                      |      | 114,790,650.73                | 83,698,451                 |
| Direct costs                               |      | 585,260,335.10                | 668,551,954                |
| Indirect expenditure                       |      | <u>82,990,908.29</u>          | <u>48,424,261</u>          |
| <b>Total Project Costs</b>                 |      | <u>783,041,894.12</u>         | <u>800,674,666</u>         |
| <b>Net Surplus on Projects</b>             | 3.3  | 43,903,237.02                 | 74,360,531                 |
| Revenue earned                             | 3.4  | <u>1,617,265.15</u>           | <u>2,570,901</u>           |
|  |      | <u>45,520,502.17</u>          | <u>76,931,432</u>          |
| Administrative expenses                    |      | <u>78,681,732.78</u>          | <u>96,761,710</u>          |
| <b>Net deficit on Operating Activities</b> | 3.5  | <b>(33,161,230.61)</b>        | <b>(19,830,278)</b>        |
| Finance costs                              | 3.6  | <u>3,090,113.28</u>           | <u>2,861,423</u>           |
| <b>Net deficit before tax</b>              |      | <b>(36,251,343.89)</b>        | <b>(22,691,701)</b>        |
| Income tax expenses                        | 3.7  | <u>1,489,030.79</u>           | <u>1,415,483</u>           |
| <b>Net deficit after tax</b>               |      | <b><u>(37,740,374.68)</u></b> | <b><u>(24,107,184)</u></b> |



K. S. KARUNADASA & CO;  
CHARTERED ACCOUNTANTS

SEWA LANKA FOUNDATION  
NO : 432/A, COLOMBO ROAD, BORALESGAMUWA.

### Balance Sheet

As at 31st March

|  | Note | 2011<br>Rs.           | 2010<br>Rs.        |
|--|------|-----------------------|--------------------|
| <b>ASSETS</b>                                  |      |                       |                    |
| <b>Non Current Assets</b>                      |      |                       |                    |
| Property, Plant & Equipment                    | 3.8  | 347,524,297.77        | 391,649,193        |
| Investment in subsidiaries                     | 3.9  | 59,996,412.00         | 55,345,470         |
|  |      | <u>407,520,709.77</u> | <u>446,994,663</u> |
| <b>Current Assets</b>                          |      |                       |                    |
| Receivables, Deposits & Advances               | 3.10 | 39,670,445.25         | 24,201,026         |
| Short Term Deposits                            | 3.11 | 30,849,053.56         | 24,336,788         |
| Cash at Bank and in Hand                       | 3.12 | 343,560,555.96        | 169,030,016        |
|  |      | <u>414,080,054.77</u> | <u>217,567,830</u> |
| <b>Current Liabilities</b>                     |      |                       |                    |
| Creditors                                      | 3.13 | 27,333,162.71         | 27,443,716         |
| Bank overdrafts                                | 3.14 | 33,756,681.27         | 19,426,593         |
|  |      | <u>61,089,843.98</u>  | <u>46,870,309</u>  |
| <b>Current Assets less Current Liabilities</b> |      | 352,990,210.79        | 170,697,521        |
| <b>Total Assets less Current Liabilities</b>   |      | <u>760,510,920.56</u> | <u>617,692,184</u> |
| <b>FUNDING AND LIABILITIES</b>                 |      |                       |                    |
| <b>Accumulated Fund</b>                        |      |                       |                    |
| Unrestricted Funds                             | 3.15 | 379,540,198.74        | 421,916,084        |
| Restricted Funds                               | 3.16 | 354,405,458.60        | 175,389,314        |
| <b>Total Accumulated Fund</b>                  |      | <u>733,945,657.34</u> | <u>597,305,398</u> |
| <b>Non Current Liabilities</b>                 |      |                       |                    |
| Deferred Liabilities                           | 3.17 | 26,565,263.22         | 20,386,786         |
| <b>Total Non Current Liabilities</b>           |      | <u>26,565,263.22</u>  | <u>20,386,786</u>  |
| <b>Total Accumulated Fund and Liabilities</b>  |      | <u>760,510,920.56</u> | <u>617,692,184</u> |



These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007

  
Finance Officer

The Financial statements as appear on pages 02 to 21 were approved by the Board of Directors  
on 15th day of August 2011

Signed on behalf of the Board by

Directors

Date : 19/08/2011







# Financial Statements

## STATEMENT OF CHANGES IN ACCUMULATED FUND

K. S. KARUNADASA & CO;  
CHARTERED ACCOUNTANTS

### SEWA LANKA FOUNDATION

#### Statement of Changes in Accumulated Fund

During the year ended 31st March 2011

|  | <u>Restricted<br/>Fund<br/>Rs.</u> | <u>Unrestricted<br/>Fund<br/>Rs.</u> | <u>Total<br/>Rs.</u>  |
|--|------------------------------------|--------------------------------------|-----------------------|
| Balance as at 01st April 2009                                    | 107,928,101.46                     | 473,572,615.74                       | 581,500,717.20        |
| Funds trfd. to Statement of Financial Activities<br>(Note 03.16) | 67,461,212.42                      | -                                    | 67,461,212.42         |
| Amount written off MFI Loan                                      | -                                  | (27,549,347.00)                      | (27,549,347.00)       |
| Net Surplus /(deficit) for the year                              | -                                  | (24,107,184.35)                      | (24,107,184.35)       |
| Balance as at 31st March 2010                                    | <u>175,389,313.88</u>              | <u>421,916,084.39</u>                | <u>597,305,398.27</u> |
| Balance as at 01st April 2010                                    | 175,389,313.88                     | 421,916,084.39                       | 597,305,398.27        |
| Funds trfd. to Statement of Financial Activities<br>(Note 03.16) | 179,016,144.72                     | -                                    | 179,016,144.72        |
| Income Tax Under provisions                                      | -                                  | (4,635,510.97)                       | (4,635,510.97)        |
| Net Surplus /(deficit) for the year                              | -                                  | (37,740,374.68)                      | (37,740,374.68)       |
| Balance as at 31st March 2011                                    | <u>354,405,458.60</u>              | <u>379,540,198.74</u>                | <u>733,945,657.34</u> |



K. S. KARUNADASA & CO;  
CHARTERED ACCOUNTANTS

### SEWA LANKA FOUNDATION

#### Cash Flow Statement

for the year ended 31st March

|  | Note | 2011<br>Rs.             | 2010<br>Rs.         |
|--|------|-------------------------|---------------------|
| <b>Cash flow from project activities</b>           |      |                         |                     |
| Incoming Resources                                 |      | 642,632,013.08          | 767,107,096         |
| Interest Income Received                           |      | 1,617,265.15            | 2,570,901           |
| Cash from Sales of Motor Vehicle                   |      | 11,771,400.00           |                     |
| Cash paid out for project activities               |      | (795,416,753.88)        | (783,715,108)       |
| Administrative expenses                            |      | (26,552,836.34)         | (46,939,933)        |
| Finance costs                                      |      | (3,090,113.28)          | (2,861,423)         |
| Gratuity Paid                                      |      | (587,700.00)            | (1,375,791)         |
| <b>Net cash flow from project activities</b>       |      | <b>(169,626,725.27)</b> | <b>(65,214,258)</b> |
| <b>Cash flows from investing activities</b>        |      |                         |                     |
| Acquisition of property, plant & equipment         |      | (4,085,420.00)          | (36,084,002)        |
| Acquisition of Investment                          |      | (4,650,942.00)          | -                   |
| <b>Net cash flows used in investing activities</b> |      | <b>(8,736,362.00)</b>   | <b>(36,084,002)</b> |
| <b>Cash flows from financing activities</b>        |      |                         |                     |
| Cash received from donors not used for projects    |      | 354,405,458.60          | 175,389,314         |
| Income Tax   |      | (4,927,739.75)          | (2,770,226)         |
| Proceeds from interest bearing borrowings          |      | -                       | 10,979,107          |
| Re-payment of interest bearing borrowings          |      | (4,401,914.28)          | (3,762,831)         |
| <b>Net cash flows used in financing activities</b> |      | <b>345,075,804.57</b>   | <b>179,835,364</b>  |
| <b>Net increase in cash and cash equivalents</b>   |      | <b>166,712,717.30</b>   | <b>78,537,104</b>   |
| Cash and cash equivalents at beginning of the year | (a)  | 173,940,210.95          | 95,403,107          |
| <b>Net change in cash and cash equivalents</b>     |      | <b>340,652,928.25</b>   | <b>173,940,211</b>  |
| Cash and cash equivalents at end of the year       | (b)  | 340,652,928.25          | 173,940,211         |
|  |      | <u>340,652,928.25</u>   | <u>173,940,211</u>  |
| <b>Note (a)</b>                                    |      |                         |                     |
| Cash in hand at beginning of the year              |      | 1,338,050.77            | 622,107             |
| Balance at bank at beginning of the year           |      | 148,265,371.77          | 73,015,112          |
| Short term deposits at beginning of the year       |      | 24,336,788.41           | 10,000,000          |
|  |      | <u>173,940,210.95</u>   | <u>83,637,220</u>   |
| <b>Note (b)</b>                                    |      |                         |                     |
| Cash in hand at end of the year                    |      | 1,249,850.32            | 1,338,051           |
| Balance at bank at end of the year                 |      | 308,554,024.37          | 148,265,372         |
| Short term deposits at end of the year             |      | 30,849,053.56           | 24,336,788          |
|  |      | <u>340,652,928.25</u>   | <u>173,940,211</u>  |



K. S. KARUNADASA & CO;  
CHARTERED ACCOUNTANTS

### SEWA LANKA FOUNDATION

#### Notes to the Financial Statements

For the year ended 31st March

2011  
Rs.

2010  
Rs.

#### (03.1) INCOMING RESOURCES

|                                |                         |                      |
|--------------------------------|-------------------------|----------------------|
| Grants - Restricted Fundings   |                         |                      |
| Brought forward balance        | 175,389,313.88          | 107,928,101          |
| Donations                      | 954,222,617.88          | 880,661,940          |
| Unspent funds                  | <u>(354,405,458.60)</u> | <u>(175,389,314)</u> |
|                                | 775,206,473.16          | 813,200,728          |
| <br>                           |                         |                      |
| Grants - Unrestricted Fundings | 51,738,657.98           | 61,834,469           |
| Funds used for Activities      | <u>826,945,131.14</u>   | <u>875,035,197</u>   |

#### (03.2) PROJECT EXPENDITURE

|                      |                       |                    |
|----------------------|-----------------------|--------------------|
| Staff                | 114,790,650.73        | 83,698,451         |
| Direct costs         | 585,260,335.10        | 668,551,954        |
| Indirect expenditure | 82,990,908.29         | 48,424,261         |
|                      | <u>783,041,894.12</u> | <u>800,674,666</u> |

(03.3) Net surplus on profits is shown in Project activity summary, given in page 12 to 16.

#### (03.4) REVENUE EARNED FROM OTHER ACTIVITIES

|   |                     |                  |
|---|---------------------|------------------|
| Interest received on unrestricted funds | 1,617,265.15        | 2,570,901        |
|   | <u>1,617,265.15</u> | <u>2,570,901</u> |

#### (03.5) NET SURPLUS ON OPERATING ACTIVITIES is stated after charging

|   |               |            |
|---|---------------|------------|
| Auditors fees                               | 325,000.00    | 300,000    |
| Defined benefit plan cost - Gratuity        | 6,766,177.21  | 1,249,541  |
| Defined contribution cost - E.P.F. & E.T.F. | 1,951,410.73  | 2,686,113  |
| Staff remuneration - Local                  | 14,147,551.28 | 19,474,345 |
| Depreciation                                | 45,362,719.23 | 49,821,777 |
| Rent, Electricity & Water                   | 6,030,338.48  | 6,280,007  |

#### (03.6) FINANCE COST

|   |                     |                  |
|---|---------------------|------------------|
| Interest expense on short term borrowings | 3,090,113.28        | 2,861,423        |
|   | <u>3,090,113.28</u> | <u>2,861,423</u> |



# Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

K. S. KARUNADASA & CO;  
CHARTERED ACCOUNTANTS

### SEWA LANKA FOUNDATION

#### Notes to the Financial Statements (contd.)

For the year ended 31st March

2011  
Rs.

2010  
Rs.

#### (03.7) INCOME TAX EXPENSES

|  |                       |                    |
|--|-----------------------|--------------------|
| Total grant received                           | 1,005,961,275.86      | 942,496,409        |
| Deduct : Grants received for exempt activities | 840,513,410.52        | 785,220,517        |
| Net funding received liable to Tax             | <u>165,447,865.34</u> | <u>157,275,892</u> |
| 3% thereof                                     | <u>4,963,435.96</u>   | <u>4,718,277</u>   |
| Tax Payable thereof at 30%                     | <u>1,489,030.79</u>   | <u>1,415,483</u>   |
| Interest received (10% W.H.T. deducted)        | <u>1,617,265.15</u>   | <u>2,570,901</u>   |
| Tax Payable thereof                            | <u>Nil</u>            | <u>Nil</u>         |
| Total Tax Payable                              | 1,489,030.79          | 1,415,483          |
| Income tax paid                                | 926,956.75            | 839,769            |
| Balance Tax payable                            | <u>562,074.04</u>     | <u>575,714</u>     |

#### (03.8) PROPERTY, PLANT AND EQUIPMENT

| Item                 | Balance<br>as at 01.04.2010<br>Rs. | Additions<br>during the year<br>Rs. | Disposals<br>during the year<br>Rs. | Balance<br>as at 31.03.2011<br>Rs. |
|----------------------|------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|
| <b>At Cost</b>       |                                    |                                     |                                     |                                    |
| Land & Buildings     | 288,690,389.49                     | -                                   | -                                   | 288,690,389.49                     |
| Plant & Machinery    | 29,234,414.00                      | -                                   | -                                   | 29,234,414.00                      |
| Motor Vehicles       | 307,311,245.10                     | 2,718,200.00                        | (14,547,225.00)                     | 295,482,220.10                     |
| Furniture & Fittings | 13,878,830.01                      | -                                   | -                                   | 13,878,830.01                      |
| Office Equipment     | 24,213,231.53                      | 1,116,920.00                        | -                                   | 25,330,151.53                      |
| Computer Equipment   | 11,951,122.55                      | 250,300.00                          | -                                   | 12,201,422.55                      |
| Sundry Equipment     | 9,419,192.25                       | -                                   | -                                   | 9,419,192.25                       |
| <b>Total</b>         | <u>684,698,424.93</u>              | <u>4,085,420.00</u>                 | <u>(14,547,225.00)</u>              | <u>674,236,619.93</u>              |

| Item                      | Balance<br>as at 01.04.2010<br>Rs. | Charged<br>for the year<br>Rs. | Disposals<br>during the year<br>Rs. | Balance<br>as at 31.03.2011<br>Rs. |
|---------------------------|------------------------------------|--------------------------------|-------------------------------------|------------------------------------|
| <b>Depreciation on</b>    |                                    |                                |                                     |                                    |
| <b>Written down value</b> |                                    |                                |                                     |                                    |
| Land & Buildings          | 27,562,376.12                      | 13,056,400.66                  | -                                   | 40,618,776.78                      |
| Plant & Machinery         | 19,317,785.43                      | 2,479,157.17                   | -                                   | 21,796,942.60                      |
| Motor Vehicles            | 213,868,362.21                     | 23,360,720.84                  | (11,699,629.18)                     | 225,529,453.87                     |
| Furniture & Fittings      | 7,757,833.74                       | 1,530,249.10                   | -                                   | 9,288,082.84                       |
| Office Equipment          | 15,029,659.47                      | 2,295,893.03                   | -                                   | 17,325,552.50                      |
| Computer Equipment        | 5,471,592.24                       | 1,295,906.08                   | -                                   | 6,767,498.32                       |
| Sundry Equipment          | 4,041,622.90                       | 1,344,392.35                   | -                                   | 5,386,015.25                       |
| <b>Total</b>              | <u>293,049,232.11</u>              | <u>45,362,719.23</u>           | <u>(11,699,629.18)</u>              | <u>326,712,322.16</u>              |

|                          | Cost                  | Accumulated<br>Depreciation | Net Book<br>Value     |
|--------------------------|-----------------------|-----------------------------|-----------------------|
| Balance as at 31.03.2011 | <u>674,236,619.93</u> | <u>326,712,322.16</u>       | <u>347,524,297.77</u> |
| Balance as at 31.03.2010 | <u>684,698,424.93</u> | <u>293,049,232.11</u>       | <u>391,649,192.82</u> |



K. S. KARUNADASA & CO;  
CHARTERED ACCOUNTANTS

### SEWA LANKA FOUNDATION

#### Notes to the Financial Statements (contd.)

For the year ended 31st March

|  | <u>2011</u>           | <u>2010</u>        |
|--|-----------------------|--------------------|
|  | Rs.                   | Rs.                |
| <b>(03.9) INVESTMENT IN SUBSIDIARIES</b>           |                       |                    |
| Sewa Lanka Community Financial Services Limited    |                       |                    |
| 5,064,547 of Ordinary Shares of Rs. 10/- each      | 50,645,470.00         | 50,645,470         |
| Investment   | 5,102,004.00          | 4,700,000          |
| Sewalanka Organic Seeds Company (Private) Limited  | 4,248,938.00          | -                  |
|  | <u>59,996,412.00</u>  | <u>55,345,470</u>  |
| <b>(03.10) RECEIVABLES AND ADVANCES</b>            |                       |                    |
| SEDCO Loan   | 9,196,772.34          | 9,196,772          |
| Advances & Receivables                             | 28,135,302.88         | 10,931,382         |
| Staff loan   | 1,418,370.03          | 1,409,216          |
| Projects fund receivables                          | 920,000.00            | 2,663,655          |
|  | <u>39,670,445.25</u>  | <u>24,201,026</u>  |
| <b>(03.11) SHORT TERM DEPOSITS</b>                 |                       |                    |
| Fixed Deposits - Nation Trust Bank                 | 23,266,789.46         | 22,039,788         |
| - Hatton National Bank                             | 7,582,264.10          | 2,297,000          |
|  | <u>30,849,053.56</u>  | <u>24,336,788</u>  |
| <b>(03.12) CASH AT BANK AND IN HAND</b>            |                       |                    |
| Cash at Bank                                       | 342,310,705.64        | 167,691,965        |
| Cash in Hand                                       | 1,249,850.32          | 1,338,051          |
|  | <u>343,560,555.96</u> | <u>169,030,016</u> |
| <b>(03.13) CREDITORS</b>                           |                       |                    |
| Accrued Expenses                                   | 18,748,177.79         | 15,653,618         |
| Income Tax Payable                                 |                       | 575,714            |
| year 2009/2010                                     | 1,210,442.00          |                    |
| year 2010/2011                                     | <u>562,074.04</u>     |                    |
|  | 1,772,516.04          |                    |
| Lease Rental Payable ( a, b)                       | 6,812,468.88          | 11,214,383         |
|  | <u>27,333,162.71</u>  | <u>27,443,716</u>  |
| <b>(a). Rental Payable under finance leases</b>    |                       |                    |
| Amounts falling due within one year                | 2,656,470.61          | 4,321,430          |
| Amounts falling due after one year                 | 4,155,998.27          | 6,892,953          |
|  | <u>6,812,468.88</u>   | <u>11,214,383</u>  |
| <b>(b). Rental payable classified under lender</b> |                       |                    |
| HNB Leasing Co. Vehicle Leasing                    | 2,734,844.96          | 4,835,390          |
| People's Leasing Vehicle Leasing                   | 1,855,401.68          | 2,823,437          |
| Hatton National Bank Bank Loan                     | 2,222,222.24          | 3,555,556          |
|  | <u>6,812,468.88</u>   | <u>11,214,383</u>  |



# Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

K. S. KARUNADASA & CO;  
CHARTERED ACCOUNTANTS

For the year ended 31st March

|   | <u>2011</u>           | <u>2010</u>        |
|---|-----------------------|--------------------|
|   | Rs.                   | Rs.                |
| <b>(03.14) BANK OVERDRAFTS</b>                          |                       |                    |
| Hatton National Bank                                    | 25,300,501.81         | 14,613,690         |
| People's Bank   | 3,361,598.79          | 1,479,316          |
| Sampath Bank  | 1,906,435.92          | 2,187,649          |
| Nation Trust Bank                                       | 3,458.94              | 58,272             |
| Bank of Ceylon  | -                     | 418,909            |
| National Development Bank                               | 2,478,902.88          | -                  |
| Commercial Bank   | 705,782.93            | 668,757            |
|   | <b>33,756,681.27</b>  | <b>19,426,593</b>  |
| <b>(03.15) UNRESTRICTED FUNDS</b>                       |                       |                    |
| Balance at the beginning of the year                    | 421,916,084.39        | 473,572,616        |
| Income Tax Under provision for - 2005/06 to 2008/09     | (3,694,379.00)        | -                  |
| 2009/2010   | (941,131.97)          | -                  |
| Amount written off MFI Loan                             | -                     | (27,549,347)       |
|   | 417,280,573.42        |                    |
| Unrestricted surplus /(deficit) in operating activities | (37,740,374.68)       | (24,107,184)       |
| Balance at the end of the year                          | <b>379,540,198.74</b> | <b>421,916,084</b> |
| <b>(03.16) RESTRICTED FUNDS</b>                         |                       |                    |
| Balance at the beginning of the year                    | 175,389,313.88        | 107,928,101        |
| Additional funds received during the year               | 954,222,617.88        | 880,661,940        |
| Transfer to Statement of Financial Activities           | (775,206,473.16)      | (813,200,728)      |
|   | 179,016,144.72        | 67,461,212         |
| Balance at the end of the year                          | <b>354,405,458.60</b> | <b>175,389,314</b> |
| <b>(03.17) DEFERRED LIABILITIES</b>                     |                       |                    |
| <b>Retirement Benefit Obligation - Gratuity</b>         |                       |                    |
| Balance as at 01.04.2010                                | 20,386,786.01         | 21,762,577         |
| Add: Provision made during the Year                     | 6,766,177.21          | -                  |
|   | 27,152,963.22         | 21,762,577         |
| Less : Paid for the year                                | (587,700.00)          | (1,375,791)        |
| Balance as at 31.03.2011                                | <b>26,565,263.22</b>  | <b>20,386,786</b>  |

**(03.18) CAPITAL EXPENDITURE COMMITMENTS**

There were no material capital expenditure commitments as at the Balance Sheet date.

**(03.19) CONTINGENT LIABILITIES**

There were no known contingent liabilities as at the Balance Sheet date.

**(03.20) POST BALANCE SHEET EVENTS**

No material events have taken place after the Balance Sheet date which require an adjustment to or a disclosure in the Financial Statements.

**(03.21) COMPARATIVE INFORMATION**

Comparative figures have been reclassified where necessary in line with the presentation requirements for the current year.

**(03.22) DIRECTORS' INTEREST IN CONTRACTS**

According to the information made available to us, the Directors of the Foundation were not directly or indirectly interested in contracts with the Foundation during the year ended March 31st 2011.



**(03.3) a. PROJECT ACTIVITY SUMMARY**

| Identified Project   | District   | Transferred from Restricted Funds<br>Note 3.1 |               | Received during the year from unrestricted funds and other sources<br>Rs. | Total amount expended<br>Note 3.2 |                            |                              | Net Surplus / Deficit on project<br>Rs. |
|--|--|---|---------------|---|-----------------------------------|----------------------------|------------------------------|---|
|  |  | Organisation                                  | Amount<br>Rs. |   | Staff cost<br>Rs.                 | Direct project cost<br>Rs. | Indirect project cost<br>Rs. |   |
|  |  |   |               |   |                                   |                            |                              |   |
| Basic Infrastructure and livelihood Development              | Anuradapura  | JTS Korean                                    | 7,426,049.00  | -   | 7,063,315.00                      | 360,535.26                 | 2,198.74                     |   |
| Distribution of Dry Ration                                   | Ampara   | DCA   | 4,728,077.27  | 420,000.00  | 3,713,001.41                      | 339,208.00                 | (37,232.14)                  |   |
| Development & Peace Sri Lanka                                | Ampara   | Swiss Contact                                 | 3,674,861.58  | -   | 3,690,429.45                      | -                          | (15,567.87)                  |   |
| Strengthen capacity of Yoghurt production in Panama          | Ampara   | ZOA   | 145,921.66    | -   | 145,023.80                        | -                          | 897.86                       |   |
| Vocational Training  | Ampara   | TARA  | 131,131.95    | -   | 131,131.95                        | -                          | -                            |   |
| Infrastructure Development                                   | Batticaloa   | NECCDEP                                       | 2,160,917.22  | -   | 1,055,503.28                      | -                          | 55,413.94                    |   |
| Socio Economic empowerment of conflict affected communities  | Batticaloa, Trincomalee                                      | ACAP - ACTED                                  | 32,812,266.48 | -   | 11,241,335.78                     | 6,633,159.93               | -                            |   |
| Socio Economic empowerment of conflict affected communities  | Batticaloa, Trincomalee                                      | ACAP - HI                                     | 14,106,158.74 | -   | 8,813,407.58                      | 3,323,169.66               | -                            |   |
| Enhancement of Leadership qualities and employment prospects | Batticaloa   | U S Embassy                                   | 531,171.44    | 77,000.00   | 177,975.00                        | 18,360.00                  | 921.44                       |   |
| Assistance to marginalized conflict affected communities     | Batticaloa   | FCA   | 6,394,708.96  | 400.00  | 1,139,750.00                      | 5,023,140.80               | 8,388.44                     |   |
| Institutional capacity building                              | Ampara   | ACTED NCA                                     | 10,566,247.65 | 2,014,000.00  | 7,093,284.52                      | 2,814,689.08               | (343,195.05)                 |   |
| Humanitarian Response for flood effected Communities         | Batticaloa   | CHF   | 12,489,153.13 | -   | 923,337.00                        | 405,642.70                 | 10,885.43                    |   |
| Building Social Institution for Food Security                | Anuradapura, Batticaloa, Monaragala, Hambantota, Nuwaraeliya | Norwegian Embassy                             | 58,507,765.76 | -   | 10,747,645.18                     | 34,823,728.02              | 12,926,816.79                |   |
| Leadership Training  | All Island   | Weithungerhilfe                               | 7,734,926.83  | -   | 414,570.00                        | 6,948,051.00               | 365,272.72                   |   |
| Malaria Prevention   | All Island   | GFATM   | 12,370,534.39 | -   | -                                 | 10,908,993.00              | 1,461,541.39                 |   |
| Peace and Development  | All Island   | Sasakawa                                      | 11,082,516.40 | -   | 2,719,775.00                      | 7,243,386.50               | 1,119,354.90                 |   |
| Weithungerhilfe Administration                               | Head Office  | Weithungerhilfe                               | 453,191.61    | -   | 176,400.00                        | 135,749.18                 | 141,042.43                   |   |
| IMCSLN (Music) Project - H.O.                                | All Island   | Norwegian Embassy                             | 14,301,336.03 | -   | 445,000.00                        | 13,856,336.03              | -                            |   |
| Emergency Relief Project - Head Office                       | All Island   | Several donors                                | 672,754.67    | -   | 158,223.07                        | -                          | 514,531.60                   |   |
| Sri pada Project   | Head Office  | GFATM   | 591,603.43    | -   | 590,524.00                        | -                          | 1,079.43                     |   |
| Prevention of T.B.   | All Island   | GFATM   | 3,752.00      | -   | -                                 | -                          | 3,752.00                     |   |
| Weithungerhilfe Administration                               | H.O.   | Weithungerhilfe                               | 2,473,208.39  | -   | 647,215.30                        | 1,971,211.43               | 313,099.68                   |   |
| ICEIDA P II Project - H.O.                                   | Puttalam, Ampara   | ICEIDA  | 3,494,462.51  | -   | 725,000.00                        | 2,763,218.76               | 6,000.00                     |   |
| Project Staff Training                                       | H.O.   | Several Donors                                | -             | 782,348.48  | 181,667.00                        | 475,643.31                 | 357,469.17                   |   |
| Head Office  | H.O.   | Several Donors                                | -             | 43,493,413.02   | -                                 | -                          | 43,493,413.02                |   |
| Migrant Access Programme                                     | Hambantota, Matara   | EC/JUN/ASB                                    | 12,838,248.31 | -   | 2,691,720.00                      | 10,358,282.27              | 472,721.53                   |   |
| Supporting "Kithul" Producers                                | Hambantota, Matara   | PARCIC  | 3,363,884.00  | -   | 745,200.00                        | 683,164.00                 | 1,062,000.00                 |   |
| Livestock Assistance   | Jaffna   | IOM   | 1,286,942.42  | 2,741,593.59  | 342,500.00                        | 3,580,144.60               | 46,000.00                    |   |
| Paediatric ward construction                                 | Jaffna   | FIDR  | 3,933,656.42  | -   | 643,750.00                        | 3,006,655.02               | 273,251.89                   |   |
| Supporting Socio-Economic Needs                              | Jaffna   | Japan Embassy                                 | 7,323,914.24  | -   | 729,000.00                        | 6,326,078.00               | 319,265.60                   |   |
| Livestock Assistance   | Jaffna   | NIRC  | 10,081,040.00 | 1,247,463.00  | 436,000.00                        | 10,749,530.08              | 113,830.50                   |   |
| Restoration of Livelihoods of returning communities          | Jaffna   | SDC   | 2,400,000.00  | 619,620.00  | -                                 | 2,967,902.40               | -                            |   |
| Livelihood recovery of returnees                             | Jaffna, Mannar   | USAID   | 34,390,536.76 | -   | 2,796,875.00                      | 30,354,240.00              | 1,223,678.07                 |   |
|  |  |   |               |   |                                   |                            | 15,743.69                    |   |



| Identified Project  | District                               | Transferred from Restricted Funds<br>Note 3.1 |                | Received during the year from unrestricted funds and other sources<br>Rs. | Total amount expended<br>Note 3.2 |                            |                              |                | Net Surplus / Deficit on project<br>Rs. |
|---|--|---|----------------|---|-----------------------------------|----------------------------|------------------------------|----------------|---|
|   |  | Organisation                                  | Amount<br>Rs.  |   | Staff cost<br>Rs.                 | Direct project cost<br>Rs. | Indirect project cost<br>Rs. |                |   |
| Supporting Livelihoods of the returnees   | Jaffna                                 | DFID  | 11,685,050.00  | -   | 525,200.00                        | 10,908,134.00              | 250,876.00                   | 840.00         |   |
| Temporary housing construction  | Jaffna                                 | UNHCR   | 1,419,197.88   | -   | -                                 | 50,000.00                  | 1,370,197.88                 | (1,000.00)     |   |
| Integrated community durable solution programme   | Jaffna                                 | DRC   | 3,392,622.53   | -   | 363,450.00                        | 2,957,272.53               | 71,900.00                    | -              |   |
| Temporary housing construction  | Jaffna                                 | DRC   | 10,098,709.48  | -   | 882,510.00                        | 9,214,050.00               | 3,475.00                     | (1,325.52)     |   |
| Relief, Resettlement, Recovery and Emergency wash                                       | Jaffna                                 | UNICEF  | 39,843,948.69  | -   | 3,917,500.00                      | 34,628,387.49              | 1,253,343.70                 | 44,717.50      |   |
| Sea weed Farming  | Jaffna                                 | JAICA   | 598,122.57     | -   | 151,500.00                        | 367,723.00                 | 78,899.57                    | -              |   |
| Infrastructure Development  | Jaffna                                 | NECCDEP                                       | 8,723,613.95   | -   | -                                 | -                          | 8,708,305.65                 | 15,308.30      |   |
| Humanitarian Response   | Killinochi                             | CHF   | 49,803,162.40  | -   | 3,469,550.00                      | 45,019,000.96              | 3,903,856.27                 | (2,589,244.83) |   |
| Immediate food and Livelihood Security  | Killinochi, Vavunia, Mannar            | Welthungerhilfe                               | 4,460,718.77   | -   | 2,083,636.00                      | 2,133,600.00               | 243,482.77                   | -              |   |
| Livelihood Enhancement for Resettled Communities  | Killinochi, Vavunia, Mulathivu, Mannar | LERC  | 11,309,194.55  | -   | 1,173,000.00                      | 3,027,980.00               | 6,344,314.55                 | 763,900.00     |   |
| Recovery Assistance in Recovery Areas   | Killinochi, Mannar                     | OXFAM-Australia                               | 6,047,605.00   | -   | 568,495.00                        | 5,498,092.00               | 103,047.27                   | (122,029.27)   |   |
| Livelihood Recovery of Returnees  | Mannar                                 | USAID   | 18,329,553.14  | -   | 1,508,202.00                      | 15,641,189.29              | 1,158,187.00                 | 21,974.85      |   |
| Urgent Rehabilitation of the Resettlement Community                                     | Vavunia, Mannar                        | JICA  | 2,442,419.15   | -   | 715,000.00                        | 1,677,419.15               | 50,000.00                    | -              |   |
| UNHCR OIPAS Project - Mannar  | Vavunia, Mannar                        | UNHCR   | 134,871.69     | -   | -                                 | 134,871.69                 | -                            | -              |   |
| Disaster Risk Reduction   | Mulathivu                              | DIAKONE                                       | 4,350,069.15   | -   | 857,651.00                        | 2,914,026.54               | 76,991.59                    | 501,400.02     |   |
| Initial Socio Economic Needs of Resettled Communities                                   | Mulathivu                              | Japan Embassy                                 | 11,212,122.74  | -   | 1,532,874.00                      | 9,470,568.50               | 199,534.83                   | 9,145.41       |   |
| Recovery Assistance for resettled families  | Vavunia, Mannar                        | Welthungerhilfe                               | 16,473,299.14  | -   | 2,314,950.00                      | 10,965,552.28              | 3,171,352.15                 | 21,444.71      |   |
| I.M.O. Project - Vavunia  | Vavunia                                | IOM   | 1,223,160.00   | -   | -                                 | 1,088,350.00               | 134,810.00                   | -              |   |
| Recovery Assistance for resettled families  | Vavunia, Mannar                        | Welthungerhilfe                               | 66,591,710.21  | 245,000.00  | 4,023,275.00                      | 60,096,538.50              | 1,758,246.71                 | 958,650.00     |   |
| Socio Economic empowerment of conflict affected communities                             | Vavunia, Mannar                        | Welthungerhilfe                               | 56,679,429.70  | -   | 14,239,804.00                     | 32,616,829.14              | 9,783,996.56                 | 38,800.00      |   |
| Reintegration of Conflict affected IDP in the North Sri Lanka                           | Vavunia, Mannar                        | Welthungerhilfe                               | 62,318,350.50  | 43,885.00   | 7,473,850.00                      | 49,646,163.00              | 4,506,522.50                 | 735,700.00     |   |
| Strengthening Civil Society   | Vavunia, Mannar                        | EIDHR   | 372,482.68     | -   | -                                 | 226,210.00                 | 146,272.68                   | -              |   |
| Poverty reduction and participatory development Protection and Durable Solution for IDP | Vavunia, Mannar                        | Welthungerhilfe                               | 4,599,106.16   | -   | 1,020,050.00                      | 2,182,247.61               | 1,396,808.55                 | -              |   |
| Empowering Youth Community  | Vavunia, Mannar                        | UNHCR   | 7,798,984.11   | -   | 4,979,044.00                      | 2,664,794.70               | 282,688.40                   | (127,542.99)   |   |
| Early Recovery of Resettlers in the North Sri Lanka                                     | Vavunia, Mannar                        | U.S Embassy                                   | 244,092.24     | -   | -                                 | 243,150.00                 | -                            | 942.24         |   |
| Construction of Primary Schools   | Vavunia, Mannar                        | UNICEF  | 4,206,450.00   | 15,524.98   | 451,300.00                        | 3,618,180.00               | 141,500.00                   | 10,994.98      |   |
| Construction of Primary Schools   | Vavunia, Mannar                        | Welthungerhilfe                               | 34,270,357.68  | 38,409.91   | 2,239,170.75                      | 30,875,980.86              | 1,166,875.79                 | 26,740.19      |   |
| Construction of Primary Schools   | Vavunia, Jaffna, Killinochi, Mulathivu | Nippon Foundation                             | 2,032,830.80   | -   | -                                 | -                          | 2,032,830.80                 | 0.00           |   |
| Early Recovery of Resettlers in the North Sri Lanka                                     | Vavunia                                | Welthungerhilfe                               | 52,074,299.00  | -   | 4,286,131.62                      | 47,188,393.13              | 332,653.05                   | 267,121.20     |   |
| Early Recovery of Resettlers in the North Sri Lanka                                     | Vavunia                                | Welthungerhilfe                               | 775,206,473.16 | 51,738,657.98   | 114,790,650.73                    | 585,260,335.10             | 82,990,908.29                | 43,903,237.02  |   |





### 01. General information

1.1 Sewa Lanka Foundation is a non government organization as per the definition provided in the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations issued by the Institute of Chartered Accountants of Sri Lanka.

The Foundation was incorporated on 19th February 1992 under the Companies Act No. 17 of 1982, with the name of Sewa Lanka Foundation (Guarantee) Limited. Subsequently the foundation has got the approval to use the name without Guarantee Limited. It was re-registered under the new companies Act No. 7 of 2007 with a new number GL 41.

Sewa Lanka presently works in social mobilization, institutional capacity building, micro enterprise development, sustainable agriculture and environment conservation, inland fisheries, psychosocial support, peace building, micro finance, health, vocational training and providing shelter and sanitary facilities for the poor. The Foundation aims to enhance the capacity of disadvantage communities to self reliance state by building institutional structure and coordinating community based organizations and providing training, external resource and supporting services to them.

Sewa Lanka has a decentralized structure, working in 22 districts in the country. At the end of the year there were 445 staff members. While district offices are responsible for coordinating with community based organizations and engaging in internal activities of districts, Colombo based head office provides coordination with Donors and administrative and financial supervision of the entire organization.

The names of the Members of the Board of the Foundation are provided in page 41.

1.2 It is domiciled in Sri Lanka. The principle place of activity of the organization is located at No. 432 A, Colombo Road, Boralessgamuwa.

Except for certain activities that will conclude on the realization of their relevant activities in accordance with the relevant terms of reference, the financial statements have been prepared on a going concern basis.

1.3 The notes to the Financial Statements on page 39 to 40 are an integral part of the financial statements.

1.4 All values presented in the financial statements are in Sri Lankan Rupees unless otherwise indicated.

### 02. Summary of significant accounting policies

#### 2.1 General Policies

##### 2.1.1 Basis of Preparation

The balance sheet, statement of financial activities, statement of changes in accumulated fund and the cash flow statement, together with the Accounting Policies and Notes to the financial statements as at 31st March 2011 for the year then ended comply with the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (including Non Governmental Organizations) issued by the Institute of Chartered Accountants of Sri Lanka. The Financial Statements have been prepared on historical basis.

##### 2.1.2 Comparative Information

The Accounting Policies have been consistently applied, unless otherwise stated, and are consistent with those used in previous years.

##### 2.1.3 Translation of Foreign Currency

All foreign currency transactions have been converted in to Sri Lankan Rupees, which is the reporting currency, at the rates of exchange prevailing at the time that the transaction was effected.

##### 2.1.4 Taxation

a. Current Taxation: Income tax is provided in accordance with the provisions of the Inland Revenue Act No. 10 of 2006, and is based on the elements of income reflected in the statement of financial activities and on the elements of grants received, subject to exemptions.

### 2.2 Accounting for the receipt and utilization of Funds

#### 2.2.1 Funds

a. Unrestricted Funds: Unrestricted funds are those that are available for use by the organization at the discretion of the board, in furtherance of the general objectives of the organization and which are not designated for any specific purpose.

Surplus funds are transferred from restricted funds to unrestricted funds in terms of the relevant Donor Agreements or with the subsequent approval of the Donor.

b. Restricted Fund: Where grants are received for use in an identified project or activities, such funds are held in a restricted funds account and transferred to the statement of financial activities account to match with expenses incurred in respect of the identified project. Unutilized funds are held in their respective fund accounts and included under accumulated fund in the balance sheet until such time as they are required.

Where approved grant expenditure exceeds the income received and there is certainty that the balance will be received such amount is recognized through receivable in the balance sheet.

The activities for which these restricted funds may and are being used are identified in the notes to the financial statements.

#### c. Other income

Investment income and other gains realized from funds available under each of the above categories are allocated to the appropriate funds, unless the relevant agreement or minute provides otherwise.

### 2 Grants

Grants are recognized in the financial statements at their fair value. When the grant relates to an expenses it is recognized as income over the period necessary to match it with the costs, which it is intended to compensate for on a systematic basis.

### 2.3 Valuation of assets and their based of measurement

#### 2.3.1 Receivables

Receivables are stated at the amounts they are estimate to realize.

#### 2.3.2 Cash and Cash Equivalent

Cash and cash equivalent are defined as cash in hand, short term investments, readily convertible to identified amount to cash and which are not subject to any significant risk of change in value.



For purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and bank deposits, net of outstanding bank overdrafts.

### 2.3.3 Property, Plant and Equipment

- a. **Cost and Valuation:** All items of property, plant and equipment are initially recorded as cost.

Buildings owned are used for purpose of the organization and is therefore do not fall under the definition of investment property.

- b. **Restoration costs:** Expenditure incurred on repairs or maintenance of property, plant and equipment to restore or maintain the economic benefits to be obtained at original levels of performance is recognized as an expense as and when incurred.

- c. **Depreciation:** Depreciation is provided for an all assets on the reducing balance method and is calculated on the cost or revalued amount of all property, plant and equipment other than land, in order to write such amounts less any terminal value over the estimated useful lives on such assets. Depreciation is not provided in the year of purchase while a full year's depreciation is charged in the year of disposal.

The annual rates of depreciation currently being used by the organization are :

| Assets               | Rate pa. |
|----------------------|----------|
| Land and Building    | 5%       |
| Plant and Machinery  | 25%      |
| Motor Vehicles       | 25%      |
| Computer Equipment   | 20%      |
| Other Equipment      | 25%      |
| Furniture & Fittings | 25%      |

### 2.3.4 Leases

- a. **Finance Leases:** Property, plant and equipment on finance leases, which effectively transfer to the organization substantially all of the risk and benefit incidental to ownership of the lease items, are capitalize and disclosed as Finance Lease at their cash price and depreciated over the period the organization is expected to benefit from the use of the lease assets.

The corresponding principal amount that is payable to the lesser is shown as a liability. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the outstanding balance of the liability. The interest element of the rental obligation pertaining to each financial year is charged to the statement of financial activities over the period of the lease.

## 2.4 Liabilities and Provisions

### 2.4.1 Retirement Benefit Obligations

- a. **Defined Benefit Plan – Gratuity:** Retirement Gratuity is a Defined Benefit Plan. The organization is liable pay gratuity in terms of the relevant statute. In order to meet this liability, a provision is carried in the balance sheet that is based on a half-month's salary as of the last months of the financial year for all employees for each completed year of service commencing from the first year of service. The difference between the provision that is brought forward at the beginning of the year and the provision that is required to be carried forward at the end of the year is adjusted through the statement of financial activities.

This provision is not externally funded. However, in accordance with the payment of gratuities Act No. 12 of 1983, this liability arises only on the completion of five years of continued service of any employee.

- b. **Defined contribution plans:** All employees are eligible to contribute to the employees' provident fund and the employee's trust fund in accordance with the relevant statute and regulations. The organization contribute 12 percent of the gross emoluments of the employees to the Employee's Provident Fund and 3 percent to the Employee's Trust Fund.

## 2.5 Statement of Financial Activities

### 2.5.1 Income Recognition

- a. **Incoming Resources:** Income realized from restricted funds is recognized in the statements of financial activities only when there is certainty that all conditions for receipt of the funds have been complied with and the relevant expenditure that it is expected to compensate has been incurred and charged to the statement of financial activities. Unutilized funds are carried forward as such in the balance sheet.

All other income is recognized when the organization is legally entitled to the use of such funds and the amount can be quantified. This would include income receivable through donations.

- b. **Revenue:** Income earned including interest is recognized on a actual basis.

### 2.5.2 Expenditure recognition

Expenses in carrying out the project and other activities of the organization are recognized in the statement of the financial activities during the period in which they are incurred. Other expenses incurred in administering and running the organization and in restoring and maintaining the property, plant and equipment to perform at expected levels are accounted for on an accrual basis and charged to the statement of financial activities.

The organization has adopted the "Function of expenses" method to present fairly the element of organization activities in its statement of financial activities.

## 2.6 Segment Information

The organization's internal management and reporting formats are structured and based on activities and service that are similar in nature and where the risk and obligation are similar. The primary segments represent this structure.

The secondary segments are determined on the organization geographic spread of operations.

The activities of each of the reported activity based segments are reported on page 37 to 38.

Segments information has been prepared in accordance with the accounting policies set out in the Sri Lanka statement of recommended practice for not-for-profit organization (Including Non Government Organization).





## Executive Council

Dr. Harsha Kumara Navaratne, Chairman  
 Prof. A. Navaratnarajah, Vice Chairperson  
 Mr. Wasantha P. Ramanayake, Vice Chairperson  
 Ms. Lakshi S. Abeyasekara, Vice Chairperson  
 Dr. Lionel Weerakoon  
 Mr. Srimewan Weraduwa  
 Ven. G. Pamaratana  
 Ms. D.A. Kanthi Navaratne  
 Mr. M.I.M. Iqbal  
 Ms. S. Sivapackiyam  
 Ms. A.M.R.K. Adikarinayake  
 Mr. Deepal Chandrathilake  
 Mr. T.N. Newton  
 Dr. Amanda J. Kiessel  
 Ms. Kaushalya Navaratne  
 Mr. T. Thamilalagan  
 Ms. Kumari Bandara  
 Mr. Sampath Wijesinghe  
 Mr. Ajith Tennakoon  
 Ms. Annet Royce

## Management Committee

Vice Chairperson  
 Vice Chairperson  
 Vice Chairperson  
 Special Projects Deputy Director  
 Senior Program Consultant  
 Program Director  
 Program Director  
 Research and Learning Director  
 Field Director North  
 Senior Advisor East 1  
 Field Director East 2  
 Field Director / Islander Director  
 Field Director Central  
 Field Director South  
 Finance Director  
 Chief Accountant  
 HR and Admin Director  
 Asst. Director Administration  
 Sewa Finance CEO

Prof. A. Navaratnarajah  
 Mr. Wasantha Ramanayake  
 Ms. Lakshi Abeyasekera  
 Ms. Annet Royce  
 Mr. Mahinda de Silva  
 Ms. Kaushalya Navaratne  
 Dr. Amanda Kiessel  
 Mr. N. Newton  
 Mr. T. Thamilalagan  
 Mr. M.I.M. Iqbal  
 Mr. Deepal Chandrathilake  
 Ms. Jinadari Wedamulla  
 Ms. S. Sivapakiyam  
 Mr. Ajith Tennakoon  
 Mr. Sampath Wijesinghe  
 Mr. Noel Perera  
 Ms. Kumari Bandara  
 Mr. Aruna de Alwis  
 Ms. Renuka Rathnahewage

## Other Senior Staff

External Affairs / Technical Advisor  
 Accountant  
 National Coordinator  
 Senior Administrator  
 Mr. Udeni Dias  
 Mr. R.M Ninalisiri  
 Mr. Thusitha Bodikotuwa  
 Ms. Chamika Priyadarshani

## District Program Coordinators / Area Coordinators

Ampara - Inland  
 Ampara - Coastal  
 Anuradhapura  
 Batticaloa  
 Galle  
 Hambantota  
 Jaffna  
 Kalutara  
 Killinochi  
 Kurunegala  
 Puttalam  
 Mannar  
 Matara  
 Matale  
 Moneragala  
 Mullaitivu  
 Nuwara Eliya  
 Trincomalee  
 Vavuniya  
 Mr. Harshana Hegodagamage  
 Mr. S.A. Robin  
 Mr. Hemantha Rathnayake  
 Mr. J. Sairajan  
 Mr. Y.W.J. Jagath  
 Mr. Jayantha Wijesinghe  
 Mr. V. Kesavan  
 Ms. Chamari Lakmali  
 Mr. S. Yogarajah  
 Ms. Sumana Wijerathne  
 Ms. Samantha Fernando  
 Mr. S. Joy Prathevan  
 Ms. Nishamalie Devinie  
 Mr. S. Sampath Abeywardana  
 Ms. Nayana Maligaspe  
 Mr. S. Sukunaraj  
 Ms. S. Sivapackiyam  
 Mr. Jayantha Bandara  
 Ms. K. Kalatharshani

## Program Development Team

Community Development  
 Community Development  
 Community Development  
 Community Devt. / Livelihoods  
 Community Devt. / Livelihoods  
 Sustainable Agriculture  
 Sustainable Agriculture  
 Fisheries and Aquaculture  
 Fisheries  
 Tourism  
 Enterprise Development  
 Enterprise Development  
 Environment  
 Environment  
 Livelihoods / Environment  
 Gender / Psychosocial  
 Psychosocial  
 Psychosocial  
 Psychosocial / Peace  
 Community Peace  
 Community Peace  
 Community Peace  
 Engineer  
 Engineer  
 Mr. T.N. Newton  
 Mr. P. Nanthakumar  
 Mr. K.L. Priyankara  
 Mr. Mahinda de Silva  
 Mr. M.I.M. Iqbal  
 Dr. Lionel Weerakoon  
 Prof. A. Navaratnarajah  
 Ms. Maheeni Samarakoon  
 Mr. K. Mugunthan  
 Mr. Harshana Hegodegamage  
 Mr. Steve Francone  
 Mr. T. Subaskaran  
 Mr. Ajith Tennakoon  
 Ms. Gayani Prasanga  
 Dr. Amanda Kiessel  
 Ms. Kaushalya Navaratne  
 Mr. Prasad Jayasinghe  
 Ms. Ashanthi Edirisinghe  
 Mr. S. Arivalagan  
 Mr. Niroson Perera  
 Ven. Balangoda Manjusri  
 Rev. Jegatheesan Kurukkal  
 Mr. S. Vigneswaran  
 Mr. N. Rupan



**REGISTRATION NUMBER: GL41**

**BANKERS**

Hatton National Bank  
Commercial Bank  
Nations Trust Bank  
People's Bank  
Seylan Bank  
Sampath Bank

**AUDITORS**

K.S.Karunadasa & Company  
Chartered Accountants  
6A, Perera Mawatha  
Panadura

**COMPANY SECRETARY**

P.W. Corporate Secretarial (pvt) Ltd.  
No 3/17, Kynsey Road  
Colombo 08

**Sewalanka Foundation**

No.432A , Colombo Road, Boralesgamuwa

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