

Preparing for a Brighter Future



Sewalanka Foundation
Annual Report 2008-2009



Sewalanka Foundation thanks our partners for their support to build stronger, more peaceful and prosperous communities in Sri Lanka for disadvantaged individuals and families.

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Sewalanka Foundation's mission 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 of Sri Lanka.

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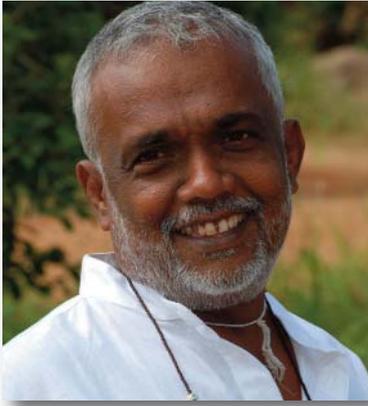
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Chairman's Message

We have passed through yet another challenging year of violent conflict and polarized politics. Full-scale military operations continued in the north, and communities that Sewalanka helped resettle during the ceasefire period were once again displaced. As the Sri Lankan security forces moved north and east, families within the front lines moved in the same direction to flee the fighting.

In late September, fighting near Kilinochi town intensified, and the government asked the few humanitarian and development organizations still working in the Wanni region to withdraw for security reasons. Sewalanka has had the government's permission to work in the Wanni since the organization was founded in 1993. Despite very real concerns about staff safety, it was difficult to close our offices and leave behind the people we have worked with for so many years.

In the end, a number of our northern community workers decided to stay in the region and serve with the local Government Agent as volunteers. They assisted with government food distribution, construction of temporary facilities and service provision. At the close of our financial year, an estimated 200,000 displaced civilians were squeezed into a narrow 14 square kilometer strip of land on the northeast coast.

It is common for an escalation of conflict to lead to greater polarization between all of the parties involved. Important lines of communication and interaction break down. Trust and respect diminish. Previously neutral parties begin to take sides. Individuals move towards opposite 'poles' and take increasingly rigid positions. Distorted perceptions and simplified stereotypes emerge and influence decision making. It becomes increasingly difficult to mediate or maintain a moderate stance.

In order to continue serving communities in all parts of the country, Sewalanka must walk a difficult middle path. We need to maintain an open and continuous dialog with groups that hold very different views. We cannot afford

to take a rigid, polarized stance in a complex situation. Over the past year, we have put considerable energy into maintaining open lines of communication between different groups. For example, we have worked with the Consortium of Humanitarian Agencies (CHA) to facilitate a dialog between aid agencies and the government. This process hasn't always been easy, but it has helped clear up misunderstandings, improve non-governmental access to conflict-affected populations and resolve implementation issues.

For similar reasons, we helped an inter-religious group of clergy organize a pilgrimage retreat to holy sites and religious centers in northern India. The participants were already committed to nonviolent social change, but the polarizing climate in Sri Lanka made it difficult for them to come together, share their thoughts and feelings, and have a genuine dialog on the future. The journey culminated in Dharamsala where the Sri Lankan religious leaders had the opportunity to meet with His Holiness the Dalai Lama. As we continue our work, I find myself regularly returning to his words.

"Peace must come through inner peace. Inner peace doesn't mean indifference. It doesn't mean that we remain without feeling or without commitment. Peace requires us to be very active. There are six billion human beings with different views and different interests. There are always sufficient reasons for conflict. Peace means that whenever there are problems or conflicts, you do not use threat or force. You try to solve the problem through dialog."

This is not a simple path. It is easy to be frustrated by polarization and the slow pace of change, but as His Holiness said with a laugh and a twinkle in his eye, "Frustration, up to a certain level, is a good thing. Frustration brings more energy and more effort, and then we will find answers and results."

Harsha Kumara Navaratne

“Sewalanka gave us comprehensive training on gardening, recycling, compost making, health and nutrition. We can now provide vegetables for our families and they are healthier because they are organic.”



Strategic Programs



Emergency Response, Rehabilitation and Disaster Risk Reduction

This year was a significant one in the three-decade ethnic conflict in Sri Lanka. All focus was on the country's north as security operations moved eastward from Mannar in pursuit of the LTTE. Villagers in the region were displaced by the surge and eventually confined in a demarcated No War Zone in Mullaithivu. By the end of this reporting period, drastic changes in the conflict were taking place while trapped people fled to neighbouring Vavuniya, Trincomalee and Jaffna.

Throughout the year, Sewalanka provided basic needs for displaced people, including shelter, food and water sanitation, with support from our longtime partner Welthungerhilfe through two projects funded by ECHO. The projects supported 4,520 displaced families with temporary shelters in Manthai West in Mannar, Karachi in Kilinochchi and Oddusudan in Mulathivu District. These shelters could be dismantled and moved as needed. ACTED also supported the water sanitation needs of the displaced communities, benefiting 1,200 families. The FSRP Project was diverted from development to a relief project to support the communities in Vavuniya North and Nedinkerny.

Nearly 17,000 people received food aid transported in coordination with government authorities and distributed with support of the government structures. This package covered the needs of an individual for a 15-day period. We also constructed 27 tube wells and, through

ACTED, focused on the early phase after IDPs arrived, supporting water sanitation for the displaced by constructing temporary toilets and bathing facilities and installing hand washing stations.

A food security and rehabilitation project implemented in northern Vavuniya to stabilize the returnees was delivered in partnership with WHH and funded by BMZ . To respond to the changing context, this project changed to a relief support project assisting 1,375 families with 450 emergency shelters, toilets, water facilities and pre- schools.

With fewer World Food Program meals coming into the Wannu due to safety-related travel restrictions, food needs were a significant issue. Essential items were scarce and as time wore on, the situation worsened. WHH and Sewalanka managed the transport of food convoys in coordination with local government bodies. The dry rations were vitally important for survival for 375 IDP families during the first three months of their displacement. This consisted of 50 Kg of red rice, 30 Kg of flour, 10 Kg of dhal, 10 Kg of sugar, tin fish, 4 packets of anchor milk and 1 Kg of tea leaves. In addition, 550 displaced families (2564 persons) from Oddusudan received similar food packages.

By early 2009, the Sewalanka team in Vavuniya was prepared for the influx of IDPS that were anticipated in greater numbers than ever before and provided cooked meals upon their arrival at the transit sites and in Vavuniya town.

This year, Sewalanka established a partnership agreement to deliver emergency response measures on behalf of Oxfam GB. In May and June, the partnership received its first tests when massive floods struck the country's south and west regions. We coordinated with Oxfam to provide non-food relief items, such as buckets, mops, cleansers, clothing and sanitary products to hundreds of families in Kalutara. Following this emergency, Sewalanka worked with the donor to establish supply centres around the country that would ensure that subsequent emergencies were met with an immediate and well coordinated local response.

Our disaster risk response program centered around a nine-month Community-Led Disaster Risk Reduction project with ActionAid Sri Lanka. The goal was to increase community resilience in 60 vulnerable villages in the event of a disaster. Sewalanka worked with community members to help them understand their vulnerability, develop skills, identify capabilities, resources and linkages, and establish policies to improve responsiveness and build resilience.

Phase two, which concluded at the end of this fiscal year, focused on identifying and executing the most essential capacity building activities in the village plans. We conducted first aid programs, search and rescue training, disaster awareness workshops for children, and workshops on temporary camp management, sanitation and psychosocial support. Sewalanka also supported community drills organized by district disaster management units and distributed megaphones and our staff continue to interact with villagers and are permanent members of the district disaster management forum.

Capacity Building

Sewalanka's Research and Learning Unit (RLU) focused this year on delivering training programs to build staff, CBO and entrepreneur capacity. The team's training expertise contributed to a range of Sewalanka's development projects funded by ICEIDA, the Norwegian government, EU, IOM and Oxfam.



Doubled Pleasure

For most of her life, Chandralatha worked for others while living off the Rs. 2,500 her husband earned each month from selling cloth mats she made. Highly talented, she had no equipment and thus sewed mats when she could at neighbours' houses.

That was until Sewalanka Galle district staff visited her small village in Walhengoda in January 2007 as part of the "Towards Sustainable Livelihoods in Matara and Galle" project. This joint Sewalanka and CHF venture, funded by the Canadian International Development Agency, supports poor rural households to attain sustainable livelihoods and

reduce their economic and social vulnerability.

Working with community facilitators, Chandralatha identified her skills and aspirations of starting her own business to generate income for her family, while giving herself a creative outlet.

The project provided her with a sewing machine and fabric, along with tools and seeds to start a home garden for her family's consumption. She didn't waste any time, proving to be an industrious entrepreneur. She produces mats from fabric scraps, which are easily attained from the nearby garment factory. Using leftover cloth not only minimized the cost of production, but also created a unique look that added value to the mats. "These fabric mats are made from recycled material," says Chandralatha. "That is good for the environment

Sewalanka Business Development and Marketing Officers helped her improve the quality of her product, market it and maximize her profits.

Chandralatha also took valuable advice from the project's Agriculture Officer on how to grow organic vegetables. She now makes compost for her own garden and sells the excess to neighbours.

"I learned from Sewalanka field officers how to use a simple cash book which helps me to monitor my income and expenses," says Chandralatha. Today, she earns more than double what she did before the project. She takes home Rs. 5000 a month from her cloth mats and about Rs. 1000 from organic vegetables and compost sales. "I'm proud today and I feel more responsible," she says.



Working directly with CBO members, the RLU led CBO strengthening workshops, social mobilization training sessions and programs to teach enterprise development. Close to 200 community members from across the country participated in the various programs. Another priority for the team was building staff capacity to work effectively with communities. Throughout the year, the RLU held workshops on social mobilization for staff in Hambantota, Monaragala, Ampara and Hatton (as part of the Norwegian environment and peace project), and in Trincomalee for an EU-funded peace project and Vavuniya's EU-funded development project. Several training workshops for staff on effective CBO monitoring and evaluation also took place in the year.

These staff training programs also enabled the RLU to identify the need for additional training in the areas of participatory needs assessment and community action plan development. The team is developing modules to address these requirements. For CBOs, the RLU identified a strong need for and interest in financial management, progress monitoring, bookkeeping and leadership management training. In several cases, we conducted add-on programs in these areas directly with CBOs. In other cases, field staff arranged training for community members through local institutions.

Several Sewalanka staff also participated in a 15-day Train-the-Trainer program in March 2009 organized and conducted by the RLU. The workshop—a CEFE-standard program on New Business Creation—was held in Tamil and Sinhala with financial assistance from

ICEIDA to senior Sewalanka staff working on the ICEIDA-funded fisheries project and to staff in nearby areas who could provide support to the project.

Sustainable Agriculture

As manufactured pesticides and fertilizers have become more readily available in Sri Lanka's rural communities, farmers increasingly use these harmful substances as a significant part of their agriculture activities. As a result, chemical dependence has grown while crop yields have leveled off or depreciated. Profits to individual farmers continue to hover at subsistence levels.

Sewalanka's Sustainable Agriculture program seeks to reintroduce traditional, organic and low-cost farming techniques to farmers in order to restore the land, improve yields and increase profits.

To this end, the team held a number of training programs this year with support from the Royal Norwegian Embassy. In Monaragala, we taught 30 farmers about compost and liquid fertilizer preparation. Two leaders from each of Sewalanka's CBOs in the region participated. Farmers in five villages in the area also received training on home garden preparation and composting. Thirty-six farmers from Rajanganaya, Anuradhapura and Polonnaruwa participated in a two-day Gami Seva Sevana organic agriculture program we organized. And in Hambantota and Islander Center, we led training and demonstration programs on the System of Rice Intensification (SRI), an organic process that

uses less water and resources while giving higher returns. Looking to the future, we also offered three-month residential agriculture programs in the yala and maha seasons for youth from across the country. In Ampara, Sewalanka worked with Oxfam GB to develop four Sustainable Agriculture Resource Centers (SARCs) in Uhana, Mahaoya, Lahugala and Thirukkivil. The SARCs have improved market access and profits for paddy farmers by providing the processing and storage facilities needed for collective marketing. The farmers are able to negotiate higher prices and sell directly to larger buyers. Sewalanka also trained SARC members on sustainable agriculture techniques and the preparation of organic fertilizers and pesticides. Nearly 3,000 farmers are participating in the SARC program.

In addition to teaching, we also provided inputs and opportunities for farmers. Three hundred farmers participated in Sewalanka field trips to government-run agriculture parks where they learned new techniques and were able to buy high-quality seeds at low prices. We supplied microfinance loans to Monaragala farmers for agricultural and marketing activities and, in

partnership with Cargills, provided 1,000 passion fruit seedlings to eight farmers in Wellaway. Sewalanka also produced certified seed paddy from three acres in Walawewaththa and 25 acres at Islander Center.

Fisheries

Sewalanka and the Icelandic International Development Agency (ICEIDA) have been collaborating on a two-year project to develop the capacity of low-income fishers in seven coastal districts. ICEIDA constructed fisheries complexes in each village and then handed the buildings over to the communities to be used for a variety of purposes, including net mending, community gatherings, equipment storage and CBO office space. Sewalanka is leading the social mobilization aspect of the project, focusing on community development, training CBO leaders in management and, most critically, helping these communities identify their constraints and develop strategies to overcome them.

This process saw the communities conduct needs analyses during this past year and develop proposals



Compared to many other Asian countries, Sri Lanka's involvement in aquaculture activities is quite small, yet the country has vast potential to develop aquaculture as an alternative livelihood along the coastal belt and inland areas. With support from the IUCN (Mangroves for the Future), Sewalanka began two small-scale coastal aquaculture pilot programs at Maduganga estuary and in Ampara.

The pilots are intended to test the ability of modest aquaculture activities to raise the living standard in less privileged fishing communities. In Maduganga estuary, we introduced a cage culture program for sea bass (commonly known as giant sea perch

Aquaculture: A New Frontier

or barramundi) with young fishermen who are entirely dependent on the estuary for their livelihood. "Normally we go to the lagoon for fishing from 6 p.m. to 6 a.m. We were idle during most of the daytime. Now we have some enthusiastic and enjoyable work with these fish. We enjoy feeding them and looking at their growth. Everything involved here is simple techniques but we never knew them before."

In Ampara District another pilot introduced seaweed cage culture farming to fishermen in Panama and Ullei. Several species of seaweed are commercially farmed in other Asian countries as food (particularly in Japanese cooking) and organic fertilizer, in beauty treatments and as a health supplement. In 2002, aquaculture of seaweed was a \$6 billion business.

"Outside of this pilot, there is no farm production of seaweed in Sri Lanka," says Maheeni Singappuli, Sewalanka's Fisheries Program Manager. "Only some wild collection and export has been reported on the east coast. Sri Lanka has many potential cultivation sites, especially in Eastern province. Most seaweed farming involves low technology and low or positive environmental impact, so it is well suited for rural villagers."

As global demand grows, remarkable opportunities exist for seaweed culture as an alternative livelihood activity on the east coast, especially for women who aren't involved in any income-generating activity. Sewalanka is seeking more opportunities to introduce this practice on a larger scale and to promote seaweed as an export commodity.



for new purchases and investments that will help to improve their livelihoods. ICEIDA has provided funding to implement these proposals, which include revolving loan schemes that particularly empower women in the community, collective purchasing and marketing, dry fish production, small equipment sales outlets, a cafeteria for fishermen and refrigeration facilities.

Most of the fishing communities that ICEIDA supports had limited access to ice or refrigeration facilities. They also lacked knowledge of proper post harvesting technologies. Sewalanka together with the National Aquatic Resources Research and Development Agency conducted many technical awareness programs to improve their skills and CBO management.

With support from IUCN, Sewalanka also launched two pilot projects this year in aquaculture, one in Ampara and the other in the Maduganga estuary. The projects, which are teaching local villagers how to farm sea bass and seaweed, are pilots to assess the feasibility of these alternative livelihood activities to improve the financial situation of poor fishing communities. Aquaculture activities are quite limited in Sri Lanka, however the potential for growth and new streams of fisheries revenue is significant.

Community-Based Tourism

Sewalanka's Community-Based Tourism program continued to build on its work to strengthen local tourism activities in the Arugam Bay region and

communities around the Sinharaja rainforest.

Villagers in these communities started their own tourism network made up of village societies, individual homeowners, businesses and Sewalanka staff. Our Community-Based Tourism program has been working to make the network sustainable over the last year. Local staff received training in sustainable community tourism development— including environmental conservation and marketing and promotion— and then worked with the community members to identify their training needs. We delivered capacity-building workshops based on this feedback and eco-tourism activities were initiated as a result of these discussions and workshops.

Another area of interest for the network was getting support to establish relationships with international organizations that could promote tourism in their communities. Sewalanka has therefore been working with members over the year to develop a community tourism profile. We identified the basic facilities in each location, contacted members about their future development plans and began to develop a website for the network to encourage tourism activity.

This year, we also completed a YMCA-funded project on sustainable tourism and environmental conservation. At Ruhuna University, we provided training on conservation and sustainable tourism. The team has since submitted a proposal to ECOT to build on the work of this completed project and further strengthen community-based tourism development.



Community Products

There is a high demand for hand-made products locally and abroad, however several factors hamper this sector in Sri Lanka. Since many craftsmen are sole entrepreneurs without the capital to operate an outlet, they must sell to larger commercial outlets. These generally work on a consignment basis, leaving the craftsman without income to continue to produce until his or her products are sold. In order to reduce costs, quantity is given over to quality. These challenges have seen traditional crafts disappearing as younger generations opt for more stable income sources.

The three-year Transrural Trust-funded handicraft project, which began last year in the Galle region, continued working with 42 women of mixed ages who were selected after an assessment of their sewing ability, interest in handicrafts and desire for self-employment. We learned from the mixed success of previous Sewalanka activities in the region that participants need to understand the tourist market, which makes up the vast majority of their sales, and need improved marketing skills and consistent monitoring after the program.

A SEDCO market survey assisted the program in determining the products on which to train the participants: Cloth bags, table linens and cushion covers; papier mache products; hand-woven lace items and boxes and greeting cards made from recycled paper. Training in cloth crafts began in April 2008, running for

six months. We held a one-day workshop in June on box-making and greeting cards using natural paper from a Sewalanka livelihood project in the Knuckles Range. In early 2009, we began market testing the products. After extensive repairs, the Unawatuna Training Centre re-opened in May. Four stalls at the front of the centre have been built for the participants to sell their products to the foreigners who frequent this beach town.

Our handlooms program focused on the Maradamunei village in Ampara District. After conducting a baseline survey in December 2008 to assess local knowledge of weaving and marketing we designed a program to improve the skills of more than 250 local handloom weavers. The program consists of natural dyeing, sari border design, colour and design and shadow printing. In early 2009, we began the natural dyeing workshop, followed by sari border design in February. In March, we began mobilizing the weavers into five CBOs. The CBOs will help to strengthen the weavers financially and organize their livelihood development activities.

Environmental Sustainability

This year, Sewalanka ended a Diakonie-funded project to mitigate and prevent environmental disasters through the restoration of littoral vegetation. The two-year project focused on mangroves and beach vegetation damaged by the tsunami in the Eastern province. After training Sewalanka project staff, we conducted participatory community awareness activities about the importance of mangroves and implemented community

capacity-building activities. Under Sewalanka's guidance, the communities began transplanting mangrove seedlings from the nurseries that were built earlier in the project.

We provided financial incentives to participants for activities such as nursery management and supported the development of eco-tourism to bring additional income and project sustainability to the area. Community members responded to our participatory approach and the linking of income-generation to the project. They felt invested in the project's sustainability and took action to ensure cattle did not damage newly planted mangroves.

In September, the team also finished a tank ecosystem restoration project in five villages the dry-zone region of Anuradhapura. The villagers regularly experienced shortages in drinking water and water for crops. With farmer participation, Sewalanka planned and developed hands-on restoration workshops and home gardening training for the villagers. Vegetable seeds and fruit plants were distributed to 170 farmers in October and November. We erected five nurseries in the area, which

housed more than 40 plant species that were eventually transplanted around the tanks. With boundary markers to indicate where restoration activities have taken place, it is anticipated that these habitats will be able to redevelop gradually.

In Katurodagama, the local farmer organization reconstructed a pond with Sewalanka's guidance. The pond will maintain the groundwater table that supports the local ecosystem and supply irrigation to an extra 35 acres of land. We held three demonstrations on soil and water conservation and best management practices for 55 farmer representatives. We held a simultaneous on traditional farming techniques and how these could be incorporated into the home gardening and ecosystem development programs.

Female villagers were trained to use raw materials that can be collected from the village reservations and home gardens to make mats, baskets, bags, etc. A local handicraft trainer led the program, and the resulting products will be sold at a newly constructed sales outlet.



Mannar, a region in Sri Lanka's northwest that has been deeply affected by the war, is home to many subsistence farming families who struggle to earn a decent income.

Paddy farming is the main occupation in the region and, as with many paddy farmers, marketing and getting a fair price for their product

Milling Profits in Mannar

was a continual challenge. A Sewalanka and Oxfam GB project begun in 2006 changed all of that for a group of 400 farmers, who are now enjoying increased success.

Sewalanka and SEDCO, Sewalanka's enterprise development company, brought together 10 farming societies from 10 villages in the region in order to improve their linkages with the rice market. The societies formed a federation that collects the harvest from all of its members. It then increases the paddy's market value by turning it into rice at SEDCO's mill and SEDCO markets it to buyers.

This win-win model sees farmers receiving one rupee per kilogram more for their paddy from the federation and a broader institutional market for the rice due to the large

quantities from the pooled harvests.

Since the project began, we have purchased harvesting machines for the federation, which are rented out to the member farmers at low rates. We have also conducted numerous capacity building activities, including training on marketing and business plan development.

The federation operates SEDCO's four rice mills and the enterprise development company has linked the group with the Agrarian Development Office for additional support services. We have also supported the federation to develop a constitution/guidebook for operations. It now has a management committee that includes a general manager and members from Oxfam, Sewalanka and the Divisional Secretariat.



Gender, Youth and Children

Encouraging youth participation and being sensitive to gender dynamics are often key factors in successful development projects. Sewalanka strives to integrate gender, youth and children into all of its programming. We also create specific development strategies with an eye to addressing gender issues, reducing dropout rates and developing an enthusiasm for education and constructive participation among youth.

Children and youth in poor urban areas of Colombo and Kandy often lack the education to get well-paying jobs that will lift them out of poverty. To help address this problem, Sewalanka this year offered a nine-month course for 40 children and youth in English and computing. The skills gained are valuable to local employers, thereby increasing the youths' future employment opportunities.

A Sewalanka nutrition program in Kandy sought to address poor eating habits among youth, which were determined to be caused both by low income and lack of awareness of the importance of nutrition. Using a 3E approach (economy, environment, ethics and values) we raised awareness of the benefits of a good diet, its impact on learning and the importance of protecting the local environment and delicate ecosystems.

The way Sewalanka integrates gender sensitivity into livelihood interventions was clearly demonstrated with the Towards Sustainable Livelihoods project. The

project, completed this year with our implementing partner Canadian Hunger Foundation and funding partner Canadian International Development Agency, worked with 5,400 mostly tsunami-affected households in the Southern and Eastern provinces.

We initially conducted Participatory Rural Appraisals, with participation from both men and women being a fundamental component. Next, we assessed the aspirations of each household in relation to five assets (natural, physical, financial, human and social), focusing on men and women separately, and then facilitating shared decision-making. The livelihood activities chosen by each household were closely monitored. Our primary contact person was the income earner, deviating from the traditional "household head" practice. Male and female earners were represented in equal proportion, in contrast to 70% male household heads. Asset ownership was also transferred to the income earner, increasing female assets.

We conducted a gender analysis during the project and several important findings emerged, which widened the knowledge base of our project management team. Introducing a cash book, for example, in which women can highlight their financial contribution to the home helped them manage household finances and even reduced incidents of gender-based violence in some cases. Recommendations were made based on the findings of the gender analysis and project activities and Sewalanka strategies have been revised accordingly.

Community Peace Building

Sewalanka's Community Peace Building team continued its work with youth, clergy, CBOs and other Sewalanka programs to encourage dialogue and foster trust across ethnicities in Sri Lanka. Our work with local clergy intensified this year as we hosted a number of meetings of the Religious Action Alliance (RAA) and International Network of Engaged Buddhist (INEB) at the Institute for Social Development in Kandy throughout the year. In December, Sewalanka led a multi-faith contingent to India for a rare audience with His Holiness the Dalai Lama. These activities support the peace-building efforts of the individual clergy members in their communities across the island.

With support from donors NOVIB and Nippon Foundation, the peace team brought members of the RAA to IDP camps in Trincomalee and Vavuniya, in September and March respectively, and conducted training programs for young clergy on understanding the central teachings of all religions, particularly as they related to social and environmental issues. Our "Healing

the Minds of War-Affected People" workshop in Trincomalee taught clergy psychosocial approaches to working with communities.

From January to March, Sewalanka also hosted leadership training programs for multi-ethnic youth at Islander Center. The participatory curriculum, developed by the Peace Team in collaboration with other SLF program teams, the Sri Lanka association of professional social workers and several academics from Peradeniya and Colombo Universities, encouraged future leaders to engage in dialogue, team building, conflict sensitivity, environmental conservation, human rights and non-violent conflict resolution.

This year, the team also hosted several international peacemakers, who discussed peace with local communities and clergy. In June, Chalida Tajaroensuk, Director of People's Empowerment Foundation, and Sharifuddin Sariming from the Student Movement for Peace in Thailand spent five days meeting with communities around Sri Lanka. Similarly, Rev. Dake Mitsuya of Japan gave presentations at Islander Center

Emergency Rooms

Many civilians were severely injured in the final push of Sri Lanka's war. IDPs who escaped to transit camps in the Wanni often arrived in desperate need of care. In addition to the wounded, many IDPs were ill or traumatized—conditions exacerbated by overstretched medical facilities.

"The normal population in Vavuniya is 200,000, but because of the IDP situation, it rose to almost 450,000," says Amuthan Thanabalasundaram, Coordinator of Sewalanka's Psychosocial team. "The hospitals needed more wards to fit everyone."

Sewalanka, UNICEF and the World Health Organization collaborated to help address the region's medical support needs. We constructed three semi-permanent hospital wards—one in Vavuniya Hospital and two in the District Hospital of Mannar.

Construction on the Vavuniya facility began on February 21 and was completed on March 16. "The ward can serve 35 patients, mostly catering to women," says Amuthan. "Before, patients slept on mats on the floor. The new temporary ward is 18m by 26m and fans, lights and water were built in. It has a doctors' room, a nurses' room, five toilets, including one to accommodate people with disabilities, and a room for storing medical equipment and drugs."

In Mannar the hospital had been accommodating roughly 559 patients, among them 67 bedridden due to amputation, limbs in traction and nerve damage. Hospital authorities requested two semi-permanent wards to accommodate 200 patients to meet the growing requirements.

"Learning from the experience in Vavuniya, we provided two similar



structures on request in Mannar, working with the health authorities," Amuthan says. "We realized Sewalanka can work under pressure and we had a lot of support from the health authorities and the community to complete this."

The projects have led to stronger links with the health sector and we have received more requests. "We hope to focus on more community-level health: awareness programs on hygiene and about health and clinics. Most IDPs are traumatized and there is a huge need for mental health and psychosocial support services in the future so our work is only beginning," adds Amuthan.



and in Colombo. Professor Ramu Manivannan and Dhammachari Lokamithra led workshops at Islander in November and received awards for their peace activities from Sewalanka and INEB. In March, Jonathan Watts, a Buddhist scholar and one of the founders of INEB, was a guest of Sewalanka and spoke to the Religious Action Alliance.

With EU support, we partnered to strengthen civil society working in human rights, affecting 38,000 families in the north and east. In August, the Peace Team began a program to engage rural artists in producing artwork with a social message. Under the guidance of two renowned Thai artists, 23 students learned creative techniques, marketing and art history. The artists' works were exhibited in Colombo in December and seven students travelled to Thailand to study at an art college there from January to March.

Psychosocial Wellbeing

Sewalanka's Psychosocial team this year conducted numerous activities to raise awareness of and sensitivity toward mental health issues, increase staff capacities across the organization in the area of psychosocial wellbeing and promote healthier lifestyles. Sewalanka's Our Home psychosocial support centres, funded by Force of Nature Aid Foundation, are visited daily by nearly 100 children and 50 adults who use the television, conference room, library, newspapers, computers, befriending programs, children's activity room and outdoor facilities. We worked with 59

children's clubs and 47 youth clubs. Every month, the centres host activities and programs ranging from awareness programs and professional visits to career guidance and small-scale skill development programs.

Several of the Psychosocial team's initiatives this year focused on conflict- and tsunami-affected communities in Trincomalee. Sewalanka began a livelihood security project in May funded by the Force of Nature Aid Foundation to sustainably develop Tamil-speaking communities in the region. As part of this project, staff organized an awareness campaign on social issues and organized a successful drama competition for children and youth (aged 11 to 19) to encourage thinking and dialogue on social issues.

Internationally recognized days presented several opportunities for education on prevailing social issues. Our Home centres recognized Environment Day, Human Rights Day, World AIDS day and Women's Day among many others. World Peace Day celebrations in Batticaloa, for example, included creating stickers and leaflets for distribution to everyone who participated in their peace parade. All six districts celebrated World Mental Health Day with awareness -raising and education programs to reduce the stigma of mental illness. The Hambantota and Galle districts recognized No Tobacco Day with campaigns to reduce the sale of tobacco and tobacco-related items.

Internally, the team held two training sessions for staff on conflict and stress management. Staff from the Our

Home Psychosocial Centres participated in two capacity-building programs on reporting, management and proposal writing, as well as a psychosocial development skills workshop led by Dr. Neil Fernando. Five members of the Psychosocial team also participated in an international residential training program on community mental health and development, organized by Basic Needs.

SEDCO

Since its inception, Sewalanka Enterprise Development Company (SEDCO) has been engaged in activities to strengthen communities through business endeavours. This year was no different. The enterprise development company opened a fruit juice shop on the main street of Ampara town. The Village Fresh store sells a range of fruits and freshly squeezed juices, to meet demand within the town and increase the use of local produce.

SEDCO provided investment capital to a community to

establish a coir factory. The village has an excess of coconut husks and the facility converts these husks into coco-chips, a product used as a planting material or substrate for agriculture purposes. The chips are a more sustainable substitute for peat moss and have a strong local demand.

SEDCO also responded to the request of a rural entrepreneur and supported him to develop a business plan to jointly operate a much-needed rice mill on the border between Vavuniya and Mannar. The mill operates during the harvest season and farmers either process their paddy there or to sell it directly to the mill, thereby providing a stable market for their goods. The rice mill is already profitable and with SEDCO's involvement there is a stronger link between the mill and the surrounding community.

The enterprise development company also remained engaged in building the capacity of a portfolio of community-owned, rural enterprises established in



Sharing Skills, Building Capacity

“I came here with the intention of passing on my skills, but I think it has been an education for me,” says Jo-Anne Liburd, a Sewalanka volunteer who hails from Canada. “Volunteering within a completely different culture challenges your expectations and your usual way of doing things. But it also rewards you when you make training connections with your colleagues.”

Jo-Anne is the latest international volunteer to contribute to Sewalanka's work. The volunteers, who have come from as far as Australia, the U.S., Canada and Japan, bring a range of experience and perspectives that expose local staff to new ideas and ways of doing things. During her

15-month placement, coordinated through Sewalanka's partnership with Volunteer Services Overseas, Jo-Anne has been working with the communications staff to provide support and guidance to the team. “It has definitely been a challenge at times—adapting to a different pace and getting up to speed on the programs and the issues—but that's what I was looking for. I've met wonderful people and have gained so much from this experience.”

As Sewalanka looks to the future, shorter-term international placements will gain greater prominence in our volunteer mix. “Not everyone can give up a year or more of their life to volunteer,” observes Amanda Kiessel, Sewalanka Program Director. “But we're seeing more interest from people who can volunteer for a month or a few months at a time. Interestingly, within our organization the needs are

shifting towards short-term skills sharing as well. After 15 years, we have a strong knowledge base within the organization. We just need bits of input here and there, so there is a real symmetry there.”

Jordan Lassaline, another Canadian, is Sewalanka's most recent short-term volunteer. He arrived in March to teach western cooking to the kitchen staff at Islander Center, which hosts many international guests with varied tastes.

“Jordan's placement is an ideal example of the direction Sewalanka is going,” says Amanda. A chef and teacher, Jordan had exactly the skills Sewalanka needed and room in his schedule for the two month placement. “Working with Jordan was wonderful,” says Guru, one of the Islander staff. “We learned many things from him and are confident to make new dishes he taught us.”



Ampara last year. These include a yogurt facility with a strong women's society and an ice plant in Pottuvil that is owned and operated by five Fishing Cooperative Societies. SEDCO serves as a business partner for these companies with an interest in seeing that the operations are transparent and sustainable. SEDCO supports these community enterprises by building capacity, quality control systems and market linkages and supporting operational and financial management.

SEDCO also continues to provide business development services to four Sustainable Agriculture Resource Centres (SARC). These have now federated with five other SARCs to maximize productivity, buying power and effectiveness. The federation represents more than 9,000 rural farmers and will provide market linkages and enterprise support to the communities.

Sewa Finance

Sewa Finance experienced a challenging year of consolidation in 2008/09. The rapid increase in its loan portfolio that marked the first two years of operation was replaced by slower growth and an increased focus on quality service delivery and closer client monitoring.

The microfinance arm of Sewalanka adopted a more stringent credit appraisal system for the CBOs and individual beneficiaries which slowed growth, while the high level of inflation experienced during most of the year coupled with a significant rise in fuel and food costs meant that many beneficiaries struggled with

repayments. Diligent follow-up became a priority and a new mode of operation for Sewa Finance field staff.

As the global financial crisis reached Sri Lankan shores, the supply of funds for microfinance institutions decreased significantly. Around this time, Sewa Finance saw a change in leadership. Renuka Rathnawage became Chief Executive Officer in October 2008 and immediately began to address this challenging environment. Renuka's professional skills in auditing and accounts, and her prior experience in building a successful microfinance program at a different national NGO, have been instrumental in steadying the ship during this period of consolidation and planning.

Despite the difficult trading conditions, Sewa Finance disbursed a total of Rs. 196 million in the year to more than 550 CBOs. This in turn helped more than 6,300 of their members. The board also took the decision to tighten its credit policies, which resulted in an outstanding loan portfolio Rs. 149 million at the end of the financial year. It is worth noting that while this portfolio is spread across the whole country, offices in the north and east (Ampara, Trincomalee and Vavuniya) account for more than 40% of it. Sewa Finance also has a strong presence in the plantation sector through its offices in Hatton and Kandapola

Sewa Finance began a process of designing a corporate plan to take it through the next five years. With Sewalanka, it actively engaged in a constructive fact finding mission with the aim of identifying ways to

further improve delivery of quality credit services to marginalized communities through well-functioning CBOs. The north and east will form the focus of future growth to deliver microfinance products to communities severely affected by Sri Lanka's recent conflict.

Islander Center

With the majority of its buildings completed and furnished at the beginning of the fiscal year, the Islander Center became the focal point for many Sewalanka activities, particularly training and discussion forums. The center has become a multi-programmatic gathering place where all ethnicities can live and learn together and break down barriers of prejudice.

In May, 47 clergy met at Islander to discuss peace building activities and in September and January, members of the International Network of Engaged Buddhists met to discuss community building activities and expanding youth involvement. Youth clergy were then engaged in activities at the center in February. In August, we held a livelihood training program in Thai

massage for 14 youth and staff, as well as a month-long art training program for 23 local artists. Several workshops to strengthen CBOs also took place at the center, covering a range of subjects from leadership training to microfinance. Our most successful CBOs were brought together to share experiences and provide advice for less experienced CBOs.

Cultivation of the 50-acre organic farm began with the two- and three-month leadership and agriculture programs. Forty youth from different ethnicities participated in the programs, which taught SRI cultivation (a system of rice intensification) as well as traditional organic farming techniques that participants could bring back to their villages. The produce grown on the farm was used in the Islander kitchen helping to propel the center toward self-sustainability. In February, Sewalanka purchased 15 cows and 7 calves for the farm. We are working with Peradeniya University to cross-breed the animals to produce a dry-zone resistant, high milk yielding cow that can supply the farm with dairy products.



Enfranchised youth are a society's best hope for the future. After decades of conflict, Sri Lanka needs to rebuild and bridge divides between communities. Involving youth in the process of development and peace building improves the chances for longstanding success.

A joint Sewalanka Foundation and Welthungerhilfe program called Participatory Leadership for Non-Violent Social Change sought to motivate and prepare youth for leadership, and expose them to youth from other ethnicities in a positive, conflict-sensitive environment.

Eighteen youth, aged 18 to 25, participated in the four-part program,

Youth Leadership Training

which included orientation workshops, two months' residential training at Sewalanka's Islander Center, three months' field work in their own communities and follow-up sessions.

The participatory residential training covered a range of topics including human rights, conflict sensitivity, non-violent communication and facilitation. "Facilitation sounds easy, but after the training I realized that you need a systematic approach for it," says Regenold, a 20 year old from Mannar. The youth also had hands-on courses in agro-biodiversity and environmental conservation on Islander's organic farm. "We all have an agricultural background. Most of us are farmers. This module was nice to deepen our understanding [of the land]," said Shanti, 29.

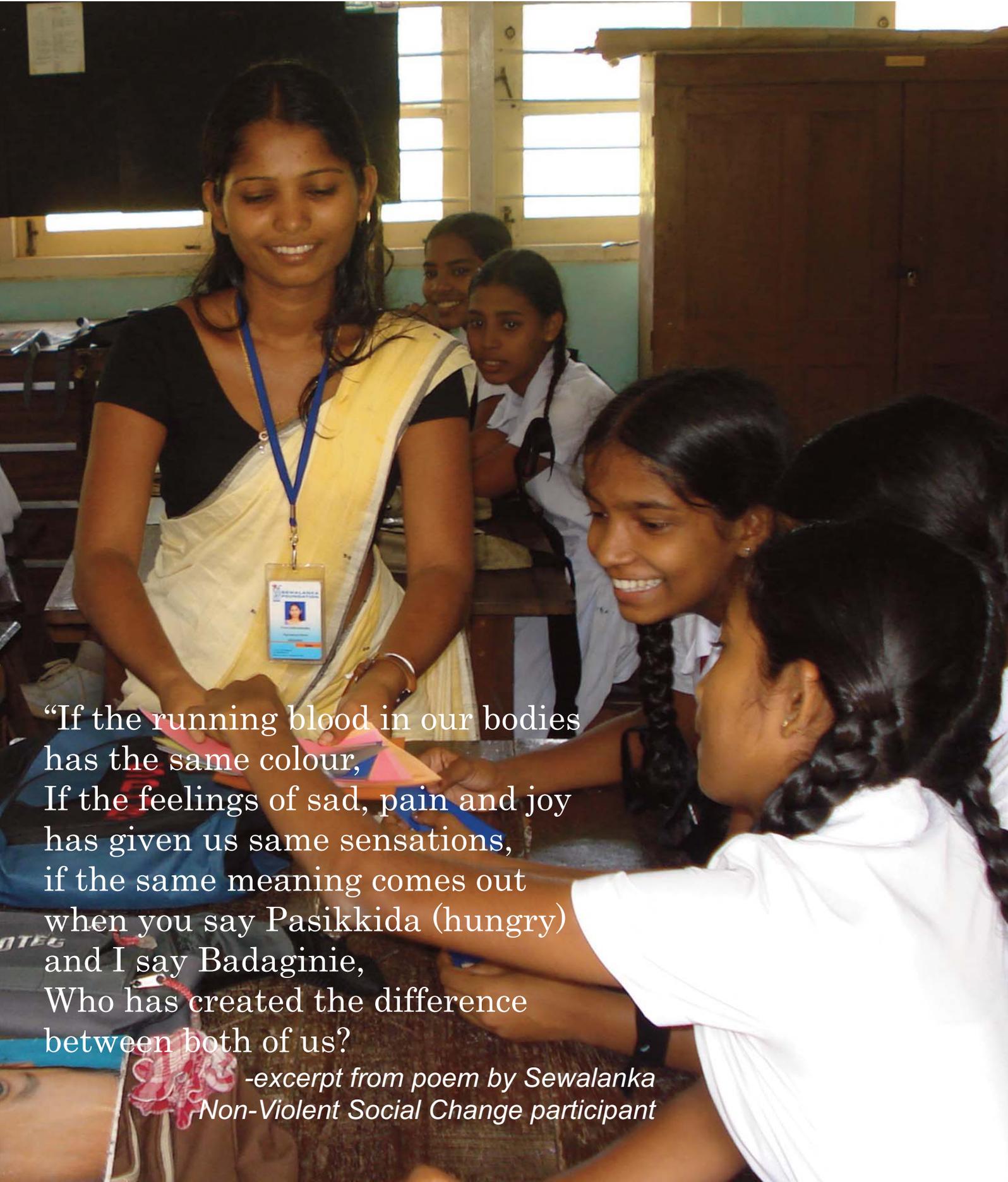
The program placed special emphasis on treating the youth problem solvers who together would create a dynamic network of young leaders that can

drive peace building and participatory development in Sri Lanka.

The program also exposed the youth from varied ethnicities and regions to people they might not otherwise meet. It specifically encouraged interaction, and by living and learning together, initial ethnic barriers fell away. At the end of the program one participant shared a poem she'd written, excerpted here:

*If our cultures have created
this gap between us,
let's reject this culture and
build a new culture.
Let's break all the chains
which has bound us separately
and let's get bound by
the iron chain of sister/brotherhood
which no one can ever break.*

Sewalanka is now managing a Social Fund to support micro-projects that the youth are developing in their communities.



“If the running blood in our bodies
has the same colour,
If the feelings of sad, pain and joy
has given us same sensations,
if the same meaning comes out
when you say Pasikkida (hungry)
and I say Badaginie,
Who has created the difference
between both of us?

*-excerpt from poem by Sewalanka
Non-Violent Social Change participant*

Project List & Financial Reports

Locations	Project Name	Sources of Funding	Activities	No. of Beneficiaries
Jaffna	Tsunami-Affected Area Rebuilding Project (TAARP) and Northeast Coastal Community Development Project (NECCDEP)	NECCDEP	Infrastructure, livelihoods, social mobilization, CBO strengthening for social empowerment in focal villages	16 villages
Jaffna	Our Home Project	Force of Nature Aid Foundation	Social mobilization, awareness and vocational training; CBO capacity building; provide electrical supply, water and sanitation facilities; construct and furnish village development secretariat office; reconstruct rural access roads	12,500
Jaffna	Rebuilding of Community-Based Livelihood in Tsunami-Affected Villages in Northern Sri Lanka	BMZ/ Welthungerhilfe	Distribute fishing kaddumaram and fishing nets; income generation activity grant (CEFE); computer and sewing training; repair outboard engines; build fishermen rest room, fisheries auction centre, multipurpose hall; social mobilization; institutional strengthening for social empowerment	333
Jaffna	Construction House for Tsunami-Affected in Jaffna	BMZ/ Welthungerhilfe	Construct 37 permanent houses for tsunami-affected families	37 families
Jaffna	Hybrid Goat Rearing Project for Female-Headed Families	IOM	Supply 180 goats; construct 60 goat sheds; skills development, idea generation and business plan preparation programs	60 families
Jaffna	Construction of Toilets for the Displaced Returnees from India	IOM	Construct 46 toilets for displaced returnees	46
Jaffna	Immediate Remedial Intervention for Food Security to the Conflict and Flood Affected Underprivileged Farmers in Jaffna District - Agricultural Intervention	FAO	Distribution of agricultural fertilizers and seeds to 2,075 affected farmers	2,075 families
Jaffna	Community-Based Approach to Support Identified Vulnerable Group in Emergency Abnormal Environment in Jaffna	WHO	Disaster management and First Aid training; distribute First Aid kits to 500 pregnant mothers (525 infants) from highly vulnerable areas, 7 divisional-level disaster management committees, 150 youth and CBO representatives	1,175

Locations	Project Name	Sources of Funding	Activities	No. of Beneficiaries
Mullaithivu	Rebuilding of Community-Based Livelihood in Tsunami-Affected Villages in Northern Sri Lanka	BMZ/ Welthungerhilfe	SHG mobilization; strengthen CBOs; non-agricultural support, fishing inputs and capacity building for the fishermen groups; agricultural support and infrastructure improvement	554
Mullaithivu	Construction House for Tsunami-Affected in Mullaithivu	BMZ/ Welthungerhilfe	Shift to Jaffna due to the conflict situation between LTTE and SLA	
Mullaithivu	Integrated Humanitarian Assistance for Recently Displaced IDPs and Returnees Affected by Conflict in Northern Sri Lanka	ECHO/ Welthungerhilfe	SHG mobilization; construct temporary shelter, tube well and temporary toilets	325
Mullaithivu	Food Security for Recent IDPs and for Resettled and Relocated IDPs in Conflict-Affected Areas in North	ECHO/ Welthungerhilfe	Distribute dry rations, goats, cattle, poultry, home garden package (vegetable seeds), paddy inputs and cash crop inputs	525
Kilinochchi	Rebuilding Community-Based Livelihoods in Tsunami-Affected Villages in Northern Sri Lanka	BMZ/ Welthungerhilfe	SHG mobilization; strengthen CBOs; non-agricultural support, fishing inputs and capacity building for fishermen groups, agricultural support and infrastructure improvement	500
Kilinochchi	Integrated Humanitarian Assistance for Recently Displaced IDP and Returnees Affected by Conflict in Northern Sri Lanka	ECHO/ Welthungerhilfe	SHG mobilization, construct temporary shelter, tube well and temporary toilets	550
Kilinochchi	Food Security for Recent IDPs and for Resettled and Relocated IDPs in Conflict-Affected Areas in North	ECHO/ Welthungerhilfe	Distribute dry rations, goats, cattle, poultry, home garden package (vegetable seeds), paddy inputs and cash crop inputs	540
Mannar	Sustainable Market Access for Paddy Producers	OXFAM	Water Sanitation for IDPs; agriculture, gender program	500
Mannar	TB Program	Health Ministry	Training program	7,500
Mannar	Temporary Shelter	UNHCR	Construction	75
Mannar	Drinking Water Well and Multipurpose Hall	UNDP	Construction	75
Mannar	Hygiene Promotion	IOM	Workshop	90

Locations	Project Name	Sources of Funding	Activities	No. of Beneficiaries
Mannar	50 Children Club	UNICEF	In-depth capacity building training for project staff; training for village development committee, children and children's club committee; children's club exchange and learning visit; training for children's clubs members on sport/games; children's mapping of villages through PRA technique; taking village development committee members to relevant government organizations	2,000 parents; 3,000 children
Mannar	Strengthening Psychosocial Forum and Network Coordination of Psychosocial Service in Mannar District	UNICEF	Training psychosocial forum members, government and non-government organizations; exchange visits to physical forums in other district for 12 committees; monthly meetings of psychosocial forum in district and divisional level; review and develop district psychosocial plan; develop psychosocial referral mechanism; establish training resource pool and provide training; World Mental Health Day celebration	31 government and non-governmental organizations
Mannar	Protecting Children from All Forms of Abuse and Creating a Peaceful and Healthy Environment for Their Better Future	SCISL	Introduce project to village CBO committee; child rights and parental care training; awareness creation on alcohol and drugs; skills development activities for children's club (First Aid awareness); assist dropouts (provide school kits); exchange visit within district; publish children's articles; exhibition by children's club members; issue legal document; children's camp; provide outdoor games, library books, furniture and First Aid box for children's club; land mines awareness program for children; child-friendly space (new building)	380 children and 344 families
Mannar	Hygiene Promotion	IOM	Workshop	120
Vavuniya	Food Security and Rehabilitation Program	Welthungerhilfe/ BMZ	Construction of temporary shelters; preschools and toilets; rehabilitation of wells, agriculture inputs for resettled families; distribute food and non-food items for IDPs	3,133
Vavuniya	Poverty Reduction and Reinforcement of Participatory Development Processes in Rural Communities Resettled in Former Conflict Areas of Northern Sri Lanka	(EU) European Commission/ Welthungerhilfe	CBO training; new instruments; support for income generation activities; improve technical knowledge for the selected beneficiaries; improve ecological, social, health and gender-related activities	3,614

Locations	Project Name	Sources of Funding	Activities	No. of Beneficiaries
Vavuniya	Food Security for Recent IDPs and Resettled/Relocated IDPs in Conflict-Affected Areas in the North	ECHO/ Welthungerhilfe	Dry ration food package; paddy inputs; home garden; tank renovation; perennial crops	375
Vavuniya	IEC Programs Conducted on Tuberculosis	GFATM	Awareness program	7,240
Vavuniya	Integrated Humanitarian Assistance for Recently Displaced IDP and Returnees Affected by Conflict in Northern Sri Lanka	ECHO/ Welthungerhilfe	Construct semi-permanent and emergency shelters; renovate drinking water wells	175
Vavuniya	Emergency Relief Intervention for Conflict-Affected Populations of Sri Lanka	ACTED/ECHO	Construct temporary toilets, bathing area; install hand washing station, drinking water points; distribute hygiene kits, tarpaulin sheets and awareness posters	1,000 families
Vavuniya	One Village One Voice - Empowering Citizen Representation and Participation (EIDHR)	Welthungerhilfe/ ECHO	Construct temporary shelters, temporary toilets, distribute food	1,778 families
Vavuniya & Mannar	Strengthening National Civil Society for the Protection of Rights of Conflict-Affected Communities Sri Lanka	OXFAM	Strengthen national civil society (joint planning and formal consolidation; develop advocacy plans, training, awareness building, etc.)	38,000 families
Batticaloa	Delivery of Livelihood Recovery and Rehabilitation for Tsunami-Affected Families in the Eastern Districts of Batticaloa PHS 1326	Dan Church Aid/ FCA	Construct preschool, toilet, wells, road; upgrade shelter; distribute perennial crops, school furniture; livelihood reconstruction; psychosocial program	14,861
Batticaloa	Improve the Shortage of Water in the Emergency Camps	IOM	Water supply; tank cleaning	4,860
Batticaloa	Implementation of Sustainable Livelihood Improvement and Resource Management in the Special Management Areas (NECCDEP 2005)	ADB	Social mobilization; CBO strengthening; infrastructure and livelihood development	1,425
Batticaloa	Disaster Risk Reduction	Action Aid (UK)	Form groups; CBDRM training; forums; skills development; plan preparation	4,632

Locations	Project Name	Sources of Funding	Activities	No. of Beneficiaries
Batticaloa	Implementation of Sustainable Livelihood Improvement and Resource Management in the Special Management Areas (TAARP 2005)	ADB	Social mobilization; CBO strengthening; infrastructure and livelihood development; RLF	11,408
Batticaloa	Implementation of Sustainable Livelihood Improvement and Resource Management in the Special Management Areas (NECCDEP 2006)	ADB	Social mobilization; CBO strengthening; infrastructure and livelihood development	7,130
Batticaloa	Implementation of Sustainable Livelihood Improvement and Resource Management in the Special Management Areas (TAARP 2006)	ADB	Social mobilization; CBO strengthening; infrastructure and livelihood development; RLF	15,685
Batticaloa	Implementation of Sustainable Livelihood Improvement and Resource Management in the Special Management Areas (NECCDEP 2007)	ADB	Social mobilization; CBO strengthening; infrastructure and livelihood development	1,427
Batticaloa	Implementation of Sustainable Livelihood Improvement and Resource Management in the Special Management Areas (TAARP 2007)	ADB	Social mobilization; CBO strengthening; infrastructure and livelihood development; RLF	28,520
Batticaloa	Our Home Psychosocial Project	Force of Nature Aid Foundation	Construct Our Home building; orientation, awareness and skills development programs; TOT for psychosocial workers; mobile campaign; training program for volunteers	15,000
Batticaloa	Support for Agriculture Livelihoods of Returnees in the District of Batticaloa	Embassy of Japan	Tank rehabilitation; repair irrigation channel; support for home gardening; construct well; provide land master	778
Batticaloa	Livelihood, Rehabilitation and Development PHS 1971	Dan Church Aid/ Danida	Strengthen CBO; repair children's park and preschool building; purchase preschool equipment; rear poultry, fish fingerlings, livestock; upland cultivation; beekeeping; provide land master, mini tractor, agro chemical items; build common wells, new road, cooperative building; microcredit	3,968

Locations	Project Name	Sources of Funding	Activities	No. of Beneficiaries
Batticaloa	Relief and Resettlement of Internally Displaced Persons (IDPs) in Batticaloa 2007 PHS 2054	Dan Church Aid/Fin Church Aid/ Malteser	Relief; CBO strengthening; distribute canoes, nets, seed paddy, fertilizer, oil, etc.; upland cultivation, mini tractor and water pump to the farming organization	4,659
Batticaloa	Livelihood Development Program of Resettled People at Puliyanandalady BAT/47437/19	UNDP	Livelihood support to fishermen and tenant farmers; distribute paddy for farmers; grant for small business; construct wells and toilets	410
Batticaloa	Relief and Resettlement of Internally Displaced Persons (IDPs) in Batticaloa 2008-2009 PHS 2442	DCA/FCA	Relief supply/IDP camp management; construct well; strengthen CBO micro credit handling; distribute fishing crafts, seeds, water pump, sprayers, carpentry and masonry tools; credit for self-employment and goat rearing	2,487
Batticaloa	Infrastructure Development at Fish Landing Centers in Batticaloa	ICEIDA	Site assessment; CBO development	741
Batticaloa	Technology Solutions for the Poor; Transfer Building Technologist to Sewalanka	Leapfrog	Technology and know-how transfer; capacity building and training; product awareness; enterprise training	9,850
Batticaloa	Northeast Community Restoration and Development	ADB	Construct road and multi-purpose building, well; vocational training and CBO strengthening	1,808
Batticaloa	Rehabilitation of Conflict-Affected Areas PHS 2525	DCA	Construct well, toilet, urinal set; distribute library books band set and furniture.	10,592
Batticaloa	Vocational Training for Women	International Labour Organization	Sewing training and sewing machine distribution	25
Batticaloa	Promoting Peace Dividends - Institutional Capacity Building of State and Non-State Actors	EU/ACTED	Kick off and preliminary stakeholder meetings; CBO and service provider study; livelihood and market study; community mobilizer capacity building; participatory assessments/CBO selection; grassroots development plans; organizational development training; grant competition; government planning workshop; local authorities training; government service handbook for CBOs; initial support for local authority services; inter-community workshop exchanges, study visits, specialized training and support for groups	54 CBOs

Locations	Project Name	Sources of Funding	Activities	No. of Beneficiaries
Ampara	Our Home Project	Force of Nature Aid Foundation	Construct Our Home building; orientation, awareness and skills development programs; mobile campaign, TOT for psychosocial workers; training program for volunteers	12,500
Ampara	Integrated Community Development Project	Oxfam	Construct seed storage, meeting hall; distribute agriculture equipment; CBO capacity building; promote organic farming technology	2,288
Ampara	Northeast Community Restoration & Development Project (NECORD)	ADB	Construct 3.1 km gravel road, 60 toilets, 4 drinking water wells; CBO capacity building; IGA and vocational training; revolving loan	735
Ampara	Transit House Project	UNICEF	Renovate guard room; build boundary wall; psychosocial support for abused children	75
Ampara	Development of Peace in Sri Lanka	Swiss Contact	Vocational training; peace building; career guidance counselling	82
Ampara	CBO Capacity Project	ICEIDA	CBO development (mobilization)	4,625
Ampara	Poultry Project	UNDP	Technical training to poultry farm; construct poultry shed; distribute chicks, feed; model farm; exposure visit; form CBO	575
Ampara	Rehabilitation Inspector Eththam	Solid House	PRA and PNA program; construct dome, eco toilets, roads, electricity, water tank; form groups and CBO; saving and bookkeeping training; business plan development	1,387
Ampara	Rehabilitation of Tsunami and Conflict-Affected Areas	DCA	Education; water sanitation; livelihood activities	1,690
Ampara	Disaster Risk Reduction	Action Aid	Increase community awareness; mitigation and prevention activities; establish community-level early warning system and links with external parties	660
Ampara	Promoting Peace Dividends - Institutional Capacity Building of State and Non-State Actors	EU/ACTED	Preliminary activities; strengthen the institutional capacity of CBOs; build linkages between CBOs and local authorities; promote inter-community exchanges and establish regional linkages	18 CBOs
Ampara	Handloom Project	IOM	Training; marketing support	2,150
Ampara	Sandy Beach Demonstration	FAO	Sandy Beach demonstration	1,850
Ampara	Mangrove Demonstration	FAO	Mangrove demonstration	2,450

Locations	Project Name	Sources of Funding	Activities	No. of Beneficiaries
Ampara	Sea Bass Cage Cultivation	IUCN	Sea bass cage cultivation	1,710
Ampara	Mangrove Conservation	Diakonia	Project awareness program; stakeholder and CBO capacity building training; side surveys and feasibility study; site restoration; nursery construction and equipment; collect and or purchase seeds; replanting; maintain nursery facilities, seedlings; technical training	920
Trincomalee	Our Home Psychosocial Project	Force of Nature Aid Foundation	Construct Our Home building; orientation, awareness programs and skills development programs; mobile campaign; TOT for psychosocial workers; training program for volunteers	4,035
Trincomalee	Northeast Coastal Community Development Project (NECCDEP)	NECCDEP/ADB	Construction and infrastructure activities; prepare and review village development; prepare and implement sub-project proposals; form and strengthen CBO; gender, environment, livelihood support and microcredit support programs; social mobilization; general awareness programs	8,903
Trincomalee	ICEIDA Social Mobilization Project	Iceland Embassy	Survey CBOs (FCS); identify major problems; provide support; form small groups; create saving habits; implement small loan scheme; make link with NGOs and INGOs; provide training on bookkeeping, leadership, etc.; monitor and evaluate CBO activities; develop system to monitor the ICEIDA building and to provide training and source of income; link CBO with MFI and SEDCO; recovery finance management training; introduce marketing system	2,066
Trincomalee	Disaster Risk Reduction	Action Aid (UK)	Strengthen community institutions in hazard analysis, mitigation, preparedness, disaster response and recovery by developing most vulnerable villages in Eastern and Southern provinces to be learning points for surrounding communities.	1,718
Trincomalee	Community Development Project (NECORD) – Social Mobilization - 2008	NECORD/ADB	Social mobilization; institutional strengthening; youth assistance; environment work; revolving fund for IGA; infrastructure; trust building	264
Trincomalee	Our Home Psychosocial Project	Force of Nature Aid Foundation	Skill development training; awareness programs; group therapy; celebration of international days	12,500

Locations	Project Name	Sources of Funding	Activities	No. of Beneficiaries
Trincomalee	Disaster Risk Reduction	Action Aid (UK)	Increase community awareness; conduct community disaster mitigation and preparedness activities; establish community-level early warning system and links with internal and external parties; strengthen and build capacity of staff	1,718
Trincomalee	Technical Training Center		Provide training on board and engine repair, computer studies, agriculture, motor mechanics, etc.	
Trincomalee	Promoting Peace Dividends - Institutional Capacity Building of State and Non-State Actors	EU/ ACTED	Preliminary activities; strengthening CBO institutional capacity; build linkages between CBOs and local authorities; promote inter-community exchanges and establish regional linkages	48 CBOs
Trincomalee	Social Mobilization Project	ICEIDA	Survey CBOs (FCS); identify major problems; provide support; form small groups; implement small loan scheme; create saving habits; provide training on leadership, bookkeeping, etc.; make link with NGOs and INGOs; monitor and evaluation CBO activities; develop system to monitor the ICEIDA building and to provide training and source of income; link CBO with MFI and SEDCO; recovery finance management training; introduce marketing system	2,058
Trincomalee	Livelihood Project	CHF	Build Trincomalee staff capacities on sustainable livelihood approach; beneficiary capacity building; disaster and conflict rehabilitation; environmental sustainability; gender equity; marketing and income generation; peace building	2,631
Trincomalee	EU Peace	EU	Leadership and clergy programs; dey actors meeting; peace and reconciliation; institutional training - capacity building, exchange programs, conflict sensitivity at village level, organizing and networking among neighbouring villages	833
Galle	Our Home Psychosocial Support Project	Force Of Nature Aid Foundation	Construct Our Home building; social gathering; career guidance; TOT for psychosocial workers; orientation, awareness and skill development programs; mobile campaign; training program for volunteers;	12,500
Galle	TB Awareness Creation	GFATM	TB awareness programs	7,363
Galle	IT Centers Program	Microseed	Computer training	500

Locations	Project Name	Sources of Funding	Activities	No. of Beneficiaries
Galle	CHF - Sustainable Livelihoods Project	CHF - CIDA	Asset distribution; construct village-based rural knowledge centres, marketing centers, wells; support to agricultural, business development and marketing activities	2,000
Galle	Disaster Risk Reduction	Action Aid	Formation of village level DRR community action plan	4,000 families in 5 villages
Galle	Livelihood of the Women Affected by Tsunami	Trans Rural Trust	Support to handicraft makers	40
Hambantota	Our Home Psychosocial Project	Force of Nature Aid Foundation	Construct Our Home building; orientation, awareness program and skills development program; mobile campaign; TOT for psychosocial workers; training program for volunteers	12,500
Hambantota	Tuberculosis Awareness Program	GFATM	Awareness programs	7,722
Hambantota	Disaster Risk Reduction	Action Aid	Disaster awareness program; disaster risk reduction, preparation, prevention, mitigation activities	100
Hambantota,	Building Social Institution for Food Security and Environmental Sustainability	Norwegian Embassy	CBO development; needs assessment; capacity building training; awareness program; exposure visit; organic agriculture training	500
Kalutara	IEC Programs Conducted on Tuberculosis	GFATM	Awareness programs	6,529
Kalutara	Building Social Institution for Food Security and Environmental Sustainability	Norwegian Embassy	Develop agriculture and environment centre by maintaining organic farm, homegarden, seed bank, livestock, collecting ornamental plants and developing a model farm	1,000
Kalutara	Disaster Risk Reduction	Action Aid	Disaster awareness program; disaster risk reduction, preparation, prevention, mitigation activities	1,200
Kalutara	ICEIDA Project	ICEIDA	Mobilization and capacity building of the fisheries community, strengthening of FCS and development of livelihood activities	102
Matara	IEC Programs Conducted on Tuberculosis	GFATM	TB awareness programs	4,111
Matara	Towards Sustainable Livelihoods in Matara	CHF	Sustainable livelihood development	2,000

Locations	Project Name	Sources of Funding	Activities	No. of Beneficiaries
Matara	Disaster Risk Reduction Program	Action Aid	Disaster awareness program; disaster risk reduction, preparation, prevention, mitigation activities	5 villages
Matara	ICEIDA Project	Icelandic International Development Agency (ICEIDA)	Infrastructure development for fisheries cooperative societies; encourage member savings and mobilization	356
Polonnaruwa	IEC Programs Conducted on Tuberculosis	GFATM	TB awareness programs	7,185
Kurunegala	IEC Programs Conducted on Tuberculosis	GFATM	TB awareness programs	9,046
Nuwaraeliya	IEC Programs Conducted on Tuberculosis	GFATM	TB awareness programs	7,276
Anuradhapura	Restoration of Natural Habitats in Village Tank Eco-system in the Dry Zone	IUCN Sri Lanka	Reservation and restoration of traditional tank ecosystem	169
Anuradhapura	IEC Programs Conducted on Tuberculosis	GFATM	TB Awareness programs	8,589
Anuradhapura	Youth Training Centre	GAA	Agriculture and leadership training	
Anuradhapura	Agriculture Inputs and Infrastructure Development in Rural Farming Villages	JTS	Construction of agro-wells	32
Anuradhapura	EU Development Project	EU	Savings and credit program; community volunteer training; food processing; gender awareness; beneficiary selection for toilet construction and agro-wells; identify needed road construction	234
Puttalam	Improving the Kalpitiya Lagoon Ecosystem Through Mangrove Restoration and Introducing Environment-Friendly Household Agricultural Practices in the Surrounding Community	IUCN	Organic home garden preparation; mangrove restoration	30

Locations	Project Name	Sources of Funding	Activities	No. of Beneficiaries
Hatton, Hambantota, Monaragala, Kalutara, Batticaloa, Anuradhapura	Building Social Institution for Food Security and Environmental Sustainability	Norwegian Embassy	Increase technical skills; agro-ecological knowledge and inter-ethnic understanding among 175 youth leaders; increase capacity to maintain environmental resources and support food security and sustainable livelihood development of CBO representatives; establish nutritional homegardens and a rural exchange network of 1,000 active members to exchange planting materials, technical information and experience	1,050 CBOs
All island	Tuberculosis Awareness Through Small Group Approach	GFATM	TB awareness programs	6,120
All island	Novib Peace Project	Novib	Clergy program; lecture series; Songs for Change music program	

SEWA LANKA FOUNDATION

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 31st March 2008) of Sewa Lanka Foundation has pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2009.

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 Sewa Lanka (Guarantee) Limited as a Company limited by guarantee on 19th February 1992, changed its name to the present name on 11th June 1996 and re-registered as per the Companies Act, No.7 of 2007 on 16th February 2009 with GL 41 as the new number assigned to the Company.

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 31st 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 given on pages 34-43 of the Annual Report.

Auditors' Report

The Report of the Auditors on the Financial Statements of the Company is given on page 33 of the Annual Report.

Accounting Policies

The accounting policies adopted by the Company in the preparation of Financial Statements are given on pages 42 and 43 of the Annual Report, which are, unless otherwise stated, consistent with those used in previous periods.

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 31st March 2008) who held office as at the end of the accounting period are given on page 44 of the Annual Report.

Mr Vellupillai Revathan resigned from the Company with effect from 14th January 2009.

Interests Register

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

In terms of the Articles of Association of the Company “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, 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.275,000/- 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 authorise the Directors (Executive Council) to determine their remuneration will be proposed at the Annual General Meeting.

Donations

The Primary Activities of the Company involves the making of donations. The donations made by the Company in the course of carrying out its objectives during the accounting period are incorporated in the Financial Statements.

Events occurring after the Balance Sheet date

No material events have taken place after the Balance Sheet date upto the date of the Report of the Auditors which require adjustment to, or disclosure in the Financial Statements.

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

2009
Colombo

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, 2009, 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, 2009 and the financial statements give a true and fair view of the Foundation's state of affairs as at March 31, 2009 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



Chartered Accountants
No. 6 A, Perera Mawatha,
Panadura.
Date : 17th August 2009



Statement of Financial Activities

For the year ended 31st March

	Note	2009 Rs.	2008 Rs.
Income Received			
Incoming Resources	3.1	1,343,431,725.64	1,422,967,206
Project Expenditure	3.2		
Staff		98,081,229.48	89,177,392
Direct costs		1,017,618,944.31	1,151,403,460
Indirect expenditure		82,888,163.90	43,538,723
Total Project Costs		<u>1,198,588,337.69</u>	<u>1,284,119,575</u>
Net Surplus on Projects	3.3	144,843,387.95	138,847,631
Revenue earned	3.4	2,788,537.22	1,810,875
		147,631,925.17	140,658,507
Administrative expenses		99,481,913.55	93,739,790
Net Surplus on Operating Activities	3.5	48,150,011.62	46,918,717
Finance costs	3.6	5,070,463.73	6,326,344
Net Surplus before tax		43,079,547.89	40,592,373
Income tax expenses	3.7	1,146,172.87	1,050,967
Net Surplus after tax		<u>41,933,375.02</u>	<u>39,541,406</u>

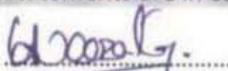


Balance Sheet

As at 31st March

	Note	2009 Rs.	2008 Rs.
ASSETS			
Non Current Assets			
Property, Plant & Equipment	3.8	405,386,967.75	365,017,760
Investment in subsidiaries	3.9	82,894,817.00	93,216,253
		<u>488,281,784.75</u>	<u>458,234,013</u>
Current Assets			
Receivables, Deposits & Advances	3.10	37,211,469.98	17,031,524
Short Term Deposits	3.11	21,765,887.40	7,000,000
Cash at Bank and in Hand	3.12	95,475,959.56	192,837,012
		<u>154,453,316.94</u>	<u>216,868,535</u>
Current Liabilities			
Creditors	3.13	17,633,067.51	13,839,801
Bank overdrafts	3.14	21,838,739.69	15,766,003
		<u>39,471,807.20</u>	<u>29,605,804</u>
Current Assets less Current Liabilities		114,981,509.74	187,262,732
Total Assets less Current Liabilities		<u>603,263,294.49</u>	<u>645,496,745</u>
FUNDING AND LIABILITIES			
Accumulated Fund			
Unrestricted Funds	3.15	473,572,615.74	431,639,241
Restricted Funds	3.16	107,928,101.46	198,300,531
Total Accumulated Fund		<u>581,500,717.20</u>	<u>629,939,771</u>
Non Current Liabilities			
Deferred Liabilities	3.17	21,762,577.29	15,556,973
Total Non Current Liabilities		<u>21,762,577.29</u>	<u>15,556,973</u>
Total Accumulated Fund and Liabilities		<u>603,263,294.49</u>	<u>645,496,745</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 19 were approved by the Board of Directors on 14th August 2009.

Signed on behalf of the Board by
Directors



Date : 14th August 2009





Statement of Changes in Accumulated Fund

During the year ended 31st March 2009

	Restricted Fund Rs.	Unrestricted Fund Rs.	Total Rs.
Balance as at 01st April 2007	203,386,274.21	313,229,665.63	516,615,939.84
Prior Year Adjustment	-	78,868,169.00	78,868,169.00
Funds Transferred to Statement of Financial Activities	(5,085,743.63)	-	(5,085,743.63)
Net Surplus for the year	-	39,541,406.09	39,541,406.09
Balance as at 31st March 2008	<u>198,300,530.58</u>	<u>431,639,240.72</u>	<u>629,939,771.30</u>
Balance as at 01st April 2008	198,300,530.58	431,639,240.72	629,939,771.30
Funds Transferred to Statement of Financial Activities	(90,372,429.12)	-	(90,372,429.12)
Net Surplus for the year	-	41,933,375.02	41,933,375.02
Balance as at 31st March 2009	<u>107,928,101.46</u>	<u>473,572,615.74</u>	<u>581,500,717.20</u>



Cash Flow Statement

for the year ended 31st March

	Note	2009 Rs.	2008 Rs.
Cash flow from project activities			
Incoming Resources		1,145,131,195.06	1,219,580,932
Interest Income Received		2,788,537.22	1,810,875
Cash paid out for project activities		(1,197,850,222.88)	(1,274,968,778)
Administrative expenses		(36,813,812.15)	(35,229,224)
Finance costs		(5,070,463.73)	(6,326,344)
Net cash flow from project activities		(91,814,766.48)	(95,132,539)
Cash flows from investing activities			
Acquisition of property, plant & equipment		(96,831,705.56)	(89,191,239)
Net cash flows used in investing activities		(96,831,705.56)	(89,191,239)
Cash flows from financing activities			
Cash received from donors not used for projects		107,928,101.46	198,300,531
Income Tax		(266,683.00)	(1,496,785)
Proceeds from interest bearing borrowings		3,040,012.65	10,343,566
Re-payment of interest bearing borrowings		(10,722,860.79)	(11,556,222)
Net cash flows used in financing activities		99,978,570.32	195,591,090
Net increase in cash and cash equivalents		(88,667,901.72)	11,267,313
Cash and cash equivalents at beginning of the year	(a)	184,071,008.99	172,803,696
Net change in cash and cash equivalents		95,403,107.27	184,071,009
Cash and cash equivalents at end of the year	(b)	95,403,107.27	184,071,009
		<u>95,403,107.27</u>	<u>184,071,009</u>
Note (a)			
Cash in hand at beginning of the year		328,382.18	1,207,397
Balance at bank at beginning of the year		176,742,626.81	161,596,300
Short term deposits at beginning of the year		7,000,000.00	10,000,000
		<u>184,071,008.99</u>	<u>172,803,696</u>
Note (b)			
Cash in hand at end of the year		622,107.48	328,382
Balance at bank at end of the year		73,015,112.39	176,742,627
Short term deposits at end of the year		21,765,887.40	7,000,000
		<u>95,403,107.27</u>	<u>184,071,009</u>



Notes to the Financial Statements (contd.)

For the year ended 31st March

	2009 Rs.	2008 Rs.
(03.1) INCOMING RESOURCES		
Grants - Restricted Fundings		
Brought forward balance	198,300,530.58	203,386,274
Donations	1,193,536,280.94	1,414,088,850
Unspent funds	<u>(107,928,101.46)</u>	<u>(198,300,531)</u>
	1,283,908,710.06	1,419,174,593
Grants - Unrestricted Fundings	59,523,015.58	3,792,613
Funds used for Activities	<u>1,343,431,725.64</u>	<u>1,422,967,206</u>
(03.2) PROJECT EXPENDITURE		
Staff	98,081,229.48	89,177,392
Direct costs	1,017,618,944.31	1,151,403,460
Indirect expenditure	82,888,163.90	43,538,723
	<u>1,198,588,337.69</u>	<u>1,284,119,575</u>
(03.3) Note on Project activity summary is given in page 12 to 17.		
(03.4) REVENUE EARNED FROM OTHER ACTIVITIES		
Interest received on unrestricted funds	2,788,537.22	1,810,875.32
	<u>2,788,537.22</u>	<u>1,810,875.32</u>
(03.5) NET SURPLUS ON OPERATING ACTIVITIES is stated after charging		
Auditors fees	275,000.00	250,000
Defined benefit plan cost - Gratuity	6,205,603.90	4,431,240
Defined contribution cost - E.P.F. & E.T.F.	2,449,199.79	1,302,018
Staff remuneration - Local	26,852,329.24	8,680,122
Depreciation	56,462,497.50	58,510,565
Rent, Electricity & Water	5,345,849.00	4,993,293
(03.6) FINANCE COST		
Interest expense on short term borrowings	5,070,463.73	6,326,344
	<u>5,070,463.73</u>	<u>6,326,344</u>
(03.7) INCOME TAX EXPENSES		
Total grant received	1,253,059,296.52	1,417,881,463
Deduct : Grants received for exempt activities	<u>1,125,706,755.24</u>	<u>1,331,288,636</u>
Net funding received liable to Tax	<u>127,352,541.28</u>	<u>86,592,827</u>
3% thereof	3,820,576.24	2,597,785
Tax Payable thereof at 30%	<u>1,146,172.87</u>	<u>779,335</u>
Interest received (10% W.H.T. deducted)	2,788,537.22	1,810,875
Tax Payable thereof	<u>Nil</u>	<u>271,631</u>
Total Tax Payable	1,146,172.87	1,050,967
Income tax paid	266,683.00	-
Balance Tax payable	<u>879,489.87</u>	<u>1,050,967</u>

Notes to the Financial Statements (contd.)

For the year ended 31st March

	2009 Rs.	2008 Rs.	
(03.8) PROPERTY, PLANT AND EQUIPMENT			
Item	Balance as at 01.04.2008 Rs.	Additions during the year Rs.	Balance as at 31.03.2009 Rs.
At Cost			
Land & Buildings	178,446,937.79	89,071,496.66	267,518,434.45
Plant & Machinery	29,234,414.00	-	29,234,414.00
Motor Vehicles	291,461,816.20	421,656.90	291,883,473.10
Furniture & Fittings	13,613,011.46	165,108.75	13,778,120.21
Office Equipment	21,810,513.28	1,745,268.25	23,555,781.53
Computer Equipment	8,818,297.55	1,849,175.00	10,667,472.55
Sundry Equipment	8,397,727.25	3,579,000.00	11,976,727.25
Total	<u>551,782,717.53</u>	<u>96,831,705.56</u>	<u>648,614,423.09</u>
Item	Balance as at 01.04.2008 Rs.	Charged for the year Rs.	Balance as at 31.03.2009 Rs.
Depreciation on Written down value			
Land & Buildings	6,202,898.40	8,559,422.02	14,762,320.42
Plant & Machinery	11,604,852.10	4,407,390.48	16,012,242.58
Motor Vehicles	153,330,494.64	34,532,830.46	187,863,325.10
Furniture & Fittings	3,130,424.92	2,620,646.65	5,751,071.57
Office Equipment	8,979,987.18	3,207,631.55	12,187,618.73
Computer Equipment	3,011,203.35	1,161,418.83	4,172,622.18
Sundry Equipment	505,097.25	1,973,157.51	2,478,254.76
Total	<u>186,764,957.84</u>	<u>56,462,497.50</u>	<u>243,227,455.34</u>
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Balance as at 31.03.2009	<u>648,614,423.09</u>	<u>243,227,455.34</u>	<u>405,386,967.75</u>
(03.9) INVESTMENT IN SUBSIDIARIES			
Sewa Lanka Community Financial Services Limited	82,894,817.00	84,019,481	
Sewa Lanka Enterprises Development Company (Guarantee) Limited	-	9,196,772	
	<u>82,894,817.00</u>	<u>93,216,253</u>	
(03.10) RECEIVABLES AND ADVANCES			
SEDCO Loan	9,196,772.34	-	
Advances & Receivables	26,133,511.99	13,931,884	
Staff loan	1,881,185.65	2,645,703	
Projects fund receivables	-	453,936	
	<u>37,211,469.98</u>	<u>17,031,524</u>	
(03.11) SHORT TERM DEPOSITS			
Fixed Deposits	21,765,887.40	7,000,000	
	<u>21,765,887.40</u>	<u>7,000,000</u>	
(03.12) CASH AT BANK AND IN HAND			
Cash at Bank	94,853,852.08	192,508,629	
Cash in Hand	622,107.48	328,382	
	<u>95,475,959.56</u>	<u>192,837,012</u>	

Notes to the Financial Statements (contd.)

For the year ended 31st March

	2009 Rs.	2008 Rs.
(03.13) CREDITORS		
Accrued Expenses	11,704,503.60	1,107,879
Income Tax Payable	1,930,456.87	1,050,967
Lease Rental Payable (a, b)	3,998,107.04	11,680,955
	<u>17,633,067.51</u>	<u>13,839,801</u>
(a). Rental Payable under finance leases		
Amounts falling due within one year	2,784,489.04	8,917,947
Amounts falling due after one year	1,213,618.00	2,763,008
	<u>3,998,107.04</u>	<u>11,680,955</u>
(b). Rental payable classified under lender		
Central Finance PLC Vehicle Leasing	757,298.90	3,522,343
HNB Leasing Co. Vehicle Leasing	3,040,012.65	7,182,559
Orient Leasing Vehicle Leasing	-	355,322
Ceylinco Leasing Vehicle Leasing	200,795.49	620,731
	<u>3,998,107.04</u>	<u>11,680,955</u>
(03.14) BANK OVERDRAFTS		
Hatton National Bank	14,503,987.25	12,549,810
People's Bank	4,483,418.59	2,339,645
Sampath Bank	2,094,358.80	291,599
Nation Trust Bank	224,440.46	49,708
Bank of Ceylon	389,205.69	
Pan Asia Bank	143,328.90	
Commercial Bank	-	535,241
	<u>21,838,739.69</u>	<u>15,766,003</u>
(03.15) UNRESTRICTED FUNDS		
Balance at the beginning of the year	431,639,240.72	313,229,666
Prior Year Adjustment	-	78,868,169
Unrestricted surplus in operating activities	41,933,375.02	39,541,406
Balance at the end of the year	<u>473,572,615.74</u>	<u>431,639,241</u>
(03.15.1) PRIOR YEAR ADJUSTMENT		
NOVIB Project	-	50,646,475.00
Concern Project	-	27,200,000.00
Other Projects	-	1,021,694.00
	<u>-</u>	<u>78,868,169.00</u>
(03.16) RESTRICTED FUNDS		
Balance at the beginning of the year	198,300,530.58	203,386,274
Additional funds received during the year	1,193,536,280.94	1,414,088,850
Transfer to Statement of Financial Activities	(1,283,908,710.06)	(1,419,174,593)
Balance at the end of the year	<u>107,928,101.46</u>	<u>198,300,531</u>
(03.17) DEFERRED LIABILITIES		
Retirement Benefit Obligation - Gratuity		
Balance as at 01.04.2008	15,556,973.39	11,125,733
Add: Provision made during the Year	6,205,603.90	4,431,240
Balance as at 31.03.2009	<u>21,762,577.29</u>	<u>15,556,973</u>

Notes to the Financial Statements *(contd.)*

For the year ended 31st March

2009
Rs.

2008
Rs.

(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 31st March 2009.

Project Activity Summary

Identified Project	Transferred from Restricted Funds Note 3.1		Received during the year from unrestricted funds and other sources	Total amount expended Note 3.2			Net Surplus / Deficit on project
	Organisation	Amount		Staff Cost Rs.	Direct project cost Rs.	Indirect project cost Rs.	
Community Health - Vavunia	OXFAM	35,930.39	-	-	35,930.39	-	-
Psychosocial - Vavunia	Helwitas	-	-	-	-	-	-
Livelihood Development - Batticaloa	UNDP	2,142,163.10	-	240,500.00	1,900,176.70	-	1,486.40
Housing - Mannar	- d o -	536,488.50	-	-	536,488.50	-	-
Infrastructure Development - Vavunia	German Agro Action	80,018,763.56	-	10,247,851.25	65,910,790.50	3,771,478.28	88,643.53
GAA Administration	- d o -	600,130.95	-	-	-	-	600,130.95
Vocational Training - Trincomalee	- d o -	38,807,136.18	-	-	-	-	38,807,136.18
Skill Development - Vavunia	- d o -	38,447,430.50	-	4,201,799.25	32,115,804.22	1,811,733.87	318,093.16
Livelihoods Project - Kilinochchi	- d o -	21,216,914.90	-	396,428.64	20,510,457.45	436,370.52	(126,341.71)
Emergency Relief Project - Head Office	- d o -	4,658,632.71	-	-	6,396,972.55	-	(1,738,339.84)
North - East Community Restoration - Trinco	North East Provincial Council	9,160,773.10	-	-	9,123,941.55	560,822.14	(523,990.59)
North - East Community Restoration - Mannar	- d o -	4,637,500.00	-	62,000.00	3,877,441.00	-	698,059.00
North - East Community Restoration - Jaffna	- d o -	-	-	-	-	-	-
Vocational Training - Ampara	Swiss Contact	2,942,628.83	-	399,840.00	2,097,802.55	438,447.88	6,538.40
Vocational Training - Ampara	Swiss Contact	2,023,031.32	-	-	1,584,786.00	435,038.50	3,206.82
Vocational Training - Galle	Peace Boat	2,764,292.04	-	2,760.00	341,250.00	178,514.62	2,241,767.42
Infrastructure Development - Trinco	North East Provincial Council	35,599,499.91	-	2,205,194.00	30,883,566.70	1,145,076.10	1,365,663.11
Rehabilitation - Ampara	DCA	-	-	-	-	-	-
Agriculture - Ampara	Diakonie	4,717,572.40	-	1,158,084.00	3,258,622.60	291,198.00	9,667.80
Infrastructure Development - Batticaloa	North East Provincial Council	94,300,245.39	-	2,140,000.00	91,410,108.10	680,695.00	69,442.29
Infrastructure Development - Batticaloa	North East Provincial Council	2,000,000.00	-	-	9,181,028.00	-	(7,181,028.00)
Infrastructure Development - Jaffna	- d o -	11,249,641.26	-	1,583,271.29	9,493,197.02	156,566.19	16,606.76
Livelihood Development - Kandy	HELP	2,473,344.58	803,145.00	-	2,265,795.00	811,781.35	198,913.23
Community Health - Jaffna	WHO	4,029,637.00	29,015.46	689,000.00	4,335,126.76	350,975.00	(1,316,449.30)
General Administration	-	-	54,972,809.91	-	-	-	54,972,809.91
Livelihood Development-Southern Province	CHF-CIDA	157,761,358.44	-	7,552,806.00	102,553,085.93	13,001,982.68	34,653,483.83
Psychosocial	Force of Nature	10,181,692.34	-	5,241,500.00	4,308,381.71	615,616.82	16,193.81
Agriculture - Anuradapura	IUCN	2,175,185.89	-	277,050.00	1,924,217.31	21,000.00	(47,081.42)
Relief - Kilinochchi	German Agro Action	55,341,096.92	98,078.19	1,314,439.52	31,928,022.50	20,436,125.34	1,760,587.75
Rehabilitation - Batticaloa	DCA	10,070,444.85	-	240,750.00	9,725,130.00	60,000.00	44,564.85
Relief - Ampara	OXFAM-RLF	286,107.20	-	-	286,107.20	-	-
Community Health - Ampara	OXFAM	20,589,240.04	-	1,868,893.00	19,039,941.28	370,216.34	(679,810.58)
Infrastructure Development - Batticaloa	Embassy of Japan	7,087,491.12	260,785.00	810,000.00	6,469,351.49	60,000.00	8,924.63
Community Health - Nuwaraeliya	IOM	83,800.00	-	-	83,800.00	-	-
Vocational Training - Galle	Savation Army	632,994.57	-	-	632,994.57	-	-

Project Activity Summary

Identified Project	Transferred from Restricted Funds Note 3.1		Received during the year from unrestricted funds and other sources	Total amount expended Note 3.2				Net Surplus / Deficit on project
	Organisation	Amount		Staff Cost Rs.	Direct project cost Rs.	Indirect project cost Rs.		
Training Center - Anuradapura	German Agro Action	17,950,986.77	-	-	149,436.46	324,248.75	17,477,301.56	
Community Health - Galle, Matara & N'eliya	GFATM	1,883,766.24	-	-	339,200.00	373,653.00	(449,282.24)	
Vocational training - Galle	Trans Rural Trust	1,774,470.36	-	-	725,250.00	216,708.50	(175,827.71)	
Community Mobilization - Battl, Trinco, Jaffna	ICIDA	389,841.97	-	-	-	361,908.27	7,933.70	
Relief - Batticaloa, Vavunia	NOVIB	27,224,721.24	-	-	3,529,880.00	1,056,495.17	20,974.11	
GAA Administration - New	German Agro Action	3,861,607.45	-	-	522,695.00	434,389.02	-	
Agriculture - Jaffna	FAO	696,000.00	63,500.00	-	2,904,523.43	143,456.51	(111,031.51)	
Agriculture - Jaffna	IOM	8,416,763.20	135,852.92	-	9,127,146.56	67,685.00	(1,170,215.44)	
Infrastructure Development - Jaffna	German Agro Action	169,024,382.63	-	-	158,697,420.42	1,623,933.56	-	
Housing - Jaffna	German Agro Action	3,295,951.78	-	-	2,235,878.00	669,210.22	165,061.06	
Relief - Kilinochchi	German Agro Action	114,630,522.83	-	-	101,963,749.95	7,389,968.64	(313,257.25)	
Community Health - Mannar	OXFAM	6,984,184.00	-	-	6,180,852.00	771,003.05	32,328.95	
Infrastructure Development - Mannar	UNHCR	7,317,716.24	-	-	4,361,248.00	759,132.93	7,290.31	
Relief - Trincomalee	EU Peace	7,722,953.40	-	-	7,478,040.85	625,051.18	(1,618,388.63)	
Peace - Trincomalee	Japanese Embassy	29,654.83	-	-	29,654.83	-	-	
Relief & Rehabilitation - Vavunia	German Agro Action	62,687,848.80	-	-	4,280,587.50	3,752,902.69	255,726.20	
Vocational Training - Vavunia	SOLIDAR	1,167,000.00	-	-	1,387,792.50	21,160.00	(329,952.50)	
Vocational Training - H.O.	German Agro Action	3,184,641.61	-	-	2,280,997.30	52,469.31	149,675.00	
Peace & Reconciliation	Sasakawa	6,411,305.74	-	-	736,500.00	689,690.00	408,652.59	
Peace & Rehabilitation	Nippon	39,334,761.85	-	-	37,129,300.00	1,329,271.99	(2,810.14)	
Vocational Training - H.O.	Peace Boat	132,522.40	-	-	132,400.00	-	122.40	
Agriculture Project - H.O.	JTS Korean	5,461,865.98	-	-	5,446,559.64	-	15,306.34	
Infrastructure Development - H.O.	ICEDA	11,532,694.92	-	-	6,833,422.62	2,152,959.84	17,312.46	
Community Health - H.O.	GFATM	1,536,633.02	-	-	483,000.00	52,000.00	518,875.52	
Livelihood Development	Force of Nature	3,553,478.79	-	-	719,175.00	494,088.50	112,246.59	
Agriculture Project - H.O.	BSIFSES Norvigian	39,321,591.22	-	-	2,227,968.70	3,256,205.51	4,183,222.03	
Peace & Reconciliation	ACTED NSA	1,435,200.70	-	-	40,289.37	153,052.68	1,598.65	
Relief & Rehabilitation	DRR	4,483,637.08	-	-	3,077,871.95	135,852.25	37,162.88	
Agriculture Project - Galle	IUCN	299,625.00	-	-	14,000.00	-	131,010.00	
Relief & Rehabilitation - Anuradhapura	Islandar	-	3,159,829.10	-	154,615.00	-	(37,321.45)	
Community Health - Vavunia	German Agro Action	43,733,540.83	-	-	2,943,551.50	253,599.05	33,701.75	
Emergency Relief Project - Vavunia	ACTED	4,034,220.00	-	-	35,652,835.00	2,721,508.20	(919,195.68)	
Infrastructure Development - Vavunia	UNICEF	5,636,232.00	-	-	3,815,506.82	173,079.16	926,933.50	
Infrastructure Development - Vavunia	North East Provincial Council	3,296,609.28	-	-	4,359,308.50	840.00	41,900.63	
Infrastructure Development - Vavunia	North East Provincial Council	3,394,561.63	-	-	2,840,949.66	413,758.99	-	
Relief & Rehabilitation - Batticaloa	DCA	10,446,997.76	-	-	585,126.38	348,510.97	-	
Community Health - Ampara	DCA	9,678,392.99	-	-	1,149,771.04	141,092.92	28,757.92	
Livelihood Development - Ampara	IOM	1,762,228.30	-	-	7,506,160.45	106,511.17	-	
Agriculture Project - Ampara	IUCN	294,160.00	-	-	639,440.00	545,388.30	(102,910.00)	
Infrastructure Development - Ampara	North East Provincial Council	3,880,538.06	-	-	360,070.00	37,000.00	2,225.45	
Community Health - Ampara	Medical Team	495,950.00	-	-	3,291,680.00	586,632.61	232,893.95	
Infrastructure Development - Mannar	SCISL	1,274,605.16	-	-	5,958,606.30	685,025.75	9,335.64	
Agriculture Project - Mannar	OXFAM	7,108,368.00	-	-	1,622,095.27	378,466.81	199,433.92	
		1,283,908,710.06	59,523,015.58	-	98,081,229.48	1,017,618,944.31	82,888,163.90	
							144,843,387.95	

Summary of Significant Accounting Policies

01. General information

1.1 Sewa Lanka Foundation is a non governmental organization as per the definition provided in the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (including Non Governmental Organizations).

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 as a development non- Government organization. The company has taken necessary steps to re-register under the New Companies Act No. 7 of 2007.

Among other sectors, 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.

Sewa Lanka has a decentralized structure, working in 19 districts in the country. At the end of the year there were 825 staff members including volunteers. While district offices are responsible for coordinating with community based organizations and engaging in other 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 on page 43.

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 35 to 39 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.

2. 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 2008 and 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 a 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 transaction have been converted in to Sri Lanka 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 Taxes

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 and expenditure 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 Funds. Where grants are received for use in an identified project or activity, such funds are held in a restricted fund account and transferred to the statement of financial activities account to match with expenses incurred in respect of that identified project. Unutilised 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.

2.2.2 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 bases of measurement

2.3.1 Receivables

Receivables are stated at the amounts they are estimate to realize net of provisions for bad and doubtful debts.

2.3.2 Cash and Cash Equivalents

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

Summary of Significant Accounting Policies - contd.

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 at cost.

Building 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 on 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 off such amounts less any terminal value over the estimated useful lives of 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 & Building	5%
Plant & Machinery	25%
Motor Vehicles	25%
Computer Equipment	20%
Office 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 capitalized 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 to 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 month 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 contribution to the Employees' Provident Fund and the Employees' trust Fund in accordance with the relevant statute and regulations. The organization contributed a defined percentage of the gross emoluments of the employees to the Employee's Provident Fund and 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 an accrual basis.

2.5.2 Expenditure recognition

Expenses in carrying out the project and other activities of the organization are recognized in the statement of 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 expense" method to present fairly the element of Organizations 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 services that are similar in nature and where the risk and obligations are similar. The primary segments represent this structure.

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

The activities of each of the reported activity based segments are reported on pages 40 to 41. Segment 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).



Our Team

Executive Council

Chairman	Harsha Kumara Navaratne
Vice Chairman	Wasantha P. Ramanayake
Vice Chairman	Velupillai Revathan*
Director	Ven. G. Pamarathne
Director	Ven. Homagama Kondanne
Director	Lakshi S. Abeyesekera**
Director	D.A. Kanthi Navaratne
Director	Dr. Lionel Weerakoon
Director	Srimewan Weraduwa
Director	M.I.M. Iqbal
Director	S. Sivapackiyam
Director	A.M.R.K. Adikarinyake
Director	Deepal Chandrathilake
Director	T.N. Newton
Director	Kaushalya Navaratne
Director	Dr. Amanda J. Kiessel
Director	T. Tamilalagan
Director	Ananda P. Kariyawasam
Director	Kumari Bandara
Director	Sampath Wijesinghe

*Resigned January 2009

** Acting Vice Chairman

Program Development Team

Senior Program Consultant	Mahinda de Silva
Senior Advisor	Dr. Lionel Weerakoon
Research and Learning	T.N. Newton
Program Director	Dr. Amanda Kiessel
Program Director	Kaushalya Navaratne
Fisheries	Maheeni Samarakoon
Agriculture	N.H. Maduka Sajani
Tourism	Harshana Hegodegamage
Handicrafts	Vinitha Senevirathne
Enterprise Development	Steve Francone
Environment	Gayani P. Wickramarachchi
Gender	Nayana Kumari
Youth and Children	Achala Samaradiwakara
Psychosocial	T. Thamilamuthan
Community Peace Building	Nirosion Perera

Management Committee

Vice Chairman Operations	Wasantha Ramanayake
Finance Director	Sampath Wijesinghe
HR and Admin Director	Kumari Bandara
Asst. Director Administration	Aruna de Alwis
Special Projects Director	Lakshi Abeyesekera
Special Projects North	Annet Royce
Special Projects East	Aruna Samaranayaka
Senior Program Consultant	Mahinda de Silva
Program Director	Kaushalya Navaratne
Program Director	Dr. Amanda Kiessel
Research and Learning Director	N. Newton
Field Director North	T. Tamilalagan
Field Director North	S. Thavamohan
Field Director East Interior	Deepal Chandrathilake
Field Director South	Ajith Tennakoon
Coordinator East Coastal	M.I.M. Iqbal
Islander Center Director	Jinadari Wedamulla
Sewa Finance CEO	Renuka Rathnawage

District Directors and Coordinators

Ampara - Inland	A.M.G. Amarakoon
Ampara - Coastal	J. Sairajan
Anuradhapura	H.M. Anura Wijewardana
Batticaloa	G. Nagarajan
Galle	Y.W.J. Jagath
Gampaha	G. Ariyapala
Hambantota	Jayantha Wijesinghe
Jaffna	V. Kesavan
Kalutara	Chamari Lakmali
Kurunegala/ Puttalam	N.M.J.B. Nimbaliyadda
Mannar	S. Joy Prathevan
Matara	W.G. Ranasinghe
Moneragala	Dhammini M Rathnayaka
Nuwara Eliya	S. Sivapackiyam
Polonnaruwa	Bandula Rajapakse
Trincomalee	Samantha Kalyanawansa
Vavuniya	A. Ketheeswaran
Wanni	K. Indiraj



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REGISTRATION NUMBER GL 41

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.