

ANNUAL REPORT 2012/2013



SEVALANKA FOUNDATION
Making Connections For A Better Sri Lanka



MISSION STATEMENT

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



FLOWER VILLAGE CONCEPT

We help plant a seed in a community and support it until it matures and flowers into an active self-reliant community organization. The 'S' flower in our logo represents a strong Community Based Organization (CBO). Inside this flower are thousands of seeds and each of these seeds has the potential to take root and become a new flower. A strong CBO contains the flowers of the next generation

PROGRAMME AREAS

Servicing over 10,000 families in 20 districts through 228 Community Based Organizations.

Sevalanka Foundation is incredibly thankful for the outpouring of support from our partner organizations. They have supported relief, rehabilitation and longer-term development efforts throughout Sri Lanka to build more peaceful and prosperous communities.



Agency for Technical Cooperation and Development
The British Asian Trust
Buddhist Fellowship
Concerts Norway
Diakonie Katastrophenhilfe
Danish Refugee Council
Embassy of Japan
European Union
European Commission
European Commission Humanitarian Aid Office
Fredskorpset
German Ministry for Economic Cooperation and Development
HaloTrust
High Commission of Canada
Handicap International
International Union for Conservation of Nature
International Rescue Committee
International Sustainable Livelihood Foundation
Japan Agency for Development Emergency
Join Together Society
Japan's Postal Savings for International Voluntary AID
The Nippon Foundation
Norwegian Ministry of Foreign Affairs
Oxfam Australia
Royal Norwegian Embassy
Search for Common Ground
Save The Children
Sasakawa Peace Foundation
Swedish International Development Cooperation Agency
United Nations High Commissioner for Refugees
United States Agency for International Development - OFDA Washington
United States Agency for International Development - Mission Sri Lanka
United Nations Children's Fund
World University Service of Canada - Sri Lanka
Welthungerhilfe

CHAIRMAN'S MESSAGE

In last year's Annual Report, I wrote that Sevalanka was at a crossroads and that we were having a series of discussions on how to adapt our services and our structure to the complex and rapidly changing situation in the country. The past year has been one of the most challenging in our history.

A common allegation against NGOs in Sri Lanka is that they are foreign agents that serve the masters that fund them. This criticism ignores the majority of Sri Lanka's registered NGOs, which focus on providing social and environmental services to address local needs. It also ignores a much greater weakness in the NGO sector. Sri Lankan NGOs have developed a culture of dependency on international grant aid. Over the past 30 years, it has become ingrained in our attitudes and institutions. Now, as international donors leave Sri Lanka for other global hotspots, every NGO, including Sevalanka, has to go through a difficult transition.

We humans do not do well with impermanence and change. In the past year, we saw internal politics flare up as staff members worried about losing their past positions. Some seniors even left the ship because they expected Sevalanka to sink without external aid. Their behavior, before and after they resigned, made the restructuring and transition process much harder. They left behind a lot of baggage and messes that the current team has had to clean up.

The encouraging news is that there is now a committed team of staff working day and night to help Sevalanka transition towards self-financing services and financial sustainability. Our first cycle of twenty years is past, and we are working with our partner communities, supporters, and other stakeholders to prepare for the next twenty. Some of our long-term development partners like Welthungerhilfe, the Nippon Foundation, and USAID are supporting the restructuring process and helping us identify best practices from other parts of the world.

Our new initiatives are focused on working with producer groups and community organizations to develop self-financing social enterprises. As a policy, we are giving priority to initiatives that contribute to green communities and a green economy. For example, we are providing additional services to help farmers transition to organic production and link with organic markets like the Good Market. Our sister organizations, Seva Finance, Seva Organic, and Yarl Food, are assisting with financial services, value chain investments, and market linkages.

Change is not easy, but it cannot be avoided. To respond to today's social, economic, and environmental challenges, we have to adapt and move forward. As we pass through this difficult transition period, I'd like to pause and thank our strong core team and active network of like-minded partners who are committed to a new way of working. We look forward to the next phase of the journey.

PROGRAMME HIGHLIGHTS



DISASTER MANAGEMENT

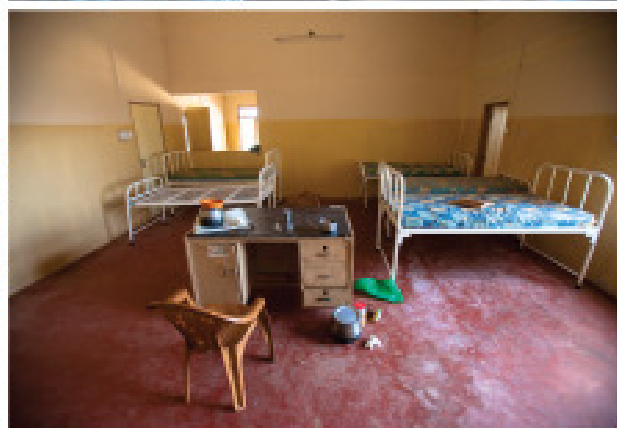
Emergency response
Rehabilitation
Disaster Risk Reduction

With the end of the civil war, disaster management in the North and North Eastern areas of the country have significantly changed for the better. However, Sevalanka conducts programmes throughout the island, specific to the needs of each community to prepare and equip them to handle any natural and climate-related disaster.



ORGANISATIONAL DEVELOPMENT

Sevalanka CBOs spread far and wide across the island, join hands with our sister companies Seva Finance and SEDCO to gauge the needs of the community using SWOT analysis to aid individuals and groups develop their trades through financial aid and skill development while also helping strengthen the bonds within the communities with leadership training and exchange programmes to create a self reliant village community.



LIVELIHOOD SERVICES

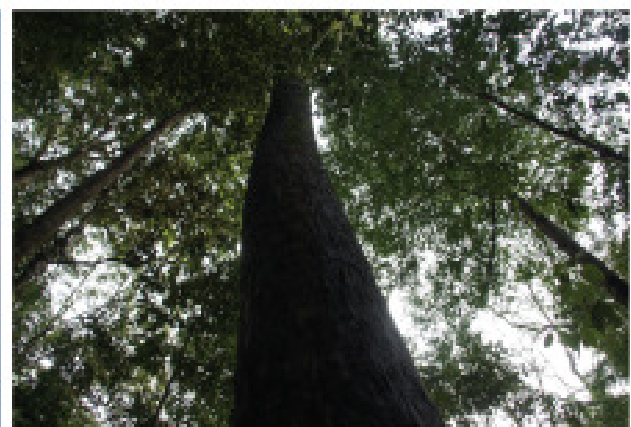
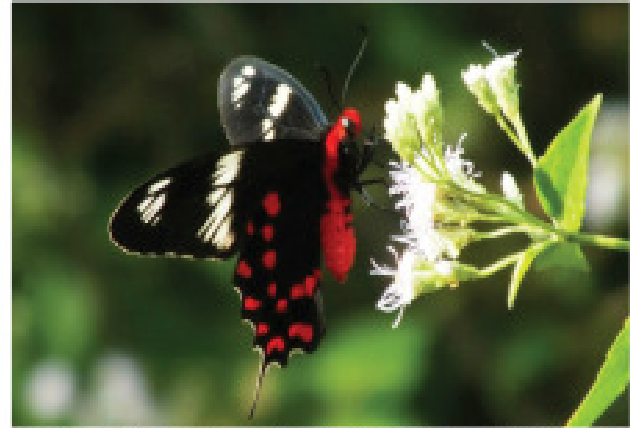
Sustainable Agriculture
Fisheries and Aquaculture
Community Products
Tourism
Enterprise Development
Vocational Training

The Sevalanka CBOs conduct Participatory Rural Appraisal (PRA) and Participatory Needs Assessment (PNA) to grasp an accurate understanding of the needs of the people to help improve their livelihoods through not only financial aid but also subject-specific workshops.



ENVIRONMENTAL CONSERVATION

We at Sevalanka try our best to include environmental friendly approaches in all our projects and programmes which covers all environmental systems. Further to this, we have many projects and programmes that are purely concentrated on environmental conservation from grassroots level to National level.



CULTURAL EXCHANGE AND EVENTS

Sevalanka has two main cultural exchange programmes – the Music Programme, funded by the Royal Norwegian Embassy and the FK Exchange programme, funded by Fredskorp Norway. These programmes are aimed at bridging cultural differences between the South and North in the country.





FINANCIAL STATEMENT

K. S. KARUNADASA & CO;
CHARTERED ACCOUNTANTS

SEWA LANKA FOUNDATION (GUARANTEE) LIMITED
NO. 432/A, COLOMBO ROAD, BORALESGAMUWA.

Balance Sheet

As at 31st March

	Note	2013 Rs.	2012 Rs.
ASSETS			
Non Current Assets			
Property, Plant & Equipment	3.8	305,399,814.32	305,418,169.74
Investment in subsidiaries	3.9	100,012,859.68	91,595,408.00
		<u>405,412,674.00</u>	<u>397,013,577.74</u>
Current Assets			
Receivables, Deposits & Advances	3.10	104,929,615.63	37,416,664.45
Short Term Deposits	3.11	61,653,262.47	32,989,424.86
Cash at Bank and in Hand	3.12	148,802,335.09	511,432,019.15
		<u>315,385,213.19</u>	<u>581,838,108.46</u>
Current Liabilities			
Creditors	3.13	61,520,589.28	15,768,828.99
Bank overdrafts	3.14	100,746,347.02	62,773,463.59
		<u>162,266,936.30</u>	<u>78,542,292.58</u>
Current Assets less Current Liabilities		153,118,276.89	503,295,815.88
Total Assets less Current Liabilities		<u>558,530,950.89</u>	<u>900,309,393.62</u>
FUNDING AND LIABILITIES			
Accumulated Fund			
Unrestricted Funds	3.15	346,711,768.93	345,008,597.53
Restricted Funds	3.16	200,425,861.96	534,416,930.59
Total Accumulated Fund		<u>547,137,630.89</u>	<u>879,425,528.12</u>
Non Current Liabilities			
Deferred Liabilities	3.17	11,393,320.00	20,883,865.50
Total Non Current Liabilities		<u>11,393,320.00</u>	<u>20,883,865.50</u>
Total Accumulated Fund and Liabilities		<u>558,530,950.89</u>	<u>900,309,393.62</u>

Accounting Policies and Notes on pages 06 to 20 form an integral part of these Financial Statements.

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

It is certified that the Financial Statements have been prepared in compliance with requirements of the Companies Act No. 07 of 2007.

Finance Director

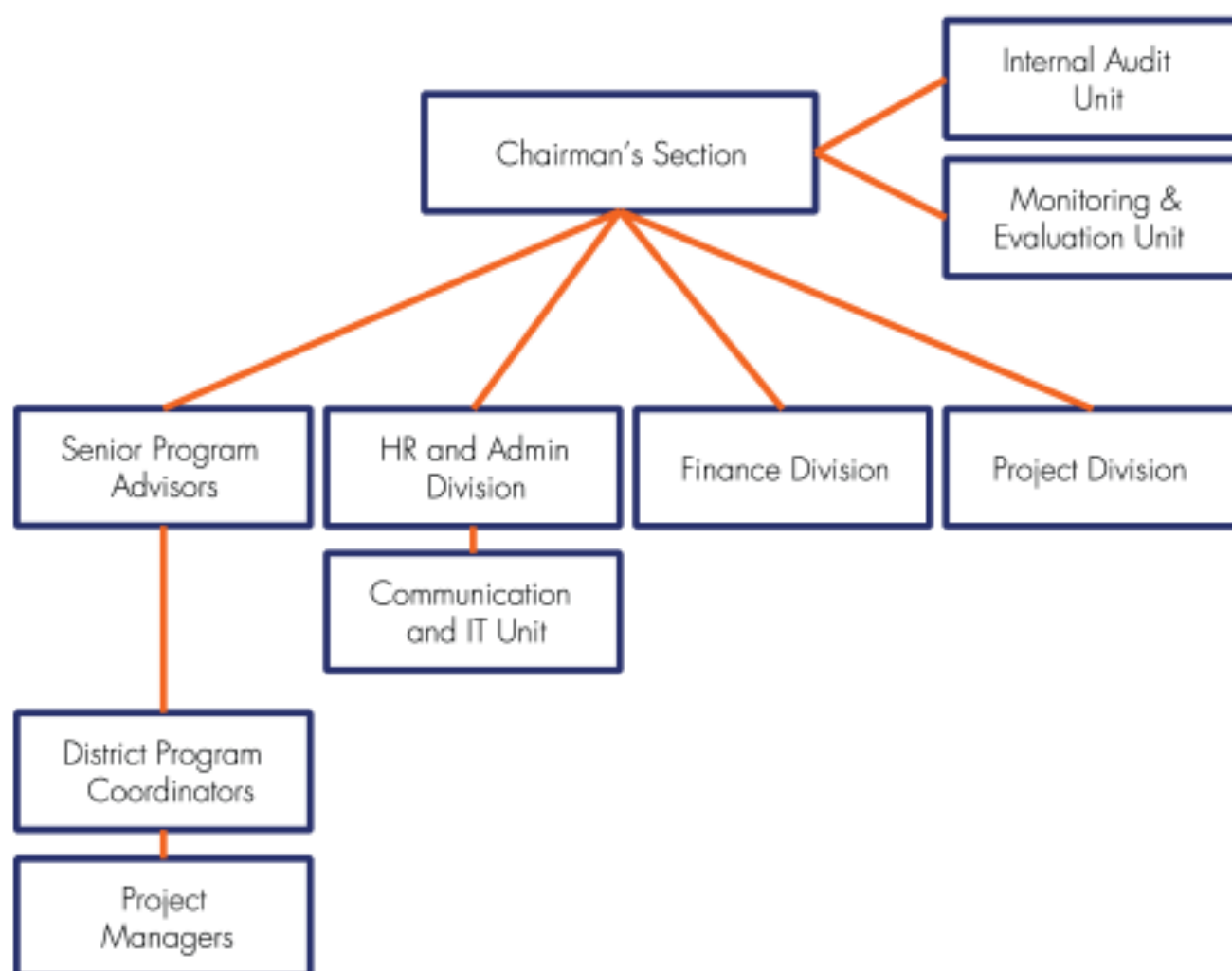
Approved and signed on behalf of the Board of Directors.

Director

Director

Date : 27th September 2013.

ORGANIZATIONAL STRUCTURE



SEVALANKA EXECUTIVE COUNCIL

Dr. Harsha Kumara Navaratne	Chairman
Prof. A. Navaratnarajah	Vice Chairperson
Mr. Wasantha P. Ramanayake	Vice Chairperson
Ms. Lakshi S. Abeyasekara	Vice Chairperson
Dr. W. Lionel Weerakoon	Director
Mr. Sirimewan Weraduwa	Director
Ven. G. Pamaratana	Director
Ms. D. A. Kanthi Navaratne	Director
Mr. M. I. M. Iqbal	Director
Ms. S. Sivapackiyam	Director
Ms. A. M. R. K. Adikarinayake	Director
Mr. T. N. Newton	Director
Dr. Amanda J. Kiessel	Director
Ms. Kaushalya Navaratne	Director
Ms. Jinadari Wedamulla	Director
Mr. Ajith Tennakoon	Director
Ms. Annet P. Royce	Director
Mr. Walter Amarasiri	Director
Ms. Ayomi J. Wickremasekara	Director



REGISTRATION NUMBER: GL41

BANKERS

Hatton National Bank
Commercial Bank
NationsTrust Bank
People's Bank
Seylan Bank
Sampath Bank

AUDITORS

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

COMPANY SECRETARY

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



Address

No.432A, Colombo Road, Boralesgamuwa, Sri Lanka.

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