



Berendina Employment Center (Gte) Ltd.

Annual Report

2017



OUR VISION & MISSION

Our Vision

"Our Vision is to create an empowered, equitable society where poverty does not exist"

Our Mission

"Our Mission is making rural and plantation youth productive members of society by enabling them to find employment and income through education, career guidance, vocational training and job linkages"

BERENDINA GROUP

Established in 1987 by a Dutch Philanthropist Mrs. Berendina Borst, Berendina Group is one of Sri Lanka's leading non-profit organizations working towards poverty alleviation. The Group consists of Berendina Development Services (BDS), Berendina Employment Center (BEC) and Berendina Micro Investments Company (BMIC).

BERENDINA EMPLOYMENT CENTER (BEC)

Berendina Employment Center (BEC) commenced its activities in the year 2000 with the overall objective of uplifting the lives of marginalized youth. Since inception, BEC has linked over 18,861 youth with employment opportunities and provided over 10,343 professional/vocational training scholarships with a success rate of 65% of youth obtaining employment/self-employment within a year of training. Over 300 companies including some of the leading companies in Sri Lanka have utilized the services offered by BEC. BEC has also awarded over 5,000 scholarships to talented students under taking their O/L and A/L examinations in rural and plantation areas, so that they have the ability to continue their studies without interruption. Our core activities are as follows.

- Career Guidance and Counselling
- Professional and Vocational Training
- Job Linking with the Private Sector
- Bright Students Scholarships

OUR CORE VALUES

Anti-Corruption



Berendina Employment Center has a zero-tolerance to corruption policy. This applies to staff, training partners, youth, students and dealing with authorities.

Transparency



Berendina Employment Center's procedures aim to give full transparency in the use of all resources and to optimize the application of those resources to serve our mission.

Gender Equality / Gender Mainstreaming



BEC advocates for gender equality and mainstreaming by encouraging young women to receive vocational and professional training. We do this through innovations such as partnering with likeminded organizations mobilizing VTIs to enroll female youth.

Anti-Discrimination



Berendina Employment Center is committed to the principle of equal employment and education opportunities. We provide an environment free of Discrimination and harassment on the grounds of gender, race, disability, sexual orientation, or parental or marital status.

INSIDE

LIST OF ABBREVIATIONS

BEC	Berendina Employment Center
WUSC	World University Service of Canada
NYSC	National Youth Services Council
VTA	Vocational Training Authority
NAITA	National Apprentice and Industrial training Authority
PHPF	People Help People Foundation
PCTT	Puttalam Center for Technical Training
AAT	Association of Accounting Technician
IPM	Institute of Personnel Management
VTA	Vocational Training Authority
ICT	Information Communication & Technology
NAITA	National Apprentice and Industrial Training Authority
VTI	Vocational Training Institute
BSS	Bright Student Scholarship
PES	Public Employment Services
HRM	Human Resource Management
JYDP	Jetwing Youth Development Program

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CHAIRMAN'S MESSAGE



Although Sri Lanka has been regarded as a successful welfare state, it has faced major challenges in providing employment and meeting the aspirations of youth. Youth unemployment is a significant and persistent issue in Sri Lanka, and educated young people make up a significant proportion of Sri Lanka's unemployed – this is particularly high in the Central, Eastern and Sabaragamuwa provinces. Nearly 50% of the country's unemployed youth have in fact completed their GCE A Levels, demonstrating that they have attained a reasonable level of education.

However, there is no proper career guidance system or a systematic link between secondary education and vocational training, thus leaving majority of school leavers without access to skills development programs. Consequently, leading these school leavers to find unskilled or casual jobs. Therefore, Berendina Employment Centre (BEC) (Gte) Ltd provided career guidance and counseling services to youth, where they were able to identify, and pursue a career that

interested them. They were also connected with relevant private vocational training (VT) providers to improve their knowledge and skills; and further scholarships were too provided to youth from economically disadvantaged families to undertake these trainings. While it is identified that poor English language skills and lack of soft skills often refrain especially rural and plantation youth from entering in to the labor market, BEC also provided supplementary training opportunities for youth to improve their English language proficiency, and enhance their communication, critical thinking and problem-solving abilities. Since they further do not know where and how to access information on employment opportunities, BEC facilitated a number of job fairs and connected youth to prospective private sector employers.

A major significance of BEC interventions in 2017 was the introduction of professional training where BEC partnered with institutes such as AAT business school, IPM and E-Soft. BEC also conducted trainings on ICT so that youth are able to acquire information related to job opportunities from their mobile phones and the internet.

Under the bright Students Scholarship program, Scholarships were also awarded for students from economically disadvantaged families to pursue their secondary education and BEC subsequently facilitated parent student mentoring programs to enhance their learning and prepare them to face examinations courageously. Therefore, BEC will continue to uplift the lives of economically disadvantaged youth in rural and plantation sectors by providing suitable employment opportunities, thereby ensuring a bright and hopeful future for the marginalized youth.

BOARD OF DIRECTORS



Anura Atapattu
Chairman



Jagath Godakanda
Director

Mr. Anura Atapattu is a board of the director of Berendina group and Chairman of Berendina Employment Center (Gte) Ltd. He has an Extensive management and consultancy experience in Micro finance and enterprise development services, for local and international organizations including World Bank, Asian Development Bank, United Nations Development Programme, Women's World Banking and Mix Market. He holds a Master's of Business Administration from the University of Lincoln, UK, a Postgraduate Diploma in Economic Development, Certificate in Agriculture Extension and Rural Development from the University of Reading and a B.Sc. in Agriculture (Special) Sri Lanka.

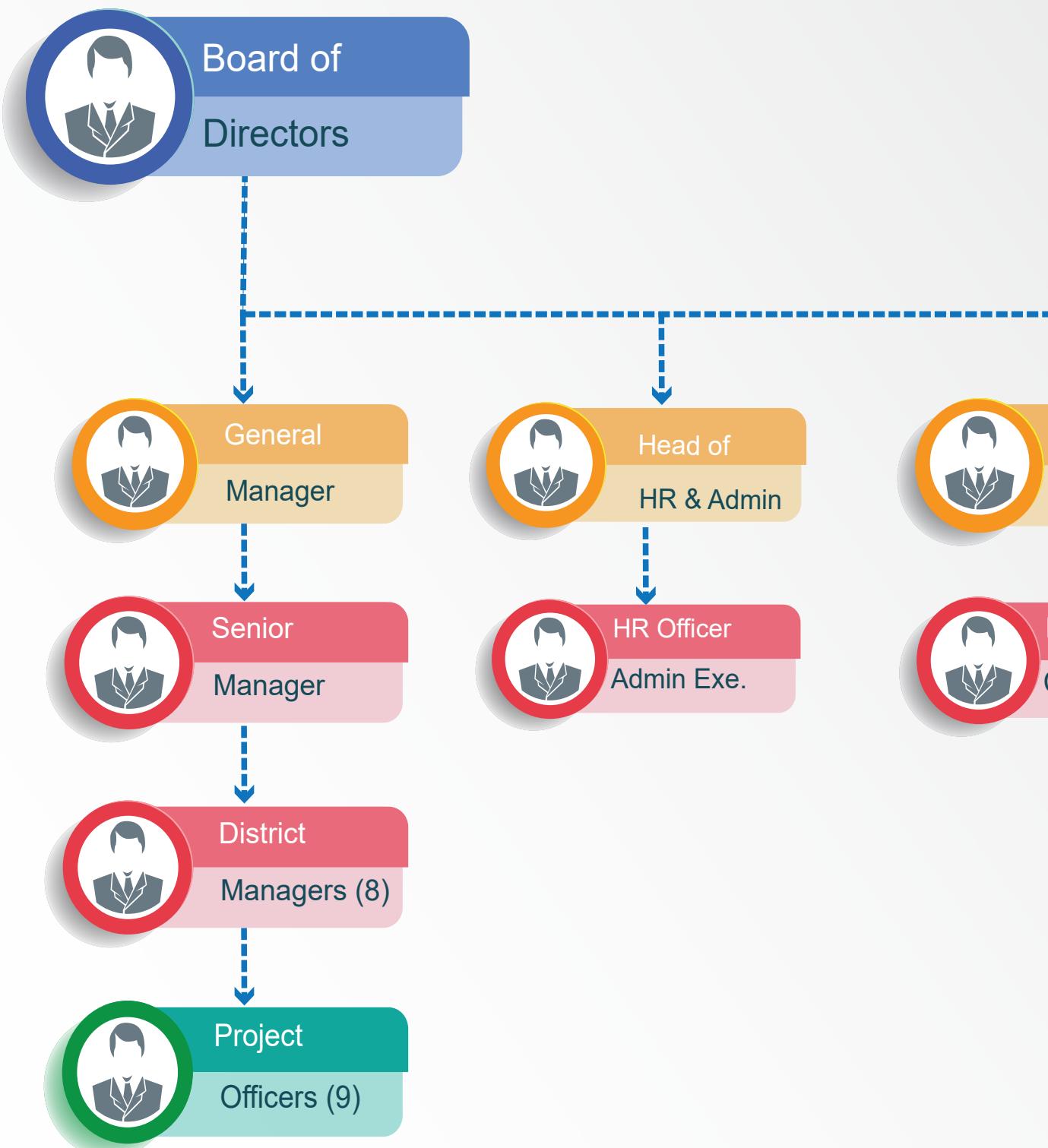
Chairman -
Berendina Employment Center
Berendina Development Services

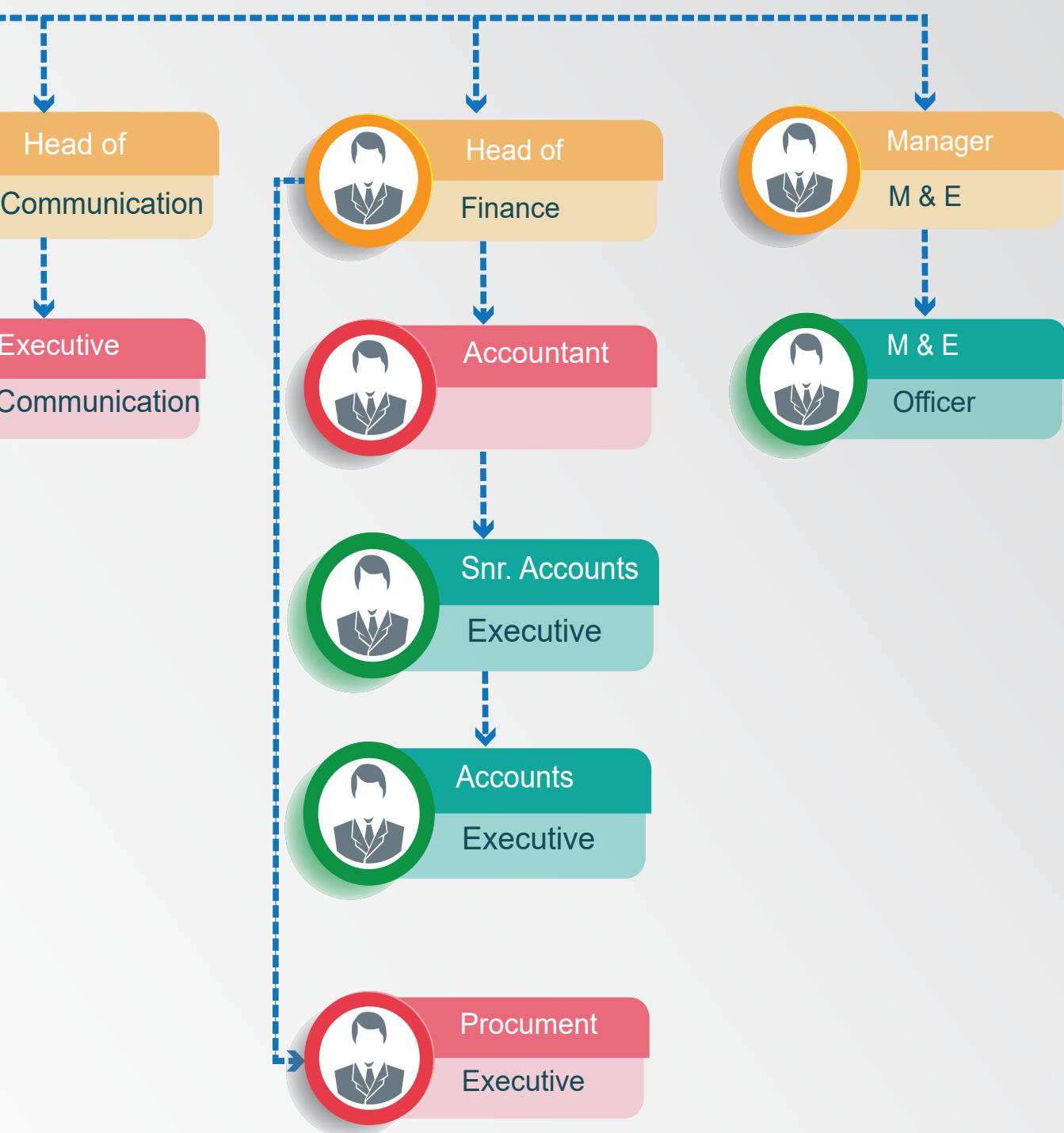
Managing Director -
Berendina Micro Investments Company Limited

Mr. Jagath Godakanda is a board of director of Berendina Group and Director of Berendina Employment Center (Gte) Ltd. He is an Independent Consultant for local and international organizations in enterprise development. He holds a B.Sc. in Agriculture (Special) (Sri Lanka) and a Postgraduate Diploma in Business Management from the National Institute of Business Management

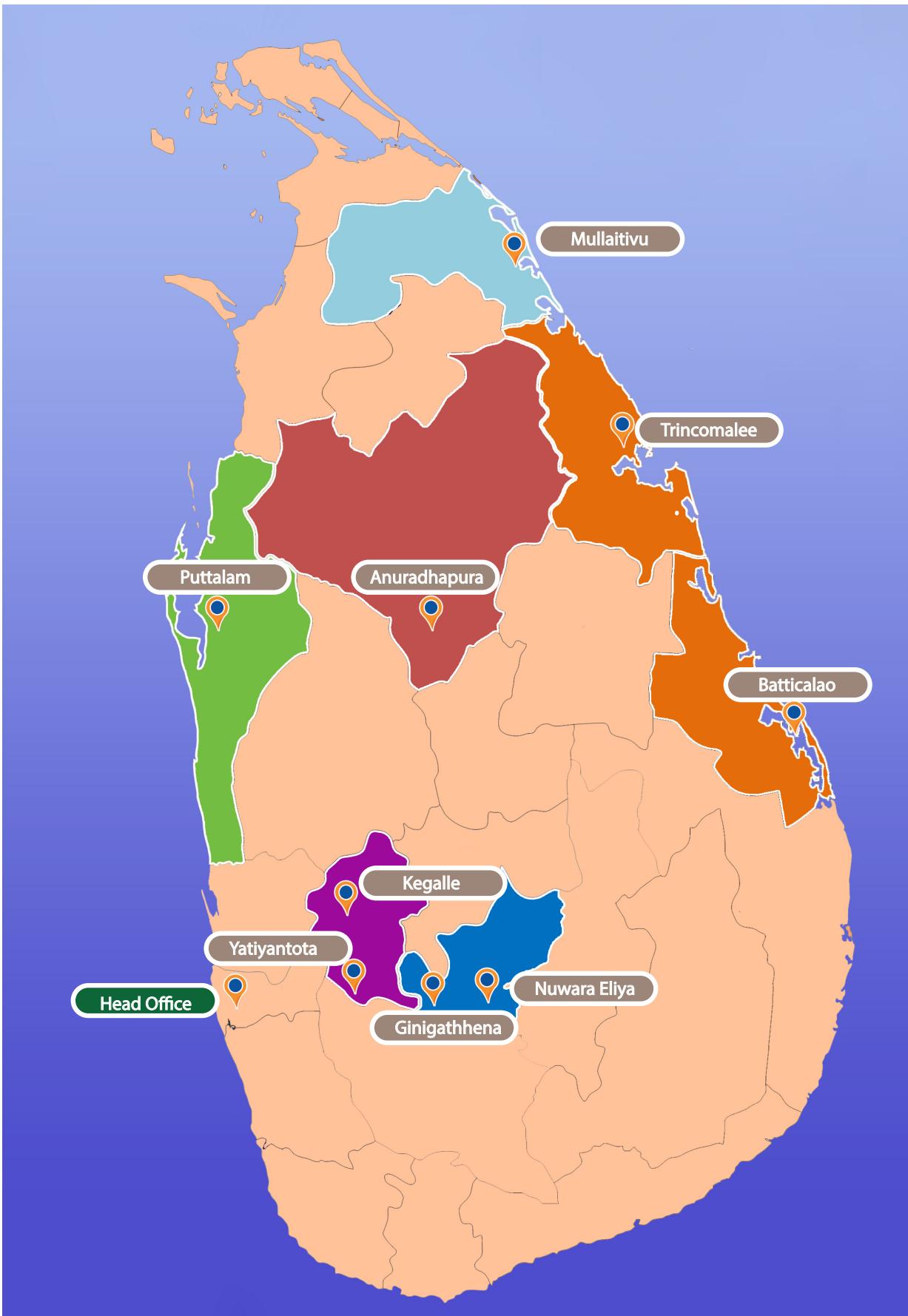
Director -
Berendina Employment Center
Berendina Development Services
Berendina Microfinance Institute

ORGANIZATION STRUCTURE





BRANCH LOCATIONS IN SRI LANKA



BRANCH NETWORK

Sabaragamuwa Province

Kegalle District

2
Branches

Eastern Province

Trincomalee District

1 Branch

Batticaloa District

1 Branch

Central Province

Nuwara Eliya District

2
Branches

North Central Province

Anuradhapura District

1
Branch

North Western Province

Puttalam District

1
Branch

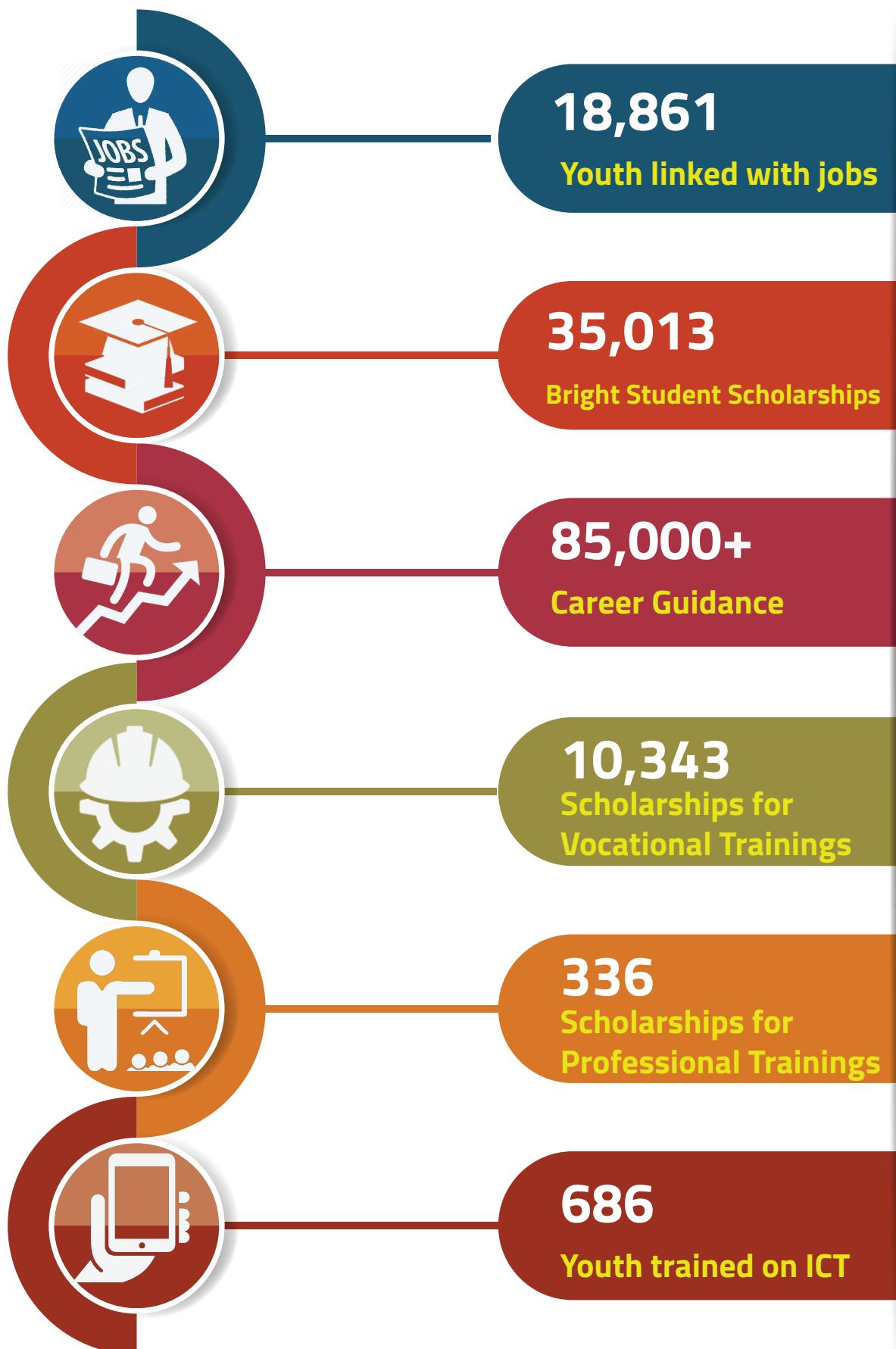
Northern Province

Mullaitivu District

1
Branch

MANAGEMENT TEAM

BEC AT A GLANCE



OVERVIEW OF YOUTH EMPLOYMENT IN SRI LANKA

Even though Sri Lanka as a country has made steady progress in achieving the Millennium Development Goals, it continues to face a number of challenges when it comes to the well-being of youth, particularly in the areas of education and employment. While Sri Lanka's overall unemployment rate is less than 5%, youth unemployment is recorded to be 21.6% in 2016 thus indicating one out of every five economically active youth, are unemployed. However, following changes in the government, in the recent past, policies have improved to focus on government services that improve access to career counseling services and vocational training education in Sri Lanka.

It is further identified that the government has initiated job linking services to improve public employment services (PES) in the districts, which is similar to the services provided by BEC. The government has also proposed to provide some of the vocational training courses free of charge, and a budget of 300 million rupees has been allocated for this purpose, in 2017. Given the demand for skilled labor in apparel, health care, hospitality and construction industries, the government further intends to provide relevant vocational training to 10,000 youth, in collaboration with the private sector. A further 300 million rupees has been allocated to provide a monthly salary of Rs. 10,000 for those undergoing the training, and private sector companies are expected to recruit the trainees following completion of the program.

However, there are certain gaps in the implementation of above policies. Subsequently, NGOs play a significant role in bridging these gaps. The importance of gender equality, economic growth and sustainable development

has also been highlighted at national policy level. Although the employment rate of women has doubled over the past two decades, social norms often exclude them from higher paying jobs in the formal sector. While the informal sector workforce is dominated by women, they are often engaged in subsistence level economic activities with minimal skills and low productivity, which subsequently result in low income. Furthermore, there are also negative attitudes towards women working in the tourism industry, among communities.

The developments in the field of ICT, mobile phone usage and the internet positively impact sharing of knowledge and information among Sri Lankan communities, especially the youth. It is identified to be one of the key areas that can potentially impact job linking and disseminate career information and skill training among youth.

“Following changes in the government in the recent past, although policies have improved to focus on government services that increase access to career counseling services and vocational training education, there are certain gaps in implementing the policies. Therefore, NGOs play a significant role in bridging these gaps.”



The background of the image is a clear blue sky with scattered white clouds. A large, bright orange rectangular box is positioned at the bottom center of the frame. Inside this box, the text is displayed in a bold, white, sans-serif font.

Progress of Berendina Employment Center (Gte) Ltd

1. CAREER GUIDANCE AND COUNSELING

Youth that drop out from school in the rural areas often do not have a clear vision for their future, since they do not have proper guidance to select a career path that match their skills and talents. Therefore, BEC identified career guidance as an essential step in guiding youth to select a suitable career path. Subsequently, during the reporting period in 2017, BEC successfully conducted 79 career guidance programs to 5,538 youth. While 754 youth successfully chose to follow Vocational Training programs in both private and government institutes, 622 youth chose professional training. Furthermore, 851 youth were directed for job opportunities during the reporting period.

The career guidance programs were conducted with support from a number of

partner organizations such as VOICE Area Federation, World Vision Lanka, E-SOFT, Jet wing, Sarvodaya, WUSC and PLAN Sri Lanka. Programs conducted in the plantation sector was carried out in collaboration with Watawala Plantations and Kelani Valley Plantations. Government institutions such as NYSC, VTA, NAITA and relevant Technical Colleges also extended their support to conduct the sessions.

Additionally, individual career guidance sessions were also conducted at job fairs prior to job referrals, where youth were able to seek employment in their preferred field.



Table 1- District wise progress of career guidance trainings

Branch	No of trainings conducted	Male	Female	Total
Kegalle & Yatiyantota	12	403	773	1,176
Ginigathena	11	140	370	510
Nuwaraeliya	4	86	142	228
Anuradhapura	8	261	325	586
Puttalam	7	214	318	532
Batticaloa	8	171	365	536
Trincomalee	10	238	265	503
Mullaitivu	19	397	1,070	1,467
Total	79	1,910	3,628	5,538



2. SOFT SKILLS + ENGLISH LANGUAGE PROFICIENCY FOR YOUTH

English language proficiency and soft skills such as communication (writing & verbal) skills, critical thinking, leadership and problem-solving abilities have become mandatory to stand out in today's job market. It is however often observed that youth in rural areas do not have sufficient finance access to develop such skills. Therefore, BEC initiated a pilot training program in partnership with World Vision Lanka, PHPF, E-Soft and Tea Leaf in Mullaitivu,

Anuradhapura, Nuwara Eliya and Batticaloa districts to provide English language and soft skills development training for youth. Subsequently, during the reporting period, 223 youth were received with both soft skills and English language training, among which 174 are female youth and 49 are male youth. Key topics covered in the trainings are mentioned below.

- Relationship enhancement – ability to communicate effectively with employers, clients and customers
- Time management, organizational skills and goal setting
- Leadership skills to improve team work, creativity, efficiency and productivity
- Effective strategies for transition and change
- Problem solving skills

Further to the training, 124 youth were directed to follow professional courses and vocational training courses, and another 51 youth were successfully placed in jobs.



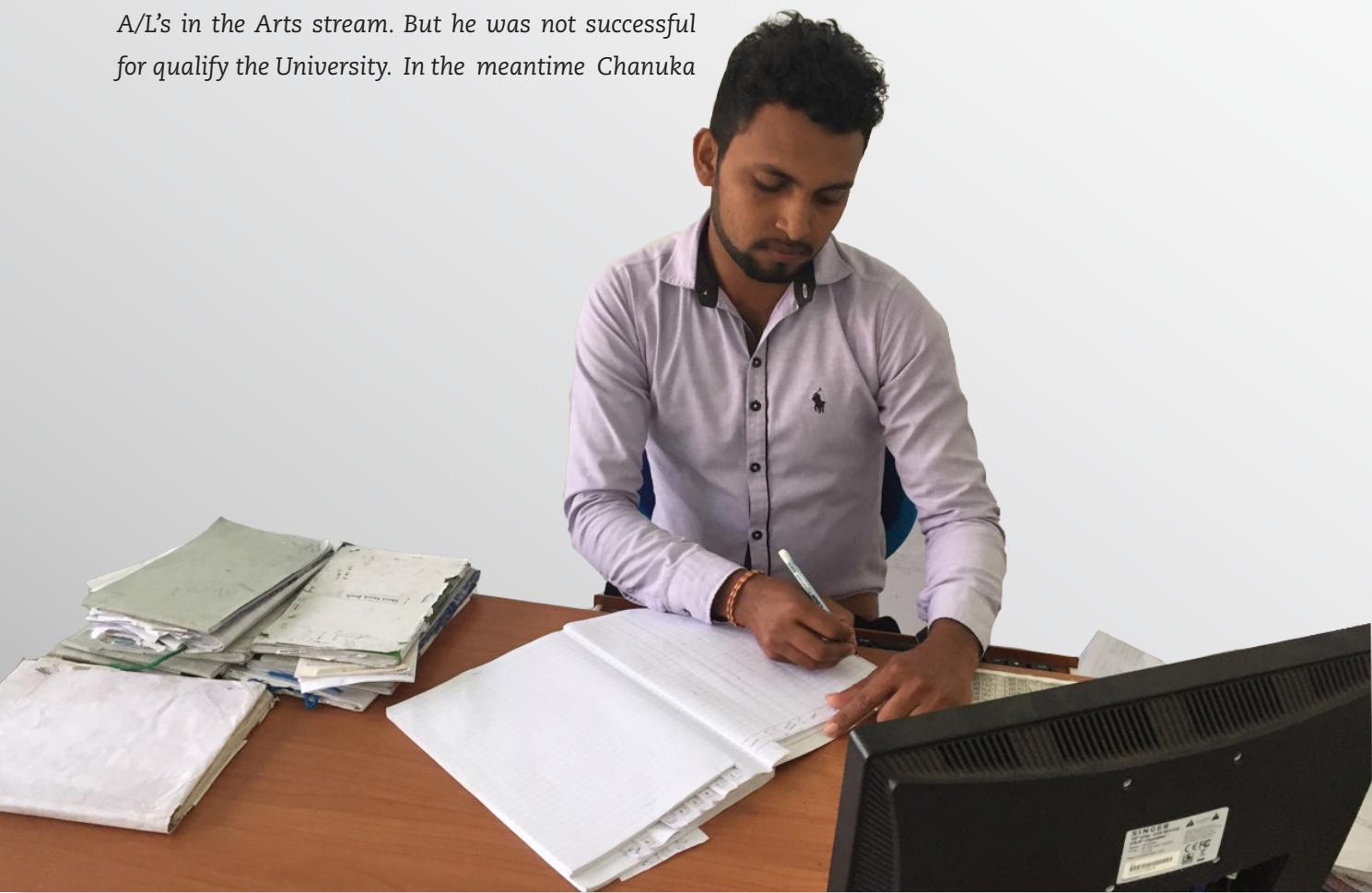
**“Berendina’s Scholarship becomes
the turning point of my life”**

“Sister pursue school education without barriers by brother’s support “

M. P.Chanuka Prabhath Jayakody (20), lives in Maha Halmillawewa, Maningamuwa, in Anuradhapura district. His father underwent a kidney transplant surgery 6 years ago, and is therefore unable to participate in any income earning activities. He is the youngest in the family and has one elder sister who is still schooling. Chanuka’s mother is a Samurdhi beneficiary who works in a canteen at Ehetuwewa School. Her monthly income is around Rs. 10,000 per month. She is the main breadwinner of the family. When time permits, Chanuka helps his mother in the canteen, and further supports in small scale cultivation.

Amidst difficulties faced by Chanuka, he was able to managed to sit for the G.C.E. O/L examination in 2013 and was successfully qualified for pursue the G.C.E. A/L’s in the Arts stream. But he was not successful for qualify the University. In the meantime Chanuka

heard about BEC through a friend who has also followed a Professional Training Course and wanted to receive a similar qualification, so that he does not have to be a burden to his mother. Since Chanuka expressed a genuine interest to develop his life and support his mother, he successfully received financial assistance from BEC to follow a Soft-Skills Training program from Anuradhapura E-soft Regional Campus in 2017, after completing his A/L’s. Following completion of this course, with the assistance of BEC, Chanuka managed to find employment as an Accountant at D.P. Nanayakkara Filling Station (Keerthi Filling Station) on a contract basis and earns around Rs. 22,000 per month. He is now able to support his mother and sister’s education. Chanuka is very thankful for the support he received from BEC. He mentioned, the career guidance he received has enabled him to find a suitable job. Chanuka aspires to become a successful Businessman in the future.



3. PROFESSIONAL TRAINING FOR YOUTH

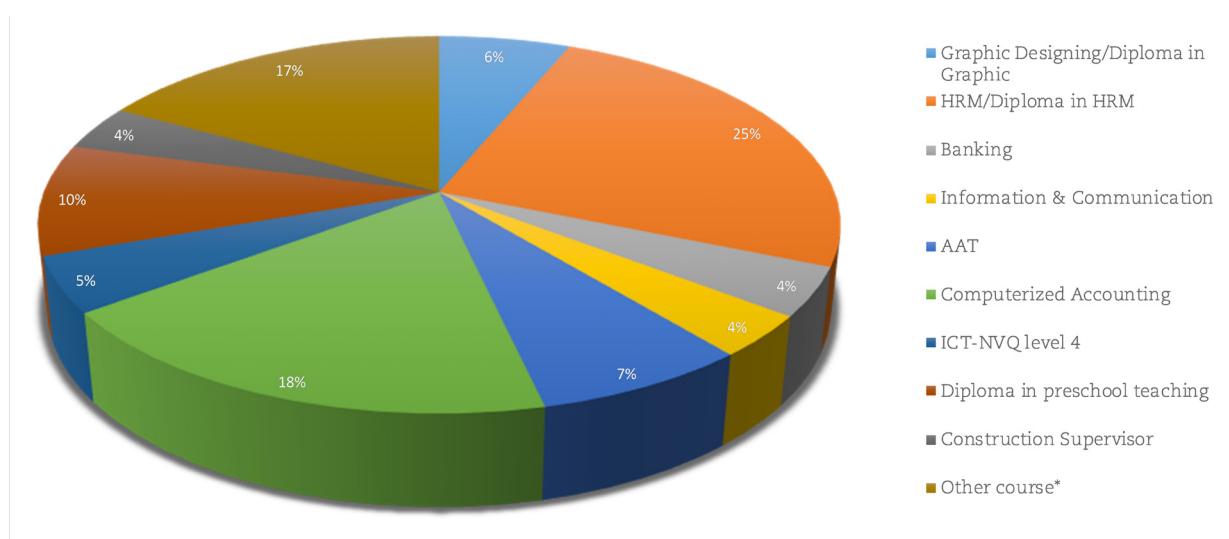
Unemployment rate is comparatively high among G.C.E A/L and G.C.E O/L qualified youth in Sri Lanka. Statistics further indicate that while 32.5% of the total unemployed are A/L qualified, 22.4% are O/L qualified (Census & Statistics, 2016). Although there are a number of available courses that provide professional qualifications for those completing G.C.E A/L or G.C.E O/L, these courses are either too long or too expensive to follow. Therefore, in 2017 BEC provided 336 scholarships for marginalized youth, who have passed their O/L's or A/L's to follow professional training courses, with the collaboration of reputed professional training institutes in Sri Lanka such

as AAT business school, BCM and CSDC. Types of trainings include HRM, Graphic Designing, Office Administration, Pre-School Teaching, Computerized Accounting and Construction Supervision. High participation rates were recorded in computerized accounting and HRM.. It was further observed that, professional courses that provide on the job training has an increasing demand. Therefore, BEC encourages youth to follow such courses where they can successfully secure a job, following completion of the course.

Table 2- District wise progress of scholarships provided for professional trainings

District	Annual target	Achievement	% of progress
Kegalle & Yatiyantota	40	28	70%
Ginigathena	40	51	127%
Nuwara Eliya	40	33	82%
Anuradhapura	40	44	110%
Puttalam	40	24	60%
Batticaloa	40	57	142%
Trincomalee	40	40	100%
Mullaitivu	40	59	147%
Total	320	336	105%

Figure 1- Type of Professional Courses



Other – Advance diploma in office administration, Charted Accountancy, Fiber Optics, Quantity Surveyings, etc



A breakthrough in gender Inclusion for trainings

Occupational gender segregation is a worldwide phenomenon that is identified as one of the contributing factors to the gender gap in income generation. Therefore, BEC in partnership with WUSC conducted a series of youth and parent career counselling programs in Kanthale DSD in Trincomalee district in order to identify female youth who are interested in the field of construction. While 7 female youth were identified based on their interest in construction site supervision, a 3-month theory training was subsequently conducted for these youth by High-tech Lanka, followed by another 3-months of on the job training. BEC has planned to place them in jobs after completing the trainings.

Young female contributing her family expenses by receive professional training



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Mahendran Mathushini(20) lives in pattiyalichenai, Kalkudah, in Batticaloa district. Her father is a mason and mother is a housewife. She has a younger sister and a younger brother, who are still pursuing their primary education. Mathushini comes from a family that has encountered many difficulties resulting from the war & Tsunami. Their family monthly income is around Rs. 18,000 which is solely supported by her father, and is insufficient to cover their day to day family expenses. Mathushini is a hard working student who studied at Bt/ Karuwakeny Vickneswara College and obtained 1A, 2B, 4C and 2S passes on the O/L examination. She further obtained 3C passes for her A/L examination in the Arts Stream. Thereafter, Mathushini approached BEC office in Batticaloa, to receive professional training for get a job and so that she can support her family to overcome their financial difficulties. Subsequently, she was placed

at the Guide Notion Campus in Batticaloa to follow an ICTT level - 04 training course. BEC provided a Professional Training Scholarship of Rs. 10,000 to cover her course fee. Following completed her training, Mathushini was successful in finding employment at Union Assurance as a trainee data entry operator in Valaichenai. She is now earning a monthly salary of Rs. 15,000 per month and she is able to contribute her family's expenses, and her younger sibling's education. Mathushini plans to continue her higher studies in ICTT to increase her income to support her family, and save for her future. Mathushini says "I am thankful to Berendina for giving me necessary support to receive professional training; and I want Berendina to continue the good service they do to support needy youth like me with job oriented training and assuring us a bright future".

Financial Assistance for a professional course

Inoka Piyathissa lives in Laval, Bulathkohupitiya in the Kegalle District. She has two elder sisters and is the youngest in the family. Inoka's father is a mason and works in a nearby construction site occasionally. He earns around Rs. 15,000 per month, which varies each month depending on the amount of work available. This income is insufficient to cover their family expenses. Since Inoka's mother is suffering from heart disease, her father is unable to go for a more stable job in Colombo, as he is the only male in the house. She later completed level 1 of Chartered Accountancy (Management level) with assistance from her sisters. Since Inoka was struggling to find finances to complete level 2, as recommended by her sisters, Inoka met with Berendina officials to sought financial assistance, and was successfully awarded a scholarship of Rs. 20,000 to complete level 2 of her Chartered Accountancy studies. No sooner, Berendina informed her of a clerical job which she gracefully accepted, since her class schedules are only on Sundays.

Inoka is now working at Dumindu Tyre House in Ruwanwella as a clerk cum sales coordinator and receives a monthly salary of Rs. 20,000. Since starting her job in October 2017, and completing two weeks of training, she now contributes Rs. 10,000 to her family. Inoka aspires to become a teacher or an accountant in the future. "I am thankful to Berendina for the support they extend to uplift the lives of poor and neglected families like me", says Inoka. Inoka's family is also a Samurdhi beneficiary and has also received further assistance from BDS Bulathkohupitiya branch to complete the construction of their house, which they currently occupy. Inoka's two sisters have also received support from BEC, and one of them worked at Pragdana Bank in Bulathkohupitiya for a few months. The two sisters are now following GAQ during the weekends. Inoka sat for her A/Ls in 2015 and obtained 1A and 2Bs in commerce stream.



4. SCHOLARSHIPS FOR VOCATIONAL TRAININGS

Although the VTA is usually responsible for providing training for the informal sector, there are however limited opportunities on skill development training for informal workers. This is mainly due to cost and length of the courses, educational pre-requisites and traditional outdated training approaches followed. Furthermore, issues on access to such courses are predominantly found among plantation and rural communities, mainly women and persons with disabilities. Moreover, the scope of the government vocational training system to reach large parts of the youth population in the country is also limited. The availability of adequately equipped vocational training institutes in the government sector for certain courses are too restricted. Therefore, from 2017 onwards, BEC initiated a scholarship assistance program for youth to follow courses in the private sector, where

there is limited or no access to government vocational training institutes. Subsequently, 387 youth were provided with vocational training scholarships during the reporting period. Type of trainings include motor mechanics, nursing, house-keeping, hotel management, ICT and graphic designing. vocational training courses offered by the government vocational training centers. However, no scholarships were provided since all government courses are provided free of charge. BEC partnered with Laughs Eco, Sarvodaya, Youth Corps, Jetwing Hotels, WUSC and World Vision Lanka among other partners to implement the activities. BEC also connected a further 429 youth to relevant vocational training courses offered by the government vocational training centers. However, no scholarships were provided since all government courses are provided free of charge.

Figure 2: District progress of Vocational Training Scholarships provided

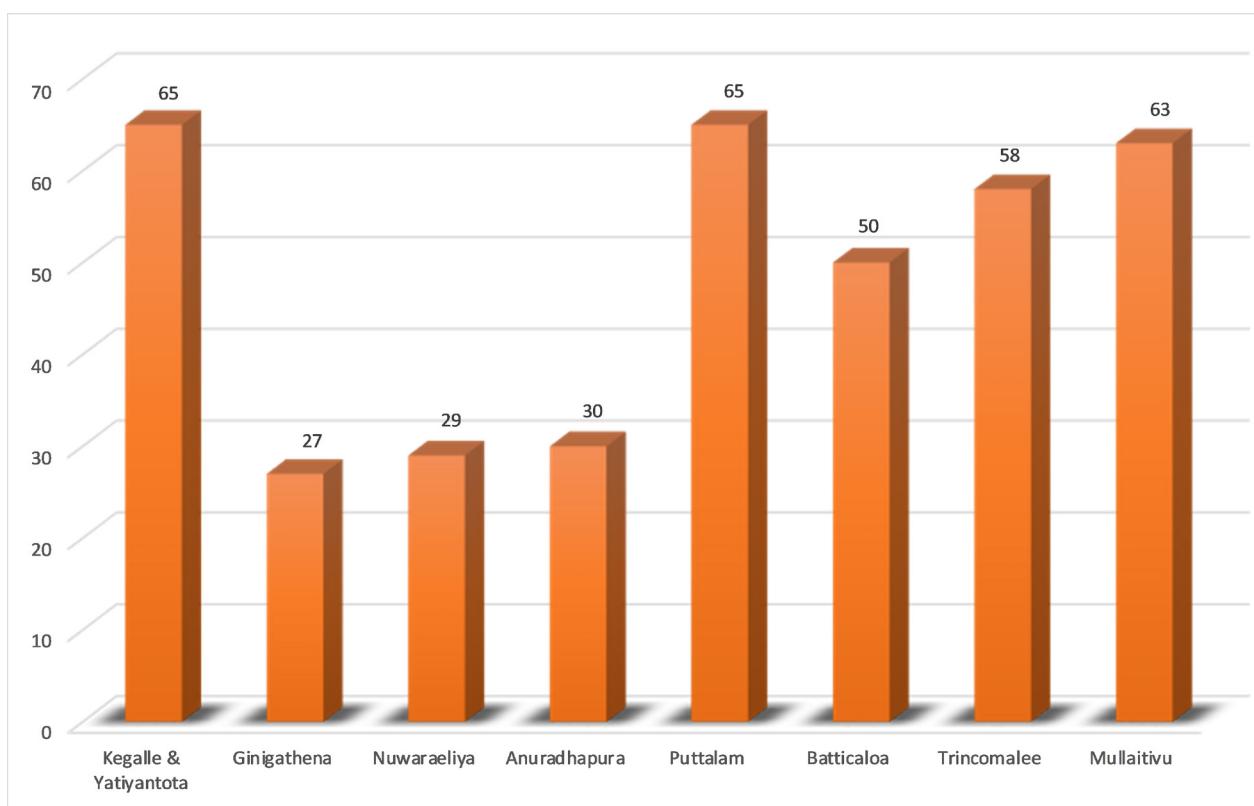
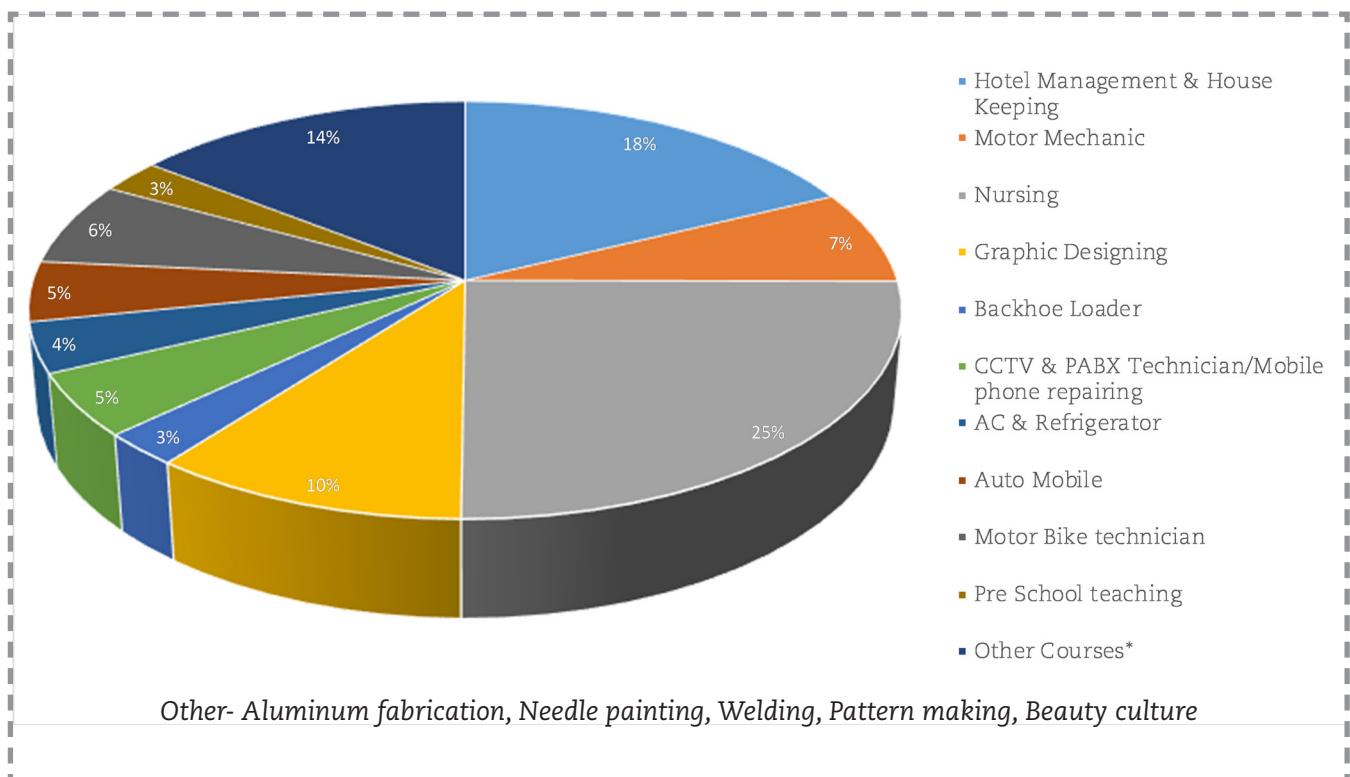


Figure 3- Vocational trainings by Categories



4.1 Partnership with Laughs Eco & Vocational Training Authority

In the reporting period, BEC initiated discussions with Laughs Eco and VTA to train under privileged youth in rural areas in the North Central Region to become Emission Testing Assistants. Subsequently, BEC identified 12 youth in Anuradhapura district and linked them with the VTA for a 3-month training. They are expected to be placed for jobs in 2018.

4.2 Motor Cycle Technician training in Mullaitivu

The motor cycle technician training was conducted in partnership with Sarvodaya and WUSC. Following the 6-month course, 21 youth were provided with necessary practical training on Emission testing and, 17 youth are currently employed as Emission Testing Assistants at Laughs Eco Centers receiving a basic salary of Rs. 17,500 a month.

Introducing Young professionals to the Hotel Sector

T.Ninthakumar (24) lives in Sittandy, a remote village located in Eravurpattu DS division in Batticaloa District. Ninthakumar's family consist of seven members. He is the middle child and has two elder brothers and two younger sisters. Ninthakumar's father is a daily laborer, and mother is a house wife. Two sisters are still pursuing their school education.

The family of seven members in a small house and their family monthly income is Rs 25,000, which they are struggling to manage the family expenses. Ninthakumar's family have encountered many difficulties in the past. They have been displaced several times due to the war, and have further been living in a camps in 2010, as a result of the floods.

Amidst all the difficulties, Ninthakumar managed to complete his Advanced Level (A/L) studies in Arts

stream, and successfully obtained 03 passes. In July

Ninthakumar participated in a career guidance program in Chenkalady division, and approached BEC to request support to develop his career. Subsequently, BEC connected Ninthakumar with the Jetwing youth development program (JYDP), where he obtained vocational training in hotel Management at Jetwing Pasikudah in Batticaloa. BEC provided a contribution of Rs. 6000 to cover his accommodation cost during his training period. After successfully completing the six-month theory course Ninthakumar was granted a placement at Jetwing Pasikudah to receive on the job training. Subsequently, he was offered a permanent job at the same hotel as a steward in the restaurant. Today, Ninthakumar earns a basic monthly average salary of Rs.25,000 including additional allowances and benefits, which he willingly contributes to the family, to cover their monthly expenses. Ninthakumar is thankful to BEC for the opportunity he received, and is very satisfied with his job. Ninthakumar's ambition is to become a professional in hotel management one day.



4.3 Progress of job placements among youth who received scholarships in 2016 and 2015

Apart from transferable and interpersonal skills that are essential to be successful in a job, employers also prefer to recruit staff with good work ethics and positive attitudes. Therefore, BEC continues to follow up with youth who have received prior vocational training assistance, to ensure they are following appropriate workplace practices. In the event they are unable to fit in to the environment, BEC directs them to more suitable working environments and further provides counsel to ensure they are able to retain their jobs. Out of the 893 youth that received scholarships in 2016, 465 have successfully been placed in jobs in 2017. Furthermore, out of 718 youth that received scholarship in 2015, 459 have successfully been placed in jobs in the subsequent year.



Table 3-Job Placement of Scholarship recipients in 2015

District	# of youth given scholarships	# of youth in jobs	%
Kegalle	70	53	76%
Yatiyantota	75	39	52%
Ginigathena	69	48	70%
Nuwaraeliya	66	40	61%
Anuradhapura	62	41	66%
Puttalam	69	45	65%
Batticaloa	110	97	88%
Trincomalee	197	96	49%
Total	718	459	64%



Empowering youth with skill development to gain employment in the construction industry

5. PROGRESS OF JOB LINKING

Sri Lankan youth often face many difficulties in entering into the current job market. This is mainly due to various reasons such as lack of relevant work-related technical skills, lack of information and facilitation to acquire appropriate skills, and lack of experience and limited opportunities for entry-level work. In order to address this issue, BEC initiated a job linking intervention where 104 job fairs were conducted across the country, with a participation of 8,052 youth. Subsequently, 1,350 unemployed youth were successful in

securing a job. These job fairs were organized in collaboration with the DS office, Public Employment Services of District Secretariats, like-minded NGOs and youth groups. Youth were properly communicated and awareness was raised among youth through banners, posters and using social media (official website and Facebook). When linking female youth with prospective employers their concerns were also taken into consideration, to ensure they obtain jobs according to their needs.

Table 4- District Wise Progress of Job Linking

Description	# of Jobs Provided
Yatiyanthota/Kegalle	146
Ginigathhena	182
Nuwara-Eliya	162
Anuradhapura	122
Trincomalee	166
Batticaloa	219
Puttalam	143
Mullaitivu	159
Total	1,350

Table 5-Job Fairs Conducted during the year

District	Number of job fairs	Female	Male	Total number of participants
Kegalle	14	450	263	713
Yatiyantota	16	297	242	539
Ginigathena	11	553	241	794
Nuwaraeliya	4	250	93	343
Anuradhapura	15	611	386	997
Puttalam	15	963	715	1,678
Batticaloa	12	799	471	1,270
Trincomalee	12	455	369	824
Mullaitivu	5	664	230	894
Total	104	5,042	3,010	8,052

5.1 Salary ranges of jobs given

BEC conducted a salary survey across the 1,350 youth that were linked for job opportunities during the reporting period, and found that over 65% of youth receive a monthly salary over Rs. 15,000, which is considered a reasonable salary for an entry level job.

Figure 3: District Wise Progress of Job Linking



6. BRIGHT STUDENT SCHOLARSHIP PROGRAM

The education system in Sri Lanka consist of three main levels: primary (grades 1 to 5), junior secondary (grade 6 to 9) and senior secondary (grade 10 to 13). The tertiary education system consists of universities, professional institutes, and technical vocational education training (TVET) institutes. The G.C.E A/L takes two years to complete and is the final stage of secondary education. There are 5 streams such as Science, Mathematics, Commerce, Arts and Technology that students can select and are required to undertake 3 subjects from their selected stream. Apart from these 3 subjects, all students are also required to study general English which intends to improve the students' English language proficiency, and a common general paper that intends to develop their general knowledge.

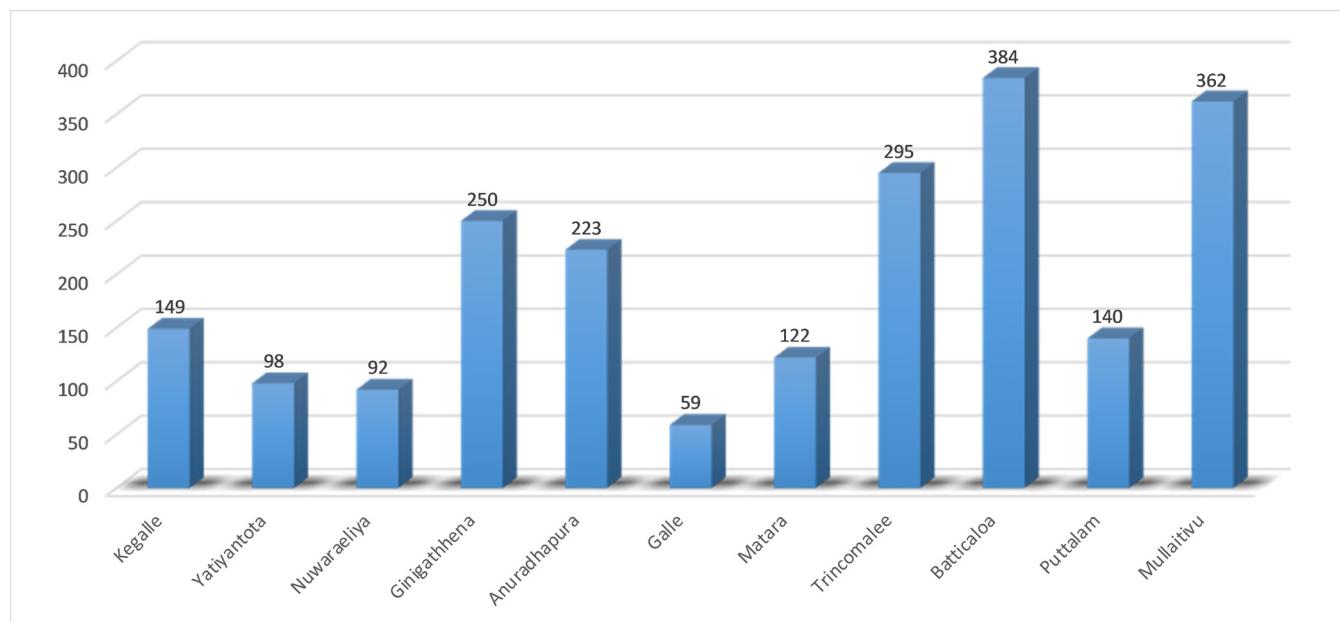
While the university admissions are determined on merit, a district quota is however reserved for students coming from educationally disadvantaged districts. The G.C.E A/L examination is considered as highly competitive.

Therefore, students usually prefer to study at private tuition classes to obtain higher marks. However, these marginalized students are unable to afford their tuition fees. Consequently, BEC intervened to support bright students from economically disadvantaged families to meet their financial requirements to fulfill their educational needs.

BEC provided scholarships to students who have successfully passed their grade 5 scholarship exam (only in plantation areas) and the Ordinary Level (O/L) examination with a minimum of 6 credit passes including a B pass in mathematics. In the reporting period, BEC implemented scholarship programs in 9 districts – Kegalle, Nuwara Eliya,

Mulathivu, Anuradhapura, Trincomalee, Galle, Matara, Batticaloa, and Puttalam. Subsequently, a total of 2,924 students were supported through BEC Bright Students scholarships. Out of which 264 students are from university, and 108 are grade 5 scholarship students, mainly from the plantation areas. Furthermore, 771 scholarship students have successfully sat for the G.C.E A/L examination in 2017.

Figure 4: District vise details of number of Scholarships



1 Students and Parent mentoring programs conducted for 2017 A/L students

During examination periods A/L students are often under intense pressure since the competition to obtain good marks are very high. They are emotional and stressed from tutors, school teachers and family members, which leave them exhausted and mentally drained. At times, the parents too feel this stress when their child's exams are nearing. Therefore, it is necessary to create awareness among students and their parents on the importance of facing exams courageously, while overcoming any stressful situations. Subsequently, in the reporting period, BEC conducted a series of student and parent mentoring sessions for students receiving scholarships for 2018 A/L's.

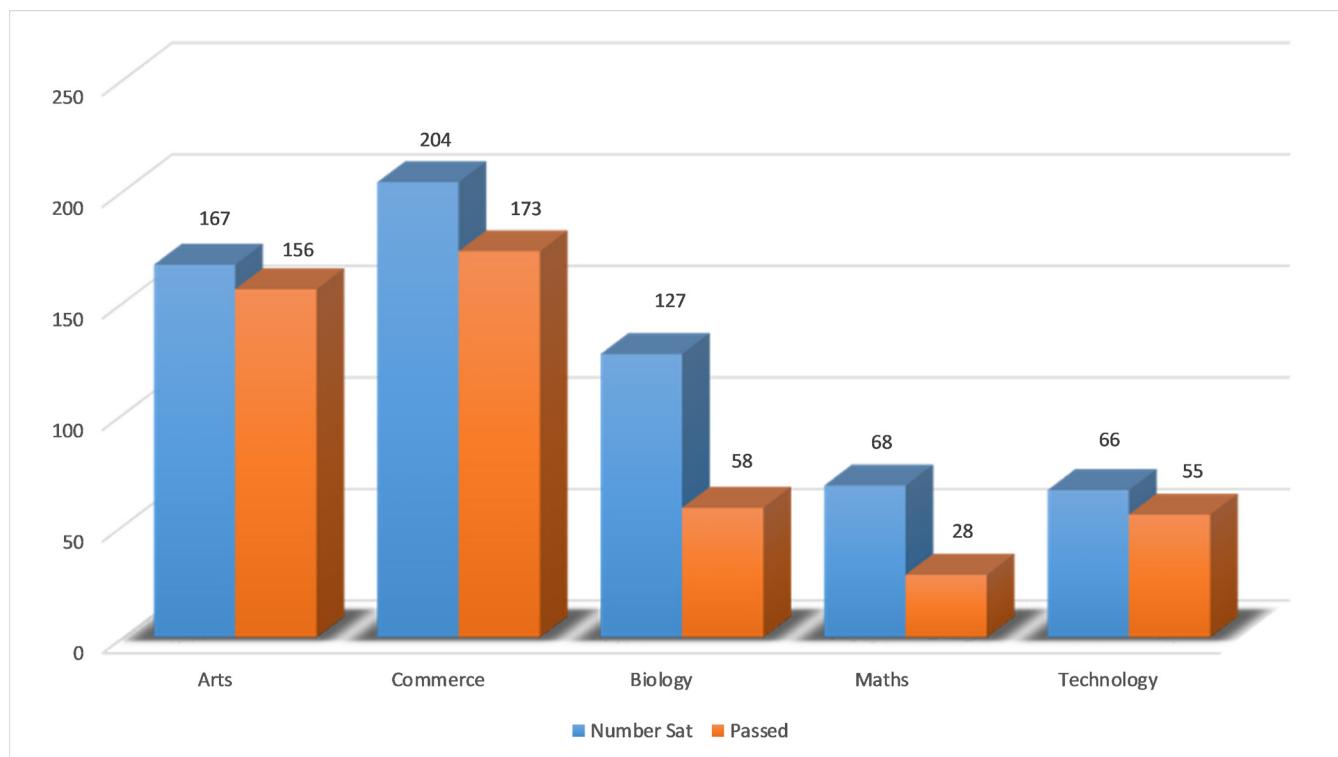
Table 6 - Student and parent mentoring programs

District	Total number of students	Total number of parents	Total participants
Kegalle	63	86	149
Ginigathena	63	69	132
Anuradhapura	64	66	130
Puttalam	104	106	210
Batticaloa	134	105	239
Trincomalee	64	57	121
Mullaitivu	71	71	142
Total	563	560	1,123



During the reporting period, BEC analyzed examination results of 632 students who have been sat for the G.C.E A/L in 2017, and found that 470 students have obtained a minimum of 3 passes. While the highest percentage of pass rate is recorded from the Arts stream (93%), the second highest is recorded from the commerce stream (85%).

Figure 5: Analysis of A/L results



Thuraisingam Tharshika's Story



35
Thuraisingam Tharshika (18) and her family lives in Murrippo, Mulliyawalai in Mullaitivu district. Her father passed away in 2009 in Mullivaikal during the past war, and lives with her mother and elder brother in a small temporary hut in Murrippo. Tharshika's mother is a heart patient, and therefore her brother

Was unable to follow his education after grade 10 and engaging labor work and earning Rs. 15,000 per month and the monthly income may varies every month. He supports his mother and Tharshika's education from this income, which is not sufficient enough to support the family. Since Tharshika's education and personal expenses needs Rs. 8,000 per month,

Tharshika is following her advanced level (A/L's) studies at Vidyananda College, Mullaitivu in Bio Science Stream and takes part in school extra-curricular activities such as debate and speech competitions, thus showcasing her skill for public speaking. Although Tharshika managed to score marks in Biology and Chemistry subjects during her term exams and she is weak in Physics.

Therefore, BSS intervened to provide additional support for tuition fee including physics which cost is Rs. 1,500 monthly

Currently, she is attending tuition classes for all 03 subjects and is ambitious to become an ENT (Ear Nose Throat) surgeon in the future, and serve her district.

7. YOUTH TRAINING ON ICT FOR LIVELIHOOD

Today, society has become very dependent on computers and technology for the smallest aspects in life. Jobs that historically did not involve computer technology have now evolved and ICT will continue to influence careers, especially among youth. It is further identified that Internet and mobile phones can be efficiently utilized to link jobs, and disseminate career information among youth.

A survey conducted by BEC on smart phone usage in the previous year revealed that over 73% of youth who attended job fairs own a smart phone. However, they are not aware of how to utilize the smart phone to obtain productive information related to career/job opportunities. Consequently, BEC developed a training module to provide awareness to youth on how to search for career/ job information using the Internet through smart phone apps and computers, and 8 trainings were successfully conducted for 686 youth.

Table 7- Training details

District	Male	Female	Total number of youth trained
Kegalle and Yatiyanthota	31	45	76
Ginigathena	23	73	96
Nuwaraeliya	11	48	59
Anuradhapura	31	2	33
Puttalam	76	7	83
Batticaloa	74	47	121
Trincomalee	46	57	103
Mullaitivu	43	72	115
Total	335	351	686



“A bright Student who received a scholarship for more than 8 years and selected for University”

M.Wasana Subashini Weeraratne(22) living in Kudumeetiya, Kotiyakubura in the Bulathkohupitiya AGA division in Kegalle District, is the eldest in the family. She has one younger brother who is schooling in grade 10. Her father is a Carpenter working in sites close to Kotiyakubura & Kegalle; and her mother is a house wife. Their monthly income is around Rs. 20,000 which varies every month. Wasana's family is a Samurdhi recipient family. At times, her mother sells king coconuts by the side of the road in the dry season, most often two months per year, for extra income.

Wasana was schooling at Rathnawali Vidyalaya in Maththamagoda until grade 5. Thereafter, she was awarded a scholarship to school at Swarna Jayanthi Maha Vidyalaya in Kegalle, after scoring excellent results from her grade 5 scholarship exam. Wasana obtained best results in her school for the scholarship exam in 2006, and received 146 marks. BEC's sister organization Berendina Development Services further supported Wasana's mother through a small grant to help her start a “packet item” business to generate income, and has further supported to construct a toilet in their house. Subsequently, after hearing about the services provided by Berendina Employment Center towards bright students, Wasana's family requested for assistance, and Wasana was eligible for BEC scholarship program from May 2007.

Wasana received a sum of Rs.750 monthly from BEC, totaling Rs. 49,500 over 66 months to cover her educational expenses until her O/L

examinations in 2012. With this assistance, Wasana was able to successfully complete her O/L examination and obtained 4A, 3B & 2C passes. Following her O/L's Wasana got the opportunity to undertake her A/L's in Technical Studies Scheme at St. Joseph's College in Kegalle, which is one of the best Girls school in the area. Berendina continued to support throughout her A/L studies with a sum of Rs. 1000 per month and covered 24 months until she completed her A/L's. To date, Wasana has received educational support worth Rs. 73,500 from BEC for eight and half years and her parents are extremely happy with the support extended by BEC for their daughter's education.

Wasana successfully passed her A/L's in 2015 and obtained 1A and 2C passes. She was also ranked 11th in the District.

Following her A/L's, Wasana received an opportunity to work as a trainee bank assistant at Kotiyakumura Peoples Bank branch with a Salary of Rs. 11,000 per month for 8 months, and was proud to be able to contribute to her family. Later on, she successfully obtained entrance to Kelaniya University to follow a 4-year degree in Engineering Technology from March 2017.

Wasana extends her heart felt gratitude to Berendina for the support given to her family and changing the lives of the poor. She is determined to help students like her whenever she can. Wasana's ambition is to become a teacher.



8. BEC APPROACH TO INFORMATION SYSTEMS

Data plays an important role in making informed decisions in an organization, and BEC too has a significant amount of information on youth and the programs conducted for them. Therefore, in 2017 BEC took the initiative to migrate its data to a well-designed information system, as a result of emerging technology.

8.1 VT Database

The VT database has all relevant information about vocational training students including scholarships given by BEC. It can be used to obtain the students' progress level at any given time and can further filter data according to gender, course, current status, registered year etc. as necessary. Therefore, using the above filtering options, information can be generated to make decisions about the student's work life and job direction. The system further provides automatic reminders if files are required to be updated.

8.2 Job Database

The job database has a collection of all Job applications collected by each BEC branch. The main objective of this system is to find the most suitable candidates for the available jobs. If employers seek candidates with a specific skill set and qualification, the system can generate the most suitable candidate for the employer.

8.3 Social Media

Social media has become the most useful tool to share information amongst the community. BEC too has utilized this tool to attract stakeholders. While Facebook is used to attract job seekers, share BEC events and publish open vacancies on its page, LinkedIn is used to attract and identify potential employers that can be connected to BEC Job seekers.

8.4 Jobsberendina.com

Jobsberendina.com is the official website of BEC, and the job vacancies available at each branch is updated regularly. Job seekers interested in vacancies advertised on jobsberendina website is able to directly apply through the website, and the relevant branch responds to the application.

The website analytical tools have enabled BEC to keep track of jobsberendina users. Subsequently, the reporting year has recorded 9187 active users, which is a 26.4% increase from the previous year. Out of the 9187 users, 8972 are new users and is a 25.12% increase from the previous year.

9. STAFF CAPACITY BUILDING

BEC provides its staff members at all levels with relevant capacity building training opportunities in order to further develop their skills and fulfill their career goals. These trainings range in the areas of management, education, career guidance, personal development, communication and advocacy.



**Quotes from Janak, District manager,
Anuradhapura BEC**

"I received training from BEC during the reporting period that enabled me to enhance the program knowledge and leadership skills. Through these trainings, I'm confident, able to improve soft skills, critical thinking, problem solving abilities and above all, to be a team player. Developing my inter-personal skills also improved to work well in teams, maintain relationships and effectively communicate with stakeholders. And also improved my presentation skills that gave me the confidence to facilitate programs and deliver messages clearly. Currently I feel that I am able to manage my team and guide them appropriately and this is a great opportunity for all my colleagues too" said by Janak.



FINANCIAL STATEMENTS

for YOUR DAILY MONEY MANAGEMENT					
DATE	ITEM / 内容	INCOME / 収入	EXPENSE / 支出	BALANCE / 残高	NOTE
15/2	Salary	15,000		15,000	
19/2			4,200	11,800	
	↓		570	10,230	
			1,000	9,230	
27/2	Interest	850		10,080	



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WRHF/RM/AD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERENDINA EMPLOYMENT CENTER (GUARANTEE) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Berendina Employment Center (Guarantee) Limited which comprise the Statement of financial position as at 31 December 2017, and the statement of comprehensive income, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities.

(Contd...2/)



Report on other legal and regulatory requirements

As required by Section 163(2) of the Companies Act No. 7 of 2007, we state the following:

- a) The basis of opinion and Scope and Limitations of the audit are as stated above.
- b) In our opinion :
 - we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company,
 - the financial statements of the Company, comply with the requirements of Section 151 of the Companies Act No. 7 of 2007.

05 March 2018
Colombo

Ernst & Young

Berendina Employment Center (Guarantee) Limited
STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2017

	Notes	2017 Rs.	2016 Rs.
INCOME			
Grants Income	3	64,669,449	58,696,204
Other Income	4	1,941,985	5,148,830
Total Income		66,611,435	63,845,034
LESS:			
Program Expenses	5	57,893,400	56,684,319
Personnel Expenses	6	4,746,737	4,345,702
Depreciation of Property, Plant & Equipment	10	207,851	249,334
Other Operating Expenses	7	2,805,805	2,206,688
Finanace Expenses	8	40,811	36,911
		65,694,604	63,522,954
Net Surplus/(Deficit) for the Year Before Income Tax		916,831	322,080
Income Tax Expense	9	(687,422)	(553,931)
Net Surplus/(Deficit) for the Year		229,409	(231,851)
Accumulated Surplus at the start of the year		1,650,045	1,881,896
Accumulated Surplus at the end of the year		1,879,454	1,650,045

The Accounting Policies and notes on pages 06 to 16 form an integral part of the Financial Statements.



Berendina Employment Center (Guarantee) Limited
STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

ASSETS	Notes	2017	2016
		Rs.	Rs.
Non Current Assets			
Property, Plant & Equipment	10	405,991	546
		405,991	546
Current Assets			
Advances & Prepayments	11	2,924,726	3,008
Cash & Cash Equivalents	12	11,037,810	7,102
		13,962,536	10,110
Total Assets		<u>14,368,527</u>	<u>10,657</u>
EQUITY & LIABILITIES			
Accumulated Funds			
Accumulated Surplus	13	1,879,454	1,650
Social Business Fund	14	1,793,050	909
		3,672,504	2,559
Non Current Liabilities			
Retirement Benefit Obligation	15	1,237,603	1,370
		1,237,603	1,370
Current Liabilities			
Accrued Expenses	16	5,041,448	1,621
Other Payables	17	3,876,373	4,599
Tax Payable		540,600	506
		9,458,420	6,727
Total Funding & Liabilities		<u>14,368,527</u>	<u>10,657</u>

The Chief Financial Officer certifies that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

.....
.....
Chief Financial Officer

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by;

.....
.....
Director

.....
.....
Godalawade
Director

The Accounting Policies and notes on pages 06 to 16 form an integral part of the Financial Statements.



Berendina Employment Center (Guarantee) Limited

STATEMENT OF CASH FLOWS

Year ended 31 December 2017

	Notes	2017 Rs.	2016 Rs.
Cash Flow from Project Activities			
Net Surplus/(Deficit) Before Tax		916,831	322,080
Adjustments for:			
Depreciation of Property, Plant & Equipment	10	207,851	249,334
Finance Expenses	8	40,811	36,911
Defined Benefit Plan Cost - Gratuity	15	23,260	1,370,090
Gain on Disposal of Fixed Assets		63,607	(4,040,000)
Operating Profit Before Working Capital Changes		<u>1,252,360</u>	<u>(2,061,585)</u>
(Increase)/Decrease in Advances & Prepayments	11	83,889	(974,264)
Increase/(Decrease) in Accrued Expenses	16	3,420,108	(2,589,222)
Increase/(Decrease) in Other Payables	17	(723,286)	3,985,217
Cash Generated from Operations		<u>4,033,070</u>	<u>(1,639,854)</u>
Bank Charges Paid	8	(40,811)	(36,911)
Tax Paid		(653,623)	(514,704)
Gratuity paid/Inter Company Transfers	15	(155,748)	-
Net Cash Flows from Operating Activities		<u>3,182,889</u>	<u>(2,191,469)</u>
Investing Activities			
Acquisition of Property, Plant & Equipment	10	(130,778)	(235,491)
Proceeds from disposal of Property Plant and Equipment		-	4,040,000
Net Cash Flow from/(Used in) Investing Activities		<u>(130,778)</u>	<u>3,804,509</u>
Financing Activities			
Social Business Fund		883,450	759,400
Net Cash Flow from Financing Activities		<u>883,450</u>	<u>759,400</u>
Net Increase in Cash & Cash Equivalents		3,935,561	2,372,440
Cash & Cash Equivalent at the Beginning of the Year		7,102,249	4,729,809
Cash & Cash Equivalents at the End of the Year	12	<u>11,037,810</u>	<u>7,102,249</u>

The Accounting Policies and notes on pages 06 to 16 form an integral part of the Financial Statements.



Berendina Employment Center (Guarantee) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

1. CORPORATE INFORMATION

1.1 General

Berendina Employment Center (Guarantee) Limited is a Company limited by Guarantee incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No.44/3, 03rd Floor, Narahenpita Road, Nawala.

1.2 Principal Activities and Nature of Operations

The principal activities of the Company are,

1. Improvement of employability of youth through carrier guidance, counseling programs and financial assistance for vocational training and personal education
2. Provisions of employment to youth through linkages with private sector and Government establishments
3. Facilitation and provision of financial assistance for rural youth to find overseas employment opportunities
4. Provision of training and financial assistance for youth to be self employed
5. Facilitate private sector companies to setup their factories or subcontract centers in rural areas
6. Act as a facilitator and a social investor to help rural entrepreneurs and institutes to start and run social enterprises
7. To partner with local and international organizations in pursuance of above objects

1.3 Directors' responsibility for financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lankan Accounting Standard for Small and Medium-sized Entities and as per the provisions of the Companies Act No.07 of 2007. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

1.4 Date of Authorization for Issue

The Financial Statements of Berendina Employment Center (Guarantee) Limited for the year ended 31 December 2017 were authorized for issue in accordance with a resolution of the board of directors on 05 March 2018.



Berendina Employment Center (Guarantee) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

2. BASIS OF PREPARATION

2.1 BASIS OF MEASUREMENT

The functional currency of the company is Sri Lankan Rupees. The financial statements of the company, which are presented in Sri Lankan Rupees, have been prepared on a historical cost basis.

2.1.1 Statement of compliance

The Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (here after "SLFRS for SMEs") issued by the Institute of Chartered Accountants of Sri Lanka. The preparation and presentation of these Financial Statements are in compliance with the Companies Act No. 07 of 2007.

2.1.2 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading.

2.2 SIGNIFICANT ACCOUNTING ASSUMPTIONS, JUDGEMENTS AND ESTIMATES

In the process of applying the accounting policies, management is required to make judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the Financial Statements. Further, management is required to consider key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below. The respective carrying amounts of assets and liabilities are given in related notes to the Financial Statements.

2.2.1 Useful -lives of property plant & equipment

The Company reviews the residual values, useful lives and methods of depreciation of assets as at each reporting date. Judgment by the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty

2.2.2 Review of impairment losses on assets

The Company determines whether assets have been impaired by performing an impairment review. This requires the estimation of the 'value in use' of the cash generating units. Estimating value in use requires management to make an estimate of the expected future cash flows from the cash generating unit and also to select a suitable discount rate in order to calculate the present value of the relevant cash flows. This valuation requires the Company to make estimates about expected future cash flows and discount rates, and hence, they are subject to uncertainty.



Berendina Employment Center (Guarantee) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.3.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured, regardless of when the payment is being made. The following specific criteria are used for the purpose of recognition of revenue.

Grants - Grants are recognized in the financial statements on cash consideration.

Grants are categorized as below,

General Grants – Used for general business activities

Specific Grants – Used for specific projects

Rendering of Services - Revenue is recognized on accrual basis for the relevant financial period.

Interest Income - Interest income is recognized as interest accrues, taking into account the effective yield of the asset.

2.3.2 Expenses recognition

Expenditure is recognized in the Income Statement on the basis of direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment or investment properties in a rate of efficiency has been charged to income in arriving at the profit for the year.

For the purpose of presentation of the Income Statement the directors are of the opinion that the nature of expense method present fairly the elements of the Company's performance, and hence such presentation method is adopted. Repairs and renewals are charged to the Income Statement in the year in which the expenditure is incurred.

2.3.3 Statement of Cash Flows

The cash flows statement has been prepared using the 'Indirect Method' of preparing cash flows in accordance with the SLFRS for SMEs – Section 7 'Statement of Cash Flows.' Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents comprise of cash in hand and cash at banks and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three months which are subject to insignificant risk of changes in their fair value.

2.3.4 Related party disclosures

Transactions with related parties are conducted in the normal course of business.



Berendina Employment Center (Guarantee) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

2.3.5 Commitments and contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognized in the Statement of Financial Position but are disclosed unless they are remote.

2.3.6 Property, Plant and Equipment

Items of property, plant and equipment are measured at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less annual rates are used for the depreciation of property, plant and equipment:

Furniture and Fittings	20%
Office Equipments	12.5%
Computer Equipment	25%
Motor Vehicles	25 %

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

2.3.7 Impairment of Assets

At each reporting date, property, plant and equipment, intangible assets, inventory and investments in associates are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2.3.8 Cash and cash equivalents

Cash and cash equivalents are: cash in hand, demand deposits, and short-term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flows statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Financial instruments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.



Berendina Employment Center (Guarantee) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

2.3.9 Other Receivables

At the end of each reporting period, the carrying amounts of other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in profit or loss.

2.3.10 Provision

Provisions for legal claims are recognized when; the company has a present legal or constructive obligation as a result of past events, it is probable that a transfer of economic benefit will be required to settle the obligation and the amount can be estimated reliably.

The provisions are measured at the present value of the future amount required to settle the obligation using a pre tax rate reflecting the current assessment of the time value of money and specific risks relevant for the obligation. The increase in provision due to time passage is recognized as an interest expense.

2.3.11 Taxation

Income tax expense represents the sum of the income tax expenses and NGO's tax expenses.

a) Current Tax

The current tax payable is based on taxable profit and grant received for the year.

The provision for income tax is based on the elements of income and expenses as reported in the financial statements and computed in accordance with the provision of the Inland Revenue Act.

The provision NGO's tax is based on the fund received during the year as reported in financial statements and computed in accordance with the provision of the Inland Revenue Act.



Berendina Employment Center (Guarantee) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

3. GRANTS INCOME

	2017	2016
	Rs.	Rs.
Berendina Stichting	61,991,217	58,349,004
BMI Clients Contribution to BEC for BSS	2,678,232	347,200
	<u>64,669,449</u>	<u>58,696,204</u>

4. OTHER INCOME

	2017	2016
	Rs.	Rs.
Income from Job Placements	532,569	545,240
Interest Income	1,409,071	561,128
Gain on Sale of Motor Vehicle	-	4,040,000
Miscellaneous Income	345	2,462
	<u>1,941,985</u>	<u>5,148,830</u>

5. PROGRAM EXPENSES

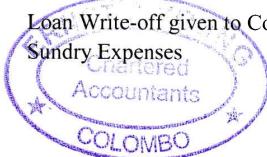
	2017	2016
	Rs.	Rs.
Vocational Training Scholarships	9,649,182	11,965,986
Job Links/Referrals	1,972,322	2,065,564
Career Guidance and Counselling	515,139	1,336,748
Institutional Support for VT Centers	-	296,710
Follow-up Session on VT Scholarships	-	95,475
Social Businesses	-	2,866,913
Life Skill+English Improvement	3,250,583	-
Bright Student Scholarships	24,905,546	15,525,723
Computer Based Learning Center	-	319,698
Tea Leaf Foundation	-	2,000,000
Fund Raising	-	190,963
Program Staff Costs	12,121,975	13,726,435
Program Related Travelling & Subsistence	2,632,839	3,033,381
Program Related Admin Expenses	2,845,815	3,260,723
	<u>57,893,400</u>	<u>56,684,319</u>

6. PERSONNEL EXPENSES

	2017	2016
	Rs.	Rs.
Salaries & Other Benefits	4,423,477	3,958,347
Defined Benefit Plan-Gratuity	23,260	387,355
Director Fee	300,000	-
	<u>4,746,737</u>	<u>4,345,702</u>

7. OTHER OPERATING EXPENSES

	2017	2016
	Rs.	Rs.
Office Administration Expenses	1,797,846	1,073,546
Professional & Consultancy Fees	382,847	114,392
Audit Fees	87,750	63,250
Loan Write-off given to Co-op Society	348,500	780,000
Sundry Expenses	188,862	175,500
	<u>2,805,805</u>	<u>2,206,688</u>



Berendina Employment Center (Guarantee) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

8. FINANCE EXPENSES	2017 Rs.	2016 Rs.
Bank Charges	<u>40,811</u>	<u>36,911</u>
	<u><u>40,811</u></u>	<u><u>36,911</u></u>
9. INCOME TAX EXPENSE	2017 Rs.	2016 Rs.
Total Funds Received as Grants, Donations and Contributions	64,669,449	58,696,204
3% of Donations so Received	1,940,083	1,760,886
NGO Tax Liability for the Year @ 28%	<u>543,223</u>	<u>493,048</u>
Tax on Other Sources of Income	144,199	60,883
Tax Expense for the Year	<u>687,422</u>	<u>553,931</u>
Total Tax Expenses	687,422	553,931

9.1 Applicable Rates of Tax and the Relevant Tax Regimes

As per the Inland Revenue Act No. 10 of 2006 and amendments thereon, all Non Governmental Organizations' are liable to 3% on all the grants received during the year, which are taxable at 28% subject to certain specified exemptions.



Berendina Employment Center (Guarantee) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

10. PROPERTY, PLANT & EQUIPMENTS

10.1	2017 (Current Year)	Office	Motor	Computer	Furniture &	Total
		Equipments	Vehicles	Equipments	Fittings	
	Cost	Rs.	Rs.	Rs.	Rs.	
	Balance as at 01.01.2017	63,581	-	515,323	424,721	1,003,625
	Additions	4,500	-	102,000	24,278	130,778
	Disposals	7,300	-	168,900	185,198	361,398
	As at 31 December 2017	60,781	-	448,423	263,801	773,005
Less: Accumulated Depreciation						
	Balance as at 01.01.2017	14,159	-	257,115	185,680	456,954
	Charge for the Year	9,020	-	130,649	68,182	207,851
	Disposals	7,034	-	148,780	141,976	297,791
	As at 31 December 2017	16,145	-	238,984	111,885	367,014
	Net Book Value as at 31 December 2017	44,636	-	209,439	151,916	405,991
10.2	2016 (Previous Year)	Office	Motor	Computer	Furniture &	Total
		Equipments	Vehicles	Equipments	Fittings	
	Cost	Rs.	Rs.	Rs.	Rs.	
	Balance as at 01.01.2016	32,486	979,167	423,223	312,425	1,747,301
	Additions	31,095	-	92,100	112,296	235,491
	Disposals	-	979,167	-	-	979,167
	As at 31 December 2016	63,581	-	515,323	424,721	1,003,625
Less: Accumulated Depreciation						
	Balance as at 01.01.2016	4,932	979,167	118,830	83,858	1,186,787
	Charge for the Year	9,227	-	138,285	101,822	249,334
	Disposals	-	979,167	-	-	979,167
	As at 31 December 2016	14,159	-	257,115	185,680	456,954
	Net Book Value as at 31 December 2016	49,422	-	258,208	239,041	546,671

- 10.3 During the financial year, the company acquired Property, Plant and Equipment to the aggregate value of Rs. 130,778 for the financial year ended 31 December 2017 (2016 - Rs. 235,491). The cost of the fully depreciated assets were Rs. 997,138 for the year ended 31 December 2017. (2016 - Rs. 663,476).



Berendina Employment Center (Guarantee) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

11. ADVANCES & PREPAYMENTS

	2017	2016
	Rs.	Rs.
Staff Loans	1,482,987	1,963,450
Advance Account	57,885	101,600
Co-op Society	-	348,500
Pre paid Rent	52,563	240,300
Pre Paid Insurance	228,744	249,915
Refundable Deposits/Other Receivables	1,102,547	104,850
	<u>2,924,726</u>	<u>3,008,615</u>

12. CASH AND CASH EQUIVALENTS

	2017	2016
	Rs.	Rs.
Petty Cash	70,000	40,000
Bank Balances	2,408,680	3,433,128
Short Term Investments - less than 3 months	8,559,130	3,629,121
Cash & Cash Equivalents for the Purpose of Statement of Cash Flows	<u>11,037,810</u>	<u>7,102,249</u>

13. ACCUMULATED SURPLUS

	2017	2016
	Rs.	Rs.
Balance as at 01 January 2017	1,650,045	1,881,896
Surplus/(Deficit) for the Year	229,409	(231,851)
Balance as at 31 December 2017	<u>1,879,454</u>	<u>1,650,045</u>

14. SOCIAL BUSINESS FUND

	2017	2016
	Rs.	Rs.
Balance as at 01 January 2017	909,600	150,200
Provision Made During the Year	883,450	759,400
Payments Made During the Year	-	-
Balance as at 31 December 2017	<u>1,793,050</u>	<u>909,600</u>



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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

	2017	2016
	Rs.	Rs.
Balance as at 01 January 2017	1,370,090	-
Provision/Inter Company Transfers Made During the Year	23,260	1,370,090
Payments Made During the Year	<u>(155,748)</u>	-
Balance as at 31 December 2017	<u><u>1,237,603</u></u>	<u><u>1,370,090</u></u>
16. ACCRUED EXPENSES	2017	2016
	Rs.	Rs.
Motor Cycle Mileage Fund	149,226	196,002
Accrued Program Expenses	4,331,825	1,109,483
Audit Fee Payable	87,750	63,250
EPF/ETF Payables	195,120	247,579
PAYE Payable	52,909	3,826
Stamp Duty Payable	925	1,200
Miscellaneous Payables	22,041	-
Give to Lanka Payables	<u>201,652</u>	-
	<u><u>5,041,448</u></u>	<u><u>1,621,340</u></u>
17. OTHER PAYABLES	2017	2016
	Rs.	Rs.
Berendina Development Services (Gte) Ltd	3,640,926	4,373,343
Berendina Microfinance Institute (Gte) Ltd	-	193,836
Berendina Micro Investments Company Ltd	<u>235,447</u>	<u>32,480</u>
	<u><u>3,876,373</u></u>	<u><u>4,599,659</u></u>



Berendina Employment Center (Guarantee) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

18. COMMITMENTS AND CONTINGENCIES

The Company does not have any significant Capital Commitments and Contingencies as at the Reporting Date.

19. POST BALANCE SHEET EVENTS

There have been no material events occurring after the Reporting Date that require adjustments to or disclosure in the Financial Statements.

20. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows;

20.1 Transactions with Key Management Personnel (KMP) and their Family Members

As per the Sri Lanka Accounting Standard for SMEs (Section -33) - "Related Party Disclosures", the KMPs include those who are having authority and responsibility for planning, directing and controlling the activities of the Company. Accordingly, the Board of Directors and members of the Corporate Management of the Company have been classified as KMPs of the Company.

20.1.1 Key management personnel compensation	2017 Rs.	2016 Rs.
Short term employment benefits		
Short Term Employee Benefits	300,000	-
	300,000	-



OUR PARTNERS

