



LKI

LAKSHMAN KADIRGAMAR INSTITUTE
OF INTERNATIONAL RELATIONS AND STRATEGIC STUDIES

ANNUAL REPORT 2016





*Peace is not going to be manufactured instantly.
Peace is a long road and a hard process.*

— Late Hon. Lakshman Kadirgamar

OUR MISSION

To engage in independent research of Sri Lanka's international relations and strategic interests, and to provide insights and recommendations that advance justice, peace, prosperity, and sustainability.

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A MESSAGE FROM THE CHAIRMAN

HON. MANGALA SAMARAWEERA

MINISTER OF FOREIGN AFFAIRS



Think tanks have long played a prominent role in the formulation of foreign policy. In countries such as Germany, India and the United States, think tanks may even surpass universities as sources of policy ideas. Given this global context, it was remarkably prescient of the late Hon. Lakshman Kadirgamar to establish a foreign policy think tank for Sri Lanka over a decade ago. I had the honour of seeing this Institute renamed the “Lakshman Kadirgamar Institute of International Relations and Strategic Studies” (LKI) during my first tenure as Foreign Minister, and of overseeing its redevelopment over the past year, during this second tenure.

Sri Lanka has made significant strides in the past year towards consolidating a rights-based democracy with robust institutions and values. This development has opened up new opportunities for truly independent research of Sri Lanka’s international relations and strategic interests, to inform and strengthen Sri Lankan foreign policy. The Institute has readily taken up the challenge to maximise these opportunities, to become a globally known centre of independent ideas and research with national impact.

Many critically important initiatives came to fruition this past year, including the release of a Strategic Plan, the launch of a working paper series and other research products, and the initiation of differentiated events to attract varied global expertise. The Institute’s research, both for the Foreign Ministry and for a wider audience, has examined a range of issues, from broad policy

frameworks to specific topics such as transitional justice, international trade, as well as Sri Lanka’s relations with other countries and in the Indian Ocean region. Through careful examination and dialogue, LKI embodies Sri Lanka’s developmental vision: to be locally grounded while open to knowledge and best practices from around the world.

In line with the vision of the late Hon. Lakshman Kadirgamar, LKI will continue to develop core products and services that play an important role in influencing Sri Lankan foreign policy, including by bringing research and insights directly to the Foreign Ministry, via in-house seminars and presentations for Ministry officials. The diversity and experience of the Institute’s staff is reflected in the quality of LKI’s publications, programmes and communications in this fiscal year.

I offer my thanks to the Board of Management for their invaluable guidance, to the staff and researchers for their dedication and productivity, to supporters for their financial contributions and assistance in kind, and to the Institute’s global network of partners and associates for their continued collaboration. I look forward to seeing LKI advance in its mission to provide thoughtful ideas and concrete recommendations that promote justice, peace, prosperity and sustainability, in Sri Lanka and beyond.

A MESSAGE FROM THE EXECUTIVE DIRECTOR

DR. DINUSHA PANDITARATNE



The year 2016 marked ten years since this Institute was renamed after the late Hon. Lakshman Kadirgamar. Perhaps fittingly for this anniversary, 2016 was when a new team dedicated itself and redoubled efforts to achieving the vision of the late Hon. Minister for this Institute – to house an intellectual centre of Sri Lanka’s international relations and strategic studies, of global standards.

The year began on a positive note of international recognition, with LKI’s first entry on the University of Pennsylvania’s annual Global Go To Think Tank Index Report in its ranking of “Top Foreign Policy and International Affairs Think Tanks” released in February 2016. Under the guidance of a distinguished Board of Management and with vital support from the Ministry of Foreign Affairs, the team focused throughout 2016 on building a number of components of the late Minister’s vision. In particular, after formulating a strategic three-year plan, it created differentiated research programmes, products, and events and recruited a team to implement these to high standards. To ensure the quality and impact of its research, the team forged new partnerships, invested in technological resources, and rebranded its communications.

The strategic plan released in 2016 details the expected progress of the Institute’s redevelopment, which was mandated by the Board of Management in 2015. It specifies introduction of new programmes, personnel, partnerships and infrastructure at LKI, taking into account common characteristics of the

world’s leading think tanks and current global trends affecting research institutions. These characteristics and trends include: first, research programmes that are flexible enough to respond to new foreign policy concerns; second, an increasing demand for shorter and digestible analyses, given that the policymakers now have only an average of 30 minutes a day to read; and third, innovative communication strategies in both digital and traditional formats.

In line with its strategic plan, the Institute established two broad research programmes – on Global Governance and the Global Economy, respectively – the latter reflecting Sri Lanka’s rightly renewed emphasis on economic diplomacy. In the first half of 2016, it recruited a core research and communications team of 5 staff, each with international qualifications. This recruitment was complemented by the establishment of a structured internship programme, to provide practical training to students and recent graduates with a demonstrated interest in international affairs, who will hopefully return to Sri Lankan research institutions after graduation. With generous support from the private sector, LKI also set up electronic access for its research team to EBSCOhost, an international database of journals and other research sources.

The Institute created a range of research products in 2016, to appeal to both current and potential audiences. These included a working paper series, policy-focused articles, and shorter features that capture the insights of global experts.

To ensure the accessibility and transparency of its major events, the team began publishing key 'takeaways' and transcripts of lectures and round table discussions at LKI, and uploading audio versions of expert insights onto its website and newly launched 'SoundCloud' channel. To elevate the international reach of its research, LKI began publishing its articles in established global outlets, including in the Tokyo-based international news magazine, *The Diplomat*. Aside from this 'public' research, LKI undertook research directly for the Ministry of Foreign Affairs on issues ranging from the transitional justice to science diplomacy.

The Institute was fortunate to host an exceptional number of global political and thought leaders in 2016 – including the Secretary-General of the United Nations and two Prime Ministers. They visited LKI at the invitation of the Chairman of the Board of Management to deliver lectures on current and emerging global issues, such as on the sustainable development goals (SDGs) and the formulation of a 'feminist foreign policy'. The Institute also engaged global insights and with international research in other ways; by hosting leading academics, including a Nobel Laureate from Hong Kong and a University President from Singapore, and by presenting the expertise of LKI's own researchers at regional conferences.

To strengthen good governance and modernise communication systems at LKI, the operations

team worked throughout the year to overcome an accounting backlog from 2012, while also introducing dedicated email addresses for all staff, and establishing a cloud-based file sharing system. To expand LKI's partnerships and networks, LKI reached out to the private sector to support the Institute's research and events, as well as its initiative to rebrand its communications tools to align with contemporary international standards. In the meantime, LKI increased the income from its Auditorium and other facilities for hire by over 80% from 2015, thanks in part to new infrastructure generously funded by the Foreign Ministry.

In addition to all these new developments, LKI has continued its previous and important work of hosting delegations from the academic, diplomatic, business and military sectors abroad from abroad, as well as meeting with representatives of the diplomatic community in Sri Lanka at their request. With a productive and rewarding year behind us, and much more to come in 2017, I would like to thank the Chairman and Members of the Board of Management, the Ministry of Foreign Affairs, each member of the LKI team, and the many invaluable supporters of LKI, for all their encouragement, advice, collegiality and assistance throughout 2016. I look forward to continuing to work together to further LKI's mission, to provide insights and recommendations that advance justice, peace, prosperity, and sustainability.



ABOUT US

The Lakshman Kadirgamar Institute of International Relations and Strategic Studies (LKI) is a multi-disciplinary research institute established by statute. The Institute is named after the late Lakshman Kadirgamar, P.C., M.P., and three-times Sri Lanka's Foreign Minister.

The Institute is the realisation of a goal actively pursued by the late Minister, to fulfill the country's need for a think tank specialising in the field of international relations and strategic studies. The Institute also reflects Minister Kadirgamar's vision for Sri Lanka, in promoting the country's intellectual profile in foreign policy research and engagement.

» THE BOARD OF MANAGEMENT

Chaired by the incumbent Foreign Minister of Sri Lanka, Hon. Mangala Samaraweera, the Board of Management comprises distinguished persons from civil society, the media, law and the private sector. Several Board members hold senior positions in government bodies, including on the Constitutional Council and the Human Rights Commission of Sri Lanka.

The Hon. Mangala Samaraweera was born in Matara, Southern Sri Lanka on 21 April 1956. After having completed his primary education at Royal College, Colombo, Hon. Mangala Samaraweera completed his studies in London. He obtained his BA (Hons) in Fashion and Textile Design at the prestigious Central St. Martins in London. On his return to Sri Lanka in 1982, he was a visiting lecturer at the Institute of Aesthetic Studies, University of Kelaniya, as well as being a consultant to the Department of Textiles, spearheading a campaign to market local textiles in the West. In 1988, he entered the political arena at the request of Hon. Sirimavo Bandaranaike, leader of the Sri Lanka Freedom Party and in the General Elections of 1989, Hon. Mangala Samaraweera was elected as a Member of Parliament for the Matara District, and he has continuously represented the Southern constituency, making him one of the most senior Parliamentarians in Sri Lanka today. He has been actively engaged in promoting reconciliation, constitutional reforms, and human rights in Sri Lanka since reassuming office as the Foreign Minister in January 2015.



Mrs. Suganthie Kadirgamar
*Senior Partner, Valoremjuris
Attorneys-at-law
Life Member*



Mr. Azam Bakeer
Markar
*General Manager,
Aitken Spence PLC*



Dr. Radhika Coomaraswamy
Member,
*Constitutional Council of
Sri Lanka*



Mr. Iqbal Athas
Journalist



Dr. Ram Manikkalingam
Founding Director,
Dialogue Advisory Group



Mr. Saliya Pieris
Attorney-at-law



Dr. Paikiasothy
Saravanamuttu
Founding Executive
Director, CPA



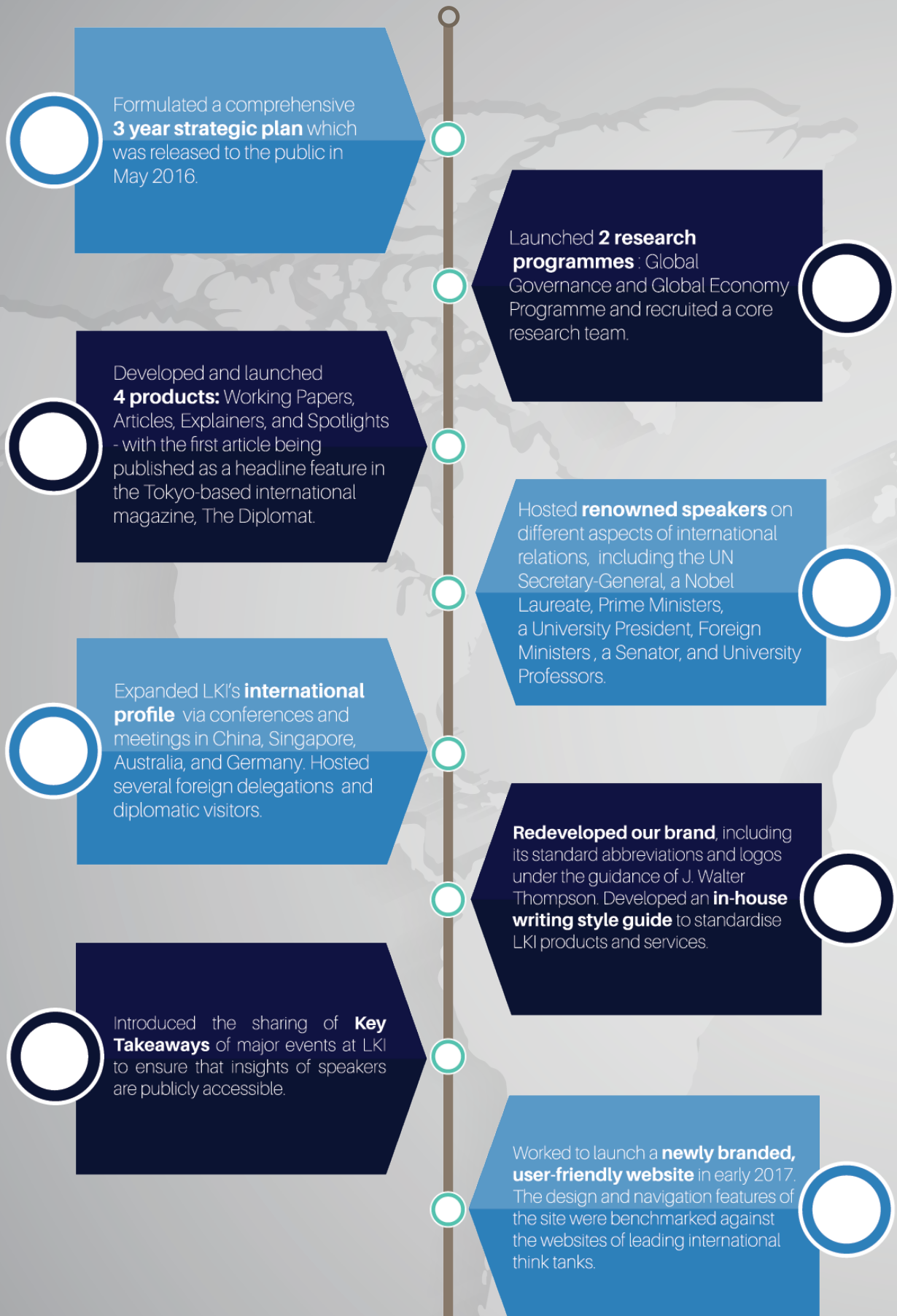
Mr. Mano Tittawella
*Chairman, EAP Holdings
Ltd*



A YEAR OF INNOVATION

» LKI HIGHLIGHTS

A look back at some of LKI's outputs and achievements in 2016.



» LKI HIGHLIGHTS



Significantly increased LKI's brand **presence online** with the launch of LKI's official SoundCloud and LinkedIn pages. Doubled LKI's audience on its Facebook page.



Increased income from venue hire in 2016 by over 80% from last year's revenue - through infrastructure upgrades, advertising, and efficiency of the events team.



Submitted overdue financial statements from 2012 onwards to the Auditor General - a win for **good governance** at LKI.



Generated **funding and partnerships** with leading private companies for research, seminars, and a research database.



LKI made its first entry into the University of Pennsylvania Global ThinkTank Index under the category of **Top Foreign Policy and International Affairs Think Tanks**.



Setup an international **electronic research database** for 24 hour access by the research team as well as a professional lki.lk email addresses for all staff, and a cloud-based collaboration platform



61,966

Pageviews of LKI website

77%

of web readers from SL. Top sources of international readers include US, UK, IN, AU, RU, NL, JP, GER, and SG.

140+

Meetings and events hosted or attended by LKI team

10%

of applicants offered an Internship, in the areas of research, programmes and communications.

2 X

Facebook Followers. Established presence on LinkedIn and SoundCloud.



OUR IMPACT

Programmes

- Global Governance Programme
- Global Economy Programme

Research

LKI released publications ranging from working papers to shorter articles that explain significant global developments and analyse their impact on Sri Lanka and the region.

Events

The Institute engaged with leading academics and policymakers through lectures, panel discussions, and round tables organised throughout the year.

» PROGRAMMES

RESEARCH PROGRAMMES

LKI's governing legislation provides that it will be dedicated to the study of Sri Lanka's international relations and strategic interests in defence, national security, law, economics, cultural relations, agriculture, and the environment. There are two programmes to capture these themes: *Global Governance* and *Global Economy* respectively.

• GLOBAL GOVERNANCE PROGRAMME

The Global Governance programme examines issues relating to geopolitics, international law, and security. These include maritime issues, cyber security, transitional justice, international human rights norms, Sri Lanka's role in the UN, and its cultural relations in sports, religion, and the arts.

• GLOBAL ECONOMY PROGRAMME

The Global Economy Programme reflects the shifting emphasis in international relations – in Sri Lanka and elsewhere – to economic diplomacy. This programme will generate analysis of Sri Lanka's trade, foreign investment and tourism, including on initiatives to reposition Sri Lanka as an economic centre of the Indian Ocean Region.



RESEARCH

LKI's research team generates publications for a range of stakeholders, including the Foreign Ministry, other ministries, the private sector, academics, civil society, students, the media, and other members of the public.

In 2016, LKI launched four distinct types of LKI products including Working Papers, Explainers, Articles, and Spotlights.

WORKING PAPERS

LKI Working Papers feature in-depth research on subjects related to Sri Lanka's international relations.



SRI LANKA – CHINA ECONOMIC RELATIONS IN COMPARATIVE PERSPECTIVE: AMPLE ROOM TO GROW

RAVINDRA DEYSHAPPRIYA

LKI's first Working Paper traces the evolution of trade, investment, and tourism relations between China and Sri Lanka, and analyses these relations in a comparative regional context.

One of the major findings of the study is that, although China has been a major FDI source and lender to Sri Lanka, FDI is still very low compared to Chinese FDI to other Asian countries. Similarly, although China is now the second largest source of tourists to Sri Lanka, Sri Lanka does not rank among even the top 25 outbound destinations of Chinese tourists.

This comparative perspective carries significant strategic potential for Sri Lankan policymakers to strengthen trade, investment and tourism relations between the two countries.

EXPLAINERS

LKI Explainers examine an aspect of Sri Lanka's international relations. They summarise key issues and new developments on these aspects, with up-to-date information, facts, and figures.



THE FUTURE OF SRI LANKA'S APPAREL EXPORT INDUSTRY: BREXIT, THE U.S. ELECTION AND OTHER KEY DEVELOPMENTS

RAVINDRA DEYSHAPPRIYA AND ANISHKA DE ZYLVA

This LKI explainer examined the implications of recent international and local developments - including the 2017 budget proposals - on Sri Lanka's most significant export industry.

RESEARCH

ARTICLES

LKI articles include reports, analyses, and opinions on foreign policy issues, often with specific recommendations for policymakers.



SRI LANKA AND AUSTRALIA'S STRATEGIC DEFENCE INTERESTS

BARANA WAIDYATILAKE

Barana Waidyatilake's article, featured in *The Diplomat* magazine, argued that Sri Lanka and Australia can significantly increase their strategic cooperation, especially in view of Australia's new defence policy articulated in its Defence White Paper 2016. Such cooperation could address issues around illegal, unreported and unregulated fishing, climate change-related crises, and the development of a rules-based order in the Indo-Pacific.

SIX PERSPECTIVES THAT EXPLAIN TRUMP'S VIEWS ON ASIA

ANISHKA DE ZYLVA AND BARANA WAIDYATILAKE



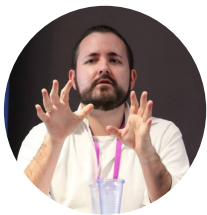
Anishka De Zylva and Barana Waidyatilake reviewed six recent articles on Donald Trump's possible foreign policy in Asia. The article sought to examine how Trump's presidency will affect economics, security, and governance in Asia, and how Asian governments should prepare themselves for the change in American leadership.

SPOTLIGHTS

LKI Spotlights feature audio or written interviews with experts from around the world on aspects of contemporary international relations.

UN PEACEKEEPING WITH DR. PHILIP CUNLIFFE

DR. DINUSHA PANDITARATNE



Dinusha Panditaratne conducted the inaugural instalment of the Spotlight Series with Dr. Philip Cunliffe of the University of Kent, on the topic of United Nations Peacekeeping and especially, the contribution of developing countries to peacekeeping operations.

SRI LANKA-BANGLADESH RELATIONS: ROOM TO GROW? WITH PROFESSOR RASHED UZ ZAMAN

BARANA WAIDYATILAKE



Barana Waidyatilake presented the insights of Prof. Uz Zaman of the University of Dhaka, on Sri Lanka-Bangladesh relations and the potential for future cooperation. The discussion covered the possibility of free trade arrangements between the two countries.



THE SOUTH CHINA SEA WITH DR. NAVIN RAJAGOBAL

ANISHKA DE ZYLVA

Anishka De Zylva visited Yale-NUS College in Singapore where she met Dr. Navin Rajagopal to discuss a persistent issue in the Indo-Pacific region: disputes in the South China Sea.

» RESEARCH

LKI'S CONTRIBUTION TO THE FOREIGN MINISTRY

LKI's research team responded to requests by the Ministry of Foreign Affairs to share insights on topics relevant to the Ministry's work. Some of the topics of LKI's research contributions to the Ministry are detailed below:

- Sri Lanka's economic challenges and the role of technology.
- Science diplomacy to support implementation of the Sustainable Development Goals (SDGs) in Sri Lanka.
- Global foreign policy developments and its impact on Sri Lanka's apparel exports industry.
- Attracting high-end tourists by being stopovers for international yachting competitions and hosting maritime festivals.
- The emerging global role for Sri Lanka "The New Window of Opportunity" transforming a nation's global standing.
- 'Options for International Participation in an Accountability Mechanism'.
- Sri Lanka as a dynamic regional hub.
- The future of Sri Lanka's apparel export industry: Brexit, the U.S. elections and other key developments.
- Change in global alignment, globalization and new opportunities and Sri Lanka-Japan relations.
- India's growth model and Sri Lanka's vision.
- Sri Lanka's diplomatic relations with Ethiopia.



H.E. Ban Ki-moon speaks on 'Sustaining Peace and Achieving Sustainable Development Goals', at the invitation of the Lakshman Kadirgamar Institute.



» EVENTS

LECTURES

LKI, together with the Ministry of Foreign Affairs and relevant missions, hosted several global leaders in 2016 at the invitation of the Hon. Minister of Foreign Affairs and the Chairman of LKI.

PRIME MINISTER NAWAZ SHARIF ON 'PAKISTAN-SRI LANKA RELATIONS'



The Hon. Muhammad Nawaz Sharif, Prime Minister of Pakistan, delivered an address on 'Pakistan-Sri Lanka Relations' on 5 January 2016. He addressed several facets of the relationship between Pakistan and Sri Lanka, including their historical relations, democracies, economic relations, and roles in regional peace and security. He highlighted Pakistan and Sri Lanka's geo-strategic and geo-economic advantages and called for the immediate launching of strategic dialogues between the two countries.

SWEDISH FOREIGN MINISTER, MARGOT WALLSTRÖM ON 'SWEDEN'S FEMINIST FOREIGN POLICY'



The Hon. Margot Wallström, Minister for Foreign Affairs of Sweden, delivered a lecture on 'Sweden's Feminist Foreign Policy' on 25 April 2016. Minister Wallström highlighted that increasing role and participation of women in the peace process and post-conflict reconciliation is vital. She stressed that women must actively participate in all decision-making processes, and be active in defining priorities.

PRIME MINISTER ERNA SOLBERG OF THE KINGDOM OF NORWAY DELIVERED 2016 LAKSHMAN KADIRGAMAR MEMORIAL LECTURE



The Hon. Erna Solberg, Prime Minister of the Kingdom of Norway, delivered the Memorial Lecture on 12 August 2016. She highlighted the role of the Sustainable Development Goals in Norway's development policy and commended Sri Lanka's textile industry for initiating energy efficiency efforts while also calling for the two countries to work together on the sustainable use of marine resources (SDG 14).

MADAM IRINA BOKOVA ON SOFT POWER FOR PEACE AND DEVELOPMENT—UNESCO AND THE SDGS



Madam Irina Bokova, Director-General of UNESCO, delivered a lecture titled 'Soft Power for Peace and Development-UNESCO and the SDGs' on 16 August 2016. Madam Bokova stated that the UN's 2030 Agenda for Sustainable Development and the Paris Climate Change Agreement must be seen as a single agenda; one that emphasises inclusivity and national ownership of the Sustainable Development Goals.

UN SECRETARY-GENERAL BAN KI-MOON, ON 'SUSTAINING PEACE AND ACHIEVING SUSTAINABLE DEVELOPMENT GOALS'



UN Secretary-General Ban Ki-moon delivered an address on 'Sustaining Peace and Achieving Sustainable Development Goals' on 2 September 2016. He highlighted Sustainable Development Goal 16 on promoting peace, justice and strong institutions, and strongly encouraged the involvement of women in Parliament and cabinet, and in reconciliation and sustainable development initiatives.

EVENTS

PANEL DISCUSSIONS

LKI's panel discussions provide a platform for scholars and policymakers to present their ideas on a particular topic while encouraging a public exchange of ideas.

AMBASSADOR ANDRÉS BARBÉ SPEAKS ON RELATIONS BETWEEN CHILE AND SRI LANKA



H.E. Andrés Barbé, the new Ambassador of Chile to India and Sri Lanka delivered a lecture on 12 January 2016. Ambassador Barbé introduced the audience to his country and spoke about relations between Chile and Sri Lanka. He also launched a book in Sinhala by Ms. Indrani Rathnasekara, entitled 'Ceilán: La Soledad Luminosa'. The discussion was moderated by LKI's Executive Director.

NOBEL LAUREATE, SIR JAMES MIRRLEES, SPEAKS ON SUSTAINABLE DEVELOPMENT



Prof. Sir James Mirrlees, a distinguished economist and recipient of the 1996 Nobel Prize for Economics, led a Dialogue on 'Sustainable Development' on 25 February 2016. Sir James presented his views on recent international developments, while also suggesting that the way forward for urbanisation lay in developing a number of smaller cities, thereby ensuring a sustainable future. The discussion was moderated by Dr. Indrajit Coomaraswamy, Governor of the Central Bank of Sri Lanka, with contributions from Professor Sirimal Abeyratne of the University of Colombo and LKI Board Member, Dr. Paikiasothy Saravanamuttu.

PROF. PERICLES LEWIS ON INTERNATIONAL PARTNERSHIPS IN HIGHER EDUCATION



Prof. Pericles Lewis, President of Yale-NUS College in Singapore, was the keynote speaker at the Dialogue on 'International Partnerships in Higher Education' on 10 May 2016. Prof. Lewis emphasised the need for a liberal arts education to be factored in when a country nurtures higher education partnerships with foreign universities. He highlighted that the hallmarks of a liberal arts education – active learning, critical thinking, and a multidisciplinary curriculum – produces well informed citizens who can make effective decisions related to matters of national importance. The discussion was moderated by LKI's Executive Director with contributions from Mr. Tissa Jayatilaka of the United States–Sri Lanka Fulbright Commission.

MARITIME POLICY IN THE INDO-PACIFIC WITH PROFESSOR SHIN KAWASHIMA



Prof. Shin Kawashima, of the Department of International Relations at the University of Tokyo, delivered a lecture on 'Maritime Policy in the Indo-Pacific' on 20 December 2016. LKI also welcomed insights from Prof. Imtiaz Ahmed, Executive Director of the Regional Centre for Strategic Studies. The event was chaired by LKI Board member, Dr. Paikiasothy Saravanamuttu, and organised with the support of the embassy of Japan in Sri Lanka.

“Now in 2016, as we all know, it is a different world, in that the importance of the Indian Ocean has increased considerably. We are talking about populations that are over two billion in this region. We are talking about two thirds of the world's oil supplies going through these waters, we are talking about two of the world's biggest, greatest economies in this region as well, and what we therefore have to try to achieve is to ensure that you have a space for peaceful competition rather than a site for conflict.

- Opening remarks of LKI Board Member, Dr. Paikiasothy Saravanamuttu, at the Panel Discussion on 'Maritime Policy in the Indo-Pacific'.

EVENTS

ROUND TABLES

LKI hosts open-ended discussions that explore specific topics and timely issues in an intimate setting with a range of experts.



DELEGATION FROM NATIONAL DEFENCE UNIVERSITY, PAKISTAN

A delegation from the National Defence University of Pakistan (NDU) visited LKI on 25 April 2016. The visit established relations between the NDU and LKI to implement the Academic Cooperation Agreement on Exchange and Collaboration, signed during President Maithripala Sirisena's visit to Pakistan in April 2015.



DELEGATION FROM NATIONAL DEFENCE COLLEGE, TANZANIA

A delegation from the National Defence College (NDC) of Tanzania visited LKI on 1 June 2016. The discussion between the NDC delegation and LKI covered topics of mutual interest such as non-traditional security threats in the Indian Ocean Region, especially piracy and drug trafficking.



SRI LANKA-AUSTRALIA RELATIONS WITH AIIA, VICTORIA

A delegation from the Australian Institute of International Affairs (AIIA), Victoria, participated in a panel discussion on Sri Lanka-Australia relations hosted by LKI on 11 July 2016. The speakers presented research on the Sri Lankan diaspora in Australia, our higher education links with Australia, and strategic relations. Dr. Wickrema Weerasooria of the Centre for Poverty Analysis, and LKI Research Fellow, Barana Waidyatilake, shared their research and insights during the discussion.



DELEGATION FROM NATIONAL DEFENCE COLLEGE, BANGLADESH

A delegation from the National Defence College (NDC) of Bangladesh visited LKI on 18 August 2016. The speakers presented on maritime security threats in the Indian Ocean Region, Sri Lanka's post-war reconciliation efforts, and on Bangladesh's management of the insurgency in the Chittagong Hill Tracts region, following the signing of the Chittagong Hill Tracts Peace Accords.



WOMEN, PEACEBUILDING AND RESOLUTION 1325

A round table discussion on 'Women, Peacebuilding and Resolution 1325' was held on 15 November 2016. LKI was honoured to have Hon. Mobina S.B. Jaffer, Canadian Senator for the province of British Columbia, speak at the round table. The discussion was chaired by LKI Board member, Dr. Radhika Coomaraswamy, former UN Special Rapporteur on Violence against Women, and the lead author of the Global Study on UNSC Resolution 1325.



INDIA AND CHINA IN SOUTH ASIA

A round table discussion on 'India and China in South Asia: New challenges and opportunities for the region' was held on 8 December 2016. Dr. Christian Wagner, Head of the Research Division (Asia) at the German Institute for International and Security Affairs (SWP) in Berlin, addressed the gathering.

EXTERNAL CONTRIBUTIONS

EXTERNAL EVENTS

LKI engages with other organisations and institutes in the field of international relations to share and expand its knowledge. It currently has MoUs with 10 think tanks outside Sri Lanka. In 2016, the Executive Director and the research staff of the Institute contributed to a number of foreign policy related conferences, symposiums and similar events in Sri Lanka and around the region. LKI also made numerous informal briefings and presentations on request and as resources permit, including to diplomats, international research firms, and foreign think tanks. LKI researchers participated in the following major conferences:



2ND SYMPOSIUM ON THE MARITIME SILK ROAD & CHINA-SRI LANKA RELATIONS

Research Director, Ravindra Deyshappriya, was invited to attend the 2nd Symposium on the 'Maritime Silk Road and China-Sri Lanka Relations' hosted by the Shanghai Institute for International Studies in Shanghai, on 11-13 of July 2016. He presented on the topic of Sri Lanka-China Economic Relations.



CONFERENCE ON STRUCTURAL TRANSFORMATION AND INCLUSIVE GROWTH

Research Director, Ravindra Deyshappriya, presented an invited research paper at the Conference on 'Structural Transformation and Inclusive Growth', conducted by the Asian Development Bank Institute, in Tokyo on 20 - 21 of September 2016.



SCO THINK TANK SYMPOSIUM

Research Fellow, Barana Waidyatilake, presented a paper on 'How One Belt One Road (OBOR) can strengthen the Shanghai Cooperation Organisation (SCO)' at the SCO Think Tank Symposium, held on 26 - 27 September 2016 in Beijing.



LBR LBO INFRASTRUCTURE SUMMIT 2016

Executive Director, Dr. Dinusha Panditaratne, spoke on the acquisition of world class talent and innovative ideas, at the 'LBR LBO Infrastructure Summit 2016' in Colombo on 21 September 2016. Dr. Panditaratne highlighted short and long term strategies – especially via immigration, legal, and educational reforms.



“

China's One Belt One Road programme can foster greater economic inter-dependency between South and Central Asia. It can thereby serve as the economic foundation on which the Shanghai Cooperation Organisation's old Central Asian membership can cooperate with its new South Asian members (India and Pakistan).

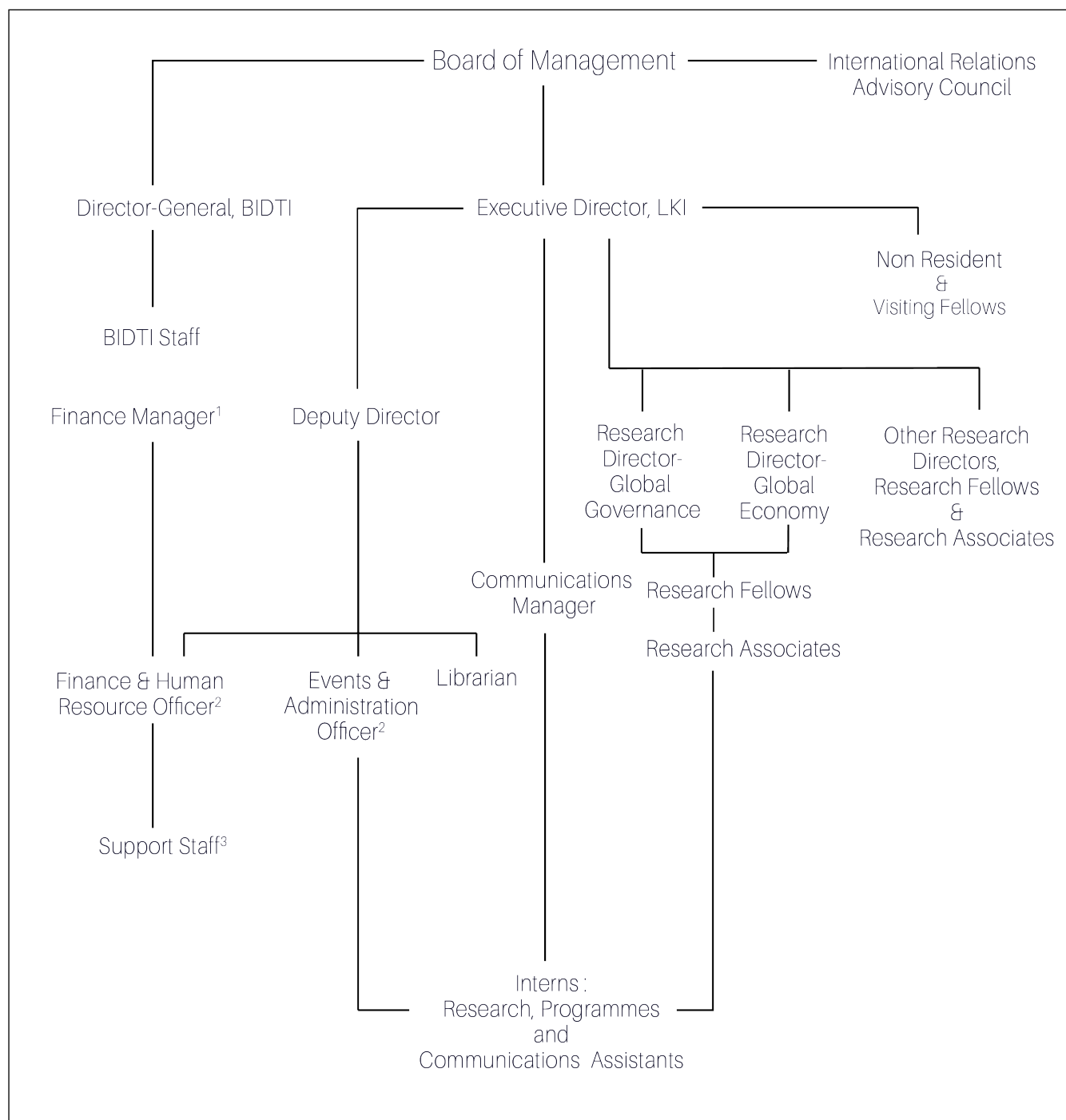
- 'How One Belt One Road (OBOR) can strengthen the Shanghai Cooperation Organisation (SCO)', LKI Research Fellow, Barana Waidyatilake at the SCO Think Tank Symposium in Beijing.

*Hon. Erna Solberg, Prime Minister of the Kingdom of Norway,
delivers the Lakshman Kadirgamar Memorial Lecture 2016.*



ORGANISATIONAL PLAN

The Board of Management approved the following organisational structure in 2016.



1. Based at the Ministry of Foreign Affairs

2. Provided by the Ministry of Foreign Affairs

3. Support staff include a caretaker, office assistants, and driver

» OUR TEAM

LKI has a core team of internationally-credentialed researchers and experienced operations staff. The work of the Institute is facilitated by dedicated support staff and talented interns. The small but growing team worked together to provide the highest quality research and insights on a range of foreign policy issues.



Dinusha Panditaratne,
Executive Director

RESEARCH TEAM



Ravindra Deyshappriya,
Research Director



Barana Waidyatilake,
Research Fellow



Anishka De Zylva,
Research Associate



Rapti Ratnayake,
Research Associate

OPERATIONS STAFF



Annelie Wambeek,
Communications
Manager



Aruni Hewapathirana,
Events & Administration
Officer



Sanjaya Gunarathna,
Finance, Procurement,
& Human Resources
Officer

SUPPORT STAFF



K.P.W.G. Sugath,
Caretaker



K.G.P.C. Aththudawa,
Office Assistant



W.M.K.G. Gayan,
Office Assistant & Driver



M.H. Dahanayake,
Office Driver

» INVESTING IN OUR FUTURE

INTERNSHIP PROGRAMME

LKI's internship programme provides practical experience to highly motivated individuals who wish to pursue a career in international affairs and public policy. Interns normally work for 3-6 months. Depending on their interests and backgrounds, they may work in the areas of Research, Communications, Programmes and Library Assistance.

INTERNS IN 2016

Awahnee Mendis
Charudaththa Ekanayake
Dharini Vijendran
Hasheem Nizar
Heshaya Senadhira
Kalana Gamlath

Leanne Amunugama
Minesh Fernando
Minha Farook
Natashiya Noordeen
Navodinee Wickramanayake
Nicola Wijeyarathna

Nivedha Jeyaseelan
Ramesh Ganohariti
Senanee Abeyawickrama
Thisuri Ekanayake
Vishvanathan Subramaniam



During my internship I was thankful for the level of responsibility handed to me, and was able to gain confidence in independently carrying out the allocated tasks. Furthermore, LKI's small size afforded me the possibility to interact with all staff, and participate and gain knowledge of all the areas of the organization.

- Ramesh Ganohariti, Leiden University.



When I look back on my internship at LKI, I am nothing but grateful, as I experienced a definite learning curve both professionally and academically.

- Senanee Abeyawickrama, NYU Abu Dhabi

Our internship programme has attracted talent from universities around the world, including from Canada, the Netherlands, Australia, the United States, and Japan.



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2016

1. Corporate Information

1.1 General

The Lakshman Kadiragamar Institute for International Relations and Strategic Studies (LKI) is an institute for strategic studies and international relations and the principal place of operations is situated at "The Light House", 24, Horton Place, Colombo 07. The Bandaranaike International Diplomatic Training Institute (BIDTI) which is vested under the LKI is located at suite 3097, BMICH Complex, and Colombo 07. Final Accounts' of LKI & BIDTI are amalgamated and submitted in this report.

1.2 Principal Activities and Nature of Operations

The LKI Provides a forum for exchange of knowledge and opinions, discussion analysis and evaluation of research in strategic studies and international relations, conducting joint seminars, lectures, and workshops, promote assist research in strategic studies and international relations, foster relationships with like minded institutions both local and foreign, act as a focal point for research and discussions on global and regional issues, assist the government in policy planning and formulation of policy alternatives.

1.3 The BIDTI is the training institute of the Ministry of Foreign Affairs and is responsible for staff training.

1.4 The Notes of the Financial Statements are attached hereto form an integral part of the financial statements.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

These Financial Statements are prepared in accordance with the Sri Lanka Public Sector Accounting Standards (SLIPSAS) introduced in 2009 and 2012. The Statement of Financial Position, Statement of Financial Performance, Cash Flow Statements and Statement of changes in Net Assets/Equity have been prepared together with Accounting Policies and Notes to the Financial Statements of the Institute as at 31 December 2016.

2.2 Property, Plant and Equipment

a) Cost

Properties, Plant and Equipment are initially recorded at cost. The cost of Property, Plant and Equipment is the cost of acquisition of construction together with any expenses incurred in bringing the assets to its working condition for its intended use.

b) Depreciations

The provisions for depreciations are calculated by using straight line basis on the cost of Fixed Assets in order to write off such amounts over the estimated useful lifetime. The principal annual rates used are :

	LKI	BIDTI
Steel Furniture	10%	10%
Electric Equipment	10%	
Office Equipment	10%	10%
Computer Equipment	25%	
Library books	5%	5%
Lecture Hall equipment		10%
Furniture & Fittings		5%
Building & Structures	5%	
Macinery	10%	
Name Board & Logo		10%

Depreciation of assets purchased during the year is charged to the Statement of Financial Performance Irrespective of the date of purchase.

» FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2016

2.3 Liabilities

All known liabilities have been accounted for in preparing the Financial Statements.

2.4 Defined Contribution Plans - Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contribution in line with respective statutory requirements and other related regulations.

2.5 Statement of Financial Performance

2.5.1 Revenue/Expenditure Recognition

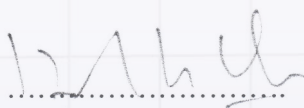
Fixed Deposit interests, interest for Treasury Bills and Course Fee of BIDTI are accounted for on cash basis and all other transactions are accounted for on accrual basis.

Declaration

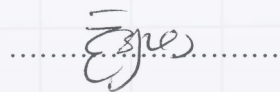
The Financial Statements give a true and fair view of the Institute's state of affairs as at 31 December 2016. For and on behalf of the Board of Directors;



H D C P Jayarathna
Finance Manager, LKI



Pamela J Deen
Director General, BIDTI



Dr. Dinusha Panditaratne
Executive Director, LKI

Date : 20.04.2017

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2016

LKR

	Notes	LKI 2016	BIDTI 2016	Total 2016	LKI 2015	BIDTI 2015	Total 2015
Revenue							
Income	1	12,452,665.82	12,910,285.54	25,362,951.36	9,176,319.69	23,029,507.98	32,205,827.67
Other Income	2	17,431,213.51	-	17,431,213.51	17,014,569.71	-	17,014,569.71
Total Revenue		29,883,879.33	12,910,285.54	42,794,164.87	26,190,889.40	23,029,507.98	49,220,397.38
Expenses							
Staff Expenses	3	8,611,099.97	5,577,595.14	14,188,695.11	4,659,174.71	3,666,448.01	8,325,622.72
Supplies & Consumables	4	14,306,163.83	3,812,679.77	18,118,843.60	14,189,413.17	15,006,059.51	29,195,472.68
Grant & Other Transfer Payments	5	90,860.00	-	90,860.00	363,440.00	-	363,440.00
Depreciations	6	1,513,546.12	403,736.30	1,917,282.42	1,015,458.28	361,798.42	1,377,256.70
Other Expenses	7	305,917.42	211,986.00	517,903.42	980,396.98	195,876.92	1,176,273.90
Finance Cost	8	156,712.62	6,000.00	162,712.62	284,759.91	6,750.00	291,509.91
Total Expenses		24,984,299.96	10,011,997.21	34,996,297.17	21,492,643.05	19,236,932.86	40,729,575.91
Surplus/Deficit (For the Period)		4,899,579.37	2,898,288.33	7,797,867.70	4,698,246.35	3,792,575.12	8,490,821.47

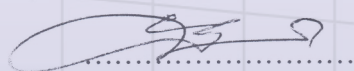
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

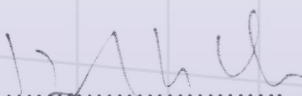
LKR

Assets	Notes	LKI 2016	BIDTI 2016	Total 2016	LKI 2015	BIDTI 2015	Total 2015
Current Assets							
Cash & Cash Equivalents	9	8,431,752.18	1,207,756.71	9,639,508.89	7,215,943.58	7,103,299.08	14,319,242.66
Festival Advance and Loan Due	10	303,482.62	5,000.00	308,482.62	28,500.00	5,000.00	33,500.00
Fuel Advance & Other Advances	11	50,000.00	-	50,000.00	80,330.00	33,299.70	113,629.70
Non Current Assets							
Investments		85,500,000.00	12,718,220.11	98,218,220.11	85,500,000.00	7,453,373.42	92,953,373.42
Property Plant & Equipment	12	8,967,216.44	2,542,867.01	11,510,083.45	5,258,720.91	2,497,115.81	7,755,836.72
Total Assets	13	103,252,451.24	16,473,843.83	119,726,295.07	98,083,494.49	17,092,088.01	115,175,582.50
Equity & Liabilities							
Current Liabilities							
Accrued Expenses	14	8,397,850.98	121,625.38	8,519,476.36	8,647,437.41	3,824,857.89	12,472,295.30
NonCurrent Liabilities							
Retirement Benefit Obligations	15	184,750.00	621,400.00	806,150.00	184,750.00	434,700.00	619,450.00
Total Liabilities		8,582,600.98	743,025.38	9,325,626.36	8,832,187.41	4,259,557.89	13,091,745.30
Net Assets		94,669,850.26	15,730,818.45	110,400,668.71	89,251,307.08	12,832,530.12	102,083,837.20
Capital Contributed By							
Capital Reserves		75,000,000.00	-	75,000,000.00	75,000,000.00	-	75,000,000.00
Accumulated Surplus		19,669,850.26	15,730,818.45	35,400,668.71	14,251,307.08	12,832,530.12	27,083,837.20
Equity & Liabilities		103,252,451.24	16,473,843.83	119,726,295.07	98,083,494.49	17,092,088.01	115,175,582.50

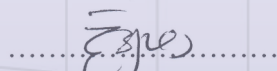
The Accounting Policies on page 24 to 25 and Notes on the page 30 - 35 are an integral part of the Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. The Financial Statements were approved by the Board of Directors and signed on their behalf. For and on behalf of the Board of Directors



H D C P Jayarathna
Finance Manager, LKI



Pamela J Deen
Director General, BIDTI



Dr. Dinusha Panditaratne
Executive Director, LKI

Date : 20.04.2017

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

LKR

Description	LKI 2016	BIDTI 2016	Total 2016	LKI 2015	BIDTI 2015	Total 2015
Cashflows From Operating Activities						
Surplus for the period	4,899,579.37	2,898,288.33	7,797,867.70	4,698,246.35	3,792,575.12	84,908,821.47
Non-Cash Movements						
Depreciations	1,513,546.12	403,736.30	1,917,282.42	1,015,458.28	361,798.42	1,377,256.70
FD Interest Capitalized	-	-294,291.59	-294,291.59	-	-	-
Increase/Decrease in receivables	-244,652.62	33,299.70	-211,352.92	7,170.00	-35,299.70	-28,129.70
Increase/Decrease in payables	-249,586.43	-3,703,232.51	-3,952,818.94	1,471,394.76	3,655,702.24	5,127,097.00
Net adjustment made to the accumulated surplus	91,891.81	-	91,891.81	-23,890.55	-	-23,890.55
Gratuity Provisions for the year 2016	-	186,700.00	186,700.00	-	186,700.00	186,700.00
Net Cashflow From Operating Activities	6,010,778.25	-475,499.77	5,535,278.48	7,168,378.84	7,961,476.08	15,129,854.92
Cashflows From Investing Activities						
Purchase of fixed assets	-4,794,969.65	-449,487.50	-5,244,457.15	-292,874.35	-364,916.11	-657,790.46
Investments in fixed deposits	-	-5,000,000.00	-5,000,000.00	-	-3,500,000.00	-3,500,000.00
Decrease in the investment value of Treasury Bills	-	29,444.90	29,444.90	-	6,559.58	6,559.58
Net Cashflow From Investing Activities	-4,794,969.65	-5,420,042.60	-10,215,012.25	-292,874.35	-3,858,356.53	-41,151,230.88
Cashflow From Financing Activities						
Net increase in cash and cash equivalents	1,215,808.60	-5,895,542.37	-4,679,733.77	6,875,504.49	4,103,119.48	10,978,623.97
Cash and cash equivalents at the beginning of the year	7,215,943.58	7,103,299.08	14,319,242.66	340,439.09	3,000,179.60	3,340,618.69
Cash and cash equivalents at the end of the year	8,431,752.18	1,207,756.71	9,639,508.89	7,215,943.58	7,103,299.08	14,319,242.66

STATEMENT OF EQUITY

STATEMENT OF CHANGES IN EQUITY/NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2016

LKI

LKR

Attributable to Owners of the Controlling Entity

	Contributed Capital	Accumulated Surplus	Total
Balance as at 01.01.2016	75,000,000.00	14,251,307.08	89,251,307.08
Surplus for the period	-	4,899,579.37	4,899,579.37
Net adjustments made to the accumulated surplus	-	518,963.81	518,963.81
Balance as at 31.12.2016	75,000,000.00	19,669,850.26	94,669,850.26

BIDTI

LKR

Attributable to Owners of the Controlling Entity

	Contributed Capital	Accumulated Surplus	Total
Balance as at 01.01.2016	-	12,832,530.12	12,832,530.12
Surplus for the period	-	2,898,288.33	2,898,288.33
Balance as at 31.12.2016	-	15,730,818.45	15,730,818.45

» NOTES

01. Income

LKR

Description	LKI 2016	BIDTI 2016	Total 2016	LKI 2015	BIDTI 2015	Total 2015
Interest	5,877,865.82	515,091.74	6,392,957.56	5,530,944.69	209,907.98	5,740,852.67
Course fees	-	12,388,955.80	12,388,955.80	-	22,819,600.00	22,819,600.00
Hire Charges	6,574,800.00	6,238.00	6,581,038.00	3,645,375.00	-	3,645,375.00
Total	12,452,665.82	12,910,285.54	25,362,951.36	9,176,319.69	23,029,507.98	32,205,827.67

02. Other Income

LKR

Description	LKI 2016	BIDTI 2016	Total 2016	LKI 2015	BIDTI 2015	Total 2015
Other Income /Miscellaneous	2,939,601.02	-	2,939,601.02	30,900.00	-	30,900.00
Grant from MFA	14,481,075.15	-	14,481,075.15	16,980,660.89	-	16,980,660.89
Loan Interest Received	10,537.34	-	10,537.34	3,008.82	-	3,008.82
Total	17,431,213.51	-	17,431,213.51	17,014,569.71	-	17,014,569.71

03. Staff Expenses

LKR

Description	LKI 2016	BIDTI 2016	Total 2016	LKI 2015	BIDTI 2015	Total 2015
Salaries	6,636,646.02	3,226,351.40	9,862,997.42	3,440,561.80	1,324,718.35	4,765,280.15
Employee's Provident Fund	756,036.71	198,851.62	954,888.33	389,641.80	78,381.88	468,023.68
Employee's Trust Fund	188,435.28	49,712.92	238,148.20	97,428.44	19,595.53	117,023.97
OT/Allowances	1,029,981.96	591,494.96	1,621,476.92	731,542.67	286,890.25	1,018,432.92
Lecturer Payments	-	815,000.00	815,000.00	-	1,094,950.00	1,094,950.00
Paper Marking, Supervising & Examinations Expenses	-	261,646.24	261,646.24	-	194,750.00	194,750.00
Travelling	-	166,248.00	166,248.00	-	216,702.00	216,702.00
Gift for Lecturers	-	81,590.00	81,590.00	-	263,760.00	263,760.00
Gratuity Provisions	-	186,700.00	186,700.00	-	186,700.00	186,700.00
Total	8,611,099.97	5,577,595.14	14,188,695.11	4,659,174.71	3,666,448.01	8,325,622.72

04. Supply & Consumables Expenses

Description	LKR					
	LKI 2016	BIDTI 2016	Total 2016	LKI 2015	BIDTI 2015	Total 2015
Newspapers & periodicals	-	192,260.00	19,260.00	-	89,337.00	89,337.00
Examination expenses	-	308,776.20	308,776.20	-	-	-
Special events	-	-	-	-	10,900,542.67	10,900,542.67
Photograph expenses	152,118.50	-	152,118.50	-	70,435.00	70,435.00
Office rent	-	1,094,595.95	1,094,595.95	-	990,427.24	990,427.24
Website development & hosting	-	156,000.00	156,000.00	-	75,330.00	75,330.00
Office maintenance	-	-	-	-	-	-
Advertising	-	63,497.00	63,497.00	-	300,033.00	300,033.00
Course inauguration, convocations & awards	-	260,932.23	260,932.23	-	293,494.92	293,494.92
Hiring vehicles	13,983.23	-	13,983.23	430,800.00	-	430,800.00
Fuel/Travelling	416,446.08	269,090.00	685,536.08	747,020.81	-	747,020.81
Water	202,294.34	-	202,294.34	213,608.73	-	213,608.73
Electricity	2,040,190.69	-	2,040,190.69	1,486,692.43	-	1,486,692.43
Postal & telecommunication	2,282,656.53	234,026.08	2,516,682.61	1,330,374.41	274,618.55	1,604,992.96
Maintenance (Garden/Building)	2,689,703.23	-	2,689,703.23	3,722,558.00	-	3,722,558.00
Stationery/Printing charges	993,446.67	436,345.57	1,429,792.24	1,065,084.40	159,058.22	1,224,142.62
Goods & services	750,927.88	-	750,927.88	-	-	-
Refreshments	727,944.99	-	727,944.99	224,550.00	-	224,550.00
Security	1,879,934.32	-	1,879,934.32	1,684,732.02	-	1,684,732.02
Janitorial	1,413,510.00	-	1,413,510.00	2,166,300.00	-	2,166,300.00
Maintenance (Plant/Machinery/ Equipments/Vehicle)	743,007.37	100,163.89	843,171.26	1,117,692.37	196,966.86	1,314,659.23
Hospitality	-	869,992.85	869,992.85	-	1,655,816.05	1,655,816.05
Training & accomodations	-	-	-	-	-	-
Total	14,306,163.83	3,812,679.11	18,118,843.60	14,189,413.17	15,006,059.51	29,195,472.68

» NOTES

05. Grants and Other Transfer Payments

LKR						
Description	LKI 2016	BIDTI 2016	Total 2016	LKI 2015	BIDTI 2015	Total 2015
Rates/Taxes	90,860.00	-	90,860.00	363,440.00	-	363,440.00
Total	90,860.00	-	90,860.00	363,440.00	-	363,440.00

06. Depreciations

LKR						
	LKI 2016	BIDTI 2016	Total 2016	LKI 2015	BIDTI 2015	Total 2015
Depreciations	1,513,546.12	403,736.30	1,917,282.42	1,015,458.28	361,798.42	1,377,256.70

07. Other Expenses

LKR						
	LKI 2016	BIDTI 2016	Total 2016	LKI 2015	BIDTI 2015	Total 2015
Miscellaneous expenses	305,917.42	89,225.00	395,142.42	780,396.98	103,376.92	883,773.90
HRC staff salary	-	-	-	200,000.00	-	200,000.00
Petty cash expenses	-	122,761.00	122,761.00	-	92,500.00	92,500.00
Total	305,917.42	211,986.00	517,903.42	980,396.98	195,876.92	1,176,273.90

08. Finance Cost

LKR						
	LKI 2016	BIDTI 2016	Total 2016	LKI 2015	BIDTI 2015	Total 2015
Bank charges/with holding taxes	90,445.62	6,000.00	96,445.62	284,759.91	6,750.00	291,509.91
Audit fees	66,267.00	-	66,267.00	-	-	-
Accounting fees	-	-	-	-	-	-
Total	156,712.62	6,000.00	162,712.62	284,759.91	6,750.00	291,509.91

09. Cash & Cash Equivalents

LKR			
	LKI 2016	BIDTI 2016	Total 2016
Bank of Ceylon	8,431,752.18	1,207,756.71	9,639,508.89

10. Festival Advance & Loan Due

LKR						
	LKI 2016	BIDTI 2016	Total 2016	LKI 2015	BIDTI 2015	Total 2015
Balance as at 31.12.2016	303,482.62	5,000.00	308,482.62	28,500.00	5,000.00	33,500.00

11. Fuel Advance & Other Advances

LKR

	LKI 2016	BIDTI 2016	Total 2016	LKI 2015	BIDTI 2015	Total 2015
Fixed deposits	50,000.00	-	50,000.00	50,000.00	-	50,000.00
Treasury bills	-	-	-	30,330.00	33,299.70	63,629.70
Total	50,000.00	-	50,000.00	80,330.00	33,299.70	113,629.70

12. Investments

LKR

	LKI 2016	BIDTI 2016	Total 2016	LKI 2015	BIDTI 2015	Total 2015
Fixed deposits	85,500,000.00	9,794,291.59	95,294,291.59	85,500,000.00	4,500,000.00	90,000,000.00
Treasury bills	-	2,923,928.52	2,923,928.52	-	2,953,373.42	2,953,373.42
Total	85,500,000.00	12,718,220.11	98,218,220.11	85,500,000.00	7,453,373.42	92,953,373.42

Fixed deposit

LKI

LKR

Institution	Date of Investment	Date of Maturity	Balance
BOC	29.05.2016	29.05.2017	5,000,000.00
BOC	05.06.2016	05.06.2017	25,000,000.00
BOC	09.06.2016	09.06.2017	1,500,000.00
BOC	21.07.2016	21.07.2017	9,000,000.00
BOC	19.09.2016	19.09.2017	15,000,000.00
BOC	17.12.2016	17.12.2017	25,000,000.00
BOC	23.11.2016	23.11.2017	5,000,000.00
Total			85,500,000.00

BIDTI

LKR

Institution	Date of Investment	Date of Maturity	Balance
BOC	11.19.2016	02.18.2017	538,187.86
BOC	11.19.2016	05.18.2017	536,015.80
BOC	02.10.2016	02.09.2017	1,059,800.00
BOC	08.24.2016	08.23.2017	1,059,963.83
BOC	11.03.2016	11.02.2017	1,600,324.10
BOC	03.11.2016	03.10.2017	2,000,000.00
BOC	05.20.2016	05.19.2017	2,000,000.00
BOC	10.07.2016	01.06.2017	1,000,000.00
Total			9,794,291.59

Treasury Bills

BIDTI

LKR

Institution	Date of Investment	Date of Maturity	Investment value	Face value
BOC	12.02.2016	03.03.2017	489,836.00	500,000.00
BOC	12.02.2016	03.03.2017	1,000,514.52	1,021,275.00
BOC	11.04.2016	05.05.2017	478,125.50	500,000.00
BOC	11.04.2016	05.05.2017	478,125.50	500,000.00
BOC	11.25.2016	05.26.2017	477,327.00	500,000.00
Total			2,923,928.52	3,021,275.00

13. Property Plant & Equipment

LKI

LKR

Description	Cost as at 01.01.2016	Additions & Disposals	Cost as at 31.12.2016	Accumulated Depreciations as at 01.01.2016	Depreciations for the year	Accumulated Depreciations as at 31.12.2016	Net Book Value
Electric Equipment	1,663,840.13	3,438,602.01	5,102,442.14	797,235.49	510,244.21	1,307,479.70	3,794,962.44
Computer Equipment	1,794,560.01	124,120.00	1,918,680.01	1,568,767.51	479,670.00	2,048,437.51	129,757.50
Office Furniture	1,994,658.48	-	1,994,658.48	656,625.28	199,465.85	856,091.13	1,138,567.35
Steel Furniture	290,259.44	-	290,259.44	114,419.51	29,025.94	143,445.45	146,813.99
Machineries	122,618.56	769,758.50	892,377.06	21,903.72	89,237.71	111,141.43	781,235.63
Sundry Items	199,209.68	34,874.70	234,084.38	28,387.93	23,408.44	51,796.37	182,288.01
Buildings & Structures	2,795,193.00	394,000.00	3,189,193.00	414,278.95	159,459.65	573,738.60	2,615,454.40
Library Books	-	460,686.44	460,686.44	-	23,034.32	23,034.32	437,652.12
Total	8,860,339.30	5,222,041.65	14,082,380.95	3,601,618.39	1,513,546.12	5,115,164.51	8,967,216.44

BIDTI

LKR

Description	Cost as at 01.01.2016	Additions & Disposals	Cost as at 31.12.2016	Accumulated Depreciations as at 01.01.2016	Depreciations for the year	Accumulated Depreciations as at 31.12.2016	Net Book Value
Office Equipment	1,470,855.24	380,270.00	1,851,125.24	1,112,294.85	185,112.52	1,297,407.37	553,717.87
Lecture Hall Equipment	805,647.50	9,000.00	814,647.50	491,035.25	81,464.75	572,500.00	242,147.50
Furniture & Fittings	1,724,721.92	36,052.50	1,760,774.42	310,716.24	88,038.72	398,754.96	1,362,019.46
Library Books	139,456.00	24,165.00	163,621.00	97,971.77	8,181.05	106,152.82	57,468.18
Name Board & Logo	409,392.51	-	409,392.51	40,939.25	40,939.25	81,878.50	327,514.01
Total	4,550,073.17	449,487.50	4,999,560.67	2,052,957.36	403,736.29	2,456,693.65	2,542,867.02

14. Accrued Expenses

LKI	LKR
Description	Amount
BMICH & Others	6,744,288.24
Audit Fee	150,000.00
Refreshment	62,000.00
Refundable Deposit	364,000.00
PAYE Tax	4,433.00
EPF & ETF	138,178.41
Salary	29,309.21
Allowance /OT	29,240.62
Fuel & Travelling	34,440.00
Janitorial	120,232.00
Maintenance Expenses	31,381.00
Telecommunications	239,892.65
Security	185,773.88
Stationery	7,250.00
Electricity	146,094.00
Water	10,222.25
Maintenance/Garden & Building	63,000.00
Goods & Services	17,829.60
Sundry Items	20,286.12
Total	8,397,850.98

BIDTI	LKR
Description	Amount
Advertising	57,387.00
Books	1,620.00
Postal & Communication	16,414.13
Water	1,337.22
Overtime	12,867.03
Examination Expenses	27,000.00
Fuel	5,000.00
Total	121,625.38

15. Retirement Benefit Obligations

	LKI	BIDTI
Balance as at 01.01.2016	184,750.00	434,700.00
Provisions for the year	-	186,700.00
Payment	-	-
Balance as at 31.12.2016	184,750.00	621,400.00

Auditor's Opinion (Auditor General's Department)

Except for the matters highlighted in paragraph 2.2, the financial statements of LKI as at 31 December 2016 have been prepared in accordance with the Sri Lanka public sector accounting standards. Financial operations and cash flows show a true and fair review of the institution.

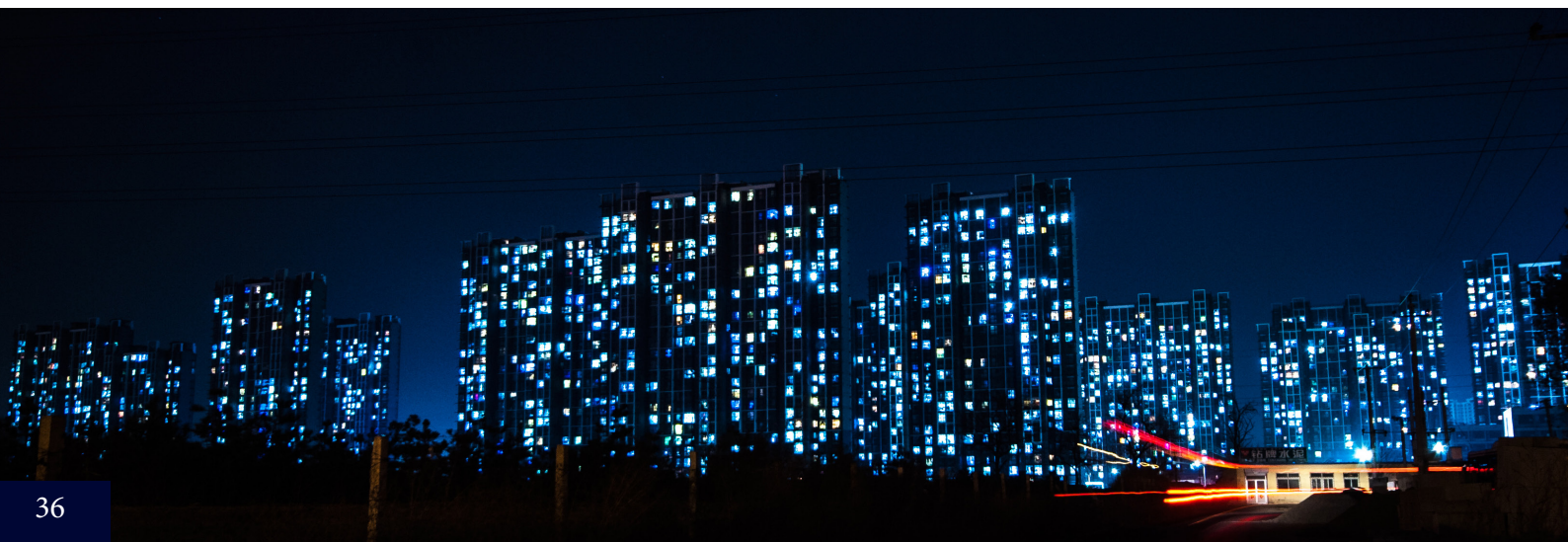
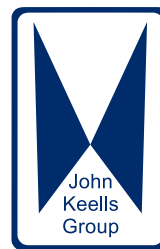
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