



Sri Lanka Ports Authority

Annual Report

2010



Colombo Port Expansion



Magam Ruhunupura Mahinda Rajapaksa Port

VISION

To consolidate Sri Lanka's position as the premier maritime logistics centre of the Asian region.

MISSION

To increase our profitability and customer base by providing excellent service and world class facilities.

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OUR GOALS AND CORPORATE OBJECTIVES

GOALS

- ▶ To establish Sri Lanka as a Maritime Hub.
- ▶ To consolidate the position of the Port of Colombo as an international mega hub port for container operations and as a logistics centre in the South Asian Region.
- ▶ To project the Port of Galle as a preferred cruise vessel destination whilst offering commercial port services.
- ▶ To expand and develop the Port of Hambantota as an international Free Zone/Port and logistics hub whilst offering total services to the maritime industry.
- ▶ To develop the Port of Trincomalee as a Green Port with enhanced facilities for leisure and expanded facilities for industrial development.
- ▶ To develop regional Ports of Oluvil, Point Pedro and Kankasanthurai as gateways for the regions development.
- ▶ To maintain high levels of Productivity in order to ensure speedy turnaround of vessels.
- ▶ To improve maritime related ancillary services thus creating more opportunities for employment.
- ▶ To maintain a profitable operation of the Commercial Ports and to develop a good reputation as an efficient and reliable Port operator by providing a high quality customer service.
- ▶ To develop activities to provide a competitive and quality service for container operation with a view to attracting transshipment activities including relay cargo, entrepot trade and bonded activities.
- ▶ To contribute towards regional development of Sri Lanka by providing necessary Port facilities to act as a catalyst in hinterland development.

CORPORATE OBJECTIVES

- ▶ To develop and maintain state of the art facilities in the commercial Ports of Sri Lanka.
- ▶ To maintain effective and efficient Port Services.
- ▶ To provide a competitive edge to importers and exporters by ensuring a cost effective, efficient and reliable service.
- ▶ To ensure the safety and security of ships, cargo, Port users and Port infrastructure.
- ▶ To provide a conducive working and service environment for all stake holders.
- ▶ To contribute to the Consolidated Fund of the General Treasury for current and capital expenditure of the government.
- ▶ To enhance the administration and organizational aspects of the Sri Lanka Ports Authority including the revision of cadres and assessment of manpower requirements. The practice of staff proceeding on No pay Leave for work over seas will once again be encouraged in view of its benefits to the country's economy. Our Mahapola Training Center will further train and re-train staff to meet the requirements created by this scheme.
- ▶ To diversify the Port related activities such as offshore services, bunkering, fresh water supply, and container repairs, etc.
- ▶ To implement a management orientated financial reform with higher tax efficiency, better Portfolio management and more aggressive cost control.

SHIPS ARRIVAL (ALL PORTS)

Description	2009	2010	Variance (%)
Port of Colombo	4,114	3,910	-5.0
Port of Trincomalee	310	109	-64.8
Port of Galle	32	48	50.0
KKS, Myliddy, PP & Karainagar	136	8	-94.1
Total	4,592	4,075	-11.3

CARGO THROUGHPUT OF PORT OF COLOMBO

Description	2009	2010	Variance (%)
Total Cargo Throughput (MT Mn)	49.0	61.3	24.9

CONTAINER THROUGHPUT (TEUs) OF PORT OF COLOMBO

Description	2009	2010	Variance (%)
SRI LANKA PORTS AUTHORITY			
Imports	208,418	278,893	33.8
Exports	204,667	284,456	39.0
Transshipment	1,260,313	1,533,845	21.7
Re-stowing	41,090	69,979	70.3
Total	1,714,488	2,167,173	26.4
SOUTH ASIA GATEWAY TERMINAL			
Imports	165,115	182,755	10.7
Exports	173,792	186,140	7.1
Transshipment	1,372,742	1,561,744	13.8
Re-stowing	38,160	39,629	3.8
Total	1,749,809	1,970,268	12.6
PORT OF COLOMBO			
Imports	373,533	461,648	23.6
Exports	378,459	470,596	24.3
Transshipment	2,633,055	3,095,589	17.6
Re-stowing	79,250	109,608	38.3
Total	3,464,297	4,137,441	19.4

CARGO DISCHARGED IN PORT OF COLOMBO (IN THOUSAND TONNES)

Description	2009	2010	Variance (%)
Containerized	10,725	14,106	31.5
Break Bulk	510	605	18.6
Dry Bulk	2,097	2,551	21.6
Liquid Bulk	4,007	4,130	3.1
Total	17,339	21,392	23.4

CARGO LOADED IN PORT OF COLOMBO (IN THOUSAND TONNES)

Description	2009	2010	Variance (%)
Containerized	9,784	12,328	26.0
Break Bulk	139	22	-83.9
Dry Bulk	0	4	-
Liquid Bulk	19	28	45.4
Total	9,942	12,382	24.5

TOTAL CARGO HANDLED IN PORT OF COLOMBO (IN THOUSAND TONNES)

Description	2009	2010	Variance (%)
Containerized	20,509	26,434	28.9
Break Bulk	649	627	-3.3
Dry Bulk	2,097	2,555	21.9
Liquid Bulk	4,026	4,158	3.3
Total	27,281	33,774	23.8

CARGO HANDLED IN PORT OF TRINCOMALEE (IN THOUSAND TONNES)

Description	2009	2010	Variance (%)
Discharged	1,904	1,960	2.9
Loaded	334	194	-41.9
Total	2,238	2,154	-3.8

CARGO HANDLED IN PORT OF GALLE (IN THOUSAND TONNES)

Description	2009	2010	Variance (%)
Discharged	166	317	91.0
Loaded	1	1	-
Total	167	318	90.4

CARGO HANDLED IN PORTS OF KKS, MYLIDY, PP & KARAINAGAR (IN THOUSAND TONNES)

Description	2009	2010	Variance (%)
Discharged	240	11	-95.4
Loaded	7	0	-
Total	247	11	-95.5

TOTAL NUMBER OF EMPLOYEES

Description	2009	2010	Variance (%)
Port of Colombo	12,263	11,726	
Port of Trincomalee	591	598	
Port of Galle	513	500	
Total	13,367	12,824	

All Ports (Rs. Million)

Description	2009	2010	Variance (%)
Revenue and Expenditure			
Total Revenue	23,331.4	28,279.3	21.2
Total Expenditure	21,389.7	23,892.4	(11.7)
Operating Profit	1,941.7	4,386.9	125.9
Foreign Loan Interest	1,159.4	1,225.2	(5.7)
Foreign Exchange (Loss)/Gain	591.1	(4,409.8)	(846.0)
Profit Before Tax & After Foreign Exchange (Loss)/Gain	1,373.4	(1,248.1)	(190.9)
Taxes			
Income Tax	463.9	156.9	66.2
Deemed Dividend Tax	34.2	-	100.0
Differed Tax	1,250.4	342.9	72.6
Social Responsibility Levy	12.0	2.4	80.0
Net Profit/Loss After Provision for Taxes	2,113.7	(1,064.5)	(150.4)
Balance Sheet			
Non Current Assets	148,187.5	185,834.0	25.4
Current Assets	23,886.2	17,369.2	(27.3)
Current Liabilities	14,915.7	12,913.6	13.4
Equity and Other Capital	7,591.4	7,591.4	0.0
Reserves & Provisions	78,166.1	78,795.1	(0.8)
Non Current Liabilities	71,400.5	103,903.1	(45.5)
Ratios			
Operating Profit to Revenue	8.3	15.5	
Annual Revenue Growth	(7.2)	21.2	
Return on Capital Employed	1.2	2.3	

**His Excellency Mahinda Rajapaksa
President of Sri Lanka and
Minister of Ports and Highways**

**Hon. Rohitha Abeygunawardena
Deputy Minister of Ports and Highways**

**Hon. Nirmala Kothalawela
Deputy Minister of Ports and Highways**

I am pleased to state that 2010 has been a truly impressive and very productive year due in large measure to the contribution of the work force of Sri Lanka Ports Authority and of the loyal support of our valued customers. I would like to pay tribute to all those demonstrated commitment to SLPA in order to increase our volumes at an acceptable level. I am confident that prospects for the coming years continue to be buoyant particularly due to change of attitudes of all stakeholders of the SLPA without any doubt.

Performance

We have assured to prove to our customers that the competent management of the SLPA is willing to face any challenge to retain and expand our section of the market. During the year under review we have entered into 04 new Terminal Service Agreements and attracted 10 Main Line Shipping Services and 02 Feeder Services to Jaya Container Terminal. We have also been able to provide facilities for 05 more Shipping Lines at the Jaya Container Terminal.

SLPA initiated steps to introduce electronic documentation transfer system to facilitate importers and exporters for them to submit shipping documents and payment of SLPA charges without visiting the Port. Steps were being taken to set up a cargo village at Peliyagoda to facilitate Port Users under one central location without visiting the busy Port for Port related activities.

Operating capabilities of the Container Terminals of SLPA were enhanced by improving new technologies including software for Terminal Operation, Management, Vessel and Yard Planning and shipping solutions. The Terminal Management accommodated innovation and commercialization of new ideas in order to

satisfy stakeholders. We have also been able to introduce a maintenance policy to satisfy the day to day operational requirements and to ensure maximizing the equipments' useful life span.

Container throughput handled at the Container Terminals managed and operated by SLPA had shown a record performance in both domestic and transshipment volumes. A 36.4% growth had been recorded in domestic container volumes from 413,085 TEUs in 2009 to 563,349 TEUs in 2010. The growth of transshipment containers handled at the SLPA Terminals had shown a 21.7% increase from 1,260,313 TEUs in 2009 to 1,533,845 TEUs in year 2010. The total 2,167,173 TEUs had been handled in 2010, an overall improvement of 26.4% increase compared to 1,714,488 TEUs handled in 2009.

Finance

SLPA has been able to proceed with the development projects as programmed due to far sighted financial policies followed by the SLPA such as maintaining reserved funds for unforeseen contingencies and for regular renewal and modernization of installation and for the long term investment for major port expansion projects. SLPA has achieved status of an autonomous establishment, the most desirable form of administration due to financial self sufficiency by maintaining balance of revenue and expenditure with exercising strict controls ensuring elimination for unnecessary formalities while organizing productive work in rational and economical ways.

Development Projects

We have completed phase 1 of Magam Ruhunupura Mahinda Rajapaksa Port and made the port operational from November

2010 initially to function as a service and industrial port. We have already commenced 2nd phase of the Port at a cost of approximately US\$ 800 Million. Construction of fully fledged bunkering facilities and a tank farm with 14 tanks having a total storage capacity of 80000 MT of petroleum products was commenced and were continued during the year 2010. Construction work of breakwater under Colombo Port Expansion Project was satisfactorily in progress. Memorandum of Understanding was signed during the year of review for the construction of the South Container Terminal work of the Colombo South Harbour with a capacity to handle another 2.4 Million TEUs. Construction work of Oluvil Port comprising a Commercial and Fisheries Harbour is nearing completion and ready for operation by March 2011. Development of Ports of Galle, Trincomalee and KKS was also continued during the year.

of SLPA for their co-operation and support to achieve high standards of performance by the SLPA during the year of 2010.



**Dr. Priyath B Wickrama
Chairman**

Human Resource Development

In order to facilitate and drive a high performing culture at SLPA, we continued to develop the capabilities of our employees as an on going process. SLPA believed in empowering of officials and employees. Hence, we offered opportunities for their, self development and career growth. Human Resource Development policies implemented during the year of 2010 have resulted in efficient, effective and economical performances, achieving objectives of customer satisfaction and optimum utilization of resources.

Conclusion

In conclusion, I thank His Excellency the President, Hon. Deputy Ministers, Secretary to the Ministry, SLPA Board of Directors & Management and other Officials for their valuable guidance during the year. I also thank our valued customers and employees

Dr. Priyath B Wickrama
Chairman

B. Sc. Engineering (Hons), PhD (UK)
PG Dip. In Energy Technology

Dr. Wickrama graduated from the University of Moratuwa in year 2000 with the B Sc (Hons) degree in Engineering. He possesses a postgraduate Diploma in Energy Technology. In year 2008, he was awarded the Doctor of Philosophy (PhD) in Port Operations Management by the International University of America in the United Kingdom.

Dr. Wickrama joined Sri Lanka Ports Authority as a Mechanical Engineer in 2001. He was appointed as the Executive Director (Technical & Human Resources Development) in 2004. After serving 1 ½ years as the Executive Director, he was appointed as the Vice Chairman of the SLPA in 2005. Dr. Wickrama took over the office as the Chairman – SLPA in November 2008.

He serves as the Chairman of the Sri Lanka Port Management & Consultancy Services (Pvt) Ltd and as well as the Chairman of JCT (Pvt) Ltd. In addition to the above positions Dr. Wickrama is the Director – Southern Port Development Project, where he has been entrusted to develop a new sea port in Hambantota, which is one of the utmost priority development projects of the present government under “Mahinda Chinthana”.

He holds the position of Chairman of Peliyagoda Warehouse Complex Ltd. He is a Director of Urban Development Authority and as well as a Director of National Paper Company.

Dr. Wickrama serves as a Corporate Member of the Institute of Engineers – Sri Lanka and is also one of the Committee Members of the IESL Council from 2006. He also functions as a Member of the Planning & Development Committee of the International

Association of Ports & Harbours (IAPH) which is a global alliance of Ports representing 230 ports in about 90 countries handling over 60% of the world seaborne trade. He is an affiliated member of Chartered Institute of Marketing.

By the “3 Year Plan” introduced recently, Dr. Wickrama expects to encounter incoming challenges and lead the organization successfully towards the progress.

Mr. Indika Karunajeewa
Vice Chairman

Solicitor (UK), LLM (Warwick),
Attorney-at-Law

Mr. Karunajeewa was appointed as the Vice Chairman of Sri Lanka Ports Authority in June 2010. Mr. Karunajeewa is also serving as a Senior Assistant Secretary to His Excellency the President of Sri Lanka.

Mr. Karunajeewa completed his early education at Royal College Colombo 07. He completed his legal studies at Sri Lanka Law College and enrolled as an Attorney-at-Law of the Supreme Court of Sri Lanka in the year 2000.

Mr. Karunajeewa read for a Masters Degree in Public International Law at the University of Warwick, UK and graduated with honours in 2003. He practiced in the Law Courts of Sri Lanka specializing in Criminal and Intellectual Property Law.

He is also a Solicitor of England and Wales. Mr. Karunajeewa was posted overseas as a Minister Counselor to the Sri Lanka High Commission in the United Kingdom from July 2006 to May 2010.

Capt. Nihal Keppetipola
Managing Director

Master Mariner, MBA, MNI, MCILT

An old boy of Dharmaraja College, Kandy.

After his A Levels in 1975, Capt. Nihal Keppetipola joined the Ceylon Shipping Corporation as an officer cadet where he sailed on various types of ships such as container, general cargo, bulk, oil and gas tankers.

He obtained his Masters in Maritime Science and Navigation in 1985 at Melbourne, Australia. After sailing for several years as a Captain with many shipping lines such as Chepstow & Shipping – UK, V Ships – Monte Carlo, Ahrenkiel – Germany, Pan Ocean – Korea and Ceylon Shipping Corporation, he joined the Sri Lanka Ports Authority as a Harbour Pilot in 1990.

After working as a Pilot in all ports in Sri Lanka, i.e. Colombo, Trincomalee, Galle etc., he rose to the position of Harbour Master of all ports in 1999.

Due to various requests by senior management at different periods he, in addition to his portfolio as Harbour Master, carried out specialized jobs such as handling operations, security and logistics connected with the maritime industry.

Soon after, he obtained a promotion to Director (Port Operations) in 2005 and to Additional Managing Director in 2006. Currently he is the Managing Director of the Sri Lanka Ports Authority.

Capt. Keppetipola is also a Board Director of Jaya Container Terminals Limited. He is the Past President of Nautical Institute of UK (Sri Lanka Branch) and also a Member of the Chartered Institute of Logistics & Transport.

Capt. Keppetipola is also attached to the Ministry of Ports & Highways as an Examiner of Deck Officers.

Dr. Sanjaya Sedara Senerath **Executive Director**

Initial Education at Rahula College Matara. His journey at school which is the very

foundation of the adult life was remarkable because of his achievements as the Head Prefect, President Scout and winner of School Colours and National Colours. This very foundation itself paved the way for him to get to the President position of Old Boys Association of Rahula College Colombo Branch.

After Advance Level examination he has entered the Law College. While studying at the Law College he has been granted a Scholarship to People's Friendship University, Moscow, Russia and obtained the Medical Degree and another Degree in "Russian Language Teaching" from the same University.

After the graduation he worked as a Doctor (Medical Officer) in the General Hospital of Matara.

Subsequently He has obtained a Post Graduate Diploma in Business Management and Finance Control from the School of Business Management, Moscow, Russia.

Other Achievements

Secretary of International Student Council and most outstanding student (Overseas category – 1995) Peoples Friendship University, Moscow.

He has wide International exposure in Business Management. Instigated several foreign exchange investments in Sri Lanka.

Steered a Group of Companies successfully involved in a number of social welfare projects mainly in the South of Sri Lanka.

In April 2007 He was appointed to the board of Directors of the Sri Lanka Ports Authority thereafter appointed as an Executive Director of the SLPA. Subsequently he has been actively functioning as Director Observations of the Galle Port and the Chairman of the Colombo Port Integrated Land Development Project.

He has actively engaged in further exploring the opportunities available world wide in terms of the strategic location of Sri Lanka towards the development of SLPA.

Prasanna Kalutarage
Director

Mr. Prasanna Kalutarage who joined the service of the Sri Lanka Ports Authority in 1987 was later elected as the General Secretary of the Sri Lanka Nidahas Sevaka Sangamaya, Port Branch in 2004. He has been a devoted member of the Trade Union activities of the Sri Lanka Port Authority. In recognition of the valuable service he performed, he was appointed as a Director of the Sri Lanka Ports Authority in 2005.

Mr. Kalutarage pioneered to revitalize the "Piya Puthu Padanama" which has been dormant for a long period. This made the doors open to employees of the children of Ports Authority. Mr. Kalutarage is also the Head of the "Regulatory Committee for progress Proposals" which deals with solving problems of the employees with the participation of both the Management and the employees. In addition to that, his office is open during the five working days of the week to listen to the grievances of the employees.

As the chairman of the Housing Committee of the Port, he has initiated several steps to provide better welfare measures to employees. Sportsmen and women and artists who excelled in their respective field are felicitated under the guidance of Mr. Kalutarage.

As a Director he performs an active role to formulate strategies to enhance productivity of the Ports Authority and he pioneered to implement the 02 shift three gang working system.

Mr. Kalutarage functions as the Co-Chairman of the "Colombo Port Integrated

Land Development Project" and has made far-sighted development proposals such as creating "Cargo Village". The data base prepared under this project to provide all details of buildings, human resource and equipment is very vital to the Port.

He plays a leading role to implement the concept "From Port to Village" and thereby to uplift basic amenities of remote villages where people undergo severe hardships.

He contributed immensely to provide port employees with the opportunities to visit overseas ports and gain better understanding on the procedures followed therewith, with a view to adopt them for the development of our ports.

Mr. Kalutarage was appointed as a Director of the Jaya Container Terminal Limited with effect from 10.10.2007. He functions as Senior Deputy Vice President of Buddhist Association and the President of SLPA Sports Club. The first award ceremony to appreciate the Sportsmen/Women who brought pride to the SLPA was organized by the SLPA Sports Club under the chairmanship of Mr. Kalutarage.

He was recently appointed as Vice Chairman of the Volleyball Federation of Sri Lanka and also an Advisor of Netball Federation.

Mr. R A Jayatissa
Director

Mr Jayatissa is an Economist. He is a BA honors graduate in Economics from the University of Ceylon and also holds a MA degree in Development Economics from Williams College, USA and a MA degree in Political Economy from the Boston University, USA. Mr. Jayatissa started his carrier as an Assistant Lecturer at Peradeniya University and later joined the Central Bank of Sri Lanka as staff officer. Having served as Director of Economic Research and Assistant Governor of the

Central Bank of Sri Lanka (1995-2000), Senior Economist (1993-95) at the International Monetary Fund (IMF), Alternate Executive Director (2000-2004) of the IMF and Deputy Secretary to The Treasury (2005-2008) and Senior Economic Policy Advisor to the Ministry of Finance and Planning (2005-2010) he has extensive knowledge and experience in economic and financial policy and management issues. Mr. Jayatissa has also served as a member of the Boards of National Development Bank, SME Bank and the People's Bank. At present he is a Board member of the Sri Lanka Insurance Corporation Ltd. and a Senior Consultant Economist at the Academy of Financial Studies of the Ministry of Finance and Planning.

Mrs. W Sudharma Karunaratne
Director

MA (Pub. Admin) Carlton University, Canada,
BA (Special) Degree in Geography (1st Class)

Director General of Customs

Mrs. Karunaratne joined the Sri Lanka Administrative Service in 1984 and served in the capacities of Assistant Director, Assistant Controller, Deputy Director, Director and Director General in various Government Departments and Ministries. Since 2005, Mrs. Karunaratne has served as Director General of Management Services and Director General of National Budget in the Ministry of Finance and Planning. Presently, she is working in the Sri Lanka Customs as the Director General. Also Mrs. Karunaratne has served as a Member of many official committees appointed by the Cabinet of Ministers in various fields, such as, Administration, Establishment, Human Resource Development, Salaries & Cadre, Re-structure and Reforms etc. Mrs. Karunaratne has also rendered her services as a Member of Cabinet Appointed Tender

Boards and as a Director of several Boards of Management, such as, State Mortgage and Investment Bank, Kothalawala Defense University, and Child Protection Authority. Presently, she is serving as a Director of Board of Management in Sri Lanka Ports Authority, BOI, National Dangerous Drugs Control Board and Precursor Control Authority.

Mrs. Karunaratne followed several professional seminars/courses conducted by ADB, IMF, World Bank, OECD, Commonwealth, JICA, SLIDA, etc.

Dr. (Mrs) Damitha de Zoysa
Director

Dr. de Zoysa is a graduate from the University of Peradeniya with a B.A. (Hons) in Economics (Statistics). She has obtained a M.Sc. in Agricultural Development Economics from the Australian National University in Canberra, Australia. She holds a M.A in Economics and a Ph.D. in Agricultural Economics from the Ohio State University, Columbus, Ohio, USA.

She was appointed the Secretary, Ministry of Fisheries and Aquatic Resources Development with effect from 25th April 2010 and re-appointed to the same position on 25th November 2010. As the Secretary of the Ministry, currently serving on the Boards of Sri Lanka Ports Authority, Sri Lanka Export Development Board, National Aquatic Resources and Development Agency (NARA). She is a Member of the Petroleum Resources Development Committee appointed by the Secretary to the President.

Dr. de Zoysa belongs to the Sri Lanka Planning Service and had her initial period of career at the National Planning Department of the Ministry of Finance & Planning where she served in different capacities after leaving the University as Planning Officer, Assistant Director, Deputy Director, and Additional Director. In 1999 she was

promoted as Director in the same Department. In year 2005 she was promoted as Director General, Department of Fiscal Policy of the same Ministry. Prior to her current position, she also functioned as the Director General of the Development Finance Department of the Ministry of Finance & Planning.

While being at the Ministry of Finance & Planning, she served as the Chairman of the Plantation Trust Fund, Member of the Boards of the Sri Lanka Institute of Nano Technology (SLINTec) and, Sri Lanka Institute of Nano Technology (NANCO) (Pvt) Ltd. She was a Board Member of the National Enterprise Development Authority, Paddy Marketing Board, Advanced Construction Training Academy and the Sri Lanka Savings Bank. She was also a Board member of the National Water Supply and Drainage Board (NWS&DB) and the Lanka Puthra Development Bank. She resigned from the Board of DFCC Bank upon assuming duties as the Secretary of the Ministry of Fisheries & Aquatic Resources Development.

Mr. Eshana De Silva
Director

Educated at Royal College, Colombo 7. Also a Member of the Institute of Certified Professional Managers (MCPM). He holds a number of senior positions in both the private and public sectors. At present he is the Chairman of Esna Holdings (Pvt) Ltd., Chairman of Shermans Logistics (Pvt) Ltd., Chairman of Shermans Transport (Pvt) Ltd., Deputy Chairman/Managing Director of Shermans International (Pvt) Ltd., Director of Pan Asia Banking Corporation PLC (PABC), Board Member of Board of Investment of Sri Lanka (BOI), Director of Mc Marine (Pvt) Ltd., Director of Lanka Shipping & Logistics, Director of Simatech Agency Lanka, Director of Shermans Sons (Pvt) Ltd., and is also the Chairman of the Chamber of Young Entrepreneurs and is a

member of the Interim Committee of Sri Lanka Cricket.

Mr. Eshana De Silva has been the past Chairman of the Sri Lanka Agri Business Corporation (SLABCO) and also has been a member of the Special Advisory Group of the Ministry of Foreign Affairs. He also serves as a Consultant for Foreign Companies.

Mr. Kapila Liyanagamage
Secretary to the Board

Legal Consultant – Sri Lanka Ports Authority

Management Team

Dr. Priyath B Wickrama Chairman	Mrs. D G I C Lokuhewage Chief Engineer (Contract & Design)	Mr. H A N S Fernando Actg. Chief Manager (Supplies & MM)
Mr. Indika Karunajeewa Vice Chairman	Capt. R A Jayawickrama Harbour Master	Mr. D A J I Perera Actg. Chief Manager (Container Operations)
Capt. Nihal Keppetipola Managing Director	Mr. L Premasiri De Silva Chief Internal Auditor	Mr. Upul Jayatissa Actg. Chief Manager (Marketing & Business Development)
Dr. Sanjaya Sedara Senerath Executive Director	Dr. (Mrs.) D Rajakanthan Chief Medical Officer	
Mr. Prasanna Kalutharage Director	Mr. H D H Samarasinghe Chief Engineer (Marine)	Mr. P Ranathunga Actg. Chief Manager (Welfare & Industrial Relations)
Mr. Norman Weerathne Director (Human Resource Development)	Mr. L H R Sepala Chief Human Resource Manager	
Mrs. Shirani Wanniarachchi Director (Finance)	Mr. P W Waduge Chief Engineer (Mechanical Works)	Audit Committee
Mr. J K P Kurukulasuriya Director (Southern Port Development)	Mr. D U W De Zoysa Chief Manager (Administration)	Mr. R A Jayatissa Chairman
Mr. G A Thalagala Director (Port Operations)	Major Gen. S G Karunarathne Chief Security Manager	Mrs. W S Karunarathne Member
Mr. A D T Gunasekara Director (Technical)	Mr. P A A Hewageegana Chief Engineer (Civil)	Mr. Prasanna Kalutharage Member
Miss A I Pathmaperuma Chief Law Officer	Mr. E A T Edirisuriya Chief Engineer (Mechanical Plant)	Mrs. Shirani Wanniarachchi Member
Mr. M P S S Peiris Chief Engineer (Planning & Development)	Mr. S Abeyesiriwardana Chief Engineer (Planning & Development)	Mr. G A Thalagala Member
Mr. K A Ansar Chief Training Manager		Mr. A D T Gunasekara Member
Mr. D W Atapattu Chief Manager (Logistics)	Mr. W N Alson Chief Operations Manager (Conventional Cargo)	Mr. L Premasiri De Silva Secretary

Activities and Major achievements of the year 2010 are given below.

1) Ten New Main Line & Two Feeder Services were attracted in 2010.

➤ **Mainline Services**

- ▶ MSC – Golden Gate Service GGP – E/B
- ▶ MSC – South Africa Service
- ▶ ZIM – Asia – Mediterranean – Europe (AME) service
- ▶ Evergreen, Wan Hai and Simatech – EAF – W/B – East Africa
- ▶ RCL & Simatech – RPI/SIP – Pakistan India Service E/B
- ▶ Hanjin/Hyundai/YML/UASC – Adriatic Service – W/B
- ▶ MSC – New Falcon Service – E/B (Far East to Middle East and Med)
- ▶ Evergreen/OOCL/Simatec – AGI – Asia Gulf India W/B & W/B
- ▶ Hub Line CCX – Chennai Colombo Express
- ▶ Craedo Shipping – Sugar Service

➤ **Feeder Services**

- ▶ MSC/Far Shipping – Colombo – Chittagong Feeder
- ▶ MISC – Chennai, Yangoon & Colombo Feeder

2) Entered in to Terminal Services Agreements (TSA's) with four (04) Shipping Lines.

- ▶ MSC
- ▶ Wan Hai Line
- ▶ CMA – CGM
- ▶ Emirates Shipping Line

3) Five (05) new Main Line Operators were attracted to the SLPA in 2010.

- ▶ MSC
- ▶ Hub Line
- ▶ Craedo Shipping
- ▶ RCL
- ▶ Simatec

4) SLPA managed Terminals reported following results.

- ▶ Domestic container handling volumes increased by 36.4%.
- ▶ Transshipment container handling volumes increased by 21.7%.
- ▶ Total SLPA managed terminal volumes increased by 26.4%.
- ▶ Increased market share to 52%
- ▶ SLPA terminals achieved highest ever monthly handling throughput of 201,212 TEU's in August 2010.
- ▶ SLPA terminals achieved highest ever annual handling throughput of 2.1 million TEU's.

5) Port of Colombo reported following results.

- ▶ Domestic container handling volumes increased by 24.0%.
- ▶ Transshipment container handling volumes increased by 17.6%.
- ▶ All container terminals volumes increased by 19.4%.
- ▶ Port of Colombo terminals achieved highest ever handling throughput of 4.1 million TEU's.

Sri Lanka Ports Authority was established by the Sri Lanka Ports Authority Act. No. 51 of 1979 on the 1st August 1979 and subsequently amended by Act Nos. 7 and 35 of 1984.

Section 6(1) of the Sri Lanka Ports Authority Act defines its objects and duties as follows.

- ▶ Provision of efficient and regular service for Stevedoring, shipping and transshipping, landing and warehousing, wharfage, the supply of water, fuel and electricity to vessels, for handling petroleum, petroleum products and lubricating oils to and from vessels and between bunkers and depots, for pilotage and mooring of vessels, for diving and underwater ship repairs and any other services incidental thereto.
- ▶ Provision of efficient and regular tally and protective services.
- ▶ Regulation and control of navigation within the limits of and the approaches to the Ports.
- ▶ Maintenance of Port installations and promotion of the use, improvement and development of the specified ports.
- ▶ Co-ordination and regulation of all activities within any specified port excluding the functions of the Customs Department.
- ▶ Establishment and maintenance on and off the coast of Sri Lanka such lights and other means for the guidance and protection of vessels as are necessary for navigation in and out of the specified ports.
- ▶ Performing such other duties as are imposed on the Ports Authority by the Act.

- ▶ Conducting the business of the Ports Authority in such manner and to make in accordance with this Act such charges for services rendered by the Authority as will secure that the revenue of the Authority is not less than sufficient for meeting the charges which are proper to be made to the revenue of the Authority, to replace assets, make new investments and to establish and maintain an adequate general reserve and
- ▶ Endeavour to manage the specified ports and each of them as self-supporting enterprise in accordance with the provisions of the Act.

In terms of Section 5 (1) of the SLPA Act, the Ports Authority has a Board of 09 Directors appointed by the Hon. Minister.

The Chairman is the Chief Executive and is in charge of the overall administration of the Sri Lanka Ports Authority.

Changes in the Senior Management

Mr. J K P Kurukulasuriya was appointed as the Director (Southern Port Development) with effect from 02.02.2010.

Mr. P A A Hewageegana was appointed as the Chief Engineer (Southern Port Development) with effect from 02.02.2010.

Mr. S Abeyesiriwardena was appointed as the Chief Engineer (Planning and Development) with effect from 02.02.2010.

Mr. H A N S Fernando was appointed as the Acting Chief Manager (Supplies and Material Management) with effect from 09.02.2010.

Mr. G A Talagala was appointed as the Director (Port Operations) with effect from 23.09.2010.

Mr W N Alson was appointed as the Acting Chief Operations Manager (Conventional Cargo) with effect from 23.09.2010.

Mr. Jayantha Perera was appointed as the Acting Chief Manager (Container Operations) with effect from 23.09.2010.

Mr. Upul Jayathissa was appointed as the Acting Chief Manager (Marketing and Business Development) with effect from 23.09.2010.

Mr. P Ranathunga was appointed as the Acting Chief Manager (Welfare and Industrial Relations) with effect from 23.09.2010.

Mr. A D T Gunasekara was appointed as the Director (Technical) with effect from 25.11.2010.

Retirement in the Senior Management

Mr. R P Abeyakone, Additional Managing Director retired from Sri Lanka Ports Authority with effect from 12.01.2010.

Mr. H G D Jayathunga, Director (Technical) retired from Sri Lanka Ports Authority with effect from 19.01.2010.

Mr. L H M M B Herath, Chief Manager (Welfare and Industrial Relations) retired from Sri Lanka Ports Authority with effect from 04.02.2010.

Mr. W K Ariyadasa, Director (Logistics) retired from Sri Lanka Ports Authority with effect from 04.12.2010.

CASA

The Ceylon Association of Ships Agents (CASA) held several meetings with the management of the SLPA during the year to discuss Port related matters and issues of concern to their members. These

discussions proved fruitful in sorting out problems, maintaining mutual understanding and cordial relationship with the Port users and thereby to improve the productivity.

Appeal Panels Against Disciplinary Orders

There were fifty four (54) appeals tendered to the Chairman / Board of Directors by the Employees against disciplinary orders imposed on them which were referred to five Appeal Panels duly constituted in terms of the rules and regulations of the SLPA.

Out of these appeals, four (04) were granted and thirty two (32) were rejected and eighteen (18) to be finalized.

Foreign Training and Scholarship Opportunities

During the year under review, a total of thirty nine (39) Officers holding senior and middle management level posts in the Authority were awarded scholarships and given opportunity to follow training programmes and participate in the conferences and seminars conducted by International Organizations outside Sri Lanka.

In addition to this, ten (10) employees of SLPA traveled to foreign countries to represent Sri Lanka in sports competitions.

Communication & Public Relations

Communication & Public Relations Division (CPRD) has been established to foster better communication among the management, the employees and the external parties. As the SLPA has continued to take innovative steps to promote the overall image of the institution, the process has been strongly supported by the Communication & Public Relations Division through electronic and

print media while participating at local and international exhibitions.

Within the spectrum of duties vested upon CPRD by SLPA, the Division actively deals with the external organizations locally and internationally to boost the image of SLPA. Every possible step has been taken to give a wider publicity, locally and internationally with regard to upcoming development of Port Projects.

Communication and Public Relations Division has successfully continued the "Theertha" monthly newspaper distributed free of charge among employees of Sri Lanka Ports Authority to fulfill one of the major objectives of enhancing better communication between the management and employees. It also serves to identify various talents of employees in a number of spheres of social interest such as sports, aesthetic subjects, and ideology and further makes a gate way to make employees aware of timely actions, rules and regulations of SLPA towards elevating efficiency and productivity.

Communication and Public Relations Division also maintains archives library facilities of both print and electronic data records for institutional reference. Computerized data and original hard copies of all matters published related to SLPA in local newspapers and most of the magazines in Sinhalese, Tamil and English are secured at the Division, whilst a state of the art electronic studio protects all video visuals of past and present coverage of SLPA for future reference as well as for the need of production of various video documentaries for SLPA. A manual and a computerized library of photography is also available at the Division which keeps records of all images of coverage done for SLPA.

With the co-ordination of the Communication and Public Relations Division

a new code of payments was also introduced for the utilization of SLPA premises according to the importance of the particular venue utilized for temporary commercial purposes such as photo shooting, film making and tele-advertising by out side parties. Meanwhile a continued procedure has been followed by the Division, up to date, to offer the most accurate and realistic feed back through special media releases to be published to counter adverse articles published and broadcast against the image and development implementations of SLPA.

SLPA had the opportunity to promote and raise awareness of the Port of Colombo as the leading Hub in South Asia and Sri Lanka as a maritime centre at a number of exhibitions held in Sri Lanka during the year, namely, "Deyata Kirula" National Exhibitions held in Pallekale, "Wisdom – 2010" at Rathnapura. 10th Anniversary Exhibition of Faculty of Engineering - University of Ruhuna in Galle, "Exmo 2010" at University of Mooratuwa, "Thunkal Dekma" at Battaramulla, "Janapathi Abhisheka" – 2010 at Kalutara and "Wayamba Udanaya" at Nattandiya where we could make the school children and the general public aware of the facilities and services available in the Ports and of the development projects. Printing of updated brochures and leaflets for these programmes were undertaken by this Division. C & PR Division is playing a vital role in organizing the functions and events of the Authority. The newspaper supplements which were published to mark the various events were designed and organized by this Division. Much recently the Division extended a dedicated performance in offering ample publicity for the innovative "Karadiyawara Mangalyaya" Sea Water filling to the Harbour Basin of Hambantota Port and the inauguration ceremony of Magam Ruhunupura Mahinda Rajapaksa Port, in order to fully assist the success of both programmes.

Co-ordination of the event, organizing cultural events of both programmes were made through the Communication and Public Relations Division. Further the Division also co-ordinated "Isuru Genena Nawa Thota" a competition of art, essay, poetry, stage drama script writing, photography, models of Magam Ruhunupura Mahinda Rajapaksa Port, stamps and lyrics in co-ordination with Sri Lanka Rupavahini Corporation and the award ceremony and distribution of certificates for the winners were ceremonially held at the premises of Sri Lanka Rupavahini Corporation.

Communication and Public Relations Division also worked in close hand in co-ordination with Sri Lanka Philatelic Bureau in process of designing the inaugural stamp of the inauguration of Magam Ruhunupura Mahinda Rajapaksa Port and issuing the first day cover at the inaugural function on the 18th November 2010.

In line with the tasks vested upon the Communication and Public Relations Division, to facilitate the communication and public relations activities to make the programmes and events launched and implemented by SLPA a success, the Division also co-ordinated with a number of National and other recognized television, radio and press institutions in the country to telecast, broadcast and publish several feature, documentary and interviews that would make the masses well aware of Magam Ruhunupura Mahinda Rajapaksa Port and its benefits to support the future socio-economic development of Sri Lanka. Communication and Public Relations Division also co-ordinated a number of workshops to make the regional journalists aware of this mega project that in return received a wider publicity of the success of the project to bring future prosperity to the motherland.

Communication and Public Relations Division is the authorized arm of Sri Lanka Ports

Authority to announce and express itself at various press briefings and to issue video and print information and press releases to all outside media institutions for publicity on SLPA towards enhancing its image and productivity.

ANNUAL REPORT - 2010

OPERATIONAL REVIEW

OPERATIONS

Port of Colombo set a new record by handling 4,137,441 (4.1million) twenty foot equivalent units [TEUs] in the year 2010. JCT single-handedly reached a record throughput of two million TEUs in eleven months and by the end of year 2010 JCT has handled 2,176,173 TEUs contributing the lion share to the overall volume of four million TEUs. The remaining 1,970,268 TEUs have been handled by the privately managed SAGT. JCT volume has increased by 26.4% compared to SAGT's growth of 12.6%

With this total handling of 4.1 million TEUs by the Port of Colombo which demonstrates an increase of 19.4% compared to the same period of the previous year. The Port of Colombo also shows up an increase of 10.5 % compared to the total figure of 3.68 million TEUs, the highest ever performance rate recorded by the Port of Colombo for the year 2008 before recession hit the global trade.

The state-run JCT also bagged another record recently by handling its highest ever monthly volume of 201,217 TEUs in August this year achieving an increase of 22% compared with the month of August in 2009.

The breakup of this 4.1 million TEUs handled by the Port of Colombo, includes a 24.0% increase of local domestic TEUs and a 17.6% increase of transshipment TEUs over the corresponding period in 2010. JCT domestic container handling volumes has increased by 36.4% which contributed mainly to increase the revenue of SLPA in 2010.

Aggressive marketing, operational, human resource improvements & upgrading of the Terminal Management System by the management have contributed immensely to the above mentioned achievements. JCT managed to attract ten Mainline Shipping Services, two Feeder Services and five new

Shipping Lines in 2010. Terminal Operating System at JCT/UCT replaced with Navis SPARCS ver. 3.7 and Navis EXPRESS ver. 2.9 and it has helped to integrate the entire terminal operation, plan and optimize rapid movement of containers between the gate and the quay, thus reducing dwell times for containers and turnaround times for vessels. Shifting to bio metric attendance system by the operational staff improved the efficiency of the terminals.

NAVIGATION

The Magam Ruhunupura Mahinda Rajapaksa Port was ceremonially inaugurated by H.E the President and the first vessel sailed in to the Port on the 18th of November 2010.

During the year under review the Seaward Limits of the Port of Norochcholai were gazetted and the first ship carrying coal called on the 9th of December 2010.

Pilotage

Pilotage to all types of vessels calling at the Port of Colombo was provided 24 X 7 during the year under review.

Type of Ship	No. of Ships	Purpose of Call	No. of Ships
Container	3,076	Bunkering	68
Conventional	56	Repairs	47
Dry Bulk	206	Passenger	26
Oil Tanker	245	Other Services	21
Roll on Roll off	131		
Other Cargo	34		
Total			3,910

Chief Master of Tugs (CMT) Section

The CMT section functioned satisfactorily, providing an efficient and continuous tug

service for berthing and sailing vessels during the year under review. In addition, the following tasks were also performed;

- ▶ Performing Deck repairs and maintenance work of tugs.
- ▶ Manufacturing rope mats for Tugs with the discarded mooring ropes and making canvas awnings for Tugs and other Sections.
- ▶ Provided Tugs for the Ceremonial Opening of the Magam Ruhunupura Mahinda Rajapaksa Port for the berthing of first Vessel.

Four (04) Tugs were operated daily for ship movements and one stand by Tug was always available for contingency requirements.

Total number of vessels attended by Tugs

A Total of 17,104 movements were performed by the Berthing Tugs and the details are given below:

MT Airawana	1,614
MT. Raja	1,806
MT. Nandhimitra	2,787
MT. Suranimala	2,181
MT. Gotaimbara	2,190
MT. Vijayabahu	1,469
MT. Barana II	2,958
MT.Velusumana	383
MT.Neelamaha	669

During the year under review, the SLPA chartered two brand new 45T bollard pull Tugs from Ms. Khimjis' Sparkle, Muscat, Oman for a period of 03 months in order to

release own tugs for major repairs. These two crafts have attended to a total of 1,047 movements up-to end December 2010.

Tugs Stationed at Out Ports

Trincomalee

- ▶ M/T. Mahasen
- ▶ M/T. Sinhabahu II
- ▶ M/T. Vasaba (With Sri Lanka Navy)
- ▶ M/T. Nandhimitra (20 BP)

Galle

- ▶ M/T. Therapuththahabaya

K.K.S.

- ▶ M/T. Kanchadewa
- ▶ M/T. Deera
- ▶ Tanac Indra

Sea Voyages

- ▶ Tug Therapuththabaya – Galle-Hambantota – Galle
- ▶ Tug Barana 11 – Colombo- Galle - Hambantota – Colombo
- ▶ L.H.V.Pradeepa – Colombo – Galle – Hambantota

Training

Officers and crew were encouraged to upgrade their knowledge and follow courses in Advanced Fire Fighting, Basic Fire Fighting, Elementary First Aid, Personal Safety and Social Responsibility, Personal survival techniques conducted by the Mahapola Training Institute.

Revenue Earned

2009 Actual - Rs. 329.89 Million

2010 Estimated- Rs. 365.13 Million
2011 Projected Rs. 407.62 Million

Chief Engineering Officer's Section

Staff

Adequate staff was available during the year 2010 in keeping with the operational and repair requirements of all tugs, light house vessel and pilot and mooring launches.

Routine maintenance was carried out by staff of the section in addition to the daily running of required craft for towage and pilotage and operations.

On a recommendation by the management the Chief Engineering Officer section is gearing up to attend to more routine maintenance of tugs whilst equipping a workshop too.

Port Fire Brigade

An effective emergency service was provided by Port Fire Brigade during the year 2010 mitigating adverse effects of Fire and other emergencies while implementing and maintaining local fire safety standards.

The Port Fire Brigade is also the Emergency response team of the SLPA combating incidents of Oil Pollution and accidents related to Hazardous Materials.

The PFB attended to almost 1800 calls which included the following;

- ▶ Fire response
- ▶ Navy rehearsal test calls
- ▶ Emergency calls
- ▶ Stand by duties for Gas / Oil Tankers
- ▶ Stand by duties for hot works on vessels
- ▶ Stand by duties for DC Handling
- ▶ Wash piers/warehouses etc
- ▶ Pumping out water

- ▶ Oil pollution control work
- ▶ Inspection visits to oil tankers
- ▶ Stand by for VIP visits

Fire Safety Activities

Fire Safety Inspection of all buildings/ cranes/port owned craft were carried out including those in the out Ports of Galle and Trincomalee.

3,884 nos. of Fire extinguishers were checked during the year 2010.

Training

Staff training work shops	24
Outsider's familiarization visits	09
Coxswain Training courses	01
Training Courses for CDL	02
Fire Training for Deck Rating Trainees	03
Fire Training For Colombo Oil Bank	01
Fire Training For Lafarge Cement	01
Refresher fire Training for Fire Brigade Staff	08

Combined Fire drills were carried out with the Fire Units of the Ceylon Petroleum Storage Terminals, Colombo Dock Yard, Colombo Power plant, etc;

Revenue

Revenue earned by Port Fire Brigade in 2010.

Description	US\$	Rs.
Fire Calls	15,200	484,750
Stand by duties for Oil Tankers	172,940	
Stand by duties for Gas Tankers	25,280	
Stand by duties for Hot Works	45,130	
Stand by duties for Dangerous Cargo	24,960	
Charges for Training courses	420	
Charges for Inspection visits	860	
Charges for Oil Pollution Control	32,090	3,223,125
Total Income	316,880	3,707,875

Total Income is Rs 39,198,455/=.

Harbour Safety Section

This section keeps track of all types of Hazardous cargo being handled in the port and ensures that safe handling practices are observed at all times.

Several chemical spillages and incidents of fires were controlled with the assistance of the Port Fire Brigade. Inspection of warehouse including dangerous cargo warehouses and containers were carried out periodically.

Site inspections prior to granting hot work permissions were carried out and unauthorized hot work incidents were detected and stopped. Inspections of marine pollution were carried out. Investigation and analyzing of accidents involving personnel and marine were carried out.

- ▶ Port of Colombo handled 283,374.513 MT of hazardous cargo during the year, 2010.
- ▶ 29,824 Nos. freight containers of transshipment hazardous cargo were handled.
- ▶ Handling, storage and transportation of dangerous cargo in the Port and allied safety aspects were introduced at the course of lectures for employees in Operation Division.
- ▶ 508.404 MT of high explosives (GPIE) and 10,599.513 MT of explosive nature substances (GP IAE/IEE) were handled.
- ▶ Personal Safety of Employees at JCT, and mooring gangs attached to Navigation Division were monitored, especially in using of PPE with the assistance of Asst. Harbour Safety Inspectors.

191 tankers called at Port of Colombo and discharged cargo as follows;

Types of Cargo	Quantity MT
Liquid Petroleum Gas	181,116.382
Gas Oil / Jet A1/ Gasoline / Kerosene	1,711,577.006
Crude Oil	1,818,314.380
Fuel Oil	594,328.674
Base Oil	48,733.041

Coast Lights Section

Lighthouses along the Southern and Western coast straddling main international shipping routes functioned satisfactorily with regular maintenance and repair being promptly attended to.

Light Buoys in Channels

Lighted Buoys were regularly checked and maintained. The alignment of the main South West Channel of the Port of Colombo was changed frequently to facilitate dredging and submarine oil pipeline re-laying works associated with the Colombo Port Expansion project. Mariners were duly warned by way of Circulars to CASA, SLAVO, LASO and the UK Hydrographic Division.

Revenue— 2009/2010 Light Dues

Rs. Million				
	2008	2009	2010 Estimated	2011 Projected
Combined	279.44	299.39	534.93	587.91

Harbour Craft Section

The work of the Harbour craft section mainly consists of assisting and providing mooring gangs, and crews for pilot launches to facilitate safe mooring/unmooring of vessels which call at Colombo Harbour, transporting of various work gangs to Island Breakwater ,

South-West Breakwater, keeping Harbour waters clean and handling heavy lifts by floating cranes Giraffe. The routine maintenance of pilot launches and mooring launches were also carried out satisfactorily.

Hydrographic Survey Section

Surveyors attended to all land survey works when ever requested for by the relevant divisions of the Port as well as Hydrographic surveys of all the SLPA operated Ports.

- ▶ Approach channel soundings
- ▶ South port soundings
- ▶ Main entrance soundings
- ▶ Inner harbour basin & berths soundings
- ▶ Colombo port map revision work
- ▶ Control point survey (Continuous)
- ▶ Bloemendhal survey (CPILD)
- ▶ Surveying & leveling of port internal road widening project
- ▶ Survey at & container yard (JCT-4) extension
- ▶ Surveying & leveling at UCT for renovation project
- ▶ Setting out at UCT pipe line for renovation project

Galle Harbour

- ▶ Hydrographic survey inner harbour & approach channel
- ▶ Road trace leveling for yacht project
- ▶ Rumassala SLPA boundary setting out

Trincomale Harbour

- ▶ Hydrographic Soundings of Port Areas
- ▶ Setting out work for Holcim Boundary
- ▶ Investigation work of Port Land

Oluvil Harbour

- ▶ Survey, setting-out & boundaries pointed out to claimants at resettlement area.

Magam Ruhunupura Mahinda Rajapaksa Port,

- ▶ Stage II, Land acquisition surveys at Target Road, Arabokka Road, Sooriyawewa Road, Mahaweli area & Private lands.
- ▶ Complete Six (6) Survey Requisitions under Survey Dept. Supervision (Approx 500 Lots).
- ▶ Beach Profile Survey between breakwater, 1.5 KM to westward & eastward along the coast for environment analysis (Twice a month).
- ▶ Checking Vertical & Horizontal Control of Proposed Administrative Building.
- ▶ Checking Vertical & Horizontal Control of proposed International Stadium at Meegahajandura, Sooriyawewa.
- ▶ Setting out work for opening ceremonies held in August and November.
- ▶ Setting out work for monument.
- ▶ Setting out work for Govt. Building site.
- ▶ Setting out work for investors' land & road network.
- ▶ Check the locations for tanks & buildings.
- ▶ Hydrographic survey at main berth entrance channel & setting out buoy positions.
- ▶ Control network re-established around tank farm, stage 1 constructed area. Administration complex & breakwater.

Nautical Section

The annual registration and issue of licenses to ship chandlers, launch operators, marine

surveyors, minor and major repair workshops, oil and oily water and garbage reception facilitators, were coordinated by this section.

Revenue Earned – 2010

Name of the License	No. Issued	Revenue Rs.
Ship Repair License	121	2,908,659.22
Dockyard License	71	1,141,027.28
Survey License	38	682,331.60
Ship Chandlers License	64	1,885,301.50
Boat License	30	703,169.41
Total		7,320,489.01

LOGISTICS

The volume of multi country consolidation (MCC) inside the port had gone up generating a revenue of Rs. 141.3 million compared to Rs. 130 million generated in 2009. In addition, MCC operation at Hayleys Ltd. earned Rs. 1.9 million. With the enhancement facilities for MCC operation, SLPA could bring more volumes to Port of Colombo to operate.

During the year 2010, 236,225 TEUs of FCL containers were directly delivered from the Customer Services Centre by providing round the clock service. Customers were given the facility to submit the delivery orders without waiting for the Customs Entry Number. This helped them to minimize the time spent for documentation.

Most of the LCL containers were transferred to Peliyagoda CFS for de-stuffing operation whilst providing the warehouse space inside the Port for local TS, MCC operations and thier special type of cargo. By deploying top lifter machines to each operational units, de-stuffing operations were attended to within 48 hours.

During the year, 76 new licenses have been issued to the Clearing Agencies and 786 licenses were renewed making a total of 862 licenses generating a revenue of Rs.10.9 million. By issuing and renewing wharf identity cards to Wharf Clerks of both categories "A" and "B", a total revenue of Rs. 6.06 million has been collected. The total "A" passes issued and renewed during the year has been recorded as 1,796 whilst "B" passes were 321.

A revenue of Rs. 117 million has been generated from de-stuffing operation whilst Rs. 8.6 million revenue generated as rent income on empty containers.

With the enhancement of bonding and entrepot cargo warehouse facilities by renovating CFS 5 warehouse demand for bonding and entrepot trade was increased and a total revenue of Rs. 30.6 million has been collected. The total revenue generated by Logistics Division in 2010 from the services rendered amounts to Rs. 303.1 million during the year compared to Rs. 130 million generated in 2009.

By conducting public tender sales and auctions to dispose of abandoned cargo a total of Rs. 95.2 million was collected whilst generating additional revenue of Rs. 14.8 million by disposing of scrap iron, waste oil and used tyres etc. through SLP MCS Ltd. In addition Rs. 3.4 million has been generated by disposing of surplus items through public tenders.

In 2010, nearly 48 applications have been received for waiver of rent from consignees through the Ministry of Ports & Highways, out of which 12 applications were recommended and 03 were rejected. The balance are pending decisions from the Ministry of Ports & Highways.

With the aim of improving the quality of the services rendered by Logistics Division,

Customer Charter has been introduced ensuring efficient and productive services to our customers. In house educational and training programmes were conducted at the Head Office of Logistics Division by obtaining the services of our own employees who are specialized in the subjects.

PLANNING AND DEVELOPMENT

Colombo Port Expansion Project

Date of Commencement : 11th April 2008.

Government of Sri Lanka has identified the expansion of Port of Colombo to cater for the increasing demands of services in the international shipping industry. After very comprehensive study of the Port of Colombo it has been identified to develop South Port area. This entire Port project is called "Colombo Port Expansion Project" comes under two phases as below:

- ▶ **Construction of 6.83 km length Breakwater and dredging new harbor basin and the navigation channel, rerouting of crude oil pipe line. (Harbour Infrastructure work)**

Date of Commencement : 11th April 2008.

Duration : 48 months.
 Contractor : M/s. Hundai Engineering
 Consultant : M/s Scott Wilson Ltd.,
 Funding Source: Asian Development Bank (81.7% of work done. USD 300 million)
 SLPA (18.3% of work done).

Total estimated cost: Harbour Infrastructure works is US \$ 330 million.

- ▶ **Construction of Terminals and other related services.**

The Construction and Operation of South Container Terminal is awarded to China Merchants Holdings (International) Co., Ltd and Aitken Spence PLC Consortium under BOT terms. Construction works will be completed with the completion of the Harbour Infrastructure works in April 2012.

Construction Progress of Colombo Port Expansion Project

- ▶ The construction of the breakwater by placing of the core material and outer protection layers of first 3,850 meter length has been completed up to date.
- ▶ The rock transportation by sea from Load Out Point (Small Harbour) located at Wadduwa, Kalutara is successfully continued during the calm weather and around 20-25 barges of rock material transported to Colombo per week. About 03 million cubic meters of rock has been transported to Colombo to date.
- ▶ The dredging of Access channel and the reclamation in the core of the breakwater is in progress satisfactorily. To date, about 15 million cubic meters of sand have been reclaimed for the core of the main Breakwater.
- ▶ The submarine crude oil pipeline to the SPBM runs across the port access channel at a shallow depth. In order to deepen the channel up to – 20.00 meter, the new submarine pipeline has to be laid at a deeper elevation. This work had been completed and new pipeline connected with the old pipeline at the land fall. At present, crude oil is pumped through the new pipeline. Removing of the existing abandoned pipeline work is commenced.
- ▶ Overall percentage progress of the project is assessed at about 48%.

- ▶ Letter of intent (LOI) has been issued to the selected Developer of the South Container Terminal of the Port of Colombo, China Merchants Holdings (International) Co., Ltd and Aitken Spence PLC Consortium. As per the LOI, BOT Agreement with the selected bidder to be signed within 270 days from 16th September 2010.

Colombo Port City Project

The reclamation project for “Colombo Port City” consists of 330 acres of filled land area between the Main Breakwater of Colombo Port Expansion Project and Galle Face. The initial feasibility studies and Environmental Impact Assessment are completed at the moment.

Galle Port Development Project

Proposed Project Outline

Construction of a breakwater to protect the entire Galle bay with the available JICA funds and to develop a multipurpose berth under SLPA funds or BOT basis.

The business opportunities addressed in these proposals are;

- ▶ Development of a breakwater sheltering entire Galle Bay.
- ▶ Development of a Hotel/Restaurant at Gravet Point.
- ▶ Development of a resort type hotel at Watering Point.
- ▶ Development of a Yacht Marina with related facilities.
- ▶ Development of a multi-purpose berth through BOT or SLPA funds.
- ▶ Providing boat services from China pier for Whale/Coral watching.
- ▶ Development of a walkway extending from Galle city up to Watering Point.

- ▶ Providing of vehicle parking for port and sight seeing visitors at newly acquired port land.
- ▶ Development of aquarium with harbour view restaurant closer to China Pier.
- ▶ Collection for revenue from service providers such as boat service providers, restaurant and hotel operators etc.

Present Progress

A revised proposal to construct a breakwater to protect entire Galle Bay, to facilitate a multipurpose berth and berthing facilities for leisure crafts are under consideration now. In this regard, preliminary discussions were held with JICA with guidance of the Ministry of Ports and Highways to utilize the already available JICA funds for the new scope.

Trincomalee Port Development Project

Scope of the Project:

To develop Trincomalee as a metropolis growth center for North and Eastern Part of Sri Lanka by strengthening economic and resources base utilizing about 5,000 acres of land belonging to SLPA which was not properly utilized to date.

Project Progress:

- ▶ Revised proposals for Trincomalee are being done under the name of “Trincomalee Port City Development Project”.
- ▶ Discussions are in progress regarding the establishment of a fertilizer mixing plant within the port.
- ▶ Considering the requests made by several outside parties indicating their intention to setup new industrial units specially in Kappalthurai & Burma Camp areas, SLPA

has already taken action to lease/release land at Trincomalee belonging to SLPA for the following parties.

M/s. Tokyo Super Cement Company (Pvt) Ltd.,

A land 39.5 perches in extent in close proximity to the Burma Camp has been leased out to the above company for the purpose of executing and operating a temporary Silo Station facility consisting eight (08) numbers temporary bolted Cement Silos up to the inner end of the Ashroff Jetty.

Ministry of Industrial Development

The Management of SLPA has leased 50 Acres of land in extent at Trincomalee Kapplthurai, to the investors through the above Ministry for the establishment of Medium Scale Industrial Estate in Trincomalee District under "Neganahira Navodaya" Programme.

- ▶ A Committee has been appointed by the Chairman to prepare a Land Use Master Plan and RFP document for inviting investors for port related industries and tourist activities.
- ▶ A Satellite image of the port land had been obtained and tendering works are in progress to outsource the surveying works of the land belonging to SLPA at Trincomalee.

Technical Library of Sri Lanka Ports Authority

Sri Lanka Ports Authority Technical Library is equipped and purposed to serve all Engineers, other Technical staff and all Executive officers of SLPA. Technical Library also provides reference services to the undergraduates of the Universities of Sri

Lanka and to the vocational trainees referred through Mahapola Training Institute.

At present there are about 3,300 books, out of which 1,510 British Standards and Sri Lanka Standards, 350 Technical Reports, Periodicals of 30 titles, Workshop manuals, Catalogues, Design records and documents connected to Harbour Construction Activities. Extensive Author catalogues and subject catalogues are available for easy reference of library users.

During the year 2010, books including ICTAD publications were purchased at a cost of Rs. 122,000/= mainly from the "Colombo International Book Fair". Furthermore Foreign Magazines and Year Books were purchased at a cost of Rs. 60,000/= for Technical Library.

Technical Library publishes new accessions, which help to guide its users for easy reference of books.

Among 500 permanent members of the Technical Library, about 100 are SLPA Engineers. Readers, Borrowers and who comes to refer book etc amount to about 30 persons per working day.

Environmental Laboratory

With global emphasis on environmental concerns, Donor agencies insist on environmental consideration for funding of port development projects. Now SLPA is maintaining an Environmental Laboratory for regular monitoring of water quality at the Colombo Port harbor basin, Hambantota Port and Beira Lake. The main tests carried out by the laboratory are to find the environmental parameters such as physical, chemical and biological parameters including water temperature, PH, salinity and suspended solids. These tests are carried out according to the Japanese Industrial

Standards (JIS) & American Standards for water and waste water.

SLPA believes that the continuation of environmental monitoring activities is essential for maintaining the international image of the Sri Lankan Ports.

SOUTHERN PORTS DEVELOPMENT

Southern Ports Development Division has currently undertaken three major projects, which are, Hambantota Port Development Project (HPDP), Bunkering Facilities and Tank Farm Project at Hambantota and International Cricket Stadium at Sooriyawewa. In addition, RFP scheme was advertised and proposals were received to attract business ventures to the harbour. These projects have achieved satisfactory progress during the year and the main achievements with regard to the each project are as follows.

Hambantota Port Development Project - Phase I

The construction work of the Phase - I of the project was officially commenced on 15th January 2008, comprising construction of two Nos. of breakwaters, excavation of 17m deep harbor basin, dredging of 210m wide entrance channel, construction of service berth, general purpose berth, oil berth, roads and buildings. The total estimated cost of construction is US \$ 361 million and is jointly funded by Ex-Im Bank of China and the SLPA.

Most of the construction works including, breakwaters, general berth, service berth, oil berth have been completed within this year. The deepening of the channel, construction of the ancillary buildings, installations of Port operational equipments are yet to be completed.

Limited Port Operations was commenced on 18th November 2010 with the existing facilities.

Almost all lands required for the Phase - I of the project have already been purchased /acquired by the SLPA. Land acquisition/purchasing for Phase - II has been gazetted and further actions are in progress.

Bunkering Facilities & Tank Farm Project at Hambantota

Fourteen tanks with a total capacity of 80,000m³ for storage/blending of marine fuel, aviation fuel and LPG and other related services are proposed to be constructed under this project. The total estimated cost of the Project is US\$ 77 million and construction work was commenced on 7th October 2009. This project is jointly funded by Ex-Im Bank of China and the SLPA. The duration of the project is 24 months and scheduled to be completed on October 2011.

Progress of the project as at end of 2010, is 100% completion of the backfilling, 100% completion of the foundation work for Marine Fuel, 20% completion of the erecting of the tanks. An approximate overall progress of 50% is achieved by the end of this year.

Hambantota Port Development Project - Phase II

As per the Master Plan of the Hambantota Port Development Project, new proposal has been submitted for Phase - II Developments.

According to the said proposal, the following facilities will be available on completion of the Phase - II construction.

- ▶ 2,137m long Quay Wall with – 17m depth
- ▶ Reclamation of an artificial island with the excavated material

- ▶ Road and storage yard reclamation with excavated materials
- ▶ Drainage system, sewage system, water supply system, fire fighting system, electrical supply & telecommunication facilities
- ▶ M & E works for berths
- ▶ Port Handling Equipments

Negotiations are underway to finalize the scope of the work, cost of construction & duration of the project.

RFP for Business Ventures

SLPA has received proposals from prospective investors at the Hambantota Port mainly for the following industries/sectors.

- ▶ Cement Grinding Plant
- ▶ Cement Storage and Bagging Plant
- ▶ Fertilizer Storage/Processing Bagging Plant
- ▶ LP Gas Distribution Facility
- ▶ Warehousing Complex
- ▶ Vehicle Assembling Plant
- ▶ Flour Mill
- ▶ Food Processing & Packaging
- ▶ Any other business related to Import and Export Sector

The proposals are being evaluated and would be finalized soon.

International Cricket Stadium at Sooriyawewa

SLPA/SPD Division has also been involved in construction of Sooriyawewa International Cricket stadium in accordance with decision taken by the Cabinet of Ministers.

Most of the work has been completed during this year and this work is expected to be completed by 15th January 2011.

Miscellaneous Work

Manufacturing of Interlocking blocks (ILB) is being done at the manufacturing plant relocated at Hambantota. The ILB produced from this plant are to be used in paving of yard areas. Construction of temple in resettlement area was completed.

CIVIL

The prime responsibility of the Civil Engineering Division is to maintain the port infrastructure & premises to a satisfactory level while making a friendly environment to the port Users. Civil Engineering Division drives towards the above target and would achieve the goal by ensuring healthy working environment throughout the year.

Apart from the work assigned to Civil Engineering Division, some development activities would also be attended to as per the instructions received from the SLPA management. Progress of those activities are highly satisfactory and Civil Engineering Division is able to save a considerable amount of money which otherwise would be given to outside contractors.

Maintenance Works

The scope of work is widely spread from cleaning to maintenance of all port structures except electrical & mechanical works. Generally, daily maintenance is arranged by dedicated staff at South & North Sections and other maintenance activities are carried out by other sections.

Maintenance of marine structures and that of other harbours and all lighthouses is carried out by MCS Section while harbour depths are maintained by Dredging Section. JCT Container Terminal maintenance work is done by Maintenance unit at JCT. Other main structures will be maintained by CIW Section.

The facilities available at Housing Schemes are maintained by Housing Section.

Development Projects

JCT 3 & 4 Yard Improvement Project

The improvement to the JCT Terminal was one of the main requirements for improving the productivity of the container handling capacity. Accordingly, the project was entrusted to Civil Engineering Division. The existing stacking plates were subsided due to settlement of the yard area and RTG lane was also subsided. During rainy season, there was lots of water collected areas disturbing the visibility to the gantry operators. Operating speed of the prime mover operators was also less and therefore, this is one of the important projects.

By end of Year 2010, 60% of the total work was completed and the project consists of lifting RTG lane, removing & replacing stacking plates, road paving & Yard paving etc. The estimated cost of the project would be Rs. 144.0 Million.

Lifting of the Gantry Lane at JCT Terminal also commenced in consultation of the in house expertise and around 90% of the project was completed during Year 2010. This would enhance the lifetime of the existing gantry lane and delays the replacement of the old rails of the gantry lane considerably.

JCT Yard Expansion Project

Due to the continuously increasing container handling capacity of JCT Terminal, the yard space is becoming a major problem for SLPA. Until development of Colombo Port Expansion Project is completed, the yard requirements have to be managed with available infrastructures.

Accordingly, the expansion of the JCT Terminal for stacking domestic containers were initiated and the under utilized area at the Pettah area was identified for the proposed yard. The relocation of existing facilities is in progress. The in-house labour will be used for the said work and the proposed facility will accommodate approx. 1,200 containers.

Minor Projects

Paving of Internal Port Roads

Due to the continuous rain experienced at the end of year 2010, the existing road network had become a state of disrepair and therefore, Civil Engineering Division commenced road paving work from JCT to UCT to facilitate most of the ITT movements between the two terminals. The cost of the project was Rs. 46.5 Million.

ELECTRICAL AND ELECTRONICS

Electrical & Electronics Engineering Division is responsible for power supply and communication facilities within the port premises. The services provided by the division include supply and distribution of electrical power, street lamps and yard illumination, wired and wireless voice/data communication, air conditioning, electrical repair and maintenance of container handling cranes, other plant and machinery, floating crafts and navigational aids.

All these services were maintained throughout the year without a major breakdown and hence the service availability was very high.

The repair and maintenance of container handling equipment and provision of power and both data and voice communication facilities for JCT operations were performed

up to the required level to ensure the terminal's annual throughput targets.

Several projects were commenced to reduce the electrical power consumption of buildings, street lamps etc. and these energy efficient systems will be implemented in the near future.

CONTRACTS AND DESIGNS

Contracts and Designs Division is mainly responsible for designing of structures and management of Civil Engineering projects implemented by SLPA. Designing of structures includes port infrastructure such as berths, piers, civil structures, buildings and roads to facilitate the SLPA in its main business. Management of projects includes tender proceedings, construction activities, supervision and contract administration of such projects.

In addition to the above, has also undertaken some construction projects on direct labour utilizing the employees attached to Stress Bed. Further the Division is involved in the Oluvil Port Development Project as a special project.

Major works carried out by the Division during the year 2010 are as follows

Oluvil Port Project – The Project consists of construction of two rubble mound breakwater as the Northern breakwater of length 550 m and the South breakwater of length 773 m, which enclose total water area around 16 ha for the first stage. Around 06 ha of water area would be used for fisheries activities. The Stage I basin of commercial harbour would be dredged to – 8 m to cater 5000 DWT vessels.

DANIDA is the funding agency for this project and the total estimated cost is approximately Euro 46.1 Million. The construction work was

awarded to the lowest successful bidder at the total project cost of Euro 46,095,369.49. Consultancy services required for the project are being provided by the Contracts & Designs Division.

All required consultancy services, detail designs and construction supervision required for the constructions were provided.

Project Progress

- ▶ Loan agreement has been signed between Nordea bank and Ministry of Finance and Planning of Sri Lanka 23rd May, 2008.
- ▶ Contract Agreement between SLPA and MT Hojgaard a/s has been signed on 20th June, 2008.
- ▶ Commencement order was issued to the Contractor effective from 1st July, 2008.
- ▶ Construction works are in progress and 85% of the works have been completed (Building & Road constructions, land development, breakwater & jetty construction and dredging work)
- ▶ Initiated a study to identify the possible remedial solutions for the beach erosion in Oluvil area by Lanka Hydraulic Institute.

Galle Port Development

- ▶ Designing and preparation of tender documents and calling tenders for the construction of Yacht Repair Workshop Building. Construction works are in progress.
- ▶ Designing and preparation of tender documents for proposed Yacht Marina. Land acquisitions are in progress.
- ▶ Designing of proposed facility building to provide the supporting facilities required for the Yacht Marina.

Other Works

- ▶ Carried out Investigations at damaged area at Unity Container Terminal and designing and preparation of tender documents for urgent renovation work to rectify the damages which occurred.
- ▶ Designing and continuing constructions of required refurbishment work of F1 Ware House.
- ▶ Designing and continuing constructions required for renovation work of buildings at old Beira and New Beira to relocate the offices/facilities demolished under south harbor project.
- ▶ Designing of foundation and supporting structure for Bloemendhal pipe line laying project.
- ▶ Designing and preparation of Tender Documents for the Widening of Internal Port Road – Phase I, Port of Colombo (constructions are in progress).
- ▶ Designing and preparation of drawings for JCT IV yard extensions to enhance the JCT yard area (constructions are in progress).
- ▶ Preparation of lay out plans for the required relocations of existing facilities in order to widen the internal port road.
- ▶ Preliminary project initiations for the proposed SLPA Head Office Building.
- ▶ Designing and preparation of plans for the proposed buildings at Hambantota.

MECHANICAL PLANT

The main responsibility of the Mechanical Plant Engineering Division is to plan & carry out proper maintenance programme on the

fleet of cargo handling equipment of the SLPA and make this equipment available without interruption for the containerized & conventional cargo handling operations.

The fleet of cargo handling equipment of the SLPA comprising the following was maintained satisfactorily by the Division during the year 2010 by carrying out a planned Preventive Maintenance Programme in combination with a Quick Response Strategy to attend to sudden or accidental breakdown of equipment.

- ▶ 17 Nos. Quayside Container Cranes
- ▶ 47 Nos. Rubber Tyred Gantry Cranes
- ▶ 04 Nos. Rail Mounted Gantry Cranes
- ▶ 23 Nos. Container Handling Lift Trucks
- ▶ 142 Nos. Fork Lift Trucks (2.5T to 10T)
- ▶ 146 Nos. Prime Movers
- ▶ 203 Nos. Trailers
- ▶ 07 Nos. Draw Bar Tractors
- ▶ 67 Nos. Mobile Cranes, Wharf Electric, Floating & Overhead Cranes and elevators
- ▶ 07 Nos. Standby Generators required for un-interrupted power supply for the cargo handling operations.

SLPA was able to handle a total of over 02 million TEUs during the year and one of the reasons for reaching this level of performance is the equipment availability rate of over 90% which is a direct result of the planned equipment maintenance.

As part of the planned preventive maintenance programme, 15 Nos. Rubber Tyred Gantry Cranes, 12 Nos. Prime Movers, 24 Nos. Trailers & 03 Nos. Container Handling Lift Trucks were completely overhauled and major structural repairs on 03 Nos. Quayside Container Cranes were completed during the period.

In addition to the cargo handling equipment, all other plant and equipment including construction machinery were also satisfactorily maintained by the Mechanical

Plant Engineering Division. This included complete overhaul of 52 diesel engines and 24 units of automatic transmission units belonging to various plant and equipment.

Mechanical Plant Engineering Division is also responsible for the maintenance of the fleet of motor vehicles (Buses, Lorries, Vans, Double Cabs, Cars, and Three Wheelers & Motor Cycles) and shunting locomotives of the SLPA. A total of 92 vehicles including Lorries, Vans, Buses, Cars and Motor Cycles were completely overhauled in addition to the routine maintenance and repair of over 600 motor vehicles and 03 Nos. Locomotives. Routine maintenance of Motorcycles and Bicycles were also carried out.

MECHANICAL WORKS

Mechanical Works Engineering Division played a major role in supporting SLPA to enhance productivity by performing repairs to steel Hull & Deck of berthing tugs, pilot launches and all structural repairs of container handling cranes, container semi trailers at JCT and UCT. In addition, the division carried out repair & maintenance of marine cell fenders, fabricating & machining of new parts necessary for cargo handling equipment.

Construction work of 03 Nos. 4.0 Tonnes grabs was commenced for Port of Trincomalee. Manufacturing grabs in the division saves money for SLPA than importing grabs from foreign countries. By having large capacity grabs, it enables to enhance the efficiency of unloading of bulk cargo such as cement clinker, flour at BQ & Guide Pier.

This Division undertook the construction of new Petroleum oil tank of capacity 5876M³ at Bloemendhal oil facility. The supervision and monitoring the work of the contractor is done by the division. 70% of the construction work is completed at the end of year 2010. When completed the tank, it will enhance the

revenue of SLPA and economy of the country by providing more storage space to store most wanted petroleum fuel.

This division embarked on laying of 03 Nos. Petroleum fuel oil line from Port of Colombo to Bloemendhal oil facility to a length of 1.0 km. (approx.), replacing 60 years old decapitated present oil pipe lines. Feasibility study was completed. Planning & Designing of the pipe line was completed by the end of year 2010.

The division also undertook fabrication & machining of component, manufacturing shackles and gear wheels, testing of anchor chain & shackles from outside organization bringing revenue to SLPA. Manufacture of lottery machine was completed and handed over to the Lotteries Board.

In addition to the above, the division completed the following major work during the year.

- ▶ Major repairs to 02 Nos. low bed trailers.
- ▶ Overhauling & repairing of inter lock block manufacturing machine at Hambantota port.
- ▶ Overhauling of 35 Nos. Trailers for JCT & 06 Nos. trailers for UCT.
- ▶ Repair works of JCT spreader beam, Tally man cabins and all repair and hand rails of container cranes at JCT & UCT.
- ▶ Major Hull and deck repair to Tug Gotaimbara, MT Vijayabahu, MT Raja, Dredger Boowalla, Tug MT Dheera, MT Barana, Dredger Hansakawa, Pilot Launches 11, 12 and 13.
- ▶ Construction of roof canopy for the hall erected for opening ceremony of Hambantota Port.

- ▶ Installation of new trolley rails for container crane J05 at JCT.
- ▶ Repairs to 04 Nos. tally man cabins for JCT.
- ▶ Manufacture of 100 Nos. Gulley covers for Bandaranayake Quay.
- ▶ Construction of canopy on top of the Welfare building at mechanical Works Division.
- ▶ Repairs to the boiler of floating crane Griffey.
- ▶ Construction of new hand rails for Varaya Chaithya.
- ▶ Testing of 102Nos. lifting tackles & wire ropes for SL Navy, SL Air Force, Colombo Dockyard & other outside companies.
- ▶ Various sizes of chain, shackles, bolts "U" bolts, Grab teeth of Hansakawa and other barges items were produced for Operation Division, MCS, Light House Section and other Divisions of SLPA.

MARINE

The Marine Engineering Division is mainly responsible for the maintenance and repairs to all Floating Crafts of the SLPA and to ensure that the adequate number of Floating Crafts required by the Navigations, Operations, Civil Engineering Maintenance and Security Divisions for their operational activities, be made available. The maintenance of Outboard motors used by the Navigation, Maintenance and Security Divisions is also the responsibility of the Marine Engineering Division.

The division is responsible for providing material handling gear requirement for handling of bulk cargo to Operations Division

too. Further, the maintenance of kitchen equipment of SLPA such as gas burners, rice boilers, aluminium saucepans and other utensils is done by the Marine Engineering Division. Maintenance and operations of the SLPA Slipways is also carried out by the Division.

Marine Engineering Division consists of two sections and their achievements during the year are as follows.

Marine I Section

Refit Engineering Section

Refit Engineering Section that comes under Marine I section, is mainly responsible for the co-ordination of maintenance and repairs to all Harbour Berthing Tugs, Fire float "Mega", Lighthouse service Vessel "Pradeepa II", Passenger Launch "Seruwila II", the dredgers of the SLPA and all outboard motors. The section was able to meet the operational requirement of five berthing tugs for Colombo, Two berthing tugs for Trincomalee, One berthing tug for Galle, One berthing tug for KKS port, while carrying out the machinery repairs including Lloyds Register Classification Survey Requirements of these floating crafts.

The section maintained the two dredgers namely Trailing Suction Dredger "Hansakawa" and Grab Hopper Dredger "Diyakowula" in good operational condition during the year. All structural and hull repairs of the Cutter Suction Dredger "Boowalla" has been completed by the Division. The section also carried out the routine repair and maintenance of all the outboard motors used by Security, Navigations and Civil Engineering Divisions of the SLPA.

Major repairs including Dry docking of the Tugs "Suranimala" and "Nandimitra" and the

dredger "Hansakawa" were done during the year. Also, In-water Survey in lieu of /Docking Survey was carried out for the tug "Vijayabahu" and all required maintenance repairs of its machinery were done.

Major repairs to the tug "Dheera" including blast cleaning & complete painting was successfully carried out with the use of SLPA owned staff and with the use of Patent Slipway instead of using the dry docks.

Further, the Refit workshop was shifted to its new location at the renovated Export Warehouse at Pettah with its staff during the last quarter of the year in order to facilitate the expansion work of the JCT.

Harbour Craft Section

Harbour craft section is mainly responsible for repair and maintenance of Pilot Launches, Mooring Launches etc., and were able to meet the operational requirement for the Navigation Division.

The Pilot launch "Pilot 12" and mooring launch "Balaya" were refurbished during the year by the Harbour Craft Section, while attending the routine maintenance & repairs of all pilot, mooring and other launches of SLPA.

Marine II Section

Shipwright Section

Shipwright section which is mainly responsible for all wooden repair work and fiberglass repair work of floating crafts of the SLPA. Further it carried out the fender repairs, woodwork and wooden hull repair and maintenance work of these launches and the diving boats of SLPA. It was also able to attend to all fiber glass covering repair work of all GRP boats and of wooden hull launches. The shipwright section also carried out

repairs to wooden furniture, paneling work and the timber fender repair work of the berthing tugs used by the Navigation Division. During the year, seventeen slipping operations were carried out at the 600 tones Patent /slipway and 10 slipping operations were done in the slips no. 01 to 03. Major repairs to 06 launches were carried out by the section during the year while carrying out other maintenance and repair work to 05 pilot launches, 05 mooring launches, several small crafts, 09 berthing tugs and 12 Nos. other vessels.

Cargo Craft Repair Yard

Above yard is responsible for the maintenance and repairs to Towing Tugs, Motor launches, Water Barges, Deck Barges used by the Operations Division and carrying out Grit blasting and painting work of these crafts. The yard was able to meet the operational requirements of above mentioned crafts of the Operations division.

During the year, this section manufactured and supplied various sizes of wire & manila rope slings (584 Nos.) different sizes of curtains (146 Nos.), different sizes of canvas covers awnings (64 Nos.) 56 cushion cover and 04 Nos. tent cloths required by the Operations, Navigation, Security & Engineering Divisions, Port of Galle and Port of Trincomalee and also to the other outside institutions.

Carts of various types such as hand carts, garbage carts and wheel barrows were repaired and several pipe manufacturing and repair works were carried out by the yard in addition to manufacturing and repairs done to kitchen utensils, aluminium products and hand tools required by various divisions of SLPA.

This section which maintains and operates six slipways of Port of Colombo, carried out 20

slipping operations during the year for attending repairs of crafts (18 crafts of the SLPA and 02 crafts from Private party).

Beira Yard

This yard is mainly responsible for the maintenance and repairs to the Steel Cargo Lighters used by the Operations Division. Steel repair and maintenance to cargo lighters and water barges were attended to during the year. The floating platform was also provided for the "Vesak" festival at Gangarama Temple by the yard during the year. The staff and facilities of Old Beira Yard were completely shifted to the New Beira Yard.

The Marine Engineering Division has provided its" services to all divisions successfully and was able to earn a record revenue of Rs. 16,786,496.30 for SLPA during the year by providing slipping services & hiring out of slipways to private parties and by manufacturing of wire slings etc.,

Due to the commitment made by all the staff and workers along with the available resources, this division was able to meet all operational requirements of Floating Crafts of the SLPA.

SUPPLIES AND MATERIAL MANAGEMENT

Functions

Functions of this Division included purchasing (Foreign and Local), storage and issue of fuel, machinery and equipment, spare parts and other items required by the Sri Lanka Ports Authority for operation and maintenance of all commercial ports in Sri Lanka.

Number of Tenders approved during the year under review.

Description	No. of Tender Board Meeting	No. of Tender Board Approvals
Cabinet Appointed Tender Board (Approval limit over 100 Million)	04	01
Board of Directors (Departmental Tender Board No. 1) (Rs. 20 Million to 100 Million)	12	06
Central Tender Board (Departmental Tender Board No. 2) (Rs. 250,000/= to 20 Million)	46	1,311
"B" Tender Board (Departmental Tender Board No. 3) (Approval limit less than Rs. 250.000/=	43	3,192

Total Expenditure during the year 2010 on Local Purchases (Rs.)

Non Capital Items	-
Capital Items	32,508,470

Total Expenditure during the year 2010 on Foreign Purchases (C & F Value) (Rs.)

Non Capital Items	297,992,921
Capital Items	7,761,280,508

No. of LC opened	130
Purchase made on TT & BD	44

Details of the Goods cleared by the Wharf Section in 2010

Sea Freight	-	74
Air Freight	-	68
Parcel Post	-	06

Value of Stock as at 31.12.2010 is Rs. 2,518,796,227.

Main Stores and Stock Control

Value of Good received at Stores during the year 2010 (Capital & Non Capital) Rs.1,023,731,435.52

Value of Goods issued to User Section (Capital & Non Capital) Rs. 1,039,986,819.29

INFORMATION SYSTEMS

In an era where the necessity of the port sector to the nation is felt more than ever before in the economic growth and development of the country, SLPA has realized the importance of the creative use of Information Technology to derive benefits and value additions to be on par with other ports in the region. In line with this realization, SLPA has furthered its IT projects towards achieving excellence in port operations and service provision.

Container Terminal Management System (CTMS) – JCT/UCT

The two main modules of the Container Terminal Management System viz. Navis™ SPARCS and the Navis™ EXPRESS was implemented in 2009 and is currently running smoothly enhancing the quality, efficiency and the effectiveness of the container handling operations. Most of the difficulties that were recurrent in the old system were eliminated giving the much-needed boost to both the user-satisfaction and the customer-satisfaction. In the year 2010 a few more modules were implemented intensifying the strength of our services given to the users while increasing the productive use of Information Technology. The modules that were implemented are;

- ▶ Global Positioning System (GPS) Module

The GPS module was implemented in JCT 3 & 4 and UCT in 2010. The GPS module is now being used for container tracking augmenting its capacity for throughput increase.

- ▶ RFID Module was implemented in JCT 3 & 4 and also in UCT for vessel operations.
- ▶ Web Access Module was implemented and successfully tested with 2 agents. Action is being taken to extend this facility to the other agents.
- ▶ RHT and MDT
Training for the use of RFID and MDT by all the users working at JCT and UCT was completed.

Payroll System

The payroll system is now running smoothly at Colombo, Galle and Trincomalee ports and payee tax adjustments for financial year based on remuneration was introduced in 2010. A decentralized system for capturing of overtime, meal, tea etc. was implemented by providing terminals through the common data network. Furthermore, the development of the Welfare Medical System is now in progress and Payroll System is now being modified to facilitate electronic transfer of any related payments from the Welfare Medical System to the Payroll System.

Oracle Financials

Oracle financials with its e-business suit is a multi-faceted IT solution for many of the functions of the accounting, finance, billing and other related functionalities of SLPA. The Agent billing system which was earlier running on the IBM mainframe was automated such that invoices generated by the TMS were electronically transferred to Oracle Financials minimizing the human intervention for billing functions. Now

invoices are automatically generated for each and every service rendered on board the ships and at yard, which are subsequently transferred to Oracle Finance for final processing before dispatching to Agents.

Procurement Management System

The existing inventory control system has been found to be insufficient to meet the current requirements and time has come to go for a new system with comprehensive functionalities. Specifications for a new Procurement Management System to cater to all the requirements of the Supplies and Material Management Division have been prepared and tenders have been called to purchase the Procurement management and Inventory management modules of the Oracle e-Business suite.

To meet the future demands of both the above systems steps have been taken to purchase new server machines.

Biometric Time Attendance and Physical Access Control System (TAPAC)

The TAPAC system implemented in 2008 is now in operation at Colombo, Galle and Hambantota ports and used for recording of attendance. 137 machines have now been installed and all the gates will be equipped with machines by the end of this year so that movement of employees through the gates can be monitored. Plans are now under way to extend the system for Regular Port Users (RPU). Automated attendance and leave maintenance is planned to be implemented in 2011 and will be integrated with the HR and payroll systems.

Maintenance of IT Systems

After the systems have been placed into operation, maintenance of both hardware and software become the foremost aspect of

systems and IS Division cannot neglect the fact that maintenance is the longest on-going operation in the systems life cycle. Maintenance work load upon the IS division deserves special attention as it has kept the systems in operation and will continue to do so in the future also. Prompt action taken by the IS division by timely maintenance of hardware and software has helped SLPA to ensure an uninterrupted operation of the systems.

HUMAN RESOURCE DEVELOPMENT

Human Resource is one of the core assets of any organization and the success of the organization depends on the degree of efficiency in the management of its humans.

Human Resource Division assists the management of the Sri Lanka Ports Authority in maintaining a satisfied work force by efficiently administrating and maintaining a good employer-employee relationship.

The Human Resource Management Plan in Sri Lanka Ports Authority is the most important document which maintains the Human Resource to achieve organizational objectives effectively and efficiently. In terms of the Human Resource Plan most of the vacancies were filled by calling applications from qualified and eligible candidates within the organization as per the new approved schemes of recruitment and the cadre. However, if suitable candidates were not found, action was taken to call applications externally after obtaining approval of the Department of Management Services.

The cadre approved by the Department of Management Service for all Ports (Colombo, Galle, Trincomalee and Oluvil) is 12,987. The total workforce in the SLPA was 13,367 as at 01.01.2010 which includes Executives, Non-Executives, Technical and Non Technical Grades. The total strength at the Port of

Colombo was 12,221. Whilst at the Port of Galle and Trincomalee was 534, and 612 respectively.

During this year, 29 employees were recruited from outside on permanent and contract basis. The total evaporation for the year was 543 out of which 326 were on retirement / voluntary retirement, 184 on vacation posts/termination of service/dismissal and 33 due to death.

Based on the above details, the total workforce for all ports managed by SLPA was 12,824 as at 31.12.2010 out of which 11,726 in the Port of Colombo, 500 in the Port of Galle and 598 employees in the Port of Trincomalee. According to categories, there were 686 Executives, 7,001, Non Executives 2,443, Technical and 2,694 Non-Technical Grades.

Total number of accidents for the year was 74 and the total payment of workmen compensation amounted to Rs. 550,000/= against total accidents.

Two sittings of Sahanaya Committee meeting were held during the year of 2009, and most of the decisions taken by the committee had been implemented in year 2010 to curtail employees' unrest.

Much attention was focused towards the employees performance evaluation and newly designed format was introduced to the executives by assigning agreed tasks within a limited period of time.

Children of the "Piyaputhu" foundation were awarded NVQ certificates after completing 03 year training period in multi stream.

Based on the new scheme of recruitment, the marking schemes for executive and non-executive categories were introduced in order to attract professionally and educationally

qualified workforce into the permanent cadre of the SLPA.

Having considered newly implemented computer systems, and actual requirements for next 05 years, the existing Human Resource Plan is being revised, in order to achieve organizational objectives effectively and efficiently.

Human Resource Information System (HRIS) has been introduced among almost all the divisions and action is being taken to implement Documentary Management and to aggregate Pay Role System with HRIS for the smooth functioning of Human Resource activities.

SECURITY

By operating 24 hours a day with utmost dedication and responsibility, the Security Division has performed well in maintaining the security of all commercial ports that fall within the purview of Sri Lanka Ports Authority.

To develop the efficiency of Port of Colombo which is situated in a high security zone, these services are maintained in an excellent manner to ensure a smooth security situation by using hi-tech equipment and new strategies.

Maintaining the Ports day to day security aspects expeditiously the Security Division has contributed to the future development of the SLPA by earning the under noted revenue during the year.

Revenue earned by issuing permits to the Port users. (Including all taxes)

Revenue earned by issuing personnel and vehicle permits – Rs. 68,402,017/=.

Revenue earned by imposing fines for re-issue of misplaced port permits – Rs. 38,934/=.

Revenue earned by issuing permits to SAGT and Colombo Dockyard (Pvt.) Ltd. – Rs. 4,461,797/=.

Revenue earned owing to re-commencement of issuing angling permits which had been suspended due to security reasons – Rs. 136,247/=.

Total revenue earned by issuing personnel and vehicles permits to Port Users – Rs. 73,038,995/=.

In addition to above types and nature of permits issued as a service at the Port Permit Office during the year are noted hereunder.

- ▶ New appointees – 44
- ▶ Re-issue due to data change – 1,111
- ▶ Permits issued to SLPA Pool vehicles – 639
- ▶ Permits issued for private vehicles of SLPA employees – 3,589
- ▶ RPU permits – 516

In addition to above,

Rs. 130,000/= earned by imposing fines by violating traffic rules. (By Court Cases)

Rs. 1,796,929/= earned as compensation for damages caused to SLPA properties by accident.

WELFARE AND INDUSTRIAL RELATIONS

A summary of the expenditure borne by the Sri Lanka Ports Authority for services rendered for the welfare of the SLPA employees during the period of 2010 by the Welfare & Industrial Relations Division are as follows:

▶ **Supply of Free Meals**

Meals are provided for the office staff and the field staff free of charge and also

tea, snacks and breakfast is provided for all employees who work beyond 10pm. Total Cost during the period is Rs 962,274,090/=.

▶ **Housing Loan Scheme**

Annually a sum of Rs. 50 million is released under the welfare scheme for the conversion of loans obtained from government-recognized institutions for the employees to erect a house, to add an extension to the house or to buy a land. The amount released to the SMIB during the period is Rs. 25,767,000/=.

▶ **Scholarship Scheme**

▶ **University Education:** Rs. 2,500/= is paid monthly to each scholar and 180 scholarships costing Rs. 4,512,500/= was paid during this period.

▶ **Advanced Level:** Rs. 750/= is paid monthly to each scholar under this scheme and 681 scholarships costing Rs. 8,496,000/= was paid during this period.

▶ **Reimbursement of Medical Expenditure**

▶ **Out Door Treatment**

Under the medical benefit scheme expenditure bourn by the employees in obtaining medicine and purchasing spectacles once in two years can be reimbursed within the limit of Rs. 15,000/= per annum. The total amount reimbursed during the year 2010 was Rs. 30,080,753/=.

▶ **Indoor Treatments**

Under this scheme when the employee or an immediate family

member is hospitalized the employee has the privilege of claiming the expenditure.

The total reimbursement done during the period was Rs. 8,613,179/=.

The total reimbursements done during the above period in all three Ports was Rs. 38,693,932/=.

A sum of Rs. 223,000/= has been paid to the visiting doctor in the Port of Galle during this period.

▶ **Concessions for employees who were on No Pay leave**

In the event of termination of leave entitled for the ailing employee concerned approved no pay or approved paid leave is granted by this division. During the year 2010, 131 applications were received and 4885 days have been granted as approved paid leave and 522 days been granted as approved no pay.

▶ **Exgratia Payment on death**

For the employees who died in service, payments have been made at the rate of Rs. 35,000/= per death. Payment for the period is Rs. 945,000/=.

▶ **Transport Facilities**

The Welfare & Industrial Relations Division has 7 busses to provide transport facilities on a concession rate to the port employees to attend funerals, weddings or to go on pilgrimages. A free bus service is operated within the port premises at scheduled times for the use of the employees and the port users.

A bus is provided free of charge to attend an employee funeral within a distance of 50 miles. When unable to

provide a bus a maximum of Rs. 6,500/= is provided per trip and during the year 2010 a sum of Rs. 6,500/= has been released for this purpose.

▶ **Insurance Scheme**

Two insurance schemes are implemented for the employees of the SLPA.

Pilot Insurance – The Insurance cover per pilot is Rs. 3,000,000/=.

Personnel Accident Insurance - The insurance cover per person is Rs. 100,000/=.

The insurer has to bear 50% of the annual premium and the other 50% is paid by the SLPA. The premium SLPA has spent during year 2010 as follows.

▶ Pilot Insurance Scheme: Rs: 238,431/=.

▶ Personnel Accident Insurance: Rs: 151,816/=.

▶ **Welfare Canteens**

There are 16 canteens within the port premises that are run by outsiders and the revenue collected from the leaseholders during the year 2010 is Rs. 1,185,755/=.

▶ **Sports Activities**

A sum of Rs. 300,000/= was released to the Sports Club when requested.

▶ **Circuit Bungalows / Pilgrim Rests**

Employees are provided rooms/halls at the circuit bungalows/pilgrim rests situated at Kataragama on concession rates under the welfare scheme. Total income is Rs. 520,150/=

▶ **Award of Souvenirs for Long Service**

Souvenirs were awarded to 205 employees who completed 30 years service and 13 employees who completed 40 years of service during the period 2010.

▶ **Maritime Museum**

The Maritime Museum is opened to the public, daily free of charge between 1000 & 1900 hrs. Pictorial cards and books sale revenue was Rs. 589,880/= during the year 2010.

▶ **Other Welfare Facilities provided during the year 2010**

▶ **Seva Vanitha Unit**

The Day Care Center takes care of the children of the employees during daytime providing free meals and all necessary facilities.

▶ **Library Facilities**

Rs. 200,000/= has been allocated for 16 Welfare Libraries to purchase books during the year 2010.

LEGAL

The Law Officers are the Legal Advisors to the Ports of Colombo, Galle and Trincomalee and also render advice to the Board of Directors, Heads of Divisions and other Sections of the Sri Lanka Ports Authority.

Advices

During the year 2010 more than Two Hundred and Thirty Eight (238) Advices had been given to the Management.

In addition, drafting execution and attending to other matters pertaining to Contracts, Agreements, Bonds, Deeds, Leases etc., which the SLPA is a party to, also comes under the duties of the Legal Division.

Agreements and Contracts

During the year 2010, Three (03) Agreements and Contracts have been signed between SLPA and outside parties through the Legal Division. In addition to those Instruments, following Agreements and Bonds have been signed between the SLPA and SLPA Employees:-

- ▶ Six (06) Agreements and Bonds in respect of No-Pay Leave for Employment Abroad.
- ▶ Five (05) Agreements and Bonds in respect of Training and Education in Sri Lanka and Abroad.
- ▶ Seven (07) Agreements/Bonds have been signed in respect of Management Trainees.

Deed, Leases etc.

During the year 2010 following Deeds were executed:-

- ▶ Eleven (11) Deeds have been attested in respect of handing over of possession of land for Hambantota Port Project.
- ▶ Seventeen (17) Deeds of Leases in respect of leasing out of SLPA land to outside parties.
- ▶ One (01) Indenture of Cancellation of Lease in respect of land and premises leased to Cement Imports Terminal Company Galle.

All matters pertaining to Court Cases, to which SLPA is party to, are also handled by

the Legal Division with the assistance of the Attorney General and Counsel from Unofficial Bar.

By end of December, 2009, altogether Two Hundred and Thirty Nine (239) Cases/Complaints/Applications were pending before Courts. (i.e. Supreme Court, Court of Appeal, High Courts, District Courts, Labour Tribunals, Magistrate Courts, Human Rights Commission, Arbitration Centres, Labours, Labour Department and Ombudsman).

During the year 2010, Sixty Two (62) new Cases/Complaints/Applications hand been filed against SLPA and Six (06) Cases were filed by SLPA against others. (i.e. before SC, CA,HC,DC,LT,MC,HRC,ARB,LC,LD). Out of total Three Hundred and Seventeen (317) Cases, Fifty Nine (59) Cases have been concluded during the year 2010. Thirty Eight (38) Cases were decided in favour of SLPA while Three (03) Cases were withdrawn by the parties who filed the Cases against SLPA. Nine (09) Cases were settled and lost Nine (09) Cases.

As at 31st December, 2010 Two Hundred and Fifty (250) Cases/Complaints/Applications were pending before the said Courts.

Supreme Court Cases

During the year of 2010, Six (06) new Cases have been filed. Six (06) Cases were concluded. Out of Six (06) concluded Cases Four (04) were decided in favour of SLPA and Two (02) Cases were settled. As at 31.12.2010, Five (05) were pending.

Court of Appeal Cases

Twenty One (21) Cases were pending on 31st December, 2009. During the year 2010, Four (04) new Cases have been filed. Five (05) Cases were concluded during the year 2010, out of which Four (04) Cases were decided in

favour of SLPA while one (01) Case was withdrawn by the Plaintiff. As at 31.12.2010 Twenty (20) cases were pending.

High Court Cases

As at 31st December, 2009, Fifteen (15) Cases were pending at the High Court. Three (03) new Cases have been filed during the year 2010. Out of Eighteen (18) cases, Seven (07) Cases were concluded during 2010. Out of concluded Cases, One (01) Case was decided in favour of SLPA, lost Five (05) cases and One (01) was withdrawn by the Plaintiff. As at 31.12.2010 Eleven (11) Cases were pending.

District Court Cases

Twenty Three (23) Cases were pending on 31st December, 2009. During the year 2010, Five (05) new Cases have been filed and fifteen (15) Cases were concluded. Out of Fifteen (15), two (02) Cases were settled and Thirteen (13) Cases were pending.

Magistrate Court Cases

As at 31st December, 2009, Two (02) Cases were pending at Magistrate Courts. During the year 2010, Two (02) new Cases have been filed in Magistrates Courts to evict the unlawful occupants from SLPA quarters under the Government Quarters (Recovery of Possession) Act and application has been filed under the State Lands (Recovery of Possession) Act. One (01) Case was concluded during the year 2010. Presently Two (02) Cases are pending in the Magistrates Courts.

Labour Tribunal Cases

As at 31st December, 2009, 13 Cases were pending in Labour Tribunal. During the year 2010, Eight (08) new Cases have been filed against SLPA and Eight (08) Cases were

concluded; out of which Three (03) Cases were decided in favour of SLPA while One (01) Case was settled and lost other Four (04) Cases. As at 31.12.2010 Sixteen (16) Cases were pending before the Labour Tribunals.

Applications made in Human Rights Commission, Complaints made to the Labour Department Regarding Labour Disputes (Conciliation Cases) and Complaints made to the Ombudsman

As at 31.12.2009 Seventeen (17) Complaints were pending before the Labour Department in respect of Labour Disputes (Conciliation Cases) while Hundred and Twenty Five (125) Human Rights Applications and Fifteen (15) Complaints to the Ombudsman were pending. During the year 2010, while Twenty One (21) Complaints had been made to the Labour Department in respect of Labour Disputes (Conciliation Cases) Seventeen (17) Human Rights Applications had been filed against SLPA and One (01) Complaint had been made to the Ombudsman against SLPA.

Nine (09) Human Rights Applications and Eight (08) Labour Department Complaints were concluded during the year 2010.

Accordingly, 133 Human Rights Commission Applications, 30 Labour Department Complaints and 16 Complaints before Ombudsman were pending as at 31.12.2010.

Arbitrations

As at 31.12.2009, Two (02) Commercial Arbitration matters and One (01) Industrial Arbitration matter were pending. During the year 2010, One (01) Commercial (Foreign) Arbitration was commenced against SLPA. Accordingly, as at 31.12.2010, Four (04) Arbitrations were pending.

***Note: The lost Four (04) High /Court cases were the appeals against the**

Labour Tribunal Orders in respect of Four (04) Labour Tribunal cases mentioned above.

MEDICAL

A healthy environment was created and maintained at work place by conducting awareness programmes to maintain good mental and physical health and safety while at work and prevent smoking, alcohol and drug addiction.

Employees were treated for their ailments including dental problems. Those with life style diseases were monitored regularly with each being able to discuss his ailment on a one to one basis with the dedicated and experienced panel of doctors who along with their medical team maintained a 24 hours service.

The regular counseling programmes on alcohol and smoking and the breathalyzer testing also contributed to their well being and helped to minimize accidents whilst on duty.

Financial support for hospitalization of employees and their families and reimbursement of medical bills were also in place.

MAHAPOLA TRAINING INSTITUTE

General

The nerve centre of the SLPA, the Mahapola Training Institute is committed to its main objective of providing training opportunities to the Port employees, Port users and others especially on Maritime Sector. The Institute conducted its annual programmes in 2010 as approved by its annual training calendar focusing series of lectures, seminars, workshops and practical training programmes to enhance knowledge, skills and attitude of

employees of SLPA and Maritime Sector. Several workshops on productivity improvement, team building, upgrading technical skills, and customer services and quality improvements were conducted for the Port employees during the year 2010. Several measures were taken to reduce the wastage of man power, materials and money as a cost control measure within the MPTI. All efforts were made within MPTI to minimize the cost per man-hour in training activities.

Overall training Performance during the year 2010.

Stream	No. of Candidate Trained	Total Man Hours
Equipment Operations	228	15,130
Cargo Operations	51	27,672
Management	1,186	34,574
Information Systems	322	26,548
Technical	198	110,332
Fire, Safety, Occupational Health	738	8,035
Maritime & Seamanship	394	76,593
NAITA Apprentices, VTA & Tech Colleges	245	351,800
University Undergraduates	89	35,160
Total	3,451	685,844

New Training Programmes

When we look at the corporate vision of the MPTI there is a big gap between now and achieving the full vision of the institution. To bridge this we have developed and conducted several new mega scale training activities at MPTI.

Port Related Skill Development Programme

Port is an organization which contains several divisions handling various disciplines, which

are inter connected in the whole port supply – chain but it is not understood by an average port employee. Due to this reason it was the timely need of the training institution to address this issue to find a long lasting solution. The basic fact is that employees of SLPA shall understand the activities of other divisions and feel that employees attached in various other divisions are their customers. On this basis courses on port skill development that comprise the following port related disciplines were conducted.

- ▶ Port Management
- ▶ Port Operations
- ▶ Port Logistics
- ▶ Port Engineering
- ▶ Port Security
- ▶ Port Marketing
- ▶ Port Economics
- ▶ E.D.P. Support on Port Affairs
- ▶ Maritime administration
- ▶ e business
- ▶ Port Transport

The course on foundation level was conducted for 26 candidates during the year 2010. Special feature of this programme is that the entire faculty members are the in-house experts from SLPA on various disciplines by which ports investment on training senior officials were reaped.

Strategic Port Development

Port industry plays a major role in today's global economy. It facilitates trade and acts as a key interface between Sea and Land based transportation. It is a part of international supply chain network. This sector is very competitive and rapidly changes step wise. In the face of these rapid changes to the industry, the managements of various agencies are experiencing challenges that have not been encountered before, and would need strategic changes with innovative solutions. On this basis Strategic Port

Management programme was developed & conducted for SLPA executive officials in two batches that includes 43 candidates.

Training of Engineering Cadets (Diploma in Marine Engineering) Programme

Sri Lanka has a strong potential to cater to the International Maritime Labour Pool by training its educated unemployed youths in the Maritime field and provide them with employment opportunities on ships operated by International Shipping Companies. Taking advantage of scarcity of professionals, this is high time to increase the output of existing local Maritime Training Institutions which provides training for seafarers.

According to shipping forecast currently there is a huge shortage of crew especially officers rank in the Maritime Sector. Recent studies have predicted that the shortage would be above 46,000 for officers' rank by the year 2012.

In line with this the Cadet Training Programme was commenced since January 2009 at the Mahapola Training Institute (MPTI) of Sri Lanka Ports Authority (SLPA) in collaboration with Ceylon Shipping Corporation, according to STCW of IMO recommended course module and approved curriculum by the Director General Merchant Shipping, Ministry of Ports and Highways. The second batch which contains 20 participants was enrolled in June 2010 while first batch continues its second year academic programme.

Gantry Crane Simulator Training

MPTI is the pioneer Port and Maritime Institution in the South Asia region to have installed a sophisticated Container Crane simulator to train Gantry Crane and Yard Crane Operators in the Port. We were able

to train 31 port employees during the year 2010 and planning to offer this training facility to outside parties on fee levying basis in the future.

Course on Maritime English

According to STCW/IMO requirements it is essential to conduct a course in Maritime English for the seafarers to obtain their CDC (Continuous Discharging Certificate) from the designated authorities. MPTI was the pioneer institution to commence this Programme in the Island. Two similar programmes at support level were conducted during the year 2010 for a total number of 47 participants. The curriculum was developed for Operational Level and submitted for DGMS for its approval and hoping to conduct same in the future.

Human Resource and English Language Programmes

As per new SR. approved by SLPA, the candidates who do not have a degree/diploma in the specific field will face severe hardship in their promotional prospect in the near future. Due to this, under 3 year development programme, it was suggested to conduct a diploma programme in HR Management and Advanced English at MPTI with utilization of qualified resource personnel that will be equivalent to diploma offered by other recognized Institutes such as NIBM, IPM, and University of Colombo & Jayewardenepura etc.

We had several panel meetings with the resources personnel from University of Sri Jayewardenepura & University of Colombo and prepared the detailed curricula for the Diploma in Human Resource Management and Advanced English. The Diploma in HR Management Course was commenced in October, 2010 with 70 participants on fee levying basis which would generate income to

SLPA. Regarding the Diploma in Advanced English the proposal was submitted to SLPA Higher Management for its approval.

Improving the Efficiency of Maintenance Skill

During the year 2010, the following technical programmes were developed & conducted for SLPA employees to improve the maintenance skill of the workers.

- ▶ Motor control circuits (10 months)
- ▶ Course on Engineering Drawing (20 days)
- ▶ Orientation programme for Supervisors (15 days)
- ▶ Maintenance & repair of Radio & T.V. (16 days)
- ▶ Mechatronics training Programme

An establishment of a fully fledged Mechatronics Laboratory is in progress and will be operational from February 2011.

Training of Skilled Workers – New Port of Magam Ruhunupura, Hambantota

The training of skilled workers for the New Magam Ruhunupura Mahinda Rajapaksa Port as identified at the planning stage of the Port under the 3 year Development plan prepared by the Sri Lanka Ports Authority. This includes, training workers in all trades and disciplines that are necessary for the Operation and Maintenance of the proposed Port. Also it was decided to make use of unemployed youths in the district of Hambantota, Ratnapura, Monaragala and Matara for the training programme. The identified fields were Port Operations, Maintenance of Port Machinery and Port Equipment Operations etc.

As the **Phase 1** of the Training programme the Vocational Training Centers and the Technical colleges in the district of Hambantota were selected as the main

centers for the academic part of training programme where as the on the job training was arranged at the port. On this basis arrangements were made between Mahapola Training Institute and the Department of Technical Education and Training to conduct training Programmes at the following training institutions.

- ▶ Mirijjawila Vocational Training Centre
- ▶ Beliatta Technical College
- ▶ Embilipitiya Technical College

A Memorandum of understanding was signed between Sri Lanka Ports Authority and Department of Technical Education and Training to fulfill this task and by October, 2010. The completed training trades were as follows.

Mirijjawila

1. Electrical	-	17 candidates
2. Air conditioning	-	12 candidates
3. Plumbing	-	05 -do-
4. Carpentry	-	04 -do-
5. Welding	-	09 -do-
6. Motor Mechanics	-	13 -do-
7. Steel fabricator	-	15 -do-

Embilipitiya

1. Carpentry	-	22 candidates
2. Motor Mechanics	-	11 candidates

Beliatta

1. Electrical	-	13 candidates
2. Motor Mechanics	-	15 candidates
3. Fitters	-	14 candidates

These candidates have undergone on the Job in-plant training in their respective trades at the Port of Colombo.

Fee Levying Courses

With a view to making the maximum use of the SLPA and MPTI's available resources, capacity and the skills of trainers, several fee levying courses were conducted for outsiders/outside institutions during the year 2010. These courses were covered areas such as Maritime and Seamanship, Technical, Equipment Operation, Port Logistics, Port Finance and Information Systems.

Port Operations and Logistics

- ▶ Prime Mover Operator Training
- ▶ Fork Lift Operator Training
- ▶ Mobile Crane Training
- ▶ Top lift Operator
- ▶ Wharf Clerks Training Programme
- ▶ Programme for Operation Assistants

Making use of equipment and facilities such as Fork Loaders, Cranes, Prime Movers, Fire Simulators and ship simulators available at MPTI, the Training Institute is looking forward to extend the training to meet the increasing demands for this type of training programmes for outsiders. This institution has also commenced a special training programme for Wharf Clerks to assist in obtaining license to clear cargo as Wharf Clerks. Also arranged training for the Gantry Crane Operators, Transfer Crane Operators in order to increase the productivity at JCT as well as recently commissioned UCT.

Maritime and Safety

- ▶ Coxswain Training
- ▶ Ships Deck Rating Course
- ▶ Ships Engine Room Rating Course
- ▶ Personal Survival Techniques
- ▶ Personal Safety and Social Responsibilities
- ▶ Winch man Training Course
- ▶ Rigging Work Training for SLNS personnel

- ▶ Elementary First Aid
- ▶ Advanced Fire Fighting

Training of Children of Port employees under Piyaputhu Foundation

During the year 2010, MPTI has recruited the second batch and commenced a training programme focusing on employment opportunities for children of SLPA employees, who are supposed to retire within 3 years and already retired. This was one of the long lasting demands of the major Trade Unions of SLPA. Under this program there were 98 candidates recruited to be trained in various disciplines since January 2010 in the following categories.

▶ Accounts Clerk	-	39 Nos.
▶ Typist Clerk	-	21 Nos.
▶ Machinist	-	08 Nos.
▶ Welders	-	10 Nos.
▶ Mason	-	05 Nos.
▶ Fitter	-	12 Nos.
▶ Marine Carpenters	-	03 Nos.

Participation in Seminars and Training Programmes at Outside Institutions and Mahapola

During the period January to December 2010 training arrangements at outside institutions were made with a view to updating and improving skills and knowledge of the port employees in the field of Management, Finance, Engineering, Security, Law, Health and Safety, Ports Management, Information Systems, Human Resource Management etc.,. During the year 2010 seventy five employees were participated in training programmes conducted by organizations such as

- ▶ Sri Lanka Law College
- ▶ Bar Association of Sri Lanka
- ▶ Arbitration Center
- ▶ Board of Investment
- ▶ Central Bank

- ▶ Chamber of Commerce
- ▶ Institute of Engineers Sri Lanka
- ▶ Sri Lanka Standard Institute
- ▶ Institute of Chartered Accountants
- ▶ Institute of Personal Management
- ▶ University of Moratuwa
- ▶ Indian Registrar of Shipping
- ▶ Computer Society of Sri Lanka
- ▶ Tertiary of Vocational Education Center Sri Lanka
- ▶ National Institute of Labour Studies
- ▶ Sri Lanka Library Association
- ▶ AAT Sri Lanka
- ▶ CIMA Sri Lanka Division
- ▶ Sari Lanka Foundation Institute
- ▶ Employees Federation of Sri Lanka
- ▶ Center for Studies in Disciplinary Management,
- ▶ Director General of Merchant Shipping
- ▶ National Apprentice and Industrial Training Authority
- ▶ Institute for Construction Training and Development etc.

The amount of Rs. 894,330/= has been spent for the training of employees in the above organizations and whereas Rs. 3,001,150/= was spent on in-door training activities.

Recognition of Training of Graduate Engineers for Corporate Membership

SLPA was awarded recognition for Training of Graduate Engineers for Corporate membership by the Institute of Engineers, Sri Lanka in the field of Civil, Mechanical and Electrical. During year 2010 total No. of ten (10) candidates obtained the corporate membership of IESL and qualified to practice as Chartered Engineers in their respective fields.

ISO 9001: 2008 Certification

The Mahapola Training Institute obtained ISO 9001:2000 Certification in July 2004 from the Indian Registrar of Quality Systems to

Conduct the IMO/STCW Training Programmes for Sea farers. Surveillance Audits were carried out by the Indian Register of Quality systems in 2004 is valid only up to 2010 and it is mandatory to migrate to ISO 9001/2008 Quality Management System by November 2010. On this basis it was necessary to prepare documents such as Quality Procedure Manual, Process Manual, Work Instruction and Standard forms etc. to be compatible with ISO 9001/2008 QM system. The most important fact is that these documents were prepared by the MPTI in-house Officials without any assistance from out side Consultants. We were able to achieve this by July 2010, and MPTI is the pioneer educational institution in Sri Lanka that offered ISO 9001-2008 Certification to conduct IMO/STCW training programmes for Seafarers.

Training of Trainers

During the year 2010, MPTI was able to train 15 of its trainers on Training of Trainers programme to improve quality of training output of the institution.

Performance of Regional Training Centers

The following training programmes were conducted at the under mentioned regional training centers.

Oluvil Training Centre

Course Title	Duration	No. of Programme	Participants
Fork Lift Operating Training	02 Weeks	02	11
Aluminium Fabrication	03 Months	02	21

Badulla – Ettampitiya Training Centre

Course Title	Duration	No. of Programme	Participants
Aluminium Fabrication	03 Months	02	42

Matara Training Centre

Course Title	Duration	No. of Programme	Participants
Fork Lift Operating Training	02 weeks	01	06

Revenue Earned

During the period of January to December 2010, Mahapola Training Institute has earned a total sum of Rs. 13,164,201/= as revenue for the Ports Authority from the fee levying programmes conducted for outsiders. The revenue earned from many divisions of SLPA by conducting training courses, Workshops and Seminars on various disciplines to update the knowledge, skills and attitudes of various categories of SLPA employees to improve the overall efficiency of port operations was Rs. 5,315,150/=

Therefore total revenue earned by MPTI during the year 2010 was Rs. 18,479,351/=

In addition, other regional centers have earned the following amounts as revenue for the Ports Authority.

Maritime Training Institute (Oluvil)	Rs. 166,100/=
Training Institute (Matara)	Rs. 66,000/=
Training Institute (Badulla)	Rs. 60,000/=

Total expenses for courses conducted at MPTI and regional centers was Rs. 4,204,803/= during the year 2010.

INTERNAL AUDIT

The activities of the Internal Audit Division were guided by the Annual Audit Programme and it is recommended by the Audit Committee Meeting and approved by the Board of Directors.

Internal checks and normal Internal Audit functions had been carried out in the revenue & expenditure areas of the Authority.

Internal Checks Attendance

Surprise check of the attendance of both labour and non labor grades were carried out regularly by the Flying Squad during the day shift and night shift. Employees detected being away from work places were reported for disciplinary action. This resulted in improved attendance of employees at their work places.

Cash

Surprise checks of cash and petty cash imprests were carried out from time to time and discrepancies were reported.

Audit of Revenue

Audit of revenue collections for the year was carried out as per Audit Programme as special assignments enabling detection of under recoveries of Port charges.

The debtors Accounts, Disputed Bills and Dishonored cheques were examined and the discrepancies reported. Regular checks were carried out at the Katunayake and Biyagama Landing & Delivery Units too.

Audit of Expenditure

Test checks were carried out in respect of capital and recurrent expenditure and also on stores payments vouchers. Excess payments and other irregularities detected. Vehicle

running charts and vehicle authorization forms were checked and shortcomings pointed out.

A regular check on preparation of wages and salaries were carried out and discrepancies detected were reported.

Physical Verification of Stores

Continuous verification of stores was carried out in Colombo Port and assistance was also given for the annual stock verification in other Ports.

During the continuous verification of main stores, the non moving stock items lying in the stores were identified and referred to Supplies Division for suitable action.

Investigations

Special investigations on the request of the Chairman/Managing Director were carried out during the year.

Final Accounts

The Division is also responsible for examining the final accounts of the Authority with a view to ensuring the financial statements are prepared conforming to the Sri Lanka Accounting Standards.

Pre-Audit

During the period under review Pre-Audit of refunds of deposits and waivers of Port Charges were undertaken.

Port of Galle and Trincomalee

Audit of Accounts for the Port of Galle and Trincomalee was carried out on both Revenue and Expenditure and reports were prepared.

PORT OF TRINCOMALEE

Administration report on the activities of the Port of Trincomalee during the period of 2010.

Staff Strength

Description	2009	2010
Executive Grade	16	17
Non Labour Grade	295	289
Labour Grade	314	304
Total	625	610

No. of Employees as at 01.01.2010	625
Voluntary Retirement	-
Retired	02
Died/Dismissed	09
Transferred out from Trincomalee	16
Transferred to Trincomalee	12
New Appointment	-
No. of Employees as at 31.12.2010	610

Navigation

No. of Vessels called at Trincomalee Port

Description	2009	2010
G/Cargo & Break Bulk	187	136
Passenger Vessels	131	11
Total	318	147

Cargo Handling

Handling of General Cargo & Dry Break Bulk Cargo

Description	M/Tones
2010	
Loading	10,000
Unloading	106,493

Liquid Bulk

Description	M/Tones
2010	
Loading	Nil
Unloading	191,307

Works carried out in Engineering Division

Civil

- ▶ Repair works at Muthur Jetty, water Barges, Roof of Japanese Bungalow-Burma Camp and excavation for laying new Telephone cable extension from Administration Building to TTA was carried out.
- ▶ Sewage water line & septic Tank facilities to Ceylon-Jetty family quarters, additional water supply line to circuit bungalow-01, Orr's Hill were provided.
- ▶ Renovation & Maintenance works in all buildings at Town Office- Inner-Harbour Road, TTA Unit, Japanese Bungalow, Canteens at TTA.Mudcove, RM(T)'s Bungalow, Roof in Supply Office, Supdt, (Security)'s Office – B/Camp and Security Office – TTA Unit were carried – out.
- ▶ Repair works in Fence at Ceylon Jetty, Burma Camp/TTA were carried – out.

Mechanical

- ▶ Overhaul repair works in UD Nissan Bus, Mooring Launch 'maya' Pilot Launch 'Alfred Normandale' and Renovation works in Deck Barge – 1494, Berthing Tugs, M/F Seruvilla II, were carried-out.
- ▶ Arranged to repair all Communication. Sets by Colombo Team, and repaired all Tube Lights and Ceiling Fans which were defective.
- ▶ Grab Buckets for Coal Ship operations were repaired and maintained whenever necessary.

Security Section ISPS

As requested by PFSO- Trincomalee Port, the details of SLPA Trincomalee employees were forwarded to him on 31.12.2010.

Fire Fighting Programme

Demonstration Classes were carried-out by the officers who came from Colombo-Port for the Trincomalee Port employees unit wise, during the period from 2010.10.15 to 2010.12.12.

Seruwila – II Passenger Service

The repair works have been completed in the above launch, and expecting the operation to commence in January 2011, under the management of Sri Lanka Nidahas Sevaka Samagama.

General

Arrangements have been made to call RFP for investments for Trincomalee Port Land in such a way that, beach areas for Tourism and Lands vicinity of Jetty area for industry.

PORT OF GALLE

Commodity	No. of Vessels	Discharge d MT	Loaded
Clinker	32	284,418	
Bulk Cement	03	23,653	
Gypsum	01	9,500	
T S Cargo	-	61	406
Total	36	317,632	406

Total Tonnage Handled	318,038 MT
Total Cargo Vessels	36
Other Vessels (Passenger, Naval, Bunkering, Repairs & Other Purposes)	94
Total No. of Vessels Berthed in 2010	130
Anchorage	39
OPL (Off Port Limit) Vessels	1,032
Sailing Yachts	79

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FINANCIAL REVIEW

Revenue (All Ports)

Revenue (Rs. Mn)
(Port Activity Break-up)

Description	2010	2009	Description	2010	2009
Revenue from Port Activities	25,046	20,183	Petroleum Products	617	603
Other Revenue	3,233	3,148	Conventional Transshipment Cargo	29	42
Total Revenue	28,279	23,331	Dockage and Anchorage	657	524
			Navigation, Harbour, Pilotage & Tugs	3,141	2,792
			Storage	1,837	1,536
			Conventional Domestic Cargo	2,505	1,826
			Containerized Transshipment Cargo	5,708	4,654
			Containerized Domestic Cargo	9,908	7,773
			Other Services (Operational)	643	432
			Total Revenue (Port Activities Only)	25,046	20,183

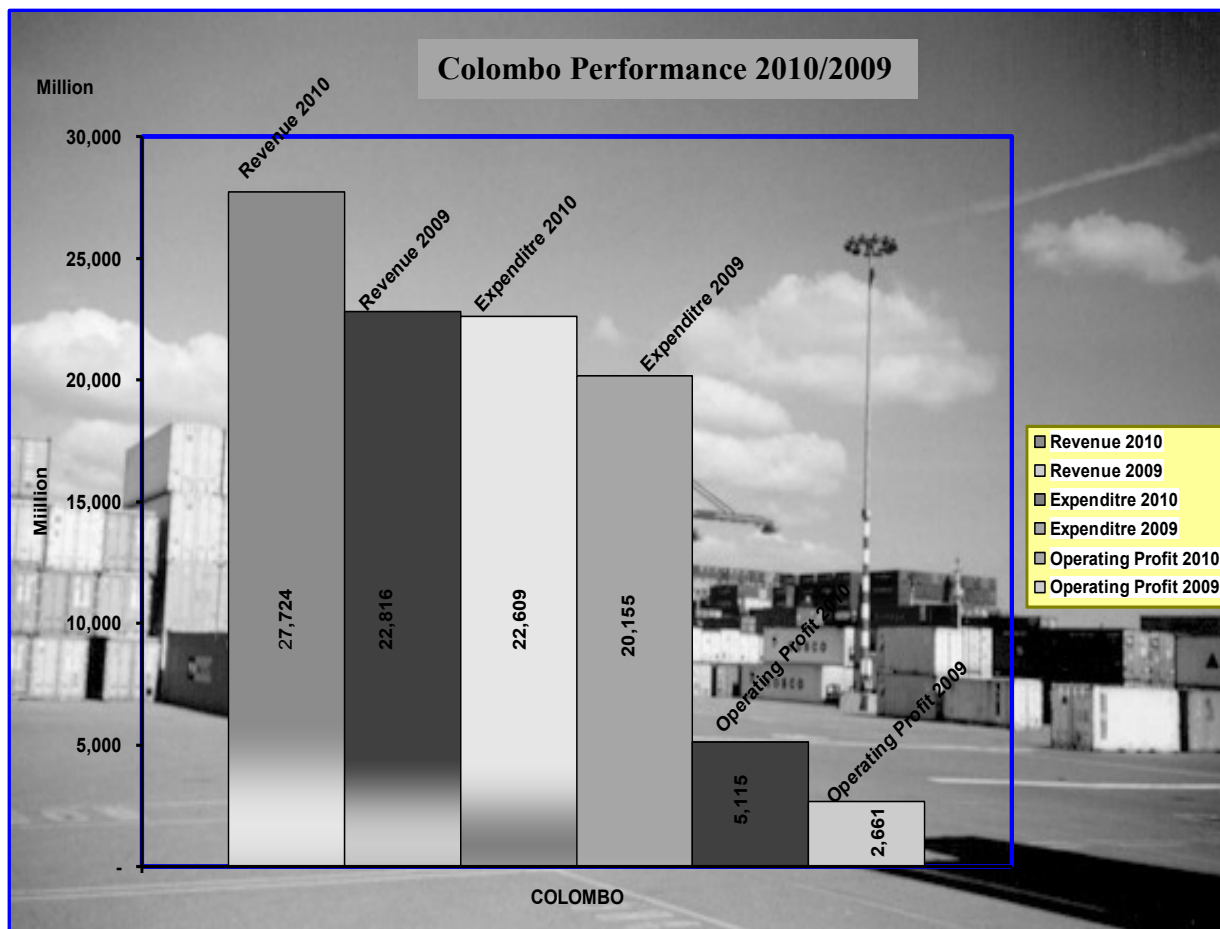
Operating and Other Expenses (All Ports) (Rs. Mn)

Description	2010	2009	(Increase)/ Decrease	%
Payment for Volume Rebate	918	617	(301)	(49)
Maintenance of Assets	1,137	902	(235)	(26)
Fuel, Electricity and Water	1,828	1,686	(142)	(08)
Interest on Foreign Loan	1,225	1,159	(66)	(06)
Overtime	3,323	2,883	(440)	(15)
Depreciation	4,682	4,809	127	03
Wages, Salaries and Allowances	10,011	9,368	(643)	(07)
Others	1,997	1,137	(860)	(76)
Total Expenditure	25,120	22,561	(2,559)	(11)
Foreign Exchange (Loss)/Gain	(4,410)	591	(5,001)	(846)
Total Expenditure Including FEL	29,530	21,970	(7,560)	(34)

Port – Wise Performance

Port of Colombo

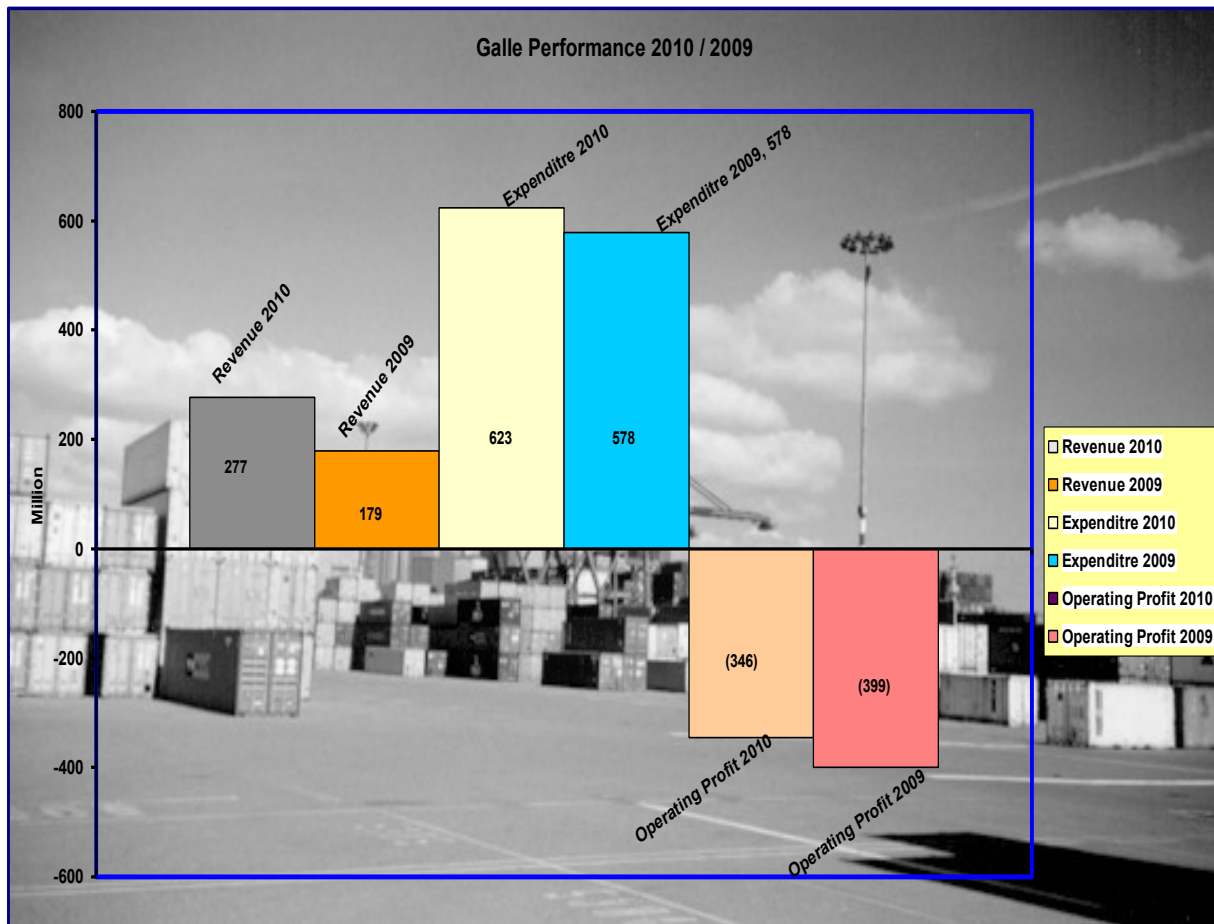
The Port of Colombo generated operating profit of Rs. 5,115 million in year 2010. The gross revenue of 2010 was Rs.27,724 million as compared to Rs.22,816 million in 2009 an increase of Rs. 4,908 million. Total expenditure before tax remained at Rs. 28,244 million whereas 2009 expenditure was Rs. 20,725 million an increase of 36%.



Port of Galle

The Port of Galle recorded a pre tax loss of Rs.345 million in year 2010. The gross revenue of 2010 was Rs. 277 million as compared to Rs. 179 million in 2009 an increase of Rs. 98 million.

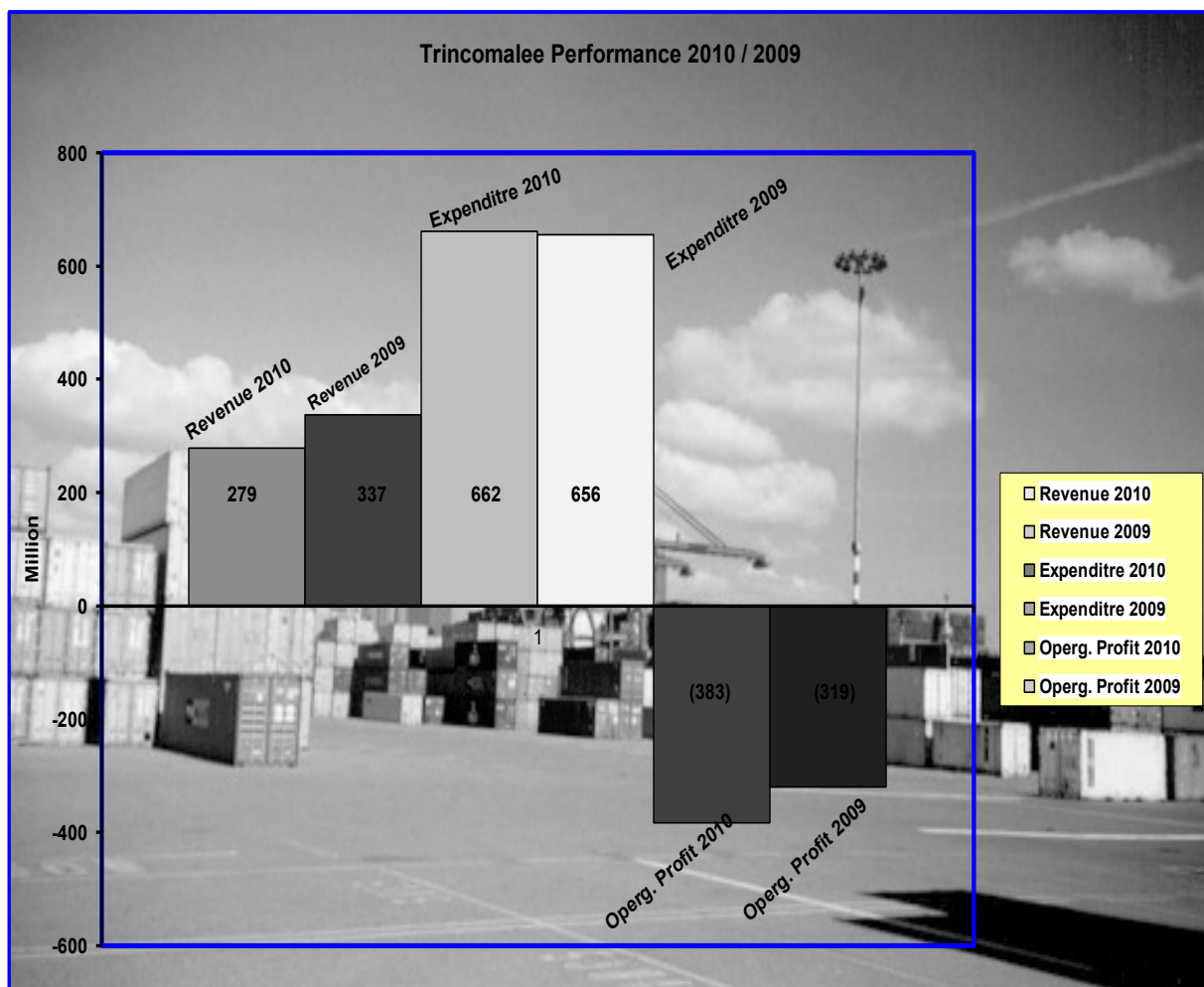
Total expenditure before tax remained at Rs. 623 million whereas 2009 expenditure was Rs. 578 million an increase of 8%.



Port of Trincomalee

The Port of Trincomalee recorded a pre tax loss of Rs. 383 million in year 2010. The gross revenue of 2010 was Rs. 279 million as compared to Rs. 337 million in 2009 and decrease of Rs. 58 million.

Total expenditure before tax remained at Rs. 662 million whereas 2009 expenditure was Rs. 656 million an increase of 1%.



The SLPA is concerned of its Social Responsibility towards the employees and the needy citizens of the country.

- ▶ Scholarships were awarded to the children of the employees who were excelled in GCE O/L & A/L Examinations.
- ▶ A crèche is managed by the SLPA for the children of the employees.
- ▶ SLPA participated at several exhibitions in and out of Colombo including "Deyata Kirula" National Exhibition which was held in Pallekale, Kandy which helped the school children and the general public to get information on existing Ports and on going development projects.
- ▶ The Fire brigade was available to assist Colombo Municipal Council and other emergency situations in Fire Fighting.
- ▶ The ward maintained by the SLPA in the Mulleriyawa Mental Hospital was provided with essential items.

Over the years, the terms used to describe staff and employees in businesses have changed. It has moved from "personnel" to "Human Resources" (HR) and then to "Human Capital".

Human capital is recognition that people in organizations and businesses are an important and essential asset who contributes to development and growth, in a similar way as physical assets, such as machines and money. The collective attitudes, skills and abilities of people contribute to organizational performance and productivity. Any expenditure in training, development, health and support is an investment, not just an expense.

One of the main objectives in the three year development plan of the Sri Lanka Ports Authority (SLPA) is the upliftment of the quality of life of employees while introducing new HRD procedures. These comprise of, human resource development, introduction of new recruitment programs, assessment of manpower requirements & revisions of cadre, introduction of new schemes of recruitment and introduction of computerized HR systems etc.

The focus of all aspects of Human Resource Development is on developing the most superior workforce, so that the organization and individual employees can accomplish their work goals in service to customers. Sri Lanka Ports Authority, consisting of one of the largest workforces in the country develops employees in all aspects of their work.

Primarily, the Human Resource Division (HRD), Mahapola Training Institute (MPTI), Welfare & Industrial Relations Division (W&IR) & Medical Division perform the human resource development tasks at large at SLPA.

Much attention of HRD was focused towards the employee performance evaluation in

order to get them involved in an effective manner for the purpose of better productivity in the organization. SLPA performance based evaluation process was commenced with the revision of the new salary structure in 2006. The process was started on experimental basis in a pre-defined evaluation form, to be filled by each and every employee, and carried out once in six month intervals. A new format of the performance evaluation form for the executive staff has been designed in January 2010. The performance evaluation for the year 2010 has been carried out according to this new improved format.

In aim of succession planning, a new scheme of recruitment (SoR) is in operation since 2009. This new SoR of executive category enables the absorption of highly qualified (educationally and professionally) competent personnel into the executive/management positions of SLPA permanent cadre. A new SoR of Non-Executive category has also been in operation since 25.11.2010, enabling the absorption of educationally qualified competent personnel into the Non- Executive positions of SLPA permanent cadre, whilst thereby enhancing their educational level.

With the aim of encouraging professional development, professional executives of SLPA are paid the monthly professional allowance. The executives also can reimburse the amount paid for their membership subscription fees, if they are current members of professional institutions. These allowances were paid within the allocated budget and funds during the year 2010.

The human resource plan has been revised to meet the strategic requirements of SLPA. The excess staff is reallocated in different designations in order to meet specific requirements.

The Human Resource Information System (HRIS) has been in operation since the year 2009. Training sessions and presentations

were conducted continuously, to educate SLPA employees on HRIS & e-Leave systems. The HRIS is in the process of further enhancement by integrating with payroll and time attendance systems, to deliver improved solutions to SLPA employee needs.

The Mahapola Training Institute, the knowledge centre of SLPA conducted a series of lectures, seminars, workshops and practical training programmes, to enhance knowledge, skills & attitudes of employees of SLPA. With the intention of enhancing the educational level and for better promotional prospects of employees of SLPA, the MPTI has started several Diploma courses in collaboration with local universities, viz., Diploma in Human Resource Management (in collaboration with University of Sri Jayewardenepura), Diploma in English (in collaboration with University of Colombo), Diploma in Security (in collaboration with Kothalawala Defense Academy) and Diploma in Port Management (conducted by the Management of SLPA).

As done in the past, welfare facilities that were planned for employees of the SLPA were conducted by the Welfare & Industrial Relations division during the year 2010. With the implementation of welfare services in the SLPA, supply of free meals, housing loan facilities, educational scholarship grants, welfare transport facilities, reimbursement of medical expenditure, indoor medical treatment, sports activities, insurance schemes, etc. were continued as planned, within the limits of allocated funds for the satisfaction of employees of the SLPA. The maritime museum, a very popular place among visitors of the port is continued to be maintained by the W&IR Division during 2010.

All religious associations in the SLPA had conducted their religious rituals within the port premises compatible with important national ceremonies. Accordingly, first working day of the year, May Day, SLPA

anniversary celebrations, Christmas etc., were celebrated with religious observances during the year 2010.

The service provides to maintain the health of the employees helps strengthen their mental, physical and spiritual well being and thereby maintains an efficient work force.

A healthy environment was created and maintained at the workplace by conducting awareness programmes to maintain high-quality mental and physical health & safety, while at work. A 'Shramadana Campaign' was conducted on 1st of December 2010, throughout the day, to clean the office and surrounding environment to maintain a healthier work place.

The Medical Division of SLPA continuously strives to keep the employees of SLPA in good health. In lifestyle related diseases, such as Diabetes, Hypertension, Heart Diseases, Hypercholesterolemia, Asthma and Mental Diseases, patients were treated and monitored at frequent intervals, so as to prevent or minimize long term complications like blindness, paralysis, kidney failure, chronic ulcers etc. Testing of consumption of alcohol has been done as a measure to reduce accidents whilst at work and to minimize losses. Examination for the alcohol consumption during working hours has been carried out on a 24 hour basis by the doctors.

Mosquito borne diseases, especially the Dengue prevention programmes has been carried throughout the year. Fortnightly/monthly checking has been carried out to identify dengue breeding sites within Port premises and reported to relevant divisional heads and to PHIs to take corrective measures. Vision checks were regularly done by doctors during patient consultation during the year 2010.

On December 21, 2010, the Port of Colombo set a new record by handling 04 million twenty foot equivalent units [TEUs] of

containers. With this total handling of 04 million TEUs by the Port of Colombo which demonstrates an increase of 20% compared to the same period previous year, the Port of Colombo also shows up an increase of 11 % compared to the total figure of 3.68 million TEUs handled in 2008, the highest-ever performance rate recorded by the Port of Colombo. The breakup of this 4 million TEUs handled by the Port of Colombo, includes a 25% increase of local import/export TEUs and an 18% increase of transshipment TEUs over the corresponding period in 2009.

Human Capital is the intersection of an organization's skills, the required roles, and the people available, while skill includes hard skills, leadership, business skills and interpersonal skills. Further, roles pertains to jobs, project roles and positions within the organization while people are the key; finding people with the right skills, competencies, experience and education to fill the necessary roles is a major decision. The above results shows the fitting leadership given by the current Chairman who revolutionized the current status quo of port operations by building a determined and disciplined management team as well as a strategic human capital.

"The ability to make good decisions regarding people represents one of the last reliable sources of competitive advantage, since very few organizations are very good at it."

- Peter Drucker

Corporate Governance is the total system by which organizations establish a mechanism for the effective utilization of resources, direction and control of the organization in the best interest of all categories of stakeholders. The primary responsibility for Good Governance lies with the Chairman and the Board of Directors of the Authority. In order to achieve the primary objectives of the organization they have to ensure that processes and controls are in place and effective which are to be facilitated through the career officials who in turn are responsible for respective functional areas. In this exercise, Internal Auditors have to play a vital role in the examination of the performance and report whether there are variations from the approved procedure. If any deviation to recommend as to how they should be revised to meet the expected performance specially in respect of the operational and financial functions and thus contribute towards Good Governance.

The quality and frequency of financial and other operational reporting, the extent to which the Board of Directors exercises its fiduciary duties, the quality of information shared by the management with the Board and their commitment to manage a transparent organization that maximizes value is of primary importance. The Authority has continued its commitment to maintain high standards of Corporate Governance.

The Board of Directors is also responsible for the governance of the Authority. The Authority continues to place considerable emphasis on developing rules and regulations, structures and processes to ensure good practices. The Authority has consistently refined its structures of Corporate Governance.

The methods by which the Authority has applied the principles of good Corporate

Governance practices during the financial year are enumerated under the following headings:

- ▶ Board of Directors and Board Sub-Committees
- ▶ Internal Controls
- ▶ Internal Audits
- ▶ Rules of Discipline
- ▶ Relationship with the General Treasury and the Ministry of Ports and Aviation
- ▶ Compliance with Statutory and Legal requirements
- ▶ Public Enterprises Guidelines for Good Governance

Following the Cabinet decision to grant approval for recommendations made jointly by the Minister of Ports & Aviation and Minister of Finance & Planning to deviate from certain identified clauses of the Public Enterprises Guidelines for Good Governance issued by the Director General, Dept. of Public Enterprises of the Ministry of Finance, SLPA has drafted a "Code of Governance" to be re-adopted by the Authority to ensure adequate flexibility and independence required to be highly competitive and a viable Public Sector Institution in the industry.

Board of Directors and Board Sub-Committees

The Board consists of a Chairman, Vice Chairman and 07 Directors. Members of the Board of Directors should have the highest professional and personal ethics and values coupled with their experience in the industry in which the Authority operates.

The members to the Board are appointed in the following manner;

- ▶ The Chairman and 4 other Directors are appointed by the Minister from among

persons who appear to the Minister to have wide experience in and who have shown capacity in Port development or Port operations or legal or financial matters or shipping, commercial or engineering activities or administration or labour relations.

- ▶ The Managing Director is appointed by the Minister in terms of Section 13:1 of the Act.
- ▶ A representative of the General Treasury is nominated by the Minister in charge of the subject of Finance.
- ▶ The Director General of Customs and a representative of the Ministry, in charge of the Minister to whom the subject of Fisheries has been assigned, nominated by such Minister.

The Hon. Minister may appoint one of the Directors appointed under Sub-Section (1) (a) or Sub-Section (1) (c), other than the Chairman to be the Vice Chairman of the Ports Authority.

The function of the Chairman, Vice Chairman and Managing Directors are clearly separated and defined. All the Non-Executive Directors provide a considerable depth of knowledge and experience. The names of the Directors of the Authority who held offices as at the dates of this statement and their profiles are given from pages 10-14.

The main functions/ responsibilities of the Board of Directors are:

- ▶ Setting directions through establishment of strategic objectives, policies, goals and targets.
- ▶ Monitor performance against goals and objectives.

- ▶ Ensure that adequate internal controls and the highest ethical standards are maintained.
- ▶ Formulating Guidelines and ensuring their effectiveness to achieve objectives.
- ▶ Ensure that all key business risks are identified and appropriate and adequate controls, monitoring and reporting mechanism are in place to address them in a timely manner.

The Board meets regularly and during the year under review the Board met on Twelve (12) occasions. The Board has timely access to information it needs to carry out its duties. The Secretary to the Board sets the agenda for the Board Meeting in consultation with the Chairman and all Board Directors receive a detailed report of information prior to each Board meeting. The matters discussed at the Board meetings include among other items reviews of operational and financial performance indicators, approval of major capital expenditure projects and proposals within its limits.

The Board has, subject to its final approval of all recommendations, delegated certain of its responsibilities to a number of sub-committees, mainly the Management Committee and the Audit Committee.

Management Committee

Four (04) members of the Board of Directors including the Chairman, Vice Chairman, Managing Director and Executive Director and seven (07) other full time Directors and Harbour Master served as members of the Management Committee.

In decision making of day today administration, establishment and operational matters, the Management Committee undertook to look into various aspects such

as optimum use of resources including human resources enhancement of productivity to improve the quality of services to the Port users and the interest of other stake holders as a socially responsible Corporate Public Sector institution while being a commercially viable organization.

The Management Committee at its meetings carefully perused all policy matters and also implementation of decisions taken before they were referred to the Board of Directors for approval and concurrence. To enable this process and to avoid any delays, Management Committee meets twice a month and decisions were taken.

The Management Committee had Twelve (12) meetings during the year.

Audit Committee

The Audit Committee consists of the representative of the General Treasury who is on the Board of Directors and two (02) other Directors of the Board. The Audit Committee was re-appointed on 05.07.2010.

The Audit Committee reviews policies and procedures of internal control, ascertains the efficiency of such policies and procedures, review of Internal Auditors’ reports and letters of Government Audit and follow up of their recommendations are taken action through the Board and complied with by the Divisional Heads. It also ensures that with the guidance from the Board that the Authority has processes and mechanisms in place to identify risks both financial and operational and such risks are managed and addressed through a well defined action plan.

The Committee is responsible and report to the Board regularly to strengthen the present systems and procedures in relation to financial and operational activities in order to improve the efficiency and to enhance the

productivity of resources for the benefit of employees and other stake holders.

Internal Controls

An effective internal control system is an essential part of the efficient management of an organization. The Board has overall responsibility for the Authority’s system of internal control and for reviewing the effectiveness of these controls. The Authority has established a comprehensive framework of policies and procedures, which are regularly reviewed and updated. The framework is designed to manage risks that may hamper the achievement of business objectives. Therefore, it provides reasonable assurance for safeguarding the Authority assets against unauthorized suing or disposition, maintenance of proper records and the reliability of information generated.

The system of internal controls is supported by the Authority commitment to competence, integrity, ethical values and communication of a control conscious environment, through its established policies and guidelines.

Internal Auditors

Internal Audit Division is headed by a qualified Chartered Accountant. At present the Internal Audit Division consists of 80 employees who are trained on their duties and responsibilities for the objectives of the organization. 33 Project Development / Investigation Officers in executive grade had been attached to the Audit Division. The Division is independent and directly reports to the Chairman and the Audit Committee.

The scope of work is set in consultation with the Chairman and the Audit Committee and is reviewed regularly to amend the scope, if necessary. Primarily, the overall internal control system is monitored by the Internal audit Division and supported by the Audit Committee. Internal Audit provides an

objective view of the efficiency and effectiveness of the internal control procedures and assesses the action plans in dealing with the internal control issues.

Rules of Discipline

The rules of Discipline are in place to guide all employees on acceptable conduct. The Authority requires that all Directors, Divisional Heads and employees maintain the highest standards of integrity and honesty in the day to day performance of their duties and in any situation where their actions could affect the Authority reputation and image.

The key elements of the Rules of Discipline are:-

- ▶ Fairness, honesty and impartiality in all actions
- ▶ Being aware of the law and obeying it
- ▶ Confidentiality for all matters dealt with
- ▶ Avoiding conduct that is likely to reflect or affect badly on the Authority

Compliance Framework and Compliance with Statutory and Legal Requirements

The Authority has recognized the importance of compliance with all legal and statutory requirements. For this purpose, the Finance Division and the Internal Audit Division make every endeavor and work in tandem to ensure that the authority complies with all statutory and legal requirements. In addition, the Legal Division also ensures that the business and the other affairs of the Authority comply with laws and regulations.

Relationship with Ministry of Ports & Highways and the General Treasury of the Ministry of Finance

The Authority has regular dialogue with the Hon. Minister and the Secretary, Ministry of Ports & Highways and Strategic Enterprise

Management Agency (SEMA) who guide the Board to set clear directions and strategic objectives to be achieved. In addition as required by the General Treasury of the Ministry of Finance, the Authority forwarded a Business Plan for a three year period and complete sets of reports on a quarterly basis which includes Financial Reports and other Operational Performance Reports.

Related Party Disclosures

The Directors of the Board confirm and certify that they have no personal interest or relationships with any parties who have transactions with the Sri Lanka Ports Authority.

Accountability

The Directors of the Board are of the view that the financial statements of the Ports Authority reflect a true and fair view of the state of affairs and have been prepared in conformity with accepted requirements.

Future

The Authority believes that the real value of Corporate Governance lies not in blindly following code of best practice, policies and principles but rather in actually securing the confidence from the all stakeholders and thereby conducting its business with utmost integrity and fairness in a transparent manner so that they too support our strategies.

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PORT STATISTICS

PORT OF COLOMBO

Port Dimensions

Water	184.6 Hectares
Length of South-West Breakwater	1,570 Meters
Length of North-West Breakwater	810 Meters
Length of North-East Breakwater	330 Meters
Western Entrance	230M X 16M
North Entrance	190M X 13M

Cargo Throughput By Type Of Handling

Containerized	87.5%
Break Bulk	1.1%
Dry Bulk	4.3%
Liquid Bulk	7.1%

Working Hours

The Port of Colombo works on a 24 hours basis every day of the year

Deviation Time

From Main East-West Route – 1.5 Hours

PORT OF GALLE

Port Dimensions

Water Area	15.3593 Hectares
Entrance Channel	140 Meters
Land Area	16.2264 Hectares
Permitted LOA	130 Meters
Permitted Draught	7.3 Meters

Deviation Time

From Main East-West Route None

Working Hours

The Port of Colombo works on a 24 hours basis every day of the year except on May Day with only day light Navigation.

Berthing Facilities

Total Number of Alongside Berths 05

Berth	Total Length (M)	Alongside Draught (M)
Closenburg Jetty	420	8.9
New Pier	162	8.9
New Pier/Cross	84	8.9

Warehouse Facilities

Name	Average Height (Ft.)	Area (Sq. Ft)	Capacity (Cu. Ft.)	Staking Height (Ft.)
No. 01	23	13,333	306,667	10 High
No. 02	23	40,000	920,000	10 High

PORT OF TRINCOMALEE

Port Dimensions

Water Area	1,630 Hectares
Entrance Channel	500 Meters

Working Hours

The Port of Colombo works on a 24 hours basis every day of the year except on May Day with only day light Navigation.

Berthing Facilities

Berth	Total Length (M)	Alongside Draught (M)
Prima Jetty (Inner)	122	5.9
Prima Jetty (Outer)	240	14.2
Prima Jetty (Multi Purpose)	179	10.3
Ashraff Jetty	250	12.5

Side Berths	90 X 2	8.5
Tokyo Cement Jetty	155	9.3
Oil Jetty (Petroleum)	200	9.75
Jetty at Mud cove	45	3.5
Jetty at TTA	190	2.0-4.0
Celon Jetty	50	2.5
Town Jetty	60	2.5
Mutthur Jetty	60	3.0
VSO Jetty	25	1.5
Old Town Jetty	50	2.0

Details of Warehouse – TTA

Warehouse	Dimension (Ft)	Average Height (Ft)	Area in SQ (Ft.)	Stacking Height (Ft.)	Capacity (Cu. Ft.)
No. 03	90 X 70	15	6,300	12	75,600
No. 04	190 X 95	19	18,050	14	252,700
No 05 A	150 X 110	25	16,500	15	247,500
No. 05 B	150 X 80	15	12,000	12	144,000
No. 06	300 X 110	20	33,000	15	495,000

MAGAM RUHUNUPURA MAHINDA RAJAPAKSA PORT

Port Dimensions (Harbour Area)

Basin Area	55.5 Hectares	Depth of Basin	17 Meter
Length of West Breakwater	988 Meter	Design Vessel	100,000 DWT
Length of East Breakwater	310 Meter		
Approach Channel	210 Meter * 16 Meter		
Turning Circle	600 Meter		

Quay Lengths

Quay General Cargo	600 Meter
Service Quay	105 Meter
Oil Quay	610 Meter

1505	Colombo became known to the Western World after Portuguese commenced using it as a Naval Base/ Harbour.		meters draught and two coaster berths of 7.5 meter draught and 55.800 sq. meter of adjacent transit sheds and warehouse accommodation.
1875	9th Dec. King Edward VII laid the foundation Stone for the South West Break Water.	1954	Inauguration by Her Majesty Queen Elizabeth II of the completion of construction of the alongside berths at the South West Break water and naming it "Queen Elizabeth Quay" – The Royal Yacht, "Gothic" – the first vessel to berth at Queen Elizabeth Quay.
1882	Harbour Board created to administer the Port of Colombo.		
1885	Completion of the 1285 meter South West Break water.		
1898	Completion of the 335 meter North East Break water.	1956	Completion of 17 alongside berths, transit sheds and warehouses.
1899	Commencement of the construction of the Dry Docks.		
1906	Completion of the 814 meter Island Break water.	1958	Cargo handling activities of the Port of Colombo nationalized and the Port (Cargo) Corporation established.
1906	Completion of the Dry Dock.	1964	Cargo handling activities of the Port of Galle nationalized.
1909	Completion of the 250 meter long Guide pier for the Dry Docks. (The First deep water alongside berth)	1967	Port Tally and Protective Services Corporation established.
1912	Completion of 18 coaling jetties at the present Jaya Container Terminal site.	1967	Cargo handling activities of the Port of Trincomalee nationalized.
1912	Completion of the 550 meter extension arm of the South West Break water.	1979	The Sri Lanka Ports Authority formed by unifying the Colombo Port Commission, the Port (Cargo) Corporation and the Port Tally and Protective Services Corporation.
1913	Colombo Port Commission created to develop and maintain the Port.	1980	Master plan for the Port of Colombo established with assistance from the Government of Japan.
1922	Completion of Petroleum oil facilities.		
1950	Commencement of construction of fifteen alongside berths of 9-11	1980	Inauguration of the New Terminal at Queen Elizabeth Quay.

1982	Commissioning of the first Gantry Crane – TANGO 80.	1999	Commissioning of the Oluvil Light House in the East Coast and opening of the Oluvil Maritime Training Institute.
1982	Contract for the construction of the New Container Terminal signed with M/s. Penta Ocean Wakachiku Joint Venture of Japan.	1999	Commencement of the Development of the South Asia Gateway Terminal QCT.
1983	Inauguration of the Construction of Stage I of the fully equipped container Terminal.	1999	Commencement of construction of Alongside Berth Project in Tricomalee.
1984	Inauguration of the Construction of Stage II of the fully equipped container Terminal.	2000	Commencement of Colombo South Harbour Feasibility Study.
1984	Commissioning of four Hitachi Transfer Cranes at Queen Elizabeth Quay Container Berth.	2000	Commencement of a new Berth in Port of Galle.
1985	Ceremonial Opening of Stage I of the "Jaya" Container Terminal.	2000	Inauguration of Peliyagoda Container Freight Station.
1987	Inauguration of SLPA – Mahapola Training Institute.	2000	Submission of Final Report for development of the Port of Galle as a Regional Port.
1987	Inauguration of Stage II of the "Jaya" Container Terminal.	2000	Commencement of North Pier development phase II.
1988	Commissioning of the off-shore installation of the Single Point Bouy Mooring.	2000	Inauguration of the One – Stop Documentation Centre.
1994	Completion of new Port Access Road.	2001	Inauguration of the New Jetty in Port of Galle.
1995	Inauguration of Stage III of the "Jaya" Container Terminal.	2003	Inauguration of construction of Oluvil Port Access Road.
1996	Inauguration of Stage IV of the "Jaya" Container Terminal.	2003	Inauguration of Customer Service Centre for LCL and break-bulk cargo.
1998	Inauguration of the Unity Container Terminal.	2003	Opening of SLPA Maritime Museum.
1998	Symposium of Affiliate Ports.	2003	Ceremonial inauguration of Unity Container Terminal with the completion of the civil works.

2004	Ceremonial inauguration of Container Handling Operations at Unity Container Terminal.	2008	Commencement of construction work of Colombo Port Expansion Project.
2004	25 th Anniversary celebrations of the SLPA.	2008	Signing of Contract Agreement for construction of Bunkering facility and Tank farm at Hambantota.
2004	National Productivity Award in large scale service sector was won by JCT.	2009	Laying of Foundation Stones for the Bunkering Facility and Tank Farm Project and Administration Building at Hambantota.
2004	Handling of 2 million containers at the Port of Colombo.	2009	JCT Terminal Management System upgrade to "NAVIS".
2005	Commencement of construction of the Port and Housing Scheme in Oluvil.	2010	Ceremony of Sea Water Filling to the Harbour Basin of Magam Ruhunupura Mahinda Rajapaksa Port - 15.08.2010.
2005	A certificate of merit was awarded to SLPA Mahapola Training Institute under Medium Category /Service Sector by the National productivity Secretariat.	2010	Ceremonial inauguration of Magam Ruhunupura Mahinda Rajapaksa Port - 18.11.2010.
2006	Commissioning of Container Security Initiative and Megaport Initiative in the Port of Colombo.	2010	Handling of 02 Million Containers at the Jaya Container Terminal – JCT.
2006	Signing of MOU for the proposed Colombo Port Expansion Project to construct the Colombo South Harbour.	2010	Handling of 04 Million Containers at the Port of Colombo.
2006	Signing of MOU concerning detailed design works of Hambantota Port Development Project (Phase I).		
2007	Commencement of construction work and Signing of the Financial Agreement of the Hambantota Port Development Project		
2008	Commencement of construction work of Oluvil Port Project.		

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The Directors of the Board of Sri Lanka Ports Authority as at 31.12.2010 were as follows.

Dr. Priyath B Wickrama
Chairman

Mr. Indika Karunajeewa
Vice Chairman

Capt. Nihal Keppetipola
Managing Director

Dr. Sanjaya Sedara Senarath
Executive Director

Mr. Prasanna Kalutarage
Director

Mr. R A Jayatissa
Director

Mrs. W S Karunaratna
Director

Dr. (Mrs) Damitha De Zoysa
Director

Mr. Eshana De Silva
Director

The Board had twelve (12) meetings during the year under review.

The Management Committee which functioned as a Sub-Committee of the Board of Directors had twelve (12) meetings during the year 2010. The other Sub-Committee of the Board of Directors, viz. the Audit Committee had five (05) meetings during the year 2010. The following Directors of the Board functioned as members of the Audit Committee.

Mr. R A Jayatissa
Mrs. W S Karunaratna
Mr. Prasanna Kalutarage

The world's leading container handling facilities posted a strong recovery in their throughputs in 2010 with several ports reporting record levels of activity. When comparing the global container handling activity in 2010, the consensus view among analysts, economists and the industry itself was that traffic grew in the 12.5% to 13.5% range. An estimated 517-522 million TEUs were handled compared to 2009 which was 460 million TEUs.

Ongoing globalization, the continuing conversion of break-bulk, including reefer cargo into containers and prospects in developing country trades should ensure 5% - 8% annualized rises in container handling activity for the foreseeable future.

Port of Colombo set a new record by handling 4,137,441 TEUs in 2010. With this handling of 4.1 million TEUs by the Port of Colombo which demonstrates an increase of 19.4% compared to the same period of the previous year 2009. The Port of Colombo also shows up an increase of 10.5% compared to the total figure of 3.68 million TEUs the ever highest performance rate recorded for the year 2008 before recession hit global trade.

JCT single handedly reached a record throughput of 2.1 million TEUs by contributing the lion's share to the overall volume of four million TEUs. JCT volume has increased by 26.4% compared to SAGT's growth of 12.6%.

- ▶ Port of Colombo container handling throughput increased from 3.46 million TEUs in 2009 to 4.14 million TEUs in 2010 (increased 673,144 TEUs or 19.4%).
- ▶ Port of Colombo has increased Domestic container handling throughput by 24.0%

in 2010 (180,252 TEUs) compared with 2009.

- ▶ Port of Colombo has increased Transshipment container handling throughput by 17.6% (462,534 TEUs) compared with 2009.
- ▶ Overall tonnage handled in the Port of Colombo increased to 58.7 million tons (26.7%) compared to 46.3 million tons in 2009.
- ▶ Automobile domestic volumes too reported a strong growth in 2010 by 312% by handling 45,779 units compared to 6,732 units in 2009.

A comparison of ship arrivals during the year 2010 with the year 2009 reflects that the ship arrivals have decreased from 4,114 to 3,910 by 5.0%. Number of container ships too has decreased from 3,304 in 2009 to 3,076 recording a decrease of 6.9%.

Even though there is a drop in the number of ship arrivals in 2010 the total tonnage handled and container handling throughput shows a strong growth. This is a clear indication of the ships size increase and the per vessel carrying/handling tonnage/TEUs growth.

To enhance productivity a new Terminal Management System was introduced and new container cranes and new transfer cranes are ordered to replace existing cranes which are almost 25 years old.

The Board of Directors approved several market strategies in order to attract additional container throughput to the Jaya Container Terminal and several Terminal Service Agreements were signed with leading Shipping Lines.

The Shipping Lines that have Terminal Services Agreements with Sri Lanka Ports Authority contributed immensely for the volume increase in the Port of Colombo particularly the Jaya Container Terminal. JCT managed to attract ten new Main Line Services and two Feeder Services during 2010.

Aggressive marketing, operational, human resources & upgrading of the Terminal Management System by the management has contributed immensely for the above mentioned achievements. The Terminal Operating System at JCT/UCT replaced with NAVIS SPARCS/EXPRESS has helped to integrate the entire terminal operation, plan and optimize rapid movement of container between the gate and the quay, thus reducing dwell times for containers and turnaround times of vessels.

Most of the top world ports have reported a double digit volume growth in 2010 where as Port of Colombo reported a 19.4% strong growth among top 30 container ports in the world. Among the top 30 world container, Port of Colombo growth rate is the 7th in the highest growth list.

The revenue of the SLPA in year 2010 has been Rs. 28,279 million, which is an increase of 21% compared with the year 2009. Operating Profit of SLPA in 2010 has been increased to Rs. 4,387 million from 1,942 million of 2009 which is an increase of 126%.

Port of Colombo position in the world container port ranking elevated from the 30th position in 2009 to 28th position in 2010 according to the Containerization International Port Ranking.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

Under section (12) & (13.6) of the Finance Act No 38 of 1971, Directors of the Authority have responsibility for ensuring that the Sri Lanka Ports Authority keeps proper books of accounts of all the transactions and prepare Financial statements that give a true and fair view of the state of affairs and of the profit /loss for the year.

Accordingly, the Directors have directed the Authority to maintain proper books of accounts and reviewed the financial reporting system at their regular meetings and through the Audit Committee.

In preparing the financial statements exhibited in this booklet, Directors have considered adopting appropriate Accounting Policies on a consistent basis and supporting by reasonable and prudent judgments and estimates.

The Directors have taken such steps as are reasonably open to them to safeguard the assets of the Authority and to prevent and detect frauds and other irregularities. In this respect the Directors have instituted an effective and comprehensive system of internal controls comprising of internal check, internal audit and financial and other controls required to carry out the business of Sri Lanka Ports Authority in an orderly manner to safeguard its assets and secure as far as practicable the accuracy and reliability of our records.

By order of the Board



Kapila Liyanagamage
Secretary to the Board

The Audit Committee is empowered to review and monitor to ensure a good financial reporting system in place and is managed well in order to provide accurate, appropriate and timely information to the Management and the relevant authorities as well as for the Management of Business Risks, the Management of Accounting and Internal Controls, Compliance with laws and Authority policies, statutory and corporate governance requirements and to review matters pertaining to staff, discipline, elimination of wasteful expenses and corrupt practices with the objective of making the organization cost effective.

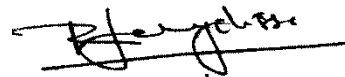
The Audit Committee consisted of the Treasury Representative to the Board, and two other Board Directors. As had been the practice in the past, a few other Directors of SLPA including the Director (Finance) also served as Committee members. As per Public Enterprise Guidelines, the Treasury Representative of the Board, Dr. B.M.S. Batagoda, Director General Public Enterprises and later Mr. R.A. Jayatissa, Senior Economic Policy Advisor of the Ministry of Finance and Planning, both having wide exposure to and experience in Financial Management skills served as the Committee Chairman in 2010. The Director General of Customs, Mrs. W.S. Karunaratne, an Ex-officio Board Member who also has wide experience in the General Treasury served as a member of the Committee.

Superintendent of Government Audit attended the meetings as Observer, while a number of other senior officials of the Sri Lanka Ports Authority attended the meetings as needed. The Chief Internal Auditor functioned as Secretary to the Committee.

The Committee considered and accepted the comprehensive audit programme for 2010 prepared by the Chief Internal Auditor.

During the year the Committee held five meetings. The Committee discussed audit reports, issues and responses to audit queries and observations of both the Internal and External Audit, Internal Control Systems as well as other areas where improvement are needed, including special emphasis on the need for the timely submission and publication of the Annual Report. Corrective actions have been taken and follow-up actions on decisions were also discussed. The salient points discussed were reported to the Board.

I acknowledge with sincere appreciation the valuable contribution made by the members, the officials and in particular for the most valuable observations and comments of the Auditor General in the audit process.



R.A. Jayatissa
Chairman – Audit Committee

The status of compliance on statutory requirements is detailed below.

Employees Provident Fund – Authority & Employee contributions

The Sri Lanka Ports Authority contribution of 15% and the employee contribution of 10% on all permanent employees are to be remitted to the Department of Labour before the last date of the succeeding month.

All monies deducted from employees and the respective Authority contribution for employees has been remitted on or before the stipulated date.

Employees Trust Fund

The Authority's monthly contribution of 3% has been remitted on or before the stipulated date.

PAYE (Pay As You Earn)

PAYE Tax has been remitted to the Department of Inland Revenue before the stipulated date.

Income Tax

Income tax payments in relation to income earned have been made quarterly on the due dates whenever there is a taxable income.

The Annual Return

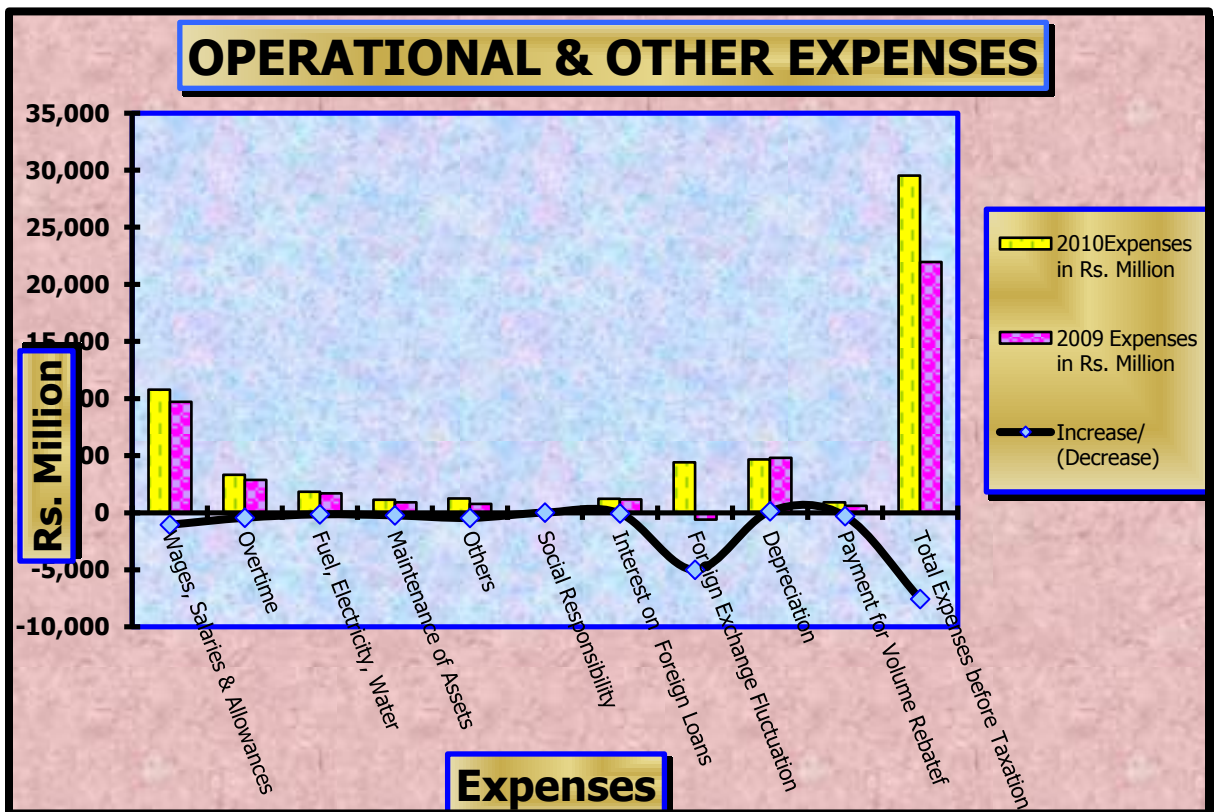
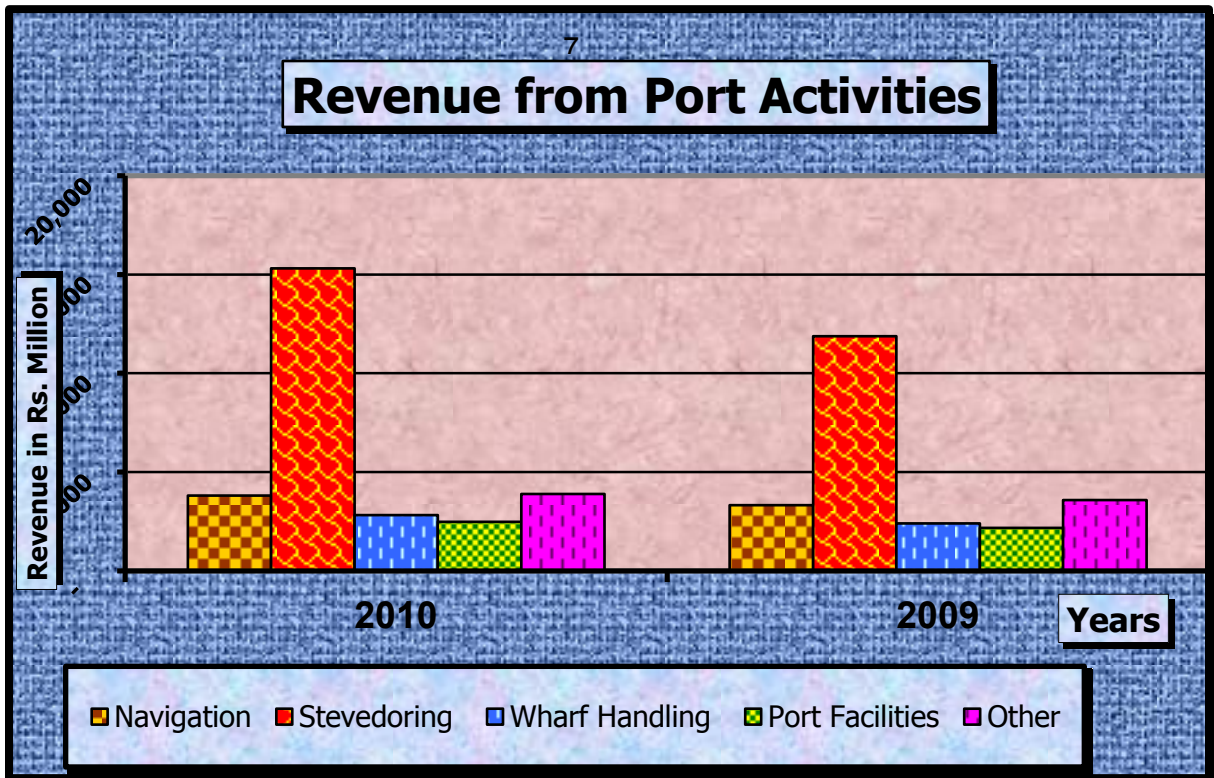
Annual Return in respect of Income Tax of the Authority has been filed annually with the Department of Inland Revenue up to Year ending 31 December 2010. These have been completed and handed over before the due date of November 30, each year.

Annual Reporting

Annual Budget, Accounts & Annual Report have been submitted to the Parliament of Sri Lanka, General Treasury & Ministry.

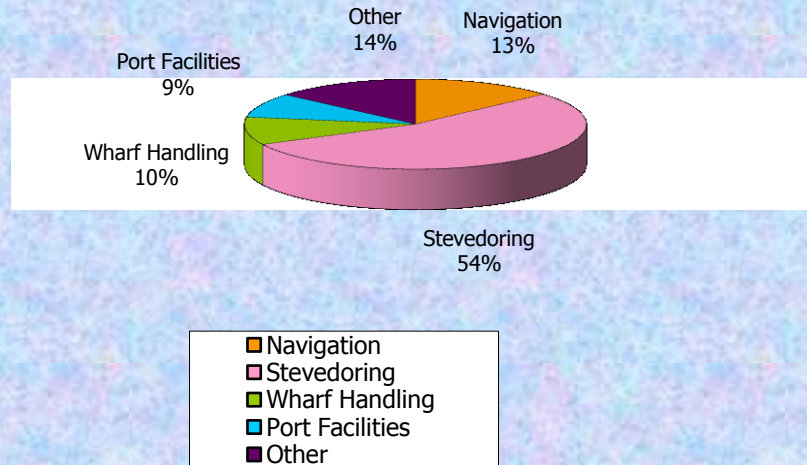
DESCRIPTION	ALL PORTS			S.L.P.A	
	2010	2010	2010	2010	2009
	PORT OF COLOMBO	PORT OF TRINCOMALEE	PORT OF GALLE		
STATISTICS					
NUMBER OF SHIPS CALLED (NO)					
Cargo Ships	3,748	96	35	3,879	4,110
Other Ships	162	13	13	188	346
Sailing Vessels	-	-	-	-	2
Other Vessels	433	36	121	590	704
	4,343	145	169	4,657	5,162
THROUGHPUT					
CONTAINER TEU's (SLPA)					
Transshipment	1,533,845			1,533,845	1,260,313
Domestic	563,349			563,349	413,085
Re-Stowing	69,979			69,979	41,090
TOTAL TEU's	2,167,173			2,167,173	1,714,488
CONTAINER TEU's (SAGT)					
Transshipment	1,561,744			1,561,744	1,372,742
Domestic	368,895			368,895	338,907
Re-Stowing	39,629			39,629	38,160
TOTAL TEU's	1,970,268			1,970,268	1,749,809
CONTAINER TEU's (PORT OF COLOMBO)					
Transshipment	3,095,589			3,095,589	2,633,055
Domestic	932,244			932,244	751,992
Re-Stowing	109,608			109,608	79,250
TOTAL TEU's	4,137,441			4,137,441	3,464,297
Conventional M/T	3,182,796	1,962,399	318,043	5,463,238	4,984,390
Liquid M/T	4,158,523	191,307	-	4,349,830	4,192,148
	7,341,319	2,153,706	318,043	9,813,068	9,176,538
EQU (M/T) - SLPA					
Containerised Cargo	26,433,676	-	-	26,433,676	20,509,147
Conventional Cargo	3,182,796	1,962,399	318,043	5,463,238	4,984,390
Liquid	4,158,523	191,307	-	4,349,830	4,192,148
TOTAL EQU (M/T)	33,774,995	2,153,706	318,043	36,246,744	29,685,685
EQU (M/T) - SAGT					
Containerised Cargo	24,992,648	-	-	24,992,648	19,091,782
Conventional Cargo	-	-	-	-	-
Liquid	-	-	-	-	-
TOTAL EQU (M/T)	24,992,648	-	-	24,992,648	19,091,782
EQU (M/T) - PORT OF COLOMBO					
Containerised Cargo	51,426,324	-	-	51,426,324	39,600,929
Conventional Cargo	3,182,796	1,962,399	318,043	5,463,238	4,984,390
Liquid	4,158,523	191,307	-	4,349,830	4,192,148
TOTAL EQU (M/T)	58,767,643	2,153,706	318,043	61,239,392	48,777,467
GROSS TONNAGE HANDLED (SLPA)					
Containerised Cargo	70,054,498	-	-	70,054,498	65,092,198
Conventional Cargo	11,368,217	1,528,007	216,175	13,112,399	9,024,835
Others	1,998,335	224,473	58,313	2,281,121	2,965,868
TOTAL TONNAGE	83,421,050	1,752,480	274,488	85,448,018	77,082,901
GROSS TONNAGE HANDLED (SAGT)					
Containerised Cargo	35,487,925	-	-	35,487,925	45,120,891
Conventional Cargo	-	-	-	-	-
Others	-	-	-	-	-
TOTAL TONNAGE	35,487,925	-	-	35,487,925	45,120,891
GROSS TONNAGE HANDLED (PORT OF COLOMBO)					
Containerised Cargo	105,542,423	-	-	105,542,423	110,213,089
Conventional Cargo	11,368,217	1,528,007	216,175	13,112,399	9,024,835
Others	1,998,335	224,473	58,313	2,281,121	2,965,868
TOTAL TONNAGE	118,908,975	1,752,480	274,488	120,935,943	122,203,792
PERSONNEL					
Number of Employees	11,726	598	500	12,824	13,367

DESCRIPTION	ALL PORTS			S.L.P.A 2010	2009
	PORT OF COLOMBO	2010 PORT OF TRINCOMALEE	PORT OF GALLE		
FINANCE (Rs. Million)					
Operational Revenue	24,566	242	237	25,046	20,183
Other Revenue	3,157	37	40	3,233	3,148
TOTAL REVENUE	27,724	279	277	28,279	23,331
Operational & Other Expenses	(23,834)	(662)	(622)	(25,118)	(22,549)
Net profit/(loss) before Tax & FEG/(FEL)	3,890	(383)	(345)	3,162	782
Net profit/(loss) before Tax	(520)	(383)	(345)	(1,248)	1,373
Net Profit / (Loss) After Tax	(336)	(383)	(345)	(1,065)	2,114
Prior Period Adjustment	982	-	-	982	140
Estimated Foreign Exchange Earning	20,461	202	195	20,858	16,897
	UNI	RATIOS			
PER TONNE OF CARGO					
Operational & Other Revenue	Rs.	821	129	870	780
Operational & Other Expenses	Rs.	(706)	(307)	(1,956)	(693)
Net Profit Per Tonne	Rs.	115	(178)	(1,085)	87
Expenses on Payroll	Rs.	13,088	546	454	14,088
PAYROLL TO					
Total Expenses	%	(55)	(83)	(73)	(56)
Total Revenue	%	47	196	164	50



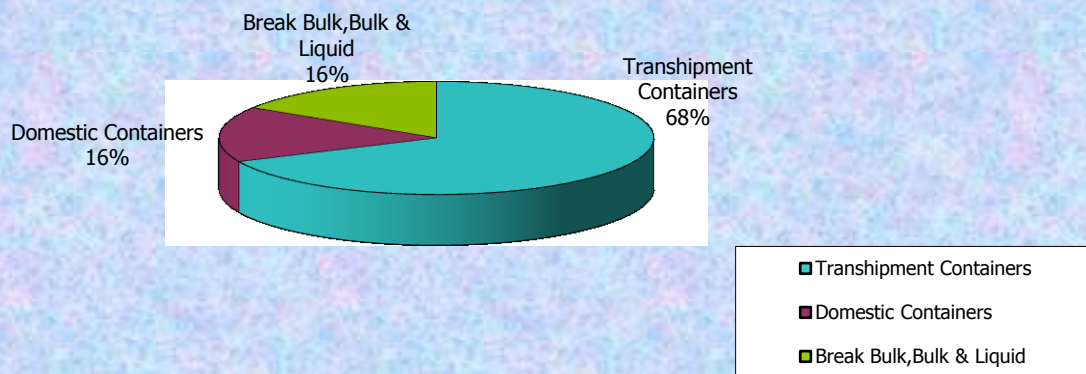
Revenue from Services 2010

(All three Ports)

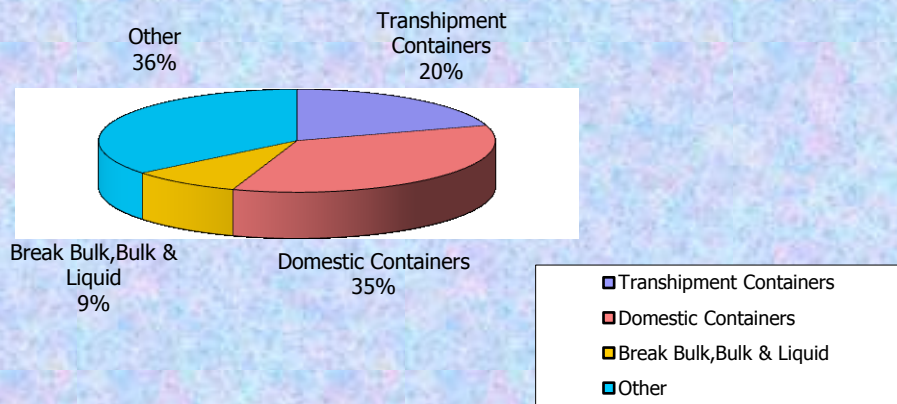





Analysis of Cargo Throughput [M/T]

Port of Colombo (SLPA + SAGT)



**Analysis of Operational Revenue
All three Ports**



	PAGE NO	NOTE	SLPA		CONSOLIDATED	
			2,010 Rs.	2,009 Rs.	2,010 Rs.	2,009 Rs.
NON CURRENT ASSETS						
Property, Plant & Equipment	109-110	3.1.1	110,192,856,624	114,267,175,120	110,207,307,140	114,270,187,917
Capital Work in Progress	111	3.1.2	69,900,930,976	28,663,994,421	69,900,930,976	28,663,994,421
INVESTMENT	111	3.1.3			-	
Investment in Company Shares	111	3.1.3.1	21,385,150	21,385,150	21,385,150	21,385,150
Investment in Subsidiaries	111	3.1.3.2	1,000,000	1,000,000	-	-
Investment in Associates	111	3.1.3.3	40,030	40,030	33,901,831	28,235,305
Investment in SAGT	111	3.1.3.4	577,372,113	577,372,113	577,372,113	577,372,113
Investment in Other Financial Assets	112	3.1.4	5,140,432,577	4,656,539,381	5,140,432,577	4,656,539,381
TOTAL NON CURRENT ASSETS			185,834,017,470	148,187,506,216	185,881,329,787	148,217,714,288
CURRENT ASSETS						
Inventories	112	3.2.1	2,543,913,808	2,642,564,985	2,543,913,808	2,642,564,985
Goods in Transit	112	3.2.2	148,575,016	379,853,570	148,575,016	379,853,570
Trade Debtors & Accrued Revenue	113	3.2.3	1,486,389,896	1,440,433,573	1,453,858,289	1,456,713,319
Non Trade Debtors & Advance Payments	113	3.2.4	4,224,150,806	13,031,240,644	4,224,150,806	13,038,893,680
Prepayments	113		64,479,492	51,303,636	64,479,492	51,303,636
Loans & Advances to Employees	114	3.2.5	4,902,598,162	5,114,402,901	4,944,099,135	5,151,804,249
Loans Accounts	112	3.2.6	1,412,449	13,212,014	1,412,449	13,212,014
Short-term Investment	114	3.2.7	3,114,458,315	435,413,376	3,114,458,315	435,413,376
Deposits & Other Receivables	115	3.2.8	385,907,578	364,266,440	386,521,178	364,806,440
Cash and Cash Equivalents	115	3.2.9	497,324,681	413,529,093	581,351,691	484,385,835
			17,369,210,206	23,886,220,233	17,462,820,182	24,018,951,104
TOTAL ASSETS			203,203,227,676	172,073,726,449	203,344,149,969	172,236,665,392
EQUITY & LIABILITIES						
CAPITAL EMPLOYED						
Equity Capital	115	4.1.1	470,551,932	470,551,932	470,551,932	470,551,932
Other Capital	115	4.1.2	7,120,827,853	7,120,827,853	7,120,827,853	7,120,827,853
			7,591,379,785	7,591,379,785	7,591,379,785	7,591,379,785
RESERVES & PROVISIONS						
Reserve	115	4.2.1	1,468,079,717	419,002,884	1,468,079,717	419,002,884
Reward & Fine Fund	115	4.2.2	70,047,575	64,337,054	70,047,575	64,337,054
Loan Redemption Reserve	116	4.2.3	3,828,973,373	3,828,973,373	3,828,973,373	3,828,973,373
Revaluation Reserve	116	4.2.4	76,480,827,873	76,406,190,142	76,480,827,873	76,406,190,142
Deferred Tax	116	4.2.5	12,114,566,119	12,860,107,100	12,114,566,119	12,860,107,100
Retained Profit	116	4.2.6	(15,167,380,909)	(15,412,487,623)	(15,034,926,191)	(15,312,209,077)
			78,795,113,748	78,166,122,930	78,927,568,466	78,266,401,476
NON CURRENT LIABILITIES						
Port Development Loans (Japanese Loan)	116	4.3.1	42,143,127,127	42,041,872,015	42,143,127,127	42,041,872,015
Colombo port expansion project (ADB Loan)	116	4.3.2	17,128,178,587	10,240,817,832	17,128,178,587	10,240,817,832
Hambanthota Port Dev.Project	116	4.3.3	30,552,495,737	19,095,964,206	30,552,495,737	19,095,964,206
Other Port Development Loans	116	4.3.4	10,378,949,563	21,868,140	10,378,949,563	21,868,140
Long Term Proviton of Gratiuity	117	4.3.5	3,700,367,289		3,700,367,289	-
			103,903,118,302	71,400,522,193	103,903,118,302	71,400,522,193
CURRENT LIABILITIES						
Creditors and Accrued Charges	116	5.1	705,895,370	599,123,272	697,728,490	610,539,872
Current portion of long term borrowings	117	5.2	4,596,138,975	4,814,344,429	4,596,138,975	4,814,344,429
Deposits and Advance Payments	117	5.3	4,622,349,707	2,736,651,192	4,625,165,202	2,738,937,454
Short-term Provision	117	5.4	2,541,260,367	5,612,682,319	2,548,153,755	5,620,139,400
Current Tax Provision	118	5.5	159,286,861	812,617,901	166,212,434	854,118,357
Provision for Claims	118	5.6	288,684,561	340,282,427	288,684,561	340,282,427
			12,913,615,841	14,915,701,542	12,922,083,417	14,978,361,940
TOTAL EQUITY & LIABILITIES			203,203,227,676	172,073,726,449	203,344,149,969	172,236,665,392
"The Accounting Policies on pages 91 to 99 and Notes on Pages 100 to 123 form an integral part of these Financial Statement. The Board of Directors are responsible for the preparation and presentation of these Financial Statements accordance with Sri Lanka Accounting Standards. These Financial statements were approved by the Board Of Directors and signed on their behalf,"						
						
Dr. Priyath B Wickrama CHAIRMAN			Capt. Nihal Keppetipola MANAGING DIRECTOR		Mrs. Shirani Wanniarachchi DIRECTOR (FINANCE)	

DESCRIPTION	N O T E	S.L.P.A		CONSOLIDATED	
		2,010	2,009	2,010	2,009
		Rs.	Rs.	Rs.	Rs.
Operational Revenue from Port Activities	1.1&1.2	25,045,913,526	20,182,928,086	25,303,761,920	20,421,254,101
Operational Expenses	2.1	(12,059,622,067)	(11,239,594,938)	(12,061,775,668)	(11,243,643,943)
Repair & Maintenance Expenses	2.2	(4,481,907,431)	(3,826,433,558)	(4,481,907,431)	(3,826,433,558)
Profit from operations		8,504,384,028	5,116,899,590	8,760,078,821	5,351,176,600
Other Revenue from Port Activities	1.3	3,233,386,323	3,148,457,203	3,202,799,567	3,130,691,267
Administrative Expenses	2.3	(7,350,921,213)	(6,323,634,817)	(7,523,750,004)	(6,420,167,308)
Operating Profit		4,386,849,138	1,941,721,976	4,439,128,384	2,061,700,560
Interest on Foreign Loans		(1,225,174,176)	(1,159,422,154)	(1,225,174,176)	(1,159,422,154)
Foreign Exchange Gain /(Loss)	2.5	(4,409,809,021)	591,135,443	(4,409,809,021)	591,135,443
Share of Profit /(Loss) before tax of Associate Company				5,666,526	5,187,164
Profit Before Tax		(1,248,134,059)	1,373,435,266	(1,190,188,287)	1,498,601,013
Special Levy		-	-	-	-
Income Tax , Deemed Dividend Tax & Social Responsib	2.6	(159,286,861)	(510,067,257)	(185,056,463)	(551,567,712)
Deferred Tax	2.7	342,904,325	1,250,370,485	342,904,325	1,250,370,485
Profit/ (Loss) for the year		(1,064,516,595)	2,113,738,494	(1,032,340,425)	2,197,403,786
Accumulated Profit (Loss) B/F		(15,412,487,623)	(17,677,575,829)	(15,312,209,077)	(17,660,962,575)
Revaluation Reserve Realized on Assets Disposed		327,998,925	10,897,974	327,998,925	10,897,974
Prior Period Adjustments	2.8	981,624,385	140,451,739	981,624,385	140,451,739
Accumulated Profit /(Loss) C/F		(15,167,380,909)	(15,412,487,623)	(15,034,926,191)	(15,312,209,077)

The Accounting policies and Notes to the Financial Statement on Pages 91-123 form an integral part of these Financial Statement.

Consolidated includes following.

<u>Name of the Subsidiary / Associate</u>	<u>Financial Year Ended</u>	<u>States of the Accounts</u>
Sri Lanka Ports Authority	31st December	Un Audited
Jaya Container Terminals Ltd.	31st December	Audited
Sri Lanka Port Management & Consultancy Services Ltd.	31st December as a memo)	Un Audited

Method of Consolidation for
Jaya Container Terminals Ltd. Is Line - by - Line basis.
Sri Lanka Port management & Consultancy Services Ltd. is Equity Method

Particulars	CAPITAL EMPLOYEED		Reserve & Deferred Tax Rs.	Loan Redemption Reserve Rs.	RESERVES & PROVISIONS		Total Rs.
	Equity Capital	Other Capital			Revaluation Reserve	Accumulated Profit	
	Rs.	Rs.			Rs.	Rs.	
SLPA							
Balance as at 01 January 2009	470,551,932	7,120,827,853	16,397,436,127	3,828,973,373	74,583,082,282	(17,677,575,829)	84,723,295,738
Net Profit for the year						1,373,435,266	1,373,435,266
Income Tax & Deemed Dividend Tax						(510,067,257)	(510,067,257)
Deferred Tax						1,250,370,485	1,250,370,485
Received / Transfers During the Year			(3,053,989,089)			140,451,739	(2,913,537,350)
Assets Revaluation Reserve					1,823,107,860	10,897,974	1,834,005,834
Balance as at 31st December 2009	470,551,932	7,120,827,853	13,343,447,038	3,828,973,373	76,406,190,142	(15,412,487,623)	85,757,502,715
Balance as at 01 January 2010	470,551,932	7,120,827,853	13,343,447,038	3,828,973,373	76,406,190,142	(15,412,487,623)	85,757,502,715
Net Profit/Loss for the year						(1,248,134,059)	(1,248,134,059)
Income Tax & Deemed Dividend Tax						(159,286,861)	(159,286,861)
Provision for Tsunami Affected Assets						-	-
Deferred Tax						342,904,325	342,904,325
Received / Transfers During the Year			309,246,372			981,624,385	1,290,870,758
Assets Revaluation Reserve					74,637,731	327,998,925	402,636,656
Balance as at 31st December 2010	470,551,932	7,120,827,853	13,652,693,410	3,828,973,373	76,480,827,873	(15,167,380,908)	86,386,493,534
CONSOLIDATED							
Balance as at 01 January 2009	470,551,932	7,120,827,853	16,397,436,127	3,828,973,373	74,583,082,282	(17,660,962,575)	84,739,908,992
Net Profit for the year						1,498,601,013	1,498,601,013
Income Tax & Deemed Dividend Tax						(551,567,712)	(551,567,712)
Provision for Tsunami Affected Assets						-	-
Deferred Tax						1,250,370,485	1,250,370,485
Dividend Declared						-	-
Received / Transfers During the Year			(3,053,989,089)			140,451,739	(2,913,537,350)
Assets Revaluation Reserve					1,823,107,860	10,897,974	1,834,005,834
Balance as at 31st December 2009	470,551,932	7,120,827,853	13,343,447,038	3,828,973,373	76,406,190,142	(15,312,209,077)	85,857,781,261
Balance as at 01 January 2010	470,551,932	7,120,827,853	13,343,447,038	3,828,973,373	76,406,190,142	(15,312,209,077)	85,857,781,261
Net Profit for the year						(1,190,188,287)	(1,190,188,287)
Income Tax & Deemed Dividend Tax						(185,056,463)	(185,056,463)
Deferred Tax						342,904,325	342,904,325
Received / Transfers During the Year			309,246,372			981,624,385	1,290,870,758
Assets Revaluation Reserve					74,637,731	327,998,925	402,636,656
Balance as at 31st December 2010	470,551,932	7,120,827,853	13,652,693,410	3,828,973,373	76,480,827,873	(15,034,926,191)	86,518,948,250

	Page No	Note	SLPA		CONSOLIDATED	
			2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit before Income Tax	88		(1,248,134,059)	1,373,435,266	(1,190,188,287)	1,501,990,175
Adjustments for						
Previous year Adjustment	88		327,059,756	140,451,739	327,059,756	140,451,739
Deprecation of non current assets	110	3.1.1	4,683,438,453	4,811,131,067	4,685,605,720	4,811,600,826
Investment Income - Dividend	104	1.3.3	(595,172,163)	(537,541,104)	(595,172,163)	(537,541,104)
Interest Received	104	1.3.1	(682,889,098)	(949,450,655)	(686,349,139)	(953,572,233)
Intrest payable - Foreign loans	88		1,225,174,176	1,159,422,154	1,225,174,176	1,159,422,154
Profit / Loss on sale of non current assets	104	1.3.1	(17,554,912)	5,265,702	(17,554,912)	5,265,702
Foreign Exchange Gain / Loss	88		4,409,809,021	(591,135,443)	4,409,809,021	(591,135,443)
Operating Profit / (Loss) before Working capital changes			8,101,731,174	5,411,578,726	8,158,384,172	5,536,481,816
Changes in working Capital						
(Increase)/Decrease in inventories	112	3.2.1	329,929,731	180,102,241	329,929,731	180,102,241
(Increase)/Decrease in Trade debtors & other Receivables	113	3.2.3	8,747,957,660	(7,208,813,959)	8,817,597,904	(7,214,391,816)
(Increase)/Decrease in Loans & Advance to employee	114	3.2.5	211,804,739	365,371,537	207,705,114	328,093,189
(Increase)/Decrease in Short-term Investment	114	3.2.6	(2,679,044,939)	1,301,337,469	(2,679,044,939)	1,301,337,469
(Increase)/Decrease in Deposit & Other Receivable	115	3.2.7	(21,641,138)	174,871,445	(21,714,738)	174,898,448
(Increase)/Decrease in Creditors and Accrued Charges	116	5.1	106,772,098	(29,415,454)	74,012,762	(29,859,382)
(Increase)/Decrease in Current portion of long term borrowings	117	5.2	(218,205,454)	615,778,791	(218,205,454)	615,778,791
(Increase)/Decrease in Deposit & advance payment	117	5.3	1,885,698,515	1,359,202,531	1,886,227,748	1,358,705,595
(Increase)/Decrease in short-Term provision	117	5.4	(3,071,421,952)	102,745,454	(3,071,985,645)	108,068,562
(Increase)/Decrease in Provision for claim	118	5.6	(51,597,866)	(49,451,990)	(51,597,866)	(49,451,990)
Cash Generated from Operating Activities			13,341,982,567	2,223,306,791	13,431,308,789	2,309,762,923
Income tax paid	118	5.5.1	(140,171,902)	(280,066,330)	(200,516,385)	(280,891,710)
Net Cash from Operating Activities			13,201,810,665	1,943,240,461	13,230,792,404	2,028,871,213
CASH FLOW FROM INVESTING ACTIVITIES						
Acquisition of non current assets	110		(635,978,302)	(1,077,624,231)	(649,583,287)	(1,080,771,996)
Proceeds from sale of non current assets			26,531,885	2,257,577	26,531,885	2,257,577
Capital Work in progress	111	3.1.2	(41,236,936,555)	(21,950,916,361)	(41,236,936,555)	(21,950,916,361)
Investment Income - Dividend			595,172,163	537,541,104	595,172,163	537,541,104
Interest Received			682,889,098	949,450,655	686,349,139	953,572,233
Interest payable - Foreign loans			(1,225,174,176)	(1,159,422,154)	(1,225,174,176)	(1,159,422,154)
Investment	111	3.1.3	(483,893,196)	(121,081,736)	(483,893,196)	(121,081,736)
Investment in Associate			-	-	(5,666,526)	(8,576,326)
Net Cash from (used in) investing activities			(42,277,389,083)	(22,819,795,146)	(42,293,200,553)	(22,827,397,659)
			(29,075,578,418)	(20,876,554,685)	(29,062,408,149)	(20,798,526,446)
CASH FLOW FROM FINANCING ACTIVITIES						
Port Development Loan (Japanese Loan) Disbursements	116	4.3.1	-	14,634,902	-	14,634,902
Repayment on Port Development Loan (Japanese Loan)	116	4.3.1	(4,308,553,909)	(4,219,235,893)	(4,308,553,909)	(4,219,235,893)
Loan Accounts	112	3.1.5	11,799,565	4,521,333	11,799,565	(8,599,350)
Colombo Port expansion project ADB Loan - Disbursements	116	4.3.2	6,887,360,755	5,910,778,942	6,887,360,755	5,910,778,942
Hambantota Port Development Project Loan-Disbursements	116	4.3.4	11,456,531,531	19,095,964,206	11,456,531,531	19,095,964,206
Other Port Development Loans	116	4.3.4	(21,868,140)	-	(21,868,140)	-
Other projects loans	116	4.3.4	10,378,949,563	-	10,378,949,563	-
Long term provision of gratuity	117	4.3.6	3,700,367,289	-	3,700,367,289	-
Reward & fine funds	115	4.2.2	5,710,521	47,662,744	5,710,521	47,662,743
Reserve & other Provision	115	4.2.1	1,049,076,833	(17,275,513)	1,049,076,833	(17,275,513)
Net Cash From (used in) Financing Activities			29,159,374,008	20,837,050,720	29,159,374,008	20,823,930,036
Net (Increase)/Decrease in cash Equivalents			83,795,588	(39,503,965)	96,965,859	25,403,590
Cash & cash Equivalents at Beginning of the year			413,529,093	453,033,058	484,385,835	458,982,245
			497,324,681	413,529,093	581,351,691	484,385,835
Cash & cash Equivalents at end of the year	115	3.2.8	497,324,681	413,529,093	581,349,691	484,385,835

1.0 CORPORATE INFORMATION

1.1 General

Sri Lanka Ports Authority was established by the Sri Lanka Ports Authority Act No. 51 of 1979 on 01st August 1979 and subsequently amended by Act Nos. 7 & 35 of 1984.

1.2. Principal Activities and Nature of Operations

Provision of efficient and regular services for stevedoring shipping, and transshipping, landing and warehousing; wharfage, the supply of water, fuel and electricity to vessel for handling petroleum, petroleum products and lubricating oils to and from vessels and between bunkers and depots for pilotage and mooring of vessels for diving and underwater ship repairs and any other services included there to

1.3. Financial Year

The Authority's financial year ends on 31st December.

1.4. Registered Office

Registered Office of the Sri Lanka Ports Authority is at No. 19, Chaitiya Road, Colombo 01, P.O. Box 595.

1.5. Number of Employees

The number of Employees as at 31 December 2010 was 12,824 (2009-13,367)

2.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Balance sheet, Profit & Loss Accounts, Statements of changes in Equity, Cash Flow Statements, Accounting policies & notes have been prepared in conformity with the generally accepted accounting principles and the accounting standards laid down by the Institute of Chartered Accountants of Sri Lanka and have been applied consistently on a historical cost basis, No adjustments being made for inflationary factors affecting the financial statements.

All Foreign exchange transactions other than loans granted by Government of Japan through OCEF are converted to Sri Lankan

Rupees at the rate of exchange prevailing at the time transactions are effected.

2.2. Consolidation

SLPA includes the combined Financial Statement of Port of Colombo, Port of Galle and Port of Trincomalee. Consolidated Financial Statements include the consolidated Result, Assets and Liabilities of the SLPA and its 100% owned subsidiary of JCT (Pvt.) Ltd. made up to the financial year end.

In the Consolidated Financial Statements, investment in Sri Lanka Ports Management & Consultancy Services Ltd Which is an associate is being accounted for under the equity Method of accounting. The consolidated Share of profit of the associate company made up to their respective year end is accounted for in the Consolidated Income Statement for the year.

In the SLPA Financial statement investment in Subsidiary and Associate are accounted for, at cost. Income is recognized only to the extent that dividends are received.

2.3 Comparative Information

The Authority has consistently applied the Accounting policies and is consistent with those used in the previous year. Wherever it differs is explained in notes to the accounts. Previous year's figures and phrases have been rearranged wherever necessary to confirm to the current year's presentation.

2.4 Segment Information

Segment is a distinguishable component of the Authority representing major geographical areas where Ports are located viz. Colombo, Galle and Trincomalee. Further activities of these segments are subdivided in revenue collection as type of services provided, in analysis of expenditure identified segments are divisions.

3.0 FIXED ASSETS & VALUATION

3.1 Fixed Assets

Fixed Assets are stated at re-valued amounts less accumulated depreciation to date. Items which have a purchase value of Rs 5000/= and above have been taken to the Assets Register.

(a) Fixed Assets are stated at cost or valuation less accumulated depreciation to date.

(b) Subsequent Expenditure

Subsequent Expenditure is capitalized when it increases the future economic benefit embodied in the item of property, plant and equipment. All other expenditure is recognized in the income statement as an expense as incurred.

3.2. Depreciation

Depreciation is provided on a straight line basis, to write off cost/ valuation of fixed assets over the expected useful lives of assets concerned less residual value estimated at 0.1% based on the rates given below.

Type of Asset (Category) Depreciation rates (range %)

Operational Buildings & Structures	2% - 20% 2% Store Yard. 2.5% Permanent structures. 2.9% Permanent buildings 4. % other build. & structures. 10% Coconut Oil Pipe Line. 5% - 20% Railway Tracking
Floating Equipment	6.7% -12.5% 6.7% - 12.5% Steel Lighters. 10% - 50% Boats & Launches. 10% - 12.5% Pumps for Boats.
Handling Equipment	8.3% - 50% 8.3% - 50% Gantry & Other cranes. 12.5%-50%Trainers & Weighing Machines 10% - 20% Folk lift & Prime movers.
Plant and Machinery	10% - 50% 10% - 50% Accessories 12.5% - 50% Equipment (Electric Power). 5% - 20% Machinery
Office & Wel.Buildings	1.3% - 50% 1.3% - 50% Permanent office buildings. 2.9% - 50% other buildings (Garage Etc.)

Rented property	2.9% - 6.7%
	2.9% - 6.7% Permanent buildings
Computer Hardware & Software	20% - 50%
Electric & Electronic Equipment	5% - 50%
	5% Lighting Towers.
	5% - 50% Telephone & other equipment.
	12.5% - 50% Equipment (Electric power)
Office furniture & Equip.	6.7% - 50%
	6.7% - 50% Furniture (Wooden)
	16.6%-50% Furniture & Equipment (Steel)
	33.3% Library Books.
Motor vehicles	20% - 50%
Other assets	5% - 50%
	5% - 50% miscellaneous equipment
	5% - 50 % Misc. items (Elec. Power).
	5% - 50% Kitchen Equipment.

Depreciation is calculated on all fixed assets other than freehold land from the month of acquisition of use whilst no depreciation is provided in the year of disposal.

4.0 INVESTMENTS IN COMPANY SHARES

4.1 Investment in Subsidiary Companies

Investment in Subsidiary Companies are treated as non-current assets and stated at cost in the Financial Statements of the Company. The Name of the subsidiary is M/S Jaya Container Terminal (Pvt) Ltd.

4.2 Investments in Associate Company

Investment in Associate Company is treated as non-current assets and accounted under the equity basis of accounting to reflect SLPA share of retained assets in the entity. Dividends declared by the Associate and recognized against the equity value of Group's investment.

In the SLPA Financial Statements the investments are stated at cost. Dividend Income is recognized on a cash basis. Name of the

Associate Company is M/s. Sri Lanka Port Management & Consultancy Services Ltd.

4.3 Investments in Financial Assets

All investments are stated at face value.

5.0 VALUATION OF INVENTORIES

Inventories have been valued at the lower of cost and net realizable value. Inventories of SLPA consists of spare parts for vessels and cargo handling equipments, fuel for vehicles and other items like stationeries for SLPA use. All above items are for consumption and not for re- sale.

Issuance of all three ports is done at first in first out method.

6.0 DEBTORS AND RECEIVABLES

Trade debtors are stated at amounts after providing for bad and doubtful debts.

6.1 Bad & Doubt Full Debt Provision

Bad & Doubt-full debt is calculated according the age analysis as at 31st December 2010. Percentages are given below.

<u>Type of Debtors</u>	<u>Percentage</u>
Shipping Agents in Services	5%
Shipping Agents Non-Operating	100%
Shipping Agents under litigation	100%
Sri Lanka Forces	
Dec-July	
Jan – June 2010	10%
2009	100%
2008	100%
2007	100%
2006	100%
Shipping Agents Suspended	100%
Government Dept./ Institutions	10%

7.0 CASH, CASH EQUIVALENTS & CASH FLOWS

Cash & Cash Equivalents are defined as cash in hand at bank and demand deposits and other highly liquid investments readily convertible to identified amounts of cash and subject to insignificant risk of changes in value.

The Cash Flow Statement has been prepared using indirect method.

8.0 LIABILITIES AND PROVISIONS.

8.1 Liabilities

All liabilities which are Material & significant, as at the balance sheet date have been included in the accounts and adequate provision has been made for liabilities.

8.2 Provisions

Sri Lanka Ports Authority recognizes following provisions.

8.2.1 Retirement Benefits - Gratuity.

Provision has been made in the accounts for retiring gratuities. It is provided for every employee who has completed one year of service in the Authority.

2 Volume Rebate

These are the rebates given to shipping agents/lines based on 2010 volumes handled.

3 Accrued Expenditure

Based on expenditure incurred in 2010 but payable in 2011.

4 Provision for taxes

Based on National Budget guide lines for the year and estimation where applicable.

5 Provision for Claims

Provision has been made as a percentage of probable claims made against the Authority.

8.3 Port Development Loans (Japanese Loans)

Loans granted from the Government of Japan have been rescheduled at a "Fixed-Rate" with effect from 1 January 1995 whereby loss or gains in Foreign Exchange with regard to repayment has to be borne by SLPA. The repayment of loans would be, however, at the spot rate of exchange prevailing at the date of repayment. The difference in such spot rate and the fixed rate is treated as loss/ gain in exchange, in the profit and loss account.

9.0 GOVERNMENT GRANTS

The Grants has been treated as deferred income and credited to the Income statement on a systematic and rational basis over the useful life of the asset.

10.0 TAXATION

Liability for taxation on the profits for the year comprises current and deferred tax and is recognized in the Profit & Loss Statement. Current tax is the expected tax payable on the taxable income for the year using tax rates enacted at the Balance Sheet date and any adjustments to tax payable in respect of previous years.

Deferred tax is provided using the Balance Sheet Liability Method, providing from timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes Reported in the Financial Statements and computed in accordance with the provisions for the Inland Revenue Act. No 38 of 2000 & 10 of 2006.

11.0 FOREIGN EXCHANGE RECEIPTS

For the purpose of information Foreign Exchange calculation is estimated 100% of Transshipment and Navigational revenue together with 73% of other operational revenue.

Revenue	% taken for calculation
Transshipment	100
Navigation	100
Other Operational Revenue	73

12.0 INCOME STATEMENT

12.1 Revenue Recognition

Revenue is recognized on an accrual basis. Revenue from services rendered to ships which arrived in January 01st to 31st December of each year is recognized as the revenue of that particular year.

12.2 Income Recognition

Dividend Income is recognized on a cash basis.

12.3. a. Rental Income

Rental Income is recognized on accrual basis.

12.4. b. Lease Rental Income

Lease Rental Income is recognized on accrual basis

12.5 Interest Income

Interest income from financial instruments is recognized as an accrual basis.

12.6 Royalty Income

Royalty Income is recognized on accrual basis.

13. RETIREMENT BENEFITS

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

All employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective statutes and regulations. The Authority contributes 15% of gross emoluments of employees to an Employees Provident Fund, and 3% of gross emoluments of employees to the Employees' Trust Fund. Contributions to the above fund are recognized as an expense

14.0 EXPENDITURE

All expenditure incurred in the running of the business and in maintaining the Assets has been charged to revenue in arriving at the profit of the year.

14.1 Borrowing Costs

Borrowing costs are recognized as an expense in the year in which they are incurred, except to the extent where borrowing costs are directly attributable and integral to the construction, acquisition or production of an asset is capitalized at the end of the project.

14.2 Research & Development Costs and Deferred Expenditure

All expenses incurred by the Planning and Development Division including salaries are regarded as a part of a continuing operation and therefore treated as recurrent expenditure.

15.0 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated to Sri Lankan Rupees at the exchange rates that prevailed at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are translated to Sri Lankan Rupees using the closing rate that prevailed at the balance sheet date. Foreign exchange differences arising on translation are recognized in Income Statement.

The exchange rates applicable as at the balance sheet date were as follows.

US\$	113.90
Yen	1.39

16.0 RELATED PARTY TRANSACTION

Transaction with related parties conducted under normal commercial terms. The relevant disclosed is made in note 6.2.1 to the Financial Statement.

17.0 COMPARATIVE FIGURES

Comparative presentation of current assets and current liabilities have been changed for the purpose of fair presentation.

NOTES TO THE FINANCIAL STATEMENTS
REVENUE - ACTIVITY WISE

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DESCRIPTION	SLPA		CONSOLIDATED	
	2010	2009	2010	2009
	Rs.	Rs.	Rs.	Rs.
1.1.1 REVENUE FROM PORT ACTIVITIES				
Seaward Navigation				
Outer Anchorage	74,871,501	44,513,408	74,871,501	44,513,408
Light dues	457,065,048	299,386,609	457,065,048	299,386,609
Harbour				
Entering dues and over-hour dues	636,735,484	405,091,028	636,735,484	405,091,028
Harbour tonnage dues	324,793,721	271,162,604	324,793,721	271,162,604
Pilotage				
Pilotage & pilot detention fee	649,345,496	412,356,923	649,345,496	412,356,923
Professional Pilotage & detention fee	-	18,432	-	18,432
Pilot Launch Charges	17,536,543	9,073,890	17,536,543	9,073,890
Tug Services				
Tug services	329,607,660	283,037,611	329,607,660	283,037,611
NAVIGATION, HARBOUR, PILOTAGE & TUGS (A)	2,489,955,453	1,724,640,505	2,489,955,453	1,724,640,505
Port Infrastructure				
Stream anchorage	18,521,175	21,088,977	18,521,175	21,088,977
Dockage	635,451,540	334,936,496	635,451,540	334,936,496
Crude oil petroleum products through pipe line - SPBM	354,818,587	357,966,597	354,818,587	357,966,597
Petroleum products at Dolphin berth - Imports/Exports	262,408,418	244,927,038	262,408,418	244,927,038
Occupational Chargers for Domestic Containerized Cargo				
Storage on laden/empty containers (agent billing)	4,349,384	6,386,613	4,349,384	6,386,613
Storage on FCL containers (consignee billing) - Imports	1,113,262,068	916,699,508	1,113,262,068	916,699,508
Storage on FCL containers (consignee billing) - Exports	25,885	1,917,722	25,885	1,917,722
Storage on LCL containers (consignee billing) - Imports	153,556,825	113,450,226	153,556,825	113,450,226
Storage on LCL containers -bonding & entrepot charges	18,847,931	24,759,825	18,847,931	24,759,825
Occupational Chargers for Break Bulk Cargo				
Storage on break-bulk cargo (consignee billing) - Imports	373,468,344	228,889,965	373,468,344	228,889,965
Occupational Chargers for Transshipment Containerized Cargo				
Storage on transshipment containerized cargo - empty/laden	2,087,720	36,750,751	2,087,720	36,750,751
Occupational Chargers for Transshipment Break Bulk Cargo				
Storage on transshipment break-bulk cargo	4,095,295	2,910,089	4,095,295	2,910,089
Multi Country Consolidation				
Storage rent for M.C.C. containers	7,207	32,716	7,207	32,716
Charges for canal locks	1,716	-	1,716	-
Embarkation/disembarkation fees	-	1,901,259	-	1,901,259
PORT INFRASTRUCTURE (B)	2,940,902,096	2,292,617,783	2,940,902,096	2,292,617,783
Cargo Handling				
Containerized Cargo - Domestic Stevedoring Functions				
Containerized cargo (discharged/loaded)	73,472,250	164,579,889	73,472,250	164,579,889
Movement of containers	2,152,560	2,023,523	2,152,560	2,023,523
Mounting / de-mounting of containers	1,673,708	8,110,422	1,673,708	8,110,422
Stuffing & de-stuffing containers	20,182,387	51,138,208	20,182,387	51,138,208
Shut out charges on containers	955,343	799,940	955,343	799,940
Other container services	35,724,492	22,156,700	35,724,492	22,156,700
Hire of equipments - stevedoring functions	2,400,000	2,400,000	2,400,000	2,400,000
Containers in lash barges	1,928	52,039	1,928	52,039
Wharf Handling Functions				
Landing & delivery charges - FCL	2,113,663	9,771,404	2,113,663	9,771,404
Landing & delivery charges - LCL	69,517,846	57,705,278	69,517,846	57,705,278
Shipping charges - FCL	(501,878)	-	(501,878)	-
Shipping charges - LCL	-	187,168	-	187,168
Hire of equipment for landing delivery service	4,354,593	9,203,408	4,354,593	9,203,408
Landing & delivery charges -bonding & entrepot	5,142,517	4,999,000	5,142,517	4,999,000
Landing & delivery Mounting/de-mounting/stuffing/de-stuffing	3,864,354	1,993,279	3,864,354	1,993,279
Ancillary services	3,951,386	38,247,940	3,951,386	38,247,940
Containerized Cargo - Transshipment Stevedoring Functions				
Transshipment containers discharging / loading/re-stowing	83,500,173	87,858,586	83,500,173	87,858,586
Transshipment special operations	1,412,701	1,253,006	1,412,701	1,253,006

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NOTES TO THE FINANCIAL STATEMENTS

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DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
Multi Country Consolidation - Containerized				
M.C.C. Container operations in/out	1,279,835	2,329,955	1,279,835	2,329,955
M.C.C. Container operations (in side)	8,147,426	32,593,741	8,147,426	32,593,741
Transshipment Break Bulk Cargo				
Stevedoring Functions				
Discharging /loading transshipment break-bulk cargo	12,621,541	19,117,340	12,621,541	19,117,340
Motor Vehicles	16,644,087	21,955,659	16,644,087	21,955,659
Conventional Cargo Bulk & Break Bulk Cargo				
Stevedoring Functions				
Bag & general cargo (discharged/loaded/shifting)	339,876,994	337,806,655	339,876,994	337,806,655
Bulk cargo (discharged / loaded / shifting)	973,425,594	771,395,043	973,425,594	771,395,043
Animal (discharged / loaded / shifting)	-	4,048	-	4,048
Special cargo discharged / loaded / shifting	802,901	6,084,622	802,901	6,084,622
Motor vehicles	422,947,795	100,474,351	422,947,795	100,474,351
Detentions & gangs and cancelled (normal / shift)	15,604,398	32,145,184	15,604,398	32,145,184
Shut-out charges	-	1,235,128	-	1,235,128
Hire of Equipment	35,299,591	37,376,493	35,299,591	37,376,493
Wharf Handling Functions				
Landing & delivery charges	599,105,340	378,362,097	599,105,340	378,362,097
Shipping charges	3,534,421	21,024,133	3,534,421	21,024,133
Shut-out charges for exports	-	214,055	-	214,055
Hire of equipment for landing delivery service	493,839	1,057,230	493,839	1,057,230
Ancillary services	8,287,297	40,240,048	8,287,297	40,240,048
Bulk liquid cargo through pipe line & other forms	27,696,635	26,186,572	27,696,635	26,186,572
Pumping of Coconut oil - Collection By Engineering	-	-	-	-
STEVEDORING & WHARF FUNCTION (C)	2,775,685,719	2,292,082,145	2,775,685,719	2,292,082,145
1.2.1 Other Services - Operational				
Supply of fresh water to ships	134,988,608	144,936,006	134,988,608	144,936,006
Supply of electricity for reefer containers	51,052,172	26,125,320	51,052,172	26,125,320
Railway facilities	1,106,014	723,661	1,106,014	723,661
Fire fighting	25,737,457	21,020,562	25,737,457	21,020,562
Charges for ship Wright divers	-	78,030	-	78,030
Hire of floating craft	2,831	17,369	2,831	17,369
Sundry services	11,594,241	10,790	11,594,241	10,790
System Purpose AC from 610389-610391	3,602,651	-	3,602,651	-
Revenue liable for NBT	148,697,998	96,298,182	148,697,998	96,298,182
OTHER SERVICES (D)	376,781,973	289,209,921	376,781,973	289,209,921
REVENUE FROM PORT ACTIVITIES E=(A+B+C+D)	8,583,325,241	6,598,550,354	8,583,325,241	6,598,550,354
1.1.2 REVENUE FROM PORT ACTIVITIES JCT				
Seaward Navigation				
Outer anchorage	-	19,185	-	19,185
Light dues	11,275,826	103,175,473	11,275,826	103,175,473
Harbour				
Entering dues and over-hour dues	15,817,081	142,594,177	15,817,081	142,594,177
Harbour tonnage dues	349,467,323	185,393,469	349,467,323	185,393,469
Pilotage				
Pilotage & pilot detention fee	15,086,572	95,481,184	15,086,572	95,481,184
Professional Pilotage & detention fee	-	-	-	-
Tug Services				
Tug services	2,224,956	39,263,450	2,224,956	39,263,450
NAVIGATION, HARBOUR, PILOTAGE & TUGS (F)	393,871,757	565,926,938	393,871,757	565,926,938
Port Infrastructure				
Stream anchorage	308,738	2,226,431	308,738	2,226,431
Dockage	2,460,203	163,810,508	2,460,203	163,810,508
Occupational Chargers for Domestic Containerized Cargo				
Storage on laden/empty containers (agent billing)	33,716,345	65,305,334	33,716,345	65,305,334
Storage on FCL containers (consignee billing) - Imports	6,304,441	6,338,672	6,304,441	6,338,672
Storage on LCL containers (consignee billing) - Imports	205,523	253,622	205,523	253,622
Storage on LCL containers (consignee billing) - Exports	-	-	-	-
Storage on LCL containers -bonding & entropot charges	1,206,152	1,389,915	1,206,152	1,389,915
Occupational Chargers for Break Bulk Cargo				
Storage on break-bulk cargo (consignee billing) - Imports	-	255,406	-	255,406
Occupational Chargers for Transshipment Containerized Cargo				
Storage on transshipment containerized cargo - empty/laden	108,147,556	111,728,638	108,147,556	111,728,638
Occupational Chargers for Transshipment Break Bulk Cargo				
Storage on transshipment break-bulk cargo	296,512	4,515,007	296,512	4,515,007
PORT INFRASTRUCTURE (G)	152,645,470	355,823,533	152,645,470	355,823,533
Cargo Handling				
Containerized Cargo - Domestic				
Stevedoring Functions				
Containerized cargo (discharged/loaded)	7,234,711,100	5,332,479,402	7,234,711,100	5,332,479,402
Movement of containers	14,901,972	3,353,897	14,901,972	3,353,897
Mounting / de-mounting of containers	30,688,748	27,460,575	30,688,748	27,460,575
Stuffing & de-stuffing containers	72,180,984	34,216,953	72,180,984	34,216,953
Shut out charges on containers	13,210,083	9,013,462	13,210,083	9,013,462
Other container services	170,246,982	153,476,494	170,246,982	153,476,494
Hire of equipments - stevedoring functions	6,117	-	6,117	-
Wharf Handling Functions				
Landing & delivery charges - FCL	845,867,917	624,148,057	845,867,917	624,148,057
Landing & delivery charges - LCL	58,924,528	113,196,385	58,924,528	113,196,385
Shipping charges - FCL	469,341,903	407,354,533	469,341,903	407,354,533
Shipping charges - LCL	53,398,490	56,725,453	53,398,490	56,725,453
Hire of equipment for landing delivery service	-	620,861	-	620,861
Landing & delivery Mounting/de-mounting/stuffing/de-stuffing	10,730,114	3,487,161	10,730,114	3,487,161
Ancillary services	40,746	12,437	40,746	12,437

DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
Containerized Cargo - Transshipment				
Stevedoring Functions				
Transshipment containers discharging / loading/re-stowing	5,550,859,939	4,496,318,740	5,550,859,939	4,496,318,740
Transshipment Containers mounting / de-mounting	4,386	-	4,386	-
Transshipment special operations	775,446	514,420	775,446	514,420
Multi Country Consolidation - Containerized				
M.C.C. Container operations in/out	7,526,352	6,440,480	7,526,352	6,440,480
M.C.C. Container operations (in side)	32,794,698	15,513,680	32,794,698	15,513,680
Transshipment Break Bulk Cargo				
Stevedoring Functions				
Discharging /loading transshipment break-bulk cargo	162,269	1,177,906	162,269	1,177,906
Motor Vehicles	4,066	156,441	4,066	156,441
Conventional Cargo Bulk & Break Bulk Cargo				
Stevedoring Functions				
Bag & general cargo (discharged/loaded/shifting)	42,968,045	21,147,640	42,968,045	21,147,640
Motor vehicles	-	407,947	-	407,947
Mail handling	-	-	-	-
Detentions & gangs and cancelled (normal / shift)	4,485,548	6,039,778	4,485,548	6,039,778
Shut-out charges	3,765	101,621	3,765	101,621
Hire of Equipment	344,161	1,541,246	344,161	1,541,246
Wharf Handling Functions				
Landing & delivery charges	6,089	100,758	6,089	100,758
Ancillary services	7,459	52,602	7,459	52,602
Bulk liquid cargo through pipe line & other forms	34,979	2,333,410	251,618,420	240,378,847
Pumping of Coconut oil - Collection By Engineering	-	-	-	-
STEVEDORING & WHARF FUNCTION (H)	14,614,226,886	11,317,392,338	14,865,810,327	11,555,437,775
1.1.2 Other Services - Operational				
Supply of fresh water to ships	19,489,503	13,957,578	19,489,503	13,957,578
Supply of electricity for reefer containers	236,054,419	120,976,208	236,054,419	120,976,208
Fire fighting	(4,631)	20,843	(4,631)	20,843
OTHER SERVICES (I)	255,539,291	134,954,629	261,804,244	135,235,207
REVENUE FROM PORT ACTIVITIES JCT J = (F+G+H+I)	15,416,283,404	12,374,097,438	15,674,131,798	12,612,423,453
1.1.3 REVENUE RECEIVED FROM SAGT				
Seaward Navigation				
Outer anchorage	-	32,030	-	32,030
Light dues	7,289,368	78,970,783	7,289,368	78,970,783
Habour				
Entering dues and over-hour dues	63,319	109,097,046	63,319	109,097,046
Harbour tonnage dues	238,491,034	176,859,980	238,491,034	176,859,980
Pilotage				
Pilotage & pilot detention fee	9,748,453	109,707,172	9,748,453	109,707,172
Tug Services				
Tug services	1,214,474	27,016,987	1,214,474	27,016,987
NAVIGATION, HABOUR, PILOTAGE & TUGS (K)	256,806,648	501,683,999	256,806,648	501,683,999
Port Infrastructure				
Stream anchorage	-	799,758	-	799,758
Dockage	-	1,098,475	-	1,098,475
Crude oil petroleum products through pipe line - SPBM	-	719	-	719
Occupational Chargers for				
Domestic Containerized Cargo				
Storage on laden/empty containers (agent billing)	2,845,165	199,852	2,845,165	199,852
Storage on FCL containers (consignee billing) - Imports	211,081	182,564	211,081	182,564
Storage on LCL containers (consignee billing) - Imports	894,246	7,056,362	894,246	7,056,362
Occupational Chargers for				
Break Bulk Cargo				
Storage on break-bulk cargo (consignee billing) - Imports	3,841,103	5,169,957	3,841,103	5,169,957
Occupational Chargers for				
Transshipment Containerized Cargo				
Storage on transshipment containerized cargo - empty/laden	127,135	16,863	127,135	16,863
Occupational Chargers for				
Transshipment Break Bulk Cargo				
Multi Country Consolidation				
Storage rent for M.C.C. containers	9,738,555	-	9,738,555	-
PORT INFRASTRUCTURE (L)	17,657,286	14,524,551	17,657,286	14,524,551
Cargo Handling				
Containerized Cargo - Domestic				
Stevedoring Functions				
Containerized cargo (discharged/loaded)	13,251	-	13,251	-
Movement of containers	930,613	315,135	930,613	315,135
Mounting / de-mounting of containers	5,197,139	2,551,896	5,197,139	2,551,896
Stuffing & de-stuffing containers	21,509,928	9,020,651	21,509,928	9,020,651
Other container services	9,214	-	9,214	-

DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
Wharf Handling Functions				
Landing & delivery charges - FCL	530,991,111	447,528,867	530,991,111	447,528,867
Landing & delivery charges - LCL	3,259,088	6,230,823	3,259,088	6,230,823
Shipping charges - FCL	119,624,076	121,230,076	119,624,076	121,230,076
Shipping charges - LCL	20,078,570	17,040,836	20,078,570	17,040,836
Landing & delivery Mounting/de-mounting/stuffing/de-stuffing	4,472,513	5,192,329	4,472,513	5,192,329
Ancillary services	8,274	62,348	8,274	62,348
Containerized Cargo - Transshipment				
Stevedoring Functions				
Transshipment containers discharging / loading/re-stowing	124,200	4,927	124,200	4,927
Transshipment special operations	1,167,267	511,495	1,167,267	511,495
Multi Country Consolidation - Containerized				
M.C.C. Container operations in/out	1,734,481	1,377,588	1,734,481	1,377,588
M.C.C. Container operations (in side)	18,936,399	8,900,548	18,936,399	8,900,548
Conventional Cargo Bulk & Break Bulk Cargo				
Stevedoring Functions				
Bag & general cargo (discharged/loaded/shifting)	24,108,566	10,847,599	24,108,566	10,847,599
Bulk cargo (discharged / loaded / shifting)	307,585	-	307,585	-
Mail handling	-	19,247	-	19,247
Hire of Equipment	5,162	190,558	5,162	190,558
Wharf Handling Functions				
Landing & delivery charges	1,650,449	1,478,341	1,650,449	1,478,341
Ancillary services	4,279	5,854	4,279	5,854
STEVEDORING & WHARF FUNCTION (M)	754,132,164	632,509,117	754,132,164	632,509,117
1.2.3 Other Services - Operational				
Supply of fresh water to ships	11,142,007	7,855,208	11,142,007	7,855,208
Fire fighting	-	18,530	-	18,530
Chain testing	-	-	-	-
OTHER SERVICES (N)	11,142,007	7,873,738	11,142,007	7,873,738
REVENUE FROM PORT ACTIVITIES (SAGT) O = (K+L+M+N)	1,039,738,105	1,156,591,404	1,039,738,105	1,156,591,404
1.1.4 REVENUE RECEIVED FROM KKS				
Habour				
Entering dues and over-hour dues	23,610	-	23,610	-
Harbour tonnage dues	17,986	196,469	17,986	196,469
NAVIGATION, HABOUR, PILOTAGE & TUGS (P)	41,596	196,469	41,596	196,469
Port Infrastructure				
Stream anchorage	17,485	-	17,485	-
PORT INFRASTRUCTURE (Q)	17,485	-	17,485	-
Cargo Handling				
Containerized Cargo - Domestic				
Stevedoring Functions				
Containerized cargo (discharged/loaded)	2,483,864	24,869,084	2,483,864	24,869,084
Conventional Cargo Bulk & Break Bulk Cargo				
Stevedoring Functions				
Bag & general cargo (discharged/loaded/shifting)	508,035	5,539,014	508,035	5,539,014
Wharf Handling Functions				
Shipping charges	3,515,796	23,084,323	3,515,796	23,084,323
STEVEDORING & WHARF FUNCTION (R)	6,507,695	53,492,421	6,507,695	53,492,421
REVENUE FROM PORT ACTIVITIES (KKS) S = (P+Q+R)	6,566,776	53,688,890	6,566,776	53,688,890
1.3.1 OTHER REVENUE				
Other Services - Non Operational				
Hire of equip. & Floating Craft for purposes other than cargo handling	37,871,436	5,703,851	37,871,436	5,703,851
Supply of water for local consumption	358,443	-	358,443	-
Supply of electricity for local consumption	304,526,086	223,409,487	304,526,086	223,409,487
Telephone calls and medical facilities	18,469	45,079	18,469	45,079
Training fees	11,083	71,995	11,083	71,995
Special Jobs done for outside parties	145,993	-	145,993	-
Income from specialized Activities	(594,868)	(1,312,404)	(594,868)	(1,312,404)
Passenger Transport	18,783,965	27,337,579	18,783,965	27,337,579
1.3.1.1 Port Estate				
Lease out lands	116,133,671	117,831,038	116,133,671	117,831,038
Royalty (B)	30,662	83,290	30,662	83,290
Rent on housing scheme	2,517,082	2,561,793	2,517,082	2,561,793
Revenue from circuit bungalows	1,139,354	1,177,809	1,139,354	1,177,809
Rent / lease out buildings / warehouse	57,767,929	52,884,499	57,767,929	52,884,499
1.3.1.2 Miscellaneous	196,230	8,704	196,230	8,704
Debit note issued by Ledger & Credit Control	-	12,628,071	-	12,628,071

DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
Financing				
Interest on treasury bills & call deposits	462,479,126	736,379,274	465,593,683	740,500,852
Interest on securities / investments	368,949	346,098	368,949	346,098
Interest on loans given to outside parties	1,335,793	1,348,721	1,335,793	1,348,721
Dividend received	15,011,014	14,661,862	15,011,014	14,661,862
Penalty and surcharge on L & D Bills/ Stevedore Billing	33,888,682	10,675,778	33,888,682	10,675,778
Surcharge on overdue bills	291,943	634,312	291,943	634,312
Gains from foreign exchange	-	495	-	495
Surplus of stores & off charge items	-	167,476	-	167,476
Tender sales revenue	43,106,451	11,095,875	43,106,451	11,095,875
Interest on loans to employees	218,705,230	211,376,561	218,705,230	211,376,561
Surcharges on employees	63,317	3,126,347	63,317	3,126,347
Charges on dishonored bonds items & debtors balances	1,114,600	2,023,426	1,114,600	2,023,426
Currency Conversion Difference Between Revenue Items & Debtors Balances	-	(585)	-	(585)
Fines & Insurance Commission	1,702,354	6,306,902	1,702,354	6,306,902
Central Division				
Port entry permits	1,155,467	3,451,718	1,155,467	3,451,718
Temporary port permit charges	61,636,141	49,860,966	61,636,141	49,860,966
Annual vehicle permits & casual vehicle permits	1,323,360	3,904,941	1,323,360	3,904,941
Fees on chandler's license & survey fees	7,051,855	6,993,773	7,051,855	6,993,773
Licensing of wharf clearing agencies in three ports	15,168,757	14,558,536	15,168,757	14,558,536
Licensing of harbour craft	274,791	-	274,791	-
Profit / loss on assets sold	17,554,912	(307,143)	17,554,912	(307,143)
Proceeds on hire of welfare buses	5,070,839	3,704,142	5,070,839	3,704,142
Canteen income	6,500	-	6,500	-
Miscellaneous	50,420,651	54,565,558	50,420,651	54,565,558
Sale of Books & Publications	1,056,079	711,283	1,056,079	711,283
Compensation receipts	9,408,616	6,167,442	9,408,616	6,167,442
Galle face green collection	11,280	50,563	11,280	50,563
Grant Income	17,275,546	17,275,546	17,275,546	17,275,546
Management fees From JCT Pvt. Ltd.	63,957,411	22,552,514	32,683,810	2,243,167
TOTAL OTHER REVENUE NON OPERATIONAL	1,568,345,199	1,624,063,172	1,540,186,155	1,607,875,403
1.3.2 OTHER REVENUE RECEIVED FROM JCT				
Other Services - Non Operational				
Hire of equip. & Floating Craft for purposes other than cargo handling	14,269	172,801	14,269	172,801
Supply of electricity for local consumption	-	17,668	-	17,668
Port Estate				
Rent on housing scheme	-	1,260	-	1,260
Financing				
Penalty and surcharge on L & D Bills/ Stevedore Billing	81,608,301	25,428,333	81,608,301	25,428,333
Fines & Insurance Commission	-	5,900	-	5,900
Central Division				
Miscellaneous	685	35	685	35
OTHER REVENUE RECEIVED FROM JCT	81,623,255	25,625,997	81,623,255	25,625,997
1.3.3 OTHER REVENUE RECEIVED FROM SAGT				
Other Services - Non Operational				
Port Estate				
Lease out lands	291,691,886	301,697,898	289,264,174	300,119,731
Royalty	711,542,092	674,118,067	711,542,092	674,118,067
Rent / lease out buildings / warehouse	20,453	-	20,453	-
Financing				
Dividend received (A)	580,161,149	522,879,242	580,161,149	522,879,242
Penalty and surcharge on L & D Bills/ Stevedore Billing	2,289	12,730	2,289	12,730
Central Division				
OTHER REVENUE RECEIVED FROM SAGT	1,583,417,869	1,498,707,937	1,580,990,157	1,497,129,770
OTHER REVENUE RECEIVED FROM KKS				
Other Services - Non Operational				
Hire of equip. & Floating Craft for purposes other than cargo handling	-	60,098	-	60,098
OTHER REVENUE RECEIVED FROM KKS	-	60,098	-	60,098
TOTAL REVENUE FROM PORT ACTIVITIES (E+J+O+S)	25,045,913,526	20,182,928,086	25,303,761,920	20,421,254,101
TOTAL OTHER REVENUE	3,233,386,323	3,148,457,203	3,202,799,567	3,130,691,268
TOTAL REVENUE	28,279,299,849	23,331,385,289	28,506,561,487	23,551,945,369
(A) Total Dividend received during the year is as follows.				
M/S Colombo Dockyard Ltd	15,011,014	14,589,808		
Port Management Consultancy Services Ltd.	-	72,054		
South Asia Gateway Terminal (Pvt) Ltd.	580,161,149	522,879,242		
Total Dividend Received	<u>595,172,163</u>	<u>537,541,105</u>		
(B) Total Royalties Received				
Heyleys Advertising Ltd.	30,662	83,290		
South Asia Gateway Terminal (Pvt) Ltd.	711,542,092	674,118,067		
	<u>711,572,754</u>	<u>674,201,357</u>		

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Expenditure incurred for three main items, Operation, Repair & Maintenance and Administration According to divisions and type of expenditure are given below.

DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
2.1 OPERATIONAL EXPENSES (ANALYSIS)				
NAVIGATION DIVISION				
Salaries wages & Allowances	938,628,479	865,694,900	938,628,479	865,694,900
Overtime	254,535,333	213,779,857	254,535,333	213,779,857
Traveling Subsistence & Fuel Allowance	404,519	396,093	404,519	396,093
Fuel Electricity & Other Expenses	372,846,937	312,839,676	372,846,937	312,839,676
External Hire Chargers / Contracts	5,000	160,000	5,000	160,000
Contract works for Rep. & Main.	12,554,355	3,078,771	12,554,355	3,078,771
Material Issued for Operational activities	421,692	362,307	2,213,083	7,922,853
Depreciation	500,561,693	499,958,360	500,923,903	499,964,920
	2,079,958,008	1,896,269,965	2,082,111,609	1,903,837,070
OPERATION DIVISION OTHERS				
Salaries wages & Allowances	1,700,031,821	1,648,768,183	1,700,031,821	1,648,768,183
Overtime	512,471,984	491,341,752	512,471,984	491,341,752
Traveling Subsistence & Fuel Allowance	1,301,111	2,727,147	1,301,111	2,727,147
Fuel Electricity & Other Expenses	41,221,858	62,174,942	41,221,858	58,656,842
Cost of Water	70,684,379	66,197,068	70,684,379	66,197,068
External Hire Chargers / Contracts	8,075,375	3,074,623	8,075,375	3,074,623
Contract works for Rep. & Main.	-	8,830	-	8,830
Material Issued for Operational activities	5,195,951	-	5,195,951	-
Depreciation	470,374,783	490,491,421	470,374,783	490,491,421
	2,809,357,261	2,764,783,965	2,809,357,261	2,761,265,865
CIVIL ENGINEERING DIVISION				
Salaries wages & Allowances	7,009,857	9,954,241	7,009,857	9,954,241
Overtime	2,135,566	7,069,487	2,135,566	7,069,487
Traveling Subsistence & Fuel Allowance	3,200	-	3,200	-
Fuel Electricity & Other Expenses	20,309,317	25,053,034	20,309,317	25,053,034
External Hire Chargers / Contracts	103,800	-	103,800	-
Contract works for Rep. & Main.	-	122	-	122
Material Issued for Operational activities	16,743	-	16,743	-
Depreciation	2,038,811,900	2,054,541,673	2,038,811,900	2,054,541,673
	2,068,390,383	2,096,618,559	2,068,390,383	2,096,618,559
LOGISTICS DIVISION				
Salaries wages & Allowances	411,573,949	386,336,483	411,573,949	386,336,483
Overtime	180,884,237	144,055,944	180,884,237	144,055,944
Traveling Subsistence & Fuel Allowance	41,200	89,900	41,200	89,900
Fuel Electricity & Other Expenses	23,105,720	6,501,276	23,105,720	6,501,276
External Hire Chargers / Contracts	10,762,026	10,556,026	10,762,026	10,556,026
Depreciation	18,850,045	18,848,005	18,850,045	18,848,005
	645,217,177	566,387,634	645,217,177	566,387,634
OPERATION DIVISION - JCT				
Salaries wages & Allowances	1,541,790,123	1,294,296,794	1,541,790,123	1,294,296,794
Overtime	709,504,360	618,464,308	709,504,360	618,464,308
Traveling Subsistence & Fuel Allowance	105,523	748,350	105,523	748,350
Fuel Electricity & Other Expenses	730,730,708	560,123,060	730,730,708	560,123,060
External Hire Chargers / Contracts	414,290,336	236,949,683	414,290,336	236,949,683
Contract works for Rep. & Main.	55,323,144	7,364,567	55,323,144	7,364,567
Insurance & License	-	579,185	-	579,185
Depreciation	937,209,492	1,134,388,640	937,209,492	1,134,388,640
	4,388,953,687	3,852,914,587	4,388,953,687	3,852,914,587
PORT OF KKS				
Salaries wages & Allowances	31,022,855	18,334,595	31,022,855	18,334,595
Overtime	-	7,813,769	-	7,813,769
Traveling Subsistence & Fuel Allowance	413,271	2,089,964	413,271	2,089,964
Fuel Electricity & Other Expenses	8,760,218	6,583,370	8,760,218	6,583,370
External Hire Chargers / Contracts	5,567,562	7,074,348	5,567,562	7,074,348
Contract works for Rep. & Main.	580	8,452	580	8,452
Depreciation	4,405,479	4,405,479	4,405,479	4,405,479
	50,169,965	46,309,976	50,169,965	46,309,976
POINT PEDRO				
Salaries wages & Allowances	17,016,146	9,300,324	17,016,146	9,300,324
Overtime	-	6,450,489	-	6,450,489
Depreciation	559,440	559,440	559,440	559,440
	17,575,586	16,310,253	17,575,586	16,310,253
TOTAL OPERATIONAL EXPENSES	12,059,622,067	11,239,594,938	12,061,775,668	11,243,643,943

DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
2.2 REPAIR & MAINTENANCES EXPENSES				
NAVIGATION DIVISION				
Salaries Wages & Allowances	-	28,592	-	28,592
Fuel Electricity & Other Expenses	23,354	160,877	23,354	160,877
Contract works for Rep. & Main.	-	285	-	285
Material Issued for Operational Activities	38,228,725	16,701,164	38,228,725	16,701,164
Depreciation	45,999	58,052	45,999	58,052
	38,298,079	16,948,970	38,298,079	16,948,970
MECHANICAL PLANT ENGINEERING DIVISION				
Salaries Wages & Allowances	320,027,228	287,045,434	320,027,228	287,045,434
Overtime	124,733,633	108,298,030	124,733,633	108,298,030
Travelling, Subsistence & Fuel Allowances	1,242,147	3,111,104	1,242,147	3,111,104
Fuel Electricity & Other Expenses	14,142,443	7,719,709	14,142,443	7,719,709
Contract works for Rep. & Main.	16,353,774	22,220,675	16,353,774	22,220,675
Insurance & License	-	21,353	-	21,353
Material Issued for Operational Activities	107,915,779	125,271,943	107,915,779	125,271,943
Depreciation	8,015,322	8,220,517	8,015,322	8,220,517
	592,430,327	561,908,764	592,430,327	561,908,764
MARINE ENGINEERING DIVISION				
Salaries Wages & Allowances	323,748,613	287,494,208	323,748,613	287,494,208
Overtime	86,797,921	67,071,488	86,797,921	67,071,488
Travelling, Subsistence & Fuel Allowances	148,257	197,230	148,257	197,230
Fuel Electricity & Other Expenses	7,179,341	5,486,927	7,179,341	5,486,927
External Hire Charges/ Contracts	60,408	-	60,408	-
Contract works for Rep. & Main.	61,291,292	38,390,303	61,291,292	38,390,303
Insurance & License	5,650	5,500	5,650	5,500
Material Issued for Operational Activities	71,544,370	117,934,033	71,544,370	117,934,033
Depreciation	2,802,626	3,140,642	2,802,626	3,140,642
	553,578,478	519,720,331	553,578,478	519,720,331
MECHANICAL WORKS ENGINEERING DIVISION				
Salaries Wages & Allowances	290,980,199	250,868,987	290,980,199	250,868,987
Overtime	93,211,492	68,398,140	93,211,492	68,398,140
Travelling, Subsistence & Fuel Allowances	1,350,548	316,578	1,350,548	316,578
Fuel Electricity & Other Expenses	8,932,745	10,918,336	8,932,745	10,918,336
Contract works for Rep. & Main.	1,573,947	4,790,000	1,573,947	4,790,000
Insurance & License	-	5,987	-	5,987
Material Issued for Operational Activities	70,759,408	36,365,315	70,759,408	36,365,315
Depreciation	5,079,916	5,059,736	5,079,916	5,059,736
	471,888,255	376,723,078	471,888,255	376,723,078
CIVIL ENGINEERING DIVISION				
Salaries Wages & Allowances	801,686,853	707,695,878	801,686,853	707,695,878
Overtime	312,064,568	255,310,146	312,064,568	255,310,146
Travelling, Subsistence & Fuel Allowances	6,562,517	5,200,941	6,562,517	5,200,941
Fuel Electricity & Other Expenses	1,989,927	1,456,538	1,989,927	1,456,538
External Hire Charges/ Contracts	1,897,649	46,030	1,897,649	46,030
Contract works for Rep. & Main.	2,730,905	6,570,439	2,730,905	6,570,439
Insurance & License	-	3,108	-	3,108
Material Issued for Operational Activities	79,897,257	92,548,162	79,897,257	92,548,162
Depreciation	9,621,682	9,118,034	9,621,682	9,118,034
	1,216,451,359	1,077,949,277	1,216,451,359	1,077,949,277
ELECTRICAL & ELECTRONICS ENGINEERING DIVISION				
Salaries Wages & Allowances	251,941,911	225,588,298	251,941,911	225,588,298
Overtime	92,882,156	70,884,252	92,882,156	70,884,252
Travelling, Subsistence & Fuel Allowances	484,542	299,570	484,542	299,570
Fuel Electricity & Other Expenses	47,863,581	42,090,645	47,863,581	42,090,645
External Hire Charges/ Contracts	15,800	-	15,800	-
Contract works for Rep. & Main.	9,255,724	7,625,665	9,255,724	7,625,665
Material Issued for Operational Activities	97,401,685	76,366,188	97,401,685	76,366,188
Depreciation	29,743,320	30,022,427	29,743,320	30,022,427
	529,588,719	452,877,046	529,588,719	452,877,046
CONTRACT & DESIGN DIVISION				
Salaries Wages & Allowances	39,249,950	40,320,643	39,249,950	40,320,643
Overtime	20,020,242	19,551,885	20,020,242	19,551,885
Travelling, Subsistence & Fuel Allowances	819,315	838,909	819,315	838,909
Fuel Electricity & Other Expenses	195,496	124,718	195,496	124,718
Contract works for Rep. & Main.	7,230	740	7,230	740
Material Issued for Operational Activities	2,793,865	2,763,250	2,793,865	2,763,250
	63,086,098	63,600,144	63,086,098	63,600,144
MECHANICAL PLANT ENGINEERING DIVISION - JCT				
Salaries Wages & Allowances	229,209,594	198,662,556	229,209,594	198,662,556
Overtime	88,591,425	73,205,091	88,591,425	73,205,091
Travelling, Subsistence & Fuel Allowances	228,840	657,200	228,840	657,200
Fuel Electricity & Other Expenses	259,610	131,899	259,610	131,899
Contract works for Rep. & Main.	4,500	14,044,704	4,500	14,044,704
Material Issued for Operational Activities	412,136,409	104,236,763	412,136,409	104,236,763
Depreciation	592,830	572,437	592,830	572,437
	731,023,208	391,510,649	731,023,208	391,510,649

DESCRIPTION	SLPA		CONSOLIDATED	
	2,010 Rs.	2,009 Rs.	2,010 Rs.	2,009 Rs.
CIVIL ENGINEERING DIVISION - JCT				
Salaries Wages & Allowances	44,659,783	45,175,804	44,659,783	45,175,804
Overtime	19,651,424	17,257,967	19,651,424	17,257,967
Travelling, Subsistence & Fuel Allowances	46,400	62,158	46,400	62,158
Material Issued for Operational Activities	-	38,286,401	-	38,286,401
Depreciation	45,494	45,494	45,494	45,494
	64,403,101	100,827,824	64,403,101	100,827,824
ELECTRICAL & ELECTRONICS ENGINEERING DIVISION - JCT				
Salaries Wages & Allowances	103,422,622	95,409,756	103,422,622	95,409,756
Overtime	46,337,917	37,833,570	46,337,917	37,833,570
Travelling, Subsistence & Fuel Allowances	6,390	-	6,390	-
Fuel Electricity & Other Expenses	5,082,553	2,829,218	5,082,553	2,829,218
Material Issued for Operational Activities	49,817,916	117,634,666	49,817,916	117,634,666
Depreciation	756,607	536,580	756,607	536,580
	205,424,005	254,243,789	205,424,005	254,243,789
SOUTHERN PORT DEVELOPMENT DIVISION				
Salaries Wages & Allowances	4,689,627	3,688,920	4,689,627	3,688,920
Overtime	2,502,901	1,505,421	2,502,901	1,505,421
Travelling, Subsistence & Fuel Allowances	4,899	172,336	4,899	172,336
Fuel Electricity & Other Expenses	65,541	139,378	65,541	139,378
Contract works for Rep. & Main.	4,713,329	29,665	4,713,329	29,665
Material Issued for Operational Activities	3,624,123	4,482,253	3,624,123	4,482,253
Depreciation	135,382	105,712	135,382	105,712
	15,735,803	10,123,685	15,735,803	10,123,685
TOTAL REPAIR & MAINTAINS EXPENSES	4,481,907,431	3,826,433,558	4,481,907,431	3,826,433,559
2.3 ADMINISTRATIVE EXPENSES				
Salaries Wages & Allowances	3,708,457,878	3,334,833,079	3,810,244,912	3,412,412,548
Overtime	776,278,710	674,463,496	776,278,710	674,463,496
Traveling Subsistence & Fuel Allowance	1,965,844	3,097,083	1,965,844	3,097,083
Fuel Electricity & Other Expenses	375,627,836	472,920,233	388,311,086	475,309,068
Cost of Water	98,527,694	102,299,443	99,804,523	103,690,724
External Hire Chargers / Contracts	20,993,831	27,472,214	20,993,831	27,472,214
Contract works for Rep. & Main.	33,429,927	64,757,709	33,314,424	65,051,399
Communication Expenses	30,902,087	33,320,698	32,244,300	34,313,284
Rate & Taxes	25,720,864	26,078,756	28,622,144	28,852,702
Insurance & License	15,513,426	12,430,439	16,028,315	13,468,748
Office Requisites	62,863,270	56,620,450	63,360,278	57,265,366
Training Expenses	11,779,966	19,392,844	11,779,966	19,392,844
Welfare Expenses	104,681,865	98,518,390	108,395,326	100,643,236
Publicity & Public Relations	70,058,357	17,245,151	70,398,782	17,576,824
Sundry Expenses	97,051,491	16,776,475	100,220,757	16,781,475
Depreciation	654,530,699	549,062,443	656,335,756	549,525,642
Other Charges	805,461	5,042,910	30,841,376	5,608,910
Miscellaneous Balance A/C Written Off	-	127,196	-	127,196
Bad & Doubtful Debtors	109,739,677	6,691,189	111,955,936	6,691,189
Expenses on GST & VAT	35,417,441	48,871,756	35,633,315	48,894,558
Stamp Duty	722,375	579,432	722,375	612,182
NBT Payments	148,697,998	93,972,515	157,688,541	98,720,584
Finance Charges	38,859,187	37,057,127	39,680,632	37,921,889
Audit Fees	1,508,078	1,859,538	1,813,078	2,129,894
Unabsorbed Kitchen Expenses	8,979,358	2,905,085	8,979,358	2,905,085
Corporate Social Responsibility Projects	-	-	328,545	-
Volum Rebate	917,807,895	617,239,167	917,807,895	617,239,167
TOTAL ADMINISTRATIVE EXPENSES	7,350,921,213	6,323,634,817	7,523,750,004	6,420,167,308
2.6 PROVISION FOR TAXATION				
2.6.1 Taxable Income (Adjust Profit)	448,379,622	1,741,904,586	448,379,622	1,741,904,586
Income Tax 35% of Adjust Profit	156,932,868	609,666,605	182,702,470	651,167,060
Adjustments	-	(145,805,481)	-	(145,805,481)
Differed Tax	-	-	-	-
Deemed Dividend Tax 25% of Balance Profit	-	34,197,001	-	34,197,001
TAX FOR THE YEAR	156,932,868	498,058,125	182,702,470	539,558,580
2.6.2 Social Responsibility Levy	2,353,993	12,009,132	2,353,993	12,009,132
2.7 Deferred Tax	342,904,325	1,250,370,485	342,904,325	1,250,370,485
2.8 Prior Period Adjustment	(981,624,385)	(140,451,739)	(981,624,385)	(140,451,739)

DESCRIPTION	SLPA		CONSOLIDATED	
	2,010	2,009	2,010	2,009
	Rs.	Rs.	Rs.	Rs.
2.5 Foreign Exchange Fluctuation A/C				
The Exchange difference charged/credited to the income statement are included as follows				
	2,010	2,009		
	Rs.	Rs.		
(Gain)Loss from Payment of Japanies Loan	(4,367,785,512)	581,014,373		
Gain from US\$ Account	(39,524,988)	10,121,070		
SA	(2,498,521)			
	<u>(4,409,809,021)</u>	<u>591,135,443</u>		
2.8				
Prior Period Adjustments are made up as follows				
Colombo				
Transferred to previous year Revenue	(8,163,420)			
Transferred to PAYE Tax Refund	(329,967,418)			
Correction of entry port damages	102,423,839			
Transferred Over Provision of Claims	(51,597,866)			
Correction of withholding tax(receipt)	1,458,918			
Over Provision of Income Tax and Deemed Di	(673,910,299)			
Project Consultancy Fees Transefered	(21,868,140)			
	<u>(981,624,386)</u>			

DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
NON CURRENT ASSETS				
3.1.1 PROPERTY, PLANT & EQUIPMENT				
Land	57,765,316,159	57,728,716,159	57,765,316,159	57,728,716,159
Operational Buildings & Structures	52,527,086,417	52,480,755,974	52,527,086,417	52,480,755,974
Floating Equipment	7,361,083,816	7,439,661,130	7,361,083,816	7,439,661,130
Handling Equipment	10,024,243,496	10,142,062,444	10,024,243,496	10,142,062,444
Plant & Machinery	414,976,225	414,598,389	421,731,595	414,785,579
Office & Welfare buildings	843,392,305	843,392,305	843,392,305	843,392,305
Staff Quarters and Other Buildings	483,304,054	483,304,054	483,304,054	483,304,054
Computer Hard/Soft ware	1,196,251,651	947,602,584	1,197,716,685	948,513,894
Electric & Electronic equipment	1,759,963,141	1,746,835,118	1,759,963,141	1,746,835,118
Office Furniture & Equipment	127,040,729	122,379,999	128,272,926	123,450,115
Motor Vehicles	756,833,025	749,240,954	764,483,358	750,570,287
Other assets	297,350,966	150,880,848	297,350,966	150,880,848
	133,556,841,984	133,249,429,959	133,573,944,918	133,252,927,908
Cumulative Depreciation				
Operational Buildings & Structures	11,323,806,315	9,049,989,408	11,323,806,315	9,049,989,408
Floating Equipment	3,381,280,908	2,768,840,459	3,381,280,908	2,768,840,459
Handling Equipment	5,838,287,284	5,043,670,048	5,838,287,284	5,043,670,048
Plant & Machinery	275,403,483	219,874,498	275,025,919	219,867,938
Office & Welfare Buildings	155,023,140	122,609,567	155,023,140	122,609,567
Staff Quarters and Other Buildings	104,330,399	83,874,234	104,330,399	83,874,234
Computer Hard/Soft ware	492,870,022	283,187,283	492,390,712	283,031,196
Electric & Electronic Equipment	972,359,687	754,110,965	972,359,687	754,110,965
Office Furniture & Equipment	75,400,413	56,858,877	75,175,978	56,788,114
Motor Vehicles	618,412,908	514,616,434	616,841,799	514,364,692
Other assets	126,810,802	84,623,067	126,810,802	84,623,067
	23,363,985,361	18,982,254,838	23,361,332,943	18,981,769,686
Written Down Value				
Land	57,765,316,159	57,728,716,159	57,765,316,159	57,728,716,159
Operational Buildings & Structures	41,203,280,102	43,430,766,566	41,203,280,102	43,430,766,566
Floating Equipment	3,979,802,908	4,670,820,671	3,979,802,908	4,670,820,671
Handling Equipment	4,185,956,212	5,098,392,396	4,185,956,212	5,098,392,396
Plant & Machinery	139,572,742	194,723,891	145,950,548	194,904,521
Office & Welfare buildings	688,369,165	720,782,738	688,369,165	720,782,738
Staff Quarters and Other Buildings	378,973,655	399,429,821	378,973,655	399,429,821
Computer Hard/Soft ware	703,381,629	664,415,301	704,367,353	665,170,524
Electric & Electronic Equipment	787,603,454	992,724,153	787,603,454	992,724,153
Office Furniture & Equipment	51,640,316	65,521,122	52,648,078	66,520,475
Motor Vehicles	138,420,117	234,624,520	144,499,341	235,702,111
Other assets	170,540,165	66,257,781	170,540,165	66,257,781
TOTAL FIXED ASSETS	110,192,856,624	114,267,175,120	110,207,307,140	114,270,187,917

DESCRIPTION	Cost/Revalue as at		2010		Cost	
	1.1.2010	Disposal	Addition	Adjustment	31.12.2010	31.12.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3.1.1 NON CURRENT ASSETS (ALL THREE PORTS)						
PROPERTY, PLANT & EQUIPMENT						
Land	57,728,716,159	-	36,600,000	-	57,765,316,159	57,728,716,159
Operational buildings & structures	52,480,755,974	-	46,330,443	-	52,527,086,416	52,480,755,974
Floating equipment	7,439,661,130	(92,000,000)	13,422,687	-	7,361,083,817	7,439,661,130
Handling equipment	10,142,062,444	(224,412,688)	106,593,740	-	10,024,243,496	10,142,062,444
Plant & machinery	414,598,389	(1,335,494)	1,713,330	-	414,976,225	414,598,389
Office & Welfare buildings	843,392,306	-	-	-	843,392,306	843,392,306
Staff Quarters and Other Buildings	483,304,054	-	-	-	483,304,054	483,304,054
Computer hard/soft ware	947,602,584	(1,410,768)	250,059,835	-	1,196,251,650	947,602,584
Electric & Electronic equipment	1,746,835,119	(681,654)	13,809,676	-	1,759,963,141	1,746,835,119
Office furniture & equipment	122,379,999	(695,959)	5,356,689	-	127,040,728	122,379,999
Motor vehicles	749,240,954	(4,799,972)	12,392,043	-	756,833,025	749,240,954
Other assets	150,880,848	(3,229,741)	149,699,859	-	297,350,966	150,880,848
	133,249,429,957	(328,566,277)	635,978,302	-	133,556,841,983	133,249,429,958
Depreciation	Cumulative Depreciation	Disposal	Charge for the Year	Adjustment	Cumulative Depreciation	
	01.01.2010					
Operational buildings & structures	9,049,989,408	-	2,273,816,907	-	11,323,806,315	9,049,989,408
Floating equipment	2,768,840,459	(73,526,400)	685,966,850	-	3,381,280,908	2,768,840,459
Handling equipment	5,043,670,048	(216,595,875)	1,011,213,112	-	5,838,287,285	5,043,670,048
Plant & machinery	219,874,498	(1,310,194)	56,839,180	-	275,403,483	219,874,498
Office & Welfare buildings	122,609,567	-	32,413,573	-	155,023,141	122,609,567
Staff Quarters and Other Buildings	83,874,233	-	20,456,166	-	104,330,399	83,874,233
Computer hard/soft ware	283,187,283	(1,409,357)	211,092,096	-	492,870,022	283,187,283
Electric & Electronic equipment	754,110,965	(681,292)	218,930,014	-	972,359,687	754,110,965
Office furniture & equipment	56,858,878	(620,211)	19,161,746	-	75,400,412	56,858,878
Motor vehicles	514,616,433	(4,338,412)	108,134,886	-	618,412,907	514,616,433
Other assets	84,623,067	(3,226,189)	45,413,924	-	126,810,802	84,623,067
	18,982,254,840	(301,707,931)	4,683,438,453	-	23,363,985,361	18,982,254,839
					Written Down Value	
Written Down Value						
Land					57,765,316,159	57,728,716,159
Operational buildings & structures					41,203,280,102	43,430,766,566
Floating equipment					3,979,802,908	4,670,820,671
Handling equipment					4,185,956,211	5,098,392,396
Plant & machinery					139,572,742	194,723,891
Office & Welfare buildings					688,369,165	720,782,738
Staff Quarters and Other Buildings					378,973,655	399,429,821
Computer hard/soft ware					703,381,629	664,415,300
Electric & Electronic equipment					787,603,454	992,724,153
Office furniture & equipment					51,640,317	65,521,122
Motor vehicles					138,420,116	234,624,520
Other assets					170,540,165	66,257,781
TOTAL FIXED ASSETS					110,192,856,624	114,267,175,120

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DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
3.1.2 WORK IN PROGRESS				
Constructions	37,992,805,759	15,932,903,516	37,992,805,759	15,932,903,516
Plant & machinery	7,563,262,607	-	7,563,262,607	-
Expansion Project (Local)	3,541,797,736	1,971,963,246	3,541,797,736	1,971,963,246
Expansion Project (Foreign)	16,822,728,200	10,737,400,259	16,822,728,200	10,737,400,259
Purchasing of capital assets (Local)	12,578,403	16,190,933	12,578,403	16,190,933
Construction of Partly completed 01 No petroleum Oil tank	23,175,600	5,536,468	23,175,600	5,536,468
WIP AC for Bunkering Fac & Tank farm Proj Hambantot	3,944,582,671		3,944,582,671	
	69,900,930,976	28,663,994,421	69,900,930,976	28,663,994,421
3.1.3 INVESTMENTS				
3.1.3.1 Investments in company shares	21,385,150	21,385,150	21,385,150	21,385,150
3.1.3.2 Investment in Subsidiaries	1,000,000	1,000,000	-	-
3.1.3.3 Investment in Associates	40,030	40,030	33,901,831	28,235,304
3.1.3.4 S.A.G.T. - Investment	577,372,113	577,372,113	577,372,113	577,372,113
	599,797,293	599,797,293	632,659,095	626,992,568
3.1.3 INVESTMENTS				
3.1.3.1 Investments in Company Shares				
Name of the Company	No of Shares	Market Value of the Shares	% of Holdings the Shares	Total Value At Par
Colombo Dockyard Ltd	Investment 1,888,515	275		18,885,150
	Bonus Issue in 2007 94,425			
	Bonus Issue in 2008 99,147			
Market Value of SLPA shares of Colombo Dockyard Ltd is Rs. 572,573,925/= as at 31-12-2010.				
EDI Network Services Ltd.				500,000
Lanka Coal Company	200,000	10		2,000,000
				21,385,150
3.1.3.2 Investment in Subsidiaries				
Jaya Container Terminals Ltd.	100,000	Shares are not quote	1	1,000,000
100,000 Ordinary Shares of Rs.10/= each fully paid		1,000,000	1,000,000 -	-
3.1.3.3 Investment in Associates				
Sri Lanka Port Management & Consultancy Services Ltd.	4,003	10	Shares are not quote	39.97%
				40,030
4,003 Ordinary Shares of Rs.10/= each fully paid		40,030	40,030	40,030
Balance at the beginning of the year		-	-	28,195,275
Current year's share of Profit/(Loss) after tax		-	-	5,666,526
Current year retained Profit/(Loss)		40,030	40,030	33,901,831
				28,235,305
All the above investments are stated at cost.No impairment indicators has been noticed.				
3.1.3.4 S.A.G.T. Investment	Us \$ Million in Cash	In-kind 3No. Cranes	Total	
	7.5%	7.5%	15%	
SLPA "Share Investments" in SAGT Certificate Issued by SAGT				
From 1999 to	2329	2329	4658	
2001	1289	1289	2578	
	3618	3618	7236	
Balance No of shares		3618	3618	
Total no of Shares received as at 31.12.2010 is 56,827,288.00.				

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DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
3.1.4 Investments in Other Financial Assets				
3.1.4.1 Invest for Gratuity Commitments	4,779,962,000	4,250,392,143	4,779,962,000	4,250,392,143
Fines Funds -Savings Account - N. S. B.	69,623,903	64,274,310	69,623,903	64,274,310
Reward Fund People's Bank	132,743	132,743	132,743	132,743
Employee Security Deposits	713,931	740,185	713,931	740,185
3.1.4.2 Commitments for Claim (Court Cases)	290,000,000	341,000,000	290,000,000	341,000,000
	5,140,432,577	4,656,539,381	5,140,432,577	4,656,539,381
Total Non Current Assets	185,834,017,470	148,187,506,216	185,881,329,787	148,217,714,288
3.1.4.1 Gratuity Commitments		2,010	2,009	
(a) Treasury Bill / Bond	Bank of Ceylon			
(a) Repo/Debentures (UDA)	Bank of Ceylon	1,742,970,000	44,000,000	
(b) Repo	People's Bank	1,760,000,000	2,821,792,397	
	Hatton National Bank	-	164,000,000	
	N.S.B	510,000,000	840,505,746	
	BOC (U\$D)	766,992,000	380,094,000	
		4,779,962,000	4,250,392,143	
3.1.4.2 Commitment for Claims				
(a) Repo	Bank of Ceylon			
(b) Fixed Deposit	People's Bank	290,000,000	5,000,000	
	Hatton National Bank	-	336,000,000	
		290,000,000	341,000,000	
3.1.5 LOAN ACCOUNTS				
3.1.5.1 Loan to Catholic association	477,261	772,444	477,261	772,444
3.1.5.2 SLPA Employees Co- Operative Bank loan	-	11,000,000	-	11,000,000
3.1.5.3 Sri Lanka Nidahas Union Loan Account	935,189	1,439,570	935,189	1,439,570
	1,412,449	13,212,014	1,412,449	13,212,014
CURRENT ASSETS			-	-
3.2.1 INVENTORIES			-	-
Goods in stock	2,534,439,644	2,352,863,938	2,534,439,644	2,352,863,938
Stock in hand - Admiralty kitchen	7,017,721	5,633,937	7,017,721	5,633,937
Sawmill - New Beira	865,091	921,838	865,091	921,838
Stock in Sub Stores	-	282,208,873	-	282,208,873
Stock in Medical Stores	1,032,179	935,998	1,032,179	935,998
Obsolete & slow moving stock	559,173	400	559,173	400
	2,543,913,808	2,642,564,985	2,543,913,808	2,642,564,985
3.2.2 GOODS IN TRANSIT				
Purchasing of capital assets (Foreign)	25,760,698	288,580,189	25,760,698	288,580,189
Foreign purchases clearing Account	93,687,319	47,058,237	93,687,319	47,058,237
Custom Duty Expenses on Budget Items	19,443,641	30,859,928	19,443,641	30,859,928
Custom Duty Expenses on Non Budget Items	9,683,358	13,355,216	9,683,358	13,355,216
	148,575,016	379,853,570	148,575,016	379,853,570

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DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
3.2.3 TRADE DEBTORS & ACCRUED REVENUE				
3.2.3.1 Shipping Agents Debtors A/C in Rs.	1,012,362,334	857,184,872	1,012,362,334	857,184,872
Shipping Agents Dispute A/C in Rs.	86,284,269	157,692,856	86,284,269	157,692,856
Shipping Agents Dispute A/C	21,234,756	16,766,953	21,234,756	16,766,953
Transferring Cents from Debtors Ledger	-	162	-	-
Inter company receivables	-	1,834,387	-	-
3.2.3.2 Accrued Revenue	678,158,033	656,222,767	645,626,426	672,502,513
	1,798,039,393	1,689,701,997	1,765,507,786	1,704,147,193
Bad & doubtful debt reserve	(415,193,583)	(314,034,772)	(415,193,583)	(314,034,772)
	1,382,845,809	1,375,667,225	1,350,314,202	1,390,112,421
3.2.4.1 Accrued Interest	103,544,086	64,766,348	103,544,086	64,766,348
	1,486,389,896	1,440,433,573	1,453,858,289	1,454,878,769
3.2.3.2 Accrued Revenue				
Accrued Revenue is consists of	2010	2009		
Type of Revenue	Amount	Amount	Basis	
1 Royalty Receivable	57,236,936	63,389,797	As per concession Agreement	
2 Lease Rent Receivable	21,712,292	24,882,415	As per concession Agreement	
3 Agent Revenue	567,171,296	551,148,040	Basis given below	
4 Recivable from JCT	31,273,601	16,802,514	As per JCT Accounts	
5 Revenue Receivable from Welfare Buses	763,908	-		
	678,158,033	656,222,766		
These are bills raised in year 2010 for the vessels serviced during the month of December 2010.				
Accrued revenue provision for the year 2010 is estimated based on 3/4 of the actual revenue (Rs. 565,521,045.59) of total agent revenue received from 1st Jan. to 12th Jan in 2011				
This amount is divided among the JCT , SLPA & SAGT based proportion of the last year provision (2009) as follows.				
Estimated accrued revenue for the year 2010 has been calculated as follows. - 565,521,045.59				
Provision for JCT	373,433,331x565,521,045.59=387,269,032.31	545317054		
SLPA	152,439,604x565,521,045.59=158,087,489.86	454317054		
SAGT	194,441,120x565,521,045.59=20,164,523.42	545317054		
Port of Colombo Only				
The basis of preparation of Bad & doubtful debt reserve is given on page no 19 under General Accounting Policies.				
3.2.4 NON TRADE DEBTORS & ADVANCE PAYMENTS				
Supply of Fuel to Ministries, Govt. Dept., State Corp. & Others	320,177	41,126	320,177	41,126
Meals & Tea Supplied to Outside Parties	1,407,010	4,198,922	1,407,010	4,198,922
Rent & Electricity Debtors	143,187,070	116,969,944	143,187,070	116,969,944
Adv Payments for SAARC Port Games	-	5,000,000	-	5,000,000
Receivables from the Ministry	5,861,135	6,017,656	5,861,135	6,017,656
Supply of Goods, Stationary & Fuel to JCT Ltd.	(3,800,823)	1,888,959	(3,800,823)	-
Receivables from temple trees for construction o	25,566,522	7,854,270	25,566,522	-
Job done for outside parties	423,782	423,782	423,782	9,965,777
Valuation fees recoverable	354,405	851,105	354,405	851,105
Advance payments for services rendered & /or goods supplied	27,399,666	4,459,977	27,399,666	4,459,977
Advance payments to contractors - capitol expenditure	4,076,794,701	12,928,316,875	4,076,794,701	12,928,316,875
	4,277,513,643	13,076,022,615	5,834,916,019	14,595,466,499
Less: Bad & doubtful debt reserve	(53,362,837)	(44,781,971)	(53,362,837)	(44,781,971)
	4,224,150,806	13,031,240,644	5,781,553,182	14,550,684,528

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DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
3.2.4.1 Accrued Interest - SLPA		2010/SLPA	2009/SLPA	
Accrued Interest is made up as follows				
(a) Repo	Bank of Ceylon	1,317,529		
	Peoples' Bank	142,021	9,049	
	Hatton National Bank	45,797		
(b) Call Deposit	Bank of Ceylon	14,562	34,896	
	Peoples' Bank	28,493	4,725	
(c) Fixed Deposit Rs.	Peoples' Bank	15,263	19,767	
	National Savings Bank	1,171,726		
	Bank of Ceylon	202,467		
	Hatton National Bank	5,077,747		
Fixed Deposit US\$	Bank of Ceylon	23,533,381	14,073,203	
(d) Treasury Bill	Bank of Ceylon	4,409	1,300,877	
	Peoples' Bank			
(e) Loan Deposit	Mortgage Bank	2,834,330	2,844,091	
(f) Gratuity Commitment	Bank of Ceylon	45,699,241	8,462	
	Peoples' Bank	17,432,984	27,489,456	
	National Savings Bank	2,138,137	11,199,639	
	Hatton National Bank	-	542,719	
(g) Commitment for Claims	Bank of Ceylon			
	Peoples' Bank	3,886,000	12,539	
	Hatton National Bank	-	7,226,925	
		103,544,087	64,766,348	
3.2.5 LOANS & ADVANCES TO EMPLOYEES				
Advance given to employees	38,470,910	42,766,445	79,971,883	80,167,793
Mortgage Bank Loan	292,152,191	302,135,207	292,152,191	302,135,207
Receivables from Staff	1,767,392	25,588,262	1,767,392	25,588,262
Vehicle Loan	1,009,423,785	1,444,716,405	1,009,423,785	1,444,716,405
Loans given to employees	3,560,783,885	3,299,196,582	3,560,783,885	3,299,196,582
	4,902,598,162	5,114,402,901	4,944,099,135	5,151,804,249
3.2.7 SHORT TERM INVESTMENT				
Treasury bills re-purchase a/c	523,850,000	39,000,000	523,850,000	39,000,000
Investment in treasury bills & fixed deposit	-	8,553,193	-	8,553,193
Call deposit	11,000,000	2,500,000	11,000,000	2,500,000
Fixed Deposits	800,127,780	500,000	800,127,780	500,000
Fixed deposit - Foreign Currency	1,404,735,930	-	1,404,735,930	-
Fixed Deposits (US\$) Lt-Greet	374,677,721	384,800,782	374,677,721	384,800,782
Fixed Deposits (Disaster Relief Fund)	66,884	59,400	66,884	
	3,114,458,315	435,413,376	3,114,458,315	435,353,976
Short term Investment - SLPA		2010/SLPA	2009/SLPA	
Short Term Investment is made up as follows				
(a) Repo	Bank of Ceylon	381,850,000		
	Peoples' Bank	105,000,000	39,000,000	
	Hatton National Bank	37,000,000		
(b) Call Deposit	Bank of Ceylon	-	-	
	Peoples' Bank	11,000,000	2,500,000	
(c) Fixed Deposit	Peoples' Bank	558,500	500,000	
	National Savings Bank	140,000,000		
	Bank of Ceylon	24,569,280	384,800,782	
	Hatton National Bank	635,000,000		
(d) Fixed Deposit -Disaster Relief Fund	Bank of Ceylon	66,884	59,400	
(e) Fixed Deposits- Foreign Currency	Bank of Ceylon	1,404,735,930		
(f) Fixed Deposits (US\$) Lt-Greet	Bank of Ceylon	374,677,721		
(g) Treasury Bill	Bank of Ceylon	-	8,553,193	
		3,114,458,315	435,413,376	

DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
3.2.8 DEPOSITS & OTHER RECEIVABLES				
Government Deposits	62,806,704	62,806,704	62,806,704	62,806,704
Corporation Deposits	49,138,650	48,003,650	49,138,650	48,003,650
Company Deposits	2,546,408	2,546,408	2,546,408	2,546,408
Shares Receivable from SAGT	227,222,309	227,222,309	227,222,309	227,222,309
Other Receivable	(328,752)	-	(328,752)	-
Receivable for Taxes	24,642,655	24,642,655	25,256,255	25,182,655
Landing & Delivery Cash A/C	19,879,604	(955,286)	19,879,604	(955,286)
	385,907,578	364,266,440	386,521,178	364,806,440
3.2.9 CASH AND CASH EQUIVALENTS				
Cash In Hand & at Bank	495,172,826	410,322,572	579,199,836	481,179,314
Foreign Currency (Dollar)	2,151,856	3,206,521	2,151,856	3,206,521
	497,324,681	413,529,093	581,351,691	484,385,835
4.1 CAPITAL EMPLOYED				
4.1.1 Equity Capital	470,551,932	470,551,932	470,551,932	470,551,932
4.1.2 Other Capital	7,120,827,853	7,120,827,853	7,120,827,853	7,120,827,853
	7,591,379,785	7,591,379,785	7,591,379,785	7,591,379,785
Equity Capital				
Equity Capital is the Assets originally transferred from the former Colombo Port Commission and forming the part of the investment by Government to the Authority.				
Other Capital				
Other Capital is the Other Assets which are not required to be counted as Equity capital.				
4.2.1 RESERVES				
4.2.1.1 Capital Reserve	112,538,233	112,538,233	112,538,233	112,538,233
4.2.1.2 Amount Received as Government Grants	1,354,415,581	305,338,748	1,354,415,581	305,338,748
4.2.1.3 Insurance Reserves	625,000	625,000	625,000	625,000
4.2.1.4 General Reserve	500,903	500,903	500,903	500,903
	1,468,079,717	419,002,884	1,468,079,717	419,002,884
4.2.1.2 Amount Received as Government Grants	Total	Total		
Balance As at 01/01/2010	305,338,748	322,614,262		
4.3.4.5 Grants Received during the year	1,066,352,379	-		
Grants transferred to Income during the year	(17,275,546)	(17,275,546)		
Adjustments		32		
Balance As at 31/12/2010	1,354,415,581	305,338,748		
Grants				
Mega Port Project	206,549,252	223,824,798		
Kankasanturai Break Water	11,523,950	11,523,950		
Hambanthota Port Development Project	121,122,728	50,000,000		
Oluvil Port Development Project	19,990,000	19,990,000		
Colombo Port Expansion Project	992,584,770			
Bunkering facility & tank hambantota proj	2,644,881			
	1,354,415,581	305,338,748		
General Reserve				
This is brought forward balance from 1980.				
4.2.2 FUNDS				
Reward Fund	132,743	132,743	132,743	132,743
Fine Fund	69,914,832	64,204,310	69,914,832	64,204,310
	70,047,575	64,337,054	70,047,575	64,337,054

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DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
4.2.3 Loan Redemption Reserve				
Balance at the beginning of the year	3,828,973,373	3,828,973,373	3,828,973,373	3,828,973,373
Add: Retained Profit for the Year	-	-	-	-
Balance at the year end	3,828,973,373	3,828,973,373	3,828,973,373	3,828,973,373
4.2.4 Assets Revaluation Reserve				
Balance at the beginning of the year	76,406,190,143	74,583,082,283	76,406,190,143	74,583,082,283
Add/(Less)	74,637,730	1,823,107,859	74,637,730	-
Adjustments	-	-	-	-
Balance at the end of the year	76,480,827,873	76,406,190,142	76,480,827,873	76,406,190,142
4.2.5 Deferred Tax				
Balance at the beginning of the year	12,860,107,100	15,944,483,419	12,860,107,100	15,944,483,419
Add : Provision Created	-	-	-	-
Less: Charge Against the Provision	(745,540,981)	(3,084,376,319)	(745,540,981)	(3,084,376,319)
Balance at the year end	12,114,566,119	12,860,107,100	12,114,566,119	12,860,107,100
The Revaluation surplus included in equity may be transferred directly to retained earnings when the surplus is realised. The surplus may be realised on retirement or disposal of the assets.				
4.2.6 Retained Profit	(15,167,380,909)	(15,412,487,623)	(15,034,926,192)	(15,312,209,077)
4.3 NON CURRENT LIABILITIES				
4.3.1 Port Development Loan				
Japanese Loans				
Balance at the beginning of the year	46,856,216,444	51,036,174,087	46,856,216,444	51,036,174,087
Add: Loan disbursed during the year	-	14,634,902	-	14,634,902
Adjustment to foreign exchange fluctuation rel	-	84,712	-	-
Less: Repayment of Loans	(4,595,706,482)	(3,613,578,172)	(4,595,706,482)	(3,613,578,172)
The exchange gain / loss on adjustment of Japanese Loan to tally with the General Treasury 31.12.2010	4,478,756,140	(581,099,085)	4,478,756,140	(581,099,085)
Balance at end of year	46,739,266,102	46,856,216,444	46,739,266,102	46,856,216,444
Short term liabilities Payable in 2010	(4,596,138,975)	(4,814,344,429)	(4,596,138,975)	(4,814,344,429)
Balance at end of year	42,143,127,127	42,041,872,015	42,143,127,127	42,041,872,015
The Balance shown in the Port Development (Japanese Loan) account as at 31.12.2010 has been decreased by Rs. 581,014,372.83.00 to agree with the balances shown in the books of General Treasury.				
4.3.2 Colombo port expansion project (ADB Loan 2319-SRI)				
Balance at the beginning of the year	10,240,817,832	4,330,038,890	10,240,817,832	4,330,038,890
Add: Loan disbursed during the year	6,536,788,748	5,910,778,942	6,536,788,748	5,910,778,942
Work Done during the year	350,572,007	-	350,572,007	-
Balance at end of year	17,128,178,587	10,240,817,832	17,128,178,587	10,240,817,832
4.3.3 Hambantota Port Dev.Project (EXIM Bank of China)				
Balance at the beginning of the year	19,095,964,206	-	-	-
Add: Loan disbursed during the year	11,456,531,531	19,095,964,206	11,456,531,531	19,095,964,206
Work done during the year	2,603,804,197	-	2,603,804,197	-
Balance at end of year	30,552,495,737	19,095,964,206	30,552,495,737	19,095,964,206
4.3.4 Other Port Development Loans				
4.3.4.1 Export Import Bank of China				
Balance at the beginning of the year	-	-	-	-
Add: Loan disbursed during the year	1,375,227,758	-	1,375,227,758	-
Work done during the year	1,592,973,329	-	1,592,973,329	-
Balance at end of year	2,968,201,087	-	2,968,201,087	-
4.3.4.2 Bank of Ceylon Loan USD A/C				
Balance at the beginning of the year	-	-	-	-
Balance at end of year	3,495,998,476	-	3,495,998,476	-
4.3.4.3 HSBC Loan AC				
Balance at the beginning of the year	-	-	-	-
Balance at end of year	3,914,750,000	-	3,914,750,000	-
4.3.4.4 Other Loans				
Balance at the beginning of the year	21,868,140	21,868,140	21,868,140	21,868,140
Balance at end of year	-	21,868,140	-	21,868,140
Other Port Development Loans	10,378,949,563	21,868,140	2,968,201,087	-
Total loans	100,202,751,013	71,400,522,193	100,202,751,013	71,400,522,193
4.3.4.5 Govt. Grant Received During the Year				
Govt Grant for Colombo Expansion Project	-	-	-	-
Balance at end of year	992,584,770	-	992,584,770	-
Govt Grant for Hambantota Port Dev Proj	-	-	-	-
Balance at end of year	71,122,728	-	71,122,728	-
Govt Grant for bunkering project Hambantota				
Balance at end of year	2,644,881	-	2,644,881	-
Total Govt Grant Received During the Year	1,066,352,379	-	1,066,352,379	-
4.3.6 Long Term Provision of Gratuity	3,700,367,289	-	3,700,367,289	-
5 CURRENT LIABILITIES				
5.1 CREDITORS & ACCRUED CHARGES				
Trade Creditors & Sundry Creditors	106,003,509	66,223,731	109,016,760	77,640,331
Shipping Agents Advance A/C in Rs.	392,135,144	341,544,694	380,955,013	341,544,694
Compensation Payments	3,794,000	3,794,000	3,794,000	3,794,000
Salary Adatments	50,449,398	46,123,402	50,449,398	46,123,402
Unclaimed Wages	5,435,473	4,591,288	5,435,473	4,591,288
EPF	132,212,363	122,183,147	132,212,363	122,183,147
ETF	15,865,484	14,663,010	15,865,484	14,663,010
Total	705,895,370	599,123,273	697,728,490	610,539,873

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DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
5.2 Current portion of long term borrowings	4,596,138,975	4,814,344,429	4,596,138,975	4,814,344,429
Short Term Foreign Loan Payments are amount payable during the year 2010. The details are as follows.				
Loan References	Capital Re-payable in 2010		Accrued Interest Payable	
	Yen.	Rs.	Yen.	Rs.
SLP-07	309,888,000	429,597,734	7,050,030	9,773,457
SLP-08	125,800,000	174,396,540	2,117,059	2,934,879
SLP-12	95,216,000	131,997,941	3,404,213	4,719,260
SLP-23	382,541,500	508,355,922	18,645,921	25,848,840
SLP-27	699,726,500	929,860,185	37,696,349	52,258,449
SLP-30	973,768,000	1,349,934,578	82,162,008	113,901,192
SLP-33	333,082,000	461,751,577	41,331,370	57,297,678
SLP-41	237,958,000	329,881,175	39,155,500	54,281,270
SLP-46	129,038,565	178,886,163	29,561,614	40,981,265
SLP-67 I	66,072,000	91,595,614	723,353	1,002,784
SLP-67 II	7,128,000	9,881,546	50,091	69,441
Sub Total	3,360,218,565	4,596,138,975	261,897,508	363,068,515
Sweden Loan				
Grand Total	3,360,218,565	4,596,138,975	261,897,508	363,068,515
5.3 DEPOSITS & ADVANCE PAYMENT				
Deposits - Shipping Agents	3,260,476	3,427,837	3,260,476	3,427,837
Deposits for Shipping Charges current A/C	8,464,649	7,115,374	8,464,649	7,115,374
Deposit for Landing & Delivery C/A	68,714,641	57,406,074	68,714,641	57,406,074
Bonding Deposits	11,611,690	10,483,659	11,611,690	10,483,659
Deposit for customers	1,084,826	1,019,314	1,084,826	1,019,314
Employers Fidelity Deposits	870,379	881,259	870,379	881,259
Rent deposit	34,298,997	32,959,397	34,298,997	32,959,397
Trading deposits	280,281,474	320,419,968	280,281,474	320,419,968
Contractor deposits	4,100,280,367	1,993,086,863	4,100,280,367	1,993,086,863
Special Deposits	3,221,938	2,173,689	3,221,938	2,173,689
Miscellaneous Deposits	(31,194,711)	209,567,494	(31,194,711)	209,567,494
Taxes to be Paid	141,454,980	98,110,263	144,270,475	100,396,525
	4,622,349,707	2,736,651,192	4,625,165,202	2,738,937,454
These deposits are made by various port users as Consignees, Contractors, Shipping Agents, Canteen Tenders etc.				
5.4 SHORT TERM PROVISIONS				
5.4.1 Provision for Gratuity				
The carrying amount at the beginning of the year	4,250,368,473	4,081,407,488	4,251,945,700	4,081,678,388
Add : Additional Provision made in the period	767,893,607	346,164,308	769,273,956	347,470,635
Less : Incurred and Charged against the Provisic	(241,820,870)	(177,203,325)	(241,820,870)	(177,203,325)
The carrying amount at the end of the year	4,776,441,208	4,250,368,471	4,779,398,784	4,251,945,698
4.3.6 Long Term Provision of Gratuity	(3,700,367,289)	-	(3,700,367,289)	-
Current Portion of Gratuity Liability	1,076,073,919	4,250,368,471	1,079,031,495	4,251,945,698
Basis :- Based on half a month salary for one year of service				
5.4.2 Provision for Volume Rebate				
The carrying amount at the beginning of the year	626,088,152	500,652,325	626,088,152	500,652,325
Add : Additional Provision made in the period	730,872,833	598,066,270	730,872,833	598,066,270
Adjustment	-	(27,995,000)	-	-
Less : Incurred / Charged against the Provision	(606,178,821)	(444,635,443)	(606,178,821)	(444,635,443)
The carrying amount at the end of the year	750,782,164	626,088,152	750,782,164	626,088,152
Basis :- Based on Tariff/Individual agreements with Shipping Lines/Agents				
5.4.3 Provision for Accrued Expenditure				
The carrying amount at the beginning of the year	736,225,696	852,950,662	736,225,696	852,950,662
Add : Additional Provision made in the period	642,509,162	646,746,209	646,444,974	652,626,063
Less : Incurred and Charged against the Provision	(664,330,575)	(763,471,174)	(664,330,575)	(763,471,174)
The carrying amount at the end of the year	714,404,284	736,225,696	718,340,096	742,105,550
Basis :- Based on Services / Products obtained by SLPA during the year and for which payment had not been made yet.				
Total Short-term Provision	2,541,260,367	5,612,682,319	2,548,153,755	5,620,139,400

DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
5.5 CURRENT TAX PROVISION				
5.5.1 Income Tax				
The carrying amount at the beginning of the year	621,675,737	425,871,811	643,578,748	425,871,811
Add : Additional Provision made in the period	159,286,861	621,675,737	159,286,861	621,675,737
Adjustments	(481,503,835)	(145,805,481)	(477,637,244)	(145,805,481)
Less : Incurred and Charged against the Provision	(140,171,902)	(280,066,330)	(140,171,902)	(280,066,330)
Adjustments	-	-	-	-
The carrying amount at the end of the year	159,286,861	621,675,737	166,212,434	663,176,193
Basis :- Based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act.				
5.5.2 Deemed dividend Tax				
The carrying amount at the beginning of the year	190,942,165	156,745,164	190,942,165	156,745,164
Add : Additional Provision made in the period	-	34,197,001	-	34,197,001
Less : Incurred and Charged against the Provisic	(190,942,165)	-	(190,942,165)	-
The carrying amount at the end of the year	-	190,942,165	-	190,942,165
Total Current Tax Provision	159,286,861	812,617,901	166,212,435	854,118,358
Basis :- As explained in Income Tax				
5.6 PROVISION FOR CLAIMS				
Reserve for claims against SLPA				
The carrying amount at the beginning of the year	340,282,427	389,734,417	340,282,427	389,734,417
Over Provision	(51,597,866)	(49,451,990)	(51,597,866)	(49,451,990)
The carrying amount at the end of the year	288,684,561	340,282,427	288,684,561	340,282,427
Provision for Claims				
Provision for claims is based on the 30% of total estimated liability on all cases against S.L.P.A plus Provision expected for cases where compensation have not been specified and the full amount ordered by Court of which are due to be paid.				
	Total	Provision	Total	Provision
Allocate 30% of total amount of the value sought as compensation c	419,945,376	125,983,613	413,046,432	123,913,930
Allocate the full amount (50%) sought as compensation damages ar	-	-	101,911,941	50,955,971
Allocate 30% of the Foreign Currency (US\$ 4,732,249 x 113.9)	539,003,161	161,700,948	548,041,757	164,412,527
Provision expected for Cases where amount claimed as compensation damages :	1,000,000	1,000,000	1,000,000	1,000,000
The total amount to be allocated for year 2010	959,948,537	288,684,561	1,064,000,130	340,282,427
6.1 Directors Interest in Contracts				
Directors of the authority have confirmed that they do not have any personal interest or relationships with any parties those have transactions with the Sri Lanka Ports Authority, than those disclosed below under related party transaction.				

Company	Name of the Directors	Nature of Transaction	Terms	Value
Jaya Container Terminal Ltd	Dr R M P B Wickrama	Fuel Charges	Commercial	1,111,040
	Capt. Nihal Keppetipola Mr. S.A.M Samarathunga	Rental(Without Taxes)	Annually	2,400,000
South Asia Getway Terminal (Pvt) Ltd.	Capt. Nihal Keppetipola	Lease Rent	Annually	291,691,886
	Dr. Sanjaya Sedara Senarath	Royalty	Monthly	711,542,092
		Dividend	Interim & Final	580,161,149
		Rental(Without Taxes)	Annually	1,440,000
Sri Lanka Port Management & Consultancy Services Ltd	Dr R M P B Wickrama	Rental(Without Taxes)	Annually	60,000
		Salaries	Commercial	165,222,463
		Lashing & Unlashing	Commercial	69,688,352
		Reefer Monitoring	Commercial	7,093,776
		Equipment Interchange	Commercial	73,799,374
		Seal Checking	Commercial	2,963,155
		Tieketing (Air)	Commercial	462,953
		Vehicle Hire Charges	Commercial	nil
		Advertisement	Monthly	477,593
		Insurance	Annually	nil
		Services Charges	Annually	319,628
Ship & Ship sideServer	Commercial	398,714		
Colombo Dockyard PLC	Mr. A. Nakauchi(Chairn Mr.C.S.W. De Costa(Vice Chairman) Mr.Mangala P.B.Yapa(MD/CEO) Mr.T.Nakabe Mr. Y.Kijima Mr.G.A.D.L.H. Ganlath Mr. H.A.R.K.Wickramarathilake Mrs. Janaki Kuruppu Mr Y.Imai Mr. Y.Omari	Repair of Tugs		12,439,739
Sri Lanka Nidahas Sevaka Sangamaya	Mr Presanna Kalutharage			
		2010	2009	
6.2.2. Key Management Compensation		Rs.	Rs.	
Salaries & Other Short-term employee benefits		12,457,968	12,127,084	
Loan Balances		1,530,356	-	
		13,988,324	12,127,084	
		2010	2009	
7 Bad & Doubful Debt Provision				
The total bad debt provision is made up as follows.				
Trade Debtors (Agents)		413,154,158	312,530,177	
Trade Debtors (Consignees)		2,039,425	1,504,595	
Non Trade Debtors		53,362,837	44,781,971	
		468,556,420	358,816,743	

DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
REVENUE - ACTIVITY WISE RECEIVED FROM VARIOUS CARGO HANDLING OPERATIONS ACCORDING TO GEOGRAPHICAL REGIONS ARE GIVEN BELOW.				
1.1	REVENUE FROM PORT ACTIVITIES			
1.1.1	8,206,543,268	6,309,340,433	8,206,543,268	6,309,340,433
1.1.2	15,160,744,113	12,239,142,809	15,418,592,507	12,477,468,825
1.1.3	1,028,596,097	1,148,717,666	1,028,596,097	1,148,717,666
1.1.4	6,566,776	53,688,890	6,566,776	53,688,890
	24,402,450,254	19,750,889,798	24,660,298,648	19,989,215,814
1.2	OTHER SERVICES OPERATIONAL			
1.2.1	376,781,973	289,209,921	376,781,973	289,209,921
1.2.2	255,539,291	134,954,629	255,539,291	134,954,629
1.2.3	11,142,007	7,873,738	11,142,007	7,873,738
	643,463,272	432,038,287	643,463,272	432,038,287
1.3	OTHER REVENUE FROM PORT ACTIVITIES			
1.3.1	1,568,345,199	1,624,063,172	1,540,186,155	1,607,875,403
1.3.2	81,623,255	25,625,997	81,623,255	25,625,997
1.3.3	1,583,417,869	1,498,707,937	1,580,990,157	1,497,129,770
1.3.4	-	60,098	-	60,098
	3,233,386,323	3,148,457,204	3,202,799,567	3,130,691,268
TOTAL REVENUE	28,279,299,849	23,331,385,290	28,506,561,487	23,551,945,369

NOTES TO THE FINANCIAL STATEMENTS

REVENUE - (SERVICES WISE) RECEIVED FROM VARIOUS CARGO HANDLING OPERATIONS ACCORDING TO GEOGRAPHICAL SERVICES ARE GIVEN BELOW.

DESCRIPTION	SLPA		CONSOLIDATED	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
Navigation Revenue	3,140,675,454	2,792,447,911	3,140,675,454	2,792,447,911
Stream Anchorage	18,847,398	24,115,167	18,847,398	24,115,167
Dockage	637,911,743	499,845,479	637,911,743	499,845,479
Stevedoring Revenue	-	-	-	-
Containerised	-	-	-	-
Domestic	7,702,652,663	5,848,018,270	7,702,652,663	5,848,018,270
Transshipment	5,708,263,303	4,653,617,165	5,708,263,303	4,653,617,165
Break Bulk	-	-	-	-
Domestic	1,860,688,139	1,332,356,173	1,860,688,139	1,332,356,173
Transshipment	29,431,963	42,407,346	29,431,963	42,407,346
Wharf Handling Functions	-	-	-	-
Containerized Cargo - Domestic	2,205,179,811	1,924,937,643	2,205,179,811	1,924,937,643
Conventional Cargo Bulk & Break Bulk Cargo	616,604,969	465,619,441	616,604,969	465,619,441
Port Infrastructure	2,454,463,196	2,139,005,221	2,454,463,196	2,139,005,221
Liquid Cargo	27,731,615	28,519,982	285,580,009	266,845,997
Other Revenue - Operational	643,463,272	432,038,287	643,463,272	432,038,287
Other Revenue - Non Operational	3,233,386,323	3,148,457,203	3,202,799,567	3,130,691,267
	28,279,299,849	23,331,385,289	28,506,561,487	23,551,945,368

DESCRIPTION	SLPA 2010 Rs.	2009 Rs.	CONSOLIDATED 2010 Rs.	2009 Rs.
8	SEGMENTAL INFORMATION			
(a)	Revenue			
	3,797,434,595	3,316,408,557	3,797,434,595	3,316,408,557
	15,301,036,069	11,876,398,954	15,301,036,069	11,876,398,954
	2,821,784,780	2,390,557,084	2,821,784,780	2,390,557,084
	2,482,194,810	2,167,525,203	2,740,043,204	2,405,851,219
	3,876,849,595	3,580,495,491	3,846,262,839	3,562,729,555
	28,279,299,849	23,331,385,289	28,506,561,487	23,551,945,368
(b)	Revenue from Regions			
	27,717,117,369	22,762,514,716		
	276,833,751	178,383,039		
	278,781,953	336,738,546		
	-	53,748,988		
	6,566,776	-		
	28,279,299,849	23,331,385,289		
(c)	Operational Revenue			
	5,708,263,303	4,653,617,165		
	9,907,832,475	7,772,955,913		
	2,534,456,686	1,868,902,942		
	10,128,747,385	5,887,452,065		
	28,279,299,849	20,182,928,085		
(d)	Expenses Excluding Taxes			
	28,243,702,320	20,724,643,241		
	622,009,992	577,337,904		
	661,721,597	655,968,879		
	29,527,433,908	21,957,950,024		
	172,828,790	96,532,491		
	29,700,262,699	22,054,482,514		
(e)	Profit Before Tax & Foreign Exchange Gain			
	3,889,790,846	1,500,485,020		
	(382,939,643)	(319,230,333)		
	(345,176,241)	(398,954,865)		
	52,279,246	119,978,583		
	5,666,526	5,187,164		
	3,219,620,734	907,465,570		
(f)	Assets & Liabilities			
	185,835,429,920	148,200,718,231	185,882,742,237	148,230,926,303
	17,369,210,206	23,886,220,233	17,462,820,182	24,018,951,104
	203,203,227,676	172,073,726,449	203,345,562,419	172,249,877,407
	Assets Details are given at page 30.			
	12,913,615,841	14,915,701,542	12,922,083,417	14,978,361,940
	103,903,118,302	71,400,522,193	103,903,118,302	71,400,522,193
(g)	Cash Flow			
	13,201,810,665	1,943,240,461	13,230,792,404	2,028,871,213
	(42,277,389,083)	(22,819,795,146)	(42,293,200,553)	(22,827,397,659)
	29,159,374,008	20,837,050,721	29,159,374,008	20,823,930,036
9	Contingencies			
	The total claims against SLPA at the end of the year 2010 is Rs 959,948,537/= SLPA has provided a sum of Rs. 288,684,561/= against the profit of the year with the advice of the Chief Law Officer. SLPA do not have any other liability than those disclosed above.			
10	Comparative Figures			
	To facilitate comparison ,relevant balances pertaining to the previous year, have been reclassified to confirm to current year classification and presentation.			
11	Post Balance Sheet Events			
	Subsequent to the date of the Balance Sheet, no circumstances have arisen which would require adjustment in the financial statement except for what is given below.			

12 FINANCIAL RISK MANAGEMENT

Significant Risk Management measures have not been adopted by SLPA during the year 2010.

a Foreign Exchange Risk

No specific risk management.

b Trade Debtors Risk

Trade Debtors Risk is only covered up to a Bank Guarantee for Rs.250,000/= for conventional cargo agents and Rs.500,000/= for a shipping line.

13 ACCOUNTING ESTIMATES & JUDGMENTS

Estimates & Judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a Critical Accounting Estimates and Assumptions

SLPA makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, rarely equal the related actual results. The estimates and assumption that have a significant risk of causing a material adjustment is outlined below.

b Income Tax

Where the final tax outcome is different than the assumption such difference will impact the income tax provision in the year.

c Revenue Recognition

Revenue was recognized as accrued to Rs646,120,524/= for Services rendered, but not billed yet. SLPA believes that based in past experience these revenue will be received.

d Commitment for Claims

Though during last three years no reasonable economic out flow has been occurred, considering the nature of unpredictability a sum of Rs288,684,561/= has been provided.

EXPENSES ACCORDING TO SUBJECTS

DESCRIPTION	SLPA	2009	CONSOLIDATED	
	2010		2010	2009
	Rs.	Rs.	Rs.	Rs.
EMPLOYEE EMOLUMENTS				
Salaries Wages & Allowances	10,011,012,969	9,367,618,427	10,112,800,003	9,445,197,897
Overtime	3,322,603,870	2,882,755,092	3,322,603,870	2,882,755,092
	13,333,616,839	12,250,373,519	13,435,403,873	12,327,952,989
PROVISION FOR STAFF RETIREMENT BENEFIT	754,134,518	341,879,248	754,134,518	341,879,248
DEPRECIATION	4,682,142,711	4,809,135,094	4,684,128,596	4,809,604,853
MAINTENANCE OF ASSETS				
Contract works for Rep. & Main.	197,238,708	168,890,928	197,123,205	169,184,618
Material Issued for Rep. & Main.	939,753,924	732,952,443	941,545,315	740,512,989
	1,136,992,631	901,843,371	1,138,668,519	909,697,606
FUEL, ELECTRICITY & WATER				
Fuel Electricity & Other Expenses	1,658,337,186	1,517,253,836	1,587,259,703	1,516,124,571
Cost of Water	169,212,073	168,496,511	170,488,902	169,887,792
	1,827,549,259	1,685,750,346	1,757,748,605	1,686,012,363
INTEREST ON FOREIGN LOANS	1,225,174,176	1,159,422,154	1,225,174,176	1,159,422,154
REBATE	917,807,895	617,239,167	917,807,895	617,239,167
OTHER EXPENSES				
Traveling Subsistence & Fuel Allowance	15,128,522	20,004,560	15,128,522	19,832,224
External Hire Chargers / Contacts	461,771,787	285,332,923	461,771,787	285,332,923
Communication Expenses	30,902,087	33,320,698	32,244,300	34,313,284
Rate & Taxes	25,720,864	26,078,756	28,622,144	28,852,702
Insurance & License	15,519,076	13,045,572	16,033,965	14,083,881
Office Requisites	62,863,270	56,620,450	63,360,278	57,265,366
Training Expenses	11,779,966	19,392,844	11,779,966	19,392,844
Welfare Expenses	104,681,865	98,518,390	108,395,326	100,643,236
Publicity & Public Relations	70,058,357	17,245,151	70,398,782	17,576,824
Sundry Expenses	97,051,491	16,776,475	100,220,757	16,781,475
Other Charges	805,461	5,042,910	30,841,376	5,608,910
Miscellaneous Balance A/C Written Off	-	127,196	-	127,196
Bad & Doubtful Debtors	109,739,677	6,691,189	111,955,936	6,691,189
Expenses on GST & VAT	35,417,441	48,871,756	35,633,315	48,894,558
Special Levy	-	-	-	-
Stamp Duty	722,375	579,432	722,375	612,182
N.B.T Payments	148,697,998	93,972,515	157,688,541	98,720,584
Finance Charges	38,859,187	37,057,127	39,680,632	37,921,889
Audit Fees	1,508,078	1,859,538	1,813,078	2,129,894
Unabsorbed Kitchen Expenses	8,979,358	2,905,085	8,979,358	2,905,085
Corporate Social Responsibility Projects	-	-	328,545	-
Foreign Exchange Loss / (Gain)	4,409,809,021	(591,135,443)	4,409,809,021	(591,135,443)
Social Responsibility Levy	2,353,993	12,009,132	2,353,993	12,009,132
	5,652,369,873	204,316,256	5,707,761,996	119,839,352
TOTAL EXPENSES	29,529,787,901	21,969,959,156	29,620,828,178	21,900,471,753

STATEMENT OF EMPLOYEE EARNING

DESCRIPTION	2010			S.L.P.A		
		PORT OF COLOMBO Rs.	PORT OF TRINCOMALEE Rs.	PORT OF GALLE Rs.	2010 Rs.	2009 Rs.
Employees		11,726	598	500	12,824	13,367
Salaries Wages, Allowances & Gratuity	Rs.M.	10,064	445	392	10,902	9,835
Overtime	Rs.M.	3,234	101	61	3,396	2,944
Total	Rs.M.	13,298	546	454	14,298	12,778
Per Employee Average Annual						
Salaries Wages & Allowances	Rs.	858,303	744,106	784,595	850,104	735,740
Overtime	Rs.	275,767	169,442	122,674	264,840	220,226
Total	Rs.	1,134,071	913,547	907,269	1,114,945	955,966
Average Monthly						
Salaries Wages & Allowances	Rs.	71,525	62,009	65,383	70,842	61,312
Overtime	Rs.	22,981	14,120	10,223	22,070	18,352
Total	Rs.	94,506	76,129	75,606	92,912	79,664

NOTE :

Wages, Salaries & Allowances and Overtime include Kitchen employees Wages & salaries as follows :

	2010	2009
Salaries, Wages & Allowances (Rs.M)	137.591	126.14
Overtime (Rs.M)	74.708	62.00
	212.299	188.14

PARTICULARS	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
	Rs.Mill.	Rs.Mill.	Rs.Mill.	Rs.Mill.	Rs.Mill.	Rs.Mill.	Rs.Mill.	Re-stated Rs.Mill.	Rs.Mill.	Rs.Mill.
Income Statement										
Total Revenue	28,279	23,331	25,142	25,913	23,004	20,550	17,861	16,356	15,667	16,389
Net Revenue	28,279	23,331	25,142	25,913	23,004	20,550	17,861	16,356	15,667	16,389
Ope., Rep. & Main. & Admin Expenses	(23,892)	(21,390)	(22,201)	(22,415)	(17,101)	(13,183)	(11,111)	(10,149)	(11,736)	(11,130)
Operating Profit	4,387	1,942	2,941	3,498	5,903	7,367	6,750	6,207	3,931	5,258
Gain on sale of Revaluation	-	-	-	7	-	-	-	-	-	-
Interest on Foreign Loans	(1,225)	(1,159)	(1,211)	(1,147)	(1,116)	(1,186)	(1,356)	(1,111)	(1,134)	(1,062)
Profit before Foreign Exchange Fluc.	3,162	782	1,729	2,357	4,787	6,181	5,394	5,096	2,797	4,196
Foreign Exchange Fluctuation	(4,410)	591	(11,791)	(3,945)	(1,168)	7,059	(5,666)	(4,766)	-	-
Profit After Foreign Exchange Fluc.	(1,248)	1,373	(10,062)	(1,588)	3,619	13,239	(272)	330	-	-
V.R.S. Expenses	-	-	-	-	-	-	(1)	(2,524)	-	-
Net Profit before Tax	(1,248)	1,373	(10,062)	(1,588)	3,619	13,239	(273)	(2,193)	-	-
Less: Income, Deemed dividend tax & Surcharge	(159)	(510)	(508)	(1,063)	(3,253)	(3,051)	(2,701)	-	(1,814)	(3,928)
Deferred Tax	343	1,250	-	-	-	-	-	-	-	-
Net Profit After Tax	(1,065)	2,114	(10,570)	(2,651)	366	10,189	(2,973)	(2,193)	983	267
Special Levy	-	-	-	(115)	(115)	(115)	(95)	-	-	(700)
	(1,065)	2,114	(10,570)	(2,766)	251	10,074	(3,068)	(2,193)	983	(433)
Provision for Tsunami affected Assets	-	-	-	-	-	(2)	(162)	-	-	-
Net Profit After Extra-ordinary Items & After Tax	(1,065)	2,114	(10,570)	(2,766)	251	10,072	(3,230)	(2,193)	-	-
Adjustment in respect of previous year	982	140	145	(4,755)	-	-	-	(3)	(2)	405
Opening retained profit as previously reported	(15,412)	(17,678)	(7,270)	-	-	-	-	(1,766)	(2,747)	-
Correction of Fundamental error (Special Levy Recovered)	-	-	-	-	-	-	-	2,361	-	-
Revaluation Reserve Realized on Assets Disposal	328	11	17	-	-	-	-	-	-	-
Opening retained earning as Re-stated	(15,084)	(17,667)	(7,253)	-	-	-	(3,416)	595	-	-
Net Profit for the year	(83)	2,254	(10,425)	(7,520)	251	10,072	(3,230)	(2,196)	981	-
Cumulative Profit B/F	(15,084)	(17,667)	(7,253)	251	-	(6,646)	-	-	-	(2,720)
Retained Profit/Loss	(15,167)	(15,412)	(17,678)	(7,270)	251	3,426	(6,646)	(1,601)	(1,766)	(2,747)
Amount transferred to loan Redemption Reserve	-	-	-	-	-	(3,426)	-	(1,815)	-	-
Balance Profit/Loss c/f	(15,167)	(15,412)	(17,678)	(7,270)	251	-	(6,646)	(3,416)	(1,766)	(2,747)

PARTICULARS	2,010	2,009	2,008	2,007	2,006	2005	2004	2003 Re-stated	2002	2001
Balance Sheet										
Non Current Assets	180,094	142,962	124,752	122,651	126,064	42,920	44,420	43,354	44,497	43,451
Investments	5,740	5,256	5,135	4,480	3,849	3,190	3,750	2,415	2,260	1,912
Sub total	185,834	148,218	129,887	127,131	129,914	46,110	48,170	45,769	46,757	45,363
Deferred Rev./Foreign Ex: Fluc. Prov:	-	-	-	-	-	-	-	-	9,590	4,068
Total Non Current Assets	185,834	148,218	129,887	127,131	129,914	46,110	48,170	45,769	56,347	49,431
Current Assets	17,371	23,514	18,371	18,586	18,192	17,690	14,347	13,659	22,470	11,649
Current Liabilities	(12,914)	(14,574)	(12,345)	(11,273)	(10,723)	(11,365)	(10,776)	(8,730)	(9,729)	(10,658)
Working Capital	4,457	8,940	6,025	7,313	7,469	6,324	3,571	4,929	12,741	991
	190,291	157,158	135,913	134,444	137,383	52,434	51,741	50,698	69,088	50,422
Capital Employed	7,591	7,591	7,591	7,591	7,591	7,591	7,591	7,591	7,591	7,591
Reserves & Provisions	93,962	91,026	78,865	77,765	90,996	4,573	1,223	517	20,080	8,092
Retained Profit	(15,167)	(15,412)	(17,678)	(7,270)	251	-	(6,646)	(3,416)	(1,766)	(2,747)
Non Current Liabilities	103,903	84,261	67,134	56,357	38,545	40,270	49,574	46,006	43,183	37,486
	190,290	157,158	135,913	134,443	137,383	52,434	51,741	50,698	69,088	50,422
Operational & Financial Highlights										
Number of Ships called (Nos) Throughput	4,657	5,162	5,430	5,366	5,117	5,092	4,932	4,976	4,789	4,822
Container TEU's (Including S.A.G.T.)	4,137,441	3,464,297	3,687,338	3,381,242	3,079,085	2,455,297	2,220,525	1,959,336	1,764,694	1,726,605
Transshipment	3,205,197	2,712,305	2,874,067	2,578,166	2,330,189	1,716,045	1,531,103	1,370,119	1,197,277	1,183,900
Domestic	932,244	751,992	813,271	803,076	748,896	739,252	689,422	589,217	567,417	542,705
TOTAL TEU's	4,137,441	3,464,297	3,687,338	3,381,242	3,079,085	2,455,297	2,220,525	1,959,336	1,764,694	1,726,605
Container TEU's (Excluding S.A.G.T.)	2,167,173	1,714,488	1,960,898	1,834,734	1,743,669	1,523,794	1,320,845	1,334,900	1,206,694	1,396,946
Conventional M/T	5,463,238	4,984,390	5,863,920	5,977,546	6,286,583	5,893,669	5,150,067	5,295,937	4,959,561	5,055,009
Liquid M/T	4,349,830	4,192,148	4,228,839	4,432,070	4,427,376	4,062,599	4,270,425	3,639,726	3,943,602	3,634,077
Total	9,813,068	9,176,538	10,092,759	10,409,616	10,713,959	9,956,268	9,420,492	8,935,663	8,903,163	8,689,086
Personnel										
Number of employees	12,824	13,367	13,658	13,367	13,691	13,527	13,233	13,443	17,909	18,561
Foreign Exchange Earning (Rs.M)	20,858	16,897	17,921	18,216	16,198	14,986	12,806	11,791	11,218	11,668
Per Tone of Cargo										
Operational & Other Revenue	780	786	749	814	746	743	526	536	552	606
Operational & Other Expenses	(693)	(760)	(698)	(740)	(591)	(520)	537	525	454	451
Net profit per tone	87	26	52	74	155	223	(11)	11	99	155
Expenses on Payroll	14,088	12,592	13,388	14,013	8,936	6,503	5,426	4,825	5,695	5,016
Payroll / Total Expenses	56%	56%	57%	59%	49%	45%	30%	38%	44%	41%
Payroll / Total Revenue	50%	54%	53%	60%	39%	32%	30%	29%	36%	31%

		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
									Re-stated		
Profitability Ratios											
Operating Profit to Revenue	%	15.51	8.32	11.70	13.50	25.66	35.84	37.79	37.95	25.09	32.08
Net Profit Before Tax & Foreign Ex. Gain/(Loss) to Revenue	%	11.18	3.35	6.88	9.07	20.81	30.07	30.19	15.73	24.86	31.86
Net Profit After Tax to Revenue	%	(3.76)	9.06	(42.04)	(10.67)	1.09	49.01	(17.18)	(13.41)	(29.09)	3.47
Annual Revenue Growth	%	21.21	(7.20)	(2.97)	12.65	11.94	15.05	9.20	4.40	(4.40)	11.36
Return on Capital Employed	%	2.31	1.24	2.16	2.60	4.29	14.05	13.05	12.24	5.69	10.43
Liquidity Ratios											
Current Ratio	Times	1.3	1.6	1.5	1.6	1.7	1.5	1.4	1.6	2.3	1.1
Quick Ratio	Times	1.1	1.4	1.3	1.5	1.6	1.4	1.3	1.4	2.2	1.0
Interest Cover	Times	3.6	1.7	2.4	3.0	5.3	6.2	5.0	3.3	4.4	5.9
Productivity Ratios											
Total Revenue per TEU's	Rs.	13,049	13,608	12,822	16,756	17,226	13,486	13,522	12,253	12,983	11,732
Operational Expenses per TEU's	Rs.	7,633	8,787	8,124	10,065	8,871	5,762	4,877	5,288	6,012	5,192
Total Expenses per TEU's	Rs.	13,625	12,807	17,953	17,861	13,727	9,507	13,923	12,005	15,257	8,513
Total Revenue per Tonnage	Rs.	780	786	749	814	746	743	727	687	700	697
Operational Expenses per Tonnage	Rs.	456	508	475	489	384	317	262	297	324	308
Total Expenses per Tonnage	Rs.	815	740	1,049	868	633	624	748	673	822	505
Net Profit Before Tax & Foreign Ex. Gain/(Loss) per Tonnage	Rs.	87	26	52	74	155	223	219	108	174	222
Cargo Handling per Employee	Tonne	2,826	2,221	2,456	2,329	2,256	2,045	1,858	1,771	1,250	1,268
Cargo Handling per Rs. 1 million Fixed Capital	Tonne	4,775	3,910	4,419	4,192	4,060	3,644	3,238	3,136	2,949	3,099
Cargo Handling per Rs. 1 million Capital Employed	Tonne	190	189	247	237	224	528	475	470	324	467
Tonnage per Employee	Tonne	2,826	2,221	2,456	2,329	2,256	2,045	1,858	1,771	1,250	1,268
TEU's per Employee	TEU's	169	128	144	113	128	113	100	99	67	75

Accounting Policies: Specific Principles, Bases, Conventions, Rules and Practices adopted by an enterprise in preparing and presenting Financial Statements.

Accrual Basis: Method of accounting that recognizes revenue when earned, rather than when collected. Expenses are recognized when incurred rather than when paid.

Assets: Economic resources owned by a business.

Bad Debt: All or portion of an accounts, loan, or note receivable considered being un-collectible

Capital Employed: Total assets short term Liabilities and other provisions.

Cash Basis: Method of bookkeeping by which revenues and expenditures are recorded when they are received and paid

Cash and Cash Equivalent: Short-term highly liquid investments that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Consolidated Financial Statements: Combined financial statements of a parent company and one or more of its subsidiaries as one economic unit.

Current Asset: Assets that one can reasonably expect to convert into cash, sell, or consume in operations within a single operating cycle, or within a year if more than one cycle is completed each year.

Current Liability: Obligation whose liquidation is expected to require the use of existing resources classified as current assets, or the creation of other current liabilities.

Current Ratio: Current Assets divided by current liabilities. A measure of Liquidity.

Deferred Taxation: Sum set aside for tax in the accounts of SLPA that will become payable due to timing or measurement differences between tax and accounting principle in a period other than that under review

Extraordinary Items: Events and transactions distinguished by their unusual nature and by the infrequency of their occurrence. Extraordinary items are reported separately, less applicable income taxes, in the entity's statement of income or operations.

Equity Method: An accounting method under which an investment is modified at every balance sheet date in proportion with changes in the portion of the net assets of the invested company that are attributed to the parent.

Face Value: Amount due at maturity from a bond or note

Foreign Exchange Gain/Loss: The difference in the spot rate and the fixed rate is treated as loss / gain in exchange.

The realized gain / loss recorded when Assets or Liability denominated in foreign currencies are translated into Sri Lankan rupees and the Balance sheet date.

Income Statement: Summary of the effect of revenues and expenses over a period of time.

Leases: A Lease is an agreement whereby the lesser conveys to the Lessee in return for a payment, or series of payments the right to use an asset for an agreed period of time.

Long-term Liabilities: All interest bearing borrowings.

Pre-payments: One or more accounts set up to account for money paid in advance (eg. insurance, where part of the premium applies to the current financial year, and the remainder to the following year).

Provisions: One or more accounts set up to account for expected future payments (eg. where a business is expecting a bill, but hasn't yet received it).

Related parties: Parties those who could control or significantly influence the financial and operating policies of the business.

Repurchase Agreement (Repos): Agreement whereby an institution purchases securities under a stipulation that the seller will repurchase the securities within a certain time period at a certain price

Reserve: Accounts used to earmark a portion of equity or fund balance to indicate that it is not available for expenditure.

Taxable Income: Taxable income is generally equal to a taxpayer's adjusted gross income during the tax year less any allowable exemptions and deductions.

Value Added: The quantum of wealth generated by the activities of the SLPA

Working Capital (Net Current Assets): Capital required to finance the day to day operations computed as the excess of current assets over current liabilities.

Work in Progress: Inventory account consisting of partially completed goods awaiting completion and transfer to finished inventory.

SC/A/SLPA/FA/2010

15 November 2011

The Chairman,
Sri Lanka Ports Authority.

Report of the Auditor General on the Financial Statements of the Sri Lanka Ports Authority for the year ended 31 December 2010 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of Financial statements of the Sri Lanka Ports Authority for the year ended 31 December 2010 was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act No. 38 of 1971 and Section 33 of Sri Lanka Ports Authority Act No. 51 of 1979. My comments and observations which I consider should be published with the Annual Report of the Authority in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act will be issued to the Chairman of the Authority in due course.

1.2 Responsibility of the Management for the Financial Statements

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

1.3 Scope of Audit and Basis of Opinion

My responsibility is to express an opinion on these financial statements based on my audit. Audit opinion, comments and findings in this report are based on review of the financial statements presented to audit and substantive tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards to obtain reasonable assurance as to whether the financial statements are free from material misstatements. The audit includes the examination on a test basis of evidence supporting the amounts and disclosures in Financial Statements and assessments of accounting policies used and significant estimates made by the management in the preparation of financial statements as well as evaluating their overall presentation. I have obtained sufficient information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit. I therefore believe that my audit provides a reasonable

basis for my opinion. Sub-sections (3) and (4) of Section 13 of the Finance Act, No: 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

2. Financial Statements

2.1 Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the Sri Lanka Ports Authority had maintained proper accounting records for the year ended 31 December 2010 and except for the effects on the Financial Statements of matters referred in paragraph 2.2 of this report, the consolidated financial statements have been prepared in accordance with Sri Lanka Accounting Standards to give a true and fair view of the state of affairs of Sri Lanka Ports Authority and its Subsidiary Company and the Associate Company and the Group as at 31 December 2010 and the financial results of its operations and cash flows for the year then ended.

2.1.1 Preparation of Consolidated Financial Statements

The unaudited financial statements / financial statements not certified by the auditor, of a Subsidiary Company and an Associate Company had been adopted for the consolidation with the financial statements of the Sri Lanka Port Authority. As such the possibility of deficiencies in the consolidated financial statements cannot be ruled out in audit.

2.2 Comments on Financial Statements

2.2.1 Accounting Deficiencies

The following deficiencies were observed.

- (a) The foreign capital purchases amounting to Rs.25,664,770 made in the years 2008 and 2009 had been disclosed under the work-in-progress instead of being disclosed under the respective assets accounts.
- (b) Customs duty and other charges amounting to Rs.19,416,212 paid in the year 2008 for the purchase of capital assets had been disclosed under the work-in-progress instead of being capitalized, despite the elapse of 02 years.

2.2.2 Accounts Receivable and Payable

The following observations are made in connection with the receivables and payables amounting to Rs.5,710,540,702 and Rs.4,728,353,216 respectively as at 31 December 2010 disclosed in the financial statements by the Authority.

- (a) The balance of Rs.965,436,081 receivable by the Sri Lanka Ports Authority from Shipping Agents as at 31 December 2010 included balances older than 01 year amounting to Rs.118,878,744.
- (b) The loan balance amounting to Rs.166,091,083 receivable from the Security Forces as at 31 December 2010 included a loan balance older than 02 years amounting to Rs.81,054,633.
- (c) The sum of Rs.3,172,556 recoverable from 10 suspended Shipping Agents and the sum of Rs.3,410,358 payable to 19 suspended Shipping Agents included recoverable and payable balances older than 01 year amounting to Rs.2,725,542 and Rs.3,087,034 respectively.
- (d) The balance recoverable as at 31 December 2010 from Shipping Agents debtors referred for legal action amounting to Rs.235,542,514 included a balance older than 01 year amounting Rs.220,244,172. The balance payable by the Authority to those Shipping Agents amounted to Rs.3,185,382.
- (e) The balance relating to 05 Shipping Agents which are Government Institutions as at 31 December 2010 amounted to Rs.27,008,579 after making adjustments for debit and credit balances amounting to Rs.36,104,542 and Rs.9,095,964 respectively. That included recoverable balances older than 02 years amounting to Rs.31,838,188.
- (f)
 - (i) Even though advances granted should be settled as early as possible, out of the advances granted to contractors for capital expenditure, a sum of Rs.4,076,794,701 remained without being settled up to 31 December 2010. The recoverable balances older than 02 years included therein amounted to Rs.3,609,987,534.
 - (ii) A foreign advance of Rs.150,400 granted to a former Chairman 05 years ago had not been settled up to date.
- (g) Out of the Shipping Agents debtors of the Port of Trincomalee as at 31 December 2010 amounting to Rs.15,909,625, provision of Rs.11,094,736 for bad and doubtful debts had been made which is 70 per cent.
- (h) The balances as at 31 December 2010 amounting to Rs.73,047,427 recoverable from the 52 premises owned by the Sri Lanka Ports Authority rented out/ leased out to various institutions, included a rent income of Rs.43,938,741 from 28 premises remaining receivable for more than 06 years.
- (i) The balance recoverable as at 31 December 2010 for the consumption of electricity by 28 premises released by the Authority for running Welfare Canteens amounted to Rs.2,463,130.

- (j) The expenditure incurred on behalf of the Ministry as at 31 December 2010 amounting to Rs.5,854,229 had not been reimbursed. It was observed that a sum of Rs.4,757,568 remains over a period exceeding 10 years.
- (k) Even though the Goods and Service Tax had been abolished in the year 2002, the Goods and Service Tax receivable amounting to Rs.24,142,655 disclosed in the accounts had not been recovered even up to the end of the year under review.
- (l) The loan installments amounting to Rs.122,670,626 and Rs.224,383,205 payable on loan No. SLPA 23 and SLPA 27 had not been paid even up to the end of the year under review.

2.2.3 Lack of Evidence for Audit

The following evidence had not been furnished to audit.

- (a) The age analysis and confirmation of balances for current assets totaling Rs.2,467,189,758, the age analysis and confirmation of balances for current liabilities totaling Rs.401,829,577 and the approval detailed information, service agreements and registers of computation for expenditure totaling Rs.1,693,380,183.
- (b) The registers of computation and other evidence need to determined the accuracy of the provision for gratuity amounting to Rs.769,273,956 made in the year under review.

2.2.4 Non-compliance with Laws, Rules, Regulations and Management Decisions

Instances of non-compliances with the following laws, rules, regulations and management decisions were observed.

Reference to Laws, Rules, etc.	Non-compliance
(a) Section 6 (a) of the Sri Lanka Ports Authority Act, No. 51 of 1979 as amended by the Sri Lanka Ports Authority (Amendment) Act, No. 2 of 1992	Even though each Port should be maintained as a self-sufficient enterprise, the Ports of Tricomalee and Galle had incurred pre-tax losses amounting to Rs.382,939,643 and Rs.345,176,241 respectively in the year under review.

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|---|--|
| <p>(b) Sri Lanka Ports Authority Act, No. 51 of 1979 and the Government Gazette dated 27 February 1981. Section (5) and (8)</p> | <p>Even though accounts should be maintained for all moneys received by the Fund and all the payments made from the Fund and a separate account prepared for the Fines Fund should be furnished to the Auditor General, it had not been so done.</p> |
| <p>(c) Circular No. PED/21 dated 08 January 2004 of the Department of Public Enterprises</p> | <p>Even though instructions have been issued to Ministers to refrain from using the resources of State Corporations, contrary to such instructions a sum of Rs.5,854,229 had been spent up to the end of the year under review as expenditure on supply services, security and administration expenses and salaries of the Ministry. The expenditure had not been separately identified.</p> |
| <p>(d) Financial Regulation 571</p> | <p>Even though lapsed tender deposits should be credited to income, the tender deposits of the years 2006, 2007 and 2008 amounting to Rs.404,960, Rs.1,025,777 and Rs.748,676 respectively had not been credited to income even up to the end of the year under review.</p> |

3. Financial and Operating Review

3.1 Financial Review

3.1.1 Financial Results

According to the financial statements presented, the financial result for the year under review amounted to an operating profit of Rs.4,386.849 million and that represented 15.51 per cent of the total turnover of Rs.28,279.299 million for the year under review. The corresponding operating profit of Rs.1,941.722 million for the preceding year represented 8.32 per cent of the total turnover of Rs.23,331.385 million for that year. The operating profit percentage for the year under review as compared with the preceding year indicated an increase of 7.19 per cent.

The increase of the operating income from the port activities had been the reason for the increase in the profit percentage.

3.1.2 Analytical Financial Review

The statistical information for the year under review and the two preceding years is given below.

	<u>Year</u>		
	<u>2010</u>	<u>2009</u>	<u>2008</u>
Number of Employees	12,824	13,367	13,658
Net Profit / (Loss) per Metric Ton handled Rs.	87	26	52
Total Income (Rs.Millions)	28,279	23,331	25,142
Total Expenditure (Rs.Millions)	25,118	22,549	23,413
Net Profit / (Loss) before Tax (Rs.Millions)	(1,248)	1,373	(10,061)
Net Profit / (Loss) after Tax (Rs.Millions)	(1,065)	2,114	(10,570)

The material ratios and percentages for the year under review and the 02 preceding years are given below.

	<u>Year</u>		
	<u>2010</u>	<u>2009</u>	<u>2008</u>
(i) Operating Profit to Turnover	15.51%	8.32%	11.70%
(ii) Employees Cost to Turnover	49.81%	53.97%	53.24%
(iii) Equity to Long Term Loans	0.80	0.096	1.29
(iv) Assets Turnover	0.14	0.14	0.17

3.1.3 Matters of Contentious Nature

The following matters were observed.

- (a) The Authority had to pay a sum of Rs.154,406,324 in the year under review for the procurement of various services through the Subsidiary Company and that, as compared with the preceding year represented an increase of 52 per cent and that represented an increase of 31 per cent over the increase of income of the Authority. In such circumstances, the procurement of the services of the Authority through the private sector (privatization of services) at higher costs could pose threats to the going concern of the Authority.
- (b) The officer holding the post of the Deputy Chief Internal Auditor of the Authority, serving as the Accountant of the Associate Company could affect

the transparency of the transactions between the Authority and the Associate Company.

- (c) The value of the total stocks of the Main Stores as at the end of the year under review amounted to Rs.2,534,439,644. Out of that the value of stocks older than 05 years amounted to Rs.533,758,771 or 21.05 per cent of the total stocks. Nevertheless, the value of the stocks of the Port of Trincomalee amounting to Rs.559,173 only had been disclosed in the final accounts as the value of slow moving stocks.

3.2 Operating Review

3.2.1 Performance

The matters revealed at an analysis of statistics and reports related to the operations presented by the Sri Lanka Ports Authority are given below.

(a) Port of Colombo

(i) Vessel Arrivals

Type of Vessels	<u>Year</u>			<u>Variance</u> <u>Favourable / (Adverse)</u>	
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2009/10</u> <u>%</u>	<u>2008/09</u> <u>%</u>
-----	-----	-----	-----	-----	-----
Containers	3,076	3,304	3,666	(6.9)	(9.9)
Conventional	56	140	205	(60)	(31.71)
Others	778	670	553	16.1	21.16
	-----	-----	-----	-----	-----
	3,910	4,114	4,424	(4.9)	(7.0)
	=====	=====	=====	=====	=====
Increase in the total as compared with the preceding year	(204)	(310)	98		

The arrival of vessels into the Port of Colombo in the year 2009 as compared with the year 2008 indicated a decrease of 310 vessel arrivals or a deterioration of 7 per cent. The arrival of vessels into the Port of Colombo in the year 2010 as compared with the year 2009 indicated a decrease of 204 vessel arrivals or a deterioration of 5 per cent.

(ii) **Container Handling - Twenty Equivalent - Units (TEU`S)**

	<u>Year</u>			<u>Variance</u> <u>Favorable / (Adverse)</u>	
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2009/10</u> <u>%</u>	<u>2008/09</u> <u>%</u>
<u>Port of Colombo</u>	-----	-----	-----	-----	-----
Local	932,244	751,992	813,271	23.96	7.53
Transshipments	3,095,589	2,633,055	2,785,422	17.56	5.50
Repackaging	109,608	79,250	88,645	38.30	(10.60)
	-----	-----	-----	-----	-----
Total	4,137,441	3,464,297	3,687,338	19.34	(6.00)
	=====	=====	=====	=====	=====
	=	=	=		
Increase / (Decrease) of the total as compared with the preceding year	673,144	(223,041)	306,096		
Increase / (Decrease) in Transshipments as compared with the preceding year	462,534	(152,367)	316,761		

The handling of goods in the Port of Colombo in the year 2009 as compared with the year 2008 indicated a decrease by 223,041 Twenty Equivalent Units or a 6.0 per cent deterioration. Nevertheless, as compared with the year 2009, an increase of 673,144 Twenty Equivalent Units or an improvement of 19.43 per cent was indicated in the year 2010.

(iii) The capacity of container handling by the Sri Lanka Ports Authority during the 10 year period from 2000 to 2010 taken as a percentage of the total container handling had indicated a rapid decrease from 83 per cent to 52 per cent.

(b) Port of Trincomalee

The arrival of vessels in to the Port of Trincomalee in the year 2009 as compared with the year 2008 indicated a decrease of 12 vessels or deterioration of 3.7 per cent. The arrival of vessels in the year 2010 as compared with the year indicated a decrease of 201 vessels or a

deterioration of 64.84 per cent. Thus it appears that the arrival of vessels into the Port of Trincomalee is at a very low level.

(c) Port of Galle

The arrival of vessels into the Port of Galle in the year 2009 as compared with the year 2008 had indicated a deterioration by 28 vessels or 46.67 per cent. The arrival of vessels in the year 2010 as compared with the year 2009 indicated an increase by 16 vessels or 50 per cent.

(d) All Ports (Colombo, Trincomalee and Galle)

The handling of goods by all the Ports in the year 2009 as compared with the year 2008 had indicated an improvement by 1,804,869 Twenty Equivalent Units or 3.57 per cent. The handling of goods in the year 2010 as compared with the year 2009 had indicated an improvement by 12,461,925 Twenty Equivalent Units or 25.54 per cent.

3.2.2 Management Inefficiencies

The following matters were observed.

- (a) Even though the Authority had leased / rented out 14 premises owned by it, action had not been taken to enter into written agreements with the lessees / tenants.
- (b) The Authority had leased / rented out 04 premises to an Associate Company without entering into any agreements and without recovering any lease rents. Even though this matter was brought to the notice of the Chairman by the Audit Report of the preceding year no steps had been taken thereon even up to the date of this report.
- (c) About 2,000 employees are due to go on voluntary retirement due to the Authority having an excess of employees. In the meantime, the Authority had spent a sum of Rs.165,222,463 on the employees recruited on contract basis during the year.

3.2.3 Operating Inefficiencies

Even though the shares receivable from the South Asia Gateway Terminals Company (SAGT) and the sum of Rs.227,222,309 in that connection had been disclosed in the accounts since the year 1999, action had not been taken for the recovery of the dividends receivable on those shares.

3.2.4 Uneconomic Transactions

The following matters were observed.

- (a)
 - (i) Three rent free premises had been given over to a State Bank and 03 other premises had been given over to a Private Bank at a nominal rent for carrying out Banking activities.
 - (ii) The Authority had not obtained any security for the loan of Rs.935,189 granted to one of the Trade Unions.
- (b) Even though the Authority invested a sum of Rs.500,000 in one company and Rs.2,000,000 in 200 shares of another company since June 2000, no return whatsoever had been received up to date.
- (c) The fines totalling Rs.69,623,303 received by the Fines Fund of the Ports Authority from 01 January 1976 to 31 December 2010 had been deposited in an ordinary Savings Account of the National Savings Bank. Had this amount been invested in fixed deposits, Sri Lanka Ports Authority could have earned an interest income of about Rs.40 million.
- (d) Fines received from the salaries had been deposited in the Savings Accounts after delays ranging from 02 to 05 months. As such the interest income receivable on such money had been lost by the Authority.

3.2.5 Resources of the Authority supplied to other Government Institutions

Seven motor vehicles of the Authority had been released for the use of the Minister of Ports and Highways and his staff. Out of those, 03 motor vehicles had been hired. A sum of Rs.800,000 had been paid in the year as the hire charges on those motor vehicles while a sum of Rs.395,015 had been spent on repairs carried out to 04 motor vehicles.

3.2.6 Idle and Underutilized Assets

The following matters were observed.

- (a) The closing stock of the Authority for the year under review had been Rs.2,534,439,644 and the value of purchases and issues for the year amounted to Rs.2,179,430,279 and Rs.2,279,282,107 respectively and indicated that the Authority had maintained stocks exceeding the annual requirements.
- (b) The balance of a current account maintained at the Bank of Ceylon branch at Peliyagoda as at the end of the year under review amounting to Rs.1,140,519 had remained dormant over a number of years.
- (c) Two level line portal cranes purchased in the year 2008 for Rs.444 million had been idling over a period exceeding one year. Those two cranes had been used for less than 50 hours during the preceding years.

3.2.7 Identified Losses

The following losses were observed.

- (a) The loss caused to the Authority due to an accident to a motor vehicle released to the Ministry of Ports and Aviation about 3 ½ years ago exceeded Rs.2.0 million.
- (b) The operations of the Port of Trincomalee is in a very poor condition and as such the losses incurred in the 03 preceding years amounted to Rs.379 million, Rs.319 million and Rs.383 million respectively.
- (c) The operating activities of the Port of Galle is in a very poor condition due to the decrease in the number of vessel arrivals. As such the port had been incurring losses continuously. The losses incurred in the 03 preceding years had been Rs.279 million, Rs. 399 million and Rs. 345 million respectively.
- (d) The procurement of services of the Authority are being made outside the Procurement Procedure through the Port Management and Consultancy Services Company and commission amounting to Rs.31,715,478 had to be paid for that service.

4. Systems and Control

Deficiencies observed during the course of audit were brought to the notice of the Chairman of the Ports Authority from time to time. Special attention should be paid to the following areas of systems and controls.

- (a) Procurement Procedure
- (b) Debtors
- (c) Utilization of Motor Vehicles
- (d) Budgetary Control
- (e) Investments
- (f) Stores Control
- (g) Confirmation of Debtors and Creditors Balances
- (h) Preparation of Financial Statements



H A S Samaraweera
Auditor General

SC/A/SLPA/FA/2010

FD/FA/C/82-XVI/FA/2010

13.01.2012

**Auditor General
Auditor General's Department**

Report of the Auditor General on the financial statements of the Sri Lanka Ports Authority for the year ending 31 December 2010 in terms of section 14(2) (c) of the Finance Act No: 38 of 1971

2.1.1. Preparation Of Consolidated Financial Statements

While the Audited Accounts of the subsidiary company have been integrated with the financial statements of the Authority, there has been a problem in obtaining the audited accounts of the related company owing to the difference of the financial year. Action has been taken in 2011 in order to settle this.

2.2. Comments on Financial Statements

2.2.1. Accounting Deficiencies

- a. Since the work relating to the purchasing of foreign capital has not been completed, it is correct to indicate under the work still in progress. This amount has now been transferred to the relevant assets account.
- b. All the expenses have been capitalized by now.

2.2.2. Accounts Receivable and Payable

- a. As of 31.12.2010 the balance due from shipping Agents debtors stood at Rs. 965,436,081 which included Rs. 166 million from the Government Forces, Rs. 27 million from the state Institutions and Rs. 235 million in respect of the legal action instituted and Rs. 537 million from the Shipping Agents now-in- operation. Action had been taken to recover 90% from now-in-operation Shipping Agent's balance. Approval of the Board of Directors had been obtained in order to write-off the balance of Rs. 113 million from the Government Forces up to 2009 and this has been referred to the General Treasury for the approval.

The balance due for more than one year stood at 118,878,774 which included Rs. 81 million from the government Forces. Writing off this amount too is relevant here.

- b. As of 31.12.2010 balance due from Security forces stood at Rs. 166,091,083 which was due from the Sri Lanka Navy. Approval of the Board of Directors has been granted to write off Rs. 113 million out of this amount,

which had been referred to the General Treasury for approval. The balance due as of today is Rs. 23 million and action is being taken to recover this amount.

- c. The balance amount due from suspended Shipping Agents stands at 2,725,542 and out of this amount Rs. 250,000 has been recovered by now and legal action is being taken to recover the balance of Rs. 1,078,177. Action will be taken to recover the balance amount only when it is productive by instituting legal action. Action will be taken to settle the dues from the Authority in terms of F R 571.
- d. Since this money is pertaining to the legal action instituted, they have to be indicated in the accounts until a decision is arrived at .
- e. A sum of Rs. 3,124,286 is due from the Petroleum Corporation in respect of the year 2010, out of which a sum of Rs. 1,111,577 has been recovered. In regard to the amount due from Sri Lanka Customs, the Director General of Customs has agreed to pay this amount in the year 2012, as there is no provision available under this year.
- f.
 - I Since these projects are mega projects, there is no possibility of completing them hurriedly. Therefore advance payment will be settled taking into account, the work completed on percentage basis, in terms of the relevant Agreements. The advanced sum stood at Rs. 4,076,794,701 as of 31.12.2010, out of which a sum of Rs. 1,673,078,054 has been settled by now. The balance which stands at Rs. 2,403,716,646 will be settled when the bills in respect of the future are due.
 - II It has been referred to the Board of Directors for approval for the purpose of transferring to relevant expenses account after deleting them from the advance account.
- g. The debtors balance as at 31.12.2010 was Rs. 15,909,626 out of which debts a sum of Rs. 11,094,736 has been set apart for bad and doubtful, debts. Out of this amount Rs. 6,705,902 belongs to the Department of Commissioner of Essential Services, Rs. 563,013 belongs to Sri Lanka Navy, Rs. 105,454 is in respect of the Shipping Agents in operation and the balance of Rs. 3,715,177 is allotted to the shipping agents not-in-operation. Out of this amount a largest portion has been allotted to the Department of Essential Services Commissioner and Sri Lanka Navy as bad debts and doubtful debts. Owing to the war situation prevailing at that time services had to be provided continuously enabling them to perform their work expeditiously and therefore had no time to recover this debt. Board of Directors has granted approval to write off Rs. 965,500 from the books which was the balance due from Sri Lankan Navy up to 2009, and it has been referred to the General Treasury for approval.

As there was no response in spite of reminders sent continuously to recover the money, a higher percentage has been set apart under the bad debts.

- h. The sum due as of 31.12.2010, stood at Rs. 73,047,427, out of which a sum of Rs. 43,938,741 is the rent income in respect of the period of more than six years. Out of this amount a sum of Rs 4,208,511 has been recovered by now and legal action has been instituted to recover sum of Rs. 12,788,111. Action has been taken to set off arrears of rent due from the Food Commissioner Department against the sum of Rs. 3,500,000 which is the valuation amount of a building belongs to that Institution, located in the Port premises. The Board of Directors has granted its approval to write-off a sum of Rs. 1,417,666 from the books, which has been referred to the General Treasury for approval.

A sum of Rs.29,108,686 is the balance in respect of a period of less than 5 years, out of which a sum of Rs. 28,285,172 has been settled by now.

- i. Balance as of 31.12.2010, stood at 2,463,130 out of which Rs. 792,637, has been recovered by now. The parties which had taken these canteens on lease, had left without any intimation. In order to prevent this sort of occurrences in the future, action has been taken to incorporate the electricity bill too in the rent, and thereby an enhanced rent could be charged. Therefore necessary steps have been taken and problems of arrears of electricity bills will not arise.
- J. Out of the expenditure amounting to Rs. 5,854,229, incurred on behalf of the Ministry, a sum of Rs. 370,642 has been settled by now. In regard to the settlement of Rs. 720,619 it has been referred to the Board of Directors and General Treasury for the purpose of obtaining necessary approval. Assets valued at Rs. 3,280,049, has been accounted through making necessary endorsements in the inventories. The balance items valued at Rs. 1,477,518 have been misplaced in the Ministry. In order to prevent misplacement of this nature in the future, action is being taken to hand over the inventory items to the Ministry and written acknowledgement is obtained from the officer concerned. Through this method a responsibility is reposed upon the officer personally who takes over such items and this type of problems will not arise in the future.
- k. Necessary adjustments have been effected in the accounts, in respect of the year 2011, having arrived at a consensus, following the discussion with and approval of the Commissioner of Inland Revenue, who is the Tax Advisor of the S.L.P.A., in regard to this setting off.
- l. Amount has been settled along with the interest during the first quarter of 2011.

2.2.3 Lack of Evidence for Audit

- (a) The time analyses and confirmation of balances pertaining to the current assets and liabilities have been submitted to you, when the financial statements were forwarded. Had you made a request to provide with other details relating to the expenditure, it would have been possible. It has been noted to forward necessary information after inquiries have been made, since the year 2011.
- (b) The documents of computation of gratuity have been forwarded for auditing when the request was made

2.2.4. Non- Compliance With Laws Rules, Regulations and Management Decisions

(a) Galle

It has been continuously making losses, due to increased cost incurred on employees salaries and wages and maintaining expenditure despite the enhancement of the tonnage quantity of handled. Besides, the closure of Ambuja Cement Company a principal client, has also been a contributory factor for the increase of losses. Therefore it is expected to enhance the income through the development of tourist industry in the future.

Port of Trincomalee

While 187 goods and transport vessels were handled during the year, 2009, 13 passenger vessels too were operated. While 318 ships were operated during 2009, it has been decreased to 147 in 2010. During 2010 136 goods and transport vessels and 11 passenger ships were handled. Accordingly, in 2010, number of ships decreased by 177, relative to year 2009. The reason attributed was that land routes in the Northern province were opened along with the ending of war situation. Until that time, transportation of goods and passengers were operated through Trincomalee harbor, and along with the opening of roads to the North, those operations to the North were stopped.

- (b) Action will be taken to forward as a separate account from the year 2011.
- (c) Action is being taken to record the value of assets relating to the expenditure incurred. Out of the balance amount, Rs. 370,642 has been settled by now. Action has also been taken to settle the balance Rs. 720,619 by 31.12.2011.
- (d) The Tender deposits relating to years 2006, 2007, 2008 were transferred to revenue through journal notes 24 and 85 and the accounts adjusted in the year 2011.

3. Financial and Operational Review.

3.1. Financial Review

3.1.1. Financial Results

Agreed with the Financial Statements.

3.1.2. Analytical Financial Review.

Agreed with the Financial Statements

3.1.3. Matters of Contentious Nature

- a. The comparison of the increase of the income of the Authority with the expenditure incurred in connection with the services obtained through the subsidiary companies, is not practical and therefore cannot be agreed. If the employees of the Authority have been deployed in the services obtained through companies a huge expenditure would have been incurred. Presently these services are being obtained under the contract price based on a minimum daily wage now being paid in the labor market. Besides, since only the workers of the companies are deployed in the jobs which require specialist skills and involving risks, it doesn't have any impact on the continuity of the Authority.
- b. The relevant officer has left the service of the Authority on retirement.
- c. **Port of Colombo**

Services have to be provided by using the machinery and equipment with higher value depending on the nature of the business operated by the Authority. The maintenance cost of the stock is minimum when compared with the losses caused to the Authority because of the non-availability of spare parts needed to these machines in the stores, and unprocurability of spare parts from the market. Many spare parts will have to be kept for more than 20 years, which is the life span of the machinery and this is not relevant to the slowly moving stocks. Therefore it is correct not to indicate under the slowly moving stocks.

Port of Galle

There were no slowly moving stocks as at 31.12.2010

3.2. Operating Review

3.2.1. Performance

a. Port of Colombo

(i) Arrival of vessels

The statistical information stated is correct.

Although, number of vessels arrived in 2009 and 2010 recorded a decrease, the quantity of goods (number of tons/number of containers) registered an increase because of the arrival of larger vessels and one single vessel has transported more items. The gross tonnage of an average ship arrived in the port in the year 2008 was 26993 tons, in the year 2009 it was 29217 and in the year of 2010 was 30412. Therefore it is confirmed that larger vessels arrived, in 2009 and 2010 than in 2008. The number of tons transported in one ship and handled by the port was MT 10.841 in the year 2008. In the year 2009 it was MT 11.272 and in the year 2010 it was MT 15.080. It is confirmed through these statistics that number of tons handled from one ship has registered an increase. Another reason that could be attributed to the decreased number of ships in 2009 was the global economic downturn.

(ii) Handling of containers (TEU)

The statistical information stated is correct.

A factor that contributed to the decrease of container handled was the global economic downturn prevailing in the year 2009.

(iii) Although it has been reported a decrease of markets during the period 2000 to 2010, the number of containers handled has registered an increase.

Thus the number of containers handled in 2000, by the Authority was 1,432,264 and in the year 2010, it has increased to 2,176,173 (TEUS) by 51.3%. The SAGT Company has started container handling in September, 1999. Thereafter as a result of effecting development work in that terminal and deployment of new machinery and equipment, the market-share of that Company has increased in keeping with the quantity handled, and this phenomenon to be expected. The market share of this company cannot further go up, because the quantity handled has reached to its capacity by now. Instead, the market share of the SLPA will go up further. This is evident from the fact that the market share of the SLPA has increased to 57.4% in December, 2010, from 50,4% in January that year.

(b) Port of Trincomalee

The number of vessels arrived at the Trincomalee Port in the years 2009 and 2010 has decreased when compared with the number of vessels arrived in 2008. This is attributable to the fact that, during the period of humanitarian operation in the North, transportation of the internally displaced persons and items of goods from coastal areas have stopped.

(c) Port of Galle

Mainly the raw materials required for cement production are being transported to the Port of Galle. Production has registered a decrease in 2009, due to the closure of Ambuja Company and decrease of demand for Holsim, in the country. Hence the decrease of import of raw materials. This has been the main reason for arrival of less number of Vessels and lesser amount of operations.

The Galle Port is directing its attention towards other activities in order to overcome this situation, e.g. repairs to small vessels and providing facilities for Yachts.

(d) All Ports (Colombo, Trincomalee & Galle)

The statements mentioned in the report should be corrected as follows:

When compared with the year 2008 the quantity of cargo handled by all Ports in the year 2009, has indicated an increase of 3.57% by MT 1,804,869. When compared with the year 2009, the quantity of cargo handled in 2010, has registered as increase of 25.54% to MT 12,461,925.

3.2.2. Management Inefficiencies

- (a) In regard to the 14 premises, which belong to the Port Authority and which have been leased out and rented out, without signed written contracts, following action has been taken.

Three (03) premises have already been transferred under the Port Authority. While a lease agreement has been signed in regard to one (01) premises, lease agreement relating to one (01) more premises has been referred to the Board of Directors for approval. Legal action is pending regarding one (01) premises and action is being taken to enter into lease agreement, in respect of two (02) premises. Entering into lease agreement in regard to four (04) premises has been suspended because they have been earmarked for demolition in order to provide space for the road widening project inside Port premises. Two (02) premises had been earmarked for acquiring for further development work of D.R.Wijewardena Mawatha. Lease rent is being charged in respect of these premises, though no lease agreement have been signed.

- (b) As these premises are being utilized to maintain telephone booths for the welfare of Port Employees and Port users, they have been given over to those institutions free of charge, on the approval of the Board of Directors.
- (c) Those who were retired under Voluntary Retired Scheme (VRS) belong to the clerical and allied services, Security guards and laborers. However, those who were recruited on contract basis belong only to such categories as Engineers and those who possess special technical skills. Therefore we cannot agree with comparison of those two instances.

3.2.3. Operating Inefficiencies

Following instructions have been received from the Attorney General in regard to these matters by letter dated 06.10.2011.

- (i) The SAGT Company has to pay a sum of USD 1,193,715 to the Ports Authority and in addition an interest too has to be paid in respect of the period commencing 31.08.2003, until the date on which payments are made. Rate of interest : L IBOR+2
- (ii) When a share issue launched by the SAGT again ,the Port Authority is entitled to obtain shares to the value of USD 2,424,285 in kind.

Action will be taken in accordance with the above recommendations in future.

3.2.4. Uneconomic Transactions

- a (i) Those ATM machines and cash collecting centers are being maintained by the State Banks and Private Banks on the request of the Authority to facilitate the employees to draw their salaries and port users to engage in their banking activities as it would be practically difficult for them to venture out. These ATMs and cash collecting centers do not provide services to the general public, other than the above mentioned customers. Therefore only a nominal rent has to be levied and this cannot be considered as a non-economical transaction.
 - ii. It has been agreed upon to payback the premia of the loan granted to relevant trade unions, by the salary abatements contributed to the trade unions by the employees. As this is considered as a surety, question of obtaining another surety, will not arise.
- b 1. **E.D.I. Network Private Company (Rs. 500,000/=)**

Action is being taken to write off from the books.

2. **Lanka Coal (Pvt) Company Ltd. (Rs. 2,000,000/=)**

Operational activities have already begun and benefits may be expected in the future. Harbour Master is a member of the Board of Directors of this Company.

- c Action had been taken in terms of the Gazette notification dated 27.02.1981 earlier. In consequent to an Audit Query, the collection of fines lying in the savings account in 2011, has been credited to a fixed deposit account on 02.08.2011. Action will be taken in future to transfer these funds from a savings account to a fixed deposit account, quarterly.
- d Necessary instructions have been given for rectification .

3.2.5. Resources of the Authority Supplied to Other Government Institutions

As the Ministry of Ports and Highways does not possess vehicles action was taken to provide vehicles in running condition on a request made from the Authority. Accordingly four vehicles belonging to the Authority and three other vehicles obtained on rent basis were given over to the Ministry. Approval was obtained from the National Budget Department of the General Treasury for this purpose. The expenditure incurred in connection with the maintenance attending to technical defaults and repairs of four vehicles, owned by the Authority had been borne by the Authority, as they were effected through the Motor Garage of the Authority.

3.2.6. Idle and Underutilized Assets

- (a) The explanation given in 3.1.3. (c) is also relevant to this.
- (b) The Current Account No: 1168805 opened with Bank of Ceylon (Peliyagoda) Branch for the purpose of transferring daily income of the container centre at Peliyagoda to the Head Office Account, has now become dormant, as it is possible to deposit money directly, in the head office branch account. Therefore the balance lying in this account, now dormant has been transferred to the Head office bank account, by now.
- (c) This matter has been raised at the meeting of the COPE too and necessary explanations provided.

3.2.7. Identified Losses

- (a) As there is a case pending at Thambuttegama Courts action will be taken in this regard when a final judgment is made.
- (b) The operational activities of the Trincomalee Port was severely limited to the operations of Prima Company, along with the opening of the Land-route to the North and collapse of internal transport carried out by the Seruwila vessel. Apart from the number of employees who retired under the VRS, on

their own volition, action is being taken to revise the cadre and obtain the approval of the Treasury. Besides, ground work has already been done, in order to establish an industrial zone. Necessary action is being taken to minimize the losses through this.

- (c) The work is in progress to further develop the Galle Port in order to maintain it as a Tourist Port. Moreover, steps have been taken to maintain only an essential staff, through revising the cadre. Action is being taken to minimize the losses in this manner.
- (d) As these services are being obtained via subsidiary companies, under a contract price, based on minimum daily wage rate, existing in the labour market, benefits accrued outweigh the commissions paid.

4. Systems and controls

Proper internal control systems are being followed at present concerning the fields mentioned in the Audit Report. Accordingly action is being taken, consistent with the Tender Procedure and Oracle computer system has been introduced in respect of debtors. Though dispatch of letters in order to get the balances confirmed are being done as stipulated, difficulties exist in getting the balances confirmed, as this process is beyond the control of our administration. It could be stated that proper attention had been paid concerning the above mentioned fields as the preparation of financial statements has been computerized. A systematic internal control system will be in place in future when the contemplated computer system is established in connection with the stock control, procurement, and handling of cargo etc.



Dr. Priyath B Wickrama
Chairman

Name

Sri Lanka Ports Authority

Statutory Status

The Sri Lanka Ports Authority was established on the 1st August, 1979 with the amalgamation of the Colombo Port Commission, the Port (Cargo) Corporation, the Port Tally and Protective Services Corporation under the provisions of Parliament Act No. 51 of 1979.

Our Corporate Values

The SLPA is one of the major contributors to the economy of Sri Lanka. As a key revenue earning and service providing agency, the role of SLPA is linked directly to the excellence of its delivery services. In this regard, the value system of the Authority is the basis for the success of its operational relationship with the stakeholders. These values could be categorized under the following.

- ▶ Dependability
- ▶ Timeliness & Accuracy
- ▶ Accountability for Achievement
- ▶ Team Spirit
- ▶ Commitment
- ▶ Reward & Recognition
- ▶ Performance with integrity

It will be the responsibility of the Chairman/Chief Executive Officer, the Managing Director and other Senior Management staff to inculcate the above values at all levels of the Authority.

Head Office

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Port of Galle

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Magalle
Galle
Tel: (+94 91) 2232213, 2234936

Port of Trincomalee

New Administrative Building
China Bay
Trincomalee
Tel: (+94 26) 2222460

Bankers

Bank of Ceylon (Main Bank)
People's Bank
Hatton National Bank

Auditors

The Auditor General
The Auditor General's Department
Independence Square
Colombo 07

Web

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