Sri Lanka Broadcasting Corporation

Annual Report
And
Statement of Accounts
2022

January 01. 2022 to December 31. 2022

Hon. Minister of Mass Media
Ministry of Mass Media,
Colombo.

Hon. Minister,

I hereby submit the Annual Report of the Corporation for the year ending 31st December 2022 by Section 14 (I) of the Finance Act No. 38 of 1971, encompassing the following documents.

1. Administrative Report on the functions executed by the Sri Lanka Broadcasting Corporation from 01 January 2022 to 31 December 2022.
2. Statement of Accounts of the Corporation for the Accounting year form 01 January 2022 to 31 December 2022.
3. Report of the Auditor General on the final Accounts for the year ended 31 December 2022.
4. Comments of the Corporation on the Report of the Auditor General for the year 2022.



Chairman,
Sri Lanka Broadcasting Corporation,
Colombo 07.

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Sri Lanka Broadcasting Corporation

Vision

To be the Leading Sri Lankan Radio Communicator

Mission

Counting, the excellent role played in nurturing the needs, strengthening, and building of nationalism of the people of Sri lanka as well as maintaining at an exalted level the economic, social, political, educational, cultural, and moral well-being of all communities and Implementing the mission of nurturing knowledge, attitudes, and skills to enhance the communication needs and living standards of all communities in fulfilling the role of the government for the prosperity of the country and the general public.

Objectives

Short Term Objectives

- Provide accurate information responsibly and accountably and expeditiously update the listener community with up-to-date information.
- Conduct classical programs, scholarly discussions, seminars, and workshop to preserve cultural identities, explore new creative aspects for national betterment, and communicate a high level of enjoyment to the listener community.
- To act as the body of pioneering communication for the protection of media tradition and ethics, as well as to adhere to a system of media ethics that must be safe guarded as the communications industry becomes a business with financial benefits as the technology space for communication expands.
- Maintaining a good financial and human resource management process as an institution full of communication talents.
- To function as an institution that maintain a network of radio channels that accurately identify religious and cultural identities of the Sri Lankan communities and address those identities with equality.

Long Term Objectives

- To provide a creative communication contribution to make the public aware of government policies, development programs, government objectives, goals, and plans, as a statutory communication agency for public service communication.
- Maintaining a staff with knowledge, attitudes, and skill with the motivation of employees in mind, to act as an educational and training institution nurtured with state-of-the-art communication facilities and practical training activities to create a generation of communicators with a balanced personality for future generations.
- Ensuring national communication aspirations in line with statutory and institutional objectives and working to strategically conquer the competitive commercial communication market.
- The broadcasting system utilizes state-of-the-art technology to take into account and update contemporary social condition, and to provide a clear and unobtrusive listening environment for both local and foreign audiences.
- To be the leading communicator in the process of uplifting the pride of Sri Lanka as a country with prosperous people who are self-sufficient in necessities.

Administrative Report - 2022

Administrative Report- 2022

Introduction

The Sri Lanka Broadcasting Corporation, a pioneering media institution in the field of electronic media, was established as a department on 16th December 1925 and later established as a corporation on 5th January 1967 under Act No. 37 of 1966.

This report covers 12 months from 1st January to 31st December 2022.

The management of the Corporation during the period under review

Name	Designation	Date of Appointment
1. Mr Hudson Samarasinghe	Chairman	From 25.06..2021- 31.12.2022
2. Senior Professor Rev. Magammana Pagnanda .	Member of the Board of the Corporation	From 13.06. 2022-31.12.2022
3. Retired Senior Professor Sunanda Madduma Bandara	Member of the Board of the Corporation	From 01.07.2022 -13.06.2022
4. Dr. K.A.C Silva	Member of the Board of the Corporation	From 07.02.2022 to 13.06. 2022
5. Mr.M.A.C Sisira Kumara	Member of the Board of the Corporation	From 29.01.2020 to 31.12.2022
6. Mr Priyantha K. Rathnayake	Chairman/Member of the Board of the Corporation	From 13.06.2022 to 31.12.2022
7. Mr J. Yogaraja	Member of the Board of the Corporation	From 13.06.2022 to 31.06.2022
8. Mrs .W.P Sewwandhi	Board Member	From 22.01.2021 to 28.06.2022
9. Mr. Dunil Heyyanthuduwa	Board Member	From 28.06.2022 to 31.12.2022
10. Mr. D.C.W Hapugoda	Treasury Member	From 22.11.2022 to 31.12.2022
11. Miss Geetha Wimalaweera	Treasury Member	From 12.03.2022 to 22.11.2022

- Mr. N.A.I Nalin Kumara Nissanka has been working as the Director General of the Sri Lanka Broadcasting Corporation since 30.06.2022

➢ **Officials currently on duty as per Radio Corporation Hierarchy**

•	Deputy Director General (programs)	- Mrs. Mayuri Abesinghe
•	Director (Tamil Service)	- Mr. R. Kanapathipille
•	Director (Sinhala Service)	- Mr. M.I. Ashoka Jayarathne
•	Director (Finance)	- Mr. M.H.L.R. Hettige
•	Director (Administration & Human Resources)	- Mr. M.H.A.M. Pathmasiri
•	Director (Training, Foreign relation & Audience research)	- Mrs. W.M.N.L. Wickramaraja
•	Director (Marketing)	- Mr. K.L.C. Harendra
•	Director (Engineering)	- Mr. M.G.W. Priyadarshana

Sri Lanka Broadcasting Corporation

Commenced in the year 1924 and officially established as a radio institution on December 16, 1925, Radio Ceylon is the first radio station in Asia in a short period of 03 years after the start of European Radio based in England. By the year 2022, Sri Lanka Broadcasting Corporation has been the largest radio media network in the Sri Lankan media industry for 97 years with 07 national channels and 07 regional and community radio channels with wide a receptive spectrum.

It was established as a government Department on 05-05-1948, Sinhala Commercial Service commenced on 30-09-1950, Tamil Commercial Service on 01-04-1951, and All Asia Hindi Service commenced on 30-03-1951 and Muslim Service on 15-09-1959 while the Evening Service was also launched on 04-04-1963 and SLBC served as the Silver Bell of Asia. It was restructured into a Public Corporation from Act No. 37 of 1966, on 05.01.1967, and was renamed the "Sri Lanka Broadcasting Corporation" on 22.05.1972.

Recognizing and respecting the regional identities of the country and adhering to the concept of regional radio services, the first regional radio station, “Rajarata sevaya’ was established on 12-04-1979 and the second regional radio station, “Ruhuna Sevaya’ commenced on 03-02-1980. On 13-04-1983 ‘Mahanuwara Sevaya ” was launched as the third regional service. SLBC has now achieved admirably its ambitions of being a broad communication network with 07 regional services and 07 national-level services.

City FM Service started on 12.12.1989 claiming Sri Lanka's first radio station through stereo technology going beyond short and medium-wave technology.

In the year 2020, the terrible situation of the Coronavirus in the world society affected Sri Lanka in the same way, and by the year 2022, the situation narrowed to some extent and the country was recovering, and the radio somehow updated the society again, and by fulfilling the communication needs and performing a wide public service, it has managed to maintain its service without stopping even a single channel after going through a very difficult time.

Sinhala Swadeshiya Sevaya(National Service)

Among the Sinhala radio channels of the Sri Lanka Broadcasting Corporation, Sinhala Swadeshiya Sevaya has fulfilled its usual responsibility in the year 2022 by providing reliable and quality information to the listeners, knowledge, imagination and high enjoyment required for a virtuous society.

The Women's Day event was held at Ananda Samarakoon studio with the participation of about 200 women activists from all over the country with the theme of International Women's Day on March 8, 2022. It was also possible to get a client sponsorship for this event.

This year, the annual variety show “Ratawata Awurudu” was held across the country for the Sinhala and Tamil New Year. Due to the prevailing economic crisis, and the atmosphere of tension in the country, it was not possible to broadcast all the local services

together as usual, but priority was given to the promotion of the “New Year Vichitranga”, which has been broadcast by the National Radio for more than 04 decades, for the auspicious ritual.

The World Children's Day celebration on October 1st was also organized with the participation of National Radio's Swadeshiya Sevaya of ‘Vidula Children's Radio’. There, a social care program was implemented for the children of low-income families by providing school equipment, exercise books, and the elders of low-income families. These programs were broadcast centring Nuwara Eliya and Sita Eliya and Sri Bodhirukkarama temple.

Child artistes participating in children's programs including Children's Playground of National Radio's Sinhala Swadeshiya Sewaya have been selected for the last time in 2018. Arrangements were made for new recruitment of child artisans by the year 2023. Applications were invited in January this year, and the audition was held in March. Applications were invited from children above the age of 9 and below the age of 18, and nearly 5000 applications were received. The first audition was conducted for children between 18, and 50 child artisans were selected as child artistes.

The Christmas programme called “ Rata wata Nathal” was also presented elaborately. For that, Catholic and Christian churches were contacted, and all the programs presented for Christmas this year, including Christmas, were presented under the theme of "Let's make the meaning of Christmas, let's rise together" with a sponsorship. Even in the face of negative trends such as the rising unrest, fuel crisis, economic challenges, etc., the national channel “Sinhala Swadeshi Sevaya” continued to do its best to satisfy the requirements of the listeners without any delay or breakdown. Considering the challenging year 2022, the Sinhala Swadeshi Service has carried out its activities uninterruptedly considering the need for public service to be better confirmed. The programs of the Education Service have also been broadcast through the Swadeshiya Sevaya.

Sinhala Commercial Service –“Welanda Sevaya”

The Sinhala Commercial Service of the Sri Lanka Broadcasting Corporation has been operating since 30.09.1950 as a pioneer in commercial communication. The commercial service, which has been able to maintain the trust, respect, and love of the listeners since its inception, presents programs to achieve market objectives.

As a leader in commercial communication, the Sinhala Welanda Sewaya has been continuously winning the trust, respect and love of the public by presenting programs by winning the market objectives and promoting the popular upbeat songs and creative programs for the generation of listeners.

Welanda Sevaya, which is an intimate channel to the public, is made aware of current and newsworthy events in everyday society through programs for outstanding public communication processes.

In Sri Lankan society, Sinhala Welanda Sevaya has become popular as a middle-path prime radio channel that attracts and maintains the Sinhala listenership.

Tamil Swadeshiya Sevaya/ Thendral Sevaya

In the year 2022, many different programs have been produced and broadcast by the Tamil division. Among them, the programs on the occasion of Thaipongal Day were broadcast on 14.01.2022, and a special program on the occasion of Women's Day was broadcast on 08.03.2022.

Programs have been produced and transmitted by temples across Sri Lanka under the initiative of the Ministry of Hindu Culture. On the occasion of Sinhala and Tamil New Year, the festival has been broadcast across the country.

On the occasion of Vesak, Buddhist songs and Vesak programs have been produced, and in the year 2022 while 15 relief announcers (Sahana) have been recruited through the Madhura Geethangal Musical program, which has awarded two veterans in the media industry and 05 listeners.

Apart from that, a Christmas program has been produced and broadcast and the Tamil channel has managed to run despite many challenges.

English Service

With the inception of radio in Sri Lanka, broadcasting started in English, plans were made to start national channels and the first step was the English commercial service started on September 30, 1950. Then, within a very short time, national channels were started in Sinhala and other languages as well. Since 2009, the English service has been operating under the name of Radio Sri Lanka.

Radio Sri Lanka channel, which is working responsibly as a radio channel from the concept of music, also broadcast programmes related to religious, cultural, social economic, entertainment and current affairs in 2022. Good Morning Sri Lanka, Programs such as Views on Health have informed people about current information and health issues, and programs such as Altima Music, Concert Hall, Country Songs, etc. have been implemented to enhance the listener's enjoyment.

All programs on current affairs broadcast on Radio Sri Lanka channel have been archived and those programs can be heard on Radio Sri Lanka YouTube channel.

The Sri Lanka Broadcasting Corporation's English service broadcasts on FM 97.4/97.6 frequencies, starting at 05.00 in the morning and ending around 10.00 at night.

City FM service

All programmes of City FM were broadcast to become a popular radio channel in the year 2022 targeting high sales and securing high quality by providing knowledge, information and entertainment to the audience.

Accordingly, songs of SLBC were broadcast every hour from 01,02,03,04,05, January 2022 to mark to 96th anniversary of the Broadcasting Corporation.

" Sri Jaya Sri Lanka Nidahas Gee Miyesiya " was the sponsored programme broadcast over City FM at the Arcade premises on the evening of the 74th National Independence

Day. The concert was graced with the Tri-Forces, Police and SLBC vocalists who sang popular patriotic songs, and a huge audience attended to watch this show.

On the 10th of March at Ananda Samarakoon studio, City FM. The "Sanda Silumina" program was conducted. This is a music entertainment program which was presented by Venerable Induragare DhammarathanaThero.

On the occasion of the New Year 2022. City F. M. channel “Bakmaha Festival” was presented by the announcers and producers and the special episode "Monaragala Rajapura Awurudu Siri" sponsored by Rajapura Ayurvedic Institute was aired on 14th April. The State Festival of “ Hisa thel gema”(Anointing oil) on 17th April was also broadcast over the City FM.

2022.07.13 All Night Buddha Sermon by Siri Dalanda Clan held at Sri Dalanda Palace and Natha Devala Premises in Kandy - 00:00 PM Held live from 05.00 am to 67.00 am the next day.

"Jothi Gee Sadeva" was held on August 30, 2022, to pay tribute to popular singer Mr.H. R. Jotipala. The performance was at the Corporation's Ananda Samarakoon studio with the participation of new singers from all over the island who were talented in singing under H. R. Jothipala.

Also, the love celebration music concert organized for Mr Sangeet Nipun Sanath Nandasiri was held on August 17, 2022, at Kumaratunga studio with the participation of popular singers. Music division and City FM organized the concert on 20th September 2022, featuring the oriental music of veteran musician Madhusanka Ratnayake and the second concert featuring the oriental music of flautist Indika Rajintha on 01 November at Ananda Samarakoon Studio.

City FM On the occasion of the 23rd anniversary of the service, the first concert "Sarasavi Hadasara" showcasing the singing skills of university students from all over the world will be held at the University of Peradeniya Indoor Sports Hall on 03rd of December at 06.30 pm with sponsorship.

Muslim Service

Muslim Sevice, which has been running for 65 years, is a well-known channel not only in Sri Lanka but also in South India. Tamil Swadeshi Service has produced and broadcast programs on 102.1 and 102.3 frequency from 05.45 am to 10.30 pm and from 08.00 pm to 09.00 pm. The peculiarity of this is that 80% of the programs broadcast in the Muslim service are broadcast with sponsorship contributions. Programs aimed at religious, cultural, musical, and business purposes are produced and disseminated covering all age groups, young and old.

The programs in the Muslim service and many programs such as news, news magazine programs, discussions, religious reading - Quran etc. are broadcast. Also, Ilmul Islam, Muslim women, and the thoughts of the Muslim day have been broadcast over the Sinhala Swadeshiya Sewaya.

Especially on corporation days. Various day celebration programs like Independence Day, Women's Day Assignment Program, Ramazon, May Day Celebration, Hajji Festival etc. have been produced and broadcast.

Muslim Service has been able to earn an income of 32 from programmes such as World Children's Day celebration, Teacher's Day, World Health Day, and World AIDS Day 2022.

Regional services

Rajarata Sewaya

Rajarata Sevaya transmits on a 107.3 IM meter band through 13 districts through the Karagathenna Transmitting Station and has worked to achieve its objectives from 1979-104.12 until now. In the year 2022, Rajarata Service has recognized its regional and national responsibility and has produced and broadcast programs.

Religious programs based on Poya days, Sinhala Hindu New Year programs, Independence Day programs, Vesak, Poson programs, and Christmas programs are broadcast in the year 2022 and special days like Labor Day, Drug Prevention Day, Women's Day, World Children's Day etc. Programs are also broadcast.

Kandurata Sewaya

The Sri Lanka Broadcasting Corporation's Kandurata Sewaya, which was started on 1983.16.13, has produced many religious, cultural, economic and social programs for the year 2022. A series of income-generating programs such as New Year's greetings, Sadaham Sandeepani, Sarisara Puravara, Esala Vishithuru, Ramazan programs and current Affairs programmes have been broadcast. Even in the corona-infected situation, the Kandura service has managed to maintain all the programs in quality and quality in the year 2022. Asiri Hospital and the Ministry of Agriculture have broadcast several sponsored programmes while some Tamil language programmes in several hours.

Kandura service airtime has also been allocated for Muslim programs in 2022. Two training courses have been conducted by the Kothmale Institute of Media Studies of the Kandurata Service as a special project in the year 2022.

Wayamba Radio

Wayamba Radio has produced programs to cover various important occasions throughout the year in 2022, as well as in previous years.

Religious activities include Sadhaam Asapuwa (Daily) and Sadhaham Charika (Every Poya Day).

Entertainment programs such as " Hitha Newathuna Thena, Sala Ru Gee, Sonduru Sithiwili, Namak Nethi Sawasak, Sambhashana, and Kavi man thalawa were also broadcast.

Awareness programmes such as " Arogya, Suva Arana, Covid Booster Dose can be shown as health programmes while Wayamba Gewaththa (Organic Farming, Horticulture

A New Techniques awareness programs (weekly)) are broadcast as agriculture programmes.

In addition, the " Waymba Sipmansala" practical education programme about radio media with the contribution of resources from the North-West Provincial Education Department by selecting 80 North-West children as child artisans was broadcast daily

Wayamba news is broadcast daily as current and development affairs programs, and " Dasa Desin Hata" connects daily from various locations in the North West province to cover special occasions.

Programmes on Special Days.

Independence Comomoration - National event on major channels

Women's Day - Kurunegala Municipal Council and Mahagama Cultural Centre

New Year – " Rata wata Awurudu on Major Channels

Vesak - Sadham Charika

Drug Prevention - Special Program on Prevention of Drug and Illegal Trafficking –

Children's Day - Special program from Puttalam Karuwalagaswewa Dutugemunu Vidyalaya

The one-hour live program conducted by child artisans of the North-West Province, the sports programme " Dinapatha Pittaniya, Certificate course in Production and Presentation conducted by Wayamba Media Academy were able to promote talented young community selected from the Wayamba province as volunteer Announcers through the Wayabma Radio.

Pirai F.M. Sewaya - Akkaraipattu

Pirai FM transmits from 10:00 a.m. to 06.00. The channel is the only channel dedicated to the Muslim community in Sri Lanka. Pirei FM Staff managed to earn an amount of Rs. 7,099,022/- during the Corona pandemic although it was an extremely difficult task in the year 2022.

Pirei FM has succeeded in producing programs targeting religious, cultural as well and business purposes during the year.

Engineering Division

Due to the economic crisis and the coronavirus pandemic situation in the country, the treasury has not received the approval to provide the necessary financial allocations for the engineering works in the year 2022. Therefore, special projects have not been implemented in the year 2022. Priority has been given to the maintenance works of the engineering division including towers.

Marketing Division

The year 2022 can be mentioned as a year in which the marketing process was greatly disrupted due to economic, political and social issues. The main reasons for this were the

third growth of the Corona pandemic situation, the instability of Sri Lankan politics and the electricity crisis. However, during the past year, the value of local airtime was Rs 325 million was managed by the division. After the corona pandemic situation was controlled as much as possible, the marketing division organized 2 promotional programs based on World Diabetes Day and World AIDS Day.

The final program of the " Guru Tharuwa " (Teacher Star program), which was started by the Marketing Division in 2020, was organized in October 2022 and the necessary contribution was given by the division.

The marketing division actively contributed and collected sponsors for the musical program " Hanthane Gee Ravaya " at Peradeniya University broadcast by CITY FM. In addition, the marketing division supported getting sponsors for musical programmes like " Veyum Geethawa, Subhawitha Geethaya, Nomiyena Minisun, Oba Ayemath Awidin, Regum Gee and His Masters Voice " in search of the progress of the institute.

Publication Division

Annual income and activity information report from the year 2022 of Gee Presentation Outlet and Publication Division. The total income of the Presentation division and Gee Presentation Outlet From January to December 2022 on the activities and annual revenues marks Rs 11,21,220.00.

At BMICH Book Fair – Rs 6,22175.00

Gee Presentation Outlet - Rs. 3,71,355.00

Money orders – Rs.66,360.00

By sales agents Rs. 23,400 and Income from special sales Rs. 32.930.00

News and Current Affairs Division

Sri Lanka Broadcasting Corporation is a leading institution in Sri Lanka's telecommunications industry. As the official broadcaster of news, the National Broadcasting Corporation has the role of the official communicator in the state information process, The news bulletins are presented in three languages, Sinhala, Tamil and English.

4 major news bulletins are broadcast daily in one language, thus, 12 major news bulletins daily in Sinhala, Tamil and English are broadcast by national broadcaster. This news communication program is carried out by the news division and will broadcast news bulletins at the following time.

Sinhala News Timing - 06.00 AM 12.45 PM/ 06.00 PM/ 09.00 PM, Tamil News Timing 06.00 AM/ 12.45 PM/ 06.00 PM/ 09.00 PM. English News Timing - Morning 06.45/ Afternoon 01.15/ Evening 06.15 Night 08.45. Apart from this hourly news is also presented by National Radio in Sinhala, Tamil and English channels. Audio segments are also broadcast during the news to further enhance the value of the news.

The news division is fortified with trained staff to operate at any time. The lack of staff in the news division is a challenging situation to maintain work. But even with vacancies, the staff of the news division is commended for fulfilling their duties and responsibilities.

The news division has always been engaged in covering events of national importance and newsworthy. The news department has performed the duty of news coverage for newsworthy occasions including the National Independence Day Celebration, Parliament Meeting visits of heads of state, and events of political value.

The year 2022 was marked by turbulence in social, economic, and political concerns. The news division worked to communicate accurate news to the audience in the face of all the critical conditions such as the unrest in the country, the fuel crisis and the economic challenge. Even if other channels operating in the country broadcast news that led to public unrest during the situation, the National Radio as a communication institution with proper accountability and responsibility broadcast accurate news to its audience.

Development Unit

The development unit has provided media coverage for the various events attended by President Ranil Wickremesinghe and the Honorable Prime Minister Dinesh Gunawardena from January 1, 2022 to December 31, 2022. The speeches made by the President and the Prime Minister have been edited and disseminated, and arrangements have been made to edit all of them. Trailers have been prepared for the event, and publicity has been carried out promote the live event.

There,

18.07.2022 - Honorable President Ranil Wickramasinghe's speeches

20.07.2022 - Acting President Mr Ranil Wickramasinghe's special statement

31.07.2022 - Meeting with Municipal Council Members - 156th Police Day Celebrations in Kandy - Police Field Forces

04.09.2022 - Headquarters United National Party 76th Anniversary Celebration Sugathadasa Stadium

06.09.2022 - The story of Buddha's reformation

19.10.2022 - Parliamentary speech

16.08.2022 - Federation of Professional Associations Cinnamon Lakeside Hotel Mihinthalaya Golden Mango Hotel District Development Affairs

21.08.2022 - Discussion

14.09.2022 - National College of the Blind Graduation Ceremony

2022 10.15 - Bambalapitiya Mechanisms for Food Security Program – Ampara

20.10.2022 - Opening of Mireko Tower - Havelock Town

2022.11.11 - Kotalawala Defense University 32nd Convocation Ceremony - Bambalapitiya Mudali Birth Anniversary Celebration with Lalith – BMICH

23.11.2022 - Leo member installation ceremony

14.12.2022 - Inauguration of Toyo Lanka Logistics Service Center – Kadawatha

Prime Minister Mahinda Rajapaksa's speeches

06.01.2022 - Inauguration of the three-storied building of Kurunegala Maliadeva Girls' College.

10.01.2022 - Kotalawala Defense University Faculty of Technology Inauguration Ceremony

09.01.2022 - Pedestrian lane opening ceremony in Colombo Harbor City

11.01.2022 - Yativara Harasara" at Nelum Pokuna Theatre . The Reception of the Chief Sanghanayake of the Western Province, Muruththetuwe Ananda, Narahen Pita Sri Abhayarama Purana Viharaya, who was awarded the title of Chancellor of the University of Colombo.

2022.01.12 - The ceremony held at the commencement of the construction of the Eastern Terminal of Colombo Port

2022.01.14 - Credentials to Most Venerable Dodampahala Chandra Siri Mahanayake

15.01.2022 - Second phase of Central Expressway from Mirigama to Kurunegala section enfranchisement of the people.

2022.02.17 - The ceremony was held to mark the 75th anniversary of the China-Sri Lanka Rubber Rice Agreement and the 65th anniversary of China-Sri Lanka diplomatic relations (Nelum Pokuna) under the national program of awarding 100,000,000 gold land deeds.

26.02.2022 - Grant a Hundred thousand Ranbima deeds to dwellers under National Project.

30.03.2022 - Second Phase Inauguration Ceremony of " Vari Sawbhaggya" (Irrigation Prosperity)

11.03.2022 - Honorable Prime Minister's Special Statement to the Nation

Prime Minister Dinesh Gunawardena's speeches

03.10.2022 - World Habitat Day Celebration

10.11.2022 - Development applications processed by the Urban Development Authority - Initialization of the fast service unit of the forwarding.

17.11.2022 - National Literary Award Ceremony - 2022 (BMICH

15.12.2022 - National Productivity Awards

13.03.2023 - Sankatha Mandapa Srasthriya Wedikawa (Temple Trees)

Programs have been prepared and disseminated to cover the speeches and events

Music Division

A detailed record of the programs produced and broadcast by the Music Division of the Sri Lanka Broadcasting Corporation from 01 January 2022 to 31 December 2022 is given below.

- "Sangeetha Rasoja" was produced and broadcast to mark Corporation Day on January 05, 2022.
- Produced 03 singles to broadcast from January 05, 2022, about Corporation Day.
- The 'Swabhimani Sri Lanka' Special feature was produced and broadcast for Independence Day on February 04, 2022.
- One Hour New Year Extravaganza" program 'Bakmaha Siritha "on 13th April 2020
- One-hour Special New Year musical programme "Kelamali' on 14th April 2022.
- 7 songs " Keli Gee" related to the New Year broadcast during the festival week.
- "Buddha Guna Vishitura" Special Vesak feature programme of one hour live broadcast on 14th May 2022.
- A special one-hour live musical concert to mark Police Day on 2022.09.08.
- A special feature programme of one hour to mark the 97th Radio Day on December 16, 2022, was broadcast live.
- Theme Plays- For Radio Day on December 16, 2022, a special musical composition based on the themes played for radio programmes since the inception of the radio was broadcast over Swadeshi Sewaya, Welanda Sewaya and City FM.
- " Dehemiyane" A 30 minute special Christmas Extravaganza broadcast on December 25th, 2022 over Swadeshiya Sewaya .
- " Veyum Geethawa" A concert featuring the SLBC orchestra and professional instrumentalists was held in November and December at 1 p.m. from 02.00 to 04.00 before the audience at Ananda Samarakoon studio.
- " Subhavitha Geethaya " a live musical programme dedicated to artisans who passed the audition at the SLBC was broadcast every Monday and Friday from 12.00 - 12.45 over Welanda Sewaya and City FM.
- Hadawathe Geethaya (Song of the Heart) is a 2-hour special program in a discussion format with a popular instrumentalist who selects 10 songs participating a veteran song critic every Thursday at midnight. 09.00 am to 11.00 am broadcast over City FM.
- 'Siyapat wila' is a 02-hour program broadcast from 09.00 – a.m. to 11.00, City F.M. selects the best songs among the songs of the "Subhabawitha Geethaya" programs being broadcast on weekdays from Monday to Friday produced by the head office and regional services.

- " Pansilu Amawa: produced with the inclusion of universal music
- "Ranga Rava" Program (Nurthi Gee, Nadagam) was broadcast from 04.00 to 04.30 on 2 and 4 Sundays of every month.
- ' Shaddhanjali" (This is an analysis of various moments of the Buddha's practice with a series of religious songs.) broadcast every Poya day from 12.00 to 12.30 noon on Sinhala Swadeshi Sevaya.
- " Irida Sangrahaya "is broadcast every Sunday over Swadeshiya Sewaya.
- Songs and old as well as current stage plays are included.)
- The "Dorata Vaduma" program(a program featuring the latest songs passed by a Board.) is broadcast from 13.15 to 13.30 every Sunday over Swadeshiya Sewaya.
- " Bhakti Pooja" program (the latest songs written around the Buddhist background)broadcast from 10.00 to 10.30 a.m every Poya day.
- " Awarjana" is a program produced to commemorate late artisans.

Training, Foreign Relations and Audience Research Division

No special activities were carried out by the Audience Research Division in 2022. However, the division engaged in activities such as providing necessary information and gathering important information for the daily broadcast programs. Currently, only one research officer is working in the division.

Central Operation Division

Among the other divisions of the Sri Lanka Broadcasting Corporation, the central operation division is a key place that fulfils a unique corporate mission. As a brief introduction to the services provided by this department, recording and editing various programs belonging to Sinhala, Tamil and English language media, by using external recordings and live communication studios, by absorbing innovations based on the listeners' interest, while maintaining the identity of the organization. Actively contributes to the dissemination of high-quality programmes. It can also assist by recording commercials and trailers. For the above, the program production support officers perform a main mission under duty 24 hours a day, while the cabin support officers are also responsible for the control and safety of the cabins and their technical equipment.

At the same time, the traffic division is a unit that plays a big role. Reserving studios may include recording studios, properly coordinating studio bookings with good management without disrupting the producers and contributing by preparing the daily schedule sheet.

Yal FM service

In 2022 the channel has been giving priority to religious cultural, development economic as well and social programmes. Among them, the programmes on Poya Day, Buddhist, Maha Shiva Ratri, Women's Day programs, temple-related programs, Saint Anthony feast

coverage, Programs related to Nallur Temple, Children's Day celebration programs, Diwali festival, Christmas festival and drug prevention programs have been promoted.

Summary of the year's operations

By the beginning of the reviewed year 2022, the global outbreak of the Corona pandemic was ending and the country was getting to a stable state, infrastructure was being provided, and all the channels were maintained as usual in quality.

By the year 2022, as the country that had been closed slowly recovered, the programs that had been stopped in the meantime have been started and propagated again. However, due to the economic recession that occurred in the country for 02 years, the organization has been working to restore the income of sponsored ads to the previous state by using various tactics and starting campaign activities through social media networks to give wide publicity.

However due to the fuel crisis in the country, there was a lack of employees coming to the institution from time to time, and the institution has been anxious to maintain the daily activities of the channels as normal, no matter how the obstacles came.

Especially to maintain essential services by providing residential facilities to the employees of the organization and to get maximum service from the employees after coming to work. Especially through ZOOM technology, the organization has worked to contact all department heads and channel heads. Regional Channel Heads, Marketing Executives, Producers Announcers etc. creating WhatsApp Groups for various segments to share and reduce phone bills by 50% to reduce phone bills as well as 25% on increased electricity bills. Following the paperless concept, the news section has been computerized to direct the news anchors to read the news. It has made it possible to reduce the amount spent on the stationery of the institution.

Statement of Accounts - 2022

Sri Lanka Broadcasting Corporation
Statement of financial position
(all amounts in Sri Lanka Rupees)

	Note	31 December 2022	31 December 2021	31 December 2020
ASSETS				
Non-current assets				
Property, plant and equipment	**9**	1,479,574,592	1,698,733,364	1,940,636,746
Deferred tax Assets	**8**	42,620,265	57,178,569	92,300,213
Software	**9**			4,382,527
Capital Working Progrees	**10**	18,723,163	15,917,019	14,877,019
Fixed deposits		166,233,768	90,478,538	84,485,018
Investment	**11**	1,000,000	1,000,000	1,000,000
		1,708,151,788	**1,863,307,490**	**2,137,681,521**
Current assets				
Inventories	**12**	31,837,158	19,811,969	21,632,280
Trade and other receivables	**13**	286,781,015	315,007,400	268,768,859
Cash and cash equivalents	**14**	109,097,633	159,295,490	92,678,924
		427,715,806	**494,114,859**	**383,080,063**
Total assets		**2,135,867,594**	**2,357,422,349**	**2,520,761,584**
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital		480,239,085	397,386,085	307,386,085
Revaluation reserves		11,971,999	11,971,999	11,971,999
Retained earnings	**15**	(359,594,440)	(218,463,340)	(377,857,113)
		132,616,644	**190,894,744**	**(58,499,028)**
Contingent Liabilities				
Non-current liabilities				
Defined benefit obligations	**21**	166,810,048	207,642,033	282,412,178
Foreign Grant	**20**	385,228,863	539,857,262	695,263,936
Government Grant		567,698,791	693,352,122	750,821,314
Other Payable	**19**	6,301,385	7,789,635	8,539,636
Deferred tax liabilities	**8**	166,617,579	244,915,237	326,743,821
		1,292,656,665	**1,693,556,289**	**2,063,780,885**
Current liabilities				
Trade and other payables	**16**	468,019,808	318,517,659	348,038,966
Short Term Borrowings	**17**	61,426,136	14,523,578	54,324,046
Non financial Liabilities	**18**	181,148,341	139,930,079	113,116,714
Total liabilities		**710,594,285**	**472,971,316**	**515,479,726**
Total equity and liabilities		**2,135,867,594**	**2,357,422,349**	**2,520,761,584**

The Director Finance certifies that the financial statements have been prepared in compliance with the requirements of the Sri Lanka Financial Reporting Standards,Finance Act. No: 38 of 1971 and Sri Lanka Broadcasting Corporation act no.37 of 1966

Mr.Lalith Hettige
Director Finance

Date……

The Board of Directors is responsible for the preparation and presantation of these Financial Statements. These Financial Statements were authorized by the Board of Directors on …27th February. 2023.

Hudson Samarasinghe
Chairman
Date:……

Board of Director
Date:……..……

Board of Director
Date:……..……

Sri Lanka Broadcasting Corporation
Statement of comprehensive income
(all amounts in Sri Lanka Rupees)

	Note	Year ended 31 December 2022	Year ended 31 December 2021 adjusted	Year ended 31 December 2021	Year ended 31 December 2020
Sales	1	682,086,556	632,842,573	632,842,573	545,092,393
Cost of sales	2	555,511,008	555,341,319	555,341,319	537,608,568
Gross profit		126,575,548	77,501,254	77,501,254	7,483,825
Other operating income	3	364,332,698	340,018,557	340,018,557	346,439,569
Distribution costs	4	15,311,236	14,009,237	14,009,237	6,431,070
Other Operating Expenses	5	350,971,983	355,045,386	355,045,386	359,456,549
Administrative expenses	6	355,818,272	377,874,344	377,874,344	424,357,685
Operating profit		(231,193,244)	(329,409,156)	(329,409,156)	(436,321,911)
Finance costs	7	5,195,318	4,103,603	4,103,603	5,984,176
Profit/(Loss) before Govt. Grant		(236,388,563)	(333,512,759)	(333,512,759)	(442,306,087)
Govt. Grant	3.1		345,000,000	345,000,000	440,000,000
Profit/(Loss) after Govt. Grant		(236,388,563)	11,487,241	11,487,241	(2,306,087)
Income Tax	8	60,478,069	45,198,370	15,333,496	1,275,703
Profit/(Loss) after Income Tax		(175,910,494)	56,685,611	26,820,737	(1,030,384)
Other Comprehensive Income	21	34,779,394	54,947,608	54,947,608	(61,720,242)
Profit after tax		(141,131,100)	111,633,219	81,768,345	(62,750,626)
Total comprehensive income		(141,131,100)	111,633,219	81,768,345	(62,750,626)

Sri Lanka Broadcasting Corporation
Statement of changes in equity
(all amounts in Sri Lanka Rupees)

	Stated capital	Revaluation reserves		Retained earnings	Total
Balance at 1 January 2020	307,386,085	11,971,999		(475,784,467)	(156,426,383)
Comprehensive income					
Comprehensive income				(62,750,626)	(62,750,626)
Revenue Reserve				160,677,980	160,677,980
Balance at 31 December 2020	**307,386,085**	**11,971,999**		**(377,857,113)**	**(58,499,029)**
Balance at 1 January 2021	307,386,085	11,971,999		(377,857,113)	(58,499,029)
Comprehensive income					
Comprehensive income				111,633,219	111,633,219
Revenue Reserve				47,760,554	47,760,554
Capital	90,000,000				90,000,000
Balance at 31 December 2021	**397,386,085**	**11,971,999**		**(218,463,340)**	**190,894,744**
Balance at 1 January 2022	397,386,085	11,971,999		(218,463,340)	190,894,744
Comprehensive income				(141,131,100)	(141,131,100)
Revenue Reserve					
Capital	82,853,000				82,853,000
Balance at 31 December 2022	**480,239,085**	**11,971,999**	**-**	**(359,594,440)**	**132,616,644**

Cash Flow Statement for the year ended 31st December 2022

Description	2022		2021	
Cash flow from operating activities				
Net profit before interest and tax		(236,388,563)		9,286,276
Adjustment for				
Amortisation of government grant	(82,800,331)		(100,322,193)	
Amortisation of grant Trinco	(154,628,399)		(155,406,674)	
Depreciation	75,053,883		88,838,538	
Depreciation Trinco	159,851,496		160,774,772	
Software Amortisation			4,382,527	
Provision for gratuity	36,341,450		36,559,005	
Provision for bad debts	13,798,736		6,245,224	
Gain/(Loss) on Exchange	(13,707,668)	33,909,167		
ESC				41,071,198
		(202,479,396)		50,357,475
Operating profit before working capital				
increase/ Decrease in inventories	(12,025,189)		1,820,310	
Increase/ Decrease in Trade & other receivables	14,678,743		(34,899,045)	
Increase/Decrease in Trade & other payables	148,013,899		(920,511)	
Increase/Decrease in Non financial Liabilities	37,956,978	188,624,430	25,304,794	(8,694,452)
Gratuity paid		(29,222,119)		(52,071,185)
Net cash from operating activities				(10,408,163)
Cash flow from investing activities				
Fixed Deposits	(75,755,230)		(5,993,521)	
Government Grant	40,000,000		132,853,000	
Purchase of property, plant and equipment	(15,461,957)		(8,798,552)	
Capital work in progress	(2,806,144)	(54,023,330)	(1,040,000)	
Cash flow from Financial activities				117,020,927
Payment of lease rental				
Net cash used in Financial activities				
Cash flow from finance activities				
Net Increase/ Decrease in cash and cash equivalents		(97,100,415)		106,612,764
Cash and cash equivalents at beginning of period		144,771,913		38,159,149
Cash and cash equivalents at end of period (note 14)		**47,671,497**		**144,771,913**

Sri Lanka Broadcasting Corporation

Notes to the financial statements

1. General information

1.1 Reporting Entity

Sri Lanka Broadcasting Corporation, a Corporation duly incorporated and established under the Sri Lanka Broadcasting Corporation Act No. 37 of 1966 having its registered office at Independence Square, Colombo 07 and principal place of business is situated at Independence Square, Colombo 07.

1.2 Principal Activities and Nature of Operations

During the year, the principal activity of the Corporation is sale of airtime.

1.3 Date of Authorization for Issue

Financial Statements of Sri Lanka Broadcasting Corporation for the year ended 31st December 2022 was presented for approval on 27th February 2023.

1.4 Number of employees

The number of permanent employees at the end of the year was 577

And the number of Contract staff at the end of the year was 82

(31.12.2021 – 723)

2. Basis of preparation and adoption of Sri Lanka Financial Reporting Standards ('SLFRS")

The Corporation prepares its financial statements in accordance with the Sri Lanka Accounting Standards ("SLFRS") issued by the Institute of Chartered Accountants of Sri Lanka and Sri Lanka Accounting and Auditing Standards Act No. 19 of 1995.

The institute of Chartered Accountants of Sri Lanka issued a new volume of Sri Lanka Accounting Standards (" SLFRS') and to require enterprises to apply these standards effective for years beginning on or after 1 January 2012.

3.1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1.1 Basis of preparation

The financial statements of Sri Lanka Broadcasting Corporation have been prepared in accordance with Sri Lanka Financial Reporting Standards (SLFRS). The financial statements have been prepared under the historical

cost and other specific measurements which are explained in the succeeding notes.

No adjustments have been made for inflationary factors affecting the financial statements.

The preparation of financial statements in conformity with SLFRS require the use of critical accounting estimates. It also requires management to exercise its judgment in the process of applying the corporation's accounting policies. The areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4. The reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the report of amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

3.1.2 Going Concern

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

3.1.3 Post Balance Sheet Events

All material events occurring after the balance sheet date have been considered and where necessary adjustments have been made to /or disclosed in the financial statements.

3.1.4 Comparative Information

The Accounting policies ,which have been consistently applied by the Corporation ,are unless otherwise stated ,consistent with those used in the previous years. Previous year's figures and phases have been rearranged to confirm to the presentation.

3.1.5 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of the Corporation is measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Sri Lankan Rupees, which is the Corporation's functional and presentation currency.

(b) Foreign Currency Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the

translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

3.2 Other Significant Accounting Policies

3.2.1 Assets and Bases of Their Valuation

Assets classified as current assets in the Balance Sheet are cash and those which are expected to be realized in cash, during the normal operating cycle of the Corporation's business, or within one year from the Balance Sheet date, whichever is shorter. Assets other than current assets are those which the Corporation intends to hold beyond a period of one year from the Balance Sheet date.

3.2.1.1 Property, plant and equipment

Land and buildings comprise mainly head office, regional and transmission station. All the property, plant and equipment are stated at historical cost. The cost of PPE is the cost of purchase with any incidental expenses incurred in bingeing the assets to its working conditions, for it's intend use. Expenditure incurred for the purpose of acquiring, extending or improving assets of permanent nature has been treated as capital expenditure. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably.

3.2.1.2 Restoration Costs

Expenditure incurred on repairs or maintenance of property, plant and Equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance, is recognized as an expense when incurred.

3.2.1.3 Depreciation

Land is not depreciated. Provisions for depreciation for other assets are calculated by using a straight-line method on the cost / revalued amounts of all fixed assets. The principal annual rates used for this purpose are:

Buildings	2.5%
Plant and machinery	7.5%
Audio Frequency Equipment	7.5%
Furniture and fixture & Equipment	10%
Transmitter	7.5%
Motor vehicles	25%
Musical Instruments	10%
Computer Equipment	50%
Record Tapes	33.33%

Loose Tools	50%
Software	50%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

3.2.1.4 Cost of Sale Rates are given below,

Salaries & Wages	60%
EPF	60%
ETF	60%
Travelling & Subsistence	50%
Programme Expenditure	100%
Relief Staff	90%
Vehicle hiring charges	40%
Maintenance cost	40%
Linking charges	100%
Higher of outside Tower	100%
Electricity	75%
Business Promotion Expenditure	100%
Commission (Local)	100%
Commission (Foreign)	100%

3.2.2 Capital Work-in-Progress

Capital work-in-progress represents the accumulated cost of materials and other costs directly related to the construction of an asset. Capital work-in-progress is transferred to the respective asset accounts at the time it is substantially completed and ready for its intended use.

3.2.3 Financial Assets

3.2.3.1 Classification

3.2.3.2 Loans and receivable

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Corporation’s loans and receivables comprise ‘trade and other receivables’

and ‘cash and cash equivalents’ in the statement of financial position. (Notes 13 and 14).

3.2.3.3 Recognition and measurement

Financial assets carried at fair value through profit or loss is initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred substantially all risks and rewards of ownership. Available-for- sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are presented in the income statement within ‘other (losses)/gains – net’ in the period in which they arise.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in other comprehensive income. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the income statement as ‘gains and losses from investment securities’. Interest on available-for-sale securities calculated using the effective interest method is recognized in the income statement as part of other income.

3.2.3.4 Impairment of financial assets

(a) Assets carried at amortized cost

The Corporation assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The

carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Corporation may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the income statement.

3.2.3.5 Trade receivables

Trade receivables are carried at anticipated realizable value. A provision for impairment of trade receivables is established when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default payments are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the statement of comprehensive income within distribution cost. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivable. Subsequent recoveries of amounts previously written-off are credited against distribution cost in the income statement.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

3.2.4 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on a purchase price basis. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

3.2.5 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

3.2.6 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

3.2.7 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

a) Current Taxation

Current tax liabilities arise to the Corporation in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and amendments thereto. These liabilities are provided for in the Financial Statements applying the said provisions which the management believes reflect actual liability. There can be instances where the stand taken by the Corporation on transaction is contested by the Revenue Authority. Any additional costs on account of these issues are accounted for as a tax expense at the point of liability is confirmed on the Corporation.

Current tax assets and liabilities for the current year and prior periods are measured at the amounts expected to be recovered from or paid to Revenue Authority. Tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Balance Sheet date. The provision for current tax is based on the elements of income and expenditure as reported in the Financial Statements.

b) Deferred Tax

Deferred tax is recognized using the Balance Sheet method, providing for temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax is not recognized for the temporary differences arising in the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investment subsidiaries to the extent that they

probably will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by reporting date. Deferred tax assets and liabilities are offset if there is a legal enforceable right to set off current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities on the same taxable entity.

A deferred tax asset is recognized only to the extent that it is probable that future profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduce to the extent that is no longer probable that the related tax benefit will be realized.

3.2.8 Employee benefits

3.2.8.1 Retirement Benefit Obligations

a) Defined Benefit Plan – Retirement Gratuity Provision

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognized in the financial statements in respect of defined benefit plan is the present value of the defined obligation at the reporting date. The defined benefit obligation is calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows.

Using interest rates that are determined in currency in which the benefits will be paid and that have term to maturity approximating to the terms of the related liability.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 (Revised 2006) on retirement benefit costs. However, under the payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability is not externally funded. The key assumption by the Management includes the followings,

01. Rate of Interest of 26.08.%
02. Rate of Salary increment of 1.5%
03. Retirement age of all employees 60 Year
04. Staff Turnover factor 2%

b) Defined Contribution Plans – "Employees Provident Fund" & "Employees Trust Fund"

All employees who are eligible for "Employees Provident fund" contribution and "Employees Trust Fund" contribution are covered by relevant contribution funds in line with respective statutes and regulations. Employer's contribution to the defined contribution plans are recognized as an expense in the Income Statement when incurred.

3.2.9 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the corporation will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

Amortization Rates are given below,

Buildings	2.5%
Plant and machinery	7.5%
Audio Frequency Equipment	7.5%
Furniture and fixture & Equipment	10%
Transmitter	7.5%
Motor vehicles	25%
Computer Equipment	50%
Software	50%

3.2.10 Provisions

Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

3.2.11 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the corporation or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent

liability also arises in extremely rare cases where there is a liability that can not be measured reliably. The corporation does not recognize a contingent liability but discloses its existence in the Financial Statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the corporation. The corporation does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

3.2.12 Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.2.13 Finance Lease Obligations

Property, plant and equipment on finance leases which effectively transfers to the corporation substantially all the risks and benefits incidental to Ownership of the leased items are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payment at inception of the, less accumulated depreciation

The total interest payable is accounted as interest in suspense. The corresponding credit is recorded lease as an amount payable to lesser. The installments paid are used to reduce the liability.

The Interest charge of the year is transferred from the interest suspense account to the Income Statement.

3.2.14 Income Statement

3.2.14.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for service supplied, stated net of discounts and value added taxes. The corporation recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the corporation's activities, as described below the Corporation bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sale of Air time

Revenue comprises the sale of air time. Revenue from the sale of air time is recognized when advertisement are aired .

(b) Interest income

Interest income is recognized as the interest accrued on the time basis (taking into account the effective yield on the asset) unless collectability is in doubt.

(c) Net Gains and Losses on Disposals of Property, Plant & Equipment

Net gains and losses on disposal of an item on Property, Plant & Equipment are determined by comparing the net sales proceeds with the carrying amount of Property, Plant & Equipment and are recognized in the Income Statement.

(d) Other Income

All other incomes are recognized on an accrual basis.

3.2.15 Expenditure Recognition

a) Operating Expenses

Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running in the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit / (loss) for the year. Provisions have also been made for bad and doubtful debts, all known liabilities and depreciation on Property, Plant & Equipment.

b) Finance Expenses

Interest expenses are recognized on an accrual basis. Borrowing costs are recognized as an expense in the period in which they are incurred.

3.2.16 Comparatives

Where necessary, comparative figures have been adjusted to conform with change in presentation in the current year.

4. Critical accounting estimates and judgment

judgments, estimates, and assumptions that affects the application of accounting policies and reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcome that require material adjustments to the carrying amounts of assets or liabilities effected in future periods.

The judgments, estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments, estimates

and assumptions about the carrying amount of assets, liabilities and contingent liabilities that are not readily identified from other sources.

The judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments, estimates and assumptions made by the management in application of LKASs that could have a significant effect on the Financial Statements.

(a) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The corporation determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the corporation considers the interest rates of corporate bonds. Other key assumptions for pension obligations are based in part on current market conditions.

(b) Income taxes

The corporation is subject to income taxes. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The corporation recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

5. Financial Risks Management

5.1 Financial risks factors

The corporation’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Corporation’s overall risk management program focuses to minimize potential adverse effects on the Corporation’s financial performance.

Risk management is carried out by a Finance department under the policies approved by the board of directors.

a) Market Risks

(i) Foreign exchange risk

The Corporation imports required equipment internationally and it is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US dollars. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, corporation enter in to agreement with local agents.

(ii) Price risk

The group is exposed to commodity price risk. Corporation minimizes the risk by entering agreement with the main suppliers.

iii) Credit risks

Credit risk is exposing mainly from trade receivables and corporation is responsible for managing and analyzing the credit risk for each of their new clients before delivering the service.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customer's receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilization of credit limits is regularly monitored.

iv) Liquidity risks

Cash flow forecasting is performed by the corporation and reviewed regularly to ensure the corporation's liquidity requirement. Such forecasting takes into consideration the corporation's debt financing plans, covenant compliance. Surplus cash held by the corporation over and above balance required for working capital management are transferred to the time deposit to earn interest income with appropriate maturities to meet the obligation.

6. Related party transactions

Name of the Relationship	Designation	Nature of the Transaction	Period
Mr. Hudson Samarasinghe	Chairman	No	2021.06.25 – 2022.12.31
Mr. Sunanda Madduma Bandara	Board Member	No	2022.01.07 – 2022.05.05
Mr. K.C.A.Silva	Board Member	No	2022.02.07 – 2022.05.05
Mrs.W.P.Sewwandi	Ministry Member	No	2021.01.22 – 2022.05.05
Mr.Priyantha K. Rathnayake	Board Member	No	2022.06.13 – 2022.12.31
Mr. M.A.C.Sisira Kumara	Board Member	No	2022.01.29 – 2022.12.31
Mr. J.Yogaraj	Board Member	No	2022.06.13 – 2022.12.31
Ven. Magammana Padndnananda	Board Member	No	2022.06.13 – 2022.06.23
Mr. Dunil Heiyanthuduwa	Ministry Member	No	2022.06.28 – 2022.12.31
Mr. G.M.J.K.Gunawardana	Treasury Member	No	2020.01.17 – 2022.02.24
Mrs. Geetha Wimalaweera	Treasury Member	No	2022.03.02 – 2022.05.05
Mrs. D.C.W.Hapugoda	Treasury Member	No	2022.11.22 – 2022.12.31

Note 1
Revenue

Description	2022	2021 adjusted	adjustment	2021	2020
Sale of Air Time Asia Service	11,812,630	7,437,060		7,437,060	8,070,458
Sale of Air Time T.W.R.	96,910,536	99,044,845		99,044,845	97,178,959
Sale of Air Time Local Service	417,789,393	440,631,760	2,074,425	438,557,335	325,396,142
Production Charges - Local Service	8,231,494	6,951,071		6,951,071	5,503,824
Revenue Trincomalee Project	145,742,997	77,886,600		77,886,600	102,146,029
Obituary Notices	1,599,505	891,237		891,237	1,522,215
Sale of Air Time FEBA					5,274,763
	682,086,556	**632,842,573**	**2,074,425**	**630,768,148**	**545,092,393**

Note - 2
Cost of Sales

Description	2022	2021	2020
Salaries, Wages & Allowances	270,796,111	269,168,814	273,815,167
Employee Provident Fund	38,812,998	41,588,028	35,844,738
Employee Trust Fund	8,453,305	8,367,114	6,698,158
Traveling and Subsistence	807,977	1,421,163	1,434,142
Programme Expenditure	4,932,619	4,058,451	3,961,000
Relief Staff	30,689,358	31,977,685	5,874,748
Vehicle hiring Charges	5,120,108	4,595,302	6,870,037
Maintenance cost	10,534,789	4,674,739	4,339,134
Linking Charges	4,166,404	4,086,702	3,678,032
Higher of Outside Tower	9,026,614	7,662,685	6,762,828
Electricity	114,638,879	114,865,425	149,259,683
Business promotion expenditure	572,845	1,960,850	1,212,878
Commission on Sale of Air Time (Local)	55,165,315	59,823,804	36,824,755
Commission on Sale of Air Time (Foreign)	1,793,686	1,090,557	1,033,268
	555,511,008	**555,341,319**	**537,608,568**

Note - 3
Other Operating Income

Description	2022	2021 adjusted	adjustment	2021	2020
Interest on Loans	13,588,685	6,285,714		6,285,714	9,379,335
Miscellaneous Income (Other)	88,874,676	69,286,746	(765,600)	70,052,346	51,157,051
Fines from Advertising Agents for Returned Cheques	30,555	13,643		13,643	2,053
House Rent	39,726	39,713		39,713	194,426
Income from Circuit Bunglow	355,465	66,941		66,941	236,636
Special Recording	923,231	285,037		285,037	281,204
Gain/Loss on Exchange	15,160,751	-			
Licensing of Importers, Dealers	6,620,000	7,345,000		7,345,000	6,044,630
Sale of Cassettes	1,097,025	742,711		742,711	1,473,624
Fine Account	73,551	25,250		25,250	94,076
Income from Circuit Bungalow-Ambewella	55,000	120,402		120,402	136,465
Sales of Publication	85,303	78,533		78,533	46,018
Sub Total	**126,903,968**	**84,289,690**	**(765,600)**	**85,055,290**	**69,045,519**
Amortisation of government grant	82,800,331	100,322,193		100,322,193	121,987,376
Amortisation grant Trinco	154,628,399	155,406,674		155,406,674	155,406,674
Sub Total	**237,428,730**	**255,728,867**	**-**	**255,728,867**	**277,394,050**
Grand Total	**364,332,698**	**340,018,557**	**(765,600)**	**340,784,157**	**346,439,569**

Note - 3.1
Government Grant

Description	2022	2021	2020
Govt. Grant for Licence Fees		345,000,000	440,000,000
	-	**345,000,000**	**440,000,000**

Note 04
Distribution Cost

Description	2022	2021	2020
Provision for bad and doubtful debts	13,798,736	6,245,224	5,027,070
Programme Exp.(Cricket & Artist)	1,512,500	7,764,013	1,404,000
	15,311,236	**14,009,237**	**6,431,070**

Note 5.
Other Operating Expenses

Description	2022	2021 adjusted	adjustment	2021	2020
Contribution to Outside Broadcasting Organisations	1,835,422	1,680,898		1,680,898	985,265
News Service & News Summaries	262,610	351,858		351,858	215,225
Advertising and Publicity	7,946,340	380,439		380,439	114,698
Electricity and Power	32,153,914	38,433,767	145,292	38,288,475	15,677,381
Postage & Telephones	10,693,881	11,719,576		11,719,576	12,905,230
Printing & Stationery	4,596,794	3,415,856		3,415,856	3,834,716
Cost of Printing Publication	2,525	-			
Motor Vehicle running expenses	9,901,160	11,742,671		11,742,671	11,948,043
Repairs & Maintenance of Broadcasting equipment	12,606,191	7,012,110		7,012,110	17,804,304
Repairs and Maintenance of Musical Instruments		-			35,000
Repairs and Maintenance of Furniture fix & fittings	5,179,032	5,434,134		5,434,134	4,145,812
Repairs and Maintenance of Building & Garden	6,252,240	5,968,262		5,968,262	6,961,806
Depreciation	75,053,883	88,849,849	11,311	88,838,538	104,888,121
Depreciation Trinco	159,851,496	160,774,772		160,774,772	161,174,772
Software Amortization		4,382,527		4,382,527	5,476,477
Cassettes expenditure	196,667	912,700		912,700	1,575,001
Taxation (ESC)		-			
Social Security Contribution Levy	3,181,464	-			
Vehicle hiring Charges	7,724,512	6,892,952		6,892,952	4,768,067
Stamp Duty	5,120,677	41,325		41,325	23,644
Course Fee Expenses	2,259,514	2,077,389		2,077,389	1,360,088
Radio frequency Charges	6,153,660	4,974,300		4,974,300	5,562,900
	350,971,983	**355,045,386**	**156,604**	**354,888,782**	**359,456,549**

Note 06
Administrative Expenses

Description	2022	2021 adjusted	adjustment	2021	2020
Allowances - Chairman & Members of the Corp	1,116,000	1,322,335		1,322,335	1,525,610
Salaries, Wages & Allowances	180,530,741	179,445,877		179,445,877	203,136,695
Special Incentive		-			
Employee Provident Fund	25,647,391	27,725,352		27,725,352	36,766,071
Employee Trust Fund	4,526,299	5,578,075		5,578,075	7,903,460
Overtime to Staff	16,465,740	29,375,582		29,375,582	39,268,908
Relief Staff	3,156,268	3,553,076		3,553,076	16,229,545
Emoluments to Contract Staff	55,276,335	54,421,871	525,792	53,896,079	49,070,315
Staff training Charges (Local)		-			
Traveling and Subsistence-(Foreign & Local)	965,173	1,421,163		1,421,163	556,145
Holiday pay	2,680,643	3,440,160		3,440,160	3,009,004
Gratuity	36,341,450	35,606,070	(952,935)	36,559,005	29,670,376
Entertainment by Chairman	238,569	402,019		402,019	322,057
Entertainment by Director General	133,368	81,752		81,752	65,076
Welfare	2,983,549	5,442,818		5,442,818	4,107,953
Medical Service		226,055		226,055	45,060
General Charges	1,235,297	2,256,016		2,256,016	1,122,960
Private security Service	7,096,400	13,365,700		13,365,700	8,300,000
Rent Rate & Taxes	8,795,919	6,362,907		6,362,907	16,154,052
Insurance	4,703,575	4,838,239		4,838,239	4,651,321
Audit fees	1,680,000	1,428,000		1,428,000	1,428,000
Legal Fees	2,042,065	1,336,487	(181,000)	1,517,487	615,487
Publications & Periodicals	180,988	244,790		244,790	408,090
Penalty for gratiuity,court cases & other etc	22,502	-			1,500
	355,818,272	**377,874,344**	**(608,143)**	**378,482,487**	**424,357,685**

6.1) The Corporation had incurred Rs.165,400.00 in respect of Broadcasting Obituary notice of relatives staff members for the year 2022. These notise were Broadcast in accordence with the approved scheme in force. This was the practice adopted by the corporation every year.

Pending Legal Cases – 2022

There are two cases pending at the Supreme Court. The status of these cases are as follows:
It is an appeal filed by the Corporation to set aside the judgement of the D.C. Case No. 23089/MR - regarding the awarding of Rs. 10,000,000/- with legal interest for the Plaintiff of the D.C. case. Three cases are prnding at Court of Appeal. One is an appeal filed by the Corporation to set aside the judgement of the Nawalapitiya M/C. Case No.64296/-.

Two cases are pending at High Court. Five cases are pending at District Court and the status of two cases are as follows.
One case demands Rs. 8 million + interest and the other demands Rs. 5,917,275/- + interest and 10% commission from US$ 26,775. One case is pending at Labour Tribunal. Six cases are pending at Magistrate Court and two cases at Labour Department Arbitration.

Provision has been made in the financial statements as Rs.11,783,507.20 (10,000,000 + 1,783,507.20)

Note 07

Finance Cost

Description	2022	2021	2020
Bank Charges	987,386	466,423	447,513
OD Interest	4,160,881	3,585,758	5,265,923
Gain/(Loss) exchange			213,424
Credit Card Commission	47,051	51,422	57,317
	5,195,318	**4,103,603**	**5,984,176**

Note 08

8 (i) Income Tax		2022			2021			2020	
Net Loss as per financial statements			(236,388,563)			(335,713,724)			(442,306,087)
Less:.									
Interest Income		(13,588,685)	(13,588,685)		(6,285,714)	(6,285,714)		(9,379,335)	(9,379,335)
			(249,977,247)			(341,999,438)			(451,685,422)
Add:Disallowable expenses									
Depreciation		75,053,883			88,838,538			104,888,121	
Depreciation Trinco		159,851,496			160,774,772			161,174,772	
Provision for bad debts		13,798,736			6,245,224			5,027,070	
Provision Gratuity		36,341,450			36,559,005			29,670,376	
Entertament		371,937			483,771			387,133	
Legal Fees		2,042,065			1,517,487			615,487	
Penalty		22,502			-			1,500	
Stamp Duty		5,120,677	292,602,745		41,325	294,460,122		23,644	301,788,103
									(149,897,319)
			42,625,498			(47,539,316)			
Less:- Allowable Items									
Capital Allowances		(104,425,232)			(107,651,180)			(107,847,791)	
Gratuity Paid		(29,222,219)	(133,647,451)		(52,071,185)	(159,722,365)		(41,206,888)	(149,054,679)
Business Loss			(91,021,953)			(207,261,681)			(298,951,998)
Computation of Investment Income									
Interest Income		13,588,685	13,588,685		6,285,714	6,285,714		9,379,335	9,379,335
Computation of Assessable Income									
Business Income/(Loss)			(91,021,953)			(207,261,681)			(298,951,998)
Investment Income			13,588,685			6,285,714			9,379,335
Tax Thereon									
Business Income/(Loss)			-					-	
Investment Income	13,588,685	0.24	3,261,284	6,285,714	24%	1,508,571	9,379,335	28%	2,626,214
Tax Payable			(3,261,284)			(1,508,571)			(2,626,214)
Differed Tax			63,739,353			46,706,941			3,901,917
Tax Liability			60,478,069			45,198,370			1,275,703

Provision for Income Tax

The corporation is liable for income tax at the rate of 24% on profit derived from the income. A provition has been made in these financial statements on account of income taxes in view of adjusted taxable profits of the corporation.

ii. Deferred Taxation compute & consider the recognition of deferred taxation as per LKAS 12

Differed Tax Assets & Liabilities

	2022	2021 adjusted	adjustment	2021	2020
Financial Position					
DIffered Tax Liabilities	166,617,579	244,915,237	(40,819,206)	285,734,443	326,743,821
Differed Tax Assets	(42,620,266)	(57,178,569)	9,445,762	(66,624,331)	(92,300,231)
Net Differed Tax Assets	123,997,314	187,736,667	(31,373,445)	219,110,112	234,443,590
Statement of comprehensive income					
DIffered Tax Liabilities	78,297,657	81,828,584	40,819,206	41,009,378	(15,467,879)
Differed Tax Assets	(14,558,304)	(35,121,644)	(9,445,762)	(25,675,882)	(16,367,850)
Net Differed Tax Income/(Expenses)	63,739,353	46,706,940	31,373,444	15,333,496	(31,835,729)

Note 9

Property,Plant & Equipment S.L.B.C

Gross Carrying Account At Cost	Balance as at 01.01.2022 Rs.	Additions/ Transfers Rs.	Disposals/ Transfers Rs.	Balance as at 31.12.2022 Rs.	Provision for Depreciation 01.01.2022 Rs.	Charge for the Period Rs.	Previous year adjustment	Provision for Depreciation 31.12.2022 Rs.	NBW 31.12.2022
Land	7,574,763			7,574,763					7,574,763
Building	431,223,877	2,000,000		433,223,877	175,867,342	10,407,747		186,275,088	246,948,789
Plant & Machinery	535,285,118	695,204		535,980,322	374,265,574	10,807,286		385,072,860	150,907,462
Musical Instruments	7,772,149			7,772,149	7,258,970	91,271		7,350,240	421,909
Motor Vehicles	53,863,675			53,863,675	52,786,363			53,863,676	0
Furniture,Fixtures &	131,586,266	1,256,219		132,842,485	108,656,703	2,184,830		110,560,122	22,282,363
Records & Tapes	25,007,999			25,007,999	24,981,501	6,583		24,988,084	19,916
Audio Frequency	740,476,686	605,000		741,081,686	533,477,867	16,733,313		550,211,180	190,870,506
Transmitters	1,289,295,947	9,506,054		1,298,802,001	802,775,983	33,452,616		836,228,599	462,573,402
Computer equipment	122,328,163	1,399,480		123,727,643	120,222,703	1,370,239		121,592,942	2,134,701
Library Books	450,340			453,580		-			453,580
Loose Tools	163,679			163,679	152,368			163,679	0
	3,345,028,662	**15,461,957**	**-**	**3,360,493,860**	**2,200,445,374**	**75,053,884**	**-**	**2,276,306,470**	**1,084,187,390**

Property,Plant & Equipment Trinco

Gross Carrying Account At Cost	Balance as at 01.01.2022 Rs.	Additions/ Transfers Rs.	Disposals/ Transfers Rs.	Balance as at 31.12.2022 Rs.	Provision for Depreciation 01.01.2022 Rs.	Charge for the Period Rs.	Previous year adjustment	Provision for Depreciation 31.12.2022 Rs.	NBW 31.12.2022
Plant & Machinery	179,582,058			179,582,058	134,231,799	13,468,654		147,700,453	31,881,605
Motor Vehicles	7,544,000			7,544,000	7,144,000			7,544,000	-
Furniture,Fixtures &	2,839,794			2,839,794	2,129,846	212,985		2,342,831	496,963
Office Equipment	7,782,753			7,782,753	7,782,754			7,782,754	
Generators	206,429,150			206,429,150	154,820,799	15,482,186		170,302,985	36,126,165
Audio Frequency	53,354,383			53,354,383	39,254,241	4,001,578		43,255,820	10,098,563
Transmitters	1,521,908,873			1,521,908,873	1,119,681,951	114,398,167		1,234,080,116	287,828,756
Computer equipment	52,624,075			52,624,075	52,624,075	-		52,624,075	-
Loose Tools	4,632,471			4,632,471	3,474,352	347,435		3,821,787	810,684
Equipment	159,206,556			159,206,556	119,121,599	11,940,492		131,062,091	28,144,465
	2,195,904,113	**-**	**-**	**2,195,904,112**	**1,640,265,416**	**159,851,496**	**-**	**1,800,516,911**	**395,387,202**

Intangible Asset

Description	Balance as at 01.01.2022 Rs.	Additions/ Rs.	Disposals/ Transfers Rs.	Balance as at 31.12.2022 Rs.	Provision for Depreciation 01.01.2022 Rs.	Charge for the Period Rs.	Disposal/Transf	Provision for Depreciation 31.12.2022 Rs.	
Computer Software Trinco project	12,124,157			12,124,157	12,124,157			12,124,157	
Software	14,488,448			14,488,448	14,488,448			26,612,605	

Note 10

Capital Working Progress

Depreciation	2022	2021	2020
Capital Working Progress	18,723,163	15,917,019	14,877,019
	18,723,163	**15,917,019**	**14,877,019**

Note 11

The Corporation Invested Rs. One Million in Lanka Puwath Ltd.

Investment

Depreciation	**2022**	**2021**	**2020**
Investment in Lanka Puwath Ltd.	1,000,000	1,000,000	1,000,000

Note 12,

Inventory

Description	**2022**	**2021 adjusted**	**adjustment**	**2021**	**2020**
Consumable Items	31,400,885	19,361,978		19,361,978	19,380,268
Goods Lost Damages	436,273	436,273		436,273	436,273
Goods in Transit	-	13,718		13,718	1,815,739
	31,837,158	**19,811,969**		**19,811,969**	**21,632,280**

Note 13

Trade and other receivables

Description	**2022**	**2021 adjusted**	**adjustment**	**2021**	**2020**
Debtors Airtime	281,690,050	309,328,518	18,205,027	291,123,491	269,280,684
Less: Impairment of financial assets	(137,435,663)	(123,636,927)		(123,636,927)	(117,391,703)
Loans to staff	2,097,162	2,000,301		2,000,301	2,809,498
Other advances to staff	241,084	329,840		329,840	1,418,327
Staff Debtors E.P.F.	238,952	238,952		238,952	238,952
Advance payment to Suppliers	115,022	1,909,069		1,909,069	97,855
Sundry Debtors	13,187,917	16,900,595	145,292	16,755,303	22,500,477
Dishonoured Cheques	17,000	-			258,305
Branch Account with Lakhanda	12,807,862	12,807,862		12,807,862	12,807,862
Cash Imprest	73,481	150,088		150,088	229,583
G.S.T.Control Account	237,267	237,267		237,267	237,267
Receivable Income (other)	64,055,395	44,821,349	(765,600)	45,586,949	26,305,886
With Holding Tax (Income)	40,213,024	40,213,024		40,213,024	40,213,024
Other deposits	9,242,462	9,707,462		9,707,462	9,762,842
	286,781,015	**315,007,400**		**297,422,681**	**268,768,859**

Cash and Cash Equivalents

Description	**2022**	**2021 adjusted**	**adjustment**	**2021**	**2020**
Bank of Ceylon - Matara	35,000	455,586	(195,748)	651,334	15,000
Cash in Hand (Reception)	25,000	-			
People's Bank International Division	32,745	699,959		699,959	154,230
Bank of Ceylon - Torrington -Main account.		-			
State Bank of India	770,358	449,874		449,874	449,874
Bank of Ceylon - Anuradhapura	24,087	23,001	19.09	22,982	15,002
Bank of Ceylon - Kandy		210,000		210,000	
Nations' Trust bank	17,761,759	4,812,437		4,812,437	9,133,983
Bank of Ceylon - Torrington -Radio Licences	2,811,482	39,930,164		39,930,164	4,493,413
Bank of Ceylon - Torrington-Cassette Sales	22,950,785	43,270,767		43,270,767	114,243
Bank of Ceylon - Madras	2,972,288	1,842,540		1,842,540	1,768,243
Bank of Ceylon Trincomalee project	5,317,524	11,919,593		11,919,593	24,924,372
Bank of Ceylon -Jaffna Branch		-			4,200
Bank of Ceylon - Savings	114,586	111,204		111,204	107,921
Savings A/c (people's Bank)	56,282,019	55,570,366		55,570,366	51,498,443
Total	**109,097,633**	**159,295,491**	**(195,729)**	**159,491,220**	**92,678,924**
OD Balances (A/c No:265 & Jaffna)	(61,426,136)	(14,523,578)		(14,523,578)	(54,324,046)
Balance for Cash Flow Statement	**47,671,497**	**144,771,913**		**144,967,642**	**38,354,878**

Note 15,

Retained Earnings

Description	**2022**	**2021**	**2020**
Opening Balance	**(218,463,340)**	**(377,857,113)**	**(475,784,467)**
+ Adjustment		47,760,554	160,677,980
(-) Adjustment			
Comprehensive Income	(141,131,100)	111,633,219	(62,750,626)
Total	**(359,594,440)**	**(218,463,340)**	**(377,857,113)**

Note 16,

Trade and other payables

Description	2022	2021-adjusted	adjustment	2021	2020 approved
Creditors sale of airtime	37,402,395	13,179,619		13,179,619	14,652,739
Miscellaneous deposits refundable	6,821,713	3,435,012		3,435,012	6,102,068
Accrued Expenses	322,659,847	277,683,648	(32,740,617)	310,424,265	301,987,185
E.P.F.	326,765	4,137,833		4,137,833	4,610,966
Sundry Creditors	99,280,088	19,214,107	32,400	19,181,707	19,521,305
Current Account Regional Service	-	294,000		294,000	473,325
ME's Security Deposit	1,317,116	558,387		558,387	496,010
Sanasuma-Tsunami	15,053	15,053		15,053	15,053
Rajarata Circuit Bunglow	196,829	-			180,315
	468,019,808	**318,517,659**	**(32,708,217)**	**351,225,876**	**348,038,966**

Note 17,

Short Term Borrowings

Description	2022	2021	2020
Bank of Ceylon - Torrington -Main account.	61,312,936	14,522,378	54,272,046
Bank of Ceylon -Jaffna Branch	1,200	1,200	
Bank of Ceylon - Kandy	112,000		52,000
	61,426,136	**14,523,578**	**54,324,046**

Note 18,

Non financial Liabilities

Description	2022	2021-adjusted	adjustment	2021	2020
N S L	15,007,806	15,007,806		15,007,806	15,007,806
Save the nation fund	(12,418)	(12,418)		(12,418)	(12,418)
Payee Tax	62,241	47,472		47,472	43,098
With holding tax	923,051	923,051		923,051	923,051
VAT Contrall a/c	106,939,973	68,345,374		68,345,374	39,974,854
ESC	52,619,337	52,619,337		52,619,337	52,619,337
NBT		761,242		761,242	3,761,242
National Defence Fund	2,835	2,835		2,835	2,835
provision for income Tax	5,462,614	2,201,330	1,508,571	692,759	692,759
Stamp duty payable to Inland Re	142,900	34,050		34,050	104,150
	181,148,341	**139,930,079**	**1,508,571**	**138,421,508**	**113,116,714**

Note 19,

Other Payables

Description	2022	2021	2020
E.P.F.Surcharge	6,301,385	7,789,635	8,539,635
	6,301,385	**7,789,635**	**8,539,635**

Note 20,

Foreign Grant

Description	2022	2021	2020
Foreign Grant - Japan & Korean	24,429,267	24,429,267	24,429,267
Grant Trinco - Deutschewelle	360,799,596	515,427,995	670,834,669
	385,228,863	**539,857,262**	**695,263,936**

Note 21

Retirement benefit obligations
As at 31st December 2022

Movement in the present value of the retirement benefit obligations

	2022	2021	2020
	208,594,966	282,412,177	232,428,447
Retirement benefit obligations at the beinning of the year			
Opening Balance adjestment	952,935		
	207,642,032	**282,412,177**	**232,428,447**
Expenditure recognized in Income statement			
Current Service cost	7,012,771	8,454,418	11,879,884
adjestment			
Interest cost	28,381,418	27,229,479	15,385,742
	35,394,189	**35,683,897**	**27,265,626**
Income recognized in other comprehensive income			
Actuarial (gain)/loss	(34,779,394)	(54,947,608)	61,720,242
Adjestment (gain)/loss			
Total payment			
Benefits paid			
Benefits paid by the plan	(41,446,779)	(54,553,500)	(39,002,138)
adjestment			
	(41,446,779)	**(54,553,500)**	**(39,002,138)**
Present Value of the obligations	**166,810,047**	**208,594,966**	**282,412,177**

The principal of assumptions

Discount rate	26.08%	11.78%	7.79%
Future salary increases	1.50%	1.50%	1.50%
Retirement age	60 yrs	60 yrs	60 yrs
Staff Turnover factor	2.00%	2.00%	2%

REPORT OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE CORPORATION FOR THE YEAR ENDED 31ST DECEMBER 2022

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sri Lanka Broadcasting Corporation for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of comprehensive income , statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 provisions of the National Audit Act No. 19 of 2018 and the Finance Act No. 38 of 1971 . My comments and observations which I consider should be report to Parliament appear in this report.

In my opinion, except for the effects of the matters described in Paragraph 1.5 of this report, the accompanying financial statements give a true and fair view of the financial position of the Corporation as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards .

1.2 Basis for Qualified Opinion

My opinion is qualified based on the matters described in Paragraph 1.5 of this report.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

As per Section 16 (1) of the National Audit Act No. 19 of 2018, the Corporation is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

1.4 Auditor's Responsibility on the Audit of Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the Management's use of the going concern basis of the Institute on accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause to cease to continue as a going concern.

- Evaluate the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The scope of the audit also extended to examine as far as possible, and as far as necessary the following.

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Corporation and whether such systems, procedures, books, records and other documents are in effective operation;

- Whether the Institute has complied with applicable written law, or other general or special directions issued by the governing body of the Corporation;

- Whether it has performed according to its powers, functions and duties; and

- Whether the resources had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5.1 Non-compliance with Sri Lanka Accounting Standards

	Non-compliance with the Reference to Relevant Standard	Comments of the Management	Recommendation
(a)	The useful life of property, plant and equipment items which had shown as totally zero value but still being used totalled to Rs. 148,590,605 had not been reviewed and accounted for.	Arrangements will be made to prepare a Register of Fixed Assets and carry out an revaluation and review the useful life and to be accounted for in the year 2023 .	Actions should be taken in terms of the Standard.
(b)	The interest income had not been disclosed in the cash flow statement during the year under review in terms of Paragraph 31 of Sri Lanka Accounting Standard No. 07 .	Actions will be taken to disclose the cash flow from interest separately in the year 2023 .	Actions should be taken in terms of the Standard.

(c)	Actions had not been taken in respect of the government's capital grants of Rs. 42,853,000 and Rs. 40,000,000 for the years 2021 and 2022 respectively in terms of Paragraph 28 of Sri Lanka Accounting Standard No. 20 .	Audit observation is accurate.	Actions should be taken in terms of the Standard.

1.5.2 Accounting Deficiencies

	Audit Observation	Comments of the Management	Recommendation
(a)	Although the outstanding advance balance shown in the financial statements as at 31 December 2022 was Rs.241,084, since the value was shown as Rs.491,825 as per the advance register, a difference of Rs.250,741 was observed.	Audit observation is accurate. This error has occurred due to the accounting for the balances in advance register as at 31 December in the advance ledger in the month of January by a mistake.	The balances between the schedules and the financial statements should be the equal.
(b)	A building was leased out for a super market complex valued at Rs. 1,014,090,300 by a lease agreement on 01 September 2022 for a period of 20 years and although the advance amount and rental income related to this lease are Rs.69,600,000 and Rs.7,500,000 respectively according to the calculations of the audit, a difference of Rs. 9,534,783 was observed due to the stating that value as Rs.61,043,478 and Rs. 6,521,739 respectively in the financial statements.	**Advance amount** In the calculation of advance, a sum of Rs.600,000 has not been received as income from the advance account in December. The error was corrected in February 2023. The difference has occurred due to the VAT. **Lease Rent Income** There is a difference of Rs.978,261 because of the provisions of 15% lease rent has been made from the lease rent income. Due to the fact that an amount of lease rent along with lease rent has not been calculated in the agreement, it had to do adjustment like this.	The balances between the schedules and the financial statements should be the equal.

(c)	The lease rent to be paid up to the 31 December 2021 was Rs.153,860,000 for the land in extent 119.5309 hectares belonging to the Trincomalee Kuchchaveli Divisional Secretariat which was acquired on a long term lease basis in the year 2009 to run a broadcasting station and the approval of the Cabinet of Ministers had been received to write off Rs. 127,795,000 from it. A sum of Rs., Rs.26,065,000 was payable as at 31 December 2021 and the payable for the year 2022 amounted to Rs.9,420,000 had not been accounted for.	According to the Cabinet Memorandum, the lease rent payable for the land belonging to Trincomalee, Kuchchaveli Divisional Secretariat has not been accounted for. Actions were taken to write off from the accounts.	Expenditures should be accurately accounted for.
(d)	Although the total tax liability as at 31 December 2022 should be Rs.213,349,232 (excluding fines) as per the reports of the Inland Revenue Department's Defaulted Tax Collection Unit and the tax accounts of the Corporation related to tax payments, the arrears of tax to be paid had been understated by Rs.33,257,261 by indicating it as Rs.180,091,971 under non-financial liabilities in the statement of financial position.	Audit observation is accurate. Actions will be taken to correct this error in the year 2023 .	Accurate value should be shown.
(e)	The Corporation had failed to reveal the reasons for the difference of Rs. 3,068,825 occurred in between the opening balance of Rs.21,108,283 as at 01 January 2022 and the balance of Rs.18,039,450 as at 31 December 2021 of airtime debtors .	This is an error occurred in the schedule of debtors for the year 2021. The schedule of debtors submitted in the year 2022 is accurate.	The balances between the schedules and the financial statements should be the equal.

(f)	Even though the bad debt provision of Rs. 137,435,663 had been made for the total value of airtime debtors amounted to Rs.281,690,050 as per the financial statements as at the end of the year under review, the bad debt provision had not been made for Rs. 13,485,732 relating to other debtors and other receivables.	Audit observation is accurate. Provisions will be made for all debtors from the year 2023 .	It is appropriate to draw attention on bad debt provision for all debtors .
(g)	The lease rent payable from 1995 to 31 December 2017 amounting to Rs.10,969,208 as per the method approved by the Attorney General in relation to 0.3194 hectares belonging to the Sri Lanka State Plantation Corporation which was acquired on the basis of lease for running a broadcasting station had not been accounted for up to the year under review. The lease rent payable for the years 2018, 2019, 2020, 2021 and 2022 amounting to Rs. 6,075,000 had not been settled even by 31 May 2023.	Audit observation is accurate. It was unable to pay due to poor financial status.	Actions should be taken to accurately account for assets and liabilities and to settle.
(h)	The accrued expenses related to the year 2022 amounting to Rs.2,738,026 had not been accounted for as per the financial statements.	All the payable expenses received by 10-01-2023 related to the accounting year 2022 have been accounted as accrued expenses. Accordingly, an amount of Rs.322,659,847 has been shown in the account as accrued expenses as at 31-12-2022. The payment vouchers shown in the audit were received by the Finance Division after the said period.	Actions should be taken to accurately account for the accrued expenses.

(i)	The ccumulated depreciation of motor vehicles in the financial statement of the year under review for property, plant and equipment was Rs.53,863,675 and the balance as at 01 January 2022 was Rs.52,786,363. Accordingly, although the depreciation amount of Rs.1,077,313 should be allocated during the year under review, that value had not been accounted for.	Actions will be taken to correct the accounts in the year 2023 by checking the matters pointed out by the audit.	Provisions for depreciation should be accurately accounted for.
(j)	It had been entered into agreement on 25 February 2022 to pay Rs.5 million in 03 installments as Rs.2 Mn. on 15 April 2022, Rs.1.5 Mn. on 15 May 2022 and Rs.1.5 Mn. on 15 June 2022 to purchase the sales center building belonging to Samurdhi Development Department at Thenmarachi Navatkuli for Yal F.M service. Out of which , a sum of Rs.2 million had been paid on 03 November 2022 and the balance amount had not been paid. Accordingly, the balance of building amounting to Rs.3 Mn, the creditor balance amounting to Rs.3 Mn. and the interest charged due to delay had been understated by Rs.680,000.	Audit observation is accurate.	The balance of building and the balance of creditors and the interest thereon should be accurately accounted for.
(k)	As a result of the Corporation had not paid proper attention to the contribution payable to the Employees' Provident Fund, a case was filed against the Corporation for failure of sending Rs.12,714,678 to the Employees' Provident Fund for the employees of the Trincomalee Broadcasting Station. Even though the Magistrate Court had ordered the	Audit observation is accurate. As the Corporation has filed an appeal, no provisions have been made.	Actions should be taken to pay contributions payable to Employees' Provident Fund.

	payment of that amount on 17 January 2021, an evaluation on that responsibility and proper actions thereon had not been carried out		
(l)	A sum of Rs. 1,565,604 pertaining to the year 2023 had been stated as the expenditure of the year under review.	The fact shown in the audit under voucher number pay-1388-12 and number pay-1274-12 is accureate. Rs.658,350 is an expenditure related to the first quarter of the year 2023. That cost is not relevant to the year 2022. Accordingly, all these accounting entries have been accurately accounted for.	Expenditure should be accurately accounted for in the relevant year.

1.5.3 Uncontrolled Control accounts or Records

	Item	Value as per Financial Statements Rs.	Value as per corresponding records Rs.	Difference Rs.	Comments of the Management	Recommn edation
(a)	Development Lotteries Board					
	Debtor Balance	18,192,625	13,758,998	4,433,627	Actions will be taken to check and correct these debtor and creditor balances	The value according to the financial statements should be the same as the values appear according to the correspondi ng reports.
	Creditor Balance	1,939,040	No Balance	1,939,040		
	National Lotteries Board					
	Debtor Balance	6,514,210	No Balance	6,514,210		
	Creditor Balance	565,573	No Balance	565,573		

(b)	Stock	31,400,885	29,405,407	1,995,478	Audit observation is accurate. Arrangements will be made to correct the accounts in the year 2023.	The value according to the financial statements should be the reconciled with the values appear according to the correspondi ng reports
(c)	Deposit Balance Receivable	9,242,462	9,287,782	419,680	The audit observation is accurate and according to the Audit and Management Committee decisions, a Committee has been appointed and a report on this balance has been convened. According to its decision, arrangements have been made to correct this balance in the year 2023 .	Arrangeme nts should be made to correct the deposit balance

1.5.4 Lack of Evidence for Audit

	Item	Amount Rs.	Unavailable Audit Evidences	Comments of the Management	Recommendation
(a)	Lands	7,574,763	Title deeds, documents confirmation of values, Register of Fixed Assets and physical verification reports	Audit observation is accurate	Documents and records confirming the ownership and existence of assets should be submitted.
(b)	Buildings	433,223,877	Register of Fixed Assets and physical verification reports	Audit observation is accurate.	Documents and records confirming the ownership and existence of assets should be submitted.
(c)	Investment in shares of Lankapuvath Agency.	1,000,000	Share Certificates	Audit observation is accurate.	Relevant evidences should be submitted to verify the balance.
(d)	Withholding Tax	23,232,695	Withholding Tax Certificates	Audit observation is accurate.	Documents and records confirming the existence should be submitted.

1.6 Accounts Receivable and Payable

1.6.1 Receivables

	Audit Observation	Comments of the Management	Recommendation
(a)	The airtime debtor balance was Rs. 281,690,050 as at 31 December 2022 and out of that, the amount of local debtors over 10 years was Rs.31,873,561 and the overseas debtors was Rs.63,114,642. It was 34 per cent of the total airtime debt balance. Moreover, within this overseas debtor balance, an unidentifiable balance of Rs.35,301,041 was consisted.	Audit observation is accurate. Debtor balances remaining from 1974 cannot be recovered. The Committee on public Enterprises has given Directives to write off the balance. Accordingly, a Committee has been appointed by the Finance Division, the Marketing Division, and the Internal Audit Division, to examine the writing off record	Taking actions to recover the balance to be recovered.

		and submit it to the Board of the Corporation .	
(b)	Although the officers responsible for the payment of half salary of Rs.954,664 to an officer who was suspended and later convicted by the court were identified, the Corporation had not taken actions so far to recover the amount.	Audit observation is accurate. A Board Resolution of the Corporation has been given to proceed with the recovery of money.	The Corporation should make arrangements to identify the responsible parties and recover the relevant amount.
(c)	The Corporation had not taken measures even by the year under review for the recovery of debtor balances totalled to Rs.10,106,956 with 2 to 11 years old included in the balance of other income receivable, valued at Rs.64,055,395 as at the end of the year under review .	Audit observation is accurate.	Arrangements should be made for the recovery of old debtor balances.
(d)	Actions had not been taken to recover an overpaid Employees' Provident Fund balance of Rs.238,952 bringing forward for more than 35 years to the Corporation even by 31 May 2023 .	Audit observation is accurate.	Arrangements should be made to settle the Provident Fund balance .
(e)	The Corporation had not taken actions even by the year under review to recover the sundry debtor balance of Rs. 4,829,121 which had elapsed between 2 and 21 years included in the balance of sundry debtors valued at Rs. 4,829,121 as at the end of the year under review.	Audit observation is accurate.	Arrangements should be made to settle the balance of sundry debtors.
(f)	The balance to be recovered for more than 3 years was Rs.115,771,219 within the debtor balance of 281,690,050 as at 31 December 2022 .	Audit observation is accurate.	Actions should be taken to recover the balance receivable from the debtors.

(g)	Only Rs.85,000 had been received out of the returned cheques as at 31 December 2022 amounted to Rs.1,005,482 by 30 April. The Corporation had not taken steps to collect the balance amount of Rs.920,482 .	Audit observation is accurate.	The corporation should take steps to recover the value of the returned cheque.

1.6.2. Payables

Audit Observation	Comments of the Management	Recommendation
The total payable to the Telecommunication Regulatory Commission for the period from 1981 to 2016 included in the financial statements as at 31 December of the year under review amounted to Rs.149,420,035 had remained for about 40 years without being settled and the balance was Rs.145,614,269 as per the financial statements of the Telecommunication Regulatory Commission. The balance payable had not been settled even by 31 May 2023 .	Audit observation is accurate.	Actions should be taken to find the causes of long-standing accrued expenses and correct.

1.6.3 Advances

	Audit Observation	Comments of the Management	Recommendation
(a)	The settlement of advances of Rs. 6,031,660 in 155 cases had been made with a delay between 11 days and 714 days exceeding 10 days after completion of task during the year under review in terms of F.R. 371(2) (b) and 371(5) of as amended by 9.1 of Public Finance Circular No. 01/2020 dated 28 August 2020 .	Arrangements have been made to settle the advance amount of Re. 5300 in the first quarter of 2023. It is not be possible to settle the advance in the relevant period according to the circular number due to the nature of the work and the advances issued to the regional services and broadcasting stations scattered all over Sri Lanka are done only through the Head Office.	Actions should be taken in terms of Financial Regulations.

(b)	Although only officers of Staff Grade can be granted ad hoc sub imprests up to a maximum of Rs.100,000 at a time in terms of F.R. 371(2) (b) and 371(5) as amended by 9.1 of Public Finance Circular No. 01/2020 dated 28 August 2020, actions had been taken to provide advances totalled to Rs. 4,643,500 exceeding that limit in 21 cases.	There are occasions when advances have to be given exceeding the limit as per the nature of the task and actions have been taken to obtain special approval of the Chairman and Director General for that.	Actions should be taken in terms of Financial Regulations.
(c)	Although any advance received by an officer shall not be paid advances again before settlement as per Section 04 of Sri Lanka Broadcasting Corporation Staff Notification No.: SLBC/3142, on the contrary, advances of Rs.5,082,646 were re-issued by the Corporation to 26 officers on 126 occasions during the year under review before settlement.	These advances have to be issued due to existence of 13 Radio Channels, existence of 11 Regional Broadcasting Stations, existence of 07 regional services, advances can only be issued to executive grade officers and due to the limitation of nature of tasks, and the number of officers who can issue advances. If advances is not made as such, the operational functions of the Corporation will be affected. Arrangements have been made to follow a proper accounting control system to offset all advances issued.	Measures should be taken as per written instructions and use government money with proper management.
(d)	Although the necessity should be identified and provide the advances and accordingly, it was observed that in 8 cases, the advances received amounting to Rs.182,900 had been repaid without spending.	Audit observation is accurate.	The necessity should be identified when giving advances.

1.7 Non-compliance with Laws, Rules, Regulations, and Management Decisions etc.

	Reference to Laws, Rules, Regulations etc.	Non-compliance Rs.	Comments of the Management	Recommendation
	Financial Regulations of the Democratic Socialist Republic of Sri Lanka			
(a)	(i) Financial Regulation 396 (d) (i) and (ii)	Actions had not been taken in respect of 13 cheques valued at Rs.604,539 whose validity period exceeded 06 months as at 31 December 2022 in terms of Financial Regulations.	This has been corrected by now.	Measures should be taken in terms of Financial Regulation 396 (d) (i) and (iii) .
	(ii) Financial Regulation (395) (c)	Although a bank reconciliation statement should be prepared before the 15th day of the following month in respect of the balance of transactions at the end of each month and the said bank reconciliation should be kept ready for audit in accordance with Financial Regulation 395(b).	All bank reconciliation statements were prepared and submitted by email. Soft copies are submitted herewith.	Measures should be taken in terms of Financial Regulations.

(b)	Guideline for Public Enterprises issued by the Department of Public Enterprises, Ministry of Finance dated 16 November 2021	Specific time targets had not been specified for each activity in the Action plan presented .	Audit observation is accurate.	Measures should be taken in terms of the Guideline.
(c)	As per 6.2 of Part II of Circular "Compilation of Public Finance and Treasury Operations Circulars in an Easy-to-Refer Mode" in Public Finance Circular No. : 01/2020 dated 28 August 2020	The Corporation had made recruitments on 10 occasions for a period exceeding 90 days. Although the payments related to recruitment should be made after the completion of the relevant task with the personal approval of the Ministry Secretary, the Corporation had made monthly payments of Rs. 2,424,937 to 07 officers who had been recruited on assignment basis only up to September 2022 before the task was completed.	Audit observation is accurate.	Measures should be taken in terms of the Circular.
(d)	Treasury Circular No. 842 dated 19 December 1978 and Schedule II of Financial Regulation 502(2)	A Register of Fixed Assets had not been maintained in respect of fixed assets owned by the Corporation.	Audit observation is accurate. It has been planned to maintain a Register of Fixed Assets from the year 2023 .	Measures should be taken in terms of the Circular.

(e)	As per 6.7 of the Operational Manual for Public Enterprises issued by the Public Enterprises Department of the Ministry of Finance on 16 November 2021	Although an annual asset verification should be carried out for fixed assets and warehouses, such a test, in respect of fixed assets and warehouses of the Sri Lanka Broadcasting Corporation for the year 2022 had not been conducted till the date of audit.	An annual asset verification for warehouses has been done and submitted for audit. About 60% of the annual verification of fixed assets 2022 has been completed. Fixed assets verification should be carried out quantitatively in 17 external services and broadcasting stations and 58 sub-units from the Head Office. Officers working in other sectors are deployed for this purpose, and the considerable time required for verification has been identified as a limitation factor in this.	Measures should be taken in terms of 6.7 of the Operational Manual .
(f)	Paragraph 2.3 of Public Finance Circular No. 01/2021 dated 16 November 2021	Although the Strategic Plan should be prepared 15 days before the beginning of the accounting year and submitted to the Secretary of the Treasury and the Director General of the Department of Public Enterprises or the Director General of the National Budget Department through the Secretary of the Line Ministry, the Corporation had not been so done	Audit observation is accurate.	Measures should be taken in terms of the Circular.

(g)	**Section 38 (1) (e) of the National Audit Act No. 19 of 2018**	Although the Accounting Officer should ensure that all audit queries are answered within a specified period as required by the Auditor General, answers had not been given for 2 audit queries of the Corporation, even by 30 June 2023 .	Audit observation is accurate.	Answers for audit queries should be given.

1.8 Finance Management

	Audit Observation	Comments of the Management	Recommendation
(a)	There was an amount of Rs.56,282,019 as at 31 December of the year under review in the People's Bank Savings Account which existed before the year 2014 and an interest of Rs. 2,133,619 was received under an interest rate of less than 2.5 per cent for that. Further, the overdraft balance was Rs.51,726,039 as per the bank statement on the main current account of the Corporation (2323265) as at 31 December 2022 and the interest charged for it was Rs. 4,679,352 . A financial loss had been incurred for failure of focusing on investing the Corporation's money at an interest rate greater than 2.5% or increasing of overdraft interest by Rs. 2,545,733 more than the interest	As the money in the savings account of People's Bank is needed by the Corporation for emergency purchases, this amount was not made in a fixed deposit. Audit observation is correct. Having to pay bank overdraft interest on the main current account (2323265) . The amount of Nations Trust Bank was transferred to the savings account of People's Bank in April 2023.	Proper arrangements should be made for the finance control.

	income due to non-payment of bank overdraft. Further, the current account of the Nations Trust Bank, which existed before the year 2012, had not been used in the most effective way, and Rs. 17,761,729 had been kept in idle as at 31 December 2022.		
(b)	According to the financial statements, the accrued expenses were Rs.322,659,847, of which schedules had not been submitted for the accrued expenses of Rs.223,507,075. Within this accrued expense, the balance of Rs. 228,606,286 which had remained for many years had also been included.	Audit observation is accurate. Contractual Employee Payroll of Rs. 841,819.00 can be provided.	Arrangements should be made to find the reasons for accrued expenses and corrected. Schedules should be submitted for Rs. 222,665,256.

2. Financial Review

2.1 Financial Results

The operating result (before tax) for the year under review was a loss of Rs. 236,388,563 and the profit for the corresponding year was Rs. 11,487,241. Accordingly, a deterioration of Rs.247,875,804 was observed in the financial result. Non-availability of government grants had mainly attributed to this deterioration.

2.2 Trend Analysis of Major Revenue and Expenditure Items.

The sales revenue for the year under review had increased by Rs.49,243,983 as compared to the preceding year and administrative, distribution and other operating expenses had decreased by Rs.22,056,072. Within that situation also, thus the profit after tax in the year under review had dropped by Rs. 119,224,883 (without Government grants), it was observed that there was uncertainty in running the Corporation without any financial support from the Treasury or Government.

2.3 Ratio Analysis

(a) In comparison with the preceding year, a huge drop was shown in the current ratio from 1.04 to 0.6 and the quick ratio from 1 to 0.56. Within the debtors included in current assets, old local debtors for more than 10 years were Rs.31,873,561, foreign debtors were Rs.63,114,642, and Rs.228,606,286 were included for many years in the accrued expenses of current liabilities. Further, as the net working capital had decreased from plus value of Rs. 21,143,543 to a negative value of Rs. 282,878,479 , the Corporation had faced the problem of short-term illiquidity.

(b) As compared to the previous year, the operating profit ratio had grown from negative value of 52.05 to negative 33.89 per cent and the increase in sales revenue by 7.78 per cent, administrative expenses by 6.19 per cent and other operating expenses by 1.16 per cent had caused this. Further, the Corporation had continued to incur operating losses.

3. Operational Review

3.1 Identified Losses

	Audit Observation	Comments of the Management	Recommendation
(a) (i)	The new building in front of the Corporation had been leased out to a supermarket complex on 01 September 2022 for a period of 20 years at a value of Rs.1,014,090,300. Advertisements had been published in only one newspaper for this. It was only mentioned that it can be given for Rs.2 million per month without stating the square footage of the building and parking lot in the valuation report obtained for this building and car park which had already been given at an initial rent of Rs.3 million. But in the newspaper advertisement, it was mentioned as 10 perches.	Agree with the audit observation. Based on the financial situation of the Corporation, it was arranged to do these advertisements in a Sunday newspaper through the Sunday Observer, Lakehouse Company which is a public institution. This activity was also done on credit basis. In addition, these advertisements were published on the Corporation's Website.	Actions should be taken to obtain an accurate assessment so that it does not incur loss to the Corporation.

	According to the audit and on-site observation made by the officers of the Corporation on 02 June 2023, it was ascertained that this amount was about 123.06 perches, the Corporation had lost the opportunity to earn the lease rent values that it was supposed to get based on the accurate square footage because of the low number of square footage specified in the newspaper advertisement and failure of taking proper assessment.		
(ii)	As a part of the monthly rental income received has to be allocated for Value Added Tax (assuming Value Added Tax remains unchanged at 15% in future years), there is a risk of losing the lease income to the Corporation by having to pay Value Added Tax of Rs.132,272,648 from the Corporation tax income by the year 2042 when the contract period ends.	Audit observation is accurate.	Actions should be taken to revise the lease agreement.
(iii)	Although the advance amount received as per this agreement was Rs. 72 million, because of the Section 7 (g), a provision of Rs.9,391,304 was made as Value Added Tax. Even though it had agreed to offset this advance by monthly rent of Rs.600,000 in 120 months as per clause 3(ii) a of the agreement, as the total advance accounted for was	Audit observation is accurate	Actions should be taken to revise the lease agreement.

	Rs.62,608,696, provision of 120 installments of Rs.600,000 each is problematic.		
(b)	Even though the approval of the Procurement Committee was received on 06 November 2019 to repair the main transmission tower and microwave tower of the Head Office, which are in a condition that needs to be repaired soon, repairs had not been done even by 30 April 2023. As a result, the operating of broadcasting of programmes by the Corporation had become at a risky level.	Audit observation is accurate.	It should be repaired soon.
(c)	The Corporation had not taken actions to offset withholding tax certificates value of Rs. 16,980,329 held by the Corporation from the year 2004 to the year 2019 for the income tax before the prescriptive time period.	Audit observation is accurate.	The Corporation should make arrangements to offset the withholding tax.

3.2 Management Inefficiencies

	Audit Observation	Comments of the Management	Recommendation
(a)	The Corporation had been continuously incurring losses since 2012 before receiving the Treasury provision and due to receipt of Treasury allocations for recurrent expenditure, there was an opportunity to reduce those losses. Before receiving the Treasury allocation in the year 2021, the loss of Rs. 333.5 Mn.	Arrangements have been made to provide part of the new building in the year 2022 on lease basis, starting the necessary activities to stand up as an institution that provides dividends without cost burden to the country by using underutilized assets Necessary actions have been commence to	Actions should be taken to improve the income from the revenue sources.

	turned into a profit of Rs. 11.5 Mn. because of receiving Rs. 345 Mn. provision and as a result of not receiving Treasury allocation, the loss was Rs. 236.4 Mn. in the year 2022 . For this purpose, the Corporation had arranged to lease the buildings and lands of the Corporation with the expectation to increase the income through other sources of income. However, the Corporation did not draw attention to the measures that can be taken to increase the financial position by increasing the sale of air time, which is the main function of the Corporation, and to bring it back to a profitable environment by controlling the institutional and administrative expenses.	use the Trincomalee, Kutchaveli land for a solar power project. It has been commenced to run jointly with Nuwara Eliya residence. A Memorandum of Cabinet of Ministers has been sent to receive an amount of Rs. 125 million s from the University of Moratuwa, which has not been received for many years.	
(b)	Although the Corporation had invested Rs.1,000,000 in the year 1993 according to the request of the Ministry of Mass Media to buy the shares of Lanka puvath Agency, no dividend income whatsoever had received from the year 1993 even to the year 2022 .	Agree with the audit observation.	Arrangements should be made to look into Investments and acted upon to reap benefits.
(c)	Although no one who has completed the age of 67 shall be re-appointed to a post of approved staff in the public service as per Public Administration Circular No. 09/2007 dated 11 May 2007, the Corporation had employed two persons who have completed the age of 68 and 81 years on assignment basis from the year 2010 up to now without issuing any letter of appointment.	Audit observation is accurate	Actions should be taken in terms of the provisions of the Circular.

(d)	Although the Board of the Corporation had decided that the targetted monthly income of all sales executives should be increased up to Rs.03 million as per the Board Meeting No. 03/2020 (ii) Decision No 04.03 of the Corporation held on 29 June 2020, the sales target of marketing officers in October and November 2022 had not been 03 million. Likewise, 12 out of 15 officers were not able to complete the target given in October 2022 .	Audit observation is accurate.	Actions should be taken as per the Decision No. 04.03 of the Board Meeting No. 03/2020 (ii) of the Corporation .
(e)	The budgeted sales income for the year 2022 was Rs.1,040,210,000 and the actual sales income in the year 2022 was Rs.682,086,556. Accordingly, the Marketing Division of the Corporation had failed to achieve Rs.358,123,444 out of the budgeted income. That amount was 34% of the budgeted sales income.	Audit observation is accurate.	Arrangements should be made to achieve the budgeted income.
(f)	Although the balance receivable before the year 2022 was Rs. 163,164,250 , the legal actions had been taken for to recover the debt of Rs. 12,890,287 only.	Audit observation is accurate.	Actions should be taken to recover the balances receivable.
(g)	The buildings related to Kandurata Service had been constructed in the year 2018 at a cost of Rs. 5,830,890 in a land where the Broadcasting Corporation has no legal right and arrangements had not been made to legally take over.	Actions have been taken to construct this building on the land given to the Broadcasting Corporation for more than 30 years. Later, a meeting was held in the Ministry of Mass Media with the officers of Pushpadana College, Kandy, Land Commissioner Department regarding the request made by Pushpadana	Arrangements should be taken to legally take over the possession or formally settle the land.

		Vidyalaya to provide the land on which the building was built and it was adjourned for 6 months without a decision on this matter.	
(h)	Although all government agencies are required to review the fees charged by their agency for services and revise them every three years subject to a maximum of 15 per cent as per Paragraph 5.1 of Part II of State Finance Circular No. 1/2020 dated 28 August 2020, due to the Corporation had not complied with it, the Corporation did not focus on getting fee income up to Rs.102,312,983 during the year under review.	Audit observation is accurate. Fees have not been increased in 2020, 2021, 2022 Due to the Corona epidemic in the world at the beginning of 2020, there has been no annual fee increase or special activity, only focussed on running the institution. Steps have not been taken to increase the rates by 20 per cent.	Actions should be taken in terms of the Circular.
(i)	There a sum of Rs. 37,402,395 received from the year 2015 as airtime creditors when it was difficult to perform the related programmes on the scheduled date in cases where customers paid money for the programs in advance and arrangements had not been made to settle the said amount accordingly.	Airtime revenue has been provided for all receipts in advance in the year 2022. Arrangements will be made for the balance amount in 2023.	Measures should be taken to credit or refund the cash income received in respect of programmes which were not conducted .
(j)	It had been informed that "The land is handed over only for the construction of a radio transmission station" and that the land cannot be used outside of that purpose and that the land should be returned if it is used outside of the prescribed purpose as per the schedule ii of the Certificate of Alienating of the land of the Corporation of 149 acres, 02 roods , 02 perches for the construction of a radio	Actions will be taken by checking the accounts after the year 2007 and to correct the accounts in the year 2023 if wrongly accounted for.	It should not be used outside of its intended purpose.

	transmission station with the approval of the Homagama Divisional Secretary. However, the Broadcasting Corporation deviated from that objective and an advance of Rs. 25,000,000 had been obtained on 17 December 2007 for the construction of the Faculty of Technology of the University of Moratuwa.		

3.3 Resources Released to Other Entities

	Audit Observation	Comments of the Management	Recommendation
	Actions had not been taken to recover Rs. 2,236,895 receivable to the Corporation from the officers released from the Corporation service to other entities during the period of 2009 and 2019 even by 31 May 2023 .	Audit observation is accurate.	Arrangements should be made to recover amounts receivable to the Corporation from officers released to other entities.

3.4 Human Resources Management

	Audit Observation	Comments of the Management	Recommendation
(a)	The Corporation had taken steps to recruit an officer from 13 December 2021 on assignment basis who had retired from the position of Estate Superintendent on 10 December 2021 due to completion of 60 years. In the Board Meeting of the Corporation held on 14 March 2022, the Treasury Representative had not agreed in	Audit observation is accurate.	Obtaining service on assignment basis should be done as per legal provisions.

	principle to get the service of this officer on assignment basis, and the observer of the Ministry of Mass Media had also not agreed to it. However, the Board of the Corporation had given approval to employ this officer on assignment basis.		
(b)	Even though only 01 post of Director (Marketing) is included in the approved cadre of the Corporation, the Corporation had employed two officers on permanent basis and on contract basis in the post of Director (Marketing) against the approved cadre during the period between 01 June 2021 and 31 May 2022. Accordingly, the amount paid for two officers for one position approved by the Corporation during that period was Rs.3,872,920. Moreover, although the Corporation had not taken actions to assign another duty to the officer who was the Director (Marketing) released from the duties of the Sales Division for the period from 1 June 2021 to 27 June 2021, he had been paid Rs. 182,505 as his salary for the month of June.	Audit observation is accurate.	Recruitments should be done only for approved posts.
(c)	An excess of 57, 95 and 61 employees were employed in the staff of the Corporation for tertiary level, secondary level and primary level posts respectively.	Audit observation is accurate.	Recruitments should be done only for approved posts.

4. Accountability and Good Governance

4.1 Annual Report

Audit Observation	Comments of the Management	Recommendation
Although the Draft Annual Report along with the Annual Financial Statements should be submitted to the Auditor General within 60 days of the end of the accounting year in terms of Paragraph	Audit observation is accurate. The Annual Report for the year 2021 is in print and it can be submitted by 31 May.	Actions should be taken in terms of Operational Manual.

6.6 of Operational Manual for Public Enterprises No. 01/2021 dated 16 November 2021, the Financial Statements of the year under review were submitted for audit on 10 March 2023 with a delay of 10 days and the Draft Annual Report was not submitted for audit.		

4.2 Annual Action Plan

Audit Observation	Comments of the Management	Recommendation
In considering the progress as at 31 December 2022 of the Action Plan submitted for audit on 25 November 2022, a number of 22 sections had been included in the Action Plan and the progress in 14 sectors had not been presented. Further, 17 programmes introduced with the aim of increasing the income of the marketing Division had not been not conducted.	Audit observation is accurate.	The progress should be forwarded as per the Action Plan.

COMMENTS OF THE CORPORATION
ON
AUDITOR GENERAL'S REPORT - 2021

1.5.1 Non-compliance with Sri Lanka Accounting Standards

(a) In the year 2023, a fixed asset register will be prepared and an asset audit will be carried out to review and account for its life-time.

(b) In the year 2023, cash flow from interest will be disclosed separately.

(c) Audit observation is correct.

1.5.2 Accounting Deficiencies

(a) This error occurred because the balance obtained in the advance ledger as on December 31 was erroneously accounted for in the advance ledger for the month of January.

(b) Audit observation is correct.

In the advance calculation, Rs. 600,000 has not been received as income from the advance account in December. The error was corrected in February 2023. The remaining difference is accounted for by VAT.

There is a difference of Rs. 978,261 as 15% tax has been set aside from the rental income. Due to the fact that the amount of tax along with the rent has not been calculated in the agreement, this adjustment had to be made.

(c) According to the Cabinet Memorandum, the rent payable for the land belonging to Trincomalee, Kuchchaveli Divisional Secretariat has not been accounted for. It has been written off from the accounts.

(d) Audit observation is correct. This mistake will be corrected in the year 2023.

(e) An error occurred in the debtor's schedule for the year 2021. The schedule of debtors submitted in the year 2022 is correct.

(f) Audit observation is correct. From the year 2023, half loan will be allocated to all borrowers.

(g) Audit observation is correct. Unable to pay due to poor financial condition.

(h) In relation to the accounting year 2022, all the payable expenses received by 2023- 01-10 have been accounted as accrued expenses. Accordingly, an amount of Rs.322,659,847 has been shown in the account as accrued expenses on 31-12-2022.

The payment vouchers shown in the audit were received by the cash department after the above period.

(i) The matters pointed out in the audit will be checked and the accounts will be corrected in the year 2023.

(j) Audit observation is correct.

(o) Audit observation is correct. As the Corporation has filed an appeal, no reservations are being made.

(p) The fact shown in the audit under voucher number pay-1388-12 and number pay- \1274-12 is correct. Rs. 658, 350 is an expenditure related to the first quarter of the year 2023. That cost does not apply to the year 2022. Accordingly, all these accounting entries are correctly accounted for.

1.5.3 Unreconciled Control Accounts or Records

(a) These debtor and creditor balances are checked and corrected.

Audit observation is correct. Arrangements will be made to correct the accounts in the year 2023. The audit observation is accurate and according to the audit and management decisions, a committee has been appointed and a report on this balance has been convened. According to its decision, this balance has been used to correct in the year 2023.

1.5.4 Absence of written evidence for audit

(a) Audit observation is correct.

(b) Audit observation is correct.

(c) Audit observation is correct.

(d) Audit observation is correct.

1.6 Accounts Receivable and Payable

(a) Audit observation is correct. Debtor balances from before 1974 are not recoverable.

The State Business General Committee has given instructions to cut off the balance.

Accordingly, a committee has been appointed by the finance department, the marketing department and the internal auditor department to examine the document and submit it to the corporation board.

(b) Audit observation is correct. A board resolution has been given to proceed with the recovery of money.

(c) Audit observation is correct. A board resolution has been given to proceed with the recovery of money.

(d) Audit observation is correct. A board resolution has been given to proceed with the recovery of money.

(e) Audit observation is correct. A board resolution has been given to proceed with the recovery of money.

(f) Audit observation is correct. A board resolution has been given to proceed with the recovery of money.

(g) Audit observation is correct. A board resolution has been given to proceed with the recovery of money.

1.6.2 Amounts Due Audit observation is correct

1.6.3 Advances

(a) The advance amount of Re 5300 has been settled in the first quarter of 2023. In the settlement of advances, it will not be possible to settle within the relevant period as per the circular number due to the nature of the work and the fact that the advances issued to regional services and broadcasting stations scattered all over Sri Lanka are done only through the head office.

(b) Depending on the nature of the work, there may be occasions where advances are required to exceed the limit, for which the special approval of the Chairman and Director General has been obtained.

(c) There are 13 radio channels, 11 regional broadcasting stations, and 7 regional services that require funding. To ensure the smooth operation of the organization, advances can only be issued to executive grade officials. Due to the limited number of officers authorized to issue advances, it is necessary to issue the advance. Failure to do so will negatively impact the organization's operational functions. Additionally, we have implemented a proper accounting control system to manage all advances issued.

(d) Audit observation is correct.

1.7 Non-compliance with laws, rules, regulations and management decisions etc

(a) (i) This has now been corrected

(ii) All bank reconciliation statements were prepared and submitted by email. The soft copies are submitted herewith.

(b) Audit observations are accurate.

(c) Audit observations are accurate.

(d) The audit trail is correct. It is planned to maintain a fixed asset register from the year 2023.

(e) The Annual asset verification for warehouses is done and submitted for audit. About 60% of the 2022 annual verification of fixed assets has been completed. Quantitative inspection of external services and fixed assets of 17 broadcasting stations and 58 sub-units from head office should be done. For this purpose, officers working in other sectors are used and the considerable time required for survey work has been identified as a limiting factor here.

(f) Audit observation is correct.

(g) Audit observation is correct.

1.8 Cash Management

(a) The money in the People's Bank Savings Account was not made a fixed deposit as the Corporation needed this money for emergency purchases.

Audit observation is correct. Having to pay bank overdraft interest on the main current account (2323265).

The current account amount of Nations Trust Bank was transferred to the savings account of People's Bank in April 2023.

Audit observation is correct. Rs. 841,819.00 Contractual Employee Payroll can be provided.

3.1 (a) (i) Audit observation is correct. Based on the financial situation of the corporation, it was arranged to do these advertisements in the Sunday newspaper through the

Sunday observation of Lakehouse Institute, a public institution. This work was also done on credit basis. In addition, these advertisements were placed on the corporation's website.

(ii) Audit observation is correct.

(b) Audit observation is correct.

(c) Audit observation is correct.

3.2 (a) A part of the new building has been given on lease basis in the year 2022, starting the necessary activities to stand up as an institution that provides dividends without cost burden to the Rajarata by using underutilized assets. Trincomalee, Kuchchaveli land has been started for solar power project. Work has started to jointly run the Nuwara Eliya home. A cabinet paper has been directed to receive an amount of 125 million rupees from the University of Moratuwa, which has not been received for many years.

(d) Audit observation is correct.

(e) Audit observation is correct.

(f) Audit observation is correct.

(g) This building has been constructed on the land given to the Radio Corporation for more than 30 years. Later, a meeting was held at the Ministry of Mass Media with the officials of Pushpadana College, Kandy Land Commissioner Department regarding the request made by Pushpadana Vidyalaya to provide the land on which the building is built and it was adjourned for a period of 6 months without a decision on this matter.

(h) Audit observation is correct. Fees have not been increased in 2020, 2021, 2022. Due to the Corona epidemic in the world at the beginning of 2020, there has been no annual fee increase or special activity without running the institution. Till March 31, 2023, no steps have been taken to increase the rates by 20 percent.

(i) Airtime revenue is provided for all future receipts in 2022. The remaining amount will be processed in 2023.

(j) After the year 2007, the accounts will be checked and if wrongly accounted for, the accounts will be corrected in the year 2023.

3.4 Human Resource Management

3.3 Resources Released to Other Organizations

(a) Audit observation is correct.

(b) Audit observation is correct.

(c) Audit observation is correct.

4.1 Audit observation is correct. The annual report for the year 2021 is in print and is available for submission by 31st May.

4.2 Audit observation is correct.