ANNUAL REPORT

Condominium management Authority

2023

Securing ownership

Advancing with unshakable strength

20
anniversary
of
service excellence

Ministry of Urban Development & Housing

VISION

Assisting in the creation of condominium settlements as a solution to the housing requirement of the country.

MISSION

Constructing condominium property to be apposite with the benefit and welfare of residents and establishing management corporations for the systematic administration and management of such property and regulating their maintenance activities.

Securing ownership Advancing with unshakable strength

As the state authority on condominium for two full decades, the temper we gained thus far has enabled us to offer necessary guidance and regulation to our stakeholders in any challenging environment with unshakable strength and determination whilst securing rights of the condominium sector. In a country where the rallying cry is a sustainable economic revival, we constantly strive to provide the strength required for achieving goals of a secured condominium lifestyle and a resurgence in the construction sector.

We have made available our service flexibility without any hesitation to all parties for the rejuvenation of economy and reawakening in condominium property development. We, having achieved financial and physical targets and overcome seemingly insurmountable challenges in a taxing environment through strategic planning, constantly strive to be a stakeholder of future development with the dogged resolve aiming to discharge the responsibilities entrusted to perfection.

Contents

The annual report of 2023 has been designed with the theme “Securing ownership Advancing with unshakable strength” for easy reference and for publishing audit and account statements in compliance with the prescribed standards ensuring transparency.

This report for the year 2023 has been prepared in line with the guidelines issued by the cabinet office in August 2020. Accordingly, the following matters incorporated in 3(XII) therein have been submitted through this report of 2023.

(a) The report on performance of the institution for the relevant period

(b) Short and medium term measures intended to pursued to improve the performance of the institution

(c) Steps taken and expected to be taken in future by the management of the Authority and its Board of Directors to rectify the shortcomings indicated in the audit report for the period relevant to the annual report.

(d) Other matters relating to institution that call for the attention of the Cabinet of Ministers

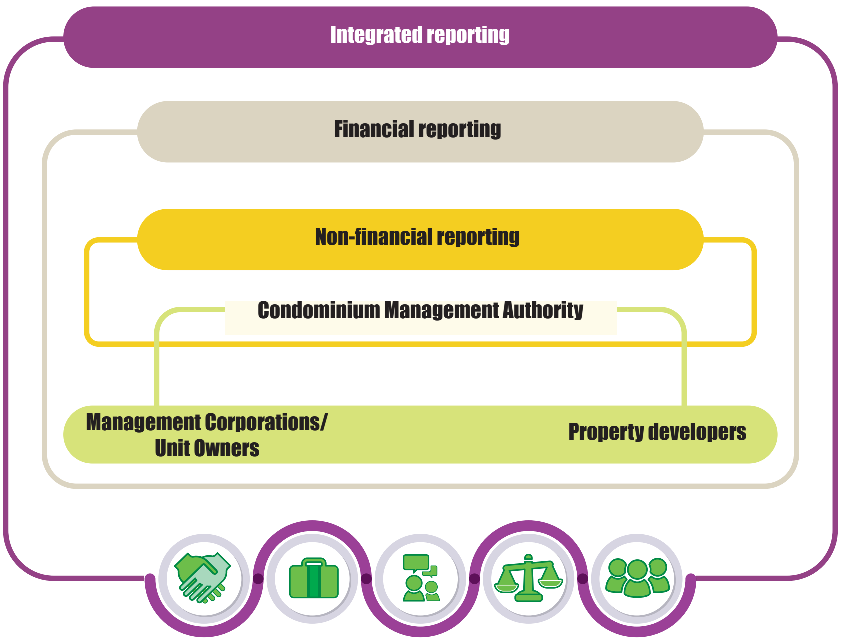
Further, the audit and account statement has been prepared in conformity with the auditing and accounting standards set forth in the guidelines for the preparation of annual reports issued by the Department of Public Enterprises.

Report boundary

Non-financial statements relevant to the financial report for the year ended 31 December 2023 and other reporting relevant thereto are confined only to the Condominium Management Authority. The integrated report scope has been designed inclusive of external stakeholders and operational management. The annual reporting cycle has been prepared comparatively based on the annual report for the financial year ended 31 December 2022. No material adjustment has been made for non-financial information.

Materiality

The contents to be included in this integrated report have been formulated taking cognizance of management operational trends, requirements of residents of condominium properties and property developers and strategic plans of the CMA.

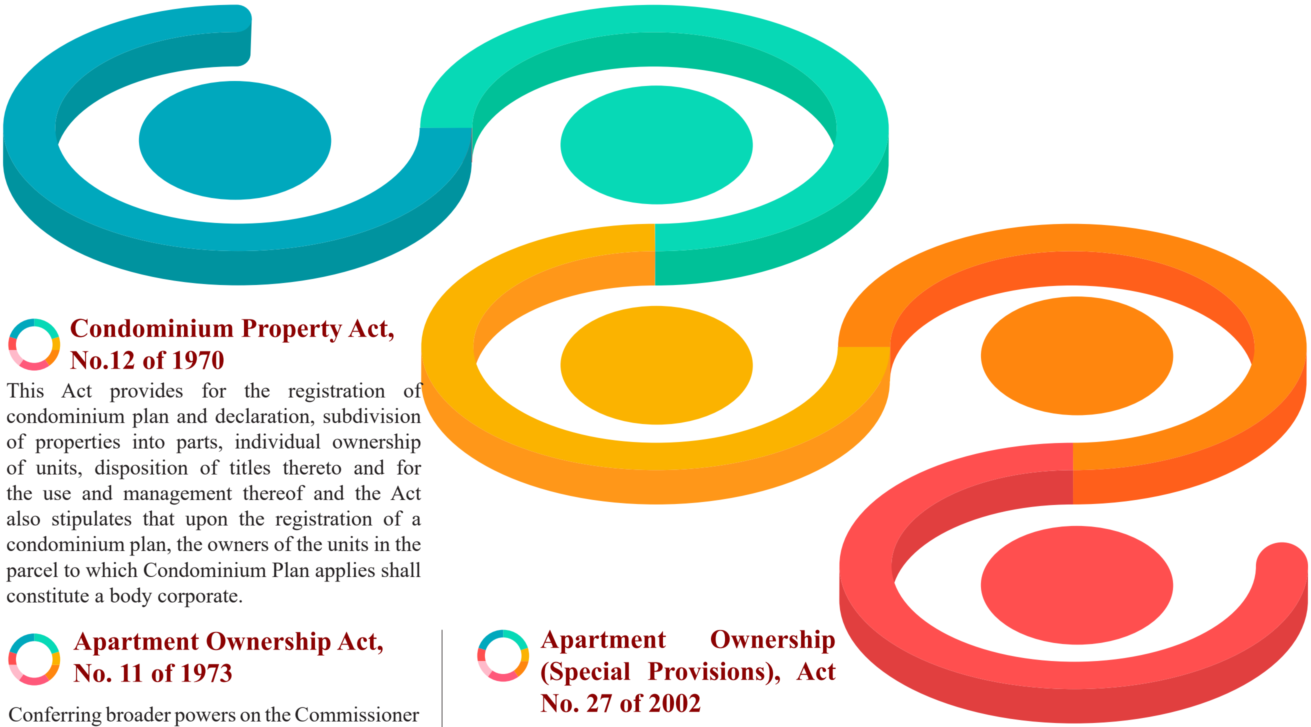


This report can be viewed online using this QR code

Designing and Preparation
G. A. U. T. Sampath
Pravini Wijesinghe
Management Information System Division
Condominium Management Authority

Legislation applicable to condominium properties

1970 1973 1982 1999 2002 2003 2003



Condominium Property Act, No.12 of 1970

This Act provides for the registration of condominium plan and declaration, subdivision of properties into parts, individual ownership of units, disposition of titles thereto and for the use and management thereof and the Act also stipulates that upon the registration of a condominium plan, the owners of the units in the parcel to which Condominium Plan applies shall constitute a body corporate.

Apartment Ownership Act, No. 11 of 1973

Conferring broader powers on the Commissioner for National Housing vested in him by the Ceiling of Housing Property Law. No. 01 of 1973, the Apartment Ownership Act, No.11 of 1973 was passed by the Legislature repealing the Condominium Property Act, No. 12 of 1970. Therewith, in place of provision 11 which stated that upon the registration of a condominium plan, the owners of the units shall constitute a body corporate, a new provision was introduced which states that it shall be lawful for the owners of units to form themselves into associations or bodies for the purpose of controlling, managing, maintaining or administering the common elements of such property.

Apartment Ownership (Amendment) Act, No.45 of 1982

The Act, No. 45 of 1982 introduced the system of Management Corporation and a host of new powers were added to the principal enactment through these amendments in respect of the role of the Management Corporation, funds of the Management Corporation, appointment of an administrator through the courts and insurance of properties.

Apartment Ownership (Special Provisions), Act No. 04 of 1999

A situation prevailed where condominium housing schemes vested in the National Housing Commissioner by Act, No. 01 of 1973 and some condominium housing schemes constructed in terms of the National Housing Development Authority Act, No.17 of 1979 could not be registered as they were not in compliance with the provisions and regulations of the Urban Development Authority Act as well as owing to the inability of the local authorities to issue the Certificate of Conformity due to the non-availability of required documents.

Apartment Ownership (Special Provisions), Act No. 27 of 2002

A period of two years was allocated for the realization of objectives sought to be achieved by Act, No. 04 of 1999 and though this period lapsed on March 09, 2001, the ownership of such condominium properties could not be disposed due to issues involved in the transfer of lands and problems associated with the preparation of condominium plans. Therefore, the Apartment Ownership (Special Provisions) Act, No.27 of 2002 was adopted for the purpose of fulfilling those tasks.

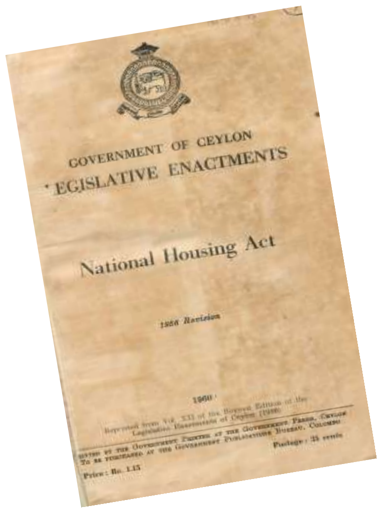
Common Amenities Board (Amendment) Act, No 24 of 2003

The Common Amenities Board Act, No.10 of 1973 was amended through the Act, No, 24 of 2003 facilitating the establishment of the Condominium Management Authority with wide ranging powers including the registration of the condominium plan and the declaration after the completion of the condominium property, issuing a certificate for common elements prior to such registration, regulating all activities of the Management Corporation formed after registration of the property, settling issues among various stakeholders of the condominium property, removing unauthorized structures and redeveloping the property.

Apartment Ownership (Amendment) Act, No.39 of 2003

The Apartment Ownership (Amendment) Act, No.39 of 2003 was enacted to provide for the registration of a condominium property on 03 occasions at the Land Registry as provisional condominium property, semi condominium property and full condominium property.

Apartment Ownership Special Provisions Act, No. 23 of 2018



The first Housing Act pertaining to multi-storey housing of Sri Lanka

CONDOMINIUM

HISTORY - TODAY

Landmarks of Condominium Housing 1959-2023

1959 Appointment of a committee to study housing issues of Sri Lanka

1963 Launching of the first policy statement on the housing policy of Sri Lanka

1970 Introduction of legal provisions as to a condominium property by the Condominium Property Act, No. 12 of 1970

1973 Apartment Ownership Act, No. 11 of 1973 was adopted so as to confer extensive powers for the management of multistory and apartment houses under the Ceiling on Housing Property Law, No. 01 of 1973. This repealed the Act, No. 12 of 1972 and introduced provisions making it lawful for the owners of units to form themselves into associations or bodies. Similarly, the Common Amenities Board was established by Act, No. 10 of 1973 for the maintenance of such properties.

1982 Apartment Ownership Act, No.45 of 1982 introduced the system of Management Corporation and it contained provisions for the reinforcement of the system of Management Corporations.

2003 The Common Amenities Board Act, No.10 of 1973 was amended by Act. No. 24 of 2003, facilitating the establishment of the Condominium Management Authority with wide ranging powers including the registration of the condominium plan and the declaration after the completion of the condominium property, issuing a certificate for common elements prior to such registration, regulating all activities of the Management Corporation formed after the registration of the property, settling issues amongst various stakeholders of the condominium property, removing unauthorized structures and redeveloping the property. Through the amendments of the Apartment Ownership (Amendment) Act, No.39 of 2003, provisions were made for the registration of a condominium property at the office of the Registrar General on 03 occasions as 'Condominium Property', 'Provisional Condominium Property' and Semi Condominium Property'.

2017 Gazette No: 2026/25 dated 05 July 2017 was issued incorporating details on the basic requirements to be fulfilled for the issuance of condominium certificate, conformities and charging of fees.

Message of the Chairman

> "Despite the tough operating environment, as the flagship public sector entity in the condominium sector, we have been able to achieve our goals and overcome financial challenges due to the unwavering commitment and resolve of our valued employees."

All of us without a semblance of a doubt expected that the economy which shrank amidst crippling economic crisis in the year 2022 to bounce back to normal during the year 2023 easing all the related issues. Despite such challenging environment, I am justifiably proud to be able to make a contribution to the General Treasury to boost national economy.

The lion's share of the provisions allocated for infrastructure facilities and development of the country had to be funneled for public welfare and the health sector. This was done with the intention of realizing developmental targets through human community enjoying the benefits of improved living conditions. A significant growth was expected in the year 2023 in the field of condominium property, a key component of the construction sector.

However, the abrupt and unforeseen political and economic turmoil that emerged in 2022 continued to negatively impact the society and local economy. Despite the commendable measures adopted by the government of Sri Lanka to arrest the economic decline, in the absence of safeguards that could withstand the aftershocks of global impacts, the downward slide of economy continued unabated. Therefore, the government, being well aware of the lasting impact on economy, framed policies to ensure economic wellbeing as a long term strategy thus minimizing the possible repercussions on the construction industry. In the year 2023, the progress of the condominium sector remained sluggish primarily on the back of strict restrictions imposed on expenditure, short supply of raw materials and the steep increase in the construction input costs.
The state policy was to accord priority to condominium housing requirements of low and middle income earners. This incentivized condominium property developers and the Condominium Management Authority pursued action to integrate such incentives into the condominium sector in principle.

Accordingly, the CMA as the state regulatory entity of common amenities and common elements of condominium properties introduced a host of key policy decisions and made crucial administrative decisions in the year 2023 for the advancement of the residents, professionals and policy formulators involved in the field.

Receiving accolades and positive responses on the back of our efforts to accomplish the policy and administrative decisions incorporated in the Action Plan of 2022 is an outstanding victory achieved by us.
Though the construction sector declined by 33.2% in the year 2022, it was observed that there was greater demand for condominium houses. Fueled by the rapid growth in the tourism sector, a positive trend witnessed in the year 2023 was the increased purchase of condominium properties as a form of investment. Owing to management operations backed by astute management, the CMA continued to be in a sound economic footing.
As the Authority achieved institutional targets despite the tough operating environment, the benefits thereof could be passed on to employees. This was the greatest benefit offered to employees in the history of

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In the year 2021, action was taken to reduce fees levied for public sector condominium properties by 83% and in the backdrop of the continuation of reduced rates in the year 2023 as well, the situation was effectively managed so as not cause a negative impact on the revenue of the Authority.

We have realized the importance of working with better understanding and developing stronger relationships with other institutions making an active contribution to the housing drive of the government such as the National Housing Development Authority, Urban Development Authority and Urban Settlement Development Authority and intend to develop our capacity to fulfill duties entrusted to us in a more successful and flexible manner.

Further, action was taken to amend the Condominium Management Authority Act taking cognizance of timely requirements and emerging trends whilst introducing regulatory mechanisms and practical measures for resolving disputes.

Despite the highly challenging environment, as the flagship public sector entity in the condominium sector, we have been able to achieve our goals and overcame financial challenges due to the unwavering commitment and resolve of our valued employees. Hence, it is with immense pleasure that we present this Annual Report of 2023 with audit financial accounts to you in the midst of this challenging period.

Acknowledgement

It is my duty to express thanks to all those who contributed to the performance of the Authority in the year 2023. Firstly I wish to convey my heartfelt thanks to the President His Excellency Ranil Wickremesinghe, Prime Minister Hon. Dinesh Gunawardena and the Cabinet of Ministers. I am also grateful to the Minister of Urban Development and Housing Hon. Prasanna Ranatunga and State Ministers, Hon. Thenuka Vidanagamage and Hon. Arundika Fernando who have been a source of inspiration, offering guidance for the sustainability of the Authority. I wish to recall with gratitude the services offered as the chief accounting office by the secretary of the Ministry Mr. S. Sathyananda and all other officials of the Ministry. My thanks are also due to the Board of Directors, members of the Audit and Management Committee and the heads of departments and statutory bodies working in partnership with the Authority for their assistance in making CMA a profit making venture whilst achieving a positive performance. I would like to express my deep appreciation to acting General Manager Mr. Rasika Silva and the entire staff who have been a source of encouragement in running the affairs of the Authority.

Sarana Karunaratne, Attorney at Law
Chairman
Condominium Management Authority

> Property developers, professionals and condominium occupiers were made aware of the legislation and regulations using audio and video media which was an investment of knowledge for the promotion of condominium concept."

Review of the General Manager

I am pleased to present to you the Annual Report 2023 which was made possible by the commitment of our employees despite the year 2023 being a challenging year.

The year saw the Condominium Management Authority recording an optimal income whilst achieving physical targets as planned. Taking into consideration the emerging trends of the constantly changing condominium sector, a sustained effort was made for the advancement thereof by bringing about radical changes through the amendment of existing legislation. Year 2023 was a year that entailed numerous challenges globally as well as locally. However, due to the adoption of risk management strategies, the revenue generation of the Authority could be enhanced. Amidst the setbacks of the construction sector, this was of special significance to the Authority as it was able to implement operations so as not to cause any impediment to the revenue generation. Despite the crisis situation that prevailed, I am happy to note that a satisfactory service could be offered to our clientele as the regulator of the sector. Through the hotline that was introduced as a method of implementing management operations, satisfactory solutions could be provided to condominium residents and other stakeholders.

The easing of this situation to a certain degree during the last quarter of the year 2023 had a positive impact on the growth of revenue of the Authority. In the year 2022, the operational income of the Authority stood at 297.28 million and in the year 2023 the operational income posted was Rs. 322.74 million. This income was earned by the Authority from revenue sources such as the issuance of condominium certificates, the registration and renewal of registration of management corporations and the follow-up procedure employed for the re-inspection of abandoned condominium properties. The net profit after tax stood at Rs. 77.43 million and for the first time in the history, the CMA was able to pay revenue taxes amounting to Rs. 200.00 million to the Treasury in addition to income tax. In addition, Rs. 77.29 million was paid to the Inland Revenue Department as taxes. Though the sector suffered a setback due to political and economic crises, the Authority was able to formulate guidelines to revive the fortunes of the condominium sector by implementing risk management strategies which enabled the Authority to issue 124 clearance certificates for condominium properties generating revenue amounting to Rs. 171.69 million.

Property developers, professionals and condominium occupiers were made aware of the legislation and regulations using audio and video media which was an investment of knowledge for the promotion of condominium concept. Action was taken to amend the Common Amenities Board Act, No. 10 of 1973 and the Apartment Ownership Act, No.10 of 1973 with the assistance of a panel of experts and veterans of the field to be in tune with the timely requirements.

Since all these successes and the achievement of financial targets were made possible by the unfaltering commitment of our employees, significant benefits could be offered to them at the year as a token of gratitude. Through these incentives, the management expects them to demonstrate the same level of commitment and inspire them to achieve higher targets in the coming year.

Acknowledgement

I convey my appreciation to all those contributions made the above achievements possible despite a challenging and difficult period. I would especially like to thank the Hon. Minister, the government of Sri Lanka, secretaries of ministries and additional secretaries and the Auditor General and his staff for their guidance and direction in conducting operational activities. I would like to express my gratitude to the Chairman and Board of Directors and the Audit and Management Committee for placing their trust on me and truly value their guidance and I would also like to acknowledge with much appreciation the commitment and energy of the executive and other staff members which enabled us to ride out this testing period. I would especially like to thank the Hon. Minister, the government of Sri Lanka, secretaries of ministries and additional secretaries and the Auditor General and his staff for their guidance and direction in conducting operational activities. Finally, I'd like to convey my deep gratitude to all our partners for their unrelenting support.

K. P. R. H. Silva
General Manager (Acting)
Condominium Management Authority

Board of Directors of Condominium Management Authority

Mr. Sarana Karunaratne
Attorney at Law
Chairman
Condominium Management Authority

Mr. K. P. R. H. Silva
General Manager (Acting)
Condominium Management Authority

Mrs. A. N. Amaratunga
Representative of the Treasury
Additional Director General
National Budget Department

Mr. M. H. V. Rathnakumara
Director (Housing)
Urban Development Authority
For Director General

Engineer C. C. H. S. Fernando
Additional General Manager (Western)
National Water Supply and Drainage Board
For General Manager

Mr. Damitha Kumarasinghe
Director General
Public Utilities Commission of Sri Lanka

Engineer K. A. Janaka
General Manager (Acting)
National Housing Development Authority

Engineer Anuja Mendis
Director- Engineering (Town Planning)
Colombo Municipal Council
For Commissioner General
From 17.03.2023

Mrs Shalika Ranaweera
Municipal Commissioner
Kotte Municipal Council

Mr. M. M. C. K. K. Mannapperuma
Municipal Commissioner
Dehiwala Mount Lavinia Municipal Council

Miss L. P. Manoja S. Pathirana
Municipal Commissioner
Moratuwa Municipal Council
From 27.02.2023

Mr. Aruna Sri Warushahennadige
Representative of Management Corporations

Mr. B. Premalal
Representative of the Condominium
Developers Association
From 20.02.2023

Mr. Pinsiri Fernando
Representative of the Condominium
Developers Association
From 06.09.2023

Corporate Management of Condominium Management Authority

Mr. K. P. R. H. Silva
General Manager (Acting)

Mr. Nalin Gankanda
Deputy General Manager (Regulatory)

Mrs. Madhavi S. Paranayapa
Assistant General Manager
(Administration/Human Resources)
(Acting)

Mr.P. Amila Nishantha
Asst General Manager (Finance)

Mrs. Nayana Pelpita
Asst. General Manager (Regulatory)

Miss. S.H.R.P. Hewage
Asst. General Manager
(Operations/ Maintenance)

Mr. Sajeewa Chandana De Silva
Asst. General Manager
(Operations/Maintenance)

Mrs. I. P. P. U. Jayathunga
Asst. General Manager
(Operations/Maintenance)
Up to 30.09.2023

Mrs. Nisansala Illeperuma
Asst. General Manager (Legal)

Mrs. Indeewari Gamage
Internal Auditor
From 01.10.2023

Junior – Executive Staff

Mr. G. A. U. T Sampath	-	Management Information System Officer
Mrs. Samantha Ampagala	-	Customercare Officer
Mr. Sajith Srinath Vimukthi	-	Customercare Officer
Mrs. Chamila Subhashini Liyanage	-	Accounts Officer (Acting)
Mrs. S. Kosala Ranaweera	-	Senior Engineering Assistant
Mrs. S. P. Y. D. Sudharmika Lakmali	-	Senior Engineering Assistant
Mrs. Thushani Lokuge	-	Administration Officer (Acting)

Objectives

The Common Amenities Board was established by the Common Amenities Board Act, No. 10 of 1973 for the management, maintenance and administration of common amenities and common elements of units of accommodation of condominium properties constructed by the government. A boom was experienced in the condominium property sector with the greater involvement of the private sector and there was an increased tendency among people to purchase condominium units as a solution to the acute shortage of houses in urban areas and modern amenities easily accessible in condominium properties too may have been a stimulus. With the increased role of condominium properties in the housing sector, a need arose for expanding the services rendered by the Common Amenities Board and for a regulatory mechanism for multi storey housing schemes. Accordingly, the Condominium Management Authority was established by the Common Amenities Board (Amendment) Act, No.24 of 2003 replacing the Common Amenities Board. The newly established Authority was conferred with extensive powers for the maintenance, management and regulation of condominium properties constructed by both the public and private sectors and the objectives of the Authority are as follows.

(a) Control, mange, maintain and administer the condominium parcels, the common elements and the common amenities of the Condominium Property or Semi Condominium Property;

(b) Ensure that the common elements and the common amenities of the Condominium Property or Semi Condominium Property are properly maintained in good order and that periodic repairs are being carried out in order to maintain such property in good and serviceable order, and to assist the management corporation or the owner or owners or occupiers to carry out such activities or to be directly involved with such activities in the event of the management corporation or owners or occupiers failing to carry out such activities;

(c) Ensure that all buildings comprising such condominium parcels are insured against risk of fire, civil commotion and riot or to insure to keep insured if so requested by the management corporation or by owners, and to recover such premium or charges from the management corporation or the owners as the case may be;

(d) Remove all such unauthorized constructions erected or carried out by the respective owners or occupiers of such condominium parcels or by any person, contrary to the registered condominium plan of the Condominium Property or the registered Semi Condominium Plan of the Semi Condominium property;

(e) Ensure that the management corporation of the Condominium Property or Semi Condominium Property are properly functioning and to manage and administer the activities of such management corporation;

(f) Assist the management corporation or the owner or owners or occupiers of the condominium parcels of the Condominium Property or Semi Condominium Property in providing services such as water, sewerage, drainage, gas, electricity, garbage disposal, air conditioning, telephone, radio and redifusion services to the owner or owners or occupiers of the condominium parcels of such Condominium Property or Semi Condominium Property;

(g) Assist the management corporation to establish and maintain for use by owners or occupiers of such condominium parcels, facilities such as roads, access ways, lawns, gardens, parks, playgrounds and other open spaces, of to be directly involved with such activities, in the event of the management corporation failing to establish and maintain such facilities.

(h) Assist the management corporation to establish and maintain for use by owners or occupiers of such condominium parcels, facilities such as roads, access ways, lawns, gardens, parks, playgrounds and other open spaces, of to be directly involved with such activities or transfer the establishment and maintenance of such facilities to local government authorities;

(i) Provide maintenance and repair services to such condominium parcels of the Condominium Property or Semi Condominium Property at the request of the management corporation or owners or occupiers thereof;

(j) Monitor the progress of the construction of the registered provisional condominium property in order to ensure that the interests of the stakeholders are protected and to intervene wherever necessary to protect such interests;

(k) Formulate and submit condominium redevelopment programmes including capital investment plans to the Minister for approval by the Government;

(l) Call upon the National Housing Development Authority or any local authority or any government agency or any private sector developer, to undertake the implementation of such condominium re-development projects or to undertake the execution of the condominium redevelopment projects of such programmes as may be approved by the Government;

(m) Develop or redevelop land for carrying out of any of the objects of the Authority; and

(n) Do all such acts as may be necessary or conducive to the attainment of any or all of the above objects.

Powers

As the state regulatory authority of condominium properties of public and private sectors, extensive powers were vested in the Condominium Management Authority by the Common Amenities Board (Amendment) Act, No. 24 of 2003 for ensuring optimal, credible and convenient condominium living style for occupiers of condominium parcels in respect of common amenities and common elements. In terms of such powers, the CMA can make any intervention on regulatory or consultative matters of the management corporation at any given time. Powers also conferred on the Authority to remove unauthorized constructions erected in such manner to cause damages to the structure of the building and submit development proposals to the government having identified unlivable and dangerous condominium properties. Accordingly, the powers vested in the CMA in terms of Act. No. 24 of 2003 are as follows.

(a) Acquire by way of acquisition, vesting, grant or purchasing, or to receive by way of gift or otherwise any immovable or movable property and hold, manage, sell, surrender, exchange, lease or otherwise dispose of such property;

(b) Receive donations and bequests from any source whether local or foreign;

(c) Borrow moneys required by it for the discharge of the functions;

(d) Charge rent for any land parcel or buildings or condominium property let by the Authority;

(e) Levy fees or charges, for any services rendered by the Authority under this law or any other written law;

(f) Recover any premium from owners in proportion to their interests in the condominium parcels;

(g) Recover from any person including an owner, expenses incurred in making good any damage caused by him to the common amenities or common elements or the condominium parcels;

(h) Provide to any condominium parcel, any services including its refurbishment, repair and maintenance at the request of the management corporation or owner or occupier of the condominium parcel and levy charges therefor;

(i) Undertake construction work;

(j) Enter either by itself or by its duly authorized agents, at all reasonable times, any condominium parcel for the purpose of inspecting, repairing or renewing pipes, wires, cables and ducts which also serve other condominium parcels or the common elements of the condominium parcels or for the purpose of removing or demolishing unauthorized constructions of the condominium property or semi condominium property or for the purpose of ensuring that any relevant statutory requirements are being complied with, or in the exercise of any powers, referred to in this section;

(k) Enter either by itself or by its duly authorized agents, at all reasonable times, any land parcel of the provisional condominium property for the purpose of inspecting and reviewing the progress of the construction of the building shown in the registered provisional condominium plan;

(l) Enter into such contracts and to make such arrangements as are reasonably required for the purpose of carrying out any the objects of the Authority;

(m) Resolve disputes between the management corporation and the owner or owners, and occupier or owner and purchaser, or owner and mortgagee, or mortgagee and prospective purchaser or mortgagor and mortgagee of the condominium parcels of the condominium property or semi condominium property or registered provisional condominium property;

(n) Employ such officers and servants as may be necessary to carry out the work of the Authority and exercise disciplinary control over its officers and servants; and

(o) Make rules for the administration of the affairs of the Authority; and do all things which in the opinion of the Authority are necessary to facilitate the carrying out of its objects.

Financial Progress

We contributed to socioeconomic development through the condominium property management and administration role geared towards a comfortable condominium life style culture. The Authority plays a prominent role in the condominium sector by means of property development and regulation to make a direct and indirect contribution to state revenue

In the year 2022, the Authority generated revenue amounting to Rs. 322.74 million from operational activities. This indicates an increase of 9% in the operational income compared to operational income of Rs. 297.28 million in the year 2022. The overall expenditure in the year 2022 was Rs. 166.22 million and in comparison, the overall expenditure in 2023 was Rs. 168.23 million. Thus the overall expenditure has seen a year on year increase of 1%. The net surplus of the year 2023 after the allocation for income tax was Rs. 77.43 million and the net surplus in the year 2022 was Rs. 47.85 million which signified an increase of 62%.

Pretax profit

Million 154.52

Taxes paid to the government

Million 77.29

Post tax profit

Million 77.43

Compared to 2022 Financial Year

Income ▲ 9 %

Expenditure ▲ 1 %

Net Profit ▲ 62%

As the regulatory authority of the condominium sector, the CMA performed its role optimally full fulfilling the duties towards employees, customers and society at large despite the challenging period.

During this period the Customer Care Division, Legal Division and Engineering Division were also able to offer speedy solutions to issues relating to multi storey houses and condominium properties.

Employees

With the employee welfare in mind, a pack of essential food items was provided to each employee during the New Year festive season.

Further an interest free loan was granted to mark the literary month for the purchase of school equipment and books for children of employees through the Welfare Society of the Authority.

Taking cognizance of the financial progress made by the Authority during the preceding financial year, necessary measures were taken to grant the highest ever bonus in the history of the Authority to employees.

The health insurance scheme was administered in the year 2023 as well ensuring a healthy workforce.

Customers

It has been difficult for residents of condominium properties, the management corporations and property developers to maintain direct contacts with the staff for obtaining services.

However, maximum possible service was offered to our clients. During this period, priority was accorded to solving complaints and problems regarding condominium properties referred to the Customer Care Division and the Legal Division and offering consultancy services to management corporations. For this purpose, hotline 011-244575 was immensely helpful.

Further, though there was a downslide in the construction sector caused by the unforeseen circumstances, services were offered to keep the property developers motivated.

In addition, contributions were made for various projects launched by the government with the participation of condominium community and the intervention of the Authority for the achievement Sustainable Development Goals.

Societal

Driven by the theme 'A strong management corporation, a convenient condominium lifestyle', a more amicable service was delivered to the public making necessary interventions and offering guidance for resolving disputes between management corporations and residents and awareness raising campaign was conducted to educate the professionals involved in the condominium sector on the condominium property law. The prime objective thereof was to minimize potential thorny issues in constructing condominium properties and establishing management corporations.

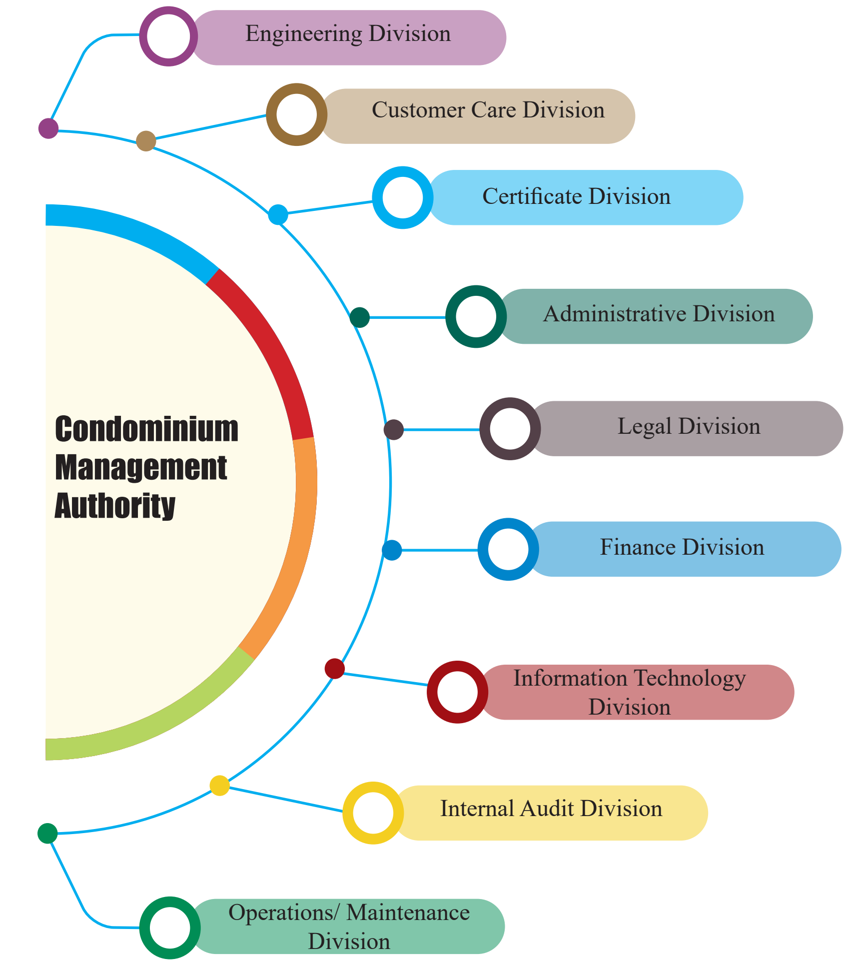
Thus their contribution can be enlisted more extensively to the sector. Further, smooth operation of management corporations will foster goodwill among residents.

The reasons cited above will also facilitate the formation of welfare societies, death donation societies, etc in housing schemes. The resultant amicability and unity will lead to conducive and convenient condominium environment.

Government

The Authority was able to contribute to revive local economy by paying Rs. 200 million as income tax in addition to the payment of all taxes payable to the government for the last financial year to the Inland Revenue Department. For the maintenance, administration and management of state sector housing schemes, the management corporation structure was introduced and they are in operation in all multi-storey housing schemes. Previously, the treasury allocated provisions for the maintenance of those housing schemes. Since they are now maintained by management corporations themselves, there is no need for the allocation of government funds. This too has contributed indirectly to the local economy and the provisions thus saved can be channeled for other development initiatives of the country.

Organizational Structure of the Institution



Engineering Division
This division is responsible for regulating condominium properties being constructed, issuing condominium certificates, removing unauthorized structures located within condominium properties and conducting on-site inspections in respect of complaints.

Customer Care Division
Management of all functions relevant to management corporations and offering consultation to problems of unit owners and property developers as and when necessary are the responsibilities of this division.

Certificate Division
The function of this division is to inspect common amenities and common facilities of condominium properties and issue condominium certificates certifying that they are in good order.

Human Resources Management Division / Administrative Division
All activities pertaining to the administration of the staff of the Authority are handled by this Division.

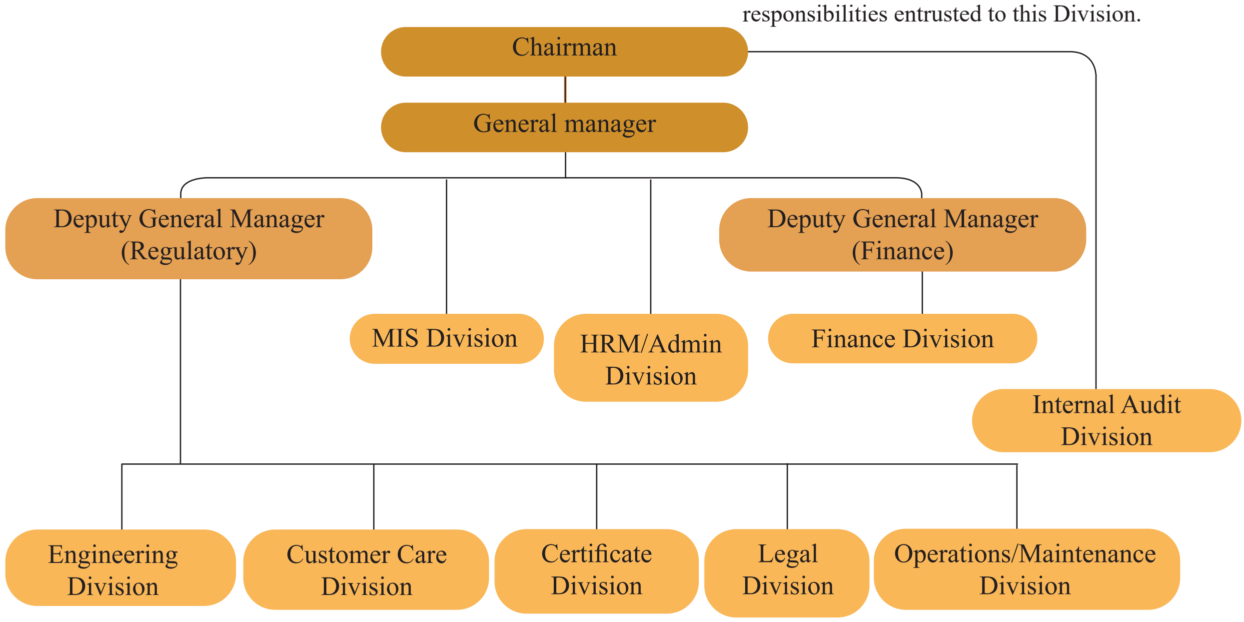
Legal Division
This Division is responsible for resolving disputes relating to condominium properties, introducing amendments to legislations to bring them in line with timely requirements and making arrangements for publishing orders and regulations in the gazette.

Finance Division
Financial administration of the Authority, formulation of plans, reporting information and data to the management having reviewed targets are the major functions of the Finance Division.

Management Information System Division
This Division handles all IT related functions of the Authority, identifies emerging trends in the condominium sector and designs and prepares publications required for raising awareness.

Internal Audit Division
This Division carries out audit activities of all divisions of the Authority.

Operational/ Maintenance Division
Office maintenance and repairing activities and dismantling of unauthorized structures are the responsibilities entrusted to this Division.



Approval for condominium projects and issuance of certificates

Certificates are issued confirming that the property has been planned to facilitate the management, maintenance and administration of common amenities and common elements of multi-storey housing schemes constructed by the public and private sectors and the property developer/ condominium property builders after obtaining the condominium certificate may issue to the buyer a document for the lawful transfer of ownership of each unit for each stage of condominium properties being constructed. A plan of a condominium is a method of dividing property so that an individual holds title to a portion of a building or a unit as well as a share of the rest of the property that is common to all the individual unit owners. Accordingly, after the condominium plan is certified by the CEA, the title deed can be registered at the Land Registry. Similarly, it is also possible to grant deeds to the remaining units of the condominium building other than for the temporary portions.

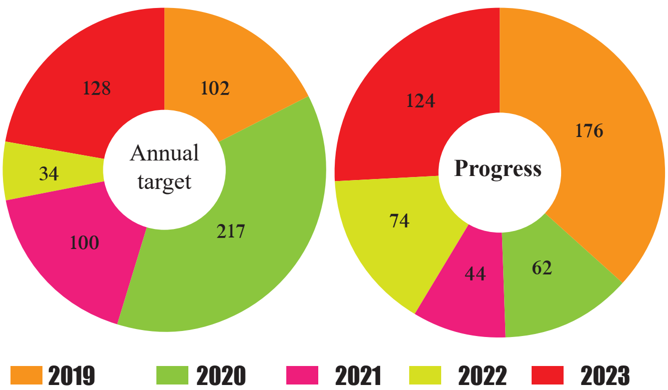
Having inspected whether the common elements and common amenities in condominium properties constructed by the state sector and the private sector have been provided duly and adequately, a condominium certificate is issued by the CEA, the regulatory authority established under the Common Amenities Board (Amendment) Act No. 24 of 2003. Further, in issuing this condominium certificate, action is taken in compliance with the provisions of the Apartment Ownership Act, No.11 of 1973 and the unit owners can obtain an assurance on common elements and common amenities in such condominium properties.

The income from the issuance of certificates is the main source of income of the Authority. From 2005 up to 31.12.2023, the Authority had issued 1,419 certificates. In the year 2023, fifty eight (58) certificates were targeted and the progress as at the end of the year was 60.

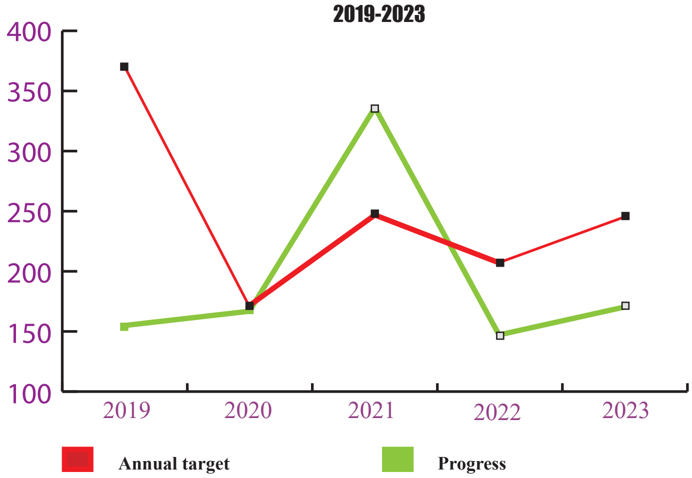
Physical and financial targets of condominium certificates issued by the Authority during the period from 2019-2023

		Annual targets	Progress	Percentage
2019	Financial (Rs Mn)	369.73	154.25	42%
	Physical	102	176	173%
2020	Financial (Rs Mn)	171.58	168.16	98%
	Physical	217	62	28%
2021	Financial (Rs Mn)	248.0	335.03	135%
	Physical	100	44	44%
2022	Financial (Rs Mn)	207.27	146.84	71%
	Physical	34	74	217%

Physical targets and progress of the issuance of condominium certificates



Financial progress in the issuance of condominium certificates from 2019-2023



2005 - 2023
Certificate issued
1 4 7 9

Of the applications forwarded in the year 2023 seeking to obtain condominium certificates, certificates were not issued in respect of 18 of them as per the checklist owing to the non –issue of certificate of compliance, and other shortcomings.

A new trend in the construction of condominium property has emerged with the entry of foreign investors into the condominium sector in 2014 but the sector has experienced a setback due to the prevailing situation.

Several buildings constructed by the private sector are unable to apply for the certification of the Authority on account of being unable to obtain certificates of compliance.

In order to address this issue, the Authority as the regulator of the sector, introduced the Apartment Ownership (Special Provisions) Act, No. 23 of 2018 enabling the registration and disposition of condominium properties constructed on lands belonging to the government before 31.12.1999 by the National Housing Commissioner, National Housing Development Authority, Urban development Authority and under the Tsunami Resettlement Programme through the adoption of a lenient method.

Condominium Certificates issued by the CEA In the year 2023

PPC - 64

Preliminary Planning Clearance

Preliminary Planning Clearance

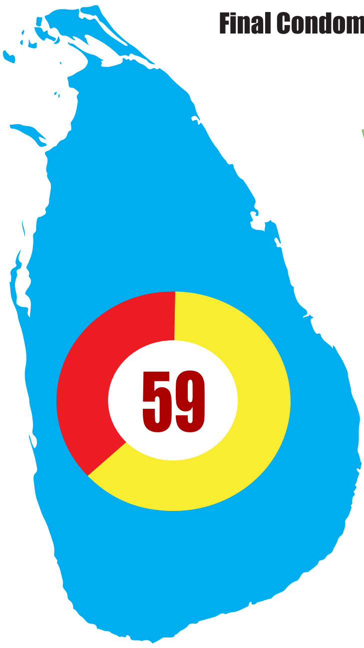
A Preliminary Planning Clearance is issued as a guideline for the inclusion of common amenities and common elements as prescribed by the Condominium Law at the time of designing building before the commencement of construction having inspected the proposed land and matters needed to be complied with until the completion of the construction.

Accordingly, in the year 2023, PPCs were issued in respect of 64 proposed condominium certificates. These clearance instructions serve as guidance to property developers during the construction phase.

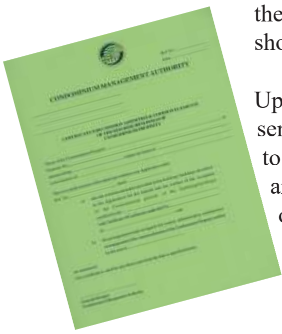
Condominium Certificates

Total number of condominium certificates issued in the year 2023 - 60

Number of final / provisional / semi condominium certificates



Final Condominium Certificate

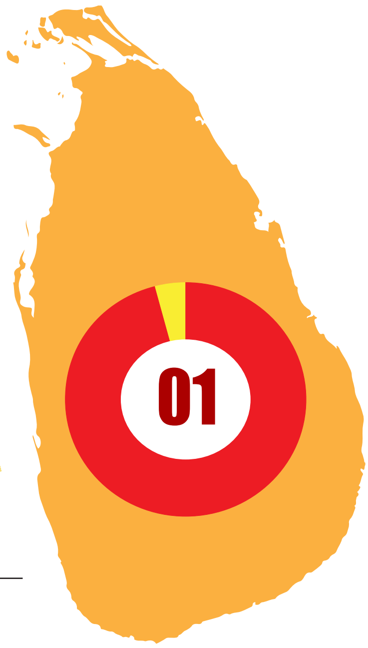


Full condominium certificate should be obtained after the completion of construction of a condominium property. If this certificate is to be obtained, the building should be in compliance with the approved building plan and should be devoid of any unauthorized structures.

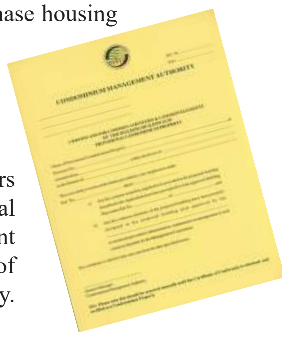
Upon the due submission of all the relevant documents, the provision of service for the file relevant to the said property is commenced subsequent to the payment of the processing fee levied by the Authority. Unless there are defects in the Condominium Plan, the condominium certificate can be obtained. Thereafter, having prepared a certificate of title by an attorney at law, the plan should be registered at the Land Registry after which deeds can be issued to each buyer.

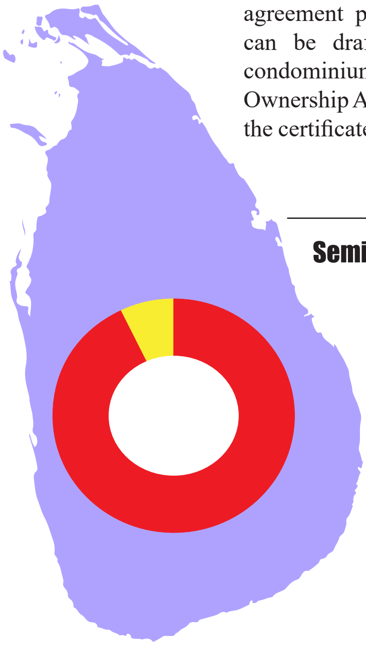
Provisional Condominium Certificate

Property developers can make an application at the time of commencement of construction for the provisional condominium certificate. Upon obtaining the provisional certificate, the developer can obtain a bank loan and loan facilities can also be made available to prospective buyers to purchase housing units in the property.



When issuing this certificate, a provisional condominium plan is approved by the CMA which is a legally binding document carrying the signature of the General Manager of the Authority. The sales agreement prepared for the prospective buyers can be drafted in terms of this provisional condominium certificate. Similarly, the Apartment Ownership Act has provided for the registration of the certificate of title thereof in the Land Registry.





Semi Condominium Certificate

A semi condominium certificate is a certificate which can be applied for when a certificate of conformity has been obtained for the completed part of a condominium property and the remaining part is left for development at a later stage. This can be used for houses constructed as scattered or as towers or for a small number of houses such as 02 or 03. To avail of this certificate, a certificate has to be obtained from a building services engineer registered with the Sri Lanka Engineers' Institute.

The importance of obtaining this certificate is that it enables the granting of title deeds for the completed units.

Establishing Management Corporation, Structure, Responsibilities & Powers

Establishing the Management Corporation

According to Section 16 of the Apartment Ownership Act, No.11 of 1973, it shall be lawful for the owners of all units of a registered condominium property to form themselves into associations or bodies for the purpose of controlling, managing, maintaining or administering the common elements of such property. This was not an introduction of a legal structure.

However, as the provisions of the Apartment Ownership Act, No. 11 of 1973 were found to be insufficient to address certain practical issues as well as for managing, maintaining and administering a condominium property, the need arose for a mechanism with more extensive powers.

Accordingly, the legal structure named Management Corporation was introduced for the proper administration, management and maintenance of common elements and common amenities of a condominium property was introduced through section 20 of the Apartment Ownership (Amendment) Act No. 45 of 1982. Section 20 of the Act has clearly explained the composition of the Management Corporations thus introduced and the role and functions thereof.

Accordingly, when the condominium property is registered, the unit owners constitute a body corporate with perpetual succession and a common seal which is known as the **"Management Corporation"**. The Management Corporation may sue and be sued on any contract made by it, may sue and be sued in respect of any matter affecting the common elements, and be sued in respect of any matter connected with the condominium property for which the owners of all the units are jointly liable. These powers were further strengthened through the amendment act, No. 39 of 2003.

Eg: Conferring the power to disconnect common amenities for the nonpayment of money for the maintenance of common elements.

The Structure of Management Corporation & Appointment of Council

The Management Corporation shall elect a council which, subject to any restriction imposed or direction given by the management corporation at a general meeting shall perform the management corporation's duties and conduct the management corporation's business on its behalf and may for that purpose exercise any of the management corporation's powers. The provisions of the first schedule of Section 20 B (4) to this Act shall have effect in relation to the management corporation and its council.

Accordingly, the corporate name of the Management Corporation shall be "The Management Corporation of Condominium Plan No. xxxxx".

Subject to the provisions of this Act, the council shall consist of not less than three and not more than 14 owners, who shall be elected at each annual general meeting and shall cease to hold office at the next general meeting Where the first annual general meeting has not yet been held or there are not more than three owners, the council shall consist of all owners.

Duties of the Management Corporation

The primary duty of the Management Corporation is to manage and properly maintain the common elements and keep them in a state of good and serviceable repair for the wellbeing of all unit owners.

As set forth in Schedule two of the Apartment Ownership (Amendment) Act No. 11 of 1973, the duties of owners and the management corporation are as follows.

The Corporation shall –

- maintain in a state of good and serviceable repair the fixtures and fittings (including lifts) existing in on the condominium property and used or capable of being used in connection with the enjoyment of more than one unit or the common elements,

- where practicable, establish and maintain suitable lawns and gardens on the common elements,

- maintain, repair and where necessary renew sewers, pipes, wires, capable of being used in connection with the enjoyment of more than one unit or the common elements,

on the request of the owner or a registered mortgagee of the unit, the corporation shall produce to the owner or mortgagee, as the case may be, (or toa person authorized in writing by the owner or the mortgagee) all policies of insurance effected by the Corporation together with the receipts for the last premiums paid in respect of the policies.

- insure and keep insured the subdivided buildings to the replacement value thereof against fire and such risks,

- forthwith apply insurance moneys received by it in respect of damage to the subdivided building in rebuilding and reinstating it so far as it may be lawful to do so.

- comply with any notice or order made by any government, public or statutory authority requiring the abatement of any nuisance on the common elements or ordering repairs or other work to be done in respect of the common elements of any building or other improvement on the condominium property.

- comply with any notice or order made by any government, public authority requiring the removal of any unauthorized constructions effected t any condominium property or semi condominium property in contravention of the approved building plan, and to request and to assist the Condominium Management Authority or the Urban Development Authority or the local authority for such removal.

- contract with the National Water Supply and Drainage Board, the Ceylon Electricity Board, any local authority, any other authority or any other licensee for the supply of water, electricity and other utilities for all condominium parcels of the building and to provide such services to all owners of the condominium parcels, on recovery of service charges, and monthly charges for such consumptions,

- levy a monthly contribution on the owners of all the condominium parcels in proportion to the share parcels of their respective condominium parcels and to recover such contribution from the owners of all the condominium parcels.

Powers of the Management Corporation

The Management Corporation has the power to take lawful steps to recover from any owner of a unit any sum expended by the management corporation in respect of that owner's unit in complying with any such notice or order.

It is also empowered to purchase, hire or otherwise acquire movable property for use by the owners of all the units in connection with their enjoyment of the common elements.

The Management Corporation has the power to take lawful steps to give effect to by-laws set out in the Second Schedule of the Apartment Ownership (Amendment) Act No.11 of 1973.

The Management Corporation also has the power to maintain sewers, pipes, wires cables and community halls use in connection with the enjoyment of any unit or common element.

The Management Corporation shall control, manage and administer the common elements for the benefit of all the owners.

Provided that, the corporation may by agreement with a particular owner grant him the exclusive use and enjoyment of part of the common elements or special privileges in respect of the common elements or part thereof.

If a unit owner has failed to comply with any notice or order issued in respect of any unit within a reasonable period of time, the Corporation, acting in pursuance of such notice or order, has the power to take lawful steps to recover the costs expended for such purposes from the said owner.

Thus, a host of powers have been conferred on the Management Corporation by the above Act.

Duties of Unit Owners

An owner shall not-

1. use his unit for any purpose (illegal or otherwise)) which may be injurious to the reputation of the building;

2. use as fuel any substance or material which may give rise to smoke or fumes or obnoxious smells;

3. throw or allow to fall any refuse ir rubbish of any description on the common elements or any part thereof except in refuse bins maintained by the owner or in refuse chutes provided in the building;

4. keep any animal on his unit or the common elements which may casue annoyance to any other owner.

5. use his parcel or permit it to be used in such a manner or for such a purpose as ıse nuisance or danger to any other owner or the family of such owner.

6. The unit owners shall extend full and active cooperation to the Management Corporation for the administration and management of common elements of the condominium property.

7. A unit owner parcel shall permit the Corporation and its agents, except in an emergency where it is not required to give notice to enter his unit upon reasonable notice being given for the purpose of-

- inspecting the unit;

- Maintaining and repairing or renewing sewers, pipes, wires, cables and ducts used or capable of being used in connection with the enjoyment of any other unit or the common elements;

- maintaining, repairing or renewing the common elements; or

- executing any work or doing any act reasonably necessary for or in connection with the performance of its duties or the enforcement of the by-laws referred to in the Second Schedule or other by-laws affecting the building;

8. An owner shall carry out all work ordered by any government, public or statutory authority in respect of his unit other than such for the benefit of the building generally and pay all assessment charges and outgoings which are payable in respect of his unit;

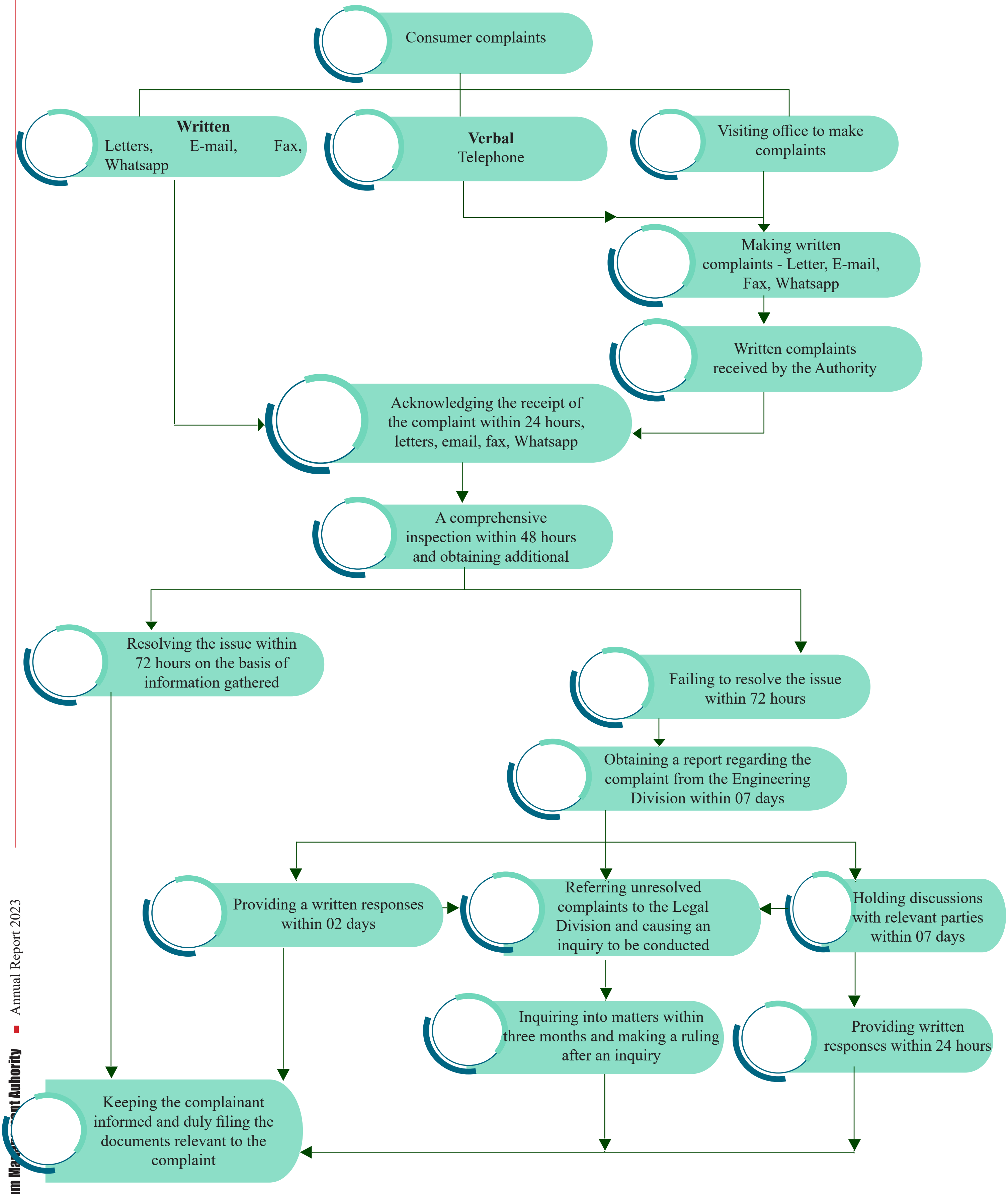
9. repair and maintain his unit and keep it in a state of good repair, reasonable wear and tear and damage by fire, storm, tempest or act of God excepted;

10. use and enjoy the common elements in such a manner as not to interfere unreasonably with the use and enjoyment thereof by other owners r their families or visitors.

11. not use his unit for any purpose contrary to the terms of user of the unit shown in the plan approved by the authority for the time being responsible for approving such plan, and;

12. notify the corporation forthwith of any change in the ownership of his unit or of any other dealing with his unit of which he is aware.

Condominium complaint resolution mechanism of the Customer Care Division



Empowerment of Management Corporations

Though a property with private ownership is maintained by the owner/s of such property, the maintenance of common elements and common amenities in a condominium property with shared ownership cannot be maintained by any single individual and as such all those who share these common elements and common amenities band together to constitute management corporations which are the legal structure for their administration.

From the year 2005 up to now, the authority has constituted management corporations in 978 condominium properties.

The Customer Care Division, Engineering Division and Legal Division of the Authority made the maximum possible contribution for the resolution of condominium property related issues with due regard to health guidelines.

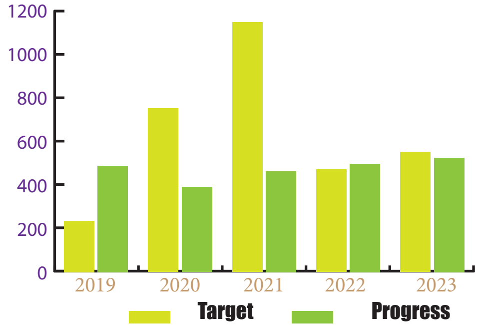
Accordingly, solutions were offered to 1,971 out of 2,113 complaints received by the Authority during the year 2023.

Progress in establishing Management Corporations by the Authority from 2019 up to 2023

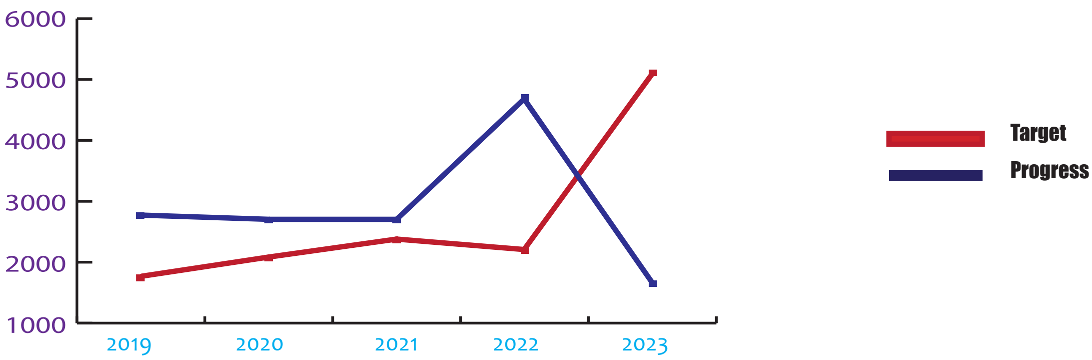
Registration of management corporations and committees / renewal of registration / reactivating dormant management corporations							
Year	Registrations		Renewal of registrations / reactivating dormant management corporations		Financial (Rs'000)		Income percentage
	Targets	Progress	Targets	Progress	Targets	Progress	Percentage
2019	45	59	235	487	2,770	1,753	63%
2020	80	60	750	390	2,700	2,072	77%
2021	50	47	1044	462	2,700	2,369	88%
2022	50	40	470	496	4,700	2,196	47%

Registration of Management Corporations

Renewal of registrations / reactivating dormant management corporations



Revenue from the registration of Management Corporations and Committees



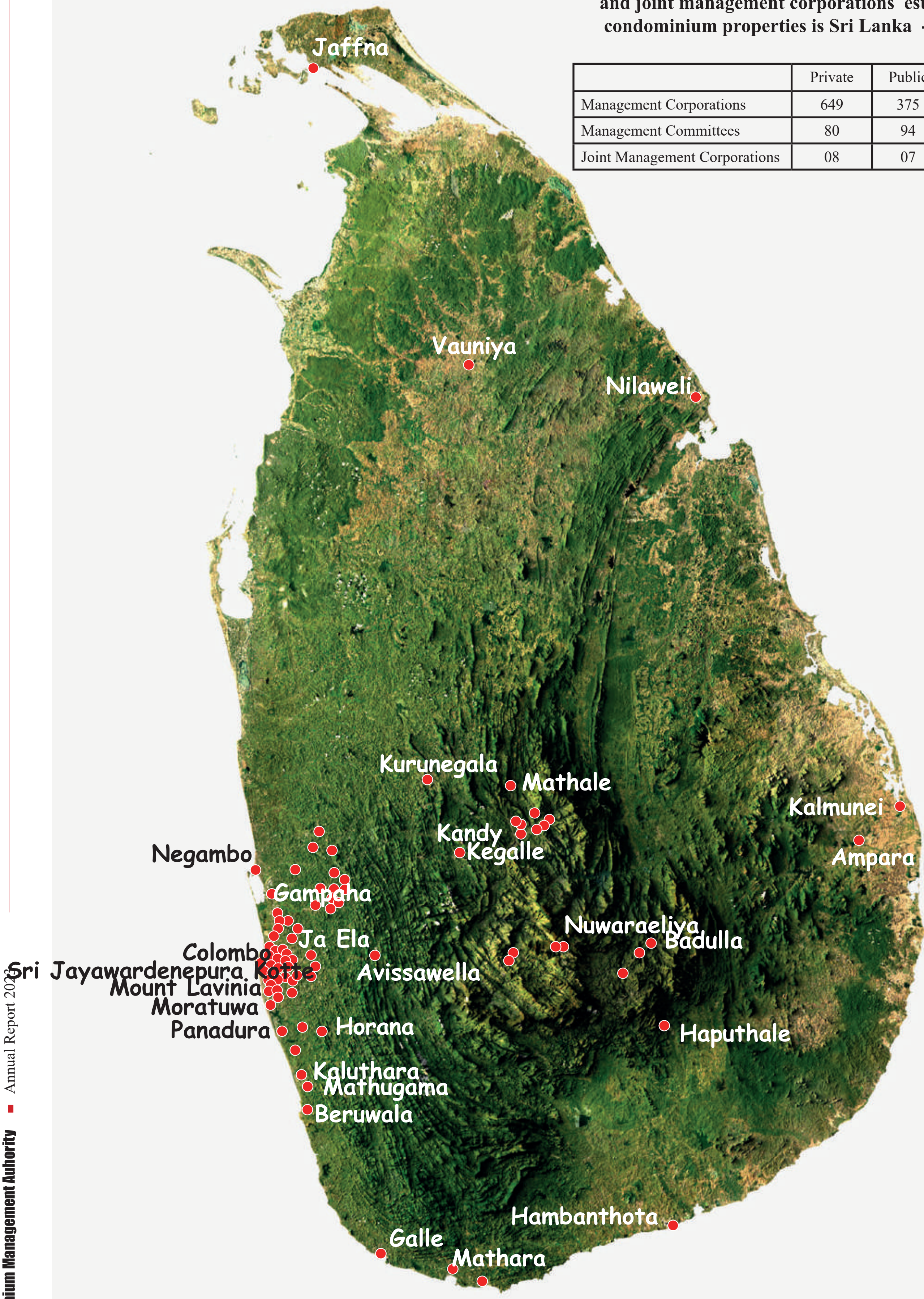
Difficulties encountered in establishing management corporations

- Lack of understanding among property owners regarding the importance of the Management Corporation in maintaining common elements of the property.
- Lack of interest among residents of the apartment housing schemes constructed by the government agencies such as the National Housing Development Authority for the establishment of management corporations.
- Owners of condominium property constructed by the private sector not residing permanently in them.
- Reluctance to be involved in maintenance and management activities as a voluntary service.
- Defaulting the payment of maintenance fees by residents of state condominium properties and other residents not cooperating with the panel of office bearers of the Management Corporation.
- Objections raised by the majority of occupants over the high prevalence of unauthorized structures in condominium properties constructed by the government.
- Inability to establish management corporations owing to deeds not being received by the unit owners as a result of deficiencies either on the part of the developer of the public or private sector or the buyers of the property.
- Inability to establish management corporations in the majority of condominium properties for managing common amenities and common elements as a result of not issuing deeds due to various reasons.
- Reluctance to be involved in maintenance and management activities.

Distribution of public and private condominium properties across Sri Lanka from 2005 to 2023

Number of management corporations/committees and joint management corporations established in condominium properties is Sri Lanka -2005-2023

	Private	Public	Total
Management Corporations	649	375	1,024
Management Committees	80	94	175
Joint Management Corporations	08	07	15



The above map shows the distribution of condominium properties constructed in Sri Lanka since the establishment of the CEA.

Role of the Legal Division

In terms of section 6(m) of the Common Amenities Board (Amendment) Act, No. 24 of 2003, the CMA is vested with powers to resolve disputes between the management corporation and the owner or owners, and occupier, or owner and purchaser, or owner and mortgagee, or mortgagee and prospective purchaser or mortgagor and mortgagee of the condominium parcels of the Condominium Property, or Semi Condominium Properly, or registered Provisional Condominium Property. Section 16 (1) of the same Act states that 'where any dispute arises in respect of the use or occupation of any such condominium parcel or the enjoyment of the common amenities or common elements appurtenant thereto, such dispute shall be referred by such person or the management corporation to the Authority, and the Authority as the case may be shall, after due inquiry, make such order in respect of that dispute as may appear to the Authority to be just and equitable.

Accordingly, when the Customer Care Division and the Engineering Division are unable to negotiate a settlement in respect of issues relating respectively to management corporations and residents of condominium properties or property developers, such matters are referred to the Legal Division and it in turn refers the matter to an investigation officer appointed by the CMA. An order is then made by the Authority based on the recommendations issued by the Investigating Officer and in terms of section 25 of the Act, any person who contravenes or fails to comply with any order or directive made by the CMA is guilty of an offence. The Legal Division constitutes legal action in the Magistrate's Court against persons who file to comply with orders and the Division appears for the Authority in cases filed against the Authority by any party.

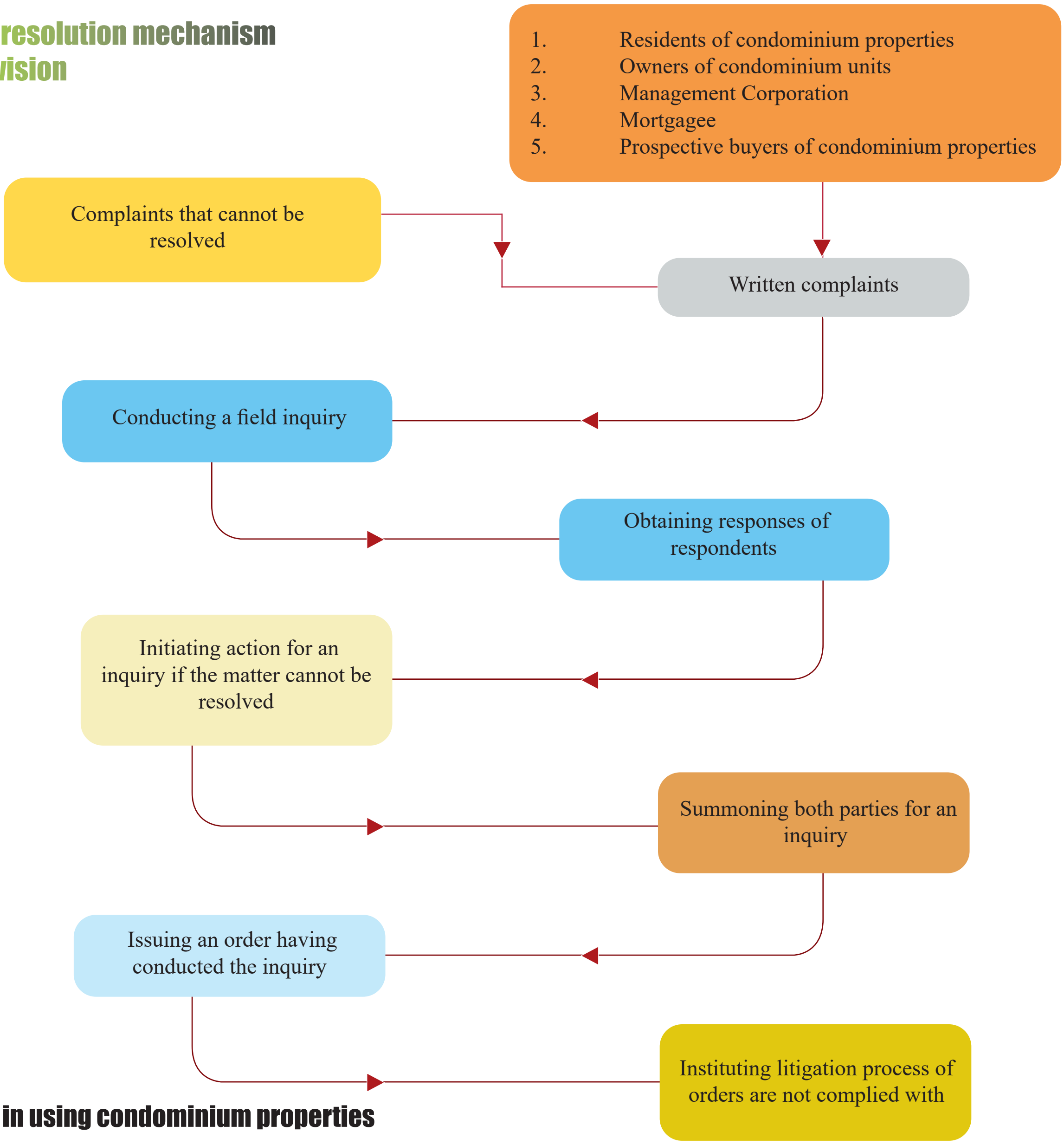
Another duty entrusted to the Legal Division is to identify the amendments required to be made to the Condominium Management Authority Act and the Apartment Ownership Act in order to make them compatible with emerging trends and take measures to amend the Acts.

This Division also institutes legal action for the recovery of any dues recoverable from any person involved in the condominium sector or from owners of condominium properties.

It maintains close coordination with institutions such as the Attorney General's Department, Registrar General's Department and the Department of Registrar of Companies covering legal obligations linked to condominium properties.

Further, the Legal Division conducts awareness raising programmes on condominium legislations for condominium property developers, management committee officers and professionals involved in the condominium property sector. In addition, the Division extends necessary assistance to resolve legal disputes associated with condominium properties and offers guidance for a convenient and trouble free life by addressing legal issues relating to the property of developers as well as residents.

Complaint resolution mechanism of Legal Division



Problems that arise in using condominium properties

Complaints received by the Investigation Council can be categorized as follows according to their nature.

- Not granting deeds to the residents since the Condominium Plan cannot be registered despite the lapse of over 10 months since the construction and sale through a sales agreement.
- Developer not repairing defects in the condominium property.
- Common elements and common amenities not constructed as per the approved building plan.
- Residents not paying the monthly maintenance fee to the Management Corporation.
- Erecting unauthorized structures and problems arising in using car parks and the public areas.
- Rearing pets in condominium units.

The CMA has been involved in dispute resolution since the year 2011 and in the year 2023 action was taken to resolve approximately 50 complaints out of 87 complaints that have been carried forward from previous years.

Year	Disputes carried forward from previous year	Disputes received during the year	Disputes resolved during the year	Disputes carried forward
2021	71	26	20	76
2022	76	50	40	87
2023	87	30	50	67

Institutional mechanism for responding optimally to public grievances

Upon receiving a complaint, forwarding a copy of the complaint to the respondent party and obtaining observations on that regard within 14 days.

- Summoning for an inquiry within 02 weeks of receiving observations
- If settlement can be reached, reporting it on the first day itself and concluding the inquiry.
- If settlement cannot be reached, referring to an investigation/ summoning.
- Recording verbal or written evidence
- Making an order.
- Initiating litigation process where orders are not complied with.

Sustainable Development Goals

The sustainable development goals were unveiled in the year 2000. The goals were formulated subsequent to exhaustive and lengthy discussions amongst United Nations action committees and diverse state and private organizations. Fundamentally, the SDGs are an action plan for eradicating extreme hunger, protecting the earth and developing a global partnership for development.

They are aimed at explicit transformational initiatives contributing to reorient world towards sustainable, stable development process. All member nations of the United Nations are committed for the achievement of the SDGs.

The 17 Sustainable Development Goals are defined in a list of 169 SDD targets. Progress towards these targets is agreed to be tracked by 230 unique indicators for the promotion of economic, social and environmental standards of a country through strategic plans. Accordingly, Sri Lanka too has set forth guidelines for achieving SDGs by the Sri Lanka Sustainable Development Act No. 19 0f 2017.

The CMA, as the state regulator in the condominium sector, has contributed to achieve the SDGs through the implementation of various projects and strategic plans.

Sustainable development strategies

Action will be taken from next year onwards to create awareness amongst property developers, engineers, architects and building contractors on the construction of environmental friendly condominium properties at the time of issuing the Preliminary Planning Clearance.

7

Contributing to conserve energy by designing condominium properties with enhanced natural light and ventilation.

Generating electricity using solar power. Recycling waste water, sewage systems Rainwater recycling process Establishing solid waste management systems

11

Under this, new management corporations will be established, dormant management corporations will be reactivated and advice and assistance will be offered for efficient operation of active management corporations. This aims to provide an optimal service to condominium residents under the theme “A strong management corporation is the backbone of a comfortable condominium lifestyle”

15

Designing the construction of a condominium property is such manner to protect old trees and planting new trees in common areas after the completion of the construction which will ensure fresh air to residents.

Condominium Management Authority
Approved and actual cadre estimate as per the Recruitment Scheme

Post	Approved cadre	Actual cadre	Vacancies
General Manager –Secretary to the Board	01	-	01
Deputy General Manager (Regulatory)	01	01	-
Deputy General Manager Finance)	01	-	01
Assistant General Manager (Legal)	02	01	01
Assistant General Manager (Regulatory)	01	01	-
Assistant General Manager (Operations/ Maintenance)	04	02	02
Assistant General Manager (HRM)	01	-	01
Assistant General Manager (Architectural)	01	-	01
Assistant General Manager (Customer Care)	01	-	01
Assistant General Manager (Finance)	01	01	-
Internal Auditor	01	01	-
Customer Care Officer	02	02	-
Senior Engineering Assistant	05	02	03
Management Information Systems Officer	01	01	-
Secretary	02	-	02
Administrative Officer	01	-	01
Accounting Officer	01	-	01
Internal Audit Officer	01	-	01
Management Assistant –Technical (Engineering Assistant/ Draughtsman)	14	08	06
Management Assistant –Technical (Book Keeper)	01	01	-
Management Assistant – Non Technical	39	32	07
Housing Administrator	04	04	-
Primary –Technical (Driver)	14	10	04
Carpenter	02	02	-
Mason	02	-	02
Pump Operator /Caretaker	08	04	04
Plumber	01	01	-
Primary –Semi Technical (Electrician)	02	02	-
Book Binder	01	-	01
Primary –Non Technical (KKS/Unskilled Labour)	21	16	05
Total	**137**	**92**	**45**

Cadre Restructure

Though the approved cadre of the Authority for year 2023 is 137, the number of staff members by December 2023 was 92. Measures are expected to be taken in 2024 to fill the existing vacancies as per the recruitment scheme.

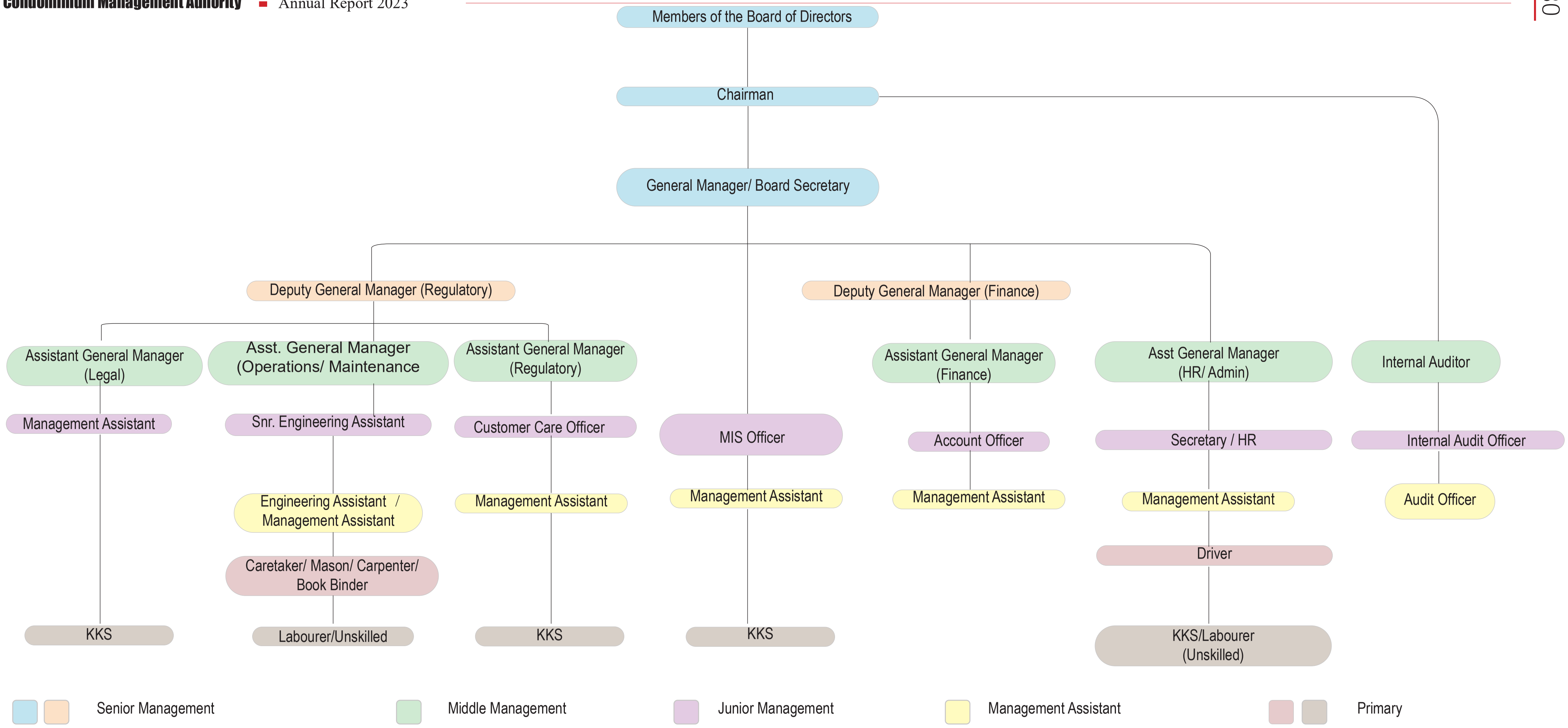
Training of staff of the Authority

Sixteen staff members participated for the staff training programes planned as per the Action Plan 2023. They are as follows.

	Training course	No. of participants	Course fee
01.	Proffessional Diploma in Practical Taxation	02	58,000.00
02.	Answering audit queries	02	30,000.00
03.	Advanced MS Excel Skill	06	78,000.00
04.	Telephone Skill and Etiquett Trainning for Secretaries and Front Office Staff	01	7,500.00
05.	National diploma on Information Technology & Public Administration	03	90,000.00
06.	Certificate in English for Office Management Staff	02	50,000.00
			313,500.00

Meetings of Board of Directors

Twelve (12) board meetings were held In the year 2023.



HM

General Manager	01
Deputy General Manager (Regulatory)	01
Deputy General Manager (Finance)	01
	03

MM

Assistant General Manager (Legal)	02
Assistant General Manager (Finance)	01
Assistant General Manager (Operations/Maintenance)	04
Assistant General Manager (HR/Admin)	01
Assistant General Manager (Regulatory)	01
Internal Auditor	01
Assistant General Manager (Architectural)	01
Assistant General Manager (Customer Care)	01
	12

JM

Senior Engineering Assistant	05
Customer Care Officer	02
MIS Officer	01
Secretary	02
Accounting Officer	01
Internal Audit Officer	01
Administration Officer	01
	13

MA

Management Assistant (Non-technical)	39
Management Assistant (Technical) Engineering Assistant	14
Book Keeper	01
	54

PL

Caretaker	08
Mason	02
Carpenter	02
Book Binder	01
Driver	14
KKS/Labourer (Unskilled)	21

Review Report of the Audit and Management Committee of the year 2023

The Audit and Management Committee of the year 2023 consisted of following officers.

Mrs. B. N. Gamage
Chairperson of the Committee
Assistant Director General
Department of National Budget
(Representative of the Treasury)

Mrs.W. K. B. T. B. Fernando
Committee Observer
Audit Superintendent
Representative of the Deputy Auditor General
Auditor General's Department

Engineer Mr. K. A. Janaka
Committee Member
General Manager (Acting)
National Housing Development Authority
Colombo -02

Engineer Mr. A. P. Irshad
Committee Member
Municipal Commissioner
Colombo Municipal Council
Colombo

Mr. M. C. K. K. Mannapperuma
Committee Member
Municipal Commissioner
Dehiwala Mount Lavinia Municipal Council

Mrs. G. P. Y. Kumari
Committee Observer
Chief Internal Auditor
State Ministry of Urban Development, Coast Conservation, Garbage Disposal and Community Cleanliness

Mrs. R. A. S. S Ranaweera
Committee Member
Municipal Commissioner
Sri Jayawardanapura Municipal Council

Mrs. A.N. Amaratunga
Committee Observer
Department of Project Management and Monitoring
Treasury Representative

Engineer Anuja Mendis
Committee Member
Director (Town Planning)
Deputy Municipal Commissioner
Colombo Municipal Council

The following officers participated as officers of the CMA.

Mr. Sarana Karunaratne - Attorney at Law
Chairman
Condominium Management Authority

Mr. K. P .R. H. Silva
General Manager (Actg.)
Condominium Management Authority

Engineer Mr. Nalin Gankanda
Deputy General Manager (Regulatory)
Condominium Management Authority

Mr. P. Amila Nishantha
Assistant General Manager (Finance)
Condominium Management Authority

For the year 2023, the Condominium Management Authority conducted 06 meetings of the Audit and Management Committee and the following audit and management committee papers were discussed and submitted for the recommendation of the Board.

01. The 62nd Audit and Management Committee held on 27.01.2023 discussed the following reports. The required recommendations and observations were offered and shortcomings were brought to the attention.

1.1 Certifying the minutes of the AMC meeting held on 21.12.2023
1.2 Bank reconciliation statement in respect of December 2022.
1.3 Amended budget of the CMA for the year 2022.
1.4 Detailed Auditor General's Report submitted to the Chairman in terms of Section 13(7)(J) of the Finance Act. No.38 of 1971 on the affairs of the CMA inclusive of the financial statements for the year ended 31 December 2021.
1.5 Internal audit queries

02. The 63rd Audit and Management Committee held on 23.02.2023 discussed the following reports. The required recommendations and observations were offered and shortcomings were brought to the attention.

2.1 Adopting the minutes of the AMC meeting held on 27.01.2023
2.2 Bank reconciliation statement in respect of January 2023
2.3 Debiting Rs.2, 667,376.16 and crediting Rs.976, 226.65 as previous year adjustments of the year 2022.
2.4 Financial performance report from 01.01.2023 to 31.01.2023 (income and expenditure)
2.5 Final accounts of the CMA for the year ended 31.12.2022 (Statement of Financial Performance and Statement of Financial Position)

03. The 64th Audit and Management Committee held on 25.05.2023 discussed the following reports. The required recommendations and observations were offered and shortcomings were brought to the attention.

3.1 Certifying the minutes of the AMC meeting held on 23.02.2023
3.2 Bank reconciliation statement in respect of March 2023
3.3 Starting 03 new inventory books in the General 44 form in terms of F.R. 454
3.4 Draft of Annual Report 2023
3.5 Curtailing the expenditure of the Authority by 37% as per National Budget Circular 03/2022
3.6 Financial performance report from 01.01.2023 to 30.04.2023 (income and expenditure)

04. The 65th Audit and Management Committee held on 07.06.2023 discussed the following reports. The required recommendations and observations were offered and shortcomings were brought to the attention.

4.1 Certifying the minutes of the AMC meeting held on 23.02.2023
4.2 Detailed Auditor General's Report submitted to the Chairman in terms of Section 13(7)(J) of the Finance Act. No.38 of 1971 on the affairs of the CMA inclusive of the financial statements for the year ended 31 December 2021.
4.3 Internal audit queries of the CMA
4.4 Bank reconciliation statement in respect of January 2023.
4.5 Debiting Rs.2, 667,376.16 and crediting Rs.976, 226.65 as previous year adjustments of the year 2022.
4.6 Financial performance report from 01.01.2023 to 31.01.2023 (income and expenditure)
4.7 Final accounts of the CMA for the year ended 31.12.2022 (Statement of Financial Performance and Statement of Financial Position)
4.8 Administrative Report of the year 2022.

05. The 66th Audit and Management Committee held on 07.06.2023 discussed the following reports. The required recommendations and observations were offered and shortcomings were brought to the attention.

5.1 Certifying the minutes of the AMC meeting held on 07.03.2023
5.2 Annual Report of 2022
5.3 Income & expenditure report from 0.01.2023 to 30.06.2023.
5.4 Bank reconciliation statement in respect of June 2023.
5.5 Disposal of condemned items -2023
5.6 Amending the employers' contribution to Employees' Provident Fund as 15%.
5.7 Human resources report as per 30.06.2023.
5.8 Internal audit queries of the CMA.

06. The 67th Audit and Management Committee held on 07.12.2023 discussed the following reports. The required recommendations and observations

were offered and shortcomings were brought to the attention.

6.1 Certifying the minutes of the AMC meeting held on 12.07.2023

6.2 Financial performance report from 01.01.2023 to 30.10.2023 (income and expenditure)

6.3 Bank reconciliation statement in respect of October 2023.

6.4 Corporate Plan 2024-2028

6.5 Action Plan 2024

6.7 Proposed procurement plan and detailed procurement plan 2024

6.8 Delegation of authority 2024

6.9 Internal audit plan 2024

6.10 Internal audit queries

6.11 Human resource report as at 30.09.2023.

“Strong Management Corporation is the backbone of a convenient condominium living”

AUDITOR GENERAL'S REPORT

For the year ended 31 December 2023

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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය எனது இல. My No.	HUD/CMA/01/2023/09	ඔබේ අංකය உமது இல. Your No.		දිනය திகதி Date	31st May 2024

Chairman
Condominium Management Authority

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the Condominium Management Authority for the year ended 31 December 2023 in terms of Section 12 of the National Audit Act No. 19 of 2018.

....

The above report and the copies of certified financial statements are sent herewith.

W. P. C. Wickramaratne
Auditor General

Copies:- 01. Secretary, Ministry of Urban Development and Housing
02. Secretary, Ministry of Finance, Economic Stabilization and National Polices

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව
இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை
No. 306/72, Polduwa Road, Battaramulla, Sri Lanka
+94 11 2 88 70 28 - 34
+94 11 2 88 72 23
ag@auditorgeneral.gov.lk
www.naosl.gov.lk

මගේ අංකය எனது இல. My No.	HUD/CMA/01/2023/09	ඔබේ අංකය உமது இல. Your No.		දිනය திகதி Date	31st May 2024

Chairman
Condominium Management Authority

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the Condominium Management Authority for the year ended 31 December 2023 in terms of Section 12 of the National Audit Act No. 19 of 2018.

....

1. Financial Statements

1.1 Qualified Opinion

The audit of financial statements of the Condominium Management Authority for the year ended 31 December 2023 comprising the statement of Financial Position as at 31 December 2023 and the statement of financial performance, statement of changes in equity and statement of cash flows for the year then ended and the summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 12 of the National Audit Act No. 19 of 2018 and the provisions of the Finance Act No.38 of 1971. My report will be tabled in the Parliament in due course, in terms of sub section 154 (6) of the Constitution.

In my opinion, except for the effects of the matters described in the basis for qualified opinion of my report, the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

අංක. 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව   இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை   No. 306/72, Polduwa Road, Battaramulla, Sri Lanka
+94 11 2 88 70 28 - 34   +94 11 2 88 72 23   ag@auditorgeneral.gov.lk   www.naosl.gov.lk

1.2 Basis for the Qualified Opinion

(a) Although value of the property amounting to Rs. 1,888,677 out of the property and plant worth Rs. 2,939,171 received from the Ministry in 2021 should have been adjusted to the surplus of the preceding year, it had been adjusted as non-operating income in the year under review contrary to Section 07 in Sri Lanka Public Sector Accounting Standard 01. As a result, the income for the year under review had been overstated by that amount.

(b) Sri Lanka Public Sector Accounting Standard No. 07

I. Contrary to Section 81 of the Sri Lanka Public Sector Accounting Standard No. 07, the Authority had removed an amount equal to the expenditure from the revaluation reserve and adjusted it as non-operating income in addition to the profit generated from the sale of fixed assets valued at Rs. 729,019 in the year under review. As a result, the income for the year under review had been overstated by Rs. 729,019, and consequently, the surplus for the year under review had also been overstated by that amount.

II. Contrary to Section 69 of the Sri Lanka Public Sector Accounting Standard No. 07, property, plant and equipment worth Rs. 1,299,247, purchased during the current year, had been entered in the office supplies stock account. As a result, the value of property, plant and equipment had been understated, while the stock had been overstated by that amount.

(c) Contrary to Section 74 of Sri Lanka's Public Sector Accounting Standard No. 19, the authority had stated the difference amounting to Rs. 9,711,030 in the employee benefits provision account as an overprovision for employees' benefits. As a result, operational expenses had been understated and net surplus had been overstated by that amount.

(d) Although the Authority had included an amount of Rs. 3,368,815 estimated by the Authority as compensation payable to the officials in the employee salaries and wages for the year under review, as a result of it being not indicated under non-cash changes in the cash flow statement, the net cash flow generated from operating activities had been overstated by Rs. 3,368,815.

(e) An amount of Rs. 138,977,248 had been adjusted in the non-cash changes of the cash flow statement as non-operating income and the overprovisions for gratuity and depreciation of fixed assets included therein had been readjusted in the non-cash changes, resulting in a duplication of Rs. 3,955,836. As a result, the net cash flow generated from operating activities had been understated by Rs. 3,955,836.

(f) The release of Rs. 30,481,887 from fixed deposits had been adjusted in the investment activities. As a result, the net investment activities had been overstated by that amount.

(g) According to the schedule, the value of the 04 fixed deposits invested by the Authority during the year under review had been recorded as Rs. 506,686,029, but it had been shown as Rs. 508,254,487 in the final accounts, as a result a discrepancy of Rs. 1,568,458 had been observed.

(h) The entertainment expenses of Rs. 1,391,557 deducted in calculating the Authority's surplus, a sum of Rs. 265,095 in amortization of intangible assets, Rs. 38,400 in fines and revenue, Rs. 9,711,030 in employee benefits, and the Rs. 3,368,815 in compensation estimated for officers who were dismissed from the service had not been added back to the profit when calculating taxable income as per Section 10(b) of the Inland Revenue Act No. 24 of 2017. Furthermore, capital grants had been understated by Rs. 3,383,191. As a result, taxable income had been understated by Rs. 11,391,706. Consequently, the income tax for the year under review had been understated by Rs. 3,417,512.

(i) According to the income tax liability calculation, the income tax provision was Rs. 48,016,852, but it had been shown as Rs. 44,106,950 in the statement of financial performance, resulting in an understatement of Rs. 3,909,902 in the income tax provision.

(j) Although the allowable withholding tax amount of Rs. 7,482,162, deductible from the income tax payable for the year under review, had been deducted and Rs. 28,624,788 was recorded as a liability, the relevant details for this calculation had not been disclosed in the financial statements through notes to the accounts as per Sri Lanka Public

Sector Accounting Standard No. 1.

(k) The cost of the land and the building of the Kataragama Circuit Bungalow of which the ownership lies with the Urban Development Authority, had been accounted as assets of the authority amounting to Rs.1,520,000 and Rs. 6,700,000, respectively.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility, under those standards is further described in the Auditor's Responsibility 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 Other information contained in the Annual Report 2023 of the Authority

Other information comprises the information included in the Annual Report 2023 of the Authority but does not include the financial statements and my audit report thereon, which is expected to be made available to me after the date of this audit report. Those charged with management shall be responsible for other information.

My opinion on the financial statements does not cover other information and I do not provide an assurance of any manner or express an opinion on it.

In connection with my audit of the financial statements, my responsibility is to read other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge gained in the audit or otherwise appears to be materially misstated.

When I read the Authority's Annual Report of 2023, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further materially uncorrected misstatements existed, those will be in my report to Parliament in pursuance of provisions in Article 154(6) of the Constitution that will be tabled in due course.

1.4 Responsibility of the management and governing partners for Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Authority'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 Authority or to cease operations, or has no realistic alternative but to do so.

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

As per section 16 (1) of the National Audit Act No. 19 of 2018, the Authority 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 of the Authority.

1.5 Auditor's responsibilities in connection with the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detected 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.

In terms of the Sri Lanka Auditing Standards, as part of the audit, I exercised professional judgment and maintain professional scepticism 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 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 Authority'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. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, 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.

I have communicated with those charged with governance regarding the significant audit findings, including any significant deficiencies in internal control that I have identified during the audit.

2. Report on other legal and regulatory requirements

2.1 Special provisions are included in respect of the following requirements in the National Audit Act No. 19 of 2018.

2.1.1 In terms of the requirements of section 12 (a) of the National Audit Act No. 19 of 2018, I obtained all information and explanations required for the audit and as far as it appears from my inspection, other than the impact from the matters described in the section on the 'Basis for qualified opinion' of my report, the Authority had maintained proper financial reports.

2.1.2 In terms of the requirement indicated in Section 6(1)(d) (iii) of the National Audit Act No. 19 of 2018, the financial statements presented by the Authority are consistent with the preceding year.

2.1.3 The recommendations made by me in the previous year have been included in the financial statements as per the requirement of Section 6(1)(d) (iv) of the National Audit Act No. 19 of 2018.

2.2 On the basis of the procedures followed and evidence obtained and being restricted within the material matters, nothing that warrants the making of the following statements, did not come to my attention.

2.2.1 In terms of the requirement of section 12 (d) of the National Audit Act No. 19 of 2018, whether any member of the governing body of the Authority has any interest, direct or otherwise, outside normal business status in any contract entered into by the Authority.

2.2.2 In terms of the requirement of section 12 (d) of the National Audit Act No. 19 of 2018, whether the Authority has not complied with any applicable written law, or other general or special directions.

Reference to Laws, Rules, Regulations etc	Description
(a) 13.3 of paragraph II of the Establishments Code of the Democratic Socialist Republic of Sri Lanka	Although the appointment to act in a post should be considered as a provisional measure until a permanent appointment is made, the positions of General Manager, Assistant General Manager (Human Resources & Administration), and Assistant General Manager (Operations/Maintenance), who are responsible for the administrative and decision making activities of the Authority, have been filled by acting officers over two years.
(b) The National Budget Circular No. 01/2021dated 21 November 2021 issued by the Secretary to the Treasury.	Without the approval of the Cabinet, various allowance payments made at the ministry or institutional level should be suspended, and new commitments should not be incurred for various welfare, relief, or development programmes. However, the Authority, with only the approval of the Board of Directors, had paid a performance allowance of Rs. 5,000 to the entire staff, amounting to Rs. 3,495,000 for the year under review.
(c) Section 6.2 of guidelines relating to public enterprises in Public Enterprises Circular No.1/2021 dated 16 November 2021.	Though surplus funds of a public corporation should be invested with the approval of the Minister of Finance, the Authority had not complied with the circular in relation to 05 fixed deposits amounting to Rs. 506,686,028 invested by the Authority during the year under review.

2.2.3 In terms of the requirement of Section 12(g) of the National Audit Act No. 19 of 2018, whether the Authority has not performed according to its powers, functions and duties, except for the following observations.

Out of 1387 complaints received by the Authority, 67 had not been resolved even by 31 December 2023. Amongst these complaints, there were 25 complaints about unauthorized structures and 13 complaints on water leakages and as a result of the lapse of 2-5 years since the receipt of 06 such complaints, it was observed there could have been a threat to life and property.

2.2.4 In terms of the requirement of Section 12(h) of the National Audit Act No. 19 of 2018, whether the resources of the Authority had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

2.3. Other Matters
....

(a) The Authority had a total outstanding debtor balance of Rs. 13,132,807 as at 31 December 2023, of which Rs. 9,473,681 had remained over 05 years.

(b) At the end of the year under review, there was a balance of Rs. 22,503,432 as sundry creditors, of which a balance of Rs. 12,430,649 exceeding 05 years had not been settled.

W. P. C. Wickremaratne
Auditor General

FINANCIAL REPORT

Financial Statement as at 31 December 2023

Statement on Financial Position as at 31 December 2023

		2023 Rs.	2022 Rs. (Corrected retrospectively)	2023 Budgeted Rs.
Assets				
Current Assets				
Cash and cash items	Note 01	41,152,797	50,139,292	21,500,000
Stocks account	Note 02	2,910,529	1,603,828	900,000
Payments made in advance	Note 03	46,752	70,232	325,000
Trade debtors, employee loans and receivable balance	Note 04	20,582,550	23,490,926	23,140,000
Other receivable balances	Note 05	14,451,033	30,952,511	7,500,000
		79,143,661	**106,256,789**	**53,365,000**
Investments				
Fixed Deposits (People's Bank)		441,592,903	489,020,089	353,945,000
Short term investments	Note 06	18,745,167	21,364,943	28,500,000
Gratuity provision investment		66,661,584	55,581,839	76,000,000
		526,999,654	**565,966,871**	**458,445,000**
Property. Plant & Equipment				
Infrastructure plant & equipment	Note 07	22,523,403	40,425,172	45,768,000
Land & buildings	Note 08	3,932,000	4,200,000	604,200,000
Intangible assets	Note 09	433,662	820,827	340,000
		26,889,065	**45,445,999**	**650,308,000**
Investments –Long term				
Shares of the HDFC		3,000,000.00	3,000,000.00	3,000,000.00
Total assets		**636,032,380**	**720,669,659**	**1,165,118,000**
Liabilities				
Current liabilities				
Creditors/ Advances	Note 10	22,843,078	25,123,240	1,500,000
Accrued expenditure	Note 11	9,900,615	2,786,715	3,100,000
Payable	Note 12	3,791,860	568,214	1,775,000
Provisions	Note 13	29,657,774	22,007,856	15,680,000
Total current liabilities		**66,193,327**	**50,486,025**	**22,055,000**
Noncurrent liabilities				
Gratuity provisions		31,112,220	41,477,191	40,000,000
Leasehold loan- office lands		-	-	285,000,000
Ministry grants		-	1,888,677	1,600,000
Contingent liabilities		3,368,815	-	-
Total noncurrent liabilities		**34,481,035**	**43,365,868**	**326,600,000**
Total liabilities		**100,674,362**	**93,851,893**	**348,655,000**
Net assets		**535,358,018**	**626,817,766**	**816,463,000**

	2023	2022	2023 Budgeted
	Rs.	Rs. (Corrected retrospectively)	Rs.
Net assets/equity			
Authorized capital	500,000	500,000	500,000
Government capital	500,000	500,000	500,000
Bonus shares	2,500,000	2,500,000	2,500,000
	3,000,000	3,000,000	3,000,000
Surplus brought forward from last year	551,817,602	505,459,104	625,459,000
Adjustments relevant to year 2022	(199,974)	-	-
Property, plant and equipment revaluation profit	-	-	200,000
Less			
Previous year adjustments	(167,961,111)	(1,491,176)	(1,500,000)
Add			
Net surplus of the current year	77,430,356	47,849,674	117,303,000
Cumulative fund	461,086,873	551,817,602	741,462,000
Revaluation reserves	67,658,482	68,387,501	68,388,000
General reserve	1,350,000	1,350,000	1,350,000
Capital transfer	2,262,663	2,262,663	2,263,000
Total of net assets/ownerships	**535,358,018**	**626,817,766**	**816,463,000**

The financial statements of the Condominium Management Authority for the year ended 31.12.2023 were approved at the 176th Board Meeting dated 28.02.2024 and three members of the Board of Directors have place their signature below.

The accounting standard applied in the preparation of financial statements have bee attached from pages 04 to 09 and from pages 10 to 16. Further, the responsibility of preparing and presenting the above financial statements is borne by the Management Council of the Authority.

P. Amila Nishantha
Assistant General Manager (Finance)
Condominium Management Authority

K. P. R. H. Silva
General Manager (Acting)
Condominium Management Authority

Additional Director General/ Chairman of Audit & Management Committee
National Budget Department
Ministry of Finance, Economic Stablization & National Policies

Sarana Karunaratne, Attorney at Law
Chairman
Condominium Management Authority

Condominium Management Authority
Statement of Financial Performance
for the year ended 31 December 2023

	Note	2023	2022	2023 Budgeted
		Rs.	Rs. (Corrected retrospectively)	Rs.
Income				
Operational income	Note 14	178,381,286	189,943,221	253,356,000
Other operational income	Note 15	5,434,370	2,634,000	2,061,000
Non-operational expenses	Note 16	138,927,248	104,704,856	180,960,000
Total operational income		**322,742,904**	**297,282,077**	**436,377,000**
Operational expenditure				
Salaries and allowances of employees	Note 17	102,125,397	108,926,694	115,568,000
Travel expenses	Note 18	641,872	540,052	1,080,000
Supplies and consumer commodities	Note 19	10,560,964	6,886,661	9,800,000
Maintenance expenditure	Note 20	10,655,576	5,669,633	9,350,000
Statutory expenses	Note 21	15,767,751	14,561,161	18,475,000
Direct expenses	Note 22	4,316,108	4,431,883	5,050,000
Depreciation of fixed assets		19,519,415	20,420,233	20,918,000
Amortization of intangible assets		265,095	246,365	500,000
Other operational expenditure	Note 23	1,822,624	2,684,890	55,850,000
Total operational expenditure		**165,674,802**	**164,367,572**	**236,591,000**
Operational Activities –Surplus		157,068,102	132,914,505	199,786,000
Financial expenditure	Note 24	1,457,534	1,102,031	10,375,000
Nonoperational expenditure	Note 25	1,097,623	753,002	2,420,000
Total nonoperational expenditure		**2,555,157**	**1,855,033**	**12,795,000**
Surplus over operational activities		154,512,945	131,059,472	186,991,000
Surplus of the sales of scrap materials	Note 26	208,800	-	250,000
Net surplus before tax deductions		154,721,745	131,059,472	187,241,000
Income tax provisions		44,106,950	33,209,798	44,938,000
Government taxes		33,184,439	50,000,000	25,000,000
Net surplus		**77,430,356**	**47,849,674**	**117,303,000**
Surplus carried forward from last year		538,353,155	492,194,630	-
Cumulative surplus		**615,783,511**	**540,044,304**	**117,303,000**
Adjustments relevant to previous year				
Credit total		167,961,111	1,491,175	-
Debit total		-	-	-
		447,822,400	**538,553,129**	**117,303,000**

Accounting policies and Notes to Financial Statements

These accounting statements have been presented in compliance with generally accepted accounting principles using the Sri Lanka Public Sector Accounting Standards endorsed by the public sector accounting standards committee and the accounting estimates have been prepared in timely and fair manner.

It is assured that measures have been taken to present fair financial statements by designing implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

1 Accounting Policies

The accounting reports of the Authority have been presented with mutual interconnection between periods of time and on historic cost basis in accordance with recognized accounting policies. Adjustments have been made towards inflationary factors that may affect the financial policies and the accounting reports have been prepared on accrual basis.

2 Location of the Authority .

The Condominium Management Authority is located at the National Housing Development Authority at Sir Chittampalam A. Gardiner Mawatha, Colombo 02 and carries out regulatory duties in respect of condominium properties covering the entire island.

3 Legal nature of the Authority

In terms of the powers conferred under the Common Amenities Board (Amendment) Act No. 24 of 2003, it is the responsibility of the Authority to establish management corporations for the maintenance administration and control of common elements and common amenities in condominium properties and to ensure that common amenities are provided so as to fulfill the needs of stakeholders.

4 Legislation relevant for the operations of the Authority

- Common Amenities Board (Amendment) Law No.10 of 1973
- Common Amenities Board Act No. 46 of 1982
- Common Amenities Board (Amendment) Act No 24 of 2003
- Apartment Ownership Act No.11 of 1973
- Apartment Ownership (Amendment) Act No. 45 of 1982
- Apartment Ownership (Special Provisions) No.04 1999
- Apartment Ownership (Amendment) Act 39 of 2003

5 Financial Period

The financial period of the Authority is the 12 month period from 01 January 2023 to 31 December 2023.

6 Property, Plant and Equipment

6.1 In terms of Sri Lanka Public Sector Accounting Standard 02, the internal funds of the Authority have been used in purchasing property, plant and equipment. Further, action had been taken to amortize property, plant and equipment amounting to Rs. 2,939,171.25 received as donations from the state Ministry of Urban Development, Coast Conservation, Garbage Disposal and Community Cleanliness from 05 years from the year 2021. However, as it had been disclosed in the audit that it was contrary to paragraph 44 of Sri Lanka Public Sector Accounting Standard 11, the balance of Rs. 1,888,677.14 indicated as noncurrent liabilities was adjusted to the profit of the current year.

The provisions for depreciation for property, plant and equipment assets are calculated by using straight line basis from the date of purchase to the date of sale as per the policy of the Authority. Only for machinery and equipment, depreciation allocation has been made after the reduction of 1% scrap value.

Motor Vehicles	-	On Cost	25%
Office Furniture & Equipment	-	On Cost	20%
Machinery & Equipment	-	value to the reduced value	20%
Tools and equipment	-	On Cost	20%
Buildings	-	On Cost	04%

The value of plant, property and equipment that have been fully depreciated as at 31.12.2022 but are still being used is Rs. 5,991,767.19. Since the residual value and the useful life of an asset shall be reviewed at least at each annual reporting date and, if expectations differ from previous estimates, the changes should be accounted for as a change in an accounting estimate in accordance with SLPSAS 3, though a request was made from the Department of Valuation of the government to revalue to the said property and plant, the Chief Valuer had notified that only the lands and buildings would be revalued. Hence, a committee was appointed for the revaluation of the machinery assets class in the out of the property plant and equipment in the year 2024. In terms of the guidelines for the valuation of the non-financial assets issued on 31.12.2018 by the Comptroller General's office, the revaluation is currently being carried out by a three member committee inclusive of an executive officer and as per its report the estimated values of the machinery assets class as at 01.01.2024 will be included.

6.2 Intangible assets

Intangible assets acquired separately are measured at cost on initial recognition and intangible assets are depreciated at an annual rate

7 Gratuity

Allocations have been made in the accounts for the gratuity allowance of all employees of the Authority on the basis of their period of service. The said value for the year ended 31 December 2023 is Rs. 31,112,220.00 and action has been taken to make necessary provisions in accounts for that purpose. Actuarial estimate will be carried out by a professionally qualified valuer and the Authority expects to conduct an actuarial estimate every year.

However, in terms of the Gratuity Payment Act No. 12 of 1983, the liabilities start oy after the completion of 05 years of uninterrupted service. Similarly, the Authority has taken action by 31 December 2023 to invest a sum adequate to settle this gratuity liability as fixed deposits.

8 Inventories

Purchasing of stocks are valued at the lower of the cost and net realized value and adjusted in accounts and no profit percentage has been included therein. During the year under review, the net realized value of the inventory items were obtained in writing from the suppliers.

9 Revenue

Profit/loss accounts have been prepared on the basis of gross revenue.

10 Allocations for bad and doubtful

Allocations for bad and doubtful debt have been made on outcome on the basis of the age analysis of the debtors existing as at the end of the year.

Year 0 - 2	10%	Rs.	365,912.64
Year 2 - 3	20%	Rs.	-
Year 3 - 4	30%	Rs.	-
Year 4 - 5	50%	Rs.	46,442.21
Over 05 Years	100%	Rs.	9,473,681.35
Total			**9,886,036.20**

Accordingly, a sum of Rs. 9,886,036.20 has been allocated in the accounts of the current year for bad and doubtful debt.

11 Contingent liabilities

For salaries and allowances of three employees who have been interdicted and against whom disciplinary inquiries are currently being held, Rs. 3,368,815.00 has been allocated in the accounts in the current year.

Further, as at the last day of the year under review, the authority had filed 20 cases against various parties in the Magistrate Court and 01 case in the District Court and number of cases filed against the Authority by various parties was 25. Though contingent liabilities should be disclosed in terms of paragraphs 105 and 108 of Sri Lanka Public Sector Accounting Standard 08, the Authority has no contingent liabilities as the cases filed by the Authority are relating to the non-enforcement of orders of the Authority in terms of Section 3 of the Apartment Ownership Act. Therefore, no allocations have been made in the accounts for that purpose.

12 EPF and ETF in arrears

Employees contribute 10% of their salary and the Authority as the employer contributes 12% for the Employees' Provident Fund and 3% to the Employees Trust Fund. In terms of the provisions of the Employees' Provident Fund Act, contributions are made to the EPF and ETF and there were no arrears to be paid as at 31.12.2023.

13 Reserves

The following reserves too are represented in the net assets/equity of the Authority.

Revaluation reserves	-	Rs.	67,658,482
General reserves	-	Rs.	1,350,000
Capital reserves	-	Rs.	2,262,663
Participatory capital	-	Rs.	3,000,000
Total reserves	-	Rs.	74,271,145

The above reserves represent the revaluation reserves to the value of Rs 74,271,145/- including Rs. 67,658,482/- credited to the revaluation reserves by revaluing property, plant and equipment in terms of paragraph 65 of Sri Lanka Public Sector Accounting Standard 07, and reserves amounting to Rs. 74,271,145/- including a general reserve of Rs. 1,350,000/- and a capital transfer of Rs. 2,262,663/- carried forward to the accounts of this Authority from its predecessor, the Common Amenities Board.

In terms of Sri Lanka Public Sector Accounting Standard 07, the policy of the Authority as to the revaluation reserve is to remove the value of the cost of property, plant and equipment disposed during any accounting period. Accordingly, action had been taken to remove Rs. 729,018.69 which was the cost of goods disposed during the year under review from the revaluation reserve.

Bonus shares 14

In pursuance of approval referred to by Ministry of Public Administration, Housing and Construction dated 17.01.1984, 5000 shares of Rs 100 were obtained from the Housing Development Finance Corporation on 19.01.1984. A bonus share issue of 25,000 shares in respect of the value of the said shares was issued on 29.06.2000. Accordingly, action has been taken to disclose in the accounts an investment of Rs. 3,000,000 for 30,000 shares of Rs. 100 each of the HDFC in possession of this Authority.

Since no dividend has been received from HDFC for these 30,000 shares after the year 2016, the approval has been received from the Department of Public Enterprises to sell these 30,000 shares in the stock market.

15 Income Tax

Provisions have been allocated in accounts for the payment of Rs. 44,106,950 as income tax on the basis of the net surplus of Rs. 154,721,745 for the said year as at 31.12.2023.

Payment of government 16

Rs. 200.0 million was credited to the consolidated fund as per the letter No. PED/A/Rev-L/1/15(ii) dated 13.09.2023of the Deputy Secretary of the Ministry of Finance, Economic Stabilization and National Policies in terms of the Finance Act, No. 38 of 1971. Of the said amount, after adjusting Rs. 33.184 million which is 30% of post-tax profit of the current year as income tax for the year, the remaining amount of Rs. 166.82 has been adjusted as income tax in respect of the previous years.

17 Allocation for depreciation

Action has been taken for depreciation on the basis of percentages indicated in Note 06.1 under fixed assets. Accordingly, action was taken to adjust Rs. 19,549,415/- to the profit of the current year as the value of annual depreciation.

Cash and cash equivalents/ Short term investments 18

Cash and cash equivalents consist of balances of the current accounts in banks and deposits in the financial market.

	2023	2022
Cash in bank and hand	40,548,265.62	2,282,258.59
Short-term investments	604,531.12	47,857,033.39
	41,152,796.74	50,139,291.98

19

In compliance with Sri Lanka Public Sector Accounting Standard 15, financial reports have been reconciled with budgeted information and the reports relevant thereto have been submitted with the accounts. .

Adjustments relevant to previous years 20

In terms of paragraph 54 of Sri Lanka Public Sector Accounting Standard 03, the amount that should be deducted from the cumulative profit as adjustments relevant to previous years is Rs. 167,961,111/- .The approval of the governing board has been received for the schedule with details of such adjustment values.

Notes to Financial Statements

		2023 Rs.	2022 Rs. (Corrected retrospectively)	2023 Budgeted Rs.
				Note 01
Cash & cash items				
Peoples Bank - Account No. 204-1-001-00818817		39,337,934	845,185	1,000,000
Bank of Ceylon - Account No. 0000351042		1,210,332	1,437,074	500,000
Financial market account – People's Bank		604,531	47,857,033	20,000,000
		41,152,797	**50,139,292**	**21,500,000**
				Note 02
Stock Account				
Head office book		98,511	108,891	100,000
Office supply stocks		2,812,018	1,494,937	800,000
		2,910,529	**1,603,828**	**900,000**
				Note 03
Payment made in advance				
Fuel allowance		-	-	250,000
Vehicle registration fees		46,752	70,232	25,000
Vehicle insurance		-	-	50,000
		46,752	**70,232**	**325,000**
				Note 04
Trade debtors, employee loans and receivable balance				
Various deposits receivable	Schedule 01	361,498	387,981	390,000
Debtors	Schedule 02	3,246,771	2,602,566	3,000,000
Staff loan and advances	Schedule 03	16,974,281	20,500,379	19,750,000
		20,582,550	**23,490,926**	**23,140,000**
				Note 05
Other receivable balances				
Fixed deposit interest		14,451,033	30,952,511	7,500,000
		14,451,033	**30,952,511**	**7,500,000**
				Note 06
Short term investments				
Investment of funds in Edmonton government housing scheme		18,745,167	16,881,189	24,000,000
Seven - day deposits		-	4,483,754	4,500,000
		18,745,167	**21,364,943**	**28,500,000**

Notes to Financial Statements

Note 07

Infrastructure, plant and equipment

	Cost as at 01.01.2023	Acquisitions during the year	Corrections in the year 2023	Disposals during the year	Cost as at 31.12.2023	2023 Budgeted Rupees
Office furniture and accessories	8,808,274	-	-	69,448	8,738,826	10,650,000
Motor vehicles	62,390,000	-	-	-	62,390,000	62,900,000
Machinery and equipment	20,790,140	732,685	-	181,850	21,340,975	36,000,000
Tools and equipment	4,580,566	622,884	-	477,720	4,725,730	4,822,000
	96,568,980	**1,355,569**	-	**729,018**	**97,195,531**	**114,372,000**

	Cumulative depreciation allocation as at 01.01.2023	Depreciation allocation for the year	Corrections in the year 2023	Depreciation allocation for disposals	Allocation for cumulative depreciation as at 31.12.2023	2023 Budgeted
Less depreciation provision						
Office furniture and accessories	6,968,675	751,896	-	69,449	7,651,122	6,500,000
Motor vehicles	31,195,000	15,597,500	-	-	46,792,500	45,944,000
Machinery and equipment	13,965,860	2,617,275	-	181,850	16,401,285	12,350,000
Tools and equipment	4,014,273	284,744	5,924	477,720	3,827,221	3,810,000
	56,143,808	**19,251,415**	**5,924**	**729,019**	**74,672,128**	**68,604,000**
Written down value as at 31.12.2023	**40,425,172**	**-**	**-**	**-**	**22,523,403**	**45,768,000**

Note 08

Land & buildings

	Cost as at 01.01.2023	Acquisitions during the year	Corrections in the year 2023	Disposals during the year	Cost as at 31.12.2023	2023 Budgeted Rupees
Kataragama circuit bungalow land	1,520,000	-	-	-	1,520,000	601,520,000
Kataragama circuit bungalow building	6,700,000	-	-	-	6,700,000	6,700,000
	8,220,000	**-**	**-**	**-**	**8,220,000**	**608,220,000**

	Cumulative depreciation allocation as at 01.01.2023	Depreciation allocation for the year	Corrections in the year 2023	Depreciation allocation for disposals	Allocation for cumulative depreciation as at 31.12.2023	2023 Budgeted Rupees
Kataragama circuit bungalow building	4,020,000	268,000	-	-	4,288,000	4,020,000
	4,020,000	**268,000**	**-**	**-**	**4,288,000**	**4,020,000**
Written down value as at 31.12.2023	**4,200,000**	**268,000**	**-**	**-**	**3,932,000**	**604,200,000**

Note 09

Intangible Assets

	Cost as at 01.01.2023	Acquisitions during the year	Corrections in the year 2023	Disposals during the year	Cost as at 31.12.2023	2023 Budgeted Rupees
Intangible assets	1,325,474	-	-	-	1,325,474	1,200,000
	1,325,474	**-**	**-**	**-**	**1,325,474**	**1,200,000**

Less-Depreciation provision	Cumulative depreciation allocation as at 01.01.2023	Depreciation allocation for the year	Corrections in the year 2023	Depreciation allocation for disposals	Allocation for cumulative depreciation as at 31.12.2023	2023 Budgeted Rupees
Intangible assets	504,647	265,095	122,070	-	891,812	860,000
Written down value as at 31.12.2023	**820,827**	**265,095**	**122,070**	**-**	**433,662**	**340,000**

Notes to Financial Statements

		2023 Rs.	2022 Rs. (Corrected retrospectively)	2023 Budgeted Rs.
Creditors & advances				
Various creditors	Schedule 04	22,503,433	24,758,215	1,500,000
Income received in advance		339,645	365,025	-
		22,843,078	**25,123,240**	**1,500,000**

Note 11

		2023 Rs.	2022 Rs. (Corrected retrospectively)	2023 Budgeted Rs.
Accrued expenditure				
Salaries and other worksite allowances		86,930	88,180	100,000
Arbitration fees		191,613	229,800	250,000
Overtime		610,682	631,272	600,000
Holiday allowance		117,261	135,132	150,000
Vehicle repairs		1,182,650	38,255	25,000
Vehicle service charges		36,343	46,873	50,000
Telephone		77,175	216,145	225,000
Certificate expenditure		45,000	54,375	50,000
Legal fees		6,000	433,000	400,000
Value Added Tax		14,177	81,181	500,000
Electricity		142,645	73,545	75,000
Travelling		51,905	33,375	30,000
Water bills		27,745	47,343	50,000
Kataragama circuit bungalow expenditure		14,831	29,955	30,000
Fuel expenses		141,353	68,615	70,000
Newspaper advertisements		-	248,750	250,000
Newspapers		6,370	6,780	7,000
Social Security Contribution Tax		1,982	3,830	100,000
Office maintenance		126,105	120,379	125,000
Banking charges		9,640	11,290	13,000
Incentives		6,688,184	-	-
Productivity allowances		255,000	-	-
Bonus		35,000	188,640	-
Entertainment expenditure for Chairman's visitors		30,690	-	-
Maligawatta zonal office expenditure		1,334	-	
		9,900,615	**2,786,715**	**3,100,000**

Note 12

		2023 Rs.	2022 Rs. (Corrected retrospectively)	2023 Budgeted Rs.
to be paid				
Accrued liabilities	Schedule 05	1,151,862	58,570	1,000,000
Payable to suppliers		2,533,500	303,400	500,000
Withheld money		-	-	50,000
Refundable tender fees		-	73,263	85,000
Employee Safety Fees		106,498	132,981	140,000
		3,791,860	**568,214**	**1,775,000**

Notes to Financial Statements

		2023 Rs.	2022 Rs. (Corrected retrospectively)	2023 Budgeted Rs.
Provisions				**Note 13**
Provision for audit fees		978,000	1,743,072	500,000
Provision for employee compensation		54,986	54,986	75,000
Provision for income tax		28,624,788	20,209,798	15,105,000
		29,657,774	**22,007,856**	**15,680,000**
				Note 14
Operational Expenditure				
Income from issuance of certificates for condominium properties	Schedule 06	171,706,640	180,516,386	246,026,000
Income from repairs and maintenance	Schedule 07	6,141,042	8,845,034	6,000,000
Sundry operations income	Schedule 08	533,604	581,801	1,330,000
		178,381,286	**189,943,221**	**253,356,000**
				Note 15
Other Operational Expenditure				
Registration fees	Schedule 09	5,320,370	2,561,750	1,911,000
Application fees		114,000	72,250	150,000
		5,434,370	**2,634,000**	**2,061,000**
				Note 16
Non-operational income				
Interest for employee loans		628,443	370,161	850,000
Interest for savings		2,539,856	6,017,267	7,500,000
Interest for fixed deposits		130,328,017	97,355,556	170,000,000
Adjustment of amortization of fixed assets		1,888,677	886,872	260,000
Over allocation for doubtful debt		-	-	1,000,000
Dividends		-	75,000	100,000
Over allocation for gratuity		2,067,159	-	-
Seven day deposit interest		746,077	-	-
Revaluation amount of disposed goods		729,019	-	-
Insurance benefit receipts		-	-	750,000
Publishing advertisements on website		-	-	500,000
		138,927,248	**104,704,856**	**180,960,000**

Notes to Financial Statements

	2023 Rs.	2022 Rs. (Corrected retrospectively)	2023 Budgeted Rs.
			Note 17
Employee emoluments and allowances			
Chairman's allowance	900,000	900,000	900,000
Salaries and wages	59,303,494	67,078,503	64,919,000
Employees' Trust Fund	6,275,250	7,251,048	7,289,000
Employees Trust Fund	1,509,878	1,812,762	1,822,000
Overtime and holiday payments	9,348,694	8,109,188	12,588,000
Bonus/Incentives	8,488,184	7,589,683	8,500,000
Board allowances	1,063,500	774,000	800,000
Employee welfare	1,500,00	900,000	1,500,000
Employee training	2,378,700	1,549,795	2,500,000
Employee medical insurance	4,674,825	4,934,176	6,000,000
Employee uniforms	592,375	-	450,000
Expenditure on reimbursing employee housing loan interest	1,760,844	2,226,666	3,000,000
Gratuity	-	5,796,873	5,000,000
Expenditure on employee heath and sanitation	13,000	4,000	250,000
Payment of employee compensation	-	-	50,000
Productivity allowance	3,495,000	-	-
Leave encashment	821,653	-	-
	102,125,397	**108,926,694**	**115,568,000**
			Note 18
Travel expenses			
Transport expenses within the country	598,472	496,673	1,000,000
Worksite allowances	43,400	43,379	80,000
	641,872	**540,052**	**1,080,000**
			Note 19
Supplies and Consumer Commodities			
Printing and stationary	1,871,889	1,768,391	1,500,000
Entertainment expenses	1,273,924	409,970	1,300,000
Fuel for vehicles	6,072,936	3,053,720	4,000,000
Fuel allowances	1,176,235	1,190,590	2,500,000
Office supplies	165,980	463,990	500,000
	10,560,964	**6,886,661**	**9,800,000**
			Note 20
Maintenance			
Vehicle repairs and maintenance	7,316,259	2,163,577	3,000,000
Computers repairs and maintenance	166,562	122,070	1,000,000
Maintenance of Kataragama circuit bungalow	748,537	301,196	2,500,000
Maintenance of furniture accessories, machinery and equipment	685,390	463,983	600,000

Notes to Financial Statements

		2023 Rs.	2022 Rs. (Corrected retrospectively)	2023 Budgeted Rs.
Office building maintenance		121,680	981,970	750,000
Office maintenance		1,617,148	1,636,837	1,500,000
		10,655,576	**5,669,633**	**9,350,000**

Note 21

Statutory expenses

Electricity	2,031,586	1,020,969	2,000,000
Telephones	2,019,213	1,190,281	1,250,000
Vehicle Insurance	470,638	567,406	1,960,000
Water bills	275,854	154,255	200,000
Vehicle permit charges	117,914	77,720	125,000
Postal and telegram charges	344,020	215,765	200,000
Lawyers' fees	386,330	1,325,608	1,500,000
Advertisement fees	116,280	1,377,988	2,000,000
Transit money insurance charges	30,516	32,134	40,000
Newspapers	70,790	85,190	100,000
Office lease rent	9,740,000	8,400,000	8,400,000
Translation fees	164,610	113,845	200,000
Acts amendment fees	-	-	500,000
	15,767,751	**14,561,161**	**18,475,000**

Note 22

Direct expenses

Expenditure for issuing certificates		712,852	1,094,659	1,500,000
Expenditure for repairs and maintenance	Schedule 10	611,509	672,665	800,000
Arbitration charges		2,984,827	2,426,969	2,500,000
Management Corporation expenditure		6,920	237,590	250,000
		4,316,108	**4,431,883**	**5,050,000**

Note 23

Other operational expenditure

Removal of unauthorized structures	31,140	61,475	500,000
Board of survey committee charges	60,000	56,493	250,000
Procurement expenditure	18,000	2,000	100,000
Awareness programmes	628,114	-	7,500,000
World Habitat Day	204,650	544,000	500,000
Management Information Systems Development Expenditure	317,892	225,193	30,000,000
Fees for redesigning website	84,000	-	-
Under allocation for doubtful debt	232,309	1,795,729	3,000,000
Writing off stocks	243,319	-	-
Condominium property census expenditure	3,200	-	10,000,000
Condominium property follow-ups and technical inspections	-	-	2,000,000
Expenditure for redeveloping dilapidated condominium properties	-	-	2,000,000
	1,822,624	**2,684,890**	**55,850,000**

Notes to Financial Statements

	2023 Rs.	2022 (Corrected retrospectively)	2023 Budgeted Rs.
			Note 24
Financial expenditure			
Audit fees	1,190,928	993,456	200,000
Bank charges	99,565	101,865	150,000
Stamp fees	395	-	25,000
Social Security Contributory Tax	49,281	6,710	-
Value Added Tax	117,365	-	-
Leasehold credit interest	-	-	10,000,000
	1,457,534	**1,102,031**	**10,375,000**
			Note 25
Non-operational expenditure			
Entertainment expenditure for the visitors of the Chairman	117,633	25,785	120,000
Sundry expenses	149,036	103,810	200,000
Disciplinary inquiry charges	178,971	623,407	500,000
Corporate Social Responsibility	50,000	-	1,000,000
Condominium exhibition expenditure	563,583	-	500,000
Fines and surcharges	38,400	-	100,000
	1,097,623	**753,002**	**2,420,000**
			Note 26
Surplus/(deficit) from the sale of fixed/ inventorized scrap materials			
Sale price	208,800	-	250,000
Cumulative depreciation	208,800	-	250,000
	417,600	-	500,000
Less:			
Cost/ revaluation	208,800	-	250,000
Surplus/deficit of selling scrap materials	**208,800**	**-**	**250,000**

Schedules for Financial Statements

	2023 Rs.	2022 (Corrected retrospectively)	2023 Budgeted Rs.
			Schedule 01
Sundry deposits receivable			
Employee safe deposit investments	106,498	132,981	135,000
Fuel deposits	250,000	250,000	250,000
Deposit for the use of postal frank	5,000	5,000	5,000
	361,498	**387,981**	**390,000**
			Schedule 02
Debtors			
Parliament Secretariat-Madiwela	1,302,911	882,922	450,000
Gampaha Hospital –Pump house maintenance	2,801,043	2,344,517	500,000
Arbitration charges	2,671,161	2,668,308	-
Electricity bills of govt. employee housing scheme, Jalthara	416,922	419,775	419,775
Negambo hospital, pump house maintenance	5,940,770	5,940,770	5,940,770
	13,132,807	**12,256,292**	**7,310,545**
Less			
Allocation for bad and doubtful debt	9,886,036	9,653,726	4,310,545
	3,246,771	**2,602,566**	**3,000,000**
			Schedule 03
Staff loans and advances			
Distress loan	15,948,136	18,548,952	18,677,116
Special distress loan	176,250	525,000	200,000
Festival advance	31,250	485,000	40,000
Book purchasing advances	675,700	807,160	700,000
W.D.G. Priyankara	10,498	-	-
Nishadi Anukshika	92,884	92,884	92,884
Employee insurance	39,563	41,258	40,000
Third party payments	-	125	-
	16,974,281	**20,500,379**	**19,750,000**
			Schedule 04
Sundry creditors			
Value Added Tax	2,231,711	479,657	358,366
Sinking fund of the Edmonton government servant housing scheme	18,745,167	16,881,189	-
Sevana Fund	82,564	82,564	82,564
Employee Welfare Fund	15,000	15,000	-
Unclaimed employee insurance	13,960	-	-
Payable office rent	-	7,102,680	-
Social Security Contributory Tax	601,692	109,614	300,000
Crystal property	-	78,440	-
N.V. Property Developers	9,071	9,071	9,070
Withholding tax	804,268	-	750,000
	22,503,433	**24,758,215**	**1,500,000**

Schedules for Financial Statements

	2023 Rs	2022 (Corrected retrospectively)	2023 Budgeted Rs.
			Schedule 05
Accrued liabilities			
Payable EPF	989,848	-	900,000
Payable ETF	119,171	-	90,000
Stamp duties	9,425	58,570	10,000
Personal advance income tax	33,218	-	-
Third party payments	200	-	-
	1,151,862	**58,570**	**1,000,000**
			Schedule 06
Issuing certificates for condominium property			
Certificates issued for property of which construction has been completed- Up to 5 units	878,654	1,851,778	9,775,000
Certificates issued for property of which construction has been completed - above 5 units	135,114,687	108,439,066	185,000,000
Certificates issued for provisional properties- up to 5 units	-	22,500	1,617,000
Certificates issued for partial constructions – up to 5 units	544,075	37,057,289	569,000
25% Condominium certificates (preliminary clearance)	35,144,724	33,141,753	48,818,000
Fees for recommending the removal of condominium property	2,000	4,000	10,000
Fees for renewal of condominium certificates	22,500	-	237,000
	171,706,640	**180,516,386**	**246,026,000**
			Schedule 07
Repairs and maintenance income			
Maintenance income of MP's housing scheme, Madiwela	4,116,681	4,826,482	6,000,000
Maintenance income -Pump house, Gampaha Hospital	2,024,361	4,018,552	-
	6,141,042	**8,845,034**	**6,000,000**
			Schedule 08
Miscellaneous operational income			
Kataragama circuit bungalow income	301,721	286,682	500,000
Issuing tenders	5,000	8,500	50,000
Condominium publication income	126,900	131,000	200,000
Issuance of condominium details	12,529	11,239	30,000
Other income	87,454	144,380	550,000
	533,604	**581,801**	**1,330,000**
			Schedule 09
Registration fees			
Income from the registration of private management corporations	483,962	91,583	135,000
Income from the renewal of the registration of private MCs	4,452,241	2,039,917	1,000,000
Income from the registration of MCs of government housing schemes	66,850	23,750	74,000
Income from renewal of the registration of private management committees	78,500	37,000	238,000
Income from renewal of registration of MCs of government housing schemes	3,800	1,000	12,000
Income from the registration of private Management Committees	11,042	-	200,000
Suppliers' registration income	220,000	368,000	250,000
Income from renewal of registration of MCs of government H.S	3,975	500	2,000
	5,320,370	**2,561,750**	**1,911,00**

Schedules for Financial Statements

	2023 Rs.	2022 (Corrected retrospectively)	2023 Budgeted
			Schedule 10
Repairs and maintenance income			
Maintenance expenditure of MP's housing scheme, Madiwela	485,808	637,871	750,000
Maintenance expenditure- pump house, Gampaha Hospital	30,243	22,454	-
Maligawatta zonal office	95,458	12,340	50,000
	611,509	**672,665**	**800,000**

Condominium Management Authority
Statement on changes in net assets/equity
For the year ended 31.12.2023

Financial Unit Rs.000

	Relevant to the owners of the governing entity						Minor	Total net assets/ equity
	Partic-ipatory capital	Statutory provisions	Reval-uation reserves	General reserves	Accu-mulated loss/ profit	Total		
Balance carried forward as at 01 Jan.2019	3,000	2,263	22,308	1,350	323,808	352,729	-	352,729
Change in fixed assets/equity for year 2019	-	-	-	-	2,045	2,045	-	2,045
Surplus/(deficit) for the period					18,187	18,187		18,187
Balance as at 31 December 2019	**3,000**	**2,263**	**22,308**	**1,350**	**344,040**	**372,961**	**-**	**372,961**
Balance carried forward as at 01 Jan.2020	**3,000**	**2,263**	**22,308**	**1,350**	**344,040**	**372,961**	**-**	**372,961**
Change in fixed assets/equity for year 2020	-	-	-	-	(1,260)	(1,260)		(1,260)
Surplus/(deficit) for the period	-	-	(13,359)	-	32,963	19,604	-	19,604
Balance as at 31 December 2020	**3,000**	**2,263**	**8,949**	**1,350**	**375,743**	**391,305**	**-**	**391,305**
Balance carried forward as at 01 Jan.2021	**3,000**	**2,263**	**8,949**	**1,350**	**375,743**	**391,305**	**-**	**390,380**
Change in fixed assets/equity for year 2021	-	-	59,438	-	(718)	58,720	-	59,645
Revaluation amount of disposed goods	-	-	-	-	105	105	-	105
Surplus/(deficit) for the period	-	-	-	-	130,329	130,329	-	130,329
Balance as at 31 December 2021	**3,000**	**2,263**	**68,387**	**1,350**	**505,459**	**580,459**	**-**	**580,459**
Balance carried forward as at 01 Jan.2022	**3,000**	**2,263**	**68,387**	**1,350**	**505,459**	**580,459**	**-**	**580,459**
Change in fixed assets/equity for year 2022 (Correction of calculation errors)	-	-	-	-	(1,691)	(1,691)	-	(1,691)
Adjustment to the Statement of Financial Position of year 2023	-	-	-	-	(200)	(200)	-	(200)
Revaluation amount of disposed goods	-	-	-	-	-	-	-	-
Surplus/(deficit) for the period	-	-	-	-	48,050	48,050		48,050
Balance as at 31 December 2022	**3,000**	**2,263**	**68,387**	**1,350**	**551,818**	**626,818**	**-**	**626,818**
Balance carried forward as at 01 Jan.2023	**3,000**	**2,263**	**68,387**	**1,350**	**551,818**	**626,818**	**-**	**626,818**
Adjustments in respect of previous years (Prior to year 2022)	-	-	(729)	-	(1,145)	(1,145)	-	(1,145)
Taxes paid to General Treasury for previous years	-	-		-	(166,816)	(166,816)	-	(166,816)
Surplus/(deficit) for the period	-	-	-	-	77,430	77,430	-	(77,430)
Balance as at 31 December 2023	**3,000**	**2,263**	**67,658**	**1,350**	**461,087**	**535,358**	**-**	**535,358**
Balance carried forward as at 01 Jan.2024	**3,000**	**2,263**	**67,658**	**1,350**	**461,087**	**535,358**	**-**	**535,358**

Condominium Management Authority
Cash Flow Statement as at 31.12.2023

	2023	2022
Cash flow for operational activities		
Net loss/profit before income tax and specialized items	154,721.745.11	131,259,446.04
Non-financial changes		
Depreciation of fixed assets	(1,888,677.14)	(1,089,770.86)
Depreciation allocation of fixed assets	19,519,414.83	20,414,308.74
Intangible assets depreciation allocation	265,094.75	246,365.06
Correction of depreciation allocation 2022	-	441,564.97
Depreciation allocation for unrecorded disposals in the year 2022	-	(657,973.81)
Over allocations for gratuity	(2,067,158.50)	-
Under allocation for doubtful debt	232,309.38	1,795729.50
Allocations for audit fees	978,000.00	993,456.00
Allocations for gratuity	-	5,796,872.50
Stock (increase)/decrease	(1,306,700.79)	(236,885.49)
Trade debtors, employee loans and receivable balances (increase)/decrease	2,908,375.20	1,093,730.76
Payments in advance (increase)/decrease	23,479.90	(48,200.00)
(Increase) /decrease in payable balances	3,223,645.19	(1,316,962.06)
(Increase) /decrease in accrued expenditure	7,113,898.95	409,891.34
(Increase)/ decrease in creditors	(2,280,163.01)	3,079,283.52
Investment income/ Nonoperational income	(138,927,248.32)	(103,742,983.67)
Payment of income tax	(28,209,797.87)	(52,932,982.80)
Payment of audit fees	(1,743,072.00)	(1,545,600.00)
Payment of government income tax	(33,184,438.61)	(50,000,000.00
Net cash flow on operational activities	**(20,621,292.93)**	**(46,040,710.26)**
Cash flow from investment activities		
Release of investments	30,481,886.56	-
Investment purchases	(11,079,744.42)	(8,218,131.88)
Purchase of fixed assets	(1,355,569.79)	(436,794.50)
Sold fixed assets	208,800.00	-
Correction of unrecorded disposals -2022	-	677,467.06
Intangible assets	-	(496,663.75)
Interest receipts	119,791,361.58	79,191,598.40
Net cash flow on investment activities	**138,046,733.93**	**70,717,475.33**
Cash flow on financial activities		
Payment of gratuity	(8,297,812.50)	(4,457,572.50)
Adjustments to year 2022	(199,974.40)	
Previous year adjustments	(167,961,111)	(1,691,149.44)
Net cash flow on financial activities	(176,458,897.90)	(6,148,721.94)
Net cash flow for cash and cash equivalents	(59,033,456.90)	18,528,043.13
Starting balance- cash and cash equivalents	560,524,323.99	541,996,280.86
Closing balance- cash and cash equivalents	**501,490,867.09**	**560,524,323.99**

Condominium Management Authority
Reconciliation of budgeted and actual values
for the year ended 31 December 2023

Actual value 2022		Budgeted figures: Actual value 2023	Budgeted figures: Budgeted value 2023	Difference between amended budget and actual values
	Revenue			
189.943,221	Operational income	178,381,286	253,356,000	(74,974,714)
2,634,000	Other operational income	5,434,370	2,061,000	3,373,370
104,704,856	Non-operational income	138,927,248	180,960,000	(42,032,752)
297,282,077	Total operational income	**322,742,904**	**436,377,000**	**(113,634,096)**
	Operational Expenditure			
108,926,694	Employees' salaries and wages	102,125,397	115,568,000	13,442,603
540,051	Transport expenditure	641,872	1,080,000	438,128
6,886,661	Supplies and consumable items	10,560,965	9,800,000	(760,965)
5,669,633	Maintenance Expenditure	10,655,576	9,350,000	(1,305,576)
14,561,161	Statutory expenditure	15,767,750	18,475,000	2,707,250
4,431,883	Direct expenditure	4,316,109	5,050,000	733,891
20,666,598	Fixed assets depreciation	19,874,509	21,418,000	1,633,491
2,684,890	Other operational expenditure	1,822,624	55,850,000	54,027,376
164,367,571	**Total operational expenditure**	**165,674,802**	**236,591,000**	**70,916,198**
132,914,506	Operational activities -Surplus/(deficit)	157,068,102	199,786,000	(42,717,898)
1,102,031	Financial expenditure	1,457,534	10,375,000	8,917,466
753,002	Non-operational expenditure	1,097,623	2,420,000	1,322,377
1,855,033	Total non-operational expenditure	2,555,157	12,795,000	10,239,843
131,059,473	Surplus/(deficit) on operational activities	**154,512,945**	**186,991,000**	**(32,478,055)**
-	Surplus/(deficit) on sale of scrap materials	208,800	250,000	(41,200)
131,059,473	Net surplus/(deficit) before tax deduction	**154,721,745**	**187,241,000**	**(32,519,255)**

Notes

Notes

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