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இலங்கை ஒலிபரப்புக் கூட்டுத்தாபனம்
Sri Lanka Broadcasting Corporation

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ஆண்டறிக்கை
Annual Report
2020



Sri Lanka Broadcasting Corporation

Annual Report and Statement of Accounts

January 01, 2020 to December 31, 2020

Hon. Minister of Mass Media

Ministry of Mass Media

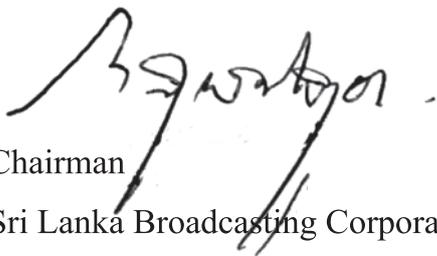
Colombo

Hon Minister,

I hereby submit the Annual Report of the Corporation for the year ending 31st December 2020 in accordance with Section 14 (1) of the Finance Act No. 38 of 1971, comprising the following documents.

1. Administrative Report on the functions executed by the Sri Lanka Broadcasting Corporation from 01 January 2020 to 31 December 2020.
2. Statement of Accounts of the Corporation for the Accounting Year from 01 January 2020 to 31 December 2020
3. Report of the Auditor General on the final accounts for the year ended 31 December 2020
4. Comments of the Corporation on the Report of the Auditor General for the year 2020

Yours faithfully



Chairman

Sri Lanka Broadcasting Corporation

Colombo 07

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Sri Lanka Broadcasting Corporation

Vision

To become the Leading Sri Lankan Radio Communicator

Mission

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

Objectives

Short Term Objectives

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

Long Term Objectives

- To provide a creative communication contribution to make the public aware of government policies, development programs, government objectives, goals and plans, as a statutory communication agency for public service communication.

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

Administrative Report - 2020

Administrative Report - 2020

Introduction

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

This report covers the period of 12 months from 1st January to 31st December 2020.

The management of the Corporation during the period under review

1. Mr. Chulananda Perera	Acting Chairman, Secretary, Ministry of Information and Communication Technology	From 13.01.2020
2. Mr. Rohanadeva Perera	Chairman / Board Member	From 29.01.2020
3. Mrs. Sanjeevani Weerasinghe	Member of the Board of the Corporation	From 29.01.2020
4. Mr. Gamini Wijewardena	Member of the Board of the Corporation	From 29.01.2020
5. Mr. Sisira Munasinghe	Member of the Board of the Corporation	From 29.01.2020
6. Mr. Jagath Wickramasinghe	Chairman/Member of the Board of the Corporation	From 29.01.2020
7. Mr. M.G.S.R. Somasiri	Member of the Board of the Corporation	From 29.01.2020
8. Mr. N.S.P. Wahalathanthri	Member of the Board of the Corporation	From 29.01.2020

☐ Mr. Chandrapala Liyanage has been acting as the Director General of the Sri Lanka Broadcasting Corporation since 16.01.2020.

Sri Lanka Broadcasting Corporation

Through 96 years of media service in the field of Sri Lankan media, Sri Lanka Radio has played an invaluable role in nurturing the minds of the people of our society and building it for the better. It was commenced in 1924 and was officially established on December 16, 1925 as a radio station. National Radio was the first radio station in Asia to be launched within a short period of three years of the inception of the UK - based European Radio.

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

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

The FM service was launched on 12.12.1989 as the first radio station in Sri Lanka to transcend short and medium wave technology through FM technology, a new trend in radio technology then in operation around the world.

The catastrophic situation in the world community in the year 2020 affected Sri Lanka in a similar manner and the entire Sri Lankan society was paralyzed by the spread of the corona virus. SLBC updated the downtrodden community, catered to its communication needs, served a wide range of people and through a difficult period of time continued its service without interrupting a single channel.

Sinhala National Service

Among the founding Sinhala radio channels of the Sri Lanka Broadcasting Corporation, the Sinhala National service has fulfilled its usual responsibility in the year 2020 by providing reliable and quality information to the listeners with national responsibility, providing the information, knowledge, imagination and high level of enjoyment required for a good society.

The *Sathyekshana* Program has launched a series of monthly programs in the year 2020 with the aim of drawing the attention of the responsible parties on social issues and needs and creating a platform for public opinion.

In celebration of the 72nd Independence Day, the National Broadcasting Service's National Service made its proud contribution in the year 2020 as well. With the aim of bequeathing on the future generations, the customs and traditions associated with the Sinhala and Tamil New Year, the 'Ratawata Avurudu' program and the 'Ratawata Christmas' program to educate future generations about the customs and traditions associated with Christmas and to maintain religious harmony, were broadcast. However due to the Corona pandemic, it was difficult to live broadcast as in previous years hence they were broadcast as recorded programs, in collaboration with a regional services.

Although the staff of the National Radio was also affected by the Corona epidemic, in the year 2020 Sinhala National Service was able to maintain all the special days, religious and cultural festivals and all the programs conducted as in the previous years to the maximum quality possible. The Sri Lanka Broadcasting Corporation's Sinhala National service, which broadcasts on FM 91.7 / 91.9, starts daily at 4.30 am and ends at 10.15 pm.

The 'Radio Teacher Year 5 Scholarship Guide' and the 'Radio Teacher Exam Guide' were launched with the aim of helping to uplift the school education that was crippled by the Corona epidemic, and it broadcast 5 days a week.

Sinhala Commercial Service

As the pioneer of commercial communication, the Sinhala Commercial Service of the Sri Lanka Broadcasting Corporation (SLBC) has been continuously gaining trust, respect and love of the general listener community since 30.09.1950 by presenting programs that have been winning market objectives and promoting creative programs and popular classical songs for the benefit of the audience.

Commercial Service, which is the closest channel to the public, has been able to carry out the public communication role well by broadcasting the 'Saraprabhagira' program which entails current events that are relevant and news of value to the society.

For the first time in the history of Sri Lankan media, it was a great achievement for the channel to launch the 'Guru Tharuwa' Singing Competition (Reality Concert) as a high quality singing extravaganza on behalf of the country's distinguished teachers. SLBC managed to win the hearts of the audience by organizing a number of catchy music programs such as "Jothimath Gee" as well as "Nomiya Minisun" while the Madurasanga Live in Concert and the CT at 100 concert, added a new concert format to one of the most popular shows on the Commercial Service. It is noteworthy that not only the People's Award but recognition was also given at the State Radio Awards.

Mrs. Ramya Sriyani Pathirana was adjudged the Best Radio Announcer, Mr. Sampath Salpitikorala was adjudged the Best Radio Studio Announcer and veteran announcer

Mr. Wasantha Rohana was adjudged the Best Radio Speaker at the State Radio Awards 2020 and The Saraprabhagira program won the award for the best radio talk show of 2020.

The Sinhala Commercial Service has become one of the most popular radio channels in the Sri Lankan community, attracting and maintaining the Sinhala listenership in the middle ground.

Tamil National Service.

Launched on 01.04.1951, the Tamil National Service, has aired a number of social, economic, political, educational and entertainment programs in the year 2020, preserving the linguistic and cultural identities of a multi-ethnic, multi-religious community. The Muslim Service and the Education Service have also been broadcast using the Tamil national service air time.

Special programs of the Tamil National Service that were broadcast throughout the country in the year 2020 were Avurudu program, Poson related programs, VidiyumVelayi program, Drug Prevention Day program, MadhuWandana program, Saraswathi Pooja, Hajji festival, Christmas festival etc. The 72nd Independence Day Commemoration, Midnight Live Program on the occasion of Maha Shiva Rathri, Thaipongal Festival are some of the special programs that had been broadcast live on the Tamil National Service.

Special programs on days of national and international significance, targeting the Tamil community had been aired on the Tamil National Service in the year 2020, with Women's Day, May Day, Elders' Day, World Children's Day and World AIDS Day being the main focus. .

In the wake of the Corona epidemic, the Tamil National Service launched a series of educational programs to reinvigorate the stagnant schooling and educational needs of the children, although it was not possible to continue the same programs as in previous years.

The Sri Lanka Broadcasting Corporation's Tamil National Service, which broadcasts on FM 102.1 / 102.3, begins daily at 4.20 am and ends at 10.00 pm on four days of the week and concludes at 10.30 pm on Thursdays, Fridays and Saturdays.

English Service

With the establishment of radio station in Sri Lanka, broadcasting began in English and the English Commercial Service was launched on September 30, 1950 as the first step in the planning and launch of national channels. Shortly afterwards, national channels were launched in Sinhala and other languages. The English service changed its name to Radio Sri Lanka in the year 2009.

Radio Sri Lanka, which is still functioning as a radio channel, produced and broadcast a number of programs of religious, cultural, social, economic, entertainment and contemporary significance in the year 2020 as well. Good morning, Sri Lanka, Views on Health programs to educate the public on current affairs and health issues, and programs such as Ultima Music, Concert Hall, Country Songs enhanced the listener's enjoyment.

With the participation of about 200 children from 10 schools, a World Children's Day program was launched and The Radio Teacher program during the Corona epidemic contributed to stem deteriorating school education.

All programs of current importance that have been aired on Radio Sri Lanka have been archived and uploaded to the Radio Sri Lanka YouTube channel for reference.

The English service of the Sri Lanka Broadcasting Corporation, which broadcasts on FM 97.4 / 97.6, begins transmission daily at 5.00 am and ends at 10.00 pm.

Education Service

At a time when school education was completely paralyzed due to the lockdown of the country due to the corona epidemic in the year 2020, the Education Service of the National Radio has broadcast number of programs for the benefit of the children of the country. Among them City F. M. channel has been teaching the GCE (Advanced Level) syllabus related topics through WhatsApp and Telegram social media networks with the participation of a talented staff.

Radio Teacher aired a series of programs on Year 5 Scholarship Examination Guide and GCE Ordinary Level Examination Guide through the Sinhala National Service. In addition, with the intervention of the Education Service, a large number of education programs were broadcast on Tamil national Service.

City FM Service

Launched on 03.11.1989, City FM has become a nationally responsible and popular radio station in the field of broadcasting, overcoming challenges within the competitive social framework, delivering universal knowledge and information accurately and reliably to the listener, creating a well-deserved audience of high taste. Programs were broadcast for the year 2020 to achieve this objective.

Live broadcast of the 72nd Independence Day celebrations, a special radio studio was set up at the Inno Tech Exhibition Grounds, NSBM premises, Pitipana, Homagama from 11 to 14 March 2020, with the theme of Technological Advancement being an Essential Factor in Building a Prosperous Nation, and program was broadcast live on City FM and updates were aired from time to time

During the Corona epidemic, City FM launched a series of subject-based teaching programs on WhatsApp and Telegram social media with the participation of talented faculty members for subjects related to the Advanced Level syllabus and became one of the most popular educational programs. This series was a special reason for the growing audience of young listeners around the City FM channel.

The Radio Bakmaha Festival was held in a spectacular manner from the Main Studio for the Sinhala and Tamil New Year 2020 and the program was well received by the audience with the participation of contestants from various aerial events.

Due to the Corona epidemic, the opportunity to launch external event programs for the Vesak festival was missed and all religious programs such as Atasil, sermons and Dhamma discussions were broadcast using modern technology. A devotional song concert with the participation of devotional groups from all over the island was launched on Vesak Poya Day on WhatsApp.

City FM aired daily programs on every Poya day and in August and September aired the 'Poda Waruna' variety program with information detailing Sri Maha Bodhi and the Mahiyangana RajamahaViharaya.

The Melody of Rhythm program, conducted by Prof. Kolitha Bhanu Dissanayake, was a musical critique program and was recorded every week from August 2020.

Visarada Somasiri Medagedara, a singer engendered from the National Youth Services Council, was felicitated by a special music concert organized by City FM in the year 2020.

The "Suradaru" concert held at the Independence Square premises on the occasion of the World Children's Day was broadcast live from time to time. A questionnaire was given to the listeners throughout the day on 01.11.2021 to mark the 51st anniversary of the Ceylon Electricity Board and cash prizes were also awarded. The value of the prize money presented on that day was two hundred and fifty-five thousand rupees. That night, a concert was held in association with the National Television and the concert received a huge response on social media.

Despite the Corona epidemic, a Christmas carol concert was performed with the participation of veteran singer Mariazelle Goonetilleke on the occasion of Christmas and three Christmas choirs selected through WhatsApp also participated.

In order to achieve the goals and objectives of the City FM channel by the year 2020, a large number of programs had been produced and successfully aired covering various sectors. In addition, the City FM channel has successfully maintained its identity in the year 2020 through daily programs continued from previous years.

City FM service of the Sri Lanka Broadcasting Corporation, which broadcasts on FM 89.6 / 89.8, was broadcast 24 hours a day in the year 2020.

Thendral Service

Launched on 17.04.2001, Thendral FM has aired various programs in the year 2020 for the variety of tastes of the listeners. The Tendral service is specifically targeted at the youth community. In order to satisfy the tastes of the Tamil community representing various social strata, a number of entertaining programs had been aired in the year 2020 and in parallel with the Tamil National Service, various programs have been aired on occasions of national, political, religious and cultural significance as well.

Special programs aired for the year 2020 include Vidyum Velayi, Thaipongal Live Program, Independence Day Celebration, Saraswati Pooja, Nationwide Avurudu Programs, Hajj Festival, Urawal Illam, Arinthathum Ariyathathum, Unmain Kural, Makkal Karuthu aired during Corona pandemic period as well as programs related to special days such as World Labor Day, International Day of the Elderly, World Children's Day, AIDS Day, etc. and religious programs and dramas were also aired.

The Sri Lanka Broadcasting Corporation's Thendral service, which broadcasts on FM 107.7 / 104.9, starts daily at 5.00 am and ends at 11.30 pm.

Muslim Service

The Muslim Service of the Sri Lanka Broadcasting Corporation, which broadcasts on FM 102.1 and 102.3 of Tamil National Service air waves, has been popular among the Sri Lankan Muslim community and in South India for over 65 years and SLBC is the only national radio station to broadcast on behalf of the Muslim community. The airtimes of the Muslim service are 0545-0550, 0800-1030, 2000-2100 hrs and if there is sponsorship, the relevant air time would be utilized to broadcast Muslim service programs. Religious programs, children's programs, musical and drama programs, quiz programs, youth magazine programs, nationally important programs, Malay magazines designed for the Sri Lankan Malay community programs related to speaking Urdu language were broadcast in the year 2020. During Ramadan, the Muslim Service airs programs that are integral with the Sri Lankan Muslim community and programs are fully client-sponsored for that particular month.

With the intervention of the Muslim service, an Islamic religious program is aired in Sinhala language through the Sinhala National Service.

The annual income of Muslim services for the year 2020 is Rs. 33,107,045.13.

Regional Services

Rajarata Service

The Rajarata service, which is disseminated through the Karaghatenna Broadcasting Station in 13 districts based on the Rajarata area through 107.3 FM bands, has been successfully working to achieve its objectives since 12.04.1979 up to now. During the

year 2020, the Rajarata Service has identified its local and national responsibilities, and has produced and aired programs accordingly.

Religious programs for Poya days, Sinhala Hindu New Year programs, Independence Day programs, Vesak Poson programs, Christmas programs were also offered in the year 2020 and also on special days such as Labor Day, Drug Prevention Day, Women's Day, World Children's Day programs were aired.

A number of special programs for the prevention of kidney diseases, agricultural programs as well as a large number of programs for the enjoyment of music were produced and aired in the year 2020.

Kandurata Service

Launched on 13.04.1983, the Kandurata Service of the Sri Lanka Broadcasting Corporation has created a number of religious, cultural, economic and social programs for the year 2020 as well. It had produced a series of revenue generating programs and has aired New Year Greetings, Sadaham Pradeepani, Sponsored Dhamma Sermons, Sarisara Purawara, Esala Visithru, Ramazan Programs current affairs Programs. Despite the corona epidemic, the Upcountry Service has been able to maintain the quality and continuity of all programs in 2020. Asiri Hospital and the Ministry of Agriculture have aired several client sponsorships programs and further a few hours in Tamil language were also broadcast. The air time was also set aside in 2020 for Muslim programs.

Implementation of 02 training courses by the Kotmale Institute of Media Studies with the involvement of Upcountry Service was a special project carried out in the year 2020.

Wayamba Service

Wayamba Radio of the Sri Lanka Broadcasting Corporation, which is based in the North Western Province and broadcasts on FM 90.1, starts daily at 6.00 am and ends at 6.00 pm.

Wayamba Radio is a regional radio station operating in the North Western Province. Wayamba Radio continued to broadcast in the year 2020 with the aim of imparting knowledge and entertainment to the listeners on locally and nationally important issues. It would be 11 years since the launch of Wayamba Radio in 2020.

Special opportunity was given for religious programs in the year 2020 during the corona epidemic, and various dhamma sermon programs and related short announcements were aired more frequently in order to gather spiritual strength. Daily Sadaham Asapuwa Dhamma sermons and Poya Day special religious programs and the Rathana Sutta and the Girimananda Sutta are also broadcast on Wayamba Radio.

Special attention was paid to health programs related to the corona epidemic throughout the year 2020 and more airtime was allocated for special announcements and live

discussions from the Ministry of Health, the Department of Ayurveda, the Kurunegala Teaching Hospital and the Public Health Inspectors.

In the year 2020, entertaining programs such as 'Sala Ru Gee', 'Hitha Nawatunu Thana', 'Maddahane Gee Ridma', 'Rasabharati' as well as the Wayamba Home Garden program aimed at educating the public about home gardening was aired during the epidemic period. Many educational programs such as 'Wayamba Radio Teacher', 'Wayamba Sipmansala', 'Sisu Diriya', were for the education of children forced to stay at home during the epidemic period. Further a number of current affairs programs, a children's program 'Lama Uyana' and a number of various special programs to mark annual special days were also aired.

Dambana Service

Radio Dambana was established on 11.04.1986 with the objective of preserving the identity, cultural heritage especially the Vedda language of the indigenous people of Sri Lanka. The purpose of these programs is primarily to preserve the language, artefacts, and cultural elements, as well as to preserve their significance for future generations.

At the request of the Vedda chieftain in the year 2020, Radio Dambana has taken steps to utilize the channels of the National Radio and the local channels to increase the listening range of the Vedda programs. Accordingly, under the auspices of Radio Dambana, the program 'Vedda Ratin Kandu Ratata' has been aired every Friday from 1.15 pm to 2.15 pm and the 'Kanda Arana' (Honey) program has been aired every Friday at 3.30 pm.

Pirevi FM

Pirai FM has been operating as Akkaraipattu Regional Radio since 04.11.2005 and has generated a revenue of Rs. 5,096,325.94 through sponsorship programs in the year 2020.

Pirai FM operates as the Akkaraipattu Regional Radio Channel. In 2018, Pirai FM was able to generate revenue for the Corporation through a number of sponsorship programs. Programs of national importance as well as of local importance have been broadcast and programs on dates, events etc. of local and international importance have been aired. In addition, various religious festivals and sports programs have also been aired.

Especially the muslim majority in Akkaraipattu area and Eastern Province with its majority Tamil speaking population has been the target listenership of Pirei FM and it has managed to produce and air a number of programs in 2020 to win the special endorsement of these listeners.

Engineering Division

Tasks performed by the Engineering Division of the Broadcasting Corporation during the year 2020.

- ✓ Purchase of 02 Transmitters for Jaffna Service. The value of the project is 6.9 million rupees.
- ✓ Purchase of spare parts / accessories for technical equipment installed at the head office and external broadcasting facilities.
The value of the project is 3.54 million rupees.
- ✓ Construction of Fence between Puttalam Broadcasting Station and Karalambewatta Land. The value of the project is Rs. 350,000.00

Sales Division

The year 2021 can be described as a year in which the sales division has been operating with many challenges. The lockdown of the country in the wake of the Covid epidemic made it difficult to do business throughout the year. However, in the year 2020, the 'Katahandata Aruthak" promotional program launched in 2019 was able to succeed. Accordingly, those selected through a series of formal voice tests and after a formal training, the mission to contribute to the country a team of new communicators was successful.

The live chanting of the Rathana Sutta commenced on 23rd October 2020 from temples located in various parts of the island for the benefit of the people of Sri Lanka as well as the world affected by the Corona Epidemic. It was broadcast live between 6.30 p.m. and 7.30 p.m. each day in conjunction with the City FM, Commercial Service and regional services. The entire program was directed by the sales division, which, as a broadcast program had a qualitative impact on the Corporation's channels.

Providing some relief to people who have been suffering physically and mentally for months during this period, the Sales Division launched a special musical program 'Veyum Geethawa' organized with the help of Heads of Client and Marketing Agencies who are constantly affiliated with the Broadcasting Corporation, at the end of this year. The Music Division of the Sri Lanka Broadcasting Corporation contributed to its production.

The Twenty Twenty Lanka Premier League (LPL) was held in the year 2020 and the Sales Division has teamed up with the Sports Division to broadcast the live coverage of the tournament with extensive publicity.

Publication Division

The Broadcasting Division is entrusted with responsibility for publishing, production and marketing at the Sri Lanka Broadcasting Corporation. No new publications were

produced in 2020, and pre-produced corporate publications were sold, but sales revenue fell sharply due to the closure of the country due to the corona epidemic, and the absence of concerts, educational exhibition and other exhibition.

In the year 2020, CDs and Voice Magazine, which are the publications of the Broadcasting Corporation, were sold through the Broadcasting Corporation's Dealer Network and at the International Book Fair. In addition, at the workshop for the local agent network of SLBC, the sale of corporate publications, selling tickets for the Radio Teacher conference series was done and at the launch of the book Nomiya Minisun in 2020, Nation's Communicator magazine was sold. Sale of SLBC publications was also facilitated through regional services. In addition, CDs of dhamma sermons were sold.

producing a pen drive of 95 heart-warming songs for the 95th anniversary of the radio has a new product made in the year 2020.

The annual revenue of the publishing division in 2020 was Rs. 1,597,405.60.

News and Current Affairs Program Division

It is the responsibility of the News Division of the National Radio to deliver the most reliable news to the public responsibly and promptly. There are four daily news bulletins in one language and 12 daily news bulletins in three languages. In the year 2020, 4464 Sinhala, Tamil and English news bulletins were aired without any cutbacks, utilizing very minimal staff in the face of the Corona epidemic. In addition, there are 12 hourly news bulletins a day in the single language. Accordingly, 36 hourly news bulletins were aired daily in three languages.

In addition, broadcasting programs like the diary, children's news etc. is also under the supervision of the news division. The news division also produces and broadcasts talk shows such as Subharathi, Athulpaththa and Sathyokshanayaon current political events. The News division also compiled and published special news items in the year 2020 with the objective of bringing the development activities of the government to the masses.

Development Unit

The Development Unit has provided media coverage for various events attended by His Excellency the President Gotabhaya Rajapaksa from 01.01.2020 to 31.12.2020. Throughout the year 2020, speeches made by the President on special occasions have been edited and aired as required and arrangements have been made to archive all of them. In addition, the Development Unit has prepared advance announcements regarding special events attended by the President and co-ordinated the live coverage of those events.

All speeches made by the President, including his address to the 4th Session of the 8th Parliament, the 72nd Independence Day Celebrations, the Non-Aligned Movement Online Leaders' Conference, the Global Conference of the International Labor

Organization, and the 75th Session of the United Nations General Assembly were covered by the Development Unit.

Music Division

The Music Division of the Sri Lanka Broadcasting Corporation (SLBC) has launched a number of programs in the year 2020 with the aim of providing high quality entertainment to the listeners by airing quality music programs on all the channels of the Broadcasting Corporation.

A 30-minute variety program was produced and aired on the occasion of the 72nd National Day.

The “Wayum Geethawa” program aired with the objective of attracting business community to various programs, "Hela Gee Mihira" program featuring traditional folk songs, re-creation of folk songs and folk music and "Rangarawa" program that include drama songs, Nadagam songs and old and new stage drama songs, 'Sarasaravaya' which features North Indian Ragadhari music, 'Shraddhanjali' which includes devotional songs depicting various occasions in the Buddhist tradition and 'Vishwaiye Vindaniya Prathirava' which features music from some of the greatest musicians from all over the world, the 'Sevaka Sangrahaya' program that gives the opportunity to showcase the talents of the public and private sector employees, the 'Dhammapada Gee' program series during poya days, the 'Subhawitha Geethaya' program, the 'Irida Sangrahaya', the 'Lalitha Kalalaya' educational program, the 'Bhakti Pooja' program and the 'Sarasavi Sara' program are among the programs produced and aired by the Music Division in the year 2020

In addition to this, the creation of theme songs for the Kataragama Esala Perahera, the Ministry of Health and the City FM service is another special work done by the Music Division in the year 2020.

Audience Research Division

It is the duty of the Audience Research Division to survey the quality of the programs, audio and the listenership of the SLBC’s local services, and to suggest solutions. Accordingly, in the year 2020, surveys on the auditory quality, quality of listeners' response and many more of programs aired on local services continued. Presenting daily important information, imparting knowledge to the students who come for educational purposes, updating the pamphlet on the Broadcasting Corporation was carried out in the year 2020 as well.

Central Operations Division

The Central Operations Division has played a significant organizational role in achieving the objectives of the Broadcasting Corporation in the year 2020. Recording, editing, external recording, assisting with the broadcast quality of programs in live broadcast studios and producing a variety of programs in Sinhala, Tamil, English, Hindi, Telugu and Malayalam languages, producing commercials, and efficiently helping to broadcast them according to the schedule of the daily commercials sheet, preserving the identity of the organization and contributing with technical aspects are some of the magnitude of tasks attributed to this division and that immense role assigned to their division has been carried out systematically and efficiently. Program producers provide technical contribution for these functions while Studio service staff provide required service support for studios.

The Central Operations Division has been instrumental in maintaining all the services and studios of the Corporation with a minimum staffing in the face of the Corona epidemic throughout the year 2020.

Actively contributing to the provision of essential goods and services to the remote provinces in the face of the covid 19 epidemic, contributing to the Village Voice program to make it a success, and assisting in maintaining the enjoyment and mental well-being of the people through broadcasting quality programs during Covid 19 epidemic are among special duties performed by Central Operations Division.

Mr. Malintha Deshapriya, Program Production Assistant, Central Operations Division won the award for Best Radio Drama Writer at the State Radio Awards 2020 and Mr. Tharindu Dissanayake, Program Production Assistant, Central Operations Division won the award for Optimal Voice Training

Brief note of the operating process for the year

By the beginning of the year under review of 2020, the corona epidemic was spreading globally and by March 2020, the virus was spreading in Sri Lanka as well. In the face of this situation, the year 2020 was spent with factors such as travel restrictions, country closures, the company's employees being affected by the corona epidemic and the rapid decline in sponsorship advertisements due to the economic downturn in the country. The Sri Lanka Broadcasting Corporation has continued to carry out its media contribution as a state media institution. The Corporation's achievement in the year 2020 was being able to the quality of all channels as usual, even while utilizing a minimum number of employees, providing all the necessary infrastructure for the staff, even at a time when the revenue level of the company was declining.

With the lockdown of the country in the year 2020, the National Radio has fulfilled its responsibility to alleviate some of the impact on school education by launching a series of

educational programs in all three languages under the concept of Radio Teacher. The series of programs covered school curricula covering 20 hours daily on all channels.

In the year 2020, the Regional Correspondents Network has been strengthened by conducting workshops for Regional Correspondents in collaboration with the Divisional Secretaries.

On December 16, 2020, to coincide with the 95th anniversary of the Sri Lanka Broadcasting Corporation, a postage stamp was issued, an orchid plant was named, a magazine containing radio information was printed, and all-night Pirith Dhamma Discourse and alms giving ceremony for 100 bhikkus was held. For the 95th anniversary, Hindu, Catholic and Muslim religious programs were also launched and a new radio song was produced.

Statement of Accounts - 2020

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

	Note	31 December	31 December
		2020	2019
ASSETS			
Non-current assets			
Property, plant and equipment	9	1,931,845,654	2,163,754,346
Deferred tax Assets	8	13,224,803	10,852,398
Software	9	3,352,811	9,859,004
Capital Working Progrees	10	14,877,019	17,032,793
Fixed deposits		84,485,018	77,023,784
Investment	11	1,000,000	1,000,000
		2,048,785,305	2,279,522,325
Current assets			
Inventories	12	21,632,280	20,025,662
Trade and other receivables	13	266,775,612	235,393,552
Cash and cash equivalents	14	92,678,923	116,175,232
		381,086,816	371,594,446
Total assets		2,429,872,121	2,651,116,771
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital		307,386,085	307,386,085
Revaluation reserves		11,971,999	11,971,999
Retained earnings	15	(547,771,519)	(475,784,467)
		(228,413,435)	(156,426,383)
Contingent Liabilities			11,783,507
Non-current liabilities			
Defined benefit obligations	21	282,412,178	232,428,448
Foreign Grant	20	695,263,936	857,697,784
Government Grant		750,821,314	827,690,965
Other Payable	19	8,539,635	8,551,384
Deferred tax liabilities	8	405,762,153	407,291,664
		2,142,799,216	2,333,660,245
Current liabilities			
Trade and other payables	16	348,045,579	317,343,760
Short Term Borrowings	17	54,324,046	36,925,978
Non financial Liabilities	18	113,116,715	107,829,664
Total liabilities		515,486,340	462,099,402
Total equity and liabilities		2,429,872,121	2,651,116,771

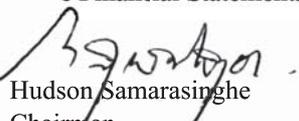
The Director Finance certifies that the financial statements have been prepared in compliance with the requirements of the Sri Lanka Financial Reporting Standards, Finance Act. No: 38 of 1971 and Sri Lanka Broadcasting Corporation act no.37 of 1966



Mr. **Lalith Hettige**
 Director Finance

Date: 2021-08-03

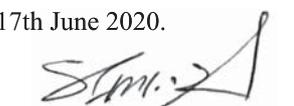
The **Board of Directors** is responsible for the preparation and presentation of these Financial Statements. These **Financial Statements** were authorized by the **Board** of Directors on 17th June 2020.



Hudson Samarasinghe
 Chairman
 Date: 3/2/2021



Board of Director
 Date:



Board of Director
 Date:

Sri Lanka Broadcasting Corporation
Statement of comprehensive income

(all amounts in Sri Lanka Rupees)

	Note	Year ended 31 December 2020	Year ended 31 December 2019 adjusted	Adjustment	Year ended 31 December 2019
Sales	1	545,090,863	659,857,071		659,857,071
Cost of sales	2	537,608,568	644,632,855		644,632,855
Gross profit		7,482,295	15,224,215		15,224,215
Other operating income	3	346,439,569	350,298,093		350,298,093
Distribution costs	4	6,431,070	-		0
Other Operating Expenses	5	371,269,073	359,298,881		359,298,881
Administrative expenses	6	424,364,297	392,655,593		392,655,593
Operating profit		(448,142,576)	(386,432,165)		(386,432,165)
Finance costs	7	5,984,176	4,073,406		4,073,406
Profit/(Loss) before Govt. Grant		(454,126,752)	(390,505,571)		(390,505,571)
Govt. Grant	3.1	440,000,000	365,000,000		365,000,000
Profit/(Loss) after Govt. Grant		(14,126,752)	(25,505,571)		(25,505,571)
Differed Tax	8	3,901,917	108,913,196	127,837,208	(18,924,012)
Other Comprehensive Income	21	(61,720,242)	(56,569,495)		(56,569,495)
Profit after tax		(71,945,077)	26,838,130		(100,999,078)
Total comprehensive income		(71,945,077)	26,838,130		(100,999,078)

Sri Lanka Broadcasting Corporation

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

	Stated capital	Revaluation reserves	Retained earnings	Total
Balance at 1 January 2018	307,386,085	14,421,999	(55,470,045)	266,338,039
Comprehensive income			(42,670,112)	(42,670,112)
Capital Reserve				-
Revenue Reserve		(2,450,000)		(2,450,000)
Adjustment			(276,645,232)	(276,645,232)
Balance at 31 December 2018	307,386,085	11,971,999	(374,785,389)	(55,427,305)
Balance at 1 January 2019	307,386,085	11,971,999	(374,785,389)	(55,427,305)
Comprehensive income				
Comprehensive income			26,838,130	26,838,130
Revenue Reserve			(127,837,208)	(127,837,208)
Balance at 31 December 2019	307,386,085	11,971,999	(475,784,467)	(156,426,383)
Balance at 1 January 2020	307,386,085	11,971,999	(475,784,467)	(156,426,383)
Comprehensive income				
Comprehensive income for the period			(71,945,077)	(71,945,077)
Revenue Reserve			(41,975)	(41,975)
Balance at 31 December 2020	307,386,085	11,971,999	(547,771,519)	(228,413,435)

Cash Flow Statement for the year ended 31st December 2020

Description	2020		2019	
Cash flow from operating activities				
Net profit before interest and tax		(14,126,752)		(29,370,449)
Adjustment for				
Amortisation of government grant	(121,987,376)		(107,878,577)	
Amortisation of grant Trinco	(155,406,674)		(155,406,674)	
Depreciation	113,424,212		97,492,400	
Depreciation Trinco	161,429,772		161,224,994	
Software Amortisation	6,506,193		2,913,028	
Provision for gratuity	31,675,127		30,471,666	
Provision for bad debts	5,027,070		(1,958,535)	
Disposal assets			(8,592,717)	
Gain/(Loss) on Exchange	213,424		(81,301)	
ESC		40,881,748	3,669,880	21,854,163
		26,754,996		(7,516,286)
Operating profit before working capital				
increase/ Decrease in inventories	(1,606,618)		27,092,425	
Increase/ Decrease in Trade & other receivables	(36,219,210)		14,300,009	
Increase/Decrease in Trade & other payables	18,906,563		(7,147,905)	
Increase/Decrease in Non financial Liabilities	5,222,674	(13,696,591)	(14,555,138)	19,689,390
Gratuity paid		(41,206,888)		12,173,104
				(54,935,519)
Net cash from operating activities		(28,148,483)		(42,762,414)
Cash flow from investing activities				
FD Interest	(7,461,234)		(7,205,599)	
Government Grant	38,090,551		126,000,000	
Disposal assets			7,352,777	
Purchase of property, plant and equipment	(43,185,291)		(162,910,503)	
Capital work in progress			(3,235,774)	
Net cash used in investing activities		(12,555,974)		(39,999,099)
Net Increase/ Decrease in cash and cash equivalents		(40,704,458)		(82,761,513)
Cash and cash equivalents at beginning of period		79,059,335		161,820,848
Cash and cash equivalents at end of period (note 14)		38,354,877		79,059,335

Sri Lanka Broadcasting Corporation

Notes to the financial statements

1. General information

1.1 Reporting Entity

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

1.2 Principal Activities and Nature of Operations

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

1.3 Date of Authorization for Issue

Financial Statements of Sri Lanka Broadcasting Corporation for the year ended 31st December 2020 was presented for approval on ...15th July 2021...

1.4 Number of employees

The number of permanent employees at the end of the year was 677
And the number of Contract staff at the end of the year was 93
(31.12.2019 – 791)

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

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

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

3.1 Summary of significant accounting policies

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

3.1.1 Basis of preparation

The financial statements of Sri Lanka Broadcasting Corporation have been prepared in accordance with Sri Lanka Financial Reporting Standards

(SLFRS for SMEs). The financial statements have been prepared under the historical cost and other specific measurements which are explained in the succeeding notes.

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

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

3.1.2 Continuity

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

3.1.3 Post Balance Sheet Events

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

3.1.4 Comparative Information

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

3.1.5 Foreign currencies

(a) Functional and presentation currency

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

(b) Foreign Currency Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

3.2 Other Significant Accounting Policies**3.2.1 Assets and Bases of Their Valuation**

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

3.2.1.1 Property, plant and equipment

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

3.2.1.2 Restoration Costs

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

3.2.1.3 Depreciation

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

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

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

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

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

3.2.2 Capital Work-in-Progress

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

3.2.3 Financial Assets

3.2.3.1 Classification

3.2.3.2 Loans and receivable

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Corporation's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position. (Notes 13 and 14).

3.2.5.4. Recognition and measurement

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

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

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

3.2.5.5 Impairment of financial assets

(a) Assets carried at amortized cost

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

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

For loans and receivables category, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that

have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Corporation may measure impairment on the basis of an instrument's fair value using an observable market price.

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

3.2.5.6 Trade receivables

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

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

3.2.6 Inventories

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

3.2.7 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank

overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

3.2.8 Borrowing costs

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

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

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

3.2.9 Current and deferred tax

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

a) Current Taxation

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

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

b) Deferred Tax

Deferred tax is recognized using the Balance Sheet method, providing for temporary differences between carrying amounts of assets and

liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax is not recognized for the temporary differences arising in the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investment subsidiaries to the extent that they probably will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by reporting date. Deferred tax assets and liabilities are offset if there is a legal enforceable right to set off current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities on the same taxable entity.

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

3.2.10 Employee benefits

3.2.10.1 Retirement Benefit Obligations

a) Defined Benefit Plan – Retirement Gratuity Provision

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

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

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

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

- 01. Rate of Interest of 7.79.%
- 02. Rate of Salary increment of 1.5%
- 03. Retirement age of all employees 60 Year
- 04. Staff Turnover factor 2%

b) Defined Contribution Plans – “Employees Provident Fund” & “Employees Trust Fund”

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

3.2.11 Government grants

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

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

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

Amortization Rates are given below,

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

3.2.12 Provisions

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

3.2.13 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the corporation or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that can not be measured reliably. The corporation does not recognize a contingent liability but discloses its existence in the Financial Statements.

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

3.2.14 Trade Payables

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

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

3.2.15 Finance Lease Obligations

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

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

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

3.2.16 Income Statement

3.2.16.1 Revenue recognition

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

(a) Sale of Air time

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

(b) Interest income

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

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

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

d) Other Income

All other incomes are recognized on an accrual basis.

3.2.17.1 Expenditure Recognition

a) Operating Expenses

Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in running the business and

in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit / (loss) for the year. Provisions have also been made for bad and doubtful debts, all known liabilities and depreciation on Property, Plant & Equipment.

b) Finance Expenses

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

3.2.18 Comparatives

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

4. Critical accounting estimates and judgment

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

The judgments, estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments, estimates and assumptions about the carrying amount of assets, liabilities and contingent liabilities that are not readily identified from other sources.

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

(a) Pension benefits

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

The corporation determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension

obligations. In determining the appropriate discount rate, the corporation considers the interest rates of corporate bonds. Other key assumptions for pension obligations are based in part on current market conditions.

(b) Income taxes

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

5. Financial Risks Management

5.1 Financial risks factors

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

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

a) Market Risks

(i) Foreign exchange risk

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

(ii) Price risk

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

iii) Credit risks

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

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

iv) Liquidity risks

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

6. Related party transactions

Name of the Relationship	Designation	Nature of the Transaction	Period
Ms. Ramani Gunawardana	Chairman (Acting)	No	01.01.2020-13.01.2020
Mr. W. A. Chulananda Perera	Chairman (Acting)	No	15.01.2020-29.01.2020
Mr. Rohana Deva Perera	Chairman	No	29.01.2020 (01 day)
Mr. Jagath Wickramasinghe	Chairman	No	11.02.2020-31.12.2020
Mr. G.M.J.K. Gunawardhana	Treasury Member	No	17.01.2020-31.12.2020
Ms. Sanjeevani Weerasinghe	Board Member	No	29.01.2020-05.08.2020
Mr. Gamini Wijewardhana	Board Member	No	29.01.2020-31.12.2020

Name of the Relationship	Designation	Nature of the Transaction	Period
Mr. Sisira Munasinghe	Board Member	No	29.01.2020-31.12.2020
Mr. H.G.S.R. Somasiri	Board Member	No	05.10.2020-31.12.2020
Mr. N.S.P. Wahalathanthrige	Board Member	No	26.11.2020-31.12.2020

Note 1
Revenue

Description	2020	2019
Sale of Air Time Asia Service	8,070,458	11,624,771
Sale of Air Time T.W.R.	97,178,959	100,269,279
Sale of Air Time Local Service	325,394,614	410,261,182
Production Charges - Local Service	5,503,824	7,206,618
Revenue Trincomalee Project	102,146,029	124,223,056
Obituary Notices	1,522,215	2,528,651
Sale of Air Time FEBA	5,274,763	3,743,512
	545,090,863	659,857,071

Note - 2
Cost of Sales

Description	2020	2019
Salaries, Wages & Allowances	273,815,167	317,246,928
Employee Provident Fund	35,844,738	41,772,811
Employee Trust Fund	6,698,158	8,140,260
Traveling and Subsistence	1,434,142	3,353,708
Programme Expenditure	3,961,000	3,066,756
Relief Staff	5,874,748	7,234,534
Vehicle hiring Charges	6,870,037	10,188,903
Maintenance cost	4,339,134	13,446,919
Linking Charges	3,678,032	4,741,698
Higher of Outside Tower	6,762,828	5,305,843
Electricity	149,259,683	170,572,953
Business promotion expenditure	1,212,878	2,570,187
Commission on Sale of Air Time (Local)	36,824,755	56,240,697
Commission on Sale of Air Time (Foreign)	1,033,268	750,658
	537,608,568	644,632,855

Note - 3
Other Operating Income

Description	2020	2019
Interest on Loans	9,379,335	11,453,664
Miscellaneous Income (Other)	51,157,051	63,551,858
Fines from Advertising Agents for Returned Cheq	2,053	17,429
House Rent	194,426	198,892
Income from Circuit Bunglow	236,636	749,569
Special Recording	281,204	981,923
Licensing of Importers, Dealers	6,044,630	7,240,708
Sale of Cassettes	1,473,624	2,406,604
Fine Account	94,076	12,470
Income from Circuit Bungalow-Ambewella	136,465	363,813
Sales of Publication	46,018	35,911
Sub Total	69,045,519	87,012,842
Amortisation of government grant	121,987,376	107,878,577
Amortisation grant Trinco	155,406,674	155,406,674
Sub Total	277,394,050	263,285,251
Grand Total	346,439,569	350,298,093

Note - 3.1**Government Grant**

Description	2020	2019
Govt. Grant for Licence Fees	440,000,000	365,000,000
	440,000,000	365,000,000

3.1) Rs.440 million received from the government as grant in lieu of radio license.

Note 04**Distribution Cost**

Description	2020	2019
Provision for bad and doubtful debts	5,027,070	
Programme Exp.(Cricket & Artist)	1,404,000	
	6,431,070	-

Note 5.**Other Operating Expenses**

Description	2020	2019 adjusted	adjustment	2019 approved
Contribution to Outside Broadcasting Organisation	985,265	961,662		961,662
News Service & News Summaries	215,225	687,580		687,580
Advertising and Publicity	114,698	1,100,095		1,100,095
Electricity and Power	17,669,098	9,780,037		9,780,037
Postage & Telephones	12,905,230	12,527,041		12,527,041
Printing & Stationery	3,834,716	5,032,219		5,032,219
Motor Vehicle running expenses	11,948,043	14,116,817		14,116,817
Repairs & Maintenance of Broadcasting equipmen	17,804,304	22,807,521		22,807,521
Repairs and Maintenance of Musical Instruments	35,000	153,200		153,200
Repairs and Maintenance of Furniture fix & fitting	4,145,812	3,141,044		3,141,044
Repairs and Maintenance of Building & Garden	6,961,806	10,029,460		10,029,460
Depreciation	113,424,212	97,560,264	67,864	97,492,400
Depreciation Trinco	161,429,772	160,138,994	(1,086,000)	161,224,994
Software Amortization	6,506,193	3,799,194	886,166	2,913,028
Cassettes expenditure	1,575,001	384,606		384,606
Taxation (ESC)		3,669,880		3,669,880
NBT Expenses	-	8,485,739		8,485,739
Vehicle hiring Charges	4,768,067	929,807		929,807
Stamp Duty	23,644	112,700		112,700
Course Fee Expenses	1,360,088	-		
Radio frequency Charges	5,562,900	3,881,020		3,881,020
	371,269,073	359,298,881	(131,970)	359,430,850

Note 06**Administrative Expenses**

Description	2020	2019 adjusted	adjustment	2019 approved
Allowances - Chairman & Members of the Corp	1,525,610	1,921,878		1,921,878
Salaries, Wages & Allowances	203,136,695	145,783,069		145,783,069
Special Incentive	-	15,952,650		15,952,650
Employee Provident Fund	36,766,071	30,971,737	(3,732,908)	34,704,645
Employee Trust Fund	7,903,460	6,457,763		6,457,763
Overtime to Staff	39,268,908	37,682,813		37,682,813
Relief Staff	16,229,545	17,738,776		17,738,776
Emoluments to Contract Staff	49,070,315	56,134,503		56,134,503
Staff training Charges (Local)		95,000		95,000
Traveling and Subsistence-(Foreign & Local)	556,145	989,351		989,351
Holiday pay	3,009,004	4,068,769		4,068,769
Gratuity	29,670,376	30,471,666		30,471,666
Entertainment by Chairman	322,057	237,294		237,294
Entertainment by Director General	65,076	102,327		102,327
Welfare	4,107,953	2,684,990		2,684,990
Medical Service	45,060	108,893		108,893
General Charges	1,122,960	1,919,044		1,919,044
Private security Service	8,300,000	10,050,700		10,050,700
Rent Rate & Taxes	16,154,052	16,278,460		16,278,460
Insurance	4,651,321	4,955,384		4,955,384
Audit fees	1,428,000	5,040,000		5,040,000
Legal Fees	615,487	1,473,920		1,473,920
Publications & Periodicals	408,090	846,603		846,603
Penalty for gratiunity,court cases & other etc	8,112	690,006		690,006
	424,364,297	392,655,593	(3,732,908)	396,388,501

- 6.1) The Corporation had incurred Rs. 473040.00 in respect of Broadcasting Obituary notice of relatives staff members for the year 2020. These notices were broadcast in accordance with the approved scheme in force. This was the practice adopted by the corporation every year.
- 6.2) The Corporation has been informed to pay Rs. 122,356,000/= at the date of 31st December 2017 for the use of Lands owned by the state institutions. Provision has been allocated for the year 2018, 2019 & 2020.

Pending Legal Cases – 2020

There are two cases pending at the Supreme Court. The status of these cases are as follows:

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

Two cases are pending at High Court. Five cases are pending at District Court and the status of two cases are as follows.

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

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

Note 07**Finance Cost**

Description	2020	2019
Bank Charges	447,513	484,339
OD Interest	5,265,923	3,524,150
Gain/(Loss) exchange	213,424	
Credit Card Commission	57,317	64,917
	5,984,176	4,073,406

Note 08**8 (i) Income Tax**

	2020	2019
Net profit/ loss as per accounts	(454,126,752)	(390,505,571)
Add		
Disallowable expenses		
Depreciation	113,424,212	97,492,400
Depreciation Trinco	161,429,772	161,224,994
Provision for bad debts	5,027,070	-
Provision for Gratuity	29,670,376	30,471,666
Penalty	8,112	690,006
Entertainment	387,133	339,621
Economic Service Charges	-	3,669,880
	309,946,676	293,888,566
Less		
Allowable expenses		
Capital Allowance	128,804,143	103,071,767
Capital Allowances adjustment	45,998,508	
Gratuity payment	41,206,889	52,934,662
	216,009,540	156,006,429
Taxable profit /(loss)	(360,189,616)	(252,623,434)
Tax losses brought forward	(4,329,563,196)	(4,076,939,762)
Total tax losses carried forward	(4,689,752,812)	(4,329,563,196)
Provision for Income Tax		

The corporation is liable for income tax at the rate of 28% on profit derived from the income. A provision has been made in these financial statements on account of income taxes in view of adjusted taxable profits of the corporation.

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

The Fixed assets of Trincomalee project are not calculate to differed tax in 2019 and they have been included to the Differed Tax in 2020.

Differed Tax Assets & Liabilities

	2020	2019	2018 adjusted	adjustment	2018
Financial Position					
Differed Tax Liabilities	405,762,153	407,291,664	528,403,122	418,562,452	109,840,670
Differed Tax Assets	(13,224,803)	(10,852,398)	(4,126,647)	4,844,001	(8,970,648)
Net Differed Tax Assets	392,537,350	396,439,266	524,276,475	423,406,453	100,870,022
Statement of comprehensive income					
Differed Tax Liabilities	(1,529,512)	(121,111,457)	449,001,602	418,562,452	30,439,150
Differed Tax Assets	(2,372,405)	(6,725,751)	2,410,121	4,844,001	(2,433,880)
Net Differed Income Tax Income/(Expenses)	(3,901,917)	(127,837,208)	451,411,723	423,406,453	28,005,270

Note 9
Property, Plant & Equipment S.L.B.C

Gross Carrying Account	Balance as at 01.01.2020 Rs.	Additions/ Transfers Rs.	Disposals/ Transfers Rs.	Balance as at 31.12.2020 Rs.	Provision for Depreciation 01.01.2020 Rs.	Charge for the Period Rs.	NBW As at 31.12.2020
At Cost							
Land	7,574,763			7,574,763			7,574,763
Building	428,852,611	1,257,647		430,110,257	155,082,832	10,342,752	264,616,809
Plant & Machinery	508,987,649	25,922,570		534,910,218	352,811,790	10,626,456	171,471,972
Musical Instruments	7,772,149			7,772,149	7,054,194	109,906	608,050
Motor Vehicles	53,863,675			53,863,675	52,783,400	2,963	1,077,313
Furniture, Fixtures & Records & Tapes	129,546,004	1,364,265		130,910,269	103,905,706	2,477,742	24,526,822
Audio Frequency Transmitters	24,988,249	19,750		25,007,999	24,971,627	3,291	33,081
Computer equipment	726,051,626	12,525,799		738,577,425	498,557,713	17,909,875	222,109,836
Library Books	1,284,963,472		240,000	1,284,723,472	734,235,637	34,213,828	516,274,008
Loose Tools	120,070,603	2,095,260		122,165,863	77,104,232	37,728,751	7,332,880
	450,340			450,340			450,340
	163,679			163,679	143,720	8,648	11,311
	3,293,284,820	43,185,291	240,000	3,336,230,112	2,006,650,851	113,424,213	1,216,087,185

Property, Plant & Equipment Trinco

Gross Carrying Account	Balance as at 01.01.2020 Rs.	Additions/ Transfers Rs.	Disposals/ Transfers Rs.	Balance as at 31.12.2020 Rs.	Provision for Depreciation 01.01.2020 Rs.	Charge for the Period Rs.	NBW As at 31.12.2020
At Cost							
Plant & Machinery	179,582,058			179,582,058	107,294,490	13,468,654	58,818,914
Motor Vehicles	7,544,000			7,544,000	7,430,000	800,000	400,000
Furniture, Fixtures & Office Equipment	2,839,794			2,839,794	1,703,877	212,984	922,933
Generators	7,782,753			7,782,753	6,226,203	778,275	778,275
Audio Frequency Transmitters	206,429,150			206,429,150	123,856,426	15,482,187	67,090,537
Computer equipment	53,354,383			53,354,383	31,251,083	4,001,579	18,101,721
Loose Tools Equipment	1,521,908,873			1,521,908,873	891,395,621	114,398,165	516,115,087
	52,624,075			52,624,075	52,624,075	-	-
	4,632,471			4,632,471	2,779,481	347,435	1,505,554
	159,206,556			159,206,556	95,240,615	11,940,492	52,025,449
	2,195,904,113			2,195,904,112	1,319,801,871	161,429,772	715,758,469

Intangible Asset

Description	Balance as at 01.01.2020 Rs.	Additions/ Transfers Rs.	Disposals/ Transfers Rs.	Balance as at 31.12.2020 Rs.	Provision for Depreciation 01.01.2020 Rs.	Charge for the Period Rs.	NBW As at 31.12.2020
Computer Software Trinco project Software	12,124,157	830,250		12,124,157	12,124,157	8,222,609	-
	13,658,198			14,488,448	2,913,028		3,352,811

Note 10

Capital Working Progress

Depreciation	2020	2019
Capital Working Progress	14,877,019	17,032,793
	14,877,019	17,032,793

Note 11

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

Investment

Depreciation	2020	2019
Investment in Lanka Puwath Ltd.	1,000,000	1,000,000

Note 12.**Inventory**

Description	2020	2019
Consumable Items	19,380,268	18,133,544
Goods Lost Damages	436,273	1,892,118
Goods in Transit	1,815,739	-
	21,632,280	20,025,662

Note 13**Trade and other receivables**

Description	2020	2019
Debtors Airtime	269,279,154	231,611,659
Less: Impairment of financial assets	(117,391,703)	(112,364,632)
Loans to staff	2,809,498	4,171,986
Other advances to staff	1,418,327	1,835,638
Staff Debtors E.P.F.	238,952	238,952
Advance payment to Suppliers	97,855	1,114,536
Sundry Debtors	20,508,760	20,617,238
Dishonoured Cheques	258,305	
Branch Account with Lakhanda	12,807,862	12,807,862
Cash Imprest	229,583	189,920
G.S.T.Control Account	237,267	237,267
Receivable Income (other)	26,305,886	25,484,283
With Holding Tax (Income)	40,213,024	39,875,920
Other deposits	9,762,842	9,762,842
	266,775,612	235,583,472

Note 14.**Cash and Cash Equivalents**

Description	2020	2019
Bank of Ceylon - Matara	15,000	138,015
People's Bank International Division	154,230	184,797
State Bank of India	449,874	451,172
Bank of Ceylon - Anuradhapura	15,002	15,000
Bank of Ceylon - Kandy		982,672
Nations' Trust bank	9,133,983	3,244,526
Bank of Ceylon - Torrington -Radio Licences	4,493,413	1,612,591
Bank of Ceylon - Torrington-Cassette Sales	114,243	-
Bank of Ceylon - Madras	1,768,243	1,768,243
Bank of Ceylon Trincomalee project	24,924,372	31,203,239
Bank of Ceylon -Jaffna Branch	4,200	291,400
Bank of Ceylon - Savings	107,921	104,044
Savings A/c (people's Bank)	51,498,443	75,989,614
Total	92,678,923	115,985,312
OD Balances (A/c No:265 & Kandy)	(54,324,046)	(36,925,978)
Balance for Cash Flow Statement	38,354,877	79,059,335

Note 15,
Retained Earnings

Description	2020	2019	2018
Opening Balance	(475,784,467)	(374,785,389)	(55,470,045)
+ Adjustment			
(-) Adjustment	(41,975)	(127,837,208)	(276,645,232)
Comprehensive Income	(71,945,077)	26,838,130	(42,670,112)
Total	(547,771,519)	(475,784,467)	(374,785,389)

Note 16,
Trade and other payables

Description	2020	2019 adjusted	Adjustment	2019 approved
Creditors sale of airtime	14,652,739	14,601,069		14,601,069
Miscellaneous deposits refundable	6,102,068	6,303,983		6,303,983
Accrued Expenses	301,993,797	279,038,962	(3,732,908)	282,771,870
E.P.F.	4,610,966	4,232,117		4,232,117
Sundry Creditors	19,521,305	12,215,702		12,215,702
Current Account Regional Service	473,325	346,800		346,800
ME's Security Deposit	496,010	205,621		205,621
Sanasuma-Tsunami	15,053	15,053		15,053
Rajarata Circuit Bunglow	180,315	384,454		384,454
	348,045,579	317,343,760	(3,732,908)	321,076,669

Note 17,

Short Term Borrowings

Description	2020	2019
Bank of Ceylon - Torrington -Main account.	54,272,046	36,746,227
Bank of Ceylon - Kandy	52,000	
Bank of Ceylon - Cassettes Sales		179,751
	54,324,046	36,925,978

Note 18,
Non financial Liabilities

Description	2020	2019
N S L	15,007,806	15,007,806
Save the nation fund	(12,418)	(12,418)
Payee Tax	43,098	100,466
With holding tax	923,051	887,295
VAT Contrall a/c	39,974,854	29,407,981
ESC	52,619,337	53,569,469
NBT	3,761,242	8,112,546
National Defence Fund	2,835	2,835
provision for income Tax	692,759	692,759
Stamp duty payable to Inland Re	104,150	60,925
	113,116,715	107,829,664

Note 19.**Other Payables**

Description	2020	2019
E.P.F.Surcharge	8,539,635	8,551,384
	8,539,635	8,551,384

Note 20.**Foreign Grant**

Description	2020	2019
Foreign Grant - Japan & Korean	24,429,267	31,456,441
Grant Trinco - Deutschewelle	670,834,669	826,241,343
	695,263,936	857,697,784

Note 21**Retirement benefit obligations**

As at 31st December 2020

Movement in the present value of the retirement benefit obligations

	2020	2019
Retirement benefit obligations at the beginning of the year	232,428,447	200,322,804
Opening Balance adjustment		(2,517,832)
	232,428,447	197,804,972
Expenditure recognized in Income statement		
Current Service cost	11,879,884	9,375,532
adjustment		
Interest cost	15,385,742	19,095,278
	27,265,626	28,470,811
Income recognized in other comprehensive income		
Actuarial (gain)/loss	61,720,242	56,569,495
Adjustment (gain)/loss		
Total payment		
Benefits paid		
Benefits paid by the plan	(39,002,138)	(50,416,830)
adjustment		
	(39,002,138)	(50,416,830)
Present Value of the obligations	282,412,177	232,428,447

The principal of assumptions

Discount rate	7.79%	11.88%
Future salary increases	1.50%	3%
Retirement age	60 yrs	60 yrs
Staff Turnover factor	2.00%	2%

**REPORT OF THE AUDITOR GENERAL
ON THE
ACCOUNTS OF THE CORPORATION
FOR THE
YEAR ENDED 31ST DECEMBER 2020**

NATIONAL AUDIT OFFICE

My No.CAM/A/SLBC/1/20/577

Date: 31stDecember 2021

Chairperson,

Sri Lanka Broadcasting Corporation

Auditor General's Report in terms of Section 12 of the National Audit Act No. 19 of 2018 on the financial statements and other legal and regulatory requirements for the year ended 31stDecember 2020of the Sri Lanka Broadcasting Corporation

1. Financial statements

1.1 Opinion

The audit of financial statements of the Sri Lanka Broadcasting Corporation for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended and a summary of significant accounting policies and other explanatory notes 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 with the provisions of the National Audit Act No. 19 of 2018 and the Finance Act No. 38 of 1971. My report will be tabled in due course in Parliament in terms of Article 154 (6) of the Constitution.

I am of the view that the financial condition of the corporation and its financial performance and cash flows for the year ended December 31, 2019 reflect the true and equitable position of the corporation in accordance with Sri Lanka Accounting Standards, excluding the impact of the matters described in the section for the audited opinion of my report.

1.2 Basis for the Qualified Opinion

- (a) Though the Financial Statements of the Corporation were prepared based on the Sri Lanka Accounting Standards, it has been mentioned under Accounting Standard 3.1.1 that the Financial Statements were prepared based on Accounting Standards for the Small and Medium Scale enterprises.
- (b) As per Para. 40A and 40B of the SLAS No. 01, in the retrospective restatement of the financial statements, three financial statements for the current period and for two periods before the current period were not presented.
- (c) As per Para. 81A of SLAS No. 01, the comprehensive income statement were not prepared to indicate the Profit or Loss after Tax of the year.
- (d) As per Para. 26 (a) of the SLAS No. 12, though the temporary difference between the carrying amount of the retirement benefit obligation and its tax basis was a differed tax asset, according to the differed tax schedule presented for the audit, a differed tax

liability of Rs. 65,079,965 and Rs. 79,018,332 on the final gratuity liability of the years 2019 and 2020 were recognized and as a result, the final net tax liability had been over-estimated in Rs. 130,159,930 in the year 2019 and Rs. 158,036,664 in the year 2020.

- (e) As per Para. 61A of the SLAS No. 12, differed tax amount relevant to the items identified as other comprehensive income should be indicated under the other comprehensive income, during the year under review, the differed tax amount of Rs. 17,281,668 on the actuarial loss of Rs. 61,720,242, had not been indicated under the other comprehensive income.
- (f) Though according to the Financial Statements, the pensions benefit liability as at 31st December 2020 was Rs. 282,412,178.00, as per the schedule presented for audit it was amounted to Rs. 282,208,329.00 and therefore the unidentified differed tax amount on the difference of Rs. 203,849.00 was Rs. 57,078.00.
- (g) Though according to the information presented for the audit, the doubtful debt allocation for the year under review for the debtors of air time had to be Rs. 4,214,919, it was stated as Rs. 5,027,070 in the Financial Statements and thus the loss in the year under review was over-stated in Rs. 812,151.
- (h) The depreciation expenditure for the year under review for the computer equipment and transmitting equipment valuing Rs. 31,078,837 and Rs. 1,521,908,873 respectively was accounted Rs. 8,789,591 in excess.
- (i) Though according to the Tax Default Unit records of the Department of Inland Revenue and the tax accounts on the payment of tax of the Corporation, the total tax liability as at 31st December 2020 had to be Rs. 204,824,632 (excluding fines), it had been stated as Rs. 112,099,096 under the Non-financial Liability in the Statement on Financial Position and according the the payable outstanding tax amount had been indicated Rs. 92,725,535 less.
- (j) A total rental of Rs. 127,149,208 including the rental for the 0.3194 hectares belonging to the State Plantation Corporation for the years from 1995 to 2017 and the rental for the 119,5309 hectares belonging to the Kuchchaweli Divisional Secretariat that had been leased out for the maintenance of a transmitters had not been accounted in the year under review.
- (k) The relevant written evidence for the confirmation of a total value of Rs. 723,276,809 of lands, buildings, trade debtors, bank account balances and share certificates that is included in the Financial Statements as at 31stDecember 2020 were not produced for the audit.

I have performed the audit according to the Sri Lanka Auditing Standards (SLAS). My responsibility under these auditing standards have been further described under the part of Responsibility of the Auditor on the Audit of the Financial Statements of this report. I believe that the audit evidence I have obtained, have been adequate and appropriate for my opinion.

1.3 Other information contained in the 2020 Annual Report of the Sri Lanka Broadcasting Corporation

The 'other information' means the financial statements included in the 2020 Annual report of the Corporation that is expected to be given to me after the date of this audit and the information that is not included in my audit report. The management is responsible for other information.

My opinion on the financial statements does not cover the other information and I, in any manner, do not guarantee or make any statement on them.

My responsibility on the audit of the financial statements is to read the above mentioned other information when they are made available and to consider if such other information is significantly inconsistent with the financial statements or audit or my knowledge obtained otherwise.

When reading the 2020 Annual Report of the Corporation, if I conclude that there are significant misrepresentations, such matters should be communicated to the governing parties for correction. If there are more uncorrected misrepresentation, they will be included in the report that will be tabled in due course in Parliament in terms of Article 154 (6) of the Constitution.

1.4 Responsibility of the Management and Administration for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka 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.

When preparing financial statements, it is the management's responsibility to determine the ability to maintain the corporation and it is also the responsibility of the management to keep accounts on the basis of continuity and disclose the matters relating to the continuity of the corporation unless the management intends to liquidate the corporation or cease operations in the absence of any other option.

The controlling parties are responsible for the financial reporting process of the corporation.

Subject to subsection 16 (1) of the National Audit Act, No. 19 of 2018, the Corporation shall maintain proper books and records of its income, expenses, assets and liabilities in order to prepare annual and periodic financial statements.

1.5 Responsibility of the Auditor in the Audit of Financial Statements

My objective is to provide a reasonable assurance that financial statements are free from frauds and errors that occurred due to inaccurate false statements and to release the auditor's report along with my opinions. While fair assurance is a high-level guarantee, it does not always mean that auditing in accordance with Sri Lanka Audit Standards that will always detect quantitative disclosures. Frauds and mistakes are likely to result in quantitative disclosures, either individually or collectively, and may be expected to affect users' economic decisions based on these financial statements.

I audited in accordance with Sri Lanka Auditing Standards with professional judgment and professional compliance,

- By planning appropriate audit procedures when identifying and assessing the risk of inaccurate misrepresentations in financial statements due to fraud or error, I obtained adequate and appropriate audit evidence to avoid the risks of fraud or error. The impact of fraud is stronger than the impact of inaccurate misrepresentation, and can lead to fraud, misconduct, forgery, intentional avoidance or avoidance of internal controls.
- In designing audit procedures that are appropriate in the circumstances, the auditor considers internal control relevant to the Corporation, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- The appropriateness of accounting policies used and the reasonableness of accounting estimates made by management is appreciated.
- The relevance of using the institution's continuity basis for accounting was determined based on the audit evidence obtained on whether there was sufficient uncertainty about the corporation's existence as a result of the events or circumstances. If I determine that there is sufficient uncertainty, my audit report should focus on the disclosures in the financial statements, and if that disclosure is inadequate, my opinion must be modified. However, continuity can end on future events or circumstances
- The presentation, structure and content of the financial statements included in the disclosures were evaluated and the underlying transactions and events were evaluated in a reasonable and fair manner.

Governing parties will be informed on the key audit findings, key internal control deficiencies and other issues identified during my audit.

2. Report on other legal and regulatory requirements

- 2.1 The National Audit Act No. 19 of 2018 contains special provisions relating to the following requirements.
 - 2.1.1 In accordance with the requirements set out in Section 12 (a) of the National Audit Act No. 19 of 2018, I have obtained all the information and explanations required for the audit, excluding the impact of what is described in the section on the basis of the Qualified Opinion of my report. My investigation shows that the proper financial records were maintained by the Corporation.
 - 2.1.2 The financial statements presented by the Corporation in accordance with the requirements of Section 6 (1) (d) (iii) of the National Audit Act No. 19 of 2018, are consistent with the previous year.
 - 2.1.3 The recommendations I made last year have been included in the financial statements submitted as per the requirement of Section 6 (i) (d) (iv) of the National Audit Act No. 19 of 2018.
- 2.2 In terms of the measures adopted and the amount of evidence and quantitative considerations, nothing came to my attention as to the following statements:

- 2.2.3 That the Corporation has acted in non-compliance with the powers, duties and functions of the Corporation except the following observations as required under Section 12 (g) of the National Audit Act No. 19 of 2018.
- 2.2.4 That the Corporation has not procured and utilized its resources in an economical, efficient and effective manner as required under Section 12 (h) of the National Audit Act No. 19 of 2018.

3. Other Information

- (a) Though the Corporation had invested Rs. 1,000,000 in the year 1993 upon a request of the Ministry of Mass Media for purchasing the shares of the Lanka Newspapers Company, no income had been obtained until the year 2020.
- (b) According to the approved staff of the year under review, there were 371 vacancies in 35 posts and 364 additions in 42 posts. Recruitments had been made for 102 posts that were not in the approved staff and the additional cadres that had been recruited at 6 occasions, exceeding the number of approved 35 posts.
- (c) There was a balance of Rs. 6,774,855 brought forward from a period of 2 to 20 years in the sundry debtors' balance of Rs. 20,508,760 in the Financial Statements and an amount of Rs. 2,117,912 that was not refunded to the Corporation employees who had been released to external institutions had been included in this balance.
- (d) Action had not been taken in the year under review to settle an outstanding total amount of Rs. 149,420,035 in respect of the years from 1981 to 2016 to be payable to the Telecommunication Regulation Commission included in the Financial Statements as at 31st December of the year under review. ,
- (e) Action had not been taken to settle as at November 2021 a rental amount of Rs. 31,905,000 payable for the Hunnasgiriya and Trincomalee lands maintained for the transmitters that had been accounted for the years 2018, 2019 and 2020.

Signed illegibly

W.P.C. Wickramarathna
Auditor General

**COMMENTS OF THE CORPORATION ON
AUDITOR GENERAL'S REPORT - 2020**

The Comments of the Sri Lanka Broadcasting Corporation on the Report of the Auditor General as per the Section 12 of the National Audit Act No. 19 of 2018 on the Financial Statements and other Legal and Regulatory Requirements ended on 31.12.2020 of the Sri Lanka Broadcasting Corporation.

1.2 Basis for the Qualified Opinion

- (a) The audit observation is correct. Action will be taken to prepare accounts correctly according to this Accounting Standard when the Financial Statements for the year 2020 are prepared.
- (b) In the Statement of Financial Position prepared for the year ended 31.12.2020 adjustments for the previous period in relation to the tax had been made and the amount of the effect of the balance of the differed tax on such adjustments on the initial balance of the year 2020, year 2019 and the year 2018 has been mentioned under Notes No. 8.1.

At the same time, the Statement on the Changes in Equity has been mentioned from the final balance of the years 2019 and 2018. The balance sheet has been mentioned from the year 2018. Accordingly, balances of the Financial Statements have been revealed according to the Standard No. 1.40 A and 40 B paragraphs.

- (c) The Comprehensive Income is not separately mentioned in the Financial Statements. Action will be taken to mention this in the future years when the accounts are prepared.
- (d) When the outcome of the temporary change in the carrying value of the Pensions benefit liability and its tax basis is considered as a tax asset, the tax liability in accounts is decreased in that amount and the tax asset is increased in the same amount.
- (e) Agreed with the matters in the audit observation. Action will be taken in preparing accounts in the coming years.
- (f) Agreed with the matters in the audit observation. The final net tax amount has been decreased in Rs. 57,348.00.
- (g) Agreed with the audit observation. Action will be taken to present accurate balances in the Financial Statements for the year 2021.
- (h) Has been corrected in October 2021.
- (i) The audit observation is correct. It will be corrected in the year 2021.
- (j) The audit observation in relation to the Hunnasgiriya transmitter is correct.

The tax amount for the Kuchchaweli land has been completely removed by the decision of the Cabinet of Ministers Cab. No. 22/0012/316/001 dated 18.01.2022.

- (k) The audit observation is correct. Action has been initiated to correct in the future.

2.2.2 Reference to the Laws, Rules and Regulations

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| (a) Public Finance Circular No. PED 01/2015 (i) dated 27 th October 2015. | Agreed with the audit observation on this matter. |
| (b) Public Finance Circular No. 01/2020 dated 28 th August 2020. | Agreed with the audit observation on this matter. |
| (ii) Section 6.2 | |
| (ii) FR 371(2) b and 371 amended by Section 9.1 | Action had been taken to settle the advance amount that had exceeded 15 years in December 2021 and at present, action is taken as per the Financial Regulations on advances. |
| (c) Agreed with the audit observation. Though the Chairman has acted on his discretion, it is not possible to correct as he has resigned from the Corporation. | |
| (d) This situation is corrected at present. | |

2.2.3 Agreed with the audit observation. Action will be taken in future to prevent such situations.

2.2.4 Agreed with the audit observation. A Corporate paper was presented in the year 2021 and required preliminary action has been initiated for the effective and efficient utilization of under-utilized property and assets of the Corporation.

2.3. Other Matters

- (a) This amount had been spent at the commencement of the Lanka News Institute and the audit observation that no dividend income had been received for this is correct.
- (b) The audit observation is correct. All the designations have been abolished at the Corporation Board Meeting held on 24.02.2022 as the Corporation Board has not been received.
- (c) The audit observation that all the receivables had been included as debtor balances in the said account is correct.
- (d) The audit observation on the amount to be paid to the Telecommunication Regulatory Commission is correct.
- (e) The audit observation on the Hunnasingiriya Transmitter is correct.

The tax amount for the Trincomalee (Kuchchaweli) land has been completely removed by the decision of the Cabinet of Ministers Cab. No. 22/0012/316/001 dated 18.01.2022.



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இலங்கை ஒலிபரப்புக் கூட்டுத்தாபனம்
Sri Lanka Broadcasting Corporation