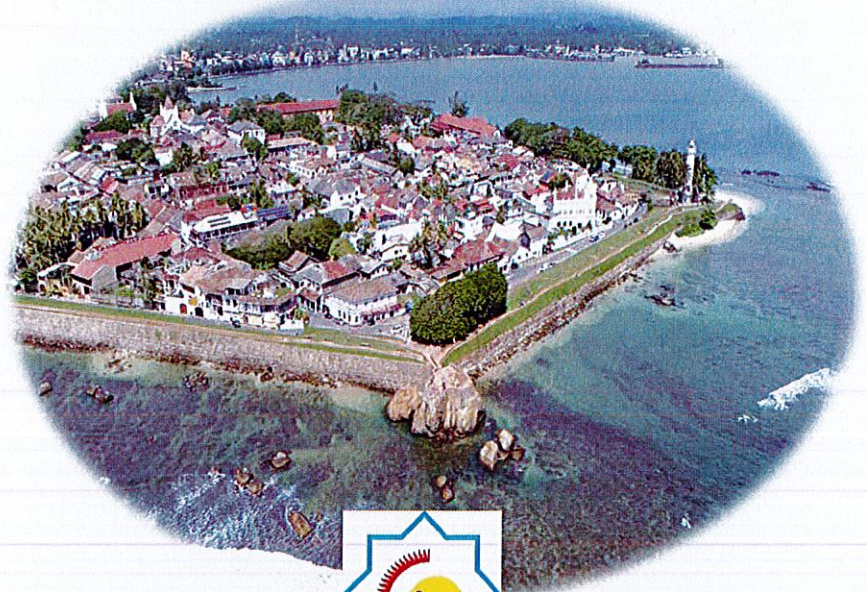




2021

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வருடாந்த அறிக்கை  
ANNUAL REPORT



GALLE  
HERITAGE  
FOUNDATION

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Galle Heritage Foundation

State Ministry of National Heritage, Performing Arts and  
Rural Arts Promotion



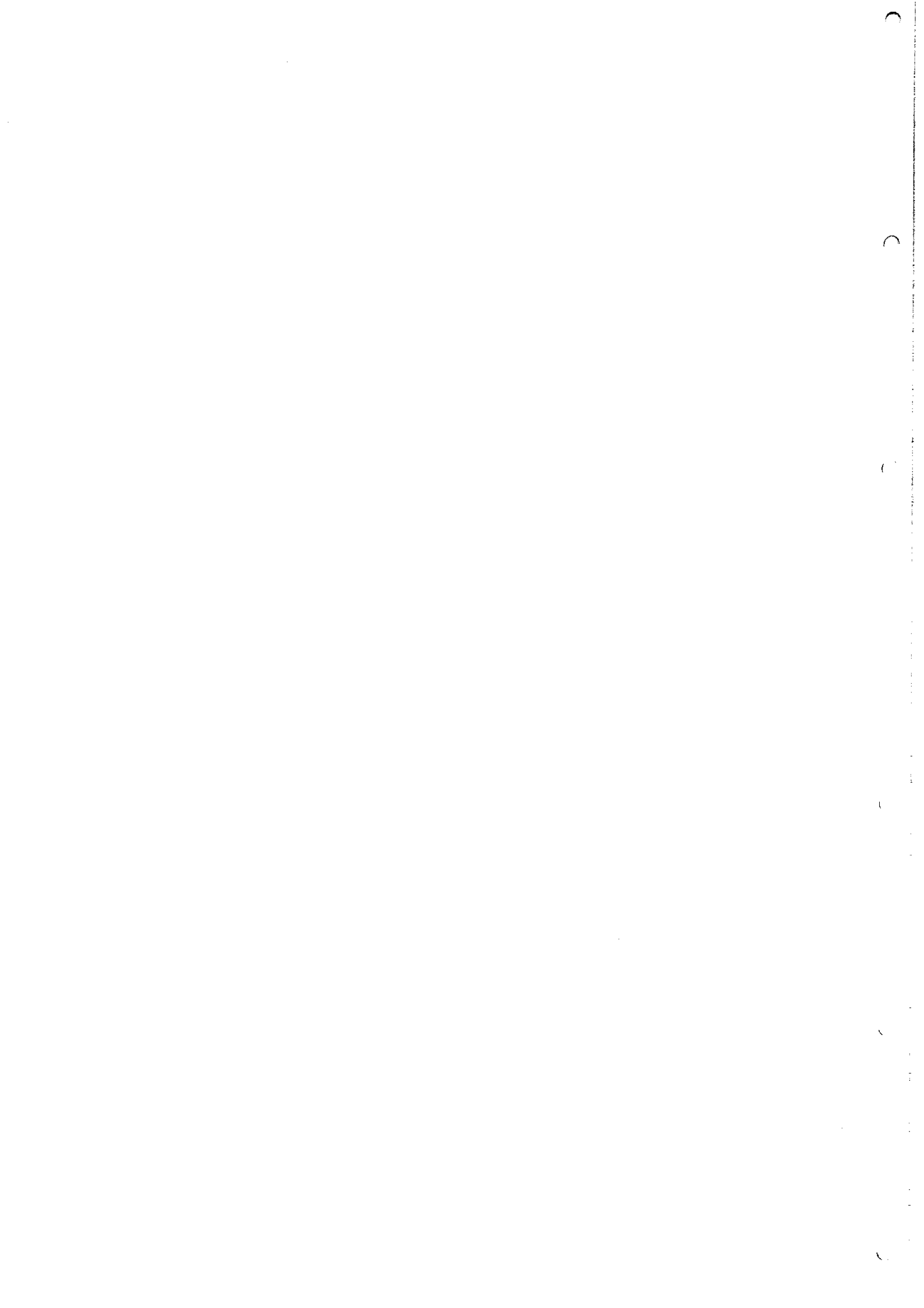
# Annual Report 2021



## Galle Heritage Foundation

State Ministry of National Heritage, Performing Arts and Rural Arts  
Promotion

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Telephone	:- 091-2246784 / 091-2231982
Fax	:- 091-2246784
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# Chapter I

## Galle Heritage Foundation

### 1.1 Introduction

The Galle Fort was declared as an Archaeological Monument in 1971. In 1988, the Galle Fort was inscribed by UNESCO in the list of World Heritage Sites. Due to these reasons, it began to receive considerable attention by the Government and the public and, consequently, various steps were taken for its conservation and protection. Perhaps the most important of these was the establishment of the Galle Heritage Foundation by Act of Parliament No. 07 of 1994.

Galle Heritage Foundation had been under various Ministries then onwards and is presently functioning under the State Ministry of National Heritage, Performing Arts and Rural Arts Promotion.

### 1.2 Vision, Mission and Values of Galle Heritage Foundation

#### Vision

“ The world heritage living city of Galle Fort to be the most excellent cultural tourist destination in Sri Lanka in 2025”

#### Mission

Preserve Galle Fort as a historical cultural center and a place of archeological importance and promoting as an excellent tourist city.

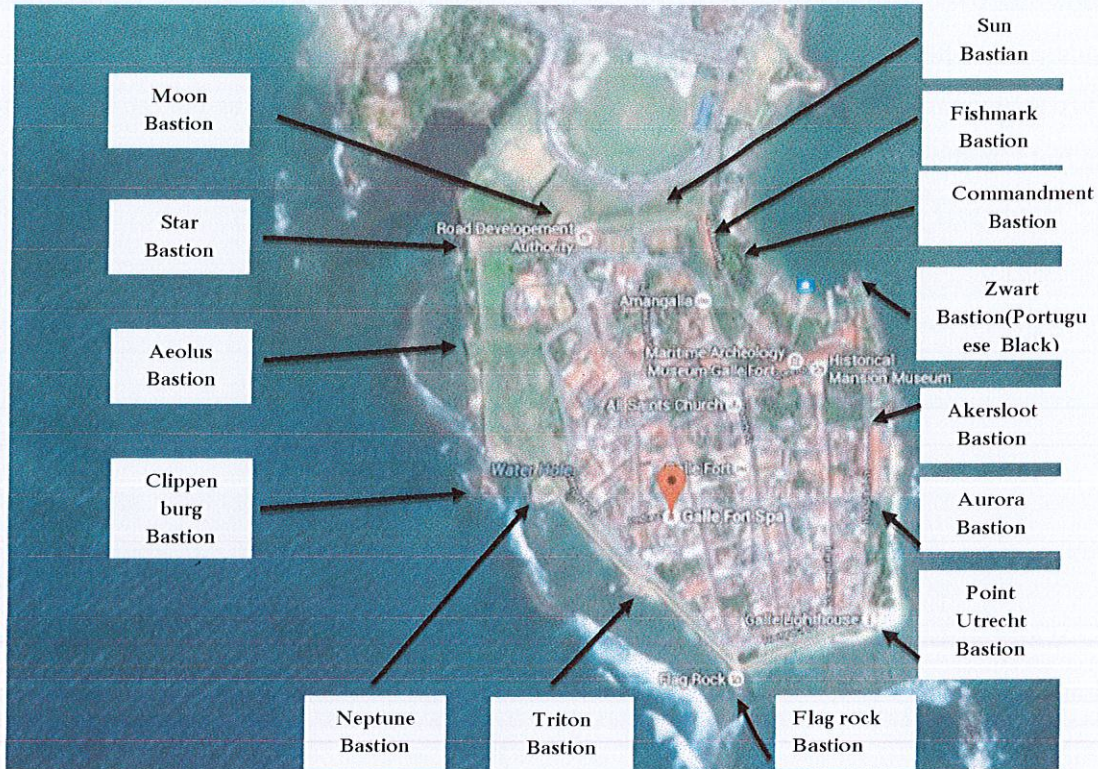
#### Values

- Contribute towards the development of Galle Fort as a World Heritage of outstanding universal value.
- While preserving the special archaeological value of Galle Fort, providing the facilities necessary for it to be an attractive tourist destination.
- Maintaining Galle Fort as a World Heritage through a participatory decision making process, respecting the wishes of the people..
- Directly and indirectly contributing towards improving the livelihood of the people.

### 1.3 Land Area coming under the purview of the Galle Heritage Foundation

The land area covered by the rampart walls of Galle Fort and the area encircled by them come under the purview of the Foundation. The length of the ramparts, which comprise 14 bastions, is approximately 2.5 k.m

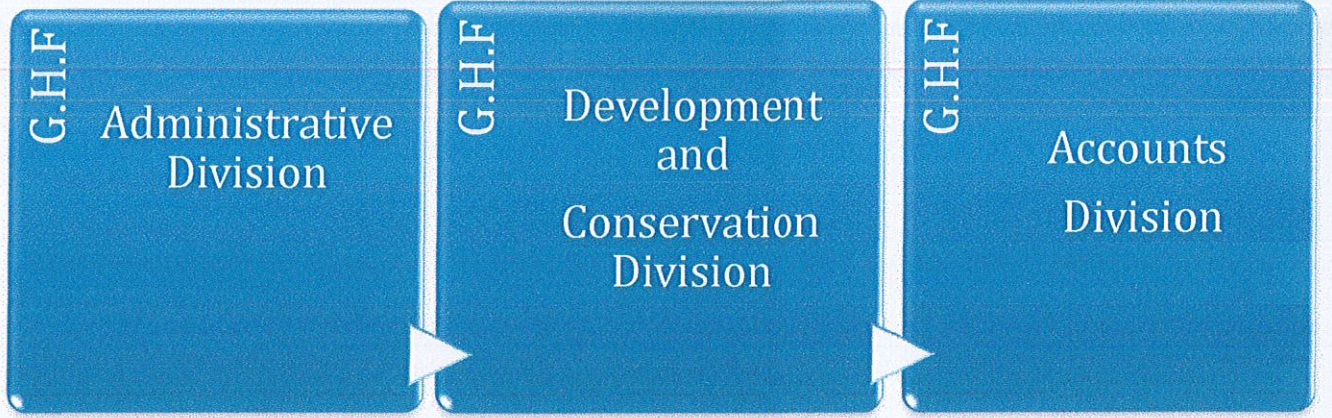
#### 1.3.1 Map of world Heritage Galle Fort



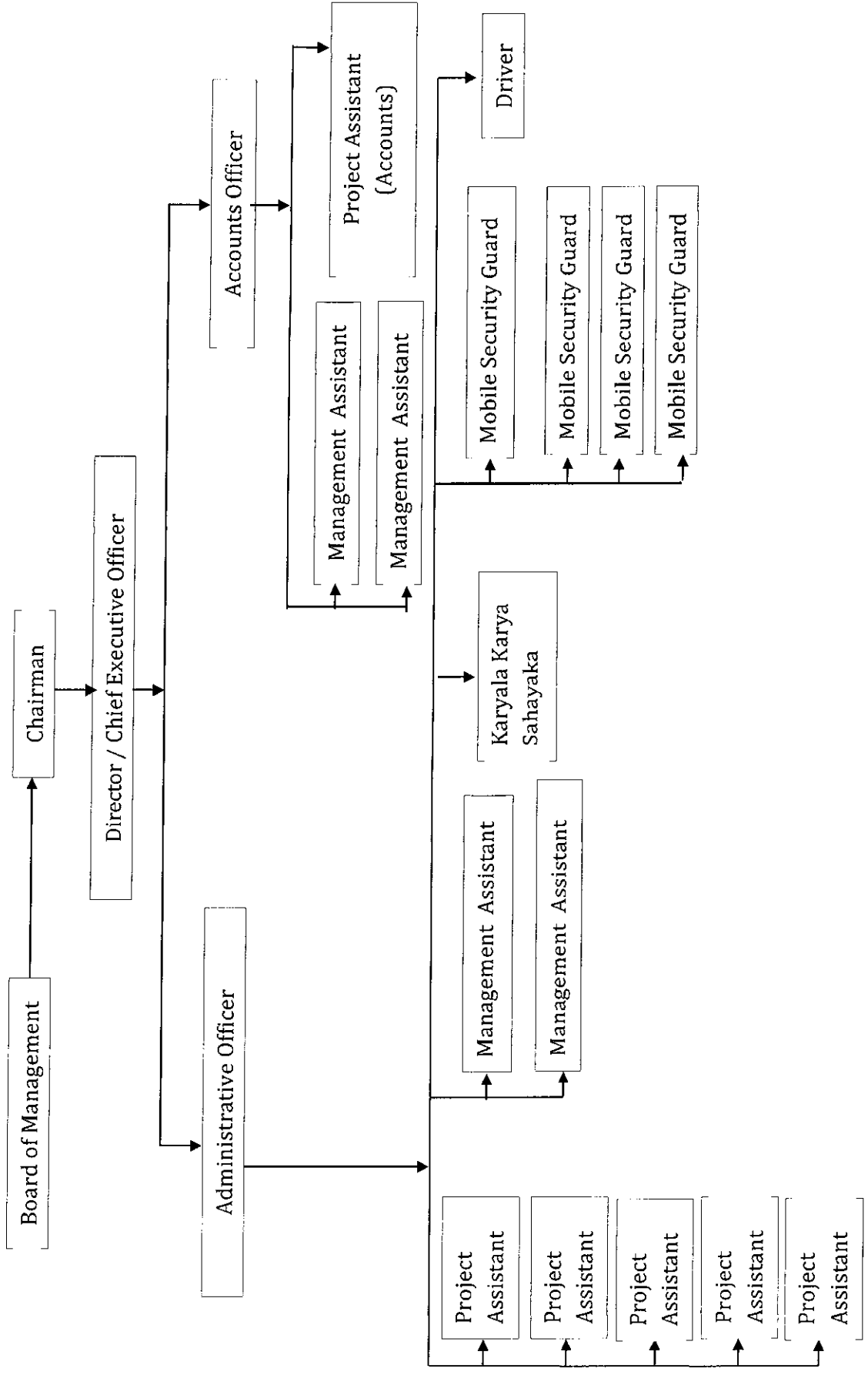
#### 1 3.2 Physical environment of Galle Fort

Galle Fort, situated in the Grama Niladhari Division No. 96D – Galle Fort, in the Galle Four Gravets Divisional Secretariat of the Galle District of Sri Lanka, is 32.7418 hectares in extent.

#### 1.4 The Main Divisions Of The Galle Heritage Foundation



**1.5 Organizational chart according to the approved cadre**



## 1.6 Staff Of The Galle Heritage Foundation

Serial No.	Name	Post
1.	Mr. Parakrama Dahanayake	Chairman
2.	Mr. Sunil Dahanayake	Director/Chief Executive Officer
3.	Mr. W.R.P. Anuruddha	Accounts Officer
4.	Mr. L.A. Tharanga Pushpakumara	Development Officer – Project Assistant
5.	Ms. P.G.N. Chandimali	Development Officer – Project Assistant
6.	Ms. S.P. Lokuliyana	Development Officer – Project Assistant
7.	Ms. Ridmi Nanayakkara	Development Officer – Project Assistant (Accounts)
8.	Mr. R.R.N. Ranasinghe	Development Officer – Project Assistant
9.	Mr. R.A.N.P. Madusanka	Development Officer – Project Assistant
10.	Ms. B.S. Ilayperuma	Management Assistant
11.	Ms. W. Dilani Harshika	Management Assistant
12.	Ms. M.H. Ishani Priyadarshani	Management Assistant
13.	Ms. M.H. Fathima Fouzana	Management Assistant
14.	Mr. A.G. Saman Kumara	Karyala Karya Sahayaka
15.	Mr. M.L.S. Jayasekera	Mobile Security Guard
16.	Mr. W.G. Nandana Samantha	Mobile Security Guard
17.	Mr. M.N.E. Shirantha de Silva	Driver

### 1.6.1. Salary Scales of Staff

Serial No.	Post	Salary Code No.	Approved number	Number presently in service
1.	Chairman	Allowance paid according to Circular PD 2015/3	01	01
2.	Director/Chief Executive Officer	MM 1-1	01	01
3.	Administrative Officer	JM 1-1	01	01
4.	Accounts Officer	JM 1-1	01	01
5.	Development Officer (serving as Project Assistant)	MA 3	05	05
6.	Development Officer - serving as Project Assistant (Accounts)	MA 3	01	01
7.	Management Assistant	MA 1-1	04	04
8.	Karyala Karya Sahayaka	PL 1	01	01
9.	Mobile Security Guard	PL 1	04	10.02
10.	Driver	PL 3	01	01

### 1.6.2 Period of Service of Staff Members

Serial No.	Name	Post	Period of Service
1.	Mr. Parakrama Dahanayake	Chairman	24.01.2020 to date
2.	Mr. Sunil Dahanayaka	Director/Chief Executive Officer	19.08.2020 to date
3.	Mr. W.P.R. Anuruddha	Accounts Officer	17.07.17 to date
4.	Mr. L.A. Tharanga Pushpakumara	Development Officer - Project Assistant	01.08.2006 to date
5.	Ms. P.G.N. Chandimali	Development Officer - Project Assistant	01.08.2006 to date
6.	Ms. S.P. Lokuliyana	Development Officer - Project Assistant	01.08.2006 to date
7.	Ms. Ridmi Nanayakkara	Development Officer - Project Assistant (Accounts)	12.05.2020 to date
8.	Ms. B.S. Illeyperuma	Management Assistant (Non Technical)	02.11.2005 to date
9.	Ms. Dilani Harshika Wickramasuriya	Management Assistant (Non Technical)	01.09.2015 to date
10.	Ms. M.H.M. Ishani Priyadarshani	Management Assistant (Non Technical)	01.09.2015 to date
11.	Ms. M.H. Fathima Fouzana	Management Assistant (Non Technical)	01.09.2015 to date
12.	Mr. A.G. Saman Kumara	Karyala Karya Sahayaka	03.12.2012 to date
13.	Mr. M.L.S. Jayasekera	Mobile Security Guard	03.12.2012 to date
14.	Mr. W.G. Nandana Saman	Mobile Security Guard	03.12.2012 to date
15.	Mr. Nevmal Shirantha de Silva	Driver	03.12.2012 to date

### 1.6.3 Staff Changes which took place in 2021

- Two new officers, namely, Mr. R.R.N. Ranasingha and Mr. R.A.N.P. Madusanka assumed duties with effect from 31.08.2021 as Development Officer Grade III – Project Assistant, having been appointed by the Ministry of National Heritage, Performing Arts and Rural Arts Promotion.

### 1.6.4 Chairmen who served in the Galle Heritage Foundation

Serial No.	Name	Year of appointment	Year of termination
1.	Hon. Mr. Rupa Karunatileka, MP for the Galle District and Minister of Plantation Industries	1994	1994
2.	Hon. Dr. Neville Kanakaratna, Governor of the Southern Province	1994	2000
3.	Hon. Dr. Richard Pathirana, MP for the Galle District and Minister of Public Administration	2000	2002
4.	Mr. Rienzie Wijetilleka, Chairman of the Hatton National Bank	2002	2003
5.	Hon. Mr. Wajira Abeywardena, MP for the Galle District and Minister of Public Administration	2003	2004
6.	Hon. Mr. G.H. Ajith Kumara, MP for the Galle District	2004	2007
7.	Mr. Parakrama Dahanayake, Member of the Galle Municipal Council	2007	2015
8.	Mr. Ramya Siriwanasa, Retired Government Agent	2015	2016
9.	Mr. Channa Daswatta, Chartered Architect	2016	2019
10.	Mr. Parakrama Dahanayake, Member of the Galle Municipal Council	2020	To date

### 1.6.5 Chief Executive Officers who served in the Galle Heritage Foundation

Serial No.	Name	Date of appointment	Date of termination
1.	Mr. P. Hewawasam, Former Government Agent	15.12.2001	01.04.2004
2.	Mr. P. Wijeratne, Former Addl. Government Agent	28.06.2004	31.12.2005
3.	Mr. O.S.N. de Silva, Former Regional Manager, Bank of Ceylon	12.01.2006	28.02.2007
4.	Mr. H.L. Gunawardena, Former Divisional Secretary	11.04.2007	20.04.2018
5.	Ms. D.K.S. Jayalakshmi, Former Divisional Secretary	29.04.2019	25.04.2020
6.	Mr. Sunil Dahanayake, Former Deputy Chief Secretary (Financial Management), Southern Provincial Council	19.08.2020	To date

### 1.6.6 Administrative Officers who served in the Galle Heritage Foundation

Serial No.	Name	Date of Appointment	Date of Termination
4.	Mr. Hemanath Gunawardena	01.03.2001	31.10.2003
5.	Mr. P.A. Karunasena	25.03.2004	31.12.2005
6.	Ms. Seetha P. Liyanage	02.01.2006	04.09.2020

### 1.7 Administration and Management of the Galle Heritage Foundation

In accordance with Section 5 of the Galle Heritage Foundation Act No. 7 of 1994, the powers of administration and management of the Foundation are vested with the Board of Management.

#### 1.7.1 The present composition of the Board of Management is as follows :-

##### Ex-Officio Members

Serial No	Post	Address
1.	Government Agent/District Secretary, Galle	Office of the District Secretary, Galle
2.	Director-General of Archaeology	Colombo 7
3.	Chairman, Urban Development Authority	Sethsiripaya, Battaramulla
4.	Chairman, Sri Lanka Ports Authority	No. 19, Cheitya Road, Colombo 1
5.	Director, Coast Conservation Dept.	4 <sup>th</sup> Floor, New Secretariat, Maligawatta, Colombo 10
6.	Director General, Central Cultural Fund	212/1, Baudhaloka Mawatha, Colombo 07
7.	Divisional Secretary, Galle Four Gravets	Wackwella Road, Galle
8.	Hon. Mayor of Galle	Municipal Council, Galle
9.	Director, Post Graduate Institute of Archaeology	407, Baudhaloka Mawatha, Colombo 7
10.	Chairman, National Aquatic Research Agency	Crow Island, Mattakkuliya, Colombo 15

11.	Director, ICOMOS	Department of Architecture, University of Moratuwa, Moratuwa
12.	Hon. Minister of Culture, Southern Provincial Council	Dakshinapaya, Labuduwa, Galle
13.	Director, Department of National Museums	Sir Marcus Fernando Mawatha, Colombo 07
14.	Chairman, Netherlands Alumni Association of Lanka (NAAL)	95, Prince Street, Colombo 11

Members appointed by the Hon. Minister

Serial No.	Name	Address	Date of Appointment to the Board
1.	Mr. Parakrama Dahanayake, Chairman	225 S.H. Dahanayake Mawatha, Galle	21.01.2020
2.	Mr. M.S. Chandrasiri	19 A, Rampart St., Fort, Galle	21.01.2020
3.	Mr. Bandula Nanayakkarawasam	Polhinduhena, Kapugama, Devundara West	21.01.2020
4.	Mr. Ashley de Vos, Chartered Architect	121 W.A.D. Ramanayake Mawatha, Colombo 2	21.01.2020
5.	Ms. Nalini Abeywardena, Attorney-at-Law	No. 3, Church Cross St., Fort, Galle	21.01.2020
6.	Mr. Lalith Pathirana, Attorney at Law	63, Lighthouse St., Fort, Galle	21.01.2020

Members elected by the ex-officio members (the period of service of these members is 2 years)

Serial No.	Name	Address	Date of Appointment to the Board
1.	Mr. Jayatissa Herat, President of ICOMAS Sri Lanka	317/3, Wekanda Rd., Habarakada, Homagama	28.07.2019 – 27.07.2021
2.	Dr. Nilan Cooray, Chartered Architect	111/1 de Mel Road, Katubedda, Moratuwa	28.07.2019 – 27.07.2021
3.	Dr. P.N. Meegaswatta, Secretary General, UNESCO National Commission	Sri Lanka UNESCO National Commission, Isurupaya, Battaramulla	28.07.2019 – 27.07.2021
4.	Mr. Nuwan J. Wedasingha, DIG, Galle District	DIG's Office, Fort, Galle	29.10.2020
5.	Ms. Dileka Kudachchi, Secretary to Governor	Governor's Office, Lower Dickson Road, Galle	27.08.2020
6.	Mr. W.H. Wijeratna, Former Chairman, Southern Province PSC	Southern Province PSC Galle	28.07.2019 – 27.07.2021

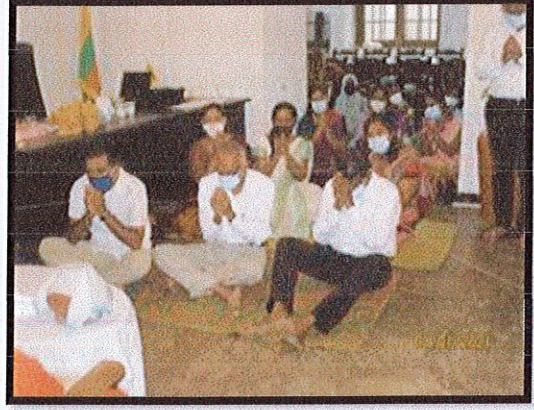
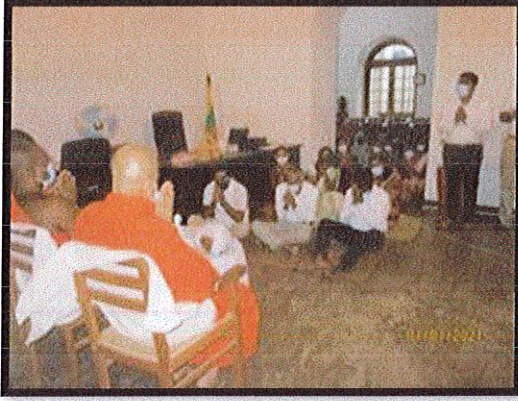
## CHAPTER II

### PROGRAMMES IMPLEMENTED BY THE GALLE HERITAGE FOUNDATION IN 2021

Since its inception, when one considers the work which has been performed by the Galle Heritage Foundation from year to year, we can be happy that we have been able to perform a significant service for the country and the people of Galle Fort in particular.

#### Ushering in the New Year 01.01.2021

Inauguration of the New Year was performed at the Galle Heritage Centre by the lighting of the traditional oil lamp and Pirith Chanting. All the members of the staff of the GHF and staff members of other institutions participated. Traditional refreshments were served to all. This event is held annually and the expenses are found through the contribution of the staff



## Development Programs

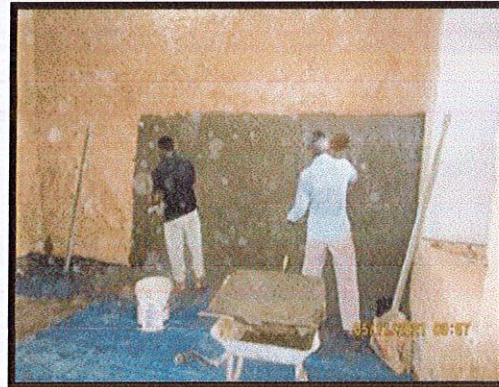
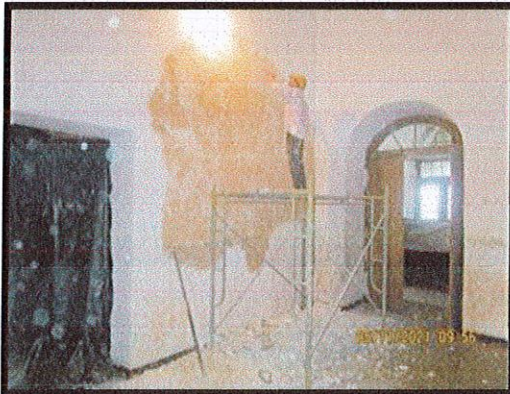
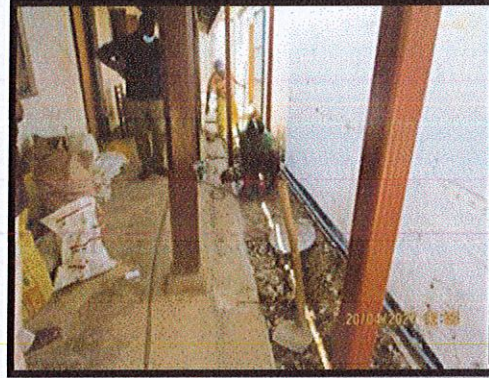
### 01. Refurbishing of the building housing the main office of the Galle Heritage Foundation

The main office of the Galle Heritage Foundation is located in a building of exceptional heritage value located at No. 12, Rampart Street, Fort, Galle. It had originally been built during the Dutch period as a gunpowder grinding mill. Later, during the British period, it had been converted to a residence for high ranking officials. Essential repairs were carried out to this building, totally in keeping with the instructions of the Department of Archaeology and under their supervision.

### 02. Refurbishing of the main office building of the Gale Heritage Foundation

Under this project the following work was performed :

- i. Renovation of the office washroom complex
- ii. Repair of the office roof
- iii. Re-plastering of the internal and outer walls
- iv. Repair and re-painting (water based) of the doors and widows
- v. Maintenance work of a capital nature (repairs to the water supply system)



## **01. Preparation of Conservation Plans of a number of heritage buildings owned by State institutions in Galle Fort**

There are a number of old buildings of significant heritage value which are being used as offices of state institutions in Galle Fort. Some of these buildings date back to the Dutch period. If and when such buildings are repaired or refurbished, it is imperative that their heritage features are preserved. With this objective in mind, the Galle Heritage Foundation embarked on a project to prepare conservation plans for such buildings. Under this project, conservation plans were prepared for 6 such buildings and this project was completed in the year under review with the final payment being made.

## **02. Conservation of the Old Police Married Quarters Building**

The procurement process for the conservation of the above building complex began after the plans were approved by the Planning Sub Committee for Galle Fort and the final building permit was issued by the UDA in April 2021.

After completion of the initial procurement process, the bid documents were submitted to the Technical Evaluation Committee appointed by the State Ministry of National Heritage, Performing Arts and Rural Arts Promotion. However, due to the necessity of fulfilling certain technical requirements, the contract could not be awarded by the Ministry Procurement Committee until the end of the year.

However, it is expected that the contract will be awarded and the work will begin early in 2022.

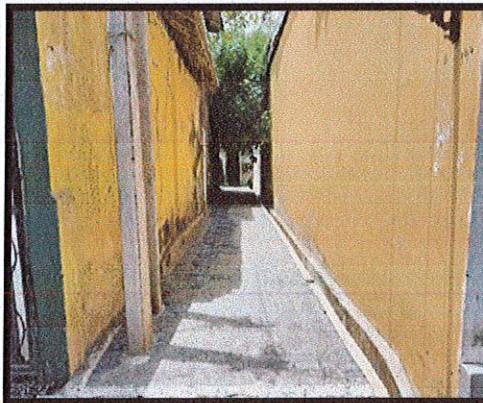
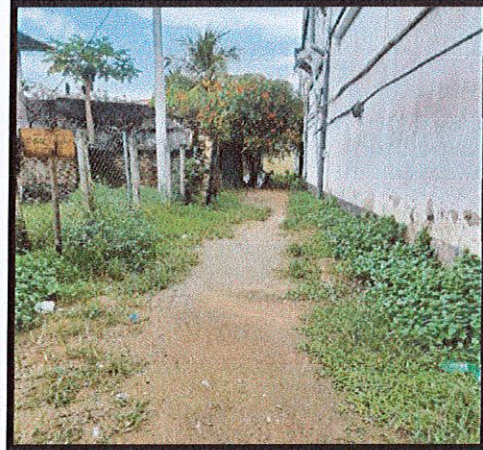
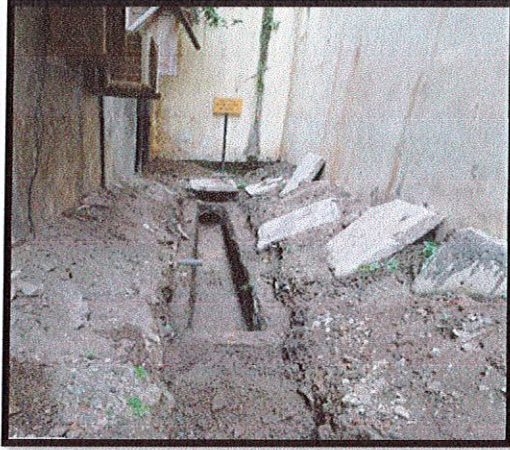
This project was launched as a major income-generating venture and once it is completed, the Galle Heritage Foundation is expected to become a fully self-sustained institution.

### 03.Development of the Old Alleyways in Galle Fort

The block-paving of the following three old alleyways in Galle Fort was begun and completed in 2021:

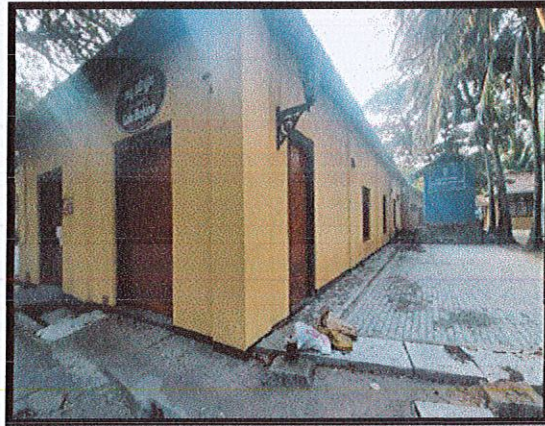
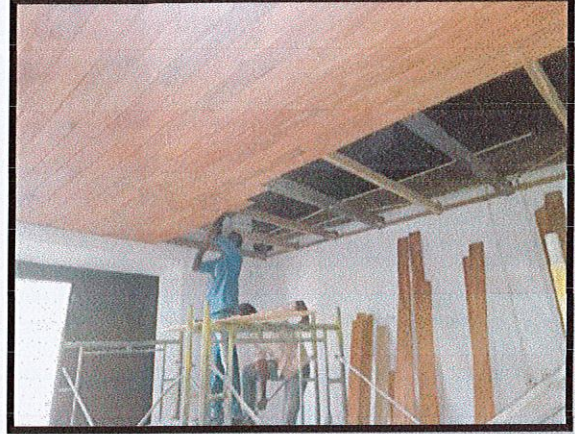
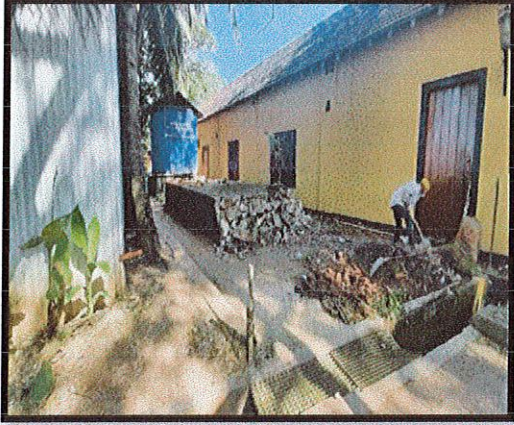
- (i) Alleyway connecting with New Lane I
- (ii) Alleyway connecting with Parawa Street
- (iii) Alleyway connecting with Rampart Street

Improvement to these alleyways has contributed towards making the physical environment in Galle Fort cleaner and more pleasant.



#### 04. Local Food Outlet “*Galu Bojuna*”

The local food outlet which functioned in a part of the *Sipnara* building at Baladaksha Mawatha, close to the Old Dutch Entrance to Galle Fort, has not been functioning for a few years. The GHF intends to revive it under the name *Galu Bojuna*. The necessary repairs to the building has been completed and the food outlet is expected to be opened early next year after selecting a suitable investor. It will serve clean and tasty food to local and foreign customers at a reasonable price. It will also boost the income of the GHF.



## 05. Development of the Moon Gallery

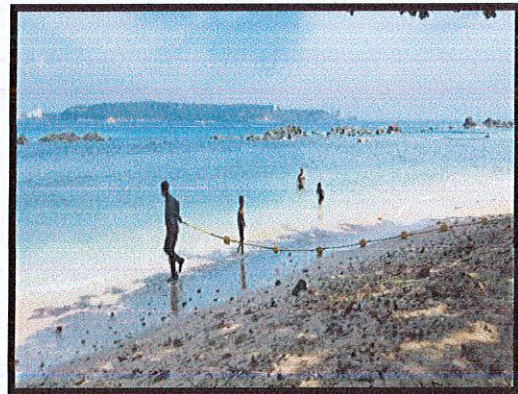
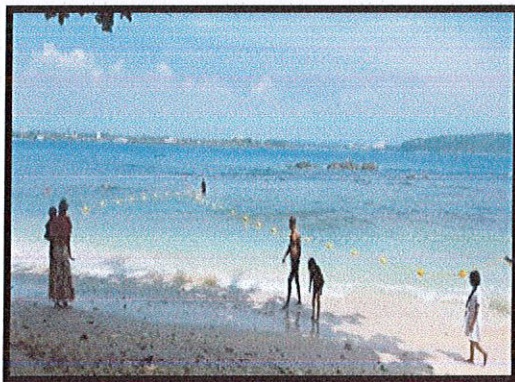
A few years ago the Galle Heritage Foundation fully conserved a dungeon in the Moon Bastion of the Galle Fort, converting it to a gallery, displaying 12 statues and 16 paintings on canvas, depicting the history of Galle, drawn and sculpted by eminent artist and sculptor Sudath Abeysekera. The objective was to give a new experience to local and foreign visitors to Galle Fort. However, the management a few years ago had decided to beef up the gallery and accordingly 65 cartoon paintings by eminent artist Anura Srinath were prepared, further elaborating the story of Galle depicted in the gallery. This gallery is now ready for opening to the public.



## 06. Development of the Sea Bathing Spot near the Lighthouse at Galle Fort

On the advice of Hon. Vidura Wickremanayaka, State Minister of National Heritage, Performing Arts and Rural Arts Promotion, the following steps have been taken by the Galle Heritage Foundation to make the above sea bathing area safer and more convenient to users :-

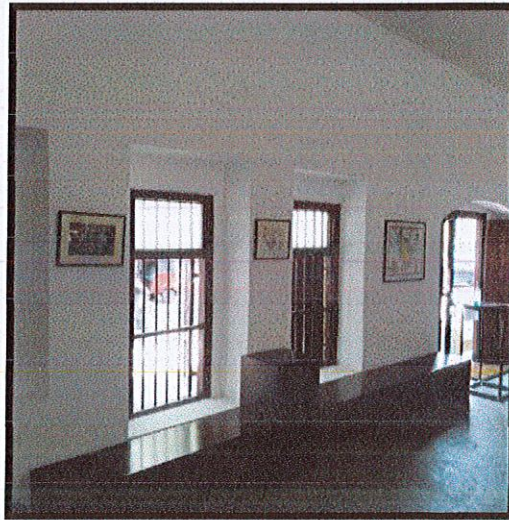
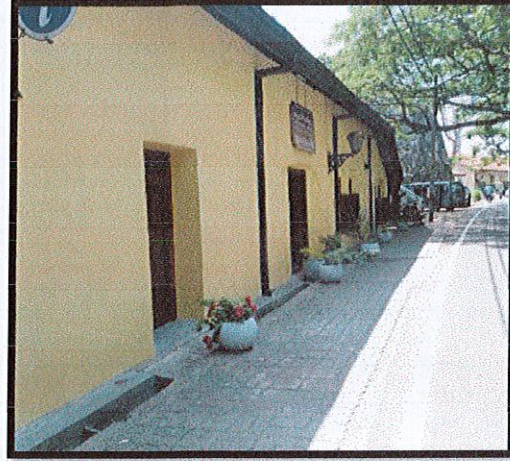
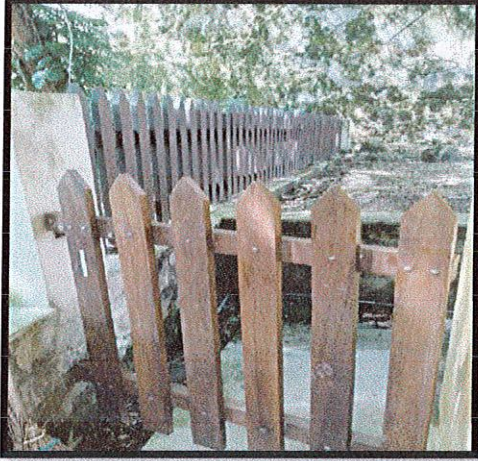
- Buoys and warning flags have been installed, demarcating safe and unsafe areas for swimming and bathing. This project was carried out with the support of officers of the Southern Naval Command.
- A set of temporary changing rooms has been prepared to be installed at the beach area.



## 07. Improvements to the Visitor Information Centre of the Galle Heritage Foundation

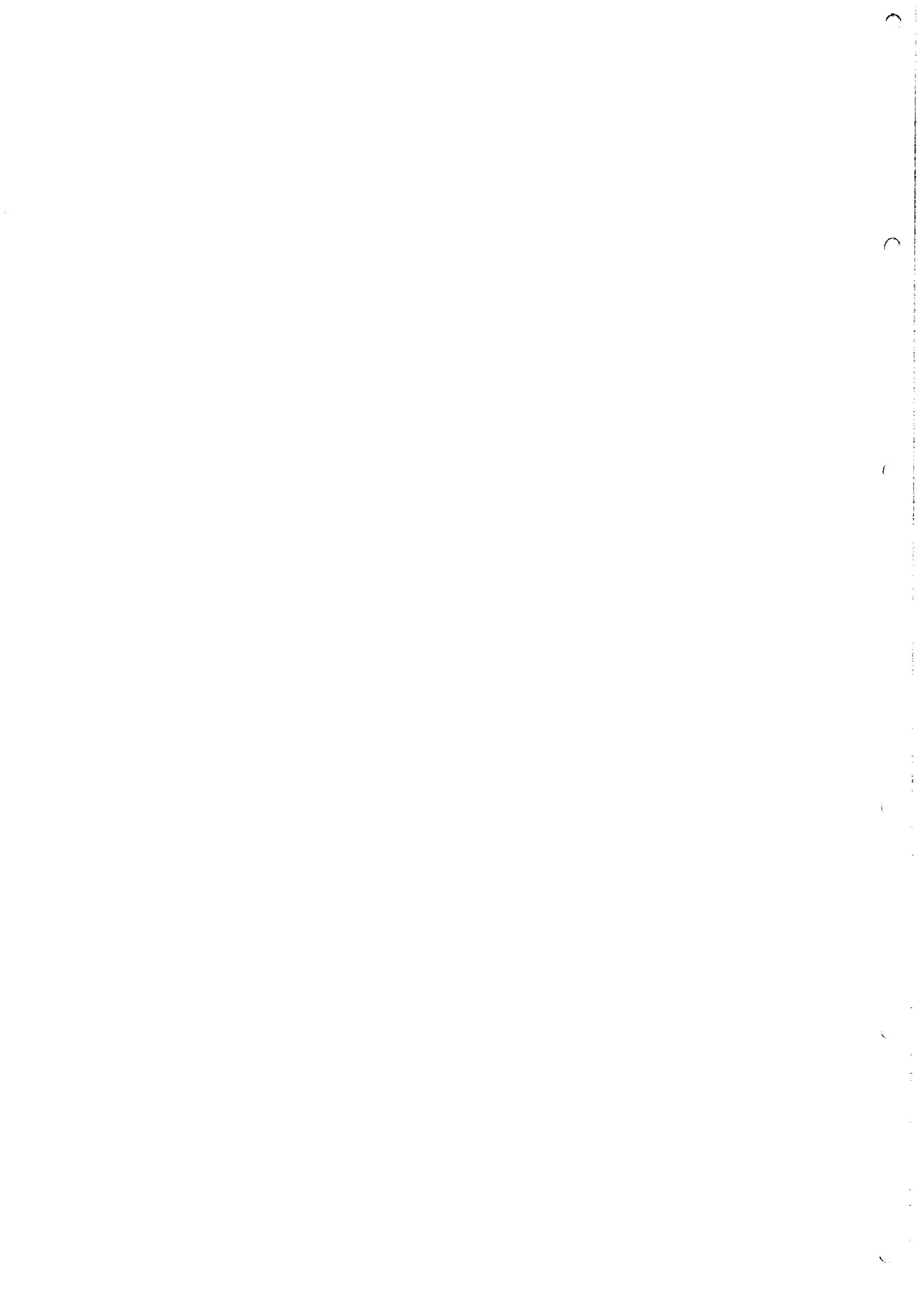
The following improvements were carried out to the Visitor Centre of the Galle Heritage Foundation during the year under review :-

- (i) Re-plastering of the outer walls;
- (ii) Re-painting of the entire building including doors and windows;
- (iii) Constructing a timber fence on the left side of the building and repairing the rear security wall.









# **GALLE HERITAGE FOUNDATION**

***Financial Report for the year ended  
31<sup>st</sup> December 2021***

**State Ministry of National Heritage, Performing Arts and Rural Arts  
Promotion**

**Statement of Financial Position**

As at 31st December

	Note	2021 Rs.	2020 Rs.
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	10	9,219,511	7,292,256
Receivables	11.1	886,348	2,840,504
Inventory	12	895,841	954,634
Investments	13	33,898,311	29,661,381
Other Current Assets	14	22,085	19,085
<b>Total Current Assets</b>		<b>44,922,096</b>	<b>40,767,859</b>
<b>Non-Current Assets</b>			
Receivables	11.2	845,139	1,150,927
Deferred Assets	16.3	14,165,776	-
Capital project work in progress	15	1,213,826	15,984
Infrastructure, Heritage, plant and equipment	16.2	40,672,986	44,769,327
Land and Buildings	16.1	1,250,133,750	-
Intangible Assets	16.4	450,149	475,157
Investment Property	16.5	1,522,496	1,649,371
<b>Total Non-Current Assets</b>		<b>1,309,004,122</b>	<b>48,060,765</b>
<b>Total assets</b>		<b>1,353,926,218</b>	<b>88,828,625</b>
<b>Equity and Liabilities</b>			
<b>Current Liabilities</b>			
Accrued Expenses	17	284,670	1,457,991
Creditors	18	1,322,022	586,396
<b>Total Current Liabilities</b>		<b>1,606,692</b>	<b>2,044,387</b>
<b>Non Current Liabilities</b>			
Provision For Retiring Gratuity	19	1,355,948	1,209,280
<b>Total Non Current Liabilities</b>		<b>1,355,948</b>	<b>1,209,280</b>
<b>Total Liabilities</b>		<b>2,962,640</b>	<b>3,253,667</b>
<b>Equity and Reserves</b>			
Contributed Capital		1,336,435,844	74,824,186
Accumulated Surpluses / (Deficits)		14,527,734	10,541,972
Assets Revaluation Reserve		0	208,800
<b>Total Equity and Reserves</b>		<b>1,350,963,578</b>	<b>85,574,958</b>
<b>Total Equity and Liabilities</b>		<b>1,353,926,218</b>	<b>88,828,625</b>

*Sunil Dahanayake*  
Director (S. Dahanayake)

**Sunil Dahanayake**  
Director  
Galle Heritage Foundation

*W.P.R. Anurudha*  
Accounts Officer (W.P.R. Anurudha)

The management is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Management on 21.02.2022 and signed on their behalf.

*P. Dahanayake*  
Chairman (P. Dahanayake)

**P. Dahanayake**  
Chairman  
Galle Heritage Foundation  
State Ministry of National Heritage,  
Performing Arts and Visual Arts

*Dilekha Kudachchi*  
Board Member (Governor's Sec. - Dilekha Kudachchi)  
**Dilekha Kudachchi**  
Secretary to the Governor (Act.)  
Southern Province

## Statement of Financial Performance

For the year ended

	Note	31/12/2021 Rs.	31/12/2020 Rs.
<b><u>Revenue</u></b>			
Government Grant	2	9,715,097	10,066,445
<b><u>Income for the year</u></b>			
Photographic Permission Income		362,000	308,000
Net income/(loss) from sale of publications	3	39,392	(4,474)
Commission income from agents' book sales		1,735	-
Rent Income		-	702,500
Interest Income	4	2,705,985	2,889,731
Sundry Income *		58,900	1,000
Others - Donation		35,000	-
		<b>3,203,012</b>	<b>3,896,758</b>
<b>Total Revenue</b>		<b>12,918,109</b>	<b>13,963,203</b>
<b><u>Expenses</u></b>			
<b><u>Recurrent Expenses</u></b>			
Office Expenditure	5	(302,211)	(283,442)
Staff Emoluments	6	(7,101,612)	(6,945,763)
Office Administration	7	(6,056,056)	(5,847,138)
Other Expenditure	8	(42,348)	(735,723)
		<b>(13,502,227)</b>	<b>(13,812,066)</b>
<b><u>Capital Expenses</u></b>			
Recurrent nature capital project expenditure	9	-	(95,851)
<b>Total Expenses</b>		<b>(13,502,227)</b>	<b>(13,907,916)</b>
<b>Surplus / (deficit) for the period</b>		<b>(584,118)</b>	<b>55,286</b>

\* Earned from non-refundable tender deposits

**Statement of Changes in Equity**

	Attributable to owners of the controlling entity			
	Contributed Capital (Rs.)	Accumulated Surpluses / (Deficits) (Rs.)	Assets revaluation reserve (Rs.)	Total (Rs.)
<b>Balance as at 01st January 2020</b>	65,048,789	18,052,769	208,800	<b>83,310,358</b>
Government Grants during the year - Capital	9,753,555	-	-	9,753,555
Surplus / (deficit) for the period	-	55,286	-	55,286
Adjustments during the year	21,842	(7,566,083)	-	(7,544,242)
<b>Balance as at 01st January 2021</b>	<b>74,824,186</b>	<b>10,541,972</b>	<b>208,800</b>	<b>85,574,958</b>
Government Grants during the year - Capital	14,639,752	-	-	14,639,752
Surplus / (deficit) for the period	-	(584,118)	-	(584,118)
Adjustments during the year (Schedule - 08)	1,246,971,907	4,569,879	(208,800)	1,251,332,986
<b>Balance as at 31st December 2021</b>	<b>1,336,435,844</b>	<b>14,527,734</b>	<b>0</b>	<b>1,350,963,578</b>

## Statement of Cash flow

For the Year Ended 31st December

	2021 Rs.	2020 Rs.
<b>Cash flows from operating activities</b>		
Surplus / (deficit) for the period	(584,118)	55,286
<i>Non-cash movements:</i>		
(+) Depreciations (Note 07)	3,981,702	3,656,518
(+) Amortisation (Note 07)	25,008	25,008.00
(+) Gratuity expense (Note 06)	146,668	236,349
(+) Bank Charges (Note 07)	648	661
(+) Stock write off (Note 08)	12,038	-
(-) Interest Income (Note 04)		
Interest Income from FDs	(2,409,065)	(2,662,056)
Interest Income from Saving A/Cs	(235,094)	(168,358)
Interest Income from Staff Loans	(61,826)	(59,318)
(-) Donation (identification of nominal donated books value)	(35,000)	
(+)Cash inflows generate through prior year profit adjustments		1,836,159
(-)Cash outflows generate through prior year profit adjustments	(75,090)	(91,200)
<i>Working capital changes:</i>		
<i>Movement in current assets:</i>		
<i>(Increase)/Decrease in</i>		
Inventory (Note 25)	4,578	(256,137)
Other receivables (Note 11_Schedule-04)	143,000	(267,376)
Other current assets (Note 14)	(3,000)	-
<i>Movement in current liabilities:</i>		
<i>Increase/(Decrease) in</i>		
Recurrent Expenses Payable amount (Note 26)	(155,528)	(176,488)
Creditors (Note 27)	635,626	536,396
<b>Net cash flow from/(used in) operating activities</b>	<b>1,390,546</b>	<b>2,665,444</b>
<b>Cash flows from investing activities</b>		
Acquisition of Infrastructure, Heritage, plant and equipment (Note 16)	-	(782,132)
Proceeds from disposal of investments (Note 20)	636,725	383,282
Investments made during the year (Note 22)	(4,544,958)	(1,454,514)
Interest received (Note 21)	4,533,850	980,063
Capital expenditure (with acquisition cost of PPE) incurred during the year (Note 24)	(14,681,774)	(8,776,473)
<b>Net cash from/(used in) Investing activities</b>	<b>(14,056,157)</b>	<b>(9,649,774)</b>
<b>Cash flows from financing activities</b>		
Capital fund received from ministry	25,800,000	9,753,555
Balance of year-end capital imprest transferred to the ministry	(11,118,226)	-
Special projects done by using the funds of PB Saving AC (Note 23)	(88,260)	150,263
Bank Charges (Note 07)	(648)	(661)
<b>Net cash from /(used in) financing activities</b>	<b>14,592,867</b>	<b>9,903,157</b>
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>1,927,256</b>	<b>2,918,827</b>
Cash and cash equivalents at the beginning of the year	7,292,255	4,373,428
<b>Cash and cash equivalents at the end of the year</b>	<b>9,219,511</b>	<b>7,292,255</b>

*Galle Heritage Foundation*  
**Notes to the Financial Statements**

**1.1 Reporting Entity**

**1.1.1 Legal form**

Galle Heritage Foundation is a statutory institution which was incorporated on 26<sup>th</sup> April 1994, under the Galle Heritage Foundation Act no .7 of 1994. Currently the foundation functions under the State Ministry of National Heritage, Performing Arts and Rural Arts Promotion. (Line ministry – Ministry of Buddhahasana, Cultural and Religious Affairs.)

**1.1.2 Date of Authorisation for Issue**

The Financial Statements of the foundation for the year ended 31<sup>st</sup> December 2021 were authorised for issue in accordance with a resolution of the Board of Management.

**1.1.3 Number of Employees**

The employees' strength of the foundation as at 31<sup>st</sup> December 2021 is 16. (Schedule 10)

**1.1.4 Responsibility for Financial Statements**

The management is responsible for preparation and presentation of these financial statements.

**1.2 Basis of Preparation**

**1.2.1 Statements of Compliance**

The Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows, together with the notes of the foundation as at 31<sup>st</sup> December 2021 and for the period then ended have been prepared in accordance with Sri Lanka Public Sector Accounting Standards (SLPSAs).

**1.2.2 Basis of Measurement**

The financial statements have been prepared on the historical cost basis.

**1.2.3 Functional and presentation Currency**

The financial statements are presented in Sri Lankan Rupees, which is the foundation's functional currency. All financial information presented in Sri Lankan Rupees has been given to the nearest Rupee, unless stated otherwise.

**1.2.4 Use of Estimates and Judgments**

The presentation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period which the estimate is revised and in any future period affected.

*Galle Heritage Foundation*  
**Notes to the Financial Statements**

**1.2.5 Taxation**

Income tax has been exempted; the foundation is a statutory institution of the State Ministry of National Heritage, Performing Arts and Rural Arts Promotion.

**1.3 Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**1.3.1 Assets and Basis of the Valuation**

**1.3.1.1 Land, Building, Infrastructure, Heritage, Plant and Equipment**

**1.3.1.1.1 Basis of Recognition**

Infrastructure, heritage, plant and equipment are recognised if it is probable that future economic risk and rewards associated with the asset will flow to the foundation and the cost of the asset can be reliably measured. Items of building, infrastructure, heritage, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing cost. When parts of an item of building, infrastructure, heritage, plant and equipment have different useful lives, they are accounted for as separate items (major components) of building, infrastructure, heritage, plant and equipment.

**1.3.1.1.2 Gains and Losses on Disposal**

Gains and losses on disposal of an item of building, infrastructure, heritage, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of building, infrastructure, heritage, plant and equipment and are recognised net within "other income / other expenses" in Statement of financial performance.

**1.3.1.1.3 Subsequent Costs**

The cost of replacing a part of an item of building, infrastructure, heritage, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic risks and rewards embodied within the part will flow to the foundation and its cost can be measured reliably. The carrying amount of the replaced part is derecognised, when the costs of the day-to-day servicing of infrastructure, heritage, plant and equipment are recognised in Statement of financial performance as incurred.

In addition to the above practice, the foundation follows section No. 22 of Sri Lanka Public Sector Accounting Standard – 07 [Property, plant and equipment].

*Galle Heritage Foundation*  
**Notes to the Financial Statements**

**1.3.1.1.4 Depreciation**

Depreciation is recognised in Statement of financial performance on a straight-line basis over the estimated useful lives of each part of an item of building, infrastructure, heritage, plant and equipment. An asset purchased on any day of the year will be depreciated for that entire year while an asset will not be depreciated for the year it is disposed of it irrespective of the day on which it is so disposed. Applicable rates are as follows.

Building	05.0%
Infrastructure assets	05.0%
Heritage assets	05.0%
Plant and Machinery	20.0%
Furniture and Fittings	10.0%
Office Equipment	20.0%
Other assets	02.0%

Foundation presents a list of property, plant and equipment items; those which are currently obsolete, and will be disposed in the coming year (schedule 11) and a list of property, plant and equipment items which are currently in use, even though the net book value is zero as they are fully depreciated. (schedule 12).

**1.3.1.2 Capital project work in progress**

Capital expenses incurred during the year which are not completed as at the statement of financial position date are shown as capital project work-in-progress, while the capital assets which have been completed during the year and put to use are transferred to building, infrastructure, heritage, plant and equipment and deferred assets.

**1.3.1.3 Deferred assets**

On non-compliance with asset recognition criteria, in some circumstances there are possibilities which occur where the cost has to be identified as a deferred asset.

**1.3.1.3.1 Write off on deferred assets**

Due to the usage of deferred assets over their useful lifetime, such assets become devalued. Considering these situations, the foundation applies a 05% reduction from its costs annually.

**1.3.1.4 Intangible assets**

The foundation measures intangible assets at cost less any accumulated amortisation and any impairment losses.

**1.3.1.4.1 Amortisation**

The depreciable amount of an intangible asset is amortised on a straight line basis over the estimated useful life and is recognised as an expense. Amortisation rate is as follows.

*Galle Heritage Foundation*  
**Notes to the Financial Statements**

GHF web site

05.0%

**1.3.1.5 Investment Property**

Investment property is recognized as an asset when, and only when it is probable that the future economic risks and rewards or service potential that are associated with the investment property will flow to the entity and the cost or fair value of the investment property can be measured reliably.

**1.3.1.5.1 Depreciation of investment property**

The depreciable amount of an investment property is recognised on a straight line basis at 5% over the estimated useful life and is recognised as an expense.

**1.3.1.6 Investments**

**1.3.1.6.1 Investment policy**

The Foundation's investment policy is to hold the investments until its maturity.

**1.3.1.6.2 Investments in Fixed Deposits**

Investments in Fixed Deposits stated at cost.

**1.3.1.7 Current Assets**

Assets classified as current assets on the Statement of Financial Position which are expected to be realised in cash during the normal operating cycle or within one year from the Statements of Financial Position date, whichever is shorter.

**1.3.1.8 Receivables**

Receivables are stated at the amount that they are expected to realize; bad debts are written off and provision for doubtful debts are made against those debtors to cover expected losses as follows.

100% provision - in respect of debtors of which age is over 12 months  
No provision - in respect of the balance debtors as at 31.12.2021.

**1.3.1.9 Inventories**

Inventories are measured at the lower of cost or net realisable value. The inventory consists of books and leaflets for sale. In addition to that inventory value, there is a Rs.27,362/- inventory; which belong to the agents on the basis of sale or return as at 31<sup>st</sup> December 2021. Details are as follows.

<u>Name of the agent and name of the book</u>	<u>Available stock as at 31.12.2021</u>	<u>Cost per unit (Rs.)</u>	<u>Total Cost (Rs.)</u>
Ministry of National Heritage - Medieval Ceylon & Art	18	1,224.00	22,032.00

*Galle Heritage Foundation*  
**Notes to the Financial Statements**

<i>Ruhunu tourist bureau</i>			
- The Galle Fort the Heritage City	2	2,025.00	4,050.00
<i>Prof. K.D. Paranawithana</i>			
- Land for Money Dutch Land	4	320.00	<u>1,280.00</u>
Registration in Sri Lanka			
<b>Total sale or return basis stock value</b>			<b><u>27,362.00</u></b>

**1.3.1.10 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash balances in current account and savings account balance.

**1.3.2 Liabilities and Provisions**

Liabilities classified as current liabilities on the statement of financial position are those which fall due for payment on demand or within one year from the statement of financial position date. Non-current liabilities are those balances that fall due for payment later than one year from the statement of financial position date. All known liabilities have been accounted for in preparing the Financial Statements.

**1.3.2.1 Contingent Liability**

There was a legal case filed in the Labor Tribunal under case no. LT4/G/87/2012 against the Galle Heritage Foundation on 16<sup>th</sup> November 2012 by a trainee who was engaged by the Galle Heritage Foundation on 01<sup>st</sup> August 2007 as a trainee to process computer data records. The Hon. Court dismissed this case and pronounced judgement on 26<sup>th</sup> July 2019. Subsequently, the trainee has filed an appeal in the Provincial Appellate Court challenging the above decision. No final decision has been reached in this regard until the end of the financial year.

Apart from the above matter, there is a possibility of filling a legal case or arbitration against Galle Heritage Foundation by Anudi construction due to the surcharge amount of Rs.693,227.55 made in the year 2020 upon final payment.

**1.3.2.2 Retirement Benefit Obligation**

Employees who have completed five years continued service with the foundation are eligible for retirement benefit in accordance with the payment of Gratuities Act No. 12 of 1983. However provision has been made in the accounts for the retirement benefits for all employees of the foundation taking into consideration their last drawn salary and the years of service as at 31st December 2021. The defined benefit obligation is calculated annually using the assets held by a long term employee benefit fund method according to the Sri Lanka Public Sector Accounting Standards (SLPSAS 19). The foundation has operated a separate savings account called Staff Gratuity Provision Savings accounts in People's Bank in order to meet future obligations.

**1.3.3 Statement of financial performance**

The purpose of preparation of the Statement of financial performance is to present the entire financial performance related to the financial year ended 31<sup>st</sup> December 2021. In the

*Galle Heritage Foundation*  
**Notes to the Financial Statements**

preparation of Statement of Financial Performance, the foundation has recognised income and expenditure on accrued basis. Furthermore, in the statement of financial performance, the foundation presents expenses by their nature to comply with the SLPSAS 01.

**1.3.3.1 Revenue Recognition**

The main source of revenue for the foundation is government grants. In addition, it generates rental income, photographic permission income, income from sale of publications and fixed deposit interest income. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

**1.3.3.2 Expenditure Recognition**

All Expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year. Repairs and renewals are charged to Statement of financial performance in the year in which the expenditure is incurred.

**1.3.4 Events Occurring After the Reporting Date**

All material post reporting events have been considered and where appropriate, adjustment or disclosure have been made in respective notes to the Financial Statements.

**1.3.5 Statement of Cash Flows**

The Statement of Cash Flow has been prepared using the indirect method in accordance with the Sri Lanka Public Sector Accounting Standards (SLPSAS) 02 - Statement of Cash Flows. Cash and Cash equivalents comprise short term, highly liquid investment that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents comprise cash balances in current account and savings account balance and cash in transits.

**1.4 Budgetary Information**

According to the Sri Lanka Public Sector Accounting Standards (SLPSAS 15), the foundation presents the budget information on a comparable basis (Schedule 09). Funds drawn from the government during the year 2021 are as follows;

	<u>Budget Allocation (Rs.)</u>	<u>Imprest Received (Rs.)</u>
Capital Funds	25,800,000	25,800,000.00
Recurrent Funds	12,000,000	9,715,097.25

**Notes to the financial statements for the year ended**

<b>Note-02</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Government Grant</b>	<b>Rs.</b>	<b>Rs.</b>
Fund Received from Ministry for Recurrent Expenses	9,715,097	10,035,000
Expenses of recurrent nature to be born by Capital fund	-	31,445
<b>Total</b>	<b>9,715,097</b>	<b>10,066,445</b>

<b>Note-3</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Net income from books and leaflets sales</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Sales</b>		
Books	43,050	10,890
Leaflets	1,920	3,500
<b>Total Sales Income</b>	<b>44,970</b>	<b>14,390</b>
<b>Less : cost of sales</b>		
Stock as at 1st January	954,634	698,497
Purchasing within the year	1,000	275,000
less : Stock adjustment	(42,177)	-
Total stocks available for sale	913,457	973,497
less : Physical Stock as at 31st December	(907,879)	(954,634)
	<b>(5,578)</b>	<b>(18,864)</b>
<b>Net income from books and leaflets sales</b>	<b>39,392</b>	<b>(4,474)</b>

<b>Note-04</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Interest Income</b>	<b>Rs.</b>	<b>Rs.</b>
BOC FD 85125046 Interest Income	1,788,006	1,804,207
NSB FD 2-0003-18-65854 Interest Income	152,484	209,657
BOC FD 71618992 Interest Income	53,359	73,309
PB FD - 013-60-01-00010660-1 Interest Income	103,930	142,251
PB FD - 013-60-01-00011869-8 Interest Income	182,728	252,885
PB FD - 013-60-01-00007534-1 Interest Income	128,557	179,746
PB Saving AC - Interest Income	182,746	119,688
Staff Gratuity Saving AC - Interest Income	36,162	48,342
BOC Savings AC - Interest Income	16,185	328
Interest Income from Staff Loans - Distress loans	58,537	54,935
Interest Income from Staff Loans - Motor Bick loan	3,289	4,383
<b>Total</b>	<b>2,705,985</b>	<b>2,889,731</b>

**Notes to the financial statements for the year ended**

<b>Note-05</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Office Expenditure</b>	<b>Rs.</b>	<b>Rs.</b>
Allowance for Board members	215,000	245,000
Refreshments for meetings	87,211	38,442
<b>Total</b>	<b>302,211</b>	<b>283,442</b>

<b>Note-06</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Staff Emoluments</b>	<b>Rs.</b>	<b>Rs.</b>
Salaries and allowances	5,762,922	5,716,908
Employees Provident Fund	487,087	531,634
Employees Trust Fund	121,772	132,908
Agrahara Insurance	48,000	48,000
Staff Retiring Gratuity	146,668	236,349
Overtime	469,756	222,989
Staff welfare	57,408	48,975
Uniform Allowance	8,000	8,000
<b>Total</b>	<b>7,101,612</b>	<b>6,945,763</b>

<b>Note-07</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Office Administration</b>	<b>Rs.</b>	<b>Rs.</b>
Audit fee	110,880	100,320
Bank Charges	648	661
Depreciation	3,981,702	3,656,518
Amortisation of intangible assets	25,008	25,008
Electricity	51,922	45,485
Equipment Maintenance	51,776	30,485
Fuel Expenses	406,342	391,587
Janitorial Services	624,850	647,936
Legal Fees	130,158	7,160
Office Maintenance	39,615	89,644
Other Expenses	165,191	93,844
Paper notice cost	-	66,135
Postal charges	22,152	15,990
Printing related cost	23,186	19,120
Stationery & Cost of Purchasing of minor office equipment	164,006	214,396
Telephone Charges	80,051	124,092
Trainees' allowances	-	19,500
Translation Fees	-	27,270
Transport Fee	30,806	28,699
Vehicle Insurance	38,116	-
Vehicle Maintenance	89,620	224,770
Water Consumption charges	20,028	18,518
<b>Total</b>	<b>6,056,056</b>	<b>5,847,138</b>

**Notes to the financial statements for the year ended**

<b>Note-08</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Other Expenditure</b>	<b>Rs.</b>	<b>Rs.</b>
Stock write off	12,038	-
Fort Maintenance Cost	30,310	735,723
<b>Total</b>	<b>42,348</b>	<b>735,723</b>

<b>Note-09</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Recurrent nature capital project expenditure</b>	<b>Rs.</b>	<b>Rs.</b>
Capital Project - Program	-	31,445
Capital Project - Conservation of post office building expenditure	-	64,406
<b>Total</b>	<b>-</b>	<b>95,851</b>

<b>Note-10</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Cash and cash equivalents</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Galle Heritage Foundation - Fund</b>		
People's Bank Current A/C 013100201924746	14,265	14,265
People's Bank - Gratuity Saving A/C 013200150015221	1,392,110	972,931
People's Bank Savings A/C 013200191924746	6,559,255	5,467,718
Bank of Ceylon Savings A/C 74160219	1,253,881	15,674
People's Bank Current A/C 013100191924746 (Main cash book A/C)	-	-
Cash in Transits	-	821,668
<b>Total</b>	<b>9,219,511</b>	<b>7,292,256</b>

<b>Note-11</b>	<b>31/12/2021</b>	<b>31/12/2020</b>	
<b>Receivables</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>Note-11.1</b>			
<b>Receivables - Settlement within the up coming year</b>			
Interest receivables for fixed deposits	Schedule - 1	318,744	2,141,991
Staff loans receivables			
a. Distress Loan	Schedule - 2	358,386	378,905
b. Motor Bike Loan	Schedule - 3	49,841	52,232
Other receivables	Schedule - 4	159,376	267,376
<b>Total</b>		<b>886,348</b>	<b>2,840,504</b>
<b>Note-11.2</b>			
<b>Receivables - Settlement after the up coming year</b>			
Staff loans receivables			
a. Distress Loan	Schedule - 2	845,139	1,101,086
b. Motor Bike Loan		-	49,841
<b>Total</b>		<b>845,139</b>	<b>1,150,927</b>

**Notes to the financial statements for the year ended**

<b>Note-12</b>	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2020</b>
<b>Inventory</b>	<b>Rs.</b>	<b>(Adjusted) Rs.</b>	<b>Rs.</b>
Books	704,076	711,607	753,784
Leaflets	191,765	200,850	200,850
<b>Total</b>	<b>895,841</b>	<b>912,457</b>	<b>954,634</b>

<b>Note-13</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Investments</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Investment in fixed deposits - short term</b>		
BOC Fixed Deposit AC No. 85125046	20,246,934	16,628,634
NSB Fixed Deposit AC No. 2-0003-18-65854	3,312,473	3,161,647
BOC Fixed Deposit AC No. 71618992	1,172,140	1,118,321
P/Bank FD AC No. 013-60-01-00010660-1	2,274,280	2,170,751
P/Bank FD AC No. 013-60-01-00011869-8	4,012,982	3,830,253
P/Bank FD AC No. 013-60-01-00007534-1	2,879,501	2,751,773
<b>Total</b>	<b>33,898,311</b>	<b>29,661,381</b>

\* All the above investments will be matured within one year.

<b>Note-14</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Other Current Assets</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Deposits in other organisations</b>		
Lanka Electricity Co. (PVT) Ltd	7,285	7,285
American Premium Water System	4,800	1,800
Multi Purpose Co-Operative Society	10,000	10,000
<b>Total</b>	<b>22,085</b>	<b>19,085</b>

<b>Note-15</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Capital project work in progress</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Buildings</b>	-	-
Conservation of police residence building	827,812	-
<b>Infrastructure Assets</b>	-	-
Construction of changing room at old port	371,658	-
<b>Other Assets</b>	-	-
Galle fort's documentary video	14,355	-
<b>Differed Assets</b>	-	-
Moon Bastion children art gallery	-	15,984
<b>Total</b>	<b>1,213,826</b>	<b>15,984</b>

Notes to the financial statements for the year ended

Note-16

Note-16.1 Land and Building	Balance as at 01.01.21			Additions during the year			Disposals			Balance as at 31.12.21			Depreciation			Carrying amount as at 31.12.21		
	Balance as at 01.01.21	Transfer In	Transfer out	Additions during the year	Transfer out	Disposals	Balance as at 01.01.21	Additions / Transfer In	Disposals / Transfer out	Balance as at 31.12.21	Charge for the year	Disposals / Transfer out	Balance as at 31.12.21	Charge for the year	Disposals / Transfer out	Carrying amount as at 31.12.21	Charge for the year	Disposals / Transfer out
Land	-	-	-	1,246,500,000	-	-	1,246,500,000	-	-	-	191,250	-	1,246,500,000	-	-	1,246,500,000	-	-
Building	-	3,825,000	-	3,825,000	-	-	3,825,000	-	-	-	191,250	-	3,633,750	-	-	3,633,750	-	-
<b>Total</b>	-	3,825,000	-	5,071,500	-	-	5,071,500	-	-	-	382,500	-	4,687,750	-	-	4,687,750	-	-

Note-16.2 Infrastructure, Heritage, plant and equipment	Balance as at 01.01.21			Additions during the year			Disposals			Balance as at 31.12.21			Depreciation			Carrying amount as at 31.12.21		
	Balance as at 01.01.21	Transfer In	Transfer out	Additions during the year	Transfer out	Disposals	Balance as at 01.01.21	Additions / Transfer In	Disposals / Transfer out	Balance as at 31.12.21	Charge for the year	Disposals / Transfer out	Balance as at 31.12.21	Charge for the year	Disposals / Transfer out	Carrying amount as at 31.12.21	Charge for the year	Disposals / Transfer out
Infrastructure Assets	22,890,121	-	-	2,244,263	-	-	25,134,384	-	-	-	4,618,931	-	1,256,719	-	-	19,258,733	-	-
Heritage Assets	18,753,864	3,470,000	-	645,064	15,260,666	-	7,608,282	-	-	-	5,186,994	4,441,177	380,413	-	-	6,480,093	-	-
Machineryes & Plants	1,909,461	-	-	2,066,404	-	1,391,359	2,584,506	-	-	-	1,772,085	-	447,625	-	-	364,796	-	-
Furniture & Fittings	8,536,231	672,600	-	2,449,981	-	29,328	11,629,483	-	-	-	4,212,814	470,820	1,107,182	-	-	5,838,667	-	-
Office equipment	1,662,076	-	-	355,665	-	187,950	1,829,792	-	-	830,119	-	-	302,234	-	-	697,438	-	-
Other Assets	7,896,548	-	-	573,678	-	-	8,470,226	-	-	256,030	-	-	159,405	-	-	8,033,318	-	-
<b>Total</b>	<b>61,648,301</b>	<b>1,258,292,600</b>	<b>15,260,666</b>	<b>9,335,055</b>	<b>15,260,666</b>	<b>1,608,637</b>	<b>1,311,406,653</b>	<b>16,878,974</b>	<b>4,441,177</b>	<b>16,966,167</b>	<b>4,441,177</b>	<b>4,441,177</b>	<b>40,672,986</b>	<b>4,441,177</b>	<b>4,441,177</b>	<b>40,672,986</b>	<b>4,441,177</b>	<b>4,441,177</b>

\* Other assets include library books, computerised paintings for Moon Bastion Gallery and building plans of historical buildings at Galle Fort.

Note-16.3 Deferred assets	Balance as at 01.01.21			Additions during the year			Disposals			Balance as at 31.12.21			Write off			Carrying amount as at 31.12.21		
	Balance as at 01.01.21	Transfer In	Transfer out	Additions during the year	Transfer out	Disposals	Balance as at 01.01.21	Additions / Transfer In	Disposals / Transfer out	Balance as at 31.12.21	Charge for the year	Disposals / Transfer out	Balance as at 31.12.21	Charge for the year	Disposals / Transfer out	Carrying amount as at 31.12.21	Charge for the year	Disposals / Transfer out
Clock tower conservation	-	8,391,772	-	-	-	-	8,391,772	2,001,007	-	-	319,558	-	2,320,545	-	-	6,071,228	-	-
Bell tower conservation	-	807,275	-	-	-	-	807,275	201,819	-	-	30,273	-	232,092	-	-	575,183	-	-
Moon Bastion Conservation	-	5,944,371	-	216,586	-	-	6,160,957	2,183,925	-	-	198,852	-	2,382,776	-	-	3,778,181	-	-
Sipnara Building Conservation	-	117,247	-	720,723	-	-	837,970	54,427	-	-	59,177	-	99,604	-	-	744,366	-	-
GHF Office building conservation	-	-	-	3,154,546	-	-	3,154,546	-	-	-	157,727	-	157,727	-	-	2,996,819	-	-
<b>Total</b>	<b>-</b>	<b>15,260,666</b>	<b>4,091,855</b>	<b>4,091,855</b>	<b>-</b>	<b>-</b>	<b>19,352,521</b>	<b>4,441,177</b>	<b>-</b>	<b>-</b>	<b>745,567</b>	<b>-</b>	<b>5,186,744</b>	<b>-</b>	<b>-</b>	<b>14,165,776</b>	<b>-</b>	<b>-</b>

Note-16.4 Intangible assets	Balance as at 01.01.21			Additions during the year			Disposals			Balance as at 31.12.21			Amortisation			Carrying amount as at 31.12.21		
	Balance as at 01.01.21	Transfer In	Transfer out	Additions during the year	Transfer out	Disposals	Balance as at 01.01.21	Additions / Transfer In	Disposals / Transfer out	Balance as at 31.12.21	Charge for the year	Disposals / Transfer out	Balance as at 31.12.21	Charge for the year	Disposals / Transfer out	Carrying amount as at 31.12.21	Charge for the year	Disposals / Transfer out
GHF Web site	500,165.00	-	-	-	-	-	500,165.00	25,008.25	-	-	25,008.25	-	50,017	-	-	450,149	-	-
<b>Total</b>	<b>500,165.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500,165.00</b>	<b>25,008.25</b>	<b>-</b>	<b>-</b>	<b>25,008.25</b>	<b>-</b>	<b>50,017</b>	<b>-</b>	<b>-</b>	<b>450,149</b>	<b>-</b>	<b>-</b>

Note-16.5 Investment Property	Balance as at 01.01.21			Additions during the year			Disposals			Balance as at 31.12.21			Depreciation			Carrying amount as at 31.12.21		
	Balance as at 01.01.21	Transfer In	Transfer out	Additions during the year	Transfer out	Disposals	Balance as at 01.01.21	Additions / Transfer In	Disposals / Transfer out	Balance as at 31.12.21	Charge for the year	Disposals / Transfer out	Balance as at 31.12.21	Charge for the year	Disposals / Transfer out	Carrying amount as at 31.12.21	Charge for the year	Disposals / Transfer out
Triton Bastion premises	2,537,493	-	-	-	-	-	2,537,493	888,123	-	-	126,875	-	1,014,997	-	-	1,522,496	-	-
<b>Total</b>	<b>2,537,493</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,537,493</b>	<b>888,123</b>	<b>-</b>	<b>-</b>	<b>126,875</b>	<b>-</b>	<b>1,014,997</b>	<b>-</b>	<b>-</b>	<b>1,522,496</b>	<b>-</b>	<b>-</b>

**Notes to the financial statements for the year ended**

<b>Note-17</b>		<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Accrued Expenses</b>		<b>Rs.</b>	<b>Rs.</b>
Recurrent Expenses Payable	Schedule - 5	284,670	442,991
Capital Expenses Payable		-	1,015,000
<b>Total</b>		<b>284,670</b>	<b>1,457,991</b>

<b>Note-18</b>		<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Creditors</b>		<b>Rs.</b>	<b>Rs.</b>
General Deposit Payable	Schedule - 6	728,022	544,566
Refundable deposit	Schedule - 7	594,000	2,500
Sundry Creditors		-	39,330
<b>Total</b>		<b>1,322,022</b>	<b>586,396</b>

<b>Note-19</b>		<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Provision For Retiring Gratuity</b>		<b>Rs.</b>	<b>Rs.</b>
Balance as at 01.01.2021		1,209,280	417,378
(+) Gratuity Expense for the year		146,668	236,349
(+/-) Prior year adjustments		-	908,353
		1,355,948	1,562,080
(-) Payments done during the year		-	(352,800)
<b>Balance as at 31st December</b>		<b>1,355,948</b>	<b>1,209,280</b>

<b>Note-20</b>		<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Proceeds from withdrawal of investments</b>		<b>Rs.</b>	<b>Rs.</b>
Capital repayment of Staff loans in			
Distress Loans		514,493	302,960
Motor Bike Loan		52,232	41,884
Special Loan		-	37,187
Festival Advances		70,000	1,250
<b>Total</b>		<b>636,725</b>	<b>383,282</b>

<b>Note-21</b>		<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Interest received in during the year</b>		<b>Rs.</b>	<b>Rs.</b>
Interest Income from FDs		4,236,930	752,387
Interest Income from Saving A/Cs		235,094	168,358
Distress Loans		58,537	54,935
Motor Bike Loan		3,289	4,383
<b>Total</b>		<b>4,533,850</b>	<b>980,063</b>

<b>Note-22</b>		<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Investments made during the year</b>		<b>Rs.</b>	<b>Rs.</b>
Renewal of FDs during the year		4,236,930	752,387
Reinvestment of Saving ACs during the year		-	227,676
Renewal of staff loans (Distress) during the year		238,028	238,102
Granted the festival advances during the year		70,000	-
Deposit to Gratuity provision savings A/C		-	236,349
<b>Total</b>		<b>4,544,958</b>	<b>1,454,514</b>

**Notes to the financial statements for the year ended**

<b>Note-23</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Special projects done by using the funds of PB Saving AC</b>	<b>Rs.</b>	<b>Rs.</b>
Conservation of post office building expenditure	-	150,263
Celebration of Galu Uruma day programe	23,010	-
Staff welfare charges for Covid -19 check ups	20,500	-
Sponsorship for Ministry of sports and youth affairs - Southern province	20,000	-
Donation for Department of Archaeology	24,750	-
<b>Total</b>	<b>88,260</b>	<b>150,263</b>

<b>Note-24</b>	<b>Balance related to the capital projects payables as at 31/12/2020</b>	<b>Payment incurred during the year 2021 (Excluding previous year outstanding settlement)</b>	<b>Outstanding clearance during the year 2021</b>	<b>Total payment done during the year 2021</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Capital expenditure incurred during the year</b>				
Renovation of GHF Office building	-	3,154,546	-	3,154,546
Conservation Building Plans	1,015,000	573,678	1,015,000	1,588,678
Moon Bastion Children Art Gallery	-	200,602	-	200,602
Conservation of Information Center building	-	645,064	-	645,064
Conservation of police residence building	-	827,812	-	827,812
Galle fort's documentary video	-	14,355	-	14,355
Development of Ali street project	-	1,846,913	-	1,846,913
Construction cost of changing room at old port	-	371,658	-	371,658
Construction cost of life-saving premises	-	5,432	-	5,432
Conservation of Sipnara Building	-	757,313	-	757,313
Demarking Suitable bathing spaces	-	397,350	-	397,350
Acquisition of furniture and fittings, office equipment and machinery and plant	-	4,872,050	-	4,872,050
<b>Total</b>	<b>1,015,000</b>	<b>8,794,724</b>	<b>1,015,000</b>	<b>14,681,774</b>

**Notes to the financial statements for the year ended**

Note-25 Inventory <i>(Devaluating of cost of sales amount from accrued basis profit calculation)</i>	Amount (Rs.)
Devaluation the accrued basis gross profit impact from operating activities cash flows	(39,392)
(+) Cash sales generated during the period	44,970
(-) Cash purchased during the period	(1,000)
Inventory impact value for cash flow from operating activities	4,578

Note-26 Recurrent expenses payables <i>(Net impact for cash flow statement)</i>	Outstanding balances as at 31st December	During the year adjustments [(Over) / Under]	Actual settlement during the value	Net impact for cash flow statement
<u>Year 2020</u>				
Audit Fees (for the year 2014 to 2017)	261,510	-	261,510	(261,510)
Electricity	4,310	(167)	4,143	(4,143)
Telephone Charges	17,397	(1,804)	15,593	(15,593)
Water Consumption	1,660	(1,301)	359	(359)
Janitorial Charges	57,795	-	57,795	(57,795)
<u>Year 2021</u>				
Audit Fee (for the year 2021)	110,880	-	-	110,880
Electricity	6,325	-	-	6,325
Telephone Charges	10,727	-	-	10,727
Water Consumption	2,154	-	-	2,154
Staff Over Time & Subscription Expenditure	15,928	-	-	15,928
Director's Telephone Allowances A/C	10,000	-	-	10,000
Staff Gratuity Provision S_A/C (PB AC No. 013200150015221)	27,856	-	-	27,856
<b>Total</b>	<b>526,541</b>	<b>(3,272)</b>	<b>339,399</b>	<b>(155,528)</b>

Note-27 Creditors <i>(Net impact for cash flow statement)</i>	Outstanding balances as at 31st December	During the year adjustments (Over / Under)	Actual settlement during the value	Net impact for cash flow statement
<u>Year 2020</u>				
General Deposit Payable	347,860	-	347,860	(347,860)
Refundable deposit	2,500	-	2,500	(2,500)
Sundry Creditors	39,330	-	39,330	(39,330)
<u>Year 2021</u>				
Retention Payable (Schedule - 06)	382,058	-	-	382,058
All other Payables (Schedule - 06)	49,258	-	-	49,258
Refundable deposit (Schedule - 07)	594,000	-	-	594,000
<b>Total</b>	<b>1,415,007</b>	<b>-</b>	<b>389,690</b>	<b>635,626</b>

**Schedules for the financial statements for the year ended 31st December, 2021**

<b>Schedule-01</b>	<b>31/12/2021</b>
<b>Fixed deposit interest receivables</b>	<b>Rs.</b>
BOC FD 85125046 Interest Receivable	211,178
NSB FD 2-0003-18-65854 Interest Receivable	36,415
BOC FD - 71618992 Interest Receivable	13,481
PB FD - 013-60-01-00010660-1 Interest Receivable	8,029
PB FD -013-60-01-00011869-8 Interest Receivable	33,056
PB FD - 013-60-01-00007534-1 Interest Receivable	16,586
<b>Total</b>	<b>318,744</b>

<b>Schedule-02</b>	<b>Balance as at 31/12/2020</b>	<b>Loan renewed during the year</b>	<b>Loan settlement during the year</b>	<b>Balance as at 31/12/2021</b>
<b>Distress Loan</b>	<b>Rs.</b>			<b>Rs.</b>
Mrs. Ishani Priyadarshani	172,420	-	49,220	123,200
Ms. Dilani Harshika	126,423	-	45,760	80,663
Mrs. Fathima Fauzana	111,382	146,219	184,594	73,007
Mr. M.L.S. Jayasekara	231,110	-	46,706	184,403
Mr. M.E.N.S. De Silva	219,599	-	47,199	172,400
Mr. W.G.N. Saman	223,455	41,999	45,843	219,611
Mrs. Buddhi Ilayperuma	172,426	-	49,220	123,207
Mr. A.G.S. Kumara	223,177	49,810	45,952	227,035
<b>Total</b>	<b>1,479,991</b>	<b>238,028</b>	<b>514,493</b>	<b>1,203,525</b>

<b>Schedule-03</b>	<b>Balance as at 31/12/2020</b>	<b>Loan renewed during the year</b>	<b>Loan settlement during the year</b>	<b>Balance as at 31/12/2021</b>
<b>Motor Bike Loan</b>	<b>Rs.</b>			<b>Rs.</b>
Mrs. Ishani Priyadarshani	102,073	-	52,232	49,841
<b>Total</b>	<b>102,073</b>	<b>-</b>	<b>52,232</b>	<b>49,841</b>

<b>Schedule-04</b>	<b>Balance as at 31/12/2020</b>	<b>Settlement during the year</b>	<b>Balance as at 31/12/2021</b>
<b>Other receivables</b>			
Tenant - Mr. Ashoka Dias	267,376	143,000	124,376
Sponsored book sets and maps	-	-	35,000
<b>Total</b>	<b>267,376</b>	<b>143,000</b>	<b>159,376</b>

**Schedules for the financial statements for the year ended 31st December, 2021**

<b>Schedule-05</b>	<b>31/12/2021</b>
<b>Recurrent Expenses Payable</b>	<b>Rs.</b>
Audit Fee (for the year 2020)	100,800
Audit Fee (for the year 2021)	110,880
Electricity	6,325
Telephone Charges	10,727
Water Consumption	2,154
Staff Over Time & Subscription Expenditure	15,928
Director's Telephone Allowances A/C	10,000
Staff Gratuity Provision S_A/C (PB AC No. 013200150015221)	27,856
<b>Total</b>	<b>284,670</b>

<b>Schedule-06</b>	<b>31/12/2021</b>
<b>General Deposit Payable</b>	<b>Rs.</b>
<b>6.1 Retention Payable</b>	
Weliwatta Rural Community society-Conservation of GHF Office toilet complex	32,203
Best Creative holdings - Drawing pictures in canvas for Moon bastion gallery	15,498
Amila steel house - Building a structural iron frame for Moon bastion gallery	11,750
Welivitiya Construction - Development of ally street project	47,364
Fort rural development society - Conservation of GHF office building	103,098
Fort rural development society - Conservation of Sipnara building - bill 1	8,783
Fort rural development society - Conservation of Sipnara building - bill 2	7,523
Galwadugoda Com. Dev. Society - Conservation of Information center building	27,292
Fort rural development society - Conservation of GHF office building	16,769
Fort rural development society - Conservation of GHF office building	14,097
Maitipe rural development society - Conservation of GHF office building	32,618
Maitipe rural development society - Conservation of GHF office building	65,064
	<b>382,058</b>
<b>6.2 All other Payables</b>	
Anudhi Construction - Kafa Toilet - Unclaimed VAT	129,888
Anudhi Construction - Street Lamp Stage II - Unclaimed VAT	66,818
Welivitiya Construction - Unclaimed VAT	49,258
Tenant - Mr. Ashoka Dias - Bond security	100,000
	<b>345,964</b>
<b>Total</b>	<b>728,022</b>

<b>Schedule-07</b>	<b>31/12/2021</b>
<b>Refundable deposit</b>	<b>Rs.</b>
Achira Builders - Conservation Of Police residence building	297,000
Sooriya Builders - Conservation Of Police residence building	297,000
<b>Total</b>	<b>594,000</b>

**Schedules for the financial statements for the year ended 31st December, 2021**

<b>Schedule-08</b>		<b>31/12/2021</b>
<b>Adjustments during the year</b>		<b>Rs.</b>
<b>11.1 Contributed Capital</b>		
Balance as at 01.01.2021		74,824,186
(+ Government Grants during the year - Capital		14,639,752
		89,463,938
<b>(+) Additions during the year</b>		
	<b>J. Voucher No.</b>	
Valuation amount of police residence building and land	GJV/12/02	1,040,325,000
Valuation amount of information center building and land	GJV/12/03	213,470,000
		1,253,795,000
<b>(-) Deductions during the year</b>		
Written off the differed asset amount based on audit recommendation	GJV/05/03	4,441,177
Written off the amount from books based on board of survey reports	GJV/07/09	1,399,837
Correction of subsequently identified error which was occurred in the year 2018	GJV/10/10	100,000
Correction of erroneous inventory balance reporting for the financial year 2020	GJV/11/10	42,177
Correction of losses incurred due to erroneous reporting of opening and closing stock balances for the financial year 2020	GJV/11/10	6,075
Written off the differed assets amount from the contributed capital for the year 2021	GJV/12/35	745,567
Written off the recurrent nature expenditure occurred from GHF funds	GJV/12/37	88,260
		6,823,093
<b>Net effect during the year</b>		<b>1,246,971,907</b>
<b>Balance as at 31.12.2021</b>		<b>1,336,435,844</b>
<b>11.2 Accumulated Surpluses / (Deficits)</b>		
Balance as at 01.01.2021		10,541,972
(+ Surplus / (deficit) for the period		(584,118)
		9,957,854
<b>(+) Additions during the year</b>		
	<b>J. Voucher No.</b>	
Reversal of over recognition of recurrent exp. payable-Telephone and Electricity charges	GJV/02/03	1,971
Reversal of over recognition of recurrent exp. payable-Water consumption charges	GJV/03/04	1,301
Reversal of erroneously charge to the Profit and loss related to the furniture & fittings	GJV/03/06	672,600
Transferred the Acc. depreciation of differed assets based on Audit recommendations	GJV/05/02	4,441,177
Reporting of under recognition of interest income for the year 2020	GJV/11/01	4,943
Correction of losses incurred due to erroneous reporting of opening and closing stock balances for the financial year 2020	GJV/11/10	6,075
		5,128,068
<b>(-) Deductions during the year</b>		
Reversal of interest income over recognition for the year 2020_NSB FD 2-0003-18-65854	GJV/01/05	325
Adjustments of depreciations for later detected Furniture & Fittings	GJV/03/07	470,820
Reporting of under recognition of recurrent expenses payable-Audit fee for the year 2018	GJV/10/04	75,090
Reporting of under recognition of recurrent expenses payable-Audit fee for the year 2020	GJV/12/18	480
Depreciated value for a later detected cost portion of the other assets	GJV/12/36	11,474
		558,188
<b>Net effect during the year</b>		<b>4,569,879</b>
<b>Balance as at 31.12.2021</b>		<b>14,527,734</b>
<b>11.3 Assets revaluation reserve</b>		
Balance as at 01.01.2021		208,800
<b>(-) Deductions during the year</b>		
	<b>J. Voucher No.</b>	
Revalued assets written off from the books based on board of survey reports	GJV/07/10	153,044
Correction of subsequently identified basis of measurement model	GJV/12/33	55,756
		208,800
<b>Net effect during the year</b>		<b>(208,800)</b>
<b>Balance as at 31.12.2021</b>		<b>0</b>

**Schedules for the financial statements for the year ended 31st December, 2021**

<b>Schedule-09</b>	<b>Estimate Original</b>	<b>Estimate Revised</b>	<b>Actual Expenditure</b>	<b>Surplus / (Variances)</b>
<b>Budget &amp; Actual Expenditure</b>				
<b>Capital Expenses</b>				
Renovation of GHF Office building :	4,500,000	3,600,000	3,225,615	374,385
<i>Conservation cost</i>	-	-	3,154,546	-
<i>Acquisition of office equipment and machinery and plant for the project</i>	-	-	71,069	-
Conservation Building Plans	3,000,000	1,600,000	1,588,678	11,322
Moon Bastion Children Art Gallery :	3,000,000	2,500,000	2,458,598	41,403
<i>Conservation cost</i>	-	-	200,602	-
<i>Acquisition of furniture and fittings and machinery and plant for the project</i>	-	-	2,257,996	-
Conservation of Information Center building :	500,000	700,000	655,104	44,896
<i>Conservation cost</i>	-	-	645,064	-
<i>Acquisition of furniture and fittings</i>	-	-	10,040	-
Conservation of police residence building	8,000,000	7,850,000	827,812	7,022,188
Galle fort's documentary video	1,000,000	50,000	14,355	35,645
Development of Ali street project	3,000,000	2,000,000	1,846,913	153,087
Construction cost of changing room at old port	2,000,000	500,000	371,658	128,342
Construction cost of life-saving premises	3,000,000	3,200,000	5,432	3,194,568
Conservation of Sipnara Building :	-	1,700,000	1,643,672	56,328
<i>Conservation cost</i>	-	-	757,313	-
<i>Acquisition of furniture and fittings, office equipment and machinery and plant</i>	-	-	886,359	-
Demarking Suitable bathing spaces	-	500,000	397,350	102,650
Conduct awareness programs	1,500,000	-	-	-
Acquisition of furniture and fittings, office equipment and machinery and plant	500,000	1,600,000	1,646,586	(46,586)
<b>Total</b>	<b>30,000,000</b>	<b>25,800,000</b>	<b>14,681,774</b>	<b>11,118,226</b>
<b>Recurrent Expenses</b>				
Office Expenditure	900,000	900,000	302,211	597,789
Staff Emoluments	7,500,000	7,500,000	7,101,612	398,388
Office Administration	3,000,000	3,000,000	2,268,926	731,074
Other Expenditure	600,000	600,000	42,348	557,652
<b>Total</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>9,715,097</b>	<b>2,284,903</b>

**Schedules for the financial statements for the year ended 31st December, 2021**

Schedule-10	Grade	No. of staff members as per the approved carder	Actual no. of staff members as at 31/12/2021	Remarks
<b>Staff Details</b>				
<u>Senior level</u>				
Director	MM 1-1	01	01	Contract basis
<u>Tertiary level</u>				
Administrative Officer	JM 1-1	01	-	Resigned from 03/09/2020
Accounts Officer	JM 1-1	01	01	-
<u>Secondary level</u>				
Project Assistant	MA -3	05	05	Assigned from line ministry
Project Assistant (Accounts)	MA -3	01	01	Assigned from line ministry
Management Assistant	MA 1-1	04	04	-
<u>Primary level</u>				
Driver	PL -3	01	01	-
Security Guards	PL -1	04	02	-
KKS	PL -1	01	01	-
<b>Total</b>		<b>19</b>	<b>16</b>	

Schedule-11	Cost Rs.	
<b>List of obsolete items to be removed in 2022</b>		
<u>Furniture and fittings</u>		
Batapalali	126,000	126,000
<u>Office equipment</u>		
Stapler - Big	3,500.00	
UPS Battery	4,700.00	
Electric cables	18,712.00	
VGA Cable for Indian Gallery - 10m	3,900.00	
UPS Battery	4,300.00	
Telephone-Pro Link HCD	2,020.00	
UPS Battery	4,250.00	
Port Switch TP - Link	1,700.00	
Laptop -Asus Dmoo35R i7	135,500.00	
Intercom Unit Installation	73,000.00	251,582
<u>Machinery and plant</u>		
Mega Phone	6,998.00	
Computer CPU	106,000.00	
Printer HP laser 1005P	15,750.00	
Samsung Printer	8,200.00	
Desktop Computer	91,000.00	
Desktop Computer	91,000.00	
Monitor	11,900.00	
Air Conditioners & fixing cost	787,096.00	1,117,944
<b>Total</b>		<b>1,495,526</b>

**Schedules for the financial statements for the year ended 31st December, 2021**

Schedule-12 Usable assets with zero book value	Purchased Value Rs.	
<u>Furniture and fittings</u>		
Table - Clerk - 2 1/2 * 4 1/2	3,859	
Plastic Chairs - With Arm	17,500	
Table - Teak 4 1/2 * 2 1/2	54,000	
Table - Teak 5*3	12,500	
Plastic Chairs - Without Arm - Brown Colour	30,000	
Almirah - Teak 6 * 3 1/2 * 18	12,000	
Table - Teak 4 1/2 * 2 1/2	18,000	
Chairs - Office - Teak	4,400	
Almirah - Teak 6 * 3 1/2 * 18	24,000	
Computer Table - 47*23.6*30	7,078	
Computer Chairs - (Cushion) - with Arms - Maroon Colour	10,070	
Singhe Veranda Chairs - Nedun	50,400	
Almirah - Jack	33,800	
Computer Table - 47*23.6*30	9,885	
Executive Chair - High back - With Wheels - Blue Colour	8,446	
Computer Chair - Cushion - -With Arms - Maroon Colour	6,113	
Iron Cupboard	50,209	
Table - With Drawers - 5 1/2 * 3 1/2	8,500	
Chair - Teak	26,400	
Cupboard - Iron	12,552	
Steel Cupboard	37,657	
Stool - Oval Shape - Suriyamara wood	4,000	
Chairs - - Suriyamara wood	14,000	
Table - Oval shape - wooden	13,500	
Cushion Chair - Teak	25,500	
Table Office - 2 drawers	17,000	511,368
<u>Office equipment</u>		
Glass Pad	2,068	
Cash box	2,634	
Oil Lamp	11,400	
Buddhist Flags - 47	13,700	
Tea pot	11,205	
Tea pot	5,130	
Pen Drive - 8GB	1,500	
Hoe - Lanhoe - 2	4,925	
Axle	3,300	
Chopper - Big size	745	
Rake	440	
Seal - Water Mark	6,245	
File Bag	18,380	
National Flag (9"*4 1/2)	15,600	
Cupboard - Iron	12,902	
Touch - LED	1,550	
Pen Drive 4GB	1,600	
National Flag (9"*4 1/2)	8,400	
Rack	2,400	
Calculator	1,000	
Portable hard disk 25M31 TB	14,100	
Calculator	1,900	
Office Bags	3,450	
HDMI VGA Converter	1,600	
Pen Drive	3,500	
Voice Recorder - Sony (ICDUX 533)	16,470	166,143
<u>Machinery and plant</u>		
Printer HP LaserJet 100SP	16,700	
Samsung LED TV-24"	30,600	
Gig saw Machine	3,350	
Mic Stand	2,650	
Microphone Boya	1,250	
Microphone	1,290	
LED TV-41"	114,210	
Fan - Stand	11,745	
Printer	13,800	
Dell Laptop	111,000	
Printer	11,900	318,495
<b>Total</b>		<b>996,006</b>



## **Galle Heritage Foundation - 2021**

### **01. Financial Statements**

#### **1.1 Opinion**

The audit of the financial statements of the Galle Heritage Foundation for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and the Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion the accompanying financial statements give a true and fair view of the financial position of the Galle Heritage Foundation as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

#### **1.2 Basis for Opinion**

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

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

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

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

Those charged with governance are responsible for overseeing the financial reporting process of the Galle Heritage Foundation.



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

#### 1.4 Scope of the Audit (Auditor's Responsibility on the Audit of the Financial Statements)

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

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

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- An understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Galle Heritage Foundation.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Foundation, and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the Foundation has complied with applicable written law, or other general or special directions issued by the governing body of the Galle Heritage Foundation;
- Whether the Foundation has performed according to its powers, functions and duties; and
- Whether the resources of the Foundation had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

## **1.5 Audit Observations in relation to the preparation of financial statements**

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### **1.5.1 Internal Control over the preparation of financial statements**

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Entities are required to “devise and maintain” a system of internal accounting controls sufficient to provide reasonable assurance that , transactions are executed in accordance with management’s general or specific authorization, transactions are recorded as necessary to permit preparation of financial statements in conformity with the applicable reporting standards , and to maintain accountability for assets; access to assets is permitted only in accordance with management’s general or specific authorization, and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Issues with regard to maintenance of key accounting records such as General Ledger, Journal and Journal vouchers, payment vouchers etc. may include under this heading.

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

<b>Reference to Laws, Rules Regulations etc.</b>	<b>Non-compliance</b>	<b>Comment of the Management</b>	<b>Recommendation</b>
(a) Section 41 (1) of the National Audit Act No.19 of 2018	Although there shall be an Audit and Management Committee for every auditee entity, Galle Heritage Foundation had not established and conducted an audit and management committee until the end of the year 2021.	A committee comprised of the following officers for the Audit and Management Committee meetings was proposed and approved by an internal letter referred to the Director and Chairman of the Galle Heritage Foundation on 21 April 2021.	Although the management committees have been established until 30 June 2022, they have not yet been conducted. Therefore, the committees should be established and conducted.

**2. Financial Review**

**2.1 Financial Result**

According to the financial statements presented, the result of the operations for the year ended 31 December 2021 was a deficit of Rs. 584,118 and the corresponding surplus of the previous year was Rs. 55,286. When compared with the previous year, a deterioration amounting to Rs. 639,404 or 1157 percent of the financial result in the year under review was observed. The decrease in government grants in the year under review by Rs.891,348 was the main reason for the deterioration in this financial result.

**3. Operational Review**

**3.1 Management Inefficiencies**

	<b>Audit Observation</b>	<b>Comment of the Management</b>	<b>Recommendation</b>
(a)	The need of amending the Galle Heritage Foundation Act No. 07 of 1994 had been identified with the objectives of gaining more powers to the Galle Heritage Foundation and to increase the income generation for the foundation, a Cabinet Memorandum was prepared for that purpose in the year 2015. However, an amendment	In the year 2018, the former government had started the preliminary work to prepare a new bill for the Galle Heritage Foundation. There was no expectation of amending the existing Act and arrangements were made	Action should be taken to amend the Act.



had not been made to the said Act even by 31 December of the year under review.

to prepare the new Act as "Southern Ports Authority Act" under the leadership of the Ministry of Southern Development.

It was decided at the committee meeting of the Board of Management held on 21 February 2022 that the new Board of Management will amend the same Act and to prepare new proposals for that and the proposals will be forwarded to the Ministry and action will be taken to amend the Act.

- (b) Even though the Deputy Project Director of the Strategic Cities Development Project of the Ministry of Megapolis and Western Development and to the contract companies of the Conservation of the Ancient Rampart in the Galle Fort Project were allowed to use the land worth Rs. 1,036.5 million transferred from the Galle Four Gravets Divisional Secretariat to the Galle Heritage Foundation and the building valued at Rs. 3.825 million for a period of one year for temporary accommodation and the contract company stayed there for a period of 02 ½ years after extending the period, a tax had not been collected from the contract company. Although an annual budget allocation of the year 2021 amounting to Rs. 7.85 million has been allocated for the conservation of the building, the foundation was unable to renovate the building as the contractors had resided in the building.
- Arrangements have been made to initiate the conservation activities of this at the beginning of 2021, and although the conservation of the building was delayed until then due to delays in the approval of plans, preparation of engineering estimates and delays in the procurement process, steps have been taken at present to begin conservation activities of the building.
- Action should be taken to collect taxes from the contractor. Arrangements should be made to fulfil the desired objectives from the capital allocations made.



**3.2 Operational Inefficiencies**

Audit Observation	Comment of the Management	Recommendation
<p>During the year under review, provision of Rs.25.8 million had been approved for 12 projects. An allocation of Rs.17.55 million, out of that, had only been spent. Although an expenditure of Rs.1.22 million had been incurred for 04 projects, for which provision of Rs.12.05 million had been allocated out of the approved allocation, the purpose of carrying out those projects had not been fulfilled.</p>	<p>Delays in approving the conservation plans, delays in the preparation of engineering estimates, delays in the procurement process and locking down of the country due to the Corona situation were the reasons for that.</p>	<p>Action should be taken to fulfil the objectives of the projects using the provision made. Ability to accomplish it should be checked before construction.</p>

**4. Accountability and Good Governance**

**4.1 Budgetary Control**

Audit Observation	Comment of the Management	Recommendation
<p>According to the budget documents prepared by the Galle Heritage Foundation for the year 2021, there were significant variations between the estimated value and the actual expenses incurred for the activities of the year. The percentage of the variation had been 66 percent to 99 percent.</p>	<p>The delay in the conservation of the police quarters, approval process of the initial plans, the delay in the procurement process due to the Corona pandemic and the inability to proceed as planned were the reasons for those savings.</p>	<p>In the preparation of budgets, action should be taken according to the available resources and the existing information and on the achievable targets.</p>

## **Other important facts pertaining to the performance of the Galle Heritage Foundation in 2021**

- (a) The Statement of Accounts of the Galle Heritage Foundation for the year 2020 earned an **Unqualified Opinion** from the Auditor General.
- (b) The GHF embarked on the preparation of a Business Plan, with the objective of making it a more viable and self-sustained institution and it has been initiated with the advice and guidance of Dr. Premasiri Gamage, Special Adviser to the Hon. Minister of State of National Heritage, Performing Arts and Rural Arts Promotion.
- (c) The following projects have been identified to be launched early next year as income-generating projects :
  - (i) Renting of rooms in the Triton Bastion for the sale of locally produced handicrafts, clothing and other gift items.
  - (ii) Opening a local food outlet named *Galū Bojuna* in the Sipnara Building.
  - (iii) Conserving the dilapidated Police Married Quarters building and converting it to a sales precinct for local handicrafts, jewellery, etc. and restaurants serving local food.