ANNUAL REPORT

2022

CONDOMINIUM MANAGEMENT AUTHORITY

Ministry of Urban Development and Housing

VISION

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

MISSION

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

CONDOMINIUM FRESH ASPIRATION OF HOUSING

Water, food and shelter are the basic needs of human beings. In order to duly satisfy these needs, governments take diverse and timely measures with the objective of creating a more organized and virtuous society. “Housing” has evolved with innovation and novel concepts for satisfying aspirations of people passing through different stages of human civilization. The condominium concept that came into being as a solution to the housing problem is successfully being implemented in almost all countries of the world and promoted as an ideal. The Condominium Management Authority which is the only public sector regulatory body of condominium housing in Sri Lanka has been delivering an unparalleled service for 19 years to residents of condominium properties, property developers and professionals engaged in the field.

Guiding towards the establishment of sustainable cities and habitats as envisaged in sustainable development goals and secured, flexible and sustainable condominium human settlements themed upon the protection of biodiversity and bio-systems, the Condominium Management Authority is continually engaged in this process. The Authority stands tall as self-financing entity not dependent upon the treasury provisions employing strict financial discipline and streamlined corporate administrative structure to achieve its targets. The CMA has thereby set an example conveying the message of structural changes to other public sector enterprises.

Pursuing the theme of “Strong Management Corporation is the backbone of a convenient condominium living”, the Condominium Management Authority whilst broadening the horizons of comfortable multi-storey lifestyle renders its services to the nation with a feeling of utmost satisfaction.

19 2003 - 2022 CONDOMINIUM FRESH ASPIRATION OF HOUSING

CONTENTS

2022 ANNUAL REPORT

CONDOMINIUM MANAGEMENT AUTHORITY

The annual report of 2022 has been designed with the theme "Condominium–Fresh aspiration of housing" for easy reference and publishing audit and account statements in compliance with the prescribed standards ensuring transparency.
This report for the year 2022 has been prepared in line with the guidelines issued by the cabinet office in August 2020. Accordingly, the following matters incorporated in 3(XII) therein have been submitted through this report of 2021.

(a) The report on performance of the institution for the relevant period
(b) Short and medium term measures intended to pursued to improve the performance of the institution
(c) Steps taken and expected to be taken in future by the management of the Authority and its Board of Directors to rectify the shortcomings indicated in the audit report for the period relevant to the annual report.
(d) Other matters applicable to the institution needing the attention of the Cabinet of Ministers

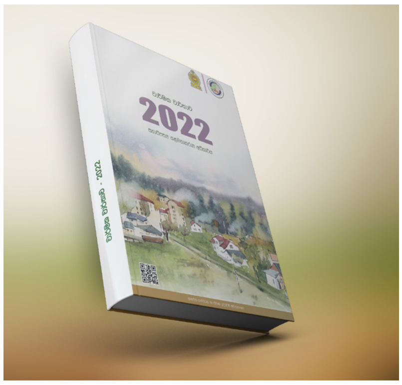
Further, the audit and account statement has been prepared in conformity with the auditing and accounting standards set forth in the guidelines for the preparation of annual reports issued by the Department of Public Enterprises.

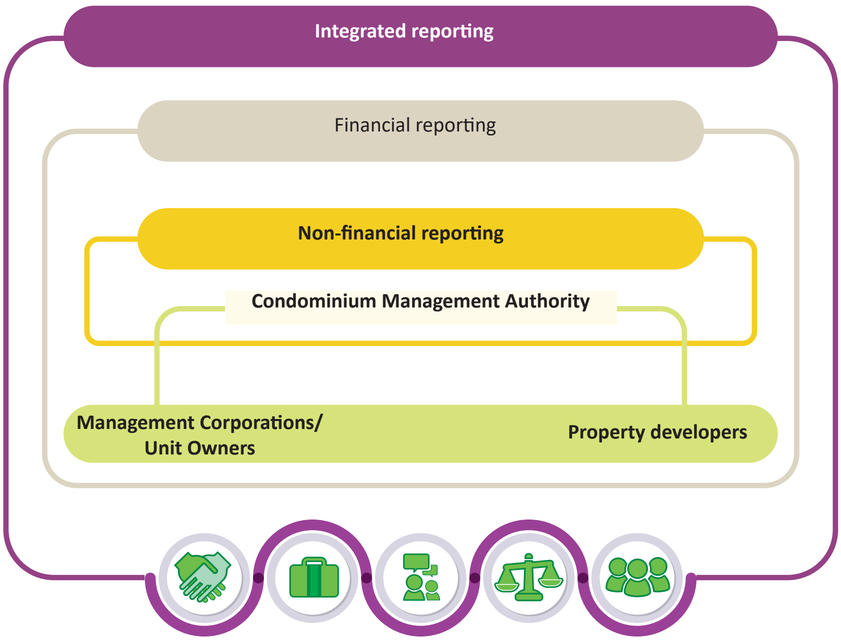
Report boundary

Non-financial statements relevant to the financial report for the year ended 31 December 2022 and other reporting relevant thereto are confined only to the Condominium Management Authority. The integrated report scope has been designed inclusive of external stakeholders and operational management. The annual reporting cycle has been prepared comparatively based on the annual report for the financial year ended 31 December 2021. No material adjustment has been made for non-financial information.

Materiality

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

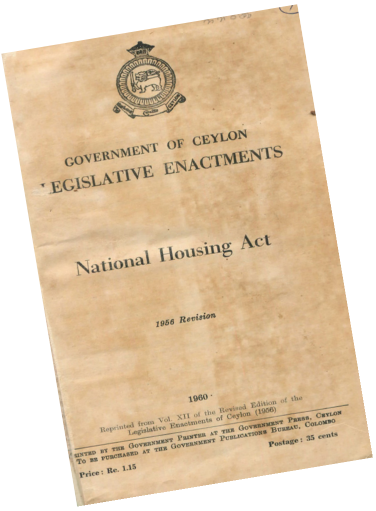




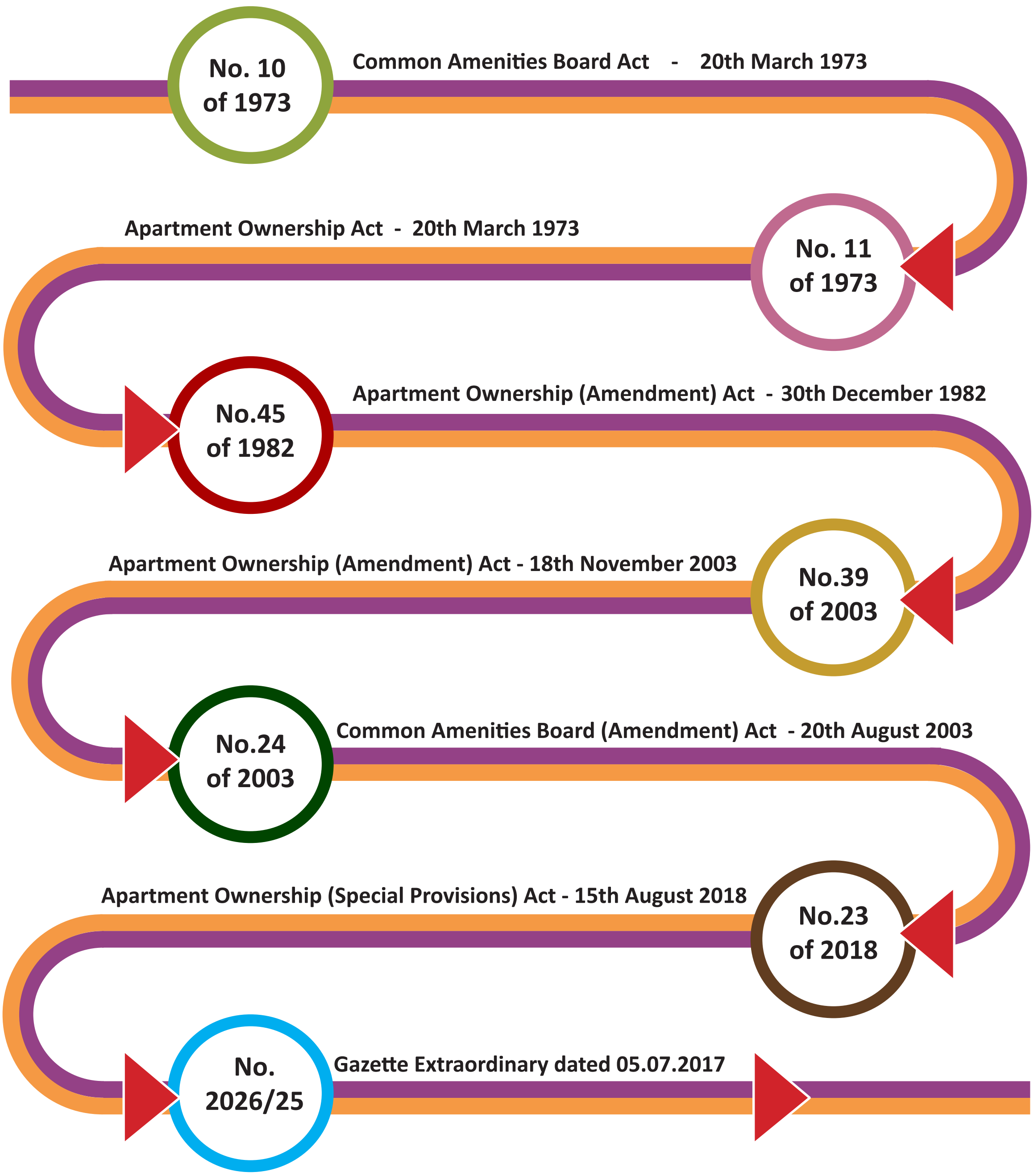
This report can be viewed online using this QR code

Designing and Preparation
G.A.U.T.Sampath
Pravini Wijesinghe
Management Information Systems Division, CMA

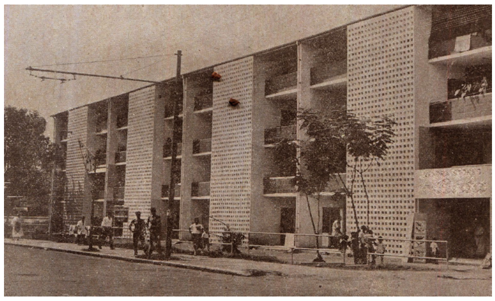
Legislation relevant to condominium properties



First housing Act of Sri Lanka relating to multi-storey housing



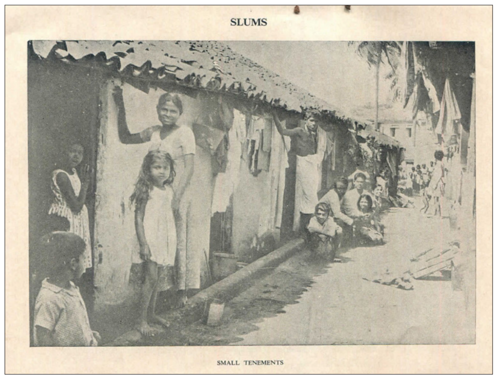
CONDOMINIUM
HISTORY - TODAY



Landmarks of condominium housing 1959 - 2022

1959

Appointment of a committee to study housing issues of Sri Lanka

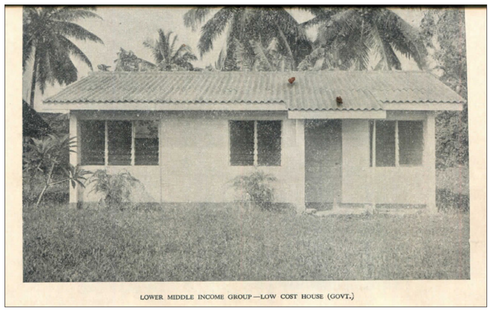


1963

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

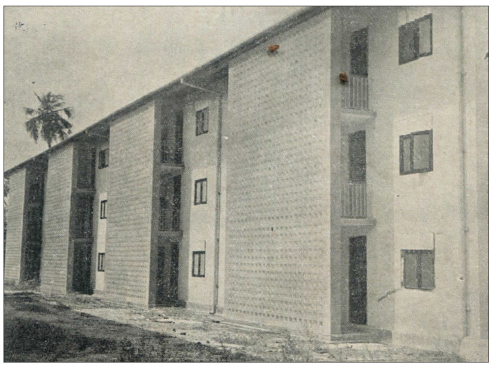
1970

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



1973

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

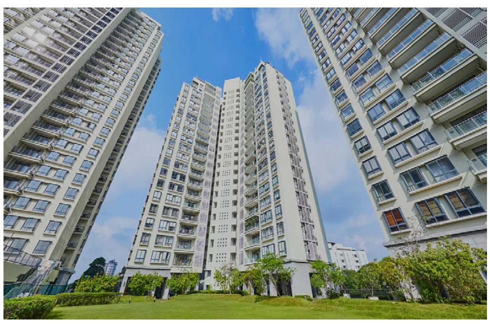


1982

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

2003

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



2017

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

Message of the Chairman

> The state policy was to accord priority to condominium housing requirements of low and middle income earners. This incentivized condominium property developers and the Condominium Management Authority pursued action to integrate such incentives into the condominium sector policy wise.

All of us without a semblance of a doubt expected that the economy which took shrank amidst crippling economic crisis in the year 2021 to bounce back to normal during the year 2022 easing all the related issues.

The lion's share of the provisions allocated for infrastructure facilities and development of the country had to be funneled for the eradication of Covid pandemic and related welfare measures and the health sector. This was done with the intention of realizing developmental targets through human community enjoying the benefits of good health. A significant growth was expected in the year 2022 in the field of condominium property, a key component of the construction sector.

However, the abrupt and unforeseen political and economic turmoil continued to negatively impact the society and economy in the year 2022 as well. Due to the protracted pandemic situation resulting in global as well as domestic impacts, the economy was in doldrums in the absence of safeguards that could counter the aftershocks of the pandemic. Therefore, the government, being well aware of the lasting impact on economy, framed policies to ensure economic wellbeing as a long term strategy thus minimizing the possible repercussions on the construction industry. Even in the year 2022, the progress of the condominium sector remained sluggish primarily on the back of strict restrictions imposed on expenditure, short supply of raw materials and the steep increase in the construction input costs. Consequently, the revenue growth of the CMA was lagging in the year 2022 as against the year 2021.

The state policy was to accord priority to condominium housing requirements of low and middle income earners. This incentivized condominium property developers and the Condominium Management Authority pursued action to integrate such incentives into the condominium sector policy wise. Accordingly, the CMA as the state regulatory entity of common amenities and common elements of condominium properties introduced a host of key policy decisions and made crucial administrative decisions in the year 2022 for the advancement of the residents, professionals and policy formulators involved in the field.

Receiving accolades and positive responses on the back of our efforts to accomplish the policy and administrative decisions incorporated in the Action Plan of 2022 is an outstanding victory achieved by us. Though the construction sector declined by 33.2% in the year 2022, it was observed that there was greater demand for condominium houses as evident from the increase in the purchase of condominium properties. Owing to management operations backed by astute management, the CMA continued to be in a sound economic footing. As the Authority achieved institutional targets despite the tough operating environment, the benefits thereof could be passed on to employees. This was the greatest benefit offered to employees in the history of the Condominium Management Authority. As a public entity not dependent upon the treasury provisions, the CMA has set an example and sent a strong message to other state sector institutions that goals and objectives can be achieved and challenges can be overcome through competent management. It also served as the cornerstone of employee motivation.

In the year 2021, action was taken to reduce fees levied for public sector condominium properties by 83% and in the backdrop of the continuation of reduced rates in the year 2022 as well, the situation was effectively managed so as not cause a negative impact on the revenue of the Authority.

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

Further, the Condominium Management Authority Act was amended taken cognizance of timely requirements and emerging trends whilst introducing regulatory mechanisms and practical measures for resolving disputes. These amendments are designed to address issues connected with condominium properties of property developers, other stakeholders of the sector and professionals.

Despite the highly challenging environment, as the flagship public sector entity in the condominium sector, we have been able to achieve our goals and overcame financial challenges due to the unwavering commitment and resolve of our valued employees. Hence, it is with immense pleasure that we present this Annual Report of 2021 with audit financial accounts to you in the midst of this challenging period.

Acknowledgement

I wish to take this opportunity convey my thanks to the General Manager, the entire staff and all members of the Board of Directors of the Authority and to the heads of all ministries, departments, public and statutory boards who contributed to the performance of the Authority in the year 2022. I am also thankful to the Hon. Prime Minister who as the Minister of Urban Development and Housing has been a source of inspiration, offering guidance for the sustainability of the Authority and the government of Sri Lanka. My thanks are also due to the Secretary and Additional Secretaries and the staff of the Ministry and the members of the Audit and Management Committee for extending their support to the activities of the Ministry.

Sarana Karunaratne,
Attorney at Law
Chairman
Condominium Management Authority

Review of the General Manager

(2022.01.01 - 2022.06.30)

I am pleased to present to you the Annual Report 2022 together with the audited financial report for the year 2022 which was made possible by the commitment of our employees despite the year 2022 being a challenging year. The year saw the Condominium Management Authority recording an optimal income. Taking into consideration the emerging trends of the constantly changing condominium sector, a massive effort was made for the advancement thereof by bringing about radical changes through the amendment of existing legislation. Year 2022 was a year that entailed numerous challenges globally as well as locally. However, due to the adoption of risk management strategies, the revenue generation of the Authority could be enhanced. Amidst the setbacks of the construction sector, this was of special significance to the Authority as it was able to implement operations so as not to cause any impediment to the revenue generation. Despite the crisis situation that prevailed, I am happy to note that a satisfactory service could be offered to our clientele as the regulator of the sector. Through the hotline that was introduced as a method of implementing management operations, satisfactory solutions could be provided to condominium residents and other stakeholders.

The easing of this situation to a certain degree during the last quarter of the year 2022 had a positive impact on the growth of revenue of the Authority. In the year 2021, the operational income of the Authority stood at 376.45 million and in the year 2022 the operational income posted was Rs. 297.28 million. This income was earned by the Authority from revenue sources such as the issuance of condominium certificates and the registration and renewal of registration of management corporations. The net profit after tax stood at Rs. 48.05 million and for the first time in the history, the CMA was able to pay revenue taxes amounting to Rs. 50.00 million to the Treasury in addition to income tax. Despite the economic and political crisis, the Authority was able to revive the fortunes of the condominium sector which remained sluggish during this period through the implementation of risk management strategies. This enabled the Authority to issue 106 condominium property and clearance certificates generating revenue of Rs. 33.14 million. Property developers, professionals and condominium occupiers were made aware of the legislation and regulations using audio and video media which was an investment of knowledge for the promotion of condominium concept.

The Common Amenities Board Act, No. 10 of 1973 and the Apartment Ownership Act, No.10 of 1973 were amended to be in tune with the timely requirements with the assistance of a panel of experts and veterans of the field. Since all these successes and the achievement of financial targets were made possible by the unfaltering commitment of our employees, significant benefits could be offered to them at the year as a token of gratitude. Through these incentives, the management expects them to demonstrate the same level of commitment and inspire them to achieve higher targets in the coming year.

Acknowledgement

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

Sampath Mallawaarachchi
General Manager (Acting)
Condominium Management Authority

Board of Directors of Condominium Management Authority

Mr. Sarana Karunaratne
Attorney at Law
Chairman
Condominium Management Authority

Mr. Sampath Mallawaarachchi
General Manager (Acting)
Condominium Management Authority

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

Mrs. B.N. Gamage
Additional Director General
National Budget Department

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

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

Mrs. Roshini Dissanayake,
Attorney at Law
Municipal Commissioner
Colombo Municipal Council

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

Mrs Shalika Ranaweera
Municipal Commissioner
Kotte Municipal Council

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

Mrs. Y. Sylvester
Deputy Municipal Commissioner
(Engineering Services)
Colombo Municipal Council

Mr. Aruna Warushahennadige
Representative of Management Corporations

Mr. S.D. Thewarapperuma
Municipal Commissioner
Moratuwa Municipal Council

Corporate Management of Condominium Management Authority

Mr. Sampath Mallawaarachchi
General Manager (Acting)

Mr. K.H.A. Upali
Deputy General Manager (Finance)

Mr. Nalin Gankanda
Deputy General Manager (Regulatory)

Mrs. Nayana Pelpita
Asst General Manager (Regulatory)

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

Mrs. Nisansala Illeperuma
Asst General Manager (Legal)

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

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

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

Junior – Executive Staff

Hemani Jayawardena	-	Secretary
G.A.U.T. Sampath	-	Management Information System Officer
Samnatha Ampagala	-	Customer Care Officer
Sajith Srinath Vimukthi	-	Customer Care Officer
Indeewari Gamage	-	Accounting Officer
S.Kosala Ranaweera	-	Senior Engineering Assistant
S.P.Y.D. Sudharmika	-	Senior Engineering Assistant

OBJECTIVES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

POWERS

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

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

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

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

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

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

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

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

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

(i) Undertake construction work;

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

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

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

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

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

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

FINANCIAL PROGRESS

In the year 2022, the Authority generated revenue amounting to Rs. 297.292 million. This indicates an decline of 21% compared to the revenue of Rs. 376.63 million of the Authority in the year 2021. The overall expenditure in the year 2021 was Rs. 170.372 million and in comparison, the overall expenditure in 2022 was Rs. 166.02 million. Thus the overall expenditure has seen a decrease of 3% in the year 2022 as against the year 2021. The net post tax profit in year 2022 is Rs 48.05 million and in comparison to the year 2021, this denotes a decrease of 63%. Further, the CMA was able to pay revenue taxes amounting to Rs. 50.00 million to the Treasury in addition to income tax.

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

Pretax profit

MILLIOON

131.25

Taxes paid to the government

MILLIOON

83.2

Post-tax profit

MILLIOON

48.05

Compared to financial year 2021

Revenue	Expenditure	Net Profit
▼ 21%	▼ 3%	▼ 63%

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

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

Employees

With the employee welfare in mind, a pack of essential food items was provided to each employee during the New Year festive season and an interest free loan was granted to mark the literary month for the purchase of school equipment and books for children of employees through the Welfare Society of the Authority.

Taking cognizance of the financial progress made by the Authority during the preceding financial year, necessary measures were taken to grant the highest ever bonus in the history of the Authority to employees. The health insurance scheme was administered in the year 2022 as well ensuring a healthy workforce.

Customers

It was difficult for residents of condominium properties, the management corporations and property developers to maintain direct contacts with the staff for obtaining services. However, maximum possible service was offered to our clients. During this period, priority was accorded to solving complaints and problems regarding condominium properties referred to the Customer Care Division and the Legal Division and offering consultancy services to management corporations. For this purpose, hotline 01-244575 was immensely helpful.

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

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

Societal

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

Thus their contribution can be enlisted more extensively to the sector. Further, smooth operation of management corporations will foster goodwill among residents. The reasons cited above will also facilitate the formation of welfare societies, death donation societies, etc in housing schemes. The resultant amicability and unity will lead to conducive and convenient condominium environment.

Government

The Authority was able to contribute to revive local economy by paying Rs. 50 million as income tax in addition to the payment of all taxes payable to the government for the last financial year to the Inland Revenue Department. For the maintenance, administration and management of state sector housing schemes, the management corporation structure was introduced and they are in operation in all multi-storey housing schemes. Previously, the treasury allocated provisions for the maintenance of those housing schemes. Since they are now maintained by management corporations themselves, there is no need for the allocation of government funds. This too has contributed indirectly to the local economy and the provisions thus saved can be channeled for other development initiatives of the country.

Organizational Structure of the Institution

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

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

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

Administrative Division
All activities pertaining to the administration of the staff of the Authority are handled by this Division

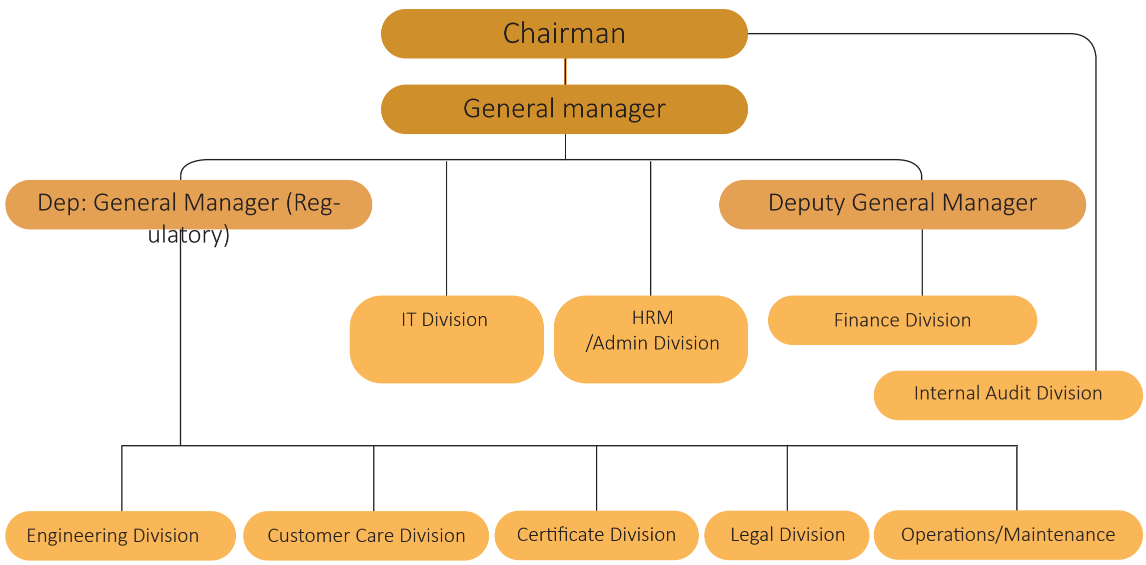
Legal Division
This Division is responsible for resolving disputes relating to condominium properties, introducing amendments to legislations to bring them in line with timely requirements and making arrangements for publishing orders and regulations in the gazette.

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

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

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

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



Approval for condominium projects and issuance of certificates

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

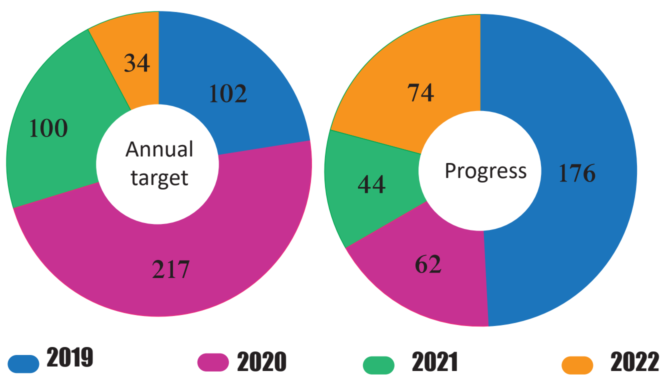
Having inspected whether the common elements and common amenities in condominium properties constructed by the state sector and the private sector have been provided duly and adequately, a condominium certificate is issued by the CEA, the regulatory authority established under the Common Amenities Board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

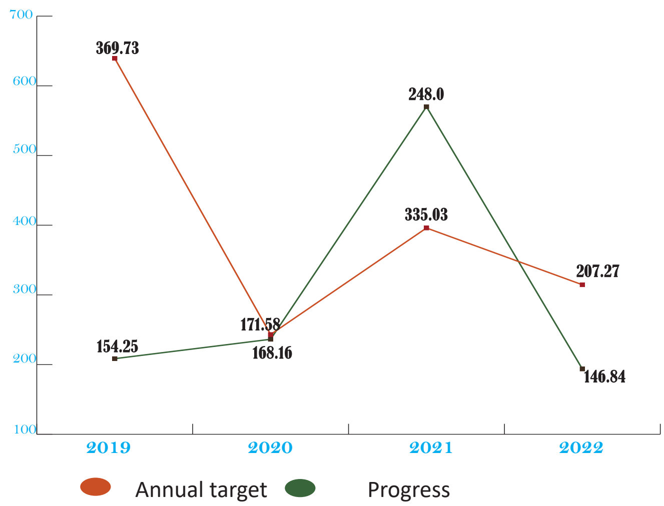
The income from the issuance of certificates is the main source of income of the Authority. From 2005 up to 31.12.2022, the Authority had issued 1,419 certificates. In the year 2022, thirty four certificates were targeted and the progress as at the end of the year was 74.

Physical and financial targets of condominium certificates issued by the Authority during the period from 2019-2021

		Annual targets	Progress
2019	Financial (Rs Mn)	369.73	154.25
	Physical	102	176
2020	Financial (Rs Mn)	171.58	168.16
	Physical	217	62
2021	Financial (Rs Mn)	248.0	335.03
	Physical	100	44
2022	Financial (Rs Mn)	207.27	146.84
	Physical	34	74

Physical targets and progress of the issuance of condominium





2005-2022
Certificates Issued
1 4 1 9

Of the applications forwarded in the year 2022 seeking to obtain condominium certificates, certificates were not issued in respect of 17 of them owing to the non –issue of certificate of compliance, and other shortcomings.

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

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

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

Condominium Certificates issued by the CEA In the Year 2022

PPC - 106

Preliminary Planning Clearance

Preliminary Planning Clearance (PPC)

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

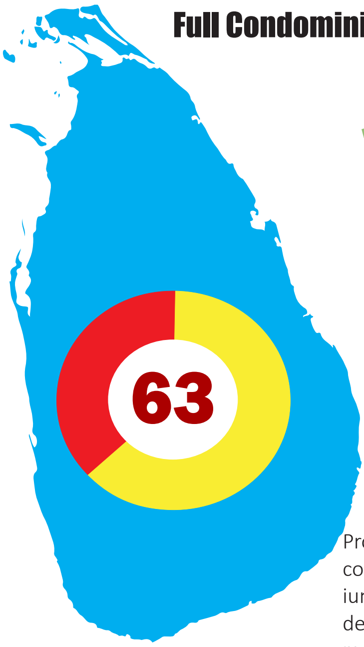
Accordingly, in the year 2022, PPCs were issued in respect of 106 proposed condominium certificates. These clearance instructions serve as guidance to property developers during the construction phase.

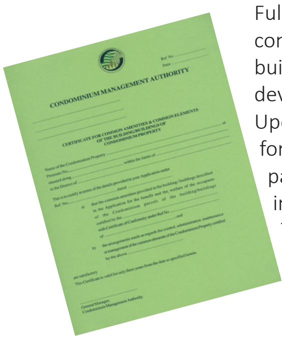
Condominium Certificates

Total number of condominium certificates issued in the year 2022 - 74

Number of full/provisional/semi condominium

Full Condominium Certificate

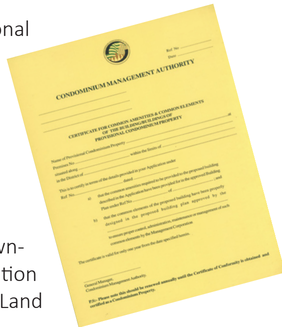


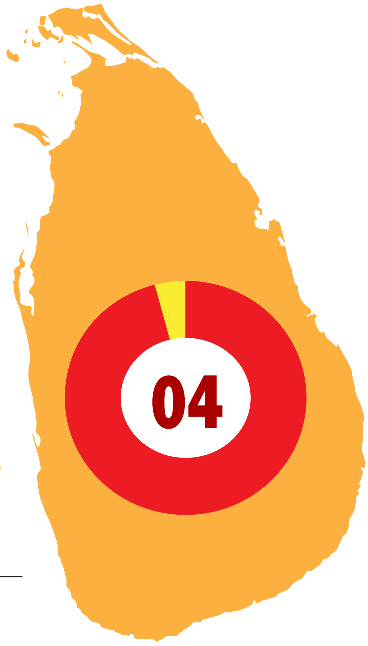


Full condominium certificate should be obtained after the completion of construction of a condominium property. If this certificate is to be obtained, the building should be in compliance with the approved building plan and should be devoid of any unauthorized structures.
Upon the due submission of all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

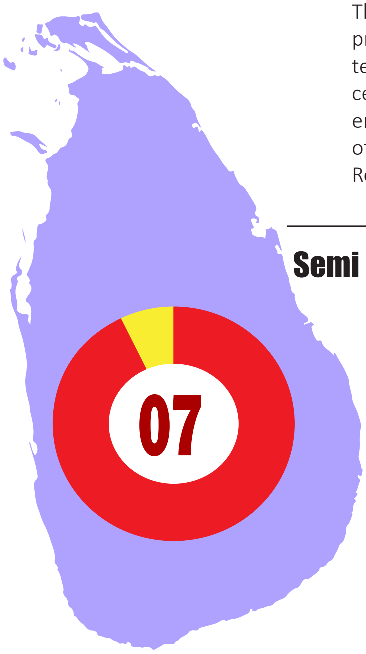
Provisional Condominium Certificate

Property developers can make an application at the time of commencement of construction for the provisional condominium certificate. Upon obtaining the provisional certificate, the developer can obtain a bank loan and loan facilities can also be made available to prospective buyers to purchase housing units in the property.
When issuing this certificate, a provisional condominium plan is approved by the CMA which is a legally binding document carrying the signature of the General Manager of the Authority. The sales agreement prepared for the prospective buyers can be drafted in terms of this provisional condominium certificate. Similarly, the Apartment Ownership Act has provided for the registration of the certificate of title thereof in the Land Registry.





Semi Condominium Certificate



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

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

Establishing Management Corporation, Structure, Responsibilities & Powers

Establishing Management Corporation

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

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

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

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

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

The Structure of Management Corporation & Appointment of Council

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

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

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

Duties of the Management Corporation

The primary duty of the Management Corporation is to manage and properly maintain the common elements and keep them in a state of good and serviceable repair for the wellbeing of all unit owners.
As set forth in Schedule two of the Apartment Ownership (Amendment) Act No. 11 of 1973, the duties of owners and the management corporation are as follows.
The Corporation shall –

- maintain in a state of good and serviceable repair the fixtures and fittings (including lifts) existing in on the condominium property and used or capable of being used in connection with the enjoyment of more than one unit or the common elements,
- where practicable, establish and maintain suitable lawns and gardens on the common elements,
- maintain, repair and where necessary renew sewers, pipes, wires, capable of being used in connection with the enjoyment of more than one unit or the common elements,
- on the request of the owner or a registered mortgagee of the unit, the corporation shall produce to the owner or mortgagee, as the case may be, (or toa person authorized in writing by the owner or the mortgagee) all policies of insurance effected by the Corporation together with the receipts for the last premiums paid in respect of the policies.
- insure and keep insured the subdivided buildings to the replacement value thereof against fire and such risks,

- forthwith apply insurance moneys received by it in respect of damage to the subdivided building in rebuilding and reinstating it so far as it may be lawful to do so.
- comply with any notice or order made by any government, public or statutory authority requiring the abatement of any nuisance on the common elements or ordering repairs or other work to be done in respect of the common elements of any building or other improvement on the condominium property.
- comply with any notice or order made by any government, public authority requiring the removal of any unauthorized constructions effected t any condominium property or semi condominium property in contravention of the approved building plan, and to request and to assist the Condominium Management Authority or the Urban Development Authority or the local authority for such removal.
- contract with the National Water Supply and Drainage Board, the Ceylon Electricity Board, any local authority, any other authority or any other licensee for the supply of water, electricity and other utilities for all condominium parcels of the building and to provide such services to all owners of the condominium parcels, on recovery of service charges, and monthly charges for such consumptions,
- levy a monthly contribution on the owners of all the condominium parcels in proportion to the share parcels of their respective condominium parcels and to recover such contribution from the owners of all the condominium parcels.

Powers of the Management Corporation

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

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

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

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

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

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

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

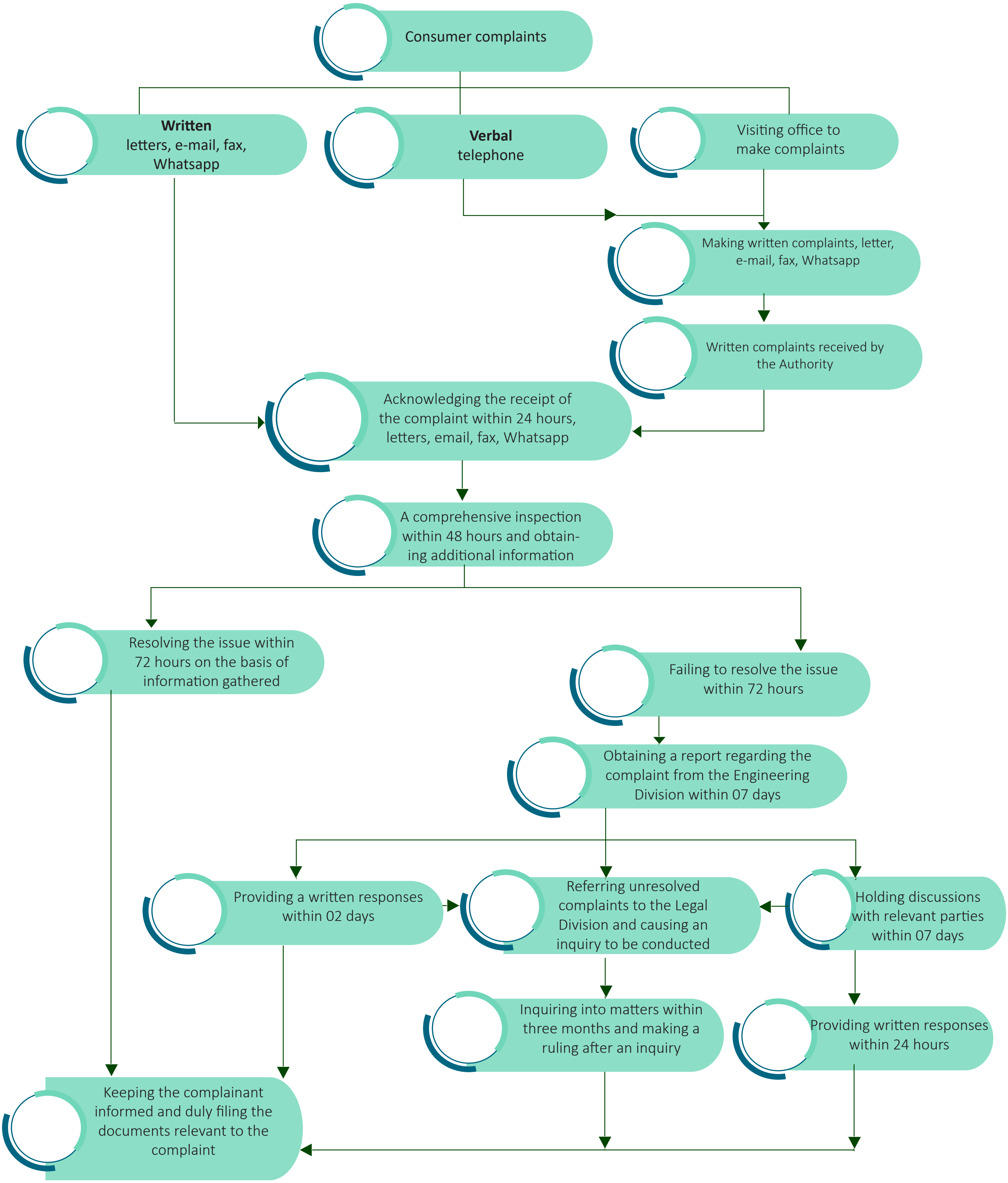
Thus, a host of powers have been conferred on the Management Corporation by the above Act.

Duties of Unit Owners

An owner shall not-

1. use his unit for any purpose (illegal or otherwise)) which may be injurious to the reputation of the building;
2. use as fuel any substance or material which may give rise to smoke or fumes or obnoxious smells;
3. throw or allow to fall any refuse ir rubbish of any description on the common elements or any part thereof except in refuse bins maintained by the owner or in refuse chutes provided in the building;
4. keep any animal on his unit or the common elements which may casue annoyance to any other owner.
5. use his parcel or permit it to be used in such a manner or for such a purpose as cause nuisance or danger to any other owner or the family of such owner.
6. The unit owners shall extend full and active cooperation to the Management Corporation for the administration and management of common elements of the condominium property.
7. A unit owner parcel shall permit the Corporation and its agents, except in an emergency where it is not required to give notice to enter his unit upon reasonable notice being given for the purpose of-
   - inspecting the unit;
   - Maintaining and repairing or renewing sewers, pipes, wires, cables and ducts used or capable of being used in connection with the enjoyment of any other unit or the common elements;
   - maintaining, repairing or renewing the common elements; or
   - executing any work or doing any act reasonably necessary for or in connection with the performance of its duties or the enforcement of the by-laws referred to in the Second Schedule or other by-laws affecting the building;
8. An owner shall carry out all work ordered by any government, public or statutory authority in respect of his unit other than such for the benefit of the building generally and pay all assessment charges and outgoings which are payable in respect of his unit;
9. repair and maintain his unit and keep it in a state of good repair, reasonable wear and tear and damage by fire, storm, tempest or act of God excepted;
10. use and enjoy the common elements in such a manner as not to interfere unreasonably with the use and enjoyment thereof by other owners r their families or visitors.
11. not use his unit for any purpose contrary to the terms of user of the unit shown in the plan approved by the authority for the time being responsible for approving such plan, and;
12. notify the corporation forthwith of any change in the ownership of his unit or of any other dealing with his unit of which he is aware.

Condominium complaint resolution mechanism of the Customer Care Division



Empowerment of Management Corporations

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

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

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

Accordingly, solutions were offered to 1,624 out of 1,757 complaints received by the Authority during the year 2022.

The number of Management Corporations which stood at 1140 as of 31.12.2021 has been changed as 978 as of 31.12.2022. This was done in terms of the instructions in board paper 112/2021.

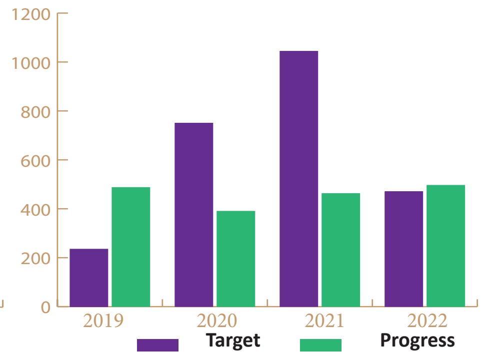
Progress in establishing Management Corporations by the Authority from 2019 up to 2021

Registration of management corporations and committees/ renewal of registration /reactivating dormant management corporations

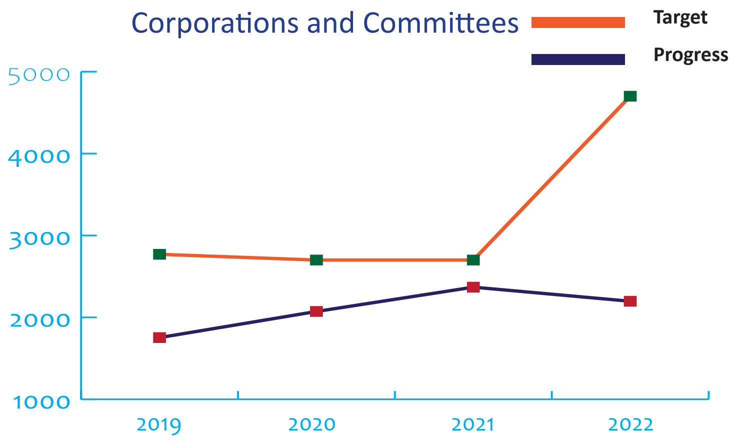
Year	Registrations		Renewal of registrations / reactivating dormant management corporations		Financial (Rs'000)	
	Targets	Progress	Targets	Progress	Targets	Progress
2019	45	59	235	487	2,770	1,753
2020	80	60	750	390	2,700	2,072
2021	50	47	1044	462	2,700	2,369
2022	50	40	470	496	4,700	2,196

Registration of Management Corporations

Renewal of registrations / reactivating dormant management corporations



Revenue from the registration of Management Corporations and Committees



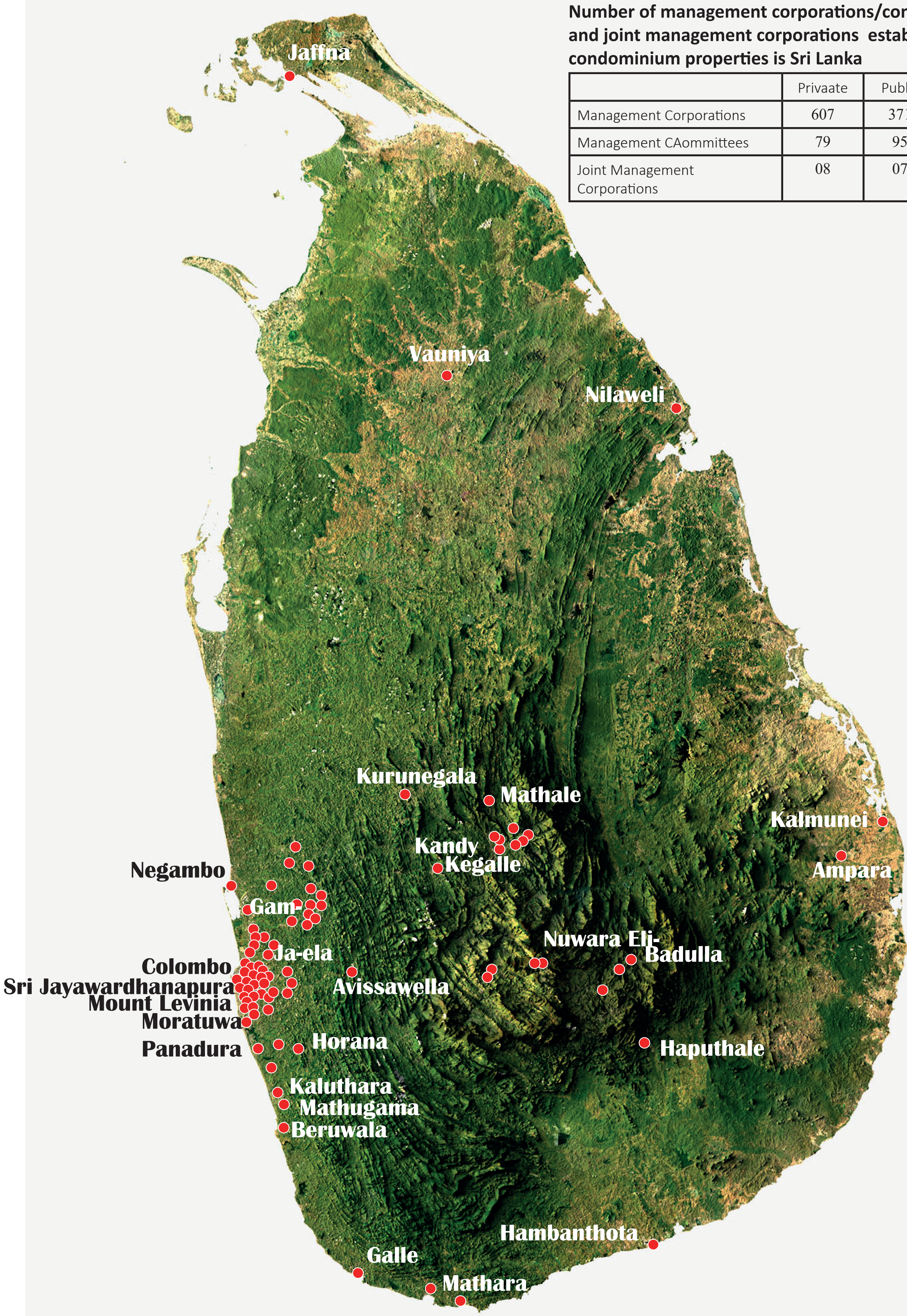
Difficulties encountered in establishing management corporations

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

Distribution of public and private condominium properties across Sri Lanka from 2005 to 2022

2005-2022
Number of management corporations/committees and joint management corporations established in condominium properties is Sri Lanka

	Privaate	Public	Total
Management Corporations	607	371	978
Management CAommittees	79	95	174
Joint Management Corporations	08	07	15



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

Role of the Legal Division

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

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

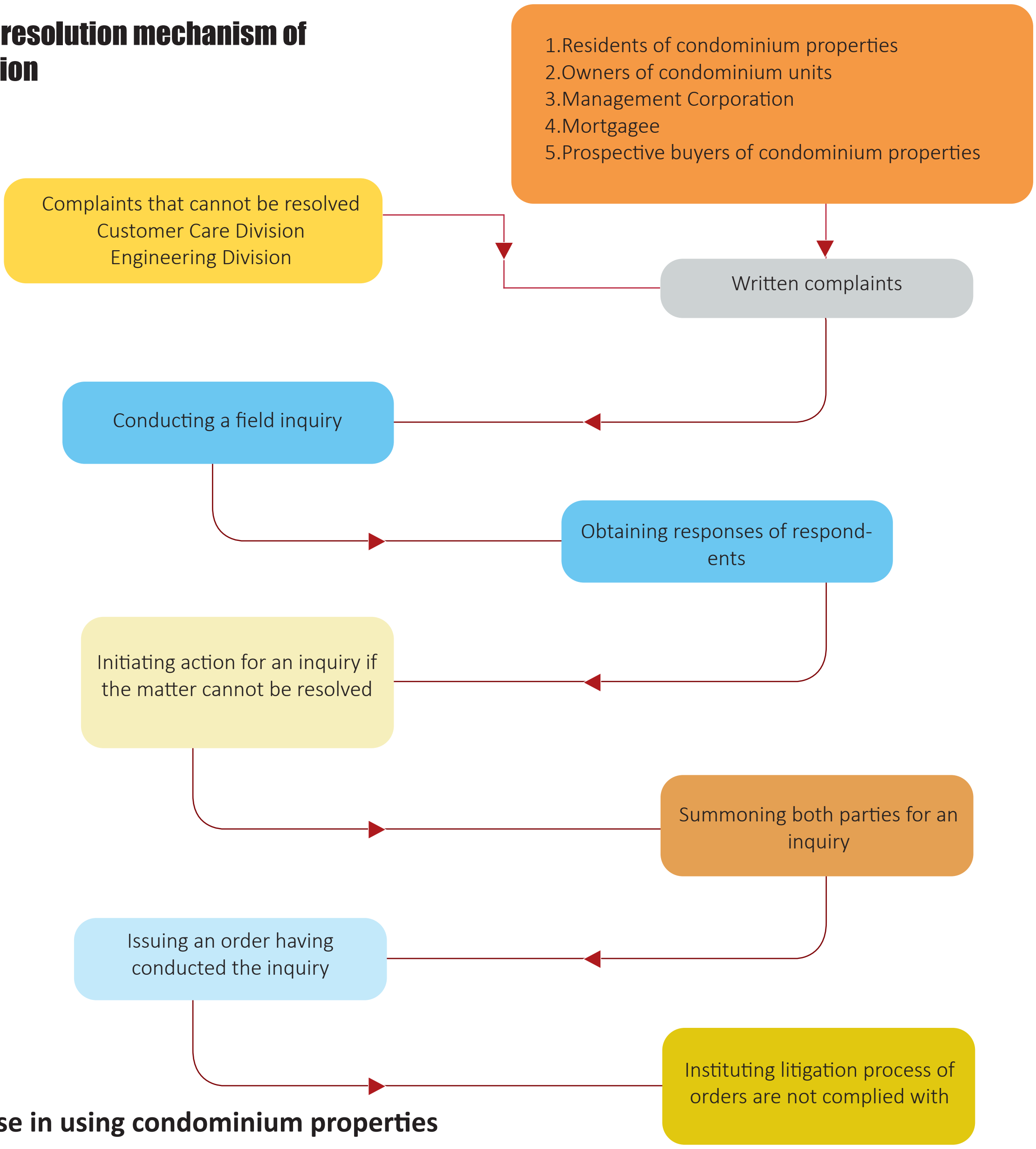
Another duty entrusted to the Legal Division is to identify the amendments required to be made to the Condominium Management Authority Act and the Apartment Ownership Act in order to make them compatible with emerging trends and take measures to amend the Acts.

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

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

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

Complaint resolution mechanism of Legal Division



Problems that arise in using condominium properties

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

- Not granting deeds to the residents since the Condominium Plan cannot be registered despite the lapse of over 10 months since the construction and sale through a sales agreement.

- Developer not repairing defects in the condominium property.

- Common elements and common amenities not constructed as per the approved building plan.

Residents not paying the monthly maintenance fee to the Management Corporation.

- Erecting unauthorized structures and problems arising in using car parks and the public areas.

- Rearing pets in condominium units.

The CMA has been involved in dispute resolution since the year 2011 and in the year 2022 action was taken to resolve approximately 40 complaints out of 76 complaints that have been carried forward from previous years.

Year	Disputes carried forward from previous year	Disputes received during the year	Disputes resolved during the year	Disputes carried forward
2020	66	48	32	71
2021	71	26	20	76
2022	76	50	40	87

Institutional mechanism for responding optimally to public grievances

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

- Summoning for an inquiry within 02 weeks of receiving observations
- If settlement can be reached, reporting it on the first day itself and concluding the inquiry.
- If settlement cannot be reached, referring to an investigation/ summoning.
- Recording verbal or written evidence

Accordingly,

- Making an order.
- Initiating litigation process where orders are not complied with.

Sustainable Development Goals

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

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

The 17 Sustainable Development Goals are defined in a list of 169 SDD targets. Progress towards these targets is agreed to be tracked by 232 unique indicators for the promotion of economic, social and environmental standards of a country through strategic plans. Accordingly, Sri Lanka too has set forth guidelines for achieving SDGs by the Sri Lanka Sustainable Development Act No. 19 Of 2017.

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

Sustainable development strategies

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

7

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

Generating electricity using solar power.

Recycling waste water, sewage systems

Rainwater recycling process

Establishing solid waste management systems

11

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

15

Designing the construction of a condominium property

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

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

Post	Approved cadre	Actual cadre	Vacancies
General Manager –Secretary to the Board	01	-	01
Deputy General Manager (Regulatory)	01	01	-
Deputy General Manager Finance)	01	-	01
Assistant General Manager (Legal)	02	01	01
Assistant General Manager (Regulatory)	01	01	-
Assistant General Manager (Operations/ Maintenance)	04	02	02
Assistant General Manager (HRM)	01	-	01
Assistant General Manager (Architectural)	01	-	01
Assistant General Manager (Customer Care)	01	-	01
Assistant General Manager (Finance)	01	01	-
Internal Auditor	01	-	01
Customer Care Officer	02	02	-
Senior Engineering Assistant	05	03	02
Management Information Systems Officer	01	01	-
Secretary	02	01	01
Administrative Officer	01	-	01
Accounting Officer	01	01	-
Internal Audit Officer	01	-	01
Management Assistant –Technical (Engineering Assistant/ Draughtsman)	14	10	04
Management Assistant –Technical (Book Keeper)	01	01	-
Management Assistant – Non Technical	39	32	07
Site Oversear	05	05	-
Primary –Technical (Driver)	14	13	01
Carpenter	02	02	-
Mason	02	02	-
Pump Operator /Caretaker	08	04	04
Plumber	01	01	-
Primary –Semi Technical (Electrician)	02	02	-
Book Binder	01	-	01
Primary –Non Technical (KKS/Unskilled Labourer)	21	19	02
Total	138	105	33

Retirements as at 31.12.2022

Post		No. retired	Vacancies as at 01.01.2023
Secretary	-	01	02
Driver	-	02	03
Mason	-	02	02
Labourer	-	01	03
Site Oversear	-	02	-

Cadre Restructure

Though the approved cadre of the Authority for year 2022 is 138, the number of staff members by December 2022 was 108. Measures are expected to be taken in 2023 to fill the existing vacancies as per the recruitment scheme.

Training of staff of the Authority

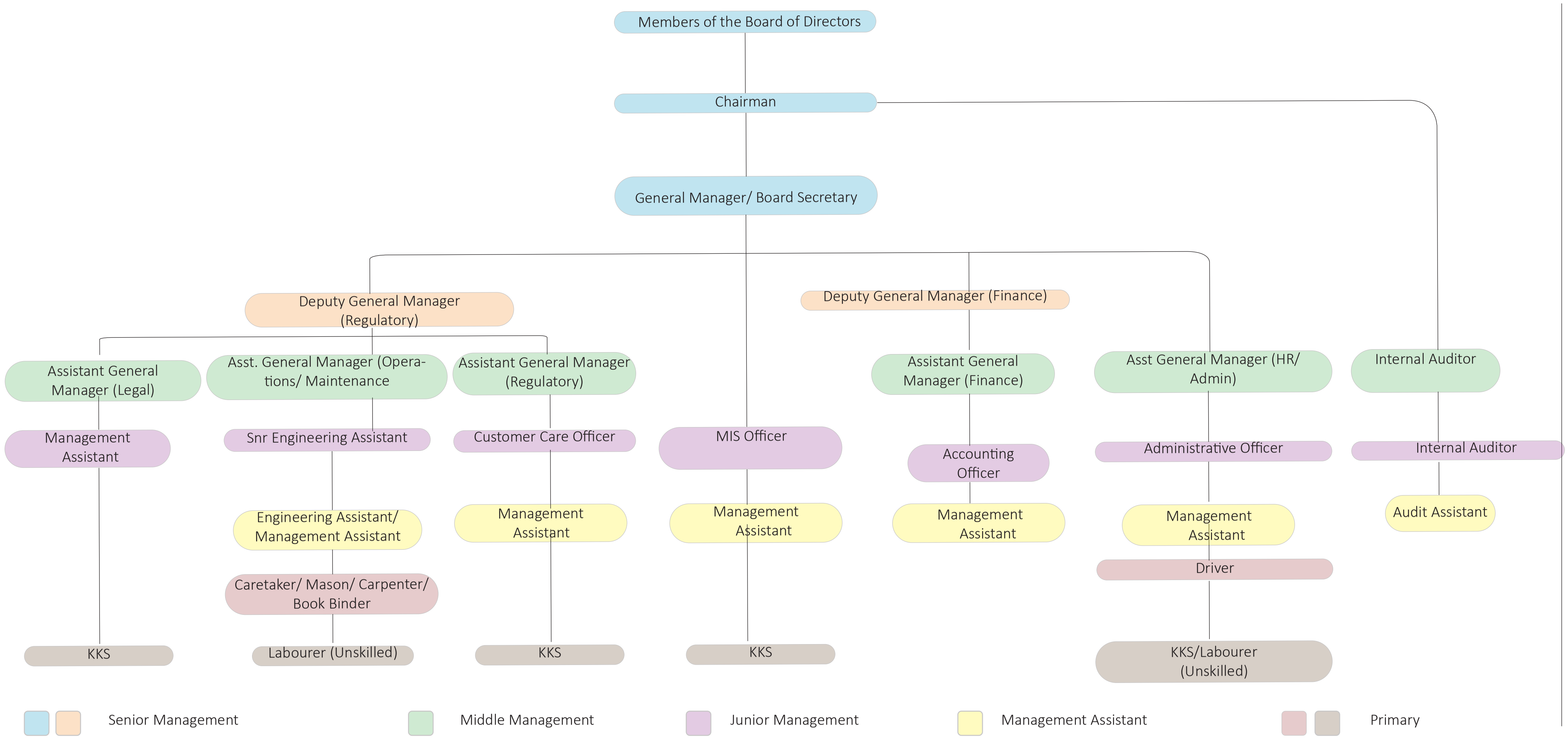
41 staff members participated for the staff training programmes planned as per the Action Plan 2022

Efficiency bar Examination

17 staff members sat the efficiency bar examination in the year 2022

Meetings of Board of Directors

Twelve (12) board meetings were held In the year 2022 and decisions were taken on a number of board papers important to the sector.



HM

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

MM

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

JM

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

MA

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

PL

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

Review Report of the Audit and Management Committee of the year 2022

The Audit and Management Committee of the year 2022 consisted of following officers.

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

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

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

Mrs. Roshani Dissanayake, Attorney at Law
Committee Member
Municipal Commissioner
Colombo Municipal Council
Colombo

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

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

Mrs. R.A.S,S Ranaweera
Committee Member
Municipal Commissioner (Acting)
Sri Jayawardanapura Municipal Council

Mrs. A.N. Amaratunga
Committee Observer
Department of Project Management and Monitoring Treasury Representative
From 20.12.2022

Mrs. Y. Sylvester
Committee Member
Deputy Municipal Commissioner
Colombo Municipal Council
From 25.10.2022

The following officers participated as officers of the CMA

Mr. Sarana Karunaratne Attorney at Law
Chairmans
Condominium Management Authority

Mr. B.A.S. Mallawaarachchi
General Manager
Condominium Management Authority
Up to 30.06.2022

Mr. K.H.A. Upali
Deputy General Manager (Finance)
Condominium Management Authority
Up to 30.10.2022

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

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

During the year 2022, the Condominium Management Authority conducted 04 meetings of the Audit and Management Committee and the following audit and management committee papers were discussed and submitted for the recommendation of the Board.

01. The Audit and Management Committee held on 04.03.2022 discussed the following reports. The required recommendations and observations were offered and shortcomings were brought to the attention.

1.1 Certifying the minutes of the AMC held on 17.12.2021
1.2 Final accounts report of the CMA for the year ended 31.12..2022. (Financial performance statement & financial position statement)
1.3 Review report of the ACMs held in the year 2020.
1.4 Bank reconciliation statement in respect of December 2021.
1.5 Human resources report as at 31.12.2021.
1.6 Debiting Rs. 1,720,041.40 and crediting Rs. 1,002,929.36 as previous year adjustments of the year 2021.

02. The Audit and Management Committee held on 21.06.2022 discussed the following reports. The required recommendations and observations were offered and shortcomings were brought to the attention.

2.1 Certifying the minutes of the AMC held on 04.03.2022.
2.2 Bank reconciliation statement in respect of April 2022.
2.3 Financial performance report from 01 January 2022 to 30 April 2022. (Income & Expenditure)
2.4 Submission of the proposed procurement plans and detailed procurement plan relevant to the year 2022 of the CMA.

03. The Audit and Management Committee held on 25.10.2022 discussed the following reports. The required recommendations and observations were offered and shortcomings were brought to the attention.

3.1 3.1 Certifying the minutes of the AMC held using zoom technology on 21.05.2022
3.2 Financial performance report from 01 January 2022 to 30 September 2022. (Income & Expenditure)
3.3 Bank reconciliation statement pertaining to September 2022.
3.4 Human resources report as at 30 September 2022.
3.5 Annual Report 2021 of CCMA
3.6 Letter dated 15.06.2022 forwarded to the Director, District General Hospital, Gampaha by the Deputy Director of Health Services of Western Province (Admin) titled Invoice for the month of April pertaining to the maintenance of the pump house of the Gambaha Base Hospital.
3.7 Disposal of scrap materials – Year 2022

04. The Audit and Management Committee held on 20.12.2022 discussed the following reports. The required recommendations and observations were offered and shortcomings were brought to the attention.

4.1 Certifying the minutes of the AMC held using zoom technology on 25.10.2022.
4.2 Financial performance from 01.01.2022 to 30.11.2022 (Income and Expenditure report)
4.3 Annual budget report of the CMA for the year 2023.
4.4 Delegating the authority of the CMA for the year 2023 in terms of Financial Regulation 135.
4.5 Making a contribution of Rs. 25 million to the consolidated fund of the government.
4.6 Action Plan of the year 2023 of the CMA.
4.7 Proposed procurement plan relevant to the year 2023 and the detailed procurement plan.

Strong Management Corporation
is the backbone of a convenient condominium living

Auditor General's Report

For the year ended 31 December 2022

Financial Statements

- Qualified Opinion
- Basis for Qualified Opinion
- Information contained in the Annual Report 2022 of the Authority
- Responsibility of the management and governing partners for Financial Statements
- Auditor's responsibility in connection with the Financial Statements

Report on other legal and regulatory requirements

Other matters

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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. HUD/CMA/01/2022/14

ඔබේ අංකය / உமது இல. / Your No.

දිනය / திகதி / Date 31.05.2023

Chairman
Condominium Management Authority

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the Condominium Management Authority for the year ended 31 December 2022 in terms of Section 12 of the National Audit Act No. 19 of 2018.

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

T.G.I. Padmini
Deputy Auditor General
For Auditor General

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව ,y. 306/72> nghy;J}t tPjp> gj;juKy;iy> ,yq;if No. 306/72, Polduwa Road, Battaramulla, Sri
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ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය எனது இல. My No.	HUD/CMA/01/2022/14	ඔබේ අංකය உமது இல. Your No.		දිනය திகதி Date	31.05.2023

Chairman
Condominium Management Authority

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the Condominium Management Authority for the year ended 31 December 2022 in terms of Section 12 of the National Audit Act No. 19 of 2018

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1. Financial Statements

1.1 Qualified Opinion

The audit of financial statements of the Condominium Management Authority for the year ended 31 December 2022 comprising the statement of Financial Position as at 31 December 2022 and the statement of financial performance, statement of changes in equity and statement of cash flows for the year then ended and the summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 12 of the National Audit Act No. 19 of 2018 and the provisions of the Finance Act No.38 of 1971. My report will be tabled in the Parliament in due course, in terms of sub section 154 (6) of the Constitution.
In my opinion, except for the effects of the matters described in the basis for qualified opinion of my report, the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for the Qualified Opinion

(a) Though the format given in Sri Lanka Public Sector Accounting Standard No. 1 should be followed In presenting financial statements by the public sector entities, the lining up of current assets and non-current assets and summarizing of net assets had not been carried out as per the said format and therefore it was observed that the Statement of Financial Position had not been prepared according to the said format.

(b) Though the accounting policies applicable to the depreciation of intangible assets should be disclosed in financial statements in terms of Sri Lanka Public Sector Accounting Standard No. 01, such disclosures had not been made in respect of intangible assets of the Authority amounting to Rs. 820,826.

(c) Though an entity shall correct material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by restating the comparative amounts for prior period(s) presented in which the error occurred, adjustments of Rs. 1,691,149 relevant to the previous year had been adjusted to the Statement of Changes in Equity.

(d) Though the residual value and the useful life of an asset shall be reviewed at least at each annual reporting date and, it expectations differ from previous statements, the change(s) shall be accounted for as a change in accounting estimate in accordance with SLPSAS 03, action had not been taken in conformity with the Standard as regards assets of the Authority totalling Rs. 6,052,525 stated under Note No.05 of the financial statement which had been fully depreciated but were still in use.

(e) Though, in accordance with paragraph 44 of SLPSAS 11, an inflow of resources from a non-exchange transaction recognized as an asset shall be recognized as revenue, fixed assets to the value of Rs. 1,888,677 received by the Authority from the Ministry in the years 2017 and 2021 had not been accounted accordingly and was shown as a non-current liability in the statement of financial position of the year under review and had not been stated as a prior year adjustment.

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

1.3 Other information contained in the Annual Report 2022 of the Authority

Other information comprises the information included in the Annual Report 2022 of the Authority but does not include the financial statements and my audit report thereon, which is expected to be made available to me after the date of this audit report. Those charged with management shall be responsible for other information.

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

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

When I read the Authority's 2022 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further materially uncorrected misstatements existed, those will be in my report to Parliament in pursuance of provisions in Article 154(6) of the Constitution that will be tabled in due course.

1.4 Responsibility of the management and governing partners for Financial Statements

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

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

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

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

1.5 Auditor's responsibilities in connection with the Financial Statements

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

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

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

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

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

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

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

2. 2. Report on other legal and regulatory requirements

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

2.1.1 In terms of the requirements of section 12 (a) of the National Audit Act No. 19 of 2018, I obtained all information and explanations required for the audit and as far as it appears from my inspection, the Authority had maintained proper financial reports.

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

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

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

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

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

	Reference to Laws, Rules, Regulations etc	Description
(a)	13.3 of paragraph II of the Establishments Code of the Democratic Socialist Republic of Sri Lanka	Though an acting basis appointment should only be made as a temporary remedy until a permanent appointment is made, 03 officers of the Authority had been working on acting basis for more than 02 years.
(b)	Section 6.2 of guidelines relating to public enterprises in Public Enterprises Circular No.1/2021 dated 16 November 2021.	Though surplus funds of a public corporation should be invested with the approval of the Minister of Finance, the Authority had not complied with rules and regulations in relation to 05 fixed deposits amounting to Rs. 544,601,929 invested by the Authority during the year under review.
(c)	Section 2 of Chapter 3 of the operational manual for state owned enterprises issued in terms of Public Enterprises Circular 1/2021 dated 16.11.2021.	Though there should be a methodology prepared for the appraisal of performance of employees in line with the strategic plan and action plan of the institution approved by the Director General of the Public Enterprises Department, the Authority had paid incentives amounting to Rs. 7,517,703 for the year under review without any method of appraisal.

(ඈ) Section 5(2) of the Apartment Ownership Act, No.11 of 1978	Final condominium certificates had not been issued to 70 condominium properties which had obtained semi or provisional condominium certificates from the years 2010 to 2022 as they had not obtained certificates of conformity from local government authorities. Amongst them were 54 properties which had not obtained the final condominium certificates within 03 years of obtaining semi or provisional condominium certificates. Though unit owners of the condominium property cannot reside in housing units without the certificate of conformity the Authority had not done any follow-up in that regard.

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

(a) 87 complaints received by the Authority from 2013 to 2022 in respect of condominium properties had not been resolved even by 31 December 2021. Amongst these complaints, there were 27 complaints about unauthorized structures and 22 complaints on water leakages and as a result of the lapse of 2-4 years since the receipt of 10 such complaints, it was observed there could have been a threat to life and property. Five years had lapsed since the receipt of 4 complaints, 3 years since the receipt of 39 complaints and 1 year since the receipt of 19 complaints.

Further, there were 15 complaints on the non-registration of condominium plan. In addition, even though orders had been issued in respect of 5 complaints on unauthorized structures regarding which the Authority had conducted inquiries, it was observed that such orders had not been enforced. In terms of section 9a(1) of the Condominium Act, the Authority should issue notices to the complainant and respondent upon the receipt of a complaint and a period of time ranging from 3 months to 3 years had been taken to issue notices regarding 9 complaints.

(b) The receivable balance as at 31 December of the year under review for the reimbursement of salaries and service charges of employees deployed for the maintenance of the pump house of the Gampaha and Negambo Hospitals which was not a function belonging to the scope of the Authority was Rs. 8,285,287. Out of which Rs. 5,940,770 was receivable from the Negambo Hospital and it was observed that the said amount had not been settled though more than 5 years had lapsed by the end of the year under review and that its maintenance had been suspended since the year 2018.

(c) Though, in terms of Section 5(e) of the Common Amenities Board (Amendment) Act, No. 24 of 2003, the Authority should manage and administer the activities of the management corporations established in condominium properties. However, though 978 Management Corporations had been established under the Authority as at 31 December 2022, 457 of them were not in active operation as at 31 December 2022 and therefore it was observed that the Authority had not properly observed the Management Corporation.

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

3. Other Matters

(a) Rs. 1.65 million had been spent to publish notices in newspapers on 12 December 2021 and 31 December 2021 for the recruitment of an officer for the post of General Manager of the Authority. Even though interviews had been held, the details thereof had not been submitted to the audit to ascertain its recommendations. No recruitment had been made as per the said interview and accordingly the expenditure for newspaper notices had been a futile expenditure. Acting appointments had been made to the said post from 01 January 2022 up to 30th June and again from 20 January 2023 and no action had been taken to make a permanent appointment to the post.

(b) The Authority had spent Rs. 373,060 for repairing the engine of vehicle with registration number KU -1233 which had met with an accident on 12 May 2021. Rs. 67,125 had been received as insurance indemnity and though the driver had been named as the guilty party in terms of FR 104(4), a full report had not been obtained as per the said regulation and though 22 months had lapsed since the accident, the loss caused the Authority had not been reimbursed.

(c) A vehicle belonging to the Authority had met with an accident on 19 December 2019 and a full report regarding the accident had not been submitted in terms of FR 104(1) and 104(4). The repairs required to be carried out due to the accident had not been carried out despite the lapse of 03 years and the insurer had only agreed to pay Rs. 500,000. The estimated cost of repairs was Rs. 2,559,571 and action had not been taken even by the end of the year under review to have the loss reimbursed.

(d) Though 1 month to 12 months had lapsed by the end of the year under review since the payment being made to obtain the final certificate, the certificates had not been given even by 31.12.2022.

(e) Though receivable debtor balance totaling Rs. 3,971,005 as at 31 December 2022 had been carried forward for more than 05 years, no action had been taken to have those balances settled.

(f) The operational income of the Authority in the year under review had decreased by Rs. 154,280,466 or by 81% compared to the previous year. The decline of certificate income by Rs. 138,089,972 and the decline in the income from the issuance of preliminary clearance certificate by Rs. 52,853,748 had directly impacted this situation. Provided however, the expenditure for issuing certificates had increased by Rs. 487,663 and arbitration fees had increased by Rs. 1,281,594.

(g) The maintenance fund of Edmonton Government Housing Complex of Rs. 6,800,000 had been deposited in a joint account in the year 2011 with the consent of both parties until the establishment of the management corporation lawfully subsequent to the registration of the condominium plan of the said housing complex. The Authority had agreed to withdraw from the joint account having transferred the total responsibility of financial administration to the management corporation after the establishment of the lawful management corporation. However, even though 11 years had lapsed by the end of the year under review, action had not been taken to establish the lawful management corporation.

(h) Even though five activities relevant to the amendment of the Condominium Management Authority Act had been included in the Annual Action Plan of 2022, the Act had not been amended even by the end of the year. Therefore, the provisions in the existing Act could not be applied for mixed condominium constructions carried out on the basis of global trends.

W.P.C. Wickremaratne
Auditor General

Strong Management Corporation is the backbone of a convenient condominium living

FINANCIAL REPORT

Financial Statement as at 31 December 2022

Statement on Financial Position as at 31 December 2022

		2022	2021	2022 Budgeted
		Rs.	Rs.	Rs.
Assets				
Non Current Assets				
Fixed assets				
Property, Plant and Equipment	Note 01	44,625.172	65,063,744	44,814,000
Intangible assets		820,826	570,528	1,067,000
Investments				
Investment of gratuity provisions		55,581,839	47,363,707	60,320,000
		101,027,838	112,997,979	106,201,000
Investments -Long term				
Shares of HDFC		3,000,000	3,000,000	3,000,000
		104,027,838	115,997,979	109,201,000
Current assets				
Stocks account	Note 02	1,603,828	1,366,943	1,610,000
Trade debtors, employee loans and receivable balance	Note 03	23,490,926	26,380,386	33,915,000
Other receivable balances	Note 04	30,952,511	6,401,126	32,000,000
Payments made in advance	Note 05	70,232	22,032	60,000
Short term investments	Note 06	489,020,089	509,045,084	490,000,000
Fixed Deposits (three months) Stocks account	Note 07	21,364,942	16,072,652	69,400,000
Cash and cash items	Note 08	50,139,292	16,878,545	2,400,000
		616,641,821	576,166,767	629,385,000
Total assets		**720,669,659**	**692,164,747**	**738,586,000**
Liabilities				
Current liabilities				
Creditors/advances	Note 09	25,123,239	22,043,956	17,250,000
Accrued expenses	Note 10	2,786,714	2,376,823	3,000,000
Payable	Note11	568,214	1,885,176	7,875,000
Provisions	Note 12	22,007,856	42,283,185	17,375,000
Total current liabilities		**50,486,025**	**68,589,141**	**45,500,000**
Non-Current Liabilities				
Treasury provisions –Inputs for the purchase of fixed assets		-	299,037	-
Gratuity provisions		41,477,191	40,137,891	35,680,000
Ministry grants		1,888,677	2,679,410	1,600,000
Total liabilities		**93,851,893**	**111,705,480**	**82,780,000**
Net assets/equity		**626,817,766**	**580,459,267**	**655,806,000**
Net assets represented by-				
Authorized capital		500,000	500,000	500,000
Government capital		500,000	500,000	500,000
Bonus shares		2,500,000	2,500,000	2,500,000
		3,000,000	3,000,000	3,000,000

	2022	2021	2022 Budgeted
	Rs.	Rs.	Rs.
Surplus brought forward from last year	505,459,103	375,742,495	505,459,000
Appraisal value of used goods	-	105,000	-
Less;			
Previous year adjustment	(1,691,149)	(717,112)	20,859,000
Add;			
Net surplus of current year	48,049,648	130,328,720	54,487,000
Accumulated fund	551,817,602	505,459,103	580,805,000
Revalued reserves	68,387,500	68,387,500	68,388,000
General reserves	1,350,000	1,350,000	1,350,000
Capital transfers	2,262,663	2,262,663	2,263,000
Total of net assets/ownerships	**626,817,766**	**580,459,267**	**655,806,000**

The financial statements of the Condominium Management Authority for the year ended 31.12.2022 were approved at the 164th Board Meeting dated 27.02.2023 and three members of the Board of Directors have place their signature below.

The accounting standard applied in the preparation of financial statements have bee attached from pages 03 to 06 and from pages 07 to 10. Further, the responsibility of preparing and presenting the above financial statements is borne by the Management Council of the Authority.

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

K. P. R. H. Silva
General Manager
Condominium Management Authority

A. N. Amarathunga
Director/ Chairman of Audit & Management Committee
Project Management & Monitoring Department
Ministry of Finance. Economic Stabilization& National Policies

Sarana Karunaratne, Attorney at Law
Chairman
Condominium Management Authority

Condominium Management Authority
Statement of Financial Performance
for the year ended 31 December 2022

	Note	2022	2021	2022 Budgeted
		Rs.	Rs.	Rs.
Income				
Operational income	Note 13	189,943,221	344,223,667	190,295,000
Other operational income	Note 14	2,633,999	2,575,373	2,672,000
Non-operational expenses	Note 15	104,704,855	29,651,316	104,350,000
Total operational income		**297,282,076**	**376,450,356**	**297,317,000**
Operational expenditure				
Salaries and emoluments	Note 16	108,854,714	110,829,925	102,830,000
Travel expenses	Note 17	540,051	846,697	550,000
Supplies and consumer commodities	Note 18	6,886,660	6,504,394	7,375,000
Maintenance expenditure	Note 19	5,547,563	8,920,997	5,520,000
Statutory expenses	Note 20	14,567,871	18,547,124	14,710,000
Direct expenses	Note 21	4,431,883	2,523,596	3,925,000
Depreciation of fixed assets	-	20,414,308	19,864,889	19,750,000
Amortization of intangible assets	-	246,365	380,352	250,000
Other operational expenditure	Note 22	2,684,890	418,663	3,535,000
Total operational expenditure		**164,174,307**	**168,836,639**	**158,445,000**
Operational Activities –Surplus/(Deficit)		133,107,769	207,613,717	138,872,000
Financial expenditure	Note 23	1,095,321	844,097	160,000
Non operational expenditure	Note 24	753,001	691,367	1,225,000
Total non operational expenditure		1,848,322	1,535,464	1,385,000
Surplus/ (Deficit) over operational activities		131,259,446	206,078,252	137,487,000
Surplus/(deficit) of the sales of scrap materials		-	183,450	-
Net surplus/(deficit) before tax deductions		131,259,446	206,261,702	137,487,000
Less				
Income tax provisions		33,209,797	50,932,983	33,000,000
Government taxes		50,000,000	25,000,000	50,000,000
Net surplus		**48,049,648**	**130,328,720**	**54,487,000**
Surplus./ (deficit) carried forward from last year		491,994,656	362,383,048	-
Cumulative surplus		**540,044,304**	**492,711,768**	**54,487,000**
Adjustments relevant to previous year				
Credit total		1,691,149	717,112	-
Debit total		-	-	-
		538,353,154	**491,994,656**	**-**

NOTES

Notes to accounts

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

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

01 Accounting Policies

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

02 Location of the Authority

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

03

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

Legal nature of the Authority

04

- Common Amenities Board (Amendment) Law No.10 of 1973
- Common Amenities Board Act No. 46 of 1982
- Common Amenities Board (Amendment) Act No 24 of 2003
- Apartment Ownership Act No.11 of 1973
- Apartment Ownership (Amendment) Act No. 45 of 1982
- Apartment Ownership (Special Provisions) No.04 1999
- Apartment Ownership (Amendment) Act 39 of 2003
- Apartment Ownership (Special Provisions) Act No. 23 of 2018

Legislation relevant for the operations of the Authority

05

In terms of Sri Lanka Public Sector Accounting Standard 02, the internal funds of the Authority have been used in purchasing property, plant and equipment. As several projects under the state Ministry of Urban Development, Coast Conservation, Garbage Disposal and Community Cleanliness were transferred to the Urban Development Authority furniture, work stations, laptop computers, steel cupboards, steel almirahs and other equipment were handed over to the CMA as a state grant. Measures have been taken to amortize such property, plant and equipment with a value of Rs. 2,939,171.75 in 05 years from the year 2021. Accordingly, the amortization value of the said plant, property and equipment in the year 2022 was Rs. 587,834.65.

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

Motor vehicles	-	25% on cost
Office furniture and equipment	-	20% on cost
Machinery and equipment	-	20% on cost
Tools and equipment	-	20% on cost
Buildings	-	04% on cost

The value of plant, property and equipment that have been fully depreciated as at 31.12.2022 but are still being used is Rs. 6,052,525.00. Though a request was made from the Government Valuation Department to revaluate the said property and plant, the Chief Value informed that only the lands and buildings were revalued.

Property, Plant and Equipment

06

Allocations have been made in the accounts for the gratuity allowance of all employees of the Authority on the basis of their period of service. The said value for the year ended 31 December 2022 is Rs. 41,477,191.00 and action has been taken to make necessary provisions in accounts for that purpose.

Similarly, the Authority has taken action by 31 December 2022 to invest a sum adequate to settle this gratuity liability as fixed deposits.

Gratuity

07

Inventories

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

08

Revenue

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

09 Allocations for bad and doubtful debt

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

Years 0 - 2	10%	207,182.73
Years 2 - 3	20%	-
Years 3 - 4	30%	6,723.46
Years 4 - 5	50%	732,294.00
Over 5 years	100%	8,707,526.18

Accordingly, a sum of Rs. 9,653,726.37 has been allocated in the accounts of the current year for bad and doubtful debt.

10 Contingent liabilities

As at the last day of the year under review, the authority had filed 19 cases against various parties in the Magistrate Court and 01 case in the District Court and number of cases filed against the Authority was 22. Though contingent liabilities should be disclosed in terms of paragraphs 105 and 108 of Sri Lanka Public Sector Accounting Standard 08, the Authority has no contingent liabilities as the cases filed by the Authority are relating to the non-enforcement of orders of the Authority in terms of Section 3 of the Apartment Ownership Act. Therefore, no allocations have been made in the accounts for that purpose.

11

EPF and ETF in arrears

Employees contribute 10% of their salary and the Authority as the employer contributes 12% for the Employees' Provident Fund and 3% to the Employees Trust Fund. In terms of the provisions of the Employees' Provident Fund Act, contributions are made to the EPF and ETF and there were no arrears to be paid as at 31.12.2022.

12

Reserves

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

Revaluation reserves	-	68,387,500
General reserves	-	1,350,000
Capital reserves	-	2,262,663
Total reserves	-	72,000,163

The above reserves represent the revaluation reserves to the value of Rs 68,387,500/- including Rs. 59,543,183/- credited to the revaluation reserves by revaluing motor vehicle assets class in terms of paragraph 65 of Sri Lanka Public Sector Accounting Standard 07, and reserves amounting to Rs. 72,000,163/- including a general reserve of Rs. 1,350,000/- and a capital transfer of Rs. 2,262,663/- carried forward to the accounts of this Authority from its predecessor, the Common Amenities Board.

13

In pursuance of approval referred to by Ministry of Public Administration, Housing and Construction dated 17.01.1984, 5000 shares of Rs 100 were obtained from the Housing Development Finance Corporation on 19.01.1984.

A bonus share issue of 25,000 shares in respect of the value of the said shares was issued on 29.06.2000. Accordingly, action has been taken to disclose in the accounts an investment of Rs. 3,000,000 for 30,000 shares of Rs. 100 each of the HDFC in possession of this Authority.

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

Bonus shares

14

Provisions have been allocated in accounts for the payment of Rs. 33,209,797.87 as income tax on the basis of the net surplus of Rs. 131,259,446.04 for the said year as at 31.12.2022. Further, Rs. 50.0 million was credited to the consolidated fund of the General Treasury as government revenue tax from the surplus of the Authority for the year 2022 in terms of the Finance Act, No. 38 of 1971.

Income Tax

15 Allocation for depreciation

Action has been taken for depreciation on the basis of percentages indicated in Note 06 under fixed assets. Accordingly, action was taken to adjust Rs. 20,414,308.81 to the profit of the current year as the value of annual depreciation. Action has also been taken to adjust in accounts a sum of Rs. 886,871.96 as the amortization for fixed assets purchased from treasury provisions granted for awareness programmes.

16 Cash and cash equivalents/ Short term investments

Cash and cash equivalents and short term investments consist of seven day deposits and short term investments. Cash and cash equivalents in the cash flow consist of the value of financial position of the following statement.

Cash and financial item	2021	2022
Cash in bank and hand	141,008	2,282,258
Short-term investments	12,253,783	47,857,033
	12,394,791	**50,139,291**

17

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

18

In terms of paragraph 54 of Sri Lanka Public Sector Accounting Standard 03, the amount that should be added to the cumulative profit as adjustments relevant to previous years is Rs. 35,559.95 and the amount to deducted from the cumulative profit is 2,049,709.46. The approval of the governing board has been received for the schedule with details of such adjustments values.

Adjustments relevant to previous

Notes to Financial Statements

01. Property, Plant and Equipment — Note 01

	Cost as at 2022.01.01	Acquisitions during the year	Corrections in the year 2022	Disposals not recorded in 2021	Cost as at 2022.12.31	2021
Kataragama circuit bungalow land	1,520,000	-	-	-	1,520,000	1,520,000
Kataragama circuit bungalow building	6,700,000	-	-	-	6,700,000	6,700,000
Office furniture and accessories	8,926,988.00	-	-	118,713	8,808,274	8,926,987
Motor vehicles	62,390,000	-	-	-	62,390,000	62,390,000
Machinery and equipment	20,906,754	212,685	-	329,300	20,790,140	20,906,754
Tools and equipment	4,585,910	224,109	-	229,453	5,580,565	4,585,910
	105,029,652	**436,794**	-	**677,467**	**104,788,980**	**105,029,652**

	Cumulative depreciation allocation as at 2022.01.01	Depreciation allocation for the year	Corrections in the year 2022	Depreciation allocation for disposals not recorded in 2021	Allocation for cumulative depreciation as at 2022.12.31	2021
Less depreciation provision						
Kataragama circuit bungalow building	3,819,000	268,000	-	67,000	4,020,000	3,819,000
Office furniture and accessories	5,842,550	1,170,173	69,661	113,710	6,968,674	8,842,550
Motor vehicles	15,597,500	15,597,500	-	-	31,195,000	15,597,500
Machinery and equipment	11,077,543	3,094,168	90,115	295,966	13,965,859	11,077,543
Tools and equipment	3,629,314	284,467	281,788	181,297	4,014,273	3,629,314
	39,965,907	**20,414,308**	**441,564**	**657,973**	**60,163,807**	**39,965,907**
Value written off as at 31.12.2022	**65,063,744**	-			**44,625,172**	**65,063,744**

Intangible assets	Cost as at 2022.01.01	Acquisitions during the year	Disposals in 2022	Cost as at 2022.12.31	2021
Intangible assets	950,880	496,663	-	1,447,543	950,880
	950,880	**496,663**	-	**1,447,543**	**950,880**

	Cumulative depreciation allocation as at 2022.01.01	Deprecia-tion alloca-tion for the year	Depreciation allocation for disposals in the year 2022	Cost as at 2022.12.31	2021
Depreciation allocation	380,382	246,365	-	626,717	380,352
	380,352	246,365	-	626,717	380,352
Written down value as on 2022.12.31	**570,528**	-	-	**820,826**	**570,528**

		2022	2021
02. Stocks Account			
Head office stocks		108,890	94,968
Office supplies stocks		1,494,937	1,271,974
		1,603,828	**1,366,942**
03. Trade debtors, employee loans and other receivable balances			
Various deposits receivable	Schedule 01	387,980	384,113
Creditors	Schedule 02	2,602,566	4,854,437
Staff loan and advances	Schedule 03	20,500,378	21,141,834
		23,490,925	**26,380,386**

Notes to Financial Statements

		2022	2021
04. Other receivables			
Fixed deposit interest		30,952,511	6,401,126
		30,952,511	**6,401,126**
05. Payments in advance			
Vehicle registration fees		70,232	22,032
		70,232	**22,032**
06. Fixed deposits			
People's bank		489,020,089	509,045,083
		489,020,089	**509,045,083**
07. Short term investments			
Investment from sinking fund of Edmonton government housing scheme		16,881,188	16,072,651
Seven day deposits		4,483,753	4,483,753
		21,364,942	**20,556,405**
08. Cash and financial items			
Cash in bank and in hand	Schedule 04	50,139,291	12,394,791
		50,139,291	**12,394,791**
09. Creditors and advances			
Miscellaneous creditors	Schedule 05	24,758,214	22,043,956
Income received in advance		365,025	-
		25,123,239	**22,043,956**
10. Accrued expenditure			
Salaries and other worksite allowances		88,180	4,200
Arbitration fees		229,800	201,500
Overtime		631,272	857,348
Holiday allowance		135,132	103,386
Vehicle repairs		38,255	375,860
Vehicle service charges		46,873	25,445
Telephone		216,145	97,891
Certificate expenditure		54,375	101,000
Legal fees		433,000	-
Value Added Tax		81,180	28,825
Electricity		73,544	71,780
Travelling		33,375	41,279
Water bills		47,342	3,409
Kataragama circuit bungalow expenditure		29,954	-
Fuel expenses		68,615	42,935
Newspaper advertisements		248,750	298,100

Notes to Financial Statements

		2022	2021
Newspapers		6,780	6,800
machinery repairs		3,829	-
Office maintenance		120,378	-
Banking charges		11,290	9,538
Incentives		-	57,620
Maintenance of machinery and equipment		-	49,903
Inspection fees		188,640	-
		2,786,714	**2,376,823**
11. Payable			
Accrued liabilities	Schedule 06	58,570	1,402,477
Payable for supplies		303,400	247,451
Cash withheld		-	32,870
Refundable tender fees		73,263	73,263
Employee safe deposits		132,980	129,113
		568,214	**1,885,176**
12. Provisions			
Provision for audit fees		1,743,072	2,295,216
Provision for employee compensation		54,986	54,986
Provision for income tax		20,209,797	39,932,982
		22,007,856	**42,283,185**
13. Operational income			
Income from issuing certificates for condominium property	Schedule 07	180,516,386	335,037,436
Income from repairs and maintenance	Schedule 08	8,845,033	8,293,696
Sundry operations income	Schedule 09	581,801	892,534
		189,943,221	**344,223,666**
14. Other operational income			
Registration fees	Schedule 10	2,561,749	2,476,622
Application fees		72,250	98,750
		2,633,999	**2,575,372**
15. Non-operational income			
Interest for employee loans		370,160	279,242
Interest for savings		6,017,267	1,413,186
Interest for fixed deposits		97,355,556	25,136,907
Adjustment of amortization of fixed assets		886,871	677,878
Receipt of insurance indemnity		-	2,144,102
Over allocation for doubtful debt		75,000	-
Dividends		**104,704,855**	**29,651,316**

Notes to Financial Statements'

	2022	2021
16. Employee emoluments and allowances		
Chairman's allowance	900,000	900,000
Salaries and wages	67,078,503	62,757,214
Employees' Trust Fund	7,251,048	7,628,008
Employees Trust Fund	1,812,762	1,907,002
Overtime and holiday payments	8,109,188	12,439,778
Bonus	-	37,684
Board allowances	774,000	864,000
Employee welfare	900,000	965,000
Employee training	1,549,794	571,051
Employee medical insurance	4,934,175	5,156,612
Employee uniforms	-	208,000
Expenditure on reimbursing employee housing loan interest	2,226,666	2,601,454
Gratuity	5,796,872	6,731,938
Incentives	7,517,703	8,062,180
Expenditure on employee heath and sanitation	4,000	-
	108,854,714	**110,829,925**
17. Travel expenses		
Transport expenses within the country	496,672	790,245
Site allowances	43,379	56,451
	540,051	**846,697**
18. Supplies and Consumer Commodities		
Printing and stationary	1,768,390	2,193,700
Tea expenses	409,969	623,066
Fuel for vehicles	3,053,720	2,999,271
Fuel allowances	1,190,590	542,357
Office supplies	463,990	145,998
	6,886,660	**6,504,394**
19. Maintenance		
Vehicle repairs and maintenance	2,163,576	3,851,337
Computers repairs and maintenance	-	304,156
Maintenance of Kataragama circuit bungalow	301,196	179,697
Maintenance of furniture accessories, machinery and equipment	463,982	452,099
Office building maintenance	981,969	2,759,324
Office maintenance	1,636,837	1,374,382
	5,547,563	**8,920,997**

Notes to Financial Statements

		2022	2021
20. Statutory expenses			
Electricity		1,020,969	882,274
Telephones		1,190,281	1,513,948
Insurance		567,405	1,222,666
Water bills		154,254	178,216
Vehicle permit charges		77,720	93,421
Postal and telegram charges		215,765	112,040
Lawyers' fees		1,325,608	2,413,234
Advertisement fees		1,377,988	3,391,064
Transit money insurance charges		32,133	29,753
Newspapers		85,190	72,700
Office lease rent		8,400,000	8,400,000
Semi Luxury Taxes		-	30,000
Translation fees		113,845	207,805
Social security contribution tax		6,710	-
		14,567,871	**18,547,124**
21. Direct expenses			
Expenditure for issuing certificates		1,094,658	606,995
Expenditure for repairs and maintenance	Schedule 11	672,664	725,621
Arbitration charges		2,426,969	1,145,375
Incentives for meetings		237,590	45,605
		4,431,883	**2,523,596**
22. Other operational expenditure			
Removal of unauthorized structures		61,475	-
Board of survey committee charges		56,493	48,000
Procurement expenditure		2,000	36,000
Awareness programmes		-	12,925
World Habitat Day		544,000	-
Management Information Systems Development Expenditure		225,192	-
Fees for redesigning website		-	50,000
Allocation for supplementing doubtful debt		1,795,729	233,899
Writing off stocks		-	37,838
		2,684,890	**418,663**
23. Financial expenditure			
Audit fees		993,456	749,033
Bank charges		101,865	94,804
Stamp fees		-	260
		1,095,321	**844,097**

Notes to Financial Statements

	2022	2021
24. Non-operational expenditure		
Entertainment allowance for the visitors of the Chairman	25,785	87,732
Sundry expenses	103,810	112,977
Disciplinary inquiry charges	623,406	490,658
	753,001	**691,367**
25. Surplus/(deficit) from the sale of fixed/ inventorized scrap materials		
Sale price	-	183,450
Cumulative depreciation	-	105,000
	-	78,450
Less		
Cost/ revaluation	-	(105,000)
Surplus/deficit of selling scrap materials	-	**183,450**

Schedules for Financial Statements

	2022	2021
01. Sundry deposits receivable		
Employee safe deposit investments	132,980	129,113
Fuel deposits	250,000	250,000
Deposit for the use of postal frank	5,000	5,000
	387,980	**384,113**
02. Debtors		
Parliament Secretariat-Madiwela	882,922	1,244,093
Gampaha Hospital –Pump house maintenance	2,344,517	1,842,209
Arbitration charges	2,668,308	2,671,161
Electricity bills of govt. employee housing scheme, Jalthara	419,775	419,775
Negambo hospital, pump house maintenance	5,940,769	5,940,769
	12,256,292	**12,118,009**
Less		
Allocation for bad and doubtful debt	**9,653,726**	**7,263,571**
	2,602,566	**4,854,437**
03. Staff loans and advances		
Distress loan	18,548,951	19,976,637
Special distress loan	525,000	696,250
Festival advance	485,000	40,000
Book purchasing advances	807,160	298,400
K.A. Pradeep Prasanna	-	28,748
Nishadi Anukshika	92,884	92,884
Chandana Samarasinghe	-	8,915
Employee insurance	41,257	-
Third party recoveries	125	-
	20,500,378	**21,141,835**
04. Cash in bank and in hand		
People's Bank-Account NoI - 204-1-001-0081817	845,184	(398,538)
Bank of Ceylon Account No- 0000351042	1,437,073	539,547
Financial market account- People’s Bank	47,857,033	12,253,782
	50,139,291	**12,394,791**
05. Sundry creditors		
Value Added Tax	479,657	2,263,844
Nation Building Tax	-	36,164
Sinking fund of the Edmonton government servant housing scheme	16,881,188	16,072,651
Swayan Saviya “Soyzapura Housing Scheme”	-	6,864
Sevana Fund	82,563	82,563
Employee Welfare Fund	15,000	15,000

Schedules for Financial Statements

	2022	2021
Unclaimed overtime	-	11,527
Unclaimed procurement committee allowances	-	4,000
Payable office rent	7,102,680	3,551,340
Social security contributory tax	109,614	-
Crystal property	78,440	-
N.V. Property Developers	9,070	-
	24,758,214	**22,043,956**

07. Accrued liabilities		
Payable EPF	-	1,158,637
Stamp duties	58,570	57,695
PAYE tax	-	157,996
Third party payments	-	28,149
	58,570	**1,402,477**

08. Issuing certificates for condominium property		
Certificates issued for property of which construction has been completed - Up to 5 units	1,851,778	1,758,667
Certificates issued for property of which construction has been completed - above 5 units	108,439,066	246,529,038
Certificates issued for provisional properties- up to 5 units	22,500	-
Certificates issued for partial constructions – up to 5 units	37,057,288	752,229
Certificates issued for partial constructions- above 05 units	33,141,753	85,995,500
25% Condominium certificates (preliminary clearance)	4,000	2,000
Fees for recommending the removal of condominium property	**180,516,386**	**335,037,436**

09. Repairs and maintenance income		
Maintenance income of MP's housing scheme, Madiwela	4,826,481	4,538,746
Maintenance income -Pump house, Gampaha Hospital	4,018,552	3,754,949
	8,845,033	**8,293,696**

10. Miscellaneous operational income		
Kataragama circuit bungalow income	286,682	155,790
Issuing tenders	8,500	-
Condominium publication income	131,000	-
Issuance of condominium details	11,239	-
Other income	144,379	736,744
	581,801	**892,534**

11. Registration fees		
Income from the registration of private management corporations	91,583	91,416
Income from the renewal of the registration of private MCs	2,039,916	2,201,706
Income from the registration of MCs of government housing schemes	23,750	48,750
Income from renewal of the registration of private management committees	37,000	26,000
Income from renewal of registration of management committees of housing schemes	1,000	750

Schedules for Financial Statements

	2022	2021
Suppliers' registration income	368,000	108,000
Income from renewal of registration of MCs of government H.S	500	-
	2,561,749	**2,476,622**
12. Repairs and maintenance income		
Maintenance expenditure of MP's housing scheme, Madiwela	637,870	510,183
Maintenance expenditure- pump house, Gampaha Hospital	22,454	70,997
Maligawatta zonal office	12,340	144,440
	672,664	**725,621**

Condominium Management Authority
Statement on changes in net assets/equity
Currency unit for the year ended 31.12.2022 Rs. 000

	Relevant to the owners of the governing entity						Minor sharehold-ers entitle-ment	Total net assets/ equity
	Partic-ipatory capital	Statutory provisions	Reval-uation reserves	General reserves	Accu-mulated loss/ profit	Total		
Balance carried forward as at 01 Jan.2021	3,000	2,263	8,949	1,350	375,742	391,304	-	391,304
Change in fixed assets/equity for year 2021	-	-	59,438	-	(717)	58,721	-	58,721
Revaluation amount of disposed items	-	-	-	-	105	105	-	105
Surplus/deficit for the period	-	-	-	-	130,329	130,329	-	130,329
Balance as at 31 December 2021	3,000	2,263	68,387	1,350	505,459	580,459	-	580,459
Balance carried forward as at 01 Jan. 2022	**3,000**	2,263	68,387	1,350	**505,459**	**580,459**	**-**	**580,459**
Change in net assets/equity for 2022	-		-	-	(1,691)	(1,691)	-	(1,691)
Surplus/(deficit) for the period	-	-	-	-	48,050	48,050	-	48,050
Balance as at 31 December 2022	**3,000**	**2,263**	**68,387**	**1,350**	**551,817**	**626,817**	**-**	**626,817**

Condominium Management Authority
Cash Flow Statement as at 31.12.2022

	2022	2021
Cash flow for operational activities		
Net loss/profit before income tax and specialized items	131,259,446.04	206,250,463.92
Non-financial changes		
Depreciation of fixed assets	(1,089,770.86)	(677,878.71)
Depreciation allocation of fixed assets	20,414,308.74	20,245,241.59
Intangible assets depreciation allocation	246,365.06	-
Correction of depreciation allocation 2021	441564.97	-
Depreciation allocation for unrecorded disposals in the year 2021	(657,973.81)	-
Over allocations for bad and doubtful debt	1,795,729.50	(2,144,102.14)
Under allocation for doubtful debt	1,795,729	-
Allocations for audit fees	993,456.00	749,033.00
Allocations for gratuity	5,796,872.50	6,731,938.00
Stock (increase)/decrease	(236,885.49)	135,507.61
Trade debtors, employee loans and receivable balances (increase)/decrease	1,093,730.76	(148,758.92)
Payments in advance (increase)/decrease	(48,200.00)	173,914.32
(Increase) /decrease in payable balances	(1,316,962.06)	(866,451.39)
(Increase) /decrease in accrued expenditure	409,891.34	239,757.92
(Increase)/ decrease in creditors	3,079,283.52	(611,628.92)
Investment income/ Nonoperational income	(103,742,983.67)	(26,829,336.09)
Payment of income tax	(52,932,982.80)	(22,571,005.00)
Payment of audit fees	(1,545,600.00)	-
Payment of government income tax	(50,000,000.00)	(25,000,000.00)
Net cash flow on operational activities	**46,040,710.26**	**155,676,695.19**
Cash flow from investment activities		
Release of investments	-	46,180,452.00
Investment purchases	(8,218,131.88)	(48,544,159.29)
Purchase of fixed assets	(436,794.50)	(2,220,954.80)
Correction of unrecorded disposals -2021	677,467.06	-
Intangible assets	(496,663.75)	-
Interest receipts	79,191,598.40	23,620,506.50
Net cash flow on investment activities	**70,717,475.33**	**19,035,844.41**
Cash flow on financial activities		
Payment of gratuity	(4,457,572.50)	(2,497,310.00)
Previous year adjustment	(1,691,149.44)	-
Net cash flow on financial activities	(6,148,721.94)	(2,497,310.00)
Net cash flow for cash and cash equivalents	18,528,043.13	172,215,229.60
Starting balance- cash and cash equivalents	541,996,280.86	269,781,051.26
Closing balance- cash and cash equivalents	**560,524,323.99**	**541,996,280.86**

Condominium Management Authority
Reconciliation of budgeted and actual values
for the year ended 31 December 2022

Actual value 2021		Actual value 2022	Budgeted figures: Original budget 2022	Budgeted figures: Amended budget 2022	Difference between amended budget and actual values
	Revenue				
344,223,667	Operational income	189,943,221	332,730,000	190,295,000	(351,779)
2,575,373	Other operational income	2,634,000	5,200,000	2,672,000	(38,000)
29,651,317	Non-operational income	104,704,856	18,250,000	104,350,000	354,856
376,450,357	Total operational income	**297,282,077**	**356,180,000**	**297,317,000**	**(34,923)**
	Operational Expenditure				
110,829,925	Employees' salaries and wages	108,854,715	114,658,000	102,830,000	(6,024,715)
846,697	Transport expenditure	540,051	3,330,000	550,000	9,949
6,504,395	Supplies and consumable items	6,886,661	8,800,000	7,375,000	488,339
8,920,997	Maintenance Expenditure	5,547,563	15,050,000	5,520,000	(27,563)
18,547,124	Statutory expenditure	14,567,871	19,100,000	14,710,000	142,129
2,523,596	Direct expenditure	4,431,883	3,940,000	3,925,000	(506,883)
20,245,242	Fixed assets depreciation	20,660,674	16,668,000	20,000,000	(660,674)
418,663	Other operational expenditure	2,684,890	35,700,000	3,535,000	850,110
168,836,639	Total operational expenditure	**164,174,308**	**217,246,000**	**158,445,000**	**(5,729,308)**
207,613,718	Operational activities -Surplus/(deficit)	133,107,769	138,934,000	138,872,000	5,764,231
844,097	Financial expenditure	1,095,321	3,110,000	160,000	(935,321)
691,368	Non-operational expenditure	753,002	3,530,000	1,225,000	471,998
1,535,465	Total non-operational expenditure	1,848,323	6,640,000	1,385,000	(468,323)
206,078,253	Surplus/(deficit) on operational activities	**131,259,446**	**132,294,000**	**137,487,000**	**6,227,554**
183,450	Surplus/(deficit) on sale of scrap materials	-	200,000	-	-
206,261,703	Net surplus/(deficit) before tax deduction	**131,259,446**	**132,494,000**	**137,487,000**	**6,227,554**

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Condominium Management Authority

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