

Sri Lanka Land Reclamation & Development Corporation

**Annual Report &
Accounts for the year
2013**

Ministry of Defence & Urban Development

VISION

To be the leader in creating and managing flood free eco friendly environment and pollution free water bodies.

MISSION

Providing engineering services in storm water drainage, wetland management and infrastructure development to upgrade the living standard of people through a highly competent and motivated workforce.

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CHAIRMAN'S MESSAGE

Sri Lanka Land Reclamation and Development Corporation, under the Ministry of Defence and Urban Development has contributed significantly in making the vision of His Excellency the President in making Sri Lanka, the “Wonder of Asia,” a reality. Deviating from the original objectives of the Corporation, SLLRDC has now embarked on creating an eco-friendly environment in the country by way of creating lakes, eco parks, Paddy fields, etc, thus giving a new look to the cities. These are being done while maintaining a flood free environment in the country.

SLLRDC achieved its targets during the year 2013 with immense support given by Mr. Gotabaya Rajapaksa, Secretary Ministry of Defence & Urban Development. His contribution was not only guiding the Corporation on the work carried out, but also by intervening, when the Corporation had to sort out problems from time to time related to obtaining funds manpower, etc.

The Corporation has been assisting the Government in handling construction of a large number of housing Units in Mayura place and Salamulla Urban regeneration projects which will be completed in 2014. It is for the first time that the Corporation has done Projects of this nature.

In April 2012 the Corporation Commenced construction work connected with World Bank funded MCUD Project, mainly to reduce the impact on flooding in Metro Colombo region. Under this Project, the Corporation gained a large fleet of Machinery & Equipment and the Technical Staff involved received a training abroad, to get the maximum output from these machinery. This project is managed by the project management unit of the Ministry of Defence and Urban Development.

Considering the importance of maintaining a natural eco-system, against the rapid urbanization of the city of Colombo and suburbs, the Corporation prepared a wetland Management plan for the wetlands within the Greater Colombo catchment area and creation of a Bio Diversity park at Thalawathugoda was commenced during 2013.

In 2013, the Corporation commenced construction work on phase I of the Weras Ganga Storm Water Drainage and Environment Improvement Project. Rehabilitation of a stretch of canal of approximately 3056 M in length in Nugegoda –Rattanapitiya area was completed in 2013. The total value of work done was Rs. 330 M.

The total turnover of the work carried out by the Corporation during 2013 was Rs. 1477 M. as against Rs.2173 M. during previous year. The profit has come down in 2013 mainly due to the fact that the Corporation could not do any sea sand sales as the chloride content of the Sea sand in the stock pile was high and not suitable for the construction industry. The gross profit of the corporation has thereby come down by 1% due to this reason, when compared with the previous year.

In conclusion, I should thank His Excellency the President, who is the Minister of our line Ministry, and the Secretary, Ministry of Defence and Urban Development, without whom the Corporation would not have carried out the work we had planned for the Year 2013, smoothly. I also appreciate the contribution of the Officials of the Ministry, Board of Management, the Management and the staff of the Corporation Sri Lanka Army, Sri Lanka Navy, Civil Defence Force, Contractors and Suppliers who provide their services on time, in meeting our targets.

Archt. Harshan de Silva

Chairman

Sri Lanka Land Reclamation & Development Corporation

GENERAL MANAGER'S MESSAGE

The progress achieved within the year 2013 was mainly due to the leadership and guidance of the Mr. Gotabhaya Rajapaksa, Secretary of the Ministry of Defence and Urban Development and the commitment and hard work of the management and the staffs of SLLRDC. Thus the Corporation became one of the successful and profitable organizations under the Ministry of Defence and Urban Development.

The total turnover during the year 2013 was Rs. 1477 mn compared with Rs.2173 mn in the previous year 2012. The net profit before tax in 2013 is Rs. 118 mn compared with the profit of Rs.32 mn in the year 2012. Gross Profit of the Corporation has slightly decreased to 21% against 22% of Year 2012, mainly due to the drop of sales of sea sand.

The newly pumped quantity of sea sand in end of the year 2012 and early 2013 was not appropriate for issue on Construction purposes since the time passed was not adequate enough for reducing of its chloride content to the allowable limits by heavy rain falls. Therefore, mostly the sea sand was sold for filling purposes only in year 2013.

However, at present the available stock of sea sand worth of Rs.1,975,225,408 can be used for construction purposes. This stock of sea sand is sufficient for future sales.

In the Colombo city beautification programme, Corporation was actively involved in many areas such as canal and canal road development. Construction of multi storied buildings at Salamulla and Mayura Place at Wellawatta for urban regeneration project for City of Colombo, are some of the important construction projects the Corporation initiated. In all key areas of operations the Corporation has improved its overall productivity, efficiency and profitability thus achieving the objectives of the Corporation in the year under review.

The Sri Lanka Land Reclamation & Development Corporation has been entrusted as one of the implementing agencies for Metro Colombo Urban Development Project, with the aim of assisting on-going urban regeneration programs of the Government of Sri Lanka by reducing the Physical and Socio Economic impact on flooding in Metro Colombo Region and improving priority local infrastructure and services. This project commenced in April 2012 and scheduled to be completed by June 2017. The project will be managed by the Project Management Unit of the Ministry of Defence and Urban Development while implementation responsibilities rest with three project implementation agencies including Sri Lanka Land Reclamation & Development Corporation.

Further the Sri Lanka Land Reclamation & Development Corporation has been entrusted as the implementation agency for Weras Ganga Storm Water Drainage & Environmental Improvement Project under the purview of Ministry of Defence & Urban Development. With the main objective of flood mitigation, the Corporation carried out Weras Ganga Storm Water Drainage & Environment Improvement Project and some of the activities are widening of existing canal network, bank protection, allocation of flood retention lakes, improvement of existing culverts, bridges and construction of new structures and beautification of surrounding areas.

Corporation has significantly contributed for economy of Sri Lanka as a strategic partner for the sustainable infrastructure development and eco-friendly environments using engineering excellence and resources in accordance within the ethical frame work of the Corporation.

Finally, I would like to take this opportunity to express my sincere gratitude to the Secretary and other officials of the Ministry of Defence and Urban Development, Chairman, Board members of SLLRDC, members of the senior management and the staff of Sri Lanka Land Reclamation & Development Corporation, the officials of the other organisations under the purview of the Ministry of Defence and Urban Development, Sri Lanka Army, Sri Lanka Navy, Civil Defence Force, our suppliers, contractors and all the other stake holders who helped us in numerous ways to make the year under review a success.

M A S M K Senadeera
General Manager
27.02.2014

CORPORATE INFORMATION

Board of Directors

Mr. L A P Harshan de Silva	Chairman Sri Lanka Land Reclamation & Development Corporation
Mr. Rohan Seneviratne	Director Additional Secretary Ministry of Defence and Urban Development
Mr. Nimal Perera	Chairman Urban Development Authority 'Sethsiripaya' Battaramulla
Eng. (Mrs) Badra Kamaladasa	Ex-officio Director General of Irrigation Department of Irrigation
Mr. Mahinda Saliya	Treasury Representative Addl. Director General (State Accounts) General Treasury.
Mr. Dhammika Attygalle	Director Group Director - Upali Group of Companies
Captain H S Balasuriya	Director Deputy Director Naval Civil Engineering (Special Projects) Sri Lanka Navy
Mr. Saman Galappatthi	Director Attorney-at-Law

Corporate Information (Contd.,)

Legal Status

Sri Lanka Land Reclamation and Development Corporation formerly known as the Colombo District (Low Lying Areas) Reclamation and Development Board, was incorporated by Act of Parliament No.15 of 1968. By amendment Act No.27 of 1976 the objects of the Corporation were widened. Amendment Act No.52 of 1982 changed the name of the Board to Sri Lanka Land Reclamation and Development Corporation and widened its area of authority to cover the entire country. The Act was further amended by Act No.35 of 2006 empowering the Corporation to take legal action against unauthorized filling and pollution of water bodies.

Head Office

No. 3, Sri Jayawardenapura Mawatha
Welikada
Rajagiriya.

Auditors

Auditor General
Auditor General's Department
306/72, Polduwa Road
Battaramulla.

Legal Advisor

Attorney General
Attorney General's Department
Hulftsdorp,
Colombo 12.

Bankers

Bank of Ceylon
People's Bank

SENIOR MANAGEMENT TEAM

Eng. Mrs. M. A. S. M. K. Senadeera	-	General Manager
Eng. Mr. K. Rajapaksha	-	Additional General Manager (Technical)
Brig. W S Ariyasinghe	-	Additional General Manager (Implementation)
Eng. Mr. W. R. C. Fernando	-	Deputy General Manager
Eng. Mr. G. S. M. Abeysekara	-	Deputy General Manager (Plant & Equipment)
Mr. T. B. Chandrasekara	-	Deputy General Manager (Human Resources Development)
Mrs. R. I. Silva	-	Deputy General Manager (Finance)
Mrs. P. Hemalatha	-	Deputy General Manager (Lands & Marketing)
Eng. Mr. C. B. Amarasinghe	-	Deputy General Manager (Research & Design)
Eng. Mr. S. P. Muthumala	-	Deputy General Manager (Drainage & Reclamation)
Eng. Mr. Y. P. C. de Silva	-	Deputy General Manager (Construction)
Eng. Mrs. A H Thushari	-	Deputy General Manager (Special Projects)
Eng. Dr. N S Wijeratne	-	Deputy General Manager (Wetland Management)
Mrs. G. T. D. J. Amarasinghe	-	Chief Legal Officer
Mr. J. A. P. K. Jayasinghe	-	Chief Internal Auditor
Eng. Mrs. L. C. G. Soysa	-	Asst. General Manager (Research & Design)
Eng. Miss. P. M. P. Wijayarathne	-	Asst. General Manager (Civil)
Eng. Mr. K. I. Kahawita	-	Asst. General Manager (Special Projects)
Eng. Mrs. S. N. Gamage	-	Asst. General Manager (Drainage & Reclamation)
Mr. S. D. Dharmarathne	-	Asst. General Manager (Supplies)
Mr. K. D. Andra	-	Asst. General Manager (Lands & Marketing)
Mrs. H. A. Lakmali Disna	-	Actg. Asst. General Manager (Finance)

OPERATIONAL REVIEW

Drainage and Reclamation Division

OWN PROJECTS

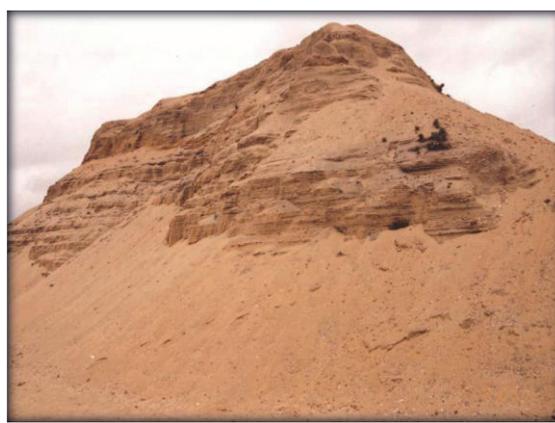
1. Off-shore Sand Pumping & Selling Project

The awakening in the construction industry in Sri Lanka resulting from the advent of the open economy, gave rise to vast development activities such as housing complexes, factories, free trade zones, highways etc. Since sand is a vital requirement for such development activities, the demand for river sand increased rapidly year by year.

Due to various environmental problems caused owing to the uncontrolled and ad-hoc sand mining from rivers mining has now been restricted to a large extent and legal enactments have also been formulated in this regard.

As a result of these restrictions, obtaining sand at the required quantities at required times, is a major problem for those engaged in the construction industry. As a solution to this problem our corporation has launched a project to release Off Shore Sand to the market.

A contract was awarded in February 2011 to Dredging International nv of Belgium, for mining and pumping of 3,000,000 m³ of off shore sea sand to Kerawalapitiya, Muthurajawela Stock Pile. Contract sum was USD 19,860,000 & currency & fuel escalation charges USD 1,411,456.80. Work commenced in April 2011 and completed by January 2012. Thereafter an additional 756,595 m³ of Off Shore sand was pumped in February 2013 to the same stock pile by the same contractor. The contract value of the additional quantity was USD 5197,539 (including claims) 14,472 cubes of sand has been supplied to the market upto 31st December 2013.

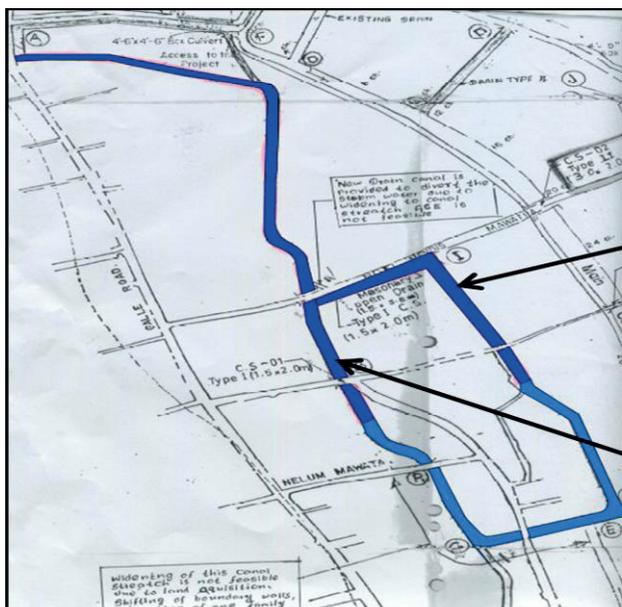


CLIENT PROJECTS

1. Drainage Improvement at Modarawila Integrated Urban Development Project at Panadura – Stage I

The above project was carried out for District Secretary, Kalutara at a total estimated cost of Rs. 17.40 million. The project scope of work comprising of Cleaning and Dredging of Main Canals, Construction of Rubble masonry drains, and Construction of Culvert, Crossing Structure & Gabion works commencing in July 2012 and was completed on 10.01.2013. The cumulative value of work done is Rs.16.75 million including the work done during the year amounting to Rs.2.18 million.

Cleaning and Dredging of Canal



Construction of Crossing Structures



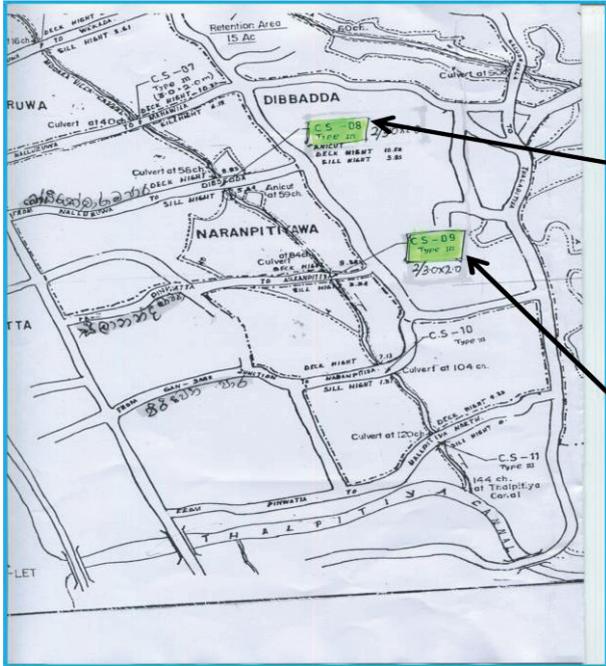
Crossing Structure – No. 02



Crossing Structure – No. 04



Construction of Crossing Structures



Crossing Structure – No. 08

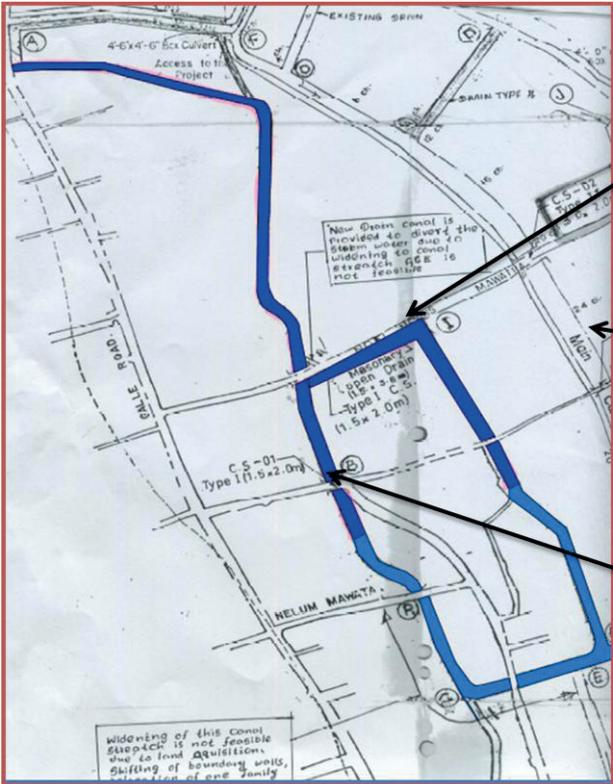


Crossing Structure – No. 09



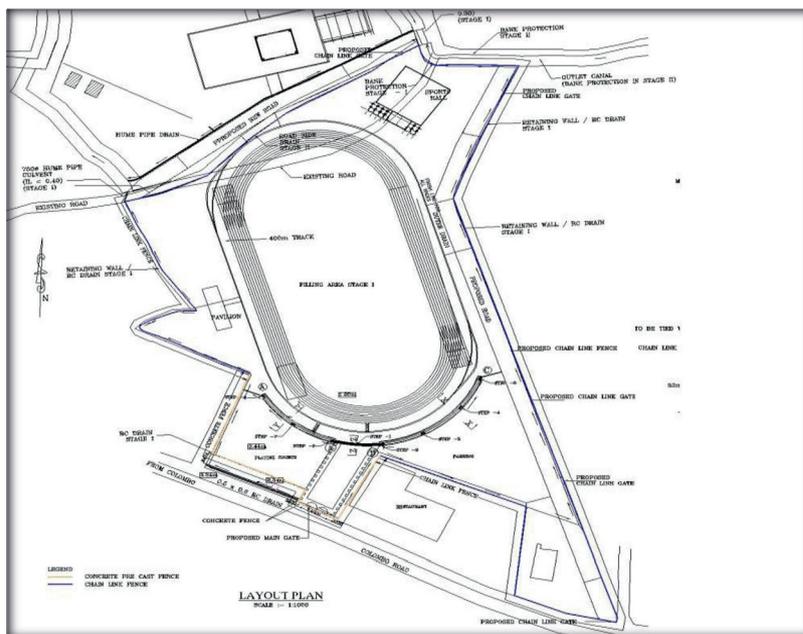
2. Drainage Improvement at Modarawila Integrated Urban Development Project at Panadura – Stage II

This project is carried out for District Secretary, Kalutara at a total estimated cost of Rs.44.14 million. The project scope of work comprising of Cleaning and Dredging of Main Canals, Construction of Rubble masonry drains, Culvert, Crossing Structure & Gabion works commenced in June 2013 and still work in progress. The cumulative value of work done up to December 2013 is Rs.25.29 million.



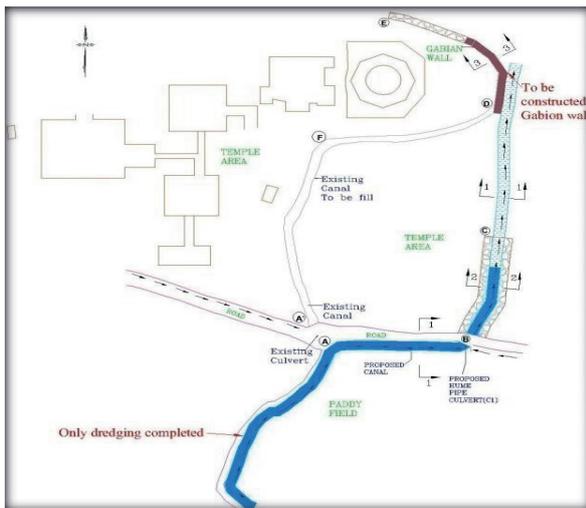
3. Proposed Sports Complex at Dadalla – Galle – Stage III

The above project was carried out for Urban Development Authority at a total estimated cost of Rs.24.45 million. The project scope of work comprising of Cutting and leveling of high ground, Construction of Hume Pipe Drain (450 mm dia.) and Construction of fencing, Gates, Tiers and Steps for main entrance in the ground area. The works commenced on 28.02.2013 and was completed on 30.11.2013. The cumulative value of work done up to December 2013 is Rs.23.93 million.



4. Construction Of Proposed Gabion Wall, Hume Pipe Culvert & Drainage System For Sri Pushparamaya Maha Viharaya at Deniyaya

This project was awarded by the Ministry of Defence and Urban Development at a total estimated cost of Rs. 12.87 million. The project scope of works is to improvement of Earthen Canal (A-B & C-D), Filling of existing Canal A-F-D (Length 105 m), Construction of Gabion wall and Hume Pipe and Culvert and Reinstatement of Road. The works commenced on 08.04.2013 and was completed on 31.12.2013. The cumulative value of work done up to December 2013 is Rs.11.99 million.



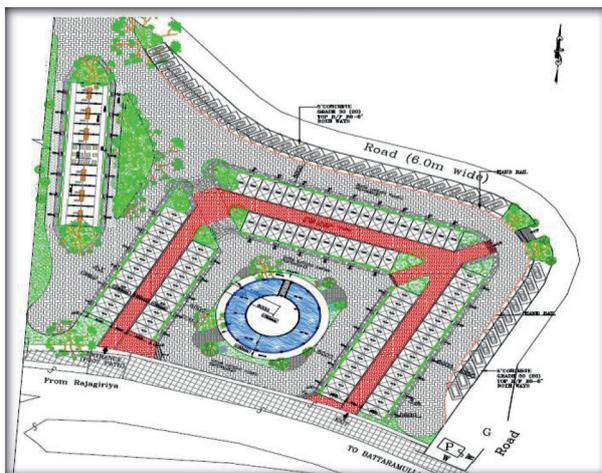
5. Rehabilitation of Hamilton Canal From Negombo Lagoon to Mahaoya End – Phase II, 2012

Rehabilitation of Hamilton Canal from Negombo Lagoon to Maha Oya End Phase II, 2012 is carried out under Tourism Resources Improvement Project funded by JICA. The estimated value of the above project is Rs. 74.87 million and the work commenced in May 2012. The value of work done for the year 2013 is Rs.16.36 million. Canal bank protection with Gabion walls, construction of silt traps and beautification works are the main components of this project. This work was completed on 30.03.2013.



6. Construction of Proposed Flower Shops Stage – II – Waters Edge

The Ministry of Economic Development awarded a contract to the Corporation for land improvement work for construction of Flower shops and Food stalls in and around Waters Edge premises. The work commenced on October 2012 and completed in May 2013. Value of work done is Rs 88.52 million.



TREASURY GRANT PROJECTS

Special Flood Mitigation Projects

Several places in the Colombo Metropolitan Region are subject to inundation during rainy season due to various shortcomings in the drainage system. The heaviest devastating floods occurred in November, 2010 causing severe inconvenience to the general public with property damages. On the direction of the Ministry of Defence and Urban Development, our Corporation has adopted several urgent flood mitigation measures which include dredging of low lying lands creating water retention lakes and controlling haphazard filling of low lying lands etc.

The total allocation for the above work is Rs. 1000 million for year 2013 and our corporation has carried out following drainage improvement projects under the special flood mitigation works.

1 Drainage Improvement Along The Canal Reservation From Pagoda Bifurcation Point To Parliament Road Bridge Along Kotte Canal

The main objective of this project is protection of retention areas from unauthorized encroachments. Low lying areas act as flood retention areas and play a vital role in reducing the peak flood during heavy storms. Therefore, we need to introduce eco-friendly activities in these areas that will help to accelerate social benefits such as recreation, entertainment and also provide environmental education for the public. Some activities envisaged are; foot paths, flower shops, boat rides and passenger transport boats. A reasonable small fee will be levied to make this project economically viable.

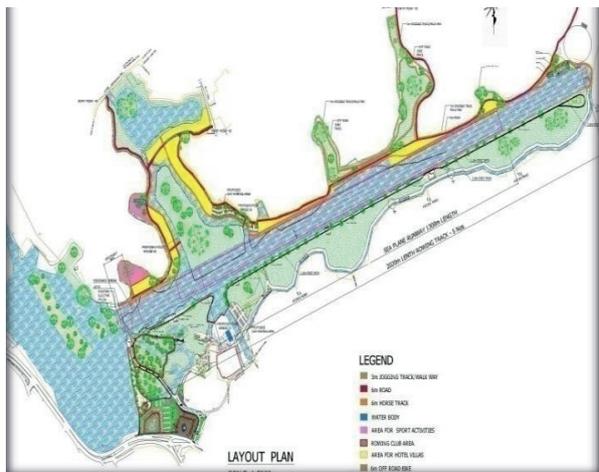
Estimated cost for this work is Rs 300 million. This cost includes surface clearing, dredging of the canal and forming a maintenance road on stilts to facilitate free flow under the proposed access and landscaping the surrounding to enhance the scenic beauty of the area.

The total value of work done for year 2013 is Rs. 304.78 million

SLLRDC identified sub works in and around the main project area are as follows.

- Development of Water Retention Lake and its surroundings at Water's Edge (Phase II)
- Development of Diyawanna Lake and its surrounding
- Improvement of canal reservation & landscaping along Kotte canal and its surrounding
- Proposed New Car Park & Drainage System at Water's Edge
- Proposed Car Park & Drainage System at Kimbulawala

Development of Water Retention Lake and its surroundings at Water's Edge (Phase II)



Proposed Car Park & Drainage System at Water's Edge



Proposed Car Park & Drainage System at Kimbulawala



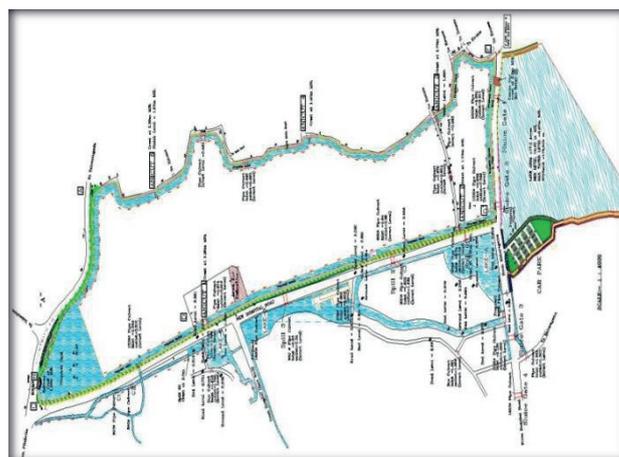
2 Development of Canal Section and Landscaping Work Along Madiwela Road Near to Parliament End and its Surrounding

Many dignitaries who visit Sri Lanka for a day or two have no time to go sight-seeing to Anuradhapura, Sigiriya or to other far off places. They need places of some significance close to the capital city. Landscaping and dredging work of area at Madiwela road near Parliament and its surroundings could catch the interest of many a foreign visitor. By creating a place to hold traditional “Wap Magule” under the “Mahinda Chinthana” concept. This area would be an alternative for tourists as well as our younger generation to be aware of the ancient cultivation methods followed in Sri Lanka.

Total Estimated Cost is Rs. 50.0 million and the total value of work done for year 2013 is Rs.229.02 million.

SLLRDC identified sub works in and around the main project areas are as follows.

- Creation of Lakes and Canals around the Paddy cultivation area
- Improvement of Land Stretch Along New Road at Kimbulawela
- Spillways for Kimbulawela Canals
- Construction of Bund, Causeway, Spillways , Sluice Gates, walk way side drain and Culvert
- Improvement of Land Stretch along New Road at Kimbulawela – II



3 Development of Heen Ela Marshy Area Including Drainage Improvement of Down Stream

Heen Ela marsh was acquired by SLLR&DC for flood retention purposes. This area has to be protected from unauthorized development by creating a peripheral canal along Sri Jayawardenapura Mawatha and forming an operation and maintenance road along the canal. Further, the traffic congestion on Kirimandala Mawatha could be eased to a great extent by linking a road structure along the canal bank.

Total Estimated Cost is Rs. 200.0 million and the total value of work done for year 2013 is Rs. 210.13 million.

SLLRDC identified sub works in and around the main project areas are as follows.

- Development of Heen Ela area at Nawala
- Development of Urban Wetland Park at Nugegoda
- Development Canal embankments of Urban Wetland Park adjoining to Pagoda Canal
- Construction of Retaining Structure for Pagoda Canal embankment
- Development of Heen Ela Marshy Area and its surrounding
- Drainage Improvement of Heen Ela down-stream
- Demarcation of unauthorized lands within the acquired boundaries of GCFC & EIP project



4 Development of Parliament Up Stream Marshy Area and Landscaping along Denzil Kobbekaduwa Mawatha, Battaramulla

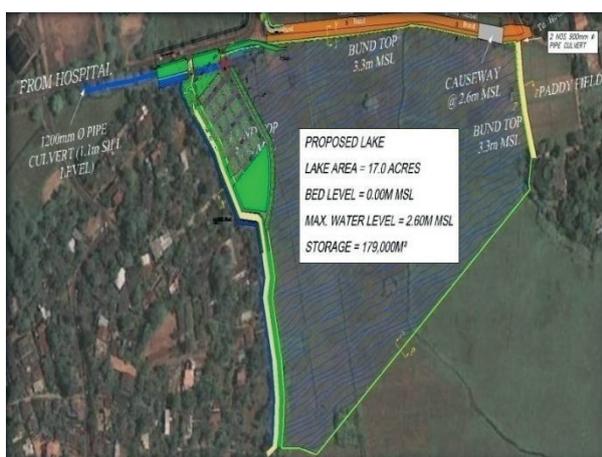
Many Government organizations have shifted to Denzil Kobbekaduwa Mawatha, Battaramulla. Therefore, it will be aesthetically pleasing to the eye if landscaping could be done along that road stretch. Since this land is part of Parliament upper retention area acquired by SLLRDC its drainage too will be improved, in order to control floods in parliament area.

Total Estimated Cost is Rs. 275.0 million and the total value of work done for year 2013 is Rs. 212.93 million.

SLLRDC identified sub works in and around the main project areas are as follows.

- Dredging of Thalawathugoda Lake (End of the Lake) Stage II
- Bird Park - Drainage Improvement Project at Madiwela
- Dredging & landscaping development of Proposed Lake at Kimbulawala
- Development of Lake & its surrounding at Parliament Up-stream area
- Development of Parliament up-stream marshy area & its surrounding
- Development & improvement of landscaping work at Up-stream of Parliament Lake
- Development of leveling & landscaping at Parliament Up-stream
- Development of Thalawathugoda Lake & its surrounding
- Development of Rampalawatta Lake & its surrounding
- Dredging & landscaping work of Lake at Nagahamulla upstream of Diyawanna Lake
- Dredging of Canal along the proposed development area at Thalawathugoda
- Dredging of Kiri Ela
- Drainage improvement of proposed building complex for Ministry of External Affairs

Dredging & landscaping development of Proposed Lake at Kimbulawala



5 Drainage Improvement and Canal Maintenance Work Including Dredging in Mudun Ela, Kelaniya and Peliyagoda Area

The Mudun Ela, Kelaniya and Peliyagoda area has been inundated by storm water for many years during heavy rains. This is mainly due to haphazard development that has taken place over the years, with the rapid development in Colombo and its surroundings. Being in close proximity to Colombo as well as to the international Air port at Katunayaka, this area has high commercial value. Therefore by implementing drainage improvements to these areas most of the lands can be developed.

Total Estimated Cost is Rs. 50.0 million and the total value of work done for year 2013 is Rs.120.63 million.

SLLRDC identified sub works in and around the main project areas are as follows.

- Dredging of Canal behind Henamulla Housing Scheme
- Improvement work of existing lake near Bollagala Temple at Manelwattha, Biyagama, Kelaniya
- Dredging of Kimbula Ela at Mattakkuliya
- Dredging of Lake at Wedamulla, Kelaniya
- Development of Lake beside of Colombo Katunayake Expressway, Peliyagoda
- Improvement of landscaping work & development of canal network in Mudun Ela, Kelaniya & Peliyagoda area
- Dredging of Heiyanthuduwa South Lake

Dredging of Kimbula Ela at Mattakkuliya



Dredging of Lake at Wedamulla, Kelaniya



Dredging of Heiyanthuduwa South Lake



6 Dredging and Cleaning to Enhance Water Retention Capacity in Kandawala Area of Lake at Kotalawala Defence Academy Premises

The main purpose of this project is to increase water retention capacity and reduce inundation of the area as well as creating environmentally friendly surroundings.

Total Estimated Cost is Rs. 20.0 million and the total value of work done for year 2013 is Rs.53.44 million

SLLRDC identified sub works in and around the main project areas are as follows.

- Dredging and cleaning to enhance water retention capacity in Kandawala area lake at Kotalawala Defence Academy premises
- Improvement of landscaping work & development of canal network in Kandawala area



7 Drainage Improvements Parliament Upper Catchment to Facilitate Retention Volume along Proposed Access Road to Defence Head Quarters At Akuregoda

The main purpose of this project is to create 3 lakes by dredging, to compensate the reduction of water retention volume and thus prevent inundation, due to the formation of access through marshy area, commencing from Sri Jayawardenapura Parliament Road to Akuregoda.

Total Estimated Cost is Rs. 105.0 million and the total value of work done for year 2013 is Rs.34.95 million

TREASURY GRANT PROJECTS

Canal Maintenance

1. Maintenance of Main Canals and Minor Canals in and around Colombo
2. Maintenance of Hamilton Canal at Muthurajawela
3. Maintenance of Retention Areas and Removal of unauthorized structures

The main canal system of Colombo city consisting of 45 km. length which was maintained by Irrigation Department was handed over to the Corporation in 1979 and rehabilitated under the Greater Colombo Flood Control & Environment Improvement Project Phase-I. Diyawanna Oya was converted to a lake in 1980 and the Corporation is the responsible organization for maintenance.

In addition, since year 2001 the Corporation has been entrusted with the maintenance of some minor canals within the Colombo city which is approximately 20 km in length.

The maintenance work of the Hamilton Canal is carried out (for the length of 14.5 km.) from Kelani Ganga upto Negombo lagoon.

The maintenance of canals involve surface clearing, canal dredging, canal bank protection using gabion boxes etc.

The Treasury has allocated Rs. 200 million for the above work for year 2013. Cumulative value of work done is Rs. 208.74 million.

1. Maintenance of Main Canals and Minor Canals in and Around Colombo

i. Maintenance of major and minor canals in Colombo North

MAHAWATTA CANAL



St. SEBASTIAN SOUTH CANAL



St. SEBASTIAN NORTH CANAL



DEMATAGODA CANAL



UTHTHARANANDA MAWATHA CANAL



MAIN DRAIN



ii. Maintenance of major and minor canals in Colombo South

DEHIWALA CANAL



DEHIWALA OUT FALL



WELLAWATTA CANAL



WELLAWATTA OUT FALL



BOLGODA CANAL



KIRULAPONE CANAL



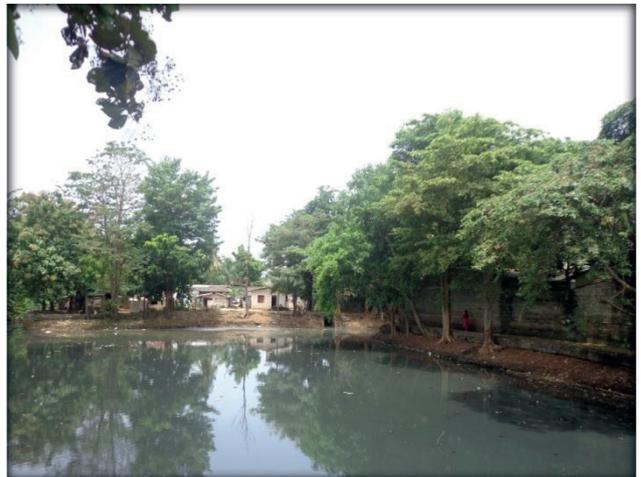
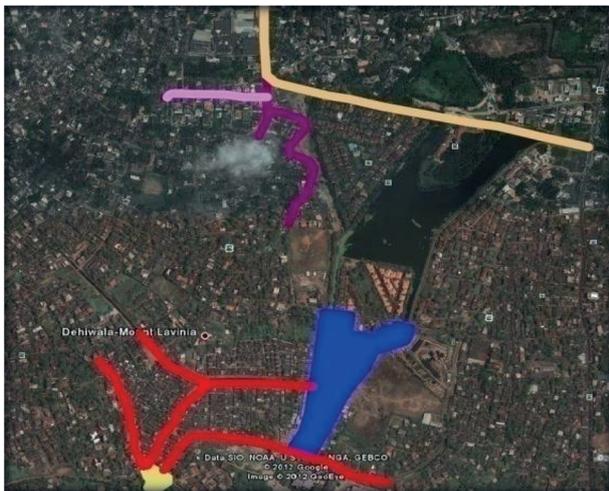
Maintenance Of Lunawa Lake And Canals

Estimated cost for the Maintenance of Lunawa Lake and canals is 12.6 million for the year 2013. Value of Work done is Rs. 5.04 million.





Dredging Of Lakes And Canals In And Around Attidiya Area



iii Maintenance of major and minor canals in Colombo East

KOLONNAWA CANAL

HEEN ELA CANAL



KIRULAPONE CANAL



KOTTE CANAL



TORRINGTON CANAL



2. Maintenance of Hamilton Canal at Muthurajawela

Estimated cost for the Maintenance of Hamilton canal at Muthurajawela is 60.08 for the year 2013 and value of work done is Rs. 25.55 million.



3. Removal of Unauthorized Structures and Filling

In Colombo city most of the canal reservations and retention areas have been encroached by people, hence it will directly affect to the proper drainage system. Therefore we have launched a project to remove those un-authorized structures and fillings.

The estimated value of the above project is Rs. 50.00 million and cumulative value of work done is Rs. 52.38 million.



The Contribution of Sri Lanka Navy in Year 2013

In past years our Corporation has worked with the Armed forces such as Sri Lanka Navy and Civil Security Department for the flood mitigation work due to severe floods which occurred in and around Colombo.

Time to time the Armed Forces was involved in our projects under the instructions given by Ministry and they have engaged in the following duties under the special circumstances.

- Sri Lanka Navy was involved in transporting facility in Colombo canals with their Life Saving Staff.
- Special events under the Ministry, Sri Lanka Navy has engaged to fulfill the targets specially finishing works and giving assistance to keep these developed urban places properly under our projects.
- Civil Security Department (CSD) has engaged their force with us to maintenance of Colombo North Canals since year 2011 under the payment basis and we have paid their payments for every month, based on actual work done completed by them.

Research & Designs Division

Consultancy Services

The Corporation undertakes consultancy work on storm water drainage designs and preparation of storm water drainage master plans, structural designs for buildings and bridges, Environmental Impact Assessment Reports/Initial Environmental Examination reports for the public and private sector institutions.

Engineering Materials Testing Laboratory

The Engineering Materials Testing Laboratory of the Corporation undertakes geo-technical investigations, testing of water quality, soil, concrete cubes and blocks and dewatering of construction sites for both the public and private sector organizations. The value of work done for the year 2013 is Rs. 16 million.

Structural Designs & Construction Supervision

The Corporation undertakes structural designs for buildings, housing schemes, bridges, culverts etc. and construction supervision of same.

Low Income Housing Project, Salamulla – Urban Development Authority



In keeping with the Government's venture to eradicate shanties, UDA has launched the above project. This is a turnkey project, to construct apartments with the provision of infrastructure facilities to resettle low income families. It consists of design & build of 12 storied buildings, one building (Block A) with 18 apartments and 2 buildings (Blocks B&C) with 33 apartments on each floor. Total of number of apartments is 1008.

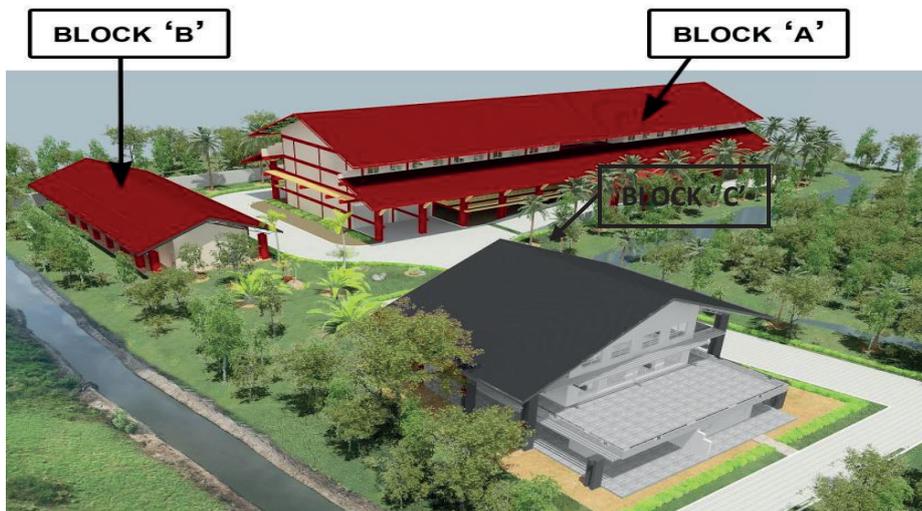
The architectural and structural designs were carried out by Research & Design Division.

Construction of New Wing to Head Office Building

The Corporation is to add a new wing to its head office. The Research & Designs Division was entrusted with the preparation of Architectural, Structural & Service drawings and Construction Supervision. Work commenced in the year 2008. The estimated cost for the consultancy work is Rs. 5.30 million. It is expected to complete this project by March 2014.



National Center for Non Destructive Testing – Atomic Energy Authority



This is a turnkey project which consists of one 4 storeyed building (block A), a single storeyed testing lab (block B) & one 3 storeyed building (block C). Our consultancy fee is Rs 12m for architectural and structural designs & construction supervision of block A. Design of super structure of block A is almost completed. The design of Block B is temporarily suspended on a request by the client.

Building at Hambantota for Telecommunications Regulatory Commission



The Corporation has been appointed as consultant of this building. It is a seven storeyed structure and the total project cost is Rs.2,379m. The architectural and structural designs are complete and the bidding documents have been prepared. The consultancy fee for year 2013 is Rs.30m.

- **Common Facilities Building at Beliaththa**



This project has been awarded on consortium mode. It is a four storeyed building. The client is Beliaththa Pradeshiya Sabha, but the project will be funded by the Ministry of Local Government. The project cost is Rs.570m. and our consultancy fee for year 2013 is Rs.8m. The architectural and structural designs are almost complete.

Drainage Designs

Storm Water Drainage Design for Kinniya UC Limits – Kinniya UC

The Corporation was awarded the above project for a consultancy fee Rs.2.36 m. The design is almost completed.

Drainage design for Imaduwa Town Development – UDA

The Corporation was awarded the above project for a consultancy fee of Rs.0.483m. The design has been completed.

Improvements to William Gopallawa Mawatha, Kandy- RDA

The consultancy fee is Rs.0.65M. The design has been completed.

Land Development work at Makumbura, Homagama interchange of Southern Highway and OCH – RDA

The Corporation was awarded the checking of Hydrological and Hydraulic adequacy of the above project. Our consultancy fee was Rs.0.71m and the design has been completed.

Development of Land for the Office of Public Service Commission, Battaramulla

Our consultancy fee for the above project was Rs.0.5m and the design has been completed.

Treasury Grant Projects

Declaration of Wetlands

The Wetlands of Western, Southern and Central provinces have been gazetted and declared under the Corporation Act. The Wetlands of North Central, Uva, Sabaragamuwa and Wayamba have been identified and are being prepared for gazetting. The Wetlands of Northern and Eastern provinces are being identified. The Treasury allocation for year 2013 was Rs.0.5m.

Water Level and Discharge Measurements for Kalu Oya Basin

Water levels and discharge measurements are taken to prepare a data base. This data is being used to present drainage studies and can be used in the event a Storm Water Drainage improvement project is to be implemented.

Water Level and Discharge Measurements for Weras Ganga Basin

Water levels and discharge measurements are taken to prepare a data base to verify the model prepared for Waras Ganga Storm Water Drainage and Environment Improvement Project.

Miscellaneous Drainage Designs

Drainage Designs for all the Treasury funded work at Waters' Edge & Kimbulawala handled by the Drainage & Reclamation Division have been prepared by the Research & Design Division.

Special Projects Division

The Special Projects Division has contributed great support to the Corporation to achieve the target goals scheduled for the year 2013. Main activities other than miscellaneous projects carried out by the Special Projects division were;

- Proceeding with Special Projects in respect of flood mitigation.
- Providing land development proposals based on hydrology.
- Controlling unauthorized fillings.

The above activities bring many benefits to the local community. However the need to protect and conserve wetlands was not given priority until recently. The Corporation has now realized the important contribution of the wetlands towards flood retention water quality improvement, bio diversity etc. A new wetland management division was established within the Corporation.

Special Projects

Two major flood mitigation projects commenced in 2011, namely Weras Ganga Storm Water Drainage and Environment Improvement Project and Metro Colombo Urban Development Project. They continued through out the year 2013.

Weras Ganga Storm Water Drainage and Environment Improvement Project

The rapid urbanization of Colombo and the suburbs has contributed to unplanned land filling. Recently in massive floods during rainy season, this problem keeps aggravating annually. SLLRDC with the assistance of JICA team prepared a comprehensive Master Drainage Plan for Colombo Metropolitan Region. In this study of drainage design more studies on the feasibility study revealed that Weras Ganga basin, a sub catchment of the Bolgoda needs high priority for flood mitigation. Hence the above project was launched in 2011.

Main objective of this project is flood mitigation. Activities being carried out under this project are;

- Widening of existing canal network,
- Bank protection,
- Allocation of flood retention lakes,
- Improvement of existing culvert and bridges and
- Construction of new structures.

Entire project has been divided into several phases and phase I includes the improvement of Nugegoda Rattanapitiya canal Boralesgamuwa North and south canals, Maha Ela, Bolgoda canal and dredging of Weras Ganga. Implementing agency of the project is SLLRDC under the purview of Ministry of Defence and Urban Development.

Total project value is Rs. 14,227 thousand million and hope to obtain funding as a loan from National Savings Bank with Treasury awareness. However Rs. 400 million was given as a treasury grant to implement the project in year 2013. This includes land acquisition (Rs. 1400 million) too. Special compensation package was prepared to cater all affected parties. Cabinet approval was also

obtained for implementation as well as for compensation of the project. Geotechnical investigation of project area was completed in year 2012.

Phase I commenced in 2013, after getting all required approvals.

Competitive bidding was done to choose suitable contractors for constructions in year 2013. Initially, improvement of Nugegoda Rattanapitiya canal which is 3056 m in length has commenced in year 2013 and is in progress. 12% from that length has been completed at the end of December 2013. This includes canal dredging and gabion constructions. The cumulative value of work done up to end of December 2013 is Rs. 330 million.

Gabion Construction at O&M Road Along Nugegoda – Rattanapitiya Canal Nugegoda – Rattanapitiya Canal



Other than flood mitigation, recreational activities, restoration of Attidiya Bird Sanctuary and other implied benefits such as prevention of water born disease are also expected. Feasibility study shows that the land values of the vicinity also enhance at the completion of the entire project.



Lake Dredging at Boralessgamuwa Marsh

It is scheduled to complete phase I within three and a half years and other improvements such as Madiwela South Diversion, Rathmalana, Moratuwa improvement will be done later.

Other Miscellaneous Projects

Implementation of Kolonnawa Storm Water Drainage Project

Kolonnawa is an unprotected area from overflow of Kelani River. But according to the current situation there are lot of irregularities in the existing canal network due to illegal fillings and encroachments. Even in lower water levels in the Kelani River certain areas inundate during small rainfall event due to lack of drainage system. Comprehensive drainage studies have to be carried out in this regard and remedial actions to overcome this situation will be proposed.



Unplanned town development



Illegal fillings



Flood in rainy seasons

A proper drainage system will be designed for 10 year return period of rainfall event considering low water levels in Kelani River. Drainage improvements will be done by enhancing canal capacities, Improving culverts & bridges, establishing canal boundaries and declaring water retention areas. Also it will identify the feasibility of establishment of a pump station in high flood levels of the Kelani river.

The catchment in study area is 1412 ha which includes Kolonnawa Divisional Secretariat Division. The identified canal system includes main canals length of 12 km and secondary canals length of 14km.

The preliminary work was completed during September 2012 to December 2012 and the survey work of canal system is nearly completed in August 2012. The drainage design work was done from July 2013 and it will be completed by August 2014. This design work includes preparation of flood model by using MIKE11 and Design of canal network. It is expected to implement the project in year 2016 after the completion of design work.



Bench Mark Inspection



Level Gauge Marked on site

Estimated cost of detail design including survey work and soil investigation is Rs.112 million. The project cost for civil work will be Rs.4500 million excluding land acquisition cost. Estimated cost for land acquisition is Rs.1000 million. Due to prevailing Flood situation in this area necessary maintenance work attended to surface clearing and dredging of existing canal system will be done in this year and next year. The estimated cost for maintenance work will be Rs.200 million. The total estimated cost of the project for next four years is Rs.5612 million.

In year 2013 the value of level survey work done was Rs.1.973 million, level gauge marking on site was Rs.0.043 million, Model design work was Rs.1.456 million and Bench Mark inspection and site visit was Rs.0.638 million. The cumulative amount of work done during year 2013 was Rs.4,110 million.

Providing Land Development Proposals Based on Engineering Hydrology

Over half of humanity now lives in urban areas resulting in impermissible development without providing proper drainage system. This create frequent floods specially in low lying areas. Hence providing proper drainage system according to engineering hydrology is very important.

Special Projects division has been carrying out this task by providing drainage proposals and granting approvals for low land development subject to implementation of drainage conditions approved by planning committee. The division achieved Rs.5.3 million for year 2013 for land clearance.

Development of paddy lands can be considered with a requesting letter issued by Commissioner General of Agrarian Development Department giving consensus to open up a file and proceed with the rules and regulations of the Corporation for land development. For development of non paddy lands files can be opened by the applicant (private property) and planning committee decision to be sent to the respective applicant. Consent and necessary approvals of Urban Development Authority have to be obtained to grant approvals by planning committee.

Wetland Management in the Colombo and Other Sub Urban Areas

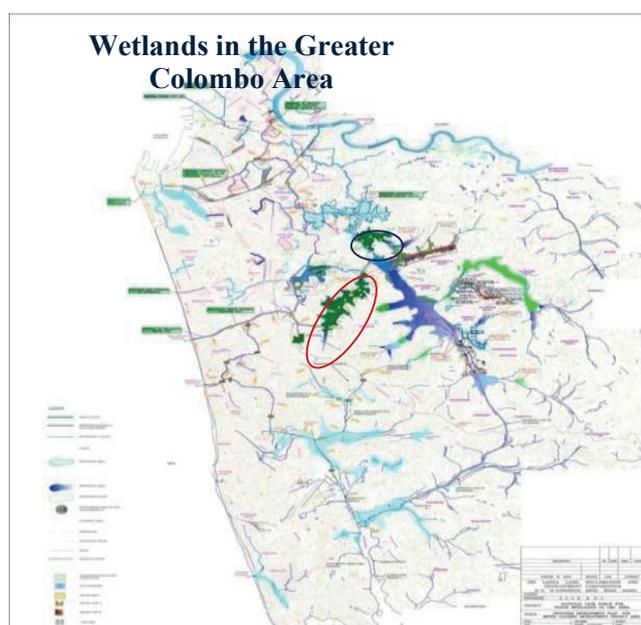
Wetlands are one of the most important natural eco-systems which help to sustain human life and livelihoods by providing a diverse array of goods and services. Rapid urbanization of the city of Colombo and its suburbs has resulted in the areas around and within the wetland areas being developed significantly. Hence reversing of said unfavourable trend with the



Thalawathugoda Marsh

developments of the Nation is very crucial. The economic benefits generated by wetlands are often unaccounted and undervalued in conventional cost-benefit analysis of projects and policies.

A Wetland Management plan for wetlands within the Greater Colombo catchment area is to be developed initially.



Intensive study of Colombo wetlands has to be conducted under the headings of bio-diversity and Socio economic status of local communities to identify a sustainable option.

Initially the Greater Colombo Area consisted of 380 ha but now it has been reduced to 287 ha.

Kolonnawa Marsh, Kotte Marsh and Heen-Ela Marsh has been identified as the Metro Colombo Urban Wetlands. Prior to preparation of wetland management plans for these marshes (inclusive of Madinnagoda and Yakbedda marshes) a comprehensive study

will be done in the aspect of eco system and bio-diversity. It has also been planned to conduct several awareness programmes for stakeholders on wetland management.

Creation of a Bio-diversity park at Thalawathugoda has commenced as a pilot project of wetland management and it consists of a study centre for Bio Diversity, Bird watching towers, water quality testing locations (retention lakes, including endemic plants and aquatic species), boat piers and bridges etc.

Thalawathugoda Bio Diversity Park



Layout Plan Bio Diversity Park



Bird Formation Around Bio Diversity Park



Installation of Permanent Well for Water Quality Testing

Reed Conservation Programme



Boundary Re-opening Programme

Over the years, acquired retention areas have been encroached upon by people of all walks of life. Hence surveying work for the re-opening of boundaries has commenced in year 2013.

Metro Colombo Urban Development Project

The aim of the Metro Colombo Urban Development Projects is to complement the ongoing urban regeneration programs of the Government of Sri Lanka by reducing the physical and socio-economic impacts of flooding in the Metro Colombo Region and improving priority local infrastructure and services. The Project area will comprise four urban local authorities: the Colombo Municipal Council (CMC), Dehiwala Mount-Lavinia Municipal Council (DMMC), Sri Jayawardenapura-Kotte Municipal Council (SJ-KMC), and Kolonnawa Urban Council (KUC). The total cost of the MCUDP is 223 million US\$. It will be jointly financed by the International Bank for Reconstruction and Development of the World Bank and the Government of Sri Lanka. The Project will be managed by the Project Management Unit of the Ministry of Defence and Urban Development, while implementation responsibilities rest with three Project Implementing Agencies; Sri Lanka Land Reclamation & Development Corporation (SLLRDC), Urban Development Authority, (UDA), and CMC. The project commenced in April 2012 and scheduled to be completed by June 2017.

The MCUDP comprises three main components. The first component focuses on Flood and Drainage Management and addresses the urgent issue of urban flooding which regularly paralyzes the economy of the Metro Colombo Region with high socioeconomic costs. The second component focuses on urban development and infrastructure rehabilitation for Project Local Authorities. The third component consists of implementation support to Project Implementation Agencies.

Component 1: Flood & Drainage Management

This component supports priority rehabilitation and improvement of flood and drainage management infrastructure identified as a priority by the inter-agency Flood Mitigation Task Force chaired by the Sri Lanka Land Reclamation and Development Corporation (SLLRDC). The investment packages under this component are essential and critical to reduce the impact of future floods in the catchment of the Colombo Water Basin. Most of the structural investments will be aimed at improving the system of primary and secondary canals, retention areas, and drainage of the Colombo Water Basin. The development of an integrated flood management system and interventions to enhance the economic value and aesthetic qualities of the water bodies will also be supported.

SLLRDC is responsible for enhancement of Primary and secondary canals and lakes and also capacity enhancement for flood and drainage management sub components. The total cost allocation for these two sub components is US\$ 107.9 million.

Floods in Colombo are caused by heavy rainfall and a macro drainage system with insufficient storage, conveyance, and outflow capacity. In the last decade the storage capacity in the Basin has reduced by about 30 percent, due to uncontrolled landfill and flood plain encroachments by illegal settlements. The conveyance capacities are restricted by solid waste, floating debris, and bottlenecks in the canals. The outflow to Kelani is further limited as heavy rainfall coincides with high levels at Kelani Ganga. All these impacts are likely to worsen in the future due to the effects of climate change; rainfall trends indicate larger loads on the system and sea level rise impedes gravity drainage.

Based on the above constraints, for effective flood management, 18 flood mitigation measures have been devised under these sub-components. A summary of these sub projects are scheduled below in the order of implementation priority.

No	Title of the package	Package No	Remarks
1	Rehabilitation of Dehiwala Canal	SLLRDC/W/01	Project is under implementation stage
2	Rehabilitation of Main Drain, Aluth Mawatha Culvert, Mutwal Box Drain, Tunnel inlet and outlet	SLLRDC/W/02	Project is under implementation stage
3	Rehabilitation of Wellawatta Canal and Conveyance improvements to Wellawatta Canal at Galle Road Bridge	<i>SLLRDC/W/07/A</i>	Design - Almost Completed Decided to tender as a work package and procurement documents to be prepared.
4	Rehabilitation of St. Sebastian South Canal	<i>SLLRDC/W/03/A</i>	Design - 100% Completed. Procurement Document - 100% Completed Awaiting resettlement to be completed
5	Design and building of New Mutwal Tunnel	<i>SLLRDC/W/14</i>	Deck Studies - 100% completed. Pre-qualification documents for design and build contractors is being done.
6	Design and building of Torrington Tunnel	<i>SLLRDC/W/17</i>	Deck Studies - almost completed. Prequalification documents for design and build contractors is being done.
7	Improvements to Madiwela East Diversion Scheme : Stage -I	<i>SLLRDC/W/05</i>	Design - 50% Completed
8	Construction of St. Sebastian South New Diversion	<i>SLLRDC/W/13</i>	Design - 25% Completed. Diversion path to be finalized
9	Rehabilitation of St. Sebastian North Canal	<i>SLLRDC/W/09</i>	Design - 95% Completed. Procurement Documents - 60% Completed. LA is in progress. Expect resettlements be on December, 2013
10	Formation of Lake No.06 and Lake No.07	<i>SLLRDC/W/06</i>	Designs - 70% completed. EIA or IEE to be done.
11	Design and building of Improvements to Madiwela East Diversion Scheme : Stage -II	<i>SLLRDC/W/11</i>	Evaluation of RFPs for preliminary design consultancy is in progress
12	Design and building of St-Sebastian North lock Gates & Pumping Station	<i>SLLRDC/W/12</i>	Evaluation of RFPs for preliminary design consultancy is in progress
13	Rehabilitation of Dematagoda Canal	<i>SLLRDC/W/03/B</i>	Design - 40% Completed. LA and resettlements to be done.
14	Design and building of Kolonnawa canal diversion & Gothatuwa Pumping station	<i>SLLRDC/W/16</i>	Model simulation done. Design is in progress

15	Rehabilitation of Sarana Mawatha Canal and Sethsiripaya Canal	<i>SLLRDC/W/04</i>	Design almost completed. To be considered with availability of funds
16	Rehabilitation of Poorwarama Canal and Sri Wickrama Canal	<i>SLLRDC/W/07/B</i>	Designs to be done. To be considered with availability of funds.
17	Drainage system Management Improvements, Docking Stations, Foot Bridges etc.	<i>SLLRDC/W/08</i>	To be decided later.
18	Formation of Lake No.08	<i>SLLRDC/W/10</i>	To be decided later.

Capacity Enhancement for Flood and Drainage Management

This subcomponent will aim at improving the overall drainage system management for the Greater Colombo Water Basin to ensure the sustainability of project investments.

It will comprise of ;

- i. investments for selected landscaping along canals and supporting a pilot water-based transport system to demonstrate the viability of using the main canals for public transport
- ii. purchase of canal maintenance machinery and
- iii. development of an integrated flood management system for the Colombo Water Basin.

The integrated flood management system will include monitoring, management of the retention/wetland areas, operation, maintenance systems for wetlands, canals, drainage systems, monitoring, and enforcement of land-use planning to safeguard the capacity of the basin to cope with floods, and interagency coordination protocols and mechanisms.

PROGRESS AS AT 31ST DECEMBER 2013

1. Rehabilitation of Dehiwela Canal - Works Package SLLRDC/W/01

Contract was awarded on 20.05.2013. Estimated project cost is Rs.193.85 million. and project duration is 12 months. Cumulative physical progress is 42% and financial progress is Rs.57.31 million

Construction of New Gabion Walls is in progress. Designed quantity is 4,275.00 m³, and completed quantity by 31st of December 2013, is 2,266 m³.



2. Construction of Aluth Mawatha Culvert, Mutwal Box Drain, Mutwal Tunnel Manholes, Bank Improvements at Mutwal Sea Out-fall & Canal Bank Protection works of Main Drain. - Work Package SLLRDC/W/02

Contract was awarded on 27.11. 2012. Estimated project cost is Rs.409.97 million and project duration is 18 months. Cumulative physical progress is 67% and financial progress is Rs.21.50 million.

Rehabilitation of Main Drain, Aluth Mawatha Culvert, Mutwal Box Drain, Tunnel inlet and outlet work is in progress.



Construction of Aluth Mawatha Culvert



Improvements at Mutwal Sea Outfall

Construction of concrete flume is completed and construction of drainage improvements is in progress.



Condition before Implementation



Condition after Implementation

3. Canal Bank Protection Work

Construction of new Gabion Walls - Designed quantity is 8,694.0 m³, and completed quantity by 31.12.2013 is 5870.0 m³.

Rehabilitation of existing Gabion Walls- Designed quantity is 1052.0 m³, and completed quantity by 31st of December 2013, is 668.0 m³



Hydrological model for Metro Colombo Region from MIKE 11 Enterprise computer software has been, setup, calibrated & validated. 16 Nos. of interventions are proposed to protect the Colombo area from floods for a target return period of 50 yrs. Effectiveness of each & every improvement as well as different combinations has been checked by the model.

Progress as at 31.12.2013 is given in Table below

Package No.	Project	% progress achieved for project phase		Remarks
		Design	Procurement	
SLLRDC/W/07/A	Rehabilitation of Wellawatta Canal	90%	10%	Decided to tender as a works package and procurement document is being prepared.
SLLRDC/W/03/A	Rehabilitation of St. Sebastian South Canal	100%	50%	Procurement Document is ready to tender. Awareness program for the community affected by this improvement to be held on 16th & 17th Jan, 2014. Permanent resettlement expected in Oct, 2014.
SLLRDC/W/14	Design and building of New Mutwal Tunnel	90%	10%	Desk Studies - 100% completed CEA Clearance - 75% completed Prequalification document, Design and Build contract document are being done Drawings for the Design & Build document are being prepared and awaiting for borehole details from NBRO
SLLRDC/W/17	Design and building of Torrington Tunnel	65%		Main tunnel designs are completed. Lateral connections to main tunnel through auger boring technique is being studied. Prequalification document, Design and Build contract document are being done. Drawings for the Design & Build document are being prepared and awaiting for borehole details from NBRO.
SLLRDC/W/05	Improvements to Madiwela East Diversion Scheme : Stage 1	70%		A meeting to be held with Department of Irrigation to get their concurrence regarding final proposal to Talangama tank. Geotechnical and structural design for bank protection is being done.
SLLRDC/W/13	Construction of St. Sebastian South new Diversion	30%		Proposed diversion path is finalized by considering several options. Shifting of utility lines to be addressed. Structural and geotechnical designs are to be done.

Package No.	Project	% progress achieved for project phase		Remarks
		Design	Procurement	
SLLRDC/W/09	Rehabilitation of St. Sebastian North Canal	95%	40%	To be finalized and tendered with the Resettlement Action Plan. Expect the permanent resettlement by April 2015
SLLRDC/W/06	Formation of Lake no.06 and Lake no.07	70%		Conceptual drawings have been sent to Wetland Management Expert Dr. Mathews for his input. Detail Drawings are being done. Relevant documents have been submitted to CEA to obtain their concurrence.
SLLRDC/W/11	Design and building of Improvements to Madiwela East Diversion Scheme : Stage -II	25%		Preliminary designs to be carried out with the newly appointed consultant. Letter of award was issued to the selected consultant on 19.12.2013.
SLLRDC/W/12	Design and building of St-Sebastian Northlock Gates & Pumping Station	40%		Preliminary designs to be carried out with the newly appointed consultant. Letter of award was issued to the selected consultant on 19.12.2013.
SLLRDC/W/03/B	Rehabilitation of Dematagoda Canal	40%		Land acquisition and resettlement to be done
SLLRDC/W/16	Design and building of Gothatuwa Pumping station	25%		Model simulations were done with the main model and a separate model was set up incorporating the drainage system within the unprotected zone. Hydraulic design for the proposed diversion is in progress.
SLLRDC/W/04	Rehabilitation of Sarana Mawatha Canal and Sethsiripaya Canal	90%		Only part of the original stretch of Sarana Mawatha to be considered for implementation
SLLRDC/W/07/B	Rehabilitation of Poorwarama Canal and Sri Wickrama Canal	5%		Designs to be done and to be considered with availability of funds
SLLRDC/W/08	Drainage system Management Improvements, Docking Stations, Foot Bridges etc.	-		To be decided later
SLLRDC/W/10	Formation of Lake no.08	-		To be decided later

4. Procurement of construction machinery & equipment for maintenance and computer hardware and software

- Goods Package – I {SLLRDC/G/01 - Machinery & Dredging Equipments}
Goods were handed over on 23rd August 2013

No.	Description of Machine	Qty
A-1	Amphibious Soft Terrain Excavator (Bucket Capacity 0.8 m ³)	2
A-2	Amphibious Soft Terrain Excavator (Bucket Capacity 0.4 m ³)	2
A-3	Amphibious Soft Terrain Excavator (Bucket Capacity 0.25 m ³)	1
A-4.1	Crawler Excavator (Bucket Capacity 0.9m ³)	10
A-4.2	Long arm kits for Crawler Excavator (Bucket Capacity 0.5m ³)	4
A-5	Crawler Excavator (Bucket Capacity 0.4m ³)	4
A-6	Long arm Crawler Excavator (Bucket Capacity 0.5m ³ , reach >15m)	6
A-7	Mini Excavator with Dozer blade (Bucket Capacity 0.10m ³)	2
A-8	Push boats	4
A-9	Working platform (1.0*0.5*0.5)m pieces	100



- Goods Package – II {SLLRDC/G/02- Transport & Utility vehicles}
Purchase orders have been placed

No.	Description of Machine	Qty
B-1	Tipper Truck - 15 ton 10 wheeler	14
B-2	Tipper Truck - 10 ton 6 wheeler	6
B-3	Water Bowser – 7000 Ltrs.	2
B-4	Tractor with Trailer – 2.5 Ton	10
B-5	Utility vehicle - 4 Wheel Drive	2
B-6	Double Cab – 4WD	10
B-7	Bus (30 seater)	1

- Goods Package III- { SLLRDC/G/03- Procurement of Lab Equipment and Instruments}
Document is being prepared

No.	Equipment	Qty	Unit
D.1	Respirometric BOD units for 36 samples with incubator	1	nr
D.2	Portable Water Quality Checker	1	nr
D.3	Dissolved Oxygen Meter	1	nr
D.4	pH Meter	1	nr
D.5	Test Sieve Set	1	set
D.6	Computerized Tri-axial Testing Machine	1	nr
D.7	CBR Accessories	1	set
D.8	Glassware & other accessories	1	set
D.9	Automatic Rain Gauge	6	nr
D.10	Automatic Water Level Gauge	6	nr
D.11	Real Time Kinematic GPS	2	nr
D.12	Total Station (Robotic)	2	nr
D.13	Atomic Absorption Spectrometer	1	nr
D.14	Digital Laboratory Turbi dimeter	1	nr
D.15	Concrete Test Hammer set	1	nr
D.16	Scales	1	set
D.17	Driers	1	nr
D.18	Aluminium Alloy Moisture Content Tins	1	set
D.19	Sample Trays	1	set
D.20	Riffle Box (Sampling splitter)	1	set
D.21	Stainless Steel Scoops with handles	1	set
D.22	Heavy duty slab saw	1	nr
D.23	Double tube diamond impregnated core bits 65 cts	50	nr
D.24	NW diamond casing shoe	30	nr
D.25	NW TC casing shoe	30	nr
D.26	Reamer shall for double tube core barrel NX	30	nr
D.27	NW diamond impregnated casing bit	30	nr
D.28	HW diamond impregnated casing bit	20	nr
D.29	HW diamond casing shoe	20	nr

No.	Equipment	Qty	Unit
D.30	NMLC Core barrel 1.5	5	nr
D.31	AW water swivel	10	nr
D.32	Double tube core barrel NX 1.5 m AW rod connection	10	nr
D.33	NW cross shopping bit with AW rod box	15	nr
D.34	NMLC reamer shell	12	nr
D.35	NMLC core bit impregnated 65 cts	20	nr
D.36	3.5' wing drag bit with cutting edges hard faced with TC particles xAW rod connection	20	nr
D.37	NX core lifters	20	nr
D.38	0.5 m AW Drill rods	5	nr
D.39	0.3 m NW casing	5	nr

- Goods Package – IV {SLLRDC/G/04- Procurement of Construction Equipment }
Document is being evaluated by TEC

No.	Description of Machine	Qty
D-1	Front End Wheel Loader (Bucket capacity 2.0 m3)	1
D-2	Backhoe Loader	5
D-3	Wheel Excavator (Bucket 0.4 Cu.m. & Reach 7m)	4
D-4	Rough Terrain Crane 45 Ton	1
D-5	Skid Steer Loader	3
D-6	Suction & Jetting Vehicle (Sludge tank 5m3, Clean water tank 3m3)	1
D-7	Boom Truck (Crane 2 Ton, Payload capacity 17 Ton)	2
D-8	Prime Mover with Low Bed Trailer (40 Ton)	1
D-9	Crawler Tractor (Dozer) 85 HP	1
D-10	Floating Dozer (15 Ton)	1
D-11	Motor Grader (12ft blade)	1
	Root bowling machine	
	Gulley suckers	
	Crew cabs	

- Goods Package V- { Procurement of Construction Plant }

No.	Description of Machine	Qty
E-1	Sludge Pumps 6” Dia.	2
E-2	Sludge Pumps 4” Dia.	4
E-3	Sound proof Generator 250 KVA	1
E-4	Sound proof Generator 27 KVA	2
E-5	Air Compressor with Breakers	2
E-6	Fibre Glass Boat with 40HP Outboard Engine Short Tail	4
E-7	Vibrating Rollers 5 Ton.	1
E-8	Vibrating Rollers 2 Ton.	2
E-9	Silent Piler 5 Ton.	1

- Computer software
MIKE 11 enterprise for hydraulic modeling and ARC GIS *already purchased and used.*

5. **Launching of the project “Metro Colombo Towards a Flood Resilient Urban Environment”**. A project under the Japan Policy & Human Resource Development Technical Assistance Program on 28th October 2013.

Preparation of a detailed flood risk assessment and preparation of flood risk mitigation action plan and Preparation of Master Plan for Wetlands and Assessment of water quality in the Inland Water Bodies within Metro Colombo region are scheduled to be carried out under this project through external Consultants.



Construction Division

CLIENT'S PROJECTS

1. Implementation of Mayura Place Housing Development Project (*Phase I & II*) For Urban Development Authority.



This project is implemented by Urban Development Authority under the Urban Regeneration Project-City of Colombo. The Corporation has undertaken to carry out the Construction work.

The project involved the construction of 12 storied building accommodating 120 houses at a total cost of Rs.434.29 million and each house consists of two bed rooms, Kitchen, Sitting Room, Bath room and Balcony.

Structural work (Phase I) had been already completed at a cost of Rs.217.0 million and finishing work (Phase II) is in progress for Rs.217.29 million. Total work of the project to be completed by February 2014.

Value of work done during the year 2013 is Rs. 90.59 million and cumulative value of work done is Rs.248.63 million.



**2. Construction of 1008 Housing Units at Salamulla-(Block A, B,& C).
*For Urban Regeneration Project-City of Colombo.***

This project is implemented by Urban Development Authority under the Urban Regeneration Project-City of Colombo. The Corporation is the Design & Build Contractor and consultant. It consists of construction of three buildings, namely blocks A, B and C. All three blocks are twelve storied. Block A consists of eighteen apartments and blocks B and C consists of thirty three apartments on each floor.

Total project is estimated to cost Rs.2726.56 million including piling work for construction of 1008 Housing units. Each house consists of two Bed Rooms, Living Room, Kitchen, Pantry Area, Toilet and Balcony.

The project commenced in April 2011 and scheduled to be completed in 2015. Building work of Block A and sub structure of Block B & C is in progress. Value of work done during the year 2013 is Rs.178.36 million and Rs.26.12 million and the cumulative value of work done is Rs.319.10 million for building work of Block A and for piling work of Block B and C is Rs.222.07 million.



Building Work is in Progress - Block A



Sub Structure Work is in Progress - Block B & C

3. Construction of Proposed National Center for Non Destructive Testing of Atomic Energy Authority-Wedamulla, Kelaniya.(Block – A)



Project consists of Design and Construction of a 3 storied building for the National Centre for Non Destructive Testing (NCNDT) for Atomic Energy Authority.

Total estimated cost of the project is Rs.309 million. The project commenced in June 2013 and is scheduled to be completed in June 2014.

Value of work done during the year 2013 is Rs.110.29 million and cumulative value of work done is Rs.163.83 million.

4. Proposed Two Storied Houses under Resettlement Housing Project at Sooriyawewa,Hambantota. Funded By Hambantota Development Fund

This Project consists of construction of 15 Houses. Each house consists of a living room, family room, bed rooms (03 Nos.), garage, roof terrace, kitchen and bath rooms (02 Nos.)

Total estimated amount of the project is Rs.117.69 million. The project commenced in April 2012 and is scheduled to be completed by January 2014.

Value of work done during the year 2013 is Rs.61.10 million and cumulative value of work done is Rs.73.80 million.



Work is in progress

5. Interior works of office space for Ministry of Civil Aviation, Battaramulla.

Project consists of construction of office space consisting of Aluminum and Timber Partitioning, Carpeting, Vinyl flooring, Pantry Cupboards, Aluminum and Timber Doors, Reception Counters, Fixing of Curtains (Vertical Blinds) and construction of new toilet.

Total estimated cost of the project is Rs.33.65 million. The project commenced in March 2013 and completed in October 2013.

Value of work done during the year 2013 is Rs.24.30 million.



6. Office Interior Works for Ministry of Law and Order, Battaramulla.

The Work consists of Interior works including Aluminum Partition Work, Floor Carpeting, and Supply & fixing of Doors, fabricate & install Reception Desk.

Total estimated cost of the project is Rs.14.56 million. The project commenced in October 2013 and completed in December 2013.

Value of work done during the year 2013 is Rs.10.58 million.



7. Construction of proposed canal system at Padukka Pola Land

(i). Construction of proposed canal & Foot Bridge at the Padukka Pola land

Project consists of construction of canal for 72 m length and Foot Bridge (width 1m) at the padukka pola land.

Total estimated cost of the project is Rs.5.13million. The project commenced in June 2013 and completed in October 2013.

Value of work done during the year 2013 is Rs.4.82 million.



(ii) Redevelopment of existing Canal System of Padukka Pola Site (Phase I)

Project consists of construction of Gabion Retaining walls (for 155 m length) at the padukka pola land.

Total estimated cost of the project is Rs.13.53 million. The project commenced in September 2013 and completed in January 2014.

Value of work done during the year 2013 is Rs.12.07 million.



Work is in progress at the Canal

(iii) Redevelopment of existing Canal System of Padukka Pola Site (Phase II)

Project consists of construction of Gabion Retaining walls (for 66 m length) at the padukka pola land.

Total estimated cost of the project is Rs.10.18 million. The project commenced in October 2013 and completed in January 2014.

Value of work done during the year 2013 is Rs.5.37 million.



SELF FUNDED PROJECTS

Construction of New Office Building for SLLRDC.

The Building consists of G+4+Roof. This building facilitates Vehicle Park, 2 Nos Office Floors, Cafeteria & Auditorium. Total area of this building is 20710 Sq.ft and estimated value is Rs.110 million. The Research & Design Division was entrusted with the preparation of Structural and Service Drawings and Construction Division was entrusted with the construction work.

Value of work done during the year 2013 is Rs.46.83 million and cumulative value of work done is also Rs.95.5 million.

The project is scheduled to be completed in January 2014.



Plant & Equipment Division

Plant & equipment division of the corporation is responsible for owning, operation and maintenance of all plant & machinery belonging to the corporation.

The other area of work carried out includes major fabrication works, undertaking dredging projects for clients, hiring of machinery etc.

In the year of 2013 Plant & Equipment division of SLLRDC successfully completed many dredging and heavy fabrication works.

1. Matthala airport beautification lakes.
2. Foot path bridges at Water's edge.
3. Weragaga and Kibulawala lakes.
4. Muthurajawela canals either side of the Expressway.

In August 2013 Corporation received a fleet of heavy machines and dredging equipment from Metro Colombo Urban Development Project funded by World bank.

Value of machines received is approximately 454 million. By utilizing these machinery corporation was able to stop hiring of machines from outside suppliers completely.



Dredging equipments purchased under MCUDP



Machinery handing over ceremony at Galle Face

A new workshop building was constructed by P&E division for the maintenance of new machinery.



Dredging of lake at Madiwela was a major project completed by the corporation. Cutter suction dredger and Amphibious dredgers were utilized to remove soil. Same removing material were used to fill a land and create a parking space for busses near the Sri Jayawardanapura hospital.



Cutter suction dredger at Kibulawala lake

Dredging of lake at Bellanwilla marsh also commenced in 2013 under Weragaga Storm Water Drainage and Environment Improvement Project Phase I. Dredging work at site is in progress.



Corporation machines at Weragaga project



Amphibious Excavator and a long reach excavator involved in dredging work at Weras gaga project.



Short Arm Excavator preparing ground for CHOGM 2013 exhibition at Battharamulla.



New Mini- Amphibious excavator making the bank around the paddy fields at Kibulawala.



SLLRDC Plant & Equipment Division Work shop has the facility to do heavy steel fabrications and machining work. This is a floating foot bridge fabricated by our workshop at Diyatha Uyana.



Ponds dredged at Matthala International Airport, Hambanthota.

Lands Marketing Division

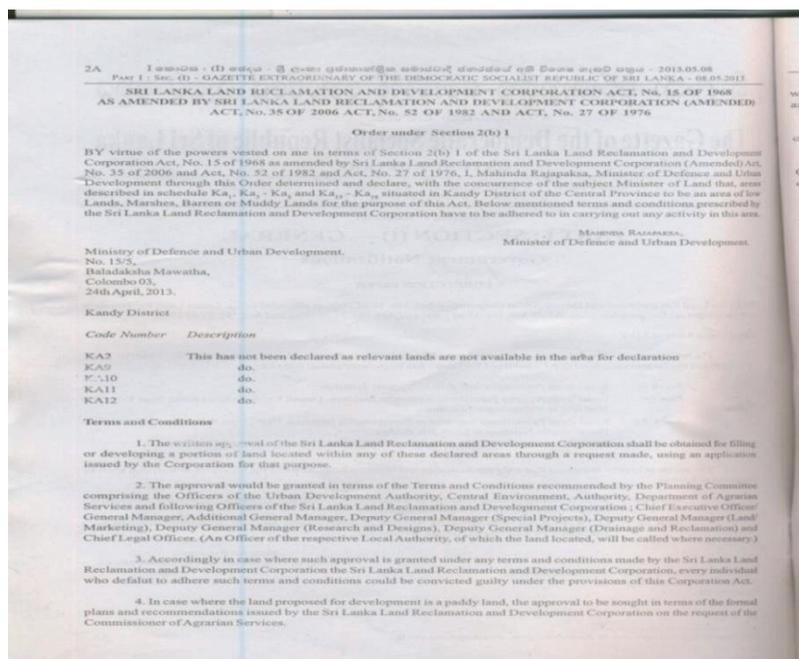
In support of Government's effort to develop the flood free and more attractive environment in and around Colombo, the Sri Lanka Land Reclamation & Development Corporation has been entrusted with more responsibilities. In achieving the above, the Lands & Marketing Division as one of the main functional divisions of the Corporation assists these works by way of acquiring the lands required for our own projects and other projects funded by the Treasury or donor agencies, declaring wet lands in the island and generating funds through sales and leases.

Land Acquisition for Own projects and Weras Ganga Project :

In addition to Land Acquisition on own development projects in Mudun Ela, Kelaniya and Ragama areas, Lands & Marketing Division is also involved in acquisition works related to Greater Colombo Flood Control & Environment & Improvement Project including acquisition in Parliament Upper Retention area, Madiwela South Acquisition and Weras ganga Storm Water Drainage and Environment Improvement Project. This newly designed Project is expected to cover Five (5) Divisional Secretariat areas i.e. Sri Jayawardanapura, Kotte, Kesbewa, Ratmalana, Maharagama and Dehiwala - Mt. Lavinia. Under this Project, approximately 372 hectares are being acquired. Sec. 38 (a) under Land acquisition has been published for most of the Lands at the moment.

Declaration of Wet lands :

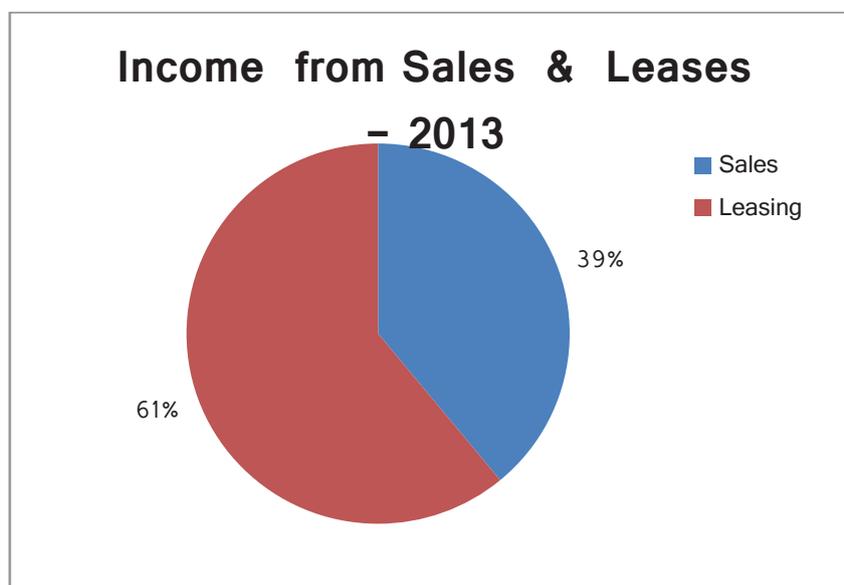
According to the declarations carried out under Sec. 2(b) (1) and 4A(1) of the amended Act, Lands & Marketing Division attends in declaration of wet lands and canal reservations in the Country. The following is a declaration notice published for Central Province.



Declaration of wet lands in Western, Southern and Central Provinces have been completed at the moment. Declaration of Sabaragamuwa and North Western Provinces (Wayamba) are under way now. The Corporation needs to obtain concurrence from Local Authorities, Divisional Secretaries etc. in the respective districts and the delay of getting their concurrence will affect in gazetting the wet lands. Though these declarations are carried out by the Corporation, SLLRDC itself cannot act alone unless the assistance from all local / provincial authorities are received to minimize such developments and preserve the environment.

Land sales and leases :

Another function of the Division is to generate income through land sales and leases. The lands with free of encumbrances are very limited now. Land development works have also been restricted due to different reasons therefore disposable land stock has become minimal. Despite of many limitations, the lands and marketing division was able to generate funds of approximately Rs. 180 million through sales and leases.



The Corporation also maintains nearly 1000 acres of marshy lands under GCFC & EI Project for water retention purposes. With the assistance of other divisions such as Legal and Security etc, these lands are managed by the Lands and Marketing Division. Issuing deeds to relocated families, representation in legal cases, inspections etc are to be attended regularly in order to avoid unauthorized developments. Though many additional works have been entrusted, all these functions are carried out with a very limited staff and at a minimum cost, and lands & Marketing division is further committed to achieve overall objectives of the Corporation.

Human Resources Development

The conceptual model adopted by Human Resource Development Division for the year 2013 is briefly illustrates below.

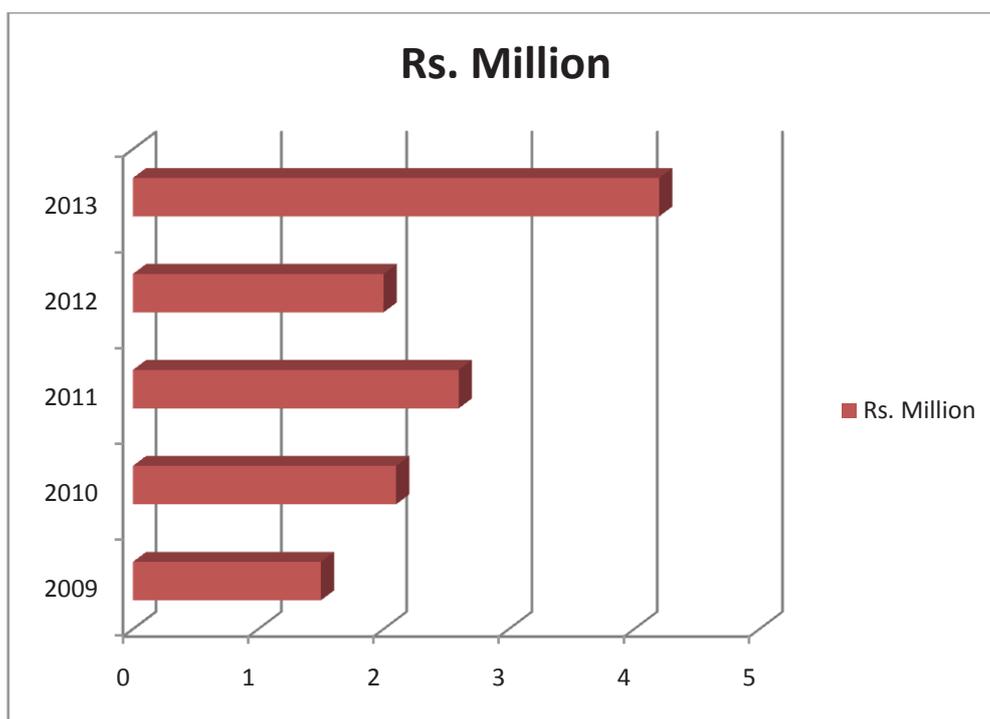
Training & Development

Training is a systematic process through which a corporation's human resources gain knowledge and develop skills by instruction and practical activities that result in improved corporate performance.

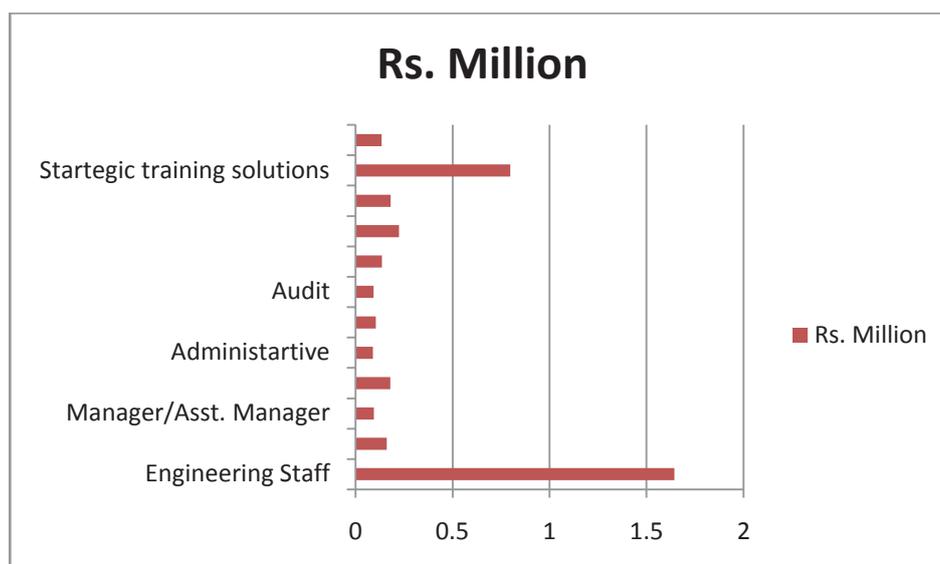
- ♦ Training is short term, task oriented and targeted on achieving a change of attitude, skills and knowledge in a specific area for the Employees related to their field. Employees from each and every division of the Corporation is selected for the training & education from foreign & local training. This is a lifetime and a long term investment to achieve Corporation's objectives.

Training & Development Summary

Annual Allocation for Training



Training is designed to provide continuous knowledge & skills needed to improve employees in their present work environment and to enhance their competency and organizational performance. The budget allocations made for the year 2013 for each Division is as follows.



The goal of training and development is to enhance employee quality and motivation so as to improve productivity and to meet future needs of the Corporation.

Foreign Training

In the year 2013, actual expenditure incurred on foreign trainings as follows;

Se. No	Program	Country	Duration In year 2013	No. of Participants	Budget Allocation US\$
01.	Training on Waste Water Management	Philippines	28 Jan - 01 Feb	01	150
02.	Training on Environmental Protection & Management	Doha Qatar	26 Mar - 30 Mar	01	2227
03.	Knowledge sharing study Tour in Urban Development Management	South Korea	28 April - 05 May	05	5320
04.	Strategic used of water Management	Singapore	27 May - 31 May	01	1087
05.	Flood Risk Management	South Korea	27 May - 30 May	01	9000
06.	Machinery related Training	South Korea	08 Sep - 14 Sep	09	9552
07.	UNESCO, Poland Co-Sponsorship Scholarship	Poland	01 Oct 2013 - Mar 2014	01	900
08.	To get Poland Visa, Visit to India	India	13 Sep - 16 Sep	01	Rs. 80,000/- US\$ 616
09.	Flood Disaster Mitigation	Japan	01 Oct 2013 - 01 Sep 2014	01	900
10.	Machinery related Training	Malaysia	19 Nov - 23 Nov	08	4000
TOTAL					33,752

Pictures of Machinery related Training held at South Korea



Pictures of Flood Disaster Mitigation (One year Program) for year 2012/2013 held at Japan

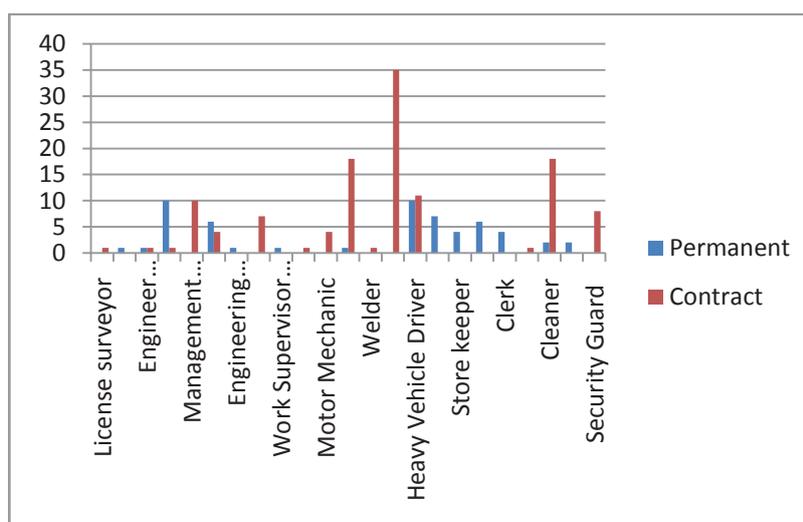




Recruitment & Selection

Approval for the new Scheme of Recruitment (SOR) was granted by the Department of Management Services with effect from 08th November 2013. Considering the service requirements of the Corporation recruitments for the various positions have been made in the approved cadre as per the prior approvals of the Department of the Management Services Circular No. 30.

Accordingly the following positions were recruited in the year 2013.



Disciplinary Management

The 'Disciplinary Code' approved by the Board of Directors for the regular maintenance of the Disciplinary Management of the Corporation has been implemented with effect from 21st June 2013.

The Disciplinary Management of the Corporation is under the provisions of the said Code.

Accordingly, Charge Sheets were issued against 16 employees on the basis of revelation of matters subsequent to the preliminary investigations held soon after reporting the breaches of discipline. After the disciplinary investigations, four employees were dismissed and actions have been taken to re-instate four employees with severe punishment.

Performance Management

Approval of the Board of Directors was obtained for the “**Administrative Procedure**” which contains the rules and regulations of the corporation that could solve the problems arising in Human Resource Management.

Workforce

The workforce of the Corporation as at 31st December 2013 comprised 1315 employees including 1213 permanent employees and 102 Contract basis employees.

Supplies Division

The Supplies Division of SLLR&DC has contributed immensely for the achievement of Corporations Objectives for year 2013. Procurement of products and services on time at optimum price has contributed towards completing most of the projects on time. Following improvements were done to the Procurement Process.

- The establishment of procurement data base is one such activity and it comprises of a comprehensive detail about each of the Purchase Requests done at all divisions. The data base contributed to reduce the lead time and to improve productivity.
- Proper communication channels were developed among other divisions of the corporation and mainly processes at Central Stores, Work Shop, Oil Stores, Transport Division and Supplies division were synchronized to streamline the process. Division Progress Meetings were useful to integrate the processes and minimize the existing bottle necks.
- A representative from Supplies Division was assigned for the coordination of procurement process at identified projects.
- The “Rate Approvals” were introduced for frequently purchased items like FMCGs to avoid unnecessary lead times and other logistics related costs.

Apart from the main task, the division has incorporated and introduced many value added services and activities to the corporation.

- The expert knowledge in supplies division shared with subsidiary companies of SLLR&DC for the establishment of Procurement Processes adhering to the guidelines stated in National Procurement Agency.

- Three members of the division were selected to represent the CHOGM 13' Reflection of Sri Lanka Exhibition stall which is one of the foremost events held in Sri Lanka during this period.
- The members of Division represent the Business Development Team of the SLLR&DC and there they have actively engaged in the project of "Establishment of fuel Station at Kirimandala Mawatha" as the best solution for the Vertical Integration of the processes at SLLR&DC.

Legal Division

The Legal Division functions under powers conferred on the Sri Lanka Land Reclamation and Development Corporation (SLLR&DC) by the Act No. 15 of 1968 and subsequent amendments.

Legal aspects of :

1. Land Acquisition, Development, Settlement and Involuntary Resettlement.
2. Public Utilities (Especially Water Supply, Sanitation and Urban Infrastructure).
3. Draft Legal documents in relation to Land Development, Resettlement, Community Consultation and providing legal assistance to people living in Low Income Settlement areas.
4. Safe Guard the Corporation against the litigations in Court by the Corporation and against the Corporation.
5. Advise on all matters pertaining to day to day legal issues of the Corporation.
6. The Corporation is empowered to take legal action against all unauthorized fillings, violation of conditions given on drainage design, unauthorized occupants in the canal reservation and people who are polluting the canals, within the areas declared under the SLLR&DC Act and the amendment Act No. 35 of 2006.
7. Prepare and attest all M.O.U, Sales Agreement, Contract/Consultancy Agreements, Long Term Lease, Annual Leases, Short-Term Leases, Transfer Deeds, related Legal Documents and Foreign Employment Bonds (No-pay/with pay), Car Loan Agreement, Power of Attorney and ownership of land titles for land clearance certificates.
8. The subsequent Act with amendments has been found to be inadequate, therefore it has become imperative to amend the present Act with the advice of the Attorney General's Department. The Draft of the New Act has been forwarded to the Cabinet for approval.

Report of the Directors

The Directors are pleased to submit their report and the accounts of the Corporation for the year ended 31 December 2013.

Principal Activities

The principal activities of the Corporation have been described in the Operations Review (page 6 to 66) and the Statement of Comprehensive Income. (page 69)

Operational review of the year

The Operations review provides a detailed review of activities of the Corporation during the year.

Turnover

The Turnover during the year was Rs. 1,478 million as compared to Rs.2,174 million in 2012. This was mainly due to the drop of sea sand sales and reduction in income from construction projects. In the mean time our staff strength and all resources were fully occupied in Treasury funded Flood Mitigation projects.

Profit

During the year under review the Corporation made a profit of Rs.118 million before tax & Levy compared to a profit of Rs.32 million in 2012. Profit after tax for 2013 is Rs.104 million compared to a loss of Rs.68 million after tax and levy in the previous year.

State of Affairs

The State of Affairs of the Corporation is as indicated in the Statement of Financial Position.

Property, Plant and Equipment

The movement of property, plant and equipment during the year is shown in the Note 9 to the Accounts.

Taxation

Income tax

Provision for income tax is made based on the profit for the year as adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 10 of 2006 and amendments thereto.

Deferred tax

Deferred tax is provided on the liability method and the balance of the deferred taxation account represents;

- i) Income tax applicable to the difference between the written down values for tax purposes of the assets on which depreciation allowances are claimed and the net book value of such assets.
- ii) The income tax applicable to the timing difference arising from the provision for retirement benefit.

Report of the Directors (Contd..)

Directors' Interests in Contracts

Directors do not have direct or indirect interest in the contracts or proposed contracts with the Corporation, other than disclosed in note 19 of the financial statements.

Going Concern

The Directors are of the view that the Corporation has the ability to continue as going concern.

Statutory Payments

The Directors to the best of their knowledge and belief are satisfied that statutory payments in relation to the Government and the employees have been made up to date.

Employees

As at 31st December 2013 the Corporation was providing employment to 1315 persons.

Post Balance Sheet Events

All material events occurring after the Statement of Financial Position have been considered and where necessary adjustments have been made in the accounts.

Extraordinary Items

Transactions of exceptional/extraordinary nature, which require separate disclosure, have been reported in the notes to the Financial Statements.

Auditors

The Auditor General's Department will audit the accounts of the Corporation for the year 2013.

By order of the Board
For Sri Lanka Land Reclamation and Development Corporation
Secretary

26/02/2014

STATEMENT OF COMPREHENSIVE INCOME

For the reporting period 01.01.2013 to 31.12.2013

	Note	2013 Rs.000	2012 Rs.000
Revenue	1	1,478,028	2,173,919
Cost of Sales	2	<u>1,166,777</u>	<u>1,681,228</u>
Gross Profit		311,251	492,691
Total Treasury Grant Received		1,024,999	926,390
Total Cost incurred		<u>(1,024,999)</u>	<u>(1,069,284)</u>
			(142,894)
Other Operating Income	3	54,162	60,533
Administrative Expenses	4	(430,058)	(445,421)
Other Operating Expenses	5	<u>(200,569)</u>	<u>(128,197)</u>
		(630,627)	(573,618)
Overheads Charged to Treasury Grant Projects		<u>200,396</u>	-
		(430,231)	<u>(573,618)</u>
Profit/(Loss) from Operations		(64,818)	(163,288)
Finance Cost	6	(13,754)	(21,032)
Non Operating Income	7	196,867	216,791
Profit/(Loss) before Taxation and Levy		118,295	32,471
Levy paid to the Consolidated Fund		<u>-</u>	<u>(75,000)</u>
Profit/(Loss) before Taxation		118,295	(42,529)
Provision for Taxation	8	(14,396)	(25,646)
Profit/(Loss) after Taxation for the year		<u>103,899</u>	<u>(68,175)</u>

Figures in brackets indicate deductions.

The Accounting policies and Notes from page 75 to 91 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

For the reporting period 01.01.2012 to 31.12.2013

	Contributed Capital Rs.000	Capital Reserve Rs.000	Revenue Reserve Rs.000	Total Rs.000
Balance as at 01.01.2012	1,000	13,461	2,056,136	2,070,597
Profit/(Loss) for the year	-	-	(68,175)	(68,175)
Balance as at 31.12.2012	<u>1,000</u>	<u>13,461</u>	<u>1,987,961</u>	<u>2,002,422</u>
Balance as at 01.01.2013	1,000	13,461	1,987,961	2,002,422
Profit/(Loss) for the year	-	-	103,899	103,899
Balance as at 31.12.2013	<u><u>1,000</u></u>	<u><u>13,461</u></u>	<u><u>2,091,860</u></u>	<u><u>2,106,321</u></u>

The Accounting policies and Notes from page 75 to 91 form an integral part of these Financial Statements.

Statement of Financial Position

As at end of reporting period 31st December

		2013	2012
	Note	Rs.000	Rs.000
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	9	704,214	398,956
Investment Properties	10	501,354	501,354
Investment in Subsidiary Companies	11	2,000	2,000
Other Investments	12	-	793,045
		<u>1,207,568</u>	<u>1,695,355</u>
Current Assets			
Inventories	13	3,630,170	3,007,366
Trade & Other Receivables	14	616,265	509,039
Deposits & Prepayments		10,484	8,197
Related Party Receivables		41,381	45,537
Cash & Cash Equivalents	15	863,613	396,999
Total Current Assets		<u>5,161,913</u>	<u>3,967,138</u>
Total Assets		<u><u>6,369,481</u></u>	<u><u>5,662,493</u></u>
EQUITY & LIABILITIES			
Capital & Reserves			
Contributed Capital		1,000	1,000
Capital Reserve		13,461	13,461
Revenue Reserve		2,091,860	1,987,961
Total Capital & Reserves		<u>2,106,321</u>	<u>2,002,422</u>
Non-Current Liabilities			
Compensation on Lands		328,351	580,305
Other non-current liabilities	16	772,764	470,817
Provision for Gratuity		209,469	273,605
Deferred Taxation		(60,393)	(56,341)
Total Non-Current Liabilities		<u>1,250,192</u>	<u>1,268,386</u>

Statement of Financial Position (Contd.,)As at end of reporting period 31st December

		2013	2012
	Note	Rs.000	Rs.000
Current Liabilities			
Liabilities on Special Projects	17	1,146,384	733,960
Trade & Other Payables	18	1,872,674	1,634,572
Related Party Payables		26,713	37,931
Taxation		(33,996)	(14,778)
Bank Overdraft	15	1,194	-
Total Current Liabilities		3,012,969	2,391,685
Total Equity & Liabilities		6,369,481	5,662,493

Approved and signed for and on behalf of the Board of Directors.

(Sgd) Chairman

(Sgd) General Manager

(Sgd) Dy. General Manager (Finance)

26.02.2014

CASH FLOW STATEMENT

For the year ended 31st December

	2013 Rs.000	2012 Rs.000
Cash Flows from Operating Activities		
Operating Profit/(Loss) before Tax	118,295	(42,530)
Other Adjustments for Previous Years	-	60,718
	118,295	18,188
<u>Adjustments for</u>		
Provision for Gratuity	(57,629)	17,550
Provision for Depreciation	79,916	70,468
Amortizing Lease Land	24	24
Provision for Compensation for Sold Lands	2,369	4,933
Provision for Slow Moving Inventories	3,686	996
Provision for Doubtful Debtors	(11,775)	(80,894)
Bad Debts Written off	-	28,192
Provision for Investment In REEL	-	2,000
Interest Income	(94,579)	(152,606)
Profit on sale of Fixed Assets and Unserviceable Items	(2,440)	(892)
Over Provision for Taxation	-	(1,515)
	37,866	(93,556)
Cash Flows from Operation Activities before working Capital Changes		
(Increase)/ Decrease in Inventories	(650,812)	(363,601)
(Increase)/ Decrease in WIP - Development of Own Projects	(73,141)	6,574
(Increase)/ Decrease in WIP - Development of Client Projects	(137,464)	38,213
(Increase)/ Decrease in Work Completed at Cost of Other Projects	8,778	1,519
(Increase)/ Decrease in Deposits & Pre-Payments	(2,287)	969
(Increase)/ Decrease in Mobilization Advance Paid	(25,884)	98,733
(Increase)/ Decrease in Trade & Other Receivables	(53,587)	(103,656)
(Increase)/ Decrease in Related Party Receivables	4,156	55,653
Increase/ (Decrease) in Trade & Other Payables	643,912	(1,905,119)
Increase/(Decrease) in Related Party Payables	(11,219)	35,077
	(259,682)	(2,229,194)
Cash Generated from/(used in) Operations		
Gratuity Paid	(6,507)	10,047
Income Tax Paid	(37,658)	(21,367)
Net Cash from/(used in) operating activities	(303,847)	2,260,608

CASHFLOW STATEMENT (Contd.,)

For the year ended 31st December

	2013 Rs.000	2012 Rs.000
Cash Flows from Investing Activities		
Acquisition of Property, Plant & Equipment	(76,627)	(164,733)
Investments in Deferred liabilities	793,045	(15,561)
Interest Income Received	78,598	125,366
Proceeds from sale of Fixed Assets and Unserviceable Items	2,502	1,047
Net Cash Flows from/(used in) Investing Activities	797,518	(53,881)
Cash Flows from Financial Activities		
Interest and Compensation Paid	(28,251)	(10,955)
		-
Net Cash Flows from/(used in) Financing Activities	(28,251)	(10,955)
Net Increase/(decrease) in Cash & Cash Equivalents during the year	465,420	(2,325,444)
Cash and Cash Equivalents at beginning of the year	396,999	2,722,443
Cash and Cash Equivalents at end of the year (Note - A)	<u>862,419</u>	<u>396,999</u>

Note - A

Cash in Hand and Cash at Bank	36,975	46,741
Fixed Deposits	826,638	200,000
Temporary Surplus Trust	-	150,258
Repo	-	-
	<u>863,613</u>	<u>396,999</u>
Bank Overdraft	(1,194)	-
	<u>862,419</u>	<u>396,999</u>

The Accounting policies and Notes from page 75 to 91 form an integral part of these Financial Statements.

Significant Accounting Policies

1. Basis of Accounting

The Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles and the Accounting Standards SLFRS/LKAS 2011 laid down by the Institute of Chartered Accountants of Sri Lanka. No adjustments have been made for inflationary factors affecting the accounts. Where appropriate, significant accounting policies are explained in the succeeding notes.

The accounting policies have been consistently applied by the Corporation and are consistent with those of the previous year and previous year's figures have been rearranged wherever necessary to conform to the current year's presentation.

Basis of Preparation of Consolidated Financial Statements

The Consolidated Financial Statements of Sri Lanka Land Reclamation & Development Corporation comprises its subsidiary Land Reclamation & Development Company (Pvt) Limited.

The accounting policies have been consistently applied by the Corporation and are consistent with those of the previous year and previous year's figures have been rearranged wherever necessary to conform to the current year's presentation.

The accounting policies that have been applied by the Corporation and the Group are consistent with the previous year.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions/events in similar circumstances and wherever necessary appropriate adjustments have been made in the Financial Statements.

The Financial Statements are presented in Sri Lanka Rupees. Figures in brackets indicate deductions.

The Corporation & its subsidiary have a common financial year which ends on 31st December.

2. Assets and Basis of their Valuation

2.1 Property, Plant & Equipment

Property, Plant and Equipment are stated at cost of purchase or construction, less accumulated depreciation. Cost of purchase or construction includes any attributable cost of bringing the assets to working condition for its intended use.

Buildings and Plant & Machinery received under GCFC&EI projects are shown as a separate item under Property, plant and equipment.

Assets received from the Lunawa Environment Improvement and Community Development Project and Metro Colombo Urban Development Project have been accounted separately under Property plant and equipment.

Vehicles received (free) from Ministries have been valued and accounted separately.

Significant Accounting Policies (Cont.,)

2.2 Depreciation

Depreciation is provided to write off the cost of Fixed Assets on a straight-line basis over their expected useful lives. The annual rates used for this purpose are:

Buildings-Permanent	5%
Buildings-Semi permanent	10%
Furniture and Fittings	10%
Office Equipment	12.5%
Plant and Machinery, Vehicles and Equipment	25%
Communication Equipment	25%
Bicycles, small workshop equipment	50%
Convertainers	10%

No depreciation is provided to write off the cost of the lands.

The depreciation charge on assets purchased during the year is on the following basis:

- (1) If purchased before 31st March - full annual depreciation
- (2) If purchased between 1st April and 30th June - 3/4th of annual depreciation
- (3) If purchased between 1 July and 30 Sep. - 1/2 of annual depreciation
If purchased between 1st October and 31st Dec. - 1/4 of annual depreciation.

No depreciation is charged in the year of disposal.

2.3 Inventories

The general stocks are stated at the lower of cost and estimated net realizable value on FIFO basis. Provision has been made where necessary for obsolete and slow moving stocks.

Stock of sea sand is valued taking into account only the dredging cost including a percentage for wastage.

2.4 Work-in-Progress

Work-in-progress relates to long term projects in progress at the date of the Balance Sheet and is valued at cost comprising direct expenditure and estimated overheads attributable to the projects.

2.5 Work Completed at Cost

These represent cost of work virtually completed as at the Balance Sheet date. Cost of work completed under the Muthurajawela Sand Fill Project has been shown as a separate item due to the high value of this project.

Significant Accounting Policies (Cont.,)

2.6 Trade and Other Receivables

Debtors are stated at the amounts they are estimated to realize. Provision is made in the accounts for bad and doubtful debts which represents over one year.

2.7 Cash and Cash Equivalent

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of Cash Flow Statement cash and cash equivalents consist of cash in hand and deposits at Banks including Repo and Treasury Bills and net of Bank Overdrafts.

2.8 Government Grants

Government grant received in the form of long term assets, has been recognized as a differed income and annually recognized as an income over the useful life of the asset. Government grants (except long term assets) received during the year in the form of transfer of resources, relating to operating activities have been recognized in full in the Statement of Comprehensive income. Conditions and other contingencies attaching to the government grants will be considered and disclosed.

3. Liabilities and Provisions

3.1 Defined Benefits Plan

Provision is made in the accounts for terminal benefits payable under the payment of Gratuity Act No. 12 of 1983, and Sri Lanka Accounting Standards for all qualifying employees. The employees qualify for this benefit on completion of 5 years continued service with the Corporation and are entitled from the first year of service. The liability is not externally funded. Provision for gratuity was actuarially valued in 2013.

3.1.1 Defined Contribution Plan

(a) **Employees Provident Fund**

The Corporation contributes 12% and employees contribute 10% to the Employees' Provident Fund. The total amount recognized as an expense for the current year is Rs 84.87 million.

(b) **Employees Trust Fund**

The Corporation contributes 3% on behalf of the employees to the Employees' Trust Fund. The total amount recognized as an expense for the current year is Rs 11.57 million.

Significant Accounting Policies (Cont.,)

3.2 Audit Fees

Audit fees for 2013 were based on fees for 2012.

3.3 (i) Income tax

Provision for income tax is made on the basis of the profit for the year as adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No.10 of 2006 and amendments thereto.

3.3 (ii) Deferred tax

Deferred tax is provided on the liability method and the balance of the deferred taxation account represents:

- i) Income tax applicable to the difference between the written down values for tax purposes of the assets on which depreciation allowances are claimed and the net book value of such assets.
- ii) The income tax applicable to the timing deferral arising from the provision for retirement benefit.

3.4 Overheads

The Corporation has carried out mostly Treasury granted projects for the year 2013. Therefore, a sum equivalent to 30% of the overheads is charged to Treasury granted projects.

4. Income Statement

4.1 Turnover

Turnover represents the Invoice value/certified work rendered during the year but excludes the services rendered on Treasury Grant Projects.

Turnover consists of revenue from:

- (1) Sale of own lands developed
- (2) Reclamation work for clients
- (3) Dredging
- (4) Construction
- (5) Lease of Lands
- (6) Sale of Sea Sand
- (7) Land clearance
- (8) Consultancy
- (9) Miscellaneous projects

Revenue is generally accounted for on an accrual basis.

Significant Accounting Policies (Cont.,)

4.2 Treatment of Income in Land Sales

When lands are sold by Public Auction, full value of the land sale is taken to revenue, treating any balance payable by the buyer as a debt, unless such balance remains unpaid long after the Balance Sheet date and there exists some doubt as to its settlement.

When lands are sold by Tender or by other mode, the sale value is taken to revenue generally when the transfer deed has been executed or all payments have been received and there is no likelihood of the sale not being executed by transfer deed.

4.3 Construction Contracts

Revenue Recognition

When the outcome of the contract can be measured reliably, contract revenue is recognized by reference to stage of completion of the contract activity at the balance sheet date. All work certified have been included in revenue.

Expenditure Recognition

Total cost incurred in respect of each contract during the year, which can be attributed to the work certified, has been included in the cost of sales.

When the outcome of the contract can be measured reliably, contract expense is recognized by reference to stage of completion of the contract activity at the balance sheet date.

5. Extraordinary Items

All relevant details have been disclosed in notes to the accounts.

6. Post balance sheet events

All material events occurring after the balance sheet date have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

Notes To The Comprehensive Income Statements

	2013 Rs.000	2012 Rs.000
1 Revenue		
Land Sales	67,139	110,843
Reclamation	51,393	39,505
Miscellaneous Projects	46,362	102,736
Dredging	385,656	106,617
Construction	611,375	939,421
Sea Sand	77,674	782,550
Price Escalation of Sea Sand	78,600	-
Lease of Lands	68,297	64,296
Consultancy Services	5,532	14,776
Land Clearance	5,251	8,846
Diyatha Uyana Project	37,815	4,329
Sudunelumpura Housing Project	42,934	-
	<u>1,478,028</u>	<u>2,173,919</u>
2 Cost of Sales		
Cost of Land Sold	16,682	21,573
Cost of Reclamation	35,888	30,462
Cost of Miscellaneous Projects	57,732	46,965
Cost of Dredging	372,181	52,968
Cost of Construction	587,618	881,026
Cost of Sea Sand	86,539	648,234
Cost of Diyatha Uyana Project	10,137	-
	<u>1,166,777</u>	<u>1,681,228</u>
3 Other Operating Income		
Registration of Suppliers	784	1,699
Fines and Surcharges	678	969
Miscellaneous Income	50,210	52,128
Profit on Sale of Fixed Assets and unserviceable items	2,440	893
Exchange Gain	50	4,844
	<u>54,162</u>	<u>60,533</u>

Notes To The Comprehensive Income Statements (Contd.,)

	2013	2012
	Rs.000	Rs.000
4 Administrative Expenses		
Director's Fees	891	810
Salaries & Wages	356,612	322,740
Staff Welfare	12,903	12,999
Printing & Stationery	8,133	7,838
Telephone & Postage	4,265	3,924
Periodicals & Publications	905	332
Travelling & Subsistence	306	370
Operating & Maintenance Cost of Motor Vehicles	51,289	39,344
Maintenance of Office Equipments & Furniture & Fittings	2,628	2,798
General Expenses	4,498	2,218
Professional Expenses	2,656	2,495
Medical Expenses	15,778	15,393
Training, Research Study & Development	4,873	1,980
Audit Fees	150	450
Bonus	16,500	13,143
Gratuity & Compensation for Employees	(57,629)	17,550
Compensation for land sold at Attidiya	1,614	41
Provision for Slow Moving Stock	3,686	996
	<u>430,058</u>	<u>445,421</u>
5 Other Operating Expenses		
5.1 Establishment Expenses		
Rent & Rates	636	1,693
Building Maintenance	5,236	9,820
Electricity & Water	9,794	8,610
Insurance	5,108	4,214
	<u>20,774</u>	<u>24,337</u>

Notes To The Comprehensive Income Statements (Contd.,)

	2013 Rs.000	2012 Rs.000
5.2 Depreciation		
Buildings	3,515	2,414
Motor Vehicles	20,281	17,327
Motor Vehicles - Ministry	1,000	500
Electric Car	-	297
Computer & Accessories	4,261	2,728
Office Equipment	1,374	1,091
Furniture & Fittings	1,241	900
Welfare Equipment	220	145
Survey Instruments	545	356
Bicycles	11	18
Computer & Accessories (Weras Ganga Project)	57	484
Welfare Equipment (Weras Ganga Project)	2	2
Welfare Equipment (MCUDP)	6	-
Office Equipment (MCUDP)	52	47
Furniture & Fittings (MCUDP)	60	64
Computer & Accessories (MCUDP)	484	43
Assets under Lunawa EI&CD Project	50,896	65,442
Assets under MCUDP	50,394	-
	<u>134,399</u>	<u>91,858</u>
5.3 Selling Expenses		
Provision for Bad & Doubtful Debtors	(31,773)	(80,894)
Bad Debts Written Off	-	28,192
Provision for Bad & Doubtful Debts - Sudunelumpura	19,998	-
Publicity & Promotional Expenses	984	3,015
Exhibition Expenses	4,257	6,847
	<u>(6,534)</u>	<u>(42,840)</u>
5.4 Others		
Overheads Charged to Projects	(7,004)	(234)
Net deficit/surplus on Plant & Equipment Division	21,651	36,088
Metro Colombo Urban Development Project	37,283	18,988
	<u>51,930</u>	<u>54,842</u>
	<u>200,569</u>	<u>128,197</u>
6 Finance Charges		
Bank Charges	307	219
Interest on compensation on land sold	1,263	1,386
Stamp Duty	23	11
Amortisation of Lease Land	24	24
Construction Levy	4,227	2,721
Deemed Dividend Tax	-	11,351
Nation Building Tax	7,910	5,320
	<u>13,754</u>	<u>21,032</u>

Notes To The Comprehensive Income Statements (Contd.,)

	2013 Rs.000	2012 Rs.000
7 Non Operating Income		
7.1 Interest Income		
Treasury Bill Income	-	15,264
Investment Income	66,177	95,049
Repo Interest Income	28,402	42,293
	<u>94,579</u>	<u>152,606</u>
7.2 Amortization of Assets		
Amortization of Lunawa Assets	50,895	65,442
Amortization of Assets under MCUDP	50,393	-
Amortization of Electric Car	-	243
Amortization of Motor Vehicle - Ministry	1,000	500
	<u>102,288</u>	<u>66,185</u>
7.3 Provision for Investment in REEL	-	(2,000)
	<u>196,867</u>	<u>216,791</u>
8 Tax Expenses		
Provision for Income Tax	18,448	-
Deferred Tax	(4,052)	25,646
	<u>14,396</u>	<u>25,646</u>
8.1 Reconciliation of Accounting Income & income Tax		
Profit/(Loss) before taxation	118,295	(42,529)
Prior year Adjustment	-	-
Add: Disallowable Expenses	134,416	180,183
	<u>252,711</u>	137,655
Less: Allowable Expenses	(539,748)	(437,287)
Trade Profit/(Loss)	<u>(287,037)</u>	<u>(299,632)</u>
Interest Income	101,365	153,810
Loss set off from 2010/2011	(35,478)	-
Taxable Income/(Loss)	<u>65,887</u>	<u>(145,821)</u>
Income Tax Payable Thereon	18,448	
Effective Rate of Tax	52%	0%

Notes To The Comprehensive Income Statements (Contd.,)

9 (a) Property, Plant & Equipment

	Land & Building Rs.000	Plant & Machinery Rs.000	Motor Vehicles Rs.000	Equipment Rs.000	Total Rs.000
<u>Cost</u>					
Balance Brought Forward	132,091	228,311	101,644	96,417	558,463
Additions	8,684	20,970	12,459	22,165	64,278
Disposals	-	(1,640)	(210)	(2,904)	(4,754)
Balance Carried Forward	140,775	247,641	113,893	115,678	617,987
<u>Depreciation</u>					
Balance Brought Forward	73,578	154,002	40,927	43,548	312,055
Charge for the year	3,738	35,005	28,281	9,778	76,802
Disposals	-	(2,364)	(210)	(2,005)	(4,579)
Balance Carried Forward	77,316	186,643	68,998	51,321	384,278
Net Book Value	63,459	60,998	44,895	64,357	233,709
Tools at Valuation					39,903
Carried Forward to Note 9 (d)					273,612

9 (b) Property, Plant & Equipment GCFC&EIP

	Land & Building Rs.000	Plant & Machinery Rs.000	Motor Vehicles Rs.000	Equipment Rs.000	Total Rs.000
<u>Cost</u>					
Balance Brought Forward	47,605	555,811	38,327	51,419	693,162
Additions	-	-	-	-	-
Disposals	-	(837)	(210)	(13,209)	(14,256)
Balance Carried Forward	47,605	554,974	38,117	38,210	678,906
<u>Depreciation</u>					
Balance Brought Forward	28,800	555,810	38,327	51,418	674,355
Charge for the year	2,380	-	-	-	2,380
Disposals	-	(836)	(210)	(13,209)	(14,255)
Balance Carried Forward	31,180	554,974	38,117	38,209	662,480
Net Book Value	16,425	-	-	1	16,426

9 (c) Property, Plant & Equipment – LEI&CDP

	Land & Building	Plant & Machinery	Motor Vehicles	Equipment	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
<u>Cost</u>					
Balance Brought Forward	56,125	218,427	34,228	2,879	311,659
Additions	-	-	-	2,831	2,831
Disposals	-	-	(3,000)	(5)	(3,005)
Balance Carried Forward	56,125	218,427	31,228	5,705	311,485
<u>Depreciation</u>					
Balance Brought Forward	1,403	178,510	27,641	1,892	209,446
Charge for the year	2,806	39,917	5,294	3,094	51,111
Disposals	-	-	(2,812)	(2)	(2,814)
Adjustments	-	-	-	(157)	(157)
Balance Carried Forward	4,209	218,427	30,123	4,827	257,586
Net Book Value	51,916	-	1,105	878	53,899

9 (d) Property, Plant & Equipment - MCUDP

	Land & Building	Plant & Machinery	Motor Vehicles	Equipment	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
<u>Cost</u>					
Balance Brought Forward	-	-	-	-	-
Additions	-	410,650	-	-	410,650
Disposals	-	-	-	-	-
Balance Carried Forward		410,650			410,650
<u>Depreciation</u>					
Balance Brought Forward	-	-	-	-	-
Charge for the year	-	50,394	-	-	50,394
Disposals	-	-	-	-	-
Adjustments	-	-	-	-	-
Balance Carried Forward		50,394			50,394
Net Book Value	-	360,256	-	-	360,256
Tools at Valuation					21
Note 9 (a)					273,612
Note 9 (b)					16,426
Note 9 (c)					53,899
					704,214

Notes to The Financial Statements (Contd.,)

10. Investment Properties

Lands on Lease (Long Term Basis)

This Corporation has leased out lands on long term basis, as indicated in the schedule to this note. Generally the lease rent for the entire period is paid in advance. Therefore, the lease income for the year is taken by dividing the total lease payment by the number of years of the lease.

Accordingly, income relating to the current year is credited to the Income Statement and the balance is shown as a liability in the Balance Sheet.

The value of lands relating to long term leases amounting to Rs. 501,354,118.73 has been shown as a separate item in the Balance Sheet as lands on lease.

VALUE OF LANDS ON LEASE

Name of Lessee	Location	Extent	Duration	Value of Lands on Lease Rs.
Asia Siyaka Warehousing (Pvt) Ltd	Muthurajawela	6A 1R 28P	50 years	45,540,400.00
Shell Terminal Ltd	Muthurajawela	26 A	50 years	184,288,000.00
Japanese School Colombo	Lake Drive	1A 12P	30 years	1,596,100.33
Century Property Ltd	Wedamulla	3 A	50 years	40,913,908.80
A B Development	Wedamulla	1 A	50 years	13,637,969.60
Paras Industries (Pvt) Ltd	Muthurajawela	3A 2R 2P	50 years	24,896,600.00
Forbes & Walkers Warehousing (Pvt) Ltd.	Muthurajawela	4A	50 years	28,352,000.00
Accor Industries	Muthurajawela	4A	50 years	28,352,000.00
John Keels Warehousing	Muthurajawela	6A 0R 30P	50 years	43,857,000.00
Pyramid Lanka	Muthurajawela	6A OR 2P	50 years	42,616,600.00
Sri Chirag Lanka (Pvt) Ltd,	Muthurajawela	4A 2R 11P	50 years	32,383,300.00
Ceylon Electricity Board	Muthurajawela	176.8 P	30 Years	7,832,240.00
Tess Agro Ltd	Muthurajawela	1A	30 Years	<u>7,088,000.00</u>
				<u>501,354,118.73</u>

Notes to The Comprehensive Income Statements (Contd.,)

	2013 Rs.000	2012 Rs.000
11 Investments in Subsidiary Companies		
Shares in Land Reclamation & Development Co. Ltd. (REDECO) This represents 80% of the issued share capital of REDECO	<u>2,000</u>	<u>2,000</u>
12 Other Investments		
Real Estate Exchange (Pvt) Ltd., 20,000 shares @ Rs 100/= each. This represent 14% of the issued share capital of REEL	2,000	2,000
Less: Provision for diminution in value of the investment	(2,000)	(2,000)
Funds for Gratuity	-	275,693
Funds for compensation on lands acquired not yet paid	-	517,352
	<u> </u>	<u>793,045</u>
13 Inventories		
Sea Sand Stock	1,975,225	1,367,090
General Stock	162,183	-
Less: Provision for Slow Moving Stock	<u>(49,344)</u>	<u>(45,658)</u>
	112,839	73,849
Cost of Lands Acquired	287,353	513,500
Work-in-progress - Development of own projects	272,937	199,796
Work-in-progress - Development of Client projects	21,445	28,934
Work-in-Progress – Weras Ganga Project	144,952	-
Work Completed Projects	815,419	824,197
	<u>3,630,170</u>	<u>3,007,366</u>
14 Trade & Other Receivables		
Staff Debtors	142,036	134,575
Other Debtors	29,882	50,383
Mobilization Advance paid to Contractor- Weras Ganga	19,513	-
Mobilization Advance paid to Contractor- Others	42,110	35,739
Trade Debtors	431,951	-
Less ; Provision for bad & doubtful debts	<u>(49,370)</u>	<u>(81,142)</u>
	382,581	288,342
Debtors – Sudunelumpura Housing Scheme	20,141	-
Less: Provision for bad & doubtful debts	<u>(19,998)</u>	<u>-</u>
	<u>616,265</u>	<u>509,039</u>

Notes to The Comprehensive Income Statements (Contd.,)

	2013 Rs.000	2012 Rs.000
15 Cash & Cash Equivalents		
Fixed & Call Deposits	626,604	350,258
Call Deposits –Weras Ganga Project	200,034	-
Cash in Hand	481	524
Cash at Bank	34,648	44,462
Cash at Bank (Rupee converted amount)	1,846	1,755
	<u>863,613</u>	<u>396,999</u>
Bank Overdraft	(1,194)	-
	<u>862,419</u>	<u>396,999</u>
This Corporation maintains a US Dollar Currency (savings) account for the sea sand project. The balance as at end of 2013 is USD 14,118.46		
16 Other Non Current Liabilities		
Deferred Income (GCFC & EIP)	16,426	18,806
Deferred Income (LEI & EIP)	53,899	102,213
Deferred Income - MCUDP	360,256	-
Deferred Income - Motor Vehicle (Ministry)	2,500	3,500
Advance Received against Lease Lands	339,683	346,298
	<u>772,764</u>	<u>470,817</u>
17 Liabilities on Special Projects		
Greater Colombo Flood Control & Environment Improvement Project	660,730	660,730
Funds Received - 21 Houses Sooriyawewa	23,615	2,001
Ragama Kalu Oya	56,245	56,245
Funds Received – Hambantota Mayurapura	5,794	5,794
Funds Received - Weeras Ganga Project	400,000	9,190
	<u>1,146,384</u>	<u>733,960</u>
18 Trade & Other Payables		
Contract Creditors	33,525	28,244
Tipper Hire Creditors	869	644
Sundry Creditors	258,099	148,301
Accrued Expenses	118,061	48,309
Sundry Deposits & Security Deposits	22,592	23,105
Advances against sale of lands	517,471	518,528
Other Advances Received	434,209	247,327
Advance received on Sea Sand	35,812	35,812
Creditors - Dredging International	-	89,741
Creditors - Rhode Nielsen	84,768	84,768
Creditors - Sea sand loan for CEB Land	186,996	229,521
Creditors - Sea sand filing stock pile 1&2	180,272	180,272
	<u>1,872,674</u>	<u>1,634,572</u>

Notes to The Financial Statements (Contd.,)

19 Related Party Transactions

<u>Name of the related party</u>	<u>Relationship</u>	<u>Nature of Transaction</u>	<u>Amount</u>
1. Land Reclamation and Development Company. (Redeco)	Chairman of the corporation is the chairman of this company	<p>Arranged with this company to purchase cement blocks under normal transaction for use in its various projects.</p> <p>Redeco has carried out several construction projects for the Corporation</p> <p>An office building and 2 blocks of land at Kirimandala Mawatha are given on lease.</p>	<p>During the year, concrete products have been purchased to the Corporation amounting to Rs.33,632,391.96</p> <p>Cost of projects Carried out for the Corporation is Rs. 5,744,796.45</p> <p>Annual lease rent is Rs. 613,440.00</p>
2. L.R.D.C. Services(Pvt) Ltd.	Fully owned subsidiary of REDECO Chairman of the corporation is the chairman of this company	Providing security services to the various sites of the Corporation under normal transactions	<p>Security services rendered by LRDC are Rs.9,362,744.27 Fuel issued by the Corporation to LRDC is Rs.304,327.13 In addition to the above The Corporation owes the LRDC Rs.3.0 mn. This amount represents valuation of the Motor Van transferred to the Corporation.</p>

Notes to The Financial Statements (Contd.,)

20 Sea Sand Stock

Dredging International NV of Belgium completed mining and pumping of 3,000,000 meter cubes of sand. The total cost of the project is USD 19,860,000 excluding all taxes. An additional claim for price & fuel escalation for US Dollars 1,411,456.80 too was paid to the Contractor.

Dredging International was awarded a contract in year 2013 to pump and supply an additional quantity of 756,595 meter cubes sand at a price of US Dollars 5,197,539.44 including additional claims (excluding taxes). This contract was completed during the year.

Sea sand stock of 2,424,015.19 meter cubes amounting to Rs.1,975,225,408/- has been recorded in the Financial Statements as at 31.12.2013.

21. **Compensation & Interest on Land Acquired.**

Based on the actual compensation and interest paid on land acquired at Mudun Ela (PPGAM 2774, 2813, 2837, 3088 & 3068) a sum of Rs.207,307,834.97 was adjusted as an over provision in year 2013.

Since the ownership of the land at Talakotuwa (PPCO 6286) remains with Government compensation payable was re-adjusted in 2013.

Wedamulla Stage I (PPGAM 1435) since the compensation has been deposited in Courts, rate of interest on compensation has been adjusted in year 2013.

The estimated value for the proposed land to be vested from Ceylon Government Railways at Wedamulla is Rs.10,000,000/-. The Corporation has paid Rs.356,633.93 to Divisional Secretary, Kelaniya as compensation and interest for the land to be vested.

For the land acquired un PPCO 6804 at Attidiya and alternative land has been allocated to the Bellanwila Temple. Therefore compensation will not be paid.

22. **Deferred Income**

This Corporation received assets under the Greater Colombo Flood Control and Environment Improvement Project, the Lunawa Environment Improvement and Community Development Project and the Metro Colombo Urban Development Project. These assets and the corresponding liability have been recorded at fair values. Each year the carrying amounts of these three accounts have been reduced by an amount equivalent to the depreciation charge. In accordance with the observations made in the Auditor General's report for year 2006 the liability account (grant) has been categorized as deferred income.

Notes to The Financial Statements (Contd.,)

23. Construction Contracts

Contract revenue is recognized by reference to the stage of completion of the contract activities at the Balance Sheet date when the outcome of the construction contract can be measured reliably. All work certified have been included in the revenue.

24. Sudunelumpura Housing Project

Based on the Auditor General's report of 2012, the Corporation has accounted income received and due up to year 2013. According to information available there is no indication regarding the transfer of assets, hence the corresponding project cost and land cost remain in the Balance Sheet.

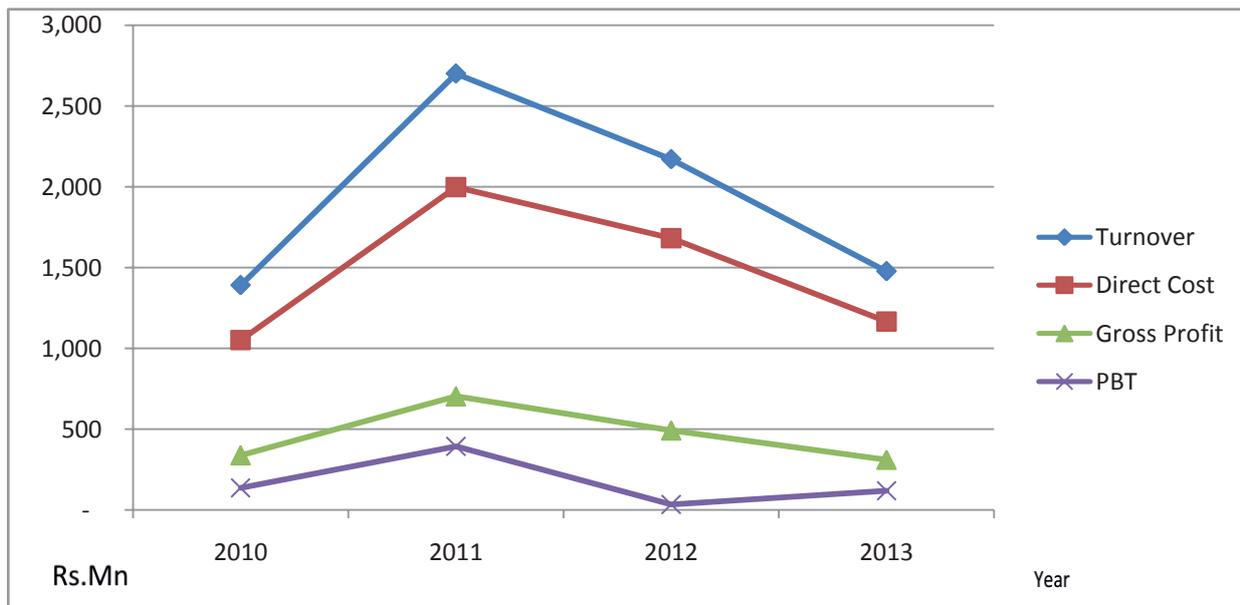
Financial Highlights

The total turnover during the year was Rs 1,478 million compared with Rs 2,174 million in the previous year. The net profit before tax in 2013 is Rs 118 million compared with the profit of Rs 32 million in year 2012. The net profit after tax in 2013 is Rs 104 million compared with the loss of Rs 68 million in 2012.

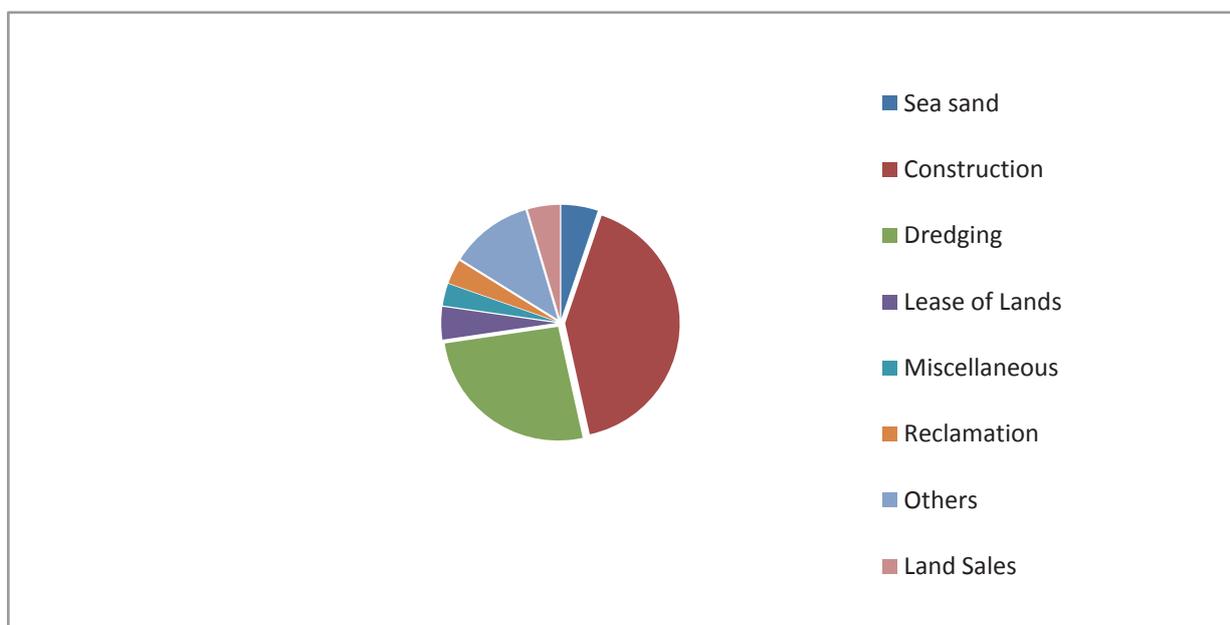
Profit & Loss						
	2013	2012	2011	2011	2010	2009
	Rs.Mn	Rs.Mn	Restated Rs.Mn	Audited Rs.Mn	Rs.Mn	Rs.Mn
Turnover	1,478	2,174	2,700	2,700	1,391	1,174
Direct Cost	(1,167)	(1,682)	(1,997)	(1,997)	(1,052)	(787)
Gross Profit	311	492	703	703	339	387
Other Operating Income	54	55	56	56	95	100
Exchange Gain/(Loss)	-	5	35	35	(5.00)	-
Interest Income	96	153	152	152	152	212
Total Overheads	(343)	(529)	(395)	(388)	(424)	(361)
Corporations' contribution for flood mitigation projects	-	(143)	(158)	(158)	(21)	(43)
Profit before Tax & Levy	118	33	393	399	136	295
Balance Sheet						
Total Assets	6,369	5,662	7,520	7,538	5,136	5,666
Capital & Reserves	2,106	2,002	2,071	2,010	1,718	1,553
Non-Current Liabilities	1,250	1,268	1,233	1,233	1,297	1,399
Current Liabilities	3,013	2,392	4,216	4,295	2,121	2,714
Ratio Analysis						
Gross Profit	21%	23%	26%	26%	24%	33%
Net Profit from Operating Activities (excluding interest income & exchange gain)	1%	-6%	8%	8%	-1%	7%
Net Profit	8%	2%	15%	15%	10%	25%
Return on Capital Employed	2%	1%	5%	5%	3%	10%

Highlights of the year 2013

The Total turnover recorded for 2013 was Rs.1,477 mn. compared to Rs.2,170 mn. for 2012. A significant drop of the turnover is observed due to the reduction in income from Sea sand and construction projects. A new stock of sea sand pumped in end of the year 2012 and early 2013. Since it takes a considerable time period to wash the chloride content, the sale process was not started for construction purposes. A sea sand stock worth of Rs. 1,975 mn. is reflected in accounts under inventory for future sales.

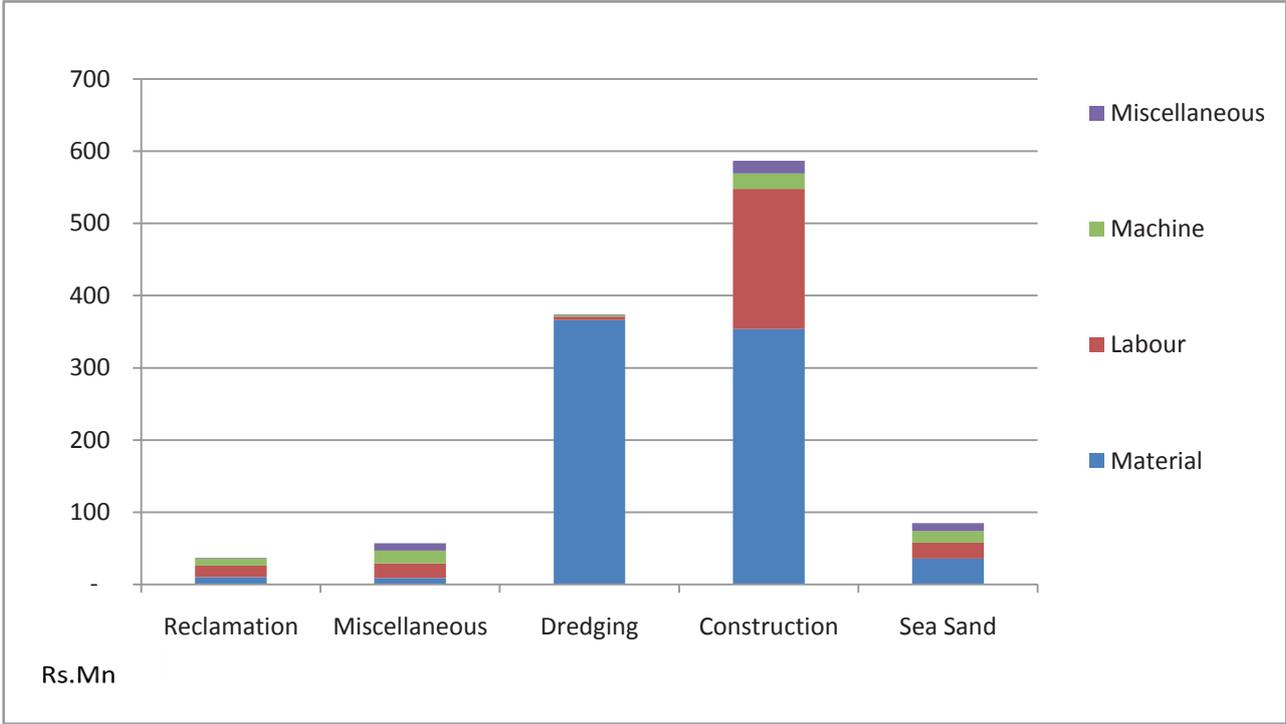


Turnover by Activity



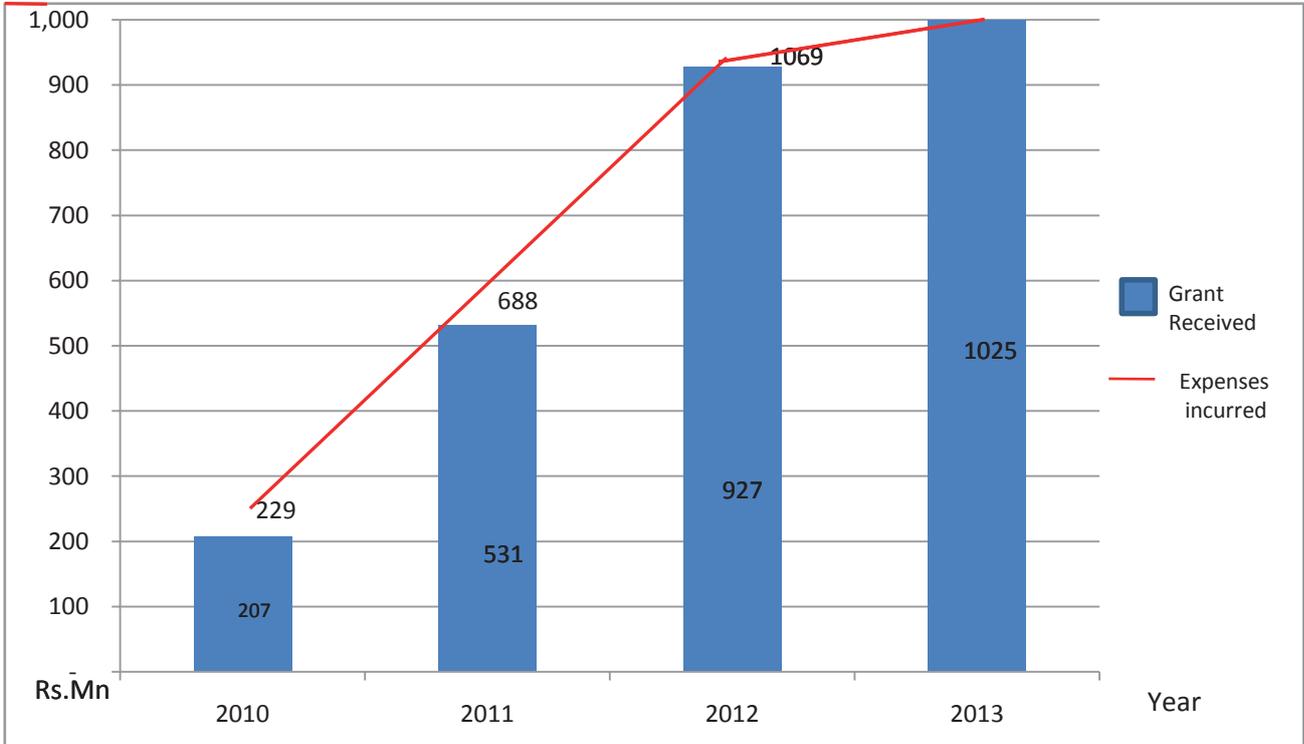
Cost by Activity

Construction Projects accounted for the highest direct cost from the total direct cost of the year 2013.



Treasury Grant

Treasury grant received for maintenance of canals and flood mitigation projects.



STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME
For the reporting period 01.01.2013 to 31.12.2013

	Note	GROUP		CORPORATION	
		2013 Rs.000	2012 RESTATED. Rs.000	2013 Rs.000	2012 Rs.000
Revenue	1	1,723,800	2,287,534	1,478,028	2,173,920
Cost of Sales	2	<u>(1,370,024)</u>	<u>(1,748,680)</u>	<u>(1,166,777)</u>	<u>(1,681,228)</u>
Gross Profit		353,036	538,854	311,251	492,691
Net income/ expense on Treasury Projects			(142,894)	-	(142,894)
Other Operating Income	3	60,746	62,933	54,162	60,533
Administrative Expenses	4	(455,490)	(466,573)	(430,058)	(445,420)
Other Operating Expenses	5	<u>(202,073)</u>	<u>(132,291)</u>	<u>(200,569)</u>	<u>(130,196)</u>
Overhead charged to Treasury Grant Projects		200,396		200,396	
Profit/(Loss) from Operations		(43,385)	(139,971)	(64,818)	(165,286)
Finance Cost	6	(14,397)	(21,957)	(13,754)	(21,032)
Non Operating Income	7	<u>198,726</u>	<u>220,994</u>	<u>196,867</u>	<u>218,791</u>
Profit/(Loss) before Taxation and Levy		140,945	59,067	118,295	32,473
Levy paid to the Consolidated Fund			(75,000)	-	(75,000)
Provision for Taxation	8	<u>(16,896)</u>	<u>(29,769)</u>	<u>(14,396)</u>	<u>(25,646)</u>
Profit/(Loss) after Taxation and Levy		124,049	(45,702)	103,899	(68,173)
Dividend payable			<u>(2,338)</u>		
Net Profit/(Loss) for the year		<u>124,049</u>	<u>(48,040)</u>	<u>103,899</u>	<u>(68,173)</u>
Profits attributable to :					
Equity holders of the Parent		119,980			
Non Controlling Interest		4,069			

Figures in brackets indicate deductions.

The Accounting policies and Notes from Page 101 to 111 from an integral part of these Financial Statements.

STATEMENT OF CONSOLIDATED FINANCIAL POSITION
AS AT END OF REPORTING PERIOD 31.DEC

	Note	GROUP		CORPORATION	
		2013 Rs.000	2012 RESTATED Rs.000	2013 Rs.000	2012 Rs.000
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	9	707,014	401,945	704,214	398,956
Investment Properties	18	501,354	501,354	501,354	501,354
Investment in Subsidiary Companies	10	-	-	2,000	2,000
Other Investments	11	18,514	804,129	-	793,045
		<u>1,226,883</u>	<u>1,707,428</u>	<u>1,207,568</u>	<u>1,695,355</u>
Current Assets					
Inventories	12	3,707,711	3,061,382	3,630,170	3,007,365
Trade & Other Receivables	13	707,697	587,962	616,265	509,039
Deposits & Prepayments		13,069	8,975	10,484	8,197
Mobilization Advance Paid			-	-	-
Related Party Receivables		41,381	33,058	41,381	45,538
Cash & Cash Equivalents	14	882,083	399,437	863,613	396,999
Total Current Assets		<u>5,351,941</u>	<u>4,090,813</u>	<u>5,161,913</u>	<u>3,967,138</u>
Total Assets		<u>6,578,824</u>	<u>5,798,241</u>	<u>6,369,481</u>	<u>5,662,493</u>
EQUITY & LIABILITIES					
Capital & Reserves					
Contributed Capital		1,000	1,000	1,000	1,000
Revaluation reserve			-		
Asset replacement reserve		1,472	1,472		
Capital Reserve		13,461	13,461	13,461	13,461
Revenue Reserve		2,100,258	1,979,247	2,091,860	1,987,962
Non Controlling Interest		3,038	-		
Total Capital & Reserves		<u>2,119,228</u>	<u>1,995,180</u>	<u>2,106,321</u>	<u>2,002,423</u>
Non-Current Liabilities					
Compensation on Lands		328,352	580,305	328,352	580,305
Other non-current liabilities	15	776,964	470,817	772,764	470,817
Provision for Gratuity		222,374	282,892	209,469	273,605
Long term borrowings	15	1,200	1,200	-	-
Deferred Taxation		(75,180)	(73,467)	(60,393)	(56,341)
Total Non-Current Liabilities		<u>1,253,710</u>	<u>1,261,747</u>	<u>1,250,192</u>	<u>1,268,386</u>
Current Liabilities					
GOSL-Liabilities on Special Projects	16	1,146,384	733,960	1,146,384	733,960
Trade & Other Payables	17	2,042,546	1,777,772	1,872,673	1,634,572
Related Party Payables		35,571	36,297	26,713	37,931
Taxation		(33,996)	(14,778)	(33,996)	(14,778)
Bank Overdraft	14	15,380	8,062	1,194	-
Total Current Liabilities		<u>3,205,885</u>	<u>2,541,313</u>	<u>3,012,968</u>	<u>2,391,685</u>
Total Equity & Liabilities		<u>6,578,824</u>	<u>5,798,241</u>	<u>6,369,481</u>	<u>5,662,493</u>

Approved and signed for and on behalf of the Board of Directors.

The Accounting policies and Notes from page 101 to 111 form an integral part of these Financial Statements.

(Sgd)Chairman
(Arct.) Harshan De Silva

(Sgd)General Manager
(Eng). Srimathi Senadheera

(Sgd)Dy.General Manager (Finance)
(Mrs) R I Silva

STATEMENT OF CHANGES IN EQUITY

For the reporting period 01.01.2013 to 31.12.2013

GROUP

Attributable to Equity Holders of Parent

	Contributed Capital Rs.000	Capital Reserve Rs.000	Asset Replacement Reserve Rs.000	Revaluation Reserve Rs.000	Revenue Reserve Rs.000	Total	Non Controlling Interest	Total
Balance as at 01.01.2012	1,000	13,461	1,472	-	2,027,287	2,043,220	-	2,043,220
Profit/(Loss) for the year	-	-	-	-	(48,040)	(48,040)	-	(48,040)
Balance as at 31.12.2012	1,000	13,461	1,472	-	1,979,247	1,995,180	-	1,995,180
Balance as at 01.01.2013	1,000	13,461	1,472	-	1,979,247	1,995,180	-	1,995,180
Profit/(Loss) for the year	-	-	-	-	119,980	119,980	4,069	124,049
Balance Absorption of subsidiary loss					1031		(1,031)	-
Balance as at 31.12.2013	1,000	13,461	1,472	-	2,100,258	2,115,159	3,038	2,119,228

Figures in brackets indicate deductions.

The Accounting policies and Notes from page 101 to 111 from an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY
For the reporting period 01.01.2013 to 31.12.2013
CORPORATION

	Contributed Capital Rs.000	Capital Reserve Rs.000	Revenue Reserve Rs.000	Total Rs.000
Balance as at 01.01.2012	1,000	13,461	2,056,136	2,070,579
Profit/(Loss) for the year	-	-	(68,175)	(68,175)
Balance as at 31.12.2012	1,000	13,461	1,987,961	2,002,422
Balance as at 01.01.2013	1,000	13,461	1,987,961	2,002,422
Profit/(Loss) for the year	-	-	103,899	103,899
Balance as at 31.12.2013	1,000	13,461	2,091,860	2,106,321

**SRI LANKA LAND RECLAMATION AND DEVELOPMENT CORPORATION
CONSOLIDATED CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31ST DECEMBER	GROUP		CORPORATION	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
Cash Flow from (used in)/Operating Activities				
Net Profit before Taxation and Levy	140,945	(15,933)	118,295	18,188
Adjustments				
Depreciation	80,745	108,540	79,916	70,468
Provision for doubtful debts	(11,775)	(52,702)	(11,775)	(52,702)
Provision for prepayments				996
Interest Income	(96,436)	(154,809)	(94,579)	(152,606)
Profit on sale of fixed assets and unserviceable items	(2,440)	(892)	(2,440)	(892)
Provision for slow moving Inventories	3,686	996	3,686	-
Provision for compensation paid for lands acquired	2,369	4,933	2,369	4,933
Provision for Investment	-	2,000	-	2,000
Amortization of Leased Land	24	24	24	24
Provision for Defined Benefit Plans	(53,260)	18,690	(57,629)	17,550
Other adjustments for previous year	-	4,328	-	-
provision for taxation	-	-	-	(1,515)
Operating Profit before Working Capital Changes	63,857	(84,825)	37,867	(93,556)
Working Capital Changes				
(Increase)/Decrease in Inventories	(819,211)	(383,995)	(650,812)	(363,601)
(Increase)/Decrease in WIP- Development of own project	(73,141)	748	(73,141)	6,574
(Increase)/Decrease in WIP- Development of client project	7,489	32,904	(137,464)	38,213
(Increase)/Decrease in Work Completed Projects	8,778	(2,312)	8,778	1,519
(Increase)/Decrease in Deposits & Prepayments	(4,094)	2,393	(2,287)	969
(Increase)/Decrease in Mobilization Advance Paid	51,621	98,733	(25,884)	98,733
(Increase)/Decrease in Trade & Other Receivables	(107,960)	(70,961)	(53,587)	(103,656)
(Increase)/Decrease in amounts due from Related Party	(8,323)	56,460	4,156	55,653
Increase/(Decrease) in amount due to Related party	(726)	33,442	(11,219)	35,077
Increase/(Decrease) in Trade & Other Payables	623,090	(1,880,730)	643,912	(1,905,119)
Cash Generated from Operations	(258,619)	(2,198,142)	(259,680)	(2,229,194)
Income Tax Paid	(37,827)	(26,589)	(37,658)	(21,367)
Gratuity Paid	(7,258)	(10,261)	(6,507)	(10,047)
Net Cash flows from/(used in) Operating Activities	(303,704)	(2,234,992)	(303,845)	(2,260,608)

**SRI LANKA LAND RECLAMATION AND DEVELOPMENT CORPORATION
 CONSOLIDATED CASH FLOW STATEMENT**

	GROUP		CORPORATION	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
<u>Cash Flows from/(used in) Investing Activities</u>				
Acquisition of Property, Plant & Equipment	(77,267)	(198,548)	(76,627)	(164,733)
Other Investments	785,615	(13,166)	793,045	(15,561)
Interest Income received	96,436	127,569	78,598	125,366
Proceeds from Sale of Property, Plant & Equipment	2,502	1,047	2,502	1,047
Net Cash Flow from/(Used in) Investing Activities	807,285	(83,098)	797,517	(53,881)
<u>Cash Flows from/(used in) Financing Activities</u>				
Interest and compensation paid	(28,252)	(10,955)	(28,251)	(10,955)
Loans Repaid				-
Net Cash Flow from/(Used in) Financing Activities	(28,252)	(10,955)	(28,251)	(10,955)
Net Increase/(Decrease) in Cash and Equivalents	475,329	(2,329,046)	465,420	(2,325,444)
Cash and Cash Equivalents at the Beginning	391,374	2,720,419	396,999	2,722,443
Cash and Cash Equivalents at the End of the Year	866,703	391,374	862,419	396,999
<u>Analysis of Cash and Cash Equivalents</u>				
Cash at Bank - Favorable	882,083	399,437	863,613	396,999
Bank Overdrafts	(15,380)	(8,062)	(1,194)	-
	866,703	391,374	862,419	396,999

The Accounting Policies and Notes on Pages **101** through **111** from an integral part of the Financial Statements.

Figures in brackets indicate deductions.

NOTES TO THE COMPREHENSIVE INCOME STATEMENTS

	GROUP		CORPORATION	
	2013 Rs.000	2012 RESTATED Rs.000	2013 Rs.000	2012 Rs.000
1 Revenue				
Land Sales	67,139	110,843	67,139	110,843
Reclamation	51,393	39,505	51,393	39,505
Miscellaneous Projects	46,362	102,736	46,362	102,736
Dredging	385,656	106,617	385,656	106,617
Construction	753,268	965,482	611,375	939,421
Sea Sand	156,274	782,550	156,274	782,550
Lease of Lands	68,297	64,296	68,297	64,296
Consultancy Services	5,532	14,776	5,532	14,776
Land Clearance	5,251	8,846	5,251	8,846
Diyatha Uyana Projects	37,815	4,329	37,815	4,329
Sale of blocks and hume pipes	103,746	87,553		-
Sudunelumpura Housing Project	42,934		42,934	
Tipper hire	133	-		
	<u>1,723,800</u>	<u>2,287,534</u>	<u>1,478,028</u>	<u>2,173,920</u>
2 Cost of Sales				
Cost of Land Sold	16,682	21,573	16,682	21,573
Cost of Reclamation	35,888	30,462	35,888	30,462
Cost of Miscellaneous Projects	57,732	46,965	57,732	46,965
Cost of Dredging	372,181	52,968	372,181	52,968
Cost of Construction	547,824	881,026	587,618	881,026
Drainage	86,539	-	86,539	-
Diyatha Uyana Projects	253,918	648,234	10,137	648,234
	<u>1,370,764</u>	<u>1,681,228</u>	<u>1,166,777</u>	<u>1,681,228</u>
3 Other Operating Income				
Registration of Suppliers	784	1,699	784	1,699
Fines and Surcharges	678	969	678	969
Miscellaneous Income	56,794	54,528	50,210	52,128
Profit on Sale of Fixed Assets and unserviceable items	2,440	893	2,440	893
Exchange Gain	50	4,845	50	4,845
	<u>60,746</u>	<u>62,933</u>	<u>54,162</u>	<u>60,533</u>
4 Administrative Expenses				
Director's Fees	1,251	1,026	891	810
Salaries & Wages	367,742	333,646	356,612	322,740
Staff Welfare	12,906	13,011	12,903	12,999
Printing & Stationery	8,656	7,838	8,133	7,838
Telephone & Postage	4,543	4,220	4,265	3,924
Periodicals & Publications	905	977	905	332
Travelling & Subsistence	346	406	306	370
Operating & Maintenance Cost of Motor Vehicles	53,241	41,327	51,289	39,344
Maintenance of Office Equipments & Furniture & Fittings	110	66	-	-
General Expenses	2,628	2,798	2,628	2,798
Professional Expenses	5,193	2,894	4,498	2,218
Medical Expenses	2,718	2,537	2,656	2,495
Medical Expenses	15,778	15,393	15,778	15,393
Training, Research Study & Development	4,891	1,999	4,873	1,980
Audit Fees	370	709	150	450
Bonus	22,129	17,938	16,500	13,143
Gratuity & Compensation for Employees	(53,260)	18,690	(57,629)	17,550
Workmen's Compensation	1,614	41	1,614	41
Secretarial fees	-	-	-	-
Registration fees	43	60	-	-
Stamp duty charges	-	-	-	-
Provision for Slow Moving Stock	3,686	996	3,686	996
	<u>455,490</u>	<u>466,573</u>	<u>430,058</u>	<u>445,420</u>

NOTES TO THE COMPREHENSIVE INCOME STATEMENTS

	GROUP		CORPORATION	
	2013 Rs.000	2012 RESTATED Rs.000	2013 Rs.000	2012 Rs.000
5 Other Operating Expenses				
<i>5.1 Establishment Expenses</i>				
Rent & Rates	1,239	2,173	636	1,693
Building Maintenance	5,244	10,078	5,236	9,820
Electricity & Water	10,185	9,025	9,794	8,609
Insurance	5,254	4,569	5,108	4,214
	<u>21,923</u>	<u>25,844</u>	<u>20,774</u>	<u>24,337</u>
<i>5.2 Depreciation</i>				
Buildings	3,515	2,414	3,515	2,414
Motor Vehicles	20,326	17,372	20,281	17,327
Motor Vehicles - Ministry	1,000	500	1,000	500
Electric Car	-	297	-	297
Computer & Accessories	4,261	2,728	4,261	2,728
Office Equipment	1,608	1,320	1,374	1,091
Furniture & Fittings	1,271	930	1,241	900
Welfare Equipment	220	145	220	145
Survey Instruments	545	356	545	356
Bicycles	11	18	11	18
Assets under Lunawa EI & CDP	50,896	65,442	50,896	65,442
Assets under MCUPD	50,394		50,394	
Welfare Equipment (Werasa Ganga Project)	2	2	2	2
Welfare Equipment (MCUPD)	6		6	
Office Equipment (MCUDP)	52	47	52	47
Furniture & Fittings (MCUDP)	60	64	60	64
Computer & Accessories (Werasa Ganga Project)	57	484	57	484
Computer & Accessories (MCUDP)	484	43	484	43
	<u>134,708</u>	<u>92,161</u>	<u>134,399</u>	<u>91,857</u>
<i>5.3 Selling Expenses</i>				
Provision for Bad & Doubtful Debtors	(31,773)	(80,894)	(31,773)	(80,894)
Provision for Bad & Doubtful Debtors - Sudunelumpura	19,998		19,998	
Bad Debts Written Off	-	28,192	-	28,192
Publicity & Promotional Expenses	1,030	3,300	984	3,015
Exhibition Expenses	4,257	6,847	4,257	6,847
	<u>(6,488)</u>	<u>(42,555)</u>	<u>(6,534)</u>	<u>(42,840)</u>
<i>5.4 Others</i>				
Overheads Charged to Projects of the Government	(7,004)	(234)	(7,004)	(234)
Division	21,651	36,088	21,651	36,088
Metro Colombo Urban Development Project	37,283	18,988	37,283	
Provision for Investment in REEL	-	2,000		2,000
	<u>51,930</u>	<u>56,842</u>	<u>51,930</u>	<u>56,842</u>
	<u>202,073</u>	<u>132,291</u>	<u>200,569</u>	<u>130,196</u>
6 Finance Charges				
Bank Charges	500	509	307	219
Interest on compensation on land sold	1,263	1,386	1,263	1,386
Stamp Duty	23	11	23	11
Over draft interest	450	594		-
Amortisation of Lease Land	24	24	24	24
Construction Levy	4,227	2,721	4,227	2,721
Lease interest	-	41		-
Deemed Dividend Tax	-	11,351		11,351
Nation Building Tax	7,910	5,320	7,910	5,320
	<u>14,397</u>	<u>21,957</u>	<u>13,754</u>	<u>21,032</u>

NOTES TO THE COMPREHENSIVE INCOME STATEMENTS

	GROUP		CORPORATION	
	2013 Rs.000	2012 RESTATED Rs.000	2013 Rs.000	2012 Rs.000
Non Operating Income				
7.1 Interest Income				
Treasury Bill Income	1,859	15,428	-	15,264
Investment Income	66,177	95,049	66,177	95,049
Repo Interest Income	28,400	44,332	28,400	42,293
	<u>96,436</u>	<u>154,809</u>	<u>94,577</u>	<u>152,606</u>
7.2 Amortisation of Assets				
Amortisation of Lunawa Assets	50,896	65,442	50,896	65,442
Amortisation of Assets under MCUPD	50,394		50,394	
Amortisation of Electric Car	-	243	-	243
Amortisation of Motor Vehicle - Ministry	1,000	500	1,000	500
	<u>102,290</u>	<u>66,185</u>	<u>102,290</u>	<u>66,185</u>
	<u>198,726</u>	<u>220,994</u>	<u>196,867</u>	<u>218,791</u>
8 Tax Expenses				
Provision for Income Tax	20,948	2,173	18,448	-
Deferred Tax	(4,052)	27,597	(4,052)	25,646
	<u>16,896</u>	<u>29,769</u>	<u>14,396</u>	<u>25,646</u>

9 (a) Property, Plant & Equipment as at 31.12.2013
GROUP

	Land & Building	Plant & Machinery	Motor Vehicles	Palets	Dampalessa Assets	Kotagala Assets	Equipment	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
<u>Cost</u>								
Balance Brought Forward	134,328	236,164	110,915	737	525	1,460	102,002	586,132
Additions	8,735	20,971	12,459				22,755	64,920
Disposals		(1,640)	(210)				(2,904)	(4,754)
Balance Carried Forward	143,063	255,495	123,164	737	525	1,460	121,854	646,298
<u>Depreciation</u>								
Balance Brought Forward	74,832	161,688	49,930	737.42	525	1,277	47,745	336,735
Charge for the year	3,858	35,044	28,370			73	10,287	77,632
Disposals	-	(2,364)	(210)				(2,005)	(4,579)
Balance Carried Forward	78,690	194,367	78,090	737	525	1,350	56,027	409,788
Net Book Value	64,373	61,127	45,074	-	-	110	65,827	236,510
Tools at Valuation								39,903
Carried Forward to Note 9 (d)								276,413

NOTES TO THE FINANCIAL STATEMENTS (Contd.,)
9 (b) Property, Plant & Equipment - GCFC & EIP as at 31.12.2013

	Land & Building Rs.000	Plant & Machinery Rs.000	Motor Vehicles Rs.000	Equipment Rs.000	Total Rs.000
<u>Cost</u>					
Balance Brought Forward	47,605	555,811	38,327	51,419	693,162
Additions					-
Disposals		(836)	(210)	(13,209)	(14,255)
Balance Carried Forward	47,605	554,975	38,117	38,210	678,907
<u>Depreciation</u>					
Balance Brought Forward	28,800	555,810	38,327	51,419	674,356
Charge for the year	2,380				2,380
Disposals	-	(836)	(210)	(13,209)	(14,255)
Balance Carried Forward	31,180	554,974	38,117	38,210	662,481
Net Book Value	16,425	-	-	-	16,426

9 (c) Fixed Assets Acquired under M.C.U.D. Project as at 31.12.2013

	Plant & Machinery Rs.000	Total Rs.000
<u>Cost</u>		
Balance Brought Forward	-	-
Additions	410,651	410,651
Disposals		
Balance Carried Forward	410,651	410,651
<u>Depreciation</u>		
Balance Brought Forward	-	-
Charge for the year	50,394	50,394
Disposals	-	-
Adjustments		
Balance Carried Forward	50,394	50,394
Net Book Value	360,257	360,257

NOTES TO THE FINANCIAL STATEMENTS (Contd.,)
9 (d) Property, Plant & Equipment - GCFC & EIP as at 31.12.2013

	Land & Building Rs.000	Plant & Machinery Rs.000	Motor Vehicles Rs.000	Equipment Rs.000	Total Rs.000
Cost					
Balance Brought Forward	56,125	218,427	34,228	2,879	311,659
Additions			-	2,831	2,831
Disposals			(3,000)	(5)	(3,005)
Balance Carried Forward	56,125	218,427	31,228	5,705	311,485
Depreciation					
Balance Brought Forward	1,403	178,510	27,641	1,892	209,446
Charge for the year	2,806	39,918	5,295	3,095	51,114
Disposals	-	-	(2,812)	(2)	(2,814)
Adjustments				(157)	(157)
Balance Carried Forward	4,209	218,428	30,124	4,828	257,589
Net Book Value	51,916	(1)	1,104	877	53,896
Tools at Valuation					22
Note 9 (a)					276,413
Note 9 (b)					16,426
Note 9 (c)					360,257
					707,014

NOTES TO THE FINANCIAL STATEMENTS (Contd.,)**9 (b) Property, Plant & Equipment - GCFC & EIP as at 31.12.2013**

	Land & Building Rs.000	Plant & Machinery Rs.000	Motor Vehicles Rs.000	Equipment Rs.000	Total Rs.000
<u>Cost</u>					
Balance Brought Forward	47,605	555,811	38,327	51,419	693,162
Additions					-
Disposals		(836)	(210)	(13,209)	(14,255)
Balance Carried Forward	47,605	554,974	38,117	38,210	678,907
<u>Depreciation</u>					
Balance Brought Forward	28,800	555,810	38,327	51,419	674,356
Charge for the year	2,380				2,380
Disposals	-	(836)	(210)	(13,209)	(14,255)
Balance Carried Forward	31,180	554,974	38,117	38,210	662,481
Net Book Value	16,425	-	-	-	16,426

9 (c) Fixed Assets Acquired under M.C.U.D. Project as at 31.12.2013

	Plant & Machinery Rs.000	Total Rs.000
<u>Cost</u>		
Balance Brought Forward	-	-
Additions	410,651	410,651
Disposals		
Balance Carried Forward	410,651	410,651
<u>Depreciation</u>		
Balance Brought Forward	-	-
Charge for the year	50,394	50,394
Disposals	-	-
Adjustments		
Balance Carried Forward	50,394	50,394
Net Book Value	360,257	360,257

9 (d) Property, Plant & Equipment - LEI & CDP as at 31.12.2013

	Land & Building Rs.000	Plant & Machinery Rs.000	Motor Vehicles Rs.000	Equipment Rs.000	Total Rs.000
Cost					
Balance Brought Forward	56,125	218,427	34,228	2,879	311,659
Additions			-	2,831	2,831
Disposals			(3,000)	(5)	(3,005)
Balance Carried Forward	56,125	218,427	31,228	5,705	311,485
Depreciation					
Balance Brought Forward	1,403	178,510	27,641	1,892	209,446
Charge for the year	2,806	39,918	5,295	3,095	51,114
Disposals	-	-	(2,812)	(2)	(2,814)
Adjustments				(157)	(157)
Balance Carried Forward	4,209	218,428	30,124	4,828	257,589
Net Book Value	51,916	(1)	1,104	877	53,896
Tools at Valuation					22
Note 9 (a)					273,613
Note 9 (b)					16,426
Note 9 (c)					360,257
					704,214

NOTES TO THE COMPREHENSIVE INCOME STATEMENTS

	GROUP		CORPORATION	
	2013 Rs.000	2012 RESTATED Rs.000	2013 Rs.000	2012 Rs.000
10 Investments in Subsidiary Companies				
Shares in Land Reclamation & Development Co., Ltd (REDECO). This represents 80% of the issued share capital of REDECO	-	-	2,000	2,000
11 Other Investments				
Real Estate Exchange (Pvt) Ltd., 20,000 shares @ Rs 100/= each. This represent 14% of the issued share capital of REEL	2,000	2,000	2,000	2,000
Less: Provision for diminution in value of the investment	(2,000)	(2,000)	(2,000)	(2,000)
Investment at Deposits and others	18,514	11,084	-	-
Funds for Gratuity	-	275,693	-	275,693
Funds for compensation on lands acquired not yet paid	-	517,352	-	517,352
	<u>18,514</u>	<u>804,129</u>	<u>-</u>	<u>793,045</u>
12 Inventories				
Sea Sand Stock	1,975,225	1,367,090	1,975,225	1,367,090
General Stock	112,643	73,764	112,839	73,849
Cost of Lands Acquired	287,353	513,500	287,353	513,500
Work-in-progress - Development of own projects	272,937	199,796	272,937	199,796
Work-in-progress - Development of client projects	21,445	28,934	21,445	28,934
Raw material and consumables	7,056	12,292	-	-
Work-in-progress - Weras Ganga Project	144,952	-	144,952	-
Contract WIP	54,260	32,474	-	-
Finished goods	16,507	9,336	-	-
Work Completed Projects	815,419	824,197	815,419	824,197
	<u>3,707,797</u>	<u>3,061,382</u>	<u>3,630,170</u>	<u>3,007,365</u>
13 Trade & Other Receivables				
Staff Debtors	142,036	134,575	142,036	134,575
Other Debtors	101,767	109,438	29,882	50,383
Mobilization advance paid to contractors - Weras Ganga	19,513	-	19,513	-
Mobilization advance paid	42,110	35,739	42,110	35,739
Trade Debtors	458,961	-	431,951	-
Less: provision for bad debtors	(56,833)	308,210	(49,370)	288,342
Debtors - Sudunelumpura Housing	20,141	-	20,141	-
	<u>(19,998)</u>		<u>(19,998)</u>	
	<u>707,697</u>	<u>587,962</u>	<u>616,265</u>	<u>509,039</u>
14 Cash & Cash Equivalents				
Fixed & Call Deposits	826,638	350,258	826,638	350,258
Cash in Hand	18,951	2,962	481	524
Cash at Bank	34,648	44,462	34,648	44,462
Cash at Bank (Rupee converted amount)	1,846	1,755	1,846	1,755
	<u>882,083</u>	<u>399,437</u>	<u>863,613</u>	<u>396,999</u>
Bank Overdraft	(15,380)	(8,062)	(1,194)	-
	<u>866,703</u>	<u>391,374</u>	<u>862,419</u>	<u>396,999</u>
15 Other Non Current Liabilities				
Deferred Income (GCFC & EIP)	16,426	18,806	16,426	18,806
Deferred Income (LEI & EIP)	53,898	102,213	53,898	102,213
Deferred Income (MCUDP)	360,256	-	360,256	-
SLLRDC	1,200	-	-	-
World Bank - Re awaking project	4,200	-	-	-
Deferred Income - Motor Vehicle (Ministry)	2,500	3,500	2,500	3,500
Advance Received against Lease Lands	339,684	346,298	339,684	346,298
	<u>778,164</u>	<u>470,817</u>	<u>772,764</u>	<u>470,817</u>

16	GOSL - Liabilities on Special Projects				
	GOSL - GCFC & EIP	660,730	660,730	660,730	660,730
	Funds Received - 21 Houses Sooriyawewa	23,615	2,001	23,615	2,001
	Ragama Kalu Oya	56,245	56,245	56,245	56,245
	GOSL - Hambantota	5,794	5,794	5,794	5,794
	GOSL - Weeras Ganga Project	400,000	9,190	400,000	9,190
		1,146,384	733,960	1,146,384	733,960
17	Trade & Other Payables				
	Contract Creditors	65,446	47,436	33,525	28,244
	Tipper Hire Creditors	869	644	869	644
	Sundry Creditors	258,102	161,268	258,098	148,301
	Accrued Expenses	119,032	49,405	118,061	48,310
	Sundry Deposits & Security Deposits	22,592	23,105	22,592	23,105
	Advances against sale of lands	517,471	518,528	517,471	518,528
	Other Advances Received	505,419	284,079	434,209	247,327
	Creditors on Sea Sand Project	35,812	35,812	35,812	35,812
	Creditors - Dredging International	-	89,741	-	89,741
	Creditors - Rhode Nielsen	84,768	84,768	84,768	84,768
	Creditors - Sea sand loan for CEB Land	186,996	229,521	186,996	229,521
	Turnover Tax Payable	-	266	-	-
	Turnover Tax Surcharges	-	894	-	-
	Salaries & Wages Payable	261	708	-	-
	EPF & ETF Payable	957	481	-	-
	PAYE	3	1	-	-
	Turnover Tax on Contract Payment	-	4,072	-	-
	National Security Levy	-	883	-	-
	GST Payable	-	989	-	-
	Income Tax Payable	-	591	-	-
	VAT Payable	20,336	19,194	-	-
	Other Payables	160	484	-	-
	Welfare Society	0.10	13	-	-
	Death Donation Fund	-	11	-	-
	Retention Payable	26,419	26,618	-	-
	SNC	-	9	-	-
	Withholding Tax Payable	1,862	1,862	-	-
	Stamp Duty Payable	1	1	-	-
	Social Responsibility Levy	(3)	(3)	-	-
	ESC Payable	7,505	7,505	-	-
	NBT Payable	940	1,062	-	-
	Dividend payable	2,485	2,713	-	-
	CIGF Levy	(194)	(194)	-	-
	1/3 VAT Payable	5,035	5,035	-	-
	Creditors - Sea sand filing stock pile 1&2	180,272	180,271	180,272	180,271
		2,042,546	1,777,772	1,872,673	1,634,572

