

To: Hon. Minister of Mass Media and Information



We, the Chairman and the Members of the Sri Lanka Rupavahini Corporation present herewith the Annual Report for the year 2014, in accordance with Section 14 (1) of the Finance Act No. 38 of 1971, along with the financial reports.

On behalf of the Sri Lanka Rupavahini Corporation.

Wimal Rubasinghe

Chairman

Sri Lanka Rupavahini Corporation

Independence Square

Colombo 07

Vision

The Continuing Audio Visual Icon of Sri Lankans

Mission

With commitment and unity, creating timely, meaningful and intuitive programmes rich in knowledge, entertainment and education and disseminating them chiselled with state of-the-art technology exceeding the expectations of Sri Lankans everywhere.

Goals

- Improving the attractiveness, variety and meaningfulness of television programmes through changes to the format of the programmes
- Reaching viewers more effectively by appropriate and strategic use of state-of-the-art technologies in a converging environment of acquisition, post production and dissemination technologies.
- Improving the physical infrastructure and productively developing the human resources of the institute.
- Introducing new means of generating income for the institution.
- Amending the statutory framework of the institution to suit the Competitiveness.

Contents

Message from the Chairman	293
The Board of Directors	294
The Senior Management	295
The Directors	298
Award Winning Achievements	299
Programmes Division	303
Educational Programs Division	313
News and Current Affairs Division	318
Production Services Division	320
Engineering Division	330
Marketing Division	339
Administration Division	341
Finance Division	353
Statement of Directors' Responsibility	355
The Financial Report	356
The Audit Report	409

Message from the Chairman...



I consider it both a privilege and pleasure, in my capacity as Chairman to present the Annual Report of the Sri Lanka Rupavahini Corporation for the year 2014.

I took over as chairman within a state of Good Governance following the political transformation which the country has experienced after January 2015. Even though a year spent amidst political turmoil and elections I am proud to avail myself of this opportunity to highlight the outstanding achievements of the Sri Lanka Rupavahini Corporation as the outcome of the utmost dedication and commitment by our staff in the year 2014.

The programmes which have been produced and telecast during this period won over 20 awards at the national level and won international awards as well.

Number of teledrama series have been produced during this year to cover the prime-time slots on Rupavahini. Among these, the telefilm "Bhava Theertha" has special significance as a novel experience in television.

It gives me tremendous pleasure to thank all our dedicated staff who work diligently in the face of every challenge and adversity. I earnestly solicit all your support in fulfilling our national obligations more meaningfully and productively by making the best use of prevailing circumstances. At all times, we strive and are determined to regain public confidence in performing our key role.

Ravi Jayawardane

Chairman

Sri Lanka Rupavahini Corporation

The Board of Directors



Members of the board 2014

- Mr. Wimal Rubasinghe -Chairman
- Prof. Rohana Lakshman Piyadasa - Board Member
- Mr. Edward Jayakody - Board Member
- Mr. Hudson Samarasinghe - Board Member
- Mr. Asoka Serasinghe - Board Member
- Mr. D Karunaratne - Board Member
- Mr Nimal Bopage - Board member
- Ms D M Anula Harasgama - Board Member

(11 Board meetings were held during the year 2014)

The Senior Management in 2014



Chairman

Mr Wimal Rubasinghe

Director General

Mr Chandrapala Liyanage

Working Director

Mr D Karunaratne

Chief Executive Officer

Mr Gamini Rasaputhra

Deputy Director General (Programmes)

Mr Nishantha Ubhayawansa

Deputy Director General (Engineering)

Mr Rohan Perera

Deputy Director General (Production Services)

Mr Sumedha Athulasiri

Director (Administration)

Mr G G S C Roshan

Chief Accountant

Mr M S Dalugoda

Director (Marketing)

Mr Sanath Daluwattha

Director(Nethra/Channel Eye/NTV)

Mr Palitha Wijesinghe

Director (Educational Programmes)

Ms Erin Wijekoon

Director(Research & Training)

Mr T M G Chandrasekara

Director (Supplies)

Mr G P G Tissa

Director (Engineering)

Mr Palitha Gallage

Director (Film & Dubbing)

Mr Athula Ransirilal

Director (Drama)

Mr Wimalaratne Adhikari

Director (Production Service)

Mr Sherly Anil De Silva

Chief Internal Auditor

Mr Palitha Kulasinghe

Chief Engineer

Mr Kapila Dassanayake

The Directors



Director (Administration)	-Mr G G S C Roshan
Chief Accountant	-Mr M S Dalugoda
Director (Marketing)	-Mr Sanath Daluwattha
Director(Nethra/Channel Eye/NTV)	-Mr Palitha Wijesinghe
Director (Educational Programmes)	-Ms Erin Wijekoon
Director(Research & Training)	-Mr T M G Chandrasekara
Director (Supplies)	-Mr G P G Tissa
Director (Engineering)	-Mr Palitha Gallage
Director (Film & Dubbing)	-Mr Athula Ransirilal
Director (Drama)	-Mr Wimalaratne Adhikari
Director (Production Service)	-Mr Sherly Anil De Silva
Director (Production Service)	-Mr. Gnasinghe Adhikari
Director(General Programmes)	-Mr. Dayarathne Ratagedara
Director	- Wijaya Dissanayaka

Programmes that won Accolades during 2014



No	Programme	Awards	Award Recipient
	Sumathi Tele Awards		
1	“Bisowarunge Janapadaya”	Best Documentary	Namal Prasanna
2	“Aruma Puduma Roda Hathara”	Best Magazine Programme	Namal Suriyabandara Chandana Senevirathne
3	“Salmal Landa” Tele Drama	Best Tele Drama Song Lyrics	U B Rathnayake
4	“Salmal Landa” Tele drama	Best Tele Drama Singer	Amarasiri Peiris Danodya Ayoni
5	“Boralu Paara”	Best Actress	Pabodha Sandeepani
6	“Boralu Paara”	Merit Award	Jehan Srikantha Appuhamy
7	“Boralu Paara”	Best Supporting Actor	Jagath Manuwarna
8	“Alakamandawa”	Best Musical Programme	Vineetha Karunarathne
9	“Malima”	Special Jury Award	Suminda Thilakasena
10	“Podi Hamuduruwo”	Best Children Programme	Athula Ransirilal
11	“Tin Pataw”	Best Single Episode Tele Drama	Mohanji Ranganath
12	“Rividina Arunalla”	Best Magazine Programme	Sirimalee Alahakoon
	Raigam Awards		
13	“Aruma Puduma Roda Hathara”	Best Magazine Programme	Namal Suriyabandara Chandana Senevirathne

14	“Bisowarunge Janapadaya”	Best Documentary	Namal Prasanna
15	“Seetha Diya Bambana”	Best Educational Programme (Tele Drama)	Gamini Jayantha Abeywickrama
16	“Mihi Madale Geethaya”	Best Musical Programme	Shiran Rathnayake
17	“Podi Hamuduruwo”	Best Children Programme	Athula Ransirilal
18	“Liyaka Mahima”	Best Women Programme	Kumari Manel
19		Best News Presenter	Chaminda Gunarathne
	State Tele Awards		
20	“Ayubowewa”	Best Magazine Programme	Sandya Withanawasam
21	“Ranga Bhoomi”	Best Multi Camera Production	Ranga Bandaranayake
22	“Boralu Paara”	Best Actor	Wasantha Kumarasiri
23	“Boralu Paara”	Best Actress	Thisuri Yuwanika
24	“Alakamandawa”	Special Jury Award	Vineetha Karunaratne
25	“Podi Hamuduruwo”	Best Performing Children Programme	Athula Ransirilal
26	“Kada Walalu”	Best Children Programme	Athula Ransirilal
27	“Alawakkarei ”(Tamil)	Best Single Episode Drama	S M Maulana
28	“Chogum ”(Tamil)	Best Song (Tamil)	Ashariya Begum
29	“Thiththikkum Deepawali”(Tamil)	Best Cultural Programme (Tamil)	B Nithyanathan

30	“Film City”(Tamil)	Best Magazine Programme (Tamil)	S Koneswaran
31		Best Graphic Animation (Programme Theme)	Hasitha Herath / Thiranjaya Dilhan
32		Best Presenter	Chaminda Gunarathne
33	“Tin Pataw”	Merit Award for Direction	Mohanji Ranganath
	Japan Prize		
34	“Pahe Panthiye Sindarella”	Unicef Prize	Namal Prasanna

Nominated Programmes & Nominees at Awards Ceremonies

No	Programme	Awards	Nominees
	Raigam Awards		
1	“White Water Rafting”	Best Sports Programme	Mayuri Wanaguru
2	“Malima”	Special Jury Award	Suminda Thilakasena
3	“Rupavalokanaya”	Best Magazine Programme	Sunethra Kumari
4		Best Presenter	Amantha Wijesooriya
5	“Tin Pataw”	Best Single Episode Drama	Mohanji Ranganath
	Sumathi Awards		
6	“Akuru Siritha ”	Best Educational Programme	Mangala Wijerathne

Nominated Programmes & Nominees At International Awards Ceremonies

No	Programme	Awards	Nominees
1	“Tin Pataw”	Selected for the 06 Best Actresses at the Sole Tele Drama International Award Ceremony in Korea	Asadri Dewthilini
2	“Tin Pataw”	Selected for the final round of the Prix Jeunesse Award in Germany	
	Japan Prize		
3	“Seetha Diya Bambana”	Best Educational Programme	Gamini Jayantha Abeywickrama
	ABU		
4	“Seetha Diya Bambana”	Best Educational Programme	Gamini Jayantha Abeywickrama
5	“Ma Dal Karmanthaya”	Selected for the final 03 Productions	Jayamini Illeperuma Gamlath
	Sole Television Awards		
6	“Tin Pataw”	Nominated for the Special Awards at Sole TV International Awards in Korea	Mohanji Ranganath
	Commendations		
7	“Tin Pataw”	Commendation of the Tele Drama Sub Committee of the Cultural Ministry on behalf of the World TV Day	Mohanji Ranganath



Drama Unit

It is a great achievement to note that the drama unit was capable to produce single and serialized teledramas associated with different art forms, while maintaining high standards which have been developed from the inception of the teledrama, successfully persist until today. Other important accomplishments of the teledramas produced by the Unit within the year entail the numerous accolades won and capturing of the intended target audience.

Dramas produced and telecast in the year 2014

	Drama	Producer	Period	No. of Episodes
01	‘Isi Varuna’	Mr Vimalaratne Adhikari	2014.01.04- 2014.04.09	12 out of 50
02	‘Bhava Theertha’	Mr Santhusa Liyanage	2014.08.01- 2014.10.24	12
03	‘Udu Sulanga’	Mr Mavo Lakshitha	2014.01.05- 2014.09.14	24 out of 45
04	‘Kolamba Ahasa’	Mr Gaya Ramya Alwis	2014.01.23- 2014.07.24	100
05	‘Bhavanthara’	Mr Ranga Bandaranayake	2014.04.26- 2014.12.27	35
06	‘Senehe Matha’	-	2014.04.12	New Year single episode teledrama
07	‘Ginna’	-	2014.05.15	Wesak single episode teledrama
08	‘Menik Velenda’	-	2014.12.25	Christmas single episode teledrama

Other special events/programmes produced and telecast in the year 2014

- State Tele Awards
- Sumathi Tele Awards
- Sinhala and Tamil New Year
- Wasuliya
- Rhythm Hit - Live telecast
- Nugasewana - Live telecast
- Sunday Ayubowan - Live telecast
- Rangabumi - Live telecast
- Wahalkada Docu Drama

Music Unit

The main function of the SLRC Music Unit is production of quality musical programmes which are among the most popular out of all daily televised programmes, whilst maintaining highest standards in Sri Lankan music with the participation of creative veteran and novice music artists for the entertainment of our viewers. Further, the Music Unit introduces many lyricists, composers, music directors and singers to the industry and develop musical programmes up to the international level.

The Music Unit serves the nation by telecasting State Music Festivals, sponsored musical shows, externally organized musical events of popular Artists, other musical shows which feature the creations of local and foreign musicians, as well as special programmes to felicitate veteran Artists.

The Unit's productions telecast in the year 2014 are Rajatha Sara, Irashmi, Rhythm to Rhythm, Sith Gath Gee, Gee Sara, Thri Taal, Paramitha, Kunkuma Pottu, Sunday Ayubowan, Wednesday Nugasevana and Kavi Saraniya programmes.

In addition, the following programmes were produced in view of seasonal requirements: "Bak Mahata Pera Selalihini Handa", National Youth Concert, Dialog Musical Concert, "Maliyadewa Gee Tharu" Concert, Pooja Vesak Zone, Buddhist Devotional Songs,

Diyawanna Poson Devotional Songs, Buddhahivandana, Cooperative Musical Concert, “Amaraguru Ranaviru Upahara” musical programmeme, Miyasi Visakha, Thak Jith, Anula Sara, Ape Hendewa, Miyurasi and Nil Heena Daela.

Sports Unit

Programmes Produced and Telecast by the Sports Unit in 2014

1. The ‘Kreedha Visithuru’ Programme (featuring National & International sports events) was telecast every week.
2. The “World Sports” programme (featuring international events and conducted in English) was telecast weekly on Channel Eye (from January 2014 to May 2014)
3. The “Off the Field” programme with the participation of relevant experts was a live series focusing on problems and controversies seen in the field of sports. (from February 2014 to May 2014)

Live Programmes Telecast by the Sports Unit in 2014

1. “Deyata Kirula” Cycle Race
2. The Air Force Cycle Race
3. Tour de Youth Cycle Race
4. Foxhill Super Cross (Motor Race)
5. Bradby Shield – 1st Leg
6. Bradby Shield – 2nd Leg
7. Sigiri Super Cross (Motor Race)
8. Gunner Super Cross (Motor Race)
9. Walawe Super Cross (Motor Race)

10. Clifford Cup Rugby Final Match
11. Cavalry Super Cross (Motor Race)
12. BOC Cycle Race
13. Gajaba Super Cross (Motor Race)
14. Lanka Premier League Cricket Match (LPL)
15. Asian Games – Incheon
16. Commonwealth Games – Glasgow
17. Sri Lanka Tour of Bangladesh
18. FIFA Football World Cup - 2014
19. Rotherham Circuit Meet (Motor Race)
20. Asian Para Games - Incheon

The following additional programmes were produced and telecast.

1. Sunday Observer Mobitel Schoolboy Cricketer Awards
2. Sri Lanka Cricket Team Arrival
3. Coca Cola Cricket – Pathway Season 04 – Super Camp

The Sports Unit of the SLRC telecast 633.1 hours airtime of sports programmes consisting of 449.4 hours over Channel Eye and 183.7 hours over Rupavahini Channel in the year 2014.

Film & Dubbing Unit

In 2014 the Dubbing Unit produced and telecast a 21-episode programme series titled “KOICA Seva” in collaboration with the Korean Embassy.

Applications were called for new Dubbing Artists and 326 new Artists were selected after auditioning over 5000 applicants. Through this new dubbing artists will emerge to the country.

Under Japanese cultural aid, a project was implemented to obtain free Japanese documentary programmes in collaboration with the Japanese Government through the Japanese Embassy.

The Unit has produced and telecast 1835 dubbed and subtitled programmes in 2014.

The 6.30 p.m. time belt was utilized continuously, generating a net profit of Rs. 122,876,165/- during this year.

Resources of the Unit including dubbing studios and the 3D Studio were developed further.

the Unit also produced short cartoon films based on the ‘Dhammapada’ for the Vesak and Poson Festivals.

Taxes which imposed for programmes by the Ministry were freed this year, effecting substantial savings for the Corporation.

Programme Administration Unit

The main responsibility of the Programme Administration Unit is involved with inspecting cost estimates relevant to programme files of programme production divisions and issuing of production numbers while providing required administrative services and co-ordination of all other services until the production process of a programme is completed.

In the year 2014, the Programme Administration Unit has opened 1992 programme files.

The above mentioned files have been classified as follows.

General Programmes Division	-	634
Educational Programmes Division	-	483
News and Current Affairs Division	-	308
Marketing Division	-	47
Channel Eye	-	<u>520</u>
Total	-	1992

Religious Programmes Unit

This unit produced the “Saddharma Varsha” live telecasts on Poya days in the year 2014 at the following locations:

1. January - Nagadeepa Raja Maha Viharaya
2. February - Wadureppa Raja Maha Viharaya, Ambalantota
3. March - Adam’s Peak (Sri Pada)
4. April - Dewale Temple, Embilipitiya
5. May - Gal Viharaya, Polonnaruwa
6. June - Jaya Sri Maha Bodhi / Thanthirimale Raja Maha Viharaya
7. July - Kiri Vehera, Kataragama
8. August - Attaragama Raja Maha Viharaya
9. September - Sudarshanarama Raja Maha Viharaya, Wellawaya
10. October - Sittham Gallena Raja Maha Viharaya
11. November - Karamada Raja Maha Viharaya

The Unit also carried out the following live telecasts and sponsored projects:

1. The 'Kiri Vehera' Worship Programmeme, offering of one hundred thousand lotus flowers and 'Aloka Pooja' to commemorate the 32nd Anniversary of the Sri Lanka Rupavahini Corporation.
2. State Vesak Festival
3. Three-day 'Poson Zone' created around the Thanthirimale Raja Maha Viharaya, Polonnaruwa to commemorate the Poson Festival.
4. Uva Vesak Zone
5. Udugama Sri Bodhiraja Perahera (procession)
6. Procession of the Yudaganawa Raja Maha Viharaya
7. Offering of jasmine flowers – Jaya Sri Maha Bodhi
8. 'Dasa Maha Bo Senasuna' – religious programmeme at Akuressa
9. Procession of the Somawathi Raja Maha Viharaya
10. Pattini Dewale procession at Nawagamuwa
11. Procession of the Kotte Raja Maha Viharaya
12. 'Nuga Sevana' Workshop – Wellawayaya
13. Procession of the Sapparagamuwa Maha Saman Dewale – Ratnapura
14. Sitthamgallena Procession –“ Rathmal Deviyan Sitthamgallena”
15. 'Kiri Amma Danaya' – Almsgiving in honour of 105 mothers

Youth Programmes Unit

Programmes produced by the Unit during the year:

Name	Programme	Content
Vineetha Karunaratne	Alakamandawa (12) Suhani Raath (18)	Aesthetic reflections on experts who explored new pathways in art Glimpses and views of popular past and present Indian cinematic creations and songs
Sunethra Kumari	Rupavalokanaya (48)	News and views on local and international cinema as well as Artists
Nipuna Rajapaksha	“Bauddha Pravurthi” Buddhist News (05) World Youth Forum – Inauguration and Closing Ceremony Bauddhaloka Vesak Zone – Update Maha Rahutun Vedi Maga Osse	News programme Mutual Exchanging of ideas among youth population of the world Vesak Zone at Bauddhaloka Mawatha to commemorate Vesak festival Explaining Buddhist doctrine
Suminda Thilakasena	Monday Nuga Sevana Programmes (49)	Information, education and entertainment for housewives

	‘Malima’ programmes (18)	staying home in the morning Innovations and scientific information(Local & International)
Ranga Premaratne	‘Vinivida’ programmes (03)	Current political discussions on views and allegations by different political parties
Ranga Premaratne/ Sunethra Kumari	Feeling of Youth (02) Special Christmas Musical Programme	Live musical presentation targeting youth and featuring styles and songs of the new generation breaking away from electronic music Christmas Concert expressing the spirit of Christianity
Chulangani Hapuhinna	‘Api Api’ programmes (13) ‘Gurukula Kala Mangalyaya’ Wednesday Nuga Sevana Programmes (05)	A programme featuring activities and information related to various individuals and institutions ‘Kala Ulela’ presented by the students of Gurukula Vidyalaya, Kelaniya Information, education and entertainment for housewives staying home in the morning
Chamara Wijesinghe	‘Api Api’ programmes (14)	A programme featuring activities and information related to various individuals and institutions

	World Youth Forum Studio Discussion	Mutual exchange of ideas among youth population of the world
Oshadi Deepal Gunawardene	‘Sitha Niwana Katha’ programmes (06) ‘Api Api’ programmes (01)	Teledrama series with a theme on life and teachings of the Buddha A programme featuring activities and information related to various individuals and institutions

Programme Presentation Unit

Transmission time of the National Channel is 03.55 a.m. to 12.15 p.m. (20 hours and 20 minutes) daily, while Nethra/Channel Eye is transmitted from 05.30 a.m. to 11.30 p.m. (17 hours 40 minutes) daily. The NTV Channel was transmitted from 06.00 a.m. to 10.30 p.m. (16 hours 30 minutes). The main aim of this unit is to ensure that the daily transmission of all programmes on the National channel and Nethra/Channel Eye is maintained smoothly.

The Unit also produces trailers for teledramas and other programmes which are telecast daily, prepares short filler song items for the transmissions, and preview outside programmes before telecasting.

It is this unit’s responsibility to provide a balanced line-up of programmes to viewers. Scheduled Programme line-ups are compared with those of the other television stations so that they may be aired in an appropriate manner. Programmes suitable for family viewing are also included in the line-up.



Education Services Unit (ETV Unit)

In the year 2014 the Education Services Unit has telecast formal educational programmes to support children sitting for the G.C.E (A/L), G.C.E (O/L) and Grade 5 Scholarship examinations. In addition, large numbers of non-formal and informal educational programmes as well as magazine programmes were produced and telecast.

"Jathika Pasala" G.C.E. (A/L) formal educational programmes

Programmes covering 18 subjects related to the Science, Arts, Commerce and Technology streams were telecast fortnightly. Post-telecast viewing of these programmes is also made possible for students via the "Jathika Pasala" website. These programmes have won high popularity among students. The G.C.E (A/L) Drama and Theatre programme has also won the Sumathi Award for the Best Educational Programme of the Year.

A programme series based on the newly introduced Technology subjects for G.C.E (A/L) subject streams was also telecast throughout the year with the participation of University Lecturers as well as veteran tutors from other technical institutions. These programmes also included practical demonstrations.

"Jathika Pasala" G.C.E. (O/L) formal educational programmes

From January 2014 onwards, formal education programmes covering 06 subjects for G.C.E. (O/L) students were also telecast continuously. The programmes were also made available for purchase on DVD. These programmes became highly popular among G.C.E (O/L) students. A series of workshops on a selected kit of target questions and answers in Science and Mathematics were also conducted in 2014.

“Punchi Ape Nena Mihira” Scholarship Programme Series and “Nena Mihira Shishyatwa Jayamaga” - 2014

This educational programme series telecast every Tuesday and Wednesday evening for students sitting for the Grade 5 Scholarship Examination in August 2014 became highly popular among students as well as parents.

Coinciding with the programmes, the “2014 Nana Mihira Shishyathwa Jayamaga Question-answer Kit” also became very popular. The Corporation earned a net profit of over Rs. 15 million through the sale of 20,000 of these Kits.

“Nena Mihira” Aesthetic Workshop Series

40 of these workshops were held in remote areas all over the island in 2014. Over one thousand students participated in each of these workshops, for which parents as well as teachers have shown their wholehearted support and commitment. In addition to these programmes, the Educational Services Unit produced and telecast their regular programme series “Sukkanama”, “Rividina Arunella”, “Rangabhoomi” and “Dedunna” this year.

Children's Programmes Unit

Children’s programmes were telecast under the theme of “Muthu Pavura” in line with its regular programmeme schedules this year. In addition to the regular time belt 1700-1800 hrs on weekdays (Monday to Sunday) the “Sawanak Res” and “Daham Bima” programmes were telecast every Poya day.

This daily programme line-up has proved to be a regular source of income for the Corporation.

Date	Programme	Content
Monday	“Pehesaraniya”	This is a Programme that showcase the talents of School Children, such as Singing, Dancing, and Playing Musical Instrument.
Tuesday	“Man Asai Mata Kiyanna”	The programme series is telecast, targeting school children in Grade 6, 7, 8 and 9. This is an informal educational programme following a dramatized format touching upon the Science and Mathematics streams.
Wednesday	“Huru Buhuti”	Programme focusing on children’s personality development and language proficiency.
Thursday	“Punchi Apith Kema Hadamu”	Latest children’s programme series is telecast. A special web page has also been created for this series.
Friday	“Ape Peya”	Children’s adventure programme series aiming to develop their personalities, aesthetic sense as well as physical and psychological development.
Saturday	“Paata Paata”	Children’s live magazine programme series is telecast.
Sunday	“Muthuhara”	This programme series introduces children’s talents, poetry and aesthetic experiences by way of the island-wide network of “Muthuhara” Children’s Clubs.
Poya days	“Sawanak Res , “Dahambima”	

Documentary Programs Unit

The Documentary Unit mainly focuses on production of Documentary programmes. In addition, the Unit spotlights on live telecasts and magazine programmes as well. The documentary programmes are telecasting under the theme of 'Dhara' every Sunday at 1930 h for four consecutive years from 2010. The total number of programmes were 40, telecast under the topics of nature ('Soba Dahama'), people's characters ('Pudgala Charitha'), culture and ethnic in the year 2014. All the producers in the unit equally made their contribution for productions of the programmes for the time belt 'Dhara'.

'Sarisara' – The Beach Traveler is a documentary programme depicting the beaches of the island, continuously telecast over four years. The production of this programme series was commenced from Kirinda and 105 programmes have completed by now. At the end of 2014, 'The Beach Traveller' reached the coastline of Kayakanni near Baticallo. The producer of this programme was Mr Kanchana Marasinghe.

The programme 'Aruma Puduma Roda Hathara' can be brought to light as a most popular programme out of the programmes telecast over Rupavahini according to the LMRB data. The programme won awards at diverse Tele Award Ceremonies in the year 2014, considering the quality and the popularity. The programme telecasts every Sunday at 9.00 pm. The producers of the programme were Mr Namal Suriyabandara and Mr Chandana Senevirathne.

The Health Magazine Programme titled 'Ayubowewa' telecasts every fortnight. The Producer of this programme was Ms Sandya Vithanawasam.

A series of Quiz programme titled 'Econ Icon' was produced in both Sinhala and Tamil languages in collaboration with Central Bank to assess the knowledge of the Advanced Level students. This was a sponsored programme series and generated a remarkable profit to the Corporation. The Producer of the programme was Ms Mayuri Vanaguru.

The Catholic and Christian Advisory Committee operates under the Documentary Unit. Christmas and Easter Live Devine Services and Christian & Catholic religious programmes titled "Supuwatha" and "Sudasuna" were produced by the Unit in 2014. Mr Ranjula

Senadheera, Producer, Documentary Unit recorded the Lourdes Pilgrimage programme, France which was organized by Archbishop Office, Colombo.

The Sports programme “White Water Rafting” was introduced to the television Media by the Documentary Unit. The Programme was nominated as the Best Sports Programme at the Raigam Tele Awards in the year 2014. The Producer of the programme was Ms Mayuri Vanaguru.

In addition to the ETV Unit, the Documentary Unit also produced Formal Educational Programmes.

Furthermore, the live telecast of “ Sunday Ayubowan” was produced once a month by the Documentary Unit.

The SLRC Stall was exhibited at the Dayata Kirula Exhibition in Kuliypitiya under the supervision of Documentary Unit. The programmes televised in the Stall were directed by the Documentary Unit.

The programme titled "Wana Man Dige Akurata" which was won the Best Educational Programme proposal at the Hosokunka Awards by the producer Mr. Athula Priyankara Dissanayaka was produced and submitted to the Japan Prize Committee.

The Unit was also given the responsibility to record the political speeches in 2014 which were carried out targeting the Presidential Election in 2015.

The Producer, Mr Athula Dissanayake participated for a workshop in Malaysia and got an opportunity to enter into an agreement for exchanging Documentary programmes. As a result, exchanging of Documentary programmes was done successfully.



News Unit

News telecast schedule

24 news telecast, including 7 main bulletins were telecast daily.

Payen Paya	- 9
Tamil news (Hourly)	- 8.25 am to 5.25 pm
English news	- 12.00 noon
Every hour 5 minutes news telecast	- 7.55 am to 5.55 pm

Main news bulletin (07)

- 12.30 pm - Sinhala
- 8.00 pm - Sinhala
- 1.30 pm - Tamil
- 7.00 pm - Tamil
- 9.00 pm - English
- 12.30 pm - English

In addition to the above, 30 minutes were allocated for current affairs and foreign news every morning from 05.55am to 06.25am. Approximately 105 hours were allocated per month for overall news. An additional time slot had to be allocated for breaking news, based on contingencies. Special telecast of elections were also accomplished by this Unit.

The daily expenditure involved with the allocated number of hours for studio news telecast was Rs.160, 000.

The News Camera Unit recorded 350 number of news coverage per month. The estimated cost for these news recordings was Rs.700, 000.00 per month as indicated by the camera call sheets.

Additionally, 20 units of news coverage were obtained daily from Divisional Correspondents. SLRC spent approximately Rs.35, 000 per day for the Divisional Correspondents, totaling Rs.1, 050,000 monthly.

Current Affairs Unit

Weekdays: 06.30 a.m – 7.00 a.m. ‘Aluthma Pituwa’
07.00 a.m – 8.00 a.m. ‘Ayubowan Subha Dawasak’
02.00 p.m – 02.30 p.m. ‘Vyaparika Lokaya’
‘Eththa Neththa’
‘Ayu Bo Weva’

Weekends:

This Unit produced the programmes ‘Shanida Ayubowan’, ‘Thirasara’ and ‘Rasa Mohotha.’ In addition, the Unit provides live coverage of nationally and internationally important events as well as most significant occasions including the major national festivals with the participation of His Excellency the President.

The Tamil component of this Unit produces and telecasts the following programmes in Tamil for the Rupavahini Nethra Channel: ‘Naledugalil Indru’ Tamil newspaper headline programme, ‘Vidiyalai Nokki’ discussion on development work by the Government, ‘Kandathum Kattathum’ weekly magazine programme and ‘Ulagavalam’ programme on world politics.

The ‘Sadurangam’ one-hour political discussion programme, ‘Vilayattu Manjari’ sports programme are produced and aired on weekends. Additionally, production of special current

affairs programmes in Tamil as well as coverage of H.E. the President's overseas visits and national events are provided in the Tamil language.

Production Services Division



The Production Services Division takes the forefront in providing creative services required for all productions of the SLRC both in studio and at external locations. The Production Services Division consists of 10 Units- namely the Camera, Audio Recording and Multi Camera, Lighting, Make-up, Graphics, Special Graphics, Set & Props, E.N.G. Equipment, Rajatha Studio and E.N.G Support Units, all under supervision of the Deputy Director General (Production Services). The Graphics Unit and the Special Graphics Unit were taken over by the Director General from October 2014.

The Rajatha Studio contributes directly to reduce transport and electricity costs for studio programme productions and live programme productions.

With the contribution of a very limited number of personnel, the low-cost field process has functioned very successfully in the year 2014 as well. All arrangements have been made to purchase two cameras in the year 2015, out of an essential requirement of four cameras while the Outside Broadcast Vehicle has completed a total of 15 recordings and live telecasts in 2014.

Camera Unit

Four HD Field Monitors which were essentially required for HD cameras which were imported in 2013 were purchased this year, enabling crew to monitor the quality of field recordings made with those cameras properly. Tripods were also purchased for the new cameras.

Among the activities successfully carried out by the camera unit of the Production Services Division , the Cycle Race, state ceremony coverage such as Independence Day, the recordings done from the foreign countries were done using 3G technology, televising from motor cycle and helicopters.

After the roof of the Rajatha Studio was renovated in 2013, a large number of musical programmes were produced and telecast live from there. As electrical lighting is not used for daytime recordings in this Studio, substantial savings are made directly in terms of electricity costs. In addition, since natural settings are used extensively for recording, costs are cut down further in terms of transport, sets and props.

Recording and Production Services Unit

This unit consisting of 13 Technicians under the supervision of Deputy Director (Recordings) is responsible for all technical functions including sound balancing, audio mixing and lighting of live telecasts as well as recordings made by the Production Services Outside Broadcast Vehicle, in addition to audio mixing for all single-camera field programmes produced by the Corporation.

This Unit provides services for single-episode and serialized drama, documentaries, sports programmes, children's programmes and teledrama, educational programmes, Tamil programmes and teledrama, current affairs programmes, commercial programmes, programmes produced in the English medium and live and non-live recordings done by using the Production Services Outside Broadcast Vehicle. In 2014 the Unit has contributed creatively to more than 1613 programmes as well as to 115 live and non-live recordings produced by using the Production Services Outside Broadcast Vehicle. A number of these programmes have won Awards.

Using the CH 24 audio mixing console purchased this year, more facilities were provided especially to improve technical quality of musical programmes.

Lighting Unit

Under a Deputy Director, this Unit contributes creatively to all field productions made by the Corporation, including drama, documentaries, educational programmes, features, magazine programmes, children's programmes and commercials. In addition, the Unit also provides lighting services for State functions as well as all other functions in which H.E. the President and Hon. Prime Minister take part. In 2014 the Unit has contributed to more than 1613

programmes as well as to 115 live and non-live recordings done by using the Production Services Outside Broadcast Vehicle.

Although the Unit should have 15 Lighting Technicians according to the Cadre, it currently functions with only 06 Senior Lighting Technicians and 03 Lighting Technicians. Despite staff shortages the Unit has contributed to 1685 productions and over 115 live outside broadcasts. It is proposed to fill the vacancies in 2014 and the top management has approved the recruitment of three new Technicians. The equipment pool is complete and updated with all required lighting apparatus and spares. Plans have been made to upgrade the equipment as well as to acquire new technical equipment in the coming year.

Make-Up Unit

Make-up Unit functions under the supervision of production services division. This unit provides make-up for all Rupavahini programme productions. The Unit consists of 12 staff members including the Assistant Director,

Set and Props Unit

This Unit provides their services through sets and props and art directions to ensure high quality of the programmes produced by the Corporation in Studio, outdoor recordings and live programme productions while maintaining the SLRC's image at high standard.

The number of projects and activities that the Set and Props Unit completed in 2014 are as follows.

- | | | |
|--|---|------|
| • Arranging and clearing of studio 1,2,3 and Rajatha Studio sets | - | 2050 |
| • Single episode drama (Poya Drama) | - | 11 |
| • Children's drama | - | 1 |
| • New Year single episode drama | - | 1 |
| • Wesak single episode drama | - | 1 |

- Tele serial drama - 1
- Christmas Drama - 1

Special Events / Exhibitions

- "Kiribath Mangalyaya" special set - January 2014
- "Thaipongal" special set - January 2014
- New News set - February 2014
- "Deyata Kirula" exhibition stall and set, Kuliypitiya - February 2014
- "Deyata Kirula Viyaparika Kirula", North Western Province - February 2014
- SLRC 32nd Anniversary special pirith mandapa set - February 2014
- Sri Lanka Bangladesh Asian Championship studio set - February 2014
- World's Women's Day special set, Gampaha - March 2014
- Provincial Council Election special telecast set, Department of News - March 2014
- "Jathika Avurudu Udanaya Sirilaka piri Avurudu siri", Empbilipitiya - April 2014
- "Wasantha Udanaya", Nuwara Eliya - April 2014
- "Tamil Avurudu Udanaya", Batticaloa - April 2014
- "World Youth Conference", BMICH - April 2014
- "Budhabhi Wanadana", Lotus Tower - 2014
- "Health Quiz" special set, Sarasavi studio - May 2014
- National Wesak Festival, Diyawannawa - May 2014
- National Poson Zone, Thanthirimale - June 2014
- "Sadhdharma Warsha Poson Zone", Anuradhapura - June 2014
- "Poson Bathi Gee", President's House, Anuradhapura - June 2014
- "Econ Icon" special set - 2014

- Uva Provincial Election special set, Media Ministry - 2014
- World's Children's Day special set, Ranminitenna - 2014
- World's Children's Day(Tamil) special set, Batticaloa - 2014
- "Ranawiru Real Star Season IV", Ratmalana Air Force Base – 2014
- "Giruvaye Abhimanaya", Torrington Square - 2014
- Commemoration of D.A Rajapakse, Tangalle and Madamulana - 2014
- "Ape Gamana" special Rupavahini promotion campaign island wide- December 2014
- Special Christmas Programme set - December 2014

Graphic & Animation Unit

Consisting of 19 staff members, the Graphics and Animation Unit creates themes and trailers for all programmes. The Unit played an instrumental role by creating attractive graphics and animations to popularize the ‘Ranaviru Real Star’ programme. The Unit also creates graphics and animations for all the ETV programmes and children’s programmes as well as for the Nethra and Eye Channels.

Graphic Artists working in this Unit have won many awards at the State and Private Television Awards Ceremonies.

Library

The Rupavahini Library has specialized features by comparison with ordinary libraries. Material stored here contributes to the production process in the form of both print and audiovisual media.

Projects for the year 2014:

Projects commenced in the year 2013 continued during this year as well. A Project Proposal to select suitable programmes from those telecast from 1982 to date and preserve them under

a long-term archiving process (Project Proposal Audio Visual Archiving) has been submitted to the Senior Management. Funding may be obtained from external sources to launch this Project.

Eye Channel/Nethra/ NTV

Eye Channel

The programmes produced and telecast by channel Eye division.

1. Rise & Shine morning live programme - Everyday from 06.00 am to 07.30 am
2. Rise & Shine 4th Anniversary - (01.12.2014) - from 06.00 am to 07.30 am
3. Skills for Life - Rise & Shine Segment
4. Eye Shuffle live musical programme (new English songs) - Every Monday from 09.30 pm to 10.30 pm
5. Cafe Classics - live musical programme (old English songs) - Every Tuesday from 09.30 pm to 10.30 pm
6. Dhamma & You -Recorded Buddhist Discussion programme - Poya Day from 09.30 pm to 10.30 pm
7. Crosscurrent - Discussion programme on current affairs - Every Friday from 10.00 pm to 11.30 pm
8. National Day Messages (INDIA/IRAN/PAKISTAN//BANGLADESH) - Recorded programmes
9. Special Discussions - Recorded discussion programmes

Tamil Programs Unit – Nethra TV

Programmes are produced by the Nethra Unit targeting the Tamil television audience.

Programs produced and telecast in the year 2014

- Vanakkam Nethra - Discussion programme, weekly live telecast
- Udaya Dharshanam - Magazine programme, every week day live telecast
- Lunch Time Music - Music programme, weekly live telecast
- Educational programme - Daily live telecast for G.C.E. (O/L and A/L) students
- Saivaneedi - Hindu religious programme
- Pattam Pudukalai - Children entertainment programme
- Pudam Puthu Kalai - Magazine program, weekend, live telecast
- M 9.30 - Music program
- Kodei Malei - Music Magazine Programme
- Ippadikka Sattam - Sri Lankan Law related program
- Samayal Galary - Cookery program
- Brindawani - Classical music program
- Film City - Local short film production programme
- Desheeya Tele Natya - Tamil local Tele Drama
- Econ Icon - Quiz programme for school children

Other Special Programmes

- New Year and Nethra Anniversary
- Thai Pongal - Special live cultural and traditional program telecast from
Batticaloa - Thaipongal special musical program
- Matale Theru Festival
- Maha Shiva Rathri Day
- Sinhala and Hindu New Year
- Vesak Celebration
- Poson Celebration
- Nallur Annual Theru Celebration
- World Children's Day
- Deepavalee Celebration
- Christmas programme

Muslim Programmes Unit

The Muslim Programs Unit functions under Nethra, Channel Eye and NTV Division. This unit consists of 1 Assistant Director, 2 Producers, 1 Production Assistant and 1 Senior Management Assistant.

The programs produced by this unit are telecast over Nethra TV Channel. Muslim viewers were given opportunities to watch many local and international religious and cultural programs over this channel.

The followings are the programmes produced by the Muslim Programmes Unit

1. YAATHHIRAI - Motivation programme (for Tamil speaking viewers)
Duration - 25 mins
Telecast on every Monday at 1730hrs
Producer - M.M Mubarak

2. ISAI THENDRAL - Musical programme - Islamic Devotional songs of local artists
Duration - 25 mins
Telecast on every Wednesday at 1730hrs
Producer - Azariya Begum

3. PIRAI NILA - Youth Children's and Cultural Programme
Duration - 25 mins
Telecast on every Friday at 1730hrs
Producer - S.M Moulana

4. NETHRA XPRESS - Live Quiz Programme in entertainment mode(for Tamil speaking viewers)
Duration - 60 mins
Telecast on every Saturday at 1600hrs
Producer - S.M .Moulana

5. NAMMA SUNDAY - Youth Programme (for Tamil speaking viewers)
Duration - 25 mins
Telecast on every Sunday at 0900hrs
Producer - Azariya Begum

In addition to the above programmes the following special programmes were also produced by Muslim Programmes Unit for special occasions.

1. Ramalan breaking fast programmes during the month of Ramalan

30 programmes x 25 mins

2. Ramalan Festival Programme - Teledrama, Musical, Documentaries and Cultural programmes
Duration - 3 hrs
3. Hajj Festival Programme - Teledrama, Musical, Documentaries and Cultural programmes
Duration - 3 hrs
4. Meeladunnabi - Prophet Muhammed Birthday programmes
Duration - 2 hrs

The programme "Alavakkarai" produced by S. Mafahir Moulana was awarded as the best single episode Tamil teledrama at the State Television Awards Ceremony in the year 2014.

The programme "CHOGUM" produced by Azariya Begum was awarded as the best Fillers Song - all language at the State Television Awards in the year 2014.

NTV

The NTV Channel telecast over 16 ½ h daily, limiting to Colombo.

Majority of the programme telecast through NTV Channel were repeat foreign programmes. English news and Rise and Shine programmes were telecast on Channel Eye simultaneously. The English programmes that were telecast over Channel Eye at 9.30 pm were repeated by NTV Channel.

Engineering Division



The Engineering Division contributes directly to maintain broadcast technical standards in TV programme production and transmission at international level for the Corporation. The division consists of the Master Control Room (MCR), Studios and Outside Broadcast, Transmission, Maintenance, Information & Communication Technology, Power & Air Conditioning and Civil Engineering Units. In addition to the above core functions, various projects and consultancy services are also undertaken based on technical requirements of many government institutions. Test transmission on ISDB –T,

the Japanese digital terrestrial broadcasting was carried out. Moreover, the division has extended boundaries to provide in-plant training opportunities for quite a large number of diploma students and undergraduates from various institutes such as universities, technical colleges free of charge. There were 53 students provided with in-plant training opportunities for a period of three to six months within this year.

Five studios and three Outdoor Broadcast (OB) vehicles are utilized in the process of programme production whilst eleven transmitting stations established around the island are utilized in the process of dissemination. They are located at Pidurutalagala, Deniyaya, Sooriyakanda, Hanthana, Primrose, Namunukula, Palali, Padagala, Kokavil, Bambalapitiya and Torrington. In addition to above, two new transmitting stations were established at the end of the year at Gongala and Hunnasgiriya.

The SLRC TV programmes also disseminated via satellite (Dialog TV), IPTV (SLT PEO TV) and also through Internet (www.rupavahini.lk) worldwide.

The division is headed by the Deputy Director General (Engineering). Various services rendered by the above mentioned units and sub-units of the Engineering division over the year under review have been mentioned in a summary form as below.

Studio Operations

As per the preceding year, Studio I, Studio II, Studio III, Studio IV (Dub) and Rajatha outdoor studio were facilitated to produce variety of programmes in both live telecasts and recordings. In the year 2014 no of programs carried out in Studios were approximately as follows.

- Live Programs 7600No.s
- Live Main News Bulletins 2100No.s
- Hourly News (Live) 3400No.s
- Lottery Recordings 1750No.s
- Educational Programs 850No.s

These programs were done in Studios 1, 2, 3 & Rajatha with an average live transmission of 32 hours per day except News bulletins, with a very minimum staff.

Following upgrades were done during the year 2014.

- 03 Nos. XDCAM Hybrid Recording Machines for Studios 1, 2 & 3
- Optical Fiber Network with 1TB server from News Room to studio 2 for transfer News Items

Outside Broadcast coverage (OB)

OB unit successfully carried out 134 Outside Broadcast productions and recordings/live telecasts including National Events, Sports Events, Musical Programs, Religious Programs using two Outside Broadcast (OB) Trucks as follows.

- OB Truck -01 31 (50 Days)
- OB Truck -02 92 (170 Days)
- OB Truck 02+04(Slow-motion) 11 (22 Days)

Following Equipment was upgraded in OB2.

- 02 no of Multi viewer screens LED TV Receiver- 46”(SAMSUNG)

Transmission Unit

Following major activities were performed by the Transmission unit during the year under concern.

- Operation and maintenance of island wide terrestrial transmission network comprising eleven stations for effective coverage throughout the year.
- Planned and executed live linking facilities for 150 Nos. of outside Broadcasting events across the country during the year through portable microwave links, fiber optic linking via SLT data circuits and via satellite using Digital Satellite News Gathering (DSNG) unit by minimizing the cost depending on the availability of equipment.
- Generated extra revenue of Rs. 3,041,500.00 approximately by hiring out DSNG unit and microwave links for foreign and local broadcasters.
- Commenced transmitting stations at Hunnasgiriya and Gongala for the improvement of SLRC transmissions of Rupavahini, EYE/Nethra channels in the Southern and Central provinces.

Maintenance Unit I – (System Equipment Maintenance)

The Maintenance unit I basically undertakes preventive and corrective maintenance of equipment in MCR, Studios and Outside Broadcast vehicles, maintenance and installations of telephones for divisions/units of the Corporation and teleprompter duties of H E the President. During the year 2014, following major duties were performed by the Maintenance Unit I.

1. Major repairs done – 224

2. Teleprompter duties for HE the President and Defence Secretary – 156 (Including two foreign tours USA & Nepal)
3. Telephone related repairs - 247
4. New Telephone connections installed for CEO office, Youth, Drama, Tamil and sports units. New PEO TV connections for Special unit and Research & Training Unit.
5. Installed new CCTV setup for SLRC.
6. OB duties performed by Mtee Staff - 63 including following major OB's, Independence Day, Janapathi Janahamuwa , High way Openings (Kottawa and Matara), New year Live, Sigiriya, Fox hill, Pangolla, Gunners, Walawa Gajaba and Katukurunda Motor races, LPL Cricket Tournament, Bradby Rugby Series, Christmas Day live.
7. Exhibition stall for Deyata Kirula 2014
8. Special Studio preparations for
 - Air force cycle Race
 - FIFA Football cup 2014
 - Common wealth Games 2014
 - Asian Games - Incheon 2014
 - Tour de Youth Cycle Race
9. Exhibition Stall in Vishaka College
10. Re arranged the News setup in studio 2
11. MCR/ Studio preparations for Janapathi Janahamuwa
12. Special Studio preparations for live Telecasts of Provincial Election (Western/ Southern), Provincial Election – Uva

Maintenance Unit II -Field Equipment Maintenance

Maintenance Unit II facilitates the preventive and corrective maintenance work of all the ENG , EFP and PS OB equipment such as Camcorders, Video Switchers, Audio Mixers, Video Monitors, Portable VCRs , Microphones, Amplifiers , Batteries, Battery chargers, AC power adaptors, Lighting equipment and Cables.

In addition to preparation of specifications to purchase new equipment for the Corporation, testing new equipment before their installations and evaluating the technical viability of purchasing equipment has also performed. Following were carried out during year 2014, in equipment.

- Camcorders
 - Preventive Maintenance - 67
 - Special Maintenance - 07
 - Fault repairs - 66
- Portable VCRs
 - Preventive Maintenance - 11
 - Special Maintenance - 03
 - Fault repairs - 04
- Camera Lenses
 - Fault repairs - 14
- Video Monitors
 - Fault repairs - 13
- Audio Monitors
 - Fault repairs - 07

- Camera Power Adaptor /Chargers
-Fault repairs – 09

- Light Equipment
-Fault repairs – 29

- Specification Preparations - 04
- Tender Evaluation - 08
- Acceptance Tests - 24

Information & Communication Technology Unit (ICT)

Information & Communication Technology Unit (ICT) managing SLRC Local Area Network (LAN) with active and passive components including 295 computers, 90 printers, 15 servers including web server, Mail Server (with 1000 e-mail accounts), Application Servers, Time Attendance Server, Computer Hardware Maintenance, development and maintenance of SLRC website ([www. Rupavahini.lk](http://www.Rupavahini.lk)), development of in-house software application for business processes of the Corporation. Moreover, development and operations of computer graphics for the live sports events and Quiz programmes, Displaying election results also perform by the ICT staff.

Following activities have been executed during the year under review by the ICT unit.

- Re-launched of Rupavahini website (www.rupavahini.lk) based on the content development platform.
- Developed websites for all sister channels (www.nethra.lk, www.channeleye.lk)
- Created a tri-lingual news website for news room (www.rupavahininews.lk)
- Introduced new finger scan machine based on built-in camera system.
- Developed graphic display software for Cycle races, Car races, Cricket and Rugby matches and developed software applications for quiz programmes, reality shows & Elections Results displays.
- Increased the storage capacity of On-Demand video content.

- Quality upgrade of live stream to Nethra and channel eye.
- Commenced Mobile 3G/4G technology based video, audio transmission for live broadcasts such as Cycle races, Motor races and special events and so on.
- Enhanced fiber ring network for graphic transport covering Graphic, MCR, News, Studios & ICT Units.
- Conducted training programmes for ICT awareness on MS office, Internet & E-mail.
- Performed troubleshooting of PC's, Printers, Scanners, Network equipment.

Power and Air Conditioning Unit

The unit performs preventive and corrective maintenance work on following electrical power and air conditioning equipment & systems at Colombo Studio complex and transmitting stations regularly.

- 1250kVA Diesel generator
- 250kVA Diesel generator
- Central air-conditioning plants
- Split type AC units 180 Nos.
- AC systems of OB vans
- UPS systems

Also Installed new split AC units and established new exhaust air systems for attic space of the studio complex

Following items were installed at newly established GongalaTx station.

- 90 kVA Diesel generator
- 40 kVA 3 phase UPS
- Surge protector system
- Power panel board

Surge protector systems were also installed at Head office and Hanthana, Suriyakanda and newly established HunnasgiriyaTx stations. A 15kVA single phase UPS system and a Power

panel were installed at Hunnasgiriya. It should be also noted that despite short of Engineers and technical staff and also with limited equipment and facilities Engineering Division was able to operate and maintain all SLRC transmissions successfully during this year without any breakdown.

Carried out preventive maintenance work of the following AC works.

- Both Central AC systems with related equipment. (Studio 1&2 and Studio 3 complex)
- Ventilation systems in the above complex.
- AC systems in Out Broadcasting Vehicles (OB-1, OB-2, Head line van & slow motion bus etc...)
- 200 Numbers of split A/C units in the SLRC premises and Transmission stations.
- Refrigeration equipment in the staff Canteen.
- Electronic air cleaners.

In addition to above, following works also were performed.

- Attend 181 numbers break downs of AC units & related equipment.
- Installed an exhaust air system for Transmitter rooms in Gongala, Hunnasgiriya.
- Replaced the main components and carried out major overhauling maintenance work of Package AC unit No.6 in editing booths
- Partly reinsulated the chilled water pipe lines in chiller room.
- Partly insulated lids of the ceiling in MCR.

Installed 18 numbers of split AC units as follows.

- M/up Room. (Studio 1&2) - 03 Nos.
- Drama, Youth & Tamil Units. - 05 Nos.
- GongalaTx. Station. - 03 Nos.
- HunnasgiriyaTx. Station. - 02 Nos.

Marketing Division



The Marketing Division operates under Director (Marketing) and consists of the following main units in order to facilitate its management:

1. Marketing Unit
2. Scheduling Unit
3. Marketing Promotion Unit
4. Publicity and Media Unit
5. Commercial Production Unit
6. Administration Unit

In 2014 the Marketing Division generated an income of Rs. 1,889,721,887.36 by selling air time on Rupavahini and Channel Eye. The overall cash inflow was Rs. 1,961,499,717.45

The following special programmes were significant for higher earnings in 2014:

- Sinhala & Hindu New Year programmes
- Vesak /Poson Celebrations
- Commonwealth Games / Asian Games
- FIFA Football World Cup Series
- Children's Day
- Ranaviru Real Star reality TV programme
- Motor Racing Events

Out of the above, Sinhala & Hindu New Year programmes (Rupavahini/Nethra Channel– ‘Selalihini Wasanthaya’ at Nuwara Eliya) generated a high income of Rs. 43.271 million.

The unit was able to generate additional income in a way of organizing and telecasting promotional programmes of clients and also through various media sponsors.

The Scheduling Unit has taken steps to ensure proper scheduling and telecasting of advertisements obtained from clients through healthy relationships. The Unit's role is to

support the Marketing Division to fulfil their income targets. This Unit has scheduled 377,683 commercials in the year 2014.

Annual income earned from sales of Rupavahini Programmes on DVDs and VCDs amounted to Rs. 2,717,918.93 this year. The exclusive income generated by selling ‘Nana Mihira’ Scholarship question paper sets through the Marketing Division is Rs. 3,612,254.07.

An income of Rs.1,196,788/- was earned by selling copies of telecast programmes and library footage.

Promotional campaigns were completed successfully for ‘Vyaparika Kirula’ 2014, ‘Sundara Nuwara Eliya’ 2014, ‘Sirilak Piri Avurudu Siri Avurudu Udanaya’ 2014 – Embilipitiya, Pooja Vesak Zone – Dehiwala, ‘Rajarata Poson Namaskaraya’, ‘Surinduni Katharagama’ 2014, ‘Deyata Kirula’ 2014, FIFA Football Promotion, ‘Pinbara Getabaruwa’ 2014, ‘Ape Gamana’ Promotional Tour and World Children’s Day 2014 – Ranminitenna.

This year too, the print media was used to promote all channels of SLRC and also to give publicity to various programmes being telecast, through the Publicity and Media Unit. Advertisements were carried out on Contra Deal basis for the following institutions:

- Lake House
- Upali Newspapers
- Sumathi Newspapers

Aiming at increasing the viewership, the above advertisements were telecast in Sinhala, English and Tamil languages throughout the year under a formal plan.

The Marketing Programmes Production Unit produces lottery programmes and client promotion programmes as well as their promotional trailers and commercial tagging. Further, the Unit was responsible for producing 1508 daily Lottery Draw programmes this year.

Administration Division



All the Administrative functions of the Corporation are carried out by the Administration Division under the guidance of the Chairman and the Director General.

The Administration Division is headed by the Director(Administration).

The units functioning under the Administration Division are as follows.

1. Administration Unit
2. Public Relations and Reception Unit
3. Record Room
4. Transport Unit
5. Security Unit
6. Research and Training Unit - Under the purview of the Chairman and the Director General
7. Legal Administration Unit
8. Civil Engineering Unit
9. Internal Audit Unit - Under the direct purview of the Chairman

Functions of the Administration Unit

1. Maintaining the personal files of the employees of the Corporation.
2. Recruitment of new employees to the corporation.
3. Handling the promotions, annual increments and the transfers of the employees of the Corporation.
4. Providing information and the reports requested by the external sources including the Media Ministry.
5. Organizing all the events of the Corporation.

6. Handling the duties with relation to maintaining the discipline of the employees of the Corporation.
7. Handling the activities related to assigning officers for foreign training programmes, seminars, conferences, meetings, educational tours, workshops and coverage.
8. Handling the activities related to leave, accident leave, maternity leave, special and official leave, private and official overseas leave of the officials of the Corporation.
9. Handling the activities for the welfare of the employees such as, medical insurance facilities, loan facilities and other welfare activities.
10. Handling Employee's Provident Fund and Employee's Trust Fund.
11. Handling the activities related to issuing of the official identity cards and uniforms.
12. Providing newspapers and drinking water to the divisions of the Corporation.
13. Handling the activities related to the telephones and mails of the Corporation

The details of the employees at the end of year 2014

Number of permanent employees	-	935
Number of contract basis employees	-	49
Assignment Basis	-	14
Total employees	-	998
Approved no of employees	-	985

New Recruitments at the end of year 2014

On Permanent basis	-	29
On Contract basis	-	27
On Assignment Basis	-	17
Total Number of recruitments	-	73

The number of employees retired in 2014 - 06

Insurance Facilities

The SLRC entered into an Agreement with the Sri Lanka Insurance Corporation to cover Medical Insurance, Fire Insurance and all Accidental Insurance Schemes from 1st January 2014 to 31st December 2014. Under this Insurance Agreement the following insurances were covered:

- Serious illness insurance
- Accident insurance
- Fire and all other risk insurance

The official overseas tours taken part by the employees of SLRC in 2014.

Foreign Tour	No. of Participants
Training programmes and workshops	22
Meetings, conferences and seminars	23
Coverage of official tours and Head of States events	68

Special projects done in the year 2014

A new apprecial procedure was introduced in order to assess the performance of the employees;

Anniversary celebration arrangements:

- Pirith and almsgiving were held on 14th and 15th February 2014 in aid of the commemoration of 32nd Anniversary of Rupavahini Corporation.
- Awarding of gold coins to the employees of the Corporation who have completed 20 years of service at Rupavahini Corporation.
- Annual New Year festival was organized along with the sports unit for the SLRC employees.

Public Relations and Reception Unit

The activities attended by the Unit

1. The Unit provided facilities to approximately 75,000 School children and people from various Institutions to visit SLRC studios while educating them to gain knowledge about SLRC programme recordings and operations of the transmission.
2. Number of fairs were conducted through Welfare Association in order to make trades and services for the benefit of SLRC Staff.
3. Number of medical camps were conducted with an intension of improving the health care of the staff.
4. The assistance was provided to the visitors who come to obtain various type of services comfortably .
5. The Unit provided assistance to obtain the lands to built Circuit Bungalows.

Transport Unit

The Unit consists of a total of 64 staff members working under two Transport Officers. The main functions and duties of this Unit are: providing transport facilities for news recording, recording of programmes, locationt survey tasks, all other duty-related tasks as well as fulfilling transport requirements of Relay Stations located outside Colombo.

The above requirements are fulfilled using 43 Corporation vehicles together with 13 other vehicles on a rental basis. In the relevant year the Corporation vehicles covered a mileage of 1,314,880 kilometres while the hired vehicles covered 421,794 kilometres. Altogether the fleet has covered a total mileage of 1,736,674 kilometres. Compared to the previous year, this shows an increase of 106,485 kilometres.

Within the year, fuel costs for 43 Corporation vehicles added up to Rs.17,478,323/- while the total cost for the hired vehicles was Rs.16,702,274.52.

The Unit was able to bring about a more reliable maintenance service and make substantial savings by carrying out 80% of the repair work of Corporation vehicles within the Corporation Garage.

One Driver on Contract Basis was retired, while five new Drivers were recruited on Assignment basis and Contract basis, in this year.

Security Unit

By engaging the services of Private Sector security as well as Corporation staff, the responsibility of this Unit is to ensure security of the Corporation staff and its property as well as to assist in maintaining organizational discipline.

Services are obtained from an 8-member team of internal staff including a Chief Security Officer in addition from the 'Rakna Lanka' Security Company. Total daytime staff consists of 11 male and 03 female Security Officers and total night duty staff is 10 Security Officers.

Legal Administration Unit

This is a small Unit consisting of 05 Officers under the purview of the Administration Division.

The Unit is responsible for appearing in the Supreme Court, Appeal Court, High Court, District Court and Magistrate Court on behalf of the Corporation, as well as engaging the services of Lawyers where necessary, appearing before the Labour Tribunal, Labour Commissioner, Human Rights Commission and the Ombudsman on behalf of the Corporation, providing required legal advice to the Higher Management, drawing agreements with recruited Corporation employees, preparing agreements for external Clients, and sending Letters of Demand in respect of loans recoverable by the Corporation.

In the year 2014 the Legal Administration Unit filed court cases against four companies with regard to a recoverable amount of 1,058,657.50 by the Corporation. Further the Unit sent Letters of Demand to 10 other Organizations and filed Police Complaints.

Progress of litigations and other legal actions:

- The case filed by Major General Wasantha Perera (Case No. 46636/MR/2004) claiming damages of Rupees 75 million in compensation for alleged defamation by Mr. Wimal Weerawansa on a “Visanvadaya” programme aired on 29/04/2004 was concluded in favour of the Corporation, and it was proved that the Plaintiff was not subjected to defamation.
- Orders/Decrees in favour of the Corporation were obtained for seven (07) Court Cases filed in the year 2011 with regard to a sum of Rupees 7,678,643.74/- recoverable from CTV to the Corporation.
- Case No. DMR/698/2011 had been filed with regard to a sum of Rupees 105,106.56 payable by Mr. Champika Wijesuriya to the Corporation was concluded this year after recovering the said amount from the Defendant.

In addition, the Unit made significant progress by recovering a total of Rs. 5,753,749.60 in 2014 by way of litigation against Client debtors, sending Letters of Demand and filing Police complaints.

Internal Audit Unit

The Internal Audit Unit operates directly under the supervision of the Chairman/Director General. Among the main duties of the Unit are reviewing internal administrative methods, forwarding internal audit queries to relevant Heads of Divisions regarding irregularities and errors, and submitting reports where necessary to the top management regarding improvements and existing conditions.

The internal audit programme for 2014, approved by the Board of Directors, has been examined fully and in samples, using existing human and physical resources in the available time period. Relevant report has been submitted to the Management.

Accordingly, 09 Audit checks have been performed and 14 Audit reports and 15 other reports have been submitted covering a number of main Divisions of the Corporation. Four Audit and Management Committee meetings were held within the year 2014.

Research and Training Unit

Research Activities

The Research & Training Unit obtained the viewership rating from Lanka Market Research Bureau to analyse the viewership ratings of the programmes and channel performance comparing with other channels. In 2014, obtaining the LMRB data was stopped.

However, with the objective of identifying suitable programmes to telecast and to minimise the shortcomings that occur during the transmission, a study was done with the participation of Executives of SLRC comparing the programmes of SLRC and other channels by previewing of programmes for 3 weeks continuously.

In addition, a research was conducted at Dayata Kirula 2014 with a sample of 1000 people, to examine the viewers' feedback.

It is essential to obtain viewer feed back in the television media. The viewership rating is significance for programme production and to arrange an appropriate programme line up. The Research and Training unit discharges this important function at SLRC by analysing survey data comparing with other channels and report the findings to the management and to the programme production divisions.

Further, the Airtime Analysis is done by this Unit. The Airtime of the programmes telecast over Rupavahini & Channel Eye is analyzed as commercial and sponsored programmes while the programmes are divided into categories.

Training Activities

The Research and Training Unit conducts training constantly to provide the knowledge and training which require for the development of Human Resource and technical progression. In addition, internship training for the students of Universities and Technical Colleges are co-ordinated by the Unit.

Training programmes	No. of programmes	Number of participants
Local Training Programmes	07	143
Local External Training programs	12	16
In-Country Training Programmes	02	22
Training Progogrammes for outside Institutions	03	37
Internship Training	-	52

Details of the training programmes conducted in 2014

Air Time Analysis

The total airtime that the National Channel telecast in 2014 amounted to 7443.5 hours. From this amount 6246.4 hours were allocated for programs while 1197.1 hours of airtime was allocated for telecast advertisements. The total telecast hours over the Channel Eye was 5732.4 h, of which 5371.8 hours of airtime was allocated to telecast programs over the channel. The telecast hours of advertisements were 360.6h.

Airtime Analysis for programmes – 2014

Categorization of Programmes	Rupavahini – National Channel		Channel Eye	
	hours	%	hours	%
Information Programmes				
News	698.9	11.2	393.7	7.4
Political	157.2	2.5	-	-
Economic	100.7	1.6	-	-
Social	545.2	8.7	308.7	5.8
Ayubowan	120	1.9	241	4.5
	1622	25.9	943.4	17.7
Educational Programmes				
Education	529.2	8.5	161.2	3
Documentary	212.6	3.4	62	1.2
Agriculture	49.8	0.8	-	-
Quiz	20.6	0.3	-	-
Magazine	134	2.1	417.6	7.5
Language	19.7	0.3	-	-
	965.9	15.4	640.8	11.7
Children Programmes				
Children	222.3	3.6	73.4	1.4
Cartoon	39.5	0.6	77.6	1.5
	261.8	4.2	151	2.9

Women Programmes				
Women	594.1	9.5	26.5	0.4
Cultural & Religious Programmes				
Cultural	59.5	1	40.9	0.8
Religious	418.9	6.7	160.8	3
	478.4	7.7	201.7	3.8
Entertainment Programmes				
Drama	748.6	12	587.9	10.9
Series film	115	1.8	-	-
Film	253.8	4.1	974	18.2
Music	703.4	11.3	299.6	5.6
Variety	115.9	1.9	887	16.5
	2415.1	38.8	2748.5	51.2
Sports Programmes	183.7	2.9	449.4	8.5
Publicity Programmes	178.5	2.9	192.8	3.6
Other Programmes	25.3	0.4	17.7	0.3
Total	6246.4	100	5371.8	100

Commercial Air Time - 2014

Categorization of Programmes	Rupavahini – National Channel		Channel Eye	
	Hours	%	Hours	%
Paid Commercials	1172.8	98	350	97
Non-paid Advertisements	24.3	2	10.6	3
Total	1197.1	100	360.6	100

Sponsorships – 2014

47.7% of the National Channel's airtime (2981.6 hours,) and 21.5 % (1143.1 hours) of Channel Eye airtime gained sponsorship in 2014.

Categorization of Programmes	Rupavahini – National Channel		Channel Eye	
	Hours	%	Hours	%
Sponsored	2981.6	47.7	1143.1	21.5
Non-Sponsored	3264.8	52.3	4228.7	78.5
Total	6246.4	100	5731.8	100

Airtime of Programmes by Language

Language	Rupavahini - National Channel		Channel Eye	
	Hours	%	Hours	%
Sinhala	5686	91	271.4	5.1
Tamil	-	-	3879.2	72.2
English	508.2	8.1	1120.6	20.8
Other	52.2	0.8	100.6	1.9
Total	6246.4	100	5371.8	100

International Relations Unit

This Unit is responsible for handling formalities related to submitting programmes made by Producers in various Units as entries for International Competitions and Festivals, Overseas Scholarships for staff, as well as liaisons with Embassies and other Diplomatic Missions.

Entries were submitted this year to ‘World TV Awards 2014’ organized by AIBD Malaysia, French ‘URTI Grand Prix Author’s Documentary’ competition, ABU Prize 2014 (Malaysia), ‘Seoul Drama Awards 2014’ held in Seoul, Korea, and ‘Japan Prize 2014’ organized by NHK, Japan.

In the year 2014 too, the musical show ‘Vienna Phitharmonic New Year Concert’ which was a live telecast from Vienna, Austria was obtained free of charge through the Satellite. This was recorded live and telecast later on. This Unit was able to obtain 25 award-winning Chinese films produced by the ‘China Movie Channel’ which were donated free of charge by the Embassy of China. Further, the Unit also obtained a 26-episode teledrama series titled “Grandmom Doesn’t Eat Pizza” under patronage of the Embassy of Vietnam. Many documentary programmes were also obtained from China.

The International Relations Unit was able to achieve a high degree of success in liaising with international television organizations on behalf of the Rupavahini Corporation in 2014.

Record Room

The record room has discharged its duty by providing the necessary support to conduct the administrative activities constantly in the year 2014 within the following responsibilities.

1. Take over the preserving documents from all divisions and units.
2. Those documents are recorded, stored and archived in the record room.
3. The preserved documents are reissued for Administrative purposes.
4. Arranging of the abduction list according to the rules and regulations imposed by the government.
5. The relevant documents are abducted as per the approval of the head of the Corporation.

Finance Division



The Finance Division is organized around the functions of Revenue, Payments, Salaries, Book-Keeping and the Costing Unit. The Supplies Unit too comes under the purview of the Finance Division. The Division primarily carries out the functions of financial management and financial reporting of the Corporation.

Each of the units of the Finance Division discharged its duties during the year 2014 efficiently, effectively and economically to bring about the optimum returns to the Corporation. All financial transactions that passed through these units were executed with integrity, transparency and objectivity. Payments on all programme files were made in accordance with applicable regulations and to support programme production and broadcasting. The division all took the initiative to follow up on all due payments of completed programmes and met the payment obligations by the respective deadlines.

Staff salaries and all other staff benefits were paid without any delay and statutory deductions were remitted to the respective institutions on or before the deadline.

Primary income generated from the sale of airtime and other peripheral incomes were recorded in conformity with applicable accounting principles and standards.

The Supplies Unit, coming under the preview of the Finance Division, procured all the necessary items (both capital and non-capital goods and services) to support the production, direction and telecast of programmes on the main channel Rupavahini, Chanel Eye/ Nethra and NTV.

Accurate and timely financial and management reports, generated in accordance with accounting principles and standards and were submitted to other divisions and the Board of Directors to take informed and responsive decisions. Accordingly, both routine and ad-hoc (on demand) reports were compiled to meet requirements.

All major financial decisions were subjected to several reviews and the resulting conclusions formed the basis of the legal and authorized decisions made for the Corporation. In comparison with other state sector institutions the Corporation has not relied on any long term loans to finance its operations. Moreover, it has maintained reliance on short term loans and borrowings at minimum levels.

Given the current commercial and economic conditions, good financial management is indeed a challenging task. However the division has been successful in directing the Corporation's financial management so as to safeguard the financial stability and financial independence of the Corporation.

Statement of Directors' Responsibility



The Finance Act No.38 of 1971 and the Sri Lanka Rupavahini Corporation Act No.6 of 1982 require the Directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of Sri Lanka Rupavahini Corporation (hereinafter referred to as the "Corporation").

The Directors confirm that in preparing the financial statements of the Corporation appropriate Accounting Policies and Standards have been selected, consistently applied and supported by reasonable and prudent judgments and estimates. Any material departures have been disclosed and explained in the financial statements.

Having reviewed the Corporation's future financial projections, cash flows and current performance, the Directors consider that the Corporation has adequate resources to continue operations. The Directors have thus adopted a going concern basis in preparing financial statements.

The Directors have taken the responsibility to ensure that the Corporation maintains accounting records that disclose with reasonable accuracy the financial position of the Corporation as required by Sri Lanka Rupavahini Corporation Act No.6 of 1982 and that the financial statements comply with the Finance Act No.38 of 1971 and Sri Lanka Accounting Standards.

The Directors have taken reasonable measures to safeguard the assets of the Corporation and to establish appropriate systems of internal controls in order to prevent and detect fraud and other irregularities.

The Directors also confirm that to the best of their knowledge all taxes and levies payable by the Corporation, all contributions, levies and taxes payable on behalf of and in respect of the employees and all other known statutory obligations including retirement gratuities as were due as at the Balance Sheet date have been either duly paid or appropriately provided in the financial statements.

On behalf of the Board of Directors;
Dr. Somarathne Dissanayake
Chairman
Sri Lanka Rupavahini Corporation

Sri Lanka Rupavahini Corporation

Statement of financial position as at 31st December 2014

	Note	2014 Rs.	2013 Rs.
ASSETS			
Non-current assets			
Property, plant and equipment	8	603,164,095	594,638,596
Intangible asset	9	246,454,534	241,728,529
Available for sale financial asset (Investment)		1,104,000	1,104,000
Deferred income tax asset		21,321,743	3,675,375
Tsunami fund		1,050,703	1,037,094
Held to maturity financial assets	10	135,814,574	215,694,712
		1,008,909,649	1,057,878,305
Current assets			
Inventories	11	210,256,140	207,722,893
Trade receivables	12	492,464,068	516,468,453
Loans & receivables	13	425,257,298	440,228,849
Other receivables	14	94,577,655	134,821,726
Prepayments		1,500,112	1,505,904
Cash and cash equivalents	15	1,731,079	1,928,280
		1,225,786,352	1,302,676,103
Total assets		2,234,696,001	2,360,554,409

Equity and liabilities			
Capital and reserves			
Stated capital		537,742,424	537,742,424
Accumulated profit		1,049,214,249	1,238,641,810
		1,586,956,673	1,776,384,234
Non-current liabilities			
State Aid for Capital Investment		-	-
Foreign aid		90,281,380	106,185,045
Tsunami fund payable		1,050,703	1,037,094
Defined benefit obligations	16	131,831,313	138,621,178
Finance leases payable non-current portion	21.2	12,953,126	14,482,092
		236,116,522	260,325,408
Current liabilities			
Trade payables	17	102,768,557	102,321,689
Other financial liabilities	18	154,427,137	137,694,185
Other payables	19	17,239,505	24,788,215
Finance leases payable current portion	21.1	1,528,966	13,260,468
Bank overdraft	20	135,658,642	45,780,210
		411,622,807	323,844,767
Total liabilities		647,739,328	584,170,175
Total equity and liabilities		2,234,696,001	2,360,554,409

The finance manager certifies that the financial statements have been prepared in compliance with the requirements of the Sri Lanka Financial Reporting Standards as laid down by the Institute of Chartered Accountants of Sri Lanka, finance act no. 38 of 1971 & Sri Lanka Rupavahini Corporation act of no. 06 of 1982.

Mrs. A.H.E.R.P Edirisinghe

Acting Chief Accountant/ Assistant Finance Manager

13 March 2015

The board of directors is responsible for the preparation and presentation of these financial statements. These financial statements were authorized for issue by the chairman on behalf of the board of directors on 13th March 2015.

Dr.Somarathne Dissanayake

Chairman

13 March 2015

Sri Lanka Rupavahini Corporation
Income statement for the year ended 31st December 2014

	Note	2014 Rs.	2013 Rs.
Sales Income	1	1,833,677,681	1,955,864,447
Cost of sales	3	(1,391,887,402)	(1,339,603,675)
Gross profit		441,790,279	616,260,772
Other operating income	2	163,180,910	207,692,717
Distribution cost	4	(253,570,463)	(247,400,493)
Administrative expenses	5	(519,046,780)	(515,981,132)
Operating profit		(167,646,053)	60,571,863
Finance cost	6	(14,834,711)	(12,703,416)
Profit before income tax		(182,480,765)	47,868,447
Income tax	7	7,348,904	(31,318,522)
Profit after income tax		(175,131,860)	16,549,924
Other Comprehensive Income			
Recognition of Actuarial Gain/ Loss			19,912,273
Total comprehensive income for the period		(175,131,860)	36,462,197

Sri Lanka Rupavahini Corporation
Statement of changes in equity for the year ended 31st December 2014

	Retained earnings Rs.	Government contribution Rs.	Total Rs.
Balance at 1 st January 2014	1,238,641,810	537,742,424	1,776,384,234
Comprehensive income for the period	(175,131,860)	-	(175,131,860)
Prior year adjustments for commercial contra expenses	(14,455,280)	-	(14,455,280)
Prior year WHT adjustments for client	159,579	-	159,579
Balance at 31st December 2014	1,049,214,249	537,742,424	1,586,956,673

Sri Lanka Rupavahini Corporation
Statement of cash flows for the year ended 31st December 2014

	2014 December 31	2013 December 31
	Rs.	Rs.
Cash Flow from Operating activities		
Net Profit Before Tax	(182,480,765)	47,868,447
Adjustments For		
Prior year adjustments (W1)	(14,295,701)	(1,348,655)
Investment Income	(32,176,410)	(50,484,233)
Profit on disposals-PPE	(999)	(439,858)
Amortization of Foreign Aid	(15,903,664)	(15,903,664)
Contra Income	(46,566,500)	(80,022,125)
Contra Expenses	49,112,441	104,335,844
Government Grant	-	(9,000,000)
Depreciation	153,518,300	160,631,695
Impairment of Client Debtors	6,879,785	(62,183,625)
Impairment of Employee Debtors	111,122	65,163
Impairment of sundry Debtors	44,084	(250,225)
Losses on Disposal-PPE	63,915	3,040

Bank Interest	8,385,155	1,669,908
Lease Interest (Vehicle Loan)	2,441,330	3,700,623
	73,616,002	60,366,000
Amortize of intangible		
Intangible Adjustment	-	(214,000)
Gratuity Provision	-	23,758,779
Gratuity adjustment	(18,600)	(6,000)
Financial & Other Write Offs	158,468	-
Operating Profit/(Loss)Before Working Capital Changes	2,887,962	182,547,113
(Increase)Decrease in WIP	3,500,728	(308,118)
(Increase) Decrease in Inventories	(2,533,249)	(848,319)
(Increase)Decrease in Accounts Receivable & Others (W2)	60,766,886	71,687,889
Increase/(Decrease) in Accounts Payable & Others (W3)	(33,901,970)	(108,910,343)
Cash generated from operation	30,720,357	144,168,222
Interest paid	(8,385,155)	(1,669,908)
Defined benefits obligations paid	(6,771,266)	(4,859,194)
Purchase of intangible	(72,655,766)	(52,076,000)
ESC		(15,062,000)

WHT paid	(3,455,787)	(4,979,751)
Net cash (used in) / generated from operating activities	(60,547,617)	65,521,369
Cash flows from investing activities		
Acquisition of property, plant & equipment	(165,621,332)	(112,416,000)
Proceeds from disposal of property, plant & equipment	13,890	440,859
Investment income received(Treasury Bills & Fixed Deposits)	40,010,414	57,953,384
Investment in subsidiary(Held to maturity financial asset)	79,880,138	(43,573,450)
Investment in subsidiary(Treasury Bills & Fixed Deposits)	30,274,578	43,077,552
Net cash used in investing activities	(15,442,312)	(54,517,655)
Cash flows from financing activities		
Dividends paid	(827,496)	(921,649)
Finance lease payments	(13,260,468)	(13,260,468)
Net cash generated from / (used in) financing activities	(14,087,964)	(14,182,117)
(Decrease) / increase in cash and cash equivalents	(90,077,893)	(3,178,403)
At beginning of month (Decrease) / increase	(43,907,403)	(40,729,000)
Balance at end of the period	(133,985,296)	(43,907,403)

<u>Working 1</u>	2014	2013
Prior year adjustments (W1)	Rs.	Rs.
Prior year adjustments for commercial contra expenses	(14,455,280)	-
WHT adjustments for client	159,579	-
adjustments for housing loan impairment	-	(1,405,111)
Prior year adjustments for dividend	-	56,456
	<u>(14,295,701)</u>	<u>(1,348,655)</u>

<u>Working 2</u>	2014	2013
(Increase)Decrease in Accounts Receivable & Others (W2)	Rs.	Rs.
Trade Receivables	63,691,100	153,037,813
Loans & Receivables(without treasury bills)	(15,574,876)	(19,858,962)
Other Receivables	18,331,112	(24,550,874)
Prepayment	5,792	(598,670)
Intangible Asset	<u>(5,686,241)</u>	<u>(36,341,418)</u>
	<u>60,766,886</u>	<u>71,687,889</u>

<u>Working 3</u>	2014	2013
Increase/(Decrease) in Accounts Payable & Others (W3)	Rs.	Rs.
Trade Payables	(48,665,573)	(107,146,560)
Other Financial Liability	17,560,448	4,413,216
Other Payable	<u>(2,796,845)</u>	<u>(6,176,999)</u>
	<u>(33,901,970)</u>	<u>(108,910,343)</u>

Sri Lanka Rupavahini Corporation

Notes to the financial statements

1 General information

Sri Lanka Rupavahini Corporation (hereinafter referred to as the “Corporation”) was incorporated under the Sri Lanka Rupavahini Corporation Act No.6 of 1982. The Corporation operates as the National Television Broadcaster in Sri Lanka with the prime objectives of providing education, entertainment & information to a multi ethnic & multi religious Sri Lankan society.

Total number of employees of the Corporation as at 31st December 2014 was 1035 (Permanent, Contract & Casual grades).

The Financial Statements of the Corporation for the year ended 31st December 2014 were authorized for issue by the chairman on behalf of board of directors on 13th March 2015.

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

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

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

3 Summary of significant accounting policies

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

3.1 Basis of preparation

The financial statements of the corporation have been prepared in accordance with Sri Lanka Financial Reporting Standards ('SLFRS'). The financial statements have been prepared under the historical cost convention.

No adjustments have been made for inflationary factors affecting the financial statements. The financial statements are presented in sri lankan rupees rounded to the nearest thousand.

The preparation of financial statements in conformity with SLFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 6.

Changes in new standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2012 and not early adopted.

1. IFRS 13, 'Fair Value Measurement' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across SLFRSs.
2. IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 replaces the parts of LKAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the LKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a

fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Corporation is yet to assess IFRS 9's full impact.

3.2 Currencies

(a) Functional and presentation currency

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

(b) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other (losses) / gains'.

3.3 Property, plant and equipment

Land and buildings comprise transmission stations and head offices. All the property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the corporation and the cost of the item can be measured

reliably. The carrying amounts of replaced parts are derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Table 1-Depreciation Rates of PPE

The principal depreciation rates used for this purpose are:

	Rate
Buildings	2%
Computers	20%
Furniture and fittings	10%
Electronic equipment	20%
Motor vehicles	25%
Office equipment	20%
Library Stock	20%
TV Sets	20%
Other Assets	20%

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'Other (losses)/ income' in the income statement.

3.4 Financial Instruments

(A) Financial Assets

3.4.1 Classification

The Corporation classifies its financial assets in the following categories: at Held to maturity, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Held to maturity

Held-to-maturity investments consists of fixed deposits which are non-derivative financial assets with fixed or determinable payments and fixed maturities that the corporation's management has the positive intention and ability to hold to maturity (See Note 10).

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets as maturities are lower than 12 months after the end of the reporting period. The Corporation's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet (See Note 13).

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. These consist of investment in unquoted shares in Lanka Puwath (Private) Limited.

(B) Financial Liabilities

Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

3.5 Inventories

Inventories of the corporation consist of consumable stock (Stock held for the use of the Corporation & not for sale). Therefore inventories are valued at their cost. Stock valuation is done on a first-in-first-out (FIFO) basis.

3.6 Leases

Leases of property, plant and equipment where the Corporation has substantially all the risks and rewards of ownership are classified as finance leases.

In the past 4 years three (03) Cars & six (06) Vans were obtained on a finance lease, which effectively transfer the Corporation substantially all the risk and benefits incidental to ownership of the leased items, are capitalized and disclosed as finance leases at their cash price and depreciated over the period the Corporation is expected to benefit from the use of the leased assets.

The Lease principal amount payable to the lesser (Bank of Ceylon) is shown as a non-current liability & current liability (base on the time analysis of lease payment). Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the outstanding balance of the liability. The interest payable over the period (5 years) of the lease is transferred to an interest in suspense account. The interest element of the rental obligations pertaining to each financial year is charged to the income statement over the period of lease.

Table 2-The Time Analysis of Lease payments

The following table shows the finance lease obligation that falls due within one year & more than one year.

	More than 1 year Rs.	Less than 1 year Rs.
Interest	1,009,686	24,495
Capital	11,943,440	1,504,471
Lease Creditor -Bank of Ceylon	12,953,126	1,528,966

3.7 Trade Receivables

3.7-1 Provisions-Trade receivables/Client Debtor

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

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

Table 3-The Client Debtors Provision as at 31/12/2014

	Rs.
Provision as at 01/01/2014	64,162,205
Charge for the year 2014	6,882,456
Write-Off for the year 2014	(2,671)
Provision as at 31/12/2014	71,041,991

3.7-2 Provisions-Sundry Debtor

Tables 4-The Sundry Debtors Provision as at 31/12/2014

	Rs.
Provision as at 01/01/2014	18,578,482
Charge for the year 2014	44,084
Provision as at 31/12/2014	18,622,566

3.7-3 Provisions-Other Receivables

3.7-3 1) Employee Loans

Employee loans constitute amounts granted to eligible employees under the following categories:

- Distress loan
- Special loan
- Transport loan
- Housing loan
- Other loan

The provision for bad debts for Employee Loans has been made only for the outstanding amounts with respect to employees who are no longer in service (either retired or resigned) with Sri Lanka Rupavahini Corporation.

Table 5-The Employee Loan provision as at 31/12/2014

	Rs.
Provision as at 01/01/2014	141,250
Charge for the year 2014	111,122
Provision as at 31/12/2014	252,372

3.7.3 2) Employee Advances

Employee advances constitute amounts given to eligible employees under the following categories:

Advance for Programme Production

Advance for Employees (Miscellaneous)

Advance for Foreign Travel

Advance for Room Charges

The provision for bad debts for employee advances has been made to reflect the amounts outstanding with respect to employees who are no longer in service (either retired or resigned) with Sri Lanka Rupavahini Corporation.

3.8 Statement of changes in equity

In the statement of changes in equity includes Prior year adjustments for commercial contra expenses Rs. 14,455,280 & prior year VAT adjustments Rs.159,579.

3.9 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand & bank current account balance. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

3.10 Trade Payables/Liabilities

Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value.

3.11 Current and deferred income tax

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

The current income tax charge is calculated on the basis of the provision of Inland Revenue Act No.10 of 2006 & subsequent amendments .Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions here appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.12 Contingent Liabilities

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

A total of 05 cases have been filed against the Corporation. The estimated compensation for the plaintiffs in the event of a court ruling against the corporation for all the 08 cases is Rs.1,270,000,000.Contingent liabilities are disclosed in notes to the financial statements.

3.13 Retirement Benefit Liabilities

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, together with adjustments for unrecognized past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds as no active market for high-quality corporate bonds in Sri Lanka.

The Gratuity liability is based on the actuarial valuation carried out by Mr. Piyal S Goonetilleke (Fellow of the society of actuaries) Actuary, on 31 December 2013.

The Key Assumptions used by the actuary include the following;

- i) Discount Rate (the rate of interest used to discount the future cash flows in order to determine the present value) 11%.
- ii) Rate of future Salary Increase 4%
- iii) Retirement Age 60 years

The Company will continue as a going concern

Above Assumptions used for the year 2014 same as previous year assumptions. Therefore the defined benefit obligation is not calculated for this year.

Table 6-The Amount recognized in the Balance sheet provision as at 31/12/2014

	Rs.
Balance as at 01/01/2014	138,621,178
Charge for the year 2014	-
Payments made during the year 2014	(6,789,866)
Balance as at 31/12/2014	131,831,313

3.14 Grants

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

3.14.1 Local Grants

The grants have been amortized at the rate of 20% per annum.

3.14.2 Foreign Grants

The Corporation has received foreign grants amounting to Rs. 654,665,339 in the form of equipment. This amount has been amortized over the useful life of the equipment and the relevant amount for the year 2014 is Rs.2,596,040.18 .This is shown separately under the item "amortization of foreign aid" in the notes to the income statement.

A foreign grant for equipment to the value Rs.66,773,684.69 was received on 27/12/2012 from the government of Japan through JICA Sri Lanka.These equipment will give the corporation the editing to create 2D & 3D animations. The amount would be amortized over its useful life (5 years) beginning from year 2013.

3.15 Revenue

Revenue of the Corporation is accounted for on an accrual basis. Interest Income on investment is also recognized in the same basis.

Revenue is measured at the fair value of the consideration received or receivable. The corporation recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the corporation.

The primary source of revenue is derived from Sale of airtime. Other sources of income recognized in the income statement are given as a note to the income statement.

3.16 Accounting for Expenditure

Expenditure of the corporation is accounted for on accrual basis, charging all expenses incurred in the day to day operations of the business and in maintaining the property, plant & equipment in a state of efficiency.

Over draft interest cost is charged to the Income Statement under financial charges as and when it is incurred.

3.17 Cash Flow Statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash in hand and bank current account balance.

3.18 Events after the Balance Sheet Date

All material post balance sheet events have been considered and disclosed or adjusted, where applicable.

3.19 Rupavahini Social Welfare Fund-(Tsunami)

The source of these funds was from the general public, in response to various campaigns carried out by the corporation aftermath the Tsunami catastrophe, in the year 2004.

The Account balance is given in the table below.

Table 7 -Social Welfare Fund Balance as at 31/12/2014

	Rs.
Balance as at 01/01/2014	1,037,094
Interest earned for the period	13,609
Fund Balance at the end of the year 2014	1,050,703

The Social Welfare Fund is an integrated part of statement of financial position.

4 Intangible Asset (Copyright fees paid)

Copyright fees paid to acquire telecast rights of programmes (either local or foreign) & cost of in-house produced programmes (teledramas, motion pictures, films & etc) that meet the triple criteria of identifiability, control & existence of future economic benefits as defined in LKAS 38 (Intangible Assets) have been amortised based on the following policy of the corporation.

Tables 8 -The policy for amortisation of acquired (or procured) programmes and in-house produced programmes.

Category	Amortization Policy
Acquired (or Procured) local teledramas and films	Number of runs. - If the number of runs are not exhausted as defined in the contract within the contract period then to recognise the balance amount capitalised as an expenditure at the end of the contract.
Acquired (or Procured) local programmes (other than local teledramas and films)	Number of runs. - If the number of runs are not exhausted as defined in the contract within the contract period then to recognise the remaining capitalised amount as an expenditure at the end of the contract.
Acquired (or Procured) foreign films / soap operas	Number of runs. - If the number of runs are not exhausted as defined in the contract within the contract period then to recognise the balance amount capitalised as an expenditure at the end of the contract

Acquired (or Procured) foreign programmes (other than foreign films / soap operas)	Number of runs. - If the number of runs are not exhausted as defined in the contract within the contract period then to recognise the remaining capitalised amount as an expenditure at the end of the contract.
In-house productions - teledramas	Number of runs. - 50% in the 1st run and to amortise the balance 50% for 10 years in equal amounts.
In-house productions – programmes other than teledramas	Number of runs. - amortise 50% in the 1st run and to amortise the balance 50% for 10 years in equal amounts.
Acquired (or Procured) foreign films and soap operas that grant rights indefinitely	Number of runs. - 50% in the 1st run and to amortise the balance 50% for 10 years in equal amounts.
Acquired (or Procured) programmes other than films or soap operas that grant rights indefinitely	Number of runs. - amortise 50% in the 1st run and to amortise the balance 50% for 10 years in equal amounts.

In the case a programme does not meet one or more of the triple criteria (identifiability, control & existence of future economic benefits) then the total cost associated with the programme has been recognised as an expense in the first run.

Tables 9 -Copyright Fee

In Rs	Purchase of Teledrama	Procurement of Foreign Programme	In-house Produced Teledrama	Local Programme not- telecast	WIP Local Programme	In-house Production Others
Balance as at 01/01/2014	148,614,535	27,277,479	35,828,846	7,200,060	2,070,127	20,737,482
Addition	72,655,766	15,672,992	4,794,717	2,989,847	-	10,834,414
Amortized for the year 2014	(73,616,002)	(13,328,535)	(3,815,787)	(7,200,060)	(2,070,127)	(2,191,220)
Balance as at 31/12/2014	147,654,299	29,621,936	36,807,776	2,989,847	-	29,380,676

5. Securities For Overdraft Facility

Depending on the size of the overdraft facility & nil margin of letter of credit, the bank may require from the Corporation to provide some security. - Therefore Rs.in 150 millions valued treasury bills & Rs. in 113 millions fixed deposits provided by the corporation as the security to the bank for securing the overdraft facilities & nil margin facility of letter of credit.(According to the SLFRS 1)

6. Investment Income

Tables 10 -Amounts of Investment Income in the year 2014

<u>Type of Investment</u>	<u>Amount</u>
Treasury Bills (Bank of Ceylon)	13,353,648
Fixed Deposits (Bank of Ceylon)	14,196,720
SMIB Fixed Deposit (State Mortgage & Investment Bank)	1,783,348
State Surplus Trust Fund	2,780,123
Special Housing Loan Scheme (State Mortgage & Investment Bank)	60,310
Savings Account (Bank of Ceylon)	2,260
Total Investment Income	32,176,410

7. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Corporation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Income taxes

The Corporation is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities for anticipated tax audit issues based on estimates of

whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(b) Pension Benefits

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

The Corporation determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Corporation considers the interest rates of government bonds as no active market for the corporate bonds in Sri Lanka.

Other key assumptions for pension obligations are based in part on current market conditions.

(c) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Corporation uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Corporation has used discounted cash flow analysis for various available-for-sale financial assets that are not traded in active markets.

8 . Financial Risks Management

8.1 Financial risks factors

The Corporation's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. Risk management is carried out by management under policies approved by the board of directors. Management identifies and evaluates the financial risks on a regular basis.

8.2 Market Risks

i) Foreign exchange risk

Foreign exchange risk arises when future recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Corporation is not exposed to foreign exchange risk as the Corporation does not have foreign currency denominated receivables or payables.

ii) Interest rate risk

The risk of an adverse financial impact due to changes in the absolute level of interest rates is known as interest rate risk.

The Corporation has no interest bearing borrowings as at the balance sheet date. The lease liability and the investments in treasury bills being the only instruments that carry interest are not significant. Therefore the interest rate risk is within the tolerable level.

iv) Price risk

The risk of an adverse financial impact due to changes in the commodity and equity prices is known as price risk.

Even though the Corporation has investments in unquoted shares which are classified as available-for-sale, the Corporation is not exposed to price risk as these shares are not traded in an active market. The Corporation is not exposed to commodity price risk.

8.3 Credit Risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions as well as credit exposures to customers, including outstanding receivables and committed transactions. Respective officers are responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered.

	2014	2013
	Rs. 000	Rs. 000
Within the credit period		
0 - 1 month	153,791	161,421
Past due		
1 - 3 months	255,100	288,710
3 – 6 months	46,424	31,407
More than 6 months	108,135	99,092
Total trade receivables	563,450	580,630
Impairment	<u>(71,042)</u>	<u>(64,162)</u>
Net trade receivables	492,408	516,468
	=====	=====

9. Related party disclosures

The Corporation Carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 24 “Related Party disclosures”, the details of which are reported below.

No	Name	Designation	Nature Of The Related Party Transaction	Address
01	Mr.Wimalasena Rubasinghe	Chairman	No Related Party Transaction	No 101/24,D.3rd Lane ,Egodawatta Road , Borelasgamuwa
02	Mr. Edward Jayakody	Board Member Asst. Director Ministry of Education	As the Member of the judge Board Ranaviru Real Star Musical Programme M- 2.037.825 No Related Party Transaction	52 Ariyadasa Peiris Mw, Nugegoda.,

03	Prof. Rohana Laxman Piyadase	Board Member Senior Lecture	As a director General of the Centre for Media & Development for Copyrights Amount received M 1.649.975/01.	37, 1st Lane, Aruppola, Kandy.
04	Mrs.D.M Anula Harasgama	Board Member Director General (Department of Information Technology Management, General Treasury)	No Related Party Transaction	Director General, Department of Information Management, General Treasury. Colombo 01.
05	Mr.Hudson Samarasinghe	Board Member Chairman-Sri Lanka Broadcasting Corporation	No Related Party Transaction	No.255/B11, Torrington Garden Torrington Avenue, Colombo 07.
06	Mr.Asoka Serasinghe	Board Member Chairman-National Film Corporation	No Related Party Transaction	No.30, School Avenue, Kalubowila.
07	Mr. Chandrapala Liyanage	Director General	No Related Party Transaction	43/23A, Pepiliyana Mawatha, Kohuwela.
08	Mr. Gamini Somachandra Rasaputthra	Chief Executive Officer	No Related Party Transaction	"Wanamalee" Old Road, Barawakumbuka .

09	Mr. Rohan Sarathchandra Perera	Deputy Director General (Engineering)	No Related Party Transaction	24, Sri Sumangala Road, Ratmalana.
10	Mr. M.S.Dalugoda	Chief Accountant	No Related Party Transaction	No:24/3B, 1 st Cross Street, Pagoda Road,Nugegoda.
11	Mr. P.B.G Sumedha Athulasiri	Deputy Director General (Production Service)	No Related Party Transaction	234/J, Kadurugahawatta lane, Kottikawatta.
12	Mr.Nishantha Ubayawansa	Deputy Director General (General Programmes)	No Related Party Transaction	71E, Ihalagama, Gampaha.
13	Mr.G.C.Roshan	Director (Administration)	No Related Party Transaction	723/2/3, Lake Terrace, Athurugiriya.
14	Mr. N.A.I.N.K. Nissanka	Director (News & Current Affairs)	No Related Party Transaction	366C 10, Meegahawatte, Suhadapura, Horana Road, Gonapola.

15	Mr.Sanath Daluwatte	Director (Marketing)	No Related Party Transaction	No.128, Alwis Town, Wattale.
16	Mrs.Eirin Wijekoon	Director Educational Programme)	No Related Party Transaction	29, U.E.Perera Mawatha, Rajagiriya.

Sri Lanka Rupavahini Corporation

Notes to the financial statements

Note		2014 Rs.	2013 Rs.
1	Revenue		
	Sale of TV time - channel 1	1,428,421,321	1,622,049,189
	Sale of TV time - channel Eye	328,932,740	221,848,566
	Sale of TV time - contra deal	46,566,500	80,022,125
	N.B.T on sale of TV time	<u>29,757,120</u>	<u>31,944,567</u>
	Total Revenue	<u>1,833,677,681</u>	<u>1,955,864,447</u>
2	Other operating income		
	Production income	87,345,686	90,131,922
	Investment income (Please refer table 8)	32,176,410	50,484,233
	Transfer fees	731,788	1,034,018
	Profit on disposals-property plant & equipment	999	439,858
	Rent from canteen	39,000	36,000
	Departmental fines	1,512,342	1,445,872
	Interest on loans to employees	6,838,119	6,532,566
	Miscellaneous income	3,339,997	6,843,085
	Amortization of foreign aid	15,903,664	15,903,664
	Non-refundable tender deposits	292,475	357,232
	Registration fees	196,968	171,993
	Sale of programme material	2,717,919	4,062,519
	Registration fee - TV dealers	4,000	19,030
	Utilization of SLRC facilities (foreign)	1,055,495	1,084,498

	Utilization of SLRC facilities (local)	5,974,963	10,781,615
	Sale of Books -Dayata kirula	325,759	575,775
	Income from Diploma Course	975,684	-
	Sale of Nanamihira Question Papers	3,612,254	3,008,967
	Sale of magazine	-	2,411
	Commercial promotional income	136,804	5,306,357
	Exchange Gain	585	98
	Other charges - clients	-	471,005
	Government grant	-	<u>9,000,000</u>
	Total other operating income	<u>163,180,910</u>	<u>207,692,717</u>
3	Cost of sales		
	Programme expenses		
3.1	Educational programme expenses		
	Artiste fees	6,459,530	7,213,447
	Refreshments	1,781,234	2,600,517
	Make-up materials	171,963	292,869
	Incidental expenses	462,106	426,177
	Graphic material	3,357	65,729
	Stage design	2,511,820	3,528,342
	Video cassettes & tapes	591,045	932,128
	Hire of transport facilities	337,380	724,000
	Hire of equipment facilities	3,203,498	1,768,189
	Hire of facilities (Theatre/Audio)	895,153	1,755,655
	Hire of sound equipment	258,500.00	69,843

	Electricity	11,800	36,000
	Fuel for motor vehicle	9,993	-
	Fuel for generator	10,000	-
	Lodging	3,163,480	3,224,707
	Still photographs	1,000	-
	Traveling & subsistence	1,598,155	1,887,619
	Purchase of copy/ production/ TV right	4,830,000	-
	Premises	4,000	55,500
	Special event	1,441,825	1,964,000
	Education Programme Expenses	27,745,839	26,544,722
	Channel eye		
	Artiste fees	5,583,483	4,763,625
	Previewing & monitoring chargers	-	10,000
	Refreshment	629,450	246,780
	Hire of equipment/transport	1,488,500	1,736,750
	Hire of sound equipment	98,300	1,030,600
	Electricity	13,000	-
	Incidental expenses	379,968	477,869
	Traveling & subsistence	604,931	450,400
	Still photographs	50,000	-
	Stationery	-	1,160
	Procurement of programme material - foreign	27,490,946	25,239,343
	Lodging	963,375	557,600
	Video cassettes & tapes	184,262	243,756

	Rent of antenna tower at SLBC	3,575,476	3,524,694
	Reimbursement of electricity charges SLBC	2,167,539	2,101,026
	Stage design/sets	725,595	79,464
	Hire of facilities (Theatre/Audio)	683,016	-
	Premises	20,000	3,000
	Special event	800,000	-
	Special Payment English News	621,600	-
	Graphic materials	3,357	-
	Channel Eye Programme Expenses	46,082,798	40,466,067
3.2	General programme expenses		
	Artistes fees	23,709,816	29,093,396
	Previewing & monitoring charges	303,200	449,900
	Refreshment allowance	3,383,033	4,337,515
	Purchase of copy/ production TV right	187,805,137	128,465,381
	Stage & design/ sets/ props	2,131,046	1,795,633
	Make-up materials	124,171	292,869
	Video cassettes & tapes	2,561,349	1,608,847
	Graphic & animation materials	2,793	65,729
	Still photographs	95,587	65,426
	Hire of equipment facilities	7,504,385	6,993,405
	Incidental expenses	2,199,250	2,225,489
	Procurement programme materials - foreign	8,121,142	8,665,371
	Traveling & subsistence	3,633,177	3,194,493
	Special event	-	181,311

	Lodging	5,564,664	5,506,148
	Electricity	251,907	384,133
	Hire of facilities (Theatre/Audio)	1,781,455	1,095,311
	Hire of sound equipment	619,350	1,405,500
	Hire of transport	790,100	2,013,453
	Fuel for generator	14,520	-
	Premises	471,845	628,328
	Satellite cost	2,400	-
	General programme expenses	<u>251,070,327</u>	<u>198,467,637</u>
3.3	News programme expenses		
	Payments to news readers/ editors	6,212,300	6,419,135
	News gathering - Local	21,607,500	19,763,900
	News gathering - Foreign	4,651,589	4,393,215
	Incidental expenses	549,477	352,598
	Satellite & related charges. - Foreign	4,652,217	2,359,536
	ABU's fixed & variable charges	2,912,048	4,220,157
	Current affairs (block vote)	3,357	65,729
	Transport news vehicle	11,418,728	12,040,413
	Web streaming service	2,095,658	2,357,148
	Video cassettes & tapes	456,721	1,045,225
	Refreshment allowances	1,534,726	2,139,064
	Design/news sets	178,187	3,927
	Artistes fees	29,399,070	37,930,161
	Hire of equipment facilities	23,842,142	20,609,643

	Hire of sound equipment	832,806	2,812,500
	Traveling & subsistence	2,631,850	2,294,468
	Premises (current affairs)	2,142,207	-
	Lodging	2,745,040	2,579,500
	Sets/props (current affairs)	6,424,401	7,740,065
	Hire of transport facilities(current affairs)		2,993,700
	Hire of facilities (Theatre/Audio)(current affairs)	1,134,223	1,164,535
	Still photographs(current affairs)	110,000	100,000
	Fuel for motor vehicle	20,000	-
	Live streaming	1,656,000	1,656,000
	Special events	<u>3,875,027</u>	<u>1,355,771</u>
	News Programme Expenses	<u>131,085,274</u>	<u>136,396,389</u>
3.4	Commercial production expenses		
	Artistes fees	856,420	867,000
	Refreshment allowance	281,180	115,510
	Stage & Design/Sets/Props	1,217,048	554,300
	Hire of equipment facilities	1,993,204	493,960
	Incidental expenses	20,500	1,800
	Traveling & subsistence	425,466	196,207
	Lodging & premises	621,000	456,000
	Hire of sound equipment	-	20,000
	Video cassettes & tapes	213,549	191,363
	Special events	43,000	-
	Commercial Production Expenses	<u>5,671,367</u>	<u>2,896,139</u>

3.5	Other production expenses		
	Salaries & other allowances (For production staff)		
	Salaries/ allowances - Permanent staff	289,676,355	263,789,780
	Salaries/ allowances - Contract staff	27,431,804	23,337,474
	Salaries/ allowances - Relief staff	12,225,733	13,011,855
	Overtime	129,014,136	113,827,792
	Corporation share of EPF	44,626,433	41,252,981
	Corporation share of ETF	8,920,606	8,239,787
	Holiday pay	30,719,107	28,292,464
	Week-end payment for executive	4,456,163	4,422,113
	Hardship/ altitude/ heavy duty	4,800,709	4,714,991
	Duty officers/ engineers fees	1,218,413	1,122,750
	Meal allowance -Non executive	7,576,875	7,342,391
	Incentive allowance	25,034,686	24,649,538
	Transport allowance	15,047,464	15,788,537
	Encashment medical leave	15,691,001	15,179,082
	Bonus	33,992,711	33,233,389
	Electricity - Head office (75%)	89,998,685	83,763,157
	Fuel for generator	1,380,855	1,883,404
	Running expenses (75%)	16,619,155	14,986,491
	Repairs & maintenance - Equipment	8,642,029	12,219,385
	Tax on foreign programmes	1,967,500	427,500
	Commercial contra expenses	49,112,441	104,335,844
	Frequency chargers	4,411,693	4,384,061

	Transmission Tower Rental	1,931,678	2,218,229
	Colombo -Palali link for video transmission	1,133,330	1,408,786
	Rental for fiber optic link	112,882	-
	Hiring of third party infrastructure	353,825	272,378
		<u>826,096,265</u>	<u>824,104,158</u>
3.6	Depreciation		
	Depreciation	104,135,532	<u>110,728,564</u>
	Total Cost of Sales	<u>1,391,887,402</u>	<u>1,339,603,675</u>
4	Distribution expenses		
	Agency commission	223,089,962	247,371,796
	Promotional expenses	23,442,840	9,593,213
	Bad debts provision		
	Employee	111,122	65,163
	Sundry	44,084	(250,225)
	Clients	<u>6,882,456</u>	<u>(9,379,454)</u>
	Distribution Expenses	<u>253,570,463</u>	<u>247,400,493</u>
5	Administrative expenses		
	Members remuneration	1,563,479	1,487,100
	Salaries/ allowances - permanent staff	96,558,785	87,929,927
	Salaries/ allowances - contract staff	9,143,935	7,779,158
	Salaries/ allowances - relief staff	4,075,244	4,337,285
	Overtime	43,004,712	37,942,597
	Corporation share of EPF	14,875,478	13,750,994
	Corporation share of ETF	2,973,535	2,746,596
	Holiday pay	10,239,702	9,430,821

	Week-end payment for executive	1,485,388	1,474,038
	Hardship/ altitude/ heavy duty	1,600,236	1,571,664
	Duty officers/ engineers fees	406,138	374,250
	Membership fees for professional executives	26,016	70,029
	Meal allowance -Non executive	2,525,625	2,447,464
	Incentive allowance	8,344,895	8,216,513
	Transport allowance	5,015,821	5,262,846
	Encashment medical leave	5,230,334	5,059,694
	Incentive gratuity & compensation	375,000	300,000
	Bonus	11,330,904	11,077,796
	Staff welfare	55,116	130,500
	Recreation	196,700	110,000
	Uniforms to staff	59,250	100,925
	Premium - medical insurance scheme	30,760,681	29,359,410
	Premium for accident & life insurance	1,113,279	957,416
	Traveling & subsistence - Local	2,586,870	2,219,466
	Traveling & subsistence - Mileage allowance	4,143,246	4,310,451
	Traveling & subsistence - foreign	16,887,496	5,911,159
	Incidental expenses - Foreign travel	1,278,811	344,009
	Corporation refreshment/ entertainment	2,486,256	1,563,252
	Rent, rates & taxes	15,397,605	15,496,073
	Electricity & power	29,999,562	27,921,052
	Telephone including rental	10,143,923	9,204,848
	Security service	12,146,250	13,050,000
	Postage		

		943,884	827,691
	Printing & stationary	9,006,784	8,777,705
	Newspapers & periodicals	2,128,433	2,309,175
	Office requisites	1,369,264	2,388,430
	Losses on disposal -Property plant & equipment	63,915	3,040.00
	Exchange losses	21,088	179,718
	Sundry expenses	6,514,899	5,993,102
	Advertisement- Tender & recruitment	974,615	1,746,393
	Compensation for court cases	125,890	-
	Running expenses of motor vehicles	5,539,718	4,995,497
	Hire of motor vehicles	10,240,021	7,215,391
	Insurance - building & other assets	7,397,778	5,184,466
	License & insurance motor vehicle	1,942,955	1,549,004
	Repairs & maintenance - building	8,055,893	11,094,168
	Repairs & maintenance - Garden	1,459,359	1,482,867
	Repairs & maintenance - Other assets	981,253	1,258,863
	Water	3,509,379	3,125,001
	Web hosting/Internet lease line	6,532,806	6,470,473
	Computer requisites	720	6,925
	License fee for Microsoft product & other expenses	325,000	323,400
	Seminar & training programme - General	866,676	322,675
	Anniversary celebration	1,255,325	1,490,177
	Public addressing system charges/ rental	94,313	164,976
	Repairs of motor vehicles	6,578,840	10,270,389

	Publicity & propaganda	190,648	422,771
	Training expenditure - internal	1,668,601	1,277,417
	Survey & research expenses	-	-
	Donation	683,150	1,300,150
	National events	2,518,539	1,336,126
	Print of Nana Mihira question Paper	2,678,571	-
	GHOGM Expenses	676,470	4,798,523
	Subscription fees(Contribution to AIBD)	2,468,521	4,950,094
	Depreciation	49,382,768	49,903,130
	N.B.T	36,820,433	39,117,289
		519,046,780	492,222,353
	Interest Charges for benefit obligation	-	<u>23,758,779</u>
	Administrative Expenses	<u>519,046,780</u>	<u>515,981,132</u>
6	Financial & other charges		
	Bank charges	803,505	1,113,289
	Bank interest - OD	8,385,155	1,669,908
	Lease interest (Vehicle loan)	2,441,330	3,700,623
	Audit fees	350,000	350,000
	Legal fees	2,329,673	4,749,097
	Stamp duty	38,485	51,800
	Financial & other write offs	158,468	-
	Consultancy & Other Prof. Chg	328,096	1,068,700
	Financial and Other Chargers	<u>14,834,711</u>	<u>12,703,416</u>

7	Taxation		
	Profits & Income exempt from tax		
	Re-invest treasury bill income 1/9	1,483,739	2,419,050
	Recognized Actuarial Gain/ Loss	-	19,912,273
		1,483,739	22,331,323
	Profit/(loss) for the year ending	(182,480,765)	47,868,447
	Depreciation	153,518,300	160,631,695
	Interest paid	10,826,485	5,370,531
	Corporation entertainment	2,486,256	1,563,252
	Publicity & propaganda (25% Disallowable)	47,662	105,693
	Donations	683,150	1,300,150
	Commercial promotional expenses (25% Disallowable)	5,860,710	2,398,303
	Contra expenses (50% Disallowable)	24,556,221	52,167,922
	Profit/loss on disposal	62,916	(436,818)
	Tax gain /loss on disposal	(69,019)	411,051
	Anniversary celebration	1,255,325	1,490,177
	Provisions for gratuity	-	23,758,779
	Gratuity paid	(6,771,266)	(4,865,307)
	Provisions for bad debts-Sundry	44,084	(250,225)
	Provisions for bad debts-Clients	6,882,456	(9,379,454)
	Provisions for bad debts-Employees	111,122	65,163
	Specific bad debts write off	158,468	-
	Interest income	(32,176,410)	(50,484,233)
	Other income	(25,909,876)	(35,392,665)

	Grant for capital items	-	(9,000,000)
	Capital allowances	(219,136,781)	(198,640,489)
	Amortization of foreign aid	(15,903,664)	(15,903,664)
	Business profit/(loss)	(275,954,628)	(27,221,692)
	Interest income	30,692,671	48,065,184
	Other income	25,909,876	35,392,665
	Total statutory income	56,602,547	83,457,848
	35% from net profit allowable losses b/f	(19,810,891)	(29,210,247)
	Interest paid	-	-
	Assessable income	36,791,656	54,247,601
	Qualifying payments	(15,000)	(500,000)
	Taxable income	36,776,656	53,747,601
	Tax amount (28%)	10,297,464	15,049,328
	Income tax liability	10,297,464	15,049,328
	Deferred tax	(17,646,368)	16,269,194
	Income tax	(7,348,904)	31,318,522

Property, Plant & Equipment

Note	Balance as at 01/01/2014	Additions	Adjustment	Disposals	Balance as at 31/12/2014
Land	7,660,503	-	-	-	7,660,503
Building	259,330,888	6,386,774	-	-	265,717,662
Furniture & Fittings	48,060,233	3,312,036	-	-	51,372,269
Plant & Equipment	2,787,165,173	144,355,694	-	(5,391)	2,931,515,476
Office Equipment	49,526,377	1,744,374	-	-	51,270,751
Electrical Equipment	7,494,304	161,095	-	-	7,655,399
TV Sets	22,419,903	1,363,878	-	(197,672)	23,586,109
Library Stocks	2,140,328	18,971	-	-	2,159,299
Loose Tools Accessories	3,764,478	184,680	-	-	3,949,157
Computer	99,035,463	7,775,776	-	-	106,811,239
Other Assets	4,124,456	222,054	-	-	4,346,510
Accounting Software	9,298,190	96,000	-	-	9,394,190
Equipment For NTV	33,159	-	-	-	33,159
Motor vehicle	102,461,866	-	-	-	102,461,866
Musical Instrument	170,037	-	-	-	170,037
Caravan Equipment	162,142	-	-	-	162,142
Security Equipment	2,169,763	-	-	-	2,169,763
JAICA Project	66,773,685	-	-	-	66,773,685
Container	1,052,000	-	-	-	1,052,000
Total Value of Assets	3,472,842,947	165,621,332	-	(203,063)	3,638,261,216

Depreciation

Note	Balance as at 01/01/2014	Depreciation for the year	Adjustment	Disposals	Balance as at 31/12/2014
Land	-	-	-	-	-
Building	104,877,813	5,219,518	-	-	110,097,331
Furniture & Fittings	28,152,192	3,842,788	-	-	31,994,980
Plant & Equipment	2,489,586,188	104,135,532	-	(2,874)	2,593,718,846
Equipment For NTV	26,527	6,631	-	-	33,158
Office Equipment	43,741,442	1,581,496	-	-	45,322,938
Electrical Equipment	7,431,116	83,206	-	-	7,514,323
TV Sets	20,093,927	1,034,799	-	(123,382)	21,005,344
Library Stocks	2,050,347	52,134	-	-	2,102,481
Loose Tools & Accessories	2,756,033	218,032	-	-	2,974,065
Computer	71,996,052	10,307,819	-	-	82,303,871
Other Assets	3,125,902	372,452	-	-	3,498,354
Accounting Software	6,225,172	1,176,423	-	-	7,401,594
Motor vehicle	86,067,787	12,096,893	-	-	98,164,680
Musical Instrument	170,028	-	-	-	170,028
Caravan Equipment	162,140	-	-	-	162,140
Security Equipment	2,169,761	-	-	-	2,169,761
JAICA Project	13,354,737	13,354,737	-	-	26,709,474
Container	33,091	35,840	-	-	68,931
Total Depreciation	2,882,020,254	153,518,300	-	(126,256)	3,035,412,297

Net book value of assets

Rs.

8	Note	Balance as at 2014.01.01	Balance as at 2014.12.31
	At Cost	3,472,842,947	3,638,261,216
	Depreciation	(2,882,020,254)	(3,035,412,297)
	Total Carrying amount of Property, Plant & Equipment	590,822,693	602,848,919

Work-in progress

Rs.

8	Note	Balance as at 2014.01.01	Additions	Transfers	Balance as at 2014.12.31
	Work-in progress	3,815,904	4,269,658	(7,770,385)	315,176

Rs.

8	Note	Balance as at 2014.01.01	Balance as at 2014.12.31
	Total Carrying amount of Property, Plant & Equipment	590,822,693	602,848,919
	Work-in Progress	3,815,904	315,176
	Total	594,638,597	603,164,095

Sri Lanka Rupavahini Corporation

Notes to the financial statements

	Note	2014.12.31 Rs.	2013.12.31 Rs.
9	Intangible assets		
	Purchase of teledrama	147,654,299	148,614,535
	In-house production teledrama	36,807,776	35,828,846
	In-house production - others	29,380,676	20,737,482
	Programe material foreign	29,621,936	27,277,479
	Local programmes(Not telecast)	2,989,847	7,200,060
	Local programmes (Work- In Progress)	-	2,070,127
	Intangible Assests	246,454,534	241,728,529
10	Held to maturity financial assets		
	Fixed deposits (Bank Of Ceylon)	117,091,257	198,727,501
	Fixed deposit (State Mortgage & Investment Bank)	18,723,317	16,967,211
	Held to maturity	135,814,574	215,694,712
11	Stocks		
	Printing & stationary	3,168,216	4,081,613
	Spare parts - ENG I	18,052,749	18,052,749
	Spare parts - ENG II	176,784,325	175,922,296
	Spare Parts ENG & ENGINEERING	268,086	-
	Graphics material	75,891	76,455
	Make-up material	1,430,709	1,902,467
	Building material	62,448	27,420
	Motor vehicle material	2,535,098	2,403,924

	Diesel stocks	1,556,886	1,218,470
	Office requisites(excluding printing & stationary)	34,315	27,090
	Miscellaneous items	146,733	72,520
	Cassettes & tapes (blank) in main stores	2,357,006	479,056
	Electrical consumables	284,315	808,326
	Cassettes & tapes (library)	3,221,250	2,304,008
	Recorded cassettes	278,113	311,500
	TV sets	-	34,998
	Stocks	210,256,140	207,722,893
12	Trade receivables		
	Client debtors	563,449,868	580,630,658
	Returned Cheques	56,190	-
	Less : Impairment of client debtors	(71,041,991)	(64,162,205)
	Trade receivables	492,464,068	516,468,453
13	Loans & other receivables		
13.1	Treasury bills		
	Treasury bills	181,538,877	211,815,715
13.2	Debtors - Employees		
	TV loan - others	40,568	42,065
	Distress loan	104,290,603	104,989,861
	Festival advance	368,550	381,300
	Transport loan	57,173,155	50,651,041
	Special loan	27,513,046	22,546,775
	Other loan	195,000	276,428
	Textile loan	2,758,671	2,929,671
	Housing loan	51,631,199	46,737,242
	Debtors - Employees	243,970,792	228,554,383

	Less : Impairment of loan debtors	(252,372)	(141,250)
		243,718,420	228,413,133
	Loan & other receivable	425,257,298	440,228,849
14	Other receivables		
14.1	Advances & deposits		
	State Mortgage & Investment Bank(Housing loan fund)	6,946,813	7,664,740
	Goods in transit	3,048,471	42,550,185
	Advance to suppliers - (Local purchases Institutes)	3,631,577	1,309,750
	Advance to suppliers -For programme production	1,495,005	428,069
	Advance to employees- Miscellaneous	1,516,183	580,918
	Advance to employees - Programme	4,420,013	1,998,780
	Deposits for services - Refundable	4,302,254	4,199,754
	Stamp IMP - Administration division	34,940	17,055
	Advance for room charges	1,375,250	462,000
	Advance on foreign purchase - Spares parts	13,154,488	1,633,537
	Advance to contractors	-	450,000
	Withholding tax (WHT) deducted at source	38,773,827	38,347,986
	Advance to employees - Purchase	1,300,492	903,989
	Tax- Economic Service Charge (ESC)	-	12,019,382
	Advance and Deposits	79,999,312	112,566,146
14.2	Sundry debtors		
	Miscellaneous debtors	823,936	511,337
	Recoverable from retired / resigned employees	111,684	111,684
	Income receivables (From inland revenue & other)	24,765,148	22,247,221
	Income receivables - Investment income	6,132,735	13,966,740

	Staff debtors - Sundries	70,627	47,498
	Insurance corporation medical scheme	230,129	441,039
	Coin adjustment	32,468	33,032
	Lease interest suspense A/C	1,034,182	3,475,512
	Sundry debtors	33,200,909	40,834,062
	Less : Impairment of sundry debtors	(18,622,566)	(18,578,482)
		14,578,343	22,255,580
	Other receivables	94,577,655	134,821,726
15	Cash, bank balance & deposits as call		
	BOC savings A/C	57,733	55,473
	Bank balance BOC Torrington Branch	1,673,346	1,872,806
	Cash, bank balance and deposits as call	1,731,079	1,928,280
16	Retirement benefit obligation -Gratuity		
	Retirement benefit obligation -Gratuity	131,831,313	138,621,178
	Retirement benefit obligation -Gratuity	131,831,313	138,621,178
17	Trade payables		
	Creditors client	43,101,050	47,015,473
	Agency commission payable	58,636,554	54,624,263
	Client transfer / refunds	1,030,952	681,952
	Trade payables	102,768,557	102,321,689
18	Other financial liabilities		
	Accrued expenses	58,460,686	52,684,574
	Unclaimed salaries & wages	181,350	119,920
	Retention - contract	207,489	870,999
	Security - contract & suppliers	69,241	1,779,241
	Creditors control	7,921,211	6,593,972
	Cancelled cheques - corporate	4,695,010	261,441

	Artists fee payable (cancelled cheques)	225,161	331,684
	Retention - SLRC employees	7,000	7,000
	SLBC	24,405	16,770
	Pre receipts	4,445,176	-
	Tender deposits (Refundable)	552,314	532,855
	Salaries payable	43,999,697	40,121,527
	Fund for Rupavahini museum	10,002	10,002
	CIR stamp duty	18,925	58,484
	Ministry of state	1,093,810	962,559
	Provision for fine on gratuity	73,745	73,745
	Miscellaneous payable - Suwa sahana	73,574	73,574
	Provision for dividend (to the government)	32,368,342	33,195,838
	Other financial liabilities	154,427,137	137,694,185
19	Other payables		
	Retention with holding tax	1,548,315	1,548,315
	Provision for income tax	10,297,464	15,049,328
	VAT control A/C	3,648,370	6,672,894
	Retention with holding turnover tax	4,397	4,372
	PAYE tax	1,740,960	1,513,306
	Other payables	17,239,505	24,788,215
20	Bank overdraft -		
	Bank overdraft -BOC Torrington Branch	-	-
	Bank overdraft -BOC corporate branch	135,658,642	45,780,210
	Bank overdraft -BOC corporate branch	135,658,642	45,780,210
21	Finance leases		
21.1	Finance leases payable current portion	1,528,966	13,260,468
21.2	Finance leases payable non-current portion	12,953,126	14,482,092
	Finance leases	14,482,092	27,742,560

The Chairman,
Sri Lanka Rupavahini Corporation

Report of the Auditor General on the Financial Statements of the Sri Lanka Rupavahini Corporation for the year ended 31 December 2014 in term of Section 14 (2) (c) of the Finance Act, No. 38 of 1971

The audit of financial statements of the Sri Lanka Rupavahini Corporation for the year ended 31 December 2014 comprising the statement of financial position as at 31 December 2014, the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 16(3) of the Sri Lanka Rupavahini Corporation Act, No. 6 of 1982. My comments and observations which I consider should be published with the Annual Report of the Corporation in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7) (a) of the Finance Act was furnished to the Chairman of the Corporation on 07 July 2015.

1.2 Management's Responsibility for the Financial Statements

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

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institutions (ISSAI 1000 – 1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 2.2 of this report.

2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report the financial statements give a true and fair view of the financial position of the Sri Lanka Rupavahini Corporation as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Accounting Standards

Instances of action taken without complying with the Standards are given below.

- (a) According to the Sri Lanka Accounting Standard No.02 (LKAS-2) the stocks should be valued at the net realisable value or the cost whichever is lower and shown in the financial statements, Nevertheless, the Corporation had shown the stock at cost amounting to Rs.210, 256,140 instead of estimating the net-realizable value of the stock. A non-moving stock older than 10 years valued at Rs.18, 052,749 had been included in that stock.

- (b) According to the Sri Lanka Accounting Standard No.08 (LKAS-8)the errors relating to prior periods, should be shown as revision to the comparative figures given for the period in which the error occurred in the first set of financial statements approved for issue after the detection of the errors. Nevertheless, an expenditure of Rs.14, 455,280 incurred under the retreading agreements in the preceding year had been adjusted to the statement of changes in equity of the year under review.

- (c) Even though the particulars of fully depreciated assets which are being used for operations at present should be disclosed in the financial statements in terms of the Sri Lanka Accounting Standard No.16 (LKAS-16), 369 items of fully depreciated assets costing R.2,530,748,888 which are being used for operations at present had not been disclosed in the financial statements.
- (d) Even though a sum of Rs.46, 566,500 received from the transactions executed under retrading agreements had been recognised as income of the year under review in the recognition of income from the supply of services in terms of the Sri Lanka Accounting Standard No.18 (LKAS – 18), the expenditure incurred in completing those transaction had not been identified and adjusted in the financial statements.
- (e) The Corporation had not taken action in terms of the Sri Lanka Accounting Standard No.39 (LKAS-39) to compute the investment of Rs.1, 104,000 made by the Corporation in a News Paper Company of the Government, at fair value, by indentifying the decrease or the increase in value of investment and for the adjustment thereof in the financial statements.

2.2.2 Accounting Differences

The following observations are made.

- (a) A sum of Rs.7, 750,720 receivable from a Private Television Institution for the transmission facilities from the Kokavil Transmission Tower made available by the Corporation without entering into an agreement had not been included in the financial statements as income receivable.
- (b) Even though the Corporation had not rendered the transmission work in connection with the sum of Rs.9, 344,832 received by the Corporation from a State Institution for publicity work, that amount had been brought to account as income for the year under review and paid a sum of Rs.658,500 as agency commission thereon despite the existence of the liability for the refund of that amount.

2.2.3 Unexplained Differences

Even though the client debtor balances according to the financial statements for the year under review totaled Rs.563,449,868 the total of the balances of the corresponding Schedule of Client Debtors totaled Rs.563,266,849 and as such a difference of Rs.183,019 was observed between the financial statements and the Schedule of Debtors.

2.2.4 Lack of Evidence for Audit

The accuracy of the following transactions could not be established due to the non-submission of the audit evidence relating thereto.

- (a) The detailed schedule for the work –in-progress amounting to Rs.132,125.
- (b) Even though stocks of cassettes and tapes (Library) and the recorded cassettes had been shown in the ledger accounts at Rs.3,221,250 and Rs.278,113 respectively, the stock verification reports which contain their value had not been furnished to audit to establish the accuracy of the value thereof.

2.3 Accounts Receivable and Payable

The following observations are made.

(a) Client-Debtors – Sale of Airtime on Credit

- (i) Out of the client debtors amounting to Rs.563,449,868 the impairment adjustments as at 31 December of the year under review amounted to Rs.71,041,991 or 13 per cent. It was observed that such position had an adverse effect on the liquidity of the Corporation.
- (ii) According to the credit policy on the grant of credit facilities to the client debtors, the debts should be recovered within a period one month. Nevertheless, the debtors out of those older than

one month represented 72 per cent of the total debtors or Rs.409, 475,448 and the debtors older than three months represented 19 per cent or Rs107, 951,654 of the total debtors. In addition, the debtors older than three years and five years out of the total debtors amounted to Rs.10, 554,683 and Rs.66, 250,180 respectively.

- (iii) Out of the client debtors, a sum of Rs.53, 886,160 represented irrecoverable debtors balances or those subject to prescription and legal action had been taken only in respect of a sum of Rs.24, 405,255.
- (iv) According to the Corporation policy on the recovery of money on normal trade agreements, action should be taken to issue invoices and affect recovery after the supply of the full airtime. It was observed in audit that such policy had an adverse effect on the recovery of debts receivable by the Corporation.

(b) Sundry Debtors

Even though action should have been taken to lodge a tax appeal for the recovery of a sum of Rs.17,858,971 recoverable from the Department of Inland Revenue, the Corporation had not taken action accordingly.

(c) Advances

According to the staff announcements of the Corporation, advances obtained should be settled within 14 days after the completion of the programme concerned. Nevertheless, advances amounting to Rs.6, 000,313 obtained during the year under review had not been settled even by 05 June 2015.

2.4 Non-compliance with Laws, Rules, Regulations and Management Decisions

Non-compliance with following laws, rules, regulations and management decisions were observed.

Reference to Laws, Rules,
Regulations and management
Decisions

Non-compliance

(a) Sri Lanka Rupavahin
Corporation Act, No.6 of
1982

Even though the provision for the appointment of a Working Director is not provided for in the Act, appointments had been made in two instances during the year under review and salaries and allowances amounting to Rs.545, 402 had been paid.

(b) Establishment Code of the
Democratic Socialist
Republic of Sri Lanka

Section 7.1 of Chapter II

A person whose services had been terminated after a disciplinary inquiry had been recruited on contract basis for a period of 06 months for the post of producer of the Corporation by the Director General without the approval of the Board of Directors and had paid a sum of Rs.246, 665 as salary and allowances and bonus for the period from August 2014 to February 2015

(C)Financial Regulation of the
Democratic Socialist Republic
of Sri Lanka

(i) Financial Regulation 71(1)

Whatever the sources of funds, the creation of new allowances or revision of existing allowances should have the prior approval of the Deputy Secretary to the Treasury. Nevertheless, a sum of Rs. 21,532,320 had been paid to 188 officers during the year under review as fuel and transport allowances without taking action accordingly.

(ii) Financial Regulations 105 to
110

Even though 15 motor vehicles had met with accidents in 16 instances during the year under review, action in terms of the Financial Regulations had not been taken

(iii) Financial Regulation - 155

Replies to 12 audit queries issued had not been furnished.

(iv)Financial Regulations 156 (3)
and 446(2)

The signature of an authorized officer had not been written in connection with entering into 1,866 transactions amounting to Rs.194,002,129 in the cash book. This included 184 transactions totalling Rs.179, 873,550. each valued over the Limit of Rs.100,000.

(v) Financial Regulation 156(6)

Even though all accounting documents, books, records, registers, etc., Should be held in proper custody and in proper order and condition, until they are duly disposed, the portions of the payment Cash Book of the Corporation, relating to the entries of a day had been made by an officer in an unclear and distorted manner.

(vi) Financial Regulation 371(2)
(c) and the Staff Information
No.964 (Supplement 04) of
the Sri Lanka Rupavahini
Corporation

(i) Even though the ad hoc sub-impressts should be settled immediately after the completion of the purpose for which it was given and within 14 days after the completion of the programme, the settlement of ad hoc sub-impressts totalling Rs.1, 737,750 relating to 26 instances had been settled after delays ranging from 03 days to 75 days since the completion of the respective purposes.

(ii) The unsettled advances as at 31 December of the year under review totaled Rs. 1,375,250 and out of that advances amounting to Rs.1,033,250 granted in 15 instances had not been settled even by 30 March 2015. Periods ranging from 62 days to 127 days had elapsed since granting those advances.

(iii) Advances amounting to Rs.158,250 granted in 09 instances had been settled without being issued for any purpose after retaining the money over periods ranging from 1 day to 60 days.

(vii) Financial Regulation
757(a) and (b)

The stock of spare parts costing Rs.194, 837,074 of the Engineering Division had not been included in the Annual Stock Verification.

- (d) Letter No. MF/TR/1/2003 dated 28 March 2003 of the Secretary to the Ministry of Finance
- Overpayment of hire charges amounting to Rs.915, 000 exceeding the maximum monthly hire charge had been made for 04 hired motor vehicles.
- (e) Public Enterprises Circular No. PED/12 of 02 June 2003
- (i) Section 6.5.1
- Even though the draft Annual Report for the year under review should have been presented to the Auditor General within 60 days, after the close of the financial year, it had not been so done.
- (ii) Section 8.3.5
- Motor vehicles had been allocated to 02 officers not entitled to official motor vehicles and the value of fuel supplied amounted to Rs.514, 880.
- (f) Public Enterprises Circular No. PED/50 of 28 July 2008 and the Public Administration Circulars No.14/2008 of 26 June 2008 and No.22/99 of 08 October 1999.
- Contrary to the Circular instructions, a sum of Rs. 7,222,800 had been paid as motor vehicle and fuel allowance during the year under review to 13 officers
- (g) Public Administration Circular No.13/2008 (iv) of 09 February 2011
- The value of fuel supplied to five officers exceeding the monthly limit on fuel amounted to Rs.1, 194,390

2.5 Transactions not supported by Adequate Authority.

A sum of Rs.3, 454,279 had been paid to a private firm for the transmission of the National Television to foreign countries though the satellite technology in December of the year under review considering as an urgent requirement deviating from Procurement Procedure and without obtaining the concurrence of the Ministry of Finance as prescribed by the Cabinet of Ministers and without entering into a written agreement.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the pre-tax loss of the Corporation for the year ended 31 December 2014 amounted to s.182,480,765 as against the pre-tax profit of the preceding year amounting to Rs.47,868,447, thus indicating a deterioration of Rs.230,349,212 or 481 per cent in the financial result. The decrease of the income for the year under review as compared with the preceding year by 8 per cent and the increase of expenditure by 3 per cent had been the main reasons for such deterioration.

3.2 Analytical Financial Review

Even though the pre-tax loss of the Corporation for the year under review amounted to Rs.182,480,765, it was observed that the loss would increase by 17 per cent to Rs.212,839,709 by the reversal of the adjustment of Rs.15,903,664 made to the income due to the adoption by the capital approach as specified in Sri Lanka Accounting Standard 20 and the adjustment of Rs.14,455,280 made to the prior year contra agreement expenditure in the equity statement. Comparatively, the profit of Rs.47, 869,000 for the preceding year had decreased to Rs.22,965,000 due to the adjustments made in the preceding year.

3.3 Legal Action Instituted Against by the Corporation

The following observations are made.

- (a) External parties had filed 10 cases against the Corporation and the staff of the Corporation had filed 06 cases as at 31 December of the year under review. A sum of Rs.1,151,320 had been paid during the year under review as lawyers' fees in connection with those cases. The compensation claimed by the plaintiffs under 06 cases filed by the external parties amounted to Rs.1, 270,000,000.
- (b) The Corporation had filed 27 cases against external parties and a sum of Rs.1, 340,735 had been received in connection with 05 of those cases. One case had been dismissed due to prescription of action. The Corporation expects to recover Rs.16, 904,142 from the balance 21 cases. A sum of Rs.766, 490 had been paid in the year under review as lawyers' fees relating to those cases.

3.4 Working Capital Management

The Corporation had to obtain Bank overdraft facilities due to the no-operation of a proper working capital management mechanism and the inefficient debt collection. The overdraft interest paid during the year under review amounted to Rs.8,385,155 and the overdraft balance as at 31 December of the year under review according to the cash book amounted to Rs.135,658,642.

4. Operating Review

4.1 Management Inefficiencies

The following observations are made.

- (a) The Corporation had entered into and implemented contra agreements with other media institutions with the objective of broadcasting of contra agreements mutually with such media institutions. The following matters relating to the implementations of these agreements were observed in audit.
 - (i) The value of airtime allocated during the year under review to the newspaper companies without entering into written agreements amounted to Rs.68,366,257 and newspaper advertisements amounting to Rs.44,128,126 had been published in lieu thereof. The Corporation had not paid attention for the publication of newspaper advertisement in a manner beneficial to the Corporation. As such it was observed that the procurement of services through contra agreements had not been managed in a more profitable and efficient manner.
 - (ii) The files relating to the publication of press advertisements published had not been maintained properly to enable the checking of the accuracy of the invoices furnished by the newspaper company for the advertisements published. As such the accuracy of the expenditure of Rs.46,566,500 relating to the contra agreements could not be examined.
 - (iii) Even though the monthly accounts relating to all contra agreements entered into by the Corporation should be issued by both parties, it had not been so done. The monthly accounts of 09 months of the year under review relating to 04 newspaper companies had not been obtained even by the end of April 2015.
- (b) Even though a sum of Rs.1, 104,000 had been invested in the Lanka News Institute in the years 1985 and 1992 no dividends had been received up to the year under review. Nevertheless the Corporation continued to hold that investment.

- (c) Even though the number of telecasting of the teledramas/programmes purchased from outside parties had been further remaining, a sum of Rs.50,531,902 relating to 19 teledrmas/programmes had been written off as expenditure during the year under review due to the failure to telecast the number of times within the agreement periods.
- (d) Out of the sundry debtors of the Corporation amounting to Rs.33,200,909 provision amounting to Rs.18,622,566 or 56 per cent thereof had been made for its impairment value and as such it was observed that the debt recovery control of the Corporation is at a weak level. That balance included recoverable debts existing between 01 to 09 years amounting to Rs.146,863, a sum of Rs.111,684 recoverable from retired 08 resigned employees of the Corporation existing between 5 to 7 years, a sum of Rs.542,554 receivable from a foreign television institution, a sum of Rs.17,858,971 receivable from the Department of Inland Revenue and a sum of Rs.558,602 receivable from insurance companies in connection with reimbursement of medical bills.

4.2 Operating Inefficiencies

The following observations are made.

- (a) Even though a sum of Rs.5, 743,015 had been spent in the year under review on the National Television (NTV) which commenced transmissions in the year 2009 without carrying out a feasibility study, it had not earned any income.
- (b) Eighteen officers who had borrowed 723 cassettes form the library up to the end of the year under review had not returned the cassettes. Out of those, 412 cassettes had been issued by the library prior to the year 2013.

4.3 Transactions of Contentious Nature

The following observations are made.

- (a) (I) During the course of a Presidential Election, the Corporation had supplied free airtime valued Rs.34,719,750 to a certain Presidential Candidate and that value represented 60 per cent of the paid airtime obtained by the Candidate. Similarly, that candidate had been given airtime amounting to Rs. 3,286,750 under the sponsorship of a State Institution. In addition, the particular candidate concerned only had been allowed 50 per cent discount for publicity done on paid airtime and its value was Rs.9,088,600.
- (ii) Similarly, the Corporation had failed to transmit advertisements valued at Rs.5, 202,750 relating to the Presidential Election. Even though a sum of Rs.1, 000,000 had been received for advertisements, the money had to be refunded due to non-allocation of airtime.
- (b) According to a test check of transmission of programs, airtime of 2,602 minutes valued at Rs.2, 146,650 had been scheduled as Corporation Programmes without entering into agreements, for the promotional work of a Presidential Candidate.

4.4 Apparent Irregularities

The following observations are made.

- (a) A sum of Rs.990,000 had been spent on a nominal marketing promotion program not approved by the Corporation without following the Procurement Process. The goods relating to that expenditure had not been received even by 30 April 2015.
- (b) Two used transmitters which would not match with the future technology changes had been purchased for Rs,16,928,653 on an agreement with conditions disadvantageous of the Corporation.

- (c) The contract for the renovation of internal roads for which money had not been allocated in the budget had been awarded for Rs.5,617,377 without inviting competitive quotations. Even though action had been taken for the recovery from the contractor a sum of Rs.116,171 paid for work not executed pointed out by audit, the contract had been awarded at prices more than 60 percent the standard prices for road construction works of the Western Provincial Council or an excess of Rs.1,882,440. Action had not been taken for the recovery of that loss from the parties responsible.

4.5 Resources given to other Government Institution

The following observations are made.

- (a) six officers recruited by the Corporation on contract basis and released for service in the Ministry had been paid salaries and allowances and overtime amounting to Rs.3,073,361 and Rs.1,406,360 respectively during the year under review without obtaining reimbursement of such expenditure.
- (b) Even though it had been decided to obtain reimbursement of the sum of Rs.188,140 spent on the hired motor vehicle for the duties of the Chairman of the Television Training Institute, it had not been brought to account.
- (c) Two vans of the Corporation had been released to the Ministry of Mass Media during November and December of the year under review while a van and a jeep of the Presidential Secretariat had been obtained by the Corporation during the last quarter of the year under review.
- (d) The Corporation had given 06 media equipment to the Presidential Media Unit and the value of 03 of those equipment amounted to Rs.1,823,079.

4.6 Idle and Underutilized Assets

The following observations are made.

- (a) An Automatic Barcode System costing Rs.1,734,000 had been purchased in the year 2005 for the computerization of the activities of the Rupavahini Audio Visual Library to ensure proper and efficient performance of its activities. Several parts and the Electronic Cassettes Protection System of that system had been idling and action in being taken at present for their disposal.
- (b) Spare parts of the Engineering Division valued at Rs.18,052,749 remained as non-moving stocks over periods exceeding 10 years. Those had not been subjected to an annual stock verification.

4.7 Delayed Projects

Even though a sum of Rs183,051 had been spent in the years 2005 and 2006 as consultancy fees and soil tests in connection with the construction works of the News Division, the relevant construction works had not been commenced.

4.8 Personnel Administration

Even though the approved cadre of the Corporation had been 985, the actual staff as at the end of the year under review had been 996. An excess of 32 officers in the Groups HM and MM were observed. Sixty three persons had been deployed in service on casual/temporary basis which are not included in the approved cadre.

4.9 Motor Vehicle Utilization

The following observations are made..

- (a) Even though a sum of Rs.695,604 had been spent on carrying out repairs to 05 motor vehicles out of 16 which had met with accidents in the year under review, a sum of Rs.669,620 only had been received as insurance indemnity. Further, Action had not been taken to carry out repairs and obtain insurance indemnity in 11 instances or for the recovery from the parties responsible.

- (b) The transport fleet of the Corporation comprised of 47 corporation motor vehicles and 17 motor vehicles procured on hire basis. Ten motor vehicles had been allocated to officers. The total running kilometers during the year had been 1,581,023 comprising 1,004,908 kilometers run by the motor vehicles of the Corporation and 576,115 kilometers run by motor vehicles procured on hire basis. The expenditure on fuel and maintenance during the year under review amounted to Rs.22,158,873 or and Rs.8,521,794 respectively and as such expenditure on fuel and maintenance per kilometer amounted to Rs.19.41. A sum of Rs.23,135,387 had been paid during the year under review for the motor vehicles procured on hire basis.
- (c) Five Motor vehicles had not been run during ;the year. A motor cycle issued without fuel to a Driver had not been returned to the Corporation even by the date of audit.

5. Accountability and Good Governance

5.1 Action Plan

The following observations are made.

- (a) The Action Plan had not been prepared in accordance with the Public Finance Circular No. 01/2014 of 17 February 2014.
- (b) A sum of Rs.206 million had been allocated from the capital budget for the year under review for the rehabilitation and modernization of the sound studios and the external transmission facilities, nevertheless, according to the Progress Report prepared for the year ended 31 December under review, none of the projects of this section had been completed. Out of the 12 projects scheduled for completion during the year, 07 projects had not even been commenced.

- (c) A sum of Rs.89 million had been allocated from the budget for the year under review for 07 capital projects of the Main Control Room scheduled for completion during the year. Out of that, 04 projects valued at Rs.55 million had been commenced during the year. Out of the projects commenced the physical progress of 02 projects had been at 50 per cent level and the physical progress of the other 02 projects had been 10 per cent. Action had not been taken for the commencement of 03 projects valued at Rs.34 million.
- (d) A sum of Rs 54 million had been allocated from the capital budget for the year under review for 4 Projects for the development of the existing transmission network. Out of those, one project had been completed while two other projects had not even been commenced. The physical progress of a project costing Rs.29 million as at 31 December of the year under review had been only 20 per cent.
- (e) Even though two projects costing Rs.60 million had been planned under the capital budget of the year under review for the construction of the New Studio and Server Room under the Rupavahini Building Development Projects, action had not been taken during the year at least for the commencement of the project.
- (f) A sum of Rs.8 million had been allocated from the capital budget for the year under review for 02 projects for effecting improvements of the Information Technology of the Corporation. Action had not been taken for the commencement of one of those projects while the physical progress of the other project had been 20 per cent.

5.2 Internal Audit

An Internal Audit Unit has been established in the Corporation and it had issued 18 Internal Audit Queries and Reports in the first half year and 18 Internal Audit Queries and Reports in the second half year. But action had not been taken to rectify the matters pointed out in those queries and reports.

5.3 Budgetary Control

Significant variances were observed between the budgeted income and expenditure and the actual income and expenditure, thus indicating that the budget had not been made use of as an effective instrument of management control.

6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Corporation from time to time. Special attention is needed in the respect of the following areas of control.

- (a) Debtors/Creditors Control
- (b) Budgetary Control
- (c) Accounting
- (d) Staff Loans
- (e) Grant of Advances
- (f) Contra Agreements
- (g) Sale of Airtime and Revenue Collection
- (h) Personnel Management
- (i) Debt Collection

W P C Wickramaratne

Acting Auditor General