

SUGATHADASA NATIONAL SPORTS COMPLEX AUTHORITY  
P. O. BOX 2211, AUTHUR DE SILVA MAWATHA  
COLOMBO 13

#### Sugathadasa Indoor Stadium

Telephone : 011-2445677, 2422841

011-2384490, 2384385

Fax : 011- 2445675

E- Mail : sugathad@sltnet.lk

#### Sugathadasa Outdoor Stadium

Telephone / Fax : 011-2423333

#### Bogambara Outdoor Stadium

Telephone / Fax : 081-2235395

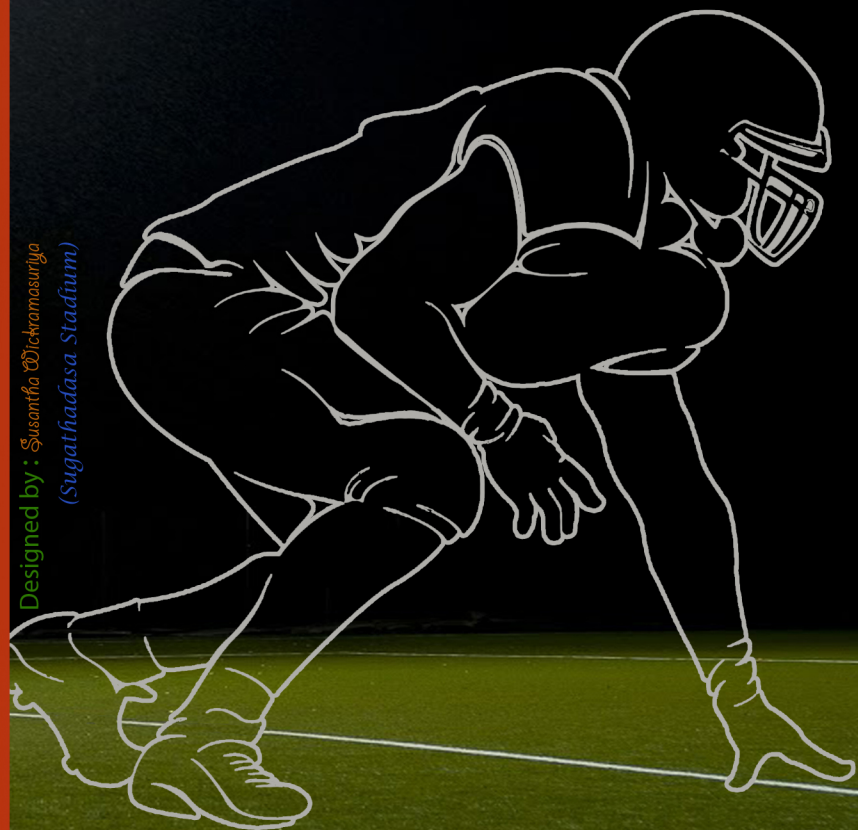
#### Nuwara Eliya Race Course

Telephone : 052-2222659

#### Beliatta Swimming Pool

Telephone : 047-2251685

Designed by : Sugantha Wickramasuriya  
(Sugathadasa Stadium)



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Incorporated by the act of Parliament No.17 of 1999



சுகத்தாச தேசிய விளையாட்டுப் பஸ்தோகுதி அதிகாரசபை

SUGATHADASA NATIONAL SPORTS COMPLEX AUTHORITY

2012

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ஆண்டறிக்கை  
ANNUAL REPORT



# *The Sugathadasa National Sports Complex Authority*

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## Coordination of Information

Name of the Institution

**Sugathadasa National Sports Complex Authority**

### Legal Establishment of the the Sugathadasa

#### National Sports Complex Authority

Legalized by the Parliamentary Act No. 17 of 1999

### **AUDIT AND MANAGEMENT COMMITTEE**

#### **BOARD OF MANAGEMENT**

Brigadier G W P. Samaratunge	- Chairman
RSP, USP, ATO	
Mr. S M Harischandra (Up to April 2012)	- Member
Mr. S Weerasinghe (Since July 2012)	- Member
Mr. M P D U K Mapa Pathirana	- Member
Mrs. M D Ranjane Jayakody	- Member
Mr. Manula Chamal Perera	- Member
Wing Com., Buwaneka Deshapriya	- Member
Mr. P Nisal Ratnayake	- Member
Mr. Manu Chanmugam	- Member
Mr. Panduka Keerthinanda	- Member
Mr. H M M S Bandara Herath	- Member
Mr. N P A Wickremaratne	- Secretary

Mr. M P D U K Mapa Pathirana	- Chairman
Mr. Manu Chanmugam	- Member
Mr. B D Abeysooriya	- Member
Mrs. K P P Fernando	- Member
Mrs. P C Janaki	- Secretary

#### **PARTICIPATION IN OBSERVATORY LEVEL**

Mr. E A P Ananda

#### **ADDRESS**

The Sugathadasa National Sports Complex Authority,  
P.O. Box: 2011, Arthor de Silva Mawatha,  
Colombo 13

Tel : 011-2445677, 2422841  
011-2384490, 2384385

Fax : 011-2445675  
Email: [Sugathad@sltnet.lk](mailto:Sugathad@sltnet.lk)

#### **AUDIT**

Auditor General,  
Auditor General's Department,  
No.: 306/72, Polduwa Road,  
Battaramulla.

#### **BANKERS**

Bank of Ceylon,  
Grandpass Branch

## Administrative Management of Stadia

Brigadier G W P Samaratunge, RSP, USP, ATO	- Chairman
Lt. Col. L H M Rajapakse, RSP	- Director
Mrs.H.M. Nilmini K. Herath	- Assistant Director
Mr. A.N. Samarasinghe (Up to 29-02-2012)	- Assistant Director (Sports)
Mr. Chaminda K. Udakumbura	- Assistant Director (Administration)
Mrs. P.C Janaki	- Internal Auditor
Mrs. N.C.J. Athukorala	- Manager (Maintenance)
Mr. K.Banduthilake	-Manager (Outdoor/Information Technology)
Mrs. P.D.N. Prabha Kiriella	- Manager (Marketing)
Mr. G.D. Samapath Perera	- Manager (Purchasing)
Miss. Neranjala P. Moragoda	- Manager (Indoor)
Mrs. K.G.G. Nilmini Kiriella	- Manager (Reservations)
Mr. D.C. Wasantha Amarasekara	-Manager (Accounts)
Mr. H.A. Roshan Kumara	- Manager (Bogambara)
Mr. H.G. Upali	- Manager (Security)



## Our Vision and Mission



Bringing Sugathadasa National Sports Complex Authority to a first class sports complex in Asia possessing sports facilities of international standard and through modernizing its other sports complexes and providing concessionary facilities for the development of sports in Sri Lanka.

## *Our Mission*



Contributing to the development of the sports sector in Sri Lanka by providing facilities of international standard and to brighten the sports talents of Sri Lankan Sportsmen and women and bring the sports complex to a first class international standard with necessary facilities.

## **Establishment of the Sugathadasa National Sports Complex Authority**

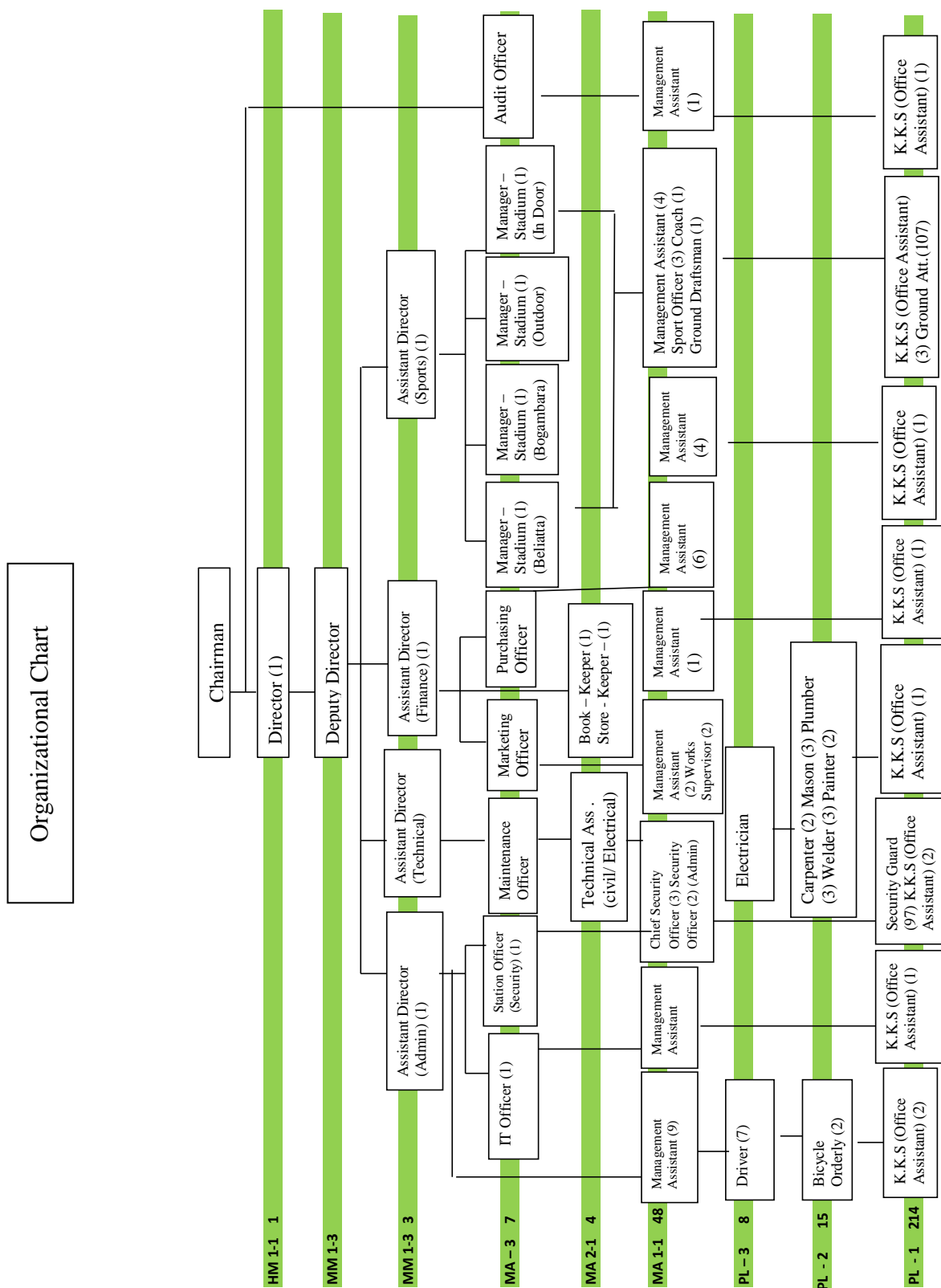
The Sugathadasa National Sports Complex Authority has been taken over by the Ministry of Sports as a Trust fund, with effect from 01-02-1995. The bill to convert the Sugathadasa National Sports Complex into an Authority was presented in Parliament on 20<sup>th</sup> April, 1999. The Bill was passed in the Parliament to be in force with effect from 01.09.1999 and this National Sports Complex has been established as '**Sugathadasa National Sports Complex Authority**' from this date.

The management activities of this authority are executed by a Board of Management appointed by the Minister in charge of sports and this board consists of the following members.

1. Chairman- Appointed by the Minister in charge of Sports
2. The Secretary or a Representative of the Ministry of which Minister is in charge of Sports
3. Director General of Sports appointed under Sports Act No. 25 of 1973 of the National State Council
4. A representative of the Treasury.
5. In addition to this 07 members are appointed by the Minister who is the incharge of Sports



## Organizational Chart



## Approved Cadre

In addition to the members of the Board of Management, the total number of permanent employees recruited as per the approved Scheme of Recruitment of the Institution is 326. The number of employees served in the institution out of the approved cadre as at 31.12.2012 was 86%. It has been comprehensively indicated below.

No.	Designation	Salary Segment	No. of employees as at 30.09.2013	Approved Permanant Cadre	Vacancies /Surplus
01	Director	HM 1-1	01	01	-
02	Deputy Director	HM 1-1	-	01	01
03	Assistant Director	HM 1-1	02	04	02
Associate Officers					
04	Auditing Officer	MA - 3	-	01	01
05	Information Technology Officer		01	01	-
06	Maintenance Officer		-	01	01
07	Purchasing Officer		01	01	-
08	Marketing Officer		01	01	-
09	Manager - Stadium		04	04	-
10	Officer In Charge - Security		01	01	-
Management Assistant (Technical)					
11	Technical Assistant	MA 2 -1	-	02	02
12	Store Keeper		-	01	01
13	Book Keeper		-	01	01
Management Assistant (Non - Technical)					
14	Internal Auditor	MA 1 -1	01	01	-
15	Management Assistant		30	31	01
16	Ground Draftsman		01	01	-
17	Works Supervisor		01	02	01
18	Sports Trainer / Sports Officer		02	09	07
19	Chief Security Officer / Security Officer		14	20	06
Primary/ Skilled					
20	Electrical Technician	PL - 3	01	01	-
21	Driver		07	06	(01)
Primary/ Semi Skilled					
22	Carpenter, Mason, Plumber, Painter and Welder	PL - 2	14	15	01
23	Massenger		-	02	02
Primary/ Non-Semi Skilled					
24	Stadium Assistant	PL - 1	110	110	-
25	K.K.S. (Office Assistants)		10	10	-
26	Security Guard ( Male/female)		91	100	09
	Grand Total		279	328	37- (01)



## Functions and Responsibilities of the Authority

### Responsibilities

- 1) Management, maintenance and making arrangements to safe guard the Sugathadasa National Sports Complex Authority as a National Asset.
- 2) Maintenance of all facilities and services according to internationally recognised standards.
- 3) Effecting improvements or changes required for the buildings and structures.
- 4) Provision of Facilities to the Sri Lankan Citizens, particularly Sri Lankan youth for improving their talents in sports and for improving their physical fitness and health subjected to the Conditions imposed by the Board of Management.
- 5) Conducting training courses and programmes in sports with the intention of improving sports in rural sectors in particular.
- 6) Provision of facilities required for the National and International festivals subjected to the Conditions imposed by the Board of Management.
- 7) Developing Co-ordination and cooperation with International and National Sports Training Organizations and Sports Institutions with the objective of improving sports and recreation facilities available in Sri Lanka.
- 8) Provision of facilities of the Authority to Schools, Youth Sports Clubs and Sports Organizations by charging concessionary rates subjected to the Conditions imposed by the Board of Management.

### Functions

The following procedures were adopted by the Authority in order to perform the above responsibilities and services and facilities are provided to Sports Clubs, School Sports Clubs as well as to Public and Private Institutions under concessionary rates approved by the Board of Management.

- 1) Provision of infrastructure facilities that are necessary for training sportsmen and sportswomen for National and International track and field events.
- 2) Provision of facilities required to conduct matches with international recognition during day and night times.
- 3) Facilitation for the advancement of clever sportsmen/ sportswomen in rural level or in schools with low facilities by providing infrastructure facilities for uplifting their talents.
- 4) Provision of swimming and diving pool facilities required for the conduct of nationally and internationally recognized swimming competitions.
- 5) Supplying facilities necessary for conducting examinations, conferences, conventions, festivals and recreational activities.
- 6) Organization of workshops for training purposes

## Fields Facilities by the authority.

The Sugathadasa National Sports Complex Authority which possesses a specific capacity for the provision of facilities and services in day and night times has contributed immensely in the National Level for the provision of facilities and services in the fields of Sports, Health, Education and Recreation. The Sugathadasa National Sports Complex Authority has become the pioneer institution of providing services and facilities in par with the International Standards specifically in the sphere of Sports.

### Sports

Provision of internationally recognized facilities for sports such as Athletics, Rugby, Netball, Basketball, Hand ball, Volleyball, Badminton, Squash, Table Tennis, Wrestling, Judo, Wushu, Boxing, Tykondo, Karate and Gymnastics, Cricket, Football and American Football.

### Health and Education

Provision of internationally recognized services and facilities to National and International festivals, workshops, training courses, body building courses, swimming and lifesaving courses, shows and meetings.

### Recreation

- (1) Supplying of services and facilities of international standards to National and International mega shows.
- (2) Publicity and Advertisements  
Supply of services and facilities by arranging backgrounds necessary for still photographs and videos in relation to marketing. It is noteworthy that some of the very popular advertisements have been televised at the vicinity of the Sugathadasa National Sports Complex Authority.

### **The Sugathadasa National Sports Complex Authority is comprised of the following institutions for providing the above services and facilities**

1. Sugathadasa indoor stadium, and Swimming / Diving pools
2. Sugathadasa Sports Hotel
3. Sugathadasa Outdoor Stadium.
4. R.Premadasa International Cricket Stadium  
(Leased out to Sri Lanka Cricket Board for a period of thirty years from 01.11.2006)
5. Bogambara Outdoor Stadium
6. Beliatta and Weeraketiya Swimming pools.
7. Nuwareliya Race Cour



## The Sugathadasa Indoor Stadium

The Sugathadasa Indoor Stadium is consisted of the following sections.

- 01. Indoor Stadium
- 02. Sub Arena
- 03. Swimming Pool Complex
- 04. Body Building Centre
- 05. Sports Hotel

### Indoor Stadium



Indoor stadium is equipped with an air-conditioned auditorium with a seating capacity of 5,004. The width of this indoor stadium is 35 metres while its length is 40 metres. This stadium facilitates the conduct of indoor sports competitions such as Basketball, Badminton, Netball, Judo, Gymnastics, Volleyball, Table Tennis, Boxing, Karate and Wrestling.

In addition, facilities are provided in this stadium for the conduct of various festivals, conferences, musical shows, state festivals

and various workshops. In this year, specific festivals such as 8<sup>th</sup> Asian Netball Tournament, Ranaviru Real Star Musical Competition and the Opening Ceremony of the Sri Lanka Premier League Cricket Tournament were also conducted at the Indoor Stadium.

Rs.27, 651,671/- has been earned from this indoor stadium up to the 31<sup>st</sup> of December 2012.



8<sup>th</sup> Asian Netball  
Tournament - 2012



Opening Ceremony  
of the SLPL Cricket Tournament



Ranaviru Real Star Musical  
Programme - 2012

**The summary of total number of matches / championships and other festivals conducted at the Indoor Stadium in the the year 2012 has been mentioned below.**

Gymnastic Meet	- 05	Music Competitions	- 03
Volley ball Matches	- 14	Examinations/Educational Programme	- 45
Boxing Meet	- 09	Award Ceremonies	- 04
Karate / Wushu Meet	- 16	Programmes on Children's Activities	- 02
Table Tennis Matches	- 01	Conferences	- 05
Net ball Matches	- 01	Commercial Shooting	- 01
Musical Shows (Mega)	- 02	Meetings (Swimming pool lobby)	- 06
Musical Shows (Non-Commercial)	- 04	Trainings	- 48



## Sub Arena



Badminton Court

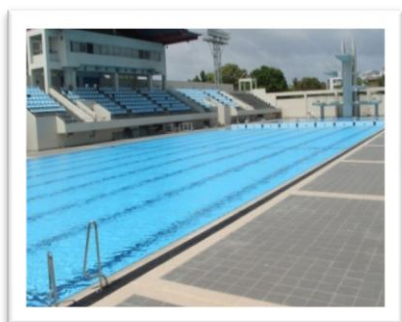


Squash Court

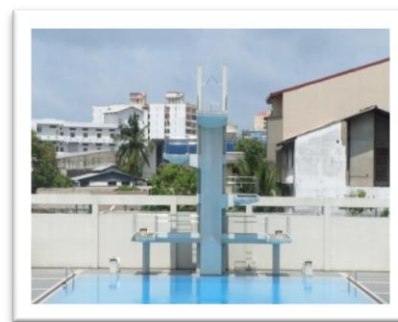
The sub Arena is comprised of 2 Badminton Courts and 4 Squash Courts and an income of Rs.1, 598,901/- has been earned by facilitating matches and training activities during the year 2012.

## Swimming Pool Complex

The Authority is the proud owner of the Nation's swimming pool complex equipped with all the facilities with international recognition and it is comprised of 04 swimming pools.



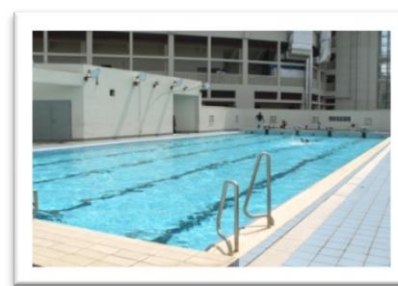
Main Swimming Pool



Diving Pool



Pool for small Children



Sub Pool for training activities

The swimming pool complex facilitates the conduct of school level swimming competitions up to internationally recognized swimming competitions. It facilitates the measurement of time using sophisticated Electronic equipment and it also facilitates day / night matches by fixing high-tension electric light towers. In addition, a swimming school is being conducted for school children and a great service is being rendered through these facilities charging very reasonable concessionary rates for children who are not facilitated with swimming pools.

The opening of the Main swimming pool and the diving pool which had not been used from the year 2009 on 13-09-2012 subsequent to repairing the water leakages in the pools is a specific event marked in the year. The auditorium provides seating capacity for 2500 spectators.

Swimming matches had not been conducted until 13.09.2012 since the water leakages in the main swimming pool and the diving pool were being restored and only the baby pool and the sub pool for training were used. An income of Rs.3, 660,686/- has been earned by the 31<sup>st</sup> of December 2012 as follows;

- |   |       |
|---|-------|
| • Swimming membership for school children | - 672 |
| • Swimming membership for Elders          | - 312 |
| • Swimming Competition                    | - 10  |
| • Water Polo Matche                       | - 06  |
| • Trainings                               | - 91  |

## Gymnasium

A fully equipped Body Building Centre is available and sportsmen / sportswomen as well as external persons are allowed to get membership. That are Further, a contract was awarded to modernize this Centre on 06<sup>th</sup> December 2011 and modernization was completed in March 2012. Likely, sophisticated body building equipment was purchased for the Gymnasium in this year. An income of Rs.755, 712/- has been earned from the Gymnasium during the year.





## Sports Hotel

This sports hotel is composed of the following aspects.

Single rooms	06	Dormitory	18
Double rooms	14	Conference halls	02
Air-conditioned double rooms	04		



The Sports Hotel, which has been continued since the period of establishing the Sugathadasa Sports Complex is equipped with 42 rooms and meeting facilities that are adequate for approximately 100 persons and with Dormitory facilities which provide lodging facilities for sportsmen and sportswomen. In addition to providing with room facilities, this hotel also caters for weddings, meeting/Conference and workshops. Priority is given to the welfare of sportsmen / sportswomen and facilities of this hotel are provided for sportsmen/sportswomen and for the National Sports Clubs at concessionary

rates. Provision of facilities even for the public is done whenever possible without hindering the general requirements of the stadium. Further, the kitchen had not been

used since catering of food and beverages has not been undertaken in this year. At present, only lodging facilities are available here.

An income of Rs.9, 352,773/- Was generated from the Sports Hotel up to 31<sup>st</sup> December 2012. Further, a proposal of converting the Sports Hotel into a three star hotel as a project of the Board of Investment has been submitted and the Technical Committee Report with the relevant proposal has been submitted to the Ministry of Sports for obtaining the approval of the SCARC.

Rs.47,399,899/- has been earned from indoor stadium, swimming pool, body building centre and sports hotel owned by the indoor stadium and from rentals, interest for loans and from the other sources of revenue in the year, 2012.

### Physical and financial progress of development projects related to Sugathadasa Indoor Stadium.

	Activities	Estimated value (Rs. Million)	For the year 2011 (Rs. Million)		For the year 2012 (Rs. Million)		Physical Progress
			Provision	Expenditure	Provision	Expenditure	
01	Repairs of Electrical Mechanism of the 50 m swimming pool and the diving pool.	39.97	28.0	14.52	11.97	11.72	100% completed. Defect Liability Period extends up to 07.07.2013.
02	Repairs in the Body Building Hall of the Sugathadasa Indoor Stadium.	2.70	1.08	1.08	1.62	1.40	100% completed. Defect Liability Period extends up to 20.03.2013.

## **Sugathadasa Outdoor Stadium**



**400 meter synthetic running track & play ground**



**200 meter synthetic running track**

This Stadium has been designed for conducting track and field events during day and night times. Pavilion of this Stadium has been equipped with facilities required to accommodate 20,000 spectators at a time. The Stadium is comprised of two synthetic running tracks to the distance of 400 metres and 200 metres. In addition, facilities such as electronic time measuring machines and electronic measuring machines required for the conduct of internationally recognised Sports Competitions and three storeyed media unit are among the facilities available in the Stadium. In addition, a Floodlight system has been installed for facilitating the conduct of matches in night times. Facilities have also been provided in this Stadium for the conduct of the sports events such as Athletics, Volleyball, Basketball, Rugby and Football and as well as for the conduct of various functions.

15<sup>th</sup> Junior Asian Athletics Festival was conducted in the outdoor Stadium in the year under review. A large number of functions such as re-layering of the 400m synthetic track and repairing and painting the Soccer ground / Pavillion had been performed in this Stadium to make this occasion a success. First class IAAF Certification has already been awarded to the 400 m artificial track of this Stadium.



**Information regarding matches and festivals conducted in this Stadium up to the 31st December 2012 has been mentioned below.**

• Soccer Match(American Football)	-01
• Football Match	-01
• Sports Event (School Inter House Sport Meets)	-73
• Athletic Meet	-18
• Rugby Matche	-01
• Elle Matche	-01
• Archery Meet	-03
• Basketball Match	-02
• Other Sports match / Training	-229
• Jogging as an Exercise	-128



Basketball Court

Rs.20, 935,006/- has been earned as at 31<sup>st</sup> December 2012 from matches/festivals conducted at the Outdoor Stadium and from rentals and the vehicle park.

## Physical and Financial Progress of Development Projects Related to Sugathadasa Outdoor Stadium

	Activities	Estimated value (Rs. Millions)	For the year 2012 (Rs. Millions)		For the year 2013 (Rs. Millions)		Physical Progress
			Provision	Expenditure	Provision	Expenditure	
01	(a) Repairing the Football Ground	163.18	53.03		5.95	-	100% completed. Defect Liability Period extends up to 19.07.2013.
	(b) Re layering of 400 metres synthetic track			43.50	104.20	81.36	100% completed. Defect Liability Period extends up to 20.04.2013.
02	Repairing and painting of the Outdoor Stadium	15.00	-	-	15.00	14.82	100% completed.

## **R. Premadasa International Cricket Stadium**



R. Premadasa International Cricket Stadium is one of the Stadiums owned by the country equipped with all the facilities required for the conduct of internationally and nationally recognized cricket matches. The Stadium is well equipped to provide accommodation for about 35,000 spectators at a time and a huge vehicle park is also available in the Stadium. This Stadium has been leased for an amount of Rs.250, 000 per month to the Sri Lanka Cricket Board for a period of thirty (30) years with effect from 01.11.2006 as per a Cabinet Decision taken on 10.05.2006. Accordingly, an income of Rs.3, 000,000/- has been earned from this Stadium in the year 2012.

Leasing of the Stadium which had been a major source of income of the Sugathadasa National Sports Complex Authority by obtaining a fixed rental income per month for a longer period has definitely reduced the income of the Authority.



## **Bogambara Outdoor Stadium**



This Stadium was firstly administrated by the Kandy Urban Council and it has been under the purview of the Authority since the year 1999. Pavilion facilities have been provided in this Outdoor Stadium with a seating capacity for about 10,000 spectators at a time. Facilities have been offered in this Stadium for Athletics, Football, Rugby, Volleyball, Netball and School Sports Festivals and for other festivals.

Initiatives were taken to re-install the Wurring System of the Stadium in this year and to construct a new Body Building Centre for this Stadium. An income of Rs.3, 607,026/- had been earned from this Stadium in the year 2012.

### **The report on the matches and festivals conducted in this Stadium in the year 2012.**

- |  |       |
|--|-------|
| • Athletics and School Sports meet         | - 62  |
| • Football Match                           | - 41  |
| • Rugby Match                              | - 35  |
| • Rugby Matches (International – Calton 7) | - 01  |
| • Sports Training                          | - 443 |
| • Others                                   | - 92  |

## **Beliatta and Weerakettiya Swimming Pools**

Only administration and maintenance activities of the Swimming Pools in Beliatta Technical College and Weerakettiya Rajapaksha Central College have been conducted by the Sugathadasa National Sports Complex Authority with effect from 07-08-2008.

Facilities have been provided for swimming training activities conducted for elderly persons and school students residing around the pool areas and an income of Rs. 151,481/- had been earned in the year 2012 from this swimming pools.

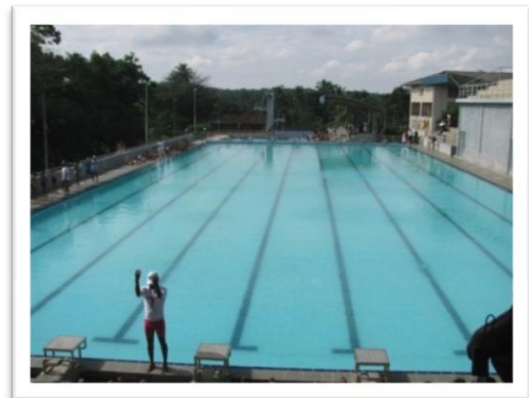
### **Beliatte Swimming Pool**

- ✓ 50m Swimming Pool with 08 lanes
- ✓ Diving Pool

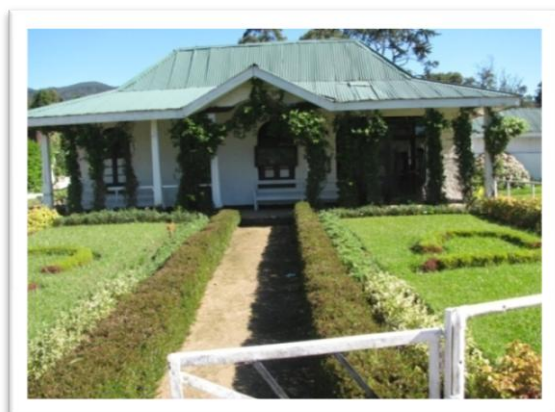


### **Weerakettiya**

- ✓ 25m Swimming Pool with 08 lanes



## Nuwaraeliya Race Course



The management of Nuwareliya Race Course had been transferred to the Sugathadasa National Sports Complex Authority by the Ministry of Sports on 07.09.2011.

### Collection of Income (Financial Progress)

- (a) It had been decided to charge Rs.100/- for a room of retaining horses in the stable in the year 2011 and Rs.200/- for such sources from the year by the decisions taken at a discussion held between stable owners, horse trainers and pone trainers and owners of the Race Course under the leadership of the Hon. Chairman of the Sugathadasa National Sports Complex Authority on 11.01.2012. It has been decided to obtain 10% of the total income earned from horse and pony riding.
- (b) An agreement has been entered into between the Sri Lanka Turf Society and this Authority with effect from 12.03.2012 for obtaining a monthly rental of Rs.50, 000/- for this Authority for the conduct of Horse Races and for

having an agreement on the other matters.

- (c) Providing the Race Course on the rental basis for various parties for the conduct of festivals based on the Race Course for 'Wasantha Samaya' in Nuwaraeliya.
- (d) Provision of space facilities required for parking vehicles that arrive in or leave the Race Course.

**Proposed Sources of Income**

- (a) Fixing of Hoardings at the suitable places of the Race Course.
- (b) Making arrangements to sell tickets for local / foreign tourists who attend to
- (d) Provision of cafeteria facilities for local/foreign tourists.
- watch the stables and picturesque places of the premises.
- (c) Provision of space required for the conduct many horse races.
- (e) Making arrangements to prepare income sources in concurrence with the Sports Stadium with high altitude.

**Developmental activities in progress**

- (a) The project of resettling encroachers staying in the premises of the Race Course in appropriate places in coordination with the Urban Development Authority.

Activities are being conducted for transferring a parcel of land to the extent of 2.5 Acres in the Scrub portion of the PiddruwWatte which has been leased to the Kelani Valley Company. Actions are being taken at present in corporation with the Urban Development Authority regarding developmental works of the premises
- and the construction of houses and regarding the other matters.
- (b) It has been planned to issue an Identity Card for horse/ pony riders and to design a uniform for them.
- (c) Making arrangements to plant Cyprus trees around the Race Course as a beautification and environmental protection programme. Department of Forest has given their consent to provide trees required in this regard free of charge.

An income of Rs. 2,080,131/- has been earned by the 31<sup>st</sup> December 2012 from the sources such as rentals charging from stables in the Race Course, 10% rental for horse / pony back riding, renting out the premises during the festival seasons and charges for parking vehicles.





Further, Different sources of earning incomes from this Stadium have been proposed and it has been scheduled to conduct permanent constructions and the other developmental activities by the Ministry of Sports.

## **The Overall Progress of the Institution**

Capital Expenditure of the Authority in the year 2012 was Rs.201, 084,342/- and the operating expenditure along with depreciation and allocation for gratuity recorded as Rs.78, 400,000/-. A sum of Rs.76, 442,520/- was the allocation for depreciation on fixed assets.

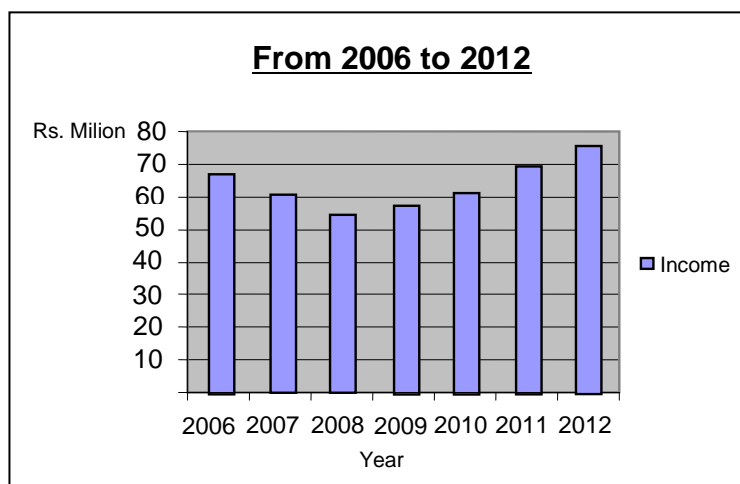
The Authority has been provided with an amount of Rs.148, 000,000/- as Capital Grants and an amount of Rs. 78,400,000/- as recurrent provisions from the General Treasury for the year 2012. The recurrent provisions obtained during the year has been increased by Rs. 3,800,000/- when compared that of in the previous year.

The income earned by the Authority in the year 2012 was Rs.77, 173,543/- and it was an increase of Rs.8, 166,583/-. The major reason for the increase in the expenditure in the year 2012 when compared that of in the year 2011 was the increase in salaries and allowances by Rs.13,421,225/- while allocations for gratuity and the other expenses have increased by Rs.640,277/- and Rs.13,794,650/- respectively.

The income earned by the Institution in the year 2012 was Rs.77, 173,543/- and the total expenditure (with Financial Expenses) along with the allocation for depreciation was Rs.238, 331,667/-.

The income earned by the institution from the year 2006 to the year 2012 has been varied as shown below

Year	2006	2007	2008	2009	2010	2011	2012
<b>Income</b> Rs. Million	67.32	60.65	54.78	57.85	61.60	69.00	77.17



A gradual increase in the income in the percentages of 6.48%, 12.01%, and 11.08% is obvious when the years, 2009, 2010 and 2012 are taken into consideration.

### **Total Credit of the Institution**

The position of credit of the Institution during the period of 2006 - 2012 has been varied as indicated below.

Year	2006	2007	2008	2009	2010	2011	2012
<b>Credits</b> Rs. Million	0.10	1.50	2.30	4.61	133.03	42.95	42.04

It is obvious that the position of credit has been drastically decreased when the years, 2010, 2011 and 2012 are taken into consideration.

## **Accounting Policies**

### **01. General**

#### **1.1 The Statement of Conformity**

The Accounts of the Sugathadasa National Sports Complex Authority have been prepared according to the Accounting Standards issued by the Sri Lanka Chartered Accountants' Institution.

#### **1.2 The Basis Of Preparation**

The Financial Statements have been prepared on historical cost basis and the adjustments for the revaluation of lands, buildings and machinery have been mentioned in Accounts. Inflationary factors have not been taken into consideration here.

#### **1.3 Incidents Occurred Subsequent to the Balance Sheet Date**

The necessary adjustments have been made in Financial Statements and revealed in accounts, for possible material effects occurred subsequent to the balance sheet date.

### **02. Assets and the Basis of Valuation**

Money, and bank balances and the items that can be convertible into money within a period of one year in the process of normal transactions have been identified as current assets out of the assets depicted in the balance sheet.

#### **2.1 Assets**

The value of assets such as property, plant and machinery are depicted as the value after deducting the accumulated depreciation.

Material and direct labour costs are included in the cost of building assets. Likely, the fixed assets have been categorised into their major sub sections on the basis of their useful life.

#### **R. Premadasa International Cricket Stadium**

R. Premadasa International Cricket Stadium has been given on lease to the Sri Lanka Cricket Board for a period of thirty (30) years with effect from 01.11.2006 on the basis of charging an amount of Rs.250, 000 per month. An amount of Rs.25,023,264/- has to be charged as at the 31-12-2006 by the Sugathadasa National Sports Complex Authority for the building constructed by the Sri Lanka Cricket Board and it is expected to negotiate and come into a compromise in that regard and on the monthly rental that is being charged at present.

### **Beliatta and Weeraketiya Swimming Pool Complex.**

The Maintenance activities of the two swimming pools and the diving pool owned by the Beliatte Technical College and Weeraketiya Rajapakse Central College are carried out by the by the Sugathadasa National Sports Complex Authority from the year 2008. Nine (09) employees have been attached on temporary basis as per the approval of the Management of the Authority. Three of them have been employed on contract basis.

Even though the expenditure of these swimming pools had been accounted for as the expenditure of the Indoor Stadium in the year 2008, the expenditure of these swimming pools has been mentioned in separate Accounts from the year 2009 on the decisions taken by the Board of Management.

### **Nuwaraeliya Race Course**

The ownership of the Race Course has been transferred to the Ministry of Sports with effect from 05-07-2011 and the management of this Race Course has been assigned to our Authority with effect from 23<sup>rd</sup> October 2011.

## **2.2 Other Expenses**

The costs incurred in the re-establishment of the parts contained in the property, Plant and machinery have been separately accounted for writing off during the useful life subsequent to capitalizing them. The expenses that may cause the growth in the future economic benefits of the assets have been capitalized and all the other expenses have been adjusted in the Income Statement.

## **2.3 Depreciation**

The Straight Line Method has been adopted as the Depreciation Policy and the assets are depreciated from the year of purchasing assets or from the year of completing the construction. The Depreciation has been written off to the Income and Expenditure Account during the expected period of life. Lands have not been depreciated.

• Buildings and Constructions	2.5%
• Towers with high-tention Electricity	10%
• Artificial Running Track	20%
• Machines and equipment	10%
• Computers	25%
• Motor vehicles	20%
• Sports equipment	10%
• Furniture and equipment	10%
• Office equipment	10%
• Curtains	50%
• High powered electric bulbs and Ignitor	33⅓%

Since the Pajero, bearing the Number 32-5811 has been registered under the Ministry of Manpower and Application, it cannot be considered as an asset owned by our Authority. Maintenance and other expenses in that regard have been indicated in the Income and Expenditure Statement.

Since the Pajero, bearing Number 64-3180 has been registered under the Ministry of Sports and Youth Affairs, it cannot be considered as an asset owned by our Authority. Maintenance and other expenses in that regard have been indicated in the Income and Expenditure Statement.

The new van bearing No. NB-1527 has been provided to the value of Rs.9, 100,000 from the General Treasury as per the National Budget Circular bearing No.150. The value insured has been accounted considering it as the value of the vehicle.

#### **2.4 Trade and other debts**

Trade and other debts have been mentioned in the Financial Statements on their net realized value.

#### **2.5 Stocks**

Stocks in the Financial Statements have been recorded to costs. Value of stocks are determined on First In, First Out Method and purchasing cost and present position of stocks and all the expenses incurred until stocks are brought to the relevant place are applicable to the value of stocks.

### **03. Allocations and Responsibilities.**

All the liabilities identified in the preparation of the Financial Statements have been accounted. Liabilities that are payable within a period of one year from the Balance Sheet date or liabilities that are payable on request have been identified as current liabilities in the Financial Statements. Non-current liabilities are the liabilities that have to be paid during a period of more than one year.

#### **3.1 Entitlement of employees.**

Contributions made to the Employees' Provident Fund and Employees' Trust fund have been identified as expenses in the Financial Statements.

#### **3.2 Trade and Other Payables.**

Trade and the other payables have been recorded in the Financial Statements on their costs.

#### **3.3 Retirement gratuity for employees.**

Allocations for gratuity have been made in the Financial Statements and every employee has been considered for such allocations from the first year of their Service. This has been done in conformity with No.16 of the Sri Lanka Accounting Standards.



However, the payments are made only to employees who have completed a service of five continuous years subsequent to being entitled to the payments as per the Gratuity Payment Act No.12 of 1983.

## **04 Income Statement**

### **4.1 Income**

Income has been identified on the accrued basis subsequent to providing relevant services as per the Sri Lanka Accounting Standards.

### **4.2 Expenditure**

The profit or loss in the Income particulars have been identified before taxation and after allocating for all the liabilities identified.

Expenses incurred in the maintenance of assets and in the conduct of the business have been adjusted to the Income particulars in calculating the net deficit.

Charges for telephone, electricity and water bills and rentals are recovered by the officers and employees who are entitled for such facilities and the relevant expenses have been depicted in the columns.

### **4.3 Financial Expenses**

Income earned from the interests paid to fixed deposits has been accounted in the accrued Method. Interest expenses and the other credit expenses have been adjusted in the calculation of financial expenses.

### **4.4 Grants**

Grants and aids have been adjusted to meet the relevant expenses. Non Financial Grants related to assets have been accounted for its financial value and such assets are written off to the income statement during the useful life of such assets.

## **05. Cash Flow Statement**

### **5.1 Cash**

Cash in hand and assets with high liquidity and which can be readily convertible to cash without any risk have been identified as Cash. Cash in Hand and Cash in Bank are identified as Cash for the purposes of the Cash Flow Statement. The Cash Flow Statement has been prepared based on the Indirect Method.

## **06. Incidents occurred subsequent to the Balance Sheet Date.**

The necessary adjustments have been made in Financial Statements and revealed in accounts, for possible material effects occurred subsequent to the Balance Sheet date.

*The Sugathadasa National Sports Complex Authority*

- **Income and Expenditure Statement**
- **Balance Sheet**
- **Cash Flow Statement**

**2012**

## Income and Expenditure Statement

<b>Income and Expenditure Statement for the year ended on 31st December 2012</b>		
	<b><u>31-12-2012</u></b>	<b><u>31-12-2011</u></b>
Income	77,173,543	69,268,569
	<b>77,173,543</b>	<b>69,268,569</b>
Provisions from Government Treasury	78,400,000	74,600,000
	<b>78,400,000</b>	<b>74,600,000</b>
Total Income	<b>155,573,543</b>	<b>143,868,569</b>
Less:		
<b>Operational Expenses</b>		
Expenses for wages of employees	(96,274,825)	(82,853,600)
Allowances and expenses of the Board of M	(365,200)	(305,600)
Allocations for gratuity	(5,262,310)	(4,622,033)
Depreciations	(76,442,520)	(83,935,354)
Other Expenses	(59,986,812)	(46,192,162)
	<b>(238,331,667)</b>	<b>(217,908,750)</b>
Operational Surplus (Deficit)	(82,758,124)	(74,040,180)
Extra Allocations for Gratuity	-	-
Financial Expenses	(132,086)	(177,912)
Surplus before Taxation (Deficit)	<b>(82,890,210)</b>	<b>(74,218,093)</b>
Added: Non-operational Income	-	-
Interest Income from Fixed Deposits	906,139	719,628
Net Surplus before Taxation (Deficit)	<b>(81,984,071)</b>	<b>(73,498,464)</b>
Income Tax	(70,164)	(70,164)
Surplus of the year (Deficit)	<b>(82,054,235)</b>	<b>(73,568,628)</b>

## Balance Sheet

Balance Sheet as at 31st December 2012		
	31-12-2012	31-12-2011
<b><u>Fixed assets</u></b>		
<b>Non- current Assets</b>		
Lands	2,856,612,141	2,856,612,140
Buildings	1,076,753,164	1,093,331,754
Artificial Running Track	-	-
Towers with high- tension Electricity	4,141,482	4,918,748
High-powered electric bulbs	1,777,915	641,748
Machines and equipment	151,673,802	188,750,555
Computers	1,096,026	44,376
Motor vehicles	14,526,848	11,163,872
Sports equipment	38,048,039	20,427,422
Furniture and equipment	773,661	1,205,545
Office and other equipment	7,174,199	8,894,310
Curtains	2	2
Work in Progress	241,277,410	105,986,118
	<b>4,393,854,688</b>	<b>4,291,976,590</b>
<b><u>Long Term Assets</u></b>		
Fixed Assets	29,529,338	9,559,083
	<b>29,529,338</b>	<b>9,559,083</b>
<b><u>Current Assets</u></b>		
Stock	9,561,732	10,964,343
Advances and Other receivable balances	52,602,448	5,930,147
Debts provided to staffs	15,696,923	17,174,410
Debtors	42,043,413	42,959,310
Cash and Bank Balances	6,209,385	58,683,222
	<b>126,113,901</b>	<b>135,711,432</b>
<b>Total Assets</b>	<b>4,549,497,927</b>	<b>4,437,247,105</b>
<b><u>Equity Capital and Liabilities</u></b>		
Government Grants	5,475,905,208	5,319,165,708
accumulated Fund	(934,967,488)	(868,442,965)
Revaluation Surplus	9,334,652	4,674,423
Surplus/Deficit of the Year	(82,054,235)	(73,568,628)
	<b>4,468,218,137</b>	<b>4,381,828,537</b>
<b><u>Non-current Liabilities</u></b>		
Allowances for Gratuity	32,999,316	29,935,914
	<b>32,999,316</b>	<b>29,935,914</b>
<b><u>Current Liabilities</u></b>		
Trade Debtors	19,940,272	9,548,279
Other Payables	17,163,010	4,187,952
Security Deposits	3,754,268	3,439,727
Accrued Expenses and other Expenses Payable	6,444,476	7,695,020
Advance amounts obtained	908,284	541,513
Allocations for taxation	70,164	70,164
	<b>48,280,474</b>	<b>25,482,654</b>
<b>Total Equity Capital and Liabilities</b>	<b>4,549,497,927</b>	<b>4,437,247,105</b>

## Cash Flow Statement

<b>Fund Flow Statement for the Year ended on 31st December 2012</b>			
	<b><u>31-12-2012</u></b>	<b><u>31-12-2011</u></b>	
<b>Cash flow from operations</b>			
<b>Surplus before taxation or Net Deficit</b>	(81,984,071)	(73,498,464)	
<b>Adjustments for Depreciation made to the Accumulated Fund in the previous years</b>			
Allocations for Depreciations	76,442,520	83,935,354	
Adjustments for Depreciation in the previous years	22,763,724	(10,874,767)	
Revaluation Surplus	4,660,229	-	
Allocations for Gratuity	5,262,310	4,974,002	
<b>Operational Profit before the change in Working Capital</b>	<b>109,128,783</b>	<b>4,536,125</b>	
Change in the Current Assets			
Stocks (increase)/decrease	1,402,611	(485,928)	
Balance Receivable (increase)/decrease	(44,278,917)	(1,615,292)	
Balance payable increase/ (decrease)	22,797,819	(134,511,124)	
<b>Money Generating Operational Cost</b>	<b>(20,078,487)</b>	<b>(132,076,219)</b>	
Payment of Gratuity allowances	(2,198,908)	(344,584)	
<b>Net Cash Balance from Operations</b>	<b>(2,198,908)</b>	<b>(132,420,802)</b>	
<b>Cash Flow from Investment Activities</b>			
Purchasing Property, Plant and Machinery	(201,084,342)	(126,761,497)	
Payment of Taxes	(70,164)	-	
Investments in Fixed Assets	(19,970,255)	10,000,000	
Releasing Fixed Deposits	-	(38,621)	
<b>Cash Balance obtained from Investment Activities</b>	<b>(221,124,761)</b>	<b>(116,800,118)</b>	
<b>Cash Flow obtained from Financial Activities</b>			
Changes in Accumulated Fund	7,044,105	13,618,515	
Government Capital Grants	156,739,500	291,189,602	
<b>Cash Balance obtained from Financial Activities</b>	<b>163,783,605</b>	<b>304,808,117</b>	
<b>Net Increase from Cash and Cash Equivalents</b>	<b>(52,473,839)</b>	<b>55,587,197</b>	
<b>Balance of Cash and Cash equivalents at the beginning of the year</b>	<b>58,683,222</b>	<b>3,096,025</b>	
<b>Balance of Cash and Cash equivalents at the end of the year</b>	<b>6,209,383</b>	<b>58,683,222</b>	



# **Report of the Auditor General**

## **2012**

## Report of the Auditor General



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்  
**AUDITOR GENERAL'S DEPARTMENT**



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எனது இல } LS/A/SNSCA/FA/2012  
My No. }

ඔබේ අංකය }  
உமது இல }  
Your No. }

දිනය }  
திகதி } 07 February 2014  
Date }

The Chairman  
Sugathadasa National Sports Complex Authority

**Report of the Auditor General on the Financial Statements of the Sugathadasa National Sports Complex Authority for the year ended 31 December 2012 in terms of Section 14(2)(c) of the Finance Act No. 38 of 1971.**

The audit of financial statements of the Sugathadasa National Sports Complex Authority for the year ended 31 December 2012 comprising the balance sheet as at 31 December 2012 and 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 9 (2) of the Sugathadasa National Sports Complex Authority Act No. 17 of 1999. My comments and observations which I consider should be published with the annual report of the Authority in terms of Section 14 (2) (c) of the Finance Act appear in this report. A detail report in terms of section 13(7)(a) of the Finance Act will be furnished in due course.

**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 Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

**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. 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.

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බත්තරමුල්ල, ශ්‍රී ලංකාව

දුරකථනය }  
தொலைபேசி } 2887220  
Telephone }

இல. 306/72, பொல்துவ வீதி,  
புத்தரமுல்லை இலங்கை

ෆැක්ස් අංකය }  
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Battaramulla, Sri Lanka

ඉලෙක්ට්‍රොනික් තැපෑල }  
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E-mail }

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 Authority'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 the Authority'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 the financial statements. Sub sections (3) and (4) of the 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 Audit Opinion**  
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My opinion is qualified based on the matters described in paragraph 2.2 of the report.

**2. Financial Statements**  
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**2.1 Qualified Opinion**  
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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 Sugathadasa National Sports Complex Authority as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

**2.2 Comments on Financial Statements**

**2.2.1 Accounting Deficiencies**

Following observations are made.

- (a) The value of fully depreciated fixed assets as at 31 December 2012 were Rs. 20,759,245 and such assets are currently being utilized by the Authority. However the management had not taken necessary action to revalue them.
- (b) The refundable deposits over two years amounting to Rs.1,250,941 had been accounted as income of the year under review though it should be accounted as other income as the respective parties had not claimed.

**2.2.2 Accounts Receivable and Payable**

Following observations are made.

- (a) Out of total debtors as at 31 December 2012 amounting to Rs. 40,938,879, the over five years debtors amounting to Rs. 34,932,929 remained without being recovered. Further, the accuracy and the recoverability of those debtors could not be ascertained in audit as the respective parties had not confirmed the balances.
- (b) Out of total miscellaneous debtors as at 31 December 2012 amounting to Rs. 3,117,357, the over five years debtors amounting to Rs. 2,765,932 remained without being recovered. Further over five years balance consisting of Rs. 1,936,100 due from the Lions Club.

**2.2.3 Lack of Evidence for Audit**

Following observations are made.

- (a) The Authority had accounted stocks held at R.Premadasa Stadium valued at Rs. 2,149,491 as Authority stocks without carrying out physical verification. Therefore the accuracy and the existence of the stocks could not be ascertained in audit.
- (b) As the Bill of Quantity (BOQ) of the additional works of the Renovation of Sugathadasa Outdoor Stadium VIP Building had not been made available for audit, the accuracy of the payments for such works amounting to Rs. 2,908,153 could not be ascertained in audit.

#### 2.2.4 Non-compliances with Laws, Rules, Regulations and Management Decisions

Instances of non-compliance observed in audit during the year under review are given below.

Reference to Laws, Rules etc.	Non – compliance
(a) Section 13(5)(d) of the Finance Act No. 38 of 1971	The Authority had not submitted the Internal Audit programme for 2012 to the Auditor General.
(b) Financial Regulation 396 (d)	The Authority had not taken necessary action in respect of the ten cheques valued at Rs. 210,724 which are unrepresented period over six months even as at 31 May 2013.
(c) Section 6.5.1 of the Public Enterprises Circular No. PED/12 dated 02 June 2003	Even though the draft financial statements should be rendered to the Auditor General within 60 days after the closure of the financial year, the financial statements for the year under review had been rendered for audit on 02 April 2013 only.
(d) Treasury Circular No. IAI/2002/02 of November 2002	A Separate Register for computers and Software had not been maintained.
(e) Section 8 of the Budget Circular No. 150 of 07 December 2010	As the Authority had received one Double Cab vehicle, the vehicle nominated for disposal should be disposed and the proceeds should be remitted to the Treasury. However, without disposing the vehicle recommended for disposal, it had been still utilised by the Authority.
(f) Section 3.2.2(a) of Procurement Guidelines dated 01 March 2006	When calling for competitive bids, in every possible occasion, it was required to publish in a national newspaper which has a high turnover, in the procurement agency website and any other relevant websites. However it had not been complied when calling for bids for the Renovation of Sugathadasa Outdoor Stadium VIP Building and Renovation of Sugathadasa Stadium Seating Area.



- (g) Section 6.3.6 of Procurement Guidelines dated 01 March 2006

When bids are opening it was required to record the particulars of the bids in a register/prescribed format and needed to be signed by the members of the bid opening committee. However it had not been complied in respect of the bids called for the Renovation of Sugathadasa Outdoor Stadium VIP Building and Renovation of Sugathadasa Stadium Seating Area.

- (h) Section 5.4.4 of Supplementary No.18 of the Procurement Guidelines dated 08 September 2010

The Mobilization Advance payment should be limited to 20 per cent of the contractual amount. However, contrary to that, the Authority had paid Rs. 6,194,828 as advances for the construction and Rs. 1,088,512 for renovation of Bogambara Shakthi Wardana Hall which equal to 50 per cent of the contractual amount.

#### **2.2.5 Unexplained Differences**

As per the records of the main stores, the confirmed stocks balance as at 31 December 2012 was Rs. 6,331,356 and as per the financial statements it was Rs. 6,195,938. As a result the stocks had been understated by Rs. 135,422.

### **3. Financial Review**

#### **3.1 Financial Results**

According to the financial statements presented, the operational activities of the Authority for the year ended 31 December 2012 had resulted in a deficit of Rs.82,758,124 as compared with the corresponding deficit of Rs. 74,040,180 for the preceding year thus indicating a further deterioration in the financial results by Rs. 8,717,944 as compared with preceding year.

**3.2 Analytical Financial Review**

An analysis of the income statement of the Authority furnished for audit indicates an increase of Rs.3,800,000 in the Government grant for revenue expenditure of the year under review as compared with the preceding year. It represented an increase of 5 per cent. Similarly, the operating income of the Authority had increased by Rs.7,904,974 and the operating expenditure had increased by Rs.20,422,918. The percentage of increase of income was 11 per cent and the percentage of increase of expenditure was 9 per cent.

**4. Operating Review****4.1 Performance**

It was observed that the Authority had not taken effective measures to increase the income of the stadiums, especially new revenue avenues by displaying hoarders in indoor and outdoor stadiums and proper management of expenditure. Details relating to income earned and the expenditure incurred by each stadium of the Authority during the year under review and previous year are shown below.

Stadium	Income for the year ended 31 December		Increase/ (Decrease) as a percentage	Expenditure for the year ended 31 December		(Increase)/ Decrease as a percentage
	2012 Rs.	2011 Rs.		2012 Rs.	2011 Rs.	
Sugathadasa Indoor Stadium	45,422,052	45,913,022	(1)	98,728,281	76,012,550	(30)
Sugathadasa Outdoor Stadium	20,935,006	15,894,462	32	31,809,232	31,496,985	(1)
Beliatta	151,481	129,022	17	4,124,439	3,402,527	(21)
Nuwara Eliya	2,080,131	29,397	6,975	2,297,166	25,000	(9,089)
Bogambara	3,607,026	2,553,687	42	19,869,970	18,662,377	(6)

#### 4.2 Management Inefficiencies

The following observations are made.

- (a) Out of the total income collected by the Indoor Stadium during the month of December 2012, a sum of Rs. 1,534,154 had been retained and deposited in the bank with 2 to 14 days delay.
- (b) As per the Cabinet Decision and the letter No. MS/05/L/10 dated 28 December 2011 of the Additional Secretary (Admin) it was required to obtain approval for the rates in the estimates from Steering Technical Committee of the Ministry of Construction, Engineering Service, Housing and Common Facilities before the payments exceeding 80 per cent of the contractual amount. However without the relevant approval, the Authority had made payments for the Construction of Bogambara Shakthi Vardana Hall and Bogambara Shakthi Vardana hall Renovation exceeding the limits. Further, before commencing the construction works, the Authority had not obtained the approval for the plan from the Kandy Municipal Council.
- (c) The Director(Engineering) had issued the work completion certificate for the Rs.129,799,400 worth of 400 metre track laying contract on 13 June 2013 and the Authority had made payments accordingly. However as per the letter dated 18 June 2013 of the Manger Outdoor Stadium, there were several defects in the track. Therefore, the audit test revealed that the Engineer had issued the work completion certificate without being examined the track properly.
- (d) The funds received for the Procurement of Capital Assets for the Authority had been spent for the Indian Film Festival Awards (IFFA) without being utilized for the intended purposes. Subsequently the Director General of National Budget had refunded Rs.189, 964,602 and directed by his letter No. BD/HRD/136/2/9/3 dated 06 January 2012 that not to use such funds for any other purpose. However, contrary to that, the Authority had deposited Rs. 14,324,000 in a fixed deposit without being utilized for the intended purposes.

- (e) The Authority allocated Rs. 5,000,000 for the Procurement of Gymnastic Mattress and the Construction and Refurbishment of Sports Hotel in year 2008. However, such funds had been invested in a call deposit without being utilized for the intended purposes since 31 December 2008.

#### **4.3 Contract Administration**

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Following observations are made.

- (a) The Authority had purchased Rs. 5,684,087 worth of Electronic Barrier Machine from a Private Company to install at the Car Park of the Sugathadasa Stadium . As the machines were not working from the date of purchase, the machines had been sent to Singapore for repairs and it had also not been succeeded. Subsequently, the supplier had supplied a substitute machine to replace the original. However, as per the Director's letter No. 04/03/03/26/2010 dated 04 September 2012 and the Technical Officer's letter dated 13 January 2013, substitute machines were also not in working condition. As a result, the Authority had not achieved the expected objectives from the above machines.
- (b) Out of the bids received for the renting out the Sugathadasa Indoor Stadium Restaurant, the Authority had selected the highest bid quoted at a monthly rental of Rs. 121,000. The Authority had taken 105 days to issue the awarding letter on 14 March 2013 from the opening of the bids. However, the bidder had rejected the offered letter. Subsequently, the Authority had called for fresh bids and had selected the highest bid quoted at a monthly rental of Rs. 91,000. As a result, under the new contract, the estimated loss of the Authority for the two years period was Rs. 720,000. Further under the new agreement the late payment charges had been decreased from 10 to 5 percent which affects the Authority unfavorably.

- (c) The Sports Hotel of the Authority had been rented out at a monthly rental of Rs.760,000 for a period of three years commencing from 15 November 2010. Subsequently, on 23 March 2011 the Board of Directors of the Authority had decided to cancel the said contract and to operate the Hotel under the Authority's Management. However, under the Authority's Management the gross profit of the Sports Hotel (after deducting direct cost and before deducting indirect costs) for the year under review was Rs. 4,952,228. Therefore when compared the rental income of Rs.9,120,000 the loss occurred under the Authority's Management was Rs. 4,167,772.

#### **4.4 Delay in Projects**

The Authority had not completed the all planned programmes for 2012 even at the end of year 2012. Some of the delayed programmes are given below.

<b>Project</b>	<b>Completion date as per Activity Plan</b>
Investigation and Rectification of leaks in swimming pool	2012-03-30
Refurbishment of Sugathadasa Indoor Stadium hall	2012-03-30
Relaying of 400m Track	2012-03-30
Contruction of strength hall, Bogambara	2012-03-30

### **5. Accountability and Good Governance**

#### **5.1 Corporate Plan**

According to Section 5.1.3 of the Public Enterprises Circular No.PED/12 dated 2 June 2003, a Corporate Plan should have been prepared containing information such as the resources belonging to the Authority, organization chart, operating results of the past 3 years, duties and responsibilities of the managers and performance. However, a Corporate Plan had not been prepared by the Authority up to 31 December 2012.



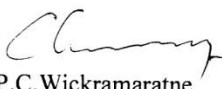
**5.2 Audit and Management Committee Meetings**

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In terms of Section 7.4.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003, it was required to have at least four Audit and Management Committee meetings for a year. However the Authority had conducted only three meetings in 2012.

**5.3 Systems and Controls**

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

- (a) Assets Management
- (b) Procurements
- (c) Receivables and Payables
- (d) Accounting
- (e) Revenue Collection
- (f) Petty Cash
- (g) Budget

  
W.P.C. Wickramaratne  
Acting Auditor General

