



සුගතදාස ජාතික ක්‍රීඩා සංකීර්ණ අධිකාරිය

சகததாச தேசிய விளையாட்டுப் பஸ்தொகுதி அதிகாரசபை

SUGATHADASA NATIONAL SPORTS COMPLEX AUTHORITY



වර්ෂික වර්තාව

ஆண்டறிக்கை

2011

ANNUAL REPORT

SUGATHADASA NATIONAL SPORTS COMPLEX AUTHORITY

P.O.BOX 2211 AUTHUR DE SILVA MAWATHA

COLOMBO 13

Designed by : Susantha Wickramasuriya
(Sugathadasa Stadium)

ANNUAL REPORT - 2011

SUGATHADASA NATIONAL SPORTS COMPLEX AUTHORITY

Incorporated by the act of Parliament No.17 of 1999

Sugathadasa National Sports Complex Authority

Contents	Page No.
Coordination of Information-----	2
Administrative Management of Stadium-----	3
Our Vision and Our Mission-----	4
Establishment of Sugathadasa National Sports Complex Authority	5
Approved Cadre-----	6
The Functions and Responsibilities of this Authority-----	7
Facilities and the Sectors to Which Services are Provided-----	8
Sugathadasa Indoor Stadium-----	9
Main Arena -----	10
Sub-Arena-----	10
Swimming Pool Complex-----	11
Sports Centre-----	12
Sports Hotel-----	12
Sugathadasa Outdoor Stadium -----	13
R.Premadasa Cricket Stadium -----	14
Bogambara Outdoor Stadium-----	15
Beliatta and Weeraketiya Swimming Pools-----	16
Nuwara Eliya Race Course-----	17
Overall Progress of the Institution-----	18
Accounting Policies -----	19
Income & Expenditure Statement -----	23
Balance Sheet -----	24
Cash Flow Statement-----	25
Report of the Auditor General-----	27

Coordination of Information

Name of the institution

Sugathadasa National Sports Complex Authority

Incorporation by Law

Incorporated by the Act of Parliament

No.17 of 1999

Board of Management

(2011 August)

Board of Management

(From January to July 2011)

Mr.Ronnie Ibrahim	Chairman
Mr.S.S.N.De Silva	Member
Mr.Navin Perera	Member
Mr.M.Chamal Perera	Member
Mr.P.Hatharasinghe	Member
Wg Cdr.Mr.B.D.Abesuriya,	Member
Mr.A.S.P.P.Nisal Ratnayaka	Member
Brig.G.W.P.Samaratunga RSP,USP,ato	Member
Mr.Panduka Keerthinanda	Member
Mr. Manu Chanmugam	Member
Mrs. Gayani C. Withana	Secretary

Mr.Nimal Mithraratna	Chairman
Mr.M.P.D.U.K. Mapa Pathirana	Member
Mr.Manula Chamal Perera	Member
Mrs.M.D.Ranjani Jayakody	Member
Wg Cdr. Buwaneka Deshapriya	Member
Mr.A.S.P.P.Nisal Ratnayaka	Member
Brig.G.W.P.Samaratunga RSP,USP,ato	Member
Mr.Manu Chanmugam	Member
Mr.Panduka Keerthinanda	Member
Mr.M.M.M.S.Bandara Herath	Member
Mrs.Gayani C. Withana	Secretary

Board of Management

(From September 2011)

Brig.G.W.P.Samaratunga RSP,USP,ato	Chairman
Mr.Nimal Mithrarathna	Member
Mr.M.P.D.U.K.Mapa Pathirana	Member
Mrs.M.D.Rajani Jayakody	Member
Mr.Manula Chamal Perera	Member
Wg Cdr Buwaneka Deshapriya,	Member
Mr.A.S.P.P.Nisal Ratnayaka	Member
Mr.Manu Chanmugam	Member
Mr.Panduka Keerthinanda	Member
Mr.H.M.M.S.Bandara Herath	Member
Mr.Chandrasena Hewa Athapattu	Member

Address

Sugathasa National Sports Complex
Authority
P.O.2211 Arthur De Silva Mawatha,
Colombo 13

Telephone: 011-2445677
011-2384490, 2384385

Fax: 011- 2445675

E- Mail sugathad@sltnet.lk

Auditing

Auditor General

Auditor General's Department

No. 306/72 Polduwa Road,
Battaramulla

Administrative Management of the Stadium

Brig.G.W.P.Samarathunga RSP,USP,ato	Chairman
Lt Col L.H.M.Rajapaksa RSP	Director
Mrs.H.M.Nilmini K. Herath	Assistant Director
Mr. A.N.Samarasinghe	Assistant Director (Sports)
Mr.Chaminda K.Udakumbura	Assistant Director (Administration)
Mrs.P.C.Janaki	Internal Auditor
Mrs.N.C.J.Athukorala	Manageress (Maintenance)
Mr. K.Bandutilake	Manager (Administration / Information Technology)
Mrs.P.D.N.Prabha Kiriella	Manager (Indoor)
Mr.P.D.Sampath Perera	Manager (Outdoor)
Mrs. Neranjala P.Moragoda	Manager (Marketing)
Mrs. K.P.G. Nilmini Kiriella	Manager (Procurement)
Mr.D.C.Wasantha Amarasekara	Manager (Accounts)
Mr. H.A. Roshan Kumara	Manager (Bogambara)
Major Mr.H.G.Upali,	Manager (Security)

Auditing and Management Committee

Mr. M.P.D.U.K.Mapa Pathirana	Chairman
Mr. Manu Chanmugam	Member
Mr.B.D.Abesuriya	Member
Mr.E.A.P.Ananda	Member
Mr.S.P.Wijerathna	Member
Mrs. K.P.G.Fernando	Member
Mrs. P.C.Janaki	Secretary

Bank

Bank of Ceylon
Grandpass Branch

Our Vision and our 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 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 20th 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 Minister 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 in charge of Sports.

Approved Cadre

In addition to the above members of the Board of Management, in accordance with the provisions for recruitments, the number of permanent employees in the establishment is 328. As on 2011.12.31, out of the approved cadre the number of employees in service in the establishment was 79%. It can be shown in detail as follows.

Number	Position	Number of employees as at 2011.12.31	Number of approved permanent employees
01	Director	01	01
02	Deputy Director	-	01
03	Assistant Director	02	04
Associate Officers			
04	Internal Auditor	01	01
05	Officer of Information Technology	01	01
06	Maintenance Officer	01	01
07	Purchasing Officer	01	01
08	Marketing Officer	01	01
09	Officer in Charge	05	05
Management Assistant (Technical)			
10	Technical Assistant	-	02
Management Assistant (Non-Technical)			
11	Management Assistant	26	35
12	Curator	01	01
13	Works Supervisor	01	02
14	Sports Officer/ Sports Trainer	04	09
15	Chief Security Officer/ Security Officer	14	20
Primary Skilled Level			
16	Drivers	07	06
Primary Semi- Skilled Level			
17	Carpenter, Mason, Plumber, Painter	09	15
18	Electrical Technician	01	-
19	Messenger	01	02
Primary Level			
20	Stadium Assistant	97	110
21	Office Aid	02	10
22	Security Supervisors (male/female)	92	100
	Grand total	268	328

The responsibilities and functions of this Authority

Responsibilities

1. Taking necessary steps to manage and maintain the authority and to safeguard it as a national asset.
2. Maintenance of all amenities and services.
3. Make necessary improvements or alternations to the buildings and structures.
4. Providing facilities subject to such conditions imposed by the board of management to enable the citizens of Sri Lanka and in particular the youths (Male/Female) of Sri Lanka to improve their individual skills in sports and physical fitness and health.
5. Conducting training course and programs particularly with a view to improve sports in the rural sector.
6. Providing the necessary facilities subject to the condition imposed by the Board of Management to conduct national and international events.
7. Establishing coordination and cooperation with national and international sports training organizations and sports institutions with a view of developing sports and recreational facilities in Sri Lanka.
8. Providing the facilities available in the Authority to Schools, Youth Sports Clubs, and Sports Organizations subject to the condition imposed by the Board of Management at reasonable charges.

Functions

The following activities will be undertaken in order to carry out the above responsibilities, the Authority is to provide services and facilities to sports clubs, school sports clubs, and to private institutions similar to the state at concessionary rates approved by the Board of Management.

1. To provide the necessary infrastructure to train the sportsmen and women for national and international track and field competitions.
2. To provide the necessary facilities to hold international level competition during day and night.
3. To provide the necessary facilities for giving infrastructure to under privileged schools and talented sportsmen and women with lesser facilities at rural level come forward by improving their sports skills.
4. To provide the swimming and diving pools facilities to conduct national and international level swimming competitions.
5. To provide the necessary facilities to conduct examinations, Seminars Conferences, Functions and Recreations.
6. To Organize training workshops

Sectors to which facilities and services provided

Sugathadasa National Sports Complex Authority has its distinct ability to provide facilities and services day and night, contributes immensely at national level by providing facilities and services to sports, health, education and recreational activities as well especially Sugathadasa National Sports Complex Authority is the leading institution in sports provides facilities and services of International standard.

Sports

Providing facilities and services international standard for all types of athletic games, Basketball, Netball, Rugby, Handball, Volleyball, Badminton, Squash, Table-tennis, Wrestling, Judo, Wushu, Boxing, Taekwondo, Karate, Gymnastics, and Cricket

Health and Education

Providing services and facilities in sports international standard, for national and international sports events, workshops, training courses, physical fitness courses, swimming life saving courses, shows, and meetings.

Entertainments

- (1) Providing international standard facilities and services for large scale shows national and international level.
- (2) Providing facilities and services with the necessary infrastructure facilities, for still photographs and video shooting related to commercial advertisements, marketing and sales. It should be mentioned that photographs for most popular commercial advertisements has been captured within the vicinity of this Authority.

Sugathadasa National Sports Complex Authority consists of the under mentioned institutions to provide the above services.

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.

Sugathadasa Indoor Stadium

Sugathadasa Stadium consists of the following units:

01. Indoor stadium
02. Sub-Arena
03. Swimming pools complex
04. Gymnasium
05. Sports Hotel

Indoor Stadium



The indoor stadium consists of 5004 seats with an air conditioned pavilion and the width of the indoor play ground is 35 meters and the length is 40 meters. Facilities are available in this stadium to conduct indoor sports competitions such as Basketball, Badminton, Netball, Judo, Gymnastics, Volleyball, Table Tennis, Boxing, Karate, Wrestling, Taekwondo Kabadi, Wushu etc.

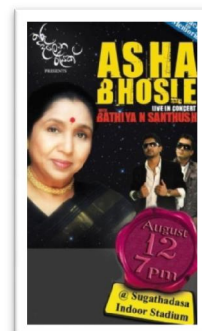
In addition to this, facilities are provided for various functions, conferences, musical shows, state festivals, and various workshops.



Sumathi Tele Award Ceremony



A boxing competition

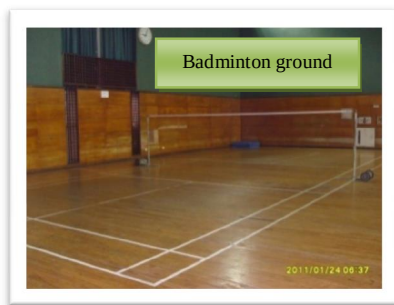


Asha Bosle
Musical show

Summary of the total competitions/ championships and other festivals held in the indoor stadium in the year 2011

• Gymnastic	-	04
• Volleyball	-	04
• Boxing	-	05
• Karate	-	11
• Handball	-	01
• Musical shows	-	07
• Examinations	-	02
• Award ceremony	-	03
• Netball	-	02
• Wushu competition	-	01
• Conferences	-	15
• Commercial photography	-	01
• others	-	23

Sub Arena



This sub arena consists of two Badminton courts and four Squash courts and for providing facilities for conducting sports competitions and training activities. An income of Rs.962,251/= was earned in the year 2011.

Swimming Pool Complex

This Authority possesses the nation's international standard swimming pool complex with all facilities consisting 04 swimming pools.

- Main swimming pool (50 meters)
- Diving pool
- Sub pool for training (25 meters)
- Baby Pool

Out of these pools, the main swimming pool and the diving pool were kept closed from the beginning of the year 2011, due to water leakage and the repair works were commenced on 12th September, 2011. These repair works are expected to be completed on the 07th of July, 2012.



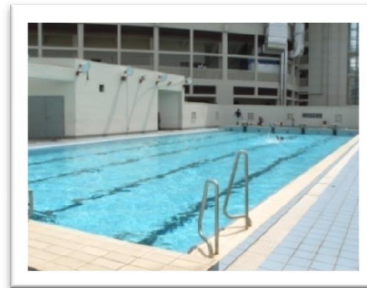
Main swimming pool
repair works in progress



Diving pool
repair works in progress



Pool for small children



Sub pool for training

This swimming pool complex provides facilities to conduct competitions from schools-swimming competitions to international level swimming competitions. Electronic timing equipment is provided for day/night competitions to record the time in that purpose, also high-powered electric flood lights facilitate for night competitions. In addition to this, a swimming school for school children is also available which rendered a great service for children who do not have swimming pool facilities at very low charges. During this year swimming competitions were not held within main swimming pool and the diving pool due to repairing of water leakage, and only the baby pool and the warming pools were in use. A sum of Rs. 2,376,336/= had been earned as income during this year.

Gymnasium

A Gymnasium with all amenities is available for sportsmen/sportswomen, outsiders too can make use of the necessary facilities by obtaining membership. Further the renovation activities of this center were commenced on the 06th of **December, 2011** and the renovation were completed on 20th March 2012. Similarly action will be taken to purchase modern Gymnastic equipments in the forthcoming year. Rs. 1,054,986/= was earned in the year 2011.



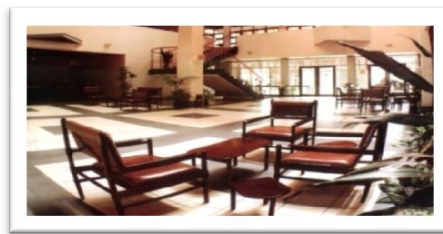
Sports Hotel

This Hotel consists of the following units.

- Single Rooms 06
- Couple Rooms 14
- Air Conditioned Couple Rooms: 04
- Group Rooms 18
- Conference Hall (Auditorium) 02

This Sports hotel has been operated since the inception of this stadium. It consists of 42 rooms and an Auditorium facility for nearly 100 persons to meet. Dormitories are available for boarding a group of sportsmen / women. In addition to providing room facilities, necessary facilities to hold wedding ceremonies, meetings and workshops are provided.

Priority is given to the welfare of the sportsmen / women and national sports associations under the concessionary rates. Further, as food and beverages were not supplied during this year the kitchen was not used. Even today only boarding facility is provided to the customers.



In the year 2011, Rs. 45,913,022/= is earned from the indoor stadium, Swimming pools, Gymnasium and Sports Hotel.

Sugathadasa Out-door Stadium



**400 meter synthetic running track
and the play ground**



200 meter synthetic running track

This stadium is ordered to facilitate track and field competitions day and night that enables nearly 30,000 spectators to watch competitions at a time. There are two synthetic running tracks in this stadium at 400 meter ground and 200 meter ground. Electronic time recording machine and electronic distant measuring machine required for holding international sports competitions are equipped, and in addition, flood light facilities are provided to hold competitions at night. In this playground facilities are provided to hold athletic games, Volleyball, Basketball, American Football, Rugby, Football games and other various functions similarly.

In connection with renovation activities of this stadium, from September 2011 the Football ground is closed from December 2011 since synthetic running track closed for re-laying. The work on the 400 meter synthetic running track is expected to be completed on 20th April 2012 and the Football ground on 19th July 2012.



**The 400 meter synthetic running track and
the play ground under renovation**

The report on the competitions and functions held in this stadium during the year 2011 is as follows:

- Football Competitions - 20
- Sports Competitions (School inter-house competitions) - 80
- Athletic Competitions - 28
- Rugby Games - 16
- Other Sports Competitions - 01
- Other Functions - 02
- Sports Training - 430

An income of Rs.15, 894,462/= was earned by this stadium in the year 2011.

R. Premadasa Cricket Stadium



R.Premadasa Cricket Stadium is sole stadium having all necessary facilities to conduct cricket competitions of national and international standard in Sri Lanka . There are facilities to accommodate for nearly 35,000 spectators at a time to watch competitions and has a large vehicle facilities. On a cabinet approval dated 10.05.2006, this stadium was leased out to Sri Lanka Cricket Board for a period of thirty (30) years on a monthly rent of Rs. 250,000/= effective from 01.11.2006. Accordingly in the year 2011, an income of Rs.3,000,000/= is earned by this stadium.

The long term leasing with insignificant monthly rental, it has affected the declining the income of the authority.

Bogambara Outdoor Stadium



Bogambara Outdoor Stadium is the Stadium administered by the Kandy Municipal Council was vested to this authority from 1999. This outdoor stadium has pavilion facilities to accommodate 10,000 spectators at a time to watch competitions. Facilities are available there to conduct Athletic events Football, Rugby, Volleyball, Netball, School sports meets and other functions.

In this year, the projects of rewiring electricity cables and erecting a gymnasium have been commenced.

This stadium has an income of Rs. 2,553,687/= in the year 2011.

Report of the competitions and festivals held in this stadium in the year 2011 is as follows.

- Athletic games and school sports competitions - 52
- Football Competitions - 52
- Rugby Competitions - 33
- Commercial Photography - 01
- Sports Trainings - 365

Beliatta and Weeraketiya Swimming Pool Complexes.



Only the administrative and maintenance activities of the swimming pools of Beliatta Technical College and Weeraketiya Rajapaksa Central College are carried out by this Authority

Swimming trainings are given to elders and school children of the surrounding areas. Swimming pool complex has an income of Rs. 129,022/- in the year 2011.

Further, these swimming pools have been underutilized for a long time , and as a step towards increasing the usage, a Three Day Swimming Training Programme for school children of the surrounding areas was conducted free of charge and there appears a certain increase in memberships.

- **Beliatta**

- I. 50 Meter Swimming Pool with 08 lanes
- II. Diving pool

- **Weeraketiya**

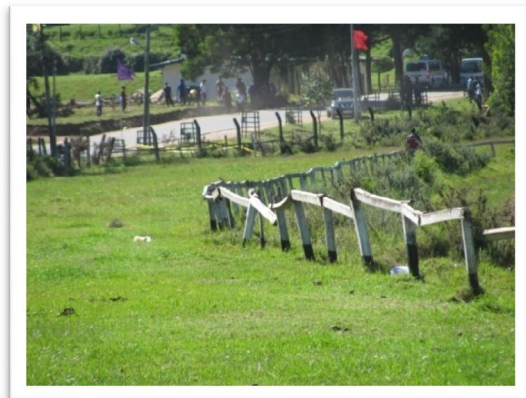
- I. 25 Meter Swimming Pool with 08 lanes

Nuwara-Eliya Race Course



The custodianship of this race course was acquired by the Ministry of Sports from 05.07.2011 and from the month of October, 2011 the management of this race course is entrusted to this Authority. The ground area of this is 34,564 Hectares.

From October 2011, a levy of Rs.100 is charged for a stable. The income derived is Rs.29, 937/=.



For the year 2012 various proposals are made to gain more income from this stadium, and to erect permanent buildings and other development activities.

Overall Progress of the Institution

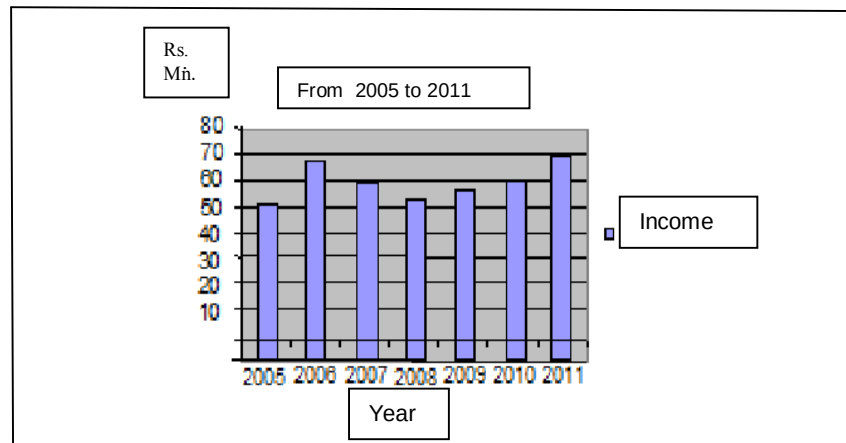
In the year 2011 the capital expenditure of the Authority was Rs.109, 652,467/= and the recurrent expenditure including expenses and gratuity allocation was Rs.219, 697,370/=. From this, a sum of Rs.85, 929,782/= is allocated for depreciations on fixed asset.

In 2011, the authority received a sum of Rs.291, 189,602/= from the Treasury as Capital Funds, and Rs. 7,397,134/= for recurrent expenditure. Compared to last year, the amount received for recurrent expenditure is increased by Rs. 4,900,000/= .

The income earned by the Authority in the year 2011 is Rs.69,006,960/=. It is a increment of Rs. 7,397,134/= than 2010. The increase in depreciation by Rs.25, 144,988/= has mainly affected the increase of expenses of 2010 to exceed 2009. The income earned by the institution in the year 2011 is Rs. 69,006,960/= and the total expenditure including depreciation (including capital expenditure) was Rs. 219,945,446/=.

The income earned by the institution from the year 2005 to the year 2011 is listed as follows.

Year	2005	2006	2007	2008	2009	2010	2011
Income Rs. Million	53.32	67.32	60.65	54.78	57.85	61.60	69.00



The Liabilities of the Institution

The liabilities of the institution from 2005 to 2011 has been fluctuating as below:

Year	2005	2006	2007	2008	2009	2010	2011
Debts Rs.Million	0.80	0.10	1.50	2.30	4.61	133.03	42.95

Accounting policies

01. General

Statement of Compliance

The Financial Statements of the Sugathadasa National Sports Complex Authority are prepared in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka.

Basis of Preparation

The financial statements are prepared on the basis of the Historic Cost Convention and adjusted for the revaluation of lands buildings and plants and machinery and the comparisons for them are given in the accounts. Here the inflationary factors are not taken into consideration.

Events occurring after the date of the balance sheet

If any events occur after the date of the balance sheet which substantially affect, adjustments are made and such adjustments are disclosed in the accounts.

02. Assets and the basis of their evaluation

Among the assets declared in the balance sheet, cash and bank balances, and the assets which are realized in cash in the normal transaction process within one year are identified as current assets.

2.1 Assets

The value of property, plant and equipments shown are the value after deducting the accumulated depreciation. Materials and direct labour expenses are included in assets of buildings.. Similarly, allocations for major accessories to fixed assets are considered after taking in to accounts the duration of their serviceability.

R. Premadasa International Cricket Stadium

R.Premadasa International Cricket Stadium is let on lease basis to the Sri Lanka Cricket Board from 01.11.2006, for a period of 30 years by charging Rs.250,000/= per month. By 31.12.2006 on account of the building constructed by the Sri Lanka Cricket Board, a sum of Rs. 25,023,264 is due to Sugathadasa National Sports Complex Authority. In connection with that and about the monthly rent paid at present, it is expected to arrive at a bilateral consensus.

Beliatta and Weeraketiya Swimming Pools Complexes.

Maintenance activities for the two swimming pools belonging to Beliatta Technical College and the diving pool belonging to Weeraketiya Rajapaksa Central College are undertaken by Sugathadasa National Sports Complex Authority effective from the year 2008. Nine (09) servants are employed on temporary basis on permission from the management of the Authority. Out of them three persons are on contract basis.

Although the expenses incurred on these swimming pools were accounted as expenses of the indoor stadium, on a decision by the Board of Management from 2009 onwards these are shown as expenses of the swimming pool.

Nuwara Eliya Race Course

The custodianship of this race course was acquired by the Ministry of Sports effective from 05.07.2011 and the management of this race course is entrusted to this Authority with effect from 23rd October, 2011.

2.2 Other Expenses

The expenses incurred on account of replacements of components attached to property plant and equipment are separately accounted and are capitalized and accounted to write off within their serviceable life time. Other expenditures are capitalized because such expenditures create future economic benefits. All other expenses are included in the income statement.

2.3. Depreciation

Simple method is followed as depreciation policy and depreciation is calculated from the year of purchase of the property or the year of completion of the constructions. The income derived during the period depreciation is expected is written off. Depreciations are not allowed on lands.

• Buildings and constructions	2.5 %
• Flood light towers	10 %
• Synthetic track	20 %
• Plant and equipment	10 %
• Computers	25 %
• Motor vehicles	20 %
• Sports equipments	10 %
• Furniture and equipments	10 %
• Office Equipments	10 %
• Curtains	50 %
• Flood light bulbs and Igniters	50 %

As the Pajero vehicle bearing No. 32- 5811 is registered under the Ministry of Manpower Utilization it cannot be considered as the asset of the Authority. The maintenance and other expenses related to it are shown in the Income and Expenditure statement of the Authority.

As the Pajero vehicle bearing No. 64- 3180 is registered under the Ministry of Sports and Youth Affairs it cannot be considered as the asset of the Authority. The maintenance and other expenses related to it are shown in the Income and Expenditure statement of the Authority.

In terms of Budget Circular No. 150 a new Van bearing No. NB 1527 and valued at Rs.9, 100,000/= is given by the General Treasury. The insured value of the vehicle is accounted as the value of the vehicle.

2.4. Trade and other receivables

Trade and other receivables are stated in the Financial Statements at their nett realizable value.

2.5. Inventories

Inventories are stated at cost. In general costs are determined as first in first out basis and include all expenses incidental to purchasing bringing to present location and condition.

03. Provisions and Liabilities

All identified liabilities are accounted for when preparing the Financial Statements. Liabilities identified as current liabilities in the balance sheet are those which will fall due for payment on demand or within one year from the Balance Sheet date. Non-current liabilities are those liabilities which may be settled in periods exceeding one year.

3.1 Employees' Benefits

Contributions for Employees' Provident Fund and Employees' Trust Fund are identified as Expenses, in the Financial Statement.

3.2 Trade and other payables

Trade and other payables are stated in the Financial Statements at cost.

3.3 Employees' Retirement Gratuity

Provisions are made for the payment of Gratuity from the first year of service of employees in conformity with Sri Lanka Accounting Standard No. 16. However according to the Payment of Gratuity Act No.12 of 1983 the liability to an employee arises only on completion of five years of continued service.

04. Income Statement

4.1. Income

Income is recognized on an accrual basis in terms of Sri Lanka Accounting Standards No. 29, when services are performed and completed.

4.2 Expenses

The profit or loss earned or incurred by the Authority before taxation, as shown in the Balance Sheet are after making provision for all known liabilities.

All expenditure incurred in maintaining the assets and running of the business are charged to the Income details.

All the telephone, Electricity water bills and rents are recovered from those officers and employees who enjoy the facility from the institution, and they are indicated in the related expenses columns.

4.3 Financing costs

Interest Income on fixed deposits are accounted in the Income Statement as it accrues.

When calculating the financing expenses, the interest expenses and other loan expenses are taken into account.

4.4 Grants

Grants and subsidies are accounted to match the related expenses. Non monetary grants related to assets are assessed at their monetary value and accounted. Such assets will be written off in the Income Statement within their useful life time

05.CASH FLOW STATEMENT

5.1 Cash

Cash in hand and extremely high valued assets which may be readily converted into cash without any risks, are considered as Cash. For this purpose, in the Cash flow statement cash means, cash in hand and in Bank. Cash flow statement is prepared under the indirect basis.

06. Events occurring after Balance Sheet date

All substantial events occurring after the Balance Sheet date are taken into consideration and all necessary charges are disclosed by accounts

SUGATHADASA NATIONAL SPORTS COMPLEX AUTHORITY

- Income and Expenditure Statement
- Balance Sheet
- Fund Flow Statement

2011

Balance Sheet

Balance sheet as at 31 st December, 2011		
	31-12-2011	31-12-2010
<u>Fixed assets</u>		
Noncurrent assets		
Lands	2,856,612,140	2,856,612,140
Buildings	1,093,331,754	1,112,331,050
Synthetic track	-	2,791,340
Flood light towers	4,918,748	6,490,944
Flood light bulb	641,748	1217160
Plant and machinery	188,750,555	218,181,425
Computers	44,376	354,536
Motor vehicles	11,163,872	5,178,496
Sports equipments	20,427,422	16,552,391
Furniture and fittings	1,205,545	1,918,902
Office and other equipments	8,894,310	7,046,813
Linen curtains	2	500,482
Work in progress	105,986,118	0
	4,291,976,590	4,229,175,680
<u>Long term assets</u>	9,559,083	19,520,462
Fixed deposits	9,559,083	19,520,462
<u>Current assets</u>		
Inventory	10,964,343	10,478,415
Advances and other receivables	5,930,147	7,875,363
Loans granted to Staff	17,174,410	12,836,541
Debtors	42,959,310	43,736,670
Cash & Bank balances	58,683,222	3,096,025
	135,711,432	78,023,015
Total assets	4,437,247,105	4,326,719,158
<u>Equity & liabilities</u>		
Government Grants	5,319,165,708	5,018,876,106
Consolidated fund	(868,442,965)	(798,675,248)
Vehicle revaluation surplus	4,674,423	4,674,423
Excess / Deficit	(73,568,628)	(83,386,233)
	4,381,828,537	4,141,489,048
<u>Noncurrent liabilities</u>		
Gratuity allowance	29,935,914	25,306,495
	29,935,914	25,306,495
<u>Current liabilities</u>		
Trade creditors	9,548,279	133,034,832
Other creditors	4,187,952	11,263,607
Security deposits	3,439,727	6,674,200
Accruals and payables	7,695,020	7,074,921
Advances received	541,513	1,812,957
Tax Provision	70,164	63,097
	25,482,654	159,923,614
Total equity and liabilities	4,437,247,105	4,326,719,158

Cash-flow Statement

<u>Cash flow statement for year ended 31st Dec. 2011</u>		
	<u>31-12-2011</u>	<u>31-12-2010</u>
Cash flow statement		
Nett deficit	(73,498,464)	(83,323,136)
Provision for depreciation	83,935,354	86,299,992
Depreciation adjustments in past years to		
Profit on sale of vehicle	(10,874,767)	(1,058,056)
Provision for retirement gratuity	-	(685,405)
Operating profit prior to annual capital changes	4,974,002	3,006,358
	4,536,125	4,239,754
Inventory (Increase / decrease)	(485,928)	(429,126)
Receivables (increase / decrease)	(1,615,292)	(3,566,392)
Payables (increase / decrease)	(134,511,124)	135,745,485
Operation to produce cash	(132,076,219)	135,989,721
Gratuity payments	(344,584)	(457,765)
	(132,420,802)	135,531,956
<u>Cash flow from investment activities</u>		
Purchase of property plant and machinery	(126,761,497)	(266,118,169)
Vehicles sale	-	685,405
Investments in fixed deposits	10,000,000	
Release of fixed deposits	(38,621)	(10,038,999)
	(116,800,118)	(275,471,762)
<u>Cash flow from financing activities</u>		
Changes in consolidated fund	13,618,515	358,758
Government grants	291,189,602	142,000,000
	304,808,117	142,358,758
Nett increase in cash and cash equivalents	55,587,197	2,418,952
Cash and cash equivalents at the beginning of the year	3,096,025	677,073
Cash and cash equivalents at the end of the year	58,683,222	3,096,025

SUGATHADASA NATIONAL SPORTS COMPLEX AUTHORITY

AUDITOR GENERAL'S REPORT

2011



විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அறிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය }
எனது இல } DR/E/SNSCA/FA/2011
My No. }

ඔබේ අංකය }
உமது இல }
Your No. }

දිනය }
திகதி } 09 October 2012
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 2011 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 2011 comprising the balance sheet as at 31 December 2011 and the income statement, statement of changes of equity and cash flow statement for the year then ended and a summary of 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 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 issued to the Chairman on 18 July 2012.

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.

අංක 306/72 පොල්දූව පාර,
බත්තරමුල්ල, ශ්‍රී ලංකාව

දුරකථනය }
தொலைபேசி } 2887220
Telephone }

இல. 306/72, பொல்துவ வீதி,
புத்தராமுல்லை இலங்கை

ෆැක්ස් අංකය }
பக்ஸ் இல } 2887221
Fax No }

No.306/72, Polduwa Road,
Battaramulla, Sri Lanka

ඉලෙක්ට්‍රොනික් තැපෑල }
#- மெயில் } oaggov@slt.net.lk
E-mail }

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.

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 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 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 Sugathadasa National Sports Complex Authority as at 31 December 2011 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

Machinery and other equipment at a cost of Rs.27,447,432 belonging to the Authority which were zero value but being used up to 31 December 2011, had not been revalued and brought to account by the Authority in terms of Accounting Standards 18.

2.2.2 Accounts Receivable and Payable

The following observations are made.

- (a) Although a sum of Rs.4,160 and Rs.14,757 had to be paid to two private parties according to the accounts of the Authority, it was revealed that the balances were Rs.24,539 and Rs.345,746 respectively as confirmations received by the audit section.
- (b) According to the balance sheet as at 31 December 2011, the receivable balance was Rs. 42,959,310 and out of that a sum of Rs. 37,398,318 representing 87% had been outstanding for more than three years. Out of that balance a sum of Rs.34,769,162 representing 92% had been receivable from two parties.
- (c) A sum of Rs. 4,465,941 had to be recovered by the Authority as at 31 December of the year under review in respect of allocation of stadiums and out of that a sum of Rs. 4,309,400 had existed for more than 2 years.
- (d) A balance amounting to Rs. 234,020 had been shown in the advances account for the year ended 31 December 2011 and it consisted balances for the years 2007 and 2008 amounting to Rs.23,150 and Rs. 86,800 respectively.
- (e) Action had not been taken to recover a sum of Rs.86,800 paid as an advance on 30 January 2009 for Dayata Kirula and a sum of Rs.23,150 paid as travelling advances to the attendees for the XXXI National Games 2005.
- (f) Debtor balances as at 31 December 2011 amounting to Rs. 42,959,310 had included the balances receivable from miscellaneous debtors and 18 other institutions amounting to Rs. 5,865,850. A balance receivable from Sri Lanka Cricket amounting to Rs. 25,573,845 had also been included in the above balance and it represented 60 per cent of the total debtors. It was observed that the R. Premadasa Stadium belonging to the Authority had been given to the Sri Lanka Cricket as a long term lease and the recoverability of that balance was at a risk.
- (g) A sum of Rs.4,486,892 was due from 7 parties for allocation of Stadiums as at 31 December of the year under review.

2.2.3 Lack of Evidence for Audit

The following observations are made.

- (a) As confirmation of balances, detailed schedules, verification reports, etc. in respect of sums aggregating Rs. 17,227,876 relating to 03 items had not been submitted, those items could not be satisfactorily vouched in audit.
- (d) An Electronic Timing System to the value of Rs.44 million had been procured by the Ministry from the Omega Timing System and Swiss Timing System for South Asian Games in 2006. Any file relating to this procurement had not been handed over to the Authority. The Ministry had not officially transferred this system to the Authority and it had not been included in the fixed assets of the Authority as well. As the system was defaulted, it had been removed from use at present.
- (b) The accuracy of the Journal Entries could not be established in audit due to non-posting the narration relating to prior year adjustment clearly/ correctly and non-maintenance of Journal Vouchers.
- (c) The value of the retention money as at 31 December 2011 amounted to Rs. 3,439,727 of the Authority. Although this deposits should be posted to a separate ledger, and should be included in a prior year summary report in the ledger, it had not been so done.

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

Instances of non-compliance with laws, rules etc. observed in audit are given below.

<u>Reference to Laws, Rules etc.</u>	<u>Non – compliance</u>
(a) Section 6.5.1 of the Circular No. PED/12 of 02 June 2003	Even though the draft financial statements should be rendered to audit within 60 days after the closure of the financial year, financial statements for the year under review had been rendered to audit on 04 April 2012.
(b) Financial Regulations 756	Physical verifications had not been carried out during the year under review in respect of assets amounting to Rs.781,784,954 and inventory items amounting to Rs.2,149,491 belonging to R.Premadasa Cricket Stadium.
(c) Treasury Circular No. IAI/2002/02 of 28 November 2002	A separate register had not been maintained for Computers and Software.
(d) Department of Management	Even though the approval had been granted

Services letter No.
DMS/E4/40/5/252/1 of 25 July
2011

to recruit 26 Junior Security Guards in accordance with the scheme of recruitments, before obtaining the approval for the scheme of recruitment, 25 Security Guards had been recruited on 15 November 2011.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Authority for the year ended 31 December 2011 had resulted in a deficit of Rs.76,090,410 as compared with the corresponding deficit of Rs. 82,603,520 for the preceding year thus indicating an increase in the financial results by Rs. 6,513,110 as compared with the preceding year.

3.2 Analytical Financial Review

An analysis of the income statement of the Authority furnished for audit observed an increase of Rs.4,900,000 in the Government grant for revenue expenditure of the year under review as compared with the previous year thus representing an increase of 7 per cent. Similarly, the operating income of the Authority had increased by Rs.7,397,134 and the operating expenditure had increased by Rs.5,784,024. The percentage of increase of income was 12 per cent while the percentage of increase of expenditure was only 2 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 to find new income opportunities by display hoarders in indoor and outdoor stadiums and proper management of expenditure. Observations on income earned and the expenditure incurred by each stadium of the Authority during the year under review and previous 2 years are shown below.

- The increasing trend of expenditure had been faster than the increasing trend of income every year in the Indoor Stadium.
- The Bogambara Stadium also had been a decreasing trend in its income level as compared with the income for the year 2009. With regard to expenditure it had shown a fast increasing trend.
- Expenditure of the Beliatta Stadium had increased than the income every year ranging from 70 per cent to 100 percent.

4.2 Management Inefficiencies

The following observations are made.

- (a) It was observed in audit that seven cheques valued at Rs. 524,729 written in the year 2011 had been delayed for 1 to 3 months to hand over the relevant suppliers.
- (b) Six vehicles belong to the Urban Development Authority, 02 vehicles belong to Ministry of Sports and 02 Hand Tractors details of the ownership of which was not available are being used by the Authority without being vested legality in the Authority.
- (c) It was observed in audit that the Bogambara Stadium which was shown in the financial statements of the Authority as land, valued at Rs.135,000,000 belongs to the Urban Development Authority. Action had not been taken to transfer the ownership of the stadium to the Authority.

4.3 Operating Inefficiencies

The following observations are made in respect of leasing the Sport Hotel belonging to the Authority.

- (a) A decision had been taken to lease out the Sports Hotel belonging to Authority to a private party for a sum of Rs.760,000 per month for a period of 3 years at the meeting of the Tender Board held on 18 October 2010 and entered into an agreement on 15 November 2010. As the Secretary to the Ministry of Sports had informed to the Chairman to suspend the lease agreement due to a discrepancy made by the lessee, the lessee had been informed on 16 December 2010 that the lease agreement had been suspended.
- (b) According to the subsequent instruction given by the Secretary, the lease agreement had been terminated on a decision made by the Board of Directors at the meeting held on 23 March 2011 to run the Hotel by the Authority and operated the Hotel by the Authority accordingly since then. Although the overall income of Rs.6,961,761 had been earned during the year 2011 an income of Rs.2,158,230 had been deprived of due to non-implementation of the lease agreement by the Authority. However, action had not been taken to lease the Hotel again by the Authority.

4.4 Idle and Unutilized Assets

- (a) An electronic Barrier Machine had been purchased in the year 2009 from a private company for Rs. 4,912,403 for the installation in the Car Park. The following deficiencies were observed in this regard.
- (i) Even though it was mentioned that the following facilities were available in the relevant equipment at the time of purchasing according to the report of the Technical Evaluation Committee, it was revealed by the observations of the internal audit that those facilities were not available.
 - ő System of identifying the number plate
 - ő Automatically identifying the motorcycle and other vehicles
 - ő Sensitivity of that machine for self-identification of any class or any type of Vehicle
 - ő Utilization of this vehicle observation equipment to close the road barrier or other gates automatically after departure of a vehicle.
 - (ii) This instrument had been handed over to a private institution for repairs according to the letter dated 13 January 2012 of the Technical Officer of the Authority. Instead of the original system an alternative system was provided by this institution which was a subsidiary of the original company and the Authority had operated the new system. The Chairmen informed me that the original system had been sent to Singapore for repairs but it could not be repaired.
- (b) Forty two items valued at Rs.430,936 had remained at the stores as no-moving. The Authority had not taken any action to dispose these goods.

4.5 Resources of the Authority given to the other Government Institutions

The following deficiencies were observed in the lease agreement for leasing out of R. Premadasa Stadium to the Sri Lanka Cricket.

Condition in the Lease Agreement

Deficiency

- | | |
|--|--|
| (a) According to Section 04(q), of the agreement, the Sri Lanka Cricket should recruit at least 20 employees who had been working at the R. Premadasa Stadium. | Due to non-recruitment of any employee by the Sri Lanka Cricket, the conditions of the agreement were breached and the Authority had to spent a sum of Rs.4,004,430 during the year under review for seventeen employees with specialised knowledge attached to the stadium. |
| (a) According to Section 04(s), of the agreement, the lessee should obtain a full insurance cover by obtaining the advice of the lessor to cover the entire buildings and premises of the stadium. | However, such an insurance policy had not been obtained up to the year under review. |

(c) The decision to maintain a fixed lease rental of Rs.750,000 per quarter for such a long period of 30 years.

Making a revision to the value of lease in order to avoid future disadvantage arisen on the devaluation of money had not been considered.

(d) According to Section 05(i), of the agreement, all assets should be physically verified and prepared a stock register and handed over the copy to the lessee.

Assets had not been verified.

5. Accountability and Good Governance

5.1 Presentation of Financial Statements

Even though the financial statements should be presented to audit on 28 February 2012 in terms of Section 6.1.1 of the Treasury Circular No. 01/2004 dated 24 February 2004, the draft financial statements for the year 2011 had been presented to audit on 04 April 2012.

5.2 Corporate Plan

According to 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 managers and performance, but a Corporate Plan had not been prepared for the year 2011.

5.3 Audit and Management Committee Meetings

Although the Audit and Management Committee should meet once in every three month in terms of Section 7.4.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003, only two meetings had been held in the year 2011.

4. Systems and Controls

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

- (a) Management of Assets
- (b) Maintenance of Inventory Registers
- (c) Stores Management
- (d) Compliance with Laws, Rules, Regulations and circular instructions
- (e) Collection of money from debtors
- (f) Management of Revenue
- (g) Maintenance of Journal Entries



H.A.S. Samaraweera
Auditor General