



2006 SRI LANKA AIR FORCE ANNUAL PERFORMANCE REPORT

CONTENTS

1.	Introduction	02
2.	Vision, Mission	03
	a. Vision	03
	b. Mission	03
3.	Board of Management and Other Key Appointments	03-07
4.	Management Structure of the Sri Lanka Air Force	08
5.	Strength of the Cadre	08
6.	Recruitments for the year 2006	08
7.	Department's Annual Performance Report for 2006	09
	a. Financial Review	09
	b. Financial Administration	09 - 12
8.	Departmental Appropriation Accounts 2006	13 – 33
9.	Conclusion	34
10.	Abbreviations	35 - 36
11.	Annexes	37

1. INTRODUCTION

The Year 2006 was a crucial year for Sri Lanka Air Force which the war restarted with LTTE through the steps taken to rescue Mavilaru anicut from the LTTE. This was a huge turnaround which impacted many profiles of the country. Because of the restart of war, it came a massive responsibility on the shoulders of the armed forces. Out of that Sri Lanka Air Force played a key role in protecting the country as well as strengthening the national security. This was envisaged through the total number of 17,450.45 flying hours flown out of which 9,845.20 which clearly displays the dedication and commitment of the Sri Lanka Air Force towards the national interest. The Air Force had a great deal with operational missions which includes highly successful air interdictions over the LTTE targets in depth, surveillance and air reconnaissance, providing logistic support, casualty evacuation, troops transportation and providing close air support to the ground troops engaged in the battle etc...

Similarly the ground troops were engaged in providing all round defence in the country and special attention was paid to the establishment and improvisation of the air defence capabilities of the SLAF against probable air threat of the enemy.

The Performance Report provides an overview of the allocation of public finance for the year 2006 and how the Sri Lanka Air Force has utilized those public finance to accomplish the objectives set in the year 2006. The details are provided throughout the report in the following manner.

a. Annual Performance Report

(1) The Annual Performance Report is set out on the same basis as the annual Budget, it reports performance against the targets set out at the beginning of the year 2006. Each section contains a short performance summary and assessment at the front, supplemented by an essay providing additional background on some relevant aspect of Defence related activities during the year.

(2) The annual Budget is designed deliberately to evolve over time to reflect emerging top level priorities and changes in the way the Department is organized. Consequently, although the overall structure remains consistent, there is inevitably a certain amount of change from one annual Budget to the next in the top level supporting objectives and the way they are bridged and presented.

(3) At the highest level the Sri Lanka Air Force's objectives are set out at the beginning of the year 2006. Therefore the Annual Performance Report starts with a summary of performance as of 31st December 2006 against the targets set in the beginning of the year 2006. The Spending Review is provided throughout the report.

b. Departmental Appropriation Accounts 2006

(1) The Department is required to prepare Appropriation accounts for each financial year detailing the resources acquired, held, or disposed of during the year and the way in which it has used them. The Appropriation Account is prepared on a cash basis in accordance with Financial Regulation and Treasury guidelines.

(2) They must give a true and fair view of the state of affairs of the Department, the net resource Outturn, resources applied to objectives, recognized gains and losses, and cash flows for the financial year. The Accounts are audited by the Auditor General and supported to ensure that they are true and fair and that they have been properly prepared. The Departmental Appropriation Accounts for 2006 together with the Auditor General's certification are attached.

2. VISION, MISSION

a. Vision

"To be a well accomplished, resolute and an ingenious air power capable of fulfilling the aspirations of the nation and preserving the sovereignty and territorial integrity of the Island"

b. Mission

"To achieve professional excellence in rapid mobility and precision engagement by developing core capabilities based on technological superiority, to ensure readiness and operational success in exploiting the competent human resources and equipment of the Sri Lanka Air Force"

3. BOARD OF MANAGEMENT AND OTHER KEY APPOINTMENT

a. Board of Management

The Air Force is governed by a Board of Management. The Members of the Board of Management are as follows.

Commander of the Air Force

Air Marshal GD Perera VSV, USP, ndc, psc (up to 11.06.2006)

Air Marshal WDRMJ Goonetilleke RWP & Bar, USP, ndc, psc (w.e.f. 12.06.2006)

Chief of Staff

Air Vice Marshal JLC Slagado RWP, FAWC, ndc, qfi (up to 02.04.2006)

Air Vice Marshal WDRMJ Goonetilleke RWP, & Bar, USP, ndc, psc (up to 11.06.2006)

Air Vice Marshal PB Premachandra RWRSP, USP, ndc, psc, qfi (w.e.f. 12.06.2006)

Deputy Chief of Staff

Air Vice Marshal PB Premachandra RWP, RSP, USP, ndc, psc, qfi (up to 01.08.2006)

Air Vice Marshal R Arunthavanathan RWP, RSP, USP, MSc. (Def Stu), psc (w.e.f. 02.08.2006)

Director Operations

Air Vice Marshal PB Premachandra RWP, RSP, USP, ndc, psc, qfi (up to 11.06.2006)

Air Commodore HD Abeywickrama RWP, RSP, MSc (Def Stud) in Mgt, MA. (London), rcds, psc, qfi (w.e.f. 12.06.2006)

Director Planning

Air Vice Marshal CA Gunaratne psc, MAIAA, AMRAeS (up to 09.02.2006)

Air Vice Marshal ODNL Perera RWP, RSP, psc, ptmc, FI Diag E (w.e.f. 10.02.2006)

Director Aeronautical Engineering

Air Vice Marshal ODNL Perera RWP, RSP, psc, ptmc, FI Diag E (up to 09.02.2006)

Air Vice Marshal EGJP De Silva USP, MSc (Def & Strat Stu) psc (w.e.f. 10.02.2006)

Director General Engineering

Air Vice Marshal EGJP De Silva USP, MSc (Def & Strat Stu), psc (up to 09.02.2006)

Air Vice Marshal EPB Liyanage psc (w.e.f. 10.02.2006)

Director Electronics and Telecommunications Engineering

Air Commodore TATFW Gunawardena psc

Director Logistics

Air Vice Marshal LH Peiris USP, psc (up to 30.06.2006)

Air Vice Marshal SP Samarathne USP, psc (w.e.f 01.07.2006)

Director Administration

Air Vice Marshal R Arunthavanathan RWP, RSP, USP, Msc (DefStu), psc (up to 24.10.2006)

Air Vice Marshal MH Karannagoda (w.e.f. 25.10.2006)

Director Civil Engineering

Air Commodore K Samaratunga USP, psc, FIED (Sri Lanka) I Eng

Director Training

Air Vice Marshal PB Premachandra RWP, RSP, USP, ndc, psc, qfi (up to 02.04.2006)

Air Vice Marshal RA Dayapala (w.e.f. 03.04.2006)

Director Health Services

Air Vice Marshal NH Gunaratne USP, MBBS (Sri Lanka), DFM (Sri Lanka), D.Av.Med. (RCP London)

Director Welfare

Air Commodore AMB Amunugama BDS (Sri Lanka), FICCDE

Director Finance

Mr. WDR Weerasundara B.Com (Spl), HNCd, HNDA, MSc. (Mgt) PGDM (ICA), Attorney- at- Law, LICASL

Civil Administrative Officer

Mr. DP Wickramasinghe BSc (Spl)

COMMAND APPOINTMENTS

Command Dental Officer

Group Captain JR Perera BDS (Sri Lanka), FICCDE

Command Sport Officer

Air Commodore BAN Mendis USP, MSc (Def Stu), psc

Chief Provost Marshal

Air Commodore S Rambukwella USP, isc, AMIP

Command Instrument Rating Examiner

Group Captain SR Gunarathna WWV, RWP, psc, qfi (up to 30.06.2006)

Wing Commander SP Adikari RWP, RSP, MSc (Def & Strat Stu) in Mgt, psc, qfi(w.e.f.01.07.2006)

Command Information Technology Officer

Group Captain TGJ Amarasena BSc (Gen)

Command Agro Officer

Air Vice Marshal SP Samarathne USP, psc

Command Flight Safety Officer

Air Vice Marshal EGJP De Silva USP, MSc (Def & Strat Stu), Psc (up to 31.08.2006)

Group Captain PB Rathnayake RWP, RSP, psc (w.e.f. 01.09.2006)

Command Quality Assurance Officer

Air Commodore BLW Balasuriya

Command Air Traffic Control Officer

Wing Commander MWTI De Silva RSP (up to 12.06.2006)

Squadron Leader KDIDS Saparamadu (w.e.f.13.06.2006)

Command Explosives Officer

Group Captain MLK Perera USP (up to 30.06.2006)

Wing Commander GGWTK Gunawardana (w.e.f.01.07.2006)

Chief Recruiting Officer

Wing Commander RA Jacob

Budget Control Officer

Wing Commander WMKSP Weerasinghe BA (Def Stu) , psc, MISMM ,
MIM(SL)

4. MANAGEMENT STRUCTURE OF SRI LANKA AIR FORCE

The Management structure of the Sri Lanka Air Force is attached as Annex 'A' to this Report.

5. STRENGTH OF THE CADRE

The cadre information of the Sri Lanka Air Force as at 31st December 2006 is given in the table 1 below,

Description	Approved Cadre	Actual Cadre	Excess / (Vacancies)
Officers	1,230	1,140	(90)
Other Rank	20,291	18,461	(1,830)
Civil Staff Officers	17	6	(11)
Civil Subordinate Officers	216	78	(138)
Minor Staff	3,289	2,635	(654)
Total	25,043	22,320	(2,723)

Table: 1

The actual cadre of the Sri Lanka Air Force for the year 2006 was different from approved cadre which led to 2,723 vacancies.

6. RECRUITMENTS FOR THE YEAR 2006

Sri Lanka Air Force has recruited 1,281 personnel during the year 2006 out of which 83 officers and 1,198 other ranks. Officers have been recruited under three categories i.e. Direct Entry Officers and SLAF Officer Cadets where as other ranks under normal entry other ranks. Details are mentioned in the table below,

Type of Recruitment		Number of Enlistments during the year			
		Regular	Volunteer	Sub Total	Grand Total
Officers	Direct Entry Officers	12	5	17	83
	SLAF Officer Cadets	48	-	48	
	KDU Officer Cadets	18	-	18	
Other Rankers	Airmen	1,063	135	1,198	1,198
	Airwomen	-	-	-	
	Direct Entry Airmen / Airwomen	-	-	-	

Table: 2

7. DEPARTMENT'S ANNUAL PERFORMANCE REPORT FOR THE YEAR 2006

a. Financial Review

Total Defence expenditure during the year was sum LKR Mn 16,393.91 including a net cash requirement (supplementary provision) of sum LKR Mn 4,799.54. Thus, the additional cost of operations was just over LKR Mn 4,799.54. Overall defence expenditure in 2006 remained within the total provision voted by Parliament and the Control totals set by the Ministry of Finance and Planning of Sri Lanka (Treasury).

b. Financial Administration

(1) Recurrent Expenditure

Sri Lanka Air Force estimated a recurrent expenditure of LKR Mn 8,370.00 for the year 2006. The total estimate was expected to be funded through the Government allocation. The total estimated expenditure submitted to the treasury was in respect of the following expenditure items:-

	LKR (Mn)
Personal Emoluments	4,499.80
Other Recurrent Expenses	3,870.20
Total	8,370.00
Revised (supplementary) Recurrent provision	2,230.49

(2) Capital Expenditure

The Sri Lanka Air Force planned for an initial capital provision of LKR Mn 4,000.00 with a view to provide the necessary infrastructure facilities, acquisition of capital assets and rehabilitation and improvement of capital assets for the Sri Lanka Air Force. However, with the supplementary provisions the total capital grant approved by the Treasury was LKR Mn. 6,569.04.

Accordingly, the revised capital provision for the year 2006 was as follows;

	LKR (Mn)
Original provision	4,000.00
Supplementary provision	2,569.04
Revised Capital provision	6,569.04

(a) Rehabilitation & Improvement of Capital Assets

Sri Lanka Air Force initially requested for a capital grant of LKR Mn. 1,270.00 for the Rehabilitation & Improvement of Capital Assets during the year. The treasury has approved the capital grant and the actual expenditure for the year was LKR Mn. 1,266.07. The provision for the year 2006 has increased by 4% compared with provision for the year 2005.

(b) Acquisition of Fixed Assets

The Sri Lanka Air Force initially planned to acquire fixed assets amounting to LKR Mn. 2,730.00 mainly to provide equipments, furnitures and acquisition of heavy machineries etc.. The Treasury approved an initial allocation of LKR Mn. 2,730.00 for acquisition of fixed assets. Subsequently this allocation was increased to LKR Mn. 3,765.50 by the supplementary provision LKR Mn 1,035.50. Accordingly, the grant for the year 2006 has increased by 64%, compared with grant of year 2005. The above supplementary provision was utilized to meet the urgent requirements of acquisition of fixed assets for the SLAF.

(c) Public Debt Amortization

Under the capital expenditure, SLAF has incurred an amount of LKR Mn 1,533.54 as Public Debt Amortization. The treasury has not initially granted allocation for this capital vote at the beginning of the year. Subsequently the expenditure was borne by the supplementary provisions.

(3) The Expenditure against provisions under categories of recurrent expenditure.

Item Description	Net Provision (LKR Mn)	Expenditure (LKR Mn)
Personal emoluments	5,597.69	5,570.91
Other recurrent	5,002.81	4,302.47
Total	10,600.49	9,873.38

Table: 3

(4) The Expenditure against provisions (Each object code) under categories of capital, in case of annual appropriation accounts.

Object code of capital	Item Description	Net Provision (LKR Mn)	Expenditure (LKR Mn)
	<u>Rehabilitations and improvement of Capital Assets</u>		
2001	Building and Structures	50.00	50.00
2002	Plant & Machinery	1,000.00	997.18
2003	Vehicle	20.00	18.90
2005	Structures	200.00	200.00
	<u>Acquisition of capital Assets</u>		
2101	Vehicle	238.50	200.90
2102	Furniture and fittings	35.00	33.76
2103	Plant, Machinery and equipment	563.00	561.06
2104	Building and Structures	861.00	858.52
2106	Other	2,068.00	2,066.67
3002	Public Debt Amortization	1,533.54	1533.54
Total		6,569.04	6,520.53

Table: 4

(5) Actual against forecast, in case of revenue accounts

Revenue Code	Budgeted Revenue for the year 2006 (LKR Mn)	Actual Revenue for the year 2006 (LKR Mn)	Difference (LKR Mn)
2003-02-16	28.00	17.20	10.80
Total	28.00	17.20	10.80

Table: 5

(6) Actual against prescribed limits, in case of advance accounts.

Sri Lanka Air Force has one Advance Account for granting loans to public officers. During the year we have complied with the stipulated limits of the Advance Account and operations of this Account are as follows.

Description	Current Year Prescribed Limit (LKR Mn)	Current Year Actual (LKR Mn)	Variation (LKR Mn)
<u>No:22401 Advance Account "B"</u>			
Maximum Expenditure Limit	350.00	289.20	60.80
Minimum Receipt Limit	200.00	220.60	(20.60)
Maximum Debit Limit	750.00	521.40	228.60

Table: 6

(7) Appropriation Account 2006

The Appropriation Account for the year 2006 was submitted to the Chief Accounting Officer (CAO) on 19th March 2007.

8. DEPARTMENTAL APPROPRIATION ACCOUNTS 2006

DGSA 1

Appropriation Account - 2006

Expenditure Head No.753

Name of Ministry / Department / District Secretariat. Sri Lanka Air Force

Programme Number given in Annual Estimates	Title of the Programme given in Annual Estimates	(1)	(2)	(3)	(4)	(5)	(6)	Page No. (Reference to relevant DGSA 2 format)
		Provision in Annual Estimates	Supplimentary Provision	Transfers in terms F.R.66 and 69	Total Net Provision (1+2+3)	Total Expenditure	Net Effect Savings(Excess) (4-5)	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
	Recurrent							
30	Personal emoluments	4,499,800,000	1,080,388,075	17,500,000	5,597,688,075	5,570,910,094	26,777,981	
30	Other Charges	3,870,200,000	1,150,106,339	(17,500,000)	5,002,806,339	4,302,474,789	700,331,550	
	Sub Total (Recurrent)	8,370,000,000	2,230,494,414	0	10,600,494,414	9,873,384,883	727,109,531	
	Capital							
30	Rehabilitation and Improvement of Capital Assets	1,270,000,000	0	0	1,270,000,000	1,266,067,094	3,932,906	
30	Acquisition of Capital Assets	2,730,000,000	1,035,500,000	0	3,765,500,000	3,720,916,488	44,583,512	
30	Public Debt Amortisation	0	1,533,543,877	0	1,533,543,877	1,533,543,877	0	
	Sub Total (Capital)	4,000,000,000	2,569,043,877	0	6,569,043,877	6,520,527,459	48,516,418	
	Total of Recurrent	8,370,000,000	2,230,494,414	0	10,600,494,414	9,873,384,883	727,109,531	
	Total of Capital	4,000,000,000	2,569,043,877	0	6,569,043,877	6,520,527,459	48,516,418	
	Grand Total	12,370,000,000	4,799,538,291	0	17,169,538,291	16,393,912,342	775,625,949	

Detailed Programme Appropriation Accounts and other detailed Accounting Statements in DGSA format Numbers 2 to 10 presented in pages from ...01... to ...123... and other Notes presented in pages from ...124... to ...128... from an integral part of this Appropriation Account.

We hereby certify that the figures in this account, other detailed statements and Notes are correct and relevant accounts were reconciled with Treasury Books of Account and found correct.



Chief Accountant/Director (Finance)/ Commissioner (Finance)

Name : 19.03.2007

Date :

W.D.R. WEERASUNDARA
Director Finance / Chief Accountant
SRI LANKA AIR FORCE
COLOMBO - 02.



Accounting Officer

Name :

Designation :

Date :

WDRMJ GOONETILLEKE
Air Marshal
COMMANDER OF THE AIR FORCE

21.03.2007

Accounting Officer

Name :

Designation :

Date :

Appropriation Account by Programme - 2006

Expenditure Head No.: 753
 Programme No. & Title : 30 National Defence

Name of Ministry / Department / District Secretariay :Sri Lanka Air Force

Summary of Recurrent and Capital Expenditure

Nature of Expenditure with DGSA format Reference	(1)	(2)	(3)	(4)	(5)	(6)	Page No. (Reference to relevant DGSA format)
	Provision in Annual Estimates	Supplimentary Provision	Transfers in terms of the F.R. 66 and 69	Total Net Provision (1+2+3)	Total Expenditure	Net Effect. Saving / (Excess)(4-5)	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
(a) Recurrent (DGSA 3)	8,370,000,000	2,230,494,414	0	10,600,494,414	9,873,384,883	727,109,531	
(b) Capital (DGSA 4)	4,000,000,000	2,569,043,877	0	6,569,043,877	6,520,527,459	48,516,418	
Total	12,370,000,000	4,799,538,291	0	17,169,538,291	16,393,912,342	775,625,949	

Note 1 - Dispite putting transers under FR66 in to effect during the year aggregate result of the DGSA 2 has turned out to nil.Detailed not the these transfers come under DGS and DGSA 4

Recurrent Expenditure by Project

Expenditure Head No :753

Name of Ministry / Department / District Secretariay: Sri Lanka Air Force

Programme No. & Title : 30 National Defence

Project No. & Title and Personal Emoluments & Other Charges For all Project	Provision in Annual Estimates	Supplimentary Estimate Provisions (+/-)	F.R. 66, 69 Transfers (+/-)	Total Net Provision (1+2+3)	Total Expenditure	Net Effect Saving/ (Excess) (4-5)
	(1)	(2)	(3)	(4)	(5)	(6)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<u>Project No:01 & Title:</u>						
<u>General Administration and Establishment Services</u>						
Personel Emoluments	518,731,000	280,388,075	12,500,000	811,619,075	809,520,849	2,098,226
Other Charges	308,870,000	106,339	3,500,000	312,476,339	305,558,878	6,917,461
Sub Total	827,601,000	280,494,414	16,000,000	1,124,095,414	1,115,079,727	9,015,687
<u>Project No:02 & Title: Training</u>						
Personel Emoluments	1,086,218,000	300,000,000	5,000,000	1,391,218,000	1,387,349,913	3,868,087
Other Charges	379,650,000	0	52,800,000	432,450,000	426,176,099	6,273,901
Sub Total	1,465,868,000	300,000,000	57,800,000	1,823,668,000	1,813,526,012	10,141,988
<u>Project No:03 & Title:</u>						
<u>Air operations</u>						
Personel Emoluments	237,296,000	0	0	237,296,000	233,267,029	4,028,971
Other Charges	819,878,000	500,000,000	(192,300,000)	1,127,578,000	562,559,996	565,018,004
Sub Total	1,057,174,000	500,000,000	(192,300,000)	1,364,874,000	795,827,025	569,046,975

<u>Project No:04 & Title:</u>						
<u>Engineering and</u>						
<u>Logistics Services</u>						
Personel Emoluments	902,338,000	500,000,000	-	1,402,338,000	1,397,887,126	4,450,874
Other Charges	1,654,202,000	650,000,000	140,500,000	2,444,702,000	2,332,936,929	111,765,071
Sub Total	2,556,540,000	1,150,000,000	140,500,000	3,847,040,000	3,730,824,055	116,215,945
<u>Project No:05 & Title:</u>						
<u>Ground Operations</u>						
Personel Emoluments	824,208,000	0	-	824,208,000	818,013,390	6,194,610
Other Charges	375,450,000	0	(5,000,000)	370,450,000	364,546,444	5,903,556
Sub Total	1,199,658,000	0	(5,000,000)	1,194,658,000	1,182,559,834	12,098,166
<u>Project No:06 & Title:</u>						
<u>Non military operations</u>						
Personel Emoluments	413,351,000	0	-	413,315,000	410,416,432	2,934,568
Other Charges	168,750,000	0	(15,000,000)	153,750,000	150,524,469	3,225,531
Sub Total	582,101,000	0	(15,000,000)	567,065,000	560,940,901	6,160,099
<u>Project No:07 & Title: Volunteer</u>						
<u>Force,Health and welfare</u>						
Personel Emoluments	517,658,000	0	-	517,658,000	514,455,355	3,202,645
Other Charges	163,400,000	0	(2,000,000)	161,400,000	160,171,974	1,228,026
Sub Total	681,058,000	0	(2,000,000)	679,058,000	674,627,329	4,430,671
Grand Total	8,370,000,000	2,230,494,414	-	10,600,494,414	9,873,384,883	727,109,531

Capital Expenditure by Project

Expenditure Head No. 753

Name of Ministry / Department / District Secretariay: Sri Lanka Air Force

Programme No. & Title : 30 National Defence

Project No. & Title : 01 General Administration and Establishment Service

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	Provision in Annual Estimates	Transfers in terms F.R. 66 and 69 and Supplimentary Provisions	Total Net Provision (1+2)	Total Expenditure	Net Effect Saving/ (Excess)
				(1)	(2)	(3)	(4)	(5)
				Rs.	Rs.	Rs.	Rs.	Rs.
			<u>Rehabilitation and Improvement of Capital Assets</u>					
2002	11		Plant, Machinery and Equipment	1,500,000	0	1,500,000	1,203,171	296,829
2003	11		Vehicle	2,000,000	0	2,000,000	1,666,400	333,600
			<u>Acquisition of Capital Assets</u>					
2101	11		Vehicle	60,000,000	0	60,000,000	34,313,465	25,686,535
2102	11		Furniture and Office Equipment	2,000,000	0	2,000,000	826,861	1,173,139
2103	11		Machinery	5,000,000	0	5,000,000	4,486,485	513,515

Capital Expenditure by Project

Expenditure Head No. 753

Name of Ministry / Department / District Secretariat: Sri Lanka Air Force

Programme No. & Title : 30 National Defence

Project No. & Title : 02 Training

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	Provision in Annual Estimates	Transfers in terms F.R. 66 and 69 and Supplementary Provisions	Total Net Provision (1+2)	Total Expenditure	Net Effect Saving/ (Excess)
				(1)	(2)	(3)	(4)	(5)
				Rs.	Rs.	Rs.	Rs.	Rs.
2106		11	<u>Acquisition of Capital Assets</u>					
			Other	14,000,000	0	14,000,000	13,754,338	245,662

Capital Expenditure by Project

Expenditure Head No. 753

Name of Ministry / Department / District Secretariay: Sri Lanka Air Force

Programme No. & Title : 30 National Defence

Project No. & Title : 03 Air Operations

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	Provision in Annual Estimates	Transfers in terms F.R. 66 and 69 and Supplimentary Provisions	Total Net Provision (1+2)	Total Expenditure	Net Effect Saving/ (Excess)
				(1)	(2)	(3)	(4)	(5)
				Rs.	Rs.	Rs.	Rs.	Rs.
			<u>Rehabilitation and Improvement of Capital Assets</u>					
2001	11		Buildings	50,000,000	0	50,000,000	50,000,000	0
2002	11		Plant, Machinery and Equipment	980,000,000	0	980,000,000	979,362,419	637,581
2005	11		Structures	200,000,000	0	200,000,000	200,000,000	0
			<u>Acquisition of Capital Assets</u>					
2103	11		Machinery	234,000,000	0	234,000,000	233,731,838	268,162
2106	11		Other	1,197,000,000	450,000,000	1,647,000,000	1,646,772,744	227,256
			<u>Public Debt amortisation Repayments</u>					
3002	11		loan Repayment - Foreign	0	1,533,543,877	1,533,543,877	1,533,543,877	0

Capital Expenditure by Project

Expenditure Head No. 753

Name of Ministry / Department / District Secretariat: Sri Lanka Air Force

Programme No. & Title : 30 National Defence

Project No. & Title : 04 Engineering and Logistics Services

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	Provision in Annual Estimates	Transfers in terms F.R. 66 and 69 and Supplementary Provisions	Total Net Provision (1+2)	Total Expenditure	Net Effect Saving / (Excess)
				(1)	(2)	(3)	(4)	(5)
				Rs.	Rs.	Rs.	Rs.	Rs.
			<u>Rehabilitation and Improvement of Capital Assets</u>					
2003	11		Vehicles	10,000,000	0	10,000,000	9,997,168	2,832
			<u>Acquisition of Capital Assets</u>					
2101	11		Vehicles	34,000,000	0	34,000,000	32,875,000	1,125,000
2102	11		Furninure and Office Equipment	8,000,000	25,000,000	33,000,000	32,934,427	65,573
2103	11		Machinery	16,000,000	130,000,000	146,000,000	145,278,787	721,213
2104	11		Building	200,000,000	661,000,000	861,000,000	858,516,169	2,483,831
2106	11		Other	333,000,000	0	333,000,000	332,219,619	780,381

Capital Expenditure by Project

Expenditure Head No. 753

Name of Ministry / Department / District Secretariay: Sri Lanka Air Force

Programme No. & Title : 30 National Defence

Project No. & Title : 05 Ground Operations

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	(1)	(2)	(3)	(5)	(6)
				Provision in Annual Estimates	Transfers in terms F.R. 66 and 69 and Supplimentary Provision and Supplimentary Estimate	Total Net Provision (1+2)	Total Expenditure	Net Effect Savings/(Excess)
				Rs.	Rs.	Rs.	Rs.	Rs.
<u>Rehabilitation and Improvement of Capital Assets</u>								
2002	11		Plant, Machinery and Equipment	18,500,000	0	18,500,000	16,619,537	1,880,463
2003	11		Vehicles	8,000,000	0	8,000,000	7,218,399	781,601
<u>Acquisition of Capital Assets</u>								
2101	11		Vehicles	0	144,500,000	144,500,000	133,713,506	10,786,494
2103	11		Machinery	548,000,000	(375,000,000)	173,000,000	172,895,497	104,503
2106	11		Other	74,000,000	0	74,000,000	73,934,775	65,225

Capital Expenditure by Project

Expenditure Head No. 753 Name of Ministry / Department / District Secretariat: Sri Lanka Air Force
 Programme No. & Title : 30 National Defence
 Project No. & Title : 06 Non Military Operations

Object Code No.	Item No.	Financed by (Code No.)	Description of Items	(1)	(2)	(3)	(4)	(5)
				Provision in Annual Estimates	Transfers in terms F.R. 66 and 69 and Supplementary Provisions	Total Net Provision (1+2)	Total Expenditure	Net Effect Saving/ (Excess)
				Rs.	Rs.	Rs.	Rs.	Rs.
2103	11		<u>Acquisition of Capital Assets</u> Machinery	5,000,000	0	5,000,000	4,662,977	337,023

Financing of Expenditure

Expenditure Head No :
 Programme No. & Title :30 National Defence

Name of Ministry / Department / District Secretariat :Sri Lanka Air Force

Applicable Law	Code	Source	Recurrent/Capital (Seperately)							Total
			Project 01	Project 02	Project 03	Project 04	Project 05	Project 06	Project 07	
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Appropriation Act.	11	Domestic Funds	1,115,079,727	1,813,526,012	795,827,025	3,730,824,055	1,182,559,834	560,940,901	674,627,329	9,873,384,883
	12	Foreign Aid - Loan								
	13	Foreign Aid - Grant								
	14	Reimbursable Foreign Aid - Loan								
	15	Reimbursable Foreign Aid - Grant								
	16	Counterpart Fund								
	17	Foreign Aid related Domestic Funds								
Special Law	21	Domestic Funds								
		Total (Recurrent)	1,115,079,727	1,813,526,012	795,827,025	3,730,824,055	1,182,559,834	560,940,901	674,627,329	9,873,384,883
		(Delete the inapplicable word)								

Financing of Expenditure

Expenditure Head No :

Name of Ministry / Department / District Secretariat :Sri Lanka Air Force

Programme No. & Title :30 National Defence

Applicable Law	Code	Source	Recurrent/Capital (Seperately)							Total
			Project 01	Project 02	Project 03	Project 04	Project 05	Project 06	Project 07	
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Appropriation Act.	11	Domestic Funds	42,496,382	13,754,338	4,643,410,878	1,411,821,170	404,381,715	4,662,977	0	6,520,527,460
	12	Foreign Aid - Loan								
	13	Foreign Aid - Grant								
	14	Reimbursable Foreign Aid - Loan								
	15	Reimbursable Foreign Aid - Grant								
	16	Counterpart Fund								
	17	Foreign Aid related Domestic Funds								
Special Law	21	Domestic Funds								
		Total (Capital)	42,496,382	13,754,338	4,643,410,878	1,411,821,170	404,381,715	4,662,977	0	6,520,527,460
		(Delete the inapplicable word)								

**Explanations for Variations Between Total Net provision
and Actual Recurrent Expenditure(Reference to DGSA -3)**

Name of Ministry / Department / District Secretariat : Sri Lanka Air Force

Expenditure Head No : 753

Programme No.	Project No.	Object Code No.	Financed by (Code No.)	Description	Difference between Saving / (Excess) Rs.	Explanation
30	1	1006	11	<u>Details of Recurrent Expenditure</u>		
			11	Property Loan Interest	1,681,342	Non- Presentation of property loans to the limit expected and the delay of approval by the corresponding banks caused this excess.
			11	Medical supplies	552,963	Non- Presentation fo payment of the bills coming under this object by the end of the year.
			11	Other	2,956,632	This excess was caused by non- presentation of the payments bills under this by end of the year and non emergence of certain anticipated requirements.
			11	Postal charges	513,338	The excess is the result of non-presentation of certain bills and the internal and Colombo city centered correspondence being effected through e-mail and by hand.
			11	Rates & Taxes to local Authorities	915,308	This excess is the result of discount advantages granted for payment by the due date and non-emergence of certain commitments.
			11	Subscriptions, Contributions and Membership Fees- Domestic	91,300	Non emergence of certain anticipated liabilities under this and the non-presentation of certain bills for payments by 31 st December.
			11	Subscriptions, Contributions and Membership Fees- Foreign	128,732	Non-Presentation of the anticipated increase of payments under this and non-emergence of certain requirements caused this excess.
			11	Implementation of the Official language Policy	20,000	Non-emergence of any liability under this object asanticipated in the year caused this excess.
		1,905	11	Other	451,505	Non- emergence of payments corresponding to this excess, for payment before the end of the year.

**Explanations for Variations Between Total Net provision
and Actual Recurrent Expenditure(Reference to DGSA -3)**

Name of Ministry / Department / District Secretariat : Sri Lanka Air Force

Expenditure Head No : 753

Programme No.	Project No.	Object Code No.	Financed by (Code No.)	Description	Difference between Saving / (Excess) Rs.	Explanation
30	2	1002	11	<u>Details of Recurrent Expenditure</u>		
				Overtime and Holiday Pay	1,888,549.00	Despite the anticipation of an increase in expenditure hereunder as per public Administrative circular 2006/06 this excess cause to be as a result of limitation of expenses under this to the requirement only.
				Pension Fund contribution	979,538	That excess was caused by the non activating of reception of certain expenses of the anticipation under this.
				Property Loan Interest	1,000,000	Non-Presentation of property loans ti the limit expected and the delay of approval by the corresponding banks caused this excess.
				Medical supplies	580,533	The excess is the result of non-presentation of certain bills under this object for payment and lower emergence of certain requirements under this.
				Mechanical and Electrical Goods	1,002,413	Non- Completion of the anticipated payments under this in the year and non-emergence of certain estimated expenses brought about this excess.
				Other	2,433,603	This excess was caused by non-presentation of the payments bills under this by the end of the year and non-emergence of certain anticipated requirements.
1301	11	Vehicles	482,693	This excess is the result of non-completion of payments for certain receipts during the year and non-emergence of certain expected repairs.		

**Explanations for Variations Between Total Net provision
and Actual Recurrent Expenditure(Reference to DGSA -3)**

Name of Ministry / Department / District Secretariat : Sri Lanka Air Force

Expenditure Head No : 753

Programme No.	Project No.	Object Code No.	Financed by (Code No.)	Description	Difference between Saving / (Excess) Rs.	Explanation		
30	3	1004	11	<u>Details of Recurrent Expenditure</u>				
				Pension Fund contribution	1,527,699.00	The excess was caused by non- activating of reception of certain expenses of the anticipation under this.		
				1,006	11	Property Loan Interest	2,500,000	This excess was caused by non-emergence of any requirement corresponding to this object under this project.
				1205	11	Medical supplies	754,655	This excess was the result of non-presentation of certain billsunder this object for payment and lower emergence of certain requirement under this.
				1207	11	Other	559,737,884	The reasons for this excess are non-completion of purchases under this by the end of the year and non-emergence of certain anticipated liabilities.
				1301	11	Vehicles	1,247,668	This excess is the result of non-completion of payments for certain receipts during the year and non-emergence of certain expected reparirs.
				1401	11	Transport	1,365,110	This excess was caused by non-presentation during the year of certain payments and non-practice by the end of the year of the anticipated hiring of air-crafts.
				1603	11	Grant to No Public Institution and Individuals	100,000	emergence of expenses under this is uncertain and this excess is the result of not arising of such expenses fully in the current year.
		1901	11	Awards and Indemnities	800,093	This Excess is caused by non presentation of certain payments under this object by the end of the year and non emergence of certain anticipated expenses.		

**Explanations for Variations Between Total Net provision
and Actual Recurrent Expenditure(Reference to DGSA -3)**

Name of Ministry / Department / District Secretariat : Sri Lanka Air Force

Expenditure Head No : 753

Programme No.	Project No.	Object Code No.	Financed by (Code No.)	Description	Difference between Saving / (Excess) Rs.	Explanation
30	4	1004	11	<u>Details of Recurrent Expenditure</u>		
				Pension Fund contribution	2,450,874	The excess was caused by non- activating of reception of certain expenses of the anticipation under this.
				Property Loan Interest	2,000,000	This excess was caused by non-emergence of any requirement corresponding to this object under this project.
				Medical supplies	792,643	This excess was the result of non-presentation before the end if the year of certain payments bills and non-practice of certain anticipated purchases.
				Other	44,659,709	This excess was caused by non-presentation of the payment bills under this by the end of the year and non-emergence of certain anticipated requirements.
				Vehicles	5,283,686	This excess was brought about by non-presentation for settlementduring the current year of certain paying bills corresponding to this object.
				Plant,Machinery and Equioment	743,254	This excess is the result of non presentation during the year of large amount of paying bills unde this object that should have been presented.
				Building	4,563,178	This excess was caused by non-presentation for settlement of large amount of paying bills corresponding to building maintenance matter.
				Rates & taxes to Local Authorities	300,000	This excess was the result of non-emergence of all the anticipated bills astimated under this object.
Hire Chages	878,616	This excess is the result of non-presentation of payments under this object for settlement by the end of the year.				

**Explanations for Variations Between Total Net provision
and Actual Recurrent Expenditure(Reference to DGSA -3)**

Name of Ministry / Department / District Secretariat : Sri Lanka Air Force

Expenditure Head No : 753

Programme No.	Project No.	Object Code No.	Financed by (Code No.)	Description	Difference between Saving / (Excess) Rs.	Explanation
30	5	1004	11	<u>Details of Recurrent Expenditure</u> Pension Fund contribution	3,694,610	This excess was caused by proposed recruitment of employees under this project being very little.
		1,006	11	Property Loan Interest	2,500,000	This excess was caused by non-emergence of any requirement corresponding to this object under this project.
		1203	11	Uniforms	1,227,432	This excess was the result of non-presentation before the end of the year of payment bills corresponding to this object.
		1301	11	Vehicles	686,585	This excess is the result of non-completion of payments for certain receipts during the year and non-emergence of certain expected repairs.
		1302	11	Plant, Machinery and Equipment	422,256	Non-emergence of certain repairs under this as expected and non-presentation for settlement of certain payment bills caused this excess.
		1304	11	Other	763,013	This excess was caused by non-presentation by the end of the year of payment bills scheduled to be paid under this object.
		1401	11	Transport	1,069,693	Occurrence of certain amount of over estimation under this object brought about this excess.

**Explanations for Variations Between Total Net provision
and Actual Recurrent Expenditure(Reference to DGSA -3)**

Name of Ministry / Department / District Secretariat : Sri Lanka Air Force

Expenditure Head No : 753

Programme No.	Project No.	Object Code No.	Financed by (Code No.)	Description	Difference between Saving / (Excess) Rs.	Explanation
30	7	1004	11	<u>Details of Recurrent Expenditure</u> Pension Fund contribution	3,125,794	This excess was caused by proposed recruitment of employees under this project being very little.
		1006	11	Property Loan Interest	76,851	Non-presentation of property loans to the limit expected and the delay of approval by the corresponding banks caused this excess.
		1201	11	stationery and Office Requisites	192,181	This excess was caused by non-presentation by the end of the year of payments corresponding to this balance.
		1205	11	Medical Supplies	188,735	The purchases related to this excess have beenmade at the latter part of the year and this excess,accordingly,have been the result of bills being unable to the presented for payment.
		1206	11	Machanical and Electrical Goods	179,572	This excess was caused for the reason of non-completion of the bills presentation process related to this excess by the of the year.
		1207	11	Other	319,222	The purchases have been made at the the final quarter of the year,and hence,this excess was caused by the inability to complete the bills presentation process.
		1301	11	Vehicles	217,533	This excess was caused by non-emergence of the anticipatedvehicle repairs and non-presentation of certain bills.
		1,302	11	Plant, Machinery and Equipment	119,672	Non-emergence of maintenance expenses of certain machinery as anticipated and non-presence of certain bills for payment.

**Explanations for Variations Between Total Net provision
and Actual Recurrent Expenditure(Reference to DGSA -3)**

Name of Ministry / Department / District Secretariat : Sri Lanka Air Force

Expenditure Head No : 753

Programme No.	Project No.	Object Code No.	Financed by (Code No.)	Description	Difference between Saving / (Excess) Rs.	Explanation
30	7	1004	11	<u>Details of Recurrent Expenditure</u>		
				Pension Fund contribution	3,125,794	This excess was caused by proposed recruitment of employees under this project being very little.
				1006 11 Property Loan Interest	76,851	Non-presentation of property loans to the limit expected and the delay of approval by the corresponding banks caused this excess.
				1201 11 stationery and Office Requisites	192,181	This excess was caused by non-presentation by the end of the year of payments corresponding to this balance.
				1205 11 Medical Supplies	188,735	The purchases related to this excess have beenmade at the latter part of the year and this excess,accordingly,have been the result of bills being unable to the presented for payment.
				1206 11 Machanical and Electrical Goods	179,572	This excess was caused for the reason of non-completion of the bills presentation process related to this excess by the of the year.
				1207 11 Other	319,222	The purchases have been made at the the final quarter of the year,and hence,this excess was caused by the inability to complete the bills presentation process.
				1301 11 Vehicles	217,533	This excess was caused by non-emergence of the anticipatedvehicle repairs and non-presentation of certain bills.
		1,302 11 Plant, Machinery and Equipment	119,672	Non-emergence of maintenance expenses of certain machinery as anticipated and non-presence of certain bills for payment.		

**Explanations for Variations Between Total Net Provision
and Actual Capital Expenditure (Reference to DGSA - 4)**

Name of Ministry / Department / District Secretariat : Sri Lanka Air Force

Expenditure Head No :753

Programme No.	Project No.	Object Code No.	Financed by (Code No.)	Description	Defference between saving and (Excess) Rs.	Explanation
30	5	2002	11	<u>Details of capital Expenditure</u> Plant, Machiinary and Equipment	1,880,463	This excess is the result of inability to present bills at the end of the year consequent to non-completion to purchasing process.
		2003	11	Vehicles	781,601	Lower emergence of the anticipated requirementsand non-presentation of certain bills for payment caused this excess.
		2101	11	Vehicles	10,786,494	This excess was caused by non-presentation of bills at the end of the year consequent to the time spent for the process of purchases related to the this.

**Explanations for Variations Between Total Net Provision
and Actual Capital Expenditure (Reference to DGSA - 4)**

Name of Ministry / Department / District Secretariat : Sri Lanka Air Force

Expenditure Head No :753

Programme No.	Project No.	Object Code No.	Financed by (Code No.)	Description	Defference between saving and (Excess) Rs.	Explanation
30	6	2103	11	<u>Details of capital Expenditure</u> Machinery	337,023	This excess was caused by non-presentation of payment bills for this by the end of the year.

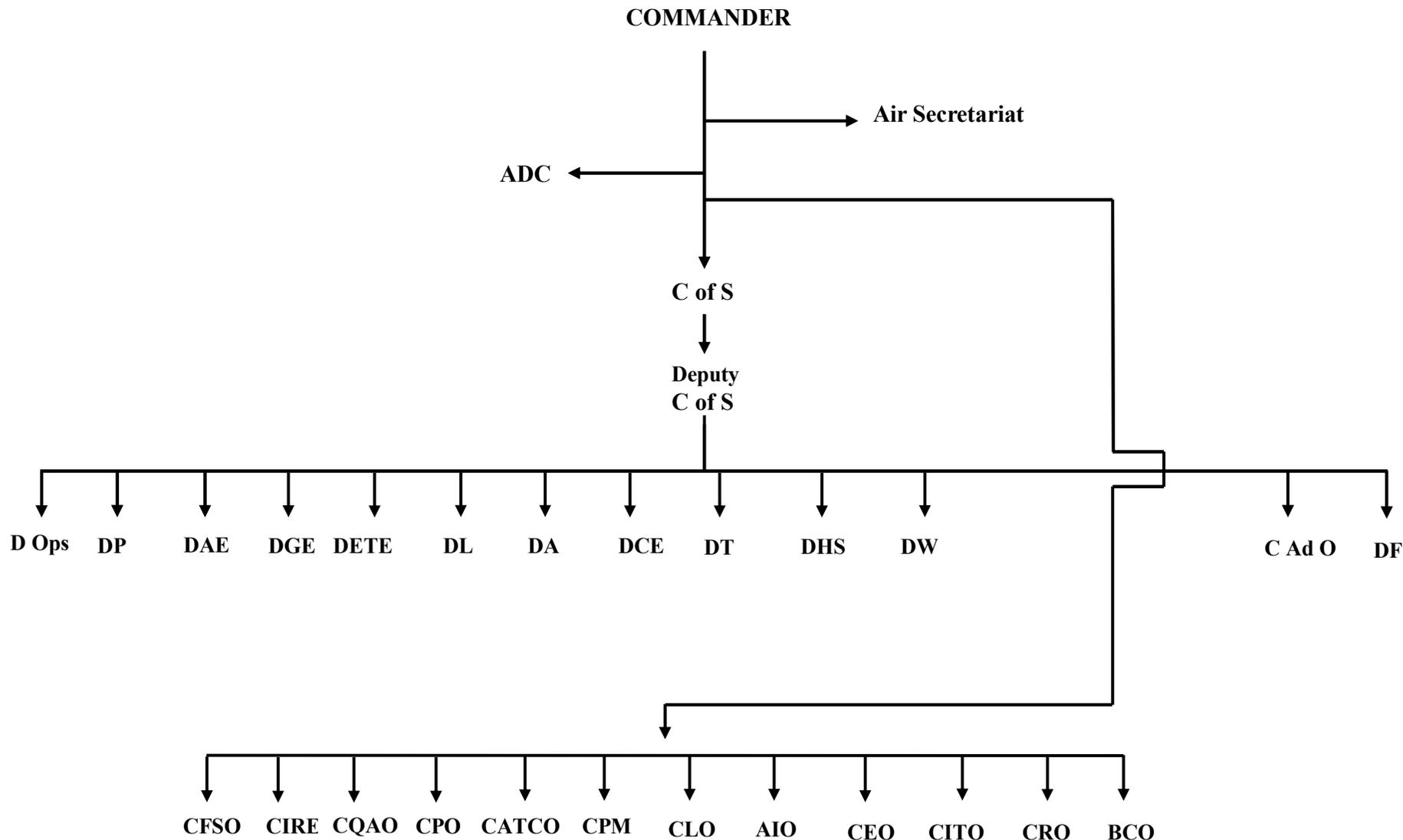
10. CONCLUSION

The Sri Lanka Air Force was able to perform successfully during the year 2006 towards the accomplishment of its mission and objectives in keeping its tasks in line while addressing reasonably the national interest. It made all efforts to maintain the operational status in order to successfully defend the country and to act upon the national interest. These efforts have been reflected by the expenditure incurred during the year by the Air Force. This was further witnessed by the tasks performed by the Air Force during the 2006. Further, Sri Lanka Air Force has made itself prepared to face any kind of enemy threat in future while equip the knowledge and skill base of its man power to face any kind of challenge pose by the LTTE in the war era. In addition to that, Sri Lanka Air Force would not hesitate to take care of the welfare of the personnel disable and killed in action who engaged in the war. Furthermore, Sri Lanka Air Force has continued to provide significant contribution to the welfare activities of the service personnel as well.

ABBREVIATIONS

AIO	Air Intelligence Officer
AMIP	Associate Member of Institute of Personal
AMRAeS	Associate Member of Royal Aeronautical Society
BA	Bachelor of Arts
BCO	Budget Control Officer
B.com	Bachelor of Commerce
BDS	Bachelor of Dental Surgery
BSc	Bachelor of Science
C Ad O	Civil Administration Officer
CATCO	Command Air Traffic Control Officer
C Ad O	Civil Administration Officer
CEO	Command Explosives Officer
CFSO	Command Flight Safety Officer
CIRE	Command Instrument Rating Examiner
CITO	Command Information Technology Officer
CLO	Chief Legal Officer
CPM	Chief Provost Marshal
CPO	Command Procurement Officer
CQAO	Command Quality Assurance Officer
CRO	Chief Recruiting Officer
C of S	Chief of Staff
DA	Director Administration
DAE	Director Aeronautical Engineering
DCE	Director Civil Engineering
Def	Defence
DETE	Director Electronic & Telecommunication Engineering
DGE	Director General Engineering
DHS	Director Health Service
D Ops	Director Operations
DP	Director Planning
DT	Director Training
DW	Director Welfare
Eng	Engineer
FAWC	Fellow of the Air War Collage
FICCDE	Fellow of the International College of Continuing Dental

	Education
HNDA	Higher National Diploma in Accounting
HNDC	Higher National Diploma in Commerce
ICA	Institute of Chartered Accountant
Isc	Intelligence Staff Course
KDU	Kotelawala Defence University
LICA	Licentiate of Institute of Chartered Accountant
LTTE	Liberation Tigers of Tamil Eelam
M.A. (London)	Master of Arts (London)
MAIAA	Member of the American Institute of Aeronautics and Astronautics
MSc.	Master of Science
MIM(SL)	Member of the Institute of Management
MISMM	Member of the Institute of Supply and Material Management
Mgt	Management
ndc	Graduate of the National Defence College
PGDM	Post Graduate Diploma in Management
psc	Passed Staff College
qfi	Qualified Flying Instructor
RWP	Rana Wickrama Padakkama
RWRSP	Rana Wickrama Rana Shura Padakkama
Rcds	Graduate of Royal College of Defence Studies
SLAF	Sri Lanka Air Force
USP	Uththama Seva Padakkama
VSV	Vishista Seva Vibhushanaya
w.e.f.	With effect from
WWV	Weera Wickrama Vibushana



SRI LANKA AIR FORCE

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