



RUBBER RESEARCH BOARD

ANNUAL REPORT

2010

Rubber Research Institute of Sri Lanka

Dartonfield, Agalawatta

Vision,

The Institute's vision is to emerge as the centre of excellence in providing high quality scientific technologies to the rubber industry.

Mission

The Institute's mission is to revitalize the rubber sector by developing economically and environmentally sustainable innovations and transferring the latest technologies to the stakeholders through training and advisory services

Objectives

- Increase productivity to international standards
- Increase national production of NR to meet the increasing demand
- Optimal and sustainable utilization of land, labour and other resources
- Maximize domestic value addition to rubber
- Encourage individual competency and self development of RRI personnel
and in the process, improve the organizational effectiveness of the institute

Policies

- Continuation of the research and extension activities on all aspects of rubber production and processing
- Continue to promote environmentally friendly and sustainable agricultural industry
- Transfer the developed technologies through training and advisory services

RUBBER RESEARCH BOARD

ANNUAL REPORT - 2010

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Submission of Annual Report for the Approval of the Ministry

(01) The overall percentage of the targets as per the Action Plan and Corporate Plan
80%

(02) The steps which have been introduced for the development of the rubber Industry

Appeared under the Activities of Research Departments (pp 11 – 22)

(03) The sections which have not reached to the expected level of progress.

Appeared under the Activities of Research Departments (pp 11-22)

(04) The Percentage of Financial Progress. 95.60% Reasons not to achieve the expected targets.

Due to the total recurrent and the capital budget allocations have not been released by the General Treasury.

(05) The steps which have been taken to rectify the draw backs shown in the 2010 Government Audit Report.

Appeared under the Reply to Auditor General's Report – 2010 (pp 74 – 80)

RUBBER RESEARCH BOARD OF SRI LANKA

BOARD OF MANAGEMENT

Members appointed by the Hon Minister of Plantation Industries

- Mr J Y Peries, Chairman, Rubber Research Board
Mr T M J Bandara, Assistant Director, National Planning, General Treasury (up to May 2010)
Mr W Ekanayake, Director General, Department of Audit, General Treasury (as at 10.06.2010)
Mr S S Poholiyadda, Chief Executive Officer, Kegalle Plantations Ltd.
Mr R C Peiris, Chief Executive Officer, Lankem Tea & Rubber Plantation Ltd.
Mr M S Rahim, Chairman, Colombo Rubber Traders Association (as at 02.06.2010)
Mr Justin Seneviratne, Director, Lalan Rubbers (Pvt.) Ltd.
Mr H Chandrasiri, 90, Temple Road, Meemanapalana (as at 01.06.2010)
Mr R P Banduprema, Hospital Road, Baduraliya (as at 01.06.2010)
Mr P W Kumara, Secretary/Director, Sri Lanka Council for Agricultural Research Policy (as at 10.06.2010)

Ex-Officio Members

- Dr A Nugawela, Director, Rubber Research Institute (up to 31.12.2010)
Mr R B Premadasa, Director General, Rubber Development Department (as at 26.05.2010)
Mr G D V Perera, Chairman, Planters Association of Ceylon (up to 26.08.2010)
Mr S K L Obeysekera, Chairman, Planters Association (as at 30.10.2010)
Ms Sujatha Kurera, Representative, Ministry of Plantation Industries (as at 26.05.2011)

STANDING COMMITTEES

Estates Committee

- Mr J Y Peries, Chairman, Rubber Research Board
Dr A Nugawela, Director, RRI (up to December 2010)
Dr C K Jayasinghe, Deputy Director - Research (Biology), RRI
Miss W K V de Silva, Deputy Director (Administration), RRI
Mr Jehan Perera, Estate Superintendent, Dartonfield Estate
Mr S A R Samarasekera, Assistant Superintendent, RRI Sub-station, Kuruwita
Mr Salinga Dissanayake, Deputy General Manager, Peenkanda Estate, Nivitigala & Visiting Superintendent for Kuruwita Sub-station
Mr N B Seneviratne, Manager, Eladuwa Estate, Matugama
Mr S Eriyagama, Director, Agalawatta Plantations Ltd., No. 10, Gnanartha Pradeepa Mawatha, Colombo 8 (up to 31.11.2010)
Mr S Livera, Manager, Paiyagala Estate, Paiyagala (from 01.12.2010)
Mr S Doranagama, Superintendent, Pallegoda Estate, Dharga Town
Mr W Kularatne, Accountant, RRI (In attendance)

Audit and Management Committee

- Mr T M J Bandara, Assistant Director, National Planning, General Treasury (up to May 2010)
- Mr W Ekanayake, Director General, Department of Audit, General Treasury (as at 10.06.2010)
- Dr A Nugawela, Director, Rubber Research Institute (up to 31st December 2010)
- Mrs Sujatha Kurera, Representative, Ministry of Plantation Industries (as at 26.05.2011)
- Mr R B Premadasa, Director General, Rubber Development Department (as at 19.05.2010)

Scientific Committee

- Mr J Y Peries, Chairman, RRB
- Dr A Nugawela, Director, RRI
- Dr W M G Seneviratne, Deputy Director Research (Technology), RRI
- Dr C K Jayasinghe, Deputy Director Research (Biology), RRI
- Mrs S P Withanage, Geneticist & Plant Breeder, RRI
- Dr (Mrs) P Seneviratne, Head, Plant Science Dept., RRI
- Dr (Mrs) L Samarappuli, Head, Soils and Plant Nutrition Dept., RRI
- Dr Anura Dissanayake, Head, Advisory Services Dept., RRI
- Mrs D G Edirisinghe, Acting Head, Rubber Technology and Development Dept., RRI
- Dr (Mrs) Nilmini Liyanage, Head, Polymer Chemistry Dept., RRI
- Dr S Siriwardena, Head, Raw Rubber Process Development and Chemical Engineering Dept., RRI
- Dr A M W K Seneviratne, Botanist, RRI
- Mr N M C Nayanakantha, Botanist, RRI
- Mrs T H P S Fernando, Assistant Plant Pathologist, RRI
- Dr R S Dharmakeerthi, Soils Chemist (Principal Research Officer) Soils & Plant Nutrition Dept., RRI
- Dr V H L Rodrigo, Head Biochemistry Dept., RRI
- Mrs K V V S Kudaligama, Assistant Biochemist, RRI
- Mr H N K K Chandralal, Assistant Rubber Chemist, RRI
- Mrs A P Attanayake, Assistant Rubber Chemist, RRI
- Mrs D Seneviratne, Assistant Rubber Chemist, RRI
- Mr Sarath Kumara, Rubber Chemist, RRI
- Dr (Mrs) Wasana Wijesuriya, Biometrician, RRI
- Dr S M M Iqbal, Agronomist, RRI
- Mr W A D D S Wettasinghe, Research Assistant, RRI
- Mr J Perera, Superintendent, Dartonfield Group, RRI
- Dr N Yogaratnam, Consultant, NIPM, Athurugiriya
- Mr Sarath Seneviratne, Superintendent, Bibile Estate, Bibile

Mr R C Peries, Director/CEO, Kotagala Plantations Ltd., No.53 1/1, Sir Baron Jayathilaka Mawatha, Colombo 1

Mr R V K S de Livera, Manager, Kotagala Plantations Ltd., Paiyagala Estate, Paiyagala

Mr N M Amarasekera, Director/General Manager, Up Country, Kelanivalley Plantations Ltd., No.37/9, Terrance Avenue, Mount Lavinia

Mr D G Wickramasinghe, Director/General Manager, Low Country, Kelanivalley Plantations Ltd., Kiriporuwa Group, Yatiyantota

Mr Abeynanda Dias, Director – Operations, Namunukula Plantations Ltd., No.310, High Level Road, Nawinna, Maharagama

Mr N B Seneviratne, Deputy General Manager, Namunukula Plantations, Eladuwa Estate, Matugama

Mr S B Dissanayake, Manager, Dalkeith Estate, Baduraliya

Mr Gamini Jayasooriya, Director, Lalan Rubber Private Ltd., 198/B, Gnanendra Mawatha, Temple Road, Nawala

Mr Sriyan Wijesekera, Group Coordinating/General Manager - Rubber, Pussellawa Plantations Ltd., No. 228, Havelock Road, Colombo 5

Mr S S Poholiyadda, Chief Executive, Kegalle Plantations Ltd., No.310, High Level Road, Nawinna, Maharagama

Mr A C Bertus, Superintendent, Atale Estate, Atale
General Manager, Kahawatta Plantations Ltd., No.52, Maligawatta Road, Colombo 10

Mr Viren Ruberu, Director – Plantations, Kahawatte Plantations Ltd., Rilhena Estate, Palmadulla

Mr D P A Perera, Deputy General Manager, Balangoda Plantations Ltd., P.O. Box 8, Plam Garden, Ratnapura

Mr Chirstoper Fernando, Executive Director, Malwattevally Plantations Ltd., No.280, Dam Street, Colombo 12

Mr U H Bulugahapitiya, Superintendent, Vincit Estate, Waharaka

Mr Yajith de Silva, General Manager – South, Watawala Plantations Ltd., No.60, Dharmapala Mawatha, Colombo 3

Mr S A Eriyagama, Director, Kotagala Plantations Ltd., No.53, 1/1, Sir Baron Jayathilaka Mawatha, Colombo 1

Director General, Rubber Development Department, P.O. Box 184, Vauxhall Lane, Colombo 2

Secretary, Ministry of Plantations Industries, No.55/75, Vauxhall Lane, Colombo 2

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Mr Anusha Perera, Superintendent, Elston Estate, Puwakpitiya

Mr G B S de Silva, Deputy CEO, Horana Plantations Ltd., No.8, Sir Chittampalam A Gardiner Mawatha, Colombo 2

Mr A M A S Dhanasekera, Group Manager, Siriniwasa Estate, Waga

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Mr Salinga Dissanayake, Manager, Peenkanda Estate, Nivitigala

Mr D B S L Perera, Superintendent, Kumarawatte Estate, Monaragala

Mr M R Fernando, Superintendent, Malaboda Estate, Matugama

Mr U D Premathilaka, General Manager, Kelanivally Plantations Ltd., 400, Deans Road, Colombo 10

Mr K A Amarathunga, Manager, Sunycroht Estate, Waharaka

Mr R A Alahakoon, Superintendent, Yatadola Estate, Matugama

Mr Bathiya Bulumulla, General Manager, Elpitiya Plantations Ltd, Elpitiya Estate, Elpitiya

Mr Nisala Jayawardena, Manager, Frocester Estate, Govinna

Mr L W L Gunawardena, CEO, Elpitiya Plantations Ltd., Maligwatta Road, Colombo 10

Mr T H Gamage, Superintendent, Madampe Estate, Rakwana

Mr M P H Gunaratne, Manager, Bentota Estate, Elpitiya

Mr S F Fernando, Group Manager, Dewalakanda Estate, Dehiowita

Mr J N Hettiarachchi, Manager, Dalkeith Estate, Baduraliya

Mr Dharshana Jayanetti, Chairman, MRP Agro Chemical Lanka (Pvt.) Ltd., No.85/10A, Jawatte Gardens, Colombo 5

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Mr A G Geeth Kumara, General Manager, Talgaswella Estate, Talgaswella

Mr Mr N D Madawala, Manager, Nottingham Estate, Mawathagama

Mr Rolly Douglas, Manager, Opatha Estate, Opatha

Mr G J K Nakandala, Consultant, 375/26, Rathnarama Road, 4th Lane, Hokandara North

Mr S Obeysekera, Superintendent, Galatura Estate, Kiriella

Mr A F Peries, Group General Manager, Pitiyakanda Group, Mawathagama

Mr B A N Pelpola, Manager, Nakiyadeniya Estate, Watawala Plantations Ltd., Nakiyadeniya

Mr D M D B Daswatte, Manager, Millewa Estate, Millewa

Mr C U Pallege, Senior Manager, Rayigam Estate, Ingiriya

Mr Athula Rajasinghe, Superintendent, Galatura Estate, Galatura

Mr A K D Rukmal, Superintendent, Hapugastenna Estate, Ratnapura

Mr Jeewantha Senarathne, Senior Manager, Palmadulla Estate, Kahawatta

Mr N P Seneviratne, Manager, Udapolla Estate, Deraniyagala

Mr I Senanayake, Group Senior Manager, Sapumalkanda Group, Deraniyagala

Mr R Seneneviratne, Group Manager, Halpe Estate, Tummodera

Mr Y N Samarasinghe, Manager, Poranuwa Estate, Kahawatta
Mr L P A N Seneviratne, Group Manager, Moraliyoa Estate, Ruwanwella
Mr K G Thilakaratne, Group General Manager, Mahaoya Group, Lalan (Pvt) Ltd.,
Dehiowita
Mr R T Tennakoon, Manager, Padukka Estate, Padukka
Mr B H Weerakoon, Manager, Frocester Estate, Govinna
Mr N B Seneviratne, Deputy General Manager, Namunukula Plantations, Eladuwa
Estate, Matugama
Mr M P K Udugampola, Manager, Pussella Estate, Parakaduwa, Eheliyagoda
Mr I D Weerakoon, Manager, Hunuwala Estate, Opanayaka
Mr K Fernando, Manager, Gulugahakanda Estate, Elpitiya
Mr S Doranegama, Superintendent, Pallegoda Estate, Yatadola
Mr C Seneviratne, Manager, Peenkanda Estate, Nivithigala
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Mr Asitha de Costha, Manager, Mahaoya Group, Dehiowita
Mr C A Amarathunga, Deputy General Manager, Edarapola Estate, Bulathkohupitiya
Mr Sudath Ariyaratne, Superintendent, Rambukkanda Estate, Ratnapura
Mr B C Gunasekera, Group Manager, Kiriporuwa Estate, Yatiyantota

Provident Fund Committee

Dr A Nugawela, Director, Rubber Research Institute
Miss W K V de Silva, Deputy Director (Administration)
Mr W D Wimaladasa, Elected Committee Member
Mr H H Jayasinghe, Elected Committee Member
Mr W Kularatne Accountant, RRI (In-attendance)

Chairman's Office & Board Secretariat

Chairman - Mr J Y Peiris
Deputy Director (Administration) - Miss W K V de Silva
Confidential Clerk/Stenographer - Mrs B H P Balasooriya

Lawyers

Attorney General
Attorney General's Department
(Government Institutions)
P O Box 502
Colombo 12

Auditors

Auditor General
Auditor General's Department
Independence Square
Colombo 7

Bankers

Bank of Ceylon
Corporate Branch
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Colombo 1

Bank of Ceylon
Agalawatta

Head Office and Laboratories

Dartonfield, Agalawatta

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	034 - 2247383
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Rubber Research Institute - Substation

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Rubber Research Institute - Substation

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Board Office and Rubber Chemistry & Technology Laboratories

Telewela Road, Ratmalana

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Director	011 - 2635142
Deputy Director Research (Technology)	011 - 2633351
General	011 - 2635851
	011 - 2635852
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RUBBER RESEARCH INSTITUTE OF SRI LANKA

STAFF

DIRECTORATE

<i>Director</i>	R C W M R A Nugawela, BSc (SL), MSc (Lond.), PhD (Essex)
<i>Deputy Director – Research (Biology)</i>	C K Jayasinghe, BSc (SL), MSc (SL), MSc (Agric) (Aust.), PhD (SL)
<i>Deputy Director – Research (Technology)</i>	W M G Senevirante, BSc (SL), PhD (Sussex)
<i>Deputy Director (Administration)</i>	Miss W K V de Silva, BA (SL), LLB, Attorney at Law

RESEARCH DEPARTMENTS

Genetics and Plant Breeding

<i>Geneticist and Plant Breeder</i>	Mrs S P Withanage, BSc Agric (SL), MSc (India)
<i>Assistant Geneticist and Plant Breeder</i>	K K Liyanage, BSc Agric (SL)
<i>Development Officer</i>	K B A Karunasekera (up to 06.02.2010)
<i>Experimental Officers</i>	K W Rupatunga I D M J Sarath Kumara L S Kariyawasam T M S K Gunasekera H P Peries, Dip. Agric (Kundasale)
<i>Clerk/Typist</i>	Mrs A K Gamage, BSc (SL) Mrs S D P K L Peiris

Plant Science

<i>Head of Department</i>	Mrs G P W P P Seneviratne, BSc (SL), PhD (Bath)
<i>Botanist (Principal Research Officer)</i>	A M W K Senevirathna, BSc (SL), MSc (SL), PhD (Wales)
<i>Botanist (Senior Research Officer)</i>	*N M C Nayanakantha, BSc (SL), MSc (India)
<i>Assistant Botanists</i>	N A A D Wickramaratna, BSc Agric (SL), PhD (Canada) (up to 01.06.2010) Mrs D S A Nakandala, BSc Agric (SL) K A G B Amaratunga T U K Silva, BSc Agric (SL), MPhil (SL)

Experimental Officers

R P Karunasena
Mrs G A S Wijesekera
Mrs R K Samarasekera
M K P Perera, BSc (SL)
W D M N de Alwis, BSc (SL)
D L N de Zoysa
P D Pathirana, BSc (SL)
P K W Karunathilake, Dip. Agric (Ratnapura)
R Handapangoda, BSc Agric (SL)
Mrs H D D E Jayawardena
Mrs Aruni de Almeida

Technical Officer

Clerks

Plant Pathology and Microbiology

Head of Department

Miss W P K Silva, BSc (SL), MSc (SL),
MPhil (Aust.), PhD (SL) (from 01.11.2010)

Assistant Plant Pathologist

Mrs T H P S Fernando, BSc (SL), MPhil (SL)

Experimental Officers

E B Fernando
Mrs B I Tennakoon, Dip. Agric (Kundasale)
Mrs E A D D Siriwardene, BSc (SL)
S C P Wijayaratne, NDT Agric (Hardy)
S R D P C Peiris, BSc (SL)
E A D N Nishantha, Dip. Agric. (Ratnapura)

Audio Visual Aids and Photographic Unit

*Audio Visual Aids Production
Officer*

L W Amaratunge

Soils and Plant Nutrition

Head of Department

Mrs M L A Samarappuli, BSc Agric (SL),
MSc (California), PhD (SL), F I Biol. (SL)

Soils Chemist

R S Dharmakeerthi, BSc Agric (SL), MSc (SL),
PhD (Canada)

(Principal Research Officer)

Mrs R P Hettiarachchi, BSc (SL), MPhil (SL)

Assistant Soils Chemist

H D S P Perera, BSc (SL), MSc (SL)

Experimental Officers

Mrs S D C K Maheepala
S N Silva
P Karunadasa, BSc (SL), MSc (SL), M I Biol. (SL)
A H U Mitrasena
A N Yakandawala
T B Dissanayake

Experimental Officers

Miss V U Edirimanne, BSc (SL)
Miss A P Thewarapperuma
P D T C Gunatilleke
J A Sarath Chandrasiri

English Stenographer

Mrs K A D L Rupasinghe Perera

Biochemistry and Physiology

Head of Department

V H L Rodrigo, BSc Agric (SL), MSc (Essex),
PhD (Wales)

Assistant Biochemists

*Mrs G V L Nilmini, BSc (SL)
Mrs K V V S Kudaligama, BSc (SL), MPhil (SL)

Experimental Officer

P D J Rodrigo

Technical Officer

R P S Randunu, BSc (SL)

Advisory Services

Head of Department

D M A P Dissanayake, BSc Agric (SL),
PhD (Aberdeen)

Regional Advisory Officers

A H Kularatne, BSc Agric (SL), MSc (Reading), MSc
(SL)

*Divisional Rubber Extension
Officers*

P K K S Gunaratne, BSc Agric (SL)
D Podimahattaya (up to 23.05.2010)

R A D Ranawaka

I Kiridena (up to 30.09.2010)

L L A Samarawickrama, BSc (SL)

U L R A Perera

R L R U S Bandara

H H Jayasinghe (up to 27.07.2010)

M G N Gunaratne

Rubber Extension Officers

D Weerasekera

W D T C Muniratne, Dip. Plant Ex. Mangt.

K V Nandanakumara

D R A M G Abeydissanayake

R M S Ratnayake, NDT Agric (Hardy)

D E P M Nanayakkara, Dip. Agric. (Aquinas)

W D Chandrasiri

M Dharmadasa, BSc (SL), MSc (SL)

J A J Perera

E G U Dhanawardena

Nihal Gamage, Dip. Agric. (Angunakolapelessa)

Rubber Extension Officers

U N Jayasuriya
G D N Seneviratne
K P Jayasinghe
W C Siriwardena, Dip. Plant Ex. Mangt.
S G G Wijesinghe
N G Yasaratne
D M Mahindapala
I P L Kithsiri
W M A S L Wanigasuriya, Dip. Agric (Aquinas)
N L Dharmasena

Clerk (Special Grade)

Mrs M A P P Seneviratne (up to 29.06.2010)

Clerks

Mrs M K Wijetilleke
Mrs L Somawathi
Mrs C Gunatilleke
Mrs J N R Jayasinghe
Mrs S Nakandala

Clerk/Typist

Mrs S M Kaluarachchi

Polymer Chemistry

Rubber Chemist

Mrs A H L R Nilmini, BSc (SL), PhD (Cardiff)

Assistant Rubber Chemist

H N K K Chandralal, BSc (SL), MSc (SL)

Experimental Officers

Mrs D I R Denawaka, Dip. Rubber Tech. (PRI)
Mrs W C M Kuruppu, Dip. Rubber Tech. (PRI),
Certificate Rubber Tech. (Moratuwa)
S M A Samarakoon, Dip. Agric. (Kundasale)
Mrs N Jayawardane, Dip. Agric. (Bibile)

Raw Rubber and Chemical Analysis

Assistant Rubber Chemist

Mrs A P Attanayake, BSc (SL)

Experimental Officers

Mrs H S Weeraman, Certificate, Rubber Tech. (PRI)
(up to 03.09.2010)
Mrs L Wanigatunga
Mrs H V K Gamage
Mrs C S Lokuge
Miss D M S Wijesekera, Dip. Rubber Tech. (PRI)
L P P Vitharana
K R N Karunatilleke, Dip. Rubber Tech. (PRI)
B Gunasiri
W D Wimaladasa
Mrs I Wijesinghe

Clerk

Electronic Instruments Repair Unit

Instrument Technician L G P Lelwela

Rubber Technology and Development

Acting Head of Department Mrs D G Edirisinghe, BSc (SL), MSc (SL),
MPhil (UK)

Assistant Rubber Chemist Mrs G D D Seneviratne, BSc (SL)
Experimental Officers Mrs M K Mahanama, Dip. Rubber Tech. (PRI)
Mrs S I Yapa, Dip. Rubber Tech. (PRI)
Mrs P C Wettasinghe
S L G Ranjith, Dip. Rubber Tech. (PRI)
P L Perera
T A A I Siriwardene (up to 07.11.2010)
Mrs G M Priyanthi Perera, BSc (SL), MSc (SL)

Raw Rubber Process Development and Chemical Engineering

Head of Department S Siriwardene, BSc (SL), MSc (Australia),
PhD (Malaysia)

Rubber Chemist (Senior Research Officer) **R M U N Ratnayake, BSc (SL), PhD (Loughborough)

Assistant Rubber Chemist P H Sarath Kumara, DPRI, MSc (SL) (up to 31.03.2010)
Experimental Officers Mrs W K C Nalinie, Dip. Rubber Tech. (PRI)

T A S Siriwardene
E C D Senanayake
Mrs U M S Priyanka, BSc (SL), MSc (SL)
Miss V C Rohanadeepa
A K D W Prasad

Store Keeper Mrs L Rukmanie
Clerk Mrs S A Paranavithana (up to 19.07.2010)

Biometry Section

Biometrician Mrs B W Wijesuriya, BSc Agric (SL), MPhil (SL),
PhD (SL)

Assistant Biometrician H M L K Herath, BSc Agric (SL), MSc (SL) MSc (USA)
Experimental Officers Mrs H K D C S Munasinghe, NCT Polymer (Moratuwa),
Dip. Rubber Tech. (PRI), Dip. Computer Science (IDM)
O V Abeyawardene, Dip. Agric. (Kundasale)

Adaptive Research Unit*Agronomist*S M M Iqbal, BSc Agric. (SL), MPhil (SL),
PhD (Essex)*Research Assistants*W A D D S Wettasinghe
Mrs E S Munasinghe, BSc Agric (SL), PhD (SL)
Mrs B M D C Balasooriya, BSc Agric (SL)**Polgahawela Sub-Station***Experimental Officer*

E A T Senadeera

Accounts Clerk

Mrs W A C Weeramanthree

Library and Publications Unit*Librarian*

S U Amarasinghe, BSc (SL), MA (SL), ASLLA

*Library Assistant and Assistant*Mrs R M Amaratunga, Intermediate; Lib. Sci., Doc. &
Infor. (SLLA)*Publications Officer*

P M P Jayantha

*Clerk/Typist***ADMINISTRATION DEPARTMENTS***Assistant Medical Practitioner*

***M Subasinghe

Administrative Assistant

Mrs M D P Mandalawatta

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Mrs S K Handunge

Clerk/Typists

Mrs J A D Wijyanthi

Mrs B D Niranjala

English Stenographer

Mrs J A H S Kumarie

Translator

Mrs D N Senevirathna, BSc (SL)

Telephone Operator

Mrs J A D C Preethika

Pharmacist

S Lankeshwara

Junior Assistant Clerk

Mrs O W D Namali Udayanthi

Internal Audit Unit*Internal Auditor*

Mrs M S I Senadeera, AFA, IIPF, IRCA, LICA

Internal Audit Officer

K C Fernando

Clerk/Typist

Mrs S N Munasinghe

Works Section*Resident Engineer*

L S de Silva Weerasinghe, BSc (SL) (up to 30.09.2010)

Electrical Foreman

W D Ratnasinghe (up to 12.07.2010)

<i>Building Foreman</i>	M A D K Jayasumana
<i>Transport Officer</i>	U L D R L Gunasinghe
<i>Chief Clerk</i>	Miss M G Silva
<i>Clerk/Typists</i>	Mrs K C S Wickremasinghe
	Mrs J A S Dharshanie (Dip. in Management)
<i>Work Supervisor (Electrical)</i>	T M R P Tennakoon

Accounts Section

<i>Accountant</i>	W Kularatne
<i>Accounting Assistant</i>	D D R Lankatilaka, BCom (SL)
<i>Accounts Clerks</i>	Mrs Irene Perera
	Mrs M Gunawardene
	Mrs K Kapuge
	Mrs R Handungoda
	Mrs G P Kukulewithana
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	Mrs K J M C R Fernando
<i>Cashier</i>	Mrs G A D D Jayawardena
<i>Junior Assistant Clerks</i>	Mrs C Dissanayake
	A K D A Wickremasinghe
	Mrs S I K Pathirage
<i>Assistant Purchasing Officer</i>	K D Sumanasena

DARTONFIELD GROUP

<i>Estate Superintendent</i>	Jehan Perera
<i>Experimental Officer</i>	S S Warnapura
<i>Senior Clerk</i>	K K P Gunawardena
<i>Factory Officer</i>	D S K Ranaweera

Kuruwita Sub-Station

<i>Visiting Superintendent</i>	Salinga Dissanayake
<i>Assistant Estate Superintendent</i>	S A R Samarasekera
<i>Junior Clerk</i>	D S Jayasinghe

* On study leave overseas

** On no pay leave

*** On study leave within the country

Report of the chairman Rubber Research Board

Rubber Research board as its main mandate guided the management activities of the scientific activities of the Rubber Research Institute. RRB extended its fullest cooperation and directed the scientific staff to concentrate on R & D activities to fulfill the needs of the stakeholders and priority to be given for such projects.

Smooth functioning of the institutes administration and effective financial management has been looked after by the RRB satisfactorily.

During the year 2010, seven (07) Board meetings were held. Most agenda items were focused to address on the issues connected with the R &D requirements expected by the stakeholders. Eventhough, there were many vacancies exists in the RRI carder no permanent requirement of staff in any of the categories were made. The main reason was the unsettlement of the institute's scheme of recruitment (SOR). However, as a result of many discussions had with the staff at all level, we were able to solve most of the issues connected with it and finally submitted to the Salaries and carder commission at latter part of the year 2010.

Expansion of rubber into non traditional areas is one of the main themes focused by the Ministry of Plantation industries during last few year with the aim of consolidating the rubber supply in the country to cater to the growing demand for rubber by local rubber based manufacturing industries.

Moneragla has been identified as one such area and planting of rubber in Moneragala has already been declared as satisfactory.

One of the most important event of the year was the inauguration of the RRISL's substation in Kumbukkana, Moneragala with the aim of assisting rubber farmers in the region. This was ceremonially declared opened by Hon. Mahinda Samarasinghe, Minister of Plantation Industries in November this year.

RRI officers play a vital role in rubber cultivation in the Moneragla region. They are quite active in conducting advisory programmes on rubber cultivation, adaptive research trials on intercrops which would sustain the income and livelihood of the rubber farmers until they receive a sustainable income from rubber. In addition, many other pilot trials on general agronomic practices are being conducted by the RRI at the Monaragala Substation..

Similarly, RRI has achieved a similar land mark in the eastern province. A attempt on cultivation of rubber in Mahaoya and Padiyatalawa proven to be quite satisfactory and the tapping was commenced in November 2010 which event too was ceremonially inagurated by the Minister of Plantation Industries.

Intial trials on the expansion of rubber into Northern and Mullatiwu provinces have been looked at and few tapping plots have already been established in areas such as Northern and South Vauania, Madukanda Oddusudan Nadunkani areas.

I am quite happy to note that we were able to identify more focused research during the course of the year which would undoubtedly fulfill the needs of the smallholder farmers as well as regional plantation companies engaged in rubber plantations.

Like in the past, the Rubber Research Board continued to practice good governance, effective utilization of state resources and finances, monitoring of audit and management committee recommendations.

I extend my thanks to the Director and the staff for their unstinted support, kind cooperation extended in achieving great heights expected by the rubber plantation community.

Mr. J.Y. Peiris,
Chairman
Rubber Research Board

**Rubber Research Institute of Sri Lanka
Director's Report
W.M.G. Seneviratne**

Expansion of rubber cultivation to non traditional areas was given high priority during the last five years in view of increasing the rubber production in the country. One of the important achievements in this regard was the opening of the Monaragala Substation to fulfill the technological needs of Uwa Wellassa and Eastern Province rubber growers.

The inauguration ceremony was held under the patronage of the Hon. Minister of Plantation Industries, Mr. Mahinda Samarasinghe. Harvesting of rubber trees cultivated with the initiation of the expansion programme six years ago in the Eastern Province was also commenced during this year with the participation of the Hon. Minister of Plantation Industries.



Opening of the Monaragala Substation under the auspicious of the Hon. Minister of Plantation Industries, Mr. Mahinda Samarasinghe.

The Rubber Research Institute of Sri Lanka continued its research and development activities successfully and about 80% of the targets have been reached according to the action plan and corporate plan. Highlights of achievements are summarized below.

Annual hand pollination programme, one of the routine activities was carried out and forty four numbers of new genotypes were produced for evaluation.

Current clonal composition in the country was assessed and it was found that area under RRIC 121 was significantly higher as it covers more than 30% of the replanted area. With this background it was decided to suspend the planting of RRIC 121 gradually.



Tapping quality of the revenue areas managed by the regional planting companies was monitored and reports were submitted to the respective estate management to take necessary steps to correct the situation where ever necessary.

Commencement of harvesting at the Eastern Province

Government, Regional Planting Companies and Private Commercial Nurseries were inspected and 1.8 million plants were certified as quality plants for planting during the year.

Plants of RRIC 100 rejuvenated through successive grafting were multiplied to distribute

among the stakeholders. More passages were produced during the year under review. A clearing was established with rejuvenated plants of clones RRIC 100, RRIC 102, and RRIC 121.

In order to ensure quality tapping, special training programmes were conducted to RPCs and 2500 new tapping knives were issued to the stakeholders through Advisory Services

Department. Demonstration on sealant preparation greatly assisted the promotion campaign of fixing rainguards launched by the Ministry of Plantation Industries.

White Root Disease of the rubber tree has now become a limiting factor during replanting of old clearings. With this background an International workshop on White Root Disease was conducted with the collaboration of IRRDB to introduce the new strategies in management of this deadly disease.

It was revealed that application of biochar increases important soil fertility parameters such as pH, cation exchange capacity and organic carbon in addition to available nutrients such as K and Mg.

Site specific fertilizer recommendations for 7430 hectares of mature rubber were issued using newly developed visual basic computer programme. Approximately 150 ha were surveyed for suitability of planting rubber under land selection programme.

Newly developed temperature corrected ready reckoner was able to reduce the error in latex weighing for dry rubber content (%DRC) by ca. 50%. Latex density accounted for ca. 80% of variation in percentage DRC.

Several important extension and advisory projects were carried out at national and regional levels to increase the land productivity of rubber smallholders in all rubber growing areas of the country.

A simple and a low cost process was developed to convert the rejects and wastes of the natural rubber dipped product industry into highly efficient, user and environmental friendly rubber mats, namely "Power Mat" which had been proven as a commercial product to control weed growth during the immature period of rubber has been awarded the "National Science and Technology Award 2010" for the category "Development of eco material / eco friendly processes for industry".



Use of rejects/wastes from dipped Product industry to manufacture mats

Power mats in use to control weed growth at tree bases

Development of user friendly cost effective and quality oriented raw rubber processing technologies and introduction of processing procedures to improve the quality consistency in all grades of raw rubber is another important piece of work carried out by the institute.

Two new effluent treatment plants based on the microbiological treatment process developed by the RRI have been satisfactorily installed in a scarp crepe and crepe rubber factory. Long standing environmental problems created by the discharge of untreated effluents into surroundings by these two factories is completely eradicated after commissioning of these treatment plants.

Cost effective drying methodologies for raw rubber is among another important area of research carried out at present.

Development of cost effective sealants for fixing rain guards, development of NR based adhesives, latex based paints environmentally friendly preservative systems for latex preservation are among important research work carried out by the polymer chemistry department of the RRISL.

Testings of physical properties of raw rubber , rubber compounds, rubber products, raw rubber & latex properties carried out by the technological departments through out the year.

Around thirty workshops on cottage based rubber product manufacture were conducted in collaboration with Thurusaviya fund, Rubber Development department, and National Institute of Education.

Development of polymer blends and composite materials, tyre treads for improved abrasion resistance, latex blending of NR with Poly Vinyl Acetate, foam rubber, Nanofillers in rubber and latex are among important research work conducted by the Technology departments.

Trends in the Sri Lanka rubber industry

Rubber production:

The natural rubber production in the country increased up to 150,000 MT during the year 2010. This is an 9.5% Increase over the 2009 production which is 137,000 MT.

Rubber extent:

As per the latest figures reported on the total rubber extent of the country , 124,000 ha with the total mature extent in the country is 96,720 ha. while in the year 2009 the extent was 122,087ha. A significant increase of the total rubber production increase therefore may not only to be the new bearing commenced tapping but mostly due to higher price of rubber. This would have compelled the rubber growers to extract more latex from the tree by way of somewhat excessive tapping.

Sri Lanka yielded a figure of 1,437kg of rubber per hectare in 2010. This is a 3.98 % increase over the national productivity level of 1,382kg in the year 2009. Replanting and new planting being carried out steadily in the country and accounts to 6,105 ha of replanting and 2,436ha of new planting in the year 2009. In 2010, the figures of replanting and new planting increased up to 1493 ha and 1537 ha respectively.

Rubber consumption:

Rubber consumption in 2010 in the country reported as 107.9 thousand MT as against 79.5 thousand MT in the year 2009 which is about 35.7% increase. This indicate rubber product manufacturing industry has mostly recovered from the severe set back due to the world economic crisis took place in the latter part of 2008. Gross rubber exports in 2010 was reported to be 51.5 MT

Rubber manufacturing industry:

Export income from rubber products increased from a US\$ 286 million in 2004 to US\$ 543 million in 2008 which was a remarkable feat. This was a steady and rapid 90 per cent increase within a period of 4 years. This trend was reversed in 2009 with a huge 29 per cent reduction over the previous year with an income of US\$ 386 million. Drop in tyre exports was

the main reason which showed a 38 percent decline. This was due to the prevailing economic downturn and financial crisis that has affected consumer markets since mid 2009. The drop recorded by Malaysia during the same period was only 5.8% (from US\$ 3,875 MM to US\$ 3,650) which shows the strength of Malaysian rubber industry in comparison to Sri Lanka rubber industry. Malaysian industry's main stay is latex goods while Sri Lankan industry is dominated by solid tyres.

Sri Lanka can boast of international accepted products such as solideal branded industrial tyres manufactured here by Loadstar Ltd. Dipped products are sold all over the world, their household and industrial gloves being marketed under many brand names. Loadstar enjoys more than 20% of the international market. There are multinational companies too in operation in Sri Lanka namely Ansell Lanka Ltd., which manufactures latex based products and Trelleborg Lanka Ltd produces solid tyres to the global market.

Exports of raw rubber:

In 2008, a total of 48,600 MT were exported and sheet rubber exports accounted for 34 per cent of income while latex crepe rubber came second with a 31 per cent share. Liquid latex exports earned 16 per cent of export value and TSR accounted for 10 per cent of export incomes. Sole crepe which is a semi finished product gained 8 per cent of the export earnings and the balance income came from scrap crepe. The total income was US\$ 125 millions but this came down to US\$ 98 millions in 2009 due to the global recession although volume exported in 2009 reached 53,700 MT. In 2010, the total imports of natural rubber and synthetic rubber were 12,400MT and 24,500 NT respectively.

Trends in the Global rubber industry

Rubber Production

Total world NR production in 2010 was 10.29 Mn MT which is 6.1% growth compared with the previous 2009 production of 9.7 Million MT. This is attributed to the total new planting by rubber producing countries between the period of 2005-2008. Indonesia being highest among the countries gone for replanting amounted for an extent of 51,000 ha between this period. Among the other countries gone for new planting are Thailand (25,000ha), China (20,000ha) Myanmar (25,000ha) major ANRPC member countries account for 92% of the commodity's global output.

This year's annual supply growth in the ANRPC region was observed at a 5.7% growth rate. The supply grew at 17.9%, 2.8% and 12.3% respective rates during the first three quarters. However there was a severe set back observed in the rubber production in ANRPC member countries in the fourth quarter in year 2010 and growth rate fallen to **-6.3%**. This was mainly because of the unfavorable weather conditions prevailed (heavy rainfall in major rubber producing countries at the latter part of the year 2010) in major rubber producing countries like Thailand (fall -33.4%) , India(-4.6%) and Vietnam (-2.8%) compared to same period in the previous year 2009.

Rubber consumption

The major rubber consuming countries worldwide are China (3.634 million MT), USA (0.908million MT), India (0.944 million MT) Japan (0.739 million MT) , Germany(0.289 million MT), Brazil(0.374 million MT), Thailand(0.42 million MT), Malaysia(0.457 million MT), Indonesia(0.421 million MT),

As such, 48% of the global demand for NR comes from China, India and Malaysia which are three major NR consuming countries within the ANRPC.

Both NR and Synthetic rubber are used for Rubber product manufacture. Price of synthetic rubber is generally governed by the price of crude petroleum oil. World rubber consumption of synthetic rubber as at 2010, was 13.48 million tons as against NR 10.19 million tons.

More than 60 per cent of natural rubber is used for tyres, which is the major driving force behind changes in natural rubber demand.

The share of natural rubber in the tyre sector was about 50 per cent in 2000 and is likely remain around this level in the next decade. Technological requirements are the overwhelming determinant of the share of natural rubber in tyre production and no significant new developments are foreseen that would allow synthetic rubber to replace natural rubber in tyres.

IRSG predicts that overall long term trends for NR is better than that of SR since predicted compounded annual growth rate (CGAR) is 3.4% for NR while 2.5% for SR as per their long term analysis for 2010 -2020.

Activities carried out for the development of the rubber industry Agronomy -2010

- Annual hand pollination programme was carried out and 44 numbers of new genotypes were produced for evaluation.
- Tapping quality of the revenue areas managed by the Regional Plantation Companies was monitored and reports were submitted to the respective estate management to take necessary steps to correct the situation.
- Comparative eco-physiological performance of rubber and oil palm were established.
- Current clonal composition in the country was assessed and arrangements were made to gradually suspend further planting of the clone RRIC 121 as it already covers more than 30% of the extent.
- A protocol was developed to produce biochar from rubber wood, a product which improves some soil fertility parameters.
- Commercialized the environmentally friendly “Power Mat” for weed control in rubber cultivations.
- The improved repellent formulation against mammalian pests was distributed among the small holders to monitor the efficacy.
- *Rigidoporus microporus*, the white root disease causing fungus was detected from the cover crop, *Mucuna bractiata* for the first time from Sri Lanka and necessary steps were taken to educate the stakeholders in management of this situation.
- Low Intensity Tapping (LIT) system with shorter cuts was recommended for commercial plantings.
- Analysis of smallholder surveys and participatory studies in non-traditional rubber growing areas was done to identify socio-economic characteristics of rubber smallholders, major issues of rubber farmers, awareness on recommendations and priorities for technology transfer.
- Estate collaborative clone trials were established at Edalla, Wee Oya, Moraliyoa and Katandola estates using potential clones for further evaluations.
- A clearing was established with rejuvenated plants of clones RRIC 100, RRIC 102 and RRIC 121.
- Biofilm forming bacteria and fungi were extracted from *Agalawatta* series soils and one biofilm was produced.
- Stimulation protocol for d4 tapping systems was revised.
- Guidelines were developed for Statistical Process Control (SPC) in quality assurance of raw rubber industry using 1-MR charts as an instrument.

Technology - 2010

- A new methodology was introduced to determine the fiber content in friction cord sample.
- Novel gravimetric method was introduced to determine residual Phosphate content in centrifuged latex.
- Raw rubber properties of newly developed clones were evaluated.
- Effect of ethephon stimulation on latex & raw rubber properties were investigated.
- Testing & issuing quality certificate for field & Centrifuged latex
- Testing, grading and issuing shipping certificates for all TSR produced in the country.
- Testing and issuing quality certificates for different grades of raw rubber produced in the country for local industries and for shippers.
- Analysis of chemicals used for processing raw rubber in the rubber products manufacturing industry, for percentage purity.

- Analysis of skim rubber adulteration in scrap grades of crepe rubber.
- Recommendation of chemicals for the industry and analyzing them for percentage purity.
- Calibration of latex storage tanks.
- The newly developed weed control mat, “Power Mat” won the National Science & Technology Award 2010 under the category “Development of eco-material/eco-friendly processes for industry”. More than thousand “Power Mats” were produced in collaboration with Laugfs Corporation (Rubber) Ltd. and handed over to plantation companies at their request.
- Examination gloves were produced at factory scale using a blend of natural rubber and polyvinyl acetate and strength properties were at an acceptable level.
- A natural rubber latex foam compound suitable to produce boxing / karate glove pads was developed.
- Gloves based on a natural rubber latex compound containing a nano filler were produced in the laboratory and the properties were at an acceptable level.
- Development of pots using rubberized-twisted coir was conducted.
- Eco-friendly natural fibre filled NR compounds were developed with different types of fibre (Banana fibre, coir & baggasse). Promising results were given.
- Development of low cost rain guard sealant using waste natural rubber products.
- Development of machine to manufacture rain guard sealant in order to achieve the consistency of the final product.
- Any other major activities carried out by RRI during the year 2010 for the development of rubber sector.
- Knowledge transfer on treatment of rubber wood.
- Conducting training programmes on rubber based adhesives
- Adaptation of single day smoke drying system for smoke sheet rubber in small and medium scale rubber sheets manufacturing sector
- Introduction of cost effective drying system for drying of estate brown crepe and skim crepe rubber, reducing drying period by 80%
- Design and Development of an alternative tank for conventionally used DCL tanks
- Establishment of new iron limits for processing water
- Analysis of processing water, effluent water and issuing test reports

The targets which could not be reached during the year 2010

- Building of the hostel at Moneragala Sub Station was not possible due to delays in submitting proper plans.
- Proposed activities to educate the stakeholders in Uwa Wellassa was delayed due to lack of permanent staff at Monaragala Sub Station.
- Fact finding visit to the rubber cultivations in dry areas of India could not make due to the delay of the Indian Government approval.
- Programme on screening clones for disease resistance could not be completed due to lack of transport and staff.
- Experiments on micronutrients in rubber was not carried out due to lack of assistant staff

- Issuing analytical reports was delayed due to
 - Lack of technical assistance
 - Glassware and spare parts for the instruments
- Mechanization of crepe rubber manufacturing process was not initiated due to lack of human resource and unavailability of funds.
- Most of the research projects could not be completed due to lack of staff.
- Some of the proposed research work could not be conducted due to lack of research staff and testing facilities.

Activities of Research Department - 2010

Genetics and Plant Breeding Department

Annual hand pollination programme was carried out at Nivitigalakele substation. Due to severe rainy weather condition that prevailed throughout the year, the final fruit set was very poor and a minimum number of seeds could be secured.

Newly registered RRISL centennial clones, a few selected hand pollination entries and some RRISL 200 and 2000 series clones were established in four different agro climatic regions under ECT/RRI collaborative trials.

Evaluation of yield performance in smallholder/RRI collaborative trials was difficult due to lack of cooperation, interest and recording methods of small holder farmers and non appropriate processing practices adopted by them.

Monthly test tapping data collection in most of the small scale clone trials was low due to rain interferences and also due to recovery tapping practices on estates. Proper and reliable data collection was very difficult even from the trials established at RPC managed estates. Further, poor agromanagement practices in many estates affect the growth condition of the immature clearings established for further evaluation of new genetic material.

A young budding nursery was established at the department premises to produce plants of new genotypes to establish clearings.

Plant Science Department

Studies on wintering, flowering and seed production could not be continued due to constraints in human resources and transport. However, the data gathered during previous years confirmed of high and reliable seed production of the clone RRIC 100 in dry areas of the country. Accordingly, a recommendation was made to re-introduce the clone RRIC 100 up to 10% of the total hectorage by planting 33% of the annual replanting area for a period of 10 years starting from the year 2012. A leaflet to ensure the collection of quality seeds and also on establishment of seed gardens was prepared and circulated among all estates as well as private nurseries. Current clonal composition was calculated and arrangements were made to gradually suspend further planting of the clone RRIC 121 as it already covers more than 30%.

Plants of RRIC 100 rejuvenated through successive grafting were multiplied to distribute among the stakeholders. More passages were produced during the year under review. A clearing was established with rejuvenated plants of clones RRIC 100, RRIC 102 and RRIC 121.

Young budding plants raised in plastic root trainers continued to perform poorly compared to young buddings of normal polybags. Central hole at the base of the normal bag was as effective as normal perforation for the growth of young buddings. Trials with different bag types and potting mixtures to reduce the top soil requirement were continued with young buddings. Young buddings of RRIC 121 have performed better than bare roots of the same clone.

Trials were continued on the irrigation systems for rubber nurseries and also for plantations in the intermediate zone of Sri Lanka. Effectiveness of different systems are yet to be confirmed.

A young budding nursery consist of 12,000 plants was established at the Moneragala sub station during the August seed fall. Bud grafting training programmes were conducted for RDD and private nurseries and also for RPCs. Series of training programmes were conducted for the farmers in non- traditional areas under the SPEnDP.

Only girth data were collected from all crown budding trials due to shortage of staff and transport. Budwood nurseries were maintained and bud wood of all new clones were issued to stake holders to establish bud wood nurseries. The number of shoots and the number of buds per shoot in budwood nursery plants seem to be a clonal characteristic.

Tree girth and bark thickness have decreased significantly with the increase in planting density. Also, a similar decrease was shown in the individual tree yield (g/t/t). This can be attributed to the significantly poor girth and bark values in higher planting densities. Although not significant among four planting densities, comparatively higher YPH values were continued in higher densities due to the higher number of trees per hectare.

Different chemical formulae were tested for tapping panel dryness different harvesting systems were tested for brown bast affected trees with no promising results. The survey on brown bast could not be done during the year due to lack of staff.

Low DRC levels reported in some RRIC 102 clearings on different estates were studied and it was revealed that the reasons are related to the nutritional and growth condition of the trees in those blocks as some other clearings give high DRC values.

Different frequencies and the lengths of the tapping cut were tested for sustainable high yields and for longer tapping cycles. Trials on the opening age of the trees were established and the results are yet to be gathered. Effective use of ehephone on harvesting is also investigated.

Tapping quality of the clearings managed by the RPC s was monitored and reports were submitted for the respective estate management to take necessary steps to correct the situation. About 5000 ha area was covered under this programme during the year under review. Training programmes were conducted to improve productivity of rubber estates by upgrading the tapping quality in new clearings, through regular monitoring and educating the harvesters.

Data on girth , bark measurements and daily latex yields were collected from all experimental trials as much as possible. Maintenance of all experimental sites including numbering, weeding and manuring etc was attended.

Satisfactory crop was harvested from perennial trees such a tea, cinnamon and Rambutan inter-cropped with rubber at the Kuruwita sub station. Yield of tea, cinnamon and Rambutan were monitored and crop was sold by the estate. Photosynthetic measurements of tea and cinnamon were taken. Trial on rubber x rattan and rubber x cinnamon planted at various spacial arrangements were also assessed and harvested. Introducing economically important tree species for rubber fences was initiated in estates as well as in the sub station at Moneragala.

Comparative eco-physiological performance of rubber and oil palm were studied.

About 2500 new tapping knives were issued to the stake holders through Advisory Services Department during the year.

Poly bag samples were tested for Rubber Development Department and for other stake holders and reports were produced in order to purchase polybags of the quality required by them.

Demonstrations of Rain guard sealant preparation and fixing rainguards were done for all requests made during the year.

A question and answer type book titled “Frequently Asked Questions in Rubber Agronomy” and the same in Sinhala with the title “Rabar Wagawata Athwalak” were published, which was a long felt need in rubber agronomy.

Advisory including the estimation of the crop in damaged and over exploited areas were undertaken.

Plant Pathology and Microbiology Department

An International Workshop on white root disease was conducted with the collaboration of IRRDB. Island-wide survey on *Corynespora* Leaf fall disease was done during the s.w. monsoon. Research on mammalian pest control is in progress *Rigidoporus microporus* was proven to be pathogenic on the cover crop *mucuna bractiata*. Several advisory visits were made on the frequent complaints received regarding the wintering season.

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Soils and Plant Nutrition Department

Planned, promoted, implemented and monitored more than 25 research and development activities in relation to improvement of soil fertility, increasing efficiency of nutrient uptake, soil, water and nutrient management and weed management.

Field studies and laboratory P fixation studies have indicated that application of HERP is adequate for the growth of young budding plants established in Agalawatta series soils from planting to cut-back stage. Di-ammonium phosphate could be included in liquid formulation after the cut back stage. It was found that biochar produced from rubber wood could be applied up to 2% (by weight) into young budding polybags with only N and Mg fertilizers. Application of biochar has significantly increased important soil fertility parameters such as pH, cation exchange capacity and organic carbon in addition to available nutrients such as K and Mg. Four empirical models were developed to estimate the N, P, K and Mg uptake of rubber plants during the first four years of immature period using girth of the plant as the independent variable.

Using newly developed Visual Basic computer programme site specific fertilizer recommendations for 7430 hectares of mature rubber were issued. Approximately 150 ha were surveyed for suitability of planting rubber under land selection programme. The Department analyzed approximately 6000 samples (24,000 parameters) for outside organizations including more than 450 fertilizer samples for rubber growers to assure application of good quality fertilizers to their rubber lands.

Polymer Chemistry Department

Two formulations based on waste natural rubber and natural rubber latex were developed to produce cost effective rain guard sealant.

A machine was developed to manufacture rain guard sealant in order to maintain consistency and minimize batch to batch variation occurred during hand mix operation.

Fluid resistance properties of NR/NVC blends were successfully evaluated.

Skim rubber (5%) incorporated to EPDM formulation without affecting physical properties of the blend and improved cure characteristics.

Environmental friendly preservative system is being developed to preserve natural rubber latex.

Development of rubber based paint for latex strips has completed successfully. .

NR based soaker hose developed by the department is being applied for different plantations in dry zone.

Several technology transfer programmes based on development of natural rubber based adhesives and rubber wood treatment were carried out for cottage industries.

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Raw Rubber and Chemical Analysis Department

A total number of 136 raw rubber analytical certificates of TSR samples were issued after testing the samples for raw rubber properties for grading and shipping purposes. 704 samples of different grades of other forms of processed raw rubber were tested for raw rubber analysis for quality assessment for both export and local consumption purposes.

419 numbers of latex samples were analyzed for evaluation of technical properties in accordance with ISO standards. 36 Number of rubber chemicals were tested for their percentage purity assessments. The department also involved in testing of rubber products such as rubber content in vulcanized product.

A research aimed to investigate the effect of ethephone stimulation on NR latex properties and development of new preservative system for stimulated latex was continued

Initial trials were conducted to investigate the correlation between the KOH number, Volatile fatty acid number & conductivity.

Preliminary study on effect of NR latex with different TMTD/ZnO content storage period on physical properties of latex concentrate was started.

A study on variations of raw rubber properties of new clones were studied & the project has to be continued in order to achieve reasonable judgment of the raw rubber properties of new clones introduced by the rubber research Institute of Sri Lanka.

A project based on “The effect of KOH Number under aerobic and anaerobic storage conditions of centrifuged Natural rubber latex ”was completed as a partial fulfillment for the Diploma in Rubber Technology of the PRI by a student from Lalan Rubber Pvt Ltd in collaboration with the Rubber Research Institute.

A new methodology was introduced to determine the residual DAHP content in centrifuged latex & student from University of Sri Jayawardenapura carried out her final year project to investigate the effect of residual magnesium and phosphate ions on latex based dipped products

Rubber Technology and Development Department

Strength properties of gloves produced out of 87:13 NR/polyvinyl acetate (PVAc) latex blends at factory scale were at an acceptable level. Ageing properties and swelling in water of these gloves were also evaluated. Tensile properties of gloves produced according to different dipping techniques were evaluated and heat sensitive coagulant dipping technique gave the best properties. Cast films were produced out of a nano clay filled glove compound and the strength properties of these films were superior to those of the conventional clay filled cast films. Natural rubber latex foam based boxing / karate glove pads were developed at the request of an entrepreneur. Trials on the development of articles out of rubberized twisted-coir were initiated.

The patented low cost, eco-friendly “Power Mat” invented by the department won the “National Science and Technology Award – 2010” under the category “Development of eco material / eco-friendly processes for the industry”. Evaluation of the physico-mechanical properties of NR/BR/reclaimed rubber composites prepared according to different ternary blend ratios revealed that 80:10:20 NR/BR/reclaimed rubber composite is the most suitable for a tyre tread and the single-stage mixing technique showed better properties than the different masterbatch mixing techniques. Physico-mechanical properties of the blend compounds prepared according to different blend ratios of virgin NR and foam waste, modified with lauric acid were evaluated. Abrasion resistance of these blend compounds was found to be superior to that of the 100% NR compound. Properties of the rubber compound produced with the aim of developing corrugated drainage sheets used in hospitals were evaluated. Physico-mechanical properties of five 70:30:55 NR/NBR/CB composites prepared by varying the amount of compatibilizer from 1 to 10 phr were evaluated. Physico-mechanical properties of the composites prepared with natural fibres such as coir and baggasse as well as waste newspaper sludge at different loadings were evaluated

Rubber compound and product testing services were provided to the industry and several small and medium scale entrepreneurs were given advice and assistance on setting up rubber

based cottage industries. Several workshops on “Rubber based Products Manufacture at Cottage Level” were conducted in collaboration with Thurusaviya Fund, Rubber Development Department and the National Institute of Education. Further, the staff was actively involved in training students and organizing stalls at various exhibitions and trade fairs.

Raw Rubber Process Development & Chemical Engineering Department

Preliminary studies carried out on drying of crepe rubber revealed the possibility of cutting down the crepe rubber drying period by 75%. Based on the results of the preliminary study, a dryer was designed and fabrication was commenced in the end of the year. A collaborative research project was carried out with Lalan rubbers (Pvt) Ltd. to study the seasonal variations of NR field latex. The results showed that there were no significant seasonal quality variations that could be assessed by the available local laboratory facilities. Investigation was carried out on utilization of sludge –a by-product from centrifuged latex industry as filler for natural rubber compounds. A simple procedure was established for the preparation of filler from the sludge. The results of the experiments carried out during the year have revealed that filler derived from sludge could be used as a functional filler while offering specific properties to the NR compounds. Experiments were conducted with a view to reduce the milling operations in crepe rubber manufacture as another preliminary work in line with the mechanization of crepe rubber manufacturing process. An optimum coagulum particle size was established for crepe rubber manufacture and it was shown the possibility of reducing the number of mills and number of milling passes in the manufacturing process. The factory scale trial carried out on the coagulum braking device was not successful due to its complexity despite its possibility of reducing labour cost and improving working environment.

A significant number of raw rubber process development projects were supported and guided by the technical staff of the department particularly on the RSS manufacture and single day drying process for the RSS producers in estate sector as well as the small and medium sector. In addition, routing testing services such as of waste water samples and processing water samples, and trouble shooting consultancies were provided as requested by the clients.

Biochemistry & Physiology Department

Newly developed temperature corrected ready reckoner was able to reduce the error in latex weighing for dry rubber content (%DRC) by ca. 50%. Latex density accounted for ca. 80% of variation in %DRC. A protocol for gaseous stimulation was developed for Sri Lankan

conditions. Stimulation protocol of S/2 d4 tapping system was revised and this together with low intensity harvesting system of S/4 d3 was selected for wide scale testing in commercial plantations. Further, investigations were geared to develop weekend harvesting systems for the rubber smallholders who are mainly engaged in off-farm occupations. Characterization of unfractionated unbleached crepe of different clones was completed. Further, investigations on the clonal variation in the properties of fractioned bleached latex crepe began. Adaptive Research Unit

Harvesting of rubber trees in Eastern Province was commenced with the presence of Hon. Minister of Plantation Industries. Also, office building complex of the Monaragala substation was inaugurated. Planting three paired rows of pineapple between two rubber rows is found to be effective in smallholder sector. Quality assessments on flower confirmed the feasibility of growing anthurium under rubber. Average yield curve of rubber clone RRIC 100 under commercial conditions was established. Inclusion carbon values and intercrops was found to increase the financial / economic viability of rubber plantation by about 6% and 60%, respectively. Yield curves of both component crops were established for rubber/tea intercropping system. Honey yield per colony reached the highest ever recorded value of 3.5 l at the RRISL.

Advisory Services Department

Several important extension and advisory projects were carried out at national and regional levels to increase the land productivity of rubber smallholders in all rubber growing areas of the country.

Five thousand three hundred and ninety nine planned advisory visits and 581 special advisory visit on requests of rubber growers were conducted by REOo to solve technology adoption problems.

An extension strategy focused on farmer participatory development of rubber smallholdings was conducted. As a result, REOo were able to up grade 292 immature holdings and 196 mature holdings as model rubber holdings. Extension services were provided to motivate and support 306 rubber smallholders to rehabilitate 202.49 ha of selected substandard immature rubber holdings. Mucuna cover crop was successfully introduced in 280 immature rubber holdings. Rain guarding was promoted and 87 demonstrations were successfully established in 225.95 ha of mature rubber lands.

One hundred and thirteen farmer training programmes were conducted to improve the knowledge and skill levels of 3900 rubber smallholders and Introduce 82 new rubber tappers as a solution to the tapper shortage in the rubber industry .through five tapper training programmes 525 semi skilled rubber tappers were trained to improve their quality of tapping.

A team of REOs were mobilized in the Monaragala district to conduct a special extension campaign on the request of the Ministry of Plantation Industries, to accelerate the rubber development programme of the IFAD project. As a result preliminary land inspection reports for 1900 rubber holdings selected for the project in the year 2010 was successfully completed. Advisory visits were conducted to upgrade the knowledge and skills of 30 selected rubber holdings. Ten Farmer awareness raising programmes were conducted for the benefit of nearly 500 rubber growers on immature up keep and latex exploitation recommendations. 03 tapper training programmes were conducted in collaboration with private sector rubber companies and introduce 80 new rubber tappers for Badalkumbura and Siyabalagune areas in the Monaragala District . A special group extension strategy “Vihidum Sathkara Sewa” was implemented in the Monaragala district to speed up the technology transfer process with the aim of improving the productivity of rubber smallholdings. .

Biometry Section

Supporting other research departments of RRISL on requests such as; experimentation, data analysis, interpretation of results and database management are among the key activities of the Biometry section. The research program of the Biometry section focuses on Biometrical aspects especially on development and modification of statistical methodologies to suit the needs of the rubber sector. The specific areas explored during this year were time series analysis, boundary line fitting and statistical process control. Some useful maps were prepared using GIS to identify areas available for further expansion of rubber in the Monaragala district. Databases were satisfactorily maintained during the year under review on meteorological data collected at the meteorological station at Dartonfield and auction prices of rubber in the Colombo market.

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Library and Publications Section

The Library and Publication Section continued with its regular services in collecting and disseminating information on natural rubber and related subject areas and processing and publishing of its regular publications.

We observed that there was a big demand for the RRISL publications, DVDs etc. with new research findings of the Institute, among the students of Government Schools, Agriculture Schools and Universities as well as the general public and the sale of publications increased significantly, especially due to the sale of newly published “ Advisory Leaflets”

Agricultural Information Network (AGRINET) continued their services throughout the year as well ,by providing assistance and guidance to member libraries in resource sharing activities.

Dartonfield Group

A total crop of 186,796 kg, has been harvested during this season. The actual crop harvested was 91% of the estimated crop. When comparing with the previous year crop, records a decrease of 0.95%. The crop harvested from rain guard area 24055 kg which amount to 13% of total harvested crop.

The Y P H for the year was 968 kg. Compared with the same period last season YPH has decreased by 09 kg.

The average intake per tapper recorded during the year was 8.3 kg. from a tapping task of 275 trees. Highest intake per tapper of 12.2 kg was recorded from the 1990 clearing with a tapping task of 301 trees tapped on ½ s d/3 tapping system.

The total number of Normal, Late, Rainguard & No tapping days recorded during the year were 210,21,68 & 84 days respectively.

Total rain fall recorded for the year was 4,948.0 m.m. with 231 wet days. When compared with same period last year it is more by 1,408.2 m.m. & 15 wet days respectively.

The COP & NSA achieved for the year was Rs.182.09 and Rs.427.87 respectively, giving a profit margin of Rs.245.78 per kg. and a total profit of Rs. 45.9 million. Profit per hectare recorded for the year was Rs. 237,830.09

Latex Crepe No.01X & RSS No.01 manufactured during the year were 82% & 95% respectively.

Kuruwita Sub Station

The mature and immature extents of the Kuruwita Sub-Station were 68.79 and 12.82 hectares respectively during the year.

A total crop of 101,836 kg. have been harvested during the year recoding an increase of 22% on previous year's crop. The actual yield per hectare (YPH) achieved was 1,455 kg. A yield per hectare of 1,523 kg. was achieved from the intercropped.

The average intake per latex harvester was 8.9. This is a increase of 0.7 kg. over the previous year.

The annual rainfall was 4986.4 m with 132 wet days as against 4188.6 mm with 84 wet days during the year.

The average number of Normal, Late, Rain interference and No tapping days were 323,10,03 and 29 days respectively.

The cost of production and net sale average for the year were Rs.129,79 and Rs.366,08respectively. The profit per kg. was Rs.236.29 and profit made for the year was 24,062,828.44 the total profit made inclusive of sundry income was Rs.25,292,736.50 durig the entire year.

RUBBER RESEARCH BOARD OF SRI LANKA
STATEMENT OF FINANCIAL POSITION AS AT 31.12.2010

ASSETS	Note	<u>2010 year</u>		<u>2009 year</u>	
Non - Current Assets					
Property, Plant and Equipment	01		189,754,481.92		170,486,383.66
<u>Working Progress</u> - (Monoragala Building			-		8,954,520.44
- Kuruwita Buildings			-		6,698.80
- Monaragala Nursery			4,212,886.28		3,013,374.52
- Moter Vehicles			693,640.00		
Other Financial Assets -				NIL	
RRI					
KW Esta	1B		376,348.29	370,885.02	
D'field Esta	1B - 11		<u>36,322.48</u>	<u>91,223.08</u>	462,108.10
			<u>412,670.77</u>		<u>462,108.10</u>
			195,073,678.97		182,923,085.52
Investment (LT)	RRI 02		451,937.38		438,936.11
Current Assets					
Trade & Other Receivables -	RRI 3 - I		438,238.81	424,537.21	
Other Debtors	RRI 3 - II A I		1286278.34	2274172.13	
General Debtors	RRI 3 - II A2	18,159,533.51		18,125,928.48	
Doubtful Debts	RRI 04	<u>(1,074,162.13)</u>	17,085,371.38	<u>(1,074,162.13)</u>	17,051,766.35
Debtors - Surety Bond	RRI 3 - II B		9,028,949.69	7,737,055.11	
	RRI 3 - II C		8,170,343.53	6,751,854.18	
	RRI 3 - III		3,519,041.67	3,568,134.71	
	KW Esta 3- IV	4,563,958.48		3,139,204.99	
	D/F Es 3- V	<u>5,025,540.16</u>	9,589,498.64	<u>3,138,284.24</u>	6,277,489.23
Goods in Transit	RRI	-			9,875,468.88
Inventories/Stocks -	RRI 05	11,337,537.78		8,336,876.03	
	KW Esta 5 - I	273,562.91		228,182.09	
	D/F Es 5 - III	<u>821,754.94</u>	12,432,855.63	<u>564,228.21</u>	9,129,286.33
Receivables	RRI 06		8,337,876.69		8,482,427.52
Cash and Cash Equivalents	RRI 07	57,807,267.45		15,997,182.55	
	KW Esta	118,988.04		401,042.34	
	D/F Es	<u>71,272.47</u>	57,997,527.96	<u>92,377.38</u>	16,490,602.27
Total Current Assets			<u>127,885,982.34</u>		<u>88,062,793.92</u>
Current Liabilities					
Payables	RRI 8 A I	(21,875,607.54)		(32,883,620.23)	
	KW Esta 8 A II	(1,783,016.93)		(2,311,240.60)	
	D/F 8 A III	(7,795,950.08)	(31,454,574.55)	(6,506,235.84)	(41,701,096.67)
Payable	RRI 8 - B		(29,768.37)		(47,880.87)
Accrued Expenses	RRI 9 - I	(6,127,570.87)		(5,479,217.21)	
	KW Esta	-			
	D/F Es 9 - III	<u>(131,499.35)</u>	(6,259,070.22)	<u>(192,154.62)</u>	(5,671,371.83)
Current A/C-(Intertranceaction Between Divisions)-	D/F Es/K'wita 10	-	-	496,246.26	-
Provision for Gratuity	RRI 11	(69,940,482.50)		(19,720,747.28)	
	KW Esta	(4,210,040.00)		(2,988,645.00)	
	D/F Es	<u>(12,636,385.00)</u>	(86,786,907.50)	<u>(12,840,132.50)</u>	(35,053,278.52)
Povision for Audit Fees	RRI 12		(1,345,856.72)		(1,149,028.38)
Total Liabilities			<u>(125,876,177.36)</u>		<u>(83,622,656.27)</u>
Net Current Assets			2,009,804.98		4,440,137.65
Total Assets			<u>197,535,421.33</u>		<u>187,802,159.28</u>
Equity and Capital					
Non Current Liabilities					
Accumulated Fund			45,044,234.46	45,044,234.46	
Other Capital Grants	13		42,225,391.86	43,420,806.77	
Treasury Grant- Capital			219,166,000.00	191,616,000.00	
Treasury Grant - Cess			79,828,035.40	79,828,035.40	
Plantation Crop Devel. Fund			6,300,000.00	6,300,000.00	366,209,076.63
Reserves			(186,143,974.61)	(201,411,006.24)	
Deficit A/C Balance B/f(01/01/2009)			(17,913,214.49)	15267031.63	
Balance for the Year			<u>(204,057,189.10)</u>		<u>(186,143,974.61)</u>
Contingency Liability					
Surety Bond			9,028,948.71	7,737,055.11	
			<u>197,535,421.33</u>		<u>187,802,157.13</u>

RUBBER RESEARCH BOARD OF SRI LANKA
Statement of Financial Performance
for the Year Ended 31/12/2010

	Note	Total		Total
		Rs'	Cts	Rs' Cts
		2010		2009
Recurrent Grant		181,050,000.00		176,300,000.00
Other Income	14	7,779,434.60		8,724,753.55
			188,829,434.60	185,026,762.55
Administration and Establishment Expenses				
Personal Emoluments	15	(142,924,667.79)		(137,006,513.39)
Travelling	16	(5,233,350.91)		(5,022,709.02)
Supplies and Consumable Used	17	(3,135,249.49)		(1,763,255.37)
Maintenance	18	(25,860,715.77)		(25,353,461.77)
Contractual Services	19	(27,076,264.11)		(13,974,247.88)
Research and Development	20	(12,558,114.98)		(10,378,259.93)
Depreciation and Amortisation Expenses	21	(16,760,525.03)		(25,637,660.38)
Other Operating Expenses	22	(5,812,996.73)		(5,941,333.81)
Total Operating Expenses			(239,361,884.81)	(225,077,441.55)
Surplus/Deficit from Operating Activities			(50,532,450.21)	(40,050,679.00)
<u>Less</u>				
Finance Cost				
Gain on Sales of Property Plant and Equipment				
Total non Operating Revenue (expenses)				
Net Surplus / Deficit before Extra Ordinary Items				
Extra Ordinary Items			-	-
Net surplus/deficit for the period			(50,532,450.21)	(40,050,679.00)
<u>Add /- Substations Loss or Profits</u>				
Profit on Dartonfield Estate	23	50,497,431.10		13,659,891.43
Profit on Kuruwita Estate	24	24,364,386.50		6,971,347.88
Kumarawatta Estse	25	(2,916,517.76)		(2,342,164.18)
Narampola Estate	26	(1,228,287.22)	70,717,012.62	(1,158,473.92)
			20,184,562.41	(22,920,077.79)
<u>Add</u>				
Prior Year Adjustment			(38,097,776.90)	38,187,109.42
			(17,913,214.49)	15,267,031.63

**RUBBER RESEARCH BOARD OF SRI LANKA
CONSOLIDATED CASH FLOW STATEMENT
FOR YEAR ENDED 31ST DECEMBER 2010**

	2010	2009
	Rs.	Rs.
A <u>Operational Activities</u>		
	20,184,562.41	(22,920,077.79)
<u>Add-</u>		
Depreciation	18,658,732.33	27,777,108.19
Amortization	(1,466,014.91)	(1,800,895.55)
<u>Less-</u>		
Interest on Investments	(34,838.15)	(39,339.29)
Sale of Rejected Item	(563,060.06)	(14,875.00)
Timber Sold		(401,020.42)
Operating Surplus/Deficit before Adjusting Working Capital's Movement	36,779,381.62	2,600,900.14
<u>Working Capital's Movements</u>		
Decrease in Payables-(creditors)	(12,355,490.66)	18,142,401.21
Increase in Accrue Expenses	587,698.84	4,543,018.64
Increase in Provisions Grativity	51,733,628.98	(40,443,975.22)
Good Intransit	9,875,468.88	(9,875,468.88)
Increase in Stock	(3,303,569.30)	(1,757,034.12)
Increase in Receivables	(5,182,713.14)	(2,192,038.59)
Decrease in Prepayment	(144,550.83)	(595,483.17)
Decrease in Payable	(18,112.50)	20,220.50
Increase Liability-sury bond)	(1,291,893.60)	(2,738,058.27)
Increase in Audit fees	(196,828.34)	(293,757.14)
Net Cash Flows from Operating Activities	76,483,019.95	(32,589,274.90)
B <u>Investment activities</u>		
Interest on Investments	34,838.15	39,339.29
Sale of Rejected Item	563,060.06	14,875.00
Timber Sold		401,020.42
Purchase of Plant and Equipment	(31,632,552.09)	(25,025,322.07)
Changes of Plant & Equipment	704,704.10	7,828,696.32
Increase in Investments	(13,001.27)	(11,131.34)
Increase in WIP	8,267,579.24	(1,113,318.86)
Other Financial Assets(Projects decrease)	49,437.33	514,768.06
Increase Monaragala Project	(1,199,511.76)	(696,159.79)
Net cash flows from investing activities	53,225,446.24	(50,636,507.87)
C <u>Financial Activities</u>		
Project Receipts	(1,202,871.12)	(82,809.24)
Capital Grant (tresury)	27,550,000.00	25,800,000.00
Prior Year Adjustment	(38,097,776.90)	38187109.42
Net Cash Flow from the Financing Activities	(11,750,648.02)	63,904,300.18
Net Increase/Decrease in Cash Flows	41,506,925.69	13,267,792.31
Cash and cash equivalents at beginning of the period	16,490,602.27	3,222,809.96
Cash and cash equivalents at end of the period	57,997,527.96	16,490,602.27

Rubber Research Board of Sri Lanka
Statement of Equity Changes as at 31.12.2010

Description	Capital	Reserve (Statutory)	Retention (Earnings)	Reserves (Other)	Total Value
2010.01.01 Opening Balances					
Accumulated Fund	45,044,234.46				45,044,234.46
Reserve –Treasury		191,616,000.00			191,616,000.00
Plantation Corp Development Fund		6,300,000.00			6,300,000.00
Cess Fund		79,828,035.40			79,828,035.40
Other Capital Grants				43,420,806.77	43,420,806.77
Other Liabilities			7,737,055.11		7,737,055.11
B/F Debit Balance			(186,143,974.61)		(186,143,974.61)
Add					-
Prior Year Adjustments			(45,801,514.26)		(45,801,514.26)
Prior Year Adjustments			7,703,737.36		7,703,737.36
Treasury Capital Grants	27,550,000.00				27,550,000.00
Prior Year Adjustment			4,085,921.79		4,085,921.79
Prior Year Adjustment			(2,794,028.19)		(2,794,028.19)
Write off Against Grant				(1,466,014.91)	(1,466,014.91)
Capital Grants Received				270,600.00	270,600.00
Profit for the Year Under Review			20,184,562.41		20,184,562.41
31.12.2010 Balances	72,594,234.46	277,744,035.40	(195,028,240.39)	42,225,391.86	197,535,421.33

RUBBER RESEARCH BOARD OF SRI LANKA

ANY OTHER DISCLOSURES

1. ACCOUNTING POLICIES

1.1 **General Accounting Policies :**

1.2.1 The accounts for the year end 31 December 2010 has been prepared in accordance with accepted accounting principles

1.2.2 There are no changes in the accounting policies and method of computation since year 2005 and the Financial Statements have been submitted in par with the statements published in the annual Report 2005.

1.3 **Conversion of foreign exchange:**

Foreign currency has been converted at prevailing rates

1.4 **Government and other grants and subsidies:**

1.4.1 Government and other grants and subsidies related to income have been taken in to the income statement considering the periods and with related costs

1.4.2 Government and other grants related to assets, have been presented in the balance sheet at their costs and non monetary grants presented at a fair value.

1.4.3 Replanting subsidies have been set off against replanting expenditure and net amount has been represented in the balance sheet under fixed assets

1.5 **Consolidation Policies:**

1.5.1 The Rubber Research Board accounts comprise the consolidation of the activities of the R.R.I. plantations (Estates) managed by the Rubber Research Institute.

1.5.2 The Rubber Research Institute and estates have a common financial year which ends on 31 December.

1.5.3 The profits and losses of the plantations have been taken in to the Rubber Research Institute surplus/deficit account and reflected in the balance sheet.

1.5.4 The project Accounts have not been consolidated with the Rubber Research Institute Accounts, since they are separate entities. However, the balance of the relevant control Accounts have been incorporated.

2. Non Current Assets:

2.1 Lands

The Institute is the sole owner of all the lands except Kumarawatta Monaragala and Narampola, Alawwa.

2.1.1 Kumarawatta (Monaragala)

The extent of the land is 50 acres and this was taken over from the JEDB on 19 September 2006 under MOU on 30 years Lease agreement. Assessment value is Rs. 10,000,000/- for this Land.

2.1.2 Narampola (Alawwa)

The extent of this land is 106 Acres 02 Roods & 31 perches. This land was taken over on 14.12.2004 under MOU on a Rental agreement.

- When preparing MOU agreement between RRI and JEDB the Narampola Lands has been monetary valued as Rs. 16,000,000/-
- Development cost for those lands is reflected as additions during the year.

2.2 A sum of Rs. 796,781.68 which was included in to the total value of the building is the construction cost of the building Narampola, Alawwa.

- 2.3 In accordance with MOU agreement RRI has to pay Rs. 640,000- annually as rental for Narampola Estate, Alawwa.
Rs. 400,000/- annually as and rental for Kumarawatta Estate, Monaragala.
- Since Owner’s Right for these lands (Narampola and Kumarawatta) are in question rental payments are delayed

No fixed Assets have been kept as surety for loans.

3.1 **Depreciation Policy**

- Fixed Asset will not be depreciated in the purchasing year, but it will be fully depreciated in the disposal year.
- “Reducing balance method” is applied by the institute for depreciation of assets.
- Lease assets or build up assets in lease lands are not depreciated.
- Value of the Non current Assets have been reflected in the balance sheet on written down value basis.

Depreciation will be made from the following year.

- 3.2 Non Current Assets have been stated at written down value basis Rates of the depreciation are as follows:-

3.3 Item	Percentage
Buildings	3.5 %
Furniture, Fixtures & Fittings	20.0
Power and Water supply	10.0
Laboratory apparatus	20.0
Motor Vehicles	20.0
Documentary films	20.0
Periodicals and Journals	20.0
Earth slip project	3.5
Rubber in bearing	5.0
Machinery & Tools	10.0
Tea in bearing	5.0

4. Work in Progress

4.1 Nursery - Monaragala

This nursery has been established form out of Cess Fund /. The management has decided to commence the depreciation from the following year after completion of the Nursery work and write off the fund proportionately.

5. Current Assets

5.1 Debtors & Other Receipts

5.1.1 The amount of Rs. **9,028,949.69** is shown as surety bond debtors in the balance date. Contingency liability a/c is a Para ell A/c. they born on foreign scholar ships.

5.1.2 Rs. **1,286,278.34** is other debtors which are indicated job leavers. Some persons are document laps and addressed laps and any other different cases. How ever we were unable take legal action against them. They also bore on foreign scholarships.

5.1.3 Rs. **28,474,761.54** is general debtors their age analysis as follows.

1 -3 month	3-6 month	6m -1year	1-2 year	2-3 year	3-5 year	5 over
2,721,769.44	63,222.72	589,290.28	1,586,880.238	3,418,568.70	10,239,792.90	9,855,237.27

5.1.4 Bad & doubtful debts. of Rs. 830,936.88 and Provision for Bad & Doubtful Debts. Rs. 1,074,162.13

Approval of the Ministry has been sought in 2009 for writing off the above, but the approval has not yet been given by the Ministry.

6. Stock Valuation

6.1.1 Rubber Stock has been valued on Market price

6.1.2 Other Stock Items

Those are valued on cost basis

7. Liabilities

7.1 Contingency Liability

The amount of Rs. 9,028,948.71 is shown as contingency liability in the balance sheet as at 31.12.2010. This amount represents a provision made on surety bonds in connection with Foreign Scholarships which were identified as income and added to the profit. A part of the provision will be taken in to profit annually. This was done for rectification of a principle error.

7.2 Gratuity

Gratuity Provision have been calculated applying with SLAS – 16 and Provisions have been made in the accounts for retirements gratuity, payable under the payment of gratuity Act. No. 12 of 1983 in respect of all eligible employees for the period of service under the Institute. Gratuity Provisions includes the provisions for newly absorbed Rubber Development Department staff to the New Advisory Services Dept of the Rubber Research Institute.

8. Writing off long outstanding balance

This matter has been referred to the ministry after Board approval. Ministry has not given the consent to write off these balances as yet.

Medicinal Plant Project (Dr. 1,109.12)

National Institute of plant management (Dr. 71,349.88)

CARP Project (Dr. 219,701.03)

DFID Project (Cr. 542,618.53) (Project was over 2002)

CARP Project (Dr. 14,149.13)

Climate change Project (Dr. 7,000.00) (Cr. 5,637.68)

University of Essex – UK (Cr. 21,731.55)

Rubber/Cocoa/ Cinnamon Project (Dr. 14,466.24)

09 Research & Development Expenditure:

Research and development expenditure have been charged to departmental expenditure for the period which they are incurred, including the RRI New Advisory Services Department.

10. Adoption and implementation of Sri Lanka accounting standards in accordance with SLAS were made w.e.f. 01.01.2000, in submitting financial statement and reports.

11. Treatment of new planting /replanting /crop diversification expenditure

The above categories of expenditure have been capitalized in the accounts with effect from 1993. Depreciation will be made on maturity.

Dartonfield

Agalawatta

Rubber Research Board of Sri Lanka
Notes to the Accounts for the Year Ended 31/12/2010

Note 01 - Non Current Assets schedule

Assets	Cost as at 01.01.2010	Additional during the year 2010	Total as at 31/12/2010	accumulative Depreciation as at 31.12.2010	Depreciation for the year 2010	accumulated Depreciation as at 31/12/2010	Written down value as at 31/12/2010
Road Development Df.	1,607,105.14	-	2,661,017.77	-	-	-	2,661,017.77
Land - Df.	1,010,704.74	1,053,912.63	1,010,704.74	-	-	-	1,010,704.74
- Nkele	357,805.89	-	357,805.89	-	-	-	357,805.89
- Galewatta	1,865,476.48	-	1,865,476.48	-	-	-	1,865,476.48
- Kuruwita	732,681.96	-	732,681.96	-	-	-	732,681.96
- Rathmalana	270,760.81	-	270,760.81	-	-	-	270,760.81
Lease Land - Alawwa (55 years lease)	662,365.75	-	662,365.75	-	-	-	662,365.75
- Monaragala (99 years lease)	106,650.00	-	106,650.00	-	-	-	106,650.00
Buildings - Df. H.Q	24,545,746.59	105,700.68	24,651,447.27	3,480,493.29	737,283.86	4,217,777.15	20,433,670.12
- Df. Estate	2,564,798.15	-	2,564,798.15	290,545.91	79,598.82	370,144.73	2,194,653.42
- Nkele	1,772,088.80	89,041.44	1,861,130.24	92,785.49	58,775.61	151,561.10	1,709,569.14
- Galewatta	215,774.37	-	215,774.37	32,821.99	6,403.33	39,225.32	176,549.05
- Kuruwita	2,489,839.95	91,433.53	2,581,273.48	124,898.79	82,772.94	207,671.73	2,373,601.75
- Rathmalana	13,852,447.57	55,499.00	13,907,946.57	1,647,627.43	427,168.70	2,074,796.13	11,833,150.44
- Alawwa	796,781.68	-	796,781.68	27,887.36	26,911.30	54,798.66	741,983.02
- Monaragala	-	13,954,344.77	13,954,344.77	-	-	-	13,954,344.77
Machinery & Tools - Df.	362,289.42	20,485.00	382,774.42	129,069.00	23,322.04	152,391.04	230,383.38
- Nkele	31,050.00	-	31,050.00	13,326.44	1,772.35	15,098.79	15,951.21
- Df. Estate	765,871.13	16,270.00	782,141.13	311,832.88	45,403.82	357,236.70	424,904.43
- Kuruwita	35,250.50	1,050.00	36,300.50	11,720.52	2,352.99	14,073.51	22,226.99
- Rathmalana	2,697,390.00	-	2,697,390.00	1,100,758.98	159,663.10	1,260,422.08	1,436,967.92
- Alawwa	13,045.50	-	13,045.50	1,304.55	1,174.09	2,478.64	10,566.86
Laboratory Equipments - Df.	41,243,070.76	3,874,205.90	45,117,276.66	-	-	-	-
- Rathmalana	38,938,740.07	5,795,434.26	44,734,174.33	37,071,628.73	9,017,573.22	46,089,201.95	46,200,024.35
- Nkele	1,977,684.01	460,091.30	2,437,775.31	-	-	-	-
Motor vehicles - H.Q	54,000,346.99	-	54,000,346.99	29,382,666.03	4,923,536.19	34,306,202.22	19,694,144.77
- Df. Estate	979,700.00	463,898.00	1,443,598.00	679,521.10	60,035.78	739,556.88	704,041.12
- Kuruwita	239,000.00	-	239,000.00	129,414.24	21,917.15	151,331.39	87,668.61
- Nkele	380,681.60	-	380,681.60	132,845.90	24,783.57	157,629.47	223,052.13
- Alawwa	29,995.00	-	29,995.00	12,052.31	1,794.26	13,846.57	16,148.43
- Kuruwita	18,750.00	100,247.68	118,997.68	6,874.59	1,187.54	8,062.13	110,935.55
- Rathmalana	272,067.00	-	272,067.00	90,725.17	18,134.18	108,859.35	163,207.65
- Monaragala	1,695,132.00	-	1,695,132.00	169,513.20	152,561.88	322,075.08	1,373,056.92
Furniture & Fixtures & Office Equipment - Df. H.Q	90,685.00	-	90,685.00	9,068.50	8,161.65	17,230.15	73,454.85
- Alawwa	13,610,232.63	661,169.40	14,271,402.03	6,053,470.31	1,511,352.46	7,564,822.77	6,706,579.26
- Nkele	1,263,853.46	2,660.00	1,266,513.46	636,585.99	125,453.49	762,039.48	504,473.98
- Kuruwita	198,354.50	4,275.00	202,629.50	88,940.16	21,882.86	110,823.02	91,806.48
- Rathmalana	3,796,184.70	284,119.01	4,080,303.71	1,649,475.93	429,341.75	2,078,817.68	2,001,486.03
- Alawwa	151,827.00	-	151,827.00	29,385.40	24,488.32	53,873.72	97,953.28
(vote No-01.07.06 +01.08.06) - Df. Estate	543,330.21	-	543,330.21	221,057.50	64,454.54	285,512.04	257,818.17
- Monaragala	-	1,031,461.63	1,031,461.63	-	-	-	-
Others - Df. H.Q	2,791,981.75	75,172.27	2,867,154.02	-	-	-	-
- Df. Estate	7,900.00	-	7,900.00	-	-	-	-
- Rathmalana	83,239.00	26,315.60	109,554.60	682,561.84	271,571.32	954,133.16	3,580,211.45
- Nkele	4,699.00	3,120.00	7,819.00	-	-	-	-
- Kuruwita	507,955.36	-	507,955.36	-	-	-	-
- Alawwa	2,500.00	-	2,500.00	-	-	-	-
- Monaragala	-	20,150.00	20,150.00	-	-	-	20,150.00
Library Periodicals Journals & Sub etc.	5,065,351.62	417,730.00	5,483,081.62	3,447,191.21	323,632.08	3,770,823.29	1,712,258.33
Rubber Replanting Df & Kwita	26,276,750.59	2,875,884.60	29,152,635.19	-	-	-	29,152,635.19
Rubber in bearing Df & Kwita	11,925,209.93	-	11,925,209.93	-	596,260.49	596,260.49	11,328,949.44
Ten Replanting Kwita	1,314,861.86	148,880.39	1,463,742.25	-	65,743.09	65,743.09	1,397,999.16
Replanting Cinnamon Kwita	854,010.32	-	854,010.32	-	42,700.52	42,700.52	811,309.80
Replanting Pepper	106,848.01	-	106,848.01	-	-	-	106,848.01
Earth Slip Project	139,543.30	-	139,543.30	24,131.83	4,039.40	28,171.23	111,372.07
Documentary film	3,723.33	-	3,723.33	2,584.60	227.74	2,812.34	910.99
Total	265,270,133.43	31,632,552.09	296,902,685.52	87,784,767.17	19,363,436.43	107,148,203.60	189,754,481.92
2010.01.01 Accumulated Depreciation	=	87,784,767.18	***	2010 Total Depreciation	=	19,363,436.43	***
2010 year Depreciation	=	18,658,732.33	**	2010 Replanting Depreciatin	=	704,704.10	*
				Transfer to the Estate A/C	}		
	Rs.	<u>106,443,499.51</u>				Rs.	<u>18,658,732.33</u>

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010

Note (1 - B) Other Financial Assets

Note 1B -i Kuruwita

	Rs.	Rs.
	2010	2009
2010 Young Budding Nursery	35,633.65	-
2011 Young Budding Nursery	276.04	
Tea Nursery - 2010	5,371.82	-
2007/2008 Young Budding Nursery	17,345.83	24700.95
2007 Bud Wood Nursery	10,169.72	38003.91
Passion Fruit Project	-	-
Anthurium Trail	-	2021.77
Banana Trail	47,878.48	72854.98
Cinnamon Bearing A/c	259,672.75	213885.05
Pine Apple Project		19418.36
Total	376,348.29	370,885.02

Note 1B -ii Dartonfield Estate

	Rs.	Rs.
	2010	2009
Green Leaf Area		
2008/2009 Young Budding Nursery GW	-	58,130.32
2008/2009 Young Budding Nursery NK	-	33,092.76
2010/2011 Young Budding Nursery NK	36,322.48	
	36,322.48	91,223.08

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010

<u>Note - 02</u>	<u>Investment</u>	<u>2010 Year</u>	<u>2009 Year</u>
		Rs	Rs
	Bank Of Ceylon Agalawatta C/29 200835	200,000.00	200,000.00
	National Savings Bank-City Branch A/C No.1-0002-04-5806-06	237,130.44	225,558.04
	National Savings Bank-Matugama FD No.2-0045-10-18736		
	National Savings Bank-Matugama FD No.2-0045-01-58658	14,806.94	13,378.07
		451,937.38	438,936.11

<u>Note-03 i</u>	<u>Trade & Other Receivables</u>	<u>2010 Year</u>	<u>2009 Year</u>
	<u>Deposits</u>	Rs.	Rs.
	Telecom	6,000.00	6,000.00
	Electricity	90,500.00	90,500.00
	Post Master General	27,116.81	13,415.21
	Sundry	2,005.00	2,005.00
	M.P.C.S. Moratuwa	50,000.00	50,000.00
	New Bambalapitiya Service Station	4,000.00	4,000.00
	Ceylon Oxygen Co. Ltd.	113,316.00	113,316.00
	Tender	2,000.00	2,000.00
	Lanka Filling station-Narahenpita	15,000.00	15,000.00
	Leo Freight Services(Pvt) Ltd	3,801.00	3,801.00
	M.P.C.S. Matugama (Fuel)	74,500.00	74,500.00
	Samaranayake Saha Samaranayake	50,000.00	50,000.00
		438,238.81	424,537.21

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010

	2010	2009
Note-3-ii-a 1		
Trade & Other Receivables		
Other Debtors		
S.A.P.P.Gunathilaka		987,893.79
Thurul Warnakula	936,278.34	936,278.34
D.E.D.E.I.N.Perera	350,000.00	350,000.00
	1,286,278.34	2,274,172.13
Note-3-ii-a 2		
General Debtors		
General Debtors	18,159,533.51	18,125,928.48
Note-3 ii B		
Bond Debtors		
H. H. Thalgaswatta	278,402.56	398,402.56
B.P.Weera rathna	1,878,468.12	1,909,802.79
N.A.A.D.Wickramarathna	2,393,274.25	
JAGSG Gunawardana	633,241.18	933,286.18
Samanthie P Herath	1,042,044.07	1,367,044.07
SMCE Silva	1,635,005.85	1,635,005.85
Nalinda P Wicramasinghe	10,643.54	10,643.54
MDRG Gunathilaka	2.00	2.00
MS Ranasinghe	1,157,868.12	1,482,868.12
	9,028,949.69	7,737,055.11
Note-3 ii C		
DEBTORS		
Provident Fund Control A/C RRI	4,267,626.87	3,830,064.28
Interest Receivable	9,994.52	14,728.76
NSF RG 2005/AG/14	-	
Bad & Doubtful Debtors	830,936.98	830,936.98
CARP Control Account	14,149.13	14,149.13
National Science Foundation	148,368.76	148,368.76
Medicinal Plant Project -2	219,701.03	219,701.03
Medicinal Plant Project -1	1,109.12	1,109.12
Rubber/Cane Cinnamon Project	14,466.24	14,466.24
CARP Project No 12/477/357	27,719.01	27,719.01
NRESA	5,400.00	5,400.00
Staff Fire Wood Issues		154.26
Salaries Payable A/C	3,188.97	-
NSF Grant RG/2006/EPSP/01	116,007.83	121,665.83
Training Centre	980,412.61	980,412.61
NSF Grant	296,410.00	296,410.00
ANRPC	40,454.53	40,454.53
Sandee Project	5,294.02	5,294.02
CARP -12/607/457	30,454.20	30,454.20
Medical Fund Loan		26,019.56
Nurseries	21,744.96	21,744.96
Handy Craft Project	72,732.75	73,195.25
RRI/TRI/CRI/Symposium	108,217.01	-
Rubber Cocoa Cinnamon Project	7,000.00	7,000.00
Ministry of Science & Technology	41,687.50	41,687.50
NSF Grant RG/2005/AG/08	-	718.15
NSF Grant RG/2005/AG/07	238,222.41	-
NSF Grant RG/2008/AG/02	250,715.14	-
SPEMDR	52,200.00	-
Humate Plus Experiment	13,241.00	-
International Work Shop on White Root Diseces	352,888.94	-
	8,170,343.53	6,751,854.18
Note-3 iii		
LOAN RECEIVABLES		
	2010	2009
Motor Car / Motor Car Repair Loan	506,250.00	270,000.00
Motor Cycle Loan	261,785.48	288,642.56
Personal/Distres/Study Loan	1,068,186.85	1,431,446.00
New Personal Loan	1,682,819.34	1,578,046.15
	3,519,041.67	3,568,134.71

Rubber Research Board of Sri Lanka
Note to the Accounts for the Year 31/12/2010
Kuruwita Estate
Trade & Other Receivable

Note-3-iv

	Rs.	Rs.
	2010	2009
Check Roll	14,656.24	8,446.15
Staff Electricity	3,868.24	4,492.40
Festival Advance(Labour)	82,000.00	84,100.00
Festival Advance (Staff)	165.00	165.00
Motor Cycle Loan "	59,449.08	79,439.49
Kiriporuwa Estate	-	2,718,402.63
Postage	645.00	334.00
St.Joachime Estate	120,505.72	148,157.51
Personal Telephone Calls	-	456.17
Personal Loan Electricity	-	32,811.64
Sundry Debtors	-	62,400.00
Lalan Rubber (pvt)Ltd	4,281,919.20	-
Book Allowance	750.00	-
	4,563,958.48	3,139,204.99

Dartonfield Estate
Trade & Other Receivable

Note 3-v

	Rs.	Rs.
	2010	2009
Adaptive Research Unit	2,714.01	8,234.90
Check Rol	67,164.45	50,458.96
Deposit A/c	2,690.00	2,690.00
Electricity Receivable	935.70	1,715.36
J.D. & Sons	-	2,240,095.36
Labour Festival Advance (Sinhala)	171,000.00	184,500.00
National Institute of Plantation Management	66,066.14	66,066.14
Personal Loan	31,666.16	74,998.80
Postage Stamp	438.00	415.00
Pry Mounth Rubber Industrial	6,100.00	6,100.00
Festival Advance - Staff	12,000.00	13,000.00
John Keels Ltd	4,114,028.04	-
Tamil Festival Advance	295,200.00	291,600.00
Vogen Estate	239,050.54	116,498.63
Insurance Cash in Transists	9,248.37	9,515.23
Rain Guard A/C	-	72,395.86
Festival Advance Christmas	5,000.00	-
Tea Research Insititute	2,238.75	-
	5,025,540.16	3,138,284.24

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010

Note - 04 **Doubtful debtors**

Provision for bad & doubtful debts have not been made since year 2002. A balance of Rs.1,074,162.13 is appeared in the accounts for last 06 years. Arrangements will be made to write-off this this balance by obtaining the approval of the Rubber Research Board.

Note - 05
Inventories/ Stocks

		2010	2009
		Rs.	Rs.
Stock - Dartonfield	-	6,386,410.00	4,374,529.26
Stationary		325,470.45	314,919.39
Stock - General		4,625,657.33	3,647,427.38
Total		11,337,537.78	8,336,876.03

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010

Note 5 -ii - Kuruwita Estate Stock

<u>Fertilizer</u>	2010		2009	
	Qty.(kg)	Rs.	Qty.(kg)	Rs.
Urea	154	8,101.18	120	7,877.55
M.O.P.	221	15,559.69	60	5,421.36
Kieserte	238	15,036.23	343	21,669.92
T 200	20	848.40	100	4,549.00
VPLC 880		-	350	21,497.00
Dolomite	152	991.27	400	2,716.00
T.S.P	130	10,065.12	130	10,065.12
Epson Soalt	30	1,130.51		
Di-Amonia Suphate	14	1,853.47	18	2,550.32
Sulphate of potash	20	2,332.42	18	2,321.53
Sulphate of Amonia	36	1,361.07	32	1,611.66
E.R.P	620	7,440.00	88	1,061.48
<u>Chemical</u>				
Contaf		-	4 Ltrs	10,300.00
<u>Other items</u>				
Barbedwire	100	16,488.89	25	4,100.00
Tar	1265	117,696.30	1380 Ltrs	129,736.45
Diesel	61	4,459.90	37 Ltrs	2,704.70
Crop Master		200.00		-
Etheral	5	5,425.86		-
Pipe Parts		60,869.60		-
Polythene	14	3,703.00		-
		273,562.91		228,182.09

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010

Note 5-iii - Stock Value - Dartonfield Estate

Item	Qty (Kg)	Value (Rs)
Formic Acid	203.9 kg	44,838.74
Nexobleech	18.4kg	41,962.38
Oxalic Acid	29kg	2,320.00
Sodium Bisulphite	143.1kg	34,516.10
Maxi crop	02 bott	680.00
Collar Protectant	08lit	880.00
Bullet	01 bott	384.00
Sulpher Powder	10 kg	1,308.00
Redoxy	500 kg	1,750.00
Ethral	10 lit	10,850.00
Sodium Sulphite	110 kg	20,322.23
Mata	200gm	185.00
Borusare	08 lit	2,641.29
Urea	30 kg	1,607.78
Kieserite	68 kg	2,957.13
Sulpher Powder	03 kg	294.00
Di Ammonium Phosphate	03 kg	144.00
CinnamonManure	50 kg	14,862.80
Sulphate of Potash	07 kg	307.28
E.R.P	16 kg	175.94
V.P.L.C.880	100 kg	5,852.16
Dolomite	199 kg	1,330.75
N.P.K.12.14.14	276 kg	11,571.93
Canyon Stone Paint	01 lit	838.00
G.I. Roofing Sheet 8"	05 No	5,706.31
G.I. Roofing Sheet 9"	36 No	56,521.31
Plain Spouts	400 No	260.01
Poultry Mesh	01 roll	3,475.00
Weighing scale	01 No	225.00
Clay Powder	100 Kg	2,326.62
F/Starters	04 No	140.12
M/Forks	04 No	1,800.00
Dust Mask	07 No	600.86
Red Power	1/2 kg	325.37
Balt & Nut	16 No	112.00
G.I. J Hooks	01 kg	2,200.00
Valve Socket 2"	02 No	260.00
Brass Screws	200 No	1,290.00
P.V.C. Pipe 2 1/2	1 1/2 length	6,885.00
Weighing Bucket 40 lit	01 No	2,175.00
Down Pipe 3 1/2	02 length	850.00
31/2 x 3 1/2 x 15 Poly Bag	7000 no	20,300.00
Visikatte	07 No	1,925.00
Sorandies	10 No	1,000.00
Clear Polythene 300g x 24	645 kg	158,672.58
Epoxy Thinner	04 Lit	1,330.00
Electric Bulbs	08 No	536.00
Clear Polythene	8.950 kg	2,148.00
G.I.Plain Sheet	01 No	1,331.25
Tar	3600 lit	346,780.00
Total		<u><u>821,754.94</u></u>

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010

Note 06 - Receivables

	2010	2009
	Rs.	Rs.
RDD / ASD / RRI Control A/C.	1,477,620.11	1,617,887.10
Festival Advance	296,200.00	303,700.00
Travelling Advance	34,100.00	32,000.00
A.S.D.Building Complex	5,214,500.00	5,214,500.00
Staff Salary Advance	5,850.00	5,850.00
RRI Departments - Sundry	1,200.00	1,200.00
Graduate Trainees Reimbursable	627,983.56	627,983.56
Security Deposits	31,150.00	31,150.00
RDD/ Nurseries RRI Main Control A/C	98,910.15	98,910.15
E T F	46,686.35	61,092.36
Insurance	16,528.80	19,114.24
Pre Payments T.Premaratne,Suranga Motors Ampara	150,000.00	150,000.00
NIPM	71,349.88	71,349.88
Graduate Trainees Payment	84,442.84	84,442.84
Cheques Purchase Advance	161,355.00	156,973.36
Salaries Payable A/C	-	3,188.97
Abatement Payment A/C	-	3,085.06
Cash Purchase Advace A/C	20,000.00	-
	8,337,876.69	8,482,427.52

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010
CREDITORS 2010

Note 08-A i

	2010	2009
	Rs.	Rs.
Creditors Ledger Control A/C (C L C)	15,994,742.81	27,320,348.11
<u>RECEIPTS IN ADVANCE</u>		
Provident Fund Account - RDD	1,535,279.05	1,683,064.35
Tender Deposits	1,275,702.84	1,148,712.84
Canteen Deposits	13,500.00	13,500.00
Contract Deposits	15,350.50	15,350.50
Abatement Payable	9,814.94	
Workmen's Compensation -Insurance Corp:		-
Ru: Ban: Intercropping Programme Ecology UK (D F I I)	542,618.53	542,618.53
Receipt-in -Advance A/C (J.I C.A)	208,297.09	208,297.09
Plant Science Intercropping Unit (Essex U.K)	21,731.55	21,731.55
National Science Foundation NSF/RAP/2001/RRI/01	705.96	705.96
NSF - SIDA/98/EP01	95,014.85	114,686.00
Receipt in Adr(Welfare)	595.00	595.00
NSF - PG/99/C/7		4,459.85
Biometry Project - Climate Change on Rubber	5,637.68	5,637.68
Sundry	16,338.28	16,338.28
NSF RG 2005/AG/14	88,215.84	235,243.88
NSF RG 2005/AG/13		22,104.82
NSF RG 2005/AG/08		
NSF RG 2005/AG/07		45,348.76
Centre for Poverty Analysis	1,841.25	1,841.25
Salaries Payable A/C		-
NSF Grant RG/2006/SPR/06	356,001.00	356,001.00
RRI/TRI/CRI Symposium		228,813.65
Lapsed Cheques A/C	135,153.71	136,484.34
Medical Feund Resurve RRI Staff	4,174.00	2,395.00
RDD Nursery - Gampaha	45,000.00	45,000.00
Receipt in Advance (stamp)	271,645.00	271,645.00
RDD (Salary Arrears)	92,837.57	92,837.57
RDD Staff Payments & Recoveries Control A/C	1,621.72	1,621.72
Receipt in Advance Insurance		
Staff Fire Wood A/C		
NSF Grant RG/2006/EPSP/01		
NSF Project RE/2008/AG/02		88,162.61
Vitex Project	9,288.79	16,667.39
National Workers Congress	67,497.50	67,497.50
Moratuwa University	212,720.00	175,910.00
Staff Fire Wood A/C	2,845.74	
R.D.D.Kegalle	23,318.75	
Insurance Claim Received	150,000.00	
N.S.F.Grant RG/2010AG/01	134,880.00	
Plantation Development Project	543,237.59	
	21,875,607.54	32,883,620.23
Note-08 B		
Payable		
Payable	29,768.37	47,880.87

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010

Note - 08 -A -ii -Kuruwita - Payables

	<u>2010</u>	<u>2009</u>
Check Role Wagers	825,373.59	886,143.35
CEB	-	17,616.30
Sundry Creditors	8,670.00	-
Govnt Department & Estate Corporation	15,420.48	-
Sri Lanka Telecom Ltd	5,939.12	4,367.41
EPF Payble	230,494.06	397,174.72
EPF Payble	31,431.01	54,160.19
Unclimed Wagers	31,368.99	31,142.64
Holiday Pay	382,588.81	351,707.39
Attendance Bonus	65,129.00	66,450.00
LJEW	23,625.00	17,025.00
JSS	135.00	240.00
RRI Recriation Club	100.00	100.00
Labour Welfare Fund	-	26,900.00
Emloyees Welfare Katubedda	-	1,500.00
Death Donation Welfare	240.00	360.00
Deposits	63,763.72	72,162.00
Receipt in Advance	20,354.11	19,730.23
RRI Provident Fund	23,866.64	29,560.72
Personal Loan Peoples Bank/Bank of Ceylon	-	4,500.00
Pay-Cards	890.00	1,710.00
Labour Arrears	-	227,918.75
Kuruwita M.P.C.S	16,957.40	26,275.20
S.L.N.S.S	2,140.00	2,540.00
Jayathunga Trade	-	1,387.00
Thrift Society	3,120.00	5,616.00
2008-2009 Young Budding Nursery	-	64,953.70
New Kalani Hardware	5,110.00	-
Vishwa Shakthi Welfare	26,300.00	-
Total	<u>1,783,016.93</u>	<u>2,311,240.60</u>

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010
Dartonfield Estate
Note 8 - A - iii - Payables

	Rs. 2010	Rs. 2009
Attendance Bonus	227,787.47	230,141.66
Buddhist Society	300.00	4,750.00
Check Roll	2,436,803.08	2,669,464.56
Commission on Cash Transport	19,302.50	25,036.44
Chemanex Ltd	-	92,360.10
Ceylon Electricity Board	4,624.72	4,543.44
C.W.C.	2,470.00	264.00
C.S.C.& W.U.	630.00	1,020.00
C.P.M.S.U.	3,450.00	3,750.00
E.P.F.	604,971.74	628,335.69
E.T.F.	99,173.58	99,150.40
Holiday Pay	1,223,005.36	987,649.74
Horticulture Society	40.00	40.00
Insurance Corporation of Sri Lanka	214.20	214.20
Janatha Fertilizer Enterprises	298,577.50	298,577.50
Kovil Fund - Dartonfield	2,800.00	2,800.00
Kovil Fund - Galewatta	3,400.00	4,000.00
Kalyani Ttrading (Pvt)Ltd	-	7,486.00
L.J.E.W.U.	6,555.00	3,675.00
L.E.W.U.	60.00	90.00
New Mahinda Stores	-	10,097.00
National Savings Bank	1,300.00	1,300.00
New Paper Agent	2,100.00	700.00
RRI Welfare Society Colombo	10,300.00	25,700.00
Refundable Deposits	42,796.00	42,796.00
RRI Club	3,031.00	4,652.50
Staff Provident fund	113,619.39	108,877.45
S.L.N.S.S.	6,000.00	5,840.00
Siriwardana Motors	-	13,555.00
Thrift Society	6,301.00	7,524.00
Transport Agent	26,938.30	17,191.25
Unpaid Wagers	103,812.36	114,347.81
Welfare Society - Gallewatte	4,400.00	5,400.00
Welfare Society - Dartonfield	60.00	60.00
Welfare Society - H.O	1,971.00	13,660.50
Wijegunawardana & Sons	58,384.00	253,247.00
Agalawatta Auto Service	-	3,730.00
Agalawatta Motors	65,350.00	25,035.00
Institute Medical Fund	30.00	70.00
Profit Bonus - 2010	2,391,268.99	718,353.60
Sasirn Tile Stores	-	7,800.00
Surveyer A/C	-	61,250.00
Udheya Printers	-	1,700.00
Medical Officer Payment	24,122.89	-
	7,795,950.08	6,506,235.84

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010

Accrued Expenses

Note -09

09-i RRI	2010	2009
Unknown Balance	-	-
Overtime 2008 December	66,456.63	66,456.63
Overtime 2010 December	440,529.18	459,951.28
Travelling & Subsistance 2010Dec	420,585.06	333,809.30
Salary Allowance 2500/- November & December 2009		459,000.00
Rental - Kumarawatta 2006 - 400,000/-		
2007 - 400,000/-		
2008 - 400,000/-		
2009 - 400,000/-		1,600,000.00
2010 - 400,000/-	2,000,000.00	-
Rental - Narampola 2006 - 640,000/-		
2007 - 640,000/-		
2008 - 640,000/-		
2009 - 640,000/-		2,560,000.00
2010 - 640,000/-	3,200,000.00	-
	6,127,570.87	5,479,217.21
Kuruwita Estate (09-ii)		
News Paper Bill		
Icentive Pay for Field Staff		
Commision on Cash Carring AES		
	-	-
	-	-
Dartonfield Estate (09-iii)		
Payment for Attending M.C case	-	3,750.00
Cost of Aluminum Sheet	-	520.00
Cost of Tea Cup Set	-	780.00
Cost of Ceiling Fan	-	3,500.00
Payment for Repairing rubber factory	-	3,400.00
Payment for Repaing Tools	-	200.00
Overtime, Travell. & Subsis. - Dec'2010	63,609.54	94,932.12
Labour Charges - December 2010	46,566.00	85,072.50
Reimbursement of Medical bills	527.75	-
K.A.Sarath Kumara		
Cost of Cheque Book	750.00	-
Debit Tax	4,466.03	-
Transport Charges	15,580.03	-
	131,499.35	192,154.62
Grand Total	6,259,070.22	5,671,371.83

Note - 10 (Inter Transaction Accounts - Current A/C)

	RRI	K/W	D/F	Total
Dartonfield	14,608,944.38			14,608,944.38
Kuruwita	660,199.21			660,199.21
RRI		(660,199.21)	(14,608,944.38)	(15,269,143.59)
	15,269,143.59	(660,199.21)	(14,608,944.38)	-

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010

Provision for Gratuity

Note - 11

	2010	2009
RRI	69,940,482.50	19,720,747.28
Kuruwita	4,210,040.00	2,988,645.00
Dartonfield	12,636,385.00	12,840,132.50
Total	86,786,907.50	35,549,524.78

Provision were made for 536 employees including Dartonfield and Kuruwita Estate details are available in the JE 758 and Estate Accounts Schedules

Provision for Audit Fee

Note - 12

	2010	2009
Beyond 2010.01.01	1,149,028.38	1,442,785.52
Provision for 2010	375,952.34	341,774.86
Paid 2010	(179,124.00)	(635,532.00)
Total	1,345,856.72	1,149,028.38

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010

Note-13	OTHER CAPITAL GRANTS - 2010			
Other Capital Grants	Value as at	Additions	Depreciations	Value as at
	01.01.2010	During Year	on Grants	31.12.2010
	Rs.	Rs.	Rs.	Rs.
Accumulated Fund				
O.D.A. Grant	822,553.30		455,209.55	367,343.75
Government Grant	2,101,169.00			2,101,169.00
Australian Grant	165,221.00			165,221.00
World Bank Grant	4,739,779.82			4,739,779.82
UNDP Grant	2,571,866.95			2,571,866.95
UNICEF Grant	10,000.00			10,000.00
CRI /TRI Grant	334,058.64			334,058.64
NARESA Grant	1,345,912.39			1,345,912.39
UNDP Research Grant	2,510,441.46			2,510,441.46
Tea Board Grant	445,343.40			445,343.40
SRRP I Grant	34,272.34		7,104.31	27,168.03
ARP Project	12,542,595.30			12,542,595.30
CARP Grant	393,906.79		186,701.85	207,204.94
ARP II Capital Grant	4,816,601.19		2,890.28	4,813,710.91
Medicinal Plant Project Grant	29,074.28		4,413.92	24,660.36
Reserve Capital				
NERESA Grant	5,600.00			5,600.00
SRRP II - Grant	8,630,045.12		293,144.79	8,336,900.33
Treasury Grant (Capital)	25,881.84			25,881.84
Treasury Grant (Capital Reserve)				-
N.S.F. Grant	1,313,482.38	270,600.00	320,586.79	1,263,495.59
D.F.I.D. Grant	530,974.43		188,446.73	342,527.70
Staff Grant Comfort room	11,322.33		344.39	10,977.94
European Union Grant	20,410.99		3,517.10	16,893.89
Centre for Poverty	4,921.65		886.28	4,035.37
Environment Project Phase II	7,983.99		1,474.92	6,509.07
Cess Fund Capital				
Climate Change Project	7,388.18		1,294.00	6,094.18
Plantation Crop Development Fund				
	43,420,806.77	270,600.00	1,466,014.91	42,225,391.86

RUBBER RESEARCH BOARD OF SRI LANKA

Notes to the Accounts for the Year Ended 31/12/2010

Note-14 - OTHER INCOME - 2010		Non Research	Research	Total Rs.	
				2010	2009
	Interest On Institute Loans	135,783.83		135,783.83	141,626.88
	Sales Of Publication	407,732.00		407,732.00	206,907.02
	Sale Of Processed Rubber/Analytical Charges		548,012.50	548,012.50	2,800.00
	Busfare Recoveries	300,429.87		300,429.87	256,675.47
	Sundry Receipts	2,062,713.04		2,062,713.04	4,565,039.01
	Claims From Insurance Corporation			-	68,000.00
	Suppliers Registration Fees	1,450.00		1,450.00	12,200.00
	External heavy vehicles entering to RRI Premises	6,400.00		6,400.00	4,600.00
	Sale of bud wood/stumps		48,125.00	48,125.00	78,850.00
	Effluent Treatment- B/C Deposit		9,500.00	9,500.00	10,600.00
	Testing of Soil Samples		124,781.25	124,781.25	941,566.72
	Testing of Rubber - Polymer		60,375.00	60,375.00	573,050.00
	Testing of Rubber - Rubber Technology		76,150.00	76,150.00	62,800.00
	Testing of Rubber - RRP Dept.		421,600.00	421,600.00	319,450.00
	RRI Timber Sold /Utilized			-	401,020.42
	Kuruwita Guest House Occupational Charges	1,500.00		1,500.00	12,750.00
	Sale of Rejected Items	563,060.06		563,060.06	14,875.00
	Soil & Foliar Survey		66,113.36	66,113.36	71,454.79
	Kiosk	3,978.00		3,978.00	4,900.00
	Interest on Investments	34,838.15		34,838.15	39,339.29
	Sale of Tapping Knives		883,240.00	883,240.00	628,610.00
	Use of RRI Vehicles for Projects		284,022.60	284,022.60	58,280.15
	Profit on Training Programmes	317,000.40		317,000.40	190,938.00
	Guest House Charges - D/F	37,427.60		37,427.60	58,420.80
	Sail Foliar Survey		1,327,831.86	1,327,831.86	-
	Waste Rubber of RRI Depts Sold		57,370.08	57,370.08	-
		3,872,312.95	3,907,121.65	7,779,434.60	8,724,753.55

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010

Note -15 PERSONAL EMOLUMENTS

EXPENDITURE STATEMENT - 2010

Research Departments	Emoluments	P.F.	E.T.F.	Medical Fund	Over Time	House Rent	Total
Plant Science	8,551,722.51	1,073,523.75	209,329.96	1,787,413.48	271,637.36	69,637.33	11,963,264.39
Plant Pathology	3,968,446.79	480,353.08	96,070.61	814,316.42	127,106.72	34,100.00	5,520,393.62
Genetics & Plant Breeding	5,110,903.07	670,356.06	120,714.97	954,083.13	154,402.85	40,345.00	7,050,805.08
Soils & Plant Nutrition	7,967,612.61	982,048.67	196,409.76	1,434,692.39	142,787.85	69,242.90	10,792,794.18
Raw Rubber & Chemical Analysis	4,365,066.68	634,410.01	106,685.39	902,305.71	191,442.51	65,738.67	6,265,648.97
Bio-Chemistry & Physiology	2,237,061.31	277,346.07	55,469.21	388,903.27	39,173.35	12,660.00	3,010,613.21
Electronic Laboratory	436,484.83	56,022.72	11,204.54	77,422.96	1,167.75	5,280.00	587,582.80
Adaptive Research Unit	3,020,396.65	361,690.76	74,338.14	484,826.10	42,605.17	21,840.00	4,005,696.82
Rubber Technology	4,184,337.94	533,669.99	100,614.58	822,598.69	120,138.01	44,842.67	5,806,201.88
RRPD & CE Dept	4,332,221.44	531,450.65	106,290.13	683,696.00	257,582.32	55,863.87	5,967,104.41
Bio Metry	2,010,435.53	251,117.86	50,223.58	347,862.48	5,927.98	14,280.00	2,679,847.43
RRI New Advisory Services Dept	15,701,094.95	2,327,205.71	386,532.20	1,515,849.88	45,594.79	162,586.76	20,138,864.29
Training Centre	610,851.18	73,670.40	14,734.07	136,855.00	30,964.54	5,280.00	872,355.19
Polymer Chemistry	4,189,561.76	508,526.90	101,705.39	667,295.40	122,286.35	57,693.55	5,647,069.35
SUB TOTAL	66,686,197.25	8,761,392.63	1,630,322.53	11,018,120.91	1,552,817.55	659,390.75	90,308,241.62
Other Departments							
Library & Publication Unit	1,644,714.51	185,826.67	37,165.40	313,902.25	158,817.54	15,840.00	2,356,266.37
Director's Office	2,748,004.57	373,163.93	74,632.78	370,272.45	1,330.78	12,720.00	3,580,124.51
Internal Audit	1,239,636.40	147,192.44	29,438.49	258,163.85	12,575.18	14,280.00	1,701,286.36
Board Office	1,654,145.42	120,650.84	24,950.97	132,366.88	212,602.05	15,840.00	2,160,556.16
Administration	8,863,252.83	1,033,896.07	196,253.70	1,777,601.61	463,917.56	110,131.82	12,445,053.59
Finance (Accounts)	5,328,947.04	646,944.08	129,388.90	1,163,218.25	902,999.40	44,160.00	8,215,657.67
Stores	858,024.98	99,851.43	19,970.27	152,783.30	91,332.67	12,840.00	1,234,802.65
Maintenance (Work Section)	13,948,896.45	1,627,397.56	315,026.05	2,926,176.66	1,977,385.15	127,796.99	20,922,678.86
SUB TOTAL	36,285,622.20	4,234,923.02	826,826.56	7,094,485.25	3,820,960.33	353,608.81	52,616,426.17
Grand total	102,971,819.45	12,996,315.65	2,457,149.09	18,112,606.16	5,373,777.88	1,012,999.56	142,924,667.79

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010

Note-16 - TRAVELLING

Research Departments	2010	2009
	Travelling & Subsistence	
Plant Science	577,532.25	389,688.25
Plant Pathology	175,239.00	215,010.25
Genetics & Plant Breeding	347,895.13	340,128.25
Soils & Plant Nutrition	276,617.14	324,054.75
Raw Rubber & Chemical Analysis	68,520.00	58,374.50
Bio-Chemistry & Physiology	117,342.34	160,652.25
Electronic Laboratory	5,382.00	2,440.00
Adaptive Research Unit	145,696.75	122,550.75
Rubber Technology	135,332.00	116,262.50
RRPD & CE Dept	121,212.50	150,691.00
Bio Metry	16,126.00	41,061.00
Polymer Chemistry	118,919.00	102,529.50
Sub Total	2,105,814.11	2,023,443.00
Other Departments		
Library & Publication Unit	11,168.38	26,384.00
Director's Office	61,536.25	72,648.75
Internal Audit	28,780.00	17,721.50
Board Office	319,093.05	401,245.08
Administration	87,042.04	41,980.50
Finance (Accounts)	53,794.00	49,283.50
Stores	40,325.00	32,037.50
Maintenance (Work Section)	1,191,764.08	1,081,224.02
RRI New Advisory Services Dept	1,331,879.00	1,274,981.17
Training Centre	2,155.00	1,760.00
Sub Total	3,127,536.80	2,999,266.02
Grand Total	5,233,350.91	5,022,709.02

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010

Note -17 - SUPPLIERS AND CONSUMABLES

Research Departments	Other Expenses	
	2010	2009
Plant Science	30,738.14	22,824.10
Plant Pathology	5,691.92	31,514.46
Genetics & Plant Breeding	13,538.56	639.74
Soils & Plant Nutrition	44,125.52	282.41
Raw Rubber & Chemical Analysis	51,261.00	2,597.00
Bio-Chemistry & Physiology	26,029.51	16,585.40
Electronic Laboratory	595.00	
Adaptive Research Unit	19,579.38	18,552.43
Rubber Technology	48,616.42	4,713.00
RRPD & CE Dept	20,161.00	41,681.00
Bio Metry	32,890.95	7,526.12
Polymer Chemistry	8,378.00	9,720.00
SUB TOTAL	301,605.40	156,635.66
Other Departments		
Library & Publication Unit	975,770.78	186,413.58
Director's Office	71,408.58	9,503.70
Internal Audit	19,688.00	4,613.49
Board Office	197,957.13	112,613.54
Administration	232,504.08	270,763.54
Finance (Accounts)	187,169.38	179,511.52
Maintenance (Work Section)	205,834.65	45,971.52
RRI New Advisory Services Dept	413,924.87	276,900.10
Training Centre	529,386.62	520,328.72
SUB TOTAL	2,833,644.09	1,606,619.71
GRAND TOTAL	3,135,249.49	1,763,255.37

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010

Note-18 - MAINTENANCE

	2010	2009
	Rs.	Rs.
Office & General Building Repair & Maintenance	2,328,630.83	2,776,554.92
Bungalows	882,369.59	1,057,359.20
Bungalow Premises & Compounds	5,241,327.13	4,753,933.08
Furniture, Fixtures & Fittings		60,200.00
Power Supply & Maintenance allied	6,147,100.41	6,795,990.33
Water Supply & Maintenance allied	916,612.20	837,789.74
Institute General Building Premises & Compounds	804,975.79	916,013.76
Environmental Protection	12,392.76	1,134.31
L.P gas for Bungalows	378,188.00	314,914.00
Maintenance of Bungalows Appliances	-	-

OPERATIONAL EXPENDITURE VEHICLES.

Fuel & Lubricants	4,664,043.25	4,428,051.57
Servicing of Vehicles	326,295.27	158,160.00
Revenue Licences, Insurance Covers, Fitness fees & Diesel Taxes	269,377.72	147,568.58
Repairs & Maintenance	3,822,497.41	3,020,860.74
Maintenance of Plant and Machinery.	1,221.25	13,433.38
External Vehicles Hired	60,411.67	70,998.16
Maintenance of Vehicles Tools	5,272.49	500.00
	<u>25,860,715.77</u>	<u>25,353,461.77</u>

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010

ADMINISTRATION - GENERAL CHARGES - 2010

Note-19 -

CONTRACTUAL SERVICES

	2010	2009
	Rs.	Rs.
Legal Expenses	45,883.50	183,119.00
Audit Fees	304,815.82	273,221.71
IRRDB Germplasm Subscription	515,880.50	524,832.50
Entertainment Expenses	173,220.00	82,364.00
Insurance Ggeneral Covers(Excluding vehicles)	1,549,185.05	644,078.59
Welfare and Recreation	170,190.74	160,329.23
Railway Concessionary Season Tickets	22,480.00	38,840.00
Stationery and Office Requisites	973,804.67	724,062.64
Conference/Seminars	528,209.36	322,164.65
Bank Charges	198,413.74	179,372.71
Security Charges - RRI	2,342,034.83	2,309,645.88
Parking Fees	-	80.00
Postage	168,535.40	60,172.00
Telephone	1,912,565.78	1,822,463.68
Advertisements	408,550.60	116,658.40
Transport & Handling Charges	11,894.43	1,044.05
Sundries & Utility Services	201,493.37	206,326.78
Exhibition	7,400.00	-
Upkeep & Maintenance of Guest Houses (DF & KW)	978,473.11	1,061,839.13
Medical Expenses	303,491.53	361,983.37
Staff Training & Development	181,254.00	349,319.73
Fees For Interview Pannels	4,217.00	1,000.00
Provident Fund Expenses-RRI Component	68,939.38	66,576.99
Public Relations	7,772.26	3,112.92
Honorarium to Members Attending AFCOM	46,075.75	29,639.25
Police Escort Expenses	18,000.00	18,000.00
Fax Charges	-	50.00
RRI Ratmalana Building Premises Upkeep-Maintenan	83,835.70	11,579.42
Inland Revenue Stamp Duty	62,268.00	103,511.00
Customs Duty/ clearing Charges	19,035.00	3,862.00
Deyata Kirula Exhibition	116,712.00	83,195.00
Centenial Celebration Expenses	379,213.40	4,213,794.81
Photo Copier Maintenance	116,352.76	17,628.44
Fees For Medical Exdenditure	-	380.00
Gratuity for the Year	14,836,462.50	-
Staff Disiplinary Inquiry Expences	19,439.00	-
Computer Pachege of Accouts	86,250.00	-
Computer net Work	213,914.93	-
	27,076,264.11	13,974,247.88

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2010
EXPENDITURE -RESEARCH AND DEVELOPMENT

Note -20 Research Departments

	Laboratory Working	Field Working 2010	Total	Laboratory Working	Field Working 2009	Total
Plant Science	37,747.02	1,704,705.34	1,742,452.36	132,363.81	2,012,644.60	2,145,008.41
Plant Pathology	306,670.02	397,915.95	704,585.97	200,633.63	451,427.93	652,061.56
Genetics & Plant Breeding	148,541.91	2,428,528.42	2,577,070.33	541,313.94	2,139,317.10	2,680,631.04
Soils & Plant Nutrition	868,119.02	980,203.46	1,848,322.48	570,224.66	930,920.79	1,501,145.45
Raw Rubber & Chemical Analysis	419,047.10		419,047.10	154,871.16	-	154,871.16
Bio-Chemistry & Physiology	23,402.43	801,965.58	825,368.01	202,932.70	741,499.08	944,431.78
Electronic Laboratory			-	450.00	-	450.00
Adaptive Research Unit	20,583.28	170,096.48	190,679.76	325.00	153,453.96	153,778.96
Rubber Technology	327,032.57	309,832.50	636,865.07	49,619.26	431,695.95	481,315.21
RRPD & CE Dept	418,170.98	463,527.16	881,698.14	364,934.93	517,746.54	882,681.47
Bio Metry	168,017.97	5,000.00	173,017.97	101,418.80	7,840.00	109,258.80
Polymer Chemistry	122,074.86	24,323.00	146,397.86	74,620.25	88.70	74,708.95
Modified Tapping Knives						527,000.00
Manufacturing Charges - Plant Sc.De		1,576,600.00	1,576,600.00			-
TOTAL	2,859,407.16	8,862,697.89	11,722,105.05	2,393,708.14	7,386,634.65	10,307,342.79
Negenahira Navodaya		836,009.93	836,009.93		70,917.14	70,917.14
Darton field						
	2,859,407.16	9,698,707.82	12,558,114.98		7,457,551.79	10,378,259.93

RUBBER RESEARCH BOARD OF SRI LANKA

Notes to the Accounts for the Year Ended 31/12/2010

Note-21

Depreciation of Non Current Assets

Category of Assets	Percen- tage	Rs.		Depreciation method
		2010	2009	
Buildings	3.5%	1,418,914.56	1,484,894.57	Redusing Balance method
Furniture, Fittings & Office Equipment	20%	2,176,973.42	2,520,858.54	"
Power & Water Supply	10%	206,623.08	227,216.31	"
Machinery & Tools	10%	233,688.39	259,653.79	"
Lab Apparatus	20%	9,017,573.22	12,834,488.34	"
Motor Vehicles	20%	5,005,489.12	9,673,826.69	"
Library Books	20%	323,632.08	546,662.96	"
Documentary Film	20%	227.74	-	"
Earth Slip Project	3.50%	4,039.40	229,506.99	"
Other assets	10%	271,571.32		"
Total		18,658,732.33	27,777,108.19	
Less:				
Dartonfield Estate		(250,068.87)	(234,158.30)	"
Kuruwita Estates		(182,123.52)	(104,393.96)	"
		18,226,539.94	27,438,555.93	
Less: Amotrtrization		(1,466,014.91)	(1,800,895.55)	
		16,760,525.03	25,637,660.38	

RUBBER RESEARCH BOARD OF SRI LANKA

Notes to the Accounts for the Year Ended 31/12/2010

Note -22 Other Operating Expenses

	2010	2009
Rent & Taxes	153,900.00	381,450.56
Rent for Narampola & Kumarawatta	1,040,000.00	1,040,000.00
Telephone Messenger	242,280.31	217,256.09
Medical Centre Labour	242,847.94	295,315.20
Sanitation	558,540.82	600,434.01
Roads, Fences & Boundaries	1,388,409.79	1,322,792.49
Watchmen & Gate Watchers	2,187,017.87	2,055,829.25
Everporate Decated Expences	-	26,247.21
	<u>5,812,996.73</u>	<u>5,941,333.81</u>

RUBBER RESEARCH BOARD OF SRI LANKA

Dartonfield Group Estate Working Account for the Year Ended 2010

Note 23

	2010		2009
Sales of Rubber Kg 196,986	81,298,953.69	Units Kg 186741	39,131,047.89
<u>Less :-</u>			
Cost of Sales			
2010.01.01 Stock	4,374,529.26	Kg 21813	(2,698,027.00)
Revenue Expenditure	34,181,279.92		(28,318,353.36)
Rubber Sale Broker Charges	<u>1,029,171.93</u>		
	39,584,981.11		<u>-</u> (31,016,380.36)
<u>Less :-</u>			
2010.12.31 Stock (kg 11641)	<u>6,386,410.00</u>	<u>33,198,571.11</u>	<u>(26,579,826.76)</u> 4,436,553.60
		48,100,382.58	12,551,221.13
<u>Add :-</u>			
Sundry Receipts	<u>1,001,061.39</u>		<u>120,919.32</u>
	49,101,443.97		12,672,140.45
<u>Add :-</u>			
<u>Sundry Income</u>			
Sale of Cinnamon			21,725.00
Rubber Replant Subsidy	274,852.51		237,862.50
Up rooted Rubber Trees Sales	723,000.00		803,100.00
Tea Green Leaf Sale	1,502,234.04		1,140,106.38
Pineapple Sale	<u>3,440.00</u>	<u>2,503,526.55</u>	<u>3,670.00</u>
		51,604,970.52	14,878,604.33
<u>Less :-</u>			
<u>Expenditure</u>			
Tea Green Leaf Expenditure	1,034,027.92		(1,123,849.33)
Pine Apple Expenditure	1,347.75		(26,991.53)
Anthurium Expenditure	42,417.62		(23,677.27)
Cinnamon Expenditure	8,413.88		(23,824.23)
Paddy Field Expenditure	21,332.25	<u>1,107,539.42</u>	<u>(20,370.54)</u>
Net Profit	Rs. <u><u>50,497,431.10</u></u>		Rs. <u><u>13,659,891.43</u></u>

Expenditure on Rubber Replantings Amounting Rs. 3,767,903.91

RUBBER RESEARCH BOARD OF SRI LANKA

Kuruwita Estate Working Account for the Year Ended 2010

Note 24

	2010	2009
Sales of Latex & Scrap (kg 101,607)	36,902,428.60	Unit kg 84,795 16,392,772.63
<u>Less :-</u>		
Stock 2009.01.01	-	(155,337.63)
Revenue Expenditure	13,216,920.85	<u>(11,800,993.04)</u>
	23,685,507.75	4,436,441.96
<u>Add :-</u>		
Sundry Receipts	<u>367,840.58</u>	<u>617,697.39</u>
	24,053,348.33	5,054,139.35
<u>Add :-</u>		
Sale of up Rooted Trees		1,760,418.00
Pine Apple Sale		2,158.27
Tea Income	100,296.56	154,626.26
Young Budding Nursery Income	133,818.08	
Cinnamon Income	85,369.66	
Anthurium Income	<u>10,972.23</u>	<u>330,456.53</u>
	24,383,804.86	6,971,341.88
<u>Less :-</u>		
Passion Fruit Expenditure	<u>19,418.36</u>	
Net Profit	Rs. <u>24,364,386.50</u>	Rs. <u>6,971,341.88</u>

Expenditure on Rubber Replantings Amount is Rs. 1,570,344.68

RUBBER RESEARCH BOARD OF SRI LANKA

Kumarawatta Estate Working Account for the Year Ended 2010

Note 25

	2010	2009
Sales of Income	257,001.00	
<u>Less :-</u>		
Maintenance Cost	(3,173,518.76)	(2,342,164.18)
Loss for the Year	<u><u>Rs. (2,916,517.76)</u></u>	<u><u>(2,342,164.18)</u></u>

RUBBER RESEARCH BOARD OF SRI LANKA

Narampola Estate Working Account for the year ended 2010

Note 26

	2010	
Sales of Sundry Cros	549,774.00	390,324.00
Rubber Re-Planting Subsidy	148,711.79	439,018.64
	<u>698,485.79</u>	<u>829,342.64</u>
<u>Less :-</u>		
Maintenance Cost	(1,926,773.01)	(1,987,816.56)
	<u><u>Rs. (1,228,287.22)</u></u>	<u><u>(1,158,473.92)</u></u>

The Chairman

Rubber Research Board of Sri Lanka

Report of the Auditor General on the Financial Statements of the Rubber Research Board of Sri Lanka for the year ended 31 December 2010 in terms of Section 14 (2) (c) of the Finance Act, No. 38 of 1971.

The audit of financial statements of the Rubber Research Board of Sri Lanka for the year ended 31 December 2010 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 8 (2) of the Rubber Research Ordinance (Chapter 439) as amended by Act No. 11 of 1956. My comments and observations which I consider should be published with the annual report of the Board in terms Section 14 (2) (c) of the Finance Act appear in this report. A report in terms of Section 13 (7) (a) of the Finance Act was issued on 01 August 2010.

1.2 Responsibility of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

1.3 Scope of Audit and Basis of Opinion

My responsibility is to express an opinion on these financial statements based on my audit. Audit opinion, comments and findings in this report are based on a review of the financial statements presented to audit and substantive tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards to obtain reasonable assurance as to whether the financial statements are free from material misstatements. The audit includes the examination on a test basis of evidence supporting the amounts and disclosures in financial statements and assessments of accounting policies used and significant estimates made by the management in the preparation of financial statements as well as evaluating their overall presentation. I have obtained sufficient information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit. I therefore believe that my audit provides a reasonable basis for my opinion. Sub sections (3) and (4) of the Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

2. Financial Statements

2.1 Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the Rubber Research Board of Sri Lanka had maintained proper accounting records for the year ended 31 December 2010 and except for the effect on the financial statements of the matters referred to in paragraph 2.2 of

the this report, the financial statements have been prepared in accordance with The Sri Lanka Accounting Standards and give a true and fair view of the state of affairs of the Rubber Research Board of Sri Lanka as at 31 December 2010 and the financial results of its operation and cash flows for the year then ended.

2:2 Comments on Financial Statements

2:2:1 Presentation of Financial Statements

Even though the annual financial statements should be presented for audit within 60 days after the closure of the financial year in terms of the Public Enterprises Circular No. PED12 dated 02 June 2003, the accounts had been presented on 20 May 2010 with the delay of 79 days.

2.2.2 Sri Lanka Accounting Standards

The following observations are made.

- (a) The balance of the long term liabilities valued at Rs. 7,737,055 not to be included in the statement of changes in equity in terms of Sri Lanka Accounting Standards No. 03 had been included in the statement and the policy changes for provision of gratuity for the year under review had not been disclosed as notes to the financial statements.
- (b) Cash flows valued at Rs. 11,656,719 had not been correctly adjusted in the preparation of cash flow statement in terms of Sri Lanka Accounting Standards No. 09.

- (c) Although four surety bond debts that remained for exceeding 15 years amounting to Rs.4,907,787, for which the recovery was doubtful, should be shown by notes in the balance sheet as contingent assets in terms of Sri Lanka Accounting Standards No.36, it had been brought to account as debtors.
- (d) A sum of Rs. 38,097,777 had been adjusted as prior year adjustments contrary to Sri Lanka Accounting Standards No.10.

2:2:3 Accounting Deficiencies

The following observations were made.

- (a) Instead of conducting the annual Board of Survey, the book value of Rs.11,337,538 had been brought to the accounts. As such, the losses due to damages, losses etc., had not been disclosed in the accounts.
- (b) The profit for the year under review and the closing stocks had been understated by Rs. 605,340 due to not disclosing the balance stock of 1121 latex knives valued at Rs. 605,340 as at the end of the year under review.
- (c) Provision for gratuity for the year 2010 had been overstated by Rs. 3,491,168 due to the computation error.

2:2:4 Accounts Receivable and Payable

The following observations are made.

- (a) The balances valued at Rs. 6,468,898 receivable from 317 debtors and 18 receivable balances valued at Rs. 2,348,490 had existed for more than 5 years and evidence not submitted to ensure that those balances are being recovered.
- (b) Advances amounting to Rs. 5,214,500 granted for construction of a building in a premises belonging to the Land Reform Commission had been shown in the financial statements as a receivable balance for a long period.
- (c) Balances amounting to Rs. 4,150,725 payable to 116 creditors and 14 payable balances amounting to Rs. 1,586,666 had existed for more than 05 years and action had not been taken during the year under review.

2:2:5 Lack of Evidence for Audit

Register of Fixed Assets, detailed schedules, confirmation of balances, etc. relating to fixed assets valued at Rs. 288,865,434, current assets amounting to Rs. 23,112,737 and current liabilities amounting to Rs. 4,150,725 had not been submitted.

2:2:6 Non-compliance with Laws, Rules, Regulations and Management Decisions

The following non compliances with laws, rules, regulations etc., were observed.

Reference to Laws, Rules,
Regulations etc.

Non-compliance

-
- (a) Financial Regulations of the
Democratic Socialist Republic of
Sri Lanka (F.R)
-

(i) F.R. 104(3), (4) and 110

Preliminary report and full report in respect of 05 vehicle accidents amounting to Rs. 335,817 occurred during the year 2010 had not been submitted to the Auditor General and the vehicle accidents had not been recorded in a register of damages.

(ii) F.R. 756

The Boards of Survey had not been conducted and the verification reports had not been submitted to the Auditor General.

- (b) Public Enterprises Circular No.
PED 12 dated 02 June 2003

(i) Paragraph 4.2.5

Age analysis relating to debtors, creditors and stocks and particulars of slow moving and obsolete goods had not been submitted monthly to the Board of Management in order to assist for the effective working capital management.

(ii) Paragraph 6.5.1

A draft annual report had not been submitted to the Auditor General along with the financial statements.

3. Financial and Operating Review

3:1 Financial Review

3:1:1 Financial Results

(a) The operations of the Board during the year under review before taking into account the Government grant for recurrent expenditure had resulted in a deficit of Rs.231,582,450 as compared with the corresponding deficit of Rs.216,352,688 for the preceding year thus indicating an increase in the deficit of the year under review by Rs.15,229,762. The deficit of the year under review had decreased to Rs.50,532,450 after taking into account the Government grant for recurrent expenditure amounting to Rs.181,050,000 as compared with the deficit of the preceding year of Rs.40,050,679 after taking into account the Government grant for recurrent expenditure amounting to Rs.176,300,000.

(b) After taking into account the Government grant received for the year under review, the increase in the deficit of the year under review amounted to Rs. 10,481,771 as compared with the preceding year. However, Dartonfield and Kuruvita Estates of the Board had earned profits for the year under review as well as the previous year and the profits earned amounted to Rs. 50,497,431 and Rs. 24,364,387 respectively. Kumarawatta and Narampola Estates had sustained losses amounting to Rs. 1,228,287 and Rs. 2,916,518 for the year under review and the previous year respectively.

Accordingly, the entire operations for the year had resulted a surplus of Rs. 20,184,562 after making adjustments for the overall profit of the above four Estates amounting to Rs. 70,717,013 as compared with the overall deficit of Rs. 22,920,078 for the preceding year after making adjustments for the overall profit of the above four Estates for the preceding year amounting to Rs. 17,130,601.

3:1:2 Transactions of Contentious Nature

Although LP gas should have been provided only for the officers residing at the official quarters belongs to the Board in terms of the decision of the Board of Directors of the 218th meeting held on 17 March 1987, contrary to this, LP gas valued at Rs. 40,612 had been provided for 13 officers who were not resided at the official quarters.

3.2 Operating Review

3.2.1 Performance

The following observations are made.

- (a) Revenue on sale of crop amounting to Rs. 2,642,905 had been obtained under the crop diversification relating to the Kuruwita, Dartonfield, Narampola and Kumarawatta Estate and a sum of Rs. 1,767,325 had been spent thereon.

(b) Performance of the Production of Latex

Particulars relating to the production of latex of the Kuruwita Estates and Dartonfield Estates are given below.

Yielding Estates	Extent of Land of the Rubber Cultivation	Production per hectare	2009		2010		Difference		
			Total volume of production for the year	Value of the Production	Total volume of production for the year	Value of the Production	Volume	Value (Decrease)	
		Kg.	Kg.	Rs.	Kg.	Kg.	Rs.	Kg.	RS.
Dartofield	193.04 (Hectare)	977	188,569	29,407,503	968	186,796	79,924,404	(1,773)	50,516,901
Kuruwita Estate	68.79 (Hectare)	1214.58	83,551	10,686,173	1,480	101,836	37,280,123	18,285	26,593,950

The following observations are made relating to the above particulars.

- (i) The production of latex per hectare of the Dartonfield Estate as compared to the Kuruwita Estate had declined by 237 kg. and 512 kg. for the year 2009 and 2010 respectively. The reasons such as the crops of the Kuruwita Estate were the research crops, utilization of rain cover, weather condition, location, convenience for maintenance as the extent of land of the Kuruwita Estate was less, had mainly effected for the increase of latex production per hectare of the Kuruwita Estate as compared with the Dartonfield Estate.
- (ii) The production of latex per hectare of the Dartonfield Estate for the year under review had declined by 9 kg. as compared with year 2009.
- (iii) Production of latex of the Kuruwita Estate per hectare had declined up to 1615kg., 1422 kg., and 1214 kg., for the years 2007, 2008, and 2009 respectively. The production had increased again by 266 kg. for the year 2010.
- (iv) The value of production of latex of the Dartonfield Estate and the Kuruwita Estate for the year 2010 as compared with the year 2009 had increased by Rs. 50,516,902 and Rs. 26,593,950 due to increase of average selling price of the crap and sheet rubber of 1 kg. by 87% and increase of the price of the raw rubber of 1 kg. by 88%.

(c) The progress of the completion as at the end of the year 2010 relating to the following 97 Research Projects commenced by the Board 10 years ago are given below.

Department	Total Units of Projects	Progress										
		5%	10%	15%	20%	25%	30%	35%	40%	45%	50%	More than 50%
(1) Genetic and plant Breeding	06	-	-	-	-	-	01	03	02	-	-	-
(2) Plant Science	32	-	-	-	-	-	-	01	01	02	08	20
(3) Soils and Plant Nutrition	35	02	01	-	-	-	-	-	-	-	-	32
(4) Plant Pathology	08	-	-	-	-	01	-	-	02	-	02	03
(5) Biochemistry	08	-	-	-	-	-	-	-	-	-	-	08
(6) Biometry	05	Fully completed										
(7) Adaptive Research Division	03	-	-	-	-	-	-	-	-	-	-	03

	97											
	==											

The following matters were observed relating to the above projects.

- (i) The progress of completion as at the end of the year 2010 of the Projects No. 25 and 34 commenced 10 years ago by the Soil and Plant Nutrition Department was at a lower level of 5% . Non availability of adequate staff was the reason for decrease of progress. The progress of completion as at the end of the year 2010 of the Projects No. 16 commenced by this Department was at a lower level of 10% and non availability of necessary data for tests was the reason for this.
- (ii) The progress of completion as at the end of the year 2010 of the Projects No. 06 commenced 10 years ago by the Plant Pathology Department was at the level of 25% and the non availability of adequate research officers and equipment was the reason for the lower level of progress.

3.2.2 Management Inefficiencies

The following observations are made.

- (a) Internal control relating to stores control was at a weak level due to carrying out the duty of purchasing and stores responsibility of the Board by a same officer.
- (b) Sums of Rs. 14,751,127 and Rs. 90,000 had been spent for construction of buildings of the Alawwa, Narampola Estate and the Moneragala, Kumarawatta Estate and for survey activities respectively without vesting of the ownership of the land.
- (c) A sum of Rs. 5.2 million had been provided in the accounts as at 31 December 2010 for the annual lease rentals at rates of Rs. 640,000 and Rs. 400,000 on the basis of transferring the ownership of the Narampola Estate and the Moneragala, Estate to the Janatha Estate Development Board without a written agreement.

3.2.3 Idle and Underutilized Assets

Even though there were 87 official quarters for the staff of the Board, out of these, 17 quarters had remained unoccupied.

3.2.4 Corporate Plan

A Corporate Plan for the period 2010 - 2014 had been prepared. The financial information for the previous years had not been included in the Corporate Plan in order to compare with the forecast of the ensuing years. The financial values relating to the physical targets expected to be achieved within the five year period had not been submitted separately.

3.2.5 Budgetary Control

The budget had not been made use of as an effective instrument of management control as there were significant variances ranging from 9 per cent to 78 per cent between the budgeted expenditure and the actual expenditure in budget prepared by the Board for the year under review.

3. Systems and Controls

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

- (a) Accounting
- (b) Budget
- (c) Control of Assets
- (d) Stocks
- (e) Debtors and Creditors Control
- (f) Research Activities
- (g) Purchasing

H.A.S.Samaraweera
Auditor General

Reply to the Report of the Auditor General on the Financial Statements of the Rubber Research Board of Sri Lanka for the year ended 31 December 2010 in terms of Section 14 (2) of the Finance Act, No.38 of 1971

2.2 Comments on Financial statements

2.2.1 presentation on financial statements

Financial statements of 2011 were noted to prepare according to the Audit report.

2.2.2 Sri Lanka Accounting Standards

- a. Rs. 7,737,055.11 shown under this is initial balance of contingency liability account. Sum of credits of this account is 4,085,921.79 and sum of debits is Rs. 2,794,028.19.

According the balance amount of the account is $(7,737,055.11 + 4,085,921.79 - 2,794,028.19) = 9,028,948.71$ as shown under liability of the balance sheet. Since the initial balance and credited & debited to account were not presented separately, this balance was shown in the change of equality statement.

- b. We admit that this deficiency has occurred as shown in the audit report.
Noted for rectification in 2011.
- c. The creditors will be disclosed as noted to the balance sheet as enumerated in the Audit Report.
- d. The adjustments which had affected to the profits of the previous year were adjusted as previous years adjustments.

Over depreciation of Institute assets in 2009. This is for rectification of the profit under stated in the year under review. 6,998,983.00

This is an erroneous journal entry which was put in preparing 2010 accounts 704,755.00

Rectification of over stating the profit of year 2009 due to debit the recurrent expenditure of the year 2009 of Dartonfield Group to the Rubber replanting accounts by an oversight. (2,462,364.00)

Rectification of overstating the Kuruwita Sale in 2009. (496,246.00)
Therefore high profit of the year 2009 was corrected.

Rectification of understating the provision For gratuity in 2009.	(41,855,010.00)
--	-----------------

The account receivable from Mr. S.P.P Gunathilake, being Violation of the agreement. A sum of Rs. 922,084/- has been refunded by him and the Rubber Research Board has decided to write off the balance amount of Rs. 65,809/- on the advice of Dept. of Auditor General (987,894.00) this entry was received to rectify the error i.e. the refunded amount and waive offered amount credited to the debtors account and debited to the contingency liability account without adjusting against the profit.	(987,894.00)

Rs.38,097,776.00

2.2.3 Accounting deficiencies

- a. Annual Board of survey was carried out after the financial year. Therefore action has been taken to adjust the losses damages in 2011.
- b. While transaction of selling tapping knives was done by the Plant Science Department. And the relevant documents were maintained by them. Arrangements were made to carry out this activity through the main stores. as from 2011. Action will be taken to rectify this error as from 2011.

c. provision for gratuity on 31.12.2012	69,940,482.50
less: balance provision on 01.01.2012	<u>19,720,747.28</u>
	41,855,010.22
	8,364,725.00
Add: gratuity fund in 2010	6,471,737.50
gratuity was adjustment for the profit in 2010	14,836,462.50

The gratuity amount was accounted as per above adjustment and noted to rectify in 2011, if there is any deficiency.

2.3.3 Accounts Receivable and payable

- a. We admit that debtors balance over 05 years is Rs. 6,468,898. Special review regarding above debtors in being carried out by Institute Audit unit, On these recommendations actions will be taken to recover these debts with further communication with debtors and relevant parties. A sum of Rs.1,074,162.13.00 is laying in provision for doubtful debt account for many years. Plantation Ministry's approval was sought to write off this amount as bad debts. After receiving the approval for arrangements will be made to future allocation and to the unrecoverable debts from books with the approval of relevant parties.
- b. Audit reports of previous years have shown a building constructed in land belongs to the Land Reform Commission. The Secretary of the MPI was informed in order to clear the ownership of the building.

- c. The value of the Creditors balance over 5 years is Rs. 4,150,725.00. A special review is done by the Internal Audit unit under the recommendation of the Audit and Management Committee. After this investigations, action will be taken to settle the balances by communicating with creditors.

We have requested to the Audit and Management committee to write off Rs. 569,987.00 from the books out of Rs. 1,586,665.00. Approval is yet to receive of the balance Rs. 332,003.00 is tender deposit. Actions will be taken to solve the rest of the debts after communicating with relevant debtors.

2.3.4 Lack of Documentary evidence for Audit

Fixed assets Rs. 288,865,434/-

Detailed schedule of the fixed assets is given in note 01A. Action has been taken to computerized and update the fixed asset register. Reports of Board of survey are at the Administration Department.

Debtor Rs. 6,468,898/-

This amount consists of 317 debtors. We have requested them to confirm their balance but only 15 debtors replied. These were presented to you. Actions will be taken to take balance confirmations from all debtors in 2011.

Deposits receivable Rs. 438,239.00/-

Out of these deposits of Rs. 411,438.81 is has been deposited in the Institution which their services are still being obtained by us. Actions will be taken- to recover the balances from the relevant parties and to write off the balance which cannot be recovered.

Receivable Rs. 16,508,221/-

4,267,626.87	This is a receivable from institute Provident Fund and is being received.
1,477,620.11	This is a receivable from Rubber Development Department (RDD). RDD was informed to settle this amount in several times.
830,936.98	This is shown as the bad and doubtful debt. All the details have been submitted to the Board of Director's and Audit & Management Committee for obtaining approval to write off this provision. Approval is yet to receive.
511,655.00	This amount consists of festival advance, subsistence advance and purchasing advance released in latter part of the year 2010. This amount will be recovered in 2011.
5,214,500.00	This is the value of the building complex described under 2.2.3(b)
150,000.00	This is an advance payment made to Mr. T. Premaratne, Suranga Mortors to construct the lorry body of the Institute's Lorry. The case No SPL981 was filled at court, Matugama to recover the above advance and penalty.
327,775.40	Request was made from Audit & Management Committee to write off this amount.

Rests of the amounts are receivables from various projects and Institutions. Arrangements will be made to recover same

Creditors Rs. 4,150,725/-

Creditors have not inquired about that. All details of creditors are shares in the creditor ledger.

Advance receivables: Rs. 5,880,865

1,535,279.05	The provident fund money payable to employees who serving under Rubber Development Department.
1,175,702.87	There are the refundable tender deposits and should be refunded on tenders request after completion the jobs.

Rests of the amount consists of different ongoing projects and necessary arrangements will be made to confirm the balances in future.

Payable Rs. 29,768/-

This amount is the medical fund contribution of the employees of clerical and parallel grades and minor staff.

2.3.5 Non compliance with laws, rules, regulations and Management Decisions

(a) *Financial regulations of Democratic Republic of Sri Lanka (FR)*

FR 104(3) (4) and FR 110

This mistake occurred in 2010 and arrangements will be made to rectify in the future

FR 756

Board of survey 2010 was done in 2011 and stock variation was delayed. Necessary actions will be taken to prevent the delays in future.

(b) *Public Enterprises circular No PED 12 in 02nd June 2003*

Paragraph 4.2.5 Noted to submit those reports to Board of Management

Paragraph 6.5.1 Financial Statements with the Drafts Annual Report were not submitted to the Auditor Generals Department. But it was submitted to the Ministry of Plantation Industries. Noted to submit financial statements with the Draft Annual Report in future.

3.1.2 Transitions of contentious nature

The number of residential officers was not 26. The provision of LP gas was stopped for 13 officers who are staying at quarters time to time not permanently.

3.2 Operating Review

3.2.1. Performance

i. The progress of the projects initiated by the Soils & Plant Nutrition Department was not up to the expected level due to non availability of adequate staff. The approval was granted by MSD to fill vacancies and necessary actions will be taken to fill same.

ii The approval was granted to fill the vacancies of Research Officers for Plant Pathology Department, and necessary arrangement are taken to fill the posts. Moreover arrangements were made to purchase equipment for both Departments in 2011 and rest will be estimated under Capital expenditure in 2012.

3.2.2 Management inefficiencies

(a) After retiring the Store keeper, approval was granted to fill the vacancy. Applications were called through Newspaper advertisement in 2010 and there was no qualified applicant to fill the post. The approval was granted from Management services Department for Revised Scheme of Recruitment and necessary actions are taken to fill the vacancy.

(b) Transferring of the ownership of the Narampola Estate and Kumarawatta Estate at Monaragala was not clear as yet. Discussions are done with Land Reform Commission and Janatha Estate Development Board regarding the ownership of the lands of Narampola and Kumarawatta. Due to the procedure of above two organizations are selling lands; this has now been referred to the Ministry of Plantation Industries. Several discussions were had with their organizations by the Secretary, MPI actions are being taken to solve this problem.

Lease was not paid to Narampola and Kumarawatta due to the above problem. Allocations in relevant accounts were made due to the memorandum of understanding signed between RRI & JEDB

3.2.3 Idle and Underutilized Assets

Official quarters are allocated according to the Manual of procedure of the Institute. Accordingly, all quarters of the Institute are allocated to the staff members on their request.

3.2.4 Corporate Plan

A list of Responsible Officers was stated at table No 06 in page No 39.

Necessary action will be taken to include separate financial information and expected physical targets for previous years. But financial information of all fields (Genetics & Plant Breeding, Plant Science, Plant Pathology, etc.) is stated in the corporate Plan.

3.2.5 Budgetary Control

We were unable to submit budget 2010 to the Auditor general's three months prior to the financial year. However Board approval had been taken. It was noted to submit on time in the future.

Estimated total recurrent expenditure in 2010 was Rs. Million 234.76. Actual expenditure was Rs. Million 225.08. Deviations have been occurred. Classification of expenditure was not prepared as per the budget format in preparing final accounts. Noted for classify the expenditure as per the budget format in the future.

4. Systems and Controls

Special Attention will be drawn to these sections