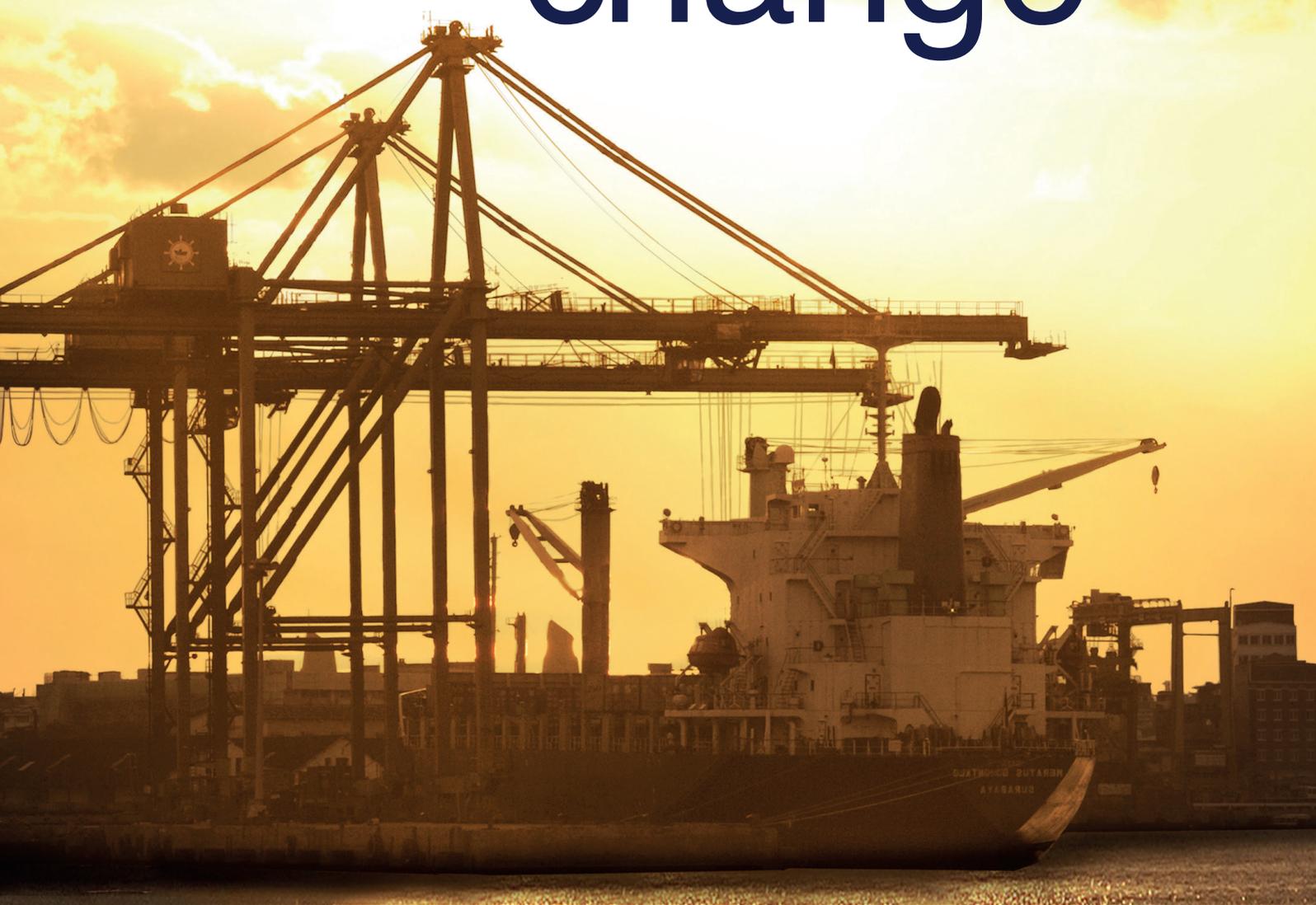


Accelerating
P  **OSITIVE**
change



ACCELERATING POSITIVE CHANGE

The Sri Lanka Ports Authority operates several major commercial ports in Colombo, Galle, Hambantota, Trincomalee, Kankesanthurai, Oluvil and Point Pedro. Founded in 1979, the SLPA has grown to be a leader in the world of shipping and commerce, a respected organisation where governance, environmental responsibility and our commitment to the future of Sri Lanka and its people have guided our voyage of success.

While our goal to create value for all our stakeholders remains a priority, we also pride ourselves on our commitment to national development, investing into local communities in a bid to enhance livelihoods and bring life's opportunities to people, island-wide.

We plan to continue our mission of value into the years ahead as we forge ahead, powering shipping, trade and industry, energizing people's lives and accelerating positive change.

The Port of Colombo has been administered since 1913 by the Colombo Port Commission, which is responsible for the supply and maintenance of cargo-handling equipment and other infrastructure, pilotage services, docking and shipping.

The Sri Lanka Ports Authority was constituted under the provisions of the Sri Lanka Ports Authority Act, No. 15 of 1979 (subsequently amended by Act No. 7 of 1984 and Act No. 35 of 1984) on the 1st of August 1979, effecting the merger of the Colombo Port Commission Department and the two existing statutory Corporations. This resulted in a unified organization with a streamlined structure. The Ports Authority utilizes its own revenue and resources and receives no financial support from the government.

SRI LANKA PORTS AUTHORITY



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Our Vision

‘Logistic excellence in the Silk Route.’

Envisioning the future of Sri Lankan ports, Sri Lanka Ports Authority (SLPA) is making a paradigm shift from being a container hub to becoming a global logistics hub, anticipating a boom in international trade that will open up a range of opportunities as well as challenges. The Ports Authority plans to strengthen its complex logistic approaches with a “one touch” information flow of all processes, while benchmarking national and international best practices at every level, in order to improve the overall economic environment of Sri Lanka.

Our Mission

‘Delivery of world-class port services in a sustainable environment.’

With a view to create a global logistics hub port in Sri Lanka, the Ports Authority is expected to construct a multi-dimensional logistics system to integrate logistic functions by launching a deep-water seaport with excellent maritime access that will enable Sri Lanka to receive and operate large vessels in sophisticated, specialized terminals.

In anticipation of exponential growth in both the port and the region, the SLPA plans to create and manage a logistics platform serving the biggest players in the ports, maritime, industrial and logistics sectors; a world-class industrial and logistics zone free of urban restrictions, with the potential and capacity for future expansion.

The SLPA will keep its pledge of value to thousands of stakeholders we serve by operating an economically efficient and environmentally-sound organization of port facilities and terminals that will benefit all visitors while creating wealth for the nation.



Aspirations

By 2020...



To become a Centre for Maritime Excellence.



To achieve US\$ 10 billion in port investments (within the ports).



To achieve 200 million tonnage in cargo handling.



To become a leading contributor to the national economy.



To achieve US\$ 1 billion in revenue.



To be a 'green' port operator.

Strategies to achieve these Aspirations



Develop infrastructure and superstructure facilities in Colombo.



Implement advanced financial management systems.



Consolidate the Port of Colombo ranking as a Centre of Maritime Excellence.



Reduce our carbon footprint.



Introduce sector-specific marketing and business development programmes.



Develop other regional ports with regard to their individual strengths and competitive advantages.



Develop the Magam Ruhunupura Mahinda Rajapaksa Port (MRMR Port) as an international services, industrial and container handling port.



Diversify our business activities.



Enhance safety and security for cargo and port users.



Provide facilities for oil and gas supply.



Mark our global presence in strategic locations.



Deliver efficient vessel oriented services.



Restructure and re-design organizational administrative procedures.



Increase focus on Corporate Social Responsibility (CSR).

Corporate Objectives



To develop and maintain state-of-the-art facilities in the Commercial Ports of Sri Lanka.



To maintain effective and efficient port Services.



To provide a competitive edge to importers and exporters by ensuring cost effective, efficient and reliable services.



To ensure the safety and security of ships, cargo, port users and port infrastructure.



To provide a conducive working and service environment for all stakeholders.



To contribute to the Consolidated Fund of the General Treasury for current and capital expenditure of the government.



To maintain high levels of productivity, in order to ensure speedy turnaround of vessels.



To improve maritime related ancillary services, thus creating more employment opportunities.



To maintain the profitable operation of the Commercial Ports of Sri Lanka and to develop a good reputation as an efficient and reliable port operator by providing high-quality customer service.



To develop port activities to provide a competitive and quality service for container operations with a view to attract transshipment business, including relay cargo, entrepôt trade and bonded activities.



To contribute towards regional development in Sri Lanka by providing required port facilities and by being a catalyst in hinterland development.



To enhance the administration and organizational aspects of the Sri Lanka Ports Authority, including the revision of cadres and assessment of manpower requirements. The practice of SLPA staff going on unpaid leave for employment overseas will be encouraged, in view of the benefits to the country's economy. The SLPA Mahapola Training Center will also train and develop staff in line with the standards and requirements of the scheme.



To diversify into port-related activities such as offshore services, bunkering, fresh water supply and container repairs.



To implement management-driven financial reform with greater tax efficiency, better portfolio management and more aggressive cost control.

Operational Highlights

Ship arrivals (All ports)

Description	2014	2015	Variance (%)
Port of Colombo	3,742	4,197	12.2
Port of Trincomalee	127	164	20.0
Port of Galle	60	72	29.1
KKS, Myliddy, PP & Karainagar	34	32	-5.9
MRMR Port	335	295	-11.9
Total	4,298	4,760	10.7

Container throughput (TEUS) at the Port of Colombo

Description	2014	2015	Variance (%)
Sri Lanka Ports Authority (SLPA)			
Imports	324,085	261,188	-19.4
Exports	319,232	279,964	-12.3
Transshipment	1,882,057	1,691,267	-10.1
Re-stowing	33,965	19,904	-41.4
Total	2,559,339	2,252,323	-12.0

South Asia Gateway Terminals (SAGT)

Imports	167,815	172,957	3.1
Exports	169,539	154,793	-8.7
Transshipment	1,298,434	1,028,538	-20.8
Re-stowing	26,152	14,957	-42.8
Total	1,661,940	1,371,245	-17.5

Colombo International Container Terminal (CICT)

Imports	75,680	174,055	130.0
Exports	70,634	175,014	147.8
Transshipment	519,219	1,168,516	125.1
Re-stowing	21,103	44,314	110.0
Total	686,636	1,561,899	127.5

Port of Colombo

Imports	567,580	608,200	7.2
Exports	559,405	609,771	9.0
Transshipment	3,699,710	3,888,321	5.1
Re-stowing	81,220	79,175	-2.5
Total	4,907,915	5,185,467	5.7

Cargo throughput (All Ports)

Total Cargo Throughput (MT Mn)	74.4	77.6	4.3
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Description	2014	2015	Variance (%)
Cargo discharged in the Port of Colombo - SLPA (In Thousand Tonnes)			
Containerized	17,082	14,913	-12.7
Break Bulk	596	1,105	85.4
Dry Bulk	2,441	2,344	-4.0
Liquid Bulk	4,357	4,333	-0.6
Total	24,476	22,695	-7.3

Cargo loaded in the Port of Colombo - SLPA (In Thousand Tonnes)			
Containerized	15,450	13,719	-11.2
Break Bulk	6	8	33.3
Dry Bulk	3	0	-100.0
Liquid Bulk	63	246	290.5
Total	15,522	13,973	-10.0

Total Cargo handled in the Port of Colombo - SLPA (In Thousand Tonnes)			
Containerized	32,532	28,632	-12.0
Break Bulk	602	1,113	84.9
Dry Bulk	2,444	2,344	-4.1
Liquid Bulk	4,420	4,579	3.6
Total	39,998	36,668	-8.3

Cargo handled in the Port of Trincomalee (In Thousand Tonnes)			
Discharged	2,621	2,649	1.1
Loaded	127	379	198.4
Total	2,748	3,028	10.2

Cargo handled in the Port of Galle (In Thousand Tonnes)			
Discharged	394	540	37.1
Loaded	0	2	-
Total	394	542	37.6

Cargo handled in the Ports of KKS, Myliddy, PP & Karainagar (In Thousand Tonnes)			
Discharged	21	32	52.4
Loaded	0	0	-
Total	21	32	52.4

Magam Ruhunupura Mahinda Rajapaksa Port (In Thousand Tonnes)			
Discharged	316	195	-38.3
Loaded	158	98	-38.0
Total	474	293	-38.2

Total number of employees			
Port of Colombo	8,701	8,692	0.1
Port of Trincomalee	419	417	-0.5
Port of Galle	373	355	-4.8
Total	9,493	9,464	-0.3

Financial Highlights

All Ports

Description	2014 Rs. Million	2015 Rs. Million	Variance (%)
Revenue and Expenditure			
Total Revenue *	37,491.6	40,805.1	8.8
Total Expenditure	(26,529.6)	(31,018.2)	(16.9)
Profit/(Loss) before Foreign Loan Interest and Foreign Exchange Gain /(Loss)	10,962.0	9,786.9	(10.7)
Foreign Loan Interest	(3,638.8)	(3,761.8)	(3.4)
Foreign Exchange Gain/(Loss)	1,573.5	(20,193.6)	(1,383.3)
Profit/(Loss) Before Tax & After Foreign Exchange Gain /(Loss)	8,896.7	(14,168.6)	(259.3)

Taxes			
Income Tax	-	-	-
Deemed Dividend Tax	-	-	-
Differed Tax	-	-	-
Social Responsibility Levy	-	-	-
Net Profit/(Loss) After Provision for Taxes	8,896.7	(14,168.6)	(259.3)

Balance Sheet			
Non-Current Assets	286,617.9	298,412.8	4.1
Current Assets	45,883.2	37,046.4	(19.3)
Current Liabilities	21,273.9	24,396.6	(14.7)
Equity and Other Capital	7,591.4	7,591.4	0.0
Reserves and Provisions	81,557.6	67,246.0	(17.5)
Non-Current Liabilities	222,078.3	236,225.2	(6.4)

Ratios			
Operating Profit to Revenue	31.6	(27.0)	
Annual Revenue Growth	8.0	8.8	
Return on Capital Employed	10.0	(18.9)	

- Volume Rebates are adjusted in Total Revenue.

Our Ministers



Arjuna Ranatunga
Hon. Minister of Ports and Shipping

Nishantha Muthuhettigama
Hon. Deputy Minister of Ports and Shipping



Chairman's Review



Dammika Ranatunga
Chairman

I am pleased to present the Annual Report of the Sri Lanka Ports Authority (SLPA) for the year 2015. Political stability and a relatively favourable climate for conducting business in Sri Lanka bring exciting opportunities for the Ports and shipping industry and for the Port of Colombo. It is heartening to note that the Colombo Port was upgraded from 27th to 26th position in the ranking of the top 30 World Container Ports, in 2015.

The Port of Colombo's growth of 5.7% in 2015 is very significant, as this was achieved during a global economic slowdown where even top container ports such as Singapore, Hong Kong, Rotterdam, Kaohsiung, Dalian, Hamburg and Bremerhaven showed negative growth.

The SLPA's objective is to bring the Port of Colombo into the top 20 global container ports and every possible step is being taken to realise this vision.

Port Operations

The SLPA's main function is to develop, maintain, operate and provide port and other services to the ports of Colombo, Galle, Trincomalee, Hambantota and Oluvil. The Colombo Port is progressing rapidly to become one of the largest and busiest ports in the world.

The three container terminals in the Port of Colombo handled 5,185,467 TEUs in 2015, an increase of 5.7% compared to 2014. Container ship arrivals too reported

an increase of 12.5% from 3,239 in 2014 to 3,643 ships in 2015. The Jaya Container Terminal (JCT) and the Unity Container Terminal (UCT) have a long history and play an anchor role in the port by contributing a major part of the revenue. The contribution by the Colombo International Container Terminal (CICT) is commendable while the South Asia Gateway Terminal (SAGT) has also made a significant contribution to overall growth in terms of revenue to the SLPA.

Domestic volumes have increased by 8.1% and transshipment volumes by 5.1% since 2015. Crane productivity at the JCT of SLPA terminals which was 20 moves per hour in January 2015, increased to 26 moves per hour by the end of 2015.

The JCT was awarded the ISO: 9001/2008 Quality Management Certification in Container Terminal Management and Operations at the end of 2015, as a result of improved efficiency. The JCT became the first and the only terminal at the Port of Colombo to achieve an international quality certification. The JCT also recorded a substantial increase in productivity with their crane, berth and vessel operations increasing by 4%, 6% and 5% respectively in 2015 as compared to 2014.

Future Development Programmes

The need to widen the port access road at the Port of Colombo has been identified and work being done to widen the Port's Internal Roads in order to facilitate 06

lanes is due to be completed soon. In addition, rehabilitation work such as the paving of the yards at the Guide Pier, the Bandaranayake Quay and the JCT Terminal is currently underway. The re-construction of the first half of the CFS1 warehouse will be completed by August 2016. We also expect to complete the construction of the East Container Terminal (ECT) and purchase machinery and other equipment in order to commence operations in 2018.

The Management of SLPA has set out new plans for investment at the Port of Hambantota, including the resumption of business at the bunker facility and the expansion of RO-RO transshipment business. A Request for Proposals (RFP) is due to be announced, to attract a strategic partner with experience in the field to operate the bunkering facility.

At the Port of Trincomalee, it is encouraging to note an increase in ship arrivals and cargo handling tonnage by 29% and 10% respectively in 2015, as compared to 2014.

The Port of Galle recorded an increase of 20% in ship arrivals and 37% in cargo tonnage in 2015, as compared to 2014. A Yacht Marina is being constructed to develop the Galle Port with the objective of improving the Tourism and Travel industry in the region.

Steps will be implemented to minimise damage to the environment by existing

industries of the port. The main objective of implementing these projects is to make the SLPA an efficient and competitive institution on par or even better than private sector institutions.

The vision of the SLPA is not only to develop individual terminals but also to advance the Port of Colombo, Hambantota, Trincomalee, Galle, KKS and Oluvil in all aspects, in order to serve the regional and global maritime community and port users with efficiency and speed.

These achievements are also important in calculating and evaluating the critical role played by the SLPA, not only as a Terminal Operator but also in a broader context, as the Owner, Regulator and Operator of all ports in Sri Lanka.

Future Strategies

As a result of its successful marketing and business development strategies, the SLPA entered into 6 TSA's with leading shipping lines in 2015. Hence, 3 main lines and 4 feeder services were in business with JCT which is owned and operated by the SLPA.

The cargo module NAVIS Programme for FCL containers was successfully implemented in 2015, to enhance the services provided to customers and to minimize the time spent processing documentation. Steps were taken to extend an electronic delivery documentation facility for LCL cargo and direct delivered cargo during 2015, and this would be fully implemented by 2016-2017.

A new website for the SLPA will be launched soon with added components. The new document management system at the port will also facilitate the forwarding of documents in an automated environment by 2016 and offer added payment convenience through cash over the counter not only at the Bank of Ceylon, but through other banks as well. A new Terminal Management System NAVIS N4 with additional features is also to be introduced soon.

Meanwhile, the preparation of the first ever zero based budgeting system which is to be in force in 2016 was implemented in December 2015. The preparation of separate accounts for each Port of the SLPA makes it easier to gauge the profitability of each Port. All Oracle Finance modules have been completed in 2015 for the Port of Colombo and for the Port of Hambantota. It is expected to implement similar Oracle Financial modules for the Port of Galle and the Port of Trincomalee, during 2016.

Human Resource Development

Human Resource needs to be linked with strategic goals and objectives for the development of the organisation. In order to develop Human Resource Capital, a work awareness programme was organised for those who directly contribute to Container Cargo operations. The need to be aware of the present position of the organisation, the best direction to be taken, achievable goals and the identification of their best possible contribution are the main areas emphasized in the programme.

The Management has identified areas which need attention such as employees with lower qualifications who stagnate at one level, and vacancies which are not filled in certain divisions, hampering the progress of work at hand. Remedial action is being taken and committees have been appointed to address these issues and to look into employee grievances. The Human Resource Information System is being implemented at the best productivity level and will be linked with the payroll system for greater efficiency.

Financial Performance

It is heartening to note that SLPA has achieved revenue of Rs. 40 billion in 2015. This is an increase of 6% compared to 2014, which saw a revenue of Rs. 37.5 billion. However, the SLPA has had to absorb additional loan repayments with foreign exchange losses, due to huge investments in the MRMR Port.

The main financial challenge the SLPA has to face in 2016 is to pay back loans obtained to construct the MRMR Port. The loan installments and the interest for the completed Phase - I and the interest charges and commitment charges for Phase - II being completed at present amounting to Rs. 9,000 million, have to be paid in 2016. Plans are underway to introduce new mechanisms in 2016 to circumvent this situation.

The Management of SLPA has taken necessary steps to arrest declining trends and to increase profitability and its customer base by providing an excellent service and world-class facilities at the Ports of Sri Lanka.

Conclusion

I wish to express my heartfelt gratitude to the Honourable Minister of Ports and Shipping, the Honourable Deputy Minister, the Secretary to the Ministry, Board Members and the management of SLPA who bring to the table years of experience and expertise. Our employees are greatly appreciated for their contribution towards the development of the SLPA. Our Stakeholders and Customers are also acknowledged with great appreciation for the trust and confidence they have placed with us.

I also take this opportunity to thank the Honourable Minister of Ports and Shipping, for his guidance, direction and management. With his visionary leadership, SLPA is unquestionably heading in the right direction, to be among the best hub ports in the world.



Dammika Ranatunga
Chairman

Board of Directors



Mr. Dammika Ranatunga
Chairman



Professor W. Lalith Prasanna Perera
Vice Chairman



Mr. H. D. A. S. Premachandra
Managing Director



Mr. Sanjeewa Wijerathne
Executive Director



Mrs. Mangalika Rohini Adikari
Director



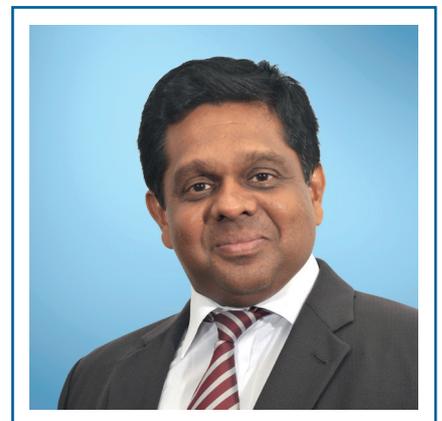
Mr. H. G. Sumanasinghe
Director



Mr. W. A. Chulananda Perera
Director



Mr. Athula Bandara Herath
Director



Mr. D. J. Gamini Suresh Edirisinghe
Director

Mr. Dammika Ranatunga Chairman

Mr. Dammika Ranatunga commenced his career in Information Technology in 1981, gathering experience in Programming and System Analysis and Customer Relationship Management (CRM). Later he opted to shift into the management sphere, joining Singer Sri Lanka where he was ultimately promoted to middle management.

Due to his wide experience, he was selected to serve as the first Chief Executive of the Board of Control for Cricket in Sri Lanka (BCCSL) from 1996 - 2001. During his tenure he spearheaded the development of the Corporate Strategic Plan, which focused on transforming the BCCSL into a result-oriented organisation.

He served as a Board Member of the International Cricket Council from 1996 to 1997, as a member of the Cricket Committee - Management of the International Cricket Council from 1996 to 2001 and as a Member of the Special Committee, Asian Cricket Council from 1997 - 2001.

From 2001-2013 while in USA, Mr. Ranatunga shared his knowledge and experience with many companies in the capacity of an Internet Sales Consultant, an Internet Sales Director, an E-Commerce Director and a Sales & E-Commerce Director.

Mr Ranatunga is also an all-round sportsman who excelled in cricket and athletics. He has played for the Sri Lanka National Team at Test and One Day levels.

He now leads the process to improve and enhance all aspects of operations of the Sri Lanka Ports Authority, aiming to achieve world-class standards of efficiency and excellence with a view to gaining international recognition for our port to be the 'Hub Port in Asia'.

Professor W. Lalith Prasanna Perera Vice Chairman

Professor Prasanna Perera holds a BA (Honours, First Class) in Economics from the University of Peradeniya, as well as an MA and a PhD in Economics. He has nearly 20 years of teaching experience in the University of Peradeniya and currently serves as a Professor in Economics. His research areas include international finance, monetary economics, political economy macroeconomics and forecasting. He has extensively published research articles and books on international finance, trade and related issues which provide fresh insights using E-views, Minitab and R-studio packages.

Professor Perera is an eminent Economist who has received numerous awards including the Commonwealth Doctoral Scholarship, the Kodikara Award, the Gate Mudliyar A. G. Tillekaratne Research Fellowship and the IMAI Memorial Scholarship. He is a member of the Board of Study for Economics at the National Institute for Education. He has recently published on a wide range of topics; Tea Smallholders in Sri Lanka, Issues and Challenges in Remote Areas, Political Economy of Post War Sri Lanka, Forecasting Foreign Direct Investment (FDI) in Sri Lanka, Modeling and Forecasting Foreign Direct Investment for SAARC Countries, Tourism Economics in Sri Lanka: An Econometric Analysis and an Analysis on Foreign Direct Investment, External Trade and Economic Growth in Sri Lanka in indexed journals. He has published widely on International Economics; books published by him include Overview of Sri Lanka's Trade Initiatives; Theory and Practice, Background to South Asian Countries, Challenges and Opportunities in the Economy of Sri Lanka and South Asia in the Regional Economic Co-operation.

Professor Perera presently holds the position of Vice Chairman at the Sri Lanka Ports Authority. He also serves on the

Boards of other Associate Companies of SLPA and the Civil Aviation Authority. He has been the Vice Chairman and the Executive Director of the Civil Aviation Authority, prior to assuming duties as the Vice Chairman of SLPA in October 2015.

Mr. H. D. A. S. Premachandra Managing Director

Mr. H. D. A. S. Premachandra is a graduate in Business Administration and also holds a Master's Degree with First Class Honours in Port Management and Harbour Administration from the University of Antwerp, Belgium. He joined the SLPA as a Management Trainee in October 1978 and moved up through the ranks to the position of Additional Managing Director in January 2001, a position he held until he left the SLPA in 2004 after recording 25 years of service.

Mr. Premachandra also worked at the Port of Fujairah as the Terminal Coordinator from 1991 to 1992 and at Westport of Malaysia as the Technical Advisor and the Head of Container Terminals Department from 1999 to 2000.

He left the SLPA on leave to work as the Regional Manager (Ports and Terminals - Asia) of CMA-CGM SA, the world's third largest shipping line. In August 2004, Mr. Premachandra left the SLPA to continue with the same company.

Before rejoining the SLPA as Managing Director on 1st December 2015, he worked at CMA-CGM Terminal Link and CMA Terminals, stationed in Kuala Lumpur and Mumbai. During this period, he worked at several ports, assisting CMA-CGM in investment in Terminals, in designing and developing Container Terminals including fully automated facilities, as well as helping to improve port performance for shipping lines in countries around the globe including the Middle East, Africa, USA and Europe.

Board of Directors

Mr. Sanjeewa Wijerathne Executive Director

Mr. Sanjeewa Wijerathne is the Executive Director of SLPA. Having worked in Sri Lanka, Middle East and Asia, he now possesses management experience of over 20 years in the areas of Aviation, Airports and Hospitality Management. Before joining the SLPA, he was Vice Chairman of Airport and Aviation Services Ltd of Sri Lanka.

He is also a Board member of Lanka Coal Company, Jaya Container Terminal Ltd and Magampura Port Management Company Ltd.

Mr. Wijerathne has a Master's Degree in Business Management from the Postgraduate Institute of Management of the University of Sri Jayewardenepura.

Mrs. Mangalika Rohini Adikari Director

Mrs. Mangalika Rohini Adikari holds a BA (Hons) Degree in Economics 2nd Class Upper Division (1977 - 1981) from the University of Kelaniya, Sri Lanka. She also holds an MA in Development Economics with specialization in Poverty and Social Sector Development (1995 - 1997) from the Institute of Social Studies, Hague the Netherlands. She also possesses a Postgraduate Degree in Development Economics from Michigan State University, USA through the Fulbright Humphrey Fellowship. Mrs. Adikari has also a MBA/HRM in All But Dissertation (ABD) (2005 - 2008) from the Postgraduate Institute of Management, University of Sri Jayewardenepura, Sri Lanka.

Mrs. Adikari was awarded the Fulbright/ Humphrey Fellowship 2009/2010 from Michigan State University USA (One-year mid- career professional development and degree programme), majoring in Economic Development with special

reference to Energy, Alternative Energy, Environment, Tourism and Agriculture in Economic Growth and International Relations.

She has also engaged in an 8-week internship with the Department of Energy, Labor and Economic Growth/ Michigan State Government, USA, and was awarded for service excellence for research work in Energy.

Mrs. Adikari completed an e-Government one-year certificate course at the Postgraduate Institute of Management, University of Sri Jayewardenepura and has also attended many short-term overseas trainings and conferences on Public Management, Economic Development and Human Resource Management.

She worked as Senior Staff Officer in the public service of the Government of Sri Lanka and has over 30 years experience in all aspects of management including Planning, Organizing, Controlling, Directing, Coordinating and Human Resource Management. She achieved career succession through merit and seniority based promotion system and was elevated from a Junior Managerial position to the highest echelons of the career path as Secretary to the State Ministry and thereafter to the position of Secretary to the Ministry of Fisheries and Aquatic Resource Development.

Mr. H. G. Sumanasinghe Director

Mr. Sumanasinghe possesses a Bachelor's Degree in Commerce from the University of Colombo and obtained his Post-Graduate Degree in Public Policy from Flinders University of Australia.

Mr. Sumanasinghe was appointed Treasury Representative from 2015. He functions as a Director General of the

Ministry of Finance. He joined the Sri Lanka Administrative Service in 1995, and held various posts in the Finance Ministry working in various Departments in the General Treasury as the Assistant Director of External Resources, Director of Department of Project Management and Monitoring and as Additional Director General of Public Finance, since 1996. He has served as the Director General of Administration and Human Resource Development since 2013. He has gained vast knowledge and has over 20 years of experience of working in the public sector.

Mr. W. A. Chulananda Perera Director

Mr. W. A. Chulananda Perera is an SLAS Supra Grade Officer, with 26 years of experience as an officer of the Sri Lanka Administrative Service.

Mr. Perera initiated his career as the Divisional Secretary at the Uva Province Divisional Secretariat Office - Passara (August, 1990- November, 1992), and was later appointed as Assistant Director of the Department of National Planning (November, 1992- December, 1994).

He then served as Senior Assistant Secretary to the Livestock and Rural Coconut Development Ministry in December, 1994, where he worked till April, 1995. He then entered the Department of Immigration and Emigration as an Assistant Controller in April 1995, where he served for two years till April 1997. In 1997, he was appointed Director of Administration at the Ministry of Health, where he served for two and a half years, consequently being appointed to the position of Assistant Director for the Ministry of Social Services in October 1999, where he launched many innovative initiatives and programs relating to disaster risk reduction.

Mr. Perera re-entered the Department of Immigration and Emigration in August 2002 as an Assistant Controller. Over a period of 8 years, he was promoted to Deputy Controller, Additional Controller and Controller, subsequently being appointed as the Controller General of Immigration and Emigration in 2010. Mr. Perera served as the Controller General for five years, during which period the Department of Immigration and Emigration reached new heights, emerging as a pioneering government institution with regard to e-governance, productivity and people-oriented service. During his tenure, the Immigration and Emigration Department won many prestigious awards for its service, such as the 'FutureGov' award for the department's Electronic Travel Authorization visa system, which was recognized as the best e-government project in the Asian Pacific Region, surpassing 48 other countries. The Department was also awarded for its Integrated Enquiry Management System (IEMS) in 2013 and won the Human Rights Organization Award in 2013 and was a National Productivity Award winner in 2006.

Mr. Perera was later promoted to the position of Additional Secretary for the Ministry of Transport in 2015, and then as the Additional Secretary to the President of Sri Lanka in August 2015. He currently serves as the Director General of Sri Lanka Customs.

Mr. Perera completed his tertiary education at the Sri Jayewardenepura University, where he received a BSC in Estate Management and Evaluation with Special Honours. He has also been recognized for exemplary government service, winning the International MACO award for the 'Best Government Servant of the Year' and the 'Best Government National Achiever- Public Service' awarded by the Lions Club in 2013.

Mr. Athula Bandara Herath Director

Mr. Herath holds a L.L.B (Sri Lanka) from the University of Colombo and was enrolled as an Attorney-at-Law in 1986. He counts over 29 years as a Counsel in active practice in the Supreme Court, Court of Appeal, District Court of Colombo as well as other outstation District Courts and Magistrate's Courts (In recovery Matters under Trust Receipts ordinance). He is also a Counsel of the panel of lawyers of the People's Bank, the Land Reform Commission and the Petroleum Corporation.

In addition, he appears as the Counsel for M/s. The Finance PLC, Ceylinco Insurance Company PLC, Hapugasthenna Plantation PLC, Kanrich Finance PLC and the Sri Lanka Petroleum Corporation.

Mr. Herath has also served as Commissioner of the Presidential Commission for Investigation of J.T.F. in 1995 and he also was a member of Land Acquisition Board of Review appointed by the Judicial Service Commission from 1995 to 2000. He was the Chairman of the Rent Board of Colombo from 2007 to 2013. While serving as a Director on the Board of the Sri Lanka Ports Authority since 2015, he also functioned as a member of the Audit Committee.

Mr. Herath is also a visiting Lecturer of the Sri Lanka Police Training School.

Mr. D. J. Gamini Suresh Edirisinghe Director

Mr. Edirisinghe graduated in Business Management from the University of California, Santa Barbara, California, USA. He is a Director of Edirisinghe Brother's Ltd., Edirisinghe Transport Services Ltd., D.J.G Edirisinghe & Sons Ltd. and Rich 'N' Lanka Pvt Ltd. He also served as a Director of Airport and Aviation Services Ltd.

He is an action-oriented leader with a strong record of performance with keen analysis and insights, using a team approach to drive organizational improvements and implementation of best practices. He also possesses superior interpersonal skills and is capable of resolving multiple and complex issues and motivating staff to peak performance.

Mr. Edirisinghe has expertise in strategic planning and organizational leadership, corporate and investment finance, team building and performance improvement, contract negotiation and strategic alliances and in growth and expansion strategy.

Mr. Prasad W. Sirimanne Secretary to the Board

Legal Consultant – SLPA

Management Team and Audit Committee

Management Team

Mr. Dammika Ranatunga

Chairman

Prof W. Lalith Prasanna Perera

Vice Chairman

Mr. H. D. A. S. Premachandra

Managing Director

Mr. Sanjeewa Wijerathne

Executive Director

Mr. J. K. P. Kurukulasuriya

Additional Managing Director

Mrs. Shirani Wanniarachchi

Director (Finance)

Mr. A. D. T. Gunasekara

Director (Technical)

Mr. D. U. W. De Zoysa

Director (Logistics)

Mr. P. A. A. Hewageegana

Director (Southern Port Development)

Mr. D. A. J. I. Perera

Director (Port Operations)

Mrs. D. G. I. C. Lokuhewage

Chief Engineer (Contract & Design)

Capt. R. A. Jayawickrama

Harbour Master

Mr. L. Premasiri de Silva

Chief Internal Auditor

Dr. (Mrs) D. Rajakanthan

Chief Medical Officer

Mr. L. H. R. Sepala

Chief Training Manager

Mr. E. A. T. Edirisuriya

Chief Engineer (Mechanical Plant)

Mr. A. A. S. R. Abeyesiriwardana

Chief Engineer (Planning & Development)

Mr. Upul Jayatissa

Chief Manager (Marketing & Business Development)

Mr. R. M. A. S. Rathnayake

Chief Manager (Administration)

Mr. H. A. N. S. Fernando

Chief Engineer (Electrical - I)

Mr. W. M. D. B. Wijekoon

Chief Engineer (Electrical - II)

Mr. H. M. U. B. Galagoda

Chief Manager (Information System)

Mr. Vijitha Abeysundera

Chief Manager (Supplies & MM)

Mr. P. M. S. Somaratne

Chief Engineer (Civil)

Mr. W. N. Jayatissa

Chief Manager (Container Operations)

Mr. G. H. D. Dharmarathne

Chief Engineer (Mechanical Works)

Mr. G. V. T. Nanayakkara

Chief Engineer (Marine)

Mrs. Aparna Tilakaratne

Chief Law Officer

Air. Cmdr. D. C. Premaratne

Chief Security Manager

Mr. Nirmal De Fonseka

Acting Chief Human Resource Manager

Audit Committee

Mr. H. G. Sumanasinghe

Chairman

Mr. W. A. Chulananda Perera

Member

Mr. Athula Bandara Herath

Member

Mr. K. P. G. Hemaratne

Member

Mrs. Shirani Wanniarachchi

Member

Mr. A. D. T. Gunasekara

Member

Mr. D. A. J. I. Perera

Member

Mr. L. Premasiri de Silva

Secretary

Business Development



Major activities and achievements of 2015:

The following New Main Lines and Feeder Services were attracted to the SLPA Terminals in 2015.

Three Mainline Services

- MSC - New Falcon W/B
- MSC - Australia Express W/B
- MSC - New South Africa Service

Four Feeder Services

- OEL- PIX-2 (Pan India X-Press service)
- XCL Tuti feeder
- Herbilan - Colombo - Vizag - Yangon Feeder service
- HC Line - CMX - Colombo Male Express Service

Two New Feeder Operators were attracted - Herbilan and HC Line.

Six Terminal Services Agreements (TSA) were signed.

SLPA managed terminals reported the following results:

- Transshipment container handling volumes decreased by 10.1 %.
- Domestic container handling volumes decreased by 15.9 %.
- SLPA managed Terminals volumes declined by 12.0 %.

The SLPA lost volumes due to increasing ship dimensions, bunching-up of vessels and competitive rates offered by other private Terminal operators.

The Port of Colombo reported following results:

- Domestic container handling volumes increased by 8.1%.
- Transshipment container handling volumes increased by 5.1 %.
- Port of Colombo overall growth increased by 5.7%.
- Total Tonnage handled at the Port of Colombo increased by 4.1 %.
- Total number of ship arrivals increased at the Port of Colombo by 12.2%.

MRMR Port reported following results:

- The total number of ship arrivals at MRMR Port declined by 11.9% during 2015, as compared to 2014. (The decline in ships was mainly due to the suspension of bunkering operations).
- Total Ro - Ro vessels handled was 276 ships - an increase of 9.1 % (2014 - 253 ships).
- Total No. of vehicles handled was 185,452 units - a decline of 6.5%. (2014 - 198,425 Units).
- Total No. of domestic vehicles handled was 69,195 units, an increase of 82.5 %. (2014 - 37,923 units).
- Total No. of transshipment vehicles handled was 116,257 units - a decline of 27.6 %. (2014 - 160,502 units).
- Market share - (Transshipment 62.6% and Domestic 37.4%).

General Administration



The SLPA was established by the SLPA Act. No. 51 of 1979 on the 1st August 1979 and subsequently amended by Act Nos. 7 and 35 of 1984.

Section 6 (1) of the SLPA Act defines its objects and duties as follows:

- Provision of efficient and regular service for stevedoring, shipping and trans-shipping, landing and warehousing, wharfage, the supply of water, fuel and electricity to vessels, for handling petroleum, petroleum products and lubricating oils to and from vessels and between bunkers and depots, for pilotage and mooring of vessels, for diving and underwater ship repairs and any other services incidental thereto.
- Provision of efficient and regular tally and protective services.
- Regulation and control of navigation within the limits of and the approaches to the Ports.
- Maintenance of Port installations and promotion of the use, improvement and development of the specified ports.

- Co-ordination and regulation of all activities within any specified port excluding the functions of the Customs Department.
- Establishment and maintenance on and off the coast of Sri Lanka such lights and other means for the guidance and protection of vessels as are necessary for navigation in and out of the specified ports.
- Performing such other duties as are imposed on the Ports Authority by the Act.
- Conducting the business of the Ports Authority in such manner and to make in accordance with this Act such charges for services rendered by the Authority will secure that the revenue of the Authority is not less than sufficient for meeting the charges which are proper to be made to the revenue of the Authority, to replace assets, make new investments and to establish and maintain an adequate general reserve and;

- Endeavour to manage the specified ports and each of them as self-supporting enterprises in accordance with the provisions of the Act.

In terms of Section 5 (1) of the SLPA Act, the Ports Authority has a Board of 09 Directors appointed by the Hon. Minister.

The Chairman is the Chief Executive and is in charge of the overall administration of the SLPA.

Changes to Senior Management in 2015

Mr. H. D. A. S. Premachandra was appointed as the Managing Director.

Mr. D. Upali W de Zoysa was appointed as the Director (Logistics).

Mr. D. A. J. I. Perera was appointed as the Director (Port Operations).

Mr. L. H. R. Sepala was appointed as the Chief Training Manager.

Air Cmdr. D. C. Premaratne was appointed as the Chief Security Manager.



Retirement/Resignation from Senior Management in 2015

Capt. Nihal Keppetipola, Managing Director resigned from the SLPA.

Mr W. N. Alson, Chief Manager (Welfare and Industrial Relations) retired from the SLPA.

CASA

The Ceylon Association of Ships Agents (CASA) held several meetings with the management of the SLPA during the year to discuss Port related matters and issues of concern to their members. These discussions proved fruitful in sorting out problems, maintaining mutual understanding and cordial relationship with the port users and thereby to improve the productivity.

Appeal Panels against Disciplinary Orders

Twenty (20) appeals tendered to the Chairman / Board of Directors by the Employees against disciplinary orders imposed on them which were referred to five Appeal Panels duly constituted in terms of the rules and regulations of the SLPA. Out of these appeals, four (04) were granted and fifteen (15) were rejected with one (01) to be finalised.

Overseas Training and Scholarship Opportunities

During the year under review, a total of thirty-two (32) officers holding senior and middle management level posts in the Ports Authority were awarded scholarships and given the opportunity to follow training programmes and participate in conferences and seminars conducted by international organizations outside Sri Lanka.

In addition to this, thirty-four (34) employees of the SLPA traveled overseas to represent Sri Lanka in sports competitions.





Operational Review



Operational Review

OPERATIONAL SERVICES OPERATIONS

A total number of 4,760 vessels have called at all ports, compared to 4,298 vessels in 2014, which is an increase of 10.7%. Total cargo throughput increased by 4.3 % while container throughput also increased by 5.7%, placing the figure at 5,185,467 TEUs.



With regard to container handling, imports in the Port of Colombo have gone up by 7.2% while exports increased by 9%, compared to 2014. Trans-shipment went up by 5.1%, with a total of 3,888,321 TEUs.

The productivity of the Gantry cranes (moves per hour) for main line vessels gained a positive growth of 6.5%, while feeders at JCT recorded a growth figure of 8.7% as compared to 2014.

2015 was a remarkable year for the Port of Colombo, as it reached 5 million TEUs.

LOGISTICS

The main function of the Logistics Division is to effect the delivery of all cargo comprising FCL, LCL, Break Bulk, Bags and Motor Vehicles which are discharged to the port, while rendering other shipping cargo related services to customers.

During 2015, 231,851 TEUs of FCL were directly delivered from the Customers' Services Centre by providing a round-the-clock service as practiced earlier. To enhance the services provided to customers and to minimize the time spent on documentation, the Cargo Module Navis Programme for FCL containers was successfully implemented.

A total cargo volume of 26,846 TEUs of LCL was handled by the SLPA. Of that volume, 7,747 TEUs (General/Dangerous Cargo)

were handled at Peliyagoda CFS for de-stuffing operations whilst providing warehouse space within the Port for Local, Trans-shipment, Multi-Country Consolidation (MCC) and special types of cargo. Revenue of Rs.188.2 million was generated from the de-stuffing of LCL containers. The revenue earned from the MCC was Rs 138.3 million. In addition, revenue of Rs. 4.6 million was earned as demurrage on empty containers and charges for change of status of containers.

During the year, 90 new licenses were issued to the Clearing Agencies and 944 licenses were renewed, making a total of 1,034 and generating a revenue of Rs. 16.6 million. By issuing and renewing wharf identity cards for wharf clerks of both categories "A" and "B", a total revenue of Rs. 7.3 million was collected. The total number of "A" passes issued and renewed during the year was recorded as 2,332, while "B" passes were 130.

Demand for bonding and entrepot trade increased following the enhancement of the bonding and entrepôt cargo warehouse facilities through the renovation of the CFS V warehouse, and a total revenue of Rs. 158.6 million was collected. The total revenue generated by the Logistics Division in 2015 from services rendered amounted to Rs. 603.2 million.

A total of Rs. 80.7 million was collected by conducting public tenders and auctions to dispose of abandoned cargo, whilst an additional revenue of Rs. 2.0 million was generated through the disposal of scrap iron, waste oil and used tires etc. through SLPMCS Ltd. In addition, Rs. 13.1 million was generated by disposing of the SLPA's discarded surplus items through public tenders.

36 applications were received in 2015 for rent waivers from the consignees through the Ministry of Ports and Shipping, of which



14 applications were recommended and 10 applications were rejected. The Ministry decision is pending for the remaining applications.

Steps are being taken to extend the electronic delivery documentation facility for LCL cargo and direct delivered cargo during 2015 and this would be fully implemented in the first quarter of 2016.

NAVIGATION

Pilotage

Pilotage to all types of vessels calling at the Port of Colombo was provided 24/7 during the year under review.

Type of Ship	No. of Ships	Purpose of Call	No. of Ships
Container	3,643	Bunkering	30
Conventional	45	Repairs	43
Dry Bulk	172	Passenger	37
Liquid Bulk	164	Other Services	11
Roll on Roll off	45		
Other Cargo	07		
Total		4,197	

Master of Tugs (CMT) Section

The CMT Section functioned satisfactorily, providing an efficient and continuous tug service for vessel maneuvers during the year under review. In addition, the following tasks were also performed:

- Carrying out Deck repairs and maintenance work of tugs.
- Manufacturing rope mats for tugs with discarded mooring ropes and making canvas awnings for tugs and other sections.

Adequate tugs were operated daily for ship movements and one standby tug was always available for contingency requirements.

Total Number of Vessels Attended by Tugs

A total of 20,485 movements were performed by the Berthing Tugs and the details are given below;

Name of Tug	No. of Movements
MT Raja	171
MT Nandimithra (55BP)	1,798
MT Suranimala (65BP)	3,388
MT Gotaimbara (65BP)	4,109
MT Vijayabahu	3,536
MT Barana – II	4,082
MT Airawana	2,097
MT Ocean Enterprise (Hired from 27.04.2015)	1,304
Total	20,485

Trincomalee

- M/T Sinhabahu
- T Neelamaha

Galle

- M/T Kanchadewa

KKS

- M/T Deera

MRMR Port

- M/T Velusumana
- M/T Varuna
- M/T Vasabha

Training

Crew members were sent to the Mahapola Training Institute for Basic Fire Fighting and Basic First Aid training whenever these courses were conducted by Mahapola Institute.

Revenue Earned

Year	Rs. Mn
2014 Actual	432.160
2015 Revised	465.601
2016 Projected	568.750

Chief Engineering Officer's Section

Staff

Adequate staff was available during 2015, in keeping with the operational and repair requirements of all tugs and pilot and mooring launches. Routine maintenance was carried out by staff of the Section, in addition to the daily running of required craft for towage, pilotage and operations. On a recommendation made by the management, the Chief Engineering Officer's Section is gearing up to attend to more routine maintenance work of tugs, while equipping a workshop for this purpose.

Port Fire Brigade (PFB)

An effective emergency service was provided by the PFB during 2015, mitigating the adverse effects of fire and other emergencies while implementing and maintaining local fire safety standards. The PFB is also the Emergency Response team of the SLPA, combating incidents of oil pollution and accidents related to hazardous materials.

Operational Review

The following services were rendered by the PFB during the year under review:

Fire Response	10
Emergency Calls	29
Standby Duties for Oil Tankers	153
Standby Duties for Gas Tankers	32
Standby Duties for Hot Works On Vessels	908
Standby Duties for D/C Handling	02
Supplying Water to Wash Piers/Warehouses Etc.	47
Pumping Out Water	02
Oil Pollution Control Work	22
Inspection Visits to Oil Tankers	646
VIP Standby duties	02
Combined Fire Drills	03
Supply water to duty tugs (Number of Bowser Loads)	165



Fire Safety Activities

- Fire Safety Inspection of all the buildings/cranes/vessels/prime movers were carried out.
- Fire equipment in the Ports of Colombo and Galle were inspected twice during the year whilst outside fire equipment was checked once.
- During the year 3,730 Nos. of fire extinguishers were checked.
- Two combined oil pollution drills were carried out at the Port of Colombo with coastal guards under the JAICA program.
- Two combined contingency rehearsals with Colombo Fire Service Department and SAGT were conducted.

Training

Staff Training Workshops	24
Outsiders Familiarization Visits	07
Coxswain Training Courses	04
Fire Training for Deck Rating Trainees	02
Combined fire drill with the Colombo Oil Bank	02
Refresher Fire Training Course for Port Fire Brigade Staff	08
Recruit Fireman Training Program for PFB staff	01

Revenue earned by the Port Fire Brigade in 2015 is given below.

Description	US \$
Standby Duties for Oil Tankers	201,124
Standby Duties for Gas Tankers	41,628
Standby Duties for Dangerous Cargo	4,500
Charges for Inspection Visits	8,080
Charges for Hot Work	23,088
Charges for Oil Pollution Control	52,990
Total Income	331,410

Harbour Safety Section

This section keeps track of all types of hazardous cargo being handled in the Port and ensures that safe handling practices are observed at all times.

Several chemical spillages and incidents of fire were controlled with the assistance of the Port Fire Brigade. Inspection of warehouses including dangerous cargo warehouses and containers was carried out periodically.

Site inspections prior to granting permission for hot work were carried out and unauthorized hot work incidents were detected and stopped. Inspections of marine pollution were carried out. Investigations and analysis of accidents involving personnel and marine were also carried out.

- The Port of Colombo handled 302,523 MT of dangerous cargo during 2015.
- 24,661 Nos. of freight containers of trans-shipment hazardous cargo were handled.
- Handling, storage and transportation of dangerous cargo in the Port and allied safety aspects were introduced while conducting lectures for employees in the Operations Division.
- 247 MT of high explosive (GPIE) and 8,468 MT of explosive nature substances (GP IAE/IIIE) were handled.
- Personal safety of employees at JCT and mooring gangs attached to the Navigation Division were monitored, especially in the use of Personal Protective Equipment, with the assistance of the Assistant Harbour Safety Inspectors.

Two hundred and twenty-one (221) Tankers of various types called at the Port of Colombo and discharged cargo as follows;

Types of Cargo	Quantity (MT)
Liquid Petroleum Gas	283,105.955
Gas Oil/Jet Oil/ Gasoline/Kerosene	3,237,783.045
Crude Oil	837,930.623
Fuel Oil	412,951.612
Base Oil	26,708.727

Coast Lights Section

The lighthouses along the Southern and Western coasts straddling the main international shipping routes were regularly maintained.

Light Buoys in Channels

Light Buoys were regularly checked and maintained. The alignment of the main South West Channel of the Port of Colombo was changed with the establishment of the Colombo Port Expansion Project and a new buoyage system was also established to demarcate the new approach of channels. Mariners were duly warned by way of Circulars of the CASA, SLAVO, LASO and the UK Hydrographic Division.

Revenue - Light Dues

	2013 Actual	2014 Actual	Rs. Million 2015 Projected (Revised)
Combined	621.762	681.320	844.523

Harbour Craft Section

The work of the Harbour Craft Section mainly consists of assisting and providing mooring gangs and crews for pilot launches to facilitate safe mooring/unmooring of vessels which call over at the Colombo Harbour, transporting various work gangs to the island breakwater, South West breakwater, keeping Harbour waters clean and handling heavy lifts by floating crane giraffe. The routine maintenance of pilot launches and mooring launches were also carried out satisfactorily.

Hydrographic Survey Section

Surveyors attended to all land survey work whenever requested by the relevant Divisions of the Port as well as hydrographic surveys of all the SLPA operated Ports, as per the following.

- Approach Channel Soundings
- South Port Soundings
- Main Entrance Sounding
- Inner Harbour Basin and Berths Soundings

- Buoy Position Survey of Approach Channel
- Colombo Port Map Revision Work
- Control Point Survey with Survey Department(Continuous)
- Surveying and Leveling of Port Internal Road Widening Project
- Central Line setting out and Leveling of Port Access Road Widening
- Bathymetric, Land and Monitoring Survey at ECT Project
- Leveling Guide Pier for Paving
- Leveling BQ for Paving
- Leveling JCT 3 yard for monitoring
- Surveys and Plan work for lease agreements

Port of Galle

- Survey for encroachment at Rumassala, SLPA Land
- Approach Channel and Inner Harbour Sounding
- Participating in 'Bimasaviya' and committee meetings
- Soundings over Yacht Marina excavation area

Port of Trincomalee

- Survey for preparing Lease plans
- Surveys of sea area at Minden Rock and Power Bay for leasing

MRMR Port

- Hydrographic Survey over Entrance and Channel after dredging
- Monthly observation of Beach Profile (03) to check the effectiveness of the Artificial Island
- Surveys for lease plan preparation for Investors
- Re-settlement of stage II, survey work under supervision of survey Department
- Other related survey work detailed by Project Engineers
- Check Levels of stage II excavated basin area before sea-water filling

Nautical Section

This section coordinated the annual registration and issue of licenses to Ship Chandlers, Launch Operators, Marine Surveyors, minor and major repair workshops, oil and oily water and garbage reception facilitators.

Operational Review

Name of the License	No. Issued	Revenue
Ship Repair License	141	13,670,977.74
Dockyard License	78	2,992,991.33
Survey License	36	2,019,139.04
Ship Chandlers' License	88	6,314,029.07
Boat License	45	2,533,818.34
SAGT and Other License	14	525,949.17
Total	402	28,056,904.69

PROJECTS DEVELOPMENT

PLANNING AND DEVELOPMENT

1. East Container Terminal (ECT) - Phase - I

In the Master Plan of Colombo South Harbour Development Project, the ECT has a quay length of 1200m which consists of 3 container berths, with alongside water depth of 18m. The SLPA proposed the construction of a single berth as the first phase of the ECT development plan, to cater to the shortfall in the capacity of container handling in the Port of Colombo.

Major items in infrastructure work

- Foundation dredging and reclamation dredging.
- 440m long quay wall construction - consists of 30m rail span, 20m wide back-reach area, a two-lane road and free area with revetments and capping beam.
- Landside crane rail and beam.
- Container yard on the reclaimed land - consists of 12 dry stack lanes and one reefer lane, 30m wide yard peripheral roads, terminal tractor parking area.
- Corner revetment.
- Services and utilities - consists in and out gate, a fueling station, electrical substations, sewerage treatment plant, firefighting system, water storage and distribution network and storm water drainage system are incorporated in the terminal plan



Present Progress

Physical Progress 100 %

The Revetment, Quay Wall, Crane Beam, Container Yard, Roads and other services like water, waste water and electricity have been completed. Machineries required for operations to be installed to start.

Financial Progress 93.1%

(Total work done up to October 2015 - US\$ 74,247,251.58)

2. Galle Port Development Project - Phase - I

Physical Progress

The whole project is to construct breakwaters and to dredge an approach channel and a turning basin in front of the terminal. The novation agreement was signed with M/s. Oriental Consultant Company (OCC) to commence design work.

The construction of the breakwater is being planned with the available JICA fund and to establish a multipurpose berth on Public, Private Partnership (PPP) under Phase II.

Approved loan amount is JPY 14,495 million.

Present Progress

M/s. OCC has prepared the draft Supplementary Design Report and the Bidding Documents Volume - I, II III and IV based on the final proposal.

Approval of the Cabinet of Ministers was obtained to appoint a TEC for Tender Evaluation.

The required clearance has already been obtained from the following Institutions:

- Ministry of National Heritage
- Department of Archaeology
- Coastal Conservation Department (EIA)

The approval of UNESCO has been required to commence the work.

For obtaining UNESCO approval, the SLPA has submitted the Galle Port Development Project Revised Plan 2013. According to the draft decision of the 38th General Session of UNESCO, the SLPA has prepared and submitted a Heritage Impact Assessment (HIA) report to UNESCO through the Ministry of Education.

Establishment of a Yacht/Leisure Craft Repair/Ship Building Facility in Port of Galle

Estimated Project Cost	US \$ 44 million
Construction Period	24 months
Investor	Hadi Hamam Group of Saudi Arabia
Name of the Project Proponent	Sea Gulf Shipyard (Pvt) Ltd (Sri Lanka)

Ultimate objectives of the project

- Design and construction of syncrolift of 1500 Ton capacity to accommodate yachts, pleasure crafts etc.
- Positioning Floating Dock of 4500 Ton capacity on temporary basis subject to 'Barge Formentera's being removed from the Closenburg Quay. It is intended to give the warehouse on lease for their working space and workshop.
- The land area is to be leased for 30 years, in line with the Land Alienation Policy of the SLPA.

Benefits to the SLPA

- The SLPA will receive land lease payments, port charges and royalty payments as income to the Port
- Repair facilities for yachts are essential to promote the Yacht Marina in the Port of Galle

Project Progress

The business agreement and the site lease agreement have been signed between the SLPA and Sea Gulf Shipyard (Pvt) Ltd on 06th June 2013 for this project. Accordingly, the effective date of the agreement was 1st July 2013.

The developer has settled part of the payments and balance money for leasing the site and due interest charges for the previous years has to be paid.

The SLPA sent a "Notice of Termination" on 12th December 2014, since the developer has not taken any steps to comply with the rules and regulations stipulated in the Agreement. Due to this crucial breach of conditions in the agreement the SLPA has taken measures to terminate the agreement.

3. Development of the Trincomalee Port

Introduction

A Request for Proposals (RFP) for Business Ventures in the lands of the Trincomalee Port has been called for by the SLPA, under the "Trincomalee Port City Development Project". Nine proposals were submitted from industries such as cement, trans-shipment of petrochemicals, the ship repair industry and the oceanic food processing industry.

Present Situation

The Management Committee has approved the proposals of M/s Dimo TMS and Oceanpick (Pvt) Ltd. The Final TEC Report has been submitted to the Standing Cabinet Appointed Review Committee (SCARC) for their recommendation.

The investors will be allowed to proceed after receiving SCARC approval.

4. Proposed Head Office Building for SLPA

The SLPA is planning to construct its Head Office Building to accommodate all the SLPA functions under one roof in order to improve the quality of customer service. It was planned to construct the Head Office Building next to the "Sambuddha Jayanti Chaithya".

Present Progress

The Board of Directors of the SLPA granted their approval to develop a concept business model with the participation of a private property developer to establish the required office space to house the SLPA staff at the Port of Colombo and to ensure good returns to the investor.

The preparation of the conceptual model is in progress. Once the conceptual model is prepared, it will be forwarded to the Management Committee of the SLPA.

Operational Review

SOUTHERN PORT DEVELOPMENT

1. Magam Ruhunupura Mahinda Rajapaksa Port (MRMR Port) Project Phase - I

Construction work for Phase - I has been completed and Port handling equipment has been installed.

2. Magam Ruhunupura Mahinda Rajapaksa Port (MRMR Port) Project Phase - II

Construction work of Phase - II of the project officially commenced on 15th November, 2012. This project includes the following construction;

- Main Container Berth 838.5m, (Depth 17m)
- Feeder Container Berth 460m, (Depth 12m)
- Multi-Purpose Berth 838.5m (Depth 17m)
- Transition Berth of 208m, (Depth 17m)
- Public Service Terminal
- Artificial Island of 42 Ha
- Deepening Harbour Basin Excavation from -16m Up to -17m,
- Deepening of Entrances Channel from -16m to -17m,
- Cofferdam
- Roads Yards and Handling Facilities

Most of the construction work including Basin Excavation, Main Container Terminal, Multi-purpose Terminal, Feeder Container Terminal and Artificial Island have been completed within 2015. Water filling to the Basin has also been completed recently.

The construction work for Public Service Buildings, Roads and Yards are yet to be completed. An extension period upto April 2016 has been granted for Phase - II construction work.

3. Bunkering Facilities and Tank Farm Project at MRMR Port LPG Facility Lease Agreement

The SLPA entered into a 10-year lease agreement with Litro Gas Terminal Lanka (Pvt) Ltd for the operation of the LPG Facility at Tank Farm. However, since low numbers of ships called for this operation, the SLPA management is in the process of reviewing the agreement. Meanwhile the particular concern regarding ship arrivals has been communicated to Litro Gas and they have suggested proposals to expand the facility and thereby improve ship calls. Currently the SLPA is in the process of scrutinizing the facilities that could be available for those proposals.

Bunkering Operations

Due to the operational loss incurred during the period from June 2014 to February 2015, the SLPA Management decided to call for Expressions of Interest (EOI) to attract strategic partnerships with experience in the field to operate the bunkering facility as a joint venture. Accordingly, the TEC and the Cabinet Appointed Negotiating Committee (CANC) were appointed and an EOI process was carried out. However, discussions between TEC and CANC identified that some of the terms and conditions were unfavourable to attract a partner with good value-addition. Hence, it was decided to revise the bidding document and the process of EOI to RFP.

A draft Cabinet Memorandum has been submitted to the Secretary to the Ministry of Ports and Shipping with the required revisions.

4. Ro-Ro Operations at MRMR Port

Due to the rapid growth of Ro-Ro operations at the MRMR Port, the SLPA Management requested a study of ways and means to further improve operations. Accordingly, a Technical Committee was appointed to assess the available terminals in order to find out the most suitable terminal for Ro-Ro operations. The report has been prepared and submitted to the Management.



5. Request for Proposals (RFP) at MRMR Port

Under the RFP - II, the SLPA has commenced the establishment of its first business venture at the MRMR Port, namely "Laugfs Terminal Limited", during 2015. Accordingly, relevant agreements were signed by both parties in August, 2015 and groundbreaking commenced in December 2015. Meanwhile, some of the other investors who were selected under RFP - I and RFP - II were rejected and decided to terminate considering the

environmental aspects and their inactivity in commencing the business. A Cabinet Paper has been forwarded in this regard and approval was sought to launch a fresh RFP to attract new business ventures to the Port.

There are three other prospective investors selected under RFP - II whose total amount of investment exceeds US\$ 1,500 million. However, several legal issues are yet to be resolved before implementing these projects and the SLPA is coordinating with the relevant institutions in order to entertain these valuable investments.



6. Land Acquisitions - Stage II at MRMR Port

Under the Stage - II Land Acquisition/Purchasing process of the MRMR Port, it is proposed to acquire approximately 700 Hectares at Hambantota. Due to this process 398 families need to be resettled in the Hambantota Municipal Council area. Currently, the compensation process is in progress.

7. Supply, Operate and Transfer (SOT) Project at the MRMR Port

The Concession Framework Agreement on Key Terms on SOT have been signed in 2012 and 2014 respectively, between the SLPA and China JV (China Harbour Engineering Company Limited and China Merchants International Company Limited). Currently, the SLPA management is reviewing the project.

CONTRACTS AND DESIGNS

The Contracts and Designs Division is mainly responsible for design of structures and the management of Civil Engineering projects implemented by the SLPA. The designing of structures includes Port infrastructure such as berths, piers, civil structures, buildings and roads to facilitate the SLPA in its main business. Further, the Contracts and Designs Division undertakes all

design/drawing work for all maintenance and development requirements of all the divisions of SLPA including all regional Ports. Management of projects including tender proceedings, consultancy services, construction supervision and quality controlling and contract management of such projects.

In addition to the above, this Division also undertakes some minor construction work in the Port of Colombo using direct labour, by utilizing the employees attached to Stress Bed.

The construction and development work carried out by the Division during 2015 was as follows;

Contracts Section

1. Galle Port Developments

Construction of Proposed Yacht Marina

It has been decided to develop the Port of Galle as a tourist port in order to develop the tourist sector in the southern region of the country, as this would add value to existing historical sites in Galle, thereby attracting more tourists to the city.

The construction of a Yacht Marina within the existing Port premises, together with related support services/facilities at the Port of Galle has been planned to attract more yachts, pleasure crafts etc., and to provide more berthing facilities to yachts and pleasure crafts calling at the Port. These constructions were executed in stages, and Phase - I of the Project (Construction of quay walls) and Phase - II (Construction of retaining walls, drainage and paving works) were completed. Phase - III of the project has been completed in 2015 and details are as follows.

Phase - III - Excavation and Revetment Construction Works

The Project comprises mainly to supply graded rock and the construction of revetment at 3.0m LWOST water depth, the excavation/dredging of the marina basin and the entrance to the proposed Yacht Marina upto -3.0 LWOST water depth, the supply and installation of fenders. The project was completed at a cost of Rs. 53 million.

Construction of Workshop Building

Due to the construction of the Yacht Marina at Port of Galle, a number of office buildings, facilities and workshops located within the project area were to be demolished and relocated. Workshop building was planned in order to re-locate and the project comprises the construction of concrete structures for office areas and steel structures for workshops, stores, vehicle service area and garages etc. This was completed at a total cost of Rs. 49.2 million and was handed over to the Port of Galle.

Operational Review

Construction of a New Internal Port Road

The Internal Port Road leading to the new pier was to be diverted due to the construction of the Yacht Marina. The new Internal Port Road was planned and the project comprises of a two-lane road with asphalt paving, a drainage system and services, a walkway and electrical installation. The project was successfully completed at a total cost of Rs. 31 million and was handed over to the Port of Galle.

2. Widening of the Internal Port Road at the Port of Colombo

It has been identified that the existing 4-lane Internal Port Road from Ingurukade Junction to Gate 01 needs to be widened upto 6 lanes, to cater to the anticipated traffic volumes within the Port premises following the completion of South Port developments. Together with the road widening, it is also required to widen the 2 existing bridges at the Fort area and the bridge over Bloemendhal Road in the Port Access Road.

In order to widen the road for 6 lanes, existing buildings, offices, workshops, facilities etc had to be demolished and relocated. Construction work is being carried out in stages in road stretches where all demolitions are completed. The project comprises of a 6-lane road with asphalt paving, base layers, service drains, walkway etc.

Project Progress

Widening of Harthal Bridge was completed in 2014 at a total cost of Rs. 219 million.

Road stretch of 1.0 km was fully completed with service drains, asphalt wearing course, road markings etc and a total length of 2.8 km was completed up to the asphalt binder course.

Construction work is being carried out in phases. Work to the value of Rs. 52.23 million was completed during 2015.

3. Widening of the Port Access Road

Widening of the existing bridge over Bloemendhal Road

As part of the internal Port road-widening project, it is required to widen the existing bridge over Bloemendhal Road. Piling work was completed at the total cost of Rs. 30 million.

Construction of sub structure and super structure was awarded to the contractor at a total cost of Rs. 50 million and construction work is in progress. 88% of the work has been completed.

Widening of the Port Access Road

A soil investigations was done before commencing road widening work, and it was found that there was a weak soil/peat

layer below. Designing of soil improvement and road widening was awarded to the Central Engineering Consultancy Bureau (CECB) and designing is in progress.



4. Rehabilitation of Terminals/Piers at the Port of Colombo

Paving Works at the Guide Pier and the Bandaranayake Quay

It has been identified that the existing Guide Pier Yard and Bandaranayake Quay (BQ) need improvement and re-surfacing as the entire yard has subsided and this has affected operations at the terminals.

Rehabilitation of JCT 3 Terminal - R and S Lanes

It has been identified that the existing container stacking yard including the roads at JCT 3 need to be rehabilitated, as most of the container stacking areas and roadways have areas that have subsided. Rehabilitation will be undertaken in stages to avoid interrupting day-to-day container operations at the terminal.

Project Progress Summary

Item	Activity / Description	Progress / Cost
1	Paving Work at Guide Pier	100% of the work has been completed in 2015. Payment made up to December is `Rs. 16.5 million.
2	Paving work at Bandaranayake Quay - Stage I	Designs and tender documents as well as tender proceedings were completed.
3	Rehabilitation of JCT 3 Terminal - R and S Lanes	Designs and tender documents as well as tender proceedings were completed.

5. Study on Littoral Drift at Oluvil Coastal Areas

It was decided to undertake remedial works to address the problems of coastal erosion presently experienced beyond the

Northern boundary of the Oluvil Port. This includes the huge sand accumulation below the Southern boundary, along the South breakwater and sand siltation in and around the port entrance channel. A comprehensive engineering study was proposed as a precursor to such work, to determine the sediment transport and morphological changes in the coastal areas of Oluvil, and the remedial measures to be adopted.

The funding agency for the Oluvil Port Development Project - the Ministry of Foreign Affairs of Denmark (DANIDA) has agreed to provide financial assistance for the study, as a Grant.

The Ministry Tender Board (MTB) and TEC have been appointed and a draft Bid Document has been forwarded to the MTB for approval.

6. Completed Tender Documents and Bill of Quantities

- Widening of the Internal Port Road Project
- Rehabilitation of JCT Container Yard (R and S Lanes) in the Port of Colombo
- Rectification Work of the Foundations of CFS 01 Warehouse in the Port of Colombo
- Paving Works at the Bandaranayke Quay in the Port of Colombo

7. Designing Assignments

Completed the following designs and drawing assignments:

- Widening of the Internal Road at the Port of Colombo from CH 1+260 to CH 1 +700 (Pavement, Services, Drains)
- Proposed Paving of Guide Pier
- Proposed paving of the Bandaranayke Quay
- Proposed rehabilitation work at R and S lanes of JCT III Yard
- New extension to SLPA VIP residence, Hill House No. 05
- Modification of Ex-Fire Brigade building
- Extension of the existing A/C workshop building
- Vehicle Park at the Boat Yard Section
- Extension to the electrical labour rest for JCT - 3 generator room
- Preparation of layout drawings for the Ministry Building
- Preparation of layout plan for the proposed widening of the Port Access Road at the Port of Colombo

8. Premises/Geological Information System (GIS) Section

The main responsibility of the Premises Section is the management of all immovable properties owned by The SLPA.

Altogether there are nearly 9,484 acres of land belonging to the SLPA around the island. Of these, 946 acres are situated in and around the Port of Colombo, where 72 premises are leased to external parties/institutions. The SLPA was able to earn a sum of approximately Rs. 1.5 billion as lease rental during 2015.

The Premises Section has taken steps to secure the properties of the SLPA by entering into 6 new lease agreements with increased lease rentals.

Meanwhile, the allocation of vacant SLPA houses for employees was implemented as per the instructions stipulated in the Circular of 2012.

ENGINEERING CIVIL ENGINEERING

The prime responsibility of the Civil Engineering Division is the maintenance of the Port infrastructure and premises to the satisfaction of the staff and other users. The Civil Engineering Division strives to achieve these goals while preserving healthy working environment, throughout the year.

Apart from these objectives, some minor development activities were also carried out as per the discretion of the SLPA management. The progress of these activities is impressive and the Civil Engineering Division was able to save a considerable amount of money which would otherwise have been given to external contractors.

Maintenance Works

The Maintenance Works section's scope of work is widely spread, from cleaning to the maintenance of all port structures and premises excepting electrical and mechanical works. The maintenance of marine structures in Colombo and other harbours and of all lighthouses is carried out by the MCS Section while harbour depths are maintained by the Dredging Section. JCT maintenance work is done by the Maintenance Unit at JCT. Other important structures are maintained by the CIW Section. The facilities at the Housing Schemes are maintained by the Housing Section. Solid Waste Management and other general cleaning activities are done by the PHI Section.

Daily maintenance is undertaken by staff at the South and North Sections while the maintenance of Railways, Roads and Yards is done by the Road and Railway Section.

Operational Review



Minor Development Works

All the shifting of facilities required for the proposed road expansion was carried out by the Civil Engineering Division to meet the road contractor's targets. The Civil Engineering Division has also completed many construction activities within the Port of Colombo, especially at the ongoing ECT Project.

The improvement to the JCT Terminal was one of the main activities undertaken by the Civil Engineering Division and presently 70% of the work has been completed.

ELECTRICAL AND ELECTRONIC ENGINEERING

The Electrical and Electronic Engineering Division is responsible for planning, management, implementation and facility maintenance of all engineering projects and facilities in the fields of Electrical Power and Communication Engineering at all Ports under the purview of the SLPA.

A team of highly qualified professional Electrical/Communication Engineers under the direction of two Chief Engineers and two Deputy Chief Engineers work around the clock to maintain all essential services related to Electrical Power and Communication, achieving more than 95% sustainability of all services related to Port activities, which is on par with other international hub Ports in the world.

The Electrical Engineers also contribute their experience and knowledge towards the design and construction of the ECT.

Following were completed under the scope of Electrical Power Engineering:

- Distribution of electrical power supply from CEB at 11 kV, total installed capacity of 18 MW

- Maintenance and upgrading of 11 kV sub-stations, installation and commissioning
- Maintenance of protection systems and switchgears of all LT Power applications
- Maintenance of electrical installations in dredgers, tug boats and other floating crafts
- Maintenance of electrical installations in container handling cranes (ship to shore yard cranes)
- Maintenance of ship bulk cargo handling cranes
- Repairs to electric motors (AC and DC) and other instruments in container cranes
- Maintenance of standby power generators of total capacity of 15.5 MW
- Installation, maintenance and troubleshooting on the 11 kV electrical underground cable network
- Planning, installation and maintenance of air conditioning systems

Following were completed under the scope of Electronic and Communication Engineering:

- Planning and maintenance of the VHF Radio network (Marine Band)
- Planning and maintenance of the 2.4 GHz Wi-Fi data communication network at container terminal
- Maintenance of the RFID system at container terminal
- Planning and maintenance of the optical fiber network and data network operation centre
- Planning and maintenance of the Port telephone PBX system with a capacity of 2000 lines
- Maintenance of the navigation system including radars, echo sounder, satellite communication, equipment, DGPS based survey systems etc
- Planning and maintenance of the CCTV system
- Expansion of the existing optical fiber network
- Enhancement of the voice communication facility to accommodate the VHF duplex channel

MARINE ENGINEERING

The Marine Engineering Division is mainly responsible for maintenance and repairs to all floating crafts of the SLPA and to ensure the availability of an adequate number of floating crafts for Navigation, Operations, and Civil Engineering Divisions and to

other Ports under the SLPA, namely Galle, Trincomalee, KKS and the MRMR Port.

The division consists of two main sections and their achievements during the year 2015 are as follows.

Marine 1 Section

Refit Engineering Section

The Refit Engineering Section comes under the Marine - I section and is mainly responsible for maintenance and repairs to all Harbour Berthing Tugs, Fire float "Mega", Dredgers of the SLPA. The section was able to meet the operational requirements of five berthing tugs for Colombo, two berthing tugs for Trincomalee, one berthing tug for Galle, one berthing tug for KKS and two berthing tugs for the MRMR Port, while carrying out machinery repairs and fulfilling the requirements of the Lloyds Register Classification Survey for these floating crafts.

This section also maintained the dredgers namely Trailing Suction Dredger "Hansakawa" and Grab Hopper Dredger "Diyakowula" in good operational condition during the year. Refit section also carried out the routine repair and maintenance of all the outboard motors used by the Navigation and Civil Engineering Divisions of the SLPA.

Major repairs including an overhaul of Motor Tug "Suranimala" and repair maintenance work with dry docking of the tugs "Nandimithra", "Airawana" "Therapuththabaya" and "Vasabha" were done during 2015. In-water surveys in lieu of docking surveys and other surveys are also executed and to keep all vessels within the accepted class.

Engineer Harbour Craft Section

This section is mainly responsible for the repair and maintenance of pilot launches, mooring launches and other crafts. This section was able to meet the operational requirements of the Navigation Division as well as the other Ports under the SLPA.

Pilot launches "Pilot 12", "Pilot 13" and "Pilot 14" were refurbished during the year by the Engineers, Harbour Craft section. Routine maintenance and repairs of all pilot launches, mooring launches and other Crafts of the SLPA were successfully concluded including repair work for the crafts at Trincomalee and Hambantota harbour in 2015.

Classification surveys successfully carried out on all Pilot Launches and Mooring Launches during the year.

Marine II Section

Shipwright section

The Shipwright section is mainly responsible for all wood repair work and fiberglass repair work of floating crafts of the SLPA. The Shipwright section also carried out repairs to wooden furniture, paneling work and the timber fender repair work of the berthing tugs and launches used by the Navigation Division. This section also undertakes slipping and un-slipping operations of Vessels at the 600-ton Patent Slipway and its maintenance works.

During the year, M/T Mahasen was un-slipped at the 600-ton Patent Slipway after completing major hull repairs and 2 other slipping operations were done for vessels belonging to external parties, in the year under review. Other wooden and paneling repair work to berthing tugs and launches were also carried out by this section during the year.

Cargo Craft Section

The Cargo Craft Section is responsible for steel repair work for all crafts used in the SLPA and carry out grit blasting and paint work for these crafts. This section is also responsible for the repair and maintenance of Towing Tugs, Motor Launches, Water Barges, and Deck Barges used by the Operations Division.

This section pioneered the manufacture and supply of wire slings in different sizes to other sections of the SLPA and to external customers, during the year. The section also produces different sizes of curtains, canvas covers, awnings, and tent cloths requested by the Operations, Navigation, Security and Engineering Divisions, the Port of Galle, the Port of Trincomalee and external institutions as well.

Pilot Launches 11, 13, 14, 15, and general purpose launch Mahadevi, water barge WB 17 and other crafts of the SLPA were slipped during 2015 for running repairs and major repairs.

Barge Maria, Maldives Police Boat P19, Puffin IX, Commander 1, Commander 7, Nina, and M/T Highseas were all sea crafts belonging to external customers that were slipped for their own repair purposes. Revenue earned by the SLPA amounted to over Rs. 8 million.

Beira Yard

The yard is mainly responsible for maintenance and repairs to steel cargo lighters and barges used by the Operations Division. Steel repairs and maintenance of water barges were done during 2015. Sand blasting and painting of the main steel structures of the newly proposed CFS 1 was also completed as required, during the year.

Operational Review

MECHANICAL PLANT ENGINEERING

The main responsibility of the Mechanical Plant Engineering Division is to plan and execute suitable maintenance programs for the fleet of cargo handling equipment of the SLPA and to make such equipment available without interruption for containerized and conventional cargo handling operations.

The fleet of cargo handling equipment of the SLPA was maintained satisfactorily by the Division during 2015 by carrying out a planned maintenance program in combination with a Quick Response Strategy to attend to all breakdowns of equipment. The Ship to Shore Cranes (STS), Rail Mounted Gantry Cranes (RMG), Rubber Tyred Gantry Cranes (RTG), Prime Movers, Yard Tractors and all other Container handling equipment at JCT/UCT were maintained to achieve 90% availability, serving the high level of performance in container handling during 2015.

All other equipment comprising Fork Lift Trucks, Construction Machinery, Trailers and all types of Cranes were also satisfactorily maintained by the Mechanical Plant Engineering Division.

The responsibilities of the Mechanical Plant Engineering Division extend to the maintenance of the fleet of motor vehicles (buses, lorries, vans, double cabs, cars, three wheelers and motor cycles) and Shunting Locomotives of the SLPA.

The Bulk Oil Installation at the Summer Hill area which is operated and maintained by two operators on lease terms, functioned satisfactorily under the supervision of the Mechanical Plant Division.

4 Fork lift trucks (comprising two 06 Ton and two 10 Ton Fork lift trucks) were replaced at a cost of Rs. 21 million during 2015. Another 07 Nos. of 2.5 Ton Fork lift trucks were also replaced at the end of year 2015.

MECHANICAL WORK ENGINEERING

The Mechanical Work Engineering Division is responsible for all steel fabrication works of the SLPA. This Division plays a crucial role in providing services for steel repairs of berthing tugs, pilot launches, dredgers and all structural repairs of container handling cranes, container semi-trailers attached to JCT and UCT and construction of other steel structures of the SLPA. This division also engages in machining and fabricating new spare parts required for cargo handling equipment and marine drafts. The Division is also responsible for testing of chains and shackles and maintaining grabs for operational requirements. Development projects in Colombo Oil Bank are also entrusted to this Division.

This Division has completed the following work during the year;

- Fabrication of Reefer sacks for ECT -75% completed
- Installation of Fuel Tanks for ECT
- Fabrication of steel structural Columns and beams for reconstruction half of CFS - I
- Hull and Structural repairs to Tug Velusumana, Tug Airawana
- Trolley Rail Replacement of Gantry Crane J-II
- Repairs to Trolley rails of Gantry Cranes J-03, J-09, J-10 & J-19 at JCT
- Modification of Lamp-post to install sector lights at PVQ
- Repairing of Pilot launch 13
- Repairing of ship hydrants of JCT and UCT and repairing of fire hydrants of JCT
- Steel repairs of Gantry Cranes J-02, J-04, J-II, J-10 & J-13
- Construction of hopper net for Dredger Diyakowula
- Repairing and Resting of an LP gas Tank at central kitchen

In addition to the above, over 75 major steel repair works, over 30 major machining works, over 170 major Fitting works and over 1,500 different Mechanical Works-related jobs were carried out by the 7 workshops of the Mechanical Works division for the various Divisions of the SLPA

Major projects carried out for Colombo Oil Bank during the year;

- Installation of Radar Type Tank gauging system for Tank Nos. 101, 105, 108, 109 & 117
- Modification of existing hydrant/ monitor system to use both water & foam for Tanks 101, 102, 103, & 104

HUMAN RESOURCE DEVELOPMENT HUMAN RESOURCE

The goal of the Human Resource (HR) Division is to help the organisation achieve its strategic objectives, while ensuring employees' engagement and motivation. HR's success will be measured by the ability to align and integrate processes with our strategic mission. This success would be achieved by identifying issues and executing corrective measures effectively.

In moving forward, HR has targeted its operational initiatives by aligning to the Port Strategic Plan while identifying ways to leverage and develop technology as a means to innovate and improve internal efficiencies.

The approved cadre of the workforce for all ports viz: Colombo, Galle and Trincomalee is 9,990. The total permanent workforce at the SLPA was 9,493 as at 1st of January 2015, which includes Executive, Non-Executive, Technical (Skilled) and Non-Technical (Non-Skilled) grades. The total workforce strength at the Port of Colombo is 8,701 whilst the Port of Galle and Trincomalee have 373 and 419, respectively.

During 2015, there were 256 employees recruited externally on permanent basis, within the approved cadre. Of them, 136 employees were from the Piya Puthu Foundation. The total number of employees who retired or resigned was 284.

Applications were called internally for the posts of Executive, Non-Executive and Technical grades and qualified applicants were promoted to the relevant designation, based on their merits. Apart from these promotions, all employees whose performance was satisfactory received the annual increments.

The division has focused on continuous improvement over the past year, to increase efficiency and accountability while improving services to our clients and streamlining administration. The HR Division also continues to provide leadership with regard to using IT in HR Management, for example in active attendance management and the HRIS System.

Human Resources will play a critical role in ensuring a high level of performance and has engaged a well equipped work force in order to deliver results.

In the coming year, the HR Division aims to improve employee commitment, while increasing their level of competency and the skills that lead to competitive advantage.

Retired employees were rewarded and recognized for their commitment to the success of the SLPA, according to the period of service. A sum of Rs. 482,000 was allocated to pay an ex-gratia payment for any family member who had passed away during the year.

A special committee has been appointed to address unresolved matters pertaining to all employees at the Port, and also to address the issues of transfers and their other grievances of all Divisions. The HR Division has now undertaken to handle all disciplinary matters of the SLPA, in order to maintain impartiality, justice and fair play.

The following tables give a clear and comparative view of the activities of the SLPA's Human Resources division.

Recruitment on Contract Basis - 2015

Service Area	Values
Executive	11
Non - Executive	30
Non - Technical	214
Total	255

Leaving the Service - 2015

Reason	Values
Retirement	248
Resignation	08
Death	21
Dismissal	01
Other	06
Total	284

The total permanent cadre of the SLPA is 9,464, as at 31st December 2015.

WELFARE AND INDUSTRIAL RELATIONS

The Welfare and Industrial Relations Division offers facilities and opportunities for a better quality of life, to employees of SLPA.

Administration of the Division

The Welfare and Industrial Relations Division functions under two sections.

- Main office
- Central Kitchen Section

The welfare programs conducted by the Welfare and Industrial Relations Division are given below

Meals Supplied Free of Charge to the Staff

The SLPA provides free lunch for all office staff as well as free lunch, dinner, tea and snacks for employees on shift-basis. A sum of Rs. 621,390,079 was utilised for this purpose in 2015.

The employees who do not obtain lunch are given Rs. 100/= in lieu.

Health Insurance Scheme for the Employees

The insurance scheme is valid from September 01st each year to August 31st next year. This insurance scheme was implemented through two institutions in 2015, from 01st January to 31st August by Sri Lanka Insurance Corporation and from 01st of September, by Merchant Bank of Sri Lanka (MBSL). While Sri Lanka Insurance costs were Rs. 10,000 per employee, MBSL charges Rs. 9,750 per employee. Thus, there has been a decrease of Rs. 250, compared to the previous year.

Operational Review

In addition, the employees can include their dependents to this scheme according to their wishes. The relevant amounts should be borne by the employees. An unmarried person is able to include his/her parents until they reach the age of 70 and married employees can include spouse, unmarried children who are below 21 years.

Insurance Scheme for Pilots

In addition to the above Insurance Scheme, a special insurance scheme has also been introduced for all the pilots employed in the Navigation Division of the SLPA. Steps have been taken to incorporate this insurance scheme with the health insurance scheme from 2013/14.

A sum of Rs. 1,250 was charged as a contribution from pilots for 2015/2016 while the balance costs were borne by the SLPA. Accordingly, action has been taken to pay Rs. 48,619 to the relevant institution.

Scholarship Scheme

Two categories of scholarships were awarded to the children of employees of the SLPA; for university education and to study for the GCE (A/L) examination. A sum of Rs. 750 is awarded for GCE (A/L) studies for a period of 24 months. Based on the results of the Ordinary Level Examination held in December 2013 and 2014, Rs. 4,770,000 was awarded for 531 students through the SLPA scholarship scheme.

However, the SLPA employees' children who already receive Mahapola Scholarships or Bursaries from Universities are not eligible for the SLPA scholarship scheme.

SLPA scholarships are granted for a period of 3 to 5 years for 10 months per year and the amount granted depends on the duration of the course of study. A sum of Rs. 7,532,500 was granted to selected students in 2015. Applications have been called from those who sat for the Advance Level examination in 2014, to select students eligible for scholarships.

Welfare Housing Loan Scheme

A loan scheme programme is being implemented with the assistance of the State Mortgage and Investment Bank (SMIB), under which employees of the SLPA could obtain a housing loan of up to Rs. 500,000, either to construct a house, or to add a section to an existing house, or to purchase a plot of land to construct a house.

Rs 50 million was allocated per annum to implement this programme and action is being taken based on the requirement, to release this money to the bank. A concessionary interest rate

of 6% is levied on these loans. In 2015, 10 applications were received and a total sum of Rs. 2,987,500 was released to the State Mortgage Investment Bank (SMIB), under this programme.

Welfare Buses

Six buses are deployed for pilgrimages and excursions of the employees of the Authority and their family members. Three buses have been allocated for internal transportation. The buses were deployed 1,012 times during last year.

The Crèche and the Pre-school

Children between 2 ½ to 05 years are provided care from this facility. The children are enrolled from January to 31st August and monthly a fee of Rs. 1,300 is charged per child.

Library Facilities

The SLPA provides financial assistance for libraries maintained by the employees, in order to develop reading habits and gain new knowledge to improve skills. In 2015, Rs. 200,000 was granted and allocated to 20 functioning libraries.

A sum of Rs. 193,060 was divided between 19 libraries, except for the library in the carpentry section which declined the grant due to having fewer members and difficulties in maintenance.

Payments for Special Leave Entitlement

When an employee has availed his leave entitlement, he is given leave with approved pay for a maximum period of 180 days in case of illness or an accident until he becomes fit for duty subject to medical recommendation. This leave with pay or without pay is granted subject to the approval of the Chief Medical Officer. From January to December 2015, 61 such applications have been received and the approval has been granted to award paid leave for 1490 1/2 days and leave with no pay for 52 days.

Maritime Museum

The Maritime Museum houses and displays a collection of replicas and plaques which describe the historical evolution of the port. Various other items of historical interest related to navigation and shipping and objects used in the old port can also be viewed.

This Museum has much educational value and school children often visit, sometimes travelling from a considerable distance.

Young children and elders also visit the Museum, which is open from 8.00 a.m. to 5.00 p.m. on weekdays. The Museum is also open on Sundays and Poya days.

Awarding Gifts to the Employees

All employees of the SLPA who have completed 30 years of service are awarded with valuable souvenirs. Since 2014 there was a change in the awarding procedure, and the awarding of gifts/souvenirs for employees who have completed 30 years of service has become the responsibility of the Welfare and Industrial Relations Division

The Human Resource Division keeps the Welfare and Industrial Relations Division updated regarding each employee's date of completion of 30 years. Accordingly, in 2015, 210 employees were selected.



Welfare Canteens

Fifteen canteens are being operated within the Port premises to meet the requirements of the employees of the Authority and as well as the Port Users. Lessees are selected by calling for tenders annually and total revenue collected during the year 2015 was Rs.7,879,771.

Welfare and Sport Pavilion Facilities

Each welfare center has been provided with a pavilion by the Authority. At present 07 centers are functional. All the equipment are under repair.

MEDICAL

The Medical Division conducted awareness programs throughout the year to advise employees about maintaining good mental and physical health. The Division also promoted safety at work and counseled staff about smoking, alcohol and drug use, thereby enhancing awareness and productivity.

Accidents, emergencies and all medical conditions were treated promptly. Those with lifestyle diseases were monitored regularly and given the opportunity to meet on a one-on-one basis with a consultant from our experienced panel of doctors, who maintained a 24-hour service, together with their teams.

Dental services were also provided including extractions, scaling, permanent fillings, root canal therapy and other procedures.

The X-ray and ECG facility, dispensary, pharmacy and laboratory facilities have been upgraded and a fully equipped 24-hour ambulance service is also available.

Weekly checking for dengue breeding sites was carried out within the Port premises by the dengue control team attached to each division, under the supervision of the divisional heads and the committee member of the divisional dengue prevention committee for the SLPA. A monthly report from each division was sent to the Secretary, Ministry of Ports and Shipping, through the Chairman.

The SLPA dengue prevention committee meetings were held monthly to discuss difficulties encountered and to help take corrective measures.

Educational programmes about the prevention of lifestyle diseases, especially Diabetes Mellitus were conducted at Divisional and Sectional levels.

The resources of the Medical Division were used and managed in an optimum manner.

MAHAPOLA TRAINING INSTITUTE

The Mahapola Training Institute (MPTI) is committed to achieve its objective of providing training facilities to port employees, Port users and others in the maritime sector. Further, as per the annual training calendar it focused on a series of lectures, seminars, workshops and practical training programmes to enhance the knowledge, skills and attitudes of targeted groups. Several workshops on productivity improvement, team building, upgrading technical skills, customer services and quality improvements were conducted during 2015. The MPTI facilitated avenues for port employees to upgrade their competency levels and to specialize their skills in Port Operations through customer oriented courses that lead to value added certifications.

During 2015, the MPTI trained around 4,812 candidates (excluding on-the-job training) for up to 646,849 man-hours. In addition, the MPTI provided on the job training for 205 candidates of university undergraduates, students of Technical Colleges and other similar vocational training institutes etc.

Operational Review

Overall Training Performance during the Year 2015

Stream	No. of Candidates Trained	Total Man Hours
Equipment Operations	795	12,294
Cargo Operations	170	1,020
Management	1,454	522,006
Information Systems	476	36,456
Technical (Electrical/ Mechanical workshop)	477	40,842
Fire, Safety and Occupational Health	720	9,655
Maritime and Seamanship	720	24,576
NAITA Apprentices, VTA and Technical Colleges	146	210,240
University Undergraduates	59	84,960
Total (without OJT)	4,812	646,849
Total (with OJT)	5,017	942,049

Eligibility Qualifications for SLPA Employees, In Terms of The New Scheme of Promotions.

It was observed that several port employees are stagnated without any promotional prospects due to non-conformity with required educational qualifications. To overcome this situation the MPTI designed a structured bridge training programme to qualify these employees as appropriate to the SLPA.



Diploma programmes in Port Security were also conducted during 2015 for the benefit of executive officers. A training programme called Diploma in Management Information Systems was developed during 2015. A programme was also conducted to enhance the competency of the shipwright divers of the SLPA.

Enhancing Overall Port Productivity

MPTI conducts several skills development Training Programmes on various discipline of Port activities to enhance the overall Port productivity such as:

- Port Finance/Accounts
- Auditing
- Procurement and Stores Management
- Clerical Skills Development and Administration
- HR Management
- Positive Thinking
- Health and Safety Aspects
- Strategic Port Management
- Engineering Drawing for supervisors and Technicians
- Motor Control Circuits
- Electronics for Electrical
- Welding Course
- Computer Training
- Equipment Training etc.

130 such programmes were conducted in 2015 for approximately 3,992 participants. Moreover, a series of safety awareness programmes were conducted for approximately 512 private truck drivers, to enhance safety of lives and equipment at container terminals. This programme resulted in reduced Truck Turnaround Time and noticeable improved safety of the terminal activities.

Supports to Local and International Maritime Industry

MPTI makes a significant contribution to the Global Maritime Industry by providing Maritime Related Training Programmes. Thousands of unemployed and underprivileged Sri Lankan youth seek employment at international shipping lines through these programmes. 33 such programmes were conducted in 2015, for 720 candidates. .

ISO 9001:2008 Certification

MPTI is the pioneer educational institutes in Sri Lanka which has obtained ISO 9001:2008 Certification for its Quality Management System which is a mandatory requirement to conduct IMO/ ATCW training programme for seafarers. It has conducted three Management Reviews and four Internal Audits during the year 2015.

Use of Modern Technology

MPTI has upgraded the quality of its training programmes by introducing modern technology into its activities. There were

50 candidates trained with the use of its own established Mechatronic Laboratory.

Container Simulator is also being used to train 59 Gantry Crane and Transfer Crane Operators for the Port. 06 selected trainers were provided special training on Advanced PLC.

Potential Work Force

MPTI is in the process of maintaining a pool of skilled workers to fulfill the future requirement and to cope with newly developed ports. For this purpose, during the year 2015, about 133 port equipment operators were trained.

Enhancing Language and IT skills

Since customer satisfaction is a vital factor for a Global Business, the SLPA was highly concerned to improve the language skills of its employees and to empower them with IT skills and knowledge thereby enhance customer satisfaction. MPTI shoulder the responsibility to make it possible and during the year 2015 it has conducted various IT programmes and trained 476 employees. Moreover, language programmes including Sinhala, Tamil and English were conducted for chosen 99 candidates

Providing Industrial Support

The SLPA is in the process of supporting the state Universities, Technical Colleges and Vocational Training Agencies by providing industrial training to their students to complete their courses of studies. During the year 2015, fifty-nine (59) undergraduates from various universities, 46 Diploma holders and 100 Craftsmen were given opportunities by the SLPA to complete their training sections.

Revenue Earned

During the period of January to December 2015, MPTI has earned a total sum of Rs. 16,323,682 as revenue for the SLPA from the fee levying programmes conducted for outsiders. The revenue earned by MPTI from various divisions of the SLPA by conducting training to their employees to improve the overall efficiency of Port operations was Rs. 15,715,676/. Therefore, the total revenue earned by the MPTI during the year 2015 was Rs. 32,039,358.

The total expenses for courses conducted at MPTI was Rs. 5,944,827 during the year 2015.

SUPPORT SERVICES SECURITY

The responsibility in maintaining the security of all commercial Ports administered by the SLPA is the duty of the Security Division and we maintain a 24 hour efficient security service to

carry out this responsibility. The Security Division is committed to achieve these objectives and to provide an excellent service, by utilizing state-of-the-art technology and strategies with a view to protect properties and human lives within the Colombo Port premises which is located in the High Security Zone.

The income earned by the Security Division for the future development of the Port by carrying out the day to day official duties effectively is follows.



Income Earned by Issuing Entry Permits for Port Users (Including income tax)

Stream	Rs.
Total income earned by issuing entry permits for persons and vehicles	90,256,437
Income earned by imposing fines for the issuing new permits for the misplaced Port permits	61,429
Income earned by issuing entry permits to SAGT, Colombo Dockyard Ltd., and CICT	7,243,284
Income earned by issuing entry permits with pouches and shoulders belts	55,900
Income earned by issuing of entry permits for persons and vehicles for the purpose of fishing within the port	109,715
Total	97,726,765

In addition to the amount earned by issuing entry permits, the number of free entry permits issued for persons and vehicles by the Temporary Permit Office as a service in 2015 was 44,824 and 8,926 respectively.

Operational Review

Motor Traffic Control

Stream	Rs.
In 2015, 28 cases were filed by the SLPA against violation of the traffic rules and except one case, all the other cases were finalized.	
The amount earned by the fines imposed	59,000
The amount earned for the losses incurred to the SLPA as a result of 80 accidents in 2015	5,508,140

In addition to receiving the above-mentioned income, it was also able to pay attention to the following facts in the year 2015.

Human Resource Training and Development

The Security Training School established to provide required training by identifying specialized training needs of the security personnel, conducted 9 workshops to create awareness of the official duties of the Security Division and its afflicted institutions and 227 officers participated.

The Division has succeeded in deploying all security officers in training activities with the representation of all ports and conduct training and development at an optimum level and action has been taken to maintain a high level of security functions by issuing the necessary equipment granted for the relevant personnel on time.

INFORMATION SYSTEMS

The IS Division focuses on deploying strategic, state-of-the-art IT Systems to make the SLPA's business activities more competitive and advantageous for its customers.

The importance of IT in relation to the maritime business cannot be overstated and the SLPA considers IT as a major catalyst in organizational growth. We believe that the appropriate IT systems can spur port business, helping us to make the most of Sri Lanka's geo-strategic location to accelerate the Port of Colombo in its competition with the rival ports in the region.

Cargo Management System

The Cargo Module of the Container Terminal Management System (CTMS) which was purchased in 2011 in order to provide an efficient service to SLPA customers, saw a few more improvements last year. Among the many advantages that accrued to the cargo clearing industry are initiating service requests from the client's office, generation of draft invoices at SLPA, facility to make payments by cash at any BOC branch or through internet money transfer for BOC account-holders and payment using internet payment gateway for credit/debit card holders.

This facility was extended for Sampath Bank account-holders in 2014 and the HNB and the People's Bank were added to the network in mid-2015.

The following facilities were added in 2015 to what had been offered by the FCL/LCL module.

- Forwarders/Shippers can submit their manifests using a direct link to CTMS Cargo module. And in 2015, it was further extended to cater for SAGT and CICT Container Terminals' Information covering agents all around the country.

Welfare Information Management System

Development of an application system was initiated in early 2015 to maintain and manage information of the Welfare Society members. This system was designed and developed in a PHP front end supported by a MySQL server back end database. The system was partially implemented at the Welfare Society office in December 2015. The system is ready to move to the testing stage after the data entry stage which is now being done at the user site.

Job Costing System

This system was designed to identify, monitor and maintain individual costing of each and every task handled by engineering workshops. The system is at the final stages of development and it will be ready for implementation in early 2016.

Kitchen Management System

A system was designed to monitor and record all the information associated with the kitchen functions. The system is currently at the development stage and is planned to be deployed within the next couple of months.

ORACLE Finance System

The Oracle Finance system, which had been running on a low-end server, was migrated to a new high end server in 2011, with the intention of achieving an improved performance. This change over ensured that errors were rectified and inaccuracies addressed. Most manual functions were automated and procedures in the Finance Division were simplified and streamlined, thus bringing efficiency and accuracy to that Division's activities. The capacity of the new server made way for the Inventory and Procurement Management Module of the e-Business suite to be implemented on top of the Oracle Finance system, on the same machine. The Inventory and Procurement module was implemented in November 2013 and in late 2014 and early 2015 the other two major components namely, the Accounts Payable and the Fixed Assets modules were also successfully implemented.

Biometric Time Attendance and Physical Access Control System (TAPACS)

The Biometric Time Attendance and Physical Access Control System was deployed in 2009 and is now in operation at the Galle and Hambanthota Ports as well.

This was a great success and smart-card technology-based ID badges were printed for all SLPA employees during 2009, using existing printers. The application software developed specially for SLPA requirements was introduced to all administrative units. T&A machines were installed, and the system has now completed 6 years of successful operation. The reporting features are very useful to users who handle matters relating to attendance. The data will also be used in other application areas such as Security, Payroll and Human Resource Management.

New Photo Identity Badges were printed in 2013, to replace badges that had expired five years after the initial issue. Several faulty machines were replaced and the printing of Regular Port User (RPU) passes for the MRMR port was initiated. Obsolete T&A machines were replaced and software modifications were completed in 2015, to support both new and old machines.

Security Control and Permit Issue System

System Support and User Training were provided. The printing of ad-hoc reports was also facilitated. Server maintenance and data backup procedures were monitored and successfully implemented.

Upon a request made by the RM (Galle), the IS Division developed a permit issuing system for the Galle port. This system covers various temporary and monthly entry permits for all external port users and their vehicles. Further to the permit issuing facility, the system provides a person and vehicle blacklisting facility as well. The system also provides daily and monthly revenue reports relating to permits issued.

New Payroll System

The implementation of the new Payroll System initiated in 2011 was redesigned in 2015 in order to clear several identified ambiguities. The system mainly caters to the requirements of the Finance Division and is in the final stages of development. It will be connected to all the administration sections of the SLPA and will be integrated with the HR system. Once this system is fully implemented it will be possible to automate leave/overtime maintenance and online loan processing.

Maintenance of Existing Systems

Once application systems have been commissioned, the maintenance of software and supporting hardware becomes

the responsibility of the IS Division. System maintenance, which amounts to almost 60% of the total work load of any IS installation, is the longest on-going phase in the systems development life cycle. The maintenance phase ends when the system is decommissioned. The Maintenance work load entrusted to the IS Division deserves special attention.

Action taken by the IS Division on timely maintenance of hardware and software has helped SLPA to ensure an uninterrupted operation of its IT systems.

The IS Division undertook maintenance of the following systems in the year under review.

CFS/Peliyagoda

Employees of this Division were given appropriate training. Smooth server maintenance and data backup procedures were monitored and implemented successfully. Requests for Ad-hoc reports were fulfilled. A new server was introduced and the database migration from Oracle 8i to 10g was successfully completed.

Container Terminal Management System (CTMS) - JCT/UCT

The integrity of the application was ensured while efficiency and accuracy was achieved by the implementation of the Navis Terminal Management System. Most of the problems relating to new/changing business requirements were resolved, ensuring integrity of the application. Steps were taken to expand the Web Access Module facility to a greater number of users. Paperless processes were achieved by reducing the volume of paperwork and speeding up the electronic information transfer. The requirement of port visits by Agents could also be minimised with the completion of this feature.

EDI System

Through the CTMS the following EDI facility was implemented during 2014.

(i) TDR - SAGT/CICT

Uploading of Terminal Departure Reports (TDR) of CICT and SAGT terminals was made possible facilitating FCL and LCL process at SLPA.

This facility was continuously monitored throughout the year 2015 to ensure its uninterrupted operation.

Operational Review

LEGAL

The Law Officers are the Legal Advisors to the specified Ports declared under the SLPA Act No. 51 of 1979 i.e., Port of Colombo, Galle, Trincomalee, MRMR Port and KKS/PPD and also render advice to the Board of Directors, Directors, Heads of Divisions and other sections of the SLPA.

Advices

During 2015 more than 300 advisory consultancies have been offered to the Management and Heads of Divisions.

In addition, drafting executing and attending to other matters pertaining to Contracts, Agreements, Bonds, Deeds (Transfers, Leases, Declarations, Mortgages etc.) which the SLPA is a party to, also comes under the purview of the Legal Division.

Contracts, Agreements, Bonds and Deeds

20 Lease Agreements, 01 Deed of Exchange and 07 Agreements/Contracts were executed by the Legal Division in 2015. In addition to those Instruments, the following Agreements and Bonds were executed: -

- 10 Agreements and Bonds in respect of No-Pay Leave for Employment abroad
- 08 Agreements and Bonds in respect of Training and Education in Sri Lanka and Abroad
- 37 Agreements/Bonds have been signed in respect of the employees who follow Security Diploma/HR Diploma
- 06 Agreements/Bonds have been signed in respect of the Management Trainees

All matters pertaining to Court Cases to which SLPA is a party to, are also handled by the Legal Division with the assistance of the Attorney General and Counsels from the Unofficial Bar.

Litigation

By the end of December 2014, a total of 311 Cases/Complaints/Applications were pending before the Supreme Court, Court of Appeal, High Courts, District Courts, Labour Tribunals, Magistrate Courts, Labour Department, Human Rights Commission, Ombudsman, Labour Courts, Workmen Compensation and Arbitration Centres.

During 2015, 58 new cases/complaints/applications were filed against/by the SLPA (i.e. before the Supreme Court, Court of Appeal, High Court, District Court, Labour Tribunal, Magistrate Court, Human Rights Commission, Labour Commissioner, Labour Department, Arbitrators and Workmen Compensation Tribunal), of which 02 cases were filed by the SLPA, while the rest were

filed against the SLPA. Of a total of 369 cases, 26 cases were concluded during 2015. 14 cases were ruled in favour of the SLPA while 03 cases were ruled against the SLPA. 03 cases were settled and 06 cases were withdrawn by the other party.

As at 31.12.2015, 343 cases/complaints/applications are pending before the said Forums.

Supreme Court Cases

By the end of 2014, 15 cases were pending. During 2015, 05 new cases were filed. Out of all 20 cases, 01 case was concluded during 2015, which was ruled in favour of SLPA. 19 cases were pending before the Supreme Court as at 31.12.2015.

Court of Appeal Cases

16 cases were pending as at 31.12.2014. During 2015, 02 new cases were filed against the SLPA. Out of a total of 18 cases, 02 cases were concluded. 01 case was decided in favour of the SLPA and 01 case was settled by the concerned parties. As at 31.12.2015, there were 16 cases pending before the Court of Appeal.

High Court Cases

As at 31st December, 2014, 12 cases were pending at the High Court. 05 new cases were filed during 2015. Of a total of 17 cases, 02 cases were concluded and both were ruled in favour of the SLPA. As at 31.12.2015, there were 15 cases pending before the High Court.

District Court Cases

09 cases were pending as at 31.12.2014. During 2015, 01 new case was filed by the SLPA. None of the cases were concluded during 2015. As at 31.12.2015 there were 10 cases pending before the District Court.

Magistrate Court Cases

10 cases were pending at the Magistrate Courts as at 31.12.2014. During 2015, 03 new cases were filed in Magistrates Courts, to eject unlawful occupants from the SLPA quarters under the Government Quarters (Recovery of Possession) Act and the said applications were filed under the State Lands (Recovery of Possession) Act. Out of 13 cases, 01 case was concluded during 2015 and decided in favour of the SLPA. In addition to the said Magistrate Court cases, the Legal Division attends Magistrate Court cases in various parts of the country as and when required, on receipt of summons where the SLPA employees are parties to such cases. As at 31.12.2015, there were 12 cases pending before the Magistrate Courts.

Labour Tribunal Cases

26 cases were pending in Labour Tribunals as at 31.12.2014. No new cases have been filed against the SLPA in 2015, and out of total of 26 Labour Tribunal cases, 11 were concluded. 01 case was decided in favour of the SLPA while other 02 were decided in favour of the Plaintiff and 08 cases were withdrawn by the other party. As at 31.12.2015, there were 15 cases pending before the Labour Tribunals.

Applications made in Human Rights Commission, Complaints made to the Labour Department regarding Labour Disputes (Conciliation cases), Complaints made to the Ombudsman and Applications made to the Commissioner for Workmen Compensation Tribunal

As at 31.12.2014, 146 Human Rights Commission (HRC) Applications, 53 Complaints of Conciliations before Labour Commissioner, 17 Complaints before Ombudsman were pending.

During 2015, 20 new Applications were made to the HRC, 20 new Conciliation Complaints were made to the Labour Commissioner, 01 Complaint to the Ombudsman and 01 Complaint to the Workmen Compensation Tribunal.

08 HRC Applications and 01 Conciliation Complaint were concluded during 2015.

Accordingly, as at 31.12.2015, 158 HRC Applications, 72 Conciliation complaints and 18 Complaints before Ombudsman and 01 Complaint to the Workmen Compensation Tribunal were pending.

Arbitrations

As at 31.12.2014, 02 Commercial Arbitration matters and 05 Industrial Arbitration matters were pending. During the year 2015, 01 case of Industrial Arbitration was filed against the SLPA. Accordingly, as at 31.12.2015, 06 Industrial Arbitrations and 02 Commercial Arbitrations were pending [although concluded, two commercial arbitrations are considered as pending since appeals have been filed by the SLPA against the Awards made by the Arbitral Tribunals].

SUPPLIES AND MATERIAL MANAGEMENT

Functions

Functions of this division included purchasing (Foreign and Local), Storage and Issuance of Fuel, Machinery and Equipment, Spare parts and other items required by the SLPA for operations and maintenance of all commercial ports in Sri Lanka.

Number of Tenders Approved During the Year under Review

Description	No. of Tender Board Meeting	No. of Tender Board Approvals
Cabinet Appointed Tender Board (Approval limit over 100 million)	Nil	Nil
Board of Directors (Departmental Tender Board No. 1) (Rs. 20 million to 100 million)	-	10
Central Tender Board (Departmental Tender Board No. 2) (Rs. 250,000/= to 20 million)	34	1,135
"B" Tender Board (Departmental Tender Board No. 3) (Approval limit less than Rs. 250,000/=)	51	3,340

Total Expenditure Incurred During The Year 2015 on Foreign Purchases (C & F Value)

	Rs.
Non Capital Items	363,832,680
Capital Items	161,836,207
No. of Letter of Credit opened (Including D/A and D/P)	116
No. of Telegraphic Transfers orders opened	41

Details of Goods cleared by the Wharf section during 2015

Sea Freight	82
Air Freight	73
Parcel Post	05

Value of Stocks as at 31.12.2015 Rs. 2,675,820,028.

Main Stores and Stocks Control

	Rs.
Value of Goods received at Stores during the year 2015 (Non-Capital)	2,948,230,138
Value of Goods received at stores during the year 2015 (Capital)	173,393,592
Value of Goods issued to User Section (Non Capital)	2,496,622,213

COMMUNICATION AND PUBLIC RELATIONS (CPRD)

Within the period of 2015, the CPRD has worked to improve and promote the brand and image of the SLPA locally and internationally, in line with the vision of the new Management.

Operational Review

In 2015, as its first responsibility, the CPRD took several steps to build fairer and better communication between the management and the employees, as well as with local and international organisations of related sectors in the maritime industry, to boost a positive image of the SLPA. In addition to the above processes, the CPRD focused on various publicity activities for the SLPA, both in and outside the country with regard to port development projects in 2015.

The achievements of the CPRD in 2015 were brought under several programmes under the preview of the management as given below.

Publication of the THEERTHA newspaper.

Facilities to coordinate and publish official SLPA advertisements in ANCL papers and occasionally in other Print media.



The facilitation of necessary publicity and full event coverage for the ceremonial occasion of receiving ISO – 9001 quality certification from the JCT.

Organising media coverage in and outside the SLPA, as instructed by the management and organising media visits/press conferences when necessary, for the SLPA.

Delivery of plaques and gift items for functions and events of the SLPA.

Coordination and total facilitation to publish full page advertisements and press supplements to mark the 36th Anniversary of the SLPA.

Producing several advertising proposals for the Maritime Conference – 2015 held at Hilton Hotel, Colombo.

Production of a special video documentary for the Mahapola Training Institute.

INTERNAL AUDIT AND FINANCE

INTERNAL AUDIT

The activities of the Internal Audit Division are guided by the Annual Audit Programme which is recommended by the Audit Committee and approved by the Board of Directors.

Internal checks and normal Internal Audit functions were carried out in the Revenue and Expenditure areas of the Authority.

Internal Checks

Attendance

Surprise checks of attendance of both labour and non labour grades were carried out regularly by the Flying Squad during both the day shift and the night shift. Employees detected as being absent from their workplaces were reported for disciplinary action. This resulted in improved attendance of the employees.

Cash

Surprise checks on cash and petty cash imprests were carried out from time to time and discrepancies were reported.

Audit of Revenue

The audit of revenue collection for the year was carried out as per the Audit Programme as special assignments enabling the detection of under-recoveries of Port charges.

Debtors Accounts, Disputed Bills and Dishonoured cheques were examined and discrepancies reported. Regular checks were carried out at the Landing and Delivery Units as well.

Audit of Expenditure

Test checks were carried out in respect of capital and recurrent expenditure and also on stores payment vouchers. Excess payments and other irregularities were detected. Vehicle running charts and vehicle authorisation forms were checked and shortcomings highlighted. A regular check on the preparation of wages and salaries was carried out and discrepancies detected were reported.

Physical Verification of Stores

The continuous verification of stores was carried out at the Colombo Port and assistance was also given for the annual stock verification at other Ports.

During the continuous verification of main stores, the non-moving stock items lying in the stores were identified and referred to the Supplies Division for suitable action.

Investigations

Special investigations were carried out during the year, at the request of the Chairman.

Final Accounts

The Division is also responsible for examining the final accounts of the Authority with a view to ensuring the financial statements are prepared in a manner conforming to the Sri Lanka Accounting Standards.

Pre-Audit

During the period under review, Pre-Audit of refunds of deposits and waivers of Port Charges were undertaken.

Ports of Galle and Trincomalee and MRMR Port

The Audit of Accounts for the Ports of Galle, Trincomalee and MRMR Port was carried out on both Revenue and Expenditure and reports were prepared.

FINANCE

Significant performance milestones and achievements of the Finance Division are given below.

The Oracle General Ledger, Accounts Payable and Receivable and Fixed Assets Modules have been introduced to the Other Ports, with effect from 01.12.2015.

Zero base budgetary concept was used when preparing the budget of the SLPA for 2016.

OTHER PORTS

PORT OF TRINCOMALEE

Ship to Ship (STS) Operations

STS Operations has been carried out at the Port of Trincomalee since April, 2015.

Engineering

Renovation work in Warehouse No.7, Resident Manager's (Trinco) bungalow, Building in Burma Camp, Finance Office had been completed; making and fixing of Dummy Land Marks for the SLPA vested lands, termite control treatment in Tug Neelamaha had been carried out.

Main Work

The construction of the culvert and drainage system for weigh bridge, new septic tank for security office at Burma Camp entrance, and Ceylon Jetty Quarters No.14 had been executed.

Renovation work at Town Security Office, Weigh Bridge – Control Room, Japanese Bungalow and Trade Union Offices had been carried out.

Security Section

ISPS Code

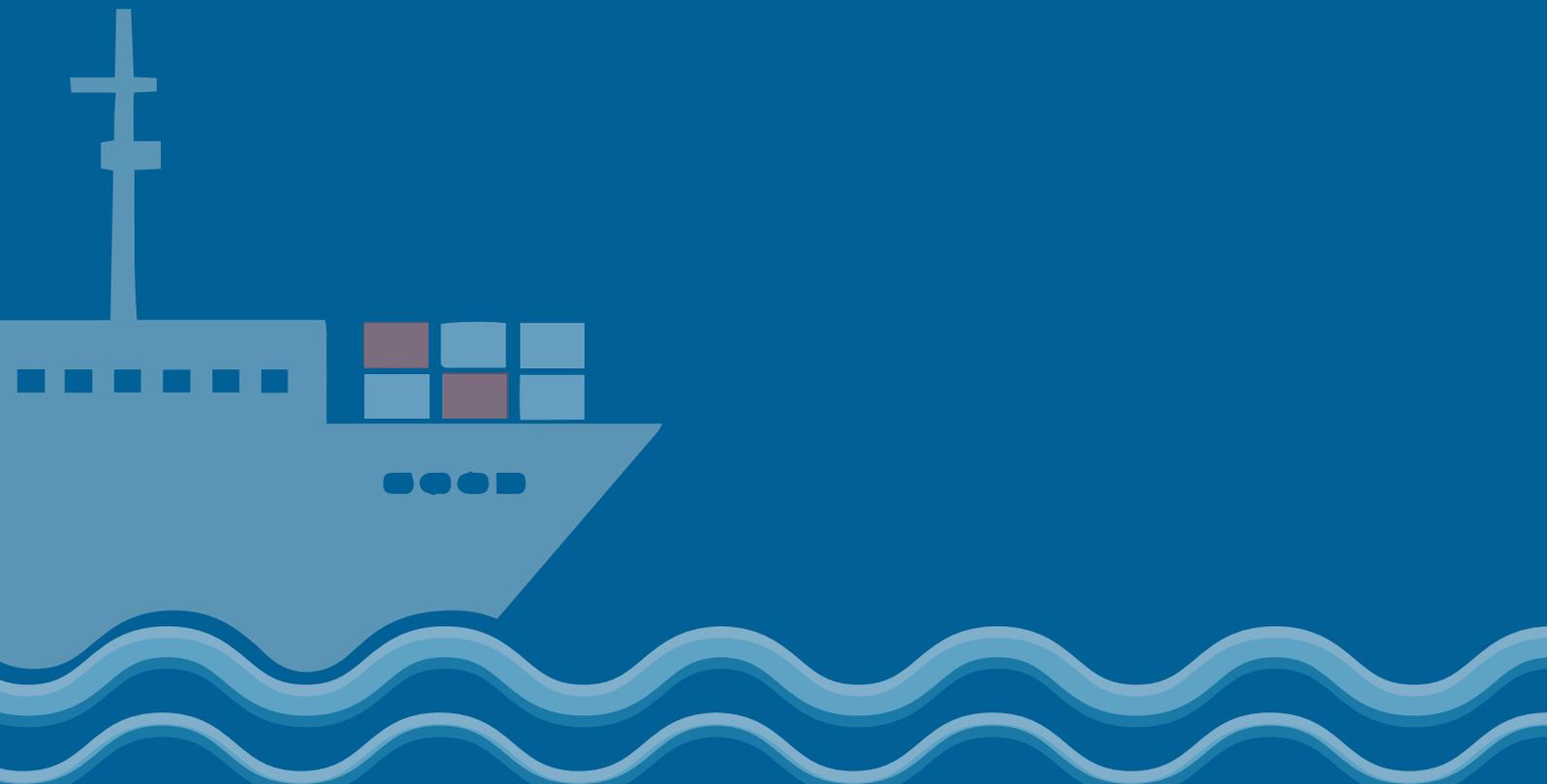
There were many inadequacies in implementing the ISPS code highlighted by the SL Navy. Most of these have now been resolved while others are in process for resolution.

PORT OF GALLE

Type of Vessels	Nos.
Clinker	54
Bulk Cement	01
Bag Cement	01
Gypsum	04
SLAG	01
Others	86
Anchorage	119
Off Port Limit Vessels	10,315
Sailing Yacht	53



Financial Review



Financial Review

Revenue (All Ports)

(Revenue Port Activity Break-up)

Description	2015	2014	Description	2015	2014
	Rs. Million	Rs. Million		Rs. Million	Rs. Million
Revenue from Port Activities	35,128	32,375	Navigation	6,789	5,303
Other Revenue	5,677	5,116	Stevedoring	18,387	19,078
			Wharf Handling	4,553	3,920
			Port Facilities	4,189	3,278
			Other Service Operations	1,211	797
Total Revenue	40,805	37,492	Sub Total	35,128	32,375

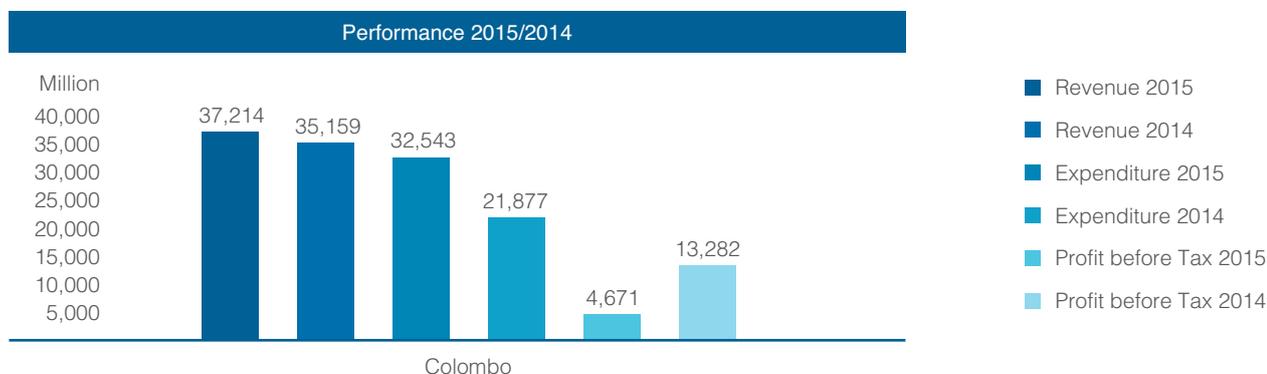
Operating and Other Expenses (All Ports)

Description	2015	2014	(Increase) /Decrease	%
	Expenditure	Expenditure		
	Rs. Million	Rs. Million		
Maintenance of Assets	1,131	993	(138)	(14)
Fuel, Electricity and Water	1,985	2,388	403	17
Interest on Foreign Loan	3,762	3,639	(123)	(3)
Overtime	3,810	3,372	(438)	(13)
Depreciation	8,608	7,152	(1,456)	(20)
Wages, Salaries and Allowances	12,302	9,824	(2,478)	(25)
Others	3,183	2,801	(382)	(14)
Expenditure	34,780	30,168	(4,612)	(15)
Foreign Exchange (Loss)/Gain	20,194	(1,574)	(21,767)	(1,383)
Total Expenditure Including FEL	54,974	28,595	(26,379)	(92)

Port-wise Performance

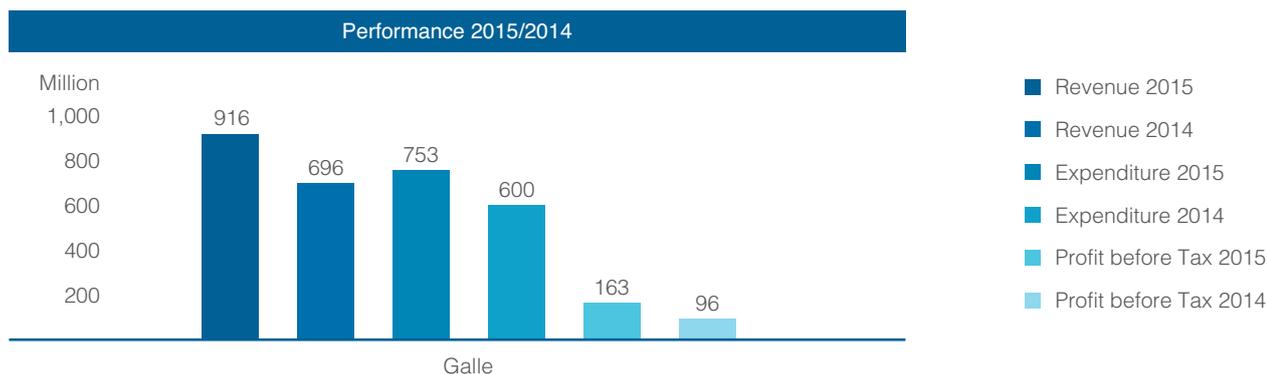
Port of Colombo

The Port of Colombo generated Operating Profit of Rs. 5,167 million in the year 2015. The Gross revenue of 2015 was Rs. 37,214 million as compared to Rs. 35,159 million in 2014 which is an increase of Rs. 2,055 million. Total expenditure before Tax remained at Rs. 32,543 million whereas 2014 expenditure was Rs. 21,877 million which is an increase of 49%.



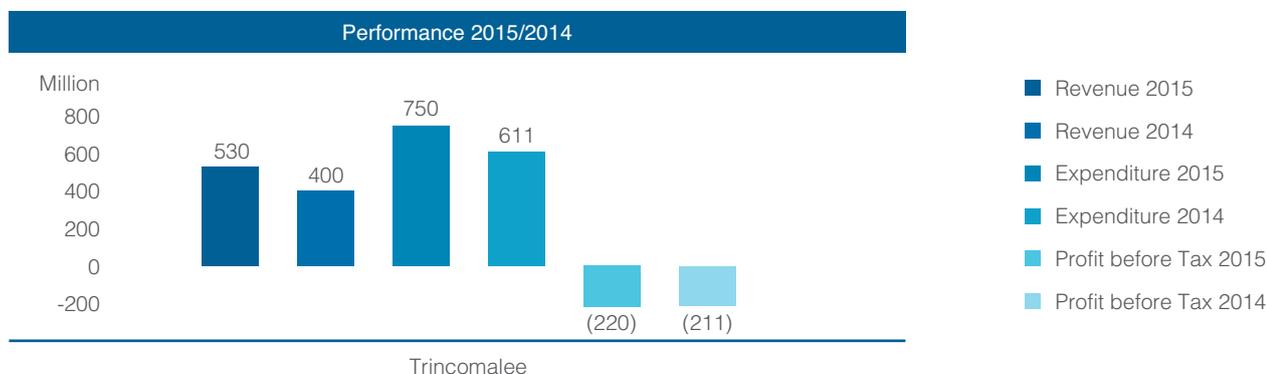
Port of Galle

The Port of Galle recorded a Pre Tax profit of Rs. 163 million in the year 2015. The Gross Revenue of 2015 was Rs. 916 million as compared to Rs. 696 million in 2014 which is an increase of Rs. 220 million. Total expenditure before tax remained at Rs. 753 million whereas 2014 expenditure was Rs. 600 million which is an increase of 26%.



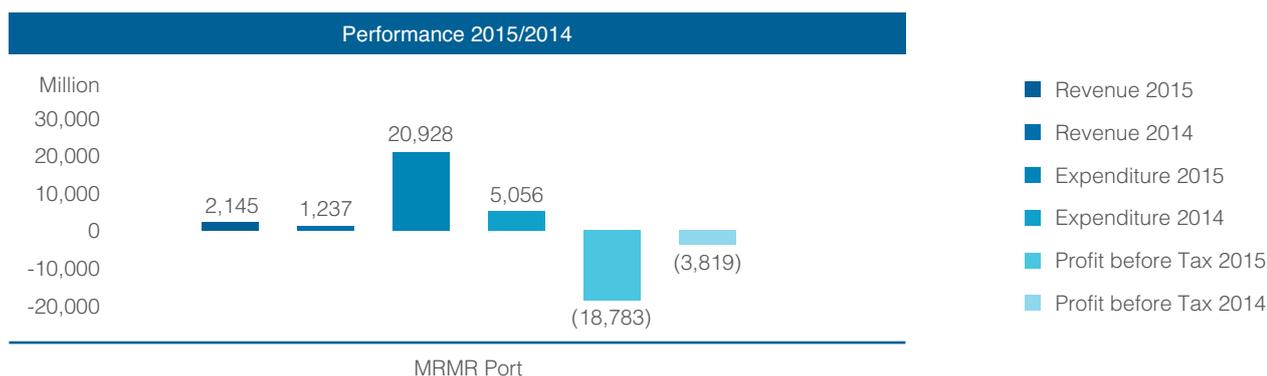
Port of Trincomalee

The Port of Trincomalee recorded a Pre Tax loss of Rs. 220 million in the year 2015. The Gross Revenue of 2015 was Rs. 530 million as compared to Rs. 400 million in 2014 which is an increase of Rs. 130 million. Total expenditure before tax remained at Rs. 750 million whereas 2014 expenditure was Rs. 611 million which is an increase of 23%.



MRMR Port

The MRMR Port recorded a Pre Tax loss of Rs. 18,783 million in the year 2015. The Gross Revenue of 2015 was Rs. 2,145 million as compared to Rs. 1,237 million in 2014 which is an increase of Rs. 908 million. Total expenditure before tax remained at Rs. 20,928 million whereas 2014 expenditure was Rs. 5,056 million which is an increase of 314%.



Corporate Social Responsibility

During the year under review, the SLPA has continued its Corporate Social Responsibility.



- Awarding of Scholarships for the children of port employees who have excelled in GCE (O/L) and GCE (A/L) Examinations



- A fully fledged crèche is managed by the SLPA for well-being of the children of port employees.



- Maintenance of a Ward at the Mental Hospital in Mulleriyawa.



- The fully-equipped Fire Brigade has assisted the Colombo Municipal Council in firefighting as well as other emergencies within Colombo and suburbs.

Human Capital

Human Capital is a measure of the economic value of an employee's skill set. The assessment of this value is related to the body of skill, knowledge, an experience that the employee possesses. Factors such as formal education and participation in ongoing training related to the work place also help to enhance the Human Capital that the employee represents.

Human Capital can be considered as core component in any organisation. Deploying employees who possess the necessary skills, knowledge and ability to function within their assigned roles allows the organization to perform at maximum efficiency. This leads to increase earning of profit and remaining successful for many years.

The permanent work force as at 31st December 2015 for all ports is 9,464 which includes Executive, Non-Executive, Technical and Non-Technical Employees.

The Mahapola Training Institute, the knowledge centre of the SLPA prepares annual training calendars which focus series of lectures, seminars, workshops

and practical training programs to enhance knowledge, skills and attitudes of the employees. More than that special Diploma programs had been implemented based on the new schemes of recruitments to cater employees those who intend to achieve higher qualification to get their next promotions.

In terms of the new schemes of recruitment, all educational and professional qualifications have been upgraded enabling SLPA to recruit educationally and professionally qualified competent personal.

Training programmes on port related activities were held at Mahapola Training Institute for the employees who have minimum educational qualifications enabling them to apply for higher grades.

Induction and orientation programs were held for newly recruited employees to give basic background information that they need to work such as policies, procedures, Rules and regulations.

With the aim of encouraging professional development, for professionally executed

of the SLPA are continued to pay monthly professional allowance. Further, Executives can reimburse the amount paid for their membership subscription fees.

Based on the outcome of performance evaluation, selected employees were nominated for courses to uplift their performances to the level required by the management.

Further, Mahapola Training Institute conducts several skill development programs on various disciplines of port activities to enhance the Human Capital of SLPA employees. Target group of employees were trained using modern technology in Mechatronic laboratory and language and IT skill development programmes were also conducted.

Allocation of funds for purchasing of library books were provided to libraries maintained by Divisions enabling employees to gather knowledge on new techniques, technology and positive attitudes on team work especially to be used in work places.

The service provided by the medical division to maintain the health of the employees helps to strengthen their mental, physical and spiritual well-being and to maintain and efficient work force. The medical Division of SLPA continuously strives to keep the employees of SLPA in good health.

A comfortable and healthy environment had been created in the work places to perform their duties in a friendly manner.

Finally, all these facilities provided to establish a positively active and productive work force.



Corporate Governance Report

Corporate Governance is the system by which organisations establish a mechanism for the effective utilisation of resources, direction and control of the organisation, in the best interest of all categories of stakeholders. The primary responsibility for good governance lies with the Chairman and the Board of Directors of the Authority. In order to achieve the primary objectives of the organisation they have to ensure that effective processes and controls are in place and facilitated through the officials responsible for various areas of operation. The Internal Auditors play a vital role in this exercise, in the examination of performance and in reporting whether there are divergences from approved procedure. Internal Auditors also make recommendations towards achieving the expected performance especially in respect of operational and financial functions, thus contributing towards good governance overall.

The quality and frequency of financial and other operational reporting, the extent to which the Board of Directors exercises its fiduciary duties, the quality of information shared by the management with the Board and their commitment to manage a transparent organisation that maximises value is of primary importance. The Authority has continued its commitment to maintain high standards of Corporate Governance.

The Board of Directors is also responsible for the governance of the Authority. The Authority continues to place considerable emphasis on developing rules and regulations, structures and processes to ensure good practices. The Authority has consistently refined its structures of Corporate Governance.

The methods by which the Authority has applied the principles of good Corporate Governance practices during the financial year are enumerated under the following headings:

- Board of Directors and Board Sub-Committees
- Internal Controls
- Internal Audits
- Rules of Discipline
- Relationship with the General Treasury and the Ministry of Ports and Shipping
- Compliance with Statutory and Legal requirements
- Public Enterprises Guidelines for Good Governance

Following the Cabinet decision to grant approval for recommendations made jointly by the Minister of Ports and Shipping and Minister of Finance and Planning to deviate from certain identified clauses of the Public Enterprises Guidelines for Good Governance issued by the Director General, Dept. of Public Enterprises of the Ministry of Finance, the SLPA has drafted a "Code of Governance" to be re-adopted by the Authority to ensure adequate flexibility and independence required to be highly competitive and a viable Public Sector Institution in the industry.

Board of Directors and Board Sub-Committees

The Board consists of a Chairman, Vice Chairman and 07 Directors. Members of the Board of Directors should have the highest professional and personal ethics and values coupled with their experience in the industry in which the Authority operates.

The members to the Board are appointed in the following manner;

- The Chairman and 4 other Directors are appointed by the Minister from among persons who appear to the Minister to have wide experience in and who have shown capacity in port development or port operations or legal or financial matters or shipping, commercial or engineering activities or administration or labour relations.
- The Managing Director is appointed by the Minister in terms of Section 13:1 of the Act.
- A representative of the General Treasury is nominated by the Minister in charge of the subject of Finance.
- The Director General of Customs and a representative of the Ministry, in charge of the Minister to whom the subject of Fisheries has been assigned, nominated by such Minister.

The Hon. Minister may appoint one of the Directors appointed under Sub-Section (1) (a) or Sub-Section (1) (c), other than the Chairman to be the Vice Chairman of the Ports Authority.

The function of the Chairman, Vice Chairman and Managing Directors are clearly separated and defined. All the Non-Executive Directors provide a considerable depth of knowledge and experience. The names of the Directors of the Authority who held offices as at the dates of this statement and their profiles are given from pages 12 to 15.

The main functions/ responsibilities of the Board of Directors are:

- Setting directions through establishment of strategic objectives, policies, goals and targets.
- Monitor performance against goals and objectives.
- Ensure that adequate internal controls and the highest ethical standards are maintained.
- Formulating Guidelines and ensuring their effectiveness to achieve objectives.
- Ensure that all key business risks are identified and appropriate and adequate controls, monitoring and reporting mechanism are in place to address them in a timely manner.

The Board meets regularly and during the year under review the Board met on thirteen (13) occasions. The Board has timely access to information it needs to carry out its duties. The Secretary to the Board sets the agenda for the Board Meeting in consultation with the Chairman and all Board Directors receive a detailed report of information prior to each Board meeting. The matters discussed at the Board meetings include among other items reviews of operational and financial performance indicators, approval of major capital expenditure projects and proposals within its limits.

The Board has, subject to its final approval of all recommendations, delegated certain of its responsibilities to a number of sub-committees, mainly the Management Committee and the Audit Committee.

Management Committee

Four (04) members of the Board of Directors including the Chairman, Vice Chairman, Managing Director and Executive Director and seven (07) other full time Directors and Harbour Master served as members of the Management Committee.

In relation to making decision in day-to-day administration, establishment and operational matters, the Management Committee undertook to look into various aspects such as the optimum use of resources, including human resources, the enhancement of productivity to improve the quality of services to the Port users and to serve better the interests of other stakeholders as a socially responsible corporate public sector institution while also operating as a commercially viable organisation.

The Management Committee at its meetings carefully perused all policy matters and also implementation of decisions taken before they were referred to the Board of Directors for approval and concurrence. To enable this process and to avoid any delays, Management Committee met twice a month and decisions were taken.

The Management Committee had six (06) meetings during the year.

Audit Committee

The Audit Committee consists of the representative of the General Treasury who is on the Board of Directors and two (02) other Directors of the Board. The Audit Committee was re-appointed on 04.12.2015.

The Audit Committee reviews policies and procedures of internal control and ascertains the efficiency of such policies and procedures. The review of Internal Auditors reports and letters of Government Audit and the follow-up of their recommendations are implemented through the Board and complied with by the Divisional Heads. With guidance from the Board, the Audit Committee also ensures that the Authority has processes and mechanisms in place to identify risks both financial and operational and that such risks are managed and addressed through a well-defined action plan.

The Committee is responsible to and reports to the Board regularly, to strengthen the present systems and procedures in relation to financial and operational activities, and to improve efficiency and enhance productivity of resources for the benefit of employees and other stakeholders.

Internal Controls

An effective internal control system is an essential part of the efficient management of an organization. The Board has overall responsibility for the Authority's system of internal control and for reviewing the effectiveness of these controls. The Authority has established a comprehensive framework of policies and procedures, which are regularly reviewed and updated. The framework is designed to manage risks that may hamper the achievement of business objectives. Therefore, it provides reasonable assurance for safeguarding the Authority assets against unauthorized using or disposition, maintenance of proper records and the reliability of information generated.

The system of internal controls is supported by the Authority commitment to competence, integrity, ethical values and communication of a control conscious environment, through its established policies and guidelines.

Corporate Governance Report

Internal Auditors

Internal Audit Division is headed by a qualified Chartered Accountant. The Division is independent and directly reports to the Chairman and the Audit Committee.

The scope of work is set in consultation with the Chairman and the Audit Committee and is reviewed regularly to amend the scope, if necessary. Primarily, the overall internal control system is monitored by the Internal Audit Division and supported by the Audit Committee. Internal Audit provides an objective view of the efficiency and effectiveness of the internal control procedures and assesses the action plans in dealing with the internal control issues.

Rules of Discipline

The rules of Discipline are in place to guide all employees on acceptable conduct. The Authority requires that all Directors, Divisional Heads and employees maintain the highest standards of integrity and honesty in the day to day performance of their duties and in any situation where their actions could affect the Authority reputation and image.

The key elements of the Rules of Discipline are :-

- Fairness, honesty and impartiality in all actions
- Being aware of the law and obeying it
- Confidentiality for all matters dealt with
- Avoiding conduct that is likely to reflect or affect badly on the Authority

Compliance Framework and Compliance with Statutory and Legal Requirements

The Authority has recognised the importance of compliance with all legal and statutory requirements. For this purpose, the Finance Division and the Internal Audit Division make every endeavor and work in tandem to ensure that the authority complies with all statutory and legal requirements. In addition, the Legal Division also ensures that the business and the other affairs of the Authority comply with laws and regulations.

Relationship with Ministry of Ports and Shipping the General Treasury of the Ministry of Finance

The Authority has regular dialogue with the Hon. Minister and the Secretary, Ministry of Ports and Shipping and Strategic Enterprise Management Agency (SEMA) who guide the Board to set clear directions and strategic objectives to be achieved. In addition, as required by the General Treasury of the Ministry of Finance, the Authority forwarded a Business Plan for a three-year period and complete sets of reports on a quarterly basis which includes Financial Reports and other Operational Performance Reports.

Related Party Disclosures

The Directors of the Board confirm and certify that they have no personal interest or relationships with any parties who have transactions with the SLPA.

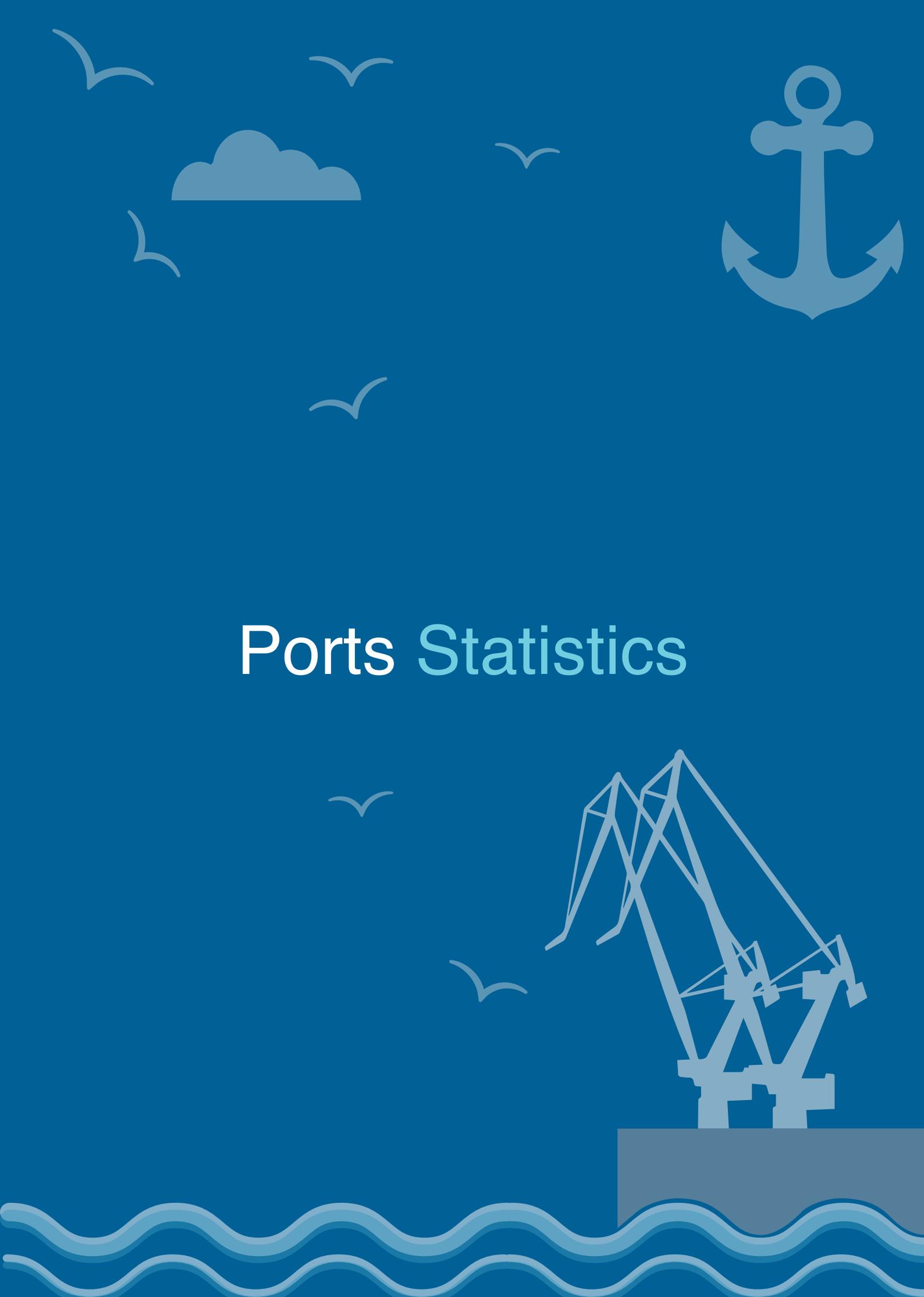
Accountability

The Directors of the Board are of the view that the financial statements of the Ports Authority reflect a true and fair view of the state of affairs and have been prepared in conformity with accepted requirements.

Future

The Authority believes that the real value of Corporate Governance lies not in blindly following code of best practice, policies and principles but rather in actually securing the confidence from the all stakeholders and thereby conducting its business with utmost integrity and fairness in a transparent manner so that they too support our strategies.

Ports Statistics



Ports Statistics

PORT OF COLOMBO

Port Dimensions

Harbour Area

Harbour Basin Area	184.6 Hectares
Length of North-West Breakwater	810 Meter
Length of North-East Breakwater	330 Meter
Western Entrance	230 Meter X 16 Meter
North Entrance	190 Meter X 13 Meter

Working Hours

The Port of Colombo works on a 24 hours basis every day of the year.

Cargo Throughput by Type of Handling in 2015

Containerized	89.1%
Break Bulk	1.5%
Dry Bulk	3.2%
Liquid Bulk	6.2%

NEW COLOMBO SOUTH PORT

Harbour Area

Harbour Basin Area	192.0 Hectares
Length of South-West Breakwater	5,140 Meter
Length of North-West Breakwater	1,550 Meter
Main Entrance	570 Meter X 18 Meter

PORT OF GALLE

Port Dimensions

Water Area	15.3593 Hectares
Entrance Channel	140 Meter
Land Area	16.414 Hectares
Permitted LOA	130 Meter
Permitted Draught	7.3 Meter

Working Hours

The Port of Galle works on a 24 hours basis every day of the year except on May Day with only day light navigation.

Deviation Time

From Main East-West Route None

Berthing Facilities

Total Number of Alongside Berths 05

Berth	Total Length (M)	Alongside Draught (M)
Closenburg Jetty	420	8.9
New Pier	162	8.9
New Pier/Cross	84	8.9

Warehouse Facilities

Name	Average Height (Ft.)	Area (Sq. Ft)	Capacity (Cu. Ft.)	Staking Height (Ft.)
No. 01	23	13,333	306,667	10 High
No. 02	23	40,000	920,000	10 High

PORT OF TRINCOMALEE**Port Dimensions**

Water Area	1,630 Hectares
Entrance Channel (Width (minimum))	500 Meter
Land Area	2,254 Hectares

Berthing Facilities**SLPA Berths**

Berth	Total Length (M)	Alongside Draught (M)
Ashraf Jetty	250	12.5
Side Berth-Ashraf Jetty	90 X 2	8.5
Jetty at Mudcove	45	3.5
Jetty at TTA	190	2.0-4.0
Ceylon Jetty	50	2.5
Town Jetty	50	2.5
Muther Jetty	60	3.0
VSO Jetty	25	1.5
Old Town Jetty	60	2.0

Other Berths

Berth	Total Length (M)	Alongside Draught (M)
Prima Jetty (Inner)	122	5.9
Prima Jetty (Outer)	227	14.3
Prima Jetty (Multi-Purpose)	170	10.3
Tokyo Cement Jetty	160	9.3
Oil Jetty (Petroleum)	200	9.75

Warehouse Facilities - TTA

Warehouse	Dimension (Ft)	Average Height (Ft)	Area in (Sq. Ft.)	Stacking Height (Ft.)	Capacity (Cu. Ft.)
No. 01	75 X 34	-	2,550	12	30,600
No. 02 & 03	90 X 70	15	6,300	12	75,600
No. 04	190 X 95	19	18,050	14	252,700
No 05 A	150 X 110	25	16,500	15	247,500
No. 05 B	150 X 80	15	12,000	12	144,000
No. 06	300 X 110	20	33,000	15	495,000
No. 07	96 X 36	-	3,456	12	41,472

Working Hours

The Port of Trincomalee works on a 24 hours basis every day of the year except on May Day with only day light navigation.

Ports Statistics

MAGAM RUHUNUPURA MAHINDA RAJAPAKSA PORT - AT PRESENT

Port Dimensions

Harbour Area

Harbour Water Area	70 Hectares
Length of the West Breakwater	988 Meter
Length of East Breakwater	311 Meter
Approach Channel	210 Meter * 16 Meter
Turning Circle	600 Meter

Quay Lengths

Quay - General Cargo	600 Meter
Service Quay	105 Meter
Oil Berth 1	310 Meter
Oil Berth 2	300 Meter
Depth of Basin	17 Meter
Design Vessel	100,000 DWT

MAGAM RUHUNUPURA MAHINDA RAJAPAKSA PORT - ON COMPLETION PHASE - II

Port Dimensions

Harbour Area

Total Water Area at Completion	147 Hectares
Approach Channel	210 Meters * 17 Meter
Turning Circle	600 Meter

Quay Lengths

Main Container Berth	835.5 Meter
Feeder Container Terminal	460 Meter
Multi-Purpose Berth	838.5 Meter
Transition Berth	208 Meter
Depth of Basin	17 Meter
Design Vessel	100,000 DWT

Milestones



Colombo became known to the Western world after Portuguese commenced using it as a Naval Base/ Harbour.



On 9th December King Edward VII laid the foundation Stone for the South West Break Water.



Harbour Board created to administer the Port of Colombo.



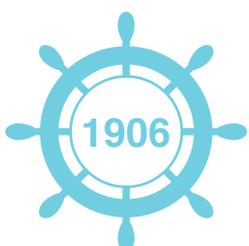
Completion of the 1285 meter South West Break water.



Completion of the 335 meter North East Break water.



Commencement of the construction of the Dry Docks.



Completion of the 814 meter Island Break water.



Milestones

The timeline consists of seven horizontal bars, each representing a milestone. Each bar features a ship's wheel icon with a year in the center. The bars alternate direction: 1906 (left-pointing), 1909 (right-pointing), 1912 (left-pointing), 1912 (right-pointing), 1913 (left-pointing), 1922 (right-pointing), and 1950 (left-pointing). Each bar includes a descriptive text box and a small icon representing the milestone.

- 1906**: Completion of the Dry Dock.
- 1909**: Completion of the 250 meter long Guide pier for the Dry Docks. (The First deep water alongside berth)
- 1912**: Completion of 18 coaling jetties at the present Jaya Container Terminal site.
- 1912**: Completion of the 550 meter extension arm of the South West Break water.
- 1913**: Colombo Port Commission created to develop and maintain the Port.
- 1922**: Completion of Petroleum oil facilities.
- 1950**: Commencement of construction of fifteen alongside berths of 9-11 meters draught and two coaster berths of 7.5 meter draught and 55.800 Sq. meter of adjacent transit sheds and warehouse accommodation.



Inauguration by Her Majesty Queen Elizabeth II of the Alongside Berths at the South West Breakwater, naming it "Queen Elizabeth Quay". The Royal Yacht "Gothic" was the first vessel to berth at Queen Elizabeth Quay



Completion of 17 alongside berths, transit sheds and warehouses.



Cargo handling activities of the Port of Colombo nationalised and the Port (Cargo) Corporation established.



Cargo handling activities of the Port of Galle nationalised.



Port Tally and Protective Services Corporation established.



Cargo handling activities of the Port of Trincomalee nationalised.



The Sri Lanka Ports Authority formed by unifying the Colombo Port Commission, the Port (Cargo) Corporation and the Port Tally and Protective Services Corporation



Milestones

The timeline consists of seven horizontal bars, each representing a milestone. Each bar features a ship's wheel icon with a year in the center, a descriptive text box, and a small icon representing the event. The bars alternate between pointing left and right.

- 1980**: Master plan for the Port of Colombo established with assistance from the Government of Japan. (Icon: Handshake)
- 1980**: Inauguration of the New Terminal at Queen Elizabeth Quay. (Icon: Crane)
- 1982**: Commissioning of the first Gantry Crane – TANGO 80. (Icon: Gantry crane)
- 1982**: Contract for the construction of the New Container Terminal signed with M/s. Penta Ocean Wakachiku Joint Venture of Japan. (Icon: Handshake)
- 1983**: Inauguration of the Construction of Stage I of the fully equipped container Terminal. (Icon: Crane)
- 1984**: Inauguration of the Construction of Stage II of the fully equipped container Terminal. (Icon: Crane)
- 1984**: Commissioning of four Hitachi Transfer Cranes at Queen Elizabeth Quay Container Berth. (Icon: Transfer crane)



Ceremonial Opening of Stage I of the "Jaya" Container Terminal.



Inauguration of SLPA – Mahapola Training Institute.



Inauguration of Stage II of the "Jaya" Container Terminal.



Commissioning of the off-shore installation of the Single Point Buoy Mooring.



Completion of new Port Access Road.



Inauguration of Stage III of the "Jaya" Container Terminal.



Inauguration of Stage IV of the "Jaya" Container Terminal.



Milestones

The timeline consists of seven horizontal bars, each representing a milestone. Each bar features a ship's wheel icon with a year inside, a central text box, and a small illustrative icon. The bars alternate direction: left-pointing, right-pointing, left-pointing, right-pointing, left-pointing, right-pointing, and left-pointing.

- 1998**: Inauguration of the Unity Container Terminal. (Icon: Crane)
- 1998**: Symposium of Affiliate Ports. (Icon: Buildings)
- 1999**: Commissioning of the Oluvil Light House in the East Coast and opening of the Oluvil Maritime Training Institute. (Icon: Ship's wheel)
- 1999**: Commencement of the Development of the South Asia Gateway Terminal QCT. (Icon: Flag)
- 1999**: Commencement of construction of Alongside Berth Project in Trincomalee. (Icon: Ship and crane)
- 2000**: Commencement of Colombo South Harbour Feasibility Study. (Icon: Crane)
- 2000**: Commenced construction of new Berth in Port of Galle. (Icon: Crane and building)



Inauguration of Peliyagoda Container Freight Station.



Submission of Final Report for development of the Port of Galle as a regional port.



Commencement of North Pier development phase II.



Inauguration of the One – Stop Documentation Centre.



Inauguration of the New Jetty in Port of Galle.



Inauguration of construction of Oluvil Port Access Road.



Inauguration of Customer Service Centre for LCL and break-bulk cargo.



Milestones

2003 Opening of the SLPA Maritime Museum.

Ceremonial inauguration of Unity Container Terminal with the completion of civil work.

2003

2004 Ceremonial inauguration of Container Handling Operations at Unity Container Terminal.

25th Anniversary 25th Anniversary celebrations of the SLPA.

2004

2004 National Productivity Award in Large Scale Service Sector was won by JCT.

Handling of 2 million containers at the Port of Colombo.

2004

2005 Commencement of construction of the Port and Housing Scheme in Oluvil.



A certificate of merit was awarded to the SLPA Mahapola Training Institute under Medium Category /Service Sector by the National productivity Secretariat.



Commissioning of Container Security Initiative and Megaport Initiative in the Port of Colombo.



Signing of MOU for the proposed Colombo Port Expansion Project to construct the Colombo South Harbour.



Signing of MOU concerning detailed design works of Hambantota Port Development Project (Phase I).



Commencement of construction work and Signing of the Financial Agreement of the Hambantota Port Development Project.



Commencement of construction work of Oluvil Port Project.



Commencement of construction work of Colombo Port Expansion Project.



Milestones

The timeline consists of seven horizontal bars, each representing a milestone. Each bar has a ship's wheel icon on the left with a year inside, a central text box, and a small icon on the right. The bars alternate between pointing left and right. The years shown are 2008, 2009, 2009, 2010, 2010, 2010, and 2010.

- 2008** (Ship's wheel icon): Signing of Contract Agreement for construction of Bunkering facility and Tank farm at Hambantota. (Icon: Document with pen)
- 2009** (Bar chart icon): Laying of foundation stones for the Bunkering Facility and Tank Farm Project and Administration Building at Hambantota. (Ship's wheel icon)
- 2009** (Ship's wheel icon): The JCT Terminal Management System upgrade to "NAVIS". (Icon: Document with gear)
- 2010** (Bar chart icon): Ceremony of Sea Water Filling to the Harbour Basin of Magam Ruhunupura Mahinda Rajapaksa Port (MRMRP) - 15.08.2010. (Ship's wheel icon)
- 2010** (Ship's wheel icon): Ceremonial inauguration of MRMRP - 18.11.2010. (Icon: Flag)
- 2010** (Bar chart icon): Handling of 2 Million Containers at the JCT. (Ship's wheel icon)
- 2010** (Ship's wheel icon): Handling of 4 Million Containers at the Port of Colombo. (Icon: Bar chart)



Arrival of 06 Nos. New Gantry Cranes and 30 Nos. Transfer Cranes.



Capacity enhancement at Colombo Oil Terminal of the SLPA.



Arrival of 50 Nos. Terminal Tractors.



Signing of Agreement for the South Container Terminal under the Colombo Port Expansion Project.



Ground-breaking Ceremony at the MRMRP to open new business ventures.



Ground-breaking Ceremony for commencement of construction work of the South Container Terminal.



Commencement of handling RO-RO Vessels at Magam Ruhunupura Mahinda Rajapaksa Port.



Milestones

2012 Replacing the dilapidated existing bunker fuel pipe line from the Bloemendhal Oil Terminal to the Port of Colombo. 

6.8 Km Ceremonial Inauguration of the Colombo Port Expansion Project with monumental breakwater of 6.8 Km and South Container Terminal. **2013**

2013 Ceremonial Inauguration of the Port of Oluvil. 

 Implementation of Import FCL Module of Cargo Management System. **2013**

2013 Ceremonial Inauguration of Administration Building at MRMR Port. 

 Ceremonial Inauguration of Bunkering Facilities and Tank Farm Complex at MRMR Port. **2014**

2014 Commencement of construction work of Colombo Port City Development Project. 



Ceremonial Inauguration of the East Container Terminal.



Obtained ISO 9001 - 2008 Certification for Quality Management System.



Ceremony of Sea Water Filling to the Harbour Basin of Magam Ruhunupura Mahinda Rajapaksa Port Phase – II.



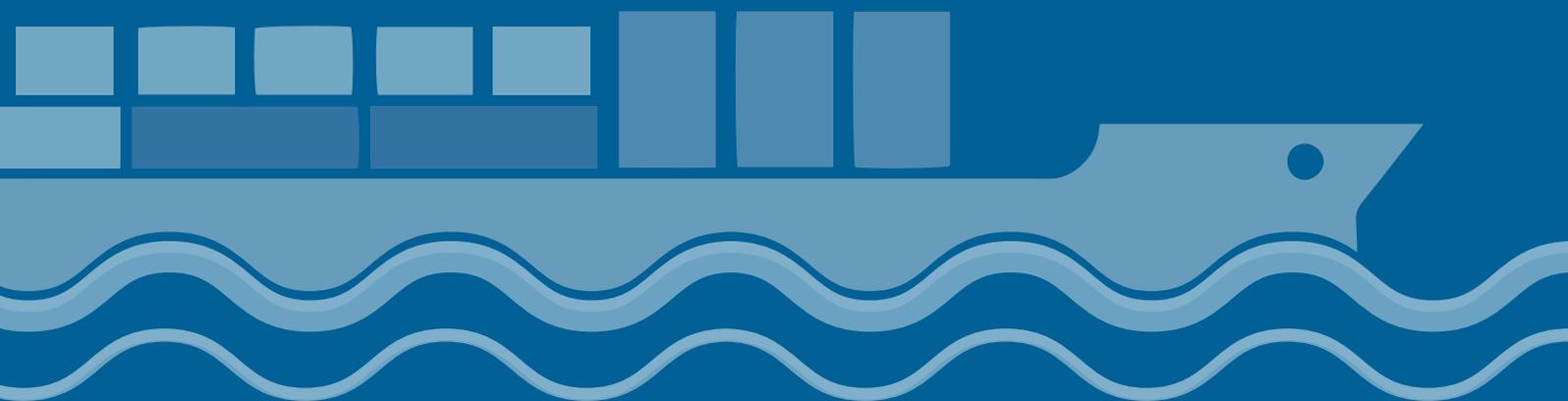
5
Million

Handling of 5 Million TEUs at the Port of Colombo.





Financial Statements



Report of the Board of Directors

The Board of the Directors of the Sri Lanka Ports Authority as at 31.12.2015 are as follows.

Mr. Dammika Ranatunga
Chairman

Prof W. Lalith Prasanna Perera
Vice Chairman

Mr. H. D. A. S. Premachandra
Managing Director

Mr. Sanjeewa Wijerathne
Executive Director

Mrs. W. M. M. R. Adikari
Director

Mr. H. G. Sumanasinghe
Director

Mr. W. A. Chulananda Perera
Director

Mr. Athula Bandara Herath
Director

Mr. D. J. Gamini Suresh Edirisinghe
Director

The Board had thirteen (13) meetings during the year under review.

The Management Committee which functioned as a Sub-Committee of the Board of Directors had six (06) meetings during the year 2015. The other Sub-Committee of the Board of Directors, viz. the Audit Committee had two (02) meetings during the year 2015. The following Directors of the Board functioned as members of the Audit Committee.

Mr. H. G. Sumanasinghe
Director

Mr. W. A. Chulananda Perera
Director

Mr. Athula Bandara Herath
Director

The Port of Colombo reported the highest ever container handling of 5,185,467 TEUs and total tonnage of 73.7 million tonnes in 2015. The total container and total tonnage handling have increased by 5.7% and 4.1% respectively.

The SLPA Terminals handled 2.25 million TEUs compared with 2.55 million (12.0%) in 2014 which is a decline, due to the increasing ship dimensions, bunching up vessels, ships diverted to other terminals and competitive rates offered by other private terminal operators. The SAGT also has recorded a negative growth of 17.5%.

- Port of Colombo's container handling throughput increased from 4,907,915 TEUs in 2014 to 5,185,467 TEUs in 2015 (increased 277,552 TEUs or 5.7%).
- Port of Colombo's Domestic container handling throughput increased by 8.1% during the year of 2015 (90,008 TEUs) compared to 2014.
- Transshipment container handling throughput in the Port of Colombo has increased by 5.1% (188,611 TEUs) compared to 2014.
- Port of Colombo's overall tonnage handling has increased by 4.1% from 70,794,189 tonnes in 2014 to 73,717,623 tonnes in 2015.
- Overall Domestic automobile import volumes (Colombo and MRMR Port) have increased by 137.9% from 59,219 units in 2014 to 140,933 units in 2015.
- Overall automobile Transshipment volumes (Colombo and MRMR Port) handled has declined from 160,502 units in 2014 to 116,270 units in 2015, that's by 27.5%.

A comparison of ship arrivals in the Port of Colombo during the year 2015 compared to 2014 reflects an increase from 3,742 to 4,197 by 12.2%. Number of container ships has also increased from 3,239 in 2014 to 3,643 in 2015 recording an increase of 12.5%.

The Board of Directors implemented several marketing strategies in order to retain and attract additional container Volumes to Jaya Container Terminal. Terminal Service Agreements were renewed with leading Shipping Lines to continue Business with the SLPA. JCT managed to attract three new Main Line Services and four Feeder Services during the year 2015 and also two new feeder operators were attracted.

Strategies introduced by the management contributed for the increase in JCT overall productivity and obtain ISO 9001-2008 Certification. Thereby towards the end, JCT market share increased and managed to address declining volumes.

Port of Colombo reached 05 Million TEUs and it created historical event to the History of the SLPA. As per Alphaliner research report, the Port of Colombo elevate from 27th to 26th in the world container port ranking.

The SLPA built the deep water Colombo South Harbour to cater for Ultra Large Container Ships (ULCS). After the commencement of operations, the CICT achieved 1.5 million TEUs in 2015 as a result of deep water mega terminal facilities. The CICT's design capacity is 2.4 million TEUs per annum. The Port of Colombo achieved 5.7% growth during year 2015 where some of the leading transshipment hubs reported negative growth. (Singapore (-8.7%), Hong Kong (-8.8%), Tianjin (-0.1%), Kaohsiung (-2.8%), Dalian (-6.4%), Hamburg (-9.5%) and Bremerhaven (-3.4%).)

The revenue of the SLPA in the year 2015 has been Rs. 40,805.1 million, which is an increase of 8.8% when compared with the year 2014. Operating Profit (before Foreign Loan Interest and FEL/FEG) of the SLPA in 2015 has been decreased to Rs. 9,786.9 million from Rs. 10,962.0 million in 2014 which is a decrease of 10.7%.

Directors' Responsibility for Financial Reporting

Under section (12) & (13.6) of the Finance Act No 38 of 1971, Directors of the Authority have responsibility for ensuring that the SLPA keeps proper books of accounts of all the transactions and prepare Financial statements that give a true and fair view of the state of affairs and of the profit /loss for the year.

Accordingly, the Directors have directed the Authority to maintain proper books of accounts and reviewed the financial reporting system at their regular meetings and through the Audit Committee.

In preparing the financial statements exhibited in this booklet, Directors have considered adopting appropriate Accounting Policies on a consistent basis and supporting by reasonable and prudent judgments and estimates.

The Directors have taken such steps as are reasonably open to them to safeguard the assets of the Authority and to prevent and detect frauds and other irregularities. In this respect the Directors have instituted an effective and comprehensive system of internal controls comprising of internal check, internal audit and financial and other controls required to carry out the business of the SLPA in an orderly manner to safeguard its assets and secure as far as practicable the accuracy and reliability of our records.

By order of the Board



Prasad W. Sirimanne
Secretary to the Board

Audit Committee Report

The Audit Committee is responsible to assist the Board of Directors in implementing its oversight responsibility in terms of financial management of the organization. In fulfilling this, the Committee's main responsibilities are as follows:

- Ensuring effective internal controls and internal audit functions.
- Reviewing and monitoring the integrity of the financial statements, financial reporting and audit process.
- Ensuring compliance with statutory and regulatory requirements.
- Reviewing the systems for ensuring operational efficiency and cost control.

The Audit Committee is headed by the Treasury Representative/Board Director of SLPA and in the year under review several important activities were carried out with a view to help the Authority to improve its governance.

As an important initial internal control measure, the Committee adopted the internal Plan and the Audit Programme for the year 2015 and reviewed regularly the effectiveness of its implementation by obtaining monthly progress reports. Auditor General's draft report to the Parliament on the accounts of the Authority for the year ended 31st December 2014 was reviewed together with the responses of the Management thereto. Salient issues highlighted at the committee meetings were brought to the notice of the Board of Directors with the recommendations of the Audit Committee. During the year under review, the Audit Committee had two meetings.

The Audit Committee is of the view that necessary "Checks and Balance" are in place to provide reasonable assurance that the Authority's assets are safeguarded and that the financial position and the results disclosed in the audited accounts are free from any material mis-statements. During the year, the committee made a significant contribution to the improve the governance and to help the Authority to carry out its activities in a transparent manner.



H. G. Sumanasinghe

Chairman – Audit Committee

Statutory Compliance Statement

The status of compliance on statutory requirements is detailed below.

Employees Provident Fund – Authority & Employee contributions

The SLPA contribution of 15% and the employee contribution of 10% on all permanent employees are to be remitted to the Department of Labour before the last date of the succeeding month.

All monies deducted from employees and the respective Authority contribution for employees has been remitted on or before the stipulated date.

Employees Trust Fund

The Authority's monthly contribution of 3% has been remitted on or before the stipulated date.

PAYE (Pay As You Earn)

PAYE Tax has been remitted to the Department of Inland Revenue before the stipulated date.

Income Tax

Income tax payments in relation to income earned have been made quarterly on the due dates whenever there is a taxable income, in terms of Section 113 of the Inland Revenue Act No. 10 of 2006.

The Annual Return

Annual Return in respect of Income Tax of the Authority has been filed annually with the Department of Inland Revenue up to Year ending 31st December 2014. These have been completed and handed over before the due date of November 30, each year.

Annual Reporting

Annual Budget, Accounts & Annual Report have been submitted to the Parliament of Sri Lanka, General Treasury and Ministry.

Operational Highlights

For the Year Ended 31 December					SLPA	
	Colombo	Trincomalee	Galle	Mmmr Port	2015	2014
NUMBER OF SHIPS CALLED (NO)						
Cargo Ships	4,108	158	62	278	4,606	4,102
Other Ships	121	6	10	17	154	196
Other Vessels	543	45	90	12	690	774
	4,772	209	162	307	5,450	5,072
TROUGHPUT						
CONTAINER TEU's (SLPA)						
Transshipment	1,691,267	-	-	-	1,691,267	1,882,057
Domestic	541,152	-	-	-	541,152	643,317
Re-Stowing	19,904	-	-	-	19,904	33,965
TOTAL TEU's	2,252,323	-	-	-	2,252,323	2,559,339
CONTAINER TEU's (SAGT)						
Transshipment	1,028,538	-	-	-	1,028,538	1,298,434
Domestic	327,750	-	-	-	327,750	337,354
Re-Stowing	14,957	-	-	-	14,957	26,152
TOTAL TEU's	1,371,245	-	-	-	1,371,245	1,661,940
CONTAINER TEU's (CICT)						
Transshipment	1,168,516	-	-	-	1,168,516	519,219
Domestic	349,069	-	-	-	349,069	146,314
Re-Stowing	44,314	-	-	-	44,314	21,103
TOTAL TEU's	1,561,899	-	-	-	1,561,899	686,636
CONTAINER TEU's (PORT OF COLOMBO)						
Transshipment	3,888,321	-	-	-	3,888,321	3,699,710
Domestic	1,217,971	-	-	-	1,217,971	1,126,985
Re-Stowing	79,175	-	-	-	79,175	81,220
TOTAL TEU's	5,185,467	-	-	-	5,185,467	4,907,915
Conventional M/T	3,488,312	2,845,502	541,777	280,117	7,155,708	6,339,428
Liquid M/T	4,579,138	181,904	-	12,464	4,773,506	4,762,200
	8,067,450	3,027,406	541,777	292,581	11,929,214	11,101,628
EQU (M/T) - SLPA						
Containerised Cargo	28,632,260	-	-	-	28,632,260	32,532,781
Conventional Cargo	3,488,312	2,845,502	541,777	280,117	7,155,708	6,339,428
Liquid	4,579,138	181,904	-	12,464	4,773,506	4,762,200
TOTAL EQU (M/T)	36,699,710	3,027,406	541,777	292,581	40,561,474	43,634,409
EQU (M/T) - SAGT						
Containerised Cargo	16,892,921	-	-	-	16,892,921	22,148,462
Conventional Cargo	-	-	-	-	-	-
Liquid	-	-	-	-	-	-
TOTAL EQU (M/T)	16,892,921	-	-	-	16,892,921	22,148,462

For the Year Ended 31 December					SLPA	
	Colombo	Trincomalee	Galle	Mrmr Port	2015	2014
EQU (M/T) - CICT						
Containerised Cargo	20,156,677	-	-	-	20,156,677	8,648,054
Conventional Cargo	-	-	-	-	-	-
Liquid	-	-	-	-	-	-
	20,156,677	-	-	-	20,156,677	8,648,054
EQU (M/T) - PORT OF COLOMBO						
Containerised Cargo	65,681,858	-	-	-	65,681,858	63,329,297
Conventional Cargo	3,488,312	2,845,502	541,777	280,117	7,155,708	6,339,428
Liquid	4,579,138	181,904	-	12,464	4,773,506	4,762,200
TOTAL EQU (M/T)	73,749,308	3,027,406	541,777	292,581	77,611,072	74,430,925
GROSS TONNAGE HANDLED (SLPA)						
Containerised Cargo	58,317,964	-	-	-	58,317,964	68,251,484
Conventional Cargo	8,051,279	2,353,194	422,328	14,023,591	24,850,392	21,644,857
Others	2,852,661	48,202	49,887	308,006	3,258,756	3,816,359
TOTAL TONNAGE	69,221,904	2,401,396	472,215	14,331,597	86,427,112	93,712,700
GROSS TONNAGE HANDLED (SAGT)						
Containerised Cargo	36,960,173	-	-	-	36,960,173	32,185,034
Conventional Cargo	-	-	-	-	-	-
Others	-	-	-	-	-	-
TOTAL TONNAGE	36,960,173	-	-	-	36,960,173	32,185,034
GROSS TONNAGE HANDLED (CICT)						
Containerised Cargo	55,193,333	-	-	-	55,193,333	26,700,881
Conventional Cargo	-	-	-	-	-	77,666
Others	61,672	-	-	-	61,672	113,873
TOTAL TONNAGE	55,255,005	-	-	-	55,255,005	26,892,420
GROSS TONNAGE HANDLED (PORT OF COLOMBO)						
Containerised Cargo	150,471,470	-	-	-	150,471,470	127,137,399
Conventional Cargo	8,051,279	2,353,194	422,328	14,023,591	24,850,392	21,722,523
Others	2,914,333	48,202	49,887	308,006	3,320,428	3,930,232
TOTAL TONNAGE	161,437,082	2,401,396	472,215	14,331,597	178,642,290	152,790,154
PERSONNEL						
Number of Employees	8,654	417	355	38	9,464	9,493

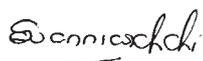
Statement of Financial Position

As at 31 December	Note	Group		SLPA	
		2015	2014	2015	2014
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	3	290,317,250,596	276,645,267,553	290,286,280,022	276,613,078,643
Intangible Assets	4	41,476,110	48,680,898	40,570,965	47,033,251
Investment Properties	5	4,068,031,353	4,074,099,844	4,068,031,357	4,074,099,847
Investment in Subsidiaries	6	-	-	76,000,000	76,000,000
Investment in Associates	7	61,321,837	60,568,220	40,030	40,030
Available-for-Sale (AFS) Financial Assets	9	3,767,433,273	3,861,220,867	3,767,433,273	3,861,220,867
Held-to-Maturity Investment (HTM)	10	-	1,742,970,000	-	1,742,970,000
Amount Due From State Mortgage Bank	12.2	174,418,912	203,503,028	174,418,912	203,503,028
Total Non-Current Assets		298,429,932,081	286,636,310,410	298,412,774,558	286,617,945,668
Current Assets					
Inventories	11	3,788,282,847	4,564,688,759	2,704,459,124	2,315,423,299
Trade and Other Receivables	12	4,271,723,172	3,477,158,269	4,133,757,335	3,007,658,639
Deposits and Advances	13	11,956,516,912	26,654,995,788	11,954,348,448	26,654,559,385
Prepaid Expenses		63,977,728	137,732,096	63,977,728	137,732,096
Employee Loans	14	4,273,590,426	4,315,599,161	4,272,122,216	4,315,599,161
Other Financial Assets	15	13,056,431,003	8,798,794,116	13,056,431,003	8,798,794,116
Cash and Cash Equivalents	16	1,426,507,729	1,302,985,511	861,345,843	653,481,853
Total Current Assets		38,837,029,817	49,251,953,699	37,046,441,697	45,883,248,549
TOTAL ASSETS		337,266,961,898	335,888,264,111	335,459,216,256	332,501,194,216
EQUITY & LIABILITIES					
Equity					
Capital Employed	17	7,591,379,785	7,591,379,785	7,591,379,785	7,591,379,785
Capital Reserve	18	712,038,233	712,038,233	712,038,233	712,038,233
Other Reserves	40	1,673,780,305	1,711,023,046	1,673,780,305	1,711,023,046
Loan Redemption Reserve	19	4,613,549,887	4,613,549,887	4,613,549,887	4,613,549,887
Revaluation Reserve	20	74,093,898,320	74,117,908,816	74,093,898,320	74,117,908,816
Available-for-Sale Financial Assets Reserve		309,262,118	403,049,712	309,262,119	403,049,713
Retained Earnings (at debit)		(15,191,320,216)	(619,172,985)	(14,156,531,105)	-
Total Equity		73,802,588,433	88,529,776,495	74,837,377,544	89,148,949,480
Non-Current Liabilities					
Borrowings - Government of Sri Lanka	21.1	206,425,156,412	194,839,738,496	206,425,156,412	194,839,738,496
Borrowings - Financial Institutions	22.1	11,866,367,402	9,981,938,306	11,866,367,402	9,981,938,306
Government Grants	23	2,185,849,519	2,250,929,288	2,185,849,519	2,250,929,288
Deferred Tax Liabilities	24	12,114,566,119	12,114,566,119	12,114,566,119	12,114,566,119
Retirement Benefits Obligation	25	3,641,630,483	2,896,430,432	3,633,299,773	2,891,135,708
Total Non-Current Liabilities		236,233,569,935	222,083,602,641	236,225,239,224	222,078,307,917

As at 31 December	Note	Group		SLPA	
		2015	2014	2015	2014
Current Liabilities					
Trade and Other Creditors	26	1,108,634,553	398,709,042	1,092,104,381	388,100,534
Borrowings - Government of Sri Lanka	21.2	11,834,537,774	11,431,163,826	11,834,537,774	11,431,163,826
Borrowings - Financial Institutions	22.2	5,784,854,826	5,906,506,760	3,022,871,734	1,986,523,771
Deposits and Advances Received	27	5,057,643,439	5,143,369,113	5,057,643,439	5,143,369,113
Current Tax Payable	28	268,708,756	118,921,497	256,341,416	101,009,550
Provisions and Accrued Expenses	29	3,176,424,182	2,276,214,738	3,133,100,745	2,223,770,025
Total Current Liabilities		27,230,803,529	25,274,884,975	24,396,599,488	21,273,936,818
TOTAL EQUITY & LIABILITIES		337,266,961,898	335,888,264,111	335,459,216,256	332,501,194,216

The Accounting policies on pages 85 to 90 and Notes to the Financial Statements on Pages 91 to 115 form an integral part of these Financial Statements.

These Financial Statements give a true and fair view of the state of affairs of the Authority as at 31/12/2015.



Shirani Wanniarachchi
Director (Finance)

The Board of Directors is responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. These Financial statements were approved by the Board of Directors and signed on their behalf.



Prof. W. Lalith Prasanna Perera
Acting Chairman



H.D.A.S Premachandra
Managing Director

Date : 26 February 2016

Statement of Comprehensive Income

As at 31 December	Note	Group		SLPA	
		2015	2014	2015	2014
Revenue	30	35,872,348,044	36,676,569,413	35,128,354,069	32,375,108,452
Direct Expenses	31	(23,862,350,795)	(24,193,312,102)	(22,675,486,639)	(19,806,596,702)
Gross Profit		12,009,997,249	12,483,257,311	12,452,867,431	12,568,511,750
Other Operating Income	32	5,065,097,863	4,406,218,063	5,035,983,343	4,400,787,003
Administrative Expenses	33	(28,404,309,572)	(5,911,160,939)	(28,502,885,455)	(5,123,082,760)
Operating Profit		(11,329,214,461)	10,978,314,435	(11,014,034,682)	11,846,215,993
Net Finance Cost	34	(3,245,479,816)	(3,034,190,416)	(3,154,521,192)	(2,949,482,449)
Share of Profit of Associate	7.1	1,349,864	5,170,176	-	-
Profit Before Tax		(14,573,344,413)	7,949,294,195	(14,168,555,873)	8,896,733,544
Income Tax Expenses	35	(7,117,387)	(2,033,012)	-	-
Profit for the Year		(14,580,461,800)	7,947,261,183	(14,168,555,873)	8,896,733,544
Attributable to - Equityholders of the Parent		(14,580,461,800)	7,947,261,183	(14,168,555,873)	8,896,733,544
Other Comprehensive Income					
Profit for the Year		(14,580,461,800)	7,947,261,183	(14,168,555,873)	8,896,733,544
Remeasurement of retirement benefit obligation		(575,051,272)	(125,283,635)	(574,251,073)	125,374,092
Change in Value of Available-for-Sale (AFS) Financial Assets	9.1	(93,787,594)	7,433,049	(93,787,594)	7,433,049
Total Comprehensive Income for the Year		(15,249,300,667)	7,829,410,598	(14,836,594,541)	9,029,540,685
Attributable to - Equityholders of the Parent		(15,249,300,667)	7,829,410,598	(14,836,594,541)	9,029,540,685

The Accounting policies on pages 85 to 90 and Notes to the Financial Statements on Pages 91 to 115 form an integral part of these Financial Statements.

Statement of Changes In Equity

As at 31 December Group	Capital Employed	Capital Reserve	Other Reserve	Loan Redemption Reserve	Revaluation Reserve	Available-for-Sale Reserve	Retained Earnings (at debit)	Total
Balance as at 01 January 2014	7,591,379,785	712,038,233	1,764,457,331	3,828,973,373	74,122,062,469	395,616,663	(7,909,420,906)	80,505,106,949
Profit for the Year	-	-	-	-	-	-	7,947,261,183	7,947,261,183
Other Comprehensive Income	-	-	-	-	-	7,433,049	(90,457)	7,342,592
Total Comprehensive Income	-	-	-	-	-	7,433,049	(90,457)	7,954,603,776
Adjustment on Revaluation Surplus	-	-	-	-	95,057,162	-	-	95,057,162
Adjustment on Disposals	-	-	-	-	(99,210,815)	-	99,210,815	-
Adjustment on CPC pipe line	-	-	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-	32,067,900	32,067,900
Adjustment on upfront fee paid by CICT	-	-	(53,434,286)	-	-	-	-	(53,434,286)
Adjustment on loan redemption	-	-	-	784,576,514	-	-	-	784,576,514
Balance as at 31 December 2014	7,591,379,785	712,038,233	1,711,023,046	4,613,549,887	74,117,908,816	403,049,712	(619,172,985)	88,529,776,495
Profit for the Year	-	-	-	-	-	-	(14,580,461,800)	(14,580,461,800)
Other Comprehensive Income	-	-	-	-	-	(93,787,594)	(800,199)	(94,587,793)
Total Comprehensive Income	-	-	-	-	-	(93,787,594)	(14,581,261,999)	(14,675,049,593)
Adjustment on Revaluation Surplus	-	-	-	-	(0)	-	-	(0)
Dividends Paid	-	-	-	-	-	-	(2,910,000,000)	(2,910,000,000)
Adjustment on Disposals	-	-	-	-	(24,010,496)	-	24,010,496	-
Prior year adjustment	-	-	-	-	-	-	(11,985,728)	(11,985,728)
Amortization on upfront fee paid by CICT	-	-	(53,434,286)	-	-	-	-	(53,434,286)
Adjustment on Loan Redemption	-	-	-	-	-	-	-	-
Lump Sum Premium_Laughs Terminal Ltd	-	-	16,455,184	-	-	-	-	16,455,184
Amortization on Lump Sum Premium Laughs Terminal Ltd	-	-	(263,639)	-	-	-	-	(263,639)
Balance as at 31 December 2015	7,591,379,785	712,038,233	1,673,780,305	4,613,549,887	74,093,898,320	309,262,118	(15,191,320,216)	73,802,588,433
SLPA								
Balance as at 01 January 2014	7,591,379,785	712,038,233	1,764,457,331	3,828,973,373	74,122,062,469	395,616,664	(8,243,435,745)	80,171,092,110
Profit for the Year	-	-	-	-	-	-	8,896,733,544	8,896,733,544
Other Comprehensive Income	-	-	-	-	-	7,433,049	-	7,433,049
Total Comprehensive Income	-	-	-	-	-	7,433,049	-	8,904,166,593
Adjustment on Revaluation Surplus	-	-	-	-	95,057,162	-	-	95,057,162
Adjustment on Disposals	-	-	-	-	(99,210,815)	-	99,210,815	-
Adjustment on CPC pipe line	-	-	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-	32,067,900	32,067,900
Adjustment on upfront fee paid by CICT	-	-	(53,434,286)	-	-	-	-	(53,434,286)
Adjustment on Loan Redemption	-	-	-	784,576,514	-	-	-	784,576,514
Balance as at 31 December 2014	7,591,379,785	712,038,233	1,711,023,046	4,613,549,887	74,117,908,816	403,049,713	(784,576,514)	89,148,949,480
Profit for the Year	-	-	-	-	-	-	(14,168,555,873)	(14,168,555,873)
Other Comprehensive Income	-	-	-	-	-	(93,787,594)	-	(93,787,594)
Total Comprehensive Income	-	-	-	-	-	(93,787,594)	-	(14,262,343,468)
Adjustment on Revaluation Surplus	-	-	-	-	(0)	-	-	(0)
Adjustment on Disposals	-	-	-	-	(24,010,496)	-	24,010,496	-
Prior year adjustment	-	-	-	-	-	-	(11,985,728)	(11,985,728)
Amortization on upfront fee paid by CICT	-	-	(53,434,286)	-	-	-	-	(53,434,286)
Adjustment on Loan Redemption	-	-	-	-	-	-	-	-
Lump Sum Premium_Laughs Terminal Ltd	-	-	16,455,184	-	-	-	-	16,455,184
Amortization on Lump Sum Premium Laughs Terminal Ltd	-	-	(263,639)	-	-	-	-	(263,639)
Balance as at 31 December 2015	7,591,379,785	712,038,233	1,673,780,305	4,613,549,887	74,093,898,320	309,262,119	(14,156,531,105)	74,837,377,544

The Accounting policies on pages 85 to 90 and Notes to the Financial Statements on Pages 91 to 115 form an integral part of these Financial Statements.

Cash Flow Statement

As at 31 December	Group		SLPA	
	2015	2014	2015	2014
Profit Before Tax	(14,573,344,413)	7,949,294,195	(14,168,555,873)	8,896,733,544
Adjustments for				
Share of Profit of Associate (Net of Dividends)	(753,617)	4,878,618	-	-
Prior Year Adjustments	(11,985,728)	32,067,900	(11,985,728)	32,067,900
Depreciation	8,622,846,451	7,160,388,110	8,614,448,442	7,155,698,787
Amotisation of Intangible Assets	11,798,432	165,615,425	11,055,930	165,082,763
Gratuity Charge for the Year and related costs	1,028,330,282	324,245,462	1,025,374,249	321,757,792
Dividend Income	(834,586,785)	(726,922,853)	(835,183,032)	(727,877,569)
Interest Income	(663,729,771)	(736,494,899)	(640,766,413)	(715,697,280)
Interest Expenses	3,909,798,282	3,762,209,779	3,795,287,605	3,665,179,729
Profit on Disposals of Fixed Assets	-	(2,467,964)	-	(2,467,964)
Amotisation of Government Grants	(65,079,769)	(63,441,858)	(65,079,769)	(63,441,858)
Net Exchange Loss	20,496,048,025	(1,558,956,178)	20,193,637,169	(1,573,525,317)
Upfront fees by CICT	(53,434,286)	(53,434,286)	(53,434,286)	(53,434,286)
Impairment of Inventories	(60,042,675)	823,284,990	-	-
Amortised during the year Laughs terminal Ltd	(263,639)	-	(263,639)	-
Operating Profit Before Working Capital Changes	17,805,600,791	17,080,266,440	17,864,534,655	17,100,076,241
Changes in working Capital				
Inventories	836,448,587	(3,548,928,639)	(389,035,825)	(476,378,189)
Trade and Other Receivables	(805,554,087)	(656,347,387)	(1,128,652,000)	(211,729,392)
Deposits and Advances	14,702,379,401	5,932,854,733	14,700,210,937	5,933,104,734
Prepaid Expenses	73,754,368	26,510,020	73,754,368	26,510,020
Employee Loans / Others	44,945,155	52,863,432	43,476,945	52,863,432
Trade and Other Creditors	703,681,239	(786,162,290)	704,003,847	(796,770,799)
Deposits and Advances	(85,725,669)	1,460,622,715	(85,725,669)	1,460,622,715
Provisions and Accrued Expenses	1,155,049,933	571,961,089	1,166,085,728	536,119,502
Cash Generated from Operations	34,430,579,718	20,133,640,113	32,948,652,987	23,624,418,265
Interest Paid	(2,435,530,489)	(2,181,523,462)	(2,321,019,812)	(2,121,542,252)
Gratuity Paid	(283,930,430)	(286,648,908)	(283,210,185)	(286,021,347)
Taxes Paid	(104,916,107)	(54,901,204)	(101,423,144)	(50,361,822)
Net Cash from Operating Activities	31,606,202,692	17,610,566,539	30,242,999,846	21,166,492,843
Cash Flows from Investing Activities				
Acquisition of Property, Plant and Equipment	(146,221,115)	(232,448,911)	(139,041,442)	(211,691,023)
Proceeds from Disposal of Fixed Assets	39,171	6,982,655	39,171	6,982,656
Lump sum premium laughs Terminal Ltd	16,455,184	-	16,455,184	-
Capital Work-in-Progress	(22,142,579,061)	(45,026,954,583)	(22,142,579,061)	(45,026,954,583)
Acquisition of Intangible Assets	(4,593,644)	(47,128,894)	(4,593,644)	(45,181,919)
Dividend Received	831,676,785	724,252,569	835,183,032	727,877,569
Interest Received	664,318,466	736,494,899	640,766,413	715,697,280
Held to Maturity Investment	1,742,970,000	-	1,742,970,000	-
Amount Due From State Mortgage Bank	29,084,116	24,988,966	29,084,116	24,988,966
Net Proceeds from Other Financial Assets	(4,257,636,888)	93,516,408	(4,257,636,888)	93,516,408
Net Cash from (used in) investing activities	(23,266,486,985)	(43,720,296,891)	(23,279,353,119)	(43,714,764,646)
Cash Flows from Financing Activities				
Borrowings from Government of Sri Lanka	1,961,583,336	28,646,371,285	1,961,583,336	28,646,371,285
Borrowings from Financial Institution	3,794,006,316	6,371,647,140	3,679,495,639	6,371,647,140
Repayment of Borrowings to Government of Sri Lanka	(10,335,296,866)	(10,897,504,567)	(10,335,296,866)	(10,897,504,567)
Repayment of Borrowings to Financial Institution	(3,334,075,419)	(1,652,240,865)	(2,061,564,846)	(1,652,240,865)
Short Term Loans	-	3,919,982,989	-	-
Unrealized Exchange Loss on Valuing Financial Assets & Liabilities	(302,410,856)	(14,569,139)	-	-
Net Cash From (used in) Financing Activities	(8,216,193,489)	26,373,686,843	(6,755,782,737)	22,468,272,993
Net Changes in Cash & Cash Equivalents	123,522,217	263,956,491	207,863,990	(79,998,809)
Cash & cash Equivalents at Beginning of the year	1,302,985,512	1,039,029,021	653,481,853	733,480,662
Cash & Cash Equivalents at End of the Year(Note 16)	1,426,507,729	1,302,985,512	861,345,843	653,481,853

The Accounting policies on pages 85 to 90 and Notes to the Financial Statements on Pages 91 to 115 form an integral part of these Financial Statements.

General Accounting Policies

1 CORPORATE INFORMATION

1.1 General

Sri Lanka Ports Authority was established by the Sri Lanka Ports Authority Act No. 51 of 1979 on 01st August 1979 and subsequently amended by Act Nos. 7 & 35 of 1984.

1.2 Principal Activities and Nature of Operations

Provision of efficient and regular services for stevedoring shipping, and transshipping, landing and warehousing; wharfage, the supply of water, fuel and electricity to vessel for handling petroleum, petroleum products and lubricating oils to and from vessels and between bunkers and depots for pilotage and mooring of vessels for diving and underwater ship repairs and any other services included thereto.

1.3 Financial Year

The Authority's financial reporting period ends on 31st December.

1.4 Registered Office

Registered office of the Authority is at No. 19, Chaithya Road, Colombo 01, P.O. Box 595.

1.5 Number of Employees

The number of employees of the Authority as at 31 December 2015 was 9,464 (2014-9, 493).

1.6 Date of Authorization for Issue

The financial statements of the Authority for the year ended 31 December 2015 were authorized for issue in accordance with a resolution of the board of directors dated 26 February 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The consolidated financial statements of the Authority have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs). The consolidated financial statements have been prepared under the historical cost convention, as modified by the fair value of financial assets available-for-sale. The preparation of financial statements,

in conformity with Sri Lanka Accounting Standards (SLFRSs), requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies.

2.2 Consolidation

2.2.1 Subsidiary

Subsidiary is an entity over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiary is fully consolidated from the date on which control is transferred to the group. It is excluded from consolidation from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred to the subsidiary forms fair values of the assets transferred and the liabilities incurred to form the subsidiary. The group does not recognize any non-controlling interest in the acquiree as the subsidiary is wholly-owned by the Authority.

Inter-entity transactions, balances, income and expenses on transactions between group entities are eliminated. Profits and losses resulting from Inter-entity transactions that are recognized in assets are also eliminated. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group.

2.2.2 Associate

Associate is an entity over which the group has significant influence but not control, generally accompanying a shareholding directly or indirectly 20 per cent or more of the voting rights. An investment in associate is accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

The group's share of post-acquisition profit or loss is recognized in the statement of comprehensive income and its share of post-acquisition movements in the investee's other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of profit/(loss) of associates in the statement of comprehensive income.

2.3 Foreign Currency Conversion

2.3.1 Functional and Presentation Currency

Transaction and balances included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Sri Lanka Rupees (LKR), which is the group's presentation currency.

2.3.2 Transactions and Balances

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

Translation differences related to changes in amortized cost are recognized in the statement of comprehensive income.

2.4.1 Property, Plant and Equipment

Property, plant and equipment are initially recognized at cost including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

General Accounting Policies

property, plant and equipment are stated at deemed cost less accumulated depreciation and any accumulated impairment losses. Other property, plant and equipment are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as an asset, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated, depreciation on other assets is calculated using the straight-line method to allocate their cost or deemed cost over their estimated useful lives, as follows:

Assets Category		Rates
Operational Buildings & Structures	5 -50 Years	1% -20%
Floating Equipment	2 -15 Year	6.7% - 50%
Handling Equipment	2 -20 Years	5% - 50%
Plant and Machinery	2 -20 Years	5% - 50%
Office and Welfare Buildings	2 -75 Years	1.3% - 50%
Computer Hardware	2 – 5 Years	20% - 50%

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

2.4.2 Intangible Assets

Acquired computer software and operating systems are capitalized on the basis of the costs incurred to acquire and bring to use the specific software and systems. Intangible assets acquired are stated at cost less accumulated amortization and accumulated impairment losses. These costs are amortized over their estimated useful lives, as follows:

Computer Software	2 – 5 Years	20% - 50%
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Costs associated with maintaining computer software programmes are recognized as an expense as incurred.

2.4.3 Investment Properties

Investment property held to earn rentals is measured initially at its cost.

Investment properties were carried at revalued amount in the statement of financial position prepared in accordance with SLAS prior to 31 December 2011. The Authority has considered revalued amounts of the Investment properties as deemed cost at the date of the revaluation as the sale values of Investment properties were broadly comparable to fair value. Accordingly, the Investment properties are stated at deemed cost less accumulated depreciation and amounts arising any accumulated impairment losses. Other Investment properties are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Land is not depreciated, depreciation on buildings is calculated using the straight-line method to allocate their cost or deemed cost over their estimated useful lives, as follows:

Investment Properties	15 -35 Years	2.9% - 6.7%
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2.4.4 Impairment of Non-Financial Assets

At each end of reporting period, the Group reviews the carrying amounts of its property, plant and equipment, investment properties and intangible assets to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the cash-generating unit and estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

2.5 Financial Assets

2.5.1 The group determines the classification of its financial assets at initial recognition and the group classifies its financial assets as follows:

- Held-to- maturity investment (HTM)
- Loans and receivables
- Available for sale (AFS)

a) Held-to- Maturity Investment (HTM)

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Group has the positive intention and ability to hold them until maturity. HTM investments are included in non-current assets unless the investment matures. The Group currently holds quoted debentures designated into this category.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The group's loans and receivables comprise trade and other receivables, repurchase government securities, fixed deposits prepayments, advances, deposits, loans to employee and cash and cash equivalents in the end of reporting period.

c) Available for sale (AFS)

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Available for sale financial assets comprise of long term quoted equity investments and unquoted equity investments.

2.5.2 Recognition and Initial Measurement

Financial assets classified as loans and receivables are recognized on the date on which the group originates the transaction. Other financial assets are recognized on the trade-date on which the group becomes a party to the contractual provisions of the financial instrument.

A financial asset is measured initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership of the financial assets.

2.5.3 Subsequent Measurement**a) Held-to-Maturity Investment (HTM)**

HTM investments are measured subsequently at amortized cost using the effective interest method less any

impairment losses. Amortized cost is computed taking into account of discount or premium on acquisition and transaction costs.

b) Loans and receivables

Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less provision for impairment.

c) Available for sale (AFS)

After initial recognition, quoted equity investment classified as AFS financial asset is measured at fair value. Changes in the fair value of AFS financial asset are recognized in other comprehensive income and presented as available for sale reserve in the statement of changes in equity. Unquoted equity investments, which are group's strategic investments are measured at cost less any Impairment losses, as currently its fair value cannot be estimated reliably.

2.5.4 Impairment of Financial Assets**a) Assets carried at amortized cost**

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

For loans and receivables and held-to-maturity investments carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the financial assets is reduced and the amount of the loss is recognized in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an

event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the statement of comprehensive income.

b) Available-for-Sale (AFS)

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. For quoted equity investments, a significant or prolonged decline in the fair value of the investments below its cost is also evidence that the assets are impaired. If any such evidence exists for the quoted investments, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognized in profit or loss is reclassified from equity to profit or loss as a reclassification adjustment. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available for sale are reversed through profit or loss. The amount of reversal is recognized in the other comprehensive income.

For unquoted equity investments, a significant or prolonged decline in the value of the investments below its cost is also evidence that the assets are impaired. If any such evidence exists for the unquoted investments, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

2.6 Inventories

Inventories are stated at cost. Cost is determined using the first-in, first-out (FIFO) method. Inventories comprise of spare parts and consumables for vessels and cargo handling equipment and fuel and lubricants. Inventories are for consumption not for re-sale.

2.7 Trade Receivables

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. Collection is expected in the normal operating cycle of the business and they are classified as

General Accounting Policies

current assets. Trade receivables are recognized initially at fair value, which is the invoice amount and subsequently measured at the original invoice amount less provision for impairment as they are expected to be received within short period, such that the time value of money is not significant.

The group assesses at the end of each reporting period whether there is objective evidence that trade receivables is impaired. Objective evidence of impairment for trade receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the receivable past the maximum credit period of 28 days. Trade receivables are impaired and impairment losses are incurred, only if there is objective evidence of impairment. Significant trade receivables are assessed individually for impairment and Non- significant trade receivables are assessed for impairment on collective basis.

The model and basis used to assess the trade receivables for impairment as follows:

(a) Individual Evaluation Model

Following types of trade receivables are reviewed individually to measure the impairment loss.

	Basis	
i Sri Lanka Forces	Up to 12 Months	No Provision
	After 12 Months	50%
ii Government Institutions	Up to 12 Months	No Provision
	After 12 Months	100%
iii Shipping Agents Under Litigation		100%
iv Shipping Agents - Suspended and Non-operating		100%
v Shipping Agents - With Significant amounts (Over than one million)	Up to 12 Months	No Provision
	After 12 Months	1%

(b) Collective Evaluation Model:

Following types of trade receivables are reviewed collectively to measure the impairment loss.

	Basis	
Shipping Agents - With Non-Significant amounts (Less than one million)	Up to 12 Months	No Provision
	After 12 Months	1%

2.8 Cash and Cash Equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.9 Capital Employed

Capital represents that all movable and immovable properties including money in the funds and all debts, liabilities and obligations in connection with or appertaining to such properties transferred and vested to Sri Lanka Ports Authority from Colombo Port commission, Port Cargo Corporation and Port Tally and Protective Services Corporation.

2.10 Financial Liabilities

The group classifies financial liabilities into other financial liabilities. The Group's other financial liabilities include borrowings, trade and other payables. The other financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost

using the effective interest method. The group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

2.11 Trade and Other Payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities as in the normal operating cycle of the business.

Trade and other payables are recognized initially at fair value, which is the transaction price and subsequently measured at the original invoice amount as they are expected to be paid within a short period, such that the time value of money is not significant.

2.12 Borrowings

The Group's borrowings include ports development loans borrowed from the Government of Sri Lanka and financial institutions. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost using the effective interest method. Floating rate borrowings are measured in each subsequent period at amortized cost using floating interest rate (effective interest rate) prevailing at the end of the reporting period.

Loan arrangement fee, structuring fee, processing fee and management paid on the establishment of borrowing facilities are recognized as transaction costs of the borrowings.

Foreign exchange gains and losses arising from measurement of carrying value of loans at amortized cost at each reporting period end are recognized in the statement of comprehensive income.

2.13 Borrowing Cost

Borrowing costs directly attributable to acquisition, construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognized in the statement of comprehensive income in the period in which they are incurred.

2.14 Government Grants

Grants from the government including non-monetary grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in noncurrent liabilities as deferred government grants and are recognized in the statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

Non-monetary grants are measured at fair value of the non-monetary asset and account for both grant and asset at the fair value.

2.15 Current and Deferred Tax

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

The current income tax charge is calculated on the basis of the tax laws enacted at the reporting period end applicable for the Authority its subsidiaries operate and generate taxable income. Management establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset

or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates that have been enacted at the reporting period end date and are expected to apply when the related deferred tax asset is realized or the deferred income tax liability is settled.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

2.16 Employee Benefits

The group has both defined benefit and defined contribution plans.

a) Defined Contribution plan

A defined contribution plan is a post-employment benefit plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions. The contributions are recognized as employee benefit expense when they are due.

The group contributes 15% on gross emoluments of employee to Employee Provident Fund (EPF) and 3% on gross emoluments of employee to Employee Trust Fund (ETF).

b) Defined benefit plan

The group obligation in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future benefit that employee have earned in return for their services in the current and prior period.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the statement of comprehensive income in the period in which they arise.

The retirement benefit obligation is not externally funded.

c) Short-term employee benefit

Short-term employee benefit obligations are measured on an undiscounted amount expected to be paid for related services provided by the employee.

2.17 Provisions and Contingent Liabilities

Provisions for volume rebates, legal claim and other expenses are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

All contingent liabilities are disclosed as a note to the financial statements unless the possibility of an outflow of resources is remote.

2.18 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services rendered, stated net of rebates and value added taxes and Nation Building Tax (NBT). The group recognizes revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the group.

The Group applies the revenue recognition criteria set out below to each identifiable major types of services rendered.

General Accounting Policies

a) Landing and Delivery Services

The group renders services such as loading, discharging cargo and stores renting in respect of import and export cargo operations. For these sales of services, revenue is recognized in the period in which the services are rendered based on completion of job or transaction and assessed on the basis of the actual services rendered.

b) Navigation and Related Services

Revenue from light dues, entering dues and over-hour dues and pilotage are recognized at the point in which dues become receivable, which is the point of vessel arrival. Revenue arises from navigation and related services is recognized in the period in which the services are rendered based on completion of job or transaction and assessed on the basis of the actual services rendered.

c) Stevedoring Services

Revenue from stevedoring services in respect of container operation and conventional cargo operation is recognized in the period in which the services are rendered based on completion of job or transaction and assessed on the basis of the actual services rendered.

d) Royalty Income

Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement. Royalties from South Asia Gateway Terminals Ltd (SAGT) determined on the basis that "Total Annual Throughputs" are paid by agreed "TEU Fee" over the period of the agreement.

e) Interest Income

Interest income is recognized using the effective interest method.

f) Dividend Income

Dividend income is recognized when the right to receive payment is established.

g) Lease and Rental Income

Lease and rental income from investment properties is recognized on an accrual basis over the term of lease.

h) Gain and Losses on Disposal of Property, Plant and Equipment

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive income.

2.19 Expenses

All expenditure incurred in the running of the operation has been charged to income in arriving at the profit for the reporting period.

2.20 Events Occurring after the Reporting Period

All material events after the reporting period have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the financial statements.

2.21 Commitments

All material commitments at the reporting period end have been identified and disclosed in the notes to the financial statements.

2.22 Significant Accounting Estimates and Judgments

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

2.22.1 The following are significant judgments in applying the accounting policies that have most significant effect on the financial statements.

(a) Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

2.22.2 Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

(a) Useful life time of Depreciable Assets

Management reviews its estimate of the useful life time of depreciable assets at each reporting date, based on the expected economic utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

(b) Defined benefit plan

The present value of the defined benefit plan obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions are used in determining the net cost and obligation for defined benefit plan including the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligation.

Notes to the Financial Statements

3 Property, Plant & Equipment Group

For the Year ended 31 December	As At 01 January 2015	Additions	(Disposals)	Re Class / Adjustment	As At 31 December 2015
3.1 At Cost					
Land	52,721,025,629	403,539,082	-	-	53,124,564,711
Operational Buildings & Structures	152,319,819,550	14,008,763,694	-	(2,235,276,619)	164,093,306,626
Floating Equipment	10,022,335,122	2,840,033,135	(188,700)	-	12,862,179,556
Handling Equipment	24,848,185,970	334,511,125	(13,330,000)	-	25,169,367,095
Plant & Machinery	555,834,636	54,649,423	(1,567,474)	-	608,916,585
Office & Welfare Buildings	834,019,608	147,081,605	-	-	981,101,213
Staff Quarters and Other Buildings	481,425,491	-	-	-	481,425,491
Computer Hardware	359,336,523	5,906,552	(25,000)	-	365,218,075
Electrical & Electronic Equipment	2,079,732,504	42,028,999	(2,241,628)	(83,475)	2,119,436,399
Office Furniture & Equipment	122,533,844	23,390,903	(206,663)	-	145,718,084
Motor Vehicles	930,401,781	138,328,021	(21,462,188)	12,233,929	1,059,501,544
Other Assets	334,083,982	13,605,980	(1,138,881)	-	346,551,080
	245,608,734,640	18,011,838,520	(40,160,534)	(2,223,126,165)	261,357,286,461

	As At 01 January 2015	Charge for the Year	(Disposals)	Re Class / Adjustment	As At 31 December 2015
3.1.1 Depreciation					
Operational Buildings & Structures	24,674,237,050	5,864,474,297	-	15,248,805	30,553,960,151
Floating Equipment	5,807,445,268	860,612,520	(188,511)	2,729,799	6,670,599,077
Handling Equipment	11,157,488,599	1,518,280,083	(13,316,670)	(414,210)	12,662,037,802
Plant & Machinery	450,780,003	43,363,092	(1,565,906)	7,501	492,584,691
Office & Welfare Buildings	235,163,207	30,766,766	-	(15,162,376)	250,767,597
Staff Quarters and Other Buildings	181,610,424	19,305,097	-	(3,651,260)	197,264,261
Computer Hardware	316,598,545	20,702,470	(24,975)	1	337,276,040
Electrical & Electronic Equipment	1,778,598,207	135,678,195	(2,239,386)	(6,275)	1,912,030,740
Office Furniture & Equipment	94,133,278	17,860,172	(206,456)	1,131,164	112,918,157
Motor Vehicles	751,832,295	81,453,792	(21,440,725)	12,262,576	824,107,938
Other Assets	264,285,642	24,280,487	(1,137,743)	208,007	287,636,393
	45,712,172,519	8,616,776,972	(40,120,373)	12,353,730	54,301,182,848

	As At 31 December 2015	As At 31 December 2014
3.1.2 Net Carrying Values		
Property, Plant & Equipment		
Land	53,124,564,711	52,721,025,629
Operational Buildings & Structures	133,539,346,475	127,645,582,501
Floating Equipment	6,191,580,479	4,214,889,853
Handling Equipment	12,507,329,294	13,690,697,371
Plant & Machinery	116,331,895	105,054,633
Office & Welfare Buildings	730,333,616	598,856,401
Staff Quarters and Other Buildings	284,161,230	299,815,067
Computer Hardware	27,942,035	42,737,978
Electric & Electronic Equipment	207,405,659	301,134,297
Office Furniture & Equipment	32,799,926	28,400,566
Motor Vehicles	235,393,605	178,569,485
Other Assets	58,914,687	69,798,339
	207,056,103,613	199,896,562,121
Capital Work-in-Progress	(Note 3.2)	
	83,162,522,476	76,693,331,679
	290,218,626,089	276,589,893,800

Group	As At 31 December 2015	As At 31 December 2014
Property Plant Equipment Clearing accounts	98,624,507	55,373,754
	98,624,507	55,373,754
	290,317,250,596	276,645,267,553

Rs 15,325,000 worth of asset are used as religious places.

Negative pledge was made to Bank of Ceylon when obtaining the loan to purchase container handling equipment.

Notes to the Financial Statements

3 Property, Plant & Equipment

For the Year ended 31 December	As At 01 January 2015	Additions	(Disposals)	Re Class / Adjustment	As At 31 December 2015
3.1 Cost					
Land	52,721,025,629	403,539,082	-	-	53,124,564,711
Operational Buildings & Structures	152,424,975,130	14,008,763,694	-	(2,235,276,619)	164,198,462,205
Floating Equipment	10,022,335,122	2,840,033,135	(188,700)	-	12,862,179,556
Handling Equipment	24,839,773,520	331,605,759	(13,330,000)	-	25,158,049,279
Plant & Machinery	545,666,307	51,868,988	(1,567,474)	-	595,967,821
Office & Welfare Buildings	728,627,377	147,081,605	-	-	875,708,982
Staff Quarters and Other Buildings	480,393,491	0	-	-	480,393,491
Computer Hardware	354,620,541	4,960,952	(25,000)	-	359,556,493
Electrical & Electronic Equipment	2,079,732,504	42,028,999	(2,241,628)	(83,475)	2,119,436,399
Office Furniture & Equipment	120,479,391	22,842,631	(206,663)	-	143,115,359
Motor Vehicles	912,856,366	138,328,021	(21,462,188)	12,233,929	1,041,956,129
Other Assets	334,004,082	13,605,980	(1,138,881)	-	346,471,180
	245,564,489,459	18,004,658,846	(40,160,534)	(2,223,126,165)	261,305,861,607

For the Year ended 31 December	As At 01 January 2015	Charge for the Year	(Disposals)	Re Class / Adjustment	As At 31 December 2015
3.1.1 Depreciation					
Operational Buildings & Structures	24,674,237,050	5,864,474,297	-	15,248,805	30,553,960,151
Floating Equipment	5,807,445,268	860,612,520	(188,511)	2,729,799	6,670,599,077
Handling Equipment	11,157,100,435	1,516,188,704	(13,316,670)	(414,210)	12,659,558,259
Plant & Machinery	446,325,202	41,769,918	(1,565,906)	7,501	486,536,715
Office & Welfare Buildings	235,053,369	30,766,766	-	(15,162,376)	250,657,759
Staff Quarters and Other Buildings	181,610,423	19,305,097	-	(3,651,260)	197,264,260
Computer Hardware	314,688,020	19,765,992	(24,975)	1	334,429,037
Electrical & Electronic Equipment	1,778,598,207	135,678,195	(2,239,386)	(6,275)	1,912,030,740
Office Furniture & Equipment	92,693,580	17,248,412	(206,456)	1,131,164	110,866,700
Motor Vehicles	748,079,054	78,288,573	(21,440,725)	12,262,576	817,189,478
Other Assets	264,285,642	24,280,487	(1,137,743)	208,007	287,636,393
	45,700,116,250	8,608,378,962	(40,120,373)	12,353,730	54,280,728,569

For the Year ended 31 December	As At 31 December 2015	As At 31 December 2014
3.1.2 Net Carrying Values		
Property, Plant & Equipment		
Land	53,124,564,711	52,721,025,629
Operational Buildings & Structures	133,644,502,054	127,750,738,080
Floating Equipment	6,191,580,479	4,214,889,853
Handling Equipment	12,498,491,021	13,682,673,085
Plant & Machinery	109,431,106	99,341,105
Office & Welfare Buildings	625,051,224	493,574,008
Staff Quarters and Other Buildings	283,129,231	298,783,068
Computer Hardware	25,127,457	39,932,522
Electric & Electronic Equipment	207,405,659	301,134,296
Office Furniture & Equipment	32,248,659	27,785,811
Motor Vehicles	224,766,652	164,777,313
Other Assets	58,834,788	69,718,440
	207,025,133,039	199,864,373,210
Capital Work-in-Progress (Note 3.2)	83,162,522,476	76,693,331,679
	290,187,655,516	276,557,704,889

SLPA	As At 31 December 2015	As At 31 December 2014
Property Plant Equipment Clearing accounts	98,624,507	55,373,754
	98,624,507	55,373,754
	290,286,280,022	276,613,078,643

Rs 15,325,000 worth of asset are used as religious places.

Negative pledge was made to Bank of Ceylon when obtaining the loan to purchase container handling equipment.

For the Year ended 31 December	As At 01 January 2015	Adjustment	Incurred During the Year	Transferred	As At 31 December 2015
3.2 Capital Work-in-Progress (Group/SLPA)					
Colombo Port Development	1,338,187,153	(145,464,860)	98,693,842	(496,207,533)	795,208,602
Oluvil Port	443,993,344	2,954,967			446,948,311
Phase I additional loan	13,460,441,442	522,998,738	348,568,804	(14,332,008,984)	-
Galle Port	163,254,609		80,548,966	(44,842,932)	198,960,643
Galle Development Project	369,847,780	95,639,130			465,486,910
Plant & Machinery	9,714,933	-			9,714,933
Terminal Management System	60,341,071	3,795,001	437,500		64,573,572
Port City Development	2,924,106	(584,820)			2,339,286
Purchasing of Capital Assets (Local)	14,808,132	(1,884,389)	10,791,662		23,715,405
Construction 01 No Petroleum Oil Tank	651,483	10,406,000	6,575,934	(17,633,417)	-
Laying New Oil Pipe System	41,977,778	9,742	1,358,498	(43,346,018)	-
Bunkering Project_ Hambantota	630,841,213	80,000	7,624,499	(638,545,712)	-
Port Development Projects Phase II- Hambantota	52,689,953,450	(85,630,377)	17,732,445,893		70,336,768,966
Upgrading & Expansion of wireless Data Net Work	2,223,600	12,988,000			15,211,600
Construction Administration Building -Hambantota	502,680,627	(445,127,712)		(57,552,915)	-
Head Office Building	2,295,000	923,610			3,218,610
Development of East Container Terminal	6,959,195,959	28,896,969	3,812,282,710		10,800,375,638
	76,693,331,679	-	22,099,328,308	(15,630,137,511)	83,162,522,476

Classification errors adjusted during the year

4 Intangible Assets (Group)

For the Year ended 31 December	As At 01 January 2015	Re_Class / Adjustment	Additions	(Disposals)	As At 31 December 2015
Group					

4.1 At Cost

Computer Software	886,567,229	37,771,810	4,593,644	(37,771,810)	891,160,873
Total	886,567,229	37,771,810	4,593,644	(37,771,810)	891,160,873

For the Year ended 31 December	As At 01 January 2015	Re_Class / Adjustment	Charge for the Year	(Disposals)	As At 31 December 2015
Group					

4.2 Amotisation

Computer Software	837,886,331	5,031,205	11,798,432	(5,031,205)	849,684,763
Total	837,886,331	5,031,205	11,798,432	(5,031,205)	849,684,763

For the Year ended 31 December	As At 31 December 2015	As At 31 December 2014
Group		

4.3 Net Carrying Values

Computer Software	41,476,110	48,680,898
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Notes to the Financial Statements

4 Intangible Assets (SLPA)

For the Year ended 31 December	As At 01 January 2015	Re-Class / Adjustment	Additions	(Disposals)	As At 31 December 2015
SLPA					

4.1 At Cost

Computer Software	884,320,253	37,771,810	4,593,644	(37,771,810)	888,913,897
Total	884,320,253	37,771,810	4,593,644	(37,771,810)	888,913,897

For the Year ended 31 December	As At 01 January 2015	Re-Class / Adjustment	Charge for the Year	(Disposals)	As At 31 December 2015
SLPA					

4.2 Amotisation

Computer Software	837,287,002	5,031,205.02	11,055,930	(5,031,205)	848,342,932
Total	837,287,002	5,031,205	11,055,930	(5,031,205)	848,342,932

For the Year ended 31 December	As At 31 December 2015	As At 31 December 2014
SLPA		

4.3 Net Carrying Values

Computer Software	40,570,965	47,033,251
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5 Investment Properties (Group)

For the Year ended 31 December	As At 01 January 2015	Re-Class / Adjustment	Additions	(Disposals)	As At 31 December 2015
Group					

5.1 At Cost

Land	3,998,282,561	-	-	-	3,998,282,561
Buildings	134,300,254	-	-	-	134,300,254
Total	4,132,582,815	-	-	-	4,132,582,815

For the Year ended 31 December	As At 01 January 2015	Re_Class / Adjustment	Charge for the Year	(Disposals)	As At 31 December 2015
SLPA					

5.1.1 Depreciation

Buildings	58,482,971	-	6,069,480	(989)	64,551,462
Total	58,482,971	-	6,069,480	(989)	64,551,462

For the Year ended 31 December	As At 31 December 2015	As At 31 December 2014
SLPA		

5.1.2 Net Carrying Values

Land	3,998,282,561	3,998,282,561
Buildings	69,748,792	75,817,283
	4,068,031,353	4,074,099,844

Most properties of the Authority are leased out on operating leases. Rental income derived by properties owned by the Authority during the current period amounts to Rs. 277,186,655/- (2014 : 255,084,293/-).

Investment Properties Cnt.. Authority

For the Year ended 31 December	As At 01 January 2015	(Disposals)	As At 31 December 2015
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5.2 At Cost (SLPA)

Land	3,998,282,561		3,998,282,561
Buildings	134,300,254		134,300,254
Total	4,132,582,815	-	4,132,582,815

For the Year ended 31 December	As At 01 January 2015	(Disposals)	As At 31 December 2015
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5.2.1 Depreciation (SLPA)

Buildings	58,482,968	(989)	64,551,458
Total	58,482,968	(989)	64,551,458

For the Year ended 31 December	As At 31 December 2015	As At 31 December 2014
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5.2.2 Net Carrying Values (SLPA)

Land	3,998,282,561	3,998,282,561
Buildings	69,748,796	75,817,286
	4,068,031,357	4,074,099,847

Most properties of the Authority are leased out on operating leases. Rental income derived by properties owned by the Authority during the current period amounts to Rs. 277,186,655/- (2014: 255,084,293/-).

6 Investment in Subsidiaries (Unlisted)

For the Year ended 31 December	No of Shares	% of Holding	SLPA	
			2015	2014
Unlisted				
Jaya Container Terminals Limited	100,000	100%	1,000,000	1,000,000
Magampura Port Management Company	7,500,000	100%	75,000,000	75,000,000
			76,000,000	76,000,000

7 Investment in Associates (Unlisted)

For the Year ended 31 December	Group		SLPA	
Unlisted	2015	2014	2015	2014
Sri Lanka Port Management & Consultancy Services Ltd (Note 7.1)	61,321,837	60,568,220	40,030	40,030

7.1 Movement of Investments in Associate Companies

Balance at 01 January	60,568,220	56,352,759	40,030	40,030
Share of Net Results of Associates	1,349,864	5,170,176	-	-
Dividends Received	(596,247)	(954,716)	-	-
Balance at 31 December	61,321,837	60,568,220	40,030	40,030

7.2 Summary of Financial Results of Associate, and its aggregated assets and liabilities

Sri Lanka Port Management & Consultancy Services Ltd

For the Year ended 31 December	No. of Shares	% of Holding	Assets	Liabilities	Revenue	Net Profit
At 31 December 2015	4,003	39.97%	168,047,699	29,462,475	10,114,135	3,377,193
At 31 December 2014	4,003	39.97%	176,589,110	39,778,350	24,651,782	12,935,141

Notes to the Financial Statements

8 Categories of Financial Assets and Financial Liabilities

Financial Assets	Available-For-Sale		Held-To-Maturity		Loans and Receivables	
	2015	2014	2015	2014	2015	2014
Group						
Listed Investments	328,147,269	421,934,863			4,446,142,084	3,680,661,297
Unlisted Investments	3,439,286,004	3,439,286,004			11,956,516,912	26,654,995,788
Investment in Quoted Debentures			-	1,742,970,000		
Trade and Other Receivables					4,273,590,426	4,315,599,161
Deposits and Advances					13,056,431,003	8,798,794,116
Employee Loans					1,426,507,729	1,302,985,511
Investment in Government Securities and Fixed Deposits					35,159,188,154	44,753,035,873
Cash and Cash Equivalents						
Total	3,767,433,273	3,861,220,867	-	1,742,970,000	34,452,423,757	43,633,596,182
Authority						
Listed Investments	328,147,269	421,934,863			4,308,176,248	3,211,161,667
Unlisted Investments	3,439,286,004	3,439,286,004			11,954,348,448	26,654,559,385
Investment in Quoted Debentures			-	1,742,970,000	4,272,122,216	4,315,599,161
Trade and Other Receivables					13,056,431,003	8,798,794,116
Deposits and Advances					861,345,843	653,481,853
Employee Loans						
Investment in Government Securities and Fixed Deposits						
Cash and Cash Equivalents						
Total	3,767,433,273	3,861,220,867	-	1,742,970,000	34,452,423,757	43,633,596,182
Financial Liabilities						
Other Financial Liabilities						
Non-Current Borrowings						
Government of Sri Lanka			206,425,156,412	194,839,738,496	206,425,156,412	194,839,738,496
Financial Institution			11,866,367,402	9,981,938,306	11,866,367,402	9,981,938,306
Current Borrowings						
Government of Sri Lanka			11,834,537,774	11,431,163,826	11,834,537,774	11,431,163,826
Financial Institution			5,784,854,826	5,906,506,760	3,022,871,734	1,986,523,771
Trade and Other Creditors			1,108,634,553	398,709,042	1,092,104,381	388,100,534
Deposits and Advances Received			5,057,643,439	5,143,369,113	5,057,643,439	5,143,369,113
Total	242,077,194,405	227,701,425,542	239,298,681,141	223,770,834,045		

9 Available-for-Sale (AFS) Financial Assets

For the Year ended 31 December		Group / SLPA	
		2015	2014
Listed Investments	(Note 9.1)	328,147,269	421,934,863
Unlisted Investments	(Note 9.2)	3,439,286,004	3,439,286,004
		3,767,433,273	3,861,220,867

9.1 Listed Investment

Balance at 01 January		421,934,863	414,501,814
Net Gains / (Losses) Transfer to AFS Reserve		(93,787,594)	7,433,049
Balance at 31 December		328,147,269	421,934,863

9.2 Unlisted Investments

AFS Unlisted investments comprise group's strategic investments which are measured at cost less impairment charges since, its fair value cannot be reliably measured.

For the Year ended 31 December		Group / SLPA		
		No. of Shares	2015	2014
Lanka Coal Company		200,000	2,000,000	2,000,000
Colombo International Container Terminal Ltd		28,456,515	2,859,913,891	2,859,913,891
South Asian Gateway Terminals Limited (SAGT)			577,372,113	577,372,113
			3,439,286,004	3,439,286,004

10 Held-to-Maturity Investment (HTM)

HTM investment comprises quoted debenture invested in Urban Development Authority with fixed interest rates at 11%. The investment mature in 2015. The debenture is quoted in debt market of the Colombo stock exchange however, quoted price is not considered as fair value for disclosure as the debt market is not active.

11 Inventories

For the Year ended 31 December		Group		SLPA	
		2015	2014	2015	2014
Goods in Stock		2,689,564,310	2,293,954,848	2,689,564,310	2,293,954,848
Stock in Hand - Admiralty Kitchen		6,745,183	5,691,461	6,745,183	5,691,461
Sawmill - New Beira		2,350,986	9,598,679	2,350,986	9,598,679
Stock in Medical Stores		1,045,327	798,081	1,045,327	798,081
Obsolete & Slow Moving Stock		253,182	601,705	253,182	601,705
Inventory receiving clearing accounts		4,500,136	4,778,525	4,500,136	4,778,525
Bunkering - Oil		1,841,036,066	3,058,334,777	-	-
Inter Lock Blocking		2,040,047	10,905,235	-	-
Cursher - Chips		3,989,926	3,310,438	-	-
		4,551,525,162	5,387,973,749	2,704,459,124	2,315,423,299
Less : Provision for impairment of inventories		(763,242,316)	(823,284,990)	-	-
		3,788,282,847	4,564,688,759	2,704,459,124	2,315,423,299

In SLPA provision to write-down has not been made for slow moving stocks as the inventories are usable.

12 Trade and Other Receivables

For the Year ended 31 December		Group		SLPA	
		2015	2014	2015	2014
Trade Receivable		1,790,021,491	1,985,721,117	1,780,201,364	1,481,875,766
Shipping Agents Dispute		115,213,136	51,377,330	115,213,136	51,377,330
Agent Revenue		493,036,541	622,235,395	493,036,541	622,235,395
Consignee Receivables		83,724,817	6,632,125	83,724,817	6,632,125
Other Receivable (Note 12.1)		1,840,750,968	977,485,187	1,710,567,731	1,013,602,974
Income Tax Receivable (Note 12.4)		353,189,773	245,780,646	353,189,773	244,008,581
		4,675,936,726	3,889,231,801	4,535,933,362	3,419,732,171
Provision for Impairment		(404,213,554)	(412,073,532)	(402,176,027)	(412,073,532)
		4,271,723,172	3,477,158,269	4,133,757,335	3,007,658,639

Trade and other receivables comprise following receivables from related parties.

Receivables from Related Parties	Trade	42,164,376	56,706,399	42,164,376	56,706,399
	Others	227,653,516	141,636,444	248,268,133	185,512,184
		269,817,892	198,342,843	290,432,509	242,218,583

Notes to the Financial Statements

For the Year ended 31 December

As at 31 December 2015, the Authority's trade receivables amounts to Rs 1,382,664,861 (2014:1,071,958,988) were past due but not impaired. These relate to a number of significant customers including shipping agents, who are individually reviewed for impairment and for whom there are no reliable evidence for recovery in the reporting year. The age analysis of these trade receivables is as follows:

Ageing of Trade Receivable	Group		SLPA	
	2015	2014	2015	2014
Up to 6 Months	1,296,384,480	1,030,715,323	1,296,384,480	1,030,715,323
6 to 12 Months	86,280,380	41,243,665	86,280,380	41,243,665
	1,382,664,861	1,071,958,988	1,382,664,861	1,071,958,988

Trade receivables have been reviewed for impairment. Certain trade receivables are found to be impaired and provision for impairment has been made on the basis as stated in note 2.12. The impaired trade receivables are mostly due from Sri Lanka forces, Government institutions and the shipping agents who are under litigation.

The Details of Provision for Impairment of the Trade Receivables.	Group		SLPA	
	2015	2014	2015	2014
Shipping Agents Under Litigation	361,822,125	371,138,055	361,822,125	371,138,055
Sri Lanka Forces	-	249,807	-	249,807
Government Institutions	40,322,855	40,664,476	40,322,855	40,664,476
Shipping Agents	17,932	4,030	17,932	4,030
Others	14,363	17,164	14,363	17,164
	402,177,274	412,073,532	402,177,274	412,073,532

The Details of Provision for Impairment of the Trade Receivables.	Group		SLPA	
	2015	2014	2015	2014

12.1 Other Receivable

Royalty_SAGT	55,208,581	68,062,310	55,208,581	68,062,310
Royalty_CICT	49,832,738	21,284,747	49,832,738	21,284,747
Lease Rent-SAGT	30,811,991	28,069,119	30,811,991	28,069,119
Debenture Interest	-	46,224,519	-	46,224,519
From Welfare Buses	47,571	-	47,571	-
Receivables from the Ministry	575,997	537,311	575,997	537,311
Supply of Fuel to Ministry	1,653,290	4,283,484	1,653,290	4,283,484
Meals & Tea Supplied to Outside Parties	8,671,824	12,239,732	8,671,824	12,239,732
Jaya Container Terminals Limited	47,807,708	50,205,164	20,614,617	30,582,805
Electricity for SLPA Employees	1,255,738	945,527	1,255,738	945,527
Supply of fuel to MPMCL	4,541,456	-	26,816,401	88,641,973
Foreign Purchase Advance- Non Budget	870,766,571	503,683,304	870,766,571	503,683,304
Foreign Purchase Advance_ Budgeted	406,002,300	-	406,002,300	-
Prepaid Staff Benefit	519,877	2,542,672	-	-
Shares Receivable - SAGT	141,632,944	141,632,944	141,632,944	141,632,944
Intercompany Receivables	13,148,799	-	13,148,799	-
Other Receivables	125,187,546	31,954,253	442,333	1,595,098
Advance payment for Nidahas Sevaka Sangamaya	2,499,980	3,499,988	2,499,980	3,499,988
	1,760,164,911	915,165,074	1,629,981,674	951,282,860

12.1.1

Rent Debtors	76,311,422	72,553,211	76,311,422	72,553,211
Electricity Debtors	99,039,571	83,918,347	99,039,571	83,918,347
	175,350,993	156,471,558	175,350,993	156,471,558
Provision for Impairment	(94,764,936)	(94,151,445)	(94,764,936)	(94,151,445)
	80,586,057	62,320,113	80,586,057	62,320,113
	1,840,750,968	977,485,187	1,710,567,731	1,013,602,974

12.2 Amount Due from State Mortgage Bank

The balance represents the amount transferred to State Mortgage and Investment Bank to grant housing loan to SLPA employees less recoveries of principal re-payments received from the bank.

12.3 Share Receivable - SAGT

Share receivable from SAGT represents the balance receivable from South Asia Gateway Terminal Ltd (SAGT) arising from the difference between the initial value of cranes given to SAGT and shares issued for in-kind contribution. However, SAGT has resolved on 14 May 2010 that the SLPA will be entitled to be issued an additional "in kind" shares in SAGT to the extent of USD 2,424,285 equivalent to Rs.141,632,943.84 only in the event of further capital call for the phase 1 facilities. No provision for impairment has been made for the receivable since, the Ministry of Finance and Planning has instructed the Authority to show the balance USD 2,424,285 equivalent to Rs.141,632,943.84 as share receivable from SAGT in the financial statements.

The Details of Provision for Impairment of the Trade Receivables.	Group		SLPA	
	2015	2014	2015	2014
12.4 Income Tax Receivable				
Economic Service Charge				
Balance at 01 January	238,098,020	140,812,908	238,098,020	140,812,908
Incurred During the year	48,548,376	44,410,344	48,548,376	44,410,344
Provide for the 2015	54,903,824	52,874,768	54,903,824	52,874,768
Charge for the year	-	-	-	-
Balance as at 31st December	341,550,220	238,098,020	341,550,220	238,098,020
Withholding Tax				
Balance at 01 January	5,910,561	1,301,409	5,910,561	1,301,409
Incurred During the year	5,728,992	4,609,152	5,728,992	4,609,152
Charge for the year	-	-	-	-
Balance as at 31st December	11,639,553	5,910,561	11,639,553	5,910,561
Income Tax Receivable		1,772,065		
Income Tax Receivable	353,189,773	245,780,646	353,189,773	244,008,581

13 Deposits and Advances

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014
Government Deposits	64,558,502	64,558,502	64,558,502	64,558,502
Corporation Deposits	104,892,867	104,637,507	104,892,867	104,637,507
Company Deposits	20,991,773	20,701,540	18,823,309	20,265,137
Advances for Capital Expenditure & Consumables	-	302,355,633	-	302,355,633
Advance to Suppliers (Note -13.1)	105,849,280	59,815,216	105,849,280	59,815,216
Advance to Contractors - Capital Expenditure	11,660,224,490	26,102,927,390	11,660,224,490	26,102,927,390
	11,956,516,912	26,654,995,788	11,954,348,448	26,654,559,385
	11,956,516,912	26,654,995,788	11,954,348,448	26,654,559,385

Notes to the Financial Statements

14 Employee Loans

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014
Advances	26,751,790	25,684,035	26,751,790	25,684,035
Receivables from Employees	1,292,515	1,444,270	1,292,515	1,444,270
Vehicle Loan	825,504,740	1,057,995,545	825,504,740	1,057,995,545
Loans	3,409,781,572	3,220,624,676	3,409,781,572	3,220,624,676
Mis. Loans Given to Employees	10,259,809	9,850,634	8,791,599	9,850,634
	4,273,590,426	4,315,599,161	4,272,122,216	4,315,599,161

15 Other Financial Assets

For the Year ended 31 December	Group/SLPA	
	2015	2014
REPO's	2,186,257,527	352,102,962
Fixed Deposits - Local	5,403,049,390	4,385,554,776
Fixed Deposits - Foreign	5,462,010,166	3,849,648,132
Call Deposits	5,096,148	90,206,361
Savings	17,773	121,281,885
	13,056,431,003	8,798,794,116

Fixed deposit placed in National Saving Bank represents the fines collected from employees who are charged for misconduct. The deposit is maintained separately as required by No 51 Sri Lanka Ports Authority Act; for rewarding employees.

16 Cash and Cash Equivalents

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014
Favourable Balances				
Cash and Bank Balances - LKR	1,423,544,169	1,300,300,977	858,382,283	650,797,319
Bank Balances - Foreign Currency	2,963,560	2,684,534	2,963,560	2,684,534
Cash & Cash Equivalents for the Purpose of Cash Flow Statement	1,426,507,729	1,302,985,511	861,345,843	653,481,853

17 Capital Employed

Capital represents all movable and immovable properties including money in the funds and all debts, liabilities and obligations in connection with or appertaining to such properties transferred and vested to Sri Lanka Ports Authority from Colombo Port commission, Port Cargo Corporation and Port Tally and Protective Services Corporation.

18 Capital Reserve

This represents the value of the capital assets transferred from Lanka Marine Services Ltd and other institutions.

19 Loan Redemption Reserve

Loan Redemption Reserve has been created according to Finance Act Section 10(d) which requires the Authority to transfer to this reserve, when there is cumulative retained earnings

40 Other Reserves

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014
40.1 Other Reserves	1,125,903	1,125,903	1,125,903	1,125,903
40.2 Upfront Fee Paid by CICT				
Balance at 01 January	1,709,897,143	1,763,331,429	1,709,897,143	1,763,331,429
Amortized During the year	(53,434,286)	(53,434,286)	(53,434,286)	(53,434,286)
Balance at 31 December	1,656,462,857	1,709,897,143	1,656,462,857	1,709,897,143

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014
40.3 Lump Sum Premium_Laugh Terminal Ltd				
Balance at 01 January	-	-	-	-
Received during the year	16,455,184	-	16,455,184	-
Amortized During the year	(263,639)	-	(263,639)	-
Balance at 31 December	16,191,545	-	16,191,545	-
	1,673,780,305	1,711,023,046	1,673,780,305	1,711,023,046

20 Revaluation Reserve

The revaluation reserve relates to the revaluation surplus of property, plant and equipment, once the respective revalued assets have been disposed, portion of revalued surplus is transferred to retained earnings.

21 Borrowings - Government of Sri Lanka

For the Year ended 31 December	Group/SLPA	
	2015	2014
Carrying Amount at Amortized Cost		
21.1 Settlement Fall Due More than One Year		
Colombo Port Development Project	19,637,934,795	21,055,951,726
Colombo Port Expansion - (South Harbor)	39,922,595,104	37,378,104,191
Hambanthota Port Develop. - (Phase I)	32,608,955,808	33,470,300,250
Hambanthota Port Develop. - (Phase II)	84,631,038,396	76,483,505,586
Hambanthota Port Tank Farm Project	9,515,515,165	8,681,654,519
Terminal Tractors- (EXIM Bank of Malaysia)	29,236,000	133,370,000
Acquisition of Handling Equipments	-	466,795,000
Ancillary works & Supply of Equipment Proj- Phase I HPDP	20,514,162,181	17,551,897,225
	206,859,437,449	195,221,578,496
Transaction Cost/ Management Fees for Hambanthota Port Develop (P II)	(381,840,000)	(381,840,000)
Transaction Cost/ Additional Loan (P I)	(52,441,037)	-
	206,425,156,412	194,839,738,496
21.2 Settlement Fall Due Within One Year		
Colombo Port Development Project	3,391,916,037	3,220,343,100
Colombo Port Expansion - (Southern Harbor)	1,200,175,315	1,003,646,165
Hambanthota Port Develop. - (Phase I)	6,605,555,415	6,146,448,747
Hambanthota Port Tank Farm Project	-	-
Terminal Tractors- (EXIM Bank of Malaysia)	117,661,333	107,827,499
Acquisition of Handling Equipments	519,229,674	952,898,314
	11,834,537,774	11,431,163,826
	218,259,694,186	206,270,902,322

The above borrowings were provided by the Government of Sri Lanka for ports expansion projects and development projects under subsidiary loan agreement. The loan granted to procurement of Handling Equipment, Colombo Port Expansion, Terminal Tractors - (EXIM Bank of Malaysia) carries floating rate of interest and others are at fixed rates of interest.

Terms and conditions of borrowing facilities are in page 115.

Notes to the Financial Statements

For the Year ended 31 December	Group/SLPA	
	2015	2014
The carrying amounts of the borrowings are denominated in the following currencies:		
Japan Yen	23,029,850,832	24,276,294,826
United States Dollars	195,229,843,354	181,994,607,496
	218,259,694,186	206,270,902,322

21.3 Movement of the Loans

Balance at 01 January	206,270,902,322	188,625,526,348
Obtained During the Year	1,961,583,336	28,646,371,285
Paid During the Year	(10,387,737,903)	(10,897,504,567)
Exchange (Gain) / Loss on Translation	18,888,237,600	(1,647,128,222)
Accrued interest under Short Term	1,526,708,830	1,543,637,477
Balance at 31 December	218,259,694,186	206,270,902,322

22 Borrowings - Financial Institutions

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014

Carrying Amount at Amortized Cost

22.1 Settlement Fall Due More than One Year

Bank of Ceylon- Handling Equipment	-	1,409,618,489	-	1,409,618,489
Bank of Ceylon -Bunkering Facility	2,148,989,001	2,308,747,564	2,148,989,001	2,308,747,564
Bank of Ceylon -CPEP Construction of ECT loan	9,717,378,401	6,263,572,253	9,717,378,401	6,263,572,253
	11,866,367,402	9,981,938,306	11,866,367,402	9,981,938,306

22.2 Settlement Fall Due Within One Year

Bank of Ceylon- Handling Equipment	1,545,010,353	1,667,452,183	1,545,010,353	1,667,452,183
Bank of Ceylon -Bunkering Facility	3,143,493,596	319,071,587	381,510,504	319,071,587
Bank of Ceylon -CPEP Construction of ECT loan	1,096,350,877		1,096,350,877	
Others		3,919,982,989	-	-
	5,784,854,826	5,906,506,760	3,022,871,734	1,986,523,771
	17,651,222,228	15,888,445,066	14,889,239,136	11,968,462,077

The above bank borrowings are secured by container handling equipment, Bunkering Facility and CPEP Construction of ECT loan owned by the Authority. It carries a floating interest rate of LIBOR+4%, LIBOR+7, LIBOR+ 6.5 respectively

Terms and conditions of borrowing facilities are in page 115.

The carrying amounts of the borrowings are denominated in the following currency.

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014
United States Dollars	17,651,222,228	15,888,445,066	14,889,239,136	11,968,462,077

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014

22.3 Movement of the Loans

Balance at 01 January	15,888,445,066	7,151,229,964	11,968,462,076	7,151,229,963
Obtained During the Year	3,794,006,316	13,691,632,398	3,679,495,639	6,371,647,140
Paid During the Year	(3,648,566,575)	(5,059,764,976)	(2,061,564,846)	(1,652,240,865)
Exchange (Gain) / Loss on Translation	1,617,337,421	105,347,680	1,302,846,266	97,825,838
Balance at 31 December	17,651,222,228	15,888,445,066	14,889,239,135	11,968,462,076

23 Government Grants

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014
Balance at 01 January	2,250,929,288	2,314,371,146	2,250,929,288	2,314,371,146
Grants Received During the Year	-	-	-	-
Grants used during the year	-	-	-	-
Amotisation of Government Grants	(65,079,769)	(63,441,858)	(65,079,769)	(63,441,858)
Balance at 31 December (Note 23.1)	2,185,849,519	2,250,929,288	2,185,849,519	2,250,929,288

23.1 The Carrying Values

Mega Port Project	104,489,683	130,783,079	104,489,683	130,783,079
Kankasanturai Break Water Project	35,330,699	35,569,350	35,330,699	35,569,350
Hambanthota Port Development Project	101,743,092	106,588,001	101,743,092	106,588,001
Oluvil Port Development Project	19,990,000	19,990,000	19,990,000	19,990,000
Colombo Port Expansion Project	1,537,196,632	1,564,164,994	1,537,196,632	1,564,164,994
Hambantota Bunkering and Tank	2,453,862	2,542,025	2,453,862	2,542,025
Renovation project of UCT Terminal	377,600,000	382,933,333	377,600,000	382,933,333
Motor Vehicle Received as Grant	3,616,667	4,856,667	3,616,667	4,856,667
Galle Yatch Marina Development	3,428,886	3,501,841	3,428,886	3,501,841
	2,185,849,519	2,250,929,288	2,185,849,519	2,250,929,288

The above grants received from the Government of Sri Lanka and International Government Agencies for the development of ports and other constructions. The amounts spent have been capitalised either work-in-progress or under the relevant class of property, plant and equipment respectively. The corresponding grant is being amortised over the useful life of the related assets.

Kankasanturai Break Water Project amounts to Rs. 25,000,000 have not been utilised during the reporting period.

24 Deferred Tax Liabilities

For the Year ended 31 December	Group / SLPA	
	2015	2014
Balance at 01 January	12,114,566,119	12,114,566,119
Recognised in Profit or Loss	-	-
Recognised in Equity	-	-
Balance at 31 December	12,114,566,119	12,114,566,119

24.1 The Analysis of Deferred Tax Assets and Liabilities

Deferred Tax Assets		
From Provision for Gratuity	1,671,754,423	1,671,754,423
From Accounting Provisions	527,808,101	527,808,101
From Brought Forward Tax Losses	1,912,449,846	1,912,449,846
	4,112,012,370	4,112,012,370
Deferred Tax Liability		
From Accelerating Depreciation	(16,226,578,489)	(16,226,578,489)
	(16,226,578,489)	(16,226,578,489)
Net Deferred Tax Liability	(12,114,566,119)	(12,114,566,120)

"Deferred tax assets are recognized for brought-forward tax losses, accounting provision and provision for defined benefits obligation to the extent that the realization of the related tax benefits through future taxable profits are probable. However, the SLPA did not recognize deferred tax assets for the reporting periods 2012 and 2013 on the basis that there is related tax benefit from future taxable profit due to exemption elected by the SLPA under section 13 (YYYY) and 13 (YYYYY) of the Inland Revenue Act No.10 of 2006.

Notes to the Financial Statements

For the Year ended 31 December	Group / SLPA	
	2015	2014

24.1 The Analysis of Deferred Tax Assets and Liabilities

Deferred Tax Assets		
From Provision for Gratuity	1,671,754,423	1,671,754,423
From Accounting Provisions	527,808,101	527,808,101
From Brought Forward Tax Losses	1,912,449,846	1,912,449,846
	4,112,012,370	4,112,012,370
Deferred Tax Liability		
From Accelerating Depreciation	(16,226,578,489)	(16,226,578,489)
	(16,226,578,489)	(16,226,578,489)
Net Deferred Tax Liability	(12,114,566,119)	(12,114,566,120)

"Deferred tax assets are recognized for brought-forward tax losses, accounting provision and provision for defined benefits obligation to the extent that the realization of the related tax benefits through future taxable profits are probable. However, the SLPA did not recognize deferred tax assets for the reporting periods 2012 and 2013 on the basis that there is related tax benefit from future taxable profit due to exemption elected by the SLPA under section 13 (YYYY) and 13(YYYYY) of the Inland Revenue Act No. 10 of 2006.

Deferred income tax liabilities have not been recognized for accelerating depreciation for the reporting periods 2012 and 2013 due to the said exemption elected by the Authority.

The Subsidiary did not make a provision for deferred tax assets and liabilities due to insignificance of taxable temporary differences.

25 Retirement Benefits Obligation

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014
Balance at 01 January	2,896,430,432	2,858,833,878	2,891,135,708	2,855,399,263
Expense Recognised in the Statement				
of Comprehensive Income (Note 25.1)	1,029,130,481	324,245,462	1,025,374,249	321,757,792
Benefit Paid During the Year	(283,930,430)	(286,648,908)	(283,210,185)	(286,021,347)
Balance at 31 December	3,641,630,483	2,896,430,432	3,633,299,773	2,891,135,708

25.1 Expense Recognised in the statement of comprehensive income

Interest Cost	289,506,841	314,437,380	289,113,569	314,093,919
Current Service Cost	162,827,682	135,091,717	162,009,607	133,037,965
Actuarial (Gain) / Loss on Obligation	575,051,272	(125,283,635)	574,251,073	(125,374,092)
	1,029,130,481	324,245,462	1,025,374,249	321,757,792

These assumptions are developed by independent actuarial consultant is based on the management's best estimates of variables used to measure the retirement benefits obligation.

The principal actuarial assumptions used are as follows

For group, assumptions are expressed as range

Discount rate [%]	10 -11	11 -13	11 -13	11	11	11
Future Salary Increases - Salary [%]	1.2 - 6	1.2 - 6	1.2 - 6	6	6	6
- Allowances [%]	5	5	5	5	5	5
Staff Turnover Factor - Up to age 50 Yrs [%]	0.5 - 4	0.5 - 5.8	0.5 - 5.8	0.5	0.5	0.5
- after 50 Yrs	0	0	0	0	0	0
Retirement age [Yrs]	57 -60	57 -60	57 -60	60	60	60

Discount rate is determined by examining the market rates of interest on short-term corporate bonds/ government bond and the anticipated long-term rate of inflation. Other assumptions such as mortality, staff turnover, disability and promotion are used by the actuarial consultants are based on management's historical experience.

26 Trade and Other Creditors

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014
Trade Creditors	749,851,106	173,192,608	747,651,106	162,584,100
Other Creditors	21,388,832	10,217,897	7,058,660	10,217,897
Shipping Agents - Credit Balance	276,018,216	162,812,083	276,018,216	162,812,083
Compensation Payments	3,794,000	3,794,000	3,794,000	3,794,000
Salary Abatements	54,425,487	45,586,917	54,425,487	45,586,917
Unclaimed Wages	3,156,912	3,105,537	3,156,912	3,105,537
	1,108,634,553	398,709,042	1,092,104,381	388,100,534

27 Deposits and Advances Received

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014
Deposits - Shipping Agents	122,104,252	108,146,760	122,104,252	108,146,760
Deposits for Shipping Charges	2,272,253	3,786,939	2,272,253	3,786,939
Deposit for Landing & Delivery	37,104,726	35,455,884	37,104,726	35,455,884
Bonding Deposits	10,238,402	11,844,342	10,238,402	11,844,342
Shipping Agents Advance	862,285,093	636,143,214	862,285,093	636,143,214
Deposit from customers	1,446,238	1,490,477	1,446,238	1,490,477
Employers Fidelity Deposits	695,306	768,539	695,306	768,539
Rent Deposit	111,696,711	98,697,433	111,696,711	98,697,433
Trading deposits	249,341,175	213,441,760	249,341,175	213,441,760
Contractor deposits	3,577,506,403	3,954,174,934	3,577,506,403	3,954,174,934
Special Deposits	10,876,701	7,421,217	10,876,701	7,421,217
Miscellaneous Deposits	72,076,177	71,997,613	72,076,177	71,997,613
	5,057,643,439	5,143,369,113	5,057,643,439	5,143,369,113

28 Current Tax Payable

For the Year ended 31 December	Group		SLPA		
	2015	2014	2015	2014	
Summary of current tax payable is as follow:					
Corporate Tax	(Note 28.1)	2,500,544	648,187	-	-
Value Added Tax		171,270,370	43,454,891	161,403,574	26,191,131
Withholding Tax		6,058,452	6,058,452	6,058,452	6,058,452
Economic Service Charge		54,903,824	52,874,768	54,903,824	52,874,768
Nation Building Tax		33,995,437	15,885,199	33,995,437	15,885,199
Construction Levy (CIGFL)		(19,872)	-	(19,872)	-
		268,708,756	118,921,497	256,341,416	101,009,550

28.1 Corporate Tax

Balance at 01 January	648,187	6,397,110	-	-
Provision for the Period		-	-	-
Charge for the Period		5,027,029	-	-
Set-off Against the Tax Credits / Paid		(7,781,935)	-	-
Adjustments on Under / (Over) Provision		(2,994,017)	-	-
Balance at 31 December	648,187	648,187	-	-

Notes to the Financial Statements

29 Provisions and Accrued Expenses

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014
Summary of current tax payable is as follow:				
Provision for Volume Rebate	1,250,766,898	1,158,213,000	1,250,766,898	1,158,213,000
Accrued Expenditure	974,493,876	871,590,485	931,170,439	819,145,772
Provision for Claims	951,163,408	246,411,253	951,163,408	246,411,253
	3,176,424,182	2,276,214,738	3,133,100,745	2,223,770,025

30 Revenue

For the Year ended 31 December	Group		SLPA		
	2015	2014	2015	2014	
Navigation	(Note:30.1)	6,808,789,717	5,302,758,733	6,788,945,434	5,302,758,733
Stevedoring	(Note: 30.2)	18,387,068,761	19,077,982,408	18,386,913,771	19,077,982,408
Wharf Handling		4,552,989,791	3,919,617,543	4,552,989,791	3,919,617,543
Port Facilities		4,912,689,247	3,278,218,718	4,188,694,546	3,278,218,718
Other Service Operations		1,210,810,528	5,097,992,010	1,210,810,528	796,531,049
		35,872,348,044	36,676,569,413	35,128,354,069	32,375,108,452
(Note:30.1)					
Navigation		6,894,557,834	5,456,955,733	6,894,557,834	5,456,955,733
Less: Rebate on Navigational Charges		(105,612,400)	(154,197,000)	(105,612,400)	(154,197,000)
		6,788,945,434	5,302,758,733	6,788,945,434	5,302,758,733
(Note: 30.2)					
Stevedoring		20,484,626,678	20,480,007,416	20,484,626,678	20,480,007,416
Less : Rebate on Stevedoring Charges		(2,097,712,907)	(1,402,025,008)	(2,097,712,907)	(1,402,025,008)
		18,386,913,771	19,077,982,408	18,386,913,771	19,077,982,408

31 Direct Expenses

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014
Operational Expenses				
Salaries wages & Allowances	5,375,043,406	4,378,561,085	5,313,002,988	4,327,111,116
Overtime	1,947,171,636	1,671,673,018	1,947,171,636	1,671,673,018
Traveling Subsistence & Fuel Allowance	1,980,365	2,293,874	1,980,365	2,293,874
Fuel Electricity & Other Expenses	1,576,334,303	1,920,898,817	1,572,218,134	1,894,965,276
Cost of Water	40,347,936	42,866,781	40,347,936	42,273,898
External Hire Chargers / Contracts	654,498,276	947,071,840	654,498,276	947,071,840
Contract works for Rep. & Main.	55,665,702	143,239,997	54,862,668	143,239,997
Insurance & License	16,980,743	8,454,949	16,980,743	8,454,949
Bunkering	1,079,724,575	4,291,523,054	-	-
Crusher and Inter Lock Blocking	15,849,516	10,227,610	-	-
Material Issued for Operational activities	2,231,591	1,962,789	2,231,591	1,962,789
Depreciation	8,244,509,873	6,812,547,978	8,243,400,590	6,811,505,836
	19,010,337,923	20,231,321,793	17,846,694,927	15,850,552,594
Repair and Maintenances Expenses				
Salaries Wages & Allowances	2,837,997,335	2,178,353,990	2,837,997,335	2,178,353,990
Overtime	1,019,124,252	939,383,479	1,019,124,252	939,383,479
Travelling, Subsistence & Fuel Allowances	2,455,929	6,796,805	2,455,929	6,796,805
Fuel Electricity & Other Expenses	79,602,455	66,711,966	61,218,143	60,765,765
External Hire Charges/ Contracts	810,723	2,175,565	810,723	2,175,565
Contract works for Rep. & Main.	9,358,179	10,998,344	9,358,179	10,998,344
Insurance & License	1,659,326	292,529	1,659,326	292,529
Material Issued for Operational Activities	859,232,756	728,486,663	854,395,907	728,486,663
Depreciation	41,771,918	28,790,971	41,771,918	28,790,971
	4,852,012,873	3,961,990,309	4,828,791,711	3,956,044,108
	23,862,350,795	24,193,312,102	22,675,486,639	19,806,596,702

Notes to the Financial Statements

32 Other Operating Income

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014
Other Services - Non Operational				
Hire of Equip. & Floating Craft other than Cargo Handling	10,527,052	6,623,106	10,527,052	6,623,106
Supply of water for local consumption	1,341,462	877,499	1,341,462	877,499
Supply of electricity for local consumption	43,728,823	42,162,855	43,728,823	42,162,855
Telephone calls and medical facilities	29,144	19,795	29,144	19,795
Special Jobs done for outside parties	512,894	778,622	512,894	778,622
Income from specialized Activities	3,690,307	(615,374)	(4,177,693)	(615,374)
Recovery of charges on ship wreck	981,348		981,348	
	60,811,030	49,846,502	52,943,030	49,846,502
Port Estate				
Lease out lands	1,733,606,556	1,581,466,161	1,733,606,556	1,581,466,161
Royalty	1,452,177,047	1,052,354,663	1,452,177,047	1,052,354,663
Rent on housing scheme	2,216,995	2,383,143	2,216,995	2,383,143
Revenue from circuit bungalows	1,328,193	1,100,317	1,328,193	1,100,317
Rent / lease out buildings / warehouse	83,178,131	102,839,474	83,178,131	102,839,474
Miscellaneous	21,940,492	33,159,915	97,725	33,159,915
Auditorium & class room hiring charges	30,018	105,000	30,018	105,000
Interest from deferred lease rent of CICT	54,621,844	43,890,767	54,621,844	43,890,767
	3,349,099,276	2,817,299,440	3,327,256,509	2,817,299,440
Miscellaneous				
Dividend Received	834,586,785	726,922,853	835,183,032	727,877,569
Penalty and surcharge on L & D Bills/ Stevedore Billing	49,739,345	18,143,322	49,739,345	18,143,322
Surcharge on overdue bills	6,971,060	3,944,147	6,971,060	3,944,147
Proceed on sale of assets	9,049,503	3,845,233	9,049,503	3,845,233
Surplus of Stores & off charge items	242,544	-	242,544	-
Tender sales revenue	18,347,304	16,535,905	18,347,304	16,535,905
Surcharges on employees	2,805	4,000	2,805	4,000
Charges on dishonored bonds items & debtors balances	1,460,396	1,299,591	1,460,396	1,299,591
Fines & Insurance Commission	24,181	67,192	24,181	67,192
Administration charges from CICT	-	1,687	-	1,687
	920,423,922	770,763,930	921,020,169	771,718,645
Central Division				
Port entry permits	3,588,415	3,038,366	3,588,415	3,038,366
Temporary port permit charges	94,711,923	75,518,253	94,711,923	75,518,253
Annual vehicle permits & casual vehicle permits	2,775,450	2,101,390	2,775,450	2,101,390
Fees on chandler's license & survey fees	24,443,046	16,366,081	24,443,046	16,366,081
Licensing of wharf clearing agencies in three ports	21,328,599	19,531,586	21,328,599	19,531,586
Licensing of harbour craft	441,858	28,136	441,858	28,136
Profit on Disposals of Fixed Assets	-	2,467,964	-	2,467,964
Proceeds on hire of welfare buses	2,367,154	1,407,299	2,367,154	1,407,299
Canteen income	151,200	67,600	151,200	67,600
Miscellaneous	65,356,032	191,639,182	65,356,032	184,045,376
Sale of Books & Publications	687,175	933,502	687,175	933,502
Compensation receipts	15,557,511	13,770,518	15,557,511	13,770,518
Galle face green collection	6,450,324	6,345,960	6,450,324	6,345,960
Grant Income	65,079,768	63,441,858	65,079,768	63,441,858
Administration & Infrastructure Fee	377,224,777	317,345,480	377,224,777	318,553,510
Upfront fee paid by CICT	53,434,286	53,434,286	53,434,286	53,434,286
Admission/Monthly/Term fees for SLPA creche	902,476	870,730	902,476	870,730
Lump Sum Premium_Laugh's Terminal Ltd	263,639		263,639	
	734,763,634	768,308,192	734,763,634	761,922,416
	5,065,097,863	4,406,218,063	5,035,983,343	4,400,787,003

33 Administrative Expenses

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014
Salaries Wages & Allowances	4,482,853,399	3,504,254,386	4,150,785,685	3,318,741,962
Overtime	843,536,831	760,932,182	843,536,831	760,932,182
Traveling Subsistence & Fuel Allowance	53,031,884	28,472,648	804,371	1,871,427
Fuel / Electricity & Other Expenses	221,294,101	327,877,705	179,327,972	269,102,755
Cost of Water	135,323,653	124,693,962	131,864,382	120,692,392
External Hire Chargers / Contracts	21,674,509	26,021,757	20,400,193	24,956,241
Contract Works for Rep. & Main.	228,757,843	106,078,046	210,110,552	108,303,485
Communication Expenses	38,030,699	40,038,042	35,990,558	37,664,276
Rent on Premises / Rates & Taxes	41,637,393	41,067,920	38,894,617	39,595,559
Insurance & License Fees / Legal Fees	21,633,639	47,954,001	17,221,783	34,538,115
Office Requisites / Security Charges	115,210,377	137,139,077	56,164,682	57,300,803
Training Expenses	31,001,701	61,095,963	30,962,451	60,794,572
Welfare Expenses	211,443,415	246,811,438	207,065,852	238,278,190
Publicity & Public Relations	9,780,608	131,651,773	9,780,608	130,867,578
Sundry Expenses	766,841,110	218,797,806	763,141,990	210,372,682
Depreciation	329,842,680	315,003,774	322,553,953	311,356,344
Amotisation of Intangible Assets	11,798,432	165,615,424	11,055,930	165,082,762
Business Promotion / Other Charges	(454,092)	22,272,110	(1,054,362)	21,922,110
Miscellaneous Balance A/C Written Off	2,383,038	59,469	312,863	59,469
Bad & Doubtful Debt	(7,246,487)	(8,185,023)	(9,284,014)	(8,185,023)
Expenses on VAT	43,750,397	44,845,360	43,750,397	44,845,360
Stamp Duty	772,925	8,085,210	769,725	754,825
NBT Payments	200,471,305	149,480,791	200,471,305	149,480,791
Audit Fees	2,030,500	1,580,447	1,535,000	1,009,342
Unabsorbed Kitchen Expenses	58,805,117	34,563,891	58,805,117	34,563,891
Reserve & Encumbrance- System Purpose	-	28,097	-	28,097
Net Exchange Loss / (Gain)	20,496,048,025	(1,558,956,178)	20,193,637,169	(1,573,525,317)
Admin & Infrastructure Fees paid to JCT Ltd	3,464,307	2,992,548	173,215,330	149,627,448
Non Inventory Expense Account	482,528	102,304	482,528	1,000
Management Fees paid to MPMC	17,378,828	8,692,832	810,163,243	408,657,042
Invoice Price Variance	(2,393)	786	(2,393)	786
Director Fees	3,771,656	1,475,000	-	-
Lashing & Unlashing	7,036,000	1,080,000	-	-
Ro Ro Expense	36,581,907	17,431,270	-	-
Computer Repair & Maintenance	1,047,285	783,369	-	-
NBV-Retirement	27,560	3,391,610	27,560	3,391,610
Timber for Production	393,574	-	393,574	-
Secretarial Charges	270,000	401,075	-	-
Retirement Benefit	2,956,033	1,362,000	-	-
Barge Hire	12,517,419	72,883,073	-	-
Impairment of Inventories	(60,042,675)	823,284,990	-	-
Loss on Contaminated Inventory	17,949,612	-	-	-
Bank Charges	224,926	-	-	-
	28,404,309,572	5,911,160,939	28,502,885,455	5,123,082,760

Notes to the Financial Statements

34 Net Finance Cost

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014
Interest Income				
Interest on treasury bills & call deposits	310,023,665	355,847,305	310,023,665	341,163,367
Interest on securities / investments	169,144,179	197,168,708	146,375,643	191,919,158
Interest on loans given to outside parties	243,332	324,354	243,332	324,354
Interest on loans to employees	184,907,290	183,154,533	184,123,773	182,290,402
	664,318,466	736,494,899	640,766,413	715,697,280
Interest Expenses				
Interest on Loans	(3,876,336,282)	(3,735,791,150)	(3,761,825,605)	(3,638,761,100)
Other Finance Charges	(33,462,000)	(34,894,165)	(33,462,000)	(26,418,629)
	(3,909,798,282)	(3,770,685,315)	(3,795,287,605)	(3,665,179,729)
	(3,245,479,816)	(3,034,190,416)	(3,154,521,192)	(2,949,482,449)

35 Income Tax Expenses

The Authority's operational profits arising from port operations are considered as exempt profits as per the exemption given under section 13 (YYYY) and 13(YYYYY) of the Inland Revenue Act No.10 of 2006 from the year of assessment 2011/2012. Accordingly, Provision has been made on other sources of income using the current applicable tax rate at 28%. The subsidiary company is liable for the tax at the rate of 10 % on its taxable income.

Major components of income tax are as follows:

For the Year ended 31 December	Group		SLPA	
	2015	2014	2015	2014
Current Tax Expense for the Year	(Note 35.1)	5,440,601	5,027,029	-
Tax on Distributable Profits		-	-	-
Dividend Tax		-	-	-
Income Tax Over Provision in Previous Year		1,676,786	(2,994,017)	-
Deferred Tax Charge / (Reversal)	(Note 24.1)	-	-	-
		7,117,387	2,033,012	-

35.1 Reconciliation Between the Current Tax Expense and the Product of Accounting Profit.

Accounting Profit Before Taxation - Exempt	(14,573,344,413)	7,949,625,774	(14,168,555,873)	8,896,733,544
Other Income Liable for Tax - Interest Income	438,983,235	536,476,357	438,983,235	536,476,357
Taxable Profit Subsidiary	(405,542,156)	(951,654,810)	-	-
Statutory Income	33,441,079	(415,178,453)	438,983,235	536,476,357
Tax Losses Utilized	(156,919,405)	(187,766,725)	(153,644,132)	(187,766,725)
Assessable Income / Taxable Income	(123,478,326)	(602,945,178)	285,339,103	348,709,632
Tax Charged at Statutory Tax Rate of 28%	5,440,601	5,027,029	-	-
Current Tax on Ordinary Activities for the Year	5,440,601	5,027,029	-	-
Tax Losses				
Loss Brought Forward	5,631,951,245	5,819,717,970	5,631,951,245	5,819,717,970
Loss Incurred	-	-	-	-
Loss Utilised	(156,919,405)	(187,766,725)	(153,644,132)	(187,766,725)
Loss Carried forward	5,475,031,840	5,631,951,245	5,478,307,113	5,631,951,245

An income tax assessment has been issued for the year of assessment 2007/08 disputing the claim-ability of foreign exchange loss incurred by the Authority. The Authority has appealed to the Tax Appeal upheld the determination of the Commissioner General, the Authority has appealed to the Court of Appeal. In the similar manner the Authority has appealed to the Tax Appeal Commission with regard to the Assessments issued for the year of Assessments for 2008/09, 2009/10 and 2010/11 disputing the claim-ability of foreign exchange loss incurred by the Authority.

36 Capital and Other Commitments

There were no material capital expenditure or other financial commitments approved by the Board of Directors as at the reporting period end.

37 Events Occurring after Reporting Period

Grant received from Treasury for dredging of KKS Port Breakwater, since the amount not been utilized as per the instructions given by secretary to Ministry of Ports and Shipping Rs. 25,000,0000 has been refunded to General Treasury on 12.02.2016.

The Authority appealed to the Tax Appeals Commission on the assessment issued for the year of assessment 2007/08 in relation to claim of foreign exchange loss incurred. The Tax Appeals Commission upheld the determination of the Commissioner General in January 2013. As a result, the Authority has decided to appeal to the Court of Appeal on the grounds of applicable questions of law. Further for the assessment issued for the year of assessments 2008/09, 2009/10 and 2010/11 also too authority has appealed to the Tax Appeals Commission in relation to claim of foreign exchange loss incurred.

38 Contingent liabilities

The Authority has contingent liabilities in respect of legal claims arising in the ordinary course of business. Unless recognised as a provision (Note 29), management considers these claims to be unjustified and possibility of an outflow of resources for their settlement is remote. This evaluation is consistent with legal advices of the Authority's legal division. Accordingly, no provision has been made for legal claims of the following cases.

39 Related Party Disclosures

The Authority's related parties includes Treasury of Sri Lanka, Government related institutions, subsidiary, associate and key management personnel.

39.1 Transactions with Key Management Personnel

According to the Sri Lanka Accounting Standards LKAS.24 "Related Party disclosures" key Management personnel are those having responsibility for planning, directing and controlling the activities of the entity directly or indirectly. Accordingly, the Board of Directors including executive and Non-Executive Directors has been classified as key management personnel.

Transactions with Key Management Personnel are given below.

For the Year ended 31 December	2015	2014
Remuneration and Other Short-Term Employee Benefits	19,411,405	22,611,050
Balance Outstanding - Loans and Advances	1,366,140	1,066,280

Notes to the Financial Statements

39.2 Related Party Transactions

Details of significant related party transactions that Authority carries out are as follows:

Name of the Institution	Relationship	Name of Directors / Representatives	Nature of Transactions	Transaction Value	Payable	Receivable
Treasury of Sri Lanka	Capital Contributor	Mr. H.G. Sumanasinghe	Loan granted	-		
			Loan repaid	5,048,520,191		
			Interest paid	955,161,405		
Government Related Institutions	Related Entities	Mr. Dammika Ranatunga	Services rendered	349,070,327		
		Prof. Prasanna Perera	Settlement for services rendered	348,292,264		290,822,798
		Mr.Chulananda Perera	Placement of Security Deposit	60,739,961	60,739,961	
		W.M.M.R Adikari	Supply of fuel Ministry of Ports & Shipping	619,600		
Sri Lanka Port Management & Consultancy Services (Pvt) Ltd	Associate Company	Mr. Dammika Ranatunga	Payment for Janitorial Services received	6,150,260	2,088,680	
		Prof. Prasanna Perera	Payment of Salaries	83,975,026		
		Mrs.S Wanniarachchi	Payment for services received	110,481,635		
			Dividend receivable	596,247		
			Supply of fuel	1,027,949.24		
			Discarded Items sold on behalf of the authority	1,121,367		1,121,367
Jeya Container Terminal Ltd	Subsidiary Company	Mr. Dammika Ranatunga	Administrative & Infrastructure fee paid	173,215,330	20,310,205	544,684
		Prof. Prasanna Perera	Dividend received	2,619,000		
		Mr. Sanjeeewa Wijeratne	Supply of fuel	1,027,949		
		Mrs.S Wanniarachchi	Issuance of Medicines	100,000		141,469
			Payment for Janitorial Services received	14,325,769		
South Asia Gateway Terminal (Pvt) Ltd	Related Company	Mr.Dammika Ranatunga	Rent received	398,633,855		30,811,991
		Prof. Prasanna Perera	Royalties received	640,588,378		55,208,581
			Dividend received	826,041,458		
Lanka Coal Company (Pvt) Ltd	Related Company	Mr. Sanjeeewa Wijeratne	No Transactions are made during the year			
Colombo International Container Terminal Ltd	Related Company	Mr.Dammika Ranatunga	Lease/Rent Received	1,103,482,194		96,735
		Prof. Prasanna Perera	Royalty received	811,588,669		49,832,738
			Differed interest received	54,621,672		
Magampura Port Management Company	Subsidiary Company	Mr.Dammika Ranatunga	Administration Fees Payable	810,163,243	66,129,737	92,946,138
		Prof. Prasanna Perera				
		Mr. Sanjeeewa Wijeratne				
		Mrs.S Wanniarachchi				
		Mr D.A.J.I Perera				

(Expressed in Sri Lankan Rupees)

FINANCIAL RISK MANAGEMENT

The Authority has exposure to the following risks from its use of financial instruments:

1. Credit Risk
2. Liquidity Risk
3. Market Risk (Currency Risk and Interest Rate Risk)

The financial instruments of the Authority comprise of equity investments (listed and unlisted), investment in debenture, term deposits, money market investments, and cash. The main purpose of investment in term deposits, money market investments are to raise and maintain liquidity for the operations. Investments in equity and debenture securities are strategic investments and the Authority has other financial instruments such as trade & other receivables and trade & other payables which arise directly from its business activities. Further, the Authority has interest bearing borrowings which were borrowed from the Government of Sri Lanka and financial institutions for ports expansion and development projects.

1. Credit Risk

Credit risk is the risk of financial loss to the Authority if a customer fails to meet its contractual Obligations, and arises principally from the receivables from customers including Sri Lanka forces, other Government Institutions and investment securities.

Trade Receivables

The Authority trades mainly with shipping agents and Government Institutions. The management assesses the credit quality of the shipping agents based on the past experience and other factors such as financial guarantees from shipping agents. In addition, outstanding balances are monitored on an ongoing basis in the management committee and the Board.

The Authority establishes policy for provision for impairment (Refer the note 2.11 to the financial statements) that represents the estimate of incurred losses in respect of trade receivables. The main components of provisions are individual impairment loss that relates to assessing significant customers individually and collective impairment loss for non-significant customers. The collective impairment loss is determined based on historical data of payment behaviour. According to the impairment policy established, Sri Lanka forces, other Government institutions, shipping agents under litigation and significant shipping agents are reviewed individually to measure the impairment loss. Others are reviewed collectively. Please refer note 12 to the financial statements relating to trade receivables and details of provision for impairment losses.

Other Financial Assets

Credit risk arising from other financial assets of the Authority comprises term deposits, cash and cash equivalents and investment in debentures. The authority's exposure to credit risk arises from default in meeting contractual obligation of contractual parties, with a maximum exposure equal to the carrying amount of these financial instruments. The Authority manages its credit risks with regard to these financial instruments by mainly placing its fund with state financial institutions and other government institutions.

2. Liquidity Risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when due, under both normal and unexpected conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

Forecasting of operational cash flows (Recurring Budgets) and Capital Budgets are prepared annually. The finance division monitors the both capital and recurring budgets and liquidity requirements to ensure the Authority has sufficient cash to meet operational needs. At the end of the reporting period, the Authority held term deposits, short-term government securities and other liquid assets amounting to Rs. 13,917,776,846 (2014: Rs9,452,275,969).

Notes to the Financial Statements

The following table depicts the Authority's financial liabilities maturity analysis based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Financial Liabilities	31 December 2015			31 December 2014 Restated		
	Less than 1 Year	More than 1 Year	Total	Less than 1 Year	More than 1 year	Total
Borrowings - Government	11,834,537,774	206,425,156,412	218,259,694,186	11,431,163,826	194,839,738,496	206,270,902,322
Borrowings -Financial Institutions	3,022,871,734	11,866,367,402	14,889,239,136	1,986,523,771	9,981,938,306	11,968,462,077
Trade and Other Creditors	1,092,108,505	-	1,092,108,505	388,100,534	-	388,100,534
Total	15,949,518,013	218,291,523,814	234,241,041,827	13,805,788,131	204,821,676,802	218,627,464,983

3. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates which will affect the Authority's income or the carrying value of holdings of financial instruments.

3.1 Currency Risk

The Authority's exposure to currency risk arising from fluctuations in the value of US Dollar (USD) against the Sri Lankan Rupee after Central Bank of Sri Lanka allowed the Sri Lanka Rupees to freely float against US Dollar during the reporting period. The Company's functional currency is Sri Lanka Rupees in which most of the transactions are denominated. However, Interest bearing borrowings in relating to ports expansion and development projects and certain bank balances and a shipping agent receivables (Example "APL Lanka (Pvt) Ltd" etc.) are denominated in foreign currencies (Japan Yen and US Dollars).

As a result of the free floating of US Dollar, appreciation of the Sri Lankan Rupees against the USD had an impact on the operating results for the reporting period 2015 which amounts to Rs. 20,195,640,373 arising from re-payment of borrowings and invoicing of services rendered to shipping agent (example "APL Lanka (Pvt) Ltd" etc.) However, the Authority in order to mitigate the impact of currency movement for repayment of borrowings uses the same currency for repaying through bank deposits maintained in the same currency.

Please refer the note 21 and 22 to the financial statements relating to interest bearing borrowings and details of the borrowings denominated in foreign currencies.

3.2 Interest Risk

The Authority's exposure to interest risk is the changes in market interest rates related to the interest-bearing borrowings with a fixed and floating interest rate and bank deposits and Government securities.

Rs. 56,678,136,562 (2014: Rs. 52,011,103,246) of the Authority's interest bearing loans and borrowings carried interest at floating rates others amounts to Rs. 176,470,796,760 (2014: Rs. 166,228,261,153) carried interest at fixed rates.

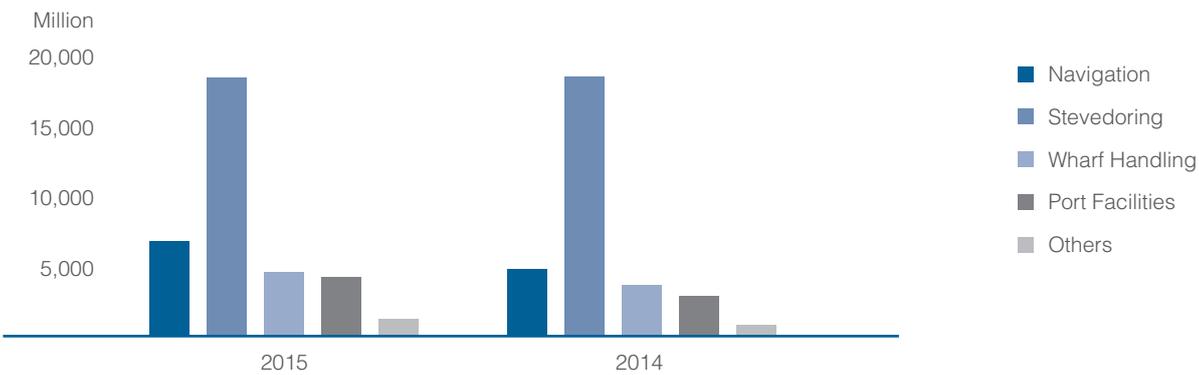
The Authority has cash and bank balances including deposits placed with the Government and state banks. The Authority monitors interest rate risk by actively monitoring interest rate movements.

Terms and conditions of borrowing facilities

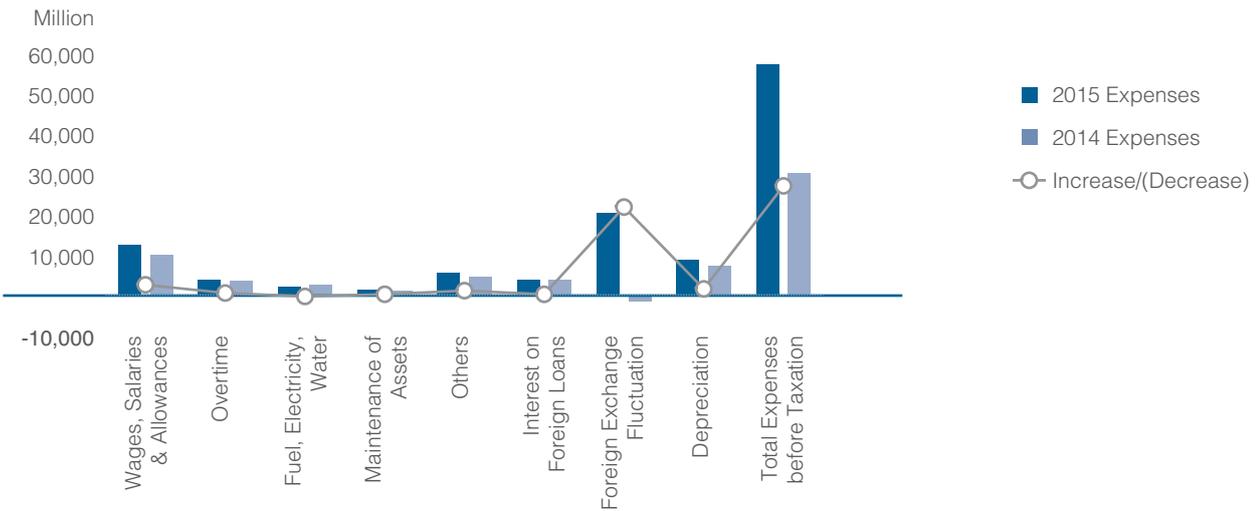
Loan Name	Lending Institution	Currency	Interest Rate	Loan Amount (In Loan currency)	Out Standing Balance as at 31/12/2015 (Rs)	Borrowing cost (Rs)
SLP-08	JAICA	JPY	3.25%	2,578,954,670	-	
SLP-12		JPY	2.75%	1,951,977,748	174,384,373	
SLP-23		JPY	2.50%	5,703,407,055	1,528,135,052	
SLP-27		JPY	2.50%	10,432,338,189	3,416,344,664	
SLP-30		JPY	2.60%	19,962,268,331	7,725,777,935	
SLP-33		JPY	2.60%	6,828,220,432	3,252,479,114	
SLP-41		JPY	2.60%	4,878,185,478	2,614,063,813	
SLP-46		JPY	2.60%	2,644,187,565	2,282,813,723	
SLP-67 i	EXIM Bank Malaysia	JPY	1.80%	1,354,512,318	1,293,201,288	
SLP-67 ii		JPY	0.75%	217,445,997		
SLP-85		JPY	0.30%	14,495,000,000	560,070,618	
ADB-2316	Asian Development Bank	US \$	Libor+0.6%	300,000,000	40,968,218,270	
HSCB	Hongkong Shanghai Banking Corporation	US \$	6 Months Libor+3.99%	35,000,000	511,630,000	
BOC	Bank of Ceylon	US \$	6 Months Libor+4%	62,512,266	1,545,010,353	
EXIM - Malaysia	EXIM Bank Malaysia	US \$	1-2 year 3 Mon. Libor+3.3% & 3-5 year 3 Mon. Libor+2%	4,000,000	146,180,000	
Buyer's Credit Loan	Exim Bank of china	US\$	6.30%	306,726,736	36,685,075,283	
Government concessional loan for ancillary works and supply equipment project	Exim Bank of china	RMB	2.00%	960,000,000	20,514,162,181	160,434,499
Government concessional loan (Phase I)	Exim Bank of china	RMB	2.00%	1,000,000,000	-	166,609,029
Buyer's credit loan	Exim Bank of china	US\$	6.50%	65,094,508	9,515,515,165	
Preferential Buyer's credit loan	Exim Bank of china	US\$	2.00%	600,000,000	84,631,038,396	1,506,927,135
Additional loan bunkering facility tank farm	Bank of ceylon	US\$	Libor+ 7%	20,839,037	2,530,499,505	
East container terminal	Bank of ceylon	US\$	6 Month Libor+ 4.25%	80,000,000	10,813,729,278	451,390,055
Total					230,708,329,012	2,285,360,718
Accrued Interest					2,874,885,347	
Transaction Cost/ Management Fees for Hambantota Port Development Phase I					(52,441,037)	
Transaction Cost/ Management Fees for Hambantota Port Development Phase II					(381,840,000)	
Note 21	Borrowing - Govx. of Sri Lanka				233,148,933,322	
Note 22	Borrowing - Financial Institutions				218,259,694,186	
					14,889,239,136	
					233,148,933,322	

Graphical Review

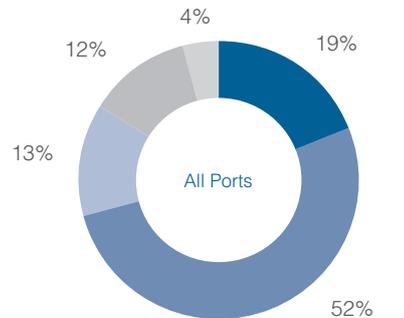
Total Revenue



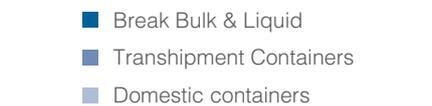
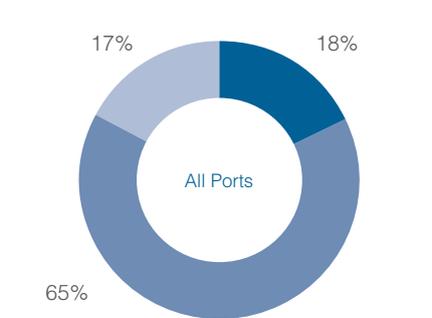
Operational & Other Expenses



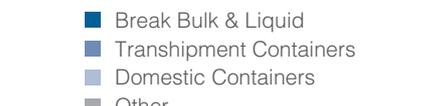
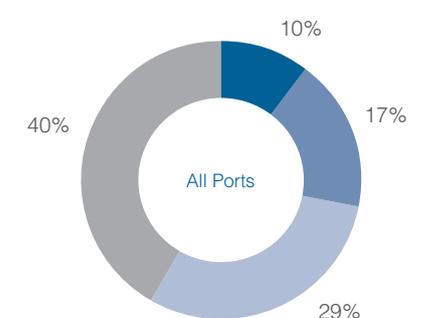
Revenue from Services 2015 SLPA



Analysis of Cargo Throughput [M/T] Port of Colombo (SLPA + SAGT + CICT)



Analysis of Operational Revenue



Auditor General's Report

POS/A/SLPA/FA/2015

30 September 2016

The Chairman, Sri Lanka Ports Authority

Report of the Auditor General on the Consolidated Financial Statements of the Sri Lanka Ports Authority and Its Subsidiaries for the year ended 31 December 2015 in terms of Section 14(2) (c) of the Finance Act, No. 38 of 1971.

The audit of consolidated financial statements of the Sri Lanka Ports Authority and Its Subsidiaries for the year ended 31 December 2015 comprising the financial position as at 31 December 2015 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the Section 13(l) of the Finance Act, No. 38 of 1971 and Section 33 of the Sri Lanka Ports Authority Act, No. 51 of 1979. My comments and observations which I consider should be published with the Annual Report of the Authority in terms of Section 14(2) (c) of the Finance Act, appear in this report. A detailed Report in terms of Section 13(7) (a) of the Finance Act, was furnished to the Chairman of the Authority on 21 June 2016.

1.2 Management's Responsibility for the Financial Statements

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

1.3 Auditor's Responsibility

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

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

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

1.4 Subsidiary and Associate Companies

The Jaya Container Terminal Company Ltd., and the Magampura Port Management (Pvt) Ltd., as subsidiaries and the Port Management and Consultancy Services Company Ltd., as an Associate Company functioned under the Sri Lanka Ports Authority. The ownership on these companies was 100 per cent and 39.97 per cent for the subsidiaries and the associate company respectively. The audit of these three companies had been done by three Firms of Chartered Accountants engaged in public accountancy profession.

1.5 Basis for Qualified Opinion

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

2. Financial Statements

2.1 Qualified Opinion – Group

In my opinion, except for the effects of the matters described in paragraph 2.2.1. of this report, the consolidated financial statements give a true and fair view of the financial position of the Sri Lanka Ports Authority and its Subsidiaries as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Qualified Opinion – Authority

In my opinion, except for the effects of the matters described in paragraph 2.2.2. of this report, the financial statements give a true and fair view of the financial position of the Sri Lanka Ports Authority as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Auditor General's Report

2.2 Comments on Financial Statements

2.2.1 Financial Statements of the Group

The following observations are made.

- (a) The opinion on the financial statements of the Magampura Port Management (Pvt) Ltd., a subsidiary company with 100 ownership of shares to the Port Authority as at 31 December 2015, for the year under review had been qualified based on the following matters. This was prepared in accordance with the qualified audit paragraph of the private audit firm which audited the Magampura Port Management (Pvt) Ltd.,
- (i) Failure to establish the balance of Tug Claim Receivable amounting to Rs. 28.4 million, included in the financial statements which was uncertain to recover by the third-party confirmation and failure to make provisions in the financial statements in respect of the possible losses that may incur in future.
- (ii) Termination of Bunkering Operations without the approval of the Board of Directors.
- (iii) As the company had suffered a net loss of Rs. 450 million during the year under review, the accumulated loss amounting to Rs. 1,426 million and the current liabilities exceeding the current assets of the company as at 31 December 2015 had been Rs. 1,372 million. Accordingly, it was observed that the company was facing a severe capital loss in terms of Section 220(1) of the Companies Act. No. 07 of 2007. Hence, the going concern of the company was uncertain.
- (b) In the preparation of consolidated financial statements of the Authority, the unaudited financial statements of the Jaya Container Terminal Company Ltd., and the Magampura Port Management and Consultancy Service Company Ltd., the subsidiaries of the group, had been utilized.

2.2.2 Financial Statements of the Authority

2.2.2.1 Sri Lanka Financial Reporting Standard (SLFRS) 07

Although the carrying amount of the financial assets kept as the security for liabilities should be disclosed, fixed deposit amounting to Rs. 2,542.9 million kept as a bank guarantee for a loan amounting to US\$D 163.4 million obtained from a State Bank for financing of two projects and purchasing of equipment and commitments the fixed deposit valued as Rs. 315 million kept for the Rs. 285 million payable to the Tax Appeal Commission for the years 2009/2010 had not been disclosed in the financial statements.

2.2.2.2 Sri Lanka Accounting Standards

The following observations are made.

- (a) **Sri Lanka Accounting Standard 02**
Instead of being recognized unusable stocks and written off as an expenditure of the year under review, the cost thereof had been included in the closing stock by the Authority.
- (b) **Sri Lanka Accounting Standard 16**
In terms of the standard and the depreciation policy of the property, plants and equipment of the Authority, depreciation should be made according to the consumption pattern of the economic benefit of the asset. Nevertheless, as a result of computation of depreciation regardless of the date of transfer of the assets valued at Rs. 445 million, depreciation of the current year amounting to Rs. 77 million had been overstated in the financial statements.
- (c) **Sri Lanka Accounting Standard 24**
Even though all the transactions carried out with related parties should be disclosed, necessary disclosures in connection with the transactions valued at Rs. 114 million carried out by the Authority with a subsidiary had not been made in the financial statements.
- (d) **Sri Lanka Accounting Standard 36**
Impairment loss in relation to the assets valued at Rs. 208,181 million including the oil tank complex, Hambantota which was implying

an impairment risk and the land in which the Olivil Port is situated and subjected to the sea erosion had not been assessed and adjusted in the financial statements.

(e) Sri Lanka Accounting Standard 40

Without giving explanations for not presenting the investment property valued at Rs. 4,132 million belonging to the Authority as at 31 December of the year under review to the fair value, it had been valued under the cost method.

2.2.2.3 Accounting Deficiencies

The following observations are made.

- (a) Designing and handling of construction activities of the Suriyawewa International Cricket Stadium had been carried out by the Authority on behalf of the Sri Lanka Cricket Institute. According to the contract agreement entered into between the contractor and the Authority in connection with this construction, the Authority had to pay a sum of Rs. 5,027 million inclusive of interest of Rs. 2,070 million to the contractor up to 30 July 2015 in respect of the above construction carried out under the Variance Order of the construction contract of the Hambantota port. This money had not been recognized as an amount payable to the contractor and to get it reimbursed from the Sri Lanka Cricket Institute and brought to account in the financial statements.
- (b) Action had not been taken to assess and bring to account the land leased out to the Colombo International Container Terminal on 12th August 2011 and the land of Eastern Container Terminal.

2.2.2.4 Contingent Liabilities

For a loan of US\$D 28 million obtained by a subsidiary from a private bank for the purchase of Bunkering Oil stocks, the Port Authority was the Co-operate Guarantee and due to discontinuation of Bunkering Oil stock operating activities, financing of the loan installments by the subsidiary had become uncertain.

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

The following non-compliances were observed.

Reference to Laws, Rules, Regulations, etc.	Non-compliance
(a) Section 11 of the Finance Act No. 38 of 1971 and Section 8.2.2 of the Public Enterprises Circular No. PED/12 dated 02 June 2003.	Without obtaining the sanction of Minister of Finance, the Authority had invested a sum of Rs. 2,858 million during the year under review.
(b) Section 111 (a) of the Inland Revenue Act No. 38 of 2000 and Section 8.7 of Public Enterprises Circular No. PED/12 dated 02 June 2003.	Without being recovered the Pay As You Earn Tax from the salaries of the relevant officers for the tax year 2014/2015, the Authority had remitted a sum of Rs. 376 million to the Department of Inland Revenue from the Funds of the Authority.
(c) Public Enterprises Circular No. PED/12 dated 02 June 2003	
(i) Section 7.2 and 7.3	As a prominent feature of the administration environment of the Authority, an Operating Procedure Manual/System had been prepared so as to cover all the main operations. Nevertheless, approval of the Treasury had not been granted therefore.
(ii) Section 7.4.5	Although the Authority had physically verified the fixed assets as at 31 December of the year under review, a final report had not been prepared after being compared with the Register of Fixed Assets.
(iii) Section 8.3.8	Without being obtained the prior approval of the Cabinet, grants amounting to Rs. 3 million had been awarded to various institutions.
(iv) Section 9.3.1	Although a formal scheme of recruitment and promotion had been prepared for each post, approval of the relevant parties had not been granted therefore.
(d) Presidential Secretariat Circular No. PCMD/AD/2/1/1/26 dated 09 April 2012	Contrary to the instructions in the circular, a sum of Rs. 5,652,981 had been spent as accommodation and hotel charges in respect of the officers who participated in the opening ceremony of the oil tank complex, Hambantota.

2.4 Accounts Payable and Receivable

The following observations are made.

- In terms of the Section 9.1.3 of the financial procedure of the Authority, the officers who are directly or indirectly responsible for the recovery of money receivable to the Authority should pay attention in every respect to ensure not to give any room for those money to become outstanding, whereas there was a shipping agents debtor balance of Rs. 391,260,478 and non-trade debtors balance of Rs. 92,178,736 of the Authority that outstanding for more than a year as at 30 June 2016.
- Out of the advance totalling Rs. 406 million issued for the purchase of capital asset, the balance that remained more than one year amounted to Rs. 96 million. Action had not been taken to settle this advance even by 31 May 2016.

3. Financial Review

3.1 Financial Results – Group

According to the consolidated financial statements presented, the operations of the Group for the year under review had resulted in a deficit of Rs. 14,580 million as against the surplus of Rs. 7,947 million for the preceding year, thus indicating a deterioration of the financial result by Rs. 22,527 million or 283 per cent in the year under review as compared with the preceding year. The decrease in the operating income of the Port by Rs. 804 million and increase in the net foreign exchange adjustment loss by Rs. 20,496 million had mainly given rise to this deterioration.

Auditor General's Report

Financial Results - Authority

According to the financial statements presented, the operations of the Authority for the year under review had resulted in a deficit of Rs. 14,169 million as against the surplus of Rs. 8,897 million for the preceding year, thus indicating a deterioration of the financial result by Rs. 23,066 million in the year under review as compared with the preceding year. The increase in the administrative expenditure by Rs. 23,379 million had mainly given rise to this deterioration.

In analyzing financial results of 4 preceding years with the year under review, although the net profit of Rs. 57 million in the year 2011 had continuously increased up to the year 2014, it had turned out to be a net loss of Rs. 14,169 million in the year 2015. However, when taking into consideration the employees' remuneration, tax paid to the Government and depreciation for non-current assets, the contribution of Rs. 20,768 million in the year 2011 had grown up to Rs. 31,044 million in the year under review.

3.2 Analytical Review

The following observations are made.

- The current ratio of 2.5:1 in the year 2013 had deteriorated up to 1.5:1 in the year 2015. Accordingly, it was observed that the Authority may have to face working capital issues in future.
- As compared with the equity capital, the loan capital was 244 per cent in the year 2013 and it was 312 per cent in the year 2015. Accordingly, it was observed that the loan capital of the Authority is continuously on the increase while the cost to be incurred thereupon as well was growing up.

4. Operating Review

4.1 Performance

In terms of the Sri Lanka Ports Authority Act, No. 51 of 1979, the main objectives of the Authority were the provision of efficient and regular port operations and protective services, regularization and control of navigation within approaches, improvement and development of ports, co-ordination and regularization of port activities.

The following observations are made on the achievement of the above objectives.

(a) Arrival of Container Vessels

As compared with the preceding year, increase in the arrival of container vessels by 404 or 12 per cent to the Colombo Port was observed during the year under review and as compared with the year 2013, increase in the arrival of container vessels to the Colombo Port by 97 or 3 per cent was observed in the year 2014. Although there was an improvement in the arrival of container vessels to the Colombo Port, the Port Authority had failed to acquire the majority of the market share of that improvement. The following information established that the two private institutions were gradually acquiring that market share.

Arrival of Vessels

Year	2015	2014	2013	2012	2011
	No. of				
	Vessels	Vessels	Vessels	Vessels	Vessels
Ports Authority	1,616	1,926	2,084	1,972	2,103
S.A.G.T.	1,026	855	1,011	1,120	1,084
C.I.C.T	1,001	458	47	--	--
	3,643	3,239	3,142	3,092	3,187

*S.A.G.T. - South Asia Gateway Terminal

*C.I.C.T. - Colombo International Container Terminal

(b) Analysis on Container Handling

Year	2015		2014		2013		2012		2011	
		%		%		%		%		%
	TEUS		TEUS		TEUS		TEUS		TEUS	
Ports Authority										
Local	541,152		643,317		676,937		665,291		647,482	
Re-export	1,691,267		1,882,057		1,779,882		1,584,985		1,583,195	
Others	19,904		33,965		45,044		66,573		68,769	
Total	2,252,323	43	2,559,339	52	2,501,863	58	2,316,849	55	2,299,446	54
S.A.G.T.										
Local	327,750		337,357		341,510		354,964		399,404	
Re-export	1,028,538		1,298,434		1,385,552		1,479,782		1,540,633	
Others	14,957		26,152		19,740		35,525		23,404	
Total	1,371,245	27	1,661,943	34	1,746,802	41	1,870,271	45	1,963,441	46
C.I.C.T.										
Local	349,069		146,314		13,530		--		--	
Re-export	1,168,516		519,219		42,683		--		--	
Others	44,314		21,103		1,328		-		--	
Total	1,561,899	30	686,636	14	57,541	1	--		--	
Grand Total	5,185,467		4,907,918		4,306,206		4,187,120		4,262,887	
(Colombo Port)		100								

The following observations are made on the arrival of the vessels to the port and handling of containers

- (i) Although arrival of container vessels as well as arrival of vessels for reshipping and repackaging to the Colombo Port showed an increase as compared with the preceding year, container handlings of the Port Authority had decreased by 12 per cent in the year under review as compared with the preceding year.
 - (ii) According to the above table, 43 per cent, 27 per cent and 30 per cent market contribution of the entire container handling had been acquired by the Sri Lanka Ports Authority, South Asian Gateway Terminal (S.A.G.T) and Colombo International Container Terminal (C.I.C.T.) respectively.
 - (iii) In evaluating container handling efficiency as at December of the year under review, when the number of containers handled per employee of the Port Authority was 1,388, whereas the number of container handled per employee of the Colombo International Containers Terminal had been 6,323, which was 4.5 times. Accordingly, it was observed that in comparing the efficiency of the Company to which the terminals had been leased out with the efficiency of the Port Authority, the efficiency of the Port Authority had been at a low level.
- (b) For the construction and development activities of the Hambantota Port, a sum totalling Rs. 144,170 million comprising Rs. 73,834 million for the first phase and Rs. 70,336 million for the second phase had been spent by 31 December 2015 and a foreign loan amounting to Rs. 129,849 million had been obtained for that purpose. As the Port was utilizing only for the re-export of vehicles by the year under review, it was sustaining a continuous losses.

Auditor General's Report

4.2 Management Activities

For the prevention of severe land erosion taking place in the Northern Land after the construction of Oluvil Naval and Fisheries Port, 3 breakwaters of 100 meters in length had been constructed at a cost of Euro 1.8 Million, but those constructions too could not prevent the erosion. Further, Port had been constructed with a low depth of 9 meters and as such only small vessels can arrive in the Port. Since the Oluvil harbour being internally filled with sand, it could not be able to further use as a port.

4.3 Transactions of Contentious Nature

The following observations are made.

- (a) In granting rebates according to the agreements entered into with the shipping Agencies engaged in the re-export and other container handling activities as per the capacity, the Authority had granted Rs. 295 million to the Agencies as rebates in terms of Section 37 (1) of the Sri Lanka Ports Authority Act, No. 51 of 1979 contrary to the Tariff book prepared relating to the year under review.
- (b) Without getting prepared the Equipment Interchange Report (EIR) by the staff of the Authority, EIR's had been prepared through a private institution and as such, a sum of Rs. 538 million had been paid an Associate Company of the Authority for 6,174,580 reports from the year 2006 to June 2015.
- (c) Notwithstanding the availability of a media unit of the Authority, a sum of Rs. 79,208,867 had been paid to an external institution for planning media activities and documentation of television and radio programmes for the Hambanthota Oil Tank Complex opening ceremony.

4.4 Idle and Underutilized Assets

Although the Oluvil Naval and Fisheries Harbour constructed by spending a loan of Euro 46.09 Million obtained from the Nordia Bank of Denmark and a sum of Rs. 531 million of the Port Authority had elapsed

a period over 3 years from its opening in the year 2013, and as it had not been possible to arrive any vessel into the harbour even by the end of the year under review, it could not be earn any income. This assets had remained idle from the year 2013 up to the end of the year under review. However, since the value of this assets had not been shown in the financial statements of the Port Authority, assets had been understated by the end of the year under review.

4.5 Uneconomic Transactions

Despite the Port Authority had the capacity to carry out sanitary, consultancy and other operating services directly, a sum of Rs. 6 million had been spent as the commission during the year under review for carrying out those services from an Associate Company of the Authority.

4.6 Delayed Projects

Under the agreement entered into between the Sri Lanka Government and the Japan Bank for International Cooperation (JBIC) on 28 March 2006, the Japan Government had agreed to grant Yen 14,495 million for the construction of a multi-purpose terminal in the Galle Port. For the creation of comprehensive design and for the completion of all services up to the pre-construction phase including technical and financial evaluation, a sum of Rs. 549 million or Japan Yen 458 million for a foreign consultancy company and a sum of Rs. 13 million as the loan interest up to 31 December 2015 had been spent. Nevertheless, construction had not been commenced by obtaining the approval of the UNESCO.

4.7 Market Share

In terms of the Alpha Liner Report issued on the world ports operations for the year 2015, having been operated 5,185,467 Twenty Equivalent Units, the Colombo Port stood at its 26th place. As compare with the year 2014, a growth of 5.7 percent had been achieved during the year under review.

The gradual decrease in container handling of the Authority during the past fifteen years is given in the following table.

Year	S.L.P.A.	Percentage	S.A.G.T.	Percentage	C.I.C.T	Percentage	Total
2001	1,396,946	86	229,670	14			1,626,616
2002	1,206,694	68	558,025	32			1,764,719
2003	1,334,900	68	624,439	32			1,959,339
2004	1,320,845	59	899,720	41			2,220,565
2005	1,523,794	62	931,526	38			2,455,320
2006	1,743,669	57	1,335,411	43			3,079,080
2007	1,834,734	54	1,546,497	46			3,381,231
2008	1,747,670	50	1,739,668	50			3,487,338
2009	1,714,488	49	1,749,809	51			3,464,297
2010	2,167,173	52	1,970,268	48			4,137,441
2011	2,299,446	54	1,963,441	46			4,262,887
2012	2,316,849	55	1,870,270	45			4,187,120
2013	2,501,863	58	1,746,802	41	57,541	1	4,306,206
2014	2,559,339	52	1,661,940	34	686,636	14	4,907,915
2015	2,252,323	44	1,371,245	26	1,561,899	30	5,185,467

Accordingly, it was observed that the function of container handling, which is the main operation of a port was gradually leaving from the hand of the Authority as a Government port and it was grasping by the private sector.

Awarding the best and the deepest dockyard (15 meters in depth and 18 meters in depth) on long term lease basis to the above two companies for a period of 35 years under the Built, Operator and Transfer method, the existence of a dockyard with the depth less than 15 meters to the Authority at present and failure to purchase of cranes and other equipment required for the operations of the Eastern Container Terminal with the depth of 18 meters, the construction of which had been completed in the year 2015 at a cost of Rs. 10,800 million under the Colombo Port Expansion Project and failure to make it fit for the use by installing them even as at 31 December 2015 had mainly affected the above situation.

5. Accountability and Good Governance

5.1 Internal Audit

- (a) The internal audit staff consisted of 43 members. Out of 20 executive and staff officers 11 officers did not have the professional knowledge of Accounting and Auditing and 04 posts of executive level had fallen vacant during the year under review. As such, it was failed to make an adequate coverage on the content included in the internal audit plan expected for the implementation in the year under review.
- (b) In terms of the Management Audit Circular No. DMA/2010 (5) dated 26 July 2010, an internal audit should be carried out on the projects implemented under foreign aid or local funds. Nevertheless, the Authority had not carried out an internal audit on the foreign aid projects.

5.2 Fulfilment of Environmental and Social Responsibilities

As a result of aggravating the sea erosion following the construction of the Oluvil harbour, it had hampered the day to day activities of the fisheries community who had maintained their livelihood by the sea shore. Further, due to the construction of 03 breakwaters up to 100 meters, issues had cropped up for the traditional fishermen in the sue of their shore upon the failure to berth their boats.

6. Systems and Controls

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

Areas of Systems and Controls	Observations
(a) Personnel Administration	Failure to obtain approval for the Scheme of Recruitment.
(b) Accounting	Failure to fulfill the requirements of the accounting standards.
(c) Debtors Control	Existence of long outstanding unrecovered balances.
(d) Internal Audit	Failure to make an adequate coverage on the matters included in the audit programme.
(e) Stock control	Failure to distinguish the unusable items.



H.M. Gamini Wijesinghe
Auditor General

Corporate Information

Name

Sri Lanka Ports Authority

Statutory Status

The SLPA was established on the 1st August, 1979 with the amalgamation of the Colombo Port Commission, the Port (Cargo) Corporation, the Port Tally and Protective Services Corporation under the provisions of Parliament Act No. 51 of 1979.

Our Corporate Values

The SLPA is one of the major contributors to the economy of Sri Lanka. As a key revenue earning and service providing agency, the role of the SLPA is linked directly to the excellence of its delivery services. In this regard, the value system of the Authority is the basis for the success of its operational relationship with the stakeholders. These values could be categorized under the following.

- Dependability
- Timeliness & Accuracy
- Accountability for Achievement
- Team Spirit
- Commitment
- Reward & Recognition
- Performance with integrity

It will be the responsibility of the Chairman/Chief Executive Officer, the Managing Director and other Senior Management staff to inculcate the above values at all levels of the Authority.

Head Office

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Magalle
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New Administrative Building
China Bay
Trincomalee
Tel: (+94 26) 2222460

Bankers

Bank of Ceylon (Main Bank)
People's Bank
Hatton National Bank

Auditors

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

Web

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