





**To: Hon. Minister of Mass Media and Information**

We, the Chairman and the Members of the Sri Lanka Rupavahini Corporation present herewith the Annual Report for the year 2015, in accordance with Section 14 (1) of the Finance Act No. 38 of 1971, along with the financial reports.

On behalf of the Sri Lanka Rupavahini Corporation.

**Ravi Jayawardana**

Attorney-at-Law

Chairman

Sri Lanka Rupavahini Corporation

Independence Square

Colombo 07



## **Vision**

The Continuing Audio Visual Icon of Sri Lankans

## **Mission**

With commitment and unity, creating timely, meaningful and intuitive programmes rich in knowledge, entertainment and education and disseminating them chiselled with state-of-the-art technology exceeding the expectations of Sri Lankans everywhere.

## **Goals**

- ✓ Improving the attractiveness, variety and meaningfulness of television programmes through changes to the format of the programmes
- ✓ Reaching viewers more effectively by appropriate and strategic use of state-of-the-art technologies in a converging environment of acquisition, post production and dissemination technologies.
- ✓ Improving the physical infrastructure and productively developing the human resources of the institute.
- ✓ Introducing new means of generating income for the institution.
- ✓ Amending the statutory framework of the institution to suit the Competitiveness.



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## Message from the Chairman

It is with great pleasure, in my capacity as Chairman, that I present the Annual Report of the Sri Lanka Rupavahini Corporation for the year 2015.

2015 has been a crucial year for the country in the social, political and economic contexts, for the reason that the two leading political parties joined hands to elect a President and develop a mechanism for good governance. It was a novel experience in the field of media as well, especially as an opportunity for the State media institutions to exercise media freedom with impartiality, unhindered by any obligation whatsoever to political parties.

Making the most of that independence, we have been able to create a favorable background for an optimal media practice towards accomplishing national ambitions. That itself is a victory for Sri Lankan television viewers. We have succeeded in bringing about a financial discipline by minimizing wasteful expenditure and financial anomalies. Yet another major achievement is the fact that we have been successful in resolving many long-standing problems which had caused much anxiety to our employees up until now.

I avail myself of this opportunity to express my deep gratitude to His Excellency the President, the Honorable Prime Minister and the Minister of Parliamentary Reforms and Mass Media for the tremendous support as well as freedom afforded to our Institution in carrying out our functions most successfully. I am also thankful for the support given by the Secretary to the Ministry of Mass Media as well as the Board of Directors.

It gives me tremendous pleasure to thank all our dedicated staff without whose support and diligence none of these achievements would have been possible. It is our ambition to reinforce our excellence through a more meaningful, credible and optimal media practice while fostering better taste among our audiences.

**Ravi Jayawardana**

Attorney-at-Law

Chairman

Sri Lanka Rupavahini Corporation

Colombo - 07



## The Board of Directors

### The Members of the board 2015

- Dr Somarathna Dissanayake - Chairman / Board Member - until 04.08.2015
- Mr Ravi Jayawardana - Chairman - Sri Lanka Rupavahini Corporation  
(Attorney-at-Law)
- Mr. M D Mahindapala - Senior Cinematographer
- Mr. Buddhadasa Galappatthi - Literature
- Mr Deepal Chandraratne - Chairman - National Film Corporation  
(Attorney-at-Law)
- Mr Nanda Murutthettuwegama - Chairman - Sri Lanka Broadcasting Corporation  
(Attorney-at-Law)
- Mr Tissa Hewavithana - Secretary - Ministry of Education
- Ms Geetha Wimalaweera - Addle. Director General/ Dept. of National Budget  
/ Ministry of Finance

(09 Board meetings were held during the year 2015)



## The Senior Management 2015

- Chairman - Mr Ravi Jayawardan  
(Attorney at Law)
- Director General - Prof. Sunil Shantha
- Deputy Director General (Engineering) - Mr Rohan Perera
- Deputy Director General (Production Services) - Mr Nishantha Ubeywansa
- Deputy Director General (Production Services) - Mr Sumedha Athulasiri
- Director (Administration) - Mr Palitha K Wijesinghe
- Head of the Division (General Programmes) - Mr Wimalaratne Adhikari
- Director (News & Current Affairs) - Mr Sherly Anil de Silva
- Director (Educational Programmes) - Ms Erin Wijekoon
- Director (Research & Training) - Mr T M G Chandrasekara
- Director (Supplies) - Mr G P G Tissa
- Director (Engineering) - Mr Palitha Gallage
- Director (Dubbing) - Mr Athula Ransirilal
- Chief Internal Auditor - Mr Palitha Kulasinghe
- Chief Engineer - Mr Kapila Dassanayake
- Director (Marketing) - Mr Sanath Daluwatta
- Chief Accountant (Acting) - Ms A H E R P Edirisinghe



## Programmes that won Local accolades during - 2015

No	Programme	Awards	Award Recipient
<b>Presidential Awards</b>			
1	Guwan Hamuda Papadi Sawariya	Best Sports Programme	Sports Unit
<b>Sumathi Tele Awards</b>			
2	“Rajatha Sara”	Best Musical Programme	Mr Ajith Jayaweera
3	Sinhala News	Best News Presenter	Ms Sunethra Kumari
4	“Isiwaruna” Tele Drama	Jury Special Commendation	Mr Wimalarathna Adhikari
5	“Kolamba Ahasa” Tele drama	Best Tele Drama Song	Mr Saman Lenin
6	“Kolamba Ahasa” Tele drama	Special Jury Award	Ms Volga Kalpani
7	“Kolamba Ahasa” Tele drama	Anchor Sumathi Child Star	Mr Viraj Madushan
8	“Kacharagama” Documentary Programme	Best Documentary programme(Nominated)	Mr Athula Peiris
<b>State Awards</b>			
9	“Kada Walalu”	Best Performing Programme	Mr Athula Ransirilal
10	“Siyathu Seeya”	Best Filler	Mr Athula Ransirilal
11	“Kumara Gee”	Special Jury Award	Mr Athula Ransirilal
12	“Akunu Anathuru Walakamu	Best Filler Special Award	Mr Athula Ransirilal





13	Sinhala News	Best Sinhala News Presenter	Ms Nishadi Ruwanmali Bandaranayake
14	“Men Ape Iskole”	Special Jury Award	Ms Malathi Weerasinghe
15	“Aliyata Liyumak” Song	The best Music Video	Ms Devika Kumarasinghe Ms Vinosha Kirivandeniya
16	“Sakshiya” Tele Film under “Bhawa Theertha” Tele Film Series	For Creative Direction	Mr Santhusa Liyanage
17	“Sakshiya” Tele Film under “Bhawa Theertha” Tele Film Series	For Script Writing	Mr Rasika Suraweera Arachchi
18	“Sikurada Savasa Enna” Tele Film under “Bhawa Theertha” Tele Film Series	For Lighting	Mr Nandasena Rajapaksha
19	“Bhawa Theertha” Tele Film Series	For Creative Editing	Mr Dimuthu Kuruppu
20	"Sikurada Savasa Enna" Tele Film Under “Bhawa Theertha” Tele Film Series	For Camera	Mr Ashoka Jayasekara
21	“Bhawa Theertha” Tele Film Series	Special Jury Award	Sri Lanka Rupavahini Corporation
22	“Kolamba Ahasa”	Best Teledrama Lyrics Writer (Nominated)	Mr Gaya Ramya Alwis
23	“Udu Sulanga” Teledrama	Best Editor	Mr Viranga Katipearachchi
24	“Udu Sulanga” Teledrama	Best Make –Up Artist	Mr Buwaneka Ranawaka
25	“Udu Sulanga” Teledrama	Best Sound Recordist	Mr Indika Pushpakumara
26	“Bisowarunge Janapadaya”	Best Documentary Programme	Mr Namal Prasanna



27	“Pura Vidya Rasawatha”	Best Educational & Cultural Programme	Mr Namal Prasanna
28	“Ayubowewa”	Best Magazine Programme	Ms Sandya Vithanawasam
<b>Raigam Awards</b>			
29	Hiru Sandu Adarei	Best Dubbed Programme	Mr P Kularatne
30	Hitiyoth Hondata Hedi Deviyoth Namata Vandi	Best Children Programme	Mr Athula Ransirilal
31	Mang Asai mata Kiyanna	The Outstanding Educational Programme of the Year	Mr Janaka Sujeewa Jayakody
32	Feeling of Youth	Best Musical Programme	Mr Ranga Premaratne Ms Sunethra Kumari
33	Malima	Best Magazine Programme	Mr Suminda Thilakasena
34	Bhava Theertha Tele Film Series	Appreciation for the talent	Mr Santhusa Liyanage & the Team
35	“Wana Ali Gana Kathawak” (Story on Wild Elephant)	Best Documentary Programme	Mr Pujitha Dissanayake
36	Bisowarunge Janapadaya	Best Current Affairs Programme	Mr Namal Prasanna
37	Aruma Puduma Roda Hathara	Best Presenter	Mr Jude Liyanage
<b>Nominated Programmes &amp; Nominees At Awards Ceremonies</b>			
<b>Sumathi Awards</b>			
<b>No</b>	<b>Programme</b>	<b>Awards</b>	<b>Award Recipient</b>
38	Sunday Ayubowan “Ma Piya Vandana”	Best Current Affairs Programme	Ms Jayamini Ileperuma Gamlath



39	“Run Mini Run”	Best Documentary Programme	Mr Eranga Hindallaarachchi
40	“Nana Mihira”	The Outstanding Educational Programme	Ms Devika Kumarasinghe
41	“Rupavalokanaya”	Best Magazine Programme	Ms Sunethra Kumari
<b>State Tele Awards</b>			
<b>No</b>	<b>Programme</b>	<b>Awards</b>	<b>Award Recipient</b>
42	“Run Mini Run”	Best Documentary Programme	Mr Eranga Hindallaarachchi
43	“Feeling of Youth”	Best Musical Programme	Mr Ranga Premaratne Ms Sunethra Kumari
44	“Malima”	Best Magazine Programme	Mr Suminda Thilakasena
45	“Rupavalokanaya”	Best Magazine Programme	Ms Sunethra Kumari
<b>Raigam Tele Awards</b>			
46	Sinhala News	Best Sinhala News Presenter	Ms Nishadi Ruwanmali Bandaranayake
47	Jathika Pasala-Wasantha Samaya	Most Outstanding Educational Programmes	Mr Mangala Wijyaratne
48	Huru Buhuti	Best Children Programme	Ms Nalani Dharmaratne
49	Sinhala News	Best Sinhala News Presenter	Ms Sunethra Kumari
50	Battle of the Band	Best Musical Programme	Mr Nipuna Rajapaksha
51	Angampora	Best Sports Programme	Mr Chandana Seneviratne
<b>Gold Panda Awards</b>			
52	Wana Ali Gena Kathawak	Jury Special Award	Mr Pujitha Dissanayake



## **Programmes Division**

### **Drama Unit**

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It is a notable achievement by the drama unit as it was able to produce a number of single episode and serialized teledramas with more viewer attraction while maintaining high standards which has been the tradition since its inception. Other important accomplishments of the Unit within the year entail the numerous awards received and capturing the intended target audience as well.

### **Objectives of Drama Unit**

1. To produce single and serial teledramas while maintaining its high standards, as the pioneer in the field of teledrama productions.
2. To introduce new teledrama productions and new artists to the field as much as possible (such as script writers, artists and musicians).
3. To assist the developments in the media fields such as stage dramas, films as they are based on production of Rupavahini teledramas.
4. To develop teledrama productions according to international standard in future.
5. To provide national level services through live coverage such as State Drama Festivals, State Cinema Festivals, State Cultural Festivals and National Ceremonies.
6. To provide training and guidance to newly recruited employees and the trainees of the Corporation.
7. To produce programmes as tribute to Veteran artists
8. To provide entertainment as well as wisdom through teledramas.



### **Dramas produced and telecast in year 2015**

01. The teledrama “Ida Denna” consists of 35 episodes produced by Mr Nalin Mapitiya was telecast from 21.02.2015 to 14.06.2015.
02. The teledrama “Hiru Daruwo” consists of 49 episodes produced by Mr Mohanji Ranganath was telecast from 26.01.2015 to 21.04.2015.
03. The teledrama “Bhawanthara” consists of 37 episodes produced by Mr Ranga Bandaranayake was telecast from 10.01.2015 to 14.02.2015.
04. The single episode Avurudu teledrama “Pinkama” produced by Mr Athula Pieiris was telecast on 14.04.2015.
05. The single episode Wesak teledrama “Nawathumpola” produced by Mr Santhusa Liyanage was telecast on 03.05.2015.
06. Produced Rupavahini State Award Ceremony and Sumathi Television Award Ceremony.
07. Carried out live telecasts of Wasuliya, Rhythem Hit, Nugasewana, Sunday Ayubowan and Ru.Com Programmes.
08. Produced ‘Wahalkada’ docudrama programme.



## Music Unit

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### Weekly telecast programmes

1. 'Susara Dahana' - Presenting popular songs by two veteran artists.
2. 'Sihinayaki Ra' - Presenting popular songs by a popular Singer which are selected by a renowned person
3. 'Rajatha Sara' - Classical Music programme
4. 'Rhythm Chat' - Youth voice
5. 'Sunday Ayubowan'
6. 'Nugasevana'
7. 'Paramitha' - Poya Day Live music programme
8. Special Christmas Programme

### Special Programmes

'Salalihini Rathriya' live musical show - Recorded at Nelum Pokuna. Four veteran musicians took part in the musical show.

## Sports Unit

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### Programmes Produced and Telecast by the Sports Unit in 2015

The 'Kreedha Visithuru' Programme featuring National & International sports events was telecast every week.

### Live Programmes Telecast by the Sports Unit in 2015

1. The Air Force Cycle Race
2. Cricket World Cup 2015
3. Brandix Volleyball 2015



4. Rupavahini Volley Ball 2015
5. Foxhill Super Cross 2015
6. Bradby Shield - 1<sup>st</sup> Leg Pallekale
7. Bradby Shield - 2<sup>nd</sup> Leg Colombo
8. Ceat Tarmac Championship 2015
9. Singer School Rugby 2015
10. Pakistan Tour of Sri Lanka (Cricket)
11. Mobitel Extra Cover Pakistan Tour of Sri Lanka - Test Matches
12. Gunner Super Cross
13. Milo President's Trophy Rugby Final 2015
14. Mobitel Cricket Chat
15. Ceat Tarmac Championship - 2<sup>nd</sup> Leg
16. Sigiri Rally Cross 2015
17. 93<sup>rd</sup> National Athletic Championship
18. India Tour of Sri Lanka (Cricket)

**In addition, the following programmes were produced and telecast.**

1. Sunday Observer Mobitel Schoolboy Cricketer Awards
2. Japan New Year Festival

The Sports Unit of the SLRC telecast 1,065.7 hours' airtime of sports programmes consisting of 963.7 hours over Channel Eye and 102 hours over Rupavahini Channel in the year 2015.



## Film & Dubbing Unit

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The major events and projects done by the Film and Dubbing Unit during the year 2015

- ❖ A project was implemented to obtain 449 Japanese programmes (58 million).
- ❖ A Counter Part fund project was implemented (42 million).
- ❖ Upon the request of the Koran Embassy, 21 bilingual documentary programmes on KOICA volunteer service were produced and telecast.
- ❖ As a JICA Project on Disaster Management, people were enlightened giving publicity through trailers on the risk of floods, Tsunami, lightening.
- ❖ Produced and telecast animated trailers based on Dhammapadaya and Lovadasangarava.
- ❖ Animated programmes titled "Hina Hina", "Jana Kavi" and "Andaregen passe" were produced and telecast.
- ❖ 237 programmes were dubbed and telecast continuously while maintaining the 6.30 pm time belt. The net profit generated by telecasting these programmes by now Rs. 450 million.
- ❖ 109 subtitled programmes were telecast during 9.00 pm time belt.
- ❖ 120 cartoon programmes were dubbed and telecast during 4.30 pm time belt.
- ❖ Films -Subtitled and telecast.
- ❖ 439 Tamil teledramas were subtitled and telecast for Channel Eye.
- ❖ The project which provides 60 KOICA scholarships was updated.
- ❖ Visuals on u-matic tapes were provided to News division and Programmes division from time to time.





## Programme Administration Unit

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The main responsibility of the Programme Administration Unit is inspecting cost estimates relevant to programme files of programme production divisions and issuing of production numbers while providing required administrative services and co-ordination of all other services until the production process of a programme is completed.

Programme Administration Unit has opened 2084 programme files from 2015/01/01 to 2015/12/31.

**The above mentioned files have been segregated among the divisions as follows.**

General Programmes Division	-	767
Educational Programmes Division	-	455
News and Current Affairs Division	-	404
Marketing Division	-	38
Channel Eye	-	<u>420</u>
<b>Total</b>	-	<b><u>2084</u></b>

## Religious Programmes Unit

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Buddhist programmes are produced by the Religious Unit. A live telecast of the programmes which which were taken place at the most prominent temples in the island were carried out by this unit on every poya day. In addition, daily morning Buddhist Sermans and special Buddhist sermans were also produced by the Unit.



## Youth Programmes Unit

Following are the programmes produced by the Unit.

Name	Programme	Content
Vineetha Karunaratne	Alakamandawa 12 programmes	This programme reflects on experts who has explored new pathways in art.
Sunethra Kumari	Rupavalokanaya 48 programmes	News and views on local and international cinema as well as Artists.
Nipuna Rajapaksha	Friday Nuga Sevana Programmes 49	Information, education and entertainment for housewives in the morning.
Suminda Thilakasena	Thursday Nuga Sevana Programmes 49  'Malima' programmes 06	Information, education and entertainment for housewives in the morning.  Innovations and scientific information (Local & International).
Ranga Premaratne	Bank of Ceylon Rankakulu Scholarship Programme National Youth Day Rathnawali Abhiman Miyasi Visaka Providing sports items among youths National Drugs Eradication programme	
Ranga Premarathna and Sunethra Kumari	Feeling of Youth	Musical programme targeting youths



Chulangani Hapuhinna	Hada Saha Wada	A programme to develop people and social skills through productivity.
Chamara Wijesinghe	Uthure Tharunya	A programme series on the youth who suffered due to War in Northern province.

Divisional Bank Colours' Awards, Adahana Pujothsavaya of Asgiri Mahanahimi and national messages of different countries have also been produced by this unit.

### **Programme Presentation Unit**

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The main objective of this unit is the preparation of daily programme line-up on the National channel and Nethra/Channel Eye properly. In addition, the Unit also produces trailers for teledramas and other programmes which are telecast daily for the transmissions, and preview outside programmes before telecasting.

It is this unit's responsibility to prepare an attractive line-up of programmes suitable for family competition with the other television channels.



## Educational Programmes Division

### **Education Service Unit (ETV Unit)**

In the year 2015 the Education Service Unit telecast formal educational programmes to support students sitting for the G.C.E (A/L), G.C.E (O/L) and Grade 5 Scholarship examinations. In addition, large numbers of non-formal and informal educational programmes as well as magazine programmes were produced and telecast during this period.

#### **"Jathika Pasala" - G.C.E. (A/L)**

Programmes covering 09 subjects mentioned below related to Science, Arts and Commerce streams were telecast every week.

<b>Science Subjects</b>	<b>Commerce Subjects</b>	<b>Art Subjects</b>
Biology	Accounting	Sinhala Language
Chemistry	Business Studies	Political Science
Combined Maths		Economics
Physics		

These programmes are available 'on demand' through 'Jathika Pasala' website and popular among the students.

These subjects were selected according to the instructions by the Department of Education considering the highest numbers of students sitting.

#### **"Jathika Pasala" G.C.E. (O/L)**

Formal education programmes covering 05 subjects were produced and telecast targeting students sitting for GCE O/L examination in 2015. The programmes were available on DVD format to purchase. These programmes were highly popular among G.C.E (O/L) students.



### **“Punchi Ape Nena Mihira” Scholarship Programme Series and “Nena Mihira Shishyatwa Jayamaga” - 2015**

Punchi Ape Nena Mihira scholarship programme series telecasts every Monday evening for targeting students sat for the Grade 5 Scholarship Examination in August 2015 and were popular among students as well as parents.

The “2015 Nana Mihira Shishyathwa Jayamaga Question-answer Kit” printed as a supplementary to the programme also became very popular. The Corporation generated a net profit over Rs. 3.8 million through the sale of 30,000 of the Kits.

### **Rividina Arunella**

“Rividina Arunella” agriculture programme telecast over a decade was commended locally and internationally and is popular among farmers and students.

The uniqueness of the programme was that it was able to address people in village areas who owned adequate lands and urban areas in which people living in flats and small lands for their benefit.

This programme accoladed 8 awards locally and was appreciated by Netherland and Japan.

### **Sukkanama**

This programme was telecast from 12 noon to 12.30 pm every Sunday. The programme raised awareness on vehicles and its operations as well as new inventions and innovations of motor vehicle and their production. This is very popular among the younger generation.

### **Rangabhumi**

This programme telecasts every Sunday from 10.00 am to 11.00 am providing opportunity for Rupavahini viewers to enjoy the best stage dramas and school youth dramas. The veterans of this subject were invited to this programme raising awareness of the subject related to local and international drama and also to the students who study drama and performing arts. This series of programmes was mostly popular among the adults and students.



### **Rasa Mohotha**

This was a weekend musical magazine programme telecast from 3.00 pm to 4.00 pm on Sundays. The programme was presented for the entertainment of the viewers.

### **Akura**

The programme titled “Akura” telecast on Sundays from 6.00 pm to 6.30 pm was launched as an educational magazine programme for the Sri Lankan youth. This programme was encouraging viewers to see the society in different angle going beyond the traditional concepts.

### **Mang Asai Mata Kiyanna**

This programme series was specially produced for the children and also popular among the general audience. The programme accolade three local awards.

The significance of this programme was it attempts to educate the viewer through activities done with the small children.

### **Living at outside**

The programme depicts the true stories based on the life styles of unpopular people who silently play a major role for the benefit of the society.

## **Children’s Programmes Unit**

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Children programmes telecasts from 5.00pm to 6.00pm daily. In addition to the regular programmes, the following special projects were carried out by this unit.

- ❖ ABU children drama - producer- Mr. Suranimala Jinendrasighe. This is an annual project. The programme "Sellam Badu" produced for this year was telecast over 10 countries successfully.
- ❖ The Grand Finale of "Muthuhara Didulana Mini Muthu" - Producer of the programme - Mr. Udantha Kamal Goonathileke. Two children won under the senior and junior



divisions from this competition and an educational tour to Australia was awarded for the winners. This was sponsored by the Muthuhara Children's clubs of Sydney and Melbourne in Australia.

### **2015 Children's Day**

This was held successfully and was able to generate the highest recorded income of Rs. 7.9 million to the Corporation.

## **Documentary Programmes Unit**

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The Documentary Unit mainly focuses on production of Documentary programmes. A series of documentary programme was produced under the title of "Dhara" which was telecast every Sunday at 07.30 pm. All the producers in this Division contributed by producing programmes for this series.

In addition, the other programmes produced by the unit were magazine programmes, quiz programmes and various social service programmes.

The following programmes were produced by this unit.

- ✓ "Dhara" documentary programme series telecasts every Sunday at 07.30 pm.
- ✓ "Aruma Puduma Roda Hathara" documentary programme telecast every Sunday from 09.00 pm to 09.30 pm. Both Mr Namal Suriyabandara and Mr Chandana Senevirathne were the producers of the programme. According to the LMRB Report, this programme was rated as the most popular programme out of all the programmes telecast on Rupavahini.



- ✓ The programme titled "Ayubowewa" is a health programme which was telecast every Thursday at 06.00 pm.
- ✓ The Christian & Catholic religious programmes titled "Supuwatha" and "Sudasuna" were produced by Mr Ranjula Senadheera. The programmes were telecast on the last Sunday of every month at 06.00 pm.

In addition the following programmes were produced as sole sponsorship programmes.

1. "Econ Icon" quiz programme was telecast under the sponsorship of Central Bank of Sri Lanka.
2. "Vyavasaya Udanaya" programme, produced under the sponsorship of Entrepreneur Development Authority was telecast Sunday at 07.00 pm. Mr. Poojitha Dissanayake and Mr. Wijitha Kaluaarachchi were the producers of the programme.
3. The programmes titled "Diva Osu" produced under the sponsorship of Kusvala Veda Hamuduruvo, telecast Sunday at 04.30 pm.
4. "Panamen Surakimu" social service programme was produced by the Documentary Unit. The main objective of the programme was to eliminate child abuse and to educate the society on protection of the child. This social service project was the first programme which was telecast live for 12 hours continuously.





## News & Current Affairs Division

### **News Unit**

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The main objective of this unit is to telecast news value with productive and high quality. The urban and remote areas centralized news were telecast with the association of the news producers of the Corporation and the Divisional Correspondents.

The time is mainly allocated for investigative news. The following actions were taken to present the news for the viewers in attractive and reliable manner.

The backdrop was prepared with a new theme. Practical training and workshops were arranged for the existing presenters with the coordination of the Research and Training Unit.

A high level subject knowledge and practical training were also provided for the news producers.

The number of news telecast daily were 24 including 7 main news bulletins.

Tamil hourly News was telecast from 08.25 am to 05.25 pm.

English news was telecast at 12.00 noon.

05 minute duration Sinhala news was telecast every hour from 07.55 am to 05.55 pm.

### **6 Main News Bulletins**

- |                  |           |
|------------------|-----------|
| ✓ 12.30 pm       | - Sinhala |
| ✓ 08.00 pm       | - Sinhala |
| ✓ 01.30 pm       | - Tamil   |
| ✓ 07.00 pm       | - Tamil   |
| ✓ 09.00 pm       | - English |
| ✓ NTV 12.00 noon | - News    |



Nearly 3 hours have been allocated for the 6 main trilingual news telecast. 4.30 hours have been allocated for the news daily.

In addition to the above, 30 minutes were allocated for current affairs and foreign news every morning from 05.55am to 06.25am.

Approximately 105 hours were allocated per month for all news telecast.

An additional time slot was allocated for breaking news, based on contingencies.

Special telecast of elections were carried out as well.

The Camera Unit in the news & current Affairs Division recorded approximately 350 number of news coverage per month. The estimated cost for these news recordings were Rs.700, 000.00 per month as indicated by the camera call sheets. Additionally, the number of daily news coverage obtain from Divisional Correspondents were 20. SLRC spent approximately Rs. 35,000.00 per day for the Divisional Correspondents, totaling Rs.1, 050,000.00 per month.

## **Current Affairs Unit**

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The main objective of this unit is producing programmes on current situations such as political, economical and current affairs which are an essential part of a television channel.

Therefore, programmes such as "Ada Paththara Sirasthala", "Ayubowan", "Dainika Wadasatahan", "Vyaparika Lokaya", "Aththa Naththa", "Shanida Ayubowan", "Thirasara" were produced continuously.

Additionally "Rasa Mohotha", "Ayubowewa", "A ACult", "Rata" were also telecast as magazine programmes.

Produced two hour live transmission of the debates during the monthly sessions carry out at the Sri Lanka parliament by the public representatives.

The Unit provides live coverage of nationally and internationally important events as well as significant occasions which included the major national festivals with the participation of the President.



The following Tamil programmes were produce and telecast daily for Rupavahini Nethra Channel:

- 'Naledugalil Indru' Tamil newspaper headline programme, '
- 'Vidiyalai Nokki' discussion programme on development work done by the Government, 'Kandathum Kattathum' weekly magazine programme
- 'Ulagavalam' programme on world politics.

The 'Sadurangam' one-hour political discussion programme and 'Vilayattu Manjari' sports programme were produced and telecast on weekends. In addition, production of special current affairs programmes in Tamil as well as coverage of H.E. the President's overseas visits and national events were also produced in Tamil language.



## **Production Services Division**

### **Recording and Production Services Unit**

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The Production Services Division takes the forefront in providing creative services required for all productions of the SLRC both in studio and outside locations. The Production Services Division consists of 10 Units- namely the Camera, Audio Recording and Multi Camera, Lighting, Make-up, Graphics, Special Graphics, Set & Props, E.N.G. Equipment, Rajatha Studio and E.N.G Support Units under supervision of the Deputy Director General (Production Services).

The Rajatha Studio contributes directly to reduce transport and electricity costs which involve for programme productions and live telecast.

With the contribution of a very limited number of personnel, the low-cost field process was functioned very successfully in the year 2015. 95 recordings and live telecasts were completed using Outside Broadcast Vehicles. Additionally the division is equipped with the basic facilities required for televising with HD technology.

### **Recording and Production Services Outdoor Broadcasting Unit**

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This unit consist of 13 officers under the supervision of the Deputy Director General (Production Services). This unit contributes to the Corporation in directing all technical activities including production services, live transmissions done by the outside broadcasting bus, sound management of the recordings, sound mixing and sound mixing in all productions done by the Corporation using a single camera.

During the year 2015 this unit has creatively contributed to over 1926 programmes, production services, live transmissions done by the outside broadcasting bus and 95 live recordings.

In year 2015 two SONY PMW400 cameras and SONY MCS-M8 vision mixing machines we added to the camera pool of the production services vehicle. Thus this programmes with high technical quality could be the produced by the Corporation.



According to the New Government Cadre, vacancies are available for 20 sound mixers.

Additionally this unit has contributed resources to the training courses carried out by the Research and Training unit for the internal and external applicants.

## **Lighting Unit**

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Under the supervision of a Deputy Director, this Unit contributes creatively to all field productions carried out by the Corporation. In year 2015 the Unit contributed to more than 1926 programmes, 95 live programmes recorded by Production Services outside Broadcast Vehicle.

Although the Unit should have 15 Lighting Technicians according to the Cadre, it currently functions with only 05 Senior Lighting Technicians and 03 Lighting Technicians. Despite staff shortages the Unit has contributed to 1926 productions and over 95 live outside broadcasts. This unit also contributes to planning and providing resources for the training courses of lighting organized by the Research and Training Unit for the internal and external officers.

## **E.N.G Unit**

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This unit is responsible for issuing and maintenance of camera, recording and lighting equipment. In addition, the unit maintain an Outdoor Broadcasting vehicle which was assembled by the officers of this unit. This bus equipped with over Rs. 3000 million and this unit consist of one unit head and two officers.



## **Camera Unit**

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Among the activities successfully carried out by the camera unit of the Production Services Division in year 2015, the Cycle Race, Local and International news and International sports events were done using 3G technologies, televising from motor cycle and helicopters.

In addition this unit has contributed to a large number of programmes such as Local Cricket matches, Rugby matches, motor cycle race, teledramas, documentary programmes, children dramas, music, youth and current affairs. This unit has also provided services for the programmes recorded in three main studios, Rajatha, dubbing and sports throughout the year. This unit has provided services for the programmes which were used 3 outdoor broadcasting vehicles and 10 EFP cameras.

Although the unit requested for technical equipment due for the year none of the equipment was received. Therefore, the unit had difficulties in carrying out HD technology.

## **Make-Up Unit**

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The Unit consists of 13 staff members including the Assistant Director and the unit is very vital for all the programmes which produced by the Corporation.

The make-up unit provides services for all programmes telecast from morning to night such as news, daily programmes, teledrama, music, new year customs, Wesak festival, Poson festival, Christmas special programmes.

In addition to the special programmes, this unit provides services approximately to 100 persons including news readers per day.



## Sets and Props Unit

This Unit provides services through sets and props and art directions to ensure high quality of the programmes produced by the Corporation in Studio, outdoor recordings and live programme productions, while maintaining the SLRC's image at high standard.

The number of projects and activities that the Set and Props Unit completed in 2015 are as follows.

Arranging and clearing of Main Studio 1, 2, 3 and - Around 2050

### Rajatha Studio sets

✚ Salalihini Rathriya Musical show (Set Design)	Nelum Pokuna
✚ Presidential and General elections set design	02
✚ Single episode drama (Poya Drama)	11
✚ Children's drama	01
✚ New Year single episode drama	01
✚ Wesak single episode drama	01
✚ Christmas Drama	01
✚ Sinhala Avurudu premier ceremony (set) Rajatha Studio	
✚ Sunday Ayubowan set design	
✚ Peo Rhythm Chat set design	
✚ "Alert" set design	
✚ "Panamen Surakimu" set design	

### Special Events / Exhibitions set designs in the year 2015

- ✚ Aluthma Pituva/ "Today" morning news paper programme
- ✚ Special pirith mandapa for 33rd Rupavahini Anniversary
- ✚ "Ape Avurudda" children programme



- + Jathika Avurudu Udanaya (Sinhala) - Kurunegala
- + Jathika Avurudu Udanaya (Tamil) - Kilinochchi
- + Wasantha Udanaya - Nuwaraeliya
- + Vyaparika Kirula
- + Ranaviru Real Star Mission 5
- + Sansun Poson Namaskaraya - Thanthirimale
- + "Sihiniyaki Ra" musical programme
- + Hurubuhuti Children's programme
- + "Vedikava" programme
- + "Janamandali"
- + "Veilichcham" Tamil political programme
- + 2015 Ru Entertainment sales stall
- + Muthuhara Didulana Minimuthu
- + Galu Samaya
- + Sundara Nuwaraeliya
- + Punchi Apith Kama Hadamu
- + Ape paya
- + Sisudam Sariya
- + "Anagatha Asvenna"
- + "Gepala"
- + "Gee Tharu Mal"
- + "Gee Sara Vahena Naththala"
- + Christmas Carol Vehicles decorating
- + Special Christmas set design





## **Graphic & Animation Unit**

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This unit is responsible for creating graphics attractively for programmes such as trailers, themes and also 2D and 3D animations. The Graphic artists provide a commendable service for locally and internationally award winning programmes.

This unit has provided services to programmes including Educational programmes, Children's Unit Programmes, Drama Unit programmes, Music Unit programmes, Documentary programmes and Religious programmes.

This unit carried out special services for the promotions of the Marketing Division.

## **Library**

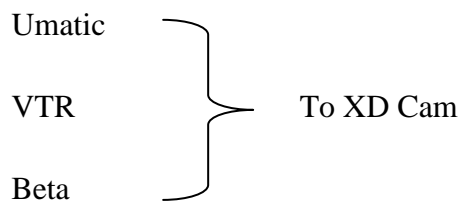
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This unit functions under the supervision of the Director General and consists of 18 staff members. The unit has provided a major contribution for production of programmes. This includes the whole process from production to archiving of programmes.

Rupavahini Library has a speciality when compared to the other libraries. It is significant as the material maintained and archived in the library contributes to the programme production process in the form of both print and audiovisual media.

### **Special Projects carried out for the year 2015**

- ✓ Removal /discarded of the cassettes and tapes that are currently not usable. Through this the unnecessary blockages and space limitation can be minimised.
- ✓ Copying of all programmes (documentaries / music/ news), which is in old technology format has been converted to new technology



It is possible to archive all programmes for another 50 years when the programmes are copied into XD Cam technology as stated above.

## **Eye Channel / Nethra / NTV**

### **Eye Channel**

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#### **The programmes produced and telecast by channel Eye.**

- ✚ Rise & Shine morning live programme - Everyday from 06.00 am to 07.30 am
- ✚ Rise & Shine 5th Anniversary - (01.12.2015) - from 06.00 am to 07.30 am
- ✚ Eye Shuffle live musical programme (new English songs) - Monday from 09.30 pm to 10.30 pm
- ✚ Cafe Classics - live musical programme (old English songs) - Tuesday from 09.30 pm to 10.30 pm
- ✚ Dhamma & You -Recorded Buddhist Discussion programme - Poya Day from 09.30 pm to 10.30 pm
- ✚ Meditation and Neuroscience (Recorded discussion programme) - Thursday 08.00 pm to 09.00 pm
- ✚ Eye on world (Recorded magazine programme) - Thursday 09.30 pm to 10.00 pm
- ✚ Law & Order (Recorded discussion programme on Law) - Friday from 09.30 pm to 10.00pm



- + Business Today (Live magazine programme) - Wednesday from 09.30 pm to 10.30 pm
- + Hon Prime Minister Ranil Wickramasinghe's Sworn in Ceremony (21.08.2015)
- + Budget Forum 2016 (Special Live telecast) - 07.12.2015
- + Sound of Christmas (Special Christmas Live musical programme) - 25.12.2015
- + Law as an investment of global progress (special live programme) - 06.12.2015

### **Tamil Programme Unit / Nethra TV**

Nethra TV mainly telecast programmes for Tamil speaking audience in Sri Lanka. The followings are the programmes that Nethra TV produced for the year 2015.

- + Udhaya Dharisanam - Live Magazine Programme - Weekdays
- + Lunch Time Music - Live Musical Entertainment Programme - Weekdays
- + Educational Programme - Daily Live Educational Programme for O/L & A/L Students
- + Saivaneethi - Hindu Religious Programme - Weekly
- + Pattam Poochigal - Children Live Entertainment Programme - Weekly
- + Putham Puthu Kaalai (Pravaham) - Weekend Live Magazine Programme
- + M 9.30 - Weekend Live Musical Request Entertainment Programme
- + Kodai Mazhai - Musical Magazine Programme
- + Samayal Gallery - Cookery Programme
- + Brinthavani - Classical Music Programme
- + Film City Season II - Local Short Film Magazine Programme
- + Local Drama - Tamil Local Tele Drama



### **Special Day's Programmes**

- ✚ New Year & Nethra Anniversary
- ✚ Thai Ponga
  - Special Live Cultural & Traditional Programme
  - Telecast from SLRC Studio – Rajatha Mediriya
- ✚ Matale Thearu Festival
  - Live Telecast from Matale
- ✚ Maha Shivarathri
  - Live from Captain Garden Temple
- ✚ Sinhala & Hindu New Year
  - Special Live Telecast from Kilinochchi
- ✚ Vesak
  - Vesak Live Programme
- ✚ Posoan
  - Posoan Live Programme
- ✚ Nallur Annual Thearu Festival
  - Live Telecast from Nallur
- ✚ Childeren's day
  - Live Telecast from SLRC Studio
- ✚ Deepawali Festival
  - Special Live Programme from Manikka Pillayar Temple Colombo, Pooja & Veena recital live from President's House.
- ✚ X Mas
  - X Mas Special Live & Recorded Programmes

### **Muslim Programmes Unit**

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The unit productions are telecast over Nethra Channel, Muslim viewers are given opportunity to watch many local and international programmes covering the cultural, religious and educational requirements of the Muslim viewers. Following are the programmes produced by this Unit.

- ✚ Yaaththirei
- ✚ Isai Thendral
- ✚ Nethra Express
- ✚ Namma Sunday

### **Special Day's Programmes**

- ✚ Ramazan Ifthar
- ✚ Ramazan Festival
- ✚ Haj Festival
- ✚ Milad-un-nabi Festival



## Engineering Division

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The Engineering Division contributes directly to maintain broadcast technical standards in TV programme production and transmission at international level for the Corporation. The division consists of the Master Control Room (MCR), Studios and Outside Broadcast Unit, Transmission Unit, Maintenance Unit, Information & Communication Technology Unit and Power & Air Conditioning Unit. In addition to the above core functions, various projects and consultancy services are also undertaken based on technical requirements of many government institutions.

Further, Engineering Division participated for the feasibility tests of Japanese & European Digital TV Broadcast Systems ISDB –T and DVB - T2 respectively as a part of selecting suitable systems for Sri Lanka. In this year Engineering Division provided a major contribution to telecast the results of Presidential Election and Parliamentary Election over SLRC Channels successfully. Moreover, the division has extended boundaries to provide in-plant training opportunities for quite a large number of diploma students and undergraduates from various institutes such as universities and technical colleges free of charge. As a national service there were 49 students provided with in-plant training opportunities for a period of three to six months within this year.

Five studios and three Outdoor Broadcast (OB) vehicles are utilized in the process of programme production whilst eleven transmitting stations established around the island are utilized in the process of dissemination located at Pidurutalagala, Deniyaya, Sooriyakanda, Hanthana, Primrose, Namunukula, Palali, Padagala, Kokavil, Bambalapitiya and Torrington. In addition to above, two new transmitting stations were established at the beginning of the year at Gongala and Hunnasgiriya.

The SLRC TV programmes also disseminated via satellite (Dialog TV), IPTV (SLT PEO TV) and also through Internet ([www.rupavahini.lk](http://www.rupavahini.lk)) worldwide.

The division is headed by the Deputy Director General (Engineering). Various services rendered by the above mentioned units and sub-units of the Engineering division over the year under review have been mentioned in a summary form as below.



It should be also noted that all of these operations, maintenance and project works done with prevailing limited facilities due to financial constraint and short of technical staff due to low salary scales.

However the staff of Engineering managed to do the production and transmission work successfully through hard work and dedication despite the great difficulties they experienced.

## Master Control Room (MCR)

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Master Control Room (MCR) is the nerve centre of the technical operations which handles three TV programme channels namely Rupavahini, Channel Eye and Nethra for average transmission duration of 38 hours per day. It also provides the facilities for twelve post production units (Editing).

### Following new installation and operations were executed in MCR during the year 2015.

1. Installed and used 2nd Live Camera receiving unit Via cellular network (LIVE U) in MCR for telecasting urgent & important live news coverage.
2. Installed NLE Workstation in DPPU Room.
3. Fixed Console used for DPPU in Channel Eye /Nethra Master Switcher.
4. Installed High quality 24” LED Monitor in Rupavahini Channel Master Switcher for precise monitoring.

### Following are the details of daily transmission Time in average.

✚ TX-01 (Rupavahini) -22 hrs

✚ TX-02 (EYE/Nethra) -18 hrs

### The details of total Editing hours are as follows.

✚ Non Linear (Adobe premiere) - 13,000 hrs

✚ Non Linear (Avid) - 56,000 hrs

✚ Linear (Betacam) - 3,000 hrs



## Studio Operations

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As per the preceding year, Studio I, Studio II, Studio III, Studio IV (Dub) and Rajatha outdoor studio were facilitated to produce variety of programmes in both live telecasts and recordings. In the year 2015 no of programs carried out in Studios were approximately as follows.

+ Live Programs	3992
+ Live Main News Bulletins	2080
+ Hourly News (Live)	2340
+ Lottery Recordings	2184
+ Educational Programs	<u>676</u>
<b>Total number of Programmes</b>	<b><u>11272</u></b>

These programs were done in Studios 1, 2, 3 & Rajatha with an average live transmission of 14 hours per day except News bulletins, with a very minimum staff.

None of the upgrades were done in Studios during the year 2015 due to financial constraints.

## Outside Broadcast Unit (OB)

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OB unit successfully carried out 107 Outside Broadcast productions and recordings/live telecasts including National Events, Sports Events, Musical Programs, Religious programmes using two outside Broadcast (OB) Trucks as follows.

OB Truck - 01	- 27 ( 51 Days)
OB Truck - 02	- 67 (118 Days)
OB Truck - 02+04(Slow-motion)	- <u>13</u> ( 30 Days)
<b>Total</b>	<b><u>107</u></b>

08 more OB coverages (16 days) were done by SLRC Engineering Staff together with President Media Division.



## Transmission Unit

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Following major activities were performed by the Transmission unit during the year under concern.

- ✚ Operation and maintenance of island wide terrestrial TV transmission network comprising ten (10) stations for effective coverage throughout the year.
- ✚ Planned and executed live linking facilities for 136 Nos. of Outside Broadcasting events across the country during the year through portable microwave links (122 Nos.) and via satellite using Digital Satellite News Gathering (DSNG) (14 Nos.) by using the existing equipment effectively and efficiently while minimizing the cost by choosing the appropriate technology depending on location and the duration of the programme.
- ✚ Generated extra revenue of Rs. 4,207,000.00 approximately by hiring out DSNG unit and microwave links for foreign and local broadcasters.
- ✚ Shifted the UHF TV transmission operated at Ocean View Tower in Bambalapitiya to Fairway Towers – Rajagiriya for wider coverage.
- ✚ Participated for field tests of Digital Terrestrial Transmission on Japanese (ISDBT) & European (DVB –T2) Technologies.

## Power and Air Conditioning Unit

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The unit performed preventive and corrective maintenance work on following electrical power and air conditioning equipment & systems at Colombo Studio complex and outside transmitting stations regularly including the following major equipment.

- ✚ 1250KVA & 250kVA Diesel generators at Studio Complex Colombo
- ✚ 250KVA Diesel generator at Pidurutalagala Main Transmission station





- ✚ Central air-conditioning System at Studio Complex
- ✚ Split type AC units 180 Nos.
- ✚ AC systems of OB vans
- ✚ UPS systems
- ✚ Installed 06 numbers of new split AC units in Dubbing Unit, VIP Rooms, ST3 Lobby and the New Transmission facility at Fairway Towers at Rajagiriya.
- ✚ Completed a major overhaul at Air Conditioning System of Outside Broadcast Bus II.
- ✚ Carried out the re-insulation works of chilled water pipe lines.

### **Maintenance Unit I – (System Equipment Maintenance)**

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The Maintenance unit I basically undertakes preventive and corrective maintenance of equipment in MCR, Studios and Outside Broadcast vehicles, maintenance and installations of telephones for divisions/units of the Corporation and teleprompter duties of HE the President.

#### **During the year 2015, following major duties were performed by the Maintenance Unit I.**

1. Major repairs done - 192
2. Teleprompter duties - 11  
(The above service were provided for HE the President (former), Prime Minister of India and US Secretary of State)
3. OB Duties - 72  
  
(Including following Major OBs) Sumathi Tele Awards, State Tele Awards, Rupavahini Volleyball, Bradby Rugby Tournament, Foxhill Motor Cross, Gunner Super Cross, Sigiri Rally Cross, Gajaba Super Cross, Walave Super Cross, Air Force Cycle Race, New Year Live, Christmas Mass Live, Mercantile Volleyball Tournament, Prima Cricket Tournament, Ranaviru Real Star – Season 5 and Katukurunda Motor Race.
4. Telephone related repairs - 195  
New Telephone lines for News Room, Legal Unit, Studio 3, Cleaning Room and Mechanical Maintenance Unit.



- New Fax Line for Chairman Office
- New PEO TV Connection for Education Division
- New ADSL Connection for MCR

5. Special Assignments performed

- Graphic 02 Unit shifted to Special Unit
- Exhibition Stall for
  - “Galun Samaya” in Galle Fort
  - Darusman Muslim School – Dematagoda
- President Election Results Live Telecast
- Parliament Election Results Live Telecast
- Special Studio preparation for
  - Rugby World Cup – 2015
  - ICC Cricket World Cup – 2015
  - Air Force Cycle Race

6. New CCTV Cameras installed for MCR Corridor and Outside News Room Building.

## **Maintenance Unit II -Field Equipment Maintenance**

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- ✚ Maintenance Unit II facilitates the preventive and corrective maintenance work of all the ENG , EFP, PS OB, CCTV system and PABX system, equipment such as Camcorders, Video Switchers, Audio Mixers, Video Monitors, Portable VCRs, Microphones, Amplifiers, Batteries, Battery chargers, AC power adaptors, Lighting equipment, CCTV Camera and Telephone Units and Cables.
- ✚ In addition to preparation of specifications to purchase new equipment for the Corporation, testing new equipment before their installations and evaluating the technical viability of purchasing equipment has also performed.



**Following were carried out during year 2015 by the Maintenance Unit II.**

• Camcorders	:	Preventive Maintenance	-57
		Special Maintenance	-06
		Fault Repairs	-51
• Portable VCRs	:	Preventive Maintenance	- 11
		Special Maintenance	- 03
		Fault Repairs	- 04
• Camera Lenses	:	Fault Repairs	- 10
• Video Monitors	:	Fault Repairs	- 09
• Audio Monitors	:	Fault Repairs	- 07
• Camera Power Adaptor /Chargers	:	Fault Repairs	- 09
• Light Equipment	:	Fault Repairs	- 29
• Telephone Line	:	Installation	-20
		Fault Repairs	- 100
• CCTV Camera	:	Installation	- 10
• Acceptance Tests			- 10



## Information & Communication Technology Unit (ICT)

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Information & Communication Technology Unit (ICT) managing SLRC Local Area Network (LAN) with active and passive components including 295 computers, 90 printers, 15 servers including web server, Mail Server (with 1000 e-mail accounts), Application Servers, Time Attendance Server, Computer Hardware Maintenance, development and maintenance of SLRC website ([www.rupavahini.lk](http://www.rupavahini.lk)), development of in-house software application for business processes of the Corporation. Moreover, development and operations of computer graphics for the live sports events and Quiz programmes, displaying election results also perform by the ICT staff.

Following activities have been executed during the year under review by the ICT unit.

- ✚ Re-launch of Rupavahini website ([www.rupavahini.lk](http://www.rupavahini.lk)) based on the content development platform.
- ✚ Developed graphic display software for Cycle races, Car races, Cricket and Rugby matches and developed software applications for quiz programmes, reality shows & Election Results displays.
- ✚ Developed websites for all sister channels ([www.nethra.lk](http://www.nethra.lk), [www.channeleye.lk](http://www.channeleye.lk))
- ✚ Increased the storage capacity of On-Demand video content.
- ✚ Created a tri-lingual news website for news room ([www.rupavahinnews.lk](http://www.rupavahinnews.lk))
- ✚ Quality upgrade of live stream to Nethra and Channel eye.
- ✚ Commenced Mobile 3G/4G technology based video, audio transmission for live broadcasts such as Cycle races, Motor races and special events and so on.
- ✚ Introduced new finger scan machine based on built-in camera system.
- ✚ Conducted training programmes for ICT awareness on use of Social Media.
- ✚ Performed troubleshooting of PC's, Printers, Scanners, Network equipment.
- ✚ Make available Rupavahini Mobile App in Anroid and Apple phones.
- ✚ Introduce the rewind TV facility in Rupavahini web site.



## Marketing Division

The Marketing Division operates under Director (Marketing) and consists of the following main units in order to facilitate its management.

- ✚ Marketing Unit
- ✚ Scheduling Unit
- ✚ Marketing Promotion Unit
- ✚ Publicity and Media Unit
- ✚ Commercial Production Unit
- ✚ Administration Unit

In 2015 the Marketing Division generated an income of Rs. 2,007,169,283.20 by selling air time on Rupavahini and Channel Eye and the overall cash inflow was Rs. 2,012,073,026.69.

### **The following programmes were contributed to generate higher income in 2015**

- ✚ Sinhala & Tamil New Year programmes
- ✚ Vesak /Poson Celebrations
- ✚ ICC World Cup
- ✚ Cricket matches (India Cricket Tour, Pakistan Cricket Tour, West Indies Cricket Tour)
- ✚ Rugby World Cup
- ✚ Children's Day
- ✚ Ranaviru Real Star
- ✚ Motor Race
- ✚ Nallur Live telecast



Out of the above programmes, Sinhala & Tamil New Year programme and "Sundara Nuwara Eliya Salalihini Wasanthaya" programme generated a higher income of Rs. 36,655,000.00.

The unit was able to generate additional income in a way of organizing and telecasting promotional programmes of clients and also through sponsors.

The Scheduling Unit has taken steps to ensure proper scheduling and telecasting of advertisements obtained from clients through healthy relationships. The Unit's role is to support the Marketing Division to fulfil their income targets. This Unit has scheduled 187,767 commercials in year 2015.

The income earned from sales of Rupavahini Programmes on DVDs and VCDs amounted to Rs. 2,817,638.00 this year. The total income generated by selling 'Nana Mihira' Scholarship question paper sets through the Marketing Division is Rs. 5,213,800.00.

An income of Rs.1,330,244.00 was earned by selling copies of telecast programmes and library footage in year 2015.

Promotional campaigns of Sundara Nuwara Eliya Salalihini Wasanthaya, Sirilak Piri Avurudu Siri Avurudu Udanaya, Gangarama Wesak Zone, Tanthirimale Poson Festival, Surinduni Katharagama 2015, T20 Cricket World Cup television promotional project, Panamen Surakimu social aid project, Christmas carol musical show were completed successfully.

The Publicity and Media unit contributed its service to promote all channels of SLRC and also to give publicity to various programmes through print media.

The advertisements were published in the print media in Sinhala, Tamil and English aiming to increase sales promotions and viewership under a formal plan.

The Marketing Programmes Production Unit produces lottery programmes, client promotion programmes as well as their promotional trailers and commercial tagging. Further, the Unit produced 2190 daily Lottery Draw programmes this year.



## Administration Division

All the Administrative functions of the Corporation are carried out by the Administration Division under the guidance of the Chairman and the Director General. The Administration Division is headed by the Director (Administration).

**The Units functioning under the Administration Division are as follows.**

- ✚ Administration Unit
- ✚ Public Relations and Reception Unit
- ✚ Record Room
- ✚ Transport Unit
- ✚ Security Unit
- ✚ Research and Training Unit - Under the purview of the Chairman and the Director General
- ✚ Legal Administration Unit
- ✚ Civil Engineering Unit
- ✚ Internal Audit Unit - Under the direct purview of the Chairman
- ✚ Library

### **Functions of the Administration Unit**

- ✚ Maintaining the personal files of the employees of the Corporation.
- ✚ Recruitment of new employees to the Corporation.
- ✚ Handling promotions, annual increments and the transfers of the employees of the Corporation.
- ✚ Providing information and the reports requested by the external sources including the Media Ministry.
- ✚ Organizing all the events of the Corporation.
- ✚ Handling the duties with regard to the discipline of the employees of the Corporation.



- ✚ Handling the activities related to assigning officers for foreign training programmes, seminars, conferences, meetings, educational tours, workshops and coverage.
- ✚ Providing training opportunities for students from external institutions (Educational and Professional) and direct them to relevant divisions.
- ✚ Handling the activities related to leave, accident leave, maternity leave, special and duty leave, private and official overseas leave of the officers of the Corporation.
- ✚ Handling medical insurance facility, loan facilities including other welfare activities for the welfare of the employees.
- ✚ Handling Employee's Provident Fund and Employee's Trust Fund.
- ✚ Handling activities related to issuing of the official identity cards and uniforms.
- ✚ Providing newspapers and drinking water to the divisions of the Corporation.
- ✚ Handling the activity related telephones and postal delivery of the Corporation.

#### **The details of the employees at the end of year 2015**

Number of permanent employees	-	940
Number of contract basis employees	-	40
Assignment Basis	-	24
<b>Total employees</b>	-	<b><u>1004</u></b>
Approved no of employees	-	985

#### **New Recruitments in the year 2015**

On Permanent basis	-	13
On Contract basis	-	09
On Assignment Basis	-	16
<b>Total Number of recruitments</b>	-	<b><u>38</u></b>
<b>The number of employees retired</b>	-	<b>03</b>





### **Insurance benefits**

The SLRC entered into an Agreement with whom to cover Medical Insurance, Fire Insurance and all Accidental Insurance Schemes from 1st January 2015 to 31st December 2015.

Under this Insurance Agreement the following were covered:

- ✚ Hospital and surgical Insurance (Hospital admission bills, Spectacle bills)
- ✚ Serious illness insurance
- ✚ Accident insurance
- ✚ Fire and all other risk insurance

### **Official overseas tours under taken by the employees of SLRC in 2015**

#### **Foreign Tour**

#### **No. of Participants**

Training programmes and workshops	12
Meetings, conferences and seminars	45
Coverage of official tours and events of Head of State	19

### **Other Activities**

- ✚ Arranged Pirith and Alms giving on 14th and 15th February 2015 for 33<sup>rd</sup> Anniversary Rupavahini .
- ✚ Arranged an Awarding Ceremony to gift gold coins to the employees who have completed 20 years of service at Rupavahini Corporation.
- ✚ Annual New Year Celebration was organized in collaboration with the Sports Unit for the SLRC employees.



## **Public Relations and Reception Unit**

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Opportunities were provided for approximately 84,632 people from 739 institutes to visit SLRC. Majority were from schools. Others were from Tri-Forces and from various rural organizations. The required facilities and guidance were provided to the visitors about the functions of the Divisions in the Corporation, also they were given a thorough knowledge about the transmission.

## **Transport Unit**

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The main responsibility of this unit is to provide transport facilities for news recording, recordings of programmes, location survey tasks as well as required transport facilities to Transmitting Stations located outside Colombo.

This unit consists of 61 staff members. The above mentioned requirements are fulfilled using 43 Corporation vehicles together with 09 other vehicles on a rental basis.

Accordingly in the relevant year the Corporation vehicles covered a mileage of 936,179 kilometres while the private vehicles covered 296,948 kilometres. Altogether the fleet has covered a total mileage of 1,236,127 kilometres. Compared to the previous year, this shows a reduction of 500,547 kilometres.

Within the year, fuel costs for 43 Corporation vehicles was Rs.12,079,835/- while the fuel cost for 09 hired vehicles was Rs.12,631,291.86.

The Unit was able to bring about a more reliable maintenance service and make substantial savings by carrying out the repair work of Corporation vehicles within the Corporation Garage.



## **Security Unit**

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The responsibility of this Unit is to ensure security of the Corporation staff and its property as well as to assist in maintaining discipline in the Corporation by obtaining the services of Private Security Firms and Corporation Security.

The Rupavahini security Staff consists of a Chief Security Officer, Senior Security Officer, 5 Corporation security officers and a female Security Supervisor and Private Security Staff consists of 02 OIC, 19 Junior Security Officers and 3 Female Security Officers. The staffs provides day and night service to the Corporation.

## **Civil Engineering Unit**

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### **General Work**

- General maintenance work & repairing work at SLRC studio complex & regional stations.

### **Special Project**

- Alternation & Renovation work at Garage building.

## **Legal Administration Unit**

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Legal Administration Unit functions under the Administration Division and consists of 05 staff members, Deputy Director (Legal Administration), Assistant Director (Legal Administration), Secretary, Management Assistant and Office Aide.

The Unit is responsible for appearing in the Supreme Court, Appeal Court, High Court, District Court and Magistrate Court on behalf of the Corporation, as well as obtaining the services from Senior Lawyers when necessary.



Apart from the above mentioned Courts , appearing before the Labour Tribunal, Labour Commissioner, Human Rights Commission and the Ombudsman on behalf of the Corporation, providing required legal advice to the higher management, drafting agreements for external clients and execution and take steps for recovery proceedings for debtors of the Corporation are thr other responsibilities of this unit.

In the year 2015 the Legal Administration Unit initiated legal action against several clients to recover the amount of Rs. 48,886,344.86. Out of the above amount, Rs. 13,443,933.33 was recovered by the end of year 2015 after continuing with legal actions. Within the year 2015 legal actions have been taken against the new clients for recovering Rs. 13,438,986.77 and were able to recover Rs.7,980,899.76.

Further, out of 13 cases filed against the Corporation by various people as well as institutions in courts, following cases were concluded during the year 2015.

- ✚ CA(Writ)253/14 Court Case, against retiring the officers at the age of 57 according to the Gazette published by the Minister as per the Public Enterprise Circular bearing No. 01/2013, filed by the employees of the Corporation was settled on the date 08.06.2016 to extend the retirement age to 60 years.
- ✚ Defamation Case No. 04538/DMR/08 filed by Mr. Ranga Bandara, Member of Parliament requesting for compensation Rs. 250 Million was settled by the both parties.
- ✚ The Court Case No. SC(F/R)/73/2010 filed by Mr. H. K. Alagiyawanna, stating that the Corporation has violated his Fundamental Rights by interdicting his service on 28.01.2016 was concluded after reinstating his job and dismissed the Case.



## **Internal Audit Unit**

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The Internal Audit Unit operates directly under the supervision of the Chairman/Director General. Among the main duties of the Unit are reviewing internal administrative methods, forwarding internal audit queries to relevant Heads of Divisions regarding irregularities and errors, and submitting reports where necessary to the top management regarding improvements and existing conditions.

The internal audit programme for 2015, approved by the Board of Directors, has been examined fully and in samples, using existing human and physical resources in the available time period. Relevant reports has been submitted to the Management.

Accordingly, 08 Audit checks have been performed and 15 Audit reports and 43 other reports have been submitted covering a number of main Divisions of the Corporation. Four Audit and Management Committee meetings were held within the year 2015.

## **Research and Training Unit**

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Television programmes are playing a significant role in the Television Channel. Evaluating viewers' needs and the main trends as well as aspects of the market is very vital for programme production.

The Research and Training Unit's mission is helps to calculate the channel rating, programme performance rating, channel income as well as comparison of the same information with the other channels. In addition to the above functions, presenting research information and conducting training in order to advance the skills and attitudes of the staff are also carried out by the unit.

The SLRC is subscribing research data from Lanka Market Research Bureau (LMRB). Analyzing of daily programme performance rating, channel rating and channel income based on the LMRB data are released weekly by the Unit. Although LMRB data is not 100% reliable, this data is



impossible as the sponsors of the whole market is dependent on the said data. In contrast, there were no other service providers excluding LMRB. Based on these data the viewer pattern analysis was carried out constantly. In addition, analyzing of air time was also carried out for programmes and advertisements during this year.

As per the request of the Higher Management a survey was carried out successfully with regard to time check which was displaying on the screen while telecasting the programmes .

Preparation of the Annual Report is another responsibility of this unit.

<b>Training programmes</b>	<b>No. of programmes</b>	<b>Number of participants</b>
Local Training Programmes	15	403
Local External Training programmes	11	33
Training Programmes for outside Institutions	02	27
Training Programmes conducted for the University and Technical College students	-	40

As a National service 40 students and undergraduates from various Technical Colleges and universities were provided with in-plant training opportunities for a period of six months (maximum) within this year.

Providing assistance by supplying required information to the Media Researchers and students is another task which is carried out by the unit.

It was honor to SLRC as well as the country that Mr T M G Chandrasekara, Director (Research & Training) who was participated for the Annual General Meeting of the Asia-Pacific Institute for Broadcasting Development (AIBD) held in Chiang Mai, Thailand was elected as the Vice President for the period of 2015 -2016.



## Air Time Analysis

The total airtime that the Rupavahini Channel telecast in 2015 amounted to 6,677.6 hours. From this amount 5780.7 hours were allocated for programs while 896.9 hours of airtime was allocated for telecast advertisements. The total telecast hours over the Channel Eye was 5,530.9 hours, of which 5,124.4 hours of airtime was allocated to telecast programs over the channel. The telecast hours of advertisements were 406.5 hours.

### Airtime Analysis for programmes – 2015

Categorization of Programmes	Rupavahini – National Channel		Channel Eye	
	hours	%	hours	%
<b>Information Programmes</b>				
News	691.0	11.9	408.9	8.0
Political	244.6	4.2	180.1	3.5
Economic	85.6	1.5	-	-
Social	265.2	4.6	163.7	3.2
Ayubowan	162.5	2.8	-	-
	<b>1448.9</b>	<b>25.0</b>	<b>752.7</b>	<b>14.7</b>
<b>Educational Programmes</b>				
Education	462.4	8.0	87.8	1.7
Documentary	136.0	2.4	187.3	3.7
Agriculture	43.7	0.8	-	-
Quiz	20.9	0.4	-	-
Magazine	137.0	2.4	849.7	16.6
	<b>800.0</b>	<b>14.0</b>	<b>1124.8</b>	<b>22.0</b>



<b>Children's Programmes</b>				
Children	260.6	4.5	44.9	0.9
Cartoon	57.9	1.0	50.1	0.8
	<b>318.5</b>	<b>5.5</b>	<b>95.0</b>	<b>1.7</b>
<b>Women Programmes</b>				
Women	561.2	9.7	24.6	0.5
	<b>561.2</b>	<b>9.7</b>	<b>24.6</b>	<b>0.5</b>
<b>Cultural &amp; Religious Programmes</b>				
Cultural	63.5	1.1	19.5	0.4
Religious	362.5	6.3	173.7	3.4
	<b>426.0</b>	<b>7.4</b>	<b>193.2</b>	<b>3.8</b>
<b>Entertainment Programmes</b>				
Drama	674.6	11.7	517.9	10.1
Series film	370.4	6.4	-	-
Film	87.9	1.5	617.5	12.1
Musicals	626.8	10.8	464.3	9.1
Variety	105.8	1.8	153.3	3.0
	<b>1865.5</b>	<b>32.2</b>	<b>1753.0</b>	<b>34.3</b>
Sports Programmes	102	1.8	963.7	18.8
Publicity Programmes	224.2	3.9	200.4	3.9
Language	8.9	0.1	-	-
Other Programmes	25.5	0.4	17.0	0.3
<b>Total</b>	<b>5780.7</b>	<b>100.0</b>	<b>5124.4</b>	<b>100.0</b>





### Commercial Air Time - 2015

Categorization of Programmes	Rupavahini ( The National Channel)		Channel Eye	
	Hours	%	Hours	%
Paid Commercials	812.9	90.6	406.1	99.9
Non-paid Advertisements	84	9.4	0.4	0.1
<b>Total</b>	<b>896.9</b>	<b>100</b>	<b>406.5</b>	<b>100</b>

### Sponsorships – 2015

39.3% of the National Channel's airtime (2273.8 hours,) and 23.6% (1211.9 hours) of Channel Eye airtime gained sponsorship in the year 2015.

Categorization of Programmes	Rupavahini – National Channel		Channel Eye	
	Hours	%	Hours	%
Sponsored	2273.8	39.3	1211.9	23.6
Non-Sponsored	3506.9	60.7	3912.5	76.4
<b>Total</b>	<b>5780.7</b>	<b>100.0</b>	<b>5124.4</b>	<b>100.0</b>

### Airtime of Programmes by Language

Language	Rupavahini – National Channel		Channel Eye	
	Hours	%	Hours	%
Sinhala	5585.2	96.6	515.9	10.1
Tamil	2.2	0.0	2888.0	56.4
English	162.7	2.8	1614.0	31.5
Other	30.6	0.5	106.5	2.0
<b>Total</b>	<b>5780.7</b>	<b>100.0</b>	<b>5124.4</b>	<b>100.0</b>



## **International Relations Unit**

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This Unit is responsible for handling formalities related to submitting programmes made by Producers in various Units as entries for International Competitions and Festivals, Engage with the co-ordination activities for the officers of SLRC to apply for scholarship as well as liaising with Embassies. The unit functions under the purview of Administration Division.

## **Record Room**

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- ✚ Take over the documents for preserving purpose from all divisions and units.
- ✚ Those documents are recorded, stored and archived in the record room.
- ✚ The preserved documents are reissued for Administrative purposes.
- ✚ Prepared the list of discard items according to the rules and regulations imposed by the government.

The staff of the Record Room has provided their service continuously to carry out the administration functions of the Corporation smoothly.



## Finance Division

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The Finance Division is organized around the functions of Revenue, Payments, Salaries, Book-Keeping Recovery and the Costing Unit. The Supplies Unit too comes under the purview of the Finance Division. The Division primarily carries out the functions of financial management and financial reporting of the Corporation.

Each of the units of the Finance Division discharged its duties during the year 2015 efficiently, effectively and economically to bring about the optimum returns to the Corporation. All financial transactions that passed through these units were executed with integrity, transparency and objectivity. Payments on all programme files were made in accordance with applicable regulations and to support programme production and broadcasting. The division all took the initiative to follow up on all due payments of completed programmes and met the payment obligations by the respective deadlines.

Staff salaries and all other staff benefits were paid without any delay and statutory deductions were remitted to the respective institutions on or before the deadline.

Primary income generated from the sale of airtime and other peripheral incomes were recorded in conformity with applicable accounting principles and standards.

The Supplies Unit, coming under the preview of the Finance Division, procured all the necessary items (both capital and non-capital goods and services) to support the production, direction and telecast of programmes on the main channel Rupavahini, Chanel Eye/ Nethra and NTV.

Accurate and timely financial and management reports, generated in accordance with accounting principles and standards were submitted to other divisions and the Board of Directors to make informed and responsive decisions. Accordingly, both routine and ad-hoc (on demand) reports were compiled to meet requirements.

All major financial decisions were subjected to several reviews and the resulting conclusions formed the basis of the legal and authorized decisions made for the Corporation. In comparison with other state sector institutions the Corporation has not relied on any long term loans to finance



its operations. Moreover, it has maintained reliance on short term loans and borrowings at minimum levels.

Given the current commercial and economic conditions, good financial management is indeed a challenging task. However the division has been successful in directing the Corporation's financial management so as to safeguard the financial stability and financial independence of the Corporation.



## Statement of Directors' Responsibility

The Finance Act No.38 of 1971 and the Sri Lanka Rupavahini Corporation Act No.6 of 1982 require the Directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of Sri Lanka Rupavahini Corporation (hereinafter referred to as the "Corporation").

The Directors confirm that in preparing the financial statements of the Corporation appropriate Accounting Policies and Standards have been selected, consistently applied and supported by reasonable and prudent judgments and estimates. Any material departures have been disclosed and explained in the financial statements.

Having reviewed the Corporation's future financial projections, cash flows and current performance, the Directors consider that the Corporation has adequate resources to continue operations. The Directors have thus adopted a going concern basis in preparing financial statements.

The Directors have taken the responsibility to ensure that the Corporation maintains accounting records that disclose with reasonable accuracy the financial position of the Corporation as required by Sri Lanka Rupavahini Corporation Act No.6 of 1982 and that the financial statements comply with the Finance Act No.38 of 1971 and Sri Lanka Accounting Standards.

The Directors have taken reasonable measures to safeguard the assets of the Corporation and to establish appropriate systems of internal controls in order to prevent and detect fraud and other irregularities.

The Directors also confirm that to the best of their knowledge all taxes and levies payable by the Corporation, all contributions, levies and taxes payable on behalf of and in respect of the employees and all other known statutory obligations including retirement gratuities as were due as at the Balance Sheet date have been either duly paid or appropriately provided in the financial statements.

On behalf of the Board of Directors;  
Ravi Jayawardana  
Attorney – At - Law  
Chairman  
Sri Lanka Rupavahini Corporation



**Sri Lanka Rupavahini Corporation**

**Statement of financial position as at 31st December 2015**

	Note	2015 Rs.	2014 Rs.
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	480,527,374	603,164,095
Intangible asset	9	163,371,998	246,454,534
Available for sale financial asset (Investment)		1,104,000	1,104,000
Deferred income tax asset		28,289,724	21,321,743
Tsunami fund		1,068,428	1,050,703
Held to maturity financial assets	10	143,408,424	135,814,574
		<b>817,769,948</b>	<b>1,008,909,649</b>
<b>Current assets</b>			
Inventories	11	206,139,021	210,256,140
Trade receivables	12	421,900,355	492,464,068
Loans & receivables	13	419,849,116	425,257,298
Other receivables	14	116,231,149	94,577,655
Prepayments		2,764,175	1,500,112
Cash and cash equivalents	15	60,085	1,731,079
		<b>1,166,943,900</b>	<b>1,225,786,352</b>
<b>Total assets</b>		<b>1,984,713,848</b>	<b>2,234,696,001</b>



<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Stated capital		537,742,424	537,742,424
Accumulated profit		681,548,161	1,049,214,249
		<b>1,219,290,585</b>	<b>1,586,956,673</b>
<b>Non-current liabilities</b>			
Foreign aid		74,377,716	90,281,380
Tsunami fund payable		1,068,428	1,050,703
Defined benefit obligations	16	126,637,518	131,831,313
Finance leases payable non-current portion	21.2	-	12,953,126
		<b>202,083,661</b>	<b>236,116,522</b>
<b>Current liabilities</b>			
Trade payables	17	114,513,165	102,768,557
Other financial liabilities	18	189,744,799	154,427,137
Other payables	19	12,904,521	17,239,505
Finance leases payable current portion	21.1	1,528,966	1,528,966
Bank overdraft	20	244,648,151	135,658,642
		<b>563,339,602</b>	<b>411,622,807</b>
<b>Total liabilities</b>		<b>765,423,263</b>	<b>647,739,328</b>
<b>Total equity and liabilities</b>		<b>1,984,713,848</b>	<b>2,234,696,001</b>



The finance manager certifies that the financial statements have been prepared in compliance with the requirements of the Sri Lanka Financial Reporting Standards as laid down by the Institute of Chartered Accountants of Sri Lanka, finance act no. 38 of 1971 & Sri Lanka Rupavahini Corporation act of no. 06 of 1982.

Mrs. A.H.E.R.P Edirisinghe

Acting Chief Accountant/ Assistant Finance Manager

26 02 2016

The board of directors are responsible for the preparation and presentation of these financial statements. These financial statements were authorized for issue by the chairman on behalf of the board of directors on 26th February 2016.

Ravi Jayawardana (Att- At- Low)

Chairman

26.02.2016

The Member of the Board

26.02.2016





**Sri Lanka Rupavahini Corporation**  
**Income statement for the year ended 31<sup>st</sup> December 2015**

Rs.

	Note	2015 December 31	2014 December 31
Sales Income	1	1,951,708,288	1,833,677,681
Cost of sales	3	(1,707,445,460)	(1,391,887,402)
<b>Gross profit</b>		<b>244,262,828</b>	<b>441,790,279</b>
Other operating income	2	195,684,531	163,180,910
Distribution cost	4	(270,178,855)	(253,570,463)
Administrative expenses	5	(508,669,225)	(519,046,780)
<b>Operating profit</b>		<b>(338,900,721)</b>	<b>(167,646,053)</b>
Finance cost	6	(35,761,638)	(14,834,711)
<b>Profit before income tax</b>		<b>(374,662,359)</b>	<b>(182,480,765)</b>
Income tax	7	2,987,359	7,348,904
<b>(Profit after income tax)</b>		<b>(371,675,001)</b>	<b>(175,131,860)</b>
<b>Other Comprehensive Income</b>			
Recognition of Actuarial Gain/ Loss			
<b>Total comprehensive income for the period</b>		<b>(371,675,001)</b>	<b>(175,131,860)</b>



## Sri Lanka Rupavahini Corporation

### Statement of changes in equity for the year ended 31st December 2015

Rs.

	<b>Retained Earnings</b>	<b>Government Contribution</b>	<b>Total</b>
Balance at 1 <sup>st</sup> January 2015	1,049,214,249	537,742,424	1,586,956,673
Comprehensive income for the period	(371,675,001)	-	(371,675,001)
Prior year adjustments for income tax	5,929,296	-	5,929,296
Prior year adjustments for income receivable	(175,950)	-	(175,950)
Prior year adjustments for cassettes & tapes	(1,735,439)	-	(1,735,439)
Prior year adjustments for retired or resigned employees	(8,995)	-	(8,995)
<b>Balance at 31<sup>st</sup> December 2015</b>	<b>681,548,161</b>	<b>537,742,424</b>	<b>1,219,290,585</b>



## Sri Lanka Rupavahini Corporation

### Statement of cash flows for the year ended 31<sup>st</sup> December 2015

Rs.

	2015 December 31	2014 December 31
<b>Cash Flow from Operating Activities</b>		
Net Profit Before Tax	(374,662,359)	(182,480,765)
<b>Adjustments For</b>		
Prior year adjustments (W1)	(1,920,383)	(14,295,701)
Investment Income	(21,886,937)	(32,176,410)
Profit on disposals-PPE	(17,933)	(999)
Amortization of Foreign Aid	(15,903,664)	(15,903,664)
Contra Income	(13,643,754)	(46,566,500)
Contra Expenses	39,358,352	49,112,441
Government Grant	-	-
Depreciation	163,504,167	153,518,300
Impairment of Client Debtors	9,349,664	6,879,785
Impairment of Employee Debtors	(57,684)	111,122
Impairment of sundry Debtors	483,515	44,084
Losses on Disposal-PPE	90,525	63,915
Bank Interest	19,399,549	8,385,155



Lease Interest (Vehicle Loan)	1,009,688	2,441,330
Bank Loan Interest	12,783,747	-
Amortize of intangible	95,297,600	73,616,002
Gratuity adjustment	-	(18,600)
Financial & Other Write Offs	3,218	158,468
<b>Operating Profit/(Loss)Before Working Capital Changes</b>	<b>(86,812,689)</b>	<b>2,887,962</b>
(Increase)Decrease in WIP	-	3,500,728
(Increase) Decrease in Inventories	4,117,120	(2,533,249)
(Increase)Decrease in Accounts Receivable & Others (W2)	90,129,774	60,766,886
Increase/(Decrease) in Accounts Payable & Others (W3)	9,685,776	(33,901,970)
<b>Cash generated from Operations</b>	<b>17,119,981</b>	<b>30,720,357</b>
Cash Flow from operating Activities		
Interest paid	(19,399,549)	(8,385,155)
Defined benefits obligations paid	(5,193,795)	(6,771,266)
Purchase of intangible	(38,109,165)	(72,655,766)
WHT paid	(2,232,267)	(3,455,787)
<b>Net cash (used in) / generated from operating activities</b>	<b>(47,814,795)</b>	<b>(60,547,617)</b>



<b>Cash flows from investing Activities</b>		
Acquisition of property, plant & equipment	(41,050,820)	(165,621,332)
Proceeds from disposal of property, plant & equipment	110,782	13,890
Investment income received(Treasury Bills & Fixed Deposits)	23,446,821	40,010,414
Investment in subsidiary(Held to maturity financial asset)	(7,593,850)	79,880,138
Investment in subsidiary(Treasury Bills & Fixed Deposits)	(12,024,121)	30,274,578
<b>Net cash used in investing Activities</b>	<b>(37,111,187)</b>	<b>(15,442,312)</b>
<b>Cash flows from financing Activities</b>		
Dividends paid	-	( 827,496)
Bank Loan Received	250,000,000	-
Bank Loan payments	(262,783,747)	-
Finance lease payments	(12,953,126)	(13,260,468)
<b>Net cash generated from / (used in) financing activities</b>	<b>(25,736,873)</b>	<b>(14,087,964)</b>
(Decrease) / increase in cash and cash equivalents	(110,662,855)	(90,077,893)
Movements in cash and cash Equivalents		
At beginning of month	(133,985,296)	(43,907,403)
(Decrease) / increase		
<b>Balance at end of the period</b>	<b>(244,648,151)</b>	<b>(133,985,296)</b>



<b><u>Working 1</u></b>	<b>2015</b>	<b>2014</b>
<b>Prior year adjustments (W1)</b>	<b>Rs.</b>	<b>Rs.</b>
Prior year adjustments for commercial contra expenses	-	(14,455,280)
WHT adjustments for client	-	159,579
Prior year adjustments for income receivable	(175,950)	-
Prior year adjustments for cassettes & tapes	(1,735,439)	-
Prior year adjustments for retired or resigned employees	<u>(8,995)</u>	<u>-</u>
	<u>(1,920,383)</u>	<u>(14,295,701)</u>

<b><u>Working 2</u></b>	<b>2015</b>	<b>2014</b>
<b>(Increase)Decrease in Accounts Receivable &amp; Others (W2)</b>	<b>Rs.</b>	<b>Rs.</b>
Trade Receivables	74,857,803	63,691,100
Loans & Receivables(without treasury bills)	17,484,416	(15,574,876)
Other Receivables	(26,842,483)	18,331,112
Prepayment	(1,264,062)	5,792
Intangible Asset	<u>25,894,101</u>	<u>(5,686,241)</u>
	<u>90,129,774</u>	<u>60,766,886</u>

<b><u>Working 3</u></b>	<b>2015</b>	<b>2014</b>
<b>Increase/(Decrease) in Accounts Payable &amp; Others (W3)</b>	<b>Rs.</b>	<b>Rs.</b>
Trade Payables	(27,613,744)	(48,665,573)
Other Financial Liability	35,317,663	17,560,448
Other Payable	<u>1,981,857</u>	<u>(2,796,845)</u>
	<u>9,685,776</u>	<u>(33,901,970)</u>



## **Sri Lanka Rupavahini Corporation**

### **Notes to the financial statements**

#### **1. General Information**

Sri Lanka Rupavahini Corporation (hereinafter referred to as the “Corporation”) was incorporated under the Sri Lanka Rupavahini Corporation Act No.6 of 1982. The Corporation operates as the National Television Broadcaster in Sri Lanka with the prime objectives of providing education, entertainment & information to a multi ethnic & multi religious Sri Lankan society.

Total number of employees of the Corporation as at 31st December 2015 was 1030(Permanent, Contract & Casual grades).

The Financial Statements of the Corporation for the year ended 31st December 2015 were authorized for issue by the chairman on behalf of board of directors on 26th February 2016.

#### **2. Basis of preparation and adoption of Sri Lanka Financial Reporting Standards ('SLFRS')**

The Corporation prepares its financial statements in accordance with the Sri Lanka Accounting Standards ('SLFRS')

issued by the Institute of Chartered Accountants of Sri Lanka and the requirements of Sri Lanka Accounting and Auditing Standards Act No. 19 of 1995.

The institute of Chartered Accountants of Sri Lanka issued a new volume of Sri Lanka Accounting Standards ('SLFRS') and to require enterprises to apply these standards effective for years beginning on or after 1 January 2012.

#### **3. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.



### 3.1 Basis of preparation

The financial statements of the corporation have been prepared in accordance with Sri Lanka Financial Reporting Standards ('SLFRS'). The financial statements have been prepared under the historical cost convention.

No adjustments have been made for inflationary factors affecting the financial statements. The financial statements are presented in sri lankan rupees .

The preparation of financial statements in conformity with SLFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 6.

Changes in new standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2012 and not early adopted.

1. IFRS 13, 'Fair Value Measurement' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across SLFRSs.
2. IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 replaces the parts of LKAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the LKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Corporation is yet to assess IFRS 9's full impact.





## **3.2 Currencies**

### **(a) Functional and presentation currency**

Items included in the financial statements of the Corporation are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Sri Lankan Rupees, which is the Corporation's functional and presentation currency.

### **(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. 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 income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other (losses) / gains'.

## **3.3 Property, plant and equipment**

Land and buildings comprise transmission stations and head offices. All the property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the corporation and the cost of the item can be measured reliably. The carrying amounts of replaced parts are derecognized. 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 to their residual values over their estimated useful lives, as follows:



### Table 1 - Depreciation Rates of PPE

The principal depreciation rates used for this purpose are:

	<b>Rate</b>
Buildings	2%
Computers	20%
Furniture and fittings	10%
Electronic equipment	20%
Motor vehicles	25%
Office equipment	20%
Library Stock	20%
TV Sets	20%
Other Assets	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'Other (losses)/ income' in the income statement.

Some fixed Assets are Fully depreciated when its original recorded cost , Less any salvage value , matches its total accumulated depreciation. That fixed assets are still in use in the Corporation and are fully depreciated there is no additional accounting entry at all.



### **3.4 Financial Instruments**

#### **(A) Financial Assets**

##### **3.4.1 Classification**

The Corporation classifies its financial assets in the following categories: at held to maturity, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

##### **(a) Held to maturity**

Held-to-maturity investments consists of fixed deposits which are non-derivative financial assets with fixed or determinable payments and fixed maturities that the corporation's management has the positive intention and ability to hold to maturity (See Note 10).

##### **(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. They are included in current assets as maturities are lower than 12 months after the end of the reporting period. The Corporation's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet (See Note 15).

##### **(c) Available-for-sale financial assets**

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. These consist of investment in unquoted shares in Lanka Puwath (Private) Limited.

#### **(B) Financial Liabilities**

Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.



### 3.5 Inventories

Inventories of the corporation consist of consumable stock (Stock held for the use of the Corporation & not for sale). Therefore inventories are valued at their cost. Stock valuation is done on a first-in-first-out (FIFO) basis.

### 3.6 Leases

Leases of property, plant and equipment where the Corporation has substantially all the risks and rewards of ownership are classified as finance leases.

In the past 5 years three (03) Cars & six (06) Vans were obtained on a finance lease, which effectively transfer the Corporation substantially all the risk and benefits incidental to ownership of the leased items, are capitalized and disclosed as finance leases at their cash price and depreciated over the period the Corporation is expected to benefit from the use of the leased assets.

The Lease principal amount payable to the lesser (Bank of Ceylon) is shown as a non-current liability & current liability (base on the time analysis of lease payment). Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the outstanding balance of the liability. The interest payable over the period (5 years) of the lease is transferred to an interest in suspense account. The interest element of the rental obligations pertaining to each financial year is charged to the income statement over the period of lease.

#### Table 2-The Time Analysis of Lease payments

The following table shows the finance lease obligation that falls due within one year & more than one year.

	<b>Less than 1 year</b> <b>Rs.</b>	<b>More than 1 year</b> <b>Rs.</b>
Interest	24,495	-
Capital	1,504,471	-
Lease Creditor -Bank of Ceylon	1,528,966	-



### 3.7 Trade Receivables

#### 3.7-1 Provisions-Trade Receivables/Client Debtor

Trade receivables are carried at anticipated realizable value. A provision for impairment of trade receivables is established when there is objective evidence that the corporation will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default payments are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the statement of comprehensive income within distribution cost. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivable. Subsequent recoveries of amounts previously written-off are credited against distribution cost in the income statement.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

**Table 3 - The Client Debtors Provision as at 31/12/2015**

	<b>Rs.</b>
Provision as at 01/01/2015	71,041,991
Charge for the year 2015	9,349,828
Write-Off for the year 2015	(165)
Provision as at 31/12/2015	80,391,654



### 3.7.2 Provisions-Sundry Debtor

**Tables 4- The Sundry Debtors Provision as at 31/12/2015**

	Rs.
<b>Provision as at 01/01/2015</b>	<b>18,622,566</b>
Charge for the year 2015	483,515
<b>Provision as at 31/12/2015</b>	<b>19,106,081</b>

### 3.7-3 Provisions-Other Receivables

#### 3.7-3 1) Employee Loans

Employee loans constitute amounts granted to eligible employees under the following categories:

- Distress loan
- Special loan
- Transport loan
- Housing loan
- Other loan

The provision for bad debts for Employee Loans has been made only for the outstanding amounts with respect to employees who are no longer in service (either retired or resigned) with Sri Lanka Rupavahini Corporation.

**Table 5-The Employee Loan provision as at 31/12/2015**

	Rs.
<b>Provision as at 01/01/2015</b>	<b>252,372</b>
Charge for the year 2015	(57,684)
<b>Provision as at 31/12/2015</b>	<b>194,688</b>



### **3.7.3 2) Employee Advances**

Employee advances constitute amounts given to eligible employees under the following categories:

- Advance for Programme Production
- Advance for Employees (Miscellaneous)
- Advance for Foreign Travel
- Advance for Room Charges

The provision for bad debts for employee advances has been made to reflect the amounts outstanding with respect to employees who are no longer in service (either retired or resigned) with Sri Lanka Rupavahini Corporation.

### **3.8 Statement of changes in equity**

In the statement of changes in equity includes prior year adjustments for income tax Rs.4,445,557, prior year adjustments for income receivable Rs.175,950, cassette & tapes (transit from library) opening stock Rs.1,735,438.61 & prior year adjustment in retired or resigned employees Rs.8,994.75.

### **3.9 Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents includes cash in hand & bank current account balance. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities. Bank balances according to the bank statements for 31<sup>st</sup> December 2015 Bank of Ceylon Corporate branch Rs.(188,902,648.52) & Torrington branch is Rs.(6,064,670.87).

### **3.10 Trade Payables/Liabilities**

Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value.



### **3.11 Current and deferred income tax**

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

The current income tax charge is calculated on the basis of the provision of Inland Revenue Act No.10 of 2006 & subsequent amendments. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions here appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income 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 income 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 income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notional tax credit calculated as Rs.1, 325,741.81 for the year 2015.





### **3.12 Contingent Liabilities**

Provisions are recognized when the corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

A total of 06 cases have been filed against the Corporation. The estimated compensation for the plaintiffs in the event of a court ruling against the corporation for all the 06 cases is Rs.1,028,000,000. Contingent liabilities are disclosed in notes to the financial statements.

### **3.13 Retirement Benefit Liabilities**

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, together with adjustments for unrecognized past-service costs. 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 cash outflows using interest rates of government bonds as no active market for high-quality corporate bonds in Sri Lanka.

The Gratuity liability is based on the actuarial valuation carried out by Mr. Piyal S Goonetilleke (Fellow of the society of actuaries) Actuary, on 31 December 2013.

The Key Assumptions used by the actuary include the following;

- i) Discount Rate (the rate of interest used to discount the future cash flows in order to determine the present value) 11%.
- ii) Rate of future Salary Increase 4%
- iii) Retirement Age 60 years

The Company will continue as a going concern



Above Assumptions used for the year 2015 same as previous year assumptions. Therefore the defined benefit obligation is not calculated for this year.

**Table 6- The Amount recognized in the Balance sheet provision as at 31/12/2015**

	Rs.
<b>Balance as at 01/01/2015</b>	<b>131,831,313</b>
Charge for the year 2015	-
Payments made during the year 2015	(5,193,795)
<b>Balance as at 31/12/2015</b>	<b>126,637,518</b>

### **3.14 Grants**

Grants relating to property, plant and equipment are included in non-current liabilities as deferred grants and are credited to the statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

#### **3.14.1 Local Grants**

The grants have been amortized at the rate of 20% per annum.

#### **3.14.2 Foreign Grants**

The Corporation has received foreign grants amounting to Rs. 654,665,339 in the form of equipment. This amount has been amortized over the useful life of the equipment and the relevant amount for the year 2015 is Rs.2,596,040.18 .This is shown separately under the item "amortization of foreign aid" in the notes to the income statement.

A foreign grant for equipment to the value Rs.66,773,684.69 was received on 27/12/2012 from the government of Japan through JICA Sri Lanka. These equipment will give the corporation the editing to create 2D & 3D animations. The amount would be amortized over its useful life (5 years) beginning from year 2013.



### **3.15 Revenue**

Revenue of the Corporation is accounted for on an accrual basis. Interest Income on investment is also recognized in the same basis.

Revenue is measured at the fair value of the consideration received or receivable. The corporation recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the corporation.

The primary source of revenue is derived from Sale of airtime. Other sources of income recognized in the income statement are given as a note to the income statement.

### **3.16 Accounting for Expenditure**

Expenditure of the corporation is accounted for on accrual basis, charging all expenses incurred in the day to day operations of the business and in maintaining the property, plant & equipment in a state of efficiency.

Over draft interest cost is charged to the Income Statement under financial charges as and when it is incurred.

### **3.17 Cash Flow Statement**

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash in hand and bank current account balance.

### **3.18 Events after the Balance Sheet Date**

All material post balance sheet events have been considered and disclosed or adjusted, where applicable.

### **3.19 Rupavahini Social Welfare Fund-(Tsunami)**

The source of these funds was from the general public, in response to various campaigns carried out by the corporation aftermath the Tsunami catastrophe, in the year 2004.

The Account balance is given in the table below.



**Table 7 -Social Welfare Fund Balance as at 31/12/2015**

	<b>Rs.</b>
Balance as at 01/01/2015	1,050,703
Interest earned for the period	17,725
Fund Balance at the end of the year 2015	<b>1,068,428</b>

The Social Welfare Fund is an integrated part of statement of financial position.

#### **4 Intangible Asset (Copyright fees paid)**

Copyright fees paid to acquire telecast rights of programmes (either local or foreign) & cost of in-house produced programmes (teledramas, motion pictures, films & etc) that meet the triple criteria of identifiability, control & existence of future economic benefits as defined in LKAS 38 (Intangible Assets) have been amortised based on the following policy of the corporation.



**Tables 8 -The policy for amortisation of acquired (or procured) programmes and in-house produced programmes.**

<b>Category</b>	<b>Amortization Policy</b>
Acquired (or Procured) local teledramas and films	Number of runs. - If the number of runs are not exhausted as defined in the contract within the contract period then to recognise the balance amount capitalised as an expenditure at the end of the contract.
Acquired (or Procured) local programmes (other than local teledramas and films)	Number of runs. - If the number of runs are not exhausted as defined in the contract within the contract period then to recognise the remaining capitalised amount as an expenditure at the end of the contract.
Acquired (or Procured) foreign films / soap operas	Number of runs. - If the number of runs are not exhausted as defined in the contract within the contract period then to recognise the balance amount capitalised as an expenditure at the end of the contract
Acquired (or Procured) foreign programmes (other than foreign films / soap operas)	Number of runs. - If the number of runs are not exhausted as defined in the contract within the contract period then to recognise the remaining capitalised amount as an expenditure at the end of the contract.
In-house productions - teledramas	- 50% in the 1st run and to amortise the balance 50% for 10 years in equal amounts.
In-house productions – programmes other than teledramas	- amortise 50% in the 1st run and to amortise the balance 50% for 10 years in equal amounts.



Acquired (or Procured) foreign films and soap operas that grant rights indefinitely	- 50% in the 1st run and to amortise the balance 50% for 10 years in equal amounts.
Acquired (or Procured) programmes other than films or soap operas that grant rights indefinitely	- amortise 50% in the 1st run and to amortise the balance 50% for 10 years in equal amounts.

In the case a programme does not meet one or more of the triple criteria (identifiability, control & existence of future economic benefits) then the total cost associated with the programme has been recognised as an expense in the first run.

**Tables 9 -Copyright Fee**

In Rs	Purchase of Teledrama	Procurement of Foreign Programme	In-house Produced Teledrama	Local Programme not- telecast	WIP Local Programme	In-house Production Others
Balance as at 01/01/2015	147,654,299	29,621,936	36,807,776	2,989,847	-	29,380,676
Addition	38,109,165	4,807,225	-	-	-	-
Amortized for the year 2015	(95,297,600)	(20,141,559)	(4,295,259)	(2,989,847)	-	(3,274,661)
Balance as at 31/12/2015	90,465,864	14,287,603	32,512,517	-	-	26,106,014

## 5. Securities for Overdraft Facility

Depending on the size of the overdraft facility & nil margin of letter of credit, the bank may require from the Corporation to provide some security. - Therefore Rs.in 150 millions valued treasury bills & Rs. in 113 millions fixed deposits provided by the corporation as the security to the bank for securing the overdraft facilities & nil margin facility of letter of credit.(According to the SLFRS 1)



## 6. Investment Income

**Tables 10 -Amounts of Investment Income in the year 2015**

Type of Investment	Amount (Rs.)
Treasury Bills (Bank of Ceylon)	11,931,676
Fixed Deposits (Bank of Ceylon)	8,410,713
SMIB Fixed Deposit (State Mortgage & Investment Bank)	1,297,666
State Surplus Trust Fund	85,194
Special Housing Loan Scheme (State Mortgage & Investment Bank)	159,337
Savings Account (Bank of Ceylon)	2,352
<b>Total Investment Income</b>	<b>21,886,937</b>

## 7. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **Critical accounting estimates and assumptions**

The Corporation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### **(a) Income taxes**

The Corporation is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Corporation recognizes



liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

#### **(b) Pension Benefits**

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Corporation determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Corporation considers the interest rates of government bonds as no active market for the corporate bonds in Sri Lanka. Other key assumptions for pension obligations are based in part on current market conditions.

#### **(c) Fair value of derivatives and other financial instruments**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Corporation uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Corporation has used discounted cash flow analysis for various available-for-sale financial assets that are not traded in active markets.

## **8. Financial Risks Management**

### **8.1 Financial risks factors**

The Corporation's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. Risk management is carried out by management under policies approved by the board of directors. Management identifies and evaluates the financial risks on a regular basis.





## **8.2 Market Risks**

### **i) Foreign exchange risk**

Foreign exchange risk arises when future recognized assets or liabilities are denominated in a currency that is not the entity's functional currency. The Corporation is not exposed to foreign exchange risk as the Corporation does not have foreign currency denominated receivables or payables.

### **ii) Interest rate risk**

The risk of an adverse financial impact due to changes in the absolute level of interest rates is known as interest rate risk. The Corporation has no interest bearing borrowings as at the balance sheet date. The lease liability and the investments in treasury bills being the only instruments that carry interest are not significant. Therefore the interest rate risk is within the tolerable level.

### **iii) Price risk**

The risk of an adverse financial impact due to changes in the commodity and equity prices is known as price risk. Even though the Corporation has investments in unquoted shares which are classified as available-for-sale, the Corporation is not exposed to price risk as these shares are not traded in an active market. The Corporation is not exposed to commodity price risk.

## **8.3 Credit Risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions as well as credit exposures to customers, including outstanding receivables and committed transactions. Respective officers are responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered.



	<b>2015</b>	<b>2014</b>
	Rs. 000	Rs. 000
Within the credit period		
0 - 1 month	147,762	153,791
Past due		
1 - 3 months	216,733	255,100
3 – 6 months	15,828	46,424
More than 6 months	<u>121,927</u>	<u>108,135</u>
Total trade receivables	502,250	563,450
Impairment	<u>(80,392)</u>	<u>(71,042)</u>
Net trade receivables	421,858	492,408
	=====	=====

#### 9. Related party disclosures

The Corporation Carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 24 “Related Party disclosures”, the details of which are reported below.

No	Name	Designation	Nature Of The Related Party Transaction	Address
01	Mr.H.S.Ravi Jayawardana	Chairman	No Related Party Transaction	636/7, Sri Jayawardanapura Road,Kotte.
02	Mr. M.D.Mahindapala	Board Member	No Related Party Transaction	63F, 9 <sup>th</sup> Lane,Jothipala Mawatha,Malabe.
03	Mr.Buddhadasa Galappatty	Board Member	No Related Party Transaction	15/1,Raja Mawatha, Pitakotte.



04	Mr.M.G.Nanda Senanayake Muruttettuwegama	Board Member Chairman Sri Lanka Broadcasting Corporation	No Related Party Transaction	21, Rupasinghe Mawatha,Nugegoda
05	Mr.Tissa Hewavitharana	Board Member	No Related Party Transaction	456/L, 1 <sup>st</sup> Lane(Green Court), Walipara, Thalawathugoda
06	Mrs.Geetha Kumari Wimalaweera	Board Member	No Related Party Transaction	No.255/45, Kahanthota Road, Malabe.
07	Mr. Deepal Chandraratne	Board Member Chairman-National Film Corporation	No Related Party Transaction	576 / 1, 10 <sup>th</sup> Post, Malabe
08	Prof.Metiwalage Sunil Shantha	Director General	No Related Party Transaction	480 / 3A, Makumbura, Pannipitiya
09	Mr. Rohan Sarathchandra Perera	Deputy Director General (Engineering)	No Related Party Transaction	24, Sri Sumangala Road, Ratmalana.
10	Mr. A.H.E.R.P Edirisinghe	Acting Chief Accountant	No Related Party Transaction	No:36, Walpola, Mulleriyawa New Town.
11	Mr.Nishantha Ubayawansa	Deputy Director General (Production Service)	No Related Party Transaction	71E, Ihalagama, Gampaha.



12	Mr. P.B.G Sumedha Athulasiri	Deputy Director General ( Set Department)	No Related Party Transaction	234/J, Kadurugahawatta lane, Kottikawatta
13	Mr. Wimalarathne Adikari	Director Head (General Programme))	No Related Party Transaction	269/14, 4 <sup>th</sup> Lane, Pamunuwa Road, Maharagama.
14	Mr.Palitha Wijesinghe	Director (Administration) Channel Head (Nethro/ Channel Eye)	No Related Party Transaction	No 225, Mahawatte Road, Wewalduwa, Kelaniya.
15	Mr.Shirley Anil De Silva	Director (News & Current Affairs)	No Related Party Transaction	455C, Temple Road, Thalawathugoda.
16	Mr.M.M.Anil Bandara Sirimalwatte	Director (Marketing )	No Related Party Transaction	No:16,Sulaiman Avenue,Jawatte,Colomb o, 05.
17	Mrs.Eirin Wijekoon	Director (Educational Programme)	No Related Party Transaction	380/97, Raja Uyana, Welivita, Malabe.



## Sri Lanka Rupavahini Corporation

### Notes to the financial statements

Note		2015 December 31	2014 December 31
<b>1</b>	<b>Revenue</b>		
	Sale of TV time - channel 1	1,267,091,997	1,428,421,321
	Sale of TV time - channel Eye	642,457,960	328,932,740
	Sale of TV time - contra deal	13,643,754	46,566,500
	N.B.T on sale of TV time	<u>28,514,577</u>	<u>29,757,120</u>
	<b>Total Revenue</b>	<b><u>1,951,708,288</u></b>	<b><u>1,833,677,681</u></b>
<b>2</b>	<b>Other operating income</b>		
	Production income	89,868,456	87,345,686
	Investment income (Please refer table 10)	21,886,937	32,176,410
	Transfer fees	1,018,351	731,788
	Profit on disposals-property plant & equipment	17,933	999
	Rent from canteen	36,000	39,000
	Departmental fines	934,077	1,512,342
	Interest on loans to employees	6,946,407	6,838,119
	Miscellaneous income	5,654,343	3,339,997
	Amortization of foreign aid	15,903,664	15,903,664
	Non-refundable tender deposits	16,055	292,475
	Registration fees	123,792	196,968
	Sale of programme material	5,019,653	2,717,919
	Registration fee - TV dealers	11,411	4,000



	Utilization of SLRC facilities ( foreign)	3,491,037	1,055,495
	Utilization of SLRC facilities (local)	36,862,090	5,974,963
	Sale of Books -Dayata kirula	486	325,759
	Publicityprogramme expenses reimbursement	2,097,342	-
	Income from Diploma Course	314,603	975,684
	Sale of Nanamihira Question Papers	5,403,063	3,612,254
	Sale of magazine	-	-
	Commercial promotional income	28,829	136,804
	Exchange Gain		585
	Other charges reimbursement - clients	50,003-	-
	Government grant	=	=
	<b>Total other operating income</b>	<b><u>195,684,531</u></b>	<b><u>163,180,910</u></b>
<b>3</b>	<b>Cost of sales</b>		
<b>3.1</b>	<b>Educational programme expenses</b>		
	Artiste fees	4,784,655	6,459,530
	Refreshments	1,315,335	1,781,234
	Make-up materials	100,665	171,963
	Incidental expenses	327,278	462,106
	Graphic material	16,536	3,357
	Stage design	1,136,544	2,511,820
	Video cassettes & tapes	660,734	591,045
	Hire of transport facilities	129,000	337,380
	Hire of equipment facilities	2,596,455	3,203,498
	Hire of facilities (Theatre/Audio)	157,434	895,153



	Hire of sound equipment	124,000	258,500
	Electricity	9,700	11,800
	Fuel for motor vehicle	345,093	9,993
	Fuel for generator	7,550	10,000
	Lodging	1,549,165	3,163,480
	Still photographs	-	1,000
	Traveling & subsistence	1,257,448	1,598,155
	Purchase of copy/ production/ TV right	880,000	4,830,000
	Premises	4,500	4,000
	Special event	1,302,000	1,441,825
	<b>Education Programme Expenses</b>	<b>16,704,089</b>	<b>27,745,838</b>
	<b>Channel eye</b>		
	Artiste fees	5,002,735	5,583,483
	Fuel For Generators Previewing & monitoring chargers	2000	-
	Refreshment	575,577	629,450
	Hire of equipment/transport	284,755	1,488,500
	Hire of transport	52,100	-
	Hire of sound equipment	8,000	98,300
	Electricity	81,500	13,000
	Electricity reimbursement-Channel eye(Fairway Towers)	835,808	-
	Tower rental	1,683,673	-
	Incidental expenses	365,465	379,968
	Traveling & subsistence	752,845	604,931
	Still photographs	-	50,000



	Procurement of programme material - foreign	57,141,909	27,490,946
	Loading	925,255	963,375
	Video cassettes & tapes	279,354	184,262
	Rent of antenna tower at SLBC	2,547,419	3,575,476
	Reimbursement of electricity charges SLBC	1,027,460	2,167,539
	Stage design/sets	407,054	725,595
	Fuel for motor vehicle	45,188	-
	Incentive Payment For Production	2,000	-
	Hire of facilities (Theatre/Audio)	24,800	683,016
	Premises	79,000	20,000
	Special event	-	800,000
	Special Payment English News	187,600	621,600
	Graphic materials	16,542	3,357
	<b>Channel Eye Programme Expenses</b>	<b>72,326,038</b>	<b>46,082,798</b>
<b>3.2</b>	<b>General programme expenses</b>		
	Artistes fees	22,571,621	23,709,816
	Previewing & monitoring charges	149,400	303,200
	Refreshment allowance	2,840,716	3,383,033
	Purchase of copy/ production TV right	510,958,705	187,805,137
	Stage & design/ sets/ props	2,620,156	2,131,046
	Make-up materials	100,665	124,171
	Video cassettes & tapes	3,346,700	2,561,349
	Graphic & animation materials	16,536	2,793
	Still photograph	11,507	95,587





	Hire of equipment facilities	7,331,710	7,504,385
	Incidental expenses	2,922,603	2,199,250
	Procurement programme materials - foreign	7,126,587	8,121,142
	Traveling & subsistence	2,759,449	3,633,177
	Special event	(484,000 )	-
	Lodging	4,119,901	5,564,664
	Electricity	157,523	251,907
	Hire of facilities (Theatre/Audio)	1,048,002	1,781,455
	Hire of sound equipment	740,000	619,350
	Hire of transport	653,300	790,100
	Fuel for generator	75,920	14,520
	Fuel for motor	691,938	-
	Premises	283,523	471,845
	Satellite cost		2,400
	<b>General programme expenses</b>	<b><u>570,042,512</u></b>	<b><u>251,070,327</u></b>
<b>3.3</b>	<b>News programme expenses</b>		
	Payments to news readers/ editors	5,205,435	6,212,300
	News gathering - Local	22,577,400	21,607,500
	News gathering - Foreign	4,992,042	4,651,589
	Incidental expenses	151,055	549,477
	Satellite & related charges. - Foreign	2,204,122	4,652,217
	ABU's fixed & variable charges	4,278,929	2,912,048
	Current affairs (block vote)	16,536	3,357
	Transport news vehicle	9,834,316	11,418,728



	Web streaming service	1,800,000	2,095,658
	Video cassettes & tapes	793,437	456,721
	Refreshments	-	160,400
	Refreshment allowances	209,072	1,534,726
	Design/news sets	291,457	178,187
	Artistes fees	5,859,975	29,399,070
	Hire of equipment facilities	1,048,568	23,842,142
	Hire of sound equipment	132,250	832,806
	Traveling & subsistence	667,990	2,631,850
	Make up Material	144,221	2,142,207
	Lodging	828,000	2,745,040
	Sets/props (current affairs)	2,165,238	6,424,401
	Hire of facilities (Theatre/Audio) (current affairs)	627,263	1,134,223
	Still photographs(current affairs)	20,000	110,000
	Fuel for generator	1,500	-
	Fuel for motor vehicle	124,798	20,000
	Live streaming	1,656,000	1,656,000
	Special events	<u>201,902</u>	<u>3,875,027</u>
	<b>News Programme Expenses</b>	<b><u>65,831,507</u></b>	<b><u>131,085,274</u></b>
<b>3.4</b>	<b>Commercial production expenses</b>		
	Artistes fees	5,748,870	856,420
	Refreshment allowance	504,280	281,180
	Stage & Design/Sets/Props	1,562,572	1,217,048



	Hire of transport facilities	12,000	-
	Hire of equipment facilities	6,056,304	1,993,204
	Incidental expenses	115,642	20,500
	Traveling & subsistence	565,927	425,466
	Electricity	4,359	-
	Fuel for generator	75,529	-
	Lodging & premises	661,320	621,000
	Hire of sound equipment	128,000	-
	Video cassettes & tapes	112,069	213,549
	Special events	-	43,000
	<b>Commercial Production Expenses</b>	<b><u>15,543,872</u></b>	<b><u>5,671,367</u></b>
<b>3.5</b>	<b>Other production expenses</b>		
	Salaries & other allowances (For production staff)		
	Salaries/ allowances - Permanent staff	386,814,448	289,676,355
	Salaries/ allowances - Contract staff	11,167,072	27,431,804
	Salaries/ allowances - Relief staff	8,139,493	12,225,733
	Overtime	107,496,962	129,014,136
	Corporation share of EPF	45,052,247	44,626,433
	Corporation share of ETF	9,012,839	8,920,606
	Holiday pay	27,876,610	30,719,107
	Week-end payment for executive	4,138,208	4,456,163
	Hardship/ altitude/ heavy duty	4,719,812	4,800,709
	Duty officers/ engineers fees	1,389,713	1,218,413



	Meal allowance -Non executive	7,785,000	7,576,875
	Incentive allowance	25,548,503	25,034,686
	Transport allowance	16,175,870	15,047,464
	Encashment medical leave	15,584,061	15,691,001
	Bonus	25,421,822	33,992,711
	Electricity - Head office (75%)	80,327,524	89,998,685
	Fuel for generator	1,248,877	1,380,855
	Running expenses (75%)	8,088,619	16,619,155
	Repairs & maintenance - Equipment	6,636,933	8,642,029
	Tax on foreign programmes	2,080,000	1,967,500
	Commercial contra expenses	39,358,352	49,112,441
	Frequency chargers	4,274,192	4,411,693
	Transmission Tower Rental	4,517,436	1,931,678
	Colombo -Palali link for video transmission	1,241,698	1,133,330
	Rental for fiber optic link	-	112,882
	Hiring of third party infrastructure	1,740,807	353,825
		<b><u>845,837,096</u></b>	<b><u>826,096,265</u></b>
<b>3.6</b>	<b>Depreciation</b>		
	Depreciation	<u>121,160,345</u>	104,135,532
	<b>Total Cost of Sales</b>	<b><u>1,707,445,460</u></b>	<b><u>1,391,887,402</u></b>
<b>4</b>	<b>Distribution expenses</b>		
	Agency commission	251,524,078	223,089,962
	Promotional expenses	7,674,212	23,442,840
	Ru-entertainment recorded cassette expenses	1,204,905	-



	Bad debts provision		
	Bad debts- Employee	(57,684)	111,122
	Bad debts- Sundry	483,515	44,084
	Bad debts- Clients	<u>9,349,828</u>	<u>6,882,456</u>
	<b>Distribution Expenses</b>	<b><u>270,178,855</u></b>	<b><u>253,570,463</u></b>
<b>5</b>	<b>Administrative expenses</b>		
	Members remuneration	1,802,105	1,563,479
	Salaries/ allowances - permanent staff	128,938,149	96,558,785
	Salaries/ allowances - contract staff	3,722,357	9,143,935
	Salaries/ allowances - relief staff	2,713,164	4,075,244
	Overtime	35,832,321	43,004,712
	Corporation share of EPF	15,017,416	14,875,478
	Corporation share of ETF	3,004,280	2,973,535
	Holiday pay	9,292,203	10,239,702
	Week-end payment for executive	1,379,403	1,485,388
	Hardship/ altitude/ heavy duty	1,573,271	1,600,236
	Duty officers/ engineers fees	463,238	406,138
	Membership fees for professional executives	41,565	26,016
	Contribution for pension & W & O.P	80,955	-
	Meal allowance-Non executive	2,595,000	2,525,625
	Incentive allowance	8,516,168	8,344,895
	Transport allowance	5,391,957	5,015,821
	Encashment medical leave	5,194,687	5,230,334
	Incentive gratuity & compensation	555,000	375,000



Bonus	8,473,941	11,330,904
Staff welfare	-	55,116
Recreation	106,950	196,700
Uniforms to staff	54,225	59,250
Premium - medical insurance scheme	31,946,218	30,760,681
Premium for accident & life insurance	849,407	1,113,279
Traveling & subsistence - Local	1,449,415	2,586,870
Traveling & subsistence - Mileage allowance	4,756,607	4,143,246
Traveling & subsistence - foreign	6,231,218	16,887,496
Incidental expenses - Foreign travel	589,950	1,278,811
Corporation refreshment/ entertainment	1,311,163	2,486,256
Rent, rates & taxes	15,387,305	15,397,605
Electricity & power	26,775,841	29,999,562
Telephone including rental	9,296,718	10,143,923
Security service	10,372,750	12,146,250
Postage	859,676	943,884
Printing & stationary	7,792,964	9,006,784
Newspapers & periodicals	1,777,216	2,128,433
Office requisites	1,730,514	1,369,264
Losses on disposal -Property plant & equipment	90,525	63,915
Exchange losses	3,239	21,088
Sundry expenses	5,182,265	6,514,899
Advertisement- Tender & recruitment	527,953	974,615
Compensation for court cases	1,524,400	125,890



Running expenses of motor vehicles	2,696,206	5,539,718
Hire of motor vehicles	6,424,773	10,240,021
Insurance - building & other assets	6,925,699	7,397,778
License & insurance motor vehicle	1,589,995	1,942,955
Repairs & maintenance - building	6,428,867	8,055,893
Repairs & maintenance - Garden	1,638,275	1,459,359
Repairs & maintenance - Other assets	985,219	981,253
Water	3,283,373	3,509,379
Web hosting/Internet lease line	8,107,120	6,532,806
Computer requisites	-	720
License fee for Microsoft product & other expenses	-	325,000
Seminar & training programme - General	861,200	866,676
Anniversary celebration	1,396,278	1,255,325
Public addressing system charges/ rental	87,153	94,313
Repairs of motor vehicles	11,313,021	6,578,840
Publicity & propaganda	50,937	190,648
Training expenditure - internal	1,084,113	1,668,601
Survey & research expenses	2,579,185	-
Donation	361,000	683,150
National events	691,792	2,518,539
Print of Nana Mihira question Paper	2,233,726	2,678,571
Expenses for election-presidential/general	707,556	-
GHOGM Expenses	-	676,470



	Subscription fees(Contribution to AIBD)	4,789,532	2,468,521
	Depreciation	42,343,822	49,382,768
	N.B.T	38,886,685	36,820,433
	<b>Administrative Expenses</b>	<b><u>508,669,225</u></b>	<b><u>519,046,780</u></b>
<b>6</b>	<b>Financial &amp; other charges</b>		
	Bank charges	698,629	803,505
	Bank interest - OD	19,399,549	8,385,155
	Lease interest (Vehicle loan)	1,009,688	2,441,330
	Bank loan interest	12,783,747	-
	Audit fees	350,000	350,000
	Legal fees	1,471,408	2,329,673
	Stamp duty	45,400	38,485
	Financial & other write offs	3,218	158,468
	Consultancy & Other Prof. Chg	-	328,096
	<b>Financial and Other Chargers</b>	<b><u>35,761,638</u></b>	<b><u>14,834,711</u></b>
<b>7</b>	<b>Taxation</b>		
	<b>Profits &amp; Income exempt from tax</b>		
	Re-invest treasury bill income 1/9	-	1,483,739
		-	<b>1,483,739</b>
	Profit/(loss) for the year ending	(374,662,359)	(182,480,765)
	Depreciation	163,504,167	153,518,300
	Interest paid	20,409,237	10,826,485
	Corporation entertainment	1,311,163	2,486,256
	Publicity & propaganda (25% Disallowable)	12,734	47,662





Donations	361,000	683,150
Commercial promotional expenses (25% Disallowable)	1,918,553	5,860,710
Contra expenses (25% Disallowable)	9,839,588	-
Contra expenses (50% Disallowable)	-	24,556,221
Profit/loss on disposal	72,593	62,916
Tax gain /loss on disposal	(63,791)	(69,019)
Anniversary celebration	1,396,278	1,255,325
Provisions for gratuity	-	-
Gratuity paid	(5,193,795)	(6,771,266)
Provisions for bad debts-Sundry	483,515	44,084
Provisions for bad debts-Clients	9,349,828	6,882,456
Provisions for bad debts-Employees	(57,684)	111,122
Specific bad debts write off	3,218	158,468
Interest income	(21,886,937)	(32,176,410)
Other income	-	(25,909,876)
Grant for capital items	-	-
Capital allowances	(168,552,465)	(219,136,781)
Amortization of foreign aid	(15,903,664)	(15,903,664)
<b>Business profit / (loss)</b>	<b>(377,658,819)</b>	<b>(275,954,628)</b>
Interest income	21,886,937	30,692,671
Other income	-	25,909,876
<b>Total statutory income</b>	<b>21,886,937</b>	<b>56,602,547</b>
35% from net profit allowable losses b/f	(7,660,428)	(19,810,891)



	<b>Assessable income</b>	<b>14,226,509</b>	<b>36,791,656</b>
	Qualifying payments	(10,000)	(15,000)
	<b>Taxable income</b>	<b>14,216,509</b>	<b>36,776,656</b>
	Tax amount (28%)	3,980,622	10,297,464
	Income tax liability	3,980,622	10,297,464
	Deferred tax	(6,967,981)	(17,646,368)
		(2,987,359)	( 7,348,904)
	<b>National tax credit (Treasury bill income 1/9)</b>	(1,325,742)	-
		<b>(4,313,100)</b>	<b>(7,348,904)</b>



## 8 Property, Plant & Equipment

Rs.

Note	Balance as at 01/01/2015	Additions	Adjustment	Disposals	Balance as at 31/12/2015
Land	7,660,503	-	-	-	7,660,503
Building	265,717,662	-	-	-	265,717,662
Furniture & Fittings	51,372,269	446,945	-	-	51,819,215
Plant & Equipment	2,931,515,476	35,403,771	-	(11,980)	2,966,907,267
Office Equipment	51,270,751	457,450	-	(109,800)	51,618,401
Electrical Equipment	7,655,399	-	-	-	7,655,399
TV Sets	23,586,109	1,961,808	-	(152,326)	25,395,591
Library Stocks	2,159,299	56,439	-	-	2,215,739
Loose Tools & Accessories	3,949,157	85,580	-	-	4,034,737
Computer	106,811,239	2,200,520	-	-	109,011,759
Other Assets	4,346,510	289,894	-	-	4,636,404
Accounting Software	9,394,190	148,412	-	-	9,542,602
Equipment For NTV	33,159	-	-	-	33,159
Motor vehicle	102,461,866	-	-	-	102,461,866
Musical Instrument	170,037	-	-	-	170,037
Caravan Equipment	162,142	-	-	-	162,142
Security Equipment	2,169,763	-	-	-	2,169,763
JAICA Project	66,773,685	-	-	-	66,773,685
Container	1,052,000	-	-	-	1,052,000
<b>Total Value of Assets</b>	<b>3,638,261,216</b>	<b>41,050,820</b>	<b>-</b>	<b>(274,106)</b>	<b>3,679,037,930</b>



## Depreciation

Note	Balance as at 01/01/2015	Depreciation for the year	Adjustment	Disposals	Balance as at 31/12/2015
Land	-	-	-	-	-
Building	110,097,331	5,347,254	-	-	115,444,585
Furniture & Fittings	31,994,980	3,987,540	-	-	35,982,520
Plant & Equipment	2,593,718,846	121,160,345	-	(3,965)	2,714,875,226
Equipment For NTV	33,158	-	-	-	33,158
Office Equipment	45,322,938	1,640,692	-	(15,645)	46,947,984
Electrical Equipment	7,514,323	87,412	-	-	7,601,735
TV Sets	21,005,344	1,244,252	-	(71,121)	22,178,474
Library Stocks	2,102,481	53,252	-	-	2,155,733
Loose Tools & Accessories	2,974,065	201,266	-	-	3,175,330
Computer	82,303,871	10,827,702	-	-	93,131,573
Other Assets	3,498,354	374,273	-	-	3,872,626
Accounting Software	7,401,594	892,437	-	-	8,294,031
Motor vehicle	98,164,680	4,320,169	(23,004)	-	102,461,846
Musical Instrument	170,028	-	-	-	170,028
Caravan Equipment	162,140	-	-	-	162,140
Security Equipment	2,169,761	-	-	-	2,169,761
JAICA Project	26,709,474	13,354,737	-	-	40,064,211
Container	68,931	35,840	-	-	104,771
<b>Total Depreciation</b>	<b>3,035,412,297</b>	<b>163,527,171</b>	<b>(23,004)</b>	<b>(90731)</b>	<b>3,198,825,732</b>



## Net book value of assets

Rs.

8	Note	Balance as at 2015.01.01	Balance as at 2015.12.31
	At Cost	3,638,261,216	3,679,037,930
	Depreciation	(3,035,412,297)	(3,198,825,732)
	Total Carrying amount of Property, Plant & Equipment	<b>602,848,919</b>	<b>480,212,198</b>

## Work-in progress

Rs.

8	Note	Balance as at 2015.01.01	Additions	Transfers	Balance as at 2015.12.31
	Work-in progress	315,176	-	-	315,176

Rs.

8	Note	Balance as at 2015.01.01	Balance as at 2015.12.31
	Total Carrying amount of Property, Plant & Equipment	602,848,919	480,212,198
	Work-in Progress	315,176	315,176
	<b>Total</b>	<b>603,164,095</b>	<b>480,527,374</b>



**Sri Lanka Rupavahini Corporation**  
**Notes to the financial statements**

Rs.

	Note	2015	2014
<b>9</b>	<b>Intangible assets</b>		
	Purchase of teledrama	90,465,864	147,654,299
	In-house production teledrama	32,512,517	36,807,776
	In-house production - others	26,106,014	29,380,676
	Programe material foreign	14,287,603	29,621,936
	Local programmes(Not telecast)	-	2,989,847
	<b>Intangible Assests</b>	<b>163,371,998</b>	<b>246,454,534</b>
<b>10</b>	<b>Held to maturity financial assets</b>		
	Fixed deposits (Bank Of Ceylon)	123,522,388	117,091,257
	Fixed deposit ( State Mortgage & Investment Bank)	19,886,035	18,723,317
	<b>Held to maturity</b>	<b>143,408,424</b>	<b>135,814,574</b>
<b>11</b>	<b>Stocks</b>		
	Printing & stationary	2,663,557	3,168,216
	Spare parts - ENG I	18,052,749	18,052,749
	Spare parts - ENG II	178,251,368	176,784,325
	Spare Parts ENG & ENGINERING	279,900	268,086
	Graphics material	132,115	75,891
	Make-up material	1,276,654	1,430,709
	Building material	38,863	62,448
	Motor vehicle material	2,431,600	2,535,098
	Diesel stocks	356,155	1,556,886
	Capital items	361,960	
	Office requisites(exluding printing &	27,040	34,315



	stationary)		
	Miscellaneous items	162,617	146,733
	Cassettes & tapes (blank) in main stores	686,787	2,357,006
	Electrical consumables	364,783	284,315
	Cassettes & tapes (library)	545,524	3,221,250
	Recorded cassettes	507,348	278,113
	<b>Stocks</b>	<b>206,139,021</b>	<b>210,256,140</b>
<b>12</b>	<b>Trade receivables</b>		
	Client debtors	502,249,509	563,449,868
	Returned Cheques	42,500	56,190
	Less impairment of client debtors	(80,391,654)	(71,041,991)
	<b>Trade receivables</b>	<b>421,900,355</b>	<b>492,464,068</b>
<b>13</b>	<b>Loans &amp; other receivables</b>		
<b>13.1</b>	<b>Treasury bills</b>		
	Treasury bills	193,560,646	181,538,877
		<b>193,560,646</b>	<b>181,538,877</b>
<b>13.2</b>	<b>Debtors - Employees</b>		
	TV loan - others	39,071	40,568
	Distress loan	94,205,473	104,290,603
	Festival advance	423,150	368,550
	Transport loan	55,080,591	57,173,155
	Special loan	22,166,384	27,513,046
	Other loan	135,000	195,000
	Textile loan	3,279,171	2,758,671
	Housing loan	51,154,320	51,631,199
	<b>Debtors - Employees</b>	<b>226,483,158</b>	<b>243,970,792</b>
	Less : Impairment of loan debtors	(194,688)	(252,372)
		226,288,470	243,718,420
	<b>Loan &amp; other receivable</b>	<b>419,849,116</b>	<b>425,257,298</b>



<b>14</b>	<b>Other receivables</b>		
<b>14.1</b>	<b>Advances &amp; deposits</b>		
	State Mortgage & Investment Bank(Housing loan fund)	8,682,011	6,946,813
	Goods in transit	973,139	3,048,471
	Advance to suppliers - (Local purchases Institutes)	2,699,987	3,631,577
	Advance to suppliers -For programme production	5,569,909	1,495,005
	Advance to employees- Miscellaneous	560,124	1,516,183
	Advance to employees - Programme	4,949,567	4,420,013
	Deposits for services - Refundable	4,002,254	4,302,254
	Stamp IMP - Administration division	83,585	34,940
	Advance for room charges	1,096,750	1,375,250
	Advance on foreign purchase - Spares parts	9,233,586	13,154,488
	Withholding tax (WHT) deducted at source	36,637,926	38,773,827
	Advance to employees - Purchase	628,358	1,300,492
	Travelling advance-Foreign	66,554	-
	<b>Advance and Deposits</b>	<b>75,183,751</b>	<b>79,999,312</b>
<b>14.2</b>	<b>Sundry debtors</b>		
	Miscellaneous debtors	1,863,870	823,936
	Recoverable from retired / resigned employees	103,701	111,684
	Income receivables (From inland revenue & other)	53,024,213	24,765,148
	Income receivables - Investment income	4,572,850	6,132,735
	Staff debtors - Sundries	57,318	70,627





	Insurance corporation medical scheme	474,975	230,129
	Coin adjustment	32,058	32,468
	Lease interest suspense A/C	24,494	1,034,182
		<b>60,153,479</b>	<b>33,200,909</b>
	Less : Impairment of sundry debtors	(19,106,081)	(18,622,566)
		41,047,398	14,578,343
		<b>116,231,149</b>	<b>94,577,655</b>
<b>15</b>	<b>Cash, bank balance &amp; deposits as call</b>		
	BOC savings A/C	60,085	57,733
	Bank balance BOC Torrington Branch		1,673,346
	<b>Cash, bank balance and deposits as call</b>	<b>60,085</b>	<b>1,731,079</b>
<b>16</b>	<b>Retirement benefit obligation -Gratuity</b>		
	Retirement benefit obligation -Gratuity	126,637,518	131,831,313
	<b>Retirement benefit obligation -Gratuity</b>	<b>126,637,518</b>	<b>131,831,313</b>
<b>17</b>	<b>Trade payables</b>		
	Creditors client	46,055,383	43,101,050
	Agency commission payable	67,456,829	58,636,554
	Client transfer / refunds	1,000,952	1,030,952
	<b>Trade payables</b>	<b>114,513,165</b>	<b>102,768,557</b>



<b>18</b>	<b>Other financial liabilities</b>		
	Accrued expenses	94,853,461	58,460,686
	Unclaimed salaries & wages	633,762	181,350
	Retention - contract	50,511	207,489
	Security - contract & suppliers	69,241	69,241
	Creditors control	6,935,897	7,921,211
	Cancelled cheques - corporate	12,276,597	4,695,010
	Artists fee payable (cancelled cheques)	307,809	225,161
	Retention - SLRC employees	7,000	7,000
	SLBC	24,670	24,405
	Pre receipts	430,495	4,445,176
	Tender deposits (Refundable)	200,689	552,314
	Salaries payable	40,182,151	43,999,697
	Fund for Rupavahini museum	10,002	10,002
	CIR stamp duty	18,281	18,925
	Ministry of state	1,228,572	1,093,810
	Provision for fine on gratuity	73,745	73,745
	Miscellaneous payable - Suwa sahana	73,574	73,574
	Provision for dividend(to the government)	32,368,342	32,368,342
	<b>Other financial liabilities</b>	<b>189,744,799</b>	<b>154,427,137</b>
<b>19</b>	<b>Other payables</b>		
	Retention with holding tax	1,548,915	1,548,315
	Provision for income tax	3,980,622	10,297,464
	VAT control A/C	6,206,253	3,648,370
	Retention with holding turnover tax	4,422	4,397
	PAYE tax	1,164,309	1,740,960
	<b>Other payables</b>	<b>12,904,521</b>	<b>17,239,505</b>



<b>20</b>	<b>Bank overdraft -</b>		
	Bank overdraft -BOC Torrington Branch	13,560,944	
	Bank overdraft -BOC corporate branch	231,087,207	135,658,642
		<b>244,648,151</b>	<b>135,658,642</b>
<b>21</b>	<b>Finance leases</b>		
21.1	Finance leases payable current portion	1,528,966	1,528,966
21.2	Finance leases payable non-current portion	-	12,953,126
	<b>Finance leases</b>	<b>1,528,966</b>	<b>14,482,092</b>



The chairman,

Sri Lanka Rupavahini Corporation

**Report of the Auditor General on the Financial Statements of the Sri Lanka Rupavahini Corporation for the year ended 31 December 2015 in terms of Section 14(2) (C) of the Finance Act, No.38 of 1971**

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The audit of Financial statements of the Sri Lanka Rupavahini Corporation for the year ended 31 December 2015 comprising the statement of 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 Section 13(1) of the Finance Act, No.38 of 1971 and Section 16(3) of the Sri Lanka Rupavahini Corporation Act, No.6 of 1982. My comments and observations which I consider should be published with the Annual Report of the Corporation 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 issued to the Chairman of the Corporation on 01 June 2016.

**1.2 Management's Responsibility for the Financial Statements**

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Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.



### **1.3 Auditor's Responsibility**

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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 of Supreme Audit Institutions (ISSAI 1000-1810). Those Standards require that, I comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation'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 Corporation'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 Basis for Qualified Opinion**

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My opinion is qualified based on the matters described in paragraph 2.2 of this report.



## **2. Financial Statements**

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### **2.1 Qualified Opinion**

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In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the Financial statements give a true and fair view of the financial position of the Sri Lanka Rupavahini Corporation as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

### **2.2 Comments on Financial Statements**

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#### **2.2.1 Sri Lanka Accounting Standards**

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The following non-compliances were observed.

(a) Sri Lanka Accounting Standard 01

Even though the amounts of the year under review should be presented with the comparative amounts of the preceding year in presenting the financial statements, amounts of the preceding year had not been presented in the preparation of statement of changes in equity of the corporation and presenting the note for property, plant and equipment.

(b) Sri Lanka Accounting Standard 02

In computing the closing stocks, it should be measured at the lower of the cost or the net realized value and stated in financial statements. Nevertheless, the Corporation had stated the stocks amounting to Rs.206,139,021 remained since the year 1985 to the cost without estimating the net realized value. Adjustments had not been made in accounts for unused stocks costing Rs.554,326 included in this stock balance.



(c) Sri Lanka Accounting Standard 07

- (i) Even though non cash transactions for Pre-tax-net profit should be disclosed under an adjustment in the preparation of cash flow statement by indirect method, impairment adjustment amounting to Rs.30, 701,326 related to purchase both local and foreign programmes by the Corporation had been included in the working capital changes.
- (ii) In the preparation of cash flow statements, cash flow of each component had not been Component had not been correctly disclosed due to non-recognition of cash inflows and outflows of the components correctly in terms of the standards.

(d) Sri Lanka Accounting Standard 08

- (i) Even though a few facts which should be disclosed in making the prior year adjustments, it was observed that the facts disclosed through Note No.3.8 were insufficient for those requirements.
- (ii) Even though the assets costing Rs.2, 535,798,561 had been fully depreciated due to note reviewing annually the effective life for the non-current assets, they had been further in use. Accordingly action had not been taken to revise the estimated error.

(e) Sri Lanka Accounting Standard 12

Even though the changes in deferred income tax assets and liabilities related to each financial Year of the statement of financial position should be disclosed separately in respect to all periods, the Corporation had not disclosed in detail the deferred income tax assets and liabilities as at 31 December 2015 in terms of the financial years.



(f) Sri Lanka Accounting Standard 17

Even though it had stated that assets acquired on financial leasing system should separately be shown in the statement of financial position, vehicles valued at Rs.44,097,960 acquired on financial leasing system in the year 2010 had not been so disclosed in the financial statements.

(g) Sri Lanka Accounting Standard 39

Even though a sum of Rs.1,104,000 invested in the Lanka Puwath institute by the Corporation should be shown at fair value in the financial statements, it had been shown in the financial statements at cost without calculating its fair value.

## 2.2.2 Accounting Deficiencies

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The following observations are made.

- (a) No provision had been made in the financial statements for audit fees of Rs.939,060 estimated for the years 2013 and 2014.
- (b) Without considering a sum of Rs.157,650 receivable from the Independence Television Network paid for the provision of electricity to the Rupavahini transmission station fixed at the Security Force Headquarters, Jaffna, the total amount had been brought to account as an expense of the Corporation.
- (c) Rentals and electricity charges amounting to Rs.3,982,274 recoverable from July 2012 to April 2013 for the maintenance of a private radio channel at Transmission Centre situated at the Transmission Station of a Deniyaya which belongs to the Corporation had not been brought to account as a receivable income.





### 2.2.3 Unexplained Differences

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The following observations are made.

- (a) According to the Ledger as at 31 December in the year under review, a difference amounting to Rs.183,019 was observed the client debtors' balance and individual debtors' schedule.
- (b) A difference amounting to Rs.2, 011,234 was observed between the property, plant and equipment account balance at the end of the year under review as per the financial statements, and property, plant and equipment schedule presented for audit.
- (c) A difference of Rs.4, 054,816 was observed between the accrued balance of value added tax control account under current liabilities as at 31 December 2015 as per the statement of financial position and the accrued balance according to the Tax Return as at that date.
- (d) According to the fuel issuing register maintained by the Supplies Division for fuel filling station of the Corporation, excesses were observed ranging from 112 liters to 846 monthly from February to November 2015 between the fuel balance and the physical verification done by the Internal Audit Division.
- (e) According to the statement of financial position, even though the outstanding security service charges payable to a limited Company as at 31 December 2015 for the provision of security services had been shown as Rs.5,418,500, the arrears payable according to the letter presented by that Company was Rs.4,067,873.



#### 2.2.4 Accounts Receivable and Payable

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The following observations are made.

##### (a) Sale of airtime on credit – Client debtors

- i. Impairment adjustment as at 31 December for the year under review out of the client debtors totalling Rs.502,249,509 was Rs.80,391,654 representing 16 per cent. As the impairment adjustment had been done without taking action to recover long-term loan balances, control of loan recovery of the Corporation had been at a weaker level and it was observed that this situation had unfavourably affected on the liquidity of the Corporation.
- ii. Even though the loan should be recovered within a month's period according to the credit policy of sale of airtime, the debtors' balance over one month out of the client debtors of the Corporation by the end of the year under review amounted to Rs.354,320,337 representing 71 per cent of the total debtors' balance. Debtors' balance over 5 years out of it was Rs.70,910,179.
- iii. Even though invoices should be issued before supplying the airtime for ordinary trade agreements, action is taken to recover money by issuing the invoices after supplying the airtime as per the policy of the Corporation. It was observed in audit that this policy had adversely affected on the recovery of debts recoverable to the Corporation.



**b) Sundry Debtors**

The following observations are made.

- (i) The impairment value of sundry debtors amounting to Rs.60,153,479 of the Corporation as at 31 December 2015 was Rs.19,106,081 representing 31.8 per cent. It was observed that recovery control over recovery of long-term debts of the Corporation was at a weaker level due to take action to make impairment adjustments instead of not taking action to recover long-term loan balances of the Corporation.
- (ii) The amounts receivable from Sri Lanka Broadcasting Corporation, a private television channel and recognized political party amounted to Rs.1,990,119, Rs.7,343,120 and Rs.5,431,385 respectively. Sufficient attention had not been paid to recover these balances.
- (c) The advances totalling Rs.2,330,483 provided without an approval of the Board of directors for the Rupavahini aesthetic journey programme, "Ape Gamana" implemented in the year 2014 had not been settled even by 30 March 2016.



## 2.2.5 Lack of evidence for Audit

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As the evidence indicated against the following items was not made available for audit, their accuracy could not be assured.

<b>Item</b> -----	<b>Value</b> ----- <b>Rs.</b>	<b>Evidence not made available</b> -----
(a) Property, plant and Equipment	3,679,037,930	Detailed schedules
(b) Work in progress	132,125	Documents required to ensure the nature of work
(c) Land where the Corporation situated and the lands where the Transmission station situated	46,018,720	Title Deeds, deeds of transfer and Gazette notifications
(d) Spare parts	196,304,117	Board of survey Reports
(e) Investments	1,104,000	Evidence to ensure whether it had been made in respect of an activity directly involved in Rupavahini telecasting in terms of Section 15 of the Sri Lanka Rupavahini Corporation Act.



### 2.3 Non-compliance with Laws, Rules, Regulations and Management Decisions

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The following instances of non-compliance with Laws, Rules, Regulations and Management Decisions were observed.

<b>Reference to Laws, Rules, Regulations And Management Decisions etc.</b>	<b>Non-compliances</b>
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(a) Declaration of Assets and liabilities Act, No.01 of 1975 of National State Council as amended by Act, No 74 of 1998.	Thirty two Executive officers of the Corporation had not given the Declaration of assets and liabilities as at 31 December 2015
(b) Section 12 of Chapter vii of the Establishments Code of the Democratic Socialist Republic of Sri Lanka.	Even though acting appointment can be made only in the event of falling vacant of the relevant post or absence of the officer from service, officers for six posts which were not in the approved cadre had been appointed contrarily, for acting in those posts.
(c) Financial Regulations of the Democratic Socialist Republic of Sri Lanka	
(i) Financial Regulation 110	A Register for losses and damages and had not been maintained.
(ii) Financial Regulation 371(2)(b)	Even though the maximum ad hoc imprest which can be given at a time prior to 14 July 2015 amounted to Rs.20,000, advances amounting to Rs.4,345,051 had been given exceeding this limit in 27 instances not complying with it and those advances had not been settled even up to the end of the year under review.



- (iii) Financial Regulation 371(2)c and Staff notification of Sri Lanka Rupavahini Corporation (Addendum 04) No.964 dated 26 September 2012
- Even though the sub imprests should be Settled immediately after the completion of the purpose for which it was obtained, a sum of Rs.12,105,995 out of the advances provided in the years 2014 and 2015 had not been settled even by 30 April 2016. A sum of Rs.6,352,384 of this was the advances provided in the year 2014
- (d) Letter No. MF/TR/I/ 2003 dated 28 March 2003 of the Secretary to the Ministry of Finance
- Rent had been paid at the rate of Rs.92,000 per vehicle per mensum for 10 vehicles exceeding the maximum monthly rental of Rs.40,000 payable in hiring vehicles.
- (e) Section 9.31 of Public Enterprises Circular No.PED/12 dated 02 June 2003
- Even though acting period of a post should be limited for 03 months, 03 officers from 02 years to 05 years and 05 officers for over 05 years had been served in acting capacity.
- (f) Public Enterprises Circular No.PED/50 dated 28 July 2008, Public Administration Circular No. 14/2008 dated 26 June 2008, Public Administration Circular No.22/99 dated 08 October 1999 and section 3.1 of public Enterprises Circular No.PED 01/2015 dated 25 May 2015.
- (i) Transport and fuel allowances amounting to Rs.19,952,794 had been paid, in the year under review contrary to the circular instructions and without the approval of the Treasury, to 182 officers who were not entitled for transport and fuel allowance.



- (ii) Vehicles had been assigned to two officers who were not entitled for office vehicles and a sum of Rs.432,135 had been incurred for fuel contrary to the circular instructions.

- (g) Management Services Circular No.02/2015 dated 09 December 2015.

Even though the bonus payable to a staff member was Rs.2,000 in paying bonus for the year 2015, bonus amounting to Rs.32,000,163 had been overpaid in the year under review as payments had been made at the rate of Rs.35,000 per employee. Accordingly, the similar overpaid bonus in the years 2012, 2013 and 2014 had been Rs. 35,659,540, Rs.35,086,685 and Rs.43,359,115, respectively.



### **3. Financial Review**

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#### **3.1 Financial Results**

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The following observation are made.

- (a) According to the financial statements presented, after-tax loss of the corporation amounted to Rs.371,675,001 for the year ended 31 December 2015 and the corresponding after-tax loss for the preceding year amounted to Rs.175,131,860 thus indicating a deterioration of Rs.196,543,141 representing 112 per cent in the financial result for the year under review as compared with the preceding year. The increase of income only by 7.5 per cent and increase of expenditure by 15 per cent in the year under review as compared with the preceding year had mainly attributed to this deterioration.
- (b) In considering the profit/ loss of the preceding four years and the year under review of the Corporation, profit had gradually decreased from the year 2011 to 2014 and it had adversely improved up to a loss of Rs.371,675,001 by the year 2015. Likewise by taking into consideration the depreciations of the year on non-current assets, government taxes and employees' remuneration, the contribution amounting to Rs.998, 226,000 of the Corporation in the year 2011 had decreased up Rs.686, 101,000 representing by 31 per cent by the year 2015. Corporation had not followed any plan or strategy to reduce this loss position and to improve it towards a profitable position.





### 3.2 Analytical Financial Review

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Profitability ratios and working Capital ratios in the preceding three years of the Corporation are as follows.

Ratio	2015	2014	2013
-----	-----	-----	-----
Gross profit ratio (per cent)	12.5	24.1	29
Net Profit ratio (per Cent)	(19)	(9.55)	1
Current ratio	2.1	3.0	4.02
Quick Ratio	1.7	2.5	3.38

It was observed that the rapid deterioration of ratios as above would adversely effect on the solvency and liquidation of the Corporation in the future.

### 3.3 Legal events instituted against the Corporation and by the Corporation

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The following observations are made.

- (a) External parties had filed 10 cases against the Corporation as at 31 December in the year under review for suspension of telecasting their Tele programmes after telecasting only several episodes and the staff of the Corporation had filed 03 cases against the Corporation on the grounds of interdiction and non-receipt of a post which should be received. Legal charges amounting to Rs.860,070 had been paid for these cases in the year 2015. The compensation claimed by the prosecuting party related to 05 cases filed by the external parties amounted to Rs.519,090,000.
- (b) The Corporation had filed 26 cases against the external parties for the recovery of charges recoverable for the airtime provided by the Corporation as at 31 December 2015 and compensation amounting to Rs.2,585,584 had been received in the year under review for 05 cases of them. The expected recoverable amount to the Corporation was Rs.522,283,053 from 18 other cases and 07 cases of them had been for in respect of a same debtor.



- (c) One case which had filed against a client debtor to recover a sum of Rs.1,118,940 by the Corporation had been withdrawn as it had subjected to prescription. Besides, as the permanent residences of two debtors, whose loan balance amounting to Rs.661,080 had existed, could not be found, cases filed against them could not be future continued.

### **3.4 Working Capital Management**

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The following observations are made.

- (a) The Corporation had to obtain Bank overdraft facilities due to non-implementation of a proper working capital management mechanism and inefficiency of debt recovery. Even though the approved overdraft balance of the Corporation by 31 December 2015 was Rs.155,000,000, according to the financial statements the overdraft balance and overdraft interest paid thereon in the year under review had been Rs.244,648,151 and Rs.19,399,549 respectively. Similarly, Fixed deposits and Treasury bills amounting to Rs.113,000,000 and Rs.150,000,000 of the Corporation respectively had been kept as securities for this Bank overdraft. Additional interest, more than the agreed interest for the overdrafts exceeding this approved overdraft balance had to be paid. Likewise, as a remedy to this severe financial crisis, a special short-term Bank loan amounting to Rs.250,000,000 had been obtained in the year 2015 and the interest amounting to Rs.12,783,747 had also been paid thereon.
- (b) Two hundred and two Cheques valued at Rs.12,584,406 issued during the period from the year 2013 to 2015 had been cancelled without handing over to the relevant payees and retained in the custody of the Corporation. In the examination carried out in this respect, it was observed that it had been so done due to financial crisis in the Corporation. However, it appears that this type of situations would adversely affect the credibility of the Corporation.



## 4. Operating Review

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### 4.1 Performance

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(a) The main objectives of the Corporation according to the Corporate plan prepared by the Corporation are given below.

- (i) Improving the attractiveness, variety and meaningfulness of television programmes through changes to the format of the programmes.
- (ii) Reaching viewers more effectively using modern technologies.
- (iii) Improving the physical and human resources of the institute productively.
- (iv) Introducing extra means of generating income for the institution.
- (v) Amending the statutory framework of the institution to suit the competitiveness.

(b) The following activities planned for fulfilling the above objectives had not been Implemented by the end of the year under review.

- (i) Under the objective (a) (ii) above, rehabilitation and improvement of the Master Control Room, Production rooms and External transmission facilities, development of the existing transmission network, development of buildings of the Corporation, improvement of Computer and information facilities and infra-structure facilities, expansion of power and energy and air-conditioning system and expansion of EFP/ENG facilities.
- (ii) Introduction of an employee appraisal scheme based on the employee performance under objective (a) (iii), winning 5S award thorough the creation of a pleasurable office environment to employees and introduction of 05 circuit bungalow.
- (iii) Establishment of a media city under a project of the Board of Investment for the Objective (a)(iv), establishment of a radio channel and development and maintenance of a new web site.



- (iv) Reviewing and making amendments to the Rupavahini Act under (a)(v), formulation of new rules and regulations required to the Institution and preparation of a disciplinary procedure.

## 4.2 Management Activities

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The following observations are made.

- (a) Even though a cheque valued at Rs.148,860 had been given to the Corporation for telecasting his programme at the discretion by a client in the year under review, client had suspended the payment to that cheque due to telecasting another programme during the period expected by that client. Even though the Corporation had telecast many programmes on credit basis, action had not been taken to give priority for the transactions for which the money had received before telecasting.
- (b) The value of Rs.125,998,926 had been written off from the intangible assets as impairment adjustments as at 31 December 2015. Meanwhile, local and foreign programmes valued at Rs.20,141,553 and local and foreign teledramas valued at Rs.67,922,600 purchased up to the end of the year under review had been written off after telecasting them less than the number of occasions to be telecasted due to failure to telecast during the particular period or without telecasting the particular number of occasions according to the purchasing license as local and foreign teledramas and programmes had been purchased without a proper plan for telecasting.
- (c) Even though a sum of Rs.1,104,000 had been invested in the years 1985 and 1992 for Purchasing shares of Lanka Puwath Institution by the Corporation, any dividend whatsoever had not been received even up to the year under review.



### **4.3 Operating Inefficiencies**

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The following observations are made.

- (a) Action had not been taken to get the cassettes returned or recover, the loss from the relevant officers, related to 2,408 cassettes valued at Rs.6,657,595 not returned even by the end of the year under review after lending them out of the library since the year 2002 by 179 officers.
- (b) Salaries totaling Rs.585,879 paid to two officers released from the service of the Corporation on the basis of reimbursement of salaries paid from July 2014 to 31 December 2015 had not been reimbursed from the relevant institutions even up to 31 December 2015.

### **4.4 Transactions of contentious nature**

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The following observation are made.

- (a) A person had filed a case against the Corporation requesting a compensation amounting to Rs.250,000,000 for a news item telecasted over a Rupavahini channel in the year 2008. Even though it was proposed to settle the case by paying a compensation of Rs.1,000,000 in the year 2014, the Corporation had not agreed there to and this case had been settled by the payment of compensation of Rs.1,500,000 in cash and broadcasting time valued at Rs.1,500,000 without considering the adverse financial position of the Corporation through a Board paper with the intervention of the Minister in the year 2015.
- (b) An officer of the Corporation had found guilty for 08 charges out of 13 charges in the charge Sheet issued against him after conducting a formal disciplinary inquiry and interdicted on 26 February 2010. He had been placed in the post of Senior Producer, backdating him to the date he had been interdicted, without a vacancy in an approved post by the Department of Management Services under restructuring the posts of the Corporation in the year 2015. The related salary increments and arrears of salary amounting to Rs.2,009,174 had been paid in the year under review.



#### 4.5 Apparent irregularities

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The following observations are made.

- (a) In providing telecasting time for advertisements under special packages and providing discount concessions, an acting Assistant Director had given such opportunities without a formal agreement and format authority. As the above officer had given an airtime valued at Rs.21,089,960 to three institutions subjected to audit for Rs.7,860,485 within three months, a loss amounting to Rs.13,229,475 had incurred to the Corporation.
- (b) After referring the Computerized Daily Telecasting Schedule to the Control Room, the officers in the schedule Division and Programme Division had amended it by hand written notes without a formal authority.
- (c) As invoices had been issued only for the value without taxes amounting to Rs.7,002,800 instead of a sum of Rs.8,000,000 (inclusive of tax) recoverable from a client debtor, tax amounting to Rs.997,200 had been omitted.
- (d) Presidential election 2015-Advertisements

The following observations are made.

- (i) Even though prior advertising tapes telecast free of charges by the Corporation according to the existing parameters should not be used for promotion of a political Party or an individual, prior advertising tapes for an airtime of 29,191 seconds approximately had been used for the promotion of one candidate during the period of presidential Election. Even though about Rs.41,712,450 should have been recovered according to the rates of the Corporation for this airtime, that total airtime had been given free of charge.
- (ii) The assets and personnel of the Corporation had been utilized for the promotion of one candidate and a telefilm had been produced and it had been telecasted free of charge. The loss calculated by the Corporation there for amounted to Rs.1,064,300 and charges for the airtime had not been calculated.



- (iii) A specific strategy was not available for the recovery of charges for telecasting advertisements from the Candidates who participated in the Presidential Election and charges had been recovered double the charges prevailed at that time from one candidate and the other candidate had been given a discount up to 56 per cent.
- (iv) Even though a sum of Rs.192,916,016 recoverable from three principal candidates including the independent candidate for telecasting advertisements, an arrears of a sum of Rs.127,538,784 had to be recovered even by 06 February 2016.
- (v) Even though action should be taken that every candidate should be treated as balanced and unbiased manner in terms of the first Criterion of the Extra-ordinary Gazette Notification No.1890/2 dated 24 November 2014, an airtime amounting to 77,481 seconds for other packages except for the prior advertising tapes for one candidate had been given and the other candidate had been given only an airtime of 1,350 seconds. Likewise, a sum of Rs.850,126 deposited on behalf of him had been set off against the money receivable from another advertisements of the Sales Agent presented the advertisements, stating that it was inability to give airtime requested by that Candidate.
- (vi) As non-inclusion of a sum of Rs.61,900,000 recoverable from a candidate for the Promotional advertisements in the daily telecasting Schedules, issuance of invoices therefore, inclusion in the client ledger and inclusion in the client debtors balance etc. had not been made.

#### **4.6 Idle and Underutilized Assets**

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The following observations are made.

- (a) Even though an automated Barcode system had been purchased by spending a sum of Rs.1,734,000 in the year 2005 for the computerization the activities of the Rupavahini Audio visual library for carrying out the functions there of properly and efficiently, such machines had not been used even up to the end of the year under review.



- (b) The spare parts valued at Rs.18,052,749 of the Engineering Division remained as immovable stocks for over 10 years and spare parts valued at Rs.178,251,368 had remained underutilized.

#### **4.7 Identified losses**

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As the original receipts of the deposits amounting to Rs.3,509,254 representing 88 per cent of the value of deposits receivable had been misplaced, deposit money could not be taken back from the relevant institutions.

#### **4.8 Delayed Projects**

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The following observations are made.

- (a) Even though a sum of Rs.183,051 had been spent for consultancy fees and soil sample testing activities in the years 2005 and 2006 for the construction of buildings for news division, construction works had not been commenced even up to the end of the year under review.
- (b) The cabinet of Ministers had given approval in December 2014 to maintain a Rupavahini channel in a room established in Italy, Europe or any other country through the satellite technology and to obtain the equipment required for it with the consent of Ministry of Finance on a temporary lease basis with the intention of carrying the national identity of Sri Lanka to the world and promotion of knowledge and appreciation of Sri Lankans abroad. An advance amounting to Rs.3,454,279 had been paid to a private Company on 02 January 2015 for its initial work without entering into a written agreement or without the consent of the Ministry of Finance. However, this function had been completely abandoned after January 2015 and action had not been taken to recover the advance paid.





#### 4.9 Personnel Administration

The cadre position of the Corporation as at 31 December 2015 was as follows.

	Approved		Actual		Vacancies	Surplus
	Permanent	Other (service assignments/contact basis)				
Senior Level	14	16	01		08	(11)
Tertiary Level	110	161	16		-	(67)
Secondary level	620	635	36		255	(306)
Primary level	<u>241</u>	<u>128</u>	<u>09</u>		<u>104</u>	-
Total	<u>985</u>	<u>940</u>	<u>62</u>		<u>367</u>	<u>(384)</u>

Following observations are made in the respect.

- (i) Even though in addition to the 985 staff approved for the Corporation, there were 61 posts approved as personal only to that officer as at that date, information regarding the number of posts available therefore had not been presented.
- (ii) Number of employees on contract basis and duty assignment basis as at 31 December 2015 were 40 and 22 respectively. Additionally, 12 acting appointments in the above actual cadre (permanent and others) had been given.
- (iii) Eleven and 65 officers had been recruited for the salary Code HM 1-2 at the senior level and MA 3 Salary Code at the secondary level respectively which had not been approved by the Department Of Management Services.
- (iv) The approved Cadre of tertiary level was 110, As 161 actual cadre and 16 posts on contract basis had been given a surplus of employees had existed in 67 posts despite 08 acting appointments had also been given.



#### **4.10 Market Share**

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According to the survey conducted by the Lanka Market Research Bureau-(LMRB) on 15 Rupavahini channels on watching television by viewers, the market share of 24.4 per cent for Corporation existed for the year 2004 had decreased to 5.7 per cent of the year under review. However, the Corporation had not taken necessary action to identify the reasons for decreasing this market Share and to get it developed.

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

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#### **5.1 Presentation of financial Statements**

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In terms of Section 6.5.1 of the Public Enterprises Circular No. PED/12 dated 02 June 2003, the Draft Annual Report of the year under review should be presented to the Auditor General within 60 days after the end of the financial year but that report had not been presented.

#### **5.2 Corporate Plan**

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The following observation are made.

- (a) Even though a corporate plan had been prepared in terms of Section 5 of the Public Enterprises Circular No. PED/12 dated 02 June 2003, for the period 2013 to 2017 it had not been timely reviewed, updated and presented to the Auditor General.
- (b) Even though it was planned to earn a pre- tax profit of Rs.95,000,000 by the end of the year 2015, according to the financial prediction of the Corporate Plan, the loss for the year under review was Rs.371,675,001.

#### **5.3 Action Plan**

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Eight activities planned according to the Corporate Plan of the Corporation had not been included in to this Action Plan. Similarly, 09 activities which were not included in the Corporate Plan had been included in the Action Plan.



#### **5.4 Internal Audit**

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The following observations are made.

- (a) Even though the Internal Audit Division of the Corporation had issued 15 Audit queries and reports in the first six months and 08 audit queries and reports issued in the later half of the year under review, the attention had not been paid by the Management to rectify many issues shown in such queries and reports and to implement important suggestions made therein.
- (b) Even though the Corporation had prepared an Internal Audit Programme in terms of Section 13(5)(d) of the Finance Act, sanction of the Auditor General had not been obtained therefore.

#### **5.5 Procurement and Contract process**

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As a procurement plan had not been prepared for the year 2015, it was observed that the procurement activities had not been done according to a plan.

#### **5.6 Budgetary Control**

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The following observations are made.

- (a) Even though Capital Budgetary provisions amounting to Rs.736,402,000 had been made for Purchasing capital items for the development activities of the Corporation through the Budget of the year under review, the expected development activities could not be done as only property, plant and equipment valued at Rs.41,050,820 had actually been purchased.
- (b) Variations ranging from (2,425) per cent to 27.8 per cent between the budgeted and actual assets, liabilities and operating activities of the Corporation as at 31 December 2015 were observed, and as such, it was observed that the budget had not been made use of as an effective instrument of management control.



## 5.7 Tabling of Annual Reports

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Even though the annual Report for the year 2012 of the Corporation had been referred to the Parliamentary Consultancy Council on media and Parliamentary affairs on 07 April 2015, information to ensure the presentation of it to Parliament had not been presented. Annual reports for the years 2013 and 2014 had also not been tabled in Parliament even by June 2016.

## 6. Systems and Controls

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

Systems and field of control	Observations
(a) Financial control	(i) Issuance of advances not complying with the circular instructions and non-recovery during the prescribed period. (ii) Issuance of invoices after the supply of airtime (iii) Granting credits exceeding the credit limits (iv) Delay to recover loans.
(b) Personnel Management	(i) Granting long term acting appointments. (ii) Granting appointments not approved by the Department of Management Services and payment of salaries and allowances.



(c) Operating Management

- (i) Not reviewing and updating the corporate plan timely.
- (ii) Non-preparation of Action plan and Budget in line with the updated Corporate Plan.
- (iii) Payment of bonus contrary to the Circular instructions.
- (iv) Payment of transport allowances without the approval of the Treasury.
- (v) Reaching the Corporation regularly to a loss position from a profitable position.

(d) Internal Audit

Not taking action to rectify the lapses shown in Audit queries and Audit reports of the internal Audit Division.

H.M.Gamini Wijesinghe  
Auditor General