

N. B:- Part IV(A) of the Gazette No. 1,733 of 18.11.2011 was not published.

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අංක 1,734 – 2011 නොවැම්බර් 25 වැනි සිකුරාදා – 2011.11.25
No. 1,734 – FRIDAY, NOVEMBER 25, 2011

(Published by Authority)

PART I : SECTION (I) – GENERAL

(Separate paging is given to each language of every Part in order that it may be filed separately)

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IMPORTANT NOTICE REGARDING ACCEPTANCE OF NOTICES FOR PUBLICATION IN THE WEEKLY “GAZETTE”

ATTENTION is drawn to the Notification appearing in the 1st week of every month, regarding the latest dates and times of acceptance of Notices for publication in the weekly *Gazettes*, at the end of every weekly *Gazette* of Democratic Socialist Republic of Sri Lanka.

All notices to be published in the weekly *Gazettes* shall close at 12.00 noon of each Friday, two weeks before the date of publication. All Government Departments, corporations, Boards, etc. are hereby advised that Notifications fixing closing dates and times of applications in respect of Post-Vacancies, Examinations, Tender Notices and dates and times of Auction Sales, etc. should be prepared by giving adequate time both from the date of despatch of notices to Govt. Press and from the date of publication, thereby enabling those interested in the contents of such notices to actively and positively participate please note that inquiries and complaints made in respect of corrections pertaining to notification will not be entertained after **three months** from the date of publication.

All notices to be published in the weekly *Gazettes* should reach Government Press two weeks before the date of publication *i.e.* notices for publication in the weekly *Gazette* of 02nd December, 2011 should reach Government Press on or before 12.00 noon on 18th November, 2011.

LAKSHMAN GOONEWARDENA,
Government Printer.

Department of Govt. Printing,
Colombo 08,
January 01, 2011.

Appointments, &c., by the President

D/DISC/NY/240.

D/AF/870.

SRI LANKA NAVY—REGULAR NAVAL FORCE

Suspension from the Exercise of Office approved by His Excellency the President

UNDERMENTIONED officer is suspended from the exercise of office with effect from 26th June, 2011.

Commander (NP) KIRIDENA MAYURAPAKSA WASALA HERATH MUDIYANSELAGE PRIYANTHA KUMARA SENAVIRATNE, SLN - NRP 0747.

By His Excellency's Command,

GOTABAYA RAJAPAKSA RWP RSP psc,
Secretary,
Ministry of Defence &
Urban Development.

Colombo,
27th July, 2011.

11-678

No. 546 of 2011

D/VF/283/NY.

SRI LANKA NAVY—VOLUNTEER NAVAL FORCE

Transfer from the Volunteer Naval Force to the Volunteer Naval Reserve approved by His Excellency the President

HIS EXCELLENCY THE PRESIDENT has approved the transfer of the undermentioned Officer from the Volunteer Naval Force to the Volunteer Naval Reserve with effect from 25th August, 2011.

Sub Lieutenant (VNF) CHANDRASIRI HETTIARACHCHI, NVX 5608 - SLVNF

By His Excellency's Command,

GOTABAYA RAJAPAKSA RWP RSP psc,
Secretary,
Ministry of Defence & Urban
Development.

Colombo,
27th July, 2011.

11-679

SRI LANKA AIR FORCE

Invalidation approved by His Excellency the President

THE undermentioned Officer invalids from the Sri Lanka Air Force with effect from 12th May, 2011, on account of medical unfitness for Air Force service.

Flight Lieutenant MUDIYANSELAGE DAMITH GAYAN KONARA, (02765)-Electronic Engineering

By His Excellency's Command,

GOTABAYA RAJAPAKSA RWP RSP psc,
Secretary,
Ministry of Defence.

Colombo,
10th June, 2011.

11-676

No. 547 of 2011

D/AF/903.

SRI LANKA VOLUNTEER AIR FORCE

Resignation of Commission approved by His Excellency the President

HIS EXCELLENCY THE PRESIDENT has approved the Resignation of Commission of the undermentioned Officer from the Sri Lanka Volunteer Air Force with effect from 01st September, 2011.

Rank	Full Name & Service Number	Branch
Air	VIJITH KUMARA	Administrative
Commodore	MALALGODA (V/0519)	Lagal

By His Excellency's Command,

GOTABAYA RAJAPAKSA RWP RSP psc,
Secretary,
Ministry of Defence.

Colombo,
29th September, 2011.

11-677

Appointments, &c., by the Judicial Service Commission

APPOINTMENTS

JUDICIAL Service Commission is pleased to grant appointments to following Judicial Officers.

<i>Index No.</i>	<i>Name of the Officer</i>	<i>Class and Grade</i>	<i>Effective date of the Appointment</i>	<i>Court/Appointment</i>
01.	Mr. R. A. M. Rajapaksha	Class II Grade I	01.09.2010	Matugama Additional District Judge, Additional Family Court Judge, Additional Magistrate, Additional Juvenile Magistrate and Additional Primary Court Judge.
02.	Mrs. I. M. D. Illangasinghe	Class II Grade I	20.09.2010	Battaramulla Juvenile Magistrate.
03.	Mr. H. S. U. Ramyakumara	Class II Grade I	27.09.2010	Tissamaharama District Judge, Family Court Judge, Magistrate, Juvenile Magistrate and Primary Court Judge.
04.	Miss G. N. Priyadarshani	Class II Grade I	07.10.2010	Deiyandara Magistrate, Juvenile Magistrate, Primary Court Judge and Morawaka Additional District Judge and Additional Family Court Judge.
05.	Mr. R. M. Jayawardena	Class I Grade I	27.10.2010 to 28.10.2010	Colombo Fort Additional Magistrate and Additional Primary Court Judge.
06.	Mr. W. R. M. A. Wickramasinghe	Class II Grade I	08.12.2010	Bandarawela Magistrate, Juvenile Magistrate, Primary Court Judge, Additional District Judge and Additional Family Court Judge.
07.	Miss K. U. T. De Silva	Class II Grade I	06.12.2010	Elpitiya Magistrate, Juvenile Magistrate, Primary Court Judge, Additional District Judge and Additional Family Court Judge.
08.	Mr. B. A. R. Somasinghe	Class I Grade I	01.02.2011	Moratuwa Additional District Judge, Additional Family Court Judge, Additional Additional Magistrate, Additional Juvenile magistrate and Additional primary Court Judge.
09.	Mr. N. S. Hapuarachchi	Special Grade	01.02.2011	Gampaha District Judge, Family Court Judge, Additional Magistrate, Additional Juvenile Magistrate and Additional Primary Court Judge.
10.	Mr. K. P. S. Harshan	Class II Grade I	01.02.2011	Matara Additional District Judge, Additional Family Court Judge, Additional Magistrate, Additional Juvenile Magistrate and Additional Primary Court Judge.
11.	Miss K. A. D. S. C. Perera	Class II Grade I	01.02.2011	Ruwanwella Magistrate Juvenile Magistrate and Primary Court Judge.
12.	Miss B. Sirisena	Class II Grade I	01.02.2011	Hettipola Magistrate, Juvenile Magistrate and Primary Court Judge.
13.	Mr. P. M. Amarasena	Class II Grade I	01.02.2011	Colombo Additional Magistrate, Additional Primary Court Judge, Additional District Judge and Additional Family Court Judge.
14.	Mr. U. G. W. K. W. Jinadasa	Class I Grade I	01.02.2011	Panadura District Judge, Family Court Judge, Additional Magistrate, Additional Juvenile Magistrate and Additional Primary Court Judge.
15.	Mr. J. T. Kakirideniya	Class II Grade I	01.03.2011	Tambuttegama Magistrate, Juvenile Magistrare and Primary Court Judge.
16.	Mr. K. R. H. M. U. Kulathunga	Class II Grade I	29.03.2011	Mathugama Additional District Judge, Additional Family Court Judge, Additional Magistrate, Additional Juvenile Magistrate and Additional Primary Court Judge.

<i>Index No.</i>	<i>Name of the Officer</i>	<i>Class and Grade</i>	<i>Effective date of the Appointment</i>	<i>Court/Appointment</i>
17.	Mr. R. A. M. Rajapaksha	Class II Grade I	29.03.2011	Mathugama District Judge, Family Court Judge, Additional Magistrate, Additional Juvenile Magistrate and Primary Court Judge.
18.	Mrs. S. M. Jayasekara	Class II Grade I	20.06.2011	Battaramulla Juvenile Magistrate.

Subject to the direction of the Judicial Service Commission,

MANJULA TILAKERATNE,
Deputy Secretary,
For Secretary,
Judicial Service Commission.

Judicial Service Commission Secretariat,
Colombo 12,
01st November, 2011.

11-581

Government Notifications

My No. : NP/11/02/26/2011/පිටු/සැ.

NOTICE UNDER THE LAND REGISTERS RECONSTRUCTED FOLIO ORDINANCE (CAP.120)

1. I hereby give notice under section 04 of the Land Registers Reconstructed Folio Ordinance (Cap. 120) that Land Register Folios, particulars of which appear in Column 1 of the Schedule hereto, affecting the lands described in Column 2, thereof which have been found to be missing or torn, have been reconstructed in full in provincial folios and relate to the connected deeds, particulars of which are shown in Column 3 of the said Schedule.

2. The provisional folio will be opened for inspection by any person or persons interested there in at the Office of the Registrar of Lands, Matara, 25.11.2011 to 09.12.2011 between the hours of 10.00 a. m. to 3.00 p. m. on all working days.

3. Any person desirous of lodging any objection against any entry included in a provisional folio or against any of the particulars contained in any such entry and any person desiring to make a claim for the insertion of any entry or of any particulars alleged to have been improperly omitted from any entry must do so, by an objection or claim in writing addressed to the undersigned which must be sent under registered cover and must reach the Office of the Registrar General not later than 16.12.2011. The matter in respect of which the objection or claim in made must be clearly and fully set out in the objection or claim, and the objection or claim must be accompanied by all documentary evidence relies upon the support of it.

SCHEDULE

<i>Particulars of damaged Folios of the Land Registers</i>	<i>Particulars of Land</i>	<i>Particulars of Deeds/Registers</i>
Folio No. 67 of volume 436 of Division A of the Land Registry, Matara in Matara District.	All that divided and defined allotment of Land marked Lot 4A2 depicted in Plan No. 1307 dated 29.06.2001 made by M. L. M. Razmi, Licensed Surveyor of the Land called Pearl Cliff bearing	1. Deed of gift No. 8469 written and attested by D. S. S. Rupasinghe, Notary Public on 14.09.2001.

<i>Particulars of damaged Folios of the Land Registers</i>	<i>Particulars of Land</i>	<i>Particulars of Deeds/Registers</i>
	Assessment No. 25, Browns Hill Road situated at Madawatta within the Municipal Council Limits and Four Grant of Matara in the District of Matara Southern Province and which said Lot 4A2 is bounded on the - North by : Lot 4A3; East by: Wadugewatta <i>alias</i> Wadugodawatta; South by: Browns Hill Road from Matara to Tangalle; West by: Lot 4A (Road). Extent : 0A., 0R., 20P.	
Folio No. 223 of volume 436 of Division A of the Land Registry, Matara in Matara District.	All that divided and difined allotment of Land marked Lot 4A2A depicted in Plan No. 1743 dated 05.07.2003 made by M. L. M. Razmi, Licensed Surveyor of the Land called Pearl Cliff bearing Assessment No. 25, Browns Hill Road situated at Wadugewatta within the Municipal Council Limits and Four Grant of Matara in the District of Matara Southern Province is bounded on the North by : Lot 4A2B; East by: Wadugewatta <i>alias</i> Wadugodawatta; South by: Browns Hill Road from Matara to Tangalle; West by: Lot 4A4 (Road). Extent : 0A., 0R., 14P.	2. Deed of Transfer No. 618 written and attested by T. N. Pinidiya, Notary Public on 26.09.2003. 3. Deed of Mortgage Bond No. 534 written and attested by S. D. Hewavitharana, Notary Public on 26.09.2003. 4. Deed of declaration No. 535 written and attested by S. D. Hewavitharana, Notary Public on 26.09.2003.

E. M. GUNASEKARA,
Registrar General.

Registrar General's Department,
No. 234/A3, Denzil Kobbekaduwa Mawatha,
Battaramulla.

11-615

NOTIFICATION UNDER SECTION 162(b) OF THE COAST CONSERVATION ACT, No. 57 OF 1981

Proposed 151 Rooms Hotel Project, Kudawaskaduwa, Waskaduwa, Kalutara

ENVIRONMENTAL IMPACT ASSESSMENT REPORT

IT is hereby notified that the Report of Environmental Impact Assessment Study on proposed 151 Rooms Hotel Project, submitted by the Waskaduwa Beach Resort Ltd., No. 02, Police Park Avenue,

Colombo 05, as required by the Section 16(1) of the Coast Conservation Act, No. 57 of 1981 will be available for inspection by the public at the following institutions between 8.30 a. m. and 4.15 p. m. for a period of 30 days from 25.11.2011 (Please note that these offices are closed on weekends and public holidays).

- (1) Ministry of Defence and Urban Development, No. 15/5, Baladaksha Mawatha, Colombo 03.
- (2) Coast Conservation Department, New Secretariat Building, 4th Floor, Maligawatte, Colombo 10.

- (3) Central Environmental Authority, No. 104, "Parisara Piyasa",
Denzil Kobbekaduwa Mawatha, Battaramulla. Any member of the public may within 30 days from 25.11.2011 submit their comments in writing on the above Environmental Impact Assessment to the Director General, Coast Conservation Department.
- (4) Urban Development Authority, 6 and 7th Floors, Sethsiripaya,
Battaramulla.
- (5) District Secretariat, Kalutara. Dr. ANIL PREMARATNE,
Director General/Coast Conservation.
- (6) Divisional Secretariat, Kalutara. Coast Conservation Department,
New Secretariat,
4th Floor, Maligawatta,
Colombo 10.
- (7) Pradeshiya Sabawa, Kalutara. Telephone Nos. : - 011-2449754, 011-2387922, 011-2472623,
Fax Nos. : - 011-2438005, 011-2472623.
- (8) District Fisheries Office, Department of Fisheries and Aquatic
Resources, Kalutara. 11-714
- (9) Regional Office, Coast Conservation Department,
Moratumodara, Moratuwa.

Revenue and Expenditure Returns

UNIVERSITY OF COLOMBO SCHOOL OF COMPUTING

No. 35, Reid Avenue, Colombo 07, Sri Lanka

Combined Financial Statements for the Year ended 31st December, 2008

Introduction

THE University of Colombo School of Computing (UCSC) was established as a Center of Higher Learning of the University of Colombo combining the expertise and resources of the Institute of Computer Technology (ICT) and the Department of Computer Science (DCS) under the UCSC Ordinance Number 01 of 2002 in September, 2002. The main function of the UCSC is to provide ICT degree programs to internal undergraduate and postgraduate students and conduct research work in the field of ICT. In addition to this major function, the UCSC conduct many consultancy, training, external degree programs and research work through its five centers namely-

1. Computing Services Center
2. Advanced Digital Media Technology Center
3. External Degree Center
4. Center for E - Learning
5. Professional Development Center

The accounts submitted herewith show that the Centers use their earnings to support each other and also partially support the UCSC for its day today activities, as the government funding is not adequate. The activities of the centers are given below.

Computing Services Center (CSC)

The Computing Services Center, which is the Consultancy arm of the UCSC was established in 1990 to provide Consultancy Services to the IT and related industries. The CSC also conducts short courses and customized training programs.

Advanced Digital Media Technology Center (ADMTC)

The ADMTC was established under the Japanese Government Assisted Advanced Digital Media Technology Project. This center provides training programmes and expertise in the area of Advanced Digital Media.

External Degree Center (EDC)

The External Degree Center at present offers the most popular external degree, the Bachelor of Information Technology (BIT) and provides an opportunity to thousands of students while at the same time generating income to the UCSC.

Center for E-Learning

The Center for E-Learning of the UCSC conducts research and development in area of E-Learning. The center develops E-Learning material to assists use to adopt the paradigm (*ie.* move from teaching to learning skills in education). This center received funding from SIDA for its initial activities.

Professional Development Center (PDC)

The main function of the Professional Development Center is to enhance the Quality of the Graduate and Undergraduate Programmes offered by the University of Colombo School of Computing (UCSC) by promoting the interaction between the UCSC and the Industry.

University of Colombo School of Computing University of Colombo

Significant Accounting Policies for the Year Ended 31st December, 2007

1. *Basis of Accounting*

The Financial Statements are prepared on the historical basis of accounting, whereby the transactions are recorded at values prevailing at the dates when the assets were acquired, the liabilities were incurred and funds obtained; in accordance with generally accepted Accounting Principles and Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka.

2. *Conversion of Foreign Currencies*

All foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions; gains and losses resulting from the settlement of such translation and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the balance sheet date.

3. *Revenue Recognition*

(i) *Government Grants (Recurrent)*

All Government Grants pertaining to recurrent expenditure is recognized at the time of allocation.

(ii) *Government Grant (Capital)*

Grant relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the income statement on a strait line basis over the expected life of the related assets.

(iii) *Course Fee*

Course fees are recognized over the period of instruction. Where adequate information is not available to make such allocation to different financial periods, fees are recognized as income on a cash basis.

(iv) *Fees on Computer Services*

Fees on computer services provided are recognized only on the completion of work.

(v) *Investment Income*

Investment income is recognized on accrual basis.

4. *Inventories*

(i) *Stationery*

Stocks of stationery and other miscellaneous items are valued at the lower of cost and net realizable value. In general, cost is determined on a First In First Out (FIFO) basis.

(ii) *Work in Progress*

No value is attached to course work and computer services in progress at the balance sheet date.

5. Assets and bases of their valuation

Property Plant and Equipment (PPE)

Property Plant and Equipment are recorded at cost of purchase together with any incidental expenses thereon. The assets are stated at cost less accumulated depreciation. Assets received as grant have been valued at their fair value.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount, such reduction is recognized as an expense immediately.

Gain or loss on disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Subsequent cost

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 items will flow to the Group and the cost of items can be measured reliably. All other repairs and maintenance are charged to income statement during the financial period in which they are incurred.

Depreciation

Assets, for which dates of purchase are known, depreciation is provided in proportion to the number of months completed or such assets were used from the date of purchase. Assets of which exact date of purchase is not known depreciation is provided for the whole year in which they were purchased. Depreciation will be provided on the year of the sale/disposal in proportion to the number of months the assets over the estimated useful life of assets.

Depreciation is charged on all property plant and equipment on the straight line basis to write off the cost over the estimated useful lives as follows.

Rates of Depreciation

Buildings	-	5% per annum
Furniture and Fittings	-	10% per annum
Office Equipment	-	20% per annum
Library Books and Periodicals	-	20% per annum
Motor Vehicles	-	20% per annum
Laboratory and Teaching Equipment	-	20% per annum

6. Receivables

Receivables are stated at the amounts that they are estimated to realize.

7. Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and short term investments.

8. Cash flow statement

The cash flow statements have been prepared using the "Indirect Method" for the purpose of the statement of cash flow. Cash and cash equivalents are comprised cash and bank balances, short term deposits less bank overdraft.

9. Employee Benefits

Defined benefit plans

Provision is made in the accounts for retirement gratuities at rates applicable under the payment of Gratuity Act, No. 12 of 1983. Although employees should complete a minimum period five years of continued employment to qualify for gratuity payments under the Act, provision is made from the commencement of employment on the assumption that all employees intend to continue in employment to at least five years.

Defined Contribution Plans - UPF and ETF

Employees are members of the University Provident Fund and Employees Trust Fund. Contribution to defined contribution plans, UPF, EPF and ETF are recognized as an expense in the income statement as incurred.

10. Comparative Information

Comparative information has been stated to comply with SLAS 3.

**University of Colombo School of Computing
University of Colombo
Combined Balance Sheet as at 31st December, 2008**

Assets	Note	2008 Rs.	2007 Rs.
Non Current Assets			
Property, Plant and Equipment		<i>N. B. V.</i>	<i>N. B. V.</i>
Buildings		16,507,579	17,473,275
Laboratory and Teaching Equipment and Furniture and Office Equipment	1	66,058,826	69,687,569
Library Books and Periodicals		1,117,033	918,489
Motor Vehicles		-	115
		<u>83,683,438</u>	<u>88,079,448</u>
Rehabilitation and Improvement of Capital Assets		20,455,046	18,916,248
Current Assets			
Inventories	2	2,126,817	1,548,992
Receivable and Prepayments	3	32,253,679	19,219,004
SIDA Funds	10	77,020,881	81,555,071
LEARN Funds	11	49,024,225	61,861,657
Current A/C		-	-
Cash and Cash Equivalent	4	260,935,599	201,245,283
Total Current Assets		<u>421,361,201</u>	<u>365,430,007</u>
Total Assets		<u>525,499,685</u>	<u>472,425,704</u>
Equity and Liabilities			
Capital and Reserves			
Capital			
Capital Grant Unspent	5 (a)	6,117,566	6,065,621
IT Grant Unspent	5 (a)	2,912,232	3,335,957
Capital Grant Spent	5 (b)	44,107,062	42,245,158
IT Grant Spent	5 (b)	18,217,314	22,291,941
E-Learning Project-Grant	5 (a)	358,638	720,318
E-Learning Project-Spent	5 (b)	18,098,783	10,451,037
IDRC Project-Grant	5 (a)	1,425,551	-
IDRC Project-Spent	5 (b)	678,460	-
Foreign Funded Projects-Unspent	5 (a)	6,899,178	-
Foreign Funded Projects-Spent	5 (b)	1,827,535	-
Gifts and Donations	6	-	9,027,304
Differed Grants		212,309	414,364
Colombo		8,155,714	8,155,714
Total		<u>109,010,342</u>	<u>102,707,414</u>
Reserves	7	<u>179,578,569</u>	<u>138,765,754</u>
Restricted Funds	8	22,528,307	19,597,898

	<i>Note</i>	<i>2008</i> Rs. <i>N. B. V.</i>	<i>2007</i> Rs. <i>N. B. V.</i>
Non Current Liabilities			
Retirement Benefit		15,293,902	14,012,721
Current Liabilities			
Other Accruals and Payables	9	67,245,117	53,922,315
SIDA Funds	10	77,020,881	81,555,071
LEARN Funds	11	49,024,225	61,861,657
Bank Overdraft		5,798,342	2,874
Total		199,088,565	197,341,917
Total Equity and Liabilities		525,499,685	472,425,704

Note:

The assets and liabilities of the Computing Services Centre, External Degrees Centre, Advanced Digital Media Technology Centre, Professional Development Centre, E-Learning Project, Pan Localization, MSC Programme and Other foreign funded projects have been amalgamated with the University of Colombo School of Computing Accounts.

Certified,

Director (UCSC)

Senior Assist Bursar

26th February, 2009.

University of Colombo School of Computing
University of Colombo
Combined Income and Expenditure Statement for the year ended 31st December, 2008

Undergraduate Programme	<i>2008</i>	<i>2007</i>
Income	<i>Rs.</i>	<i>Rs.</i>
	<i>N. B. V.</i>	<i>N. B. V.</i>
Government Grant	71,555,000	78,695,000
Deferred Income-Grants	15,360,781	19,822,328
Other	1,720,851	2,345,902
	88,636,632	100,863,230
Undergraduate Programme-Expenditure		
Personnel Emoluments	38,993,691	39,740,150
Traveling expenses	349,690	173,620
Supplies	2,927,236	2,798,033
Contractual Services	21,085,129	19,762,441
Retirement Benefits	7,465,102	6,908,404
Subscription, Contr. and Membership Fee	150,104	122,952
Staff Development	818,030	136,862
Other Recurrent Expenses	8,421,846	7,070,274
Depreciation	15,360,783	19,822,329
Total	95,571,611	96,535,066
Deficit from Undergraduate Programme	(6,934,979)	4,328,164
Extension Programme		
Advanced Digital Media Technology Centre	3,314,519	232,508
M Sc. Programme	20,184,711	5,649,637
External Degrees Centre	30,716,593	19,165,277

	2008 Rs. N. B. V.	2007 Rs. N. B. V.
Computing Services Centre	3,653,065	3,585,522
Professional Development Centre	(331,898)	(231,634)
Surplus from Extention Programme	57,536,990	28,401,310
Projects		
E-Learning	399,592	379,285
Pan Localization	0	1,367,602
PAN DLT-01 and 03	0	(877,030)
GIS Based Disaster Management	0	(217,213)
WASN	388,794	(1,930,053)
Asiae Bit	0	1,568,194
DIAMN	0	(189,582)
TCTP	60,000	139,580
LTRL	0	778,667
Others	925,110	1,109,041
M-ATM	0	
IDRC Vertual Village	-	682,291
Surplus from Projects	1,773,496	2,431,497
Net Surpluses/(Deficit)	52,375,507	35,160,971

**University of Colombo School of Computing
University of Colombo
Combined Cash Flow Statement for the year ended 31st December, 2008**

	Note	Rs.	2008 Rs.	2007 Rs.
<i>Cash flow from operating activities</i>				
Deficit/Surplus for the year			52,375,507	35,540,256
<i>Adjustment for</i>				
Depreciation -		29,003,362		48,042,649
Provision for Gratuity		1,361,181		694,367
Differed Income		(28,373,416)		(45,997,786)
Transfer from Previous Grant Received		(10,943,106)		
Profit from sales of property plant and equipment		5,770		-
Exchange Gain		(2,777,004)	(11,723,213)	(293,327)
Operating surplus before working capital changes			40,652,294	37,986,159
Working capital changes	Sche-01		(289,698)	3,521,141
Net cash generated from operating activities			40,362,596	41,507,300
<i>Cash flows from investing activities</i>				
Acquiition of property plant and equipment		(23,677,407)		(20,117,894)
Proceeds from sales of property plant and equipment		23,205		-
Rehabili. and maintenance of property plant and equip		(2,560,674)	(26,214,876)	(3,108,084)
			14,147,720	18,281,322
<i>Cash flows from financing activities</i>				
Capital grant received		34,119,715		18,214,791
Gratuity paid		(80,000)		-
Receipts from Restricted Funds		2,930,409	36,970,124	990,844
Net Increase decrease in cash and cash equivalent			51,117,844	37,486,957
Exchange Gain/(Loss)			2,777,004	293,327
Cash and cash equivalent at the beginning of the year			201,242,409	163,462,125
Cash and cash equivalent at the end of the year	4		255,137,257	201,242,409

	2008 Rs.	2007 Rs.
Schedule - 01		
<i>Working Capital changers</i>		
Increase in Stock-Stationeries	(577,825)	(577,825)
Increase in Receivables and Prepayments	(13,034,675)	(13,238,213)
Increase in Other Accruals and Payables	13,322,802	11,067,748
Total	(289,698)	(2,748,290)

University of Colombo School of Computing
University of Colombo
Notes to the Combined Financial Statements 2008

Note - 01

Property, Plant and Equipment

	<i>Teaching Equipment, Furniture and Fittings and Office Equipment</i>	<i>Library Books and Periodicals</i>	<i>Motor Vehicles</i>	<i>Buildings</i>	<i>Total</i>
	Rs.	Rs.	Rs.		Rs.
Cost					
As at 01.01.2008	316,627,109	5,504,372	3,673,722	19,313,906	345,119,109
Additions 2008-Govt. Grant	23,060,903	616,503	-	-	23,677,406
-IT Grant	-	-	-	-	-
-Foreign Projects	-	-	-	-	-
-Transfer	33,000	-	-	-	33,000
Add: Disposals	(360,480)	-	-	-	(360,480)
Less: Donation	-	-	-	-	-
As at 31.12.2008	339,360,532	6,120,875	3,673,722	19,313,906	368,469,035
Provision for Depreciation:					
As at 01.01.2008	246,939,540	4,585,883	3,673,607	1,840,631	257,039,661
Add: Transfer	(235,551)	-	-	-	(235,551)
Less: Donation	-	-	-	-	-
Additions 2008	26,597,717	417,959	115	965,696	27,981,487
As at 31.12.2008	273,301,706	5,003,842	3,673,722	2,806,327	284,785,597
Net Book Value as at 31.12.2008	66,058,826	1,117,033	-	16,507,579	83,683,438
Net Book Value as at 31.12.2007	69,687,569	918,489	115	17,473,275	88,079,448

Rehabilitation and Improvement of Capital Assets

Cost	<i>UCSC</i>	<i>ADMTC</i>	<i>Total</i>
As at 01.01.2008	16,017,130	7,794,779	23,811,909
Additions 2008	2,560,674	-	2,560,674
Add: Transfer	-	-	-
Less: Donation	-	-	-
As at 31.12.2008	18,577,804	7,794,779	26,372,583
Provision for Depreciation:			
As at 01.01.2008	2,849,532	2,046,129	4,895,661
Add: Transfer	-	-	-

Cost	UCSC	ADMTC	Total
Less: Donation	-	-	-
Additions 2008	632,136	389,740	1,021,876
	3,481,668	2,435,869	5,917,537
Net Book Value as at 31.12.2008	15,096,136	5,358,910	20,455,046
Net Book Value as at 31.12.2007	13,167,598	5,748,650	18,916,248

**University of Colombo School of Computing
University of Colombo
Notes to the Combined Financial Statements 2008**

	2008 Rs.	2007 Rs.
Note - 02		
Stocks		
Stock of fuel	407,810	157,920
Stationery	1,719,007	1,391,072
	<u>2,126,817</u>	<u>1,548,992</u>

Note - 03

Receivables and Prepayments

Staff Loans	88,570	66,640
Distress Loans	7,072,687	5,080,459
Vehicle Loans	634,680	723,839
Computer Loans	249,500	150,500
Festival Advances	57,755	45,400
Special Advances	1,200	10,565
Salary Advances	800	800
Special Salary Advances	192,843	276,832
Loan to MSc Students	-	98,000
Inter School IT Quiz A/C	-	5,746
Student Union A/C	100,000	398,000
Other Loans	-	77,054
United Motors Ltd.	15,000	15,000
Associated Motorways Ltd.	5,000	5,000
Lanka Communication Services (Pvt) Ltd.	15,000	15,000
Sri Lanka Telecom - IDD - Telephone No. 587239	20,000	20,000
Refundable Deposit - ANCL	97,500	97,500
Rent Deposit - Kelaniya Hostel	360,000	360,000
Rent Deposit - Kirilapona Hostel	825,000	825,000
Rent Deposit - Dehiwala Hostel	-	300,000
Rent Deposit - Borella Hostel	800,000	800,000
Rent Deposit - Wijerama Hostel	420,000	880,000
Rent Deposit - Office	660,000	660,000
Felix Perera and Sons	85,275	60,000
American Premium Water System	5,000	5,000
Pre Payments	49,646	-
Debit Tax Recoverable	-	5,481
Debtors	4,300	3,000
University of Colombo	-	15,500
Learn Fund	1,148	1,644
SIDA	6,524	13,772
Foreign Ministry	137,500	137,500
Finance Ministry	-	100,000
IOI	116	116
IITC	24,092	214,268

Note - 03	2008 Rs.	2007 Rs.
Stamps	138,918	112,913
Interest Receivable	13,298,188	6,288,083
Derana TV	-	50,000
PGIM	-	17,000
Insurance Premium Recoverable A/C	300,219	221,419
DIAMN	-	155,900
THEEKSHANA	-	25,000
Treasury Operation Control A/C	3,711,250	
Course Fees Receivable	318,113	80,000
WHT Recoverable A/C	2,557,855	801,073
Total	<u>32,253,679</u>	<u>19,219,004</u>

Note - 04*Cash and Cash Equivalent*

Investment		
Fixed Deposit - UCSC	871,976	8,730,114
Fixed Deposit - ADMTC	8,008,805	5,727,382
Fixed Deposit - EDC	108,957,243	84,997,789
Fixed Deposit - MSC	73,631,697	44,739,207
Fixed Deposit - CSC	37,192,591	32,834,340
Fixed Deposit - Doner's Funds	14,770,960	14,585,360
Fixed Deposit (JICA Award)	-	-
<i>sub total</i>	<u>243,433,272</u>	<u>191,614,192</u>

Balance as per Cash book - UCSC	-	1,445,778
Balance as per Cash book - EDC	731,475	1,511,092
Balance as per Cash book - M. SC	267,064	754,459
Balance as per Cash book - CSC	1,105,627	1,470,934
Balance as per Cash book - PDC	162,037	110,017
Balance as per Cash book - ADMTC	411,631	273,001
Balance as per Cash book - Donor's Funds	14,824,493	4,065,810
<i>sub total</i>	<u>17,502,327</u>	<u>9,631,091</u>

Total 260,935,599 201,245,283

Bank Overdraft - ADMTC	-	-
Bank Overdraft - UCSC	1,732,557	
Bank Overdraft - Foreign Funded Projects	4,065,785	2,874
Total	<u>5,798,342</u>	<u>2,874</u>

Note - 05**Note 5 (a)***Capital Grant - 101 Account - Unspent*

Rehabilitation and Improvements of Capital Assets		
Opening Balance	1,399,181	1,332,962
Correction of Transfer	-	1,074,303
Capital Grant Received	3,900,000	2,100,000
	<u>5,299,181</u>	<u>4,507,265</u>
Expenditure incurred	(2,332,014)	(3,108,084)
<i>sub total</i>	<u>2,967,167</u>	<u>1,399,181</u>

	2008 Rs.	2007 Rs.
Capital Grant -102 Account - Unspent		
<i>Acquisition of Fixed Assets</i>		
Opening Balance	4,666,440	4,085,491
Correction of Transfer	-	259,107
Capital Grant Received	7,155,000	8,460,000
	11,821,440	12,804,598
Expenditure Incurred	(8,671,041)	(8,138,158)
sub total	3,150,309	4,666,440
Balance as at 31.12.2008	6,117,566	6,065,621
 IT Grant - UNSPENT		
Opening Balance	3,335,957	4,028,429
Capital Grant Received	-	-
	3,335,957	4,028,429
Expenditure incurred	(423,725)	(692,472)
Balance as at 31.12.2008	2,912,232	3,335,957
 E Learning Project - UNSPENT		
Opening Balance	720,318	
Capital Grant Received	55,238,474	30,316,706
	55,958,792	30,316,706
Grant Returned to Govt.		
Expenditure incurred	(55,600,154)	(29,596,388)
Balance as at 31.12.2008	358,638	720,318
 IDRC - Project - UNSPENT		
Opening Balance	-	
Transfer from General Reserve	1,898,039	
Capital Grant Received	-	
	1,898,039	
Grant Returned to Govt.		
Expenditure incurred - Recurrent	(245,288)	
- Capital	(227,200)	
Balance as at 31.12.2008	1,425,551	
 Foreign Funded Project - UNSPENT		
Opening Balance	31,577,648	
Grant Received during the year	11,691,006	
	43,268,654	
 Less: Grant spent on		
- On Capital	(3,781,476)	
- On Recurrent (Previous Years)	(21,644,894)	
- On Recurrent (Current Year)	(10,943,106)	
Balance as at 31.12.2008	6,899,178	

	2008 Rs.	2007 Rs.
Note - 05 (b)		
Capital Grant - 101 Account -spent		
Rehabilitation and Improvements of Capital Assets		
Opening Balance	13,343,919	11,343,709
Expenditure incurred	2,332,014	3,108,084
	15,675,933	14,451,793
Correction of Transfer	-	(1,074,303)
Amortisation during Year Schedule - 02	(632,136)	(33,571)
sub total	15,043,797	13,343,919
CAPITAL GRANT -102 ACCOUNT - SPENT		
Acquisition of Fixed Assets		
Opening Balance	28,901,240	55,877,272
Expenditure Incurred	8,671,041	8,138,158
	37,572,281	64,015,430
Correction of Transfer		(259,107)
Amortisation Last Year	-	(17,245,260)
Amortisation during Year Schedule - 02	(8,509,016)	(17,609,824)
sub total	29,063,265	28,901,239
Balance as at 31.12.2008	44,107,062	42,245,158
IT Grant - SPENT		
Opening Balance	22,291,941	26,191,021
Expenditure Incurred	423,725	1,059,959
	22,715,666	27,250,980
Correction of Transfer		(367,488)
Amortisation during Year Schedule - 02	(4,498,352)	(4,591,551)
Balance as at 31.12.2008	18,217,314	22,291,941
E Learning Project Capital Expenditure - Spent		
Opening Balance	10,451,037	6,994,146
Expenditure Incurred	11,227,227	6,934,473
	21,678,264	13,928,619
Amortisation during Year	(3,579,481)	(3,477,582)
Balance as at 31.12.2008	18,098,783	10,451,037
IDRC Project Capital Expenditure-Spent		
Opening Balance	0	
Transfer from General Reserve	816,710	
Grant Spent during the Year	227,200	
	1,043,910	
Amortisation up to 2007	(183,555)	
Amortisation during Year	(181,895)	
Balance as at 31.12.2008	678,460	
Foreign Funded Project - SPENT		
Opening Balance	2,273,626	
Add : Spent during the year	2,016,005	
	4,289,631	

	2008 Rs.	2007 Rs.
Less : Amortisation		
- On Previous Years	(964,207)	
- On Current Year	(1,497,889)	
Balance as at 31.12.2008	<u>1,827,535</u>	

Note - 6

DONATIONS/GRANTS	2,008	2,007
Balance as at 01.01.2008	9,027,304	29,631,012
Add : Additions during the year	(9,027,304)	(20,603,708)
Balance as at 31.12.2008	<u>0</u>	<u>9,027,304</u>

Note - 7

DEFICIT OF INCOME OVER EXPENDITURE		
Balance Brought Forward	138,765,757	109,647,083
Add : Prior year Adjust. (Transfer to Unspent)	(10,929,540)	-
Add : Amortisation of Govt. Grant	183,555	722,560
Capital Grant Spent - Projects	(816,710)	(6,994,146)
Excess/(Deficit) for the Year	<u>52,375,507</u>	<u>35,390,257</u>
Balance Carried Forward	<u>179,578,569</u>	<u>138,765,754</u>

Note - 8

RESTRICTED FUNDS :		
BIT Award Fund	25,443	23,268
Endowment for Comp Tech Award	128,448	108,267
Prof. V. K. Samaranayaka Award Fund	2,271,000	-
Prof. V. K. Samaranayaka	122,000	110,000
Doner Fund for Disable Student	28,198	28,198
Research Fund	4,449,885	4,689,382
Staff Development Fund	758,000	758,000
Equipment Replacement Fund	13,022,942	13,022,942
Virtusa Academic Excellence	99,600	100,000
Sheoria Robustra Scholarship	269,641	295,641
Student Common Schol. Fund - Industry	195,000	-
Mahapola	566,150	2,100
Bursary Fund	592,000	460,100
	<u>22,528,307</u>	<u>19,597,898</u>

Note - 9

OTHER CURRENT LIABILITIES		
DMS Electronic Pvt. Ltd.	-	46,116
WHT Payable A/C	104,611	19,025
Stampduty	5,941	7,725
IOI	382	382
Reimbursement of International Telephone Bill (JICA)	-	4,795
Advance Received	25,000	4,515,543
Advance Received for courses	4,328,593	5,799,450
Advance Received (Consultancy)	900,000	447,631
Incountry Training Programme	1,698,381	1,698,381
Unitech Lanka Engineering Ltd.	7	7
Stamp Duty	57,761	743
PAYE Tax Payable	1,785	96,903

	2008 Rs.	2007 Rs.
Course Fees Received in Advance	2,546,350	4,653,000
Course Fee Payable - Students	1,558,000	1,558,000
Course Fee Payable - ADB	120,000	120,000
Stipend Payable	30,000	30,000
Amalgamated Club Fee	26,475	31,350
Overdeduction of Loan	2,946	
Medical Fee	32,550	21,600
Student Union	6,250	14,800
Insurance Claim	5,260	84,105
Unclaimed Salaries	-	84,340
Retention Money	364,208	870,638
Coin Analysis Account	865	640
Hostel Rental Payable A/C	-	2,505,000
Master Programme (MSc-2007/09)	7,888,771	18,933,333
Master Programme (MSc-2008/10)	20,366,667	-
Security Bond - Shroff	-	6,050
Refundable Library Deposits	2,519,325	2,085,425
Refundable Lab Deposits	519,625	414,425
Refundable Deposits	64,200	6,000
Refundable Deposits - Canteen	-	15,000
Provision for Audit Fee	300,000	300,000
Payments to staff	-	879,995
Building maintenance	-	98,894
Salaries Payable	2,048,177	912,004
Telephone Payable	265,066	210,492
Electricity Payable	1,500,000	2,535,846
Cancelled cheques	740,843	701,581
Other Accrue	5,203,951	3,781,648
MSc Get together Collect A/C	-	12,000
NeLC Phd Account	3,048,635	
MSc Loan Balance	62,500	
Sponsorship for Annual Graduant	80,000	
UPF Payable	342,661	272,708
Common Project Advance	9,011,520	
Genious - 2008	1,343,224	
UPF Loan Payable	-	87,858
Welfare Society Payable	41,740	
Student Distress Fund Payable	41,740	
ETF Payable	41,121	58,896
Total	<u>67,245,117</u>	<u>53,922,326</u>

University of Colombo School of Compting
 SIDA Programmes
 University of Colombo
 Balance Sheet as at 31st December, 2008

Note - 10

Assets :

Non Current Assets

Property, Plant & Equipment

Property, Plant and Equipment

Equipments

Furniture and Fittings

Sida PhD

Rs.

NBV

1,038,203

-

Sida Network

Rs.

NBV

9,488,017

8,021

Total

Sida Funds

Rs.

NBV

10,526,220

8,021

	<i>Sida PhD</i>	<i>Sida Network</i>	<i>Total Sida Funds</i>
	<i>Rs. NBV</i>	<i>Rs. NBV</i>	<i>Rs. NBV</i>
Litrature	25,448	-	25,448
Total	1,063,651	9,496,038	10,559,689
Current Assets			
Current Account	600		600
Donor's Funds	8,894,050	55,622,600	64,516,650
Cash and Cash Equivalent	268,465	1,675,476	1,943,941
Total Current Assets	9,163,115	57,298,076	66,461,191
Total Assets	10,226,766	66,794,115	77,020,881
Equity and Liabilities			
Capital Grant Unspent	6,627,669	44,765,813	51,393,482
Capital Grant Spent	1,063,651	9,496,038	10,559,689
General Reserve	2,476,503	11,676,897	14,153,400
Current Liabilities			
Other Accruals and Payable	58,943	855,367	914,310
Total Current Liabilities	58,943	855,367	914,310
Total Equity and Liabilities	10,226,766	66,794,115	77,020,881
Note - 11			
Assets :			
Non Current Assets	2008	2007	
<i>Property, Plant and Equipment</i>	<i>Rs.</i>	<i>Rs.</i>	
<i>Property, Plant and Equipment</i>	<i>NBV</i>	<i>NBV</i>	
Equipments	2,319,321	535,812	
Total	2,319,321	535,812	
Current Assets :			
Receivables and Prepayments	13,488,833	12,546,457	
Cash and Cash Equivalent	33,216,071	48,779,388	
Total Current Assets	46,704,904	61,325,845	
Total Assets	49,024,225	61,861,658	
Equity and Liabilities :			
Equity			
IT Grant	292,867	292,867	
General Reserve	34,885,301	22,519,606	
Current Liabilities :			
Other Accruals and Payable	13,846,057	39,049,185	
Total Current Liabilities	13,846,057	39,049,185	
Total Equity and Liabilities	49,024,225	61,861,658	

My No. : CE/C/UCSC/08/FA.
31st July, 2009.

The Director,
University of Colombo School of Computing

Report of the Auditor General on the Financial Statements of the University of Colombo School of Computing for the year ended 31st December, 2008 in terms of Section 108 (2) of the Universities Act, No. 16 of 1978 and Section 13 (7) (a) of the Finance Act, No. 38 of 1971

THE audit of financial statements of the University of Colombo School of Computing for the year ended 31st December, 2008 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 23 of the University of Colombo School of Computing Ordinance, No. 1 of 2002 enacted under the provisions of Section 18 of the Universities Act, No. 16 of 1978, Sections 108 (1) and 111 of Universities Act and Sub-sections (3), (4) and (7) of Section 13 of the Finance Act, No. 38 of 1971. This report is issued in terms of Section 108 (2) of the Universities Act and Section 13 (7) (a) of the Finance Act, No. 38 of 1971. My comments and observations appear in this report.

1:2 *Responsibility of the Management for the Financial Statements*

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

1.3 *Scope of Audit and Basis of Opinion :*

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

2. Financial Statements :

2.1 *Opinion :*

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the University of Colombo School of Computing had maintained proper accounting records for the year ended 31st December, 2008 and except for the effects on the financial statements of the matters referred to in paragraph 2:2 of this report, the financial statements Sri Lanka have been prepared in accordance with Sri Lanka Accounting Standards and give a true and fair view of the state of affairs of the University of Colombo School of Computing as at 31st December, 2008 and the financial results of its operations and Cash flows for the year then ended.

2.2 *Comments on Financial Statements :*

2.2.1 *Presentation of Financial Statements -*

Accounting deficiencies totalling Rs. 128,455 revealed at the test audit examination carried out on the financial statements and instances of non reconciliation of 28 items of the ledger accounts totalling Rs. 33,200,183 with the respective Schedules, trial balance and branch accounts were brought to the notice Director of the Institution. Those deficiencies had been rectified and the amended financial statements were presented for audit again on 19th June, 2009.

2.2.2 *Advance Accounts :*

- (a) A loan amounting to Rs. 8,000 remained recoverable for more than 5 years from the officer who had gone on no pay leave had been included in the vehicle loan balances.
- (b) The balance of the immovable loan included in the distress loan and remained for more than three years totalled to Rs. 249,050.

2.2.3 Non-compliance with Laws, Rules, Regulations and Management Decision

The following instances of non-compliances were observed :

<i>Reference to Laws, Rules, Regulations and etc.</i>	<i>Particulars</i>
(a) Public Administration Circular No. 09/2007 dated 24th August, 2007	Although permission of the Secretary of the Ministry should have been obtained for a pensioner over 60 years of age to reinstate in the service, a sum of Rs. 80,000 had been paid for 8 months period without taking action accordingly.
(b) Public Finance Circular No. 393 (4), dated 02nd April, 2003	Telephone or relevant facilities should not be provided to a driver incurring expenditure by the work place. However, relevant facilities had been provided by paying Rs. 4,375.
(c) Paragraph 2 of the Public Enterprise Circular No. 118 dated 31st March, 1997 and Internal Circular No. 01/2005 of the University Grant Commission.	<p>(i) Payments for overtime should be limited to 20 hours per month and prior approval of the Secretary of the Ministry should have been obtained for instances when it necessary to exceed the limit of 20 hours under the special circumstances. However, action had not been taken by the Institute accordingly.</p> <p>(ii) Although it was shown that the overtime to the drivers for a month should have been limited to 75 hours, a sum of Rs. 9,527 had been paid exceeding the limit without taking action by the Institute accordingly.</p>
(d) Section 07 of Chapter XIV of the Establishments Code of the Democratic Socialist Republic of Sri Lanka	It was observed that a sum of Rs. 10,698 had been paid to an officer who was not entitled to travel by Private vehicle or by a hired vehicle, for travelling by hired vehicle.
(e) Sri Lanka Accounting Standards No. 18.	Due to not taking action to eliminate or to revalue 5 times of fully depreciated assets amounting to Rs. 153,169,646 included in the fixed assets in terms of Sri Lanka Accounting Standards No. 18, the actual present value of the relevant assets had not been disclosed in the financial statements.

3. Financial and Operating Review

3.1 Financial Activities

3.1.1 Financial Results :

According to the Financial Statements presented, the working of the Institution for the year ended 31st December, 2008 had resulted in a deficit of Rs. 78,489,979 before taking into account the Government Grant as compared with the corresponding deficit of Rs. 74,366,836 for the preceeding year. The deficit for the year under review had been reduced up to a deficit of Rs. 6,934,979 due to the Government Grant of Rs. 71,555,000 received for recurrent expenditure. The deficit for the preceeding year as well had been converted to a surplus of Rs. 4,328,164 due to the Government Grant of Rs. 78,695,000 received for recurrent expenditure of that year.

3.2 Operating Performance :

3.2.1 Performance :

The following observations are made :

- (a) 06 Courses had been conducted by the Computer Service Centre of the Institution by spending Rs. 2,895,881 and 362 students had been recruited for that.
- (b) 06 Examinations were held under the Degree Programme by the Institution during the year 2008. However, results had not been released even 6 months had elapsed.
- (c) Hostel facilities had been provided for 100 students in 03 houses obtained on rent by the Institutions and the expenditure on hostel incurred during the year under review amounted to Rs. 4,922,657. Accordingly, average expenditure on hostel for one student amounted to Rs. 49,227.
- (d) According to the information submitted along with the accounts, six officers of the Institution who had gone abroad had not reported back for duty and a sum of Rs. 468,759 was due from five of them to the Institution while according to the information obtained for audit up to 12th February, 2009, amount due from an officer only amounted to Rs. 667,317. The reason for the difference had not been disclosed.
- (e) A court case had been instituted by external party against the Institution during the year 2005 while the financial value of that had not been computed.
- (f) 03 court cases had been instituted by the Institution against other parties whilst the financial value of those amounted to Rs. 7,962,787.

3.2.2 Human Resources Management :

The following observations are made :

- (a) According to the information submitted for audit, permanent staff of the Institution stood at 64 and comprised 38 (academic) Executives, 04 (Non-academic) Executives, 20 Clerical and Allied Grades, 01 Driver and 01 Office Aide. The expenditure incurred on their salaries and allowances and overtime and holiday pay amounted to Rs. 28,056,013 and Rs. 595,171 respectively and as such the average cost of salary per employee of the permanent staff amounted to Rs. 447,675. In addition, 113 officers on contract basis had been deployed in the Institution and the Projects and the expenditure incurred on their salaries and allowances and overtime and holiday pay amounted to Rs. 18,364,425 and Rs. 289,813 respectively. The total staff of the institution during the year 2008 had been 177 and indicated an increase of 19 over that of the preceeding year.
- (b) The Institution had 28 permanent lecturers and out of that five lecturers had obtained academic leave during the year 2008. Accordingly, the 23 permanent lecturers had delivered 2,977 hours of lectures for the academic year 2007/2008. Similarly, 24 external lecturers had delivered 68 hours of lectures and 08 temporary assistant lecturers had delivered 491.5 hours of lectures during the academic year 2007/2008.

3.2.3 Corporation Plan and Action Plan :

- (a) Although the Corporation Plan should have been prepared in order to utilize and guide effectively for the operational activities of the Institution in terms of the Public Enterprises Circular, No. PED/12 of 02nd June, 2003, this activity had not been accomplished by the Institution.
- (b) Action Plan for the year 2008 had not been prepared by the Institution. Therefore, goals and targets expected to achieve/ accomplish during the year 2008 and financial and physical progress thereof could not be examined in audit.

4. Systems and Controls

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

- (a) Accounting,
- (b) Maintenance of Bank Accounts,
- (c) Accounts Receivable.

S. SWARNAJOTHI,
Auditor General.

UNIVERSITY OF COLOMBO SCHOOL OF COMPUTING

No.35, Reid Avenue, Colombo 07, Sri Lanka

Combined Financial Statements for the Year ended 31st December, 2009

Introduction

The University of Colombo School of Computing (UCSC) was established as a Center of Higher Learning of the University of Colombo combining the expertise and resources of the Institute of Computer Technology (ICT) and the Department of Computer Science (DCS) under the UCSC Ordinance, Number 01 of 2002 in September, 2002. The main function of the UCSC is to provide ICT degree programs to internal undergraduate and postgraduate students and conduct research work in the field of ICT. In addition to this major function, the UCSC conduct many consultancy, training, external degree programs and research work through its five centers namely-

1. Computing Services Center,
2. Advanced Digital Media Technology Center,
3. External Degree Center,
4. Center for E - Learning,
5. Professional Development Center.

The accounts submitted herewith show that the centers use their earnings to support each other and also partially support the UCSC for its day today activities, as the government funding is not adequate. The activities of the centers are given below :

Computing Services Center (CSC)

The Computing Services Center, which is the consultancy arm of the UCSC was established in 1990 to provide Consultancy Services to the IT and related industries. The CSC also conducts short courses and customized training programs.

Advanced Digital Media Technology Center (ADMTC)

The ADMTC was established under the Japanese Government Assisted Advanced Digital Media Technology project. This center provides training programmes and expertise in the area of Advanced Digital Media.

External Degree Center (EDC)

The External Degree Center at present offers the most popular external degree the Bachelor of Information Technology (BIT) and provides an opportunity to thousands of students while at the same time generating income to the UCSC.

Center for E-Learning

The Center for E-Learning of the UCSC conducts research and development in area of E-Learning. The center develops E-Learning material to assists use to adopt the paradigm (*ie.* move from teaching to learning skills in education). This center received funding from SIDA for its initial activities.

Professional Development Center (PDC)

The main function of the Professional Development Center is to enhance the Quality of the Graduate and Undergraduate Programmes offered by the University of Colombo School of Computing (UCSC) by promoting the interaction between the UCSC and the Industry.

University of Colombo School of Computing
University of Colombo

Significant Accounting Policies for the Year ended 31st December, 2009

1. *Basis of Accounting*

The Financial Statements are prepared on the historical basis of accounting, whereby the transactions are recorded at values prevailing at the dates when the assets were acquired, the liabilities were incurred and funds obtained; in accordance with generally accepted Accounting Principles and Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka.

2. *Conversion of Foreign Currencies*

All foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions; gains and losses resulting from the settlement of such translation and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the balance sheet date.

3. *Revenue Recognition*

(i) *Government Grants (Recurrent)*

All Government Grants pertaining to recurrent expenditure is recognized at the time of allocation.

(ii) *Government Grant (Capital)*

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

(iii) *Course Fee*

Course fees are recognized over the period of instruction. Where adequate information is not available to make such allocation to different financial periods, fees are recognized as income on a cash basis.

(iv) *Fees on Computer Services*

Fees on computer services provided are recognized only on the completion of work.

(v) *Investment Income*

Investment income is recognized on accrual basis.

4. *Inventories*

(i) *Stationery*

Stocks of stationery and other miscellaneous items are valued at the lower of cost and net realizable value. In general, cost is determined on a First In First Out (FIFO) basis.

(ii) *Work in Progress*

No value is attached to course work and computer services in progress at the balance sheet date.

5. *Assets and Bases of their Valuation*

Property, Plant and Equipment (PPE)

Property, Plant and Equipment are recorded at cost of purchase together with any incidental expenses thereon. The assets are stated at cost less accumulated depreciation. Assets received as grant have been valued at their fair value.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount, such reduction is recognized as an expense immediately.

Gain or Loss on Disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Subsequent Cost

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 items will flow to the Group and the cost of items can be measured reliably. All other repairs and maintenance are charged to income statement during the financial period in which they are incurred.

Depreciation

Assets, for which dates of purchase are known, depreciation is provided in proportion to the number of months completed or such assets were used from the date of purchase. Assets of which exact date of purchase is not known depreciation is provided for the whole

year in which they were purchased. Depreciation will be provided on the year of the sale/disposal in proportion to the number of months the assets over the estimated useful life of assets.

Depreciation is charged on all property, plant and equipment on the straight line basis to write off the cost over the estimated useful lives as follows :

Rates of Depreciation

* Buildings	- 5% per annum
* Furniture and Fittings	- 10% per annum
* Office Equipment	- 20% per annum
* Library Books and Periodicals	- 20% per annum
* Motor Vehicles	- 20% per annum
* Laboratory and Teaching Equipment	- 20% per annum

6. Receivables

Receivables are stated at the amounts that they are estimated to realize.

7. Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances and short term investments.

8. Cash Flow Statement

The cash flow statements have been prepared using the “Indirect Method” for the purpose of the statement of cash flow. Cash and cash equivalents are comprised cash and bank balances, short term deposits less bank overdraft.

9. Employee Benefits

Defined Benefit Plans

Provision is made in the accounts for retirement gratuities at rates applicable under the payment of Gratuity Act, No. 12 of 1983. Although employees should complete a minimum period five years of continued employment to qualify for gratuity payments under the Act, provision is made from the commencement of employment on the assumption that all employees intend to continue in employment to at least five years.

Defined Contribution Plans - UPF and ETF

Employees are members of the University Provident Fund and Employees Trust Fund. Contribution to defined contribution plans, UPF, EPF and ETF are recognized as an expense in the income statement as incurred.

10. Comparative Information

Comparative information has been stated to comply with SLAS 3.

University of Colombo School of Computing University of Colombo Combined Balance Sheet as at 31st December, 2009

Assets	Note	2009 Rs.	2008 Rs.
Non Current Assets			
Property, Plant and Equipment		<i>N. B. V.</i>	<i>N. B. V.</i>
Buildings	1	15,540,887	16,507,579
Laboratory and Teaching Equipment and Furniture and Office Equipment		59,093,572	66,058,829
Library Books and Periodicals		900,776	1,117,032
Motor Vehicles		-	-
		<u>75,535,235</u>	<u>83,683,440</u>

	Note	2009 Rs. N. B. V.	2008 Rs. N. B. V.
Rehabilitation and Improvement of Capital			
Assets		21,695,001	20,455,046
<i>Current Assets</i>			
Inventories	2	2,404,496	2,126,817
Receivables and Prepayments	3	34,859,229	32,253,679
SIDA Funds	10	186,424,015	77,020,878
LEARN Funds	11	74,896,571	49,024,225
Cash and Cash Equivalent	4	327,808,356	260,935,599
Total Current Assets		626,392,667	421,361,198
Total Assets		723,622,903	525,499,682
Equity and Liabilities			
<i>Capital and Reserves</i>			
<i>Capital</i>			
Capital Grant Unspent	5 (a)	4,679,803	6,117,566
IT Grant Unspent	5 (a)	895,466	2,912,232
Capital Grant Spent	5 (b)	38,459,186	44,107,062
IT Grant Spent	5 (b)	15,735,729	18,217,314
E-Learning Project-Grant	5 (a)	932,421	358,638
E-Learning Project-Spent	5 (b)	17,589,086	18,098,783
IDRC Project-Grant	5 (a)	1,076,325	1,425,551
IDRC Project-Spent	5 (b)	648,785	678,460
Foreign Funded Projects-Unspent	5 (a)	18,588,897	6,899,178
Foreign Funded Projects-Spent	5 (b)	1,901,714	1,827,535
Gifts and Donations	6	-	-
Differed Grants		27,232	212,309
Colombo		8,155,714	8,155,714
Total		108,690,358	109,010,342
Reserves	7	232,899,348	179,578,569
Restricted Funds	8	30,110,466	22,528,307
<i>Non Current Liabilities</i>			
Retirement Benefit		16,931,930	15,293,902
<i>Current Liabilities</i>			
Other Accruals and Payables	9	66,582,175	67,245,117
SIDA Funds	10	186,424,015	77,020,878
LEARN Funds	11	74,896,571	49,024,225
Bank Overdraft		7,088,040	5,798,342
Total		334,990,801	199,088,562
Total Equity and Liabilities		723,622,903	525,499,682

Note:

The assets and liabilities of the Computing Services Centre, External Degrees Centre, Advanced Digital Media Technology Centre, Professional Development Centre, E-Learning Project, Pan Localization, MSC Programme and other foreign funded projects have been amalgamated with the University of Colombo School of Computing Accounts.

Certified,

Director (UCSC)

Senior Assist. Bursar.

25.02.2010.

University of Colombo School of Computing
University of Colombo

Combined Income and Expenditure Statement for the year ended 31st December, 2009

Undergraduate Programme Income	2009 Rs.	2008 Rs.
Government Grant	68,610,000	71,555,000
Deferred Income-Grants	15,156,467	15,360,781
Other	2,377,111	1,720,851
	<u>86,143,578</u>	<u>88,636,632</u>
Undergraduate Programme-Expenditure		
Personnel Emoluments	42,748,760	38,993,691
Traveling expenses	148,484	349,690
Supplies	3,061,388	2,927,236
Contractual Services	22,293,241	21,085,129
Retirement Benefits	7,895,147	7,465,102
Subscription, Contri. and Membership Fee	92,236	150,104
Staff Development	357,536	818,030
Other Recurrent Expenses	7,864,628	8,421,846
Depreciation	15,156,468	15,360,783
Total	<u>99,617,888</u>	<u>95,571,612</u>
Deficit from Undergraduate Programme	(13,474,310)	(6,934,979)
Extension Programme		
Advanced Digital Media Technology Centre	212,015	3,314,519
M Sc. Programme	24,105,709	20,184,711
External Degrees Centre	31,806,726	30,716,593
Computing Services Centre	728,351	3,653,065
Professional Development Centre	(554,339)	(331,898)
Surplus from Extension Programme	<u>56,298,462</u>	<u>57,536,990</u>
Projects		
E-Learning Centre	9,745,520	379,285
Pan Localization	-	1,367,602
PAN DLT-01 and 03	-	(877,030)
GIS Based Disaster Management	-	(217,213)
WASN	-	(1,930,053)
NeLC	117,793	-
Asiae Bit	-	1,568,194
DIAMN	-	(189,582)
TCTP	60,000	139,580
LTRL	-	778,667
Others	1,046,732	1,109,041
IDRC Vertual Village	91,249	682,291
Surplus from Projects	<u>11,061,294</u>	<u>2,431,497</u>
Net Surpluses/(Deficit)	<u>53,885,446</u>	<u>53,033,507</u>

University of Colombo School of Computing
University of Colombo
Combined Cash Flow Statement for the year ended 31st December, 2009

	Note	2009 Rs.	2008 Rs.
Cash flows from operating activities			
Deficit/Surplus for the year		53,885,446	52,375,507
Adjustment for			
Depreciation -	24,193,242		29,003,362
Provision for Gratuity	1,779,403		1,361,181
Differed Income	(23,111,236)		(28,373,416)
Transfer from Previous Grant Received	(87,008,498)		(10,943,106)
Profit from sales of property plant and equipment	(40,650)		5,770
Exchange Gain	(212,580)	(84,400,319)	(2,777,004)
Operating surplus before working capital changes		(30,514,873)	40,652,294
Working capital changes	Sche-01	(3,504,432)	(289,698)
Net cash generated from operating activities		(30,019,305)	40,362,596
Cash flows from investing activities			
Acquisition of property plant and equipment	(14,877,295)		(23,677,407)
Proceeds from sales of property plant and equipment	40,650		23,205
Rehabili. and maintenance of property plant and equip	(2,390,577)	(17,227,222)	(2,560,674)
		(51,246,527)	14,147,720
Cash flows from financing activities			
Capital grant received	109,217,962		34,119,715
Gratuity paid	(141,375)		(80,000)
Receipts from Restricted Funds	7,540,419	116,617,006	2,930,409
Net Increase/decrease in cash and cash equivalent		65,370,479	51,117,844
Exchange Gain/(Loss)		212,580	2,777,004
Cash and cash equivalent at the beginning of the year		255,137,257	201,242,409
Cash and cash equivalent at the end of the year	4	320,720,316	255,137,257

University of Colombo School of Computing
University of Colombo
Notes to the Combined Financial Statements 2009

Note - 01

Property, Plant and Equipment

	Teaching Equipment Furniture and Fittings and Office Equipment Rs.	Library Books and Periodicals Rs.	Motor Vehicles Rs.	Buildings	Total Rs.
Cost					
As at 01.01.2009	339,360,532	6,120,874	3,673,722	19,313,906	368,469,034
Additions 2009-Govt. Grant	8,066,900	104,380	-	-	8,171,280
-IT Grant	-	-	-	-	-
-Foreign Projects	6,639,797	66,218	-	-	6,706,015
-Transfer	17,121				17,121
Disposals	(2,642,568)	-	-	-	(2,642,568)
Less: Donation	-	-	-	-	-
As at 31.12.2009	351,441,782	6,291,472	3,673,722	19,313,906	380,720,882

	<i>Teaching Equipment Furniture and Fittings and Office Equipment Rs.</i>	<i>Library Books and Periodicals Rs.</i>	<i>Motor Vehicles Rs.</i>	<i>Buildings</i>	<i>Total Rs.</i>
Provision for Depreciation:					
As at 01.01.2009	273,301,703	5,003,842	3,673,722	2,806,327	284,785,594
Add : Transfer	(2,642,568)	-	-	-	(2,642,568)
Less : Donation	-	-	-	-	-
Additions 2009	21,689,075	386,854	-	966,692	23,042,621
As at 31.12.2009	292,348,210	5,390,696	3,673,722	3,773,019	305,185,647
Net Book Value as at 31.12.2009	59,093,572	900,776	-	15,540,887	75,535,235
Net Book Value as at 31.12.2008	66,058,829	1,117,032	-	16,507,579	83,683,440

Rehabilitation and Improvement of Capital Assets

Cost	<i>UCSC</i>	<i>ADMTC</i>	<i>Total</i>
As at 01.01.2009	18,577,804	7,794,779	26,372,583
Additions 2009	2,390,577	-	2,390,577
Add: Transfer	-	-	-
Less: Donation	-	-	-
As at 31.12.2009	20,968,381	7,794,779	28,763,160
Provision for Depreciation:			
As at 01.01.2009	3,481,668	2,435,869	5,917,537
Add: Transfer	-	-	-
Less: Donation	-	-	-
Additions 2009	760,883	389,739	1,150,622
	4,242,551	2,825,608	7,068,159
Net Book Value as at 31.12.2009	16,725,830	4,969,171	21,695,001
Net Book Value as at 31.12.2008	15,096,136	5,358,910	20,455,046

**University of Colombo School of Computing
University of Colombo
Notes to the Combined Financial Statements 2009**

Note - 02	<i>2009 Rs.</i>	<i>2008 Rs.</i>
Stocks		
Stock of fuel	129,659	407,810
Stationery	2,274,837	1,719,007
	<u>2,404,496</u>	<u>2,126,817</u>

**Note - 03
Receivables and Prepayments**

Staff Loans	80,070	88,570
Distress Loans	7,633,951	7,072,687
Vehicle Loans	596,024	634,680
Computer Loans	334,500	249,500
Festival Advances	105,700	57,755
Special Advances	63,427	1,200

	2009 Rs.	2008 Rs.
Salary Advances	2,300	800
Special Salary Advances	47,628	192,843
Loan to MSc Students	16,855	-
Advance on Consultancy	60,000	-
Student Union A/C	280,000	100,000
United Motors Ltd.	15,000	15,000
Associated Motorways Ltd.	5,000	5,000
Lanka Communication Services (Pvt.) Ltd.	15,000	15,000
Sri Lanka Telecom - IDD - Telephone No. 58723	20,000	20,000
Refundable Deposit - ANCL	97,500	97,500
Rent Deposit - Kelaniya Hostel	360,000	360,000
Rent Deposit - Kirilapona Hostel	825,000	825,000
Rent Deposit - Borella Hostel	800,000	800,000
Rent Deposit - Wijerama Hostel	880,000	420,000
Rent Deposit - Office	660,000	660,000
Felix Perera & Sons	85,275	85,275
American Premium Water System	5,000	5,000
Pre Payments	3,031	49,646
Debtors	3,000	4,300
Learn Fund	-	1,148
SIDA	2,863	6,524
Foreign Ministry	-	137,500
IOI	116	116
IITC	24,092	24,092
Stamps	156,688	138,918
Interest Receivable	8,987,673	13,298,188
Insurance Premium Recoverable A/C	356,406	300,219
Stationery Cost Recoverable A/C	132,627	-
Treasury Operation Control A/C	7,544,715	3,711,250
Allocation for PhD Students from NeLC	1,127,537	-
Course Fees Receivable	80,000	318,113
WHT Recoverable A/C	3,452,240	2,557,855
Total	34,859,229	32,253,679

Note - 04**Cash and Cash Equivalent***Investment*

Fixed Deposit - UCSC	4,250,885	871,976
Fixed Deposit - ADMTC	8,889,367	8,008,805
Fixed Deposit - EDC	129,355,385	108,957,243
Fixed Deposit - MSC	91,850,931	73,631,697
Fixed Deposit - CSC	42,057,347	37,192,591
Fixed Deposit - eLC	15,779,649	-
Fixed Deposit - Donor's Funds	28,106,725	14,770,960
<i>sub total</i>	320,290,289	243,433,272

Balance as per Cash book - UCSC	277,015	-
Balance as per Cash book - EDC	134,507	731,475
Balance as per Cash book - M. SC	58,014	267,064
Balance as per Cash book - CSC	779,083	1,105,627
Balance as per Cash book - PDC	133,274	162,037
Balance as per Cash book - ADMTC	774,782	411,631
Balance as per Cash book - eLC	1,002,409	-
Balance as per Cash book - Donor's Funds	4,358,983	14,824,493
<i>sub total</i>	7,518,067	17,502,327

Total

327,808,356	260,935,599
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	2009 Rs.	2008 Rs.
Bank Overdraft - UCSC	-	1,732,557
Bank Overdraft - Foreign Funded Projects	7,088,040	4,065,785
Total	7,088,040	5,798,342
Note - 05		
Note 5 (a)		
Capital Grant - 101 Account - Unspent <i>Rehabilitation and Improvements of Capital Assets</i>		
Opening Balance	2,967,167	1,399,181
Capital Grant Received	1,000,000	3,900,000
	<u>3,967,167</u>	<u>5,299,181</u>
Expenditure incurred	(2,390,577)	(2,332,014)
<i>sub total</i>	<u>1,576,590</u>	<u>2,967,167</u>
<i>Capital Grant -102 Account - Unspent Acquisition of Fixed Assets</i>		
Opening Balance	3,150,399	4,666,440
Capital Grant Received	3,167,000	7,155,000
	<u>6,317,399</u>	<u>11,821,440</u>
Expenditure Incurred	(3,214,186)	(8,671,041)
<i>sub total</i>	<u>3,103,213</u>	<u>3,150,309</u>
Balance as at 31.12.2009	<u>4,679,803</u>	<u>6,117,566</u>
 IT GRANT - UNSPENT		
Opening Balance	2,912,233	3,335,957
Capital Grant Received	-	-
	<u>2,912,233</u>	<u>3,335,957</u>
Expenditure incurred	(2,016,767)	(423,725)
Balance as at 31.12.2009	<u>895,466</u>	<u>2,912,232</u>
 E Learning Project - UNSPENT		
Opening Balance	358,638	720,318
Capital Grant Received	68,929,932	55,238,474
	<u>69,288,570</u>	<u>55,958,792</u>
Grant Returned to Govt.	(63,772,266)	-
Expenditure incurred	(4,583,883)	(55,600,154)
Balance as at 31.12.2009	<u>932,421</u>	<u>358,638</u>
 IDRC - Project - UNSPENT		
Opening Balance	1,425,551	
Transfer from General Reserve	-	1,898,039
Capital Grant Received	-	
	<u>1,425,551</u>	<u>1,898,039</u>
Expenditure incurred - Recurrent	(157,326)	(245,288)
- Capital	(191,900)	(227,200)
Balance as at 31.12.2009	<u>1,076,325</u>	<u>1,425,551</u>

	2009 Rs.	2008 Rs.
Foreign Funded Project - UNSPENT		
Opening Balance	14,541,818	31,577,648
Adjustment for overaccounted Grant in previous	714,330	
Grant Received during the year	28,478,390	11,691,006
	43,734,538	43,268,654
Less: Grant spent on		
- On Capital	(1,917,072)	(3,781,476)
- On Recurrent (Previous Years)	(149,663)	(21,644,894)
- On Recurrent (Current Year)	(23,078,906)	(10,943,106)
Balance as at 31.12.2009	18,588,897	6,899,178
Note - 05 (b)		
Capital Grant - 101 Account - Spent		
Rehabilitation and Improvements of Capital Assets :		
Opening Balance	15,043,797	13,343,919
Expenditure incurred	2,390,577	2,332,014
	17,434,374	15,675,933
Amortisation during Year	(760,883)	(632,136)
Schedule - 02		
sub total	16,673,491	15,043,797
Capital Grant -102 Account - Spent		
Acquisition of Fixed Assets :		
Opening Balance	29,063,265	28,901,240
Expenditure Incurred	3,214,185	8,671,041
	32,277,450	37,572,281
Correction of Transfer		
Amortisation Last Year	(594,523)	-
Amortisation during Year	(9,897,232)	(8,509,016)
Schedule - 02		
sub total	21,785,695	29,063,265
Balance as at 31.12.2009	38,459,186	44,107,062
IT Grant - SPENT		
Opening Balance	18,217,314	22,291,941
	2,016,767	423,725
Expenditure Incurred	20,234,081	22,715,666
Correction of Transfer		
Amortisation during Year	(4,498,352)	(4,498,352)
Schedule - 02		
Balance as at 31.12.2009	15,735,729	18,217,314
E Learning Project Capital Expenditure - Spent		
Opening Balance	18,098,783	10,451,037
Expenditure Incurred	4,583,883	11,227,227
	22,682,666	21,678,264
Amortisation during Year	(5,093,580)	(3,579,481)
Balance as at 31.12.2009	17,589,086	18,098,783

	2009 Rs.	2008 Rs.
IDRC Project Capital Expenditure-Spent		
Opening Balance	678,460	-
Transfer from General Reserve	191,900	816,710
Grant Spent during the Year	-	227,200
	870,360	1,043,910
Amortisation up to 2007	-	(183,555)
Amortisation during Year	(221,575)	(181,895)
Balance as at 31.12.2009	648,785	678,460
Foreign Funded Project - SPENT		
Opening Balance	1,827,535	2,273,626
Add : Spent during the year	1,917,072	2,016,005
	3,744,607	4,289,631
Less : Amortisation		
- On Previous Years	-	(964,207)
- On Current Year	(1,842,893)	(1,497,889)
Balance as at 31.12.2009	1,901,714	1,827,535
Note - 6		
DONATIONS / GRANTS		
Balance as at 01.01.2008	-	3,609,381
Add : Additions during the year		
Amortisation during the Year	Schedule - 02	(3,609,381)
Balance as at 31.12.2009	-	-
Note - 7		
Reserves		
Balance Brought Forward	179,013,902	138,765,757
Add : Prior year Adjust. (Transfer to Unspent)	-	(10,929,540)
Add : Amortisation of Govt. Grant	Schedule - 02	183,555
Capital Grant Spent - Projects	-	(816,710)
Excess/(Deficit) for the Year	53,885,446	52,375,507
Balance Carried Forward	232,899,348	179,578,569
Note - 8		
Restricted Funds		
BIT Award Fund	28,704	25,443
Endowment for Comp Tech Award	145,181	128,448
Prof. V. K. Samaranayaka Award Fund	5,643,841	2,271,000
Prof. V. K. Samaranayaka	137,000	122,000
Doner Fund for Disable Student	28,198	28,198
Research Fund	8,003,834	4,449,885
Staff Development Fund	758,000	758,000
Equipment Replacement Fund	13,022,942	13,022,942
Virtusa Academic Excellence	127,455	99,600
Sheoria Robustra Scholarship	663,201	269,641
Student Common Schol. Fund - Industry	310,000	195,000
Student's Distress Fund	156,960	-
Mahapola	112,850	566,150
Bursary Fund	972,300	592,000
	30,110,466	22,528,307

	2009 Rs.	2008 Rs.
Note - 9		
Other Current Liabilities		
WHT Payable A/C	140,289	104,611
Stampduty	6,125	5,941
IOI	382	382
Advance Received	20,000	25,000
Advance Received for courses	-	4,328,593
Advance Received (Consultancy)	-	900,000
Incountry Training Programme	1,698,381	1,698,381
Unitech Lanka Engineering Ltd.	(7)	(7)
Stamp Duty	2,475	57,761
PAYE Tax Payable	3,124	1,785
Course Fees Received in Advance	5,137,593	2,546,350
Course Fee Payable - Students	1,558,000	1,558,000
Course Fee Payable - ADB	120,000	120,000
Contribution from NeLC Project	2,239,439	-
VET Project Grant	369,400	-
Tele Centre Grant	772,950	-
Stipend Payable	30,000	30,000
Amalgamated Club Fee	24,700	26,475
Overdeduction of Loan	2,946	2,946
Medical Fee	41,875	32,550
Student Union	23,075	6,250
Insurance Claim	44,068	5,260
Retention Money	409,365	364,208
Coin Analysis Account	1,073	865
eHealth Project	3,344,173	-
Master Programme (MSc-2007/09)	-	7,888,771
Master Programme (MSc-2008/10)	8,146,667	20,366,667
Master Programme (MSc-2009/11)	21,862,000	-
Refundable Library Deposits	2,910,450	2,519,325
Refundable Lab Deposits	603,850	519,625
Refundable Deposits	21,000	64,200
Provision for Audit Fee	500,000	300,000
Salaries Payable	1,961,593	2,048,177
Telephone Payable	191,696	265,066
Electricity Payable	1,166,458	1,500,000
Water Bill Payable	18,988	-
Cancelled cheques	883,818	740,843
Other Accrue	4,952,687	5,203,951
NeLC Phd Account	-	3,048,635
MSc Loan Balance	62,500	62,500
Sponsorship for Annual Graduant	80,000	80,000
UPF Payable	380,486	342,661
FIT Collection Fee Payable A/C	879,900	-
Common Project Advance	-	9,011,520
Genious - 2008	343,389	1,343,224
Allocation for PhD	5,295,022	-
Allocation for Mphill	240,000	-
Welfare Society Payable	46,585	41,740
Student Distress Fund Payable	-	41,740
ETF Payable	45,660	41,121
Total	66,582,175	67,245,117

	2009 Rs.	2008 Rs.	
Note - 10			
Assets			
Non Current Assets	<i>Sida PhD</i>	<i>Sida Network</i>	<i>Total</i>
Property, Plant & Equipment	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
<i>Property, Plant and Equipment</i>	<i>NBV</i>	<i>NBV</i>	<i>NBV</i>
Equipments	1,280,421	7,166,744	8,447,165
Furniture and Fittings	-	5,420	5,420
Litrature	953,034	-	953,034
Total	2,233,455	7,172,164	9,405,619
<i>Current Assets</i>			
Receivables and Prepayments	134,160	329,731	463,891
Donor's Funds	28,122,500	112,434,400	140,556,900
Cash and Cash Equivalent	12,154,557	23,843,048	35,997,605
Total Current Assets	40,411,217	136,607,179	177,018,396
Total Assets	42,644,672	143,779,343	186,424,015
<i>Equity and Liabilities</i>			
Capital Grant Unspent	6,627,669	44,765,813	51,393,482
Capital Grant Spent	2,233,455	7,172,163	9,405,618
General Reserve	3,104,112	14,320,587	17,424,699
<i>Current Liabilities</i>			
Foreign Grant Advanced Received	30,617,334	76,676,058	107,293,392
Other Accruals and Payable	62,102	844,719	906,821
Total Current Liabilities	30,679,436	77,520,777	108,200,213
Total Equity and Liabilities	42,644,672	143,779,343	186,424,015
Note - 11			
Assets			
Non Current Assets	2009	2008	
<i>Property, Plant and Equipment</i>	<i>Rs.</i>	<i>Rs.</i>	
<i>Property, Plant and Equipment</i>	<i>NBV</i>	<i>NBV</i>	
Equipments	4,661,449	2,319,321	
Total	4,661,449	2,319,321	
Current Assets			
Receables and Prepayments	8,288,897	13,488,833	
Cash and Cash Equivalent	61,946,225	33,216,071	
Total Current Assets	70,235,122	46,704,904	
Total Assets	74,896,571	49,024,225	

	2009 Rs.	2008 Rs.
<i>Equity and Liabilities</i>		
Equity		
IT Grant	292,867	292,867
General Reserve	48,423,955	34,885,301
Current Liabilities		
Other Accruals and Payable	26,179,749	13,846,057
Total Current Liabilities	26,179,749	13,846,057
Total Equity and Liabilities	74,896,571	49,024,225

The Director,
University of Colombo School of Computing

Report of the Auditor General on the Financial Statements of the University of Colombo School of Computing for the year ended 31st December, 2009 in terms of Section 108 (2) of the Universities Act, No. 16 of 1978 and Section 13 (7) (a) of the Finance Act, No. 38 of 1971.

THE audit of financial statements of the University of Colombo School of Computing for the year ended 31st December, 2009 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 23 of the University of Colombo School of Computing Ordinance, No. 1 of 2002 enacted in terms of the Universities Act, No. 16 of 1978, Sections 108 (1) and 111 of the Universities Act and Sub-sections (3), (4) and (7) of Section 13 of the Finance Act, No. 38 of 1971. This report is issued in terms of Section 108 (2) of the Universities Act and Section 13 (7) (a) of the Finance Act, No. 38 of 1971. My comments and observations appear in this report.

1.2 Responsibility of the Management for the Financial Statements

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

1.3 Scope of Audit and Basis of Opinion :

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

2. Financial Statements

2.1 Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the University of Colombo School of Computing had maintained proper accounting records for the year ended 31st December, 2009 and except for the effects on the financial statements of the matters referred to in paragraph 2.2 of this report, the financial statements have been prepared in accordance with Generally Accepted Accounting Principles and give a true and fair view of the state of affairs of the University of Colombo School of Computing as at 31st December, 2009 and the financial results of its operation and cash flows for the year then ended.

2.2 Comments on Financial Statements :

2.2.1 Presentation of Financial Statements -

Accounting deficiencies revealed at the audit test check carried out on the financial statements presented and the instances of non reconciliation of the balance of the ledger accounts with the respective schedules. Trial balance and branch accounts were brought to the notice of the Director of the Institution. The relevant explanation on other deficiencies and non reconciliations except the accounting deficiencies valued at Rs. 202,678 had been given to audit.

2.2.2 Accounts Receivable and Payable :

(a) Accounts Receivable

- (i) Reimbursable deposits valued at Rs. 360,000 which could not be recovered since the year 2005 had been included in the receivable accounts due to the relevant lease agreement in respect of the building obtained on rentals by the Institution for maintaining a hostel at Kelaniya had been abruptly ended up.
- (ii) Out of the interest income receivable for fixed deposits as at 31st December of the year under review, the balance receivable amounting to Rs. 183,156 had been brought forward continuously and a sum of Rs. 14,576 had been overstated while computing the interest income for the year under review.

(b) Accounts Payable

- (i) The value of balances of Rs. 135,548 remaining for two to three years old had been included in the retention money.
- (ii) The cancelled cheques amounting to Rs. 287,186 existing for more than 03 years had not been settled even up to the end of the year.
- (iii) A debit balance of Rs. 91,563 had been included in the accrued expenses.

2.2.3 Non-compliance with Laws, Rules, Regulations and Management Decisions

The following instances of non-compliances were observed :

Reference to Laws, Rules, Regulations and etc.	Non-Compliance
(a) Public Enterprise Circular No. PED/12, dated 02nd June, 2003	A draft annual report had not been presented along with the final accounts.
(b) Paragraph 03 of the Circular No. 431 dated 28th April, 2008 of the Ministry of Finance and Planning	Air ticket valued at Rs. 172,350 had been purchased from a private institution to an officer of the academic staff of the Institution who had gone abroad on official duty.
(c) Paragraph 28 (a) and (b) of the Management Services Circular dated 10th April, 2006	123 persons had been recruited to the cadre on contract and casual basis by the Institution in addition to the approved cadre of the year 2008/2009 without the proper approval and a sum of Rs. 6,795,587 had been spent as salaries and allowances.
(d) Financial Regulation 756	<ol style="list-style-type: none"> (i) The Annual Board of survey in respect of fixed assets valued at Rs. 29,098,529 included in the financial statements for the year under review, had not been conducted and the relevant report not presented to the Auditor General. (ii) Verification of stock of stores had been carried out on 31 December, 2009 and the report had been presented to the Auditor General. A difference of Rs. 13,298 was observed between the financial statements and the stocks verified.

3. Financial and Operating Review

3.1 Financial Review

3.1.1 *Financial Results :*

According to the Financial Statements presented, the working of the Institution for the year ended 31st December, 2009 had resulted in a deficit of Rs. 82,084,310 before taking into account the Government Grant as compared with the corresponding deficit of Rs. 78,489,979 for the preceeding year. The deficit for the year under review had reduced to Rs. 13,474,310 due to the Government Grant of Rs. 68,610,000 received for recurrent expenditure and the deficit for the preceding year had reduced to a sum of Rs. 6,934,979 due to the Government Grant of Rs. 71,555,000 received for recurrent expenditure of that year.

3.1.2 Underutilization of Funds

- (a) A sum of Rs. 7,750,029 had been received for the MSC Research and Development Fund up to the end of the year under review and the expenditure thereon amounted to Rs. 1,598,733 or 21 per cent only.
- (b) The total receipts of funds for the year under review under the SIDA programme implemented by foreign funds amounted to Rs. 78,223,799 and the expenditure incurred thereon amounted to Rs. 9,405,618 or 12 per cent only. This project was scheduled to be completed on 31st December, 2009 but the period had been extended up to March, 2010.

3.2 *Operating Review :*

3.2.1 *Performance :*

04 court cases had been instituted by the School of Computing against various parties and the financial value thereof amounted to Rs. 8,322,788.

3.2.2 *Human Resources Management :*

The following observations are made :

- (a) According to the information made available for audit, the permanent staff of the School of Computing stood at 65 comprising 39 (academic) Executives 04 (Non-academic) Executives, 18 Clerical and Allied Grades, 01 Driver and 03 K. K. Ss. The expenditure incurred on their salaries and allowances, overtime and holiday pay amounted to Rs. 35,268,510 and Rs. 379,231 respectively and as such the annual average salary cost per employee of the permanent staff amounted to Rs. 548,427. In addition, 123 officers on contract basis had been deployed in the Institution and the Projects and the expenditure incurred on their salaries and allowances, overtime and holiday pay amounted to Rs. 39,086,421 and Rs. 310,873 respectively. Accordingly, the annual average salary cost per employee amounted to Rs. 399,176.
- (b) The amount to be recovered as at end of the year under review from the academic and non academic staff who had breached the agreements amounted to Rs. 1,447,499.

3.2.3 *Budgetary Control :*

Significant variances were observed between the budgeted and the actual expenditure in respect of capital expenditure thus, the budget had not been made use of as an effective instrument of management control.

4. Systems and Controls

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

- (a) Accounts Receivable
- (b) Accounts Payable
- (c) Recruitment of Staff

S. SWARNAJOTHI,
Auditor General.

Miscellaneous Departmental Notices

UNION BANK OF COLOMBO PLC

Notice of Resolution passed by the Union Bank of Colombo PLC under Section 04 of the Recovery of Loans by Banks (Special Provisions) Act, No. 4 of 1990

IN terms of Section 8 of the Recovery of Loans by Banks (Special Provisions) Act, No. 4 of 1990, it is hereby notified that the following resolution was unanimously passed by the Board of Directors of Union Bank of Colombo PLC at the meeting held on 26th August, 2011.

Whereas Chandra Stores a partnership concern of Muttaiah Pillai Muthukumar, Kamalam Muttaiah Pillai *alias* Lechchami Kaliyannan Kamalam and Muttaiah Pillai Kumar all of No. 207, Colombo Street, Kandy in the Democratic Socialist Republic of Sri Lanka, (hereinafter referred as “the Obligors”) obtained banking facilities from time to time by way of Short Term Loans and Overdrafts on its Current Account and whereas the Obligors executed Mortgage Bond No. 26237/133 dated 20.03.2010 and 26.03.2010 attested by A. P. U. Keppetipola and M. R. C. Pragnaratna, Notaries Public of Kandy & Colombo respectively and mortgaged and hypothecated the property morefully described in the Schedule hereto by way of security for the payment of Rupees Thirty Million (Rs. 30,000,000) and interest thereon due to Union Bank of Colombo PLC (hereinafter referred to as “UBC”) on account of the aforesaid Short Term Loans and Over Draft Facilities and whereas at 28.02.2011. A sum of Rupees Thirty-one Million Three Hundred and Fifty-five Thousand Four Hundred and Four and ents Seventy-seven (Rs. 31,355,404.77) being the total outstanding as at 28.02.2011 on the Short Term Loans and overdraft Facility together with over due interest thereon from 01st March, 2011 is due and owing from the said obligers to the UBC on account of the aforesaid short term Loans and over Draft Facilities to the date of sale.

And whereas the Board of Directors of the UBC acting under the powers vested in them under Section 3 of the Recovery of Loans by Banks (Special Provisions) Act, No. 4 of 1990 and being satisfied that the Obligor has made default in the payment of the aforesaid loan balance do hereby resolve in terms of Section 4 of the said Act, No. 4 of 1990 to authorize Mr. Hemachandra Daluwatta, Licensed Auctioneer to sell by Public Auction in terms of the said Act, No. 4 of 1990 the property mortgaged to the UBC under and by virtue of the aforesaid Mortgage Bond No. 26237/133 morefully described in the Schedule hereto for the recovery of Rupees Thirty-one Million Three Hundred and Fifty-five Thousand Four Hundred and Four and cents Seventy-seven

(Rs. 31,355,404.77) being the total outstanding as at 28.02.2011 on the Short Term Loans and Overdraft Facility together with over due interest thereon from 01st March, 2011 and all other amounts the UBC is entitled to recover in terms of the said Bond No. 26237/133 and Section 13 of the said Act, No. 4 of 1990.

THE SCHEDULE

All that divided portion of land together with the buildings standing thereon bearing Assessment Nos. 47/17 and 47/18 Brownrigg Street Now Yatinuwara Veediya in Gangawata Korale of Yatinuwara within the Town Municipality and District of Kandy Central Province and bounded on the North by premises Nos. 205 and 207 Colombo Street, on the East by premises Nos. 203 and 201 Colombo Street, Back Lane and premises Nos. 47/13 and 47/16, Brownrigg Street, on the South by Back Lane and on the West by premises bearing Assessment No. 209, Colombo Street containing in extent Fifteen decimal Eight Seven Five Perches (0A., 0R., 15.875P.) according to the figure of survey Plan No. 2282 dated 14th September, 1948 made by Francis Mapalagama of Kandy, Licensed Surveyor.

Which said premises is now depicted in plan No. 2479 dated 08th June, 1990 made by C. Palamakumbura, Licensed Surveyor of Kandy and described as all those premises bearing assessment Nos. 40 and 40/1, Yatinuwara Patu Mawatha (formerly 16 and 16/1 and earlier 47/17 and 47/18, Brownrigg Street, Yatinuwara Patu Mawatha and covered by Plan No. 2282 dated 14th September, 1948 made by Francis Mapalagama, Licensed Surveyor and also by a portion of Plan dated 03.02.1905 made by G. E. Dela Motte, Licensed Surveyor) situated at Yatinuwara Patu Mawatha in Gangawata Korale aforesaid and bounded according to the said Plan No. 2479, on the North by premises Nos. 201, 203, 205 and 207, Srimath Bennet Soysa Veediya, on the East by premises No. 205, Srimath Bennet Soysa Veediya and premises Nos. 26, 28, 32 and 34 Yatinuwara Patu Mawatha, on the South by Yatinuwara Patu Mawatha and on the West by premises Nos. 48, 50/1, 50/4, Yatinuwara Patu Mawatha and premises Nos. 211/1, 211/6, 211 3/1/1 and 211 3/1/2, Srimath Bennet Soysa Veediya containing in extent Fifteen decimal Seven Three Four Perches (0A., 0R., 15.734P.) or 0.039796 Hectares.

By order of the Board,

S. D. N. S. Kannangara,
Secretary to the Board.

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