

ANNUAL REPORT

2019

SRI LANKA TRANSPORT BOARD

Contents

1. Vision, Mission and Aims
2. Introduction
3. Chairman's Message
4. Performance and Progress review
5. Accounting Policies
6. Financial Statement
7. Auditor General's Report

VISION

The excellent transport provider in the region.

MISSION

To provide the public a safe, dependable and comfortable road passenger transport at a reasonable fare system through a staff dedicated to service and obtain the maximum utilization of all resources functioning as a financially viable organization.

AIMS & OBJECTIVES

1. To Promote a qualitative and quantitative and efficient and effective bus service through 12 Regions by monitoring, coordinating and counseling.
2. To provide a satisfactory bus service to school going children.
3. To provide bus services on uneconomic routes which are neglected by private operators due to pecuniary considerations.
4. To provide long distance services to remote areas from Central Bus Station, Pettah.
5. To coordinate the public and the private sector transport agencies.
6. To coordinate bus services during festivals, special events, Parliamentary/ Provincial Council elections etc.
7. To transport mails and newspapers.
8. To coordinate between General Treasury, Regions, National Transport Commission, Provincial Councils, relevant Ministries and other related agencies for operation of buses.
9. To provide well trained and disciplined drivers from SLTB Driver Training Schools.
10. To conduct seminars/ Workshops for drivers, conductors, mechanics and supervisory staff.
11. To provide units/ sub units produced by Provincial Workshops to Depots.
12. To provide season tickets to adults and students at attractive discounted rates.
13. To maintain a Transit Stores at S.L.T.B Head Office, Narahenpita for issue of critical spare parts to Provincial Workshops.
14. To conduct security investigations, Flying Squad checks etc. in Depots.

INTRODUCTION

All aspects of transport, no doubt are vital for the economic development of the country. This is specially so, in the case of road passenger transport. In a developing country like Sri Lanka bus services play an important role in connecting towns and villages and thereby linking the whole country.

Bus services in the Island provided by about 80 operators who totally operated about 1200 routes and 3532 registered buses were nationalized by Motor Transport Act No 48 of 1957 on 1957.10.31 and consequently the Ceylon Transport Board (C.T.B) came into being on 1958.01.01

Since then up to 1977 C.T.B enjoyed a monopoly status with regard to road passenger transportation. In 1978 C.T.B was decentralized into 10 Regional Transport Boards coordinated by the Sri Lanka Central Transport Board by Transport Board Law No 19 of 1978.

The Government was of the view that decentralization of C.T.B. would serve the needs of the travelling public more efficiently and effectively as smaller units were expected to be more sensitive to local and regional needs and be capable of providing quicker solutions to local transportation problems.

However, in response to continued escalatory deficits being incurred by CTB and its inability to meet the ever increasing passenger demand generated by the new concept of liberalization of the economy the private sector was permitted to enter into road passenger transportation.

The Government with a firm belief in privatization earmarked C.T.B for peoplisation as part of a public sector restructuring. The above conversion was carried out under the Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act No 23 of 1987. Each of the 93 Transport Board depots existing at the time of peoplisation became separate Limited Companies with governance by a Board of Directors chosen mostly from the employees. Half the number of shares was distributed among the employees and the balance was retained with the General Treasury. The peoplisation Program commenced in 1990 and concluded in 1994. As peoplisation was implemented in a haphazard method the desired results were not achieved.

Therefore, in 1997 Bus Companies were clustered by an amendment to the NTC Act No: 37 of 1991 and the Cluster Bus Companies were formed but this, too, failed to achieve the desired results. Excess staff, serious breakdown in discipline, unfair competition, social obligations, lack of professionalism, inefficiency, escalation of operating costs, political and trade union undue interference, rampant corruption are some of the maladies that affected the Cluster Bus Companies. In order to find a solution to the above problems the Sri Lanka Transport Board was established effective from 2005.10.19 by SLTB Act No: 27 Of 2005.

Message from the Chairman

It gives me great pleasure in presenting the Annual Report of the Sri Lanka Transport Board (SLTB) for the period 2019/01/01 to 2019/12/31. I assumed duties as Chairman of the SLTB on 2019/12/27 and though I was not the Chairman during the period under review nevertheless I am issuing a message for the Annual Report for the year 2019.

The SLTB is one of the largest State Institutions in Sri Lanka. Prior to nationalization the transport system was organized by a handful of private bus owners. As it was unjust that the national wealth should be concentrated in the hands of a few individuals and as it was also manifestly obvious that the national wealth should be evenly distributed among the people of this country the bus services were nationalized. It is therefore proper that the management and the employees should realize that the progress of the SLTB depends largely on their endeavours.

In the year under review the average number of buses operated by the SLTB was 5079. The number of kmm. operated was 431.3 Mn. and when compared with the last year there is a slight decline of 3.29% which amounts to about 14.7kmm.

When compared to the year 2018 the waybill revenue has declined by 5.61% in 2019 which amounts to Rs. 1,633 Mn. In the year 2019 the operational profit was Rs. 1,890 Mn. and compared to the year 2018 the operational profit was Rs. 1,295 Mn. and this shows an increase of 45.97% in 2019.

856 engines, 1334 gear boxes and 399 bus bodies were repaired with the funds made available by the General Treasury. Increasing the frequency of bus services to reduce overcrowding in buses, increasing the number of bus trips, early morning and late night services, school buses and enhancing the skills of drivers in training, training officers in computer literacy and business management, implementing abandoned training programmes and implementing training programmes to drivers to minimize accidents are some of the steps taken towards strengthening the transport system and transport services.

The financial performance of the Sri Lanka Transport Board has not been encouraging during the years 2019 and 2020 mainly due to the Easter Sunday terrorist attack and the spread of Covid pandemic and this situation continues till today. Out of the 5,500 buses released for operation daily at present only about 5,000 buses per day areaveragely being operated and the daily average waybill revenue is in the region of Rs. 63 Mn.

I am very glad about the contribution made by the entire staff of the SLTB and the Board of Directors to achieve the vision and mission of the SLTB. I wish to express my thanks to the Hon. Minister of Transport, Hon. State Minister of Transport for Motor Vehicle Regulation, Bus Train Services and Train Compartments and Motor Car Industry, Secretaries of both Ministries, officials of the General Treasury and all other stakeholders who have shown encouragement and determination for helping me to implement the policies of the Government.

We possess the ability and determination to withstand the onslaught of COVID 19. It is important that all of us join hands in our journey for the development and prosperity of the Sri Lanka Transport Board.



Kingsley Ranawaka
Chairman
Sri Lanka Transport Board

❖ OPERATIONS DIVISION

01. The daily average number of buses released for operation during the year 2019 was 5,854 and the average number of buses operated per day was about 5,079. Average number of kilometers operated per day was about 1.18 Mn. Average daily waybill revenue earned per km. was about Rs. 63.26. Due to the situation that prevailed owing to the Easter terror attack in the country in April 2019, there was a drop in the number of buses released for operation and the revenue in the months of April and May 2019.
02. Action has been taken according to the needs to strengthen the number of trips operated by the SLTB buses in the early morning and late night services.
03. Considering the passenger needs action has been taken to strengthen the existing rail-road coordinated bus services and to commence new bus services with a view to developing rail-road coordinated bus services from railway stations.
04. The “Sisu sariya” project has increased up to 740 buses. Necessary arrangements are being made to provide more buses under this Project taking into consideration the necessity and demands of the schools and the students.
05. All buses have been provided with electronic ticket machines and through this project it was possible to provide a more productive and efficient bus service to the public.

Contribution by the SLTB for social benefits

Operating early morning and late night services

Though the SLTB contributes directly to the economy by helping movement of the workforce within the country by operating early morning and late night services, the SLTB gets only goodwill. However considering this as another social obligation the SLTB continues to operate the services for the convenience of the public.

Bus operations in rural areas

The SLTB directly contributes as a predominant medium of transport linking the city and the village to strengthen the rural economy. Always action is being taken to continue this service considering the needs of passengers. In future, too, it has been planned to procure new buses and develop this service to give an impetus to the rural economy and also to streamline the rural transport.

Operation of School buses

For the sake of future generation, school children are provided with a wide range of school services. Sacrificing opportunities to earn revenue in profit making routes, the SLTB provides bus services to school children taking them to schools in time and bringing them back home safely.

❖ Secretariat Division

Board of Directors Meetings held in 2019

Number of Board Meetings held in 2019

01 st Meeting	-	2019.03.19
02 nd Meeting	-	2019.04.05
03 rd Meeting	-	2019.05.03
Special Board of Directors Meeting	-	2019.05.13
04 th Meeting	-	2019.06.07
05 th Meeting	-	2019.07.05
Special Board of Directors Meeting	-	2019.07.17
06 th Meeting	-	2019.08.02
07 th Meeting	-	2019.09.06
08 th Meeting	-	2019.10.03
09 th Meeting	-	2019.11.07

Eleven (11) Meetings of the Board of Directors including 02 special and emergency Board Meetings were held in the year 2019.

Related activities performed with regard to the above meetings were:

01. Inform all Members of the Board of Directors and the SLTB Heads of Divisions/Sections about the date on which the meeting of the Board of Directors will be held.
02. Take over the Board Papers and allot them numbers and after registering them prepare files and hand them over to the Members of the Board of Directors.
03. Prepare an Agenda for the meeting mentioning about the Board Papers and the Circular letters.
04. Table Board Papers and the Circular Letters according to the Agenda and the instructions of the Chairman.
05. Record decisions taken by the Board of Directors and the related instructions about respective Board Papers and the Circular Letters accurately and allot item Nos. to each such decision.
06. When approval is received for decisions of the Board of Directors, hand over the extracts of such decisions to the respective SLTB Heads of Divisions/Sections for implementation.
07. All these activities should be carried out accurately, confidentially and properly.
08. Provide refreshments to the Members of the SLTB Board of Directors and the other Heads of Divisions/Sections who are invited to the meeting of the Board of Directors.
09. Take action to pay the participation allowance to the Members of the Board of Directors (other than the SLTB Officers) who participate at the meeting of the Board of Directors.
10. Take action to pay the Transport Allowance to the Members of the Board of Directors (other than the SLTB Officers) who participate at the meeting of the Board of Directors.

Carrying out activities related to the Lands and properties of the Sri Lanka Transport Board

01. The ownership of the Ganga Addarawattha Land to the Sri Lanka Transport Board which could not be obtained for the past 32 years. Now this matter has been handed over to the Legal Division for further action.
02. On a decision made by the SLTB Board of Directors an Agreement with conditions has been entered into for a period from 25/01/2016 to 24/01/2019 between the Sri Lanka Transport Board and the Sri Jayawardenapura Kotte Municipal Council for the development activities of the Sri Jayawardenapura Kotte Municipal Council limits after obtaining the Government Valuer's report.

25/01/2016 - 24/01/2017	-	Rs.2,260,000/-
25/01/2017 - 24/01/2018	-	Rs.2,260,000/-
25/01/2018 - 24/01/2019	-	Rs.2,260,000/-

According to the Agreement the land was released. Subsequently, through a letter dated 22/05/2019 the Municipal Commissioner requested that this land be leased for another year (from 25/01/2019 to 24/01/2020). Accordingly, at the 4th meeting of the Board of Directors held on 07/06/2019, approval was obtained to grant the above land on lease from 25/01/2019 to 24/01/2020 under Board Paper No. 49.

Though relevant parties in the Sri Jayewardenepura Kotte Municipal Council informed several times orally and in writing to prepare and to sign the lease agreement for the relevant period and to recover the lease amount of Rs. 2,260,000/-, up to now action could not be taken either to recover the money or sign the Agreement.

03. Regarding giving preference for development activities at national and regional level according to an Agreement made between the SLTB and K.D. Ebert and Sons Holdings (Private) Company to divide the land where Matale Provincial Workshop is situated and in the divided portion of the land to erect a building for vehicle repairs and storage of items.

This land was released for Rs. .960,000/- for the period 14/03/2016- 13/03/2018. In a letter dated 29/01/2018 by Mr. M.S.C. Susil Kumara, Assistant General Manager of that Organization a request was made to extend the leasing period of the above land for another year.

Accordingly through Board Paper No. 20 of the 03rd meeting of the year 2018, 10% of the monthly assets value prevailed prior to the period between 14/03/2018 to 13/03/2019 was added and the amount recovered was as follows:

Amount recovered for a year,

$$\begin{aligned} & 40,000 \times 12 & = & \text{RS. } 480,000 \\ = & 480,000 \div 10\% & = & \text{Rs. } 48,000 \\ = & 480,000 + 48,000 & = & \text{Rs. } \mathbf{528,000/-} \end{aligned}$$

The above land was released for the said sum. The above amount was paid to the SLTB Finance Division which accepted same and issued a receipt bearing No. 105093.

Even after the agreed period (14/03/2019 – 02/05/2019) the above land was used by K.D. Ebert and Sons Holdings (Private) Company on a payment of Rs. 70,400.16 made to the SLTB on 11/09/2019.

14/03/2019 - 02/05/2019

2019/03/14 to 2019/05/02	= 48 days
Amount recovered for the year	= Rs.528,000
Amount per day	
= 528,000 ÷ 360	
= 1466.67	
	= 1466.67 x 48
	<u>= Rs.70,400.16</u>

Receipt of payment for the above amount has not been received by the SLTB Secretariat from the Finance Division so far.

04. According to a decision of the SLTB Board of Directors a Passengers' Lodge situated at the SLTB Central Bus Station Complex, Pettah was released on a monthly lease rental payment from 31.12.2015 to 21/12/2020.
- From 21/12/2015 to 20/12/2017, a payment of Rs. 120,000 / - per month was made to the SLTB by that institution (Heshan Caterers (Pvt) Ltd.) and a receipt for the payment was issued by the Finance Division every month.
 - Rental was paid at the rate of Rs. 135,000/ per month from 21/12/2017 to 20/12/2020 till February 2020. The Finance Division issued a monthly payment receipt for same every month.
05. Though requests have been made for a Vesting Certificate under Section 44 for the 04 acre land block acquired for the extension of Kaluthara depot, it has not been received yet. Already reminders have been sent in this connection.
06. For purposes of road development, blocks of land in extent of 0.1490 hectare together with properties built thereon belonging to Kesbewa Depot was acquired. After claiming compensation for acquisition and subjecting this to ownership verification SLTB was awarded a sum of Rs. 46,390,375/- as compensation.

Out of this compensation an initial payment of Rs. 16,018,500/- was received by the Chairman, SLTB by cheque No. 307341 of Bank of Ceylon, Battaramulla on 22/12/2016 and this cheque was forwarded to the Finance Division by Chairman's letter of even number dated 17/01/2017 and the Finance Division has issued an acknowledgment receipt bearing No. 092386 dated 17/01/2017 for the cheque.

In addition a cheque for the balance compensation amounting to Rs 30,371,875/- was received by the SLTB on 17/09/2018. However as this cheque was dishonored the Manager (Finance/ costing) SLTB requested for a fresh cheque from the Director of the project of the Battaramulla Branch of the National Highway Sectoral Project and in response a cheque was received by the SLTB on 23/10/2018 and it is reported that this cheque was banked by SLTB. Although a request has been made to the SLTB Finance Division in a letter dated 07/03/2019 to issue a receipt for this cheque, it has not been done yet.

07. With regard to a block of land of 26 perches from the SLTB Orugodawaththa Fulfilling Station vested with the Road Development Authority for the construction of Kelaniya bridge activities the SLTB has made a request from the Urban Development Authority to whom the current ownership of this land is vested with to assign the estimated value of this land to the SLTB.
08. Free Grant No. 4/10/46386 dated 19/09/ 2019 for Mattakkuliya Depot land has been obtained. The estimated value this property is:
- | | |
|-----------|------------------|
| Land | Rs.676,800,000/- |
| Buildings | Rs.24,000,000/- |
09. Land belonging to Kothmale Depot was released from the clutches of the unauthorized squatters and though a request was made for a Vesting Certificate under Section 44 confirming through documents that compensation was paid to this land, up to now Vesting Certificate was not received.
10. Though requests were made for a Vesting Certificate under Section 44 for the land belonging to Wennappuwa depot, it was not received up to now.
11. For granting 140 perches of land from Elpitiya Depot according to a decision of the SLTB Board of Directors the land was surveyed, a Plan was prepared and a report of the Government Valuer was obtained and though action was being taken to recover the money by the SLTB and to vest the land after obtaining the approval of the Cabinet of Ministers, this is now suspended as no action has been taken according to the Cabinet decision.
12. According to the Cabinet Memorandum of the Ministry of Home Affairs and Provincial Councils, as this is a land acquired under the provisions of the Acquisition Act Instead of paying the current estimated value to pay only the compensation paid at the time of the Acquisition and the Development value and release the land and this matter has been referred to the Ministry of Transport Management.
13. The Board of Directors has decided to vest 27 perches of Gampaha Brandiyamulla Land to the National Transport Medical Institute and accordingly the land was surveyed and the Plan was prepared and the approval of the Urban Development Authority was obtained and now according to the value by the Government Valuer a sum of Rs. 20,250,000/- has been paid. The receipt dated 06/07/2017 bearing No. 088475 has been received from the Finance Division.
14. According to decision by the SLTB Board of Directors 2 acres and 38.4 perches out of SLTB Gampaha Depot Land was Surveyed and a Plan was prepared and the Government Valuer's report has been obtained. Accordingly the Government Valuer's value is Rs. 432,000,000/- and this matter has been referred to the Ministry of Transport Management regarding release.
15. A Survey Plan has been prepared to obtain a Vesting Certificate under Section 44 for the 24 acre land at Ekala where the Provincial Workshop is situated and as a result Vesting Certificate (3/2/5/5/970) under Section 44 has now been obtained by the SLTB.
16. The project of vesting 2.83 perches of land from the SLTB Matale Depot to Matale Urban Council for extension of road has been suspended.
17. According to the request by the Labour Department permission has been granted by the SLTB to erect a building. As per the letter of the Assistant Director (Acquisition) of the Ministry of Lands and Parliamentary Reforms it was decided that this land was vested with the SLTB only on a Vesting Certificate under Section 44

and therefore the expenses incurred at the time of the acquisition and any subsequent development, if any, only that expenditure to be paid, 17/1932/712/013-1 dated 12/09/2017 Cabinet Decision has been referred to the Ministry of Transport Development by Labour and Industrial relations.

18. Badulla Land Reclamation Commission made a request for several years for a title for a 05 acre block of Land it purchased and so far it has not received. A further discussion is arranged on this matter.

According to a request of the Ministry of Justice to assign 02 acres of Land, though a request was made by the Ministry of Justice to grant documents confirming the ownership of the land belonging to the Sri Lanka Transport Board from the Ministry of Land Reform Commission, a reply has not been received yet.

19. The SLTB old Negombo Bus Stand Land is of a high commercial value and therefore the SLTB Board of Directors has decided that this land should be utilized for commercial activities and according to the Board decision this land matter was referred to the Tender Board. A Tender has been called for this purpose now.
20. Regarding the Case filed in the Panadura Courts about the land in which Panadura Bus Stand is situated, this matter has been assigned to the SLTB Legal Division.
21. According to a complaint about an unauthorized building at Hatton Depot a land survey plan was prepared and discussions were held with the Land Reclamation Commission and though there was a dispute in the ownership of the land, the SLTB discussed with the officials of the Land Reform Commission and ownership was confirmed but still no decision has been made on this matter. Reminders, too, have been sent in this connection.
22. Information in this regard is given in No. 04.

❖ Security Section

1. To provide security for SLTB Regional Offices, Depots, Regional Workshops and other institutions.
2. To investigate complaints, media reports and occurrence of malpractices etc. involving SLTB.
3. Maintenance and supervision of fire protection system in the SLTB premises.
4. Issue of identity cards to all SLTB employees.
5. Conduct surprise inspections and maintaining discipline in the SLTB.
6. During emergency to safeguard the property and the life of all SLTB employees
7. To coordinate with other institutions.
8. To provide security to Ministry of Transport, National Transport Medical Institute and earn income through such services.
9. To provide security to Ministry of Transport and State Ministry of Transport offices.
10. To perform the above duties by the SLTB security and Investigation Section according to situation.
11. Any other legitimate duties assigned by the SLTB.

❖ Engineering Division

Details of engines, gearboxes and bus body repairs for the year 2019

	Engines	Gear Boxes	Bus bodies
By the Workshops	249	169	147
By the Depots	438	1165	119
By external Agencies	149		133
Total	836	1334	399

❖ Internal Audit Division

Finance Section

- 01) Payment of lease installments for buses purchased
- 02) Properly conduct annual survey of all stores
- 03) Auditing of main cash books, daily cash books, payment vouchers cash receivable and revenue
- 04) Cash, Fuel use (excess and shortage of fuel for buses, Pool Vehicles) and wages auditing of loans and recoveries to employees

Technical Section

- 01) Purchase of buses on leasing basis under the Indian Line of Credit
- 02) Obtaining provision for premature tyre failures, required precured tyres and the batteries for new buses
- 03) Inspections of local purchase and purchase of raw materials
- 04) Repairs to engine units and gear box units

Administration Section

- 01) Implementation of Human Resources Information System
- 02) Implementation of the Scheme of Recruitment and the Promotion

- 03) Establishing a Committee for resolving industrial disputes

Training Section

- 01) Conducting all Training activities of employees

Secretariat Section

- 01) Management of all assets
- 02) Confirmation of ownership and location of lands, showing in accounts

Legal Section

- 01) Conducting all Court activities regarding SLTB

Civil Section

- 01) Repairs to all SLTB Buildings, new building activities, preparation of estimates, purchase of raw materials

Development and Planning Section

- 01) Preparation of various reports and submitting them

Security Section

- 01) Carrying out SLTB Security activities

Others

- 01) Implementation of 2018 Action Plan
- 02) Auditing of Gratuity
- 03) Discipline, accidents and losses
- 04) Special auditing of matters referred to by the Chairman
- 05) Conducting Audit Discussions
- 06) Conducting Audit and Management meetings
- 07) Activities of Circuit Bungalows, Shalika and Sports Ground
- 08) Supervision of replies to Government Audit Queries

❖ Human Resources Management Division

New Appointments of Drivers/ Conductors for a period of
06 months purely on contract basis for Rs. 30,000/- monthly allowance

Nature of Appointments	number
	2019
Contract Drivers	142
Contract Conductors	143
Total	285

Details about Executive Grade Appointments

Nature of Appointments	number
	2019
Permanent appointments	-
Covering Appointments/Assignments	15
Promotions	-
Confirmation of Covering Appointments	-
Transfers	35
Contract Appointments	-
New recruitments	-
Total	50

Granting re-appointments

Nature of Appointments	number
	2019
Re-appointments	05
Total	05

Providing practical training

Nature of Appointments	number
	2019
Computer Section Training	26
Accounting Section Training	03
Technical Section Training	17
Total	46

Non-executive transfers

Nature	number
	2019
Transfers	262
Total	262

❖ **Disciplinary Section**

Disciplinary file details

Nature of Appointments	number
	2019
Completed Disciplinary files	2963
Completed Appeal Files	266
Total	3229

❖ **Flying Squad Section**

Flying Squad Progress Report for the year 2019 (Head Office)

Month	No. of teams	No. of checkings	No. of buses checked	Serious offences (IV)	Minor offences (V)	No. of passengers fined	Fines recovered Rs.
January	04	40	-	49	09	38	12,392.00
February	04	42	644	34	05	38	13,202.00
March	04	16	727	35	03	30	12,936.00
April	04	28	452	18	02	21	8,198.00
May	04	32	465	37	03	24	9,964.00

June	04	38	587	33	04	22	9,096.00
July	04	45	680	35	03	25	9,980.00
August	04	40	604	30	01	27	10,114.00
September	04	36	549	27	05	24	8,824.00
October	04	48	1,090	47	04	36	12,548.00
November	04	34	436	20	01	07	3,312.00
December	04	23	326	20	-	08	2,553.00
Total		422	6,560	385	40	300	113,119.00

Flying Squad Progress Report for the year 2019 (Island wide)

Month	No. of teams	No. of checking	No. of buses checked	Serious offences (IV)	Minor offences (V)	No. of passengers fined	Fines recovered Rs.
January	30	444	8029	87	122	201	75304.00
February	41	428	7886	50	114	213	83990.00
March	30	470	8535	68	136	230	95755.00
April	32	516	8801	41	121	149	65689.00
May	29	485	8561	59	110	161	65744.00
June	30	481	8468	58	156	186	76250.00
July	30	345	9323	75	153	225	94511.00
August	31	509	8825	62	118	230	95681.00
September	30	466	8328	53	132	207	78934.00
October	29	465	8421	75	94	199	77135.00
November	28	448	7451	35	76	124	47136.00
December	28	484	7785	56	82	128	58048.00
Total	368	5,541	100,413	719	1,414	2,253	914,177.00

❖ Development & Planning Section

Action Plan of the Planning Section				
Proposed Activities	Physical Target			
	Quarter			
	1	2	3	4
Preparation of a Development and Action Plan for the year 2020	Prepared and submitted			
Preparation of a Progress Report for the month of January for the year 2019	Prepared and submitted.			
Preparation of a Progress Report for the month of February for the year 2019	Prepared and submitted			
Preparation of a Progress Report for the month of March for the year 2019	Prepared and submitted			
Preparation of a Progress Report for the month of April for the year 2019	Prepared and submitted			
Preparation of a Progress Report for the month of May for the year 2019	Prepared and submitted			
Preparation of a Progress Report for the month of June for the year 2019	Prepared and submitted			
Preparation of a Progress Report for the month of July for the year 2019	Prepared and submitted			
Preparation of a Progress Report for the month of August for the year 2019	Prepared and submitted			
Preparation of a Progress Report for the month of September for the year 2019	Prepared and submitted			
Preparation of a Progress Report for the month of October for the year 2019	Prepared and submitted			
Preparation of a Progress Report for the month of November for the year 2019	Prepared and submitted			
Preparation of a Progress Report for the month of December for the year 2019	Prepared and submitted			
Preparation of a Corporate Plan for the years 2020 - 2023	Prepared and submitted			
Collection and updating all relevant statistical information relating to the Board.	Prepared for the whole year and submitted			
Preparation of monthly Profit and Loss Statement and the Cash Flow Statement (Including Provincial Workshops, Driver Training Schools and the Circuit Bungalows)	Prepared for the whole year and submitted			
Preparation of Progress Reports regarding Provincial Workshops, Driver Training Schools and the Circuit Bungalows	Prepared for the whole year and submitted			
Preparation and submission of Audit and Management Committee Report	Prepared for the whole year and submitted			
Preparation and submission of Special Reports requested by the Ministry of Transport and other State Agencies	Prepared for the whole year and submitted			

❖ Tender Board

Ser. No.	Subject	Project Name	Amount Allocated for the year 2019 (Rs. Mn.)	Financia l progress (Rs. Mn.)	Target Achieved	Physical progress
01.	All Procurements and Sales	Procurement of materials required for operational activities	508.68	318.00	Purchase of 53 small buses	Arrangements have been made to purchase 53 buses
02.			3,419.60	2,203.20	Purchase of 272 buses with 44 - 54 seats	Arrangements have been made to purchase 272 buses
03.			990.68	153.40	Purchase of 37 Super Luxury buses	Arrangements have been made to purchase 09 buses
04.			500.00		Purchase of 09 Electric buses	Submitted for the approval of the General Treasury
05.			625.00		Purchase of 100 buses under the Indian Line of Credit	Arrangements have been made to purchase 53 buses
06.			3,120.00		Purchase of 400 buses with 42,54 Seats under the Indian	No funds have been allocated by the General

					Line of Credit	Treasury
07.			16,694.02		Purchase of 143,914,025 liters of diesel	According to the market price purchase is done according to needs ` at depot level
08.	All Procurements and Sales		1,326.13	59.38	Taking action to purchase spare parts required for bus maintenance/ repairs and manufacture of units	Spare Parts are purchased through Head Office at Depot Level according to approved quotations
09.			80.70	3.89	Taking necessary action to purchase materials like paints to repair and maintain buses	Action is taken to purchase according to needs
10.			1,184.90	847.11	Purchase of 33672 new tyres required	As at 2019.12.31 action has been taken to purchase 24010

					for the maintenance of bus fleet.	new tyres
11.			257.78	67.16	Purchase and supply of 10,000 required new batteries for the maintenance of bus fleet	As at 2019.11.31 action has been taken to purchase 2815 new batteries
12.			1400.00		Purchase and supply of required units like engines, Gear Box for the maintenance of bus fleet	Funds were not allocated in the Budget
13.			480.00		Taking action to repair 960 engines required for the maintenance of bus fleet	According to depot needs repairs are undertaken at Regional Level
14.	All Procurements and Sales		192.00		Taking action to repair 960 gear boxes required for the maintenance	According to depot needs repairs are undertaken at Regional Level

					of bus fleet	
15.			147.00		Taking action to repair 960 Fuel Pumps / Alternators/ Starter Motors / required for the maintenance of bus fleet	According to depot needs repairs are undertaken at Regional Level
16.			67.74		Taking necessary action to purchase required spring blades for repair and maintenance of bus fleet	According to needs instruction have to be given to purchase at depot level from approved institutions
17.			1231.94		Taking necessary action to purchase required rebuilt and the pre-cured tyres for repair and	According to needs instruction have to be given to purchase at depot level from approved institutions

					maintenance of bus fleet	
18.			207.84		Purchasing ticket rolls and the ticket books according to requirements	According to needs instruction have to be given to purchase at depot level from approved institutions

19.			5.56		Print and supply season tickets according to requirements	Necessary action has been taken to supply according to requirements
20			11.92	5.62	Purchase and supply of required office equipment and stationery for SLTB operational/administrative activities	Necessary action has been taken to supply according to requirements.
21.			18.97	75.90	Purchase of 500 ticket machines	Necessary action has been taken to supply according to requirements
22.			272.30	103.29	Purchase of 200 Computers, 100 Laptops, 100 printers, 50 UPS and 200 Finger Print Machines	Action has been taken to supply 500 UPS, 500 Computers, 30 Laptops, 68 Photocopy machines, 20 Cash Counting machines, 32, Fax Machines, 100 Printers

						(Dotmatic) AC 21
23.			110.50	0.63		
24.					Taking action to repair SLTB Buildings and Yards	Taking action to call for quotations at regional level and effect repairs

❖ Training, Research and Development Division

Details regarding Training Workshop completed in 2019 by Training, Research and Development Division

Ser No.	Activity Training Programs	Number accomplished	Cost (Rs)
01	Driver Training Instructors program (program - 14)	1357	Rs.6,984,577.27
02	Awareness Programs regarding Management Services Circular No. 30 and 2016 (01)	306	Rs.83,290.00
	Awareness Programs regarding Management Services Circular No. 30 and 2016 (01)	236	Rs.69,170.00
	Awareness Programs regarding Management Services Circular No. 30 and 2016 (01)	144	Rs.37,600.00
03	Management and Productivity Workshop	70	Rs.132,032.00
	Management and Productivity Workshop	80	Rs.117,360.00
04	Training on New salary structure under PL1, PL2 and PL 3	97	Rs.27,642.00
05	Training workshop on gratuity payments	118	Rs.12,732.00
06	Training Workshop regarding filing of letters, minuting, writing official letters and maintenance of Personal Files	65	Rs.75,280.00
	Training Workshop regarding filing of letters, minuting, writing official letters and maintenance of Personal Files	85	Rs.43,835.00
07	Basic Training Program for Graduate Probationers	13	Rs.5,210.00
08	Provision of training through Ceylon German Technical Institute for Mechanics who do not possess professional qualifications	40	Rs.75,000.00

09	Training Workshop by DIMO Company on radiators	60	Nil
10	Workshop by Lanka Ashok Leyland Company on BS 4 Standard engine unit (done by Ruhunu Region)	24	Nil
11	Workshop on Information Technology System regarding tyres and its implementation	72	Rs.63,654.00
12	Computer and Management Certificate Course -stage III	647	Rs.9,705,000.00 (Not paid)

❖ LEGAL DIVISION

01. Handling all legal activities pertaining to cases filed by outside parties against all Regional offices and depots belonging to the SLTB and cases filed against outside parties by the SLTB in all Courts throughout the Island

Under this:

- (i) Appearance by Legal Officers in Courts for SLTB cases wherever possible (Specially appearance for cases filed against the SLTB Chairman or the Board of Directors).
- (ii) Preparing documents for relevant cases.
- (iii) Instructing Court Officers in Regional offices and the depots.
- (iv) Coordinating such officers with outside attorneys-a-law and the State attorneys at the Attorney-General's Department.
- (v) Engaging in legal activities by participating in legal consultations with State Attorneys at the Attorney-General's Department.

02. Giving necessary legal instructions on legal and administrative disputes to SLTB Head office, Regional Offices, Depots and other Units.

03. Preparing Loan Agreements, Supplies Agreements, Security Agreements and the General Agreements the SLTB enters into with outside Parties.

04. Giving necessary instructions to the Secretariat Division in disputes about SLTB lands and participating in discussions with outside Parties and preparing reports.

05. Whenever necessary, preparing Cabinet Memoranda when Chairman refers disputes to the Legal Division.

According to the above the Legal Division with the Legal Consultant, Chief Legal Officer and the Assistant Legal Officers were carrying out their duties. As it is a complex task to prepare a report listing out all duties performed in respect of subjects shown above by these officers in the year 2019, a list of duties specially carried out by the Legal Division in the year 2019 is given below.

- (i) 67 Summons were received in the year 2019 from Magistrate's Courts and 12 Summons received from District Courts and 68 Labour Tribunal Applications and 18 Arbitration Tribunal Cases were handled in the year 2019 and action is being followed up in all cases.
- (ii) 49 Agreements were prepared by Legal Division in the year 2019.
- (iii) For appearances in cases and other activities for the year 2017 and 2018 the SLTB has paid the Attorney General's Department a sum of Rs. 8,035,105.00 09/10/2019 on in respect of 108 cases.
- (iv) A Trade Union filed SCFR 239/19 case in the Supreme Court requesting to cancel about 5000 promotions given on 18.12.2018 and on the directions given by the Court on 17.07.2019 and 24.09.2019 up to now the SLTB has suspended recruitment of permanent staff and promotions. For existing vacancies due to exigencies of service covering appointments are made on an assignment basis.
- (v) Similarly another case SCR 117/19 has been filed requesting the cancellation of to promotions given to employees in primary grades during the same period but activities regarding this case been suspended by the Petitioners from 02.07.2019
- (vi) A case SCFR 51/19 by certain officers against the removal from their posts during the period 29/10/2018 to 14/12/2018 has also been filed in the Supreme Court.
- (vii) Similarly the employees who received the said promotions have filed case No. CA(Writ) 538/19 in Court of Appeal requesting to grant permission to perform duties in the posts to which they were promoted.
- (viii) Regarding a case filed against the SLTB for arrears payment from the SLTB due on the import of spare parts on duty concession by Steel Impex and Industries Company Ltd. an Arbitration Award was given by the Arbitration Tribunal on 09/05/2019 on conditions agreed by both Parties.

Significant Accounting Policies

1. Corporate Information

1.1 Reporting Entity

Sri Lanka Transport Board is a statutory board enacted by the Parliament under the SLTB Act No. 27 of 2005. The registered office of the Board is located at No 200, Kirula Road, Colombo 05 and the principal place of business is situated at the same location.

Sri Lanka Transport Board (SLTB) is an institution that is under the purview of Ministry of Transport.

1.2 Principle activities

During the year, the principal activity of the Board is to provide road passenger transport to the community. The objectives of the Sri Lanka Transport Board are to provide the public a safe, dependable and comfortable road passenger transport at a reasonable fare system.

2. Basis of Preparation

2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka. For all periods up to and including the year ended 31st December 2019, the SLTB prepared its financial statements in accordance with Sri Lanka Accounting Standards (SLAS). These financial statements for the year ended 31st December 2019 SLTB has prepared in accordance with the new Sri Lanka Accounting Standards (SLFRS/LKAS)

The Financial Statements comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements.

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis.

2.3 Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period for all amount reported in the financial statements in order to enhance understanding of the financial statements of the current period and to improve the inter period comparability.

The accounting policies set out below have been applied consistently to all period presented in these financial statements, unless otherwise indicated.

When the presentation or classifications of items in the financial statements have been amended, comparative amounts also have been reclassified to conform with the current year in order to provide a better presentation.

2.4 Use of Estimates and Judgments

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards (SLFRSs) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Judgments and estimates are based on historical experience and other factors including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future period if the revision affects both current and future period.

2.5 Assets and the Bases of Their Valuation

Assets classified as current assets in the Statement of Financial Position are cash, bank balances and those which are expected to be realized in cash, during the normal operating cycle of the Board's business, or within one year from the reporting date, whichever is shorter. Assets other than current assets are those which the Board intends to hold beyond a period of one year from the reporting date.

3. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

3.1 Property Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

(a) Owned Assets

The cost of an item of property, plant and equipment comprise its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to the working condition for its intended use. This also includes cost of dismantling and removing the items and restoring in the site on which they are located and borrowing costs on qualifying assets.

Significant components of an assets are identified and depreciated separately

(b) Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Board and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(c) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognized in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives are as follows:

Asset Category	Useful Life (Years)	Depreciation Rate (%)
Buildings	40	2.5%
Busses & Other Vehicles	8	12.5%
Plant & Equipments	10	10%
Furniture & Fittings	10	10%
Computers	4	25%
Bus Engine	5	20%

Depreciation of an asset begins when it is available for use where as depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(d) Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on derecognition are recognized within other income in profit or loss.

3.2 Leased Assets

Leases in terms of which the Board assumes substantially all the risk and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured and capitalized at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and, except for investment property, the leased assets are not recognized in the Board’s statement of financial position.

3.3 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, using the production of supply of goods or services or for administrative purposes. Investment property is measured at cost.

When the use of property changes from investment property to owner occupied property it is reclassified as property, plant & equipment.

3.4 Capital Work In Progress

Capital expenses incurred during the year, which are not capitalized as at the balance sheet date are shown as Capital work in progress, whilst the capital assets which have been capitalized during the year and put to use have been transferred to Property Plant & Equipment.

3.5 Intangible Assets

An Intangible Asset is recognized if it is probable that economic benefits are attributable to the assets will flow to the entity and cost of the assets can be measured reliably in accordance with the Sri Lanka Accounting Standard LKAS 38-Intangible Assets and carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level.

3.6 Impairment of Non Financial Assets

The carrying amount of the assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an assets or cash generating unit exceeds its recoverable amount. An impairment loss is revised if there has been a change in estimates used to determine the recoverable amount.

3.7 Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories is comprised all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

The cost of the inventories is assigned by using specific identification of their individual costs and first-in-first out formulas.

3.8 Financial asset

3.8.1 Initial recognition and measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets, as appropriate and determine the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

The financial assets of SLTB include cash and short term investment, trade and other receivables, staff loans and other receivables.

3.8.2 Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

(b) Loans and receivables

Loans and receivables are non- derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement.

The losses arising from impairment are recognized in the income statement in finance cost.

(c) Held-to-maturity investments

Non- derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to -maturity when the SLTB has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortizations included in finance income in the income statement. The losses arising from impairment are recognized as finance cost in the income statement in finance cost.

(d) Available-for-sale financial investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the available-for-sale reserve until the investment is derecognized.

3.8.3 Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when,

- i) The rights to receive cash flows from the asset have expired
- ii) SLTB has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) SLTB has transferred substantially all the risks and rewards of the asset, or
 - (b) SLTB has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

3.8.4 Impairment of financial assets

The SLTB assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, call deposits, demand deposits, and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value net of bank overdrafts that are repayable on demand for the purpose of the Statement of Cash Flows.

3.10 Financial Liabilities

Initial recognition and measurement financial liabilities within the scope of LKAS39 are classified as financial liabilities at fair value through profit or loss, at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. SLTB determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, carried at amortized cost. This includes directly attributable transaction costs. SLTB's financial liabilities include trade and other payables.

3.10.1 Subsequent measurement

Subsequent measurements of financial liabilities are at amortized cost.

3.10.2 Derecognition

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

3.11 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.12 Post Employment Benefits

3.12.1 Defined Benefit Plan Company

The Board has adapted the benefit plan as required under the Payment of Gratuity Act No.12 of 1983 for all eligible employees. The benefit plan is not externally funded. One month salary for every year of service to employees on retirement has been provided.

The liability recognized in the Statement of Financial Position is the present value of the defined benefit obligation at the reporting date, using the projected unit credit (PUC) method. This item is stated under non –current liabilities in the statement of financial position. Actuarial gains or losses are recognized as income or expense in other comprehensive income during the financial year in which it arise.

3.12.2 Defined Contribution Plans – Employees' Provident Fund and Employee Trust Fund

All employees who are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions are covered by relevant contributions funds in line with the relevant statutes. Employer's contributions to the defined contribution plans are recognized as an expense in profit or loss when incurred.

3.13 Voluntary Retirement Scheme (VRS)

4005 applications were received under Voluntary Retirement Scheme. During the year 2016 2,389 employees have gone under Voluntary Retirement Scheme. In the year 2017 balance number of employees have gone under Voluntary Retirement Scheme.

3.14 Trade & Other Payables

Trade & other payables are stated at cost.

3.15 Provisions

A provision is recognized if, as a result of a past event the Board has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

3.16 Provision for Slow Moving Stocks

Provisions for slow moving stocks are made when the Board identifies the impairment in inventory through its regular assessments.

3.17 Capital Commitments and Contingent Liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by certain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured.

Statement of Comprehensive Income

3.18 Revenue

The Board revenue represents revenue from passenger Transport.

3.18.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Board and the revenue and the associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes, and after eliminating sales within the Board.

(a) Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

(b) Rendering of services

Revenue from rendering of services is recognized in the accounting period in which the services are rendered or performed.

(c) Other Income

Revenue from dividends is recognized when the Board's right to receive the payment is established.

Profits or losses from disposal of property, plant and equipments recognized having deducted from proceeds on disposal, the carrying value of the assets and the related expenses.

Foreign currency gains and losses are reported on a net basis.

Income from scrap sales are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term.

3.19 Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When SLTB receives non-monetary grants, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual installments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant.

3.20 Expenditure Recognition

3.20.1 Operating Expenses

All expenses incurred in day to day operations of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of comprehensive income in arriving at the profit for the year. Provision has also been made for impairment of financial assets, slow moving stocks, all known liabilities and depreciation on property, plant and equipment.

3.20.2 Lease Payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.20.3 Borrowing Costs

Borrowing costs directly attributable to acquisition, construction or production of assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that Board incurs in connection with the borrowing of funds.

3.20.4 Net Finance Income / (Expenses)

Finance income comprises interest income on funds invested and staff loans, and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognized on financial assets, borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.21 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged or not.

3.22 Cash Flow

Interest received and dividends received are classified as investing cash flows, while dividend paid and interest paid, is classified as financing cash flows for the purpose of presentation of Statement of Cash Flows which has been prepared using the 'Indirect Method'.

3.23 Events Occurring After the Reporting

Events after the reporting period are those events favorable and unfavorable that occurs between the end of the reporting period and the date when the financial statements are authorized for issue.

The materiality of the events occurring after the reporting period is considered and appropriate adjustments to or disclosures are made in the Financial Statements.

Sri Lanka Transport Board
Statement of Financial Position as at 31st December 2019

(all amounts in Sri Lanka Rupees)

<u>ASSETS</u>	<u>Note</u>	<u>31 December</u> <u>2019</u>	<u>31 December</u> <u>2018</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	01	9,174,029,658.88	8,405,593,618.30
Other Financial Asset	02	25,000,000.00	25,625,000.00
Work-in-Progress		26,569,098.30	18,796,222.31
Unoperated Accounts	03	1,290,782,781.62	1,290,782,781.62
		10,516,381,538.80	9,740,797,622.23
CURRENT ASSETS			
Inventories	04	1,680,585,239.13	1,433,931,898.17
Trade & Other Receivables	05	2,875,523,617.50	2,482,420,351.81
Other Financial Asset	06	1,071,901,706.06	709,171,414.82
Cash & Cash Equivalents	07	3,522,440,758.78	3,968,913,250.44
TOTAL CURRENT ASSETS		9,150,451,321.47	8,594,436,915.24
TOTAL ASSETS		19,666,832,860.27	18,335,234,537.47
EQUITY & LIABILITIES			
CAPITAL AND RESERVES			
Equity Capital		350,000,000.00	350,000,000.00
Accumulated Profit/Loss	08	(40,595,826,378.47)	(43,509,944,006.02)
Treasury Share Capital		3,944,890,550.00	3,944,890,550.00
Employee Share		411,144,470.00	411,144,470.00
Government Grants	09	2,981,392,312.95	2,981,392,312.95
Reserves	10	5,470,757,941.77	5,470,757,941.77
Available For Sale Reserves		24,750,000.00	25,375,000.00
Total Equity		(27,412,891,103.75)	(30,326,383,731.30)
NON CURRENT LIABILITIES			
Provision for Retirement Gratuity	11	12,177,378,266.79	13,576,902,113.41
Other Non Current Liabilities	12	4,411,280,894.22	2,287,583,772.59
Unoperated Accounts	13	18,526,264,783.02	18,526,264,783.02
		35,114,923,944.03	34,390,750,669.02
CURRENT LIABILITIES			
Trade & Other Payables	14	11,725,356,464.65	14,139,120,282.32
Bank Overdraft	07	239,443,555.34	131,747,317.43
Total Current Liabilities		11,964,800,019.99	14,270,867,599.75
TOTAL EQUITY & LIABILITIES		19,666,832,860.27	18,335,234,537.47

The Accounting policies and Notes on 01 to 21 form an integral part of these Financial Statements. The

Board of Directors is responsible for the preparation and presentation of these Financial Statements. These

Financial Statements were approved by the Board of Directors and signed on their behalf.

.....
Chairman

Sri Lanka Transport Board

Kingsley Ranawaka

Chairman
Sri Lanka Transport Board

.....
Deputy General Manager

Sri Lanka Transport Board

M.G.A. Mangala
ACA, Bsc. ACC (Sri Lanka)
D.G.M. (Finance)
Sri Lanka Transport Board
No. 200, Kirula Road,
Colombo 05.

.....
Member of Director Board

Sri Lanka Transport Board

Board Director
Sri Lanka Transport Board
No. 200, Kirula Road,
Colombo - 05.

Sri Lanka Transport Board
Statement of Comprehensive Income
For The Year Ended 31st December 2019

		<u>2019</u>	<u>2018</u>
(all amounts in Sri Lanka Rupees)			
	Note		
Revenue	15	35,737,094,498.55	36,750,446,514.97
Operating Expenses	16	36,592,797,521.84	36,145,080,950.62
Operating Profit/(Loss) before depreciation		(855,703,023.29)	605,365,564.35
Other income	17	6,947,823,732.03	6,729,192,265.53
Profit/(Loss) after Other income		6,092,120,708.74	7,334,557,829.88
Administration expenses	18	5,525,268,855.10	6,767,674,002.96
Operating Profit/(Loss)		566,851,853.64	566,883,826.92
Financial and Other expenses	19	384,432,888.01	608,856,714.24
Finance Income		254,290,570.50	168,251,460.12
Net Finance Cost		(130,142,317.51)	(440,605,254.12)
Profit/(Loss) before Production Loss		436,709,536.13	126,278,572.80
Production Loss	20	20,172,420.21	56,375,170.54
Profit/(Loss) before Grants and Subsidies		416,537,115.92	69,903,402.26
Grants and Subsidies	21	1,473,921,845.00	1,225,157,146.58
Net Profit/(Loss) for the Period		1,890,458,960.92	1,295,060,548.84
Other Comprehensive Income			
Net change in Fair Value of AFS Financial Assets		(625,000.00)	(9,090,625.00)
Other comprehensive income for the year		(625,000.00)	(9,090,625.00)
Total Comprehensive Income for the Year		1,889,833,960.92	1,285,969,923.84

Statement of Cash Flow for the Year ended 31.12.2019

(all amounts in Sri Lanka Rupees)	2019	2018
<u>Cash Flows From Operating Activities</u>		
Net Profit / (Loss) for the year	1,890,458,961	1,295,060,549
Adjustments for :		
Depreciation	2,265,408,864	2,170,733,962
Profit / Loss Adjustment	1,023,658,667	
Government Grant - Amount Amortized During the year	(1,473,921,845)	(1,225,157,147)
Interest Income	(254,290,571)	(168,251,460)
Finance Cost	384,432,888	608,856,714
Profit from Bus Disposal	(41,673,000)	(43,085,262)
Provision for Defined Benefit Plans - Gratuity	(139,569,908)	443,555,228
Operating Profit / (loss) before working capital changes	3,654,504,055	3,081,712,583
(Increase) / Decrease in Inventories	(246,653,341)	(281,508,547)
(Increase) / Decrease in Trade & Other Receivable	(393,103,266)	96,385,534
(Increase) / Decrease in Work-in- Progress	(7,772,876)	(16,816,241)
Increase / (Decrease) in Creditors	867,603,317	1,002,044,591
Increase / (Decrease) in Accrued Expenses	(1,376,643,012)	(384,132,839)
Increase / (Decrease) in Other Non Current Liabilities	2,123,697,122	370,600,000
Cash Generated From Operation	4,621,632,000	3,868,285,082
Cash used in operations		
Defined Benefit Plan Costs paid	(1,259,953,938)	(1,373,680,790)
Net Cash flows from / (used in) operating activities	3,361,678,062	2,494,604,292
<u>Cash Flows From / (Used In) Investing Activities</u>		
Acquisition of Property, Plant & Equipment	(2,678,314,349)	(240,389,978)
Sale Proceeds from Disposal	41,921,000	43,085,262
Acquisition of Other Investment	(362,730,291)	10,863,861
Proceeds from Short term Investment Disposal	-	2,195,126
Interest Income	254,290,571	168,251,460
Net Cash flows from / (used in) Investing activities	(2,744,833,070)	(15,994,269)
<u>Cash Flows From / (Used In) Financing Activities</u>		
Finance Cost Paid	(282,310,354)	(463,002,716)
Government Grants Received	1,473,921,845	1,225,157,147
Net Movement in Lease Creditors/(Lease Payment)	(2,362,625,213)	(2,337,687,933)
Cash Flows From / (Used In) Financing Activities	(1,171,013,721)	(1,575,533,502)
Increase / (Decrease) in cash & cash equivalents	(554,168,730)	903,076,522
Cash & cash equivalents at the beginning of the year	3,837,165,933	2,934,089,411
Cash & cash equivalents at the end of the year	3,282,997,203	3,837,165,933

Statement Of Changes In Equity for the Year ended 31.12.2019

(all amounts in Sri Lanka Rupees)

	Equity Capital	Minor Share Holders	Government Grants	Reserves	Treasury Share Capital	Available For Sale Reserve	Accumulated profit / (Loss)	Total
Balance as at 31 December 2017	350,000,000.00	411,144,470.00	2,981,392,312.95	5,470,757,941.77	3,944,890,550.00	25,375,000.00	(43,509,944,006.02)	(30,326,383,731.30)
Opening Balance Adjustment	-	-	-	-	-	-	-	-
Add for the Year	-	-	-	-	-	-	-	-
Less for the Year	-	-	-	-	-	-	1,023,658,666.63	1,023,658,666.63
Adjusted Balance as at 31 December 2018	350,000,000.00	411,144,470.00	2,981,392,312.95	5,470,757,941.77	3,944,890,550.00	25,375,000.00	(42,486,285,339.39)	(29,302,725,064.67)
Add for the Reserves	-	-	-	-	-	-	-	-
Less for the Reserves	-	-	-	-	-	-	1,890,458,960.92	1,890,458,960.92
Comprehensive Income Gain/(Loss)	-	-	-	-	-	(625,000.00)	-	(625,000.00)
Balance as at 31 December 2019	350,000,000.00	411,144,470.00	2,981,392,312.95	5,470,757,941.77	3,944,890,550.00	24,750,000.00	(40,595,826,378.47)	(27,412,891,103.75)

01. Property, Plant & Equipment

Free hold Asset

	Land & Building	Plant & Machinery	Office Equipments	Motor Vehicles	Condemn Other Vehicles	Air conditioners	Computers	Busses
Balance As At 2017.12.31	367,664,519.29	216,270,140.64	167,035,338.51	298,999,252.76	1,041,195.32	9,569,818.66	88,254,417.80	12,145,165,714.75
<u>Adjustments</u>								
Addition								
Disposals								
Balance As At 2018.12.31	367,664,519.29	216,270,140.64	167,035,338.51	298,999,252.76	1,041,195.32	9,569,818.66	88,254,417.80	12,145,165,714.75
Addition	10,440,448.45	46,210,516.90	19,300,355.69	1,450,000.00	-	4,537,202.03	52,124,319.00	2,788,253,390.00
Disposals								(355,778,555.39)
Balance As At 2019.12.31	378,104,967.74	262,480,657.54	186,335,694.20	300,449,252.76	1,041,195.32	14,107,020.69	140,378,736.80	14,577,640,549.36

Lease hold Asset

	Land & Building	Plant & Machinery	Office Equipments	Motor Vehicles	Condemn Other Vehicles	Air conditioners	Computers	Busses
Balance AS At 2017.12.31								12,343,801,671.84
<u>Adjustments</u>								
Addition								
Disposals								
Balance As At 2018.12.31	-	-	-	-	-	-	-	12,343,801,671.84
Addition								
Disposals								
Balance As At 2019.12.31	-	-	-	-	-	-	-	12,343,801,671.84

01. Property, Plant & Equipment

Free hold Asset

	Condemn Busses	Shot Gun	Bus Engine	Ticket Machine	Other Assets	Computer Software	Total
Balance As At 2017.12.31	1,367,754,792.20	34,750.00	2,136,653,340.63	190,175,847.14	42,245,814.97	16,470,531.82	17,047,335,474.49
Adjustments							
Addition	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance As At 2018.12.31	1,367,754,792.20	34,750.00	2,136,653,340.63	190,175,847.14	42,245,814.97	16,470,531.82	17,047,335,474.49
Addition	-	-	-	74,571,750.00	27,075,139.51	10,129,782.78	3,034,092,904.36
Disposals	-	-	-	-	-	-	(355,778,555.39)
Balance As At 2019.12.31	1,367,754,792.20	34,750.00	2,136,653,340.63	264,747,597.14	69,320,954.48	26,600,314.60	19,725,649,823.46

Lease hold Asset

	Condemn Busses	Shot Gun	Bus Engine	Ticket Machine	Other Assets	Computer Software	Total
Balance AS At 2017.12.31	-	-	-	-	-	-	12,343,801,671.84
Adjustments							
Addition	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance As At 2018.12.31	-	-	-	-	-	-	12,343,801,671.84
Addition	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance As At 2019.12.31	-	-	-	-	-	-	12,343,801,671.84

**Free hold Asset
Depreciation**

	Land & Building	Plant & Machinery	Office Equipments	Motor Vehicles	Condemn Other Vehicles	Air conditioners	Computers	Busses
Balance AS At 2017.12.31 Adjustments	163,022,913.88	140,154,072.38	127,761,274.53	248,771,627.80	520,385.32	4,762,647.06	51,331,300.32	11,059,820,927.18
Balance AS At 2018.12.31	163,022,913.88	140,154,072.38	127,761,274.53	248,771,627.80	520,385.32	4,762,647.06	51,331,300.32	11,059,820,927.18
Charge for the Year	1,291,730.30	9,683,446.89	8,189,301.98	12,825,422.83	-	942,346.45	23,473,070.96	345,506,124.23
Adjustments								(355,530,555.39)
Disposals								
Balance AS At 2019.12.31	164,314,644.18	149,837,519.27	135,950,576.51	261,597,050.63	520,385.32	5,704,993.51	74,804,371.28	11,049,796,496.02

Lease hold Asset

	Land & Building	Plant & Machinery	Office Equipments	Motor Vehicles	Condemn Other Vehicles	Air conditioners	Computers	Busses
Balance AS At 2017.12.31								6,322,981,295.46
Adjustments								
Addition								
Disposals								
Balance AS At 2018.12.31								6,322,981,295.46
Charged for the Year								1,583,849,483.70
Adjustments								
Disposals								
Balance AS At 2019.12.31								7,906,830,779.16

Total Asset

Total Depreciation	378,104,967.74	262,480,657.54	186,335,694.20	300,449,252.76	1,041,195.32	14,107,020.69	140,378,736.80	26,921,442,221.20
Net Book Value	164,314,644.18	149,837,519.27	135,950,576.51	261,597,050.63	520,385.32	5,704,993.51	74,804,371.28	18,956,627,275.18
	213,790,323.56	112,643,138.27	50,385,117.69	38,852,202.13	520,810.00	8,402,027.18	65,574,365.52	7,964,814,946.02

**Free hold Asset
Depreciation**

	Condemn Busses	Shot Gun	Bus Engine	Ticket Machine	Other Assets	Computer Software	Total
Balance AS At 2017.12.31	1,367,754,792.20	34,750.00	1,336,689,207.26	133,192,974.18	20,508,432.47	8,236,927.99	14,662,562,232.57
Adjustments	-	-	226,338,436.05	41,339,254.95	6,115,496.24	5,854,749.20	681,559,380.08
Balance As At 2018.12.31	1,367,754,792.20	34,750.00	1,336,689,207.26	133,192,974.18	20,508,432.47	8,236,927.99	14,662,562,232.57
Charge for the Year	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(355,530,555.39)
Balance As At 2019.12.31	1,367,754,792.20	34,750.00	1,563,027,643.31	174,532,229.13	26,623,928.71	14,091,677.19	14,988,591,057.26

Lease hold Asset

	Condemn Busses	Shot Gun	Bus Engine	Ticket Machine	Other Assets	Computer Software	Total
Balance AS At 2017.12.31	-	-	-	-	-	-	6,322,981,295.46
Adjustments	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance As At 2018.12.31	-	-	-	-	-	-	6,322,981,295.46
Charge for the Year	-	-	-	-	-	-	1,583,849,483.70
Adjustments	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance As At 2019.12.31	-	-	-	-	-	-	7,906,830,779.16

Total Asset

Balance AS At 2017.12.31	1,367,754,792.20	34,750.00	2,136,653,340.63	264,747,597.14	69,320,954.48	26,600,314.60	32,069,451,495.30
Charge for the Year	1,367,754,792.20	34,750.00	1,563,027,643.31	174,532,229.13	26,623,928.71	14,091,677.19	22,895,421,836.42
Adjustments	-	-	-	-	-	-	-
Disposals	-	-	573,625,697.32	90,215,368.01	42,697,025.77	12,508,637.41	9,174,029,658.88
Balance As At 2019.12.31	1,367,754,792.20	34,750.00	2,262,052,386.63	436,074,568.28	138,640,908.96	43,191,629.20	25,543,501,920.78

<u>Cost - Land & Building</u>		31.12.2019	31.12.2018
101-1	Land & Building	281,094,960.59	270,654,512.14
101-1-A	Wesco - Land & Building	17,606,792.92	17,606,792.92
101-1-B	Depot /Garage - Land & Building	12,780,411.77	12,780,411.77
101-1-C	Land & Building (Temporary)	540,742.70	540,742.70
101-1-D	Land & Building (Shelters)	14,007,685.89	14,007,685.89
101-1-E	Land & Building - Others	51,774,373.87	51,774,373.87
101-1-F	SLTB - Play Ground	300,000.00	300,000.00
	Total	378,104,967.74	367,664,519.29

Cost - Motor Vehicles

101-5-A	Vans, Lorries & Other Vehicles	277,922,828.03	276,472,828.03
101-5-B	Cars, Motor Cycles & Bicycles	22,526,424.73	22,526,424.73
	Total	300,449,252.76	298,999,252.76

Accumulated Depreciation - Land & Building

104-1-A	Land & Building (Temporary)	540,742.70	540,742.70
104-1-B	Land & Building	142,072,055.42	140,780,325.12
104-1-C	Land & Building - Werahera	8,742,038.00	8,742,038.00
104-1-D	Land & Building - Depot /Garage	5,947,599.68	5,947,599.68
104-1-E	Land & Building - Stands/Shelters	4,981,605.27	4,981,605.27
104-2	Land & Building - Other	2,030,603.11	2,030,603.11
	Total	164,314,644.18	163,022,913.88

02. Other Financial Assets

Available for Sale Investment		31.12.2019		31.12.2018		
Account Code	Description	No of Shares	Cost	No of Shares	Cost	Market Value
105-2-G	Lanka Ashok Leyland - Investment In Shares	31,250	250,000.00	31,250	250,000.00	25,625,000.00
	Subtotal	31,250	250,000.00	31,250	250,000.00	25,625,000.00

Note	Work-in-Capital	31.12.2019	31.12.2018
		Rs.	Rs.
102-2	Balance as at 01.01.2018	18,796,222.31	1,979,981.66
	Addition	7,772,875.99	16,816,240.65
	Transferred to F/H/A		
	Balance as at 31.12.2018	26,569,098.30	18,796,222.31

03. Unoperated Accounts

Note	Unoperated Accounts - Debits	31.12.2019	31.12.2018
		Rs.	Rs.
203-2-13	Unoperated Accounts - Debits	1,290,782,781.62	1,290,782,781.62
	Balance	1,290,782,781.62	1,290,782,781.62

04. Inventories

Account Code	Description	31.12.2019	31.12.2018
		Rs.	Rs.
106-1	Inventory	1,513,522,729.47	1,295,988,650.48
106-2	Fuel	95,839,866.02	95,005,107.58
106-4	Stock in Transit	69,713,130.27	33,241,086.73
106-6	Work in Progress - Material (work sh	1,509,513.37	9,697,053.38
	Total	1,680,585,239.13	1,433,931,898.17

05. Trade & Other Receivable

05.1 Advances

Account Code	Description	31.12.2019 Rs.	31.12.2018 Rs.
107-1	Salary Advance - 4040	12,060,489.61	15,988,436.69
107-2	Festival Advance - 5012	202,263,198.00	173,933,171.97
107-3	Sports Advance - 5012/1	23,544,586.00	27,127,541.41
107-4	Special Loan Advance - 5012/2	46,037,504.95	42,927,274.48
107-5	Other Advance	12,062,620.27	10,634,244.38
107-6	Local Purchase Advance	1,496,150,077.34	1,511,690,255.94
107-7	SLTB Advance A/C	2,797,767.50	2,797,767.50
107-8	4040/1 Special Advance	730,006.52	804,951.19
	Sub Total	1,795,646,250.19	1,785,903,643.56

05.2 Other Receivables

Account Code	Description	31.12.2019 Rs.	31.12.2018 Rs.
108-1	Sundry Debtors	108,069,141.30	109,884,638.28
108-2	Trade Debtors	15,009,528.71	14,527,000.80
108-3	Income Receivables	117,760,823.07	95,990,868.92
108-4	Receivables - Army Hires	191,892,366.34	131,271,357.47
108-5	Receivables - Police Warrant	389,975,838.49	320,602,884.17
108-6	Court Deposits	7,969,070.79	7,994,270.79
108-7	Other Deposits	5,946,928.68	5,776,053.49
108-8	Conductor Shortage	6,987,068.73	5,784,775.70
108-10	Fidelity Guarantee Fund	70,331.76	65,731.76
108-11	Fuel Sale Control A/C	2,124,898.15	1,725,966.15
108-12	Lakdiwa Engineering (E-kale)	10,549.50	2,955.50
108-13	Cashier Shortage	3,815,947.99	34,391,996.74
108-14	Pre paid expenses	269,234,578.15	7,477,860.45
108-18	Work done by Out side Parties	705,245.53	715,297.91
108-20	Deposits - Container Deposits	18,250.00	18,250.00
108-23	Provision for doubtful debts	(39,713,199.88)	(39,713,199.88)
	Sub Total	1,079,877,367.31	696,516,708.25
	Total	2,875,523,617.50	2,482,420,351.81

6 Other Financial Asset

Account Code	Description	31.12.2019 Rs.	31.12.2018 Rs.
105-1	Treasury Bills	7,749,998.26	7,749,998.26
105-2-B	Investment in fidelity guarantee	42,678.00	42,678.00
105-2-C	Employee security Deposits	587,831.01	458,075.01
105-2-D	Fixed Deposits	1,063,521,198.79	700,920,663.55
	Subtotal	1,071,901,706.06	709,171,414.82

7 Cash & Cash Equivalents

Account Code	Description	31.12.2019 Rs.	31.12.2018 Rs.
105-2-A	Short-term Investments	585,000,000.00	350,000,000.00
105-2-E	Saving Accounts	1,856,494,264.45	2,000,414,045.79
	Subtotal	2,441,494,264.45	2,350,414,045.79

07. Cash at Bank

Account Code	Description	31.12.2019 Rs.	31.12.2018 Rs.
109-1	Head Office	186,091,977.35	275,608,101.73
	Region & Depots	520,322,816.40	812,805,352.52
	W.S/D.T.S & Fuel Sheds	180,893,157.00	246,489,951.29
	Total	887,307,950.75	1,334,903,405.54

07. Bank Overdraft

Account Code	Description	31.12.2019 Rs.	31.12.2018 Rs.
109-1	Head Office	98,243,667.04	21,122,280.87
	Region & Depots	141,199,888.30	110,625,036.56
	Total	239,443,555.34	131,747,317.43

07. Cash in Hand

Account Code	Description	31.12.2019 Rs.	31.12.2018 Rs.
110-1	Cash in Hand	7,489,661.60	7,992,734.63
110-2	Petty Cash Impress	633,609.49	1,034,043.03
110-3	Cash in Transit	90,387,563.88	113,080,887.62
110-4	Stamp Impress	149,604.00	89,861.00
110-5	Pool Vehicle Impress	190,886.00	930,133.00
110-6	Revenue to be deposit	94,787,218.61	160,468,139.83
	Total	193,638,543.58	283,595,799.11

07. Grand Total Cash & Cash Equivalents 3,522,440,758.78 3,968,913,250.44

07. Grand Total Bank Overdraft 239,443,555.34 131,747,317.43

08. Accumulated Loss

		<u>31.12.2019</u>	<u>31.12.2018</u>
		Rs.	Rs.
201	Accumulated Loss		
	Accumulated loss brought from previous year	(43,509,944,006.02)	(43,540,320,699.21)
201-1	Add: Adjustment in respect of previous year	1,023,658,666.63	(1,264,683,855.65)
	Profit/ (Loss) for the year	1,890,458,960.92	1,295,060,548.84
	Total	(40,595,826,378.47)	(43,509,944,006.02)

Treasury Share Capital

		<u>31.12.2019</u>	<u>31.12.2018</u>
		Rs.	Rs.
202-5	Share Capital	3,368,242,400.00	3,368,242,400.00
202-6	Share Capital - Treasury A/C	576,648,150.00	576,648,150.00
		3,944,890,550.00	3,944,890,550.00

09. Government Grants

		<u>31.12.2019</u>	<u>31.12.2018</u>
		Rs.	Rs.
202-3	Balance as at 01.01.2018	2,981,392,312.95	2,981,392,312.95
	Receipts from Treasury for the Year 2018	-	-
	Provision for the year	-	-
	Balance as at 31.12.2018	2,981,392,312.95	2,981,392,312.95

10. Reserves

		<u>31.12.2019</u>	<u>31.12.2018</u>
		Rs.	Rs.
201-2	Capital Reserves	22,295,374.57	22,295,374.57
201-3	Insurance Reserves	292,329.36	292,329.36
201-4	Workmen Compensation Reserves	2,988,322.52	2,988,322.52
201-5	Commissioner of Motor Traffic	2,667,679.00	2,667,679.00
201-6	Season Ticket Fund	272,673.18	272,673.18
201-8	Revaluation Reserve	140,397,051.58	140,397,051.58
201-9	Capital Reserve a/c & Other Reserve	5,301,844,511.56	5,301,844,511.56
		5,470,757,941.77	5,470,757,941.77

11. Provision for Retirement Gratuity

Account Code	Description	<u>31.12.2019</u>	<u>31.12.2018</u>
		Rs.	Rs.
202-1	Balance as at Beginning of the Year	13,576,902,113.41	14,507,027,675.50
	Provision for the Year	(139,569,908.35)	443,555,227.52
	Payments during the Year	(1,259,953,938.27)	(1,373,680,789.61)
	Balance as at the End of the Year	12,177,378,266.79	13,576,902,113.41

12. Other Non Current Liabilities

Account Code	Description	31.12.2019 Rs.	31.12.2018 Rs.
202-20	Lanka Ashoke Leyland	2,993,120,339.00	-
202-21	Long Term Liabilities -SLTB Provident Fund	1,860,824,837.37	1,860,824,837.37
202-23	Peoples Bank Leasing Creditor	-	90,289,777.52
202-24	Provision For Bonus	400,000,000.00	400,000,000.00
202-2	Interest Suspense A/C	(842,664,282.15)	(63,530,842.30)
	Total	4,411,280,894.22	2,287,583,772.59

13. Unoperated Accounts

	31.12.2019 Rs.	31.12.2018 Rs.
203-2-12 Unoperated Accounts -Credit Balance	18,526,264,783.02	18,526,264,783.02
	18,526,264,783.02	18,526,264,783.02

14. Trade & Other Payables
14.1 Creditors

Account Code	Description	31.12.2019 Rs.	31.12.2018 Rs.
203-1-1	Trade Creditors	2,810,347,686.02	3,675,208,807.05
203-1-2	Ceylon Petroleum Corporation	58,205,876.40	37,540,480.82
203-1-3	Other Creditors	116,685,736.81	120,434,739.62
203-1-4	Sri Lanka Insurance Corporation	384,400.95	600,739.95
203-1-5	Cancelled Cheques	594,637.40	-
203-1-6	Unpaid Salary	14,766,881.15	13,859,973.98
203-1-7	Tsunami Fund	748,340.33	748,340.33
203-1-8	Third Party Payments - Payable	48,239,142.57	53,599,409.62
203-1-9	7070 E.P.F Loan	27,249,139.30	27,245,118.16
203-1-10	7082 E.P.F TV Loan	9,289,899.14	9,290,399.14
203-1-11	7075 E.P.F Housing Loan	211,051,336.79	211,133,904.57
203-1-12	7078 EPF Loan	576,741.11	576,741.11
203-1-13	Fines Fund	44,377,418.54	37,517,503.94
203-1-14	Sport Council	11,664,530.30	10,871,024.31
203-1-15	Trade Unions	30,567,815.43	28,660,087.80
203-1-16	Funeral Welfare Society	47,054,322.55	47,979,725.93
203-1-17	Welfare Society	47,167,507.41	39,191,841.41
203-1-18	Canteen Recovery	5,710,319.35	4,344,093.63
203-1-19	Bank Loan - (salary Payable)	66,225,966.19	66,613,611.95
203-1-19	Bank Loan	12,050,383.56	370,000,000.00
203-1-20	Insurance - Payable	1,027,319.87	775,286.08
203-1-21	Stamp Duty recovery	24,740,586.04	20,744,624.51
203-1-22	Fines recovery	569,537,427.84	513,806,110.44
203-1-23	Fines Fund recovery	95,217,164.79	100,605,949.22
203-1-24	Unpaid Salary Deductions	7,738,050.83	8,029,013.82
203-1-25	Tender Deposits	15,527,160.99	15,595,128.73
203-1-26	Other Deposits	12,795,994.99	8,080,984.69
203-1-27	Suspense A/C	967,187.91	361,879.91
203-1-28	Deposits - by Outside parties	3,061,285.40	3,067,026.40
203-1-29	Deposits - Tender(Factory)	10,909,805.28	10,874,805.28
203-1-30	Employee Deposits	157,615,006.41	156,966,290.94
203-1-31	Miscellaneous Payable	12,925,488.93	12,801,112.83
203-1-32	E.P.F Surcharges	5,109,973.46	64,380,495.84
203-1-33	E.T.F Surcharges	3,989,076.26	3,596,691.29
203-1-35	Accrued Rent & Rates	4,387,919.25	5,120,526.71
203-1-38	Fidelity bond	54,049.46	53,349.46
203-1-46	Interest Suspense a/c (Busess 272 &53)	(179,402,723.00)	-
203-1-47	Lanka Ashok Leyland Creditor a/c (Busess 272 &53)	574,884,000.00	-
203-1-49	Deposits a/c	4,638,643.97	1,614,086.11
203-1-50	Deposits - by Tender HO	2,293,000.00	-
203-1-54	Peoples Bank Leasing Creditor	95,091,273.20	2,354,638,829.09
203-1-56	Amount Received For Land at Werahara	4,054,000,000.00	2,000,000,000.00
203-1-57	Lanka Ashok Leyland Creditor a/c	109,971,684.90	150,629,529.03
	Sub Total	9,150,037,458.08	10,187,158,263.70

203-1-56 Amount Received For Land at Werahara

The above mentioned Rs;2000 Mn represents the sum received from the General Tresary in relation to transferring the land at Werahera to Genaral Sir Jhone Kotalawala Defence University. Total amount recieveble is Rs;5000 Mn and out of that SLTB has received Rs. 4,000 Mn up to the date of singhing of the financial statement.

14.2 Accrued Expenses

Account Code	Description	31.12.2019 Rs.	31.12.2018 Rs.
203-3-1	Payable Audit Fee	4,079,852.73	4,079,852.73
203-3-3	Payable E.P.F (SLTB)	287,366,829.84	563,210,680.16
203-3-4	Payable E.P.F (Central Bank) Befor 2019	114,197,393.60	1,198,542,069.49
203-3-4	Payable E.P.F (Central Bank) 2019	196,290,600.52	205,958,885.30
203-3-5	Payable E.T.F (Central Bank)	27,244,993.49	51,464,555.45
203-3-6	Salary Control A/C	1,049,171,167.67	1,012,313,433.13
203-3-7	Accrued Expenses	896,976,601.72	910,923,447.36
203-3-8	Online Bus Control a/c	(8,433.00)	5,469,095.00
	Sub Total	2,575,319,006.57	3,951,962,018.62
	Grand Total	11,725,356,464.65	14,139,120,282.32

Sri Lanka Transport Board

Notes to the Accounts

15. Revenue

Account Code	Description	31.12.2019 Rs.	31.12.2018 Rs.
301-1	Waybill	27,441,637,726.12	29,075,439,832.46
301-2	Season Tickets	1,141,701,778.16	1,121,076,012.88
301-3	Special Hires	453,053,440.32	540,689,707.91
301-4	Mail Transport	67,833,501.66	49,058,679.56
301-5	Army Travel Passes	155,763,442.06	123,566,135.60
301-6	Police Warrant	553,960,907.39	539,408,740.00
301-7	Army Special Hires	7,011,912.00	15,442,897.30
301-8	News Paper Transport	791,766.00	642,299.00
301-9	Miscellaneous Travel Passes	187,992,354.51	69,600,044.45
301-10	Luggage Receipts	36,641,657.90	42,443,057.27
301-11	Welfare Hires	1,656,954.00	857,810.00
301-12	Police Vovcher a/c	306,762.00	10,234,469.00
302-1-2	Sisuseriya	225,364,794.93	154,138,196.54
302-1-3	Nisiseriya	13,377,501.00	7,848,633.00
302-4-D	Season Ticket Subsidy	5,450,000,000.50	5,000,000,000.00
	Total	35,737,094,498.55	36,750,446,514.97

16. Operating Expenses

Account Code	Description	31.12.2019 Rs.	31.12.2018 Rs.
401-1	Bus Operation Expenses	16,036,742,629.14	15,272,380,760.58
401-2	Direct Fuel, Oil & Lubricants	13,879,046,691.91	14,633,732,176.14
401-3	Other Direct Costs	4,747,652,592.86	4,372,527,655.97
402-3-1	Depreciation - Busses	1,929,355,607.93	1,866,440,357.93
	Total	36,592,797,521.84	36,145,080,950.62

<u>Bus Operation Expenses</u>		<u>Amount</u>	
		<u>31.12.2019</u>	<u>31.12.2018</u>
401-1-1	Salary - Drivers & Conductors	5,113,816,869.34	3,749,166,208.13
401-1-14	Salary - Engineering	1,483,853,028.75	1,129,375,178.59
401-1-3	Over time - Scheduled Drivers & Conductors	2,147,921,245.75	1,553,956,737.96
401-1-4	Over time - Un Scheduled Drivers & Conductors	384,312,376.29	251,232,331.00
401-1-16	Over time - Engineering	381,786,500.55	270,543,265.58
401-1-6	Travelling - Drivers & Conductors	8,542,078.15	8,351,041.94
401-1-18	Travelling - Engineering	4,052,459.48	4,541,457.93
401-1-2	Cost of Living - Drivers & Conductors	1,647,548,126.50	1,785,593,329.15
401-1-15	Cost of Living - Engineering	424,374,190.39	461,213,233.74
401-1-5	Bus Crews - Layover	35,986,977.81	25,716,956.95
401-1-7	Incentive - Drivers & Conductors	1,067,097,424.56	1,307,889,819.93
401-1-17	Incentive - Engineering Employees	201,529,430.09	234,912,601.52
401-1-8	Attendance Allowances - Drivers & Conductors	7,799,313.42	20,799,105.52
401-1-19	Attendance Allowances - Engineering	1,959,711.00	6,506,363.99
401-1-10	Special Allowances - Drivers & Conductors	1,312,665,298.54	2,544,041,082.36
401-1-20	Special Allowances - Engineering	329,232,104.16	683,388,673.15
401-1-23	Bus Washing & Watching Allowance	33,984,536.05	34,884,837.61
401-1-9	Night Allowances- Drivers & Conductors	12,884,172.85	13,321,250.51
401-1-11	Waybill Checking Commission	4,357,554.03	5,781,123.46
401-1-12	E.P.F - Drivers & Conductors	848,774,788.88	694,575,311.06
401-1-21	E.P.F - Engineering	260,972,358.11	212,063,627.90
401-1-13	E.T.F - Drivers & Conductors	209,869,329.13	167,050,385.53
401-1-22	E.T.F - Engineering	66,783,467.70	52,854,568.11
401-1-24	Other Variable Expenses	46,639,287.61	54,622,268.96
		<u>16,036,742,629.14</u>	<u>15,272,380,760.58</u>

Direct Fuel Oil & Lubricants

401-2-A	Oil & Lubricants for Busses	337,176,367.74	293,771,966.95
401-2-B	Fuel for Busses	13,541,870,324.17	14,339,960,209.19
		<u>13,879,046,691.91</u>	<u>14,633,732,176.14</u>

Other Direct Cost

401-3-1	Spare Parts	1,798,617,969.35	1,528,693,780.31
401-3-2	New Tyres Tubes	1,050,125,839.47	965,808,903.56
401-3-3	Rebuild Tyres	1,221,709,579.64	1,313,464,317.92
401-3-4	Batteries for Busses	131,693,023.65	127,288,640.98
401-3-5	Busses Repair & Maintenance Expenses	437,172,416.05	341,985,125.62
401-3-6	Busses - Insurance Expenses	13,340,120.36	17,163,890.47
401-3-7	Busses - Registration Fees & Revenue Licenses	22,552,177.73	7,498,725.64
401-3-8	Tickets & Way Bill Expenses	72,441,466.61	70,624,271.47
		<u>4,747,652,592.86</u>	<u>4,372,527,655.97</u>

17. Other Income

Account Code	Description	31.12.2019 Rs.	31.12.2018 Rs.
303-1	Rent Income	18,639,560.29	16,960,777.88
303-2	Driver Training Schools	(17,745,655.30)	(27,442,440.67)
303-3	Fuel Sheds Income	(1,647,756.21)	1,073,942.17
303-4	Circuit Bungalows	9,048,850.00	12,606,650.00
303-5	Advertising	5,557,310.00	18,567,955.00
303-6	Penalty Charges	2,921,719.48	2,391,253.13
303-9	Waste Oil Sale	10,079,649.15	28,310,183.98
303-10	Excess Cash	730,982.72	791,441.55
303-11	Damages Recovered	19,304,794.97	24,073,583.92
303-12	Income From Property	2,616,883.31	674,715.97
303-13	Building & Canteen Rent	5,126,723.67	3,494,895.56
303-14	Commission & Discounts	35,812,571.74	165,655,405.65
303-15	Fitness Certificate	8,829,365.45	7,780,144.48
303-16	Income from Outside Repairs	683,507.10	373,336.89
303-17	Wrecker charges	492,915.00	1,007,402.57
303-18	Insurance Commission	296,154.65	911,061.00
303-19	Cashier Excess	185,080.81	436,671.81
303-20	Income on Identity Cards	1,735,308.60	1,609,307.30
303-21	Stock Adjustment AC	(5,568,101.22)	11,428,714.67
303-22	Excess / (Shortage) of Fuel Stock	11,159,624.43	18,188,169.39
303-23	Scrap Sale	33,160,389.17	61,395,237.38
303-24	Other Income	231,585,885.57	232,784,720.41
303-25	Revenue from Shalika	4,488,320.00	2,529,025.00
303-26	Fuel Sale Income	25,628,041.07	64,083,106.11
303-27	profit on sales of buses	41,673,000.00	43,085,262.10
303-29	Sale on Other items	3,409,800.25	3,241,598.34
303-30	Scrap Stock Excess	-	622.50
302-1-A	Uneconomic Root Subsidy	5,500,000,000.00	5,002,120,310.00
302-1-4	Other Subsidy	999,618,807.33	999,991,988.00
302-3-C	EPF Subsidy a/c	-	31,067,223.44
	Total	6,947,823,732.03	6,729,192,265.53

18. Administration & Establishment Expenses

Account Code	Description	31.12.2019 Rs.	31.12.2018 Rs.
	Salaries & Wages 18.1	1,193,271,555.76	1,235,059,913.62
	Overtime & Leave Pay 18.2	287,456,465.40	227,974,729.71
	Cost of Living Allowance 18.3	502,837,182.16	518,607,946.05
	Travelling Expenses 18.4	19,999,283.44	22,270,187.92
	Other Special Allowances 18.5	844,428,707.40	970,736,623.33
	Repairs & Maintenance 18.6	205,268,414.07	270,284,459.70
402-1-6	Chairman/Director Board Allowance	567,000.00	283,500.00
402-1-8	Private Security Expenses	104,400,116.93	44,053,405.15
402-1-9	Medical Bills	790,479.50	2,865,357.93
402-1-10	Other Allowances	14,734,932.33	48,397,308.09
402-1-11	Contract & Daily Payment Employees Allowances	114,085,958.02	109,044,071.62
402-1-12	Employee Provident Fund	312,240,558.06	440,030,415.34
402-1-13	Employee Trust Fund	69,665,537.31	94,096,322.05
402-2-5	Printing & Stationary	136,036,210.91	124,591,608.66
402-2-6	Rent & Rates	56,843,229.98	48,267,626.41
402-2-7	Telephone	49,661,589.87	48,047,981.91
402-2-8	Electricity	106,484,983.37	108,752,077.18
402-2-9	Water	31,123,302.92	34,692,615.62
402-2-10	Annual Bonus	285,913,567.64	290,397,683.00
402-2-10	Annual Bonus -(Provision 2018)	-	400,000,000.00
402-2-11	Gratuity Allowances a/c	(139,569,908.35)	443,555,227.52
402-2-12	Medical Condemn Retirement	7,785,022.74	10,149,333.19
402-2-13	Legal Expenses	33,964,692.28	26,653,267.70
402-2-14	Staff Welfare	22,392,370.60	27,474,907.41
402-2-15	Ex-gratia Payments	13,816,504.08	11,337,204.17
402-2-16	Workmen Compensation	4,213,909.11	51,765,258.03
402-2-17	Payment for Police security	3,935,858.75	4,166,405.38
402-2-19	Fuel Oil & Lubricants(indirect)	20,874,732.07	30,094,632.14
402-2-20	Entertainment	10,018,169.82	10,939,562.64
402-2-21	Other Expenses	859,492,293.05	791,159,851.38
402-2-23	Advertising Expenses	5,024,160.15	4,995,420.25
402-2-24	Insurance - Other Vehicles	11,375,304.88	12,635,496.14
402-3-2	Depreciation 18.7	336,136,670.85	304,293,603.72
	Total	5,525,268,855.10	6,767,674,002.96

<u>18.1 Salaries & Wages</u>	<u>31.12.2019</u>	<u>31.12.2018</u>
402-1-1-A Salaries & Wages - Operation Staff	473,698,194.00	499,569,922.30
402-1-1-B Salaries & Wages - Accounting Staff	160,309,163.21	164,035,455.61
402-1-1-C Salaries & Wages - Engineering Staff	202,186,641.66	236,087,634.03
402-1-1-D Salaries & Wages - Audit Staff	20,520,555.24	30,004,314.20
402-1-1-E Salaries & Wages - Disciplinary Staff	24,045,922.94	40,270,746.68
402-1-1-F Salaries & Wages - Security Staff	229,181,059.90	183,878,571.37
402-1-1-G Salaries & Wages - Supply Staff	75,166,177.04	74,188,241.50
402-1-1-H Salaries & Wages - D.T.S	8,163,841.77	7,025,027.93
402-1-7 Salary - Trained Graduate	-	-
	<u>1,193,271,555.76</u>	<u>1,235,059,913.62</u>

<u>18.2 Overtime & Leave Pay</u>		
402-1-2-A Overtime & Leave Pay - Operation Staff	106,075,094.44	87,622,466.00
402-1-2-B Overtime & Leave Pay - Accounting Staff	8,493,605.98	8,928,920.01
402-1-2-C Overtime & Leave Pay - Engineering Staff	28,368,008.73	34,169,755.74
402-1-2-D Overtime & Leave Pay - Audit Staff	995,376.39	1,014,384.95
402-1-2-E Overtime & Leave Pay - Disciplinary Staff	4,886,548.18	3,761,845.18
402-1-2-F Overtime & Leave Pay - Security Staff	126,557,024.68	82,485,494.21
402-1-2-G Overtime & Leave Pay - Supply Staff	11,313,896.57	9,619,638.68
402-1-2-H Overtime & Leave Pay - D.T.S	766,910.43	372,224.94
	<u>287,456,465.40</u>	<u>227,974,729.71</u>

<u>18.3 Cost of Living Allowance</u>		
402-1-3-A Cost of Living Allowance - Operation Staff	225,564,834.16	229,017,280.18
402-1-3-B Cost of Living Allowance - Accounting Staff	73,581,086.25	76,102,240.90
402-1-3-C Cost of Living Allowance - Engineering Staff	80,187,096.76	86,642,734.09
402-1-3-D Cost of Living Allowance - Audit Staff	9,653,550.00	9,661,892.15
402-1-3-E Cost of Living Allowance - Disciplinary Staff	10,803,648.74	19,311,435.91
402-1-3-F Cost of Living Allowance - Security Staff	64,377,499.01	62,322,186.43
402-1-3-G Cost of Living Allowance - Supply Staff	36,666,417.05	34,324,665.39
402-1-3-H Cost of Living Allowance - D.T.S	2,003,050.19	1,225,511.00
	<u>502,837,182.16</u>	<u>518,607,946.05</u>

<u>18.4 Travelling Expenses</u>		
402-1-4-A Travelling Expenses - Operation Staff	11,360,139.10	11,995,142.04
402-1-4-B Travelling Expenses - Accounting Staff	1,470,751.66	1,692,842.00
402-1-4-C Travelling Expenses - Engineering Staff	2,611,723.00	2,945,770.50
402-1-4-D Travelling Expenses - Audit Staff	1,672,183.00	1,964,054.00
402-1-4-E Travelling Expenses - Disciplinary Staff	728,462.50	1,436,250.00
402-1-4-F Travelling Expenses - Security Staff	1,104,580.38	1,046,689.88
402-1-4-G Travelling Expenses - Supply Staff	927,606.70	1,074,864.50
402-1-4-H Travelling Expenses - D.T.S	123,837.10	114,575.00
	<u>19,999,283.44</u>	<u>22,270,187.92</u>

18.5 Other Special Allowances**31.12.2019****31.12.2018**

402-1-5-A	Other Special Allowances - Operation Staff	437,899,464.85	486,656,519.17
402-1-5-B	Other Special Allowances - Accounting Staff	116,043,321.27	117,437,574.24
402-1-5-C	Other Special Allowances - Engineering Staff	123,423,394.02	147,471,014.65
402-1-5-D	Other Special Allowances - Audit Staff	15,379,951.96	22,230,664.99
402-1-5-E	Other Special Allowances -Disciplinary Staff	19,605,012.90	43,134,151.97
402-1-5-F	Other Special Allowances - Security Staff	83,976,069.26	97,681,583.86
402-1-5-G	Other Special Allowances - Supply Staff	45,473,289.33	52,797,051.45
402-1-5-H	Other Special Allowances - D.T.S	2,628,203.81	3,328,063.00
		844,428,707.40	970,736,623.33

18.6 Repairs & Maintenance

402-2-1	Repairs & Maintenance (Garage Building)	53,278,164.37	89,772,857.09
402-2-2	Maintenance of Furniture & Office Equipment	9,961,702.27	18,144,609.39
402-2-3	Repairs & Maintenance - Pool Vehicle	103,674,696.38	122,866,219.53
402-2-4	Maintenance of Plant & Machinery	38,353,851.05	39,500,773.69
		205,268,414.07	270,284,459.70

18.7 Depreciation

402-3-2	Depreciation - Other Vehicle	12,825,422.83	12,857,422.18
402-3-3	Depreciation - Plant & Machinery	9,683,446.89	7,493,068.47
402-3-4	Depreciation -Furniture & Office Equipment	8,189,301.98	7,591,614.93
402-3-5	Depreciation - Building	1,291,730.30	1,181,253.29
402-3-6	Depreciation - Computer	23,473,070.96	9,043,686.75
402-3-7	Depreciation - Others	6,198,911.24	3,446,104.58
402-3-9	Depreciation - Air conditioners	942,346.45	831,549.86
402-3-10	Depreciation - Bus Engine	226,338,436.05	225,866,160.16
402-3-12	Depreciation - Ticket Machine	41,339,254.95	32,501,008.51
402-3-13	Depreciation - Computer Softwear	5,854,749.20	3,481,734.99
	Total	336,136,670.85	304,293,603.72

19. Finance Performens

Account Code	Description	31.12.2019 Rs.	31.12.2018 Rs.
402-4-1	Over Draft Interest	963,717.03	9,115,565.06
402-4-2	Bank Charges	6,481,077.56	10,044,866.50
402-4-3	Debit Tax/WHT	7,589,371.66	1,290,045.50
402-4-4	Leasing Interest a/c	102,122,534.24	145,853,998.50
402-4-5	Other Finance Cost a/c	267,276,187.52	442,552,238.68
	Total Financial Cost	384,432,888.01	608,856,714.24

20. Production Loss

31.12.2019

31.12.2018

	Rs.	Rs.
Work in Progress as at		
403-1 01.01.2019 - Materials	9,697,053.38	6,880,296.23
ADD		
403-2 Purchases - Materials	137,255,432.81	137,397,350.91
LESS		
403-4 Goods Return	340,051.39	465,861.67
Work in Progress as at 31.12.2019	1,509,513.37	9,697,053.38
	<u>1,849,564.76</u>	10,162,915.65
Primary Cost of Finished Goods	145,102,921.43	134,114,732.09
Factory Overhead Cost		
403-1-A Factory Wages & Allowances	129,920,190.73	133,625,721.17
403-1-B Overtime	12,477,444.04	10,940,986.26
403-1-C Travelling Allowances	191,047.50	259,664.70
403-1-D E.P.F	11,459,201.68	7,320,148.27
403-1-E E.T.F	2,747,849.66	2,593,797.97
403-1-F Other Costs	289,360.76	1,751,461.38
Factory Costs	<u>157,085,094.37</u>	156,491,779.75
Total Production cost	302,188,015.80	290,606,511.84
Revenue on Production	282,015,595.59	234,231,341.30
Production Shortage	<u><u>20,172,420.21</u></u>	<u><u>56,375,170.54</u></u>

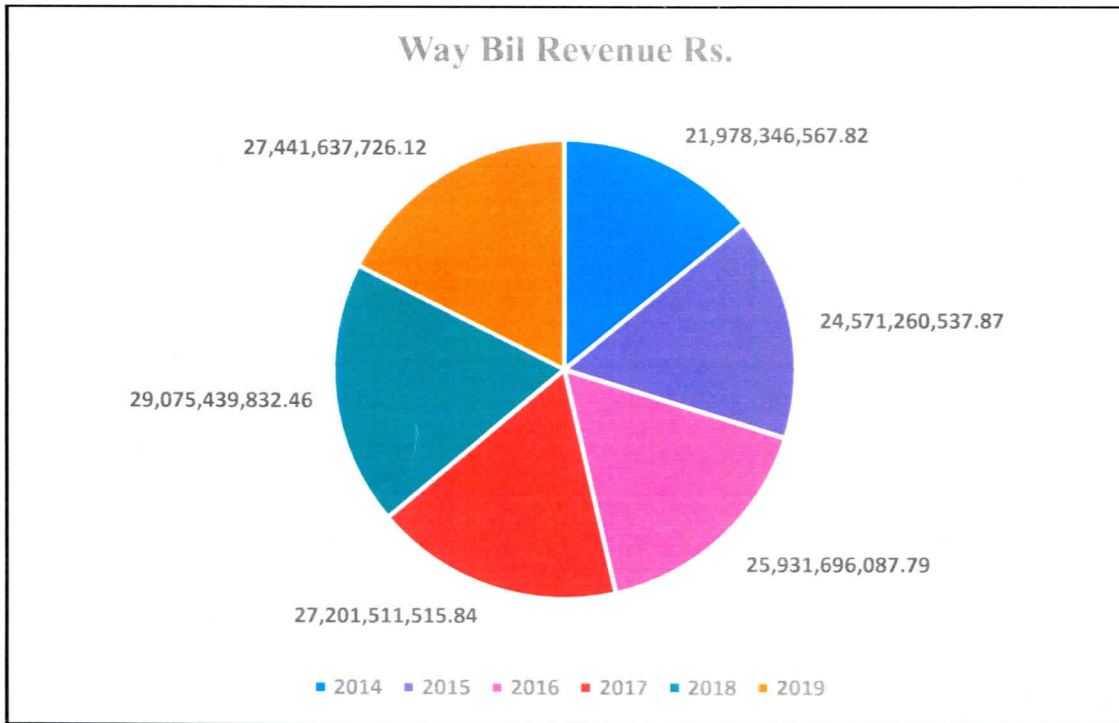
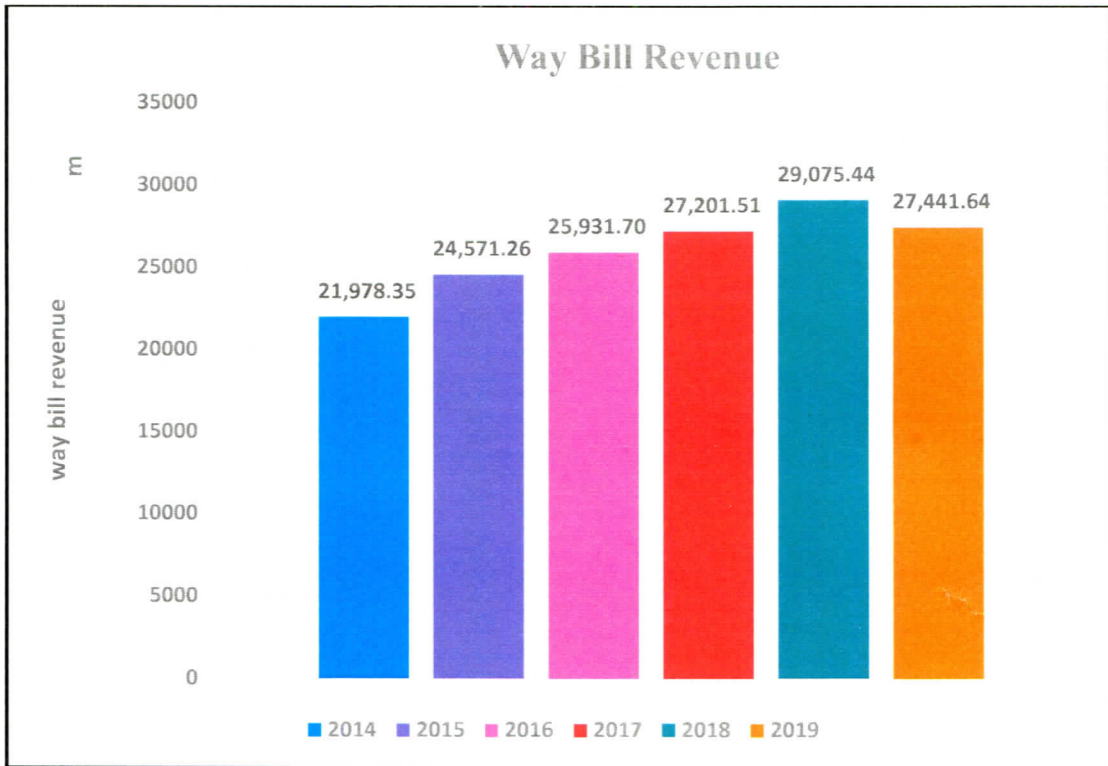
21. Government Contribution

Account Code	Description	31.12.2019 Rs.	31.12.2018 Rs.
302-2-B	Grant for Rehabilitation	1,473,921,845.00	1,225,157,146.58
302-5-E	Government Grant Busses	-	-
	Total	1,473,921,845.00	1,225,157,146.58

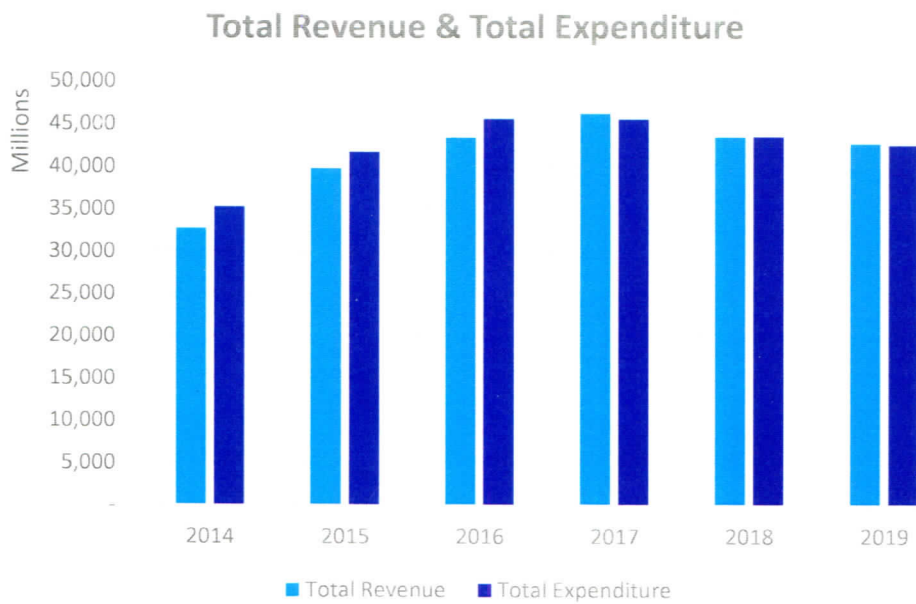
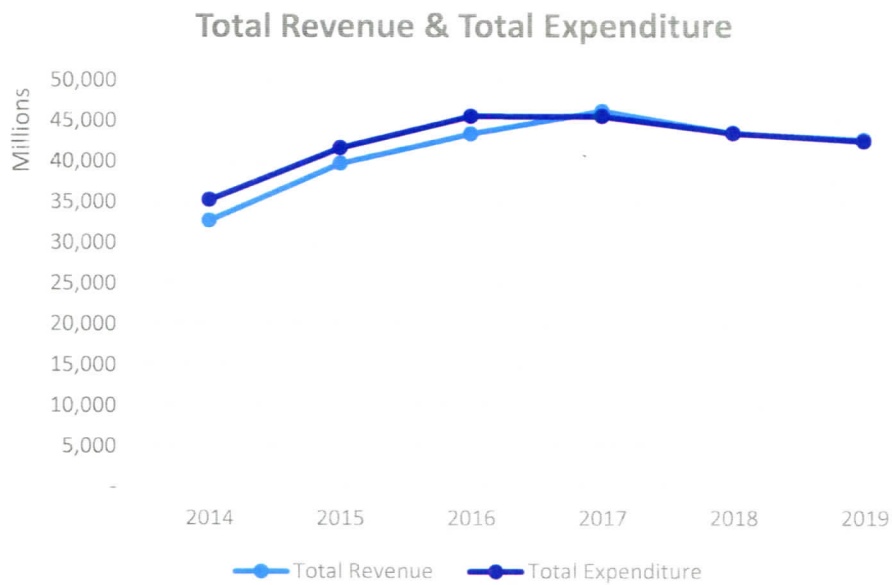
Fuel Sheds
Profit & Loss Statement

	Sales		327,382,334.25
	Opening Balance - Diesel	1,666,702.00	
	Opening Balance - Petrol	524,625.00	
	Opening Balance - Lubricant	710,786.00	
			2,902,113.00
	Add		
	Purchases - Diesel	213,858,810.00	
	Purchases - Petrol	108,404,489.82	
	Purchases - Lubricant	654,795.50	
			<u>322,918,095.32</u>
			325,820,208.32
	Closing Balance - Diesel	1,057,472.00	
	Closing Balance - Petrol	898,720.00	
	Closing Balance - Lubricant	311,435.00	
			<u>(2,267,627.00)</u>
			<u>323,552,581.32</u>
	Gross Profit		3,829,752.93
	Other Income		
303-7	Interest Income a/c	(2,670.00)	
303-15	Fitness Certificate a/c	51,062.50	48,392.50
			<u>48,392.50</u>
			3,878,145.43
	<u>Administrative Expenses</u>		
402-1-1-C	Salaries & Wages - Engineering Staff a/c	2,049,032.15	
402-1-2-C	Overtime & Leave Pay - Engineering Staff a/c	739,832.43	
402-1-3-C	Cost of Living Allowance - Engineering Staff a/c	860,400.00	
402-1-5-C	Other Special Allowances - Engineering Staff a/c	1,354,156.21	
402-2-1	Repairs & Maintenance (Garage Building) a/c	44,630.00	
402-2-2	Maintenance of Furniture & Office Equipment a/c	350.00	
402-2-4	Maintenance of Plant & Machinery a/c	235,842.51	
402-2-5	Printing & Stationary a/c	28,357.03	
402-2-7	Telephone a/c	67,282.81	
402-2-8	Electricity a/c	195,868.38	
402-2-14	Staff Welfare a/c	5,948.00	
402-2-21	Other Expenses a/c	3,519.84	
			5,585,219.36
	<u>Financial Expenses</u>		
402-4-2	Bank Charges a/c	12,123.28	<u>12,123.28</u>
	Total Cost		5,597,342.64 <u>(5,597,342.64)</u>
	Net Profit		<u><u>(1,719,197.21)</u></u>

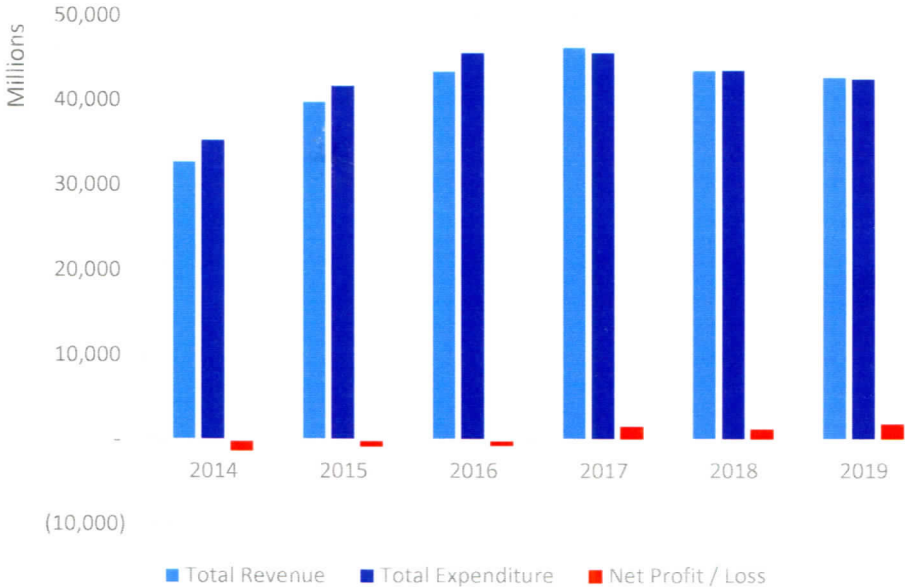
Way Bill Revenue Earned From 2014 to 2019



Total Revenue and Total Expenditure From 2014 to 2019



Total Revenue, Total Expenditure and Net Profit / Loss from 2014 to 2019



Chairman
Sri Lanka Transport Board

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Sri Lanka Transport Board for the year ended 31 December 2019 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Disclaimer of Opinion

The audit of the financial statements of the Sri Lanka Transport Board for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

I do not express an opinion on the accompanying financial statements of the Board. Because of the significance of the matters discussed in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

1.2 Basis for Disclaimer of Opinion

(a) Sri Lanka Accounting Standards

- (i) The Value of the Fixed Deposits owned by the Board had been Rs.628,678,099 and a Fixed Overdraft Facility had also been obtained from the People's Bank. For this purpose, fixed deposits amounting to Rs. 325,100,000 had been offered as a security bond and it had not been disclosed in the Financial Statements in terms of Sections 14 a and b of the Financial Reporting Standards No. 07 (SLFRS7).
 - (ii) Action had not been taken to revalue assets in accordance with Standard No. 16 and although the value of lands and buildings should be identified separately and brought to accounts in terms of paragraph 58 of the Standard No. 16, it had not been done so.
- (b) The values of transactions taken place among the Depots within debtor and creditor balances included in the Financial Statements as at 31 December 2018 had been overstated by Rs. 41,648,403 and Rs. 30,965,534 respectively.
 - (c) A sum of Rs. 4,470,901 received by providing the stadium, accounted under fixed assets of the Board, to outsiders and institutions for sports activities had not been credited to the income of the Board and it had been credited to sports clubs account and as a result, the income of the Board had been understated by that amount in accounts.
 - (d) A portion of a land situated at Pokunuwita of Horana belonging to the Board had been vested in the Government in 2016 for the construction of highways, and the amount of Rs. 30,371,875 received as the compensation for that had been credited to the other income account without crediting the amount to the reserve account with the objective of restoring the amount again within that year. Further, action had not been taken to credit the cost of the land to the lands and buildings account and the amount of compensation received for the land had not been stated under the investment activities in the cash flow statement.

- (e) The Board had a short-term investment (REPO) amounting to Rs.350,000,000 from the year 2018 and the interest income receivable for that amounting to Rs.2,549,442 had not been identified for the year under review and therefore, the income of the Board had been understated by that amount.
- (f) In the examination of trade creditor Balances indicated in the Financial Statements as at 31 December 2018 and creditors' schedules submitted by Depots, differences amounting to Rs. 3,434,376 could be observed.
- (g) Even though the bank overdraft of the Deraniyagala Depot as at 31 December 2018 was Rs. 2,127,679, the bank overdraft had been indicated as Rs. 5,778,641 in the financial statements of the Board. Accordingly, a difference of Rs. 3,650,962 was observed.
- (h) Two (02) fixed deposits were observed in accordance with the bank balance confirmation letters of the Embilipitiya Depot as at 31 December 2018 and they amounted to Rs. 16,563,317 and Rs. 1,581,212 respectively. However, a discrepancy of Rs. 1,744,529 related to these values between the trial balance and the statement of financial position was observed.
- (i) The Board had received machinery worth Rs. 426,390,078 during the year 2019/2020 under the Japan International Cooperation Programme. Out of the machinery, 90 items worth Rs. 189,343,036 had been items received in the year 2019 and action had not been taken to debit the machinery to machinery account in the year 2019 and to credit the machinery to capital grants account. An amount of 38,663,394 had been paid as customs duty in 2019 to release these assets from customs. This value had been capitalized and an amount of Rs. 322,194 had been depreciated in contrary to Sri Lanka Accounting Standards No. 16. Accordingly, the depreciation had been overstated by that amount in the accounts.
- (j) There was a debit balance amounting to Rs. 26,376,043 in Trade Creditors' Account of Filling Stations and Driving Training Schools. Accordingly, the creditor balance had been understated by that amount in the financial statements.

- (k) Since a credit balance amounting to Rs. 1,828,207 had been indicated under advances, the advance account had been understated by that amount.
- (l) Since the retained deposit valued at Rs. 15,771,334 had been debited to work in progress account, the work in progress account had been overstated by that amount.
- (m) The Board had leased 325 buses during the year under review and the down payment amounting to Rs. 263,435,339 paid for that purpose had been stated under the payments in advance.
- (n) Audit fees expenditure valued at Rs. 4,089,000 had been included and accounted in the other expenses account, which was under the categorization of operating expenses.
- (o) A balance of Rs. 32,663,359 had been understated since the balance of cash books related to 6 current accounts in the statement of financial position had been understated and overstated.
- (p) Although a favourable balance of Rs.22,385,852 had been indicated as per the bank reconciliation statement prepared as at 31 December 2019 in relation to the bank account, it had not been disclosed in the financial statements and as a result, the cash balance had been understated by that amount.
- (q) Any audit evidences related to the debit balances of dormant accounts amounting to Rs. 1,290,782,781 and credit balances of dormant accounts amounting to Rs. 18,526,264,783 had not been received to the audit. Moreover, schedules and source schedules could not be obtained for 09 accounting items amounting to Rs.23,386,714,900.
- (r) The total amount of Rs. 4,054,000,000 comprised of Rs. 2,000,000,000 received in the year 2018 from the General Treasury for vesting a land located in Werahera and belonging to the Board in the Kotelawala Defense University and Rs. 2,054,000,000 received in the year under review had not been brought to accounts accurately and it had been indicated under other balances payable. The amount received during the year under review had not been indicated under investment activities in the cash flow statement.

- (s) The Board is in a status of incurring losses continuously prior to adjusting Treasury grants in the financial statements of the Board and if grants are not provided by the Government further, the going concern of the Board is problematic.

As described above, material items included in the statement of financial position, statement of comprehensive income, statement of changes in equity and the cash flow statement could not be confirmed or verified by alternative methods. As a result, I was unable to determine whether it is required to make any adjustments regarding the recorded or unrecorded values or transactions of the values or items that make up the statement of financial position, statement of comprehensive income, statement of changes in equity and the cash flow statement.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

As per Section 16 (1) of the National Audit Act No. 19 of 2018, the Board is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Board.

1.4 Auditor's Responsibilities for the Audit of the Financial Statements

My responsibility is to conduct an audit of the Board's financial statements in accordance with Sri Lanka Auditing Standards and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section, I was not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.

2.1.1 I have not obtained all the information and explanation that considered necessary for the purpose of audit and I was unable to determine whether proper accounting records have been kept by the Board as per the requirement of Section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of Section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year other than the observations a (i) (ii) (iii) (iv) (v), (b), (c), (d), (e), (f) as per the requirement of Section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention;

2.2.1 to state that any member of the governing body of the Board has any direct or indirect interest in any contract entered into by the Board which are out of the normal cause of business as per the requirement of Section 12 (d) of the National Audit Act, No. 19 of 2018.

2.2.2 to state that the Board has not complied with any applicable written law, general and special directions issued by the governing body of the Board as per the requirement of Section 12 (f) of the National Audit Act, No. 19 of 2018, except for the following observations;

<u>Reference to Laws, Rules / Direction</u>			<u>Observations</u>
(a)	Circular No. PED 01/2018 dated 18 September 2018		Even though the Board should obtain vehicles on lease basis, it was observed in the audit test check carried out that 20 vehicles had been owned by the officers serving in the Board and those vehicles had been given to the Board through the relevant Company and used by the relevant officers and thereby, it was further observed that the funds of the Board had been misappropriated.
(b)	Circular No. 5 of 1979 of the Sri Lanka Transport Board		It was observed that the employees continue to take unpaid leave as any other disciplinary action has not been taken in addition to subjecting employees, who take unpaid leave from 01-07 and from 07-14 and from 15-27 per year, to a fine of Rs.1000, 2000 and 3000. It was observed that action had not been taken in accordance with the Establishments Code in this regard.
(c)	Public Enterprises Circular No. PED 12 dated 02 June 2003 (i) Section 6.5.1		Although the financial statements for the year under review should be submitted to audit within 60 days after the end of the year, the financial statements had been submitted on 23 February 2021, with a delay of 322 days.
(d)	Section 11 of the Finance Act No. 38 of 1971 and Section 8.2.2 of the PED 12 Circular dated 02 June 2003		Although the approval of the Minister of Finance and the approval of the relevant Minister should be obtained in investing excess amount, the institutions had invested Rs. 1.323 million in fixed deposits on the approval of the Board of Directors without obtaining such approval.
(e)	The Financial Regulations of Sri Lanka		As per the decision taken by the Board of Directors on 25 June 2010, the maximum amount that can be

- (i) FR 105 recovered from the relevant parties in respect of losses was limited to Rs. 20,000 and the Board was unable to recover a large amount that should be recovered to the Board.
- (ii) FR 110 The Board had not maintained a register to report damages.
- (iii) FR 381 Although it is required to make a request from the General Treasury to open official bank accounts, the Board had operated 18 current bank accounts as at 31 December of the year under review without obtaining the approval of the General Treasury.
- (iv) FR 387 The Paying Officer should always ensure that the bank balance is adequate to meet all his payments made by cheques. Although obtaining overdraft facilities from any government bank account had made prohibited, the Board had a bank overdraft of Rs.239,443,555. An amount of Rs. 963,717 had been paid as interest for that during the year under review.

- 2.2.3 to state that the Board has not performed according to its powers, functions and duties as per the requirement of Section 12 (g) of the National Audit Act, No. 19 of 2018.
- 2.2.4 to state that the resources of the Board had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of Section 12 (h) of the National Audit Act, No. 19 of 2018.
 - (a) The Board had spent a sum of Rs. 1,245,533 during the year under review for the construction activities awarded through a contract to a construction company for a sum of Rs. 5,698,960 for the construction of a lavatory systems at the Kalutara and Matugama depots. These construction activities had not been finalized even by 05 February 2021, the date of the audit. Further, attention had not been paid to the

approved rates and specifications applicable to them in preparing and approving the estimates for construction work.

- (b) Even though this task has to be finalized by 20 June 2018 as per the Contract valued at Rs. 61,014,316 and entered in to by the Board on 20 March 2018 for the construction of the Orugodawatta Filling Station, the construction work had not been completed even by 19 August 2020. The Board had incurred a financial loss of Rs. 2,102,126 due to carrying out the procurement activities in relation to this construction extraneous to the procurement guidelines. Furthermore, the Board had lost the revenue that could have been earned from the operation of the filling station as the contractor had not finalized the construction as per the Contract. Moreover, 07 diesel and petrol pumps worth Rs. 12,610,500 had been stacked in this land without taking any safety measures and the lids of the fuel tanks embedded had been removed by the contractor.
- (c) A Contract amounting to Rs. 2,749,740 had been entered into with a private company in the year 2018 for the construction of a lecture hall at Udahamulla Driving School. Although an advance of Rs.824,922 and another amount of Rs.108,767 had been paid, the construction work had been stopped halfway and the construction remained idle.

3. Other Matters

- (a) The amount recoverable from the conductors by the end of the year under review was Rs. 1,082,800 and an amount of Rs. 825,008 out of that had been outstanding without recovering it for more than 10 years.
- (b) Although the salary advances paid to officers should be recovered by starting from the salary of the following month, the total amount to be recovered by 31 December 2019 was Rs.283,905,777. An amount of Rs. 4,751,012 out of that balance had not been recovered for more than 10 years.
- (c) Although the advances, provided to officers for purchases and for other needs should be settled by those officers within 30 days, advances amounting to Rs.1,511,740,472 had not been settled within a period of 01 to 10 years.

- (d) Action had not been taken to recover the total value comprised of advances for local purchases, other advances and special advances of the SLTB Advances amounting to Rs.1,509,222,479 outstanding for more than 05 years.
- (e) Action had not been taken after carrying out a systematic study to write off or to settle creditor balances amounting to Rs. 673,709,857 lapsed for more than 10 years.
- (f) There was a balance payable amounting to Rs. 9,099,049 as at 31 December of the year under review as contributions for the Employees' Provident Fund and the Employees' Trust Fund had not been paid on the due date.
- (g) Action had not been taken to settle at the end of the accounting year the credit balance of the suspense account amounting to Rs.967,187 indicated in the financial statements in the year under review.
- (h) Although it is possible to repair about 60 engines per month as per the capacity of the Medawachchiya Regional Workshop and previous test reports, it was observed that about 15 engines were being repaired per month by the year under review and it was about 25% of the total capacity and 75% had been underutilized.
- (i) It was revealed in the audit test check carried out in relation to 23 depots that milo metres had been in operation only in 167 buses and milo meters had not been in operation in 846 buses.
- (j) The Board had not maintained updated files or a register of lands in relation to the lands, where regional offices, depots, driver training schools and regional workshops of the Board are located. Furthermore, action had not been taken to identify all the lands owned by the Board and to settle the ownership and to assess the value of the lands even by the date of audit.
- (k) An approved methodology should be adopted for the disposal of oil waste in the yards of the premises of the Depots and although a license must be obtained from the Central Environmental Authority as per the Gazette Extraordinary No. 1533/16 dated 25 January 2008 and the National Environmental Act, No. 47 of 1980, all the other depots out of the 107 depots of the Board, except 11 depots had not obtained that environmental license.

- (l) One thousand and thirty seven (1,037) busses owned by the Board were not in running condition by the end of the year 2020.
- (m) Although it had been determined that a pre-assembled tyre mounted to buses can be used to travel a distance of 15,000 km and a re-tread tyre can be used to travel a distance of 11,000 km, there had been 34 instances, where re-tread tyres had been removed from buses and the average mileage travelled using re-tread tyres was only 7,402 kilometres. Accordingly, the standard distance to be covered by pre-assembled tyres and re-tread tyres could not be achieved.
- (n) Even though payments should be finalized for the buses within the period of 05 years as per the agreement for purchasing 2,200 buses on a five-year loan basis entered in to in the year 2014, the payments had not been made even by March 2020. A late interest payment of Rs. 419,237,588 had to be paid due to the lapse of the loan period and non-payment of quarterly installments duly. Moreover, USD 72,620,000 had to be paid for 2,200 buses in US dollars as per the agreement and the Board had incurred a loss of Rs. 1,788 million owing to the devaluation of the exchange rate. Accordingly, the Board had to incur a loss of Rs. 2,207 million through this Agreement and the average loss per bus was about Rs. 1 million.
- (o) It was observed at the audit test check carried out that 424 spare parts of buses worth Rs. 3,854,529 purchased several years ago had not been issued and stored in warehouses in two depots in the Eastern Province without utilizing.
- (p) A land portion of 05 acres out of the land in extent of 26-acres, where Medawachchiya Regional Workshop had been situated had been granted to a third party without getting the formal approval. Moreover, 20.7 acres of this land had not been utilized and remained idle. A workshop that had been constructed on a land plot of 1.25 acres had not been utilized for any purpose and it had been decaying.
- (q) Quotations had been called on 03 June 2017 for repairing engines at the Kurunegala Regional Workshop and 09 accessories and machinery worth Rs.12,737,394 had been provided to the Regional Workshop. It was observed that Cylinder block head surface grinding machine worth Rs. 3,661,430 had only been used for repairs, and it was also

observed during the audit examination that the other machinery worth Rs. 9,075,963 had not been utilized.

- (r) The vehicle emission centres had been constructed without conducting a feasibility study. Although the Kurunegala and Medawachchiya centres had been finalized and opened, they remained closed due to a legal issue. Therefore, the machinery valued at Rs. 18.75 million remained idle in those centres and the Board had incurred an amount of Rs. 22.48 million for civil work by 30 September 2019.

W.P.C. Wickramaratne

Auditor General