

**ANNUAL REPORT OF THE SUPERIOR COURTS COMPLEX BOARD
OF MANAGEMENT FOR THE YEAR 2002**

The Marshal of the Board of Management takes pleasure in presenting the fifteenth Annual Report of the Board of Management viz. for the year ended 31st December 2002

INTRODUCTION:-

The Board of Management was appointed as per the Superior Courts Complex Board of Management Act.No. 50 of 1987 with the object of Controlling,Administering, Managing and Maintaining the superior courts complex and the buildings thereon and to make such additions,alterations and improvements as may be necessary to enhance the amenities of the Complex and buildings thereon.

According to section 3(1) of the Act the Board of Management consists of the following members:-

- (a) The Hon. Chief Justice.
- (b) A Judge of the Supreme Court appointed by the Chief Justice.
- (c) The President of the Court of Appeal.
- (d) A judge of the Court of Appeal appointed by the President , Court of Appeal.
- (e) The Secretary to the Ministry of Justice.
- (f) The Secretary to the Ministry of Local Government, Housing & Construction.
- (g) The President of the Bar Association of Sri Lanka.
- (h) The Municipal Commissioner of the Colombo Municipal Council.
- (i) A representative of the Ministry of Finance.
- (j) Two members appointed by His Excellency the President of Sri Lanka.

Retirement, Resignation & Appointment of Members:-

- | | |
|--------------|---|
| January 2002 | Mrs. Dhara Wijayathilake,Secretary,Ministry of Justice Law Reform and National Integration became a member of the Board in place of Mr. M.S.Jayasinghe. |
| April 2002 | Mr.H.Bandurathna ,Representative of the Ministry of Finance became a member in place of Mr. V. Kanagasabapathi |
| July 2002 | Hon. Justice Mrs. Shiranee Thilakawardana became a member of Board in place of Hon. Justice T.B.Weerasooriya |

July 2002

Mr. W.D.Ailapperuma,Secretary Ministry of Housing and Estate Infrastructure became a member of the Board in place of Mr. A.S.Gunasekara.

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Facilities:-

In addition to the general maintenance of the Court complex the following were some of the major activities carried out in the year under review

{01} Record Repository stage 11:-

The Record Repository was completed and the building handed over to the Registrar Supreme Court.

{02} P.A.and Recording System for all Court Rooms:-

The work on the above system was concluded in the course of the year with the Moratuwa University providing consultation.

{03} Cooling Tower:-

A cooling tower identical to the present cooling towers was purchased from China and installed.

{04} Repair and Refurbishment of the Superior Courts Complex -Stage 11:-

90% of the balance work on the above project was completed by December 2002 . A small portion of the work ,including the repair of the low level Roof gutter could not be completed due to lack of funds.

{05} Hulftsdorf Conservation Project:-

R s. 8.0 Million held as a Treasury Deposit for the balance work on this project was utilized for the repair and refurbishment of the superior courts complex on the instructions of the Hon .Minister of Finance.

Some of the work including drainage in yet pending.

Funds:-

During the year under review provision in a sum of 'Rs. 36.27 Million as Recurrent Rs 2.0 Million as Capital was made available. A supplementary 'Rs 8.million as Recurrent and 'Rs 4.148 Million as Capital was made available under the estimates of Her Excellency President on request to the Treasury.

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Appointment, Resignations and Promotions of Staff:-

<u>Designations</u>	<u>Appointments</u>	<u>Resignations</u>	<u>Termination</u>	<u>Promotions</u>
Finance Manager	-	1	-	-
Security Officer	-	1	-	-
Secretary to Marshal	1	-	-	-
Eng.Assistant Gr.I	-	-	-	1
Civil Superintendent Gr.I	-	-	-	1
Accounts /Adm-Assistant Gr.I	-	-	-	2
Fitter Gr.II	-	-	-	1
Electrician Gr.II	-	-	-	1
Typist Clerk	-	1	-	-
Stenographer Sinhala Gr.I	-	-	-	1
Clerk Gr. II	-	-	-	1
Driver Gr.I	-	-	-	-
Security Assistant Gr.I	-	-	-	1
Security Assistant Gr.II	-	-	-	3
Security Assistant Gr.III	-	-	1	-
Accounts Clerk III	1	-	-	-
Office Atten/Lift operator Gr.II	-	-	-	2
Office Atten/Lift operator Gr.III	-	-	-	3

Conclusion

The Superior Courts Complex Board of Management appreciates the assistance and co-operation extended to it by:

- * The Secretary and the Staff of the Presidential Secretariat.
- * The Secretary to the Treasury and Staff of the Treasury.
- * The Secretary and the Staff of the Ministry of Justice.
- * The Registrars of the Supreme Court and the Court of Appeal and Staff.
- * Urban Development Authority, The National Building Research Organisation, Central Engineering Consultancy Bureau and Various Government & Local Government Agencies In Various fields.

Marshal
Superior Courts Complex.

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SUPERIOR COURTS COMPLEX BOARD OF MANAGEMENT

BALANCE SHEET AS AT 31.12.2002

	NOTES	2002	
<u>ASSETS:-</u>		Rs.	Rs.
<u>NON CURRENT ASSETS:-</u>			
PROPERTY, PLANT & EQUIPMENT	1	67,607,726	
OTHER FINANCIAL ASSETS	2	30,450,176	
		<hr/>	98,057,903
<u>CURRENT ASSETS:-</u>			
INVENTORIES	3	4,994,872	
OTHER RECEIVABLES	4	6,048,007	
PREPAYMENTS	5	2,320,051	
CASH AND CASH EQUIVALENTS	6	1,579,558	
		<hr/>	14,942,488
TOTAL ASSETS			<hr/> <hr/> 113,000,390
<u>FUND AND LIABILITIES:-</u>			
<u>CAPITAL AND RESERVES:-</u>			
ACCUMULATED CAPITAL GRANT UP TO PREVIOUS YEAR		119,646,160	
CAPITAL GRANT FOR THE YEAR		6,148,000	
ACCUMULATED INCOME & EXPENDITURE UP TO PREVIOUS YEAR		(12,948,896)	

**INCOME & EXPENDITURE BALANCE
FOR THE YEAR**

(5,002,328)

107,842,936

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CURRENT LIABILITIES:-

OTHER PAYABLES

7

5,157,454

5,157,454

TOTAL FUND & LIABILITIES

113,000,390

ACCOUNTANT

MARSHAL

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SUPERIOR COURTS COMPLEX BOARD OF MANAGEMENT

INCOME & EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTES

**2002
Rs.**

REVENUE:-

GOVERNMENT GRANT- RECURRENT

44,270,000

OTHER OPERATING INCOME

8

1,283,726

STAFF COSTS

9

15,481,797

DEPRECIATION AND AMORTISATION EXPENSES	1	7,703,755
OTHER OPERATING EXPENSES	10	27,370,502
		<hr/>
EXCESS OF EXPENDITURE OVER INCOME		(5,002,328)
EXTRAORDINARY ITEMS		-
		<hr/>
EXCESS OF EXPENDITURE OVER INCOME		(5,002,328)
		<hr/> <hr/>

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SIGNIFICANT ACCOUNTING POLICIES:-

YEAR ENDED 31ST DECEMBER 2002

The Financial statement are prepared under the historical cost convention in accordance with generally accepted Accounting principles and the Accounting standards laid down by the Institute o f Chartered Accountants of Sri Lanka.

No adjustments is made for inflationary factors.

Previous year figures and phrases have been re-arranged wherever necessary to confirm to the current presentation.

VALUATION OF STOCKS:-

Stocks are valued at historical cost.

DEBTORS:-

Debtors are stated at their estimated realisable value.

LIABILITIES AND PROVISIONS:-

Provision has been made in the financial statements for retiring gratuity in terms of Sri Lanka Accounting Standards. The liability is not externally funded.

PROPERTY, PLANT AND EQUIPMENT :-

Property, Plant and Equipment is recorded at cost less accumulated depreciation which is provided for on the basis specified below.

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DEPRECIATION:-

The provision for depreciation is calculated on the cost of all property plant and equipment other than freehold land. Full provision is made in the Year of sale and none in the year of purchase.

The rates of Depreciation are as follows

<u>ACCONT</u>	<u>RATES</u>
Buildings	5.00%
Motor Vehicle	25%
Office Furniture & Fittings	12.50%
Office Equipment	12.50%
Tools & Equipment	25%
Security Equipment	25%
Computer Soft ware	33%
Fixtures & Fittings	12.50%
Medical Equipment	12.50%
Housekeeping Equipment	12.50%

Plant & Machinery

12.50%

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NOTE 01:-

PROPERTY, PLANT & EQUIPMENT:-

COST	AS AT	ADDITIONS	DISPOSAL	AS AT
	01.01.2002	DURING THE	2002	31.12.2002
	Rs.	YEAR	Rs.	Rs.
		Rs.		
LAND & BUILDINGS	#####	#####	-	56,670,344.40
MOTOR VEHICLES	4,337,996.22	-	-	4,337,996.22
OFFICE FURNITURE FITTINGS	7,713,222.21	130,565.35	11,060.00	7,832,727.56
OFFICE EQUIPMENT	3,205,196.75	89,746.00	-	3,294,942.75
TOOLS & EQUIPMENT	1,537,565.31	14,259.40	20,039.55	1,531,785.16
SECURITY EQUIPMENT	316,953.50	1,692.00	-	318,645.50
FIXTURES & FITTINGS	2,192,080.72	7,250.00	-	2,199,330.72
MEDICAL EQUIPMENT	41,699.05	-	-	41,699.05
COMPUTER SOFTWARE	67,500.00	-	-	67,500.00
HOUSE KEEPING EQUIPMENT	810,093.52	87,584.00	-	897,677.52
LAWYERS RESTAURANT EQUIPMENT	381,965.00	-	-	381,965.00
PLANT & MECHINERY	#####	-	-	33,277,978.42
IMPROVEMENT OF LIFTS	5,247,677.11	-	-	5,247,677.11
WET RISER PROJECT	2,134,649.86	-	-	2,134,649.86
P.A.B.X SYSTEM	4,878,580.37	(157,298.63)	-	4,721,281.74
P.A. & RECORDING SYSTEM	-	2,523,770.42	-	2,523,770.42
COOLING TOWER	-	2,239,419.20	-	2,239,419.20
	#####	#####	31,099.55	127,719,390.63

ACCUMULATED DEPRECIATION	AS AT	CHARGE	DISPOSAL	AS AT
	01.01.2002	DURING THE	2002	31.12.2002
	Rs.	YEAR	Rs.	Rs.
		Rs.		
LAND & BUILDINGS	#####	1,373,394.62	-	12,581,985.77
MOTOR VEHICLES	2,890,491.22	-	-	2,890,491.22
OFFICE FURNITURE & FITTINGS	7,020,286.81	134,430.81	11,060.00	7,143,657.62
OFFICE EQUIPMENT	2,318,215.98	158,623.72	-	2,476,839.70
TOOLS & EQUIPMENT	1,391,085.80	10,380.27	20,039.55	1,381,426.52
SECURITY EQUIPMENT	302,087.52	12,919.00	-	315,006.52
FIXTURES & FITTINGS	981,485.46	212,446.97	-	1,193,932.43
MEDICAL EQUIPMENT	9,770.93	4,254.70	-	14,025.63
COMPUTER SOFTWARE	22,500.00	22,500.00	-	45,000.00
HOUSE KEEPING EQUIPMENT	585,797.44	34,698.51	-	620,495.95
LAWYERS RESTAURANT EQUIPMENT	47,745.63	47,745.63	-	95,491.26
PLANT & MECHINERY	#####	4,159,747.30	-	27,073,322.18
IMPROVEMENT OF LIFTS	2,747,376.32	655,959.63	-	3,403,335.95
WET RISER PROJECT	-	266,831.23	-	266,831.23
P.A.B.X SYSTEM	-	609,822.54	-	609,822.54
P.A. & RECORDING SYSTEM	-	-	-	-
COOLING TOWER	-	-	-	-
	#####	7,703,754.93	31,099.55	60,111,664.52

WRITTEN DOWN VALUE	#####		67,607,726.11
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10 NOTE 03:- INVENTORIES

ANNUAL STOCK AS AT 31ST DECEMBER 2002

<u>CODE NO</u>	<u>DESCRIPTION</u>	<u>TOTAL VALUE</u> R S.
A 0001-0152	AIR CONDITIONING SPARES	2,889,686.88
B 3751-3798	BRASS & IRON FITTINGS	16,302.35
C 6001-6300	P.A.SYSTEMS (COMMUNICATIOM)	50,190.63
C 7001-7285	P.A.SYSTEMS (COMMUNICATIOM)	59,948.85
E 2001-2218	ELECTRICAL ITEMS	428,103.97
G 1501-1552	GENERATOR ITEMS	8,775.00
H 2501-2540	HOUSEKEEPING ITEMS	16,632.27
L 1001-1096	LIFT SPARES	935,378.20
M 4601-4788	MICELLANEOUS ITEMS	88,358.27
N 4101/1-4165	BOLT & NUTS	9,667.36
O 4501-4511	LUBRICANT ITEMS	29,109.60
P 3301-3366	PIPE & FITTINGS	1,974.47
P 3501-3604	PIPE & FITTINGS	18,417.79
S 3001-3126	STATIONERY ITEMS	146,130.77
T 4001-4067	ENGINEERING ITEMS (TEC)	33,102.38
W 0501-0601	WATER PUMPS	147,600.61
X 4301-4331	WOOD & BRASS SCREWS	1,294.47
Y 4401-4440	PAINTS	114,197.70

TOTAL AMOUNT	'R S.		<u><u>4,994,871.57</u></u>
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10 NOTE 02:- OTHER FINANCIAL ASSETS:-

WORK IN PROGRESS:-

HULFTSDORF CONVSERVATION PROJECT			13,500,000.00
REFURBISHMENT OF CEREMONIAL	2000	160,553.30	
	2001	<u>7,458.81</u>	168,012.11
REFURBISHMENT OF SCC BUILDING & MINISTRY BUILDING	2001	9,149,128.18	
	2002	<u>7,633,036.10</u>	16,782,164.28
			<u><u>30,450,176.39</u></u>

NOTE 04:- OTHER RECEIVABLES:-

[A] TREASURY DEPOSITS (RUPEE LOAN):-

DEPOSITS TO BE UTILISED FOR THE HULFTSDROP CONSERVATION PROJECT.		1,000,000.00
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[B] LETTER OF CREDIT A/C:-

SPARE PARTS FOR ELECTRICAL SYSTEM & CHINA SCHINDLER ELEVATOR -618/02/2462		261,279.00
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[C] DEPOSITS:-

COLOMBO SOUTH CO-OPERATIVE SOCIETY LTD.		20,000.00
CEYLON ELECTRICITY BOARD		
STAFF QUARTER(161/31)	650.00	
STAFF QUARTER(161/31 A)	1,300.00	
ARACHCHI'S QUARTER	250.00	
BACHILORS QUARTER	3,500.00	
JUDGES QUARTER	13,500.00	
COURTS COMPLEX	<u>578,750.00</u>	597,950.00
SRI LANKA TELECOM LTD		5,000.00
RED ALERT SYSTEMS (PVT)LTD		12,500.00
NATIONAL WATER SUPPLY & DRAINAGE BOARD		300.00
DAVID PIERIS MOTOR CO LTD		10,000.00

	AITKEN SPENCE INSURANCE LTD	4,500.00	
	NATIONAL INSTITUTE OF BUSINESS MANAGEMENT	<u>2,000.00</u>	652,250.00
11	[D] <u>STAFF LOAN & ADVANCES:-</u>		
	FESTIVAL ADVANCE	81,600.00	
	DISTRESS LOAN	3,173,657.91	
	SPECIAL LOAN	<u>107,300.00</u>	3,362,557.91
	[E] <u>SUNDRY DEBTORS:-</u>		
	RIENZIE GUNASEKARA & CO LTD	1,815.75	
	SRI LANKA ARMY	99,168.75	
	MINISTRY OF JUSTICE(PROVISION OF SECURITY)	150,000.00	
	COMMUNITY BASE PROJECT	261,000.00	
	" (ELECTRICTY & WATER)	37,947.30	
	DISTRESS LOAN INTEREST RECEIVABLE	356.82	
	HOUSEKEEPING REQUISITIES	3,017.69	
	JUDGES QUARTERS RENT	46,965.00	
	MUNICIPAL ACCESSOR	34,128.00	
	PIRITH CEREMONY	1,461.50	
	DISTRESS LOAN RECEIVABLE	93,884.00	
	TELEPHONE CHARGES	520.55	
	STATIONERY	6,500.00	
	ELECTRICAL MAINTENANCE	6,161.60	
	GAMINIE SPRING WORKS	4,200.00	
	ASIAN ELECTRICALS	3,000.00	
	UPALI NEWSPAPERS OF CEYLON LTD	5,300.00	
	VIJITHA YAPA ASSOCIATES	4,726.30	
	THE ASSOCIATES NEWSPAPERS OF CEYLON LTD	<u>11,767.15</u>	771,920.41
			<u><u>6,048,007.32</u></u>
NOTE 05:-	<u>PRE PAYMENTS:-</u>		
	<u>ADVANCE PAYMENTS:-</u>		
	SHIREEN ENTERPRISES		1,184,868.02
	SAKURA CONSTRUCTIONS		10,000.00
	DIMO LTD		27,067.50
	CEYLON ELECTRICITY BOARD		1,000,000.00
	WIMALADHARMA BROTHERS		38,115.00
	IILAMPERUMA TRADERS		60,000.00
			<u><u>2,320,050.52</u></u>
NOTE 06:-	<u>CASH AND CASH EQUVALAENTS:-</u>		
	CASH AT BANK		1,567,058.19

CASH IN HAND

12,500.00

1,579,558.19

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OTHER PAYABLES:-

[A] UNCLAIMED SALARY

13,654.05

[B] SUNDRY CREDITORS:-

NATIONAL BLDG.RESEARCH ORG.	55,356.59	
LIBRARY BOOKS (JUDGES LIBRARY)	28,081.00	
UNITED ENTERPRISES	1,821.82	
SRI LACK GENERAL ENTERPRISES	2,423.27	
RANAWEERAMALLAWARACHCHI	1,159.00	
DIMO LTD	150,674.00	
NADUNGAMUWA ENGINEERING	6,640.12	
ORIENT ENTERPRISES	307.09	
ESPEE ENGINEERS	14,366.39	
K.D.A.PERERA & CO.	7,872.93	
MARSH WATER PROOFING (PVT)LTD	562.50	
COLOMBO ENGINEERING CO LTD	3,400.00	
SILVA CONSTRUCTIONS	17,370.64	
H.S.C.K.FONSEKA	15,551.96	
GLORY ALUMINIUM WORKS	3,721.35	
ILLAMPERUMA TRADERS	8,473.40	
FREIGI ENGINEERING SERVICES	51,224.00	
UNICOR DECORATORS (PVT) LTD	7,778.13	
UNI-WALKERS LTD	1,715.63	
ELCARDIO INDUSTRIES LIMITED	845.00	
SEA & SHORE LTD	3,000.00	
SRI LANKA NIDAHAS SEVAKA SANGAMAYA	100.00	
D.L.A.ENTERPRISES	932.50	
SUN LANKA AGENCIES	618.55	
N.CHANDRARATNE DECORATORS	164,242.45	
SRIPALI CONTRACTORS	2,557.50	
CIVIMECH (PVT) LTD	2,049.50	
CONTEC (PVT) LTD	6,675.00	
MORDERN ENGINEERING WORKS	137.50	
RIENZIE GUNASEKARA & CO (PVT) LTD	690.09	
S.D.STEPHEN & CO (PVT) LTD	117,893.79	
UMICO DECORATORS (PVT) LTD	145,930.81	
DHORESA HOLDINGS PVT LTD	9,331.34	
D.L.A.ENGINEERING (PVT)LTD	922.80	
	<u>834,426.65</u>	

[C] ACCRUED EXPENCES:-

COLOMBO SOUTH CO-OP SOCIETY LTD	7,805.00
SALARY [ATTENDING ALLOWANCE-HARSA]	1,312.50
CEYLON ELECTRICITY BOARD	6,571.73

NATIONAL WATER SUPPLY & DRAINAGE BOARD	248,224.20	
I.S.P.LANKA (PVT)LTD	960.00	
D.S.ENGINEERING COMPANY	172,530.00	
K.D.A.PERERA	47,250.00	
BOARD MEMBER FEES	4,000.00	
S.S.P.COOPERATE SEVICES PVT LTD	2,700.00	491,353.43

13 [D] REFUNDABLE DEPOSITS:-

A.A.S.GUNAWARDHANA	1,000.00	
FLOOR SHINE SERVICES	11,250.00	
RADIANT BUSINESS SERVICES	500.00	
J.C.CLEANING SERVICES	951.40	
ALLIED HOTEL MANAGEMENT	250.00	
STAR CLEARING SERVICES	250.00	
FLOOR CARE CLEARING SERVICES	850.00	
ASHOK CONSTRUCTION	250.00	
PRESTIGE JANITORIAL SERVICES	250.00	
GARDEN MAINTENANCE WORKS	600.00	
SANITAS CLEARING SERVICES	250.00	
AMIL JANITOR SERVICES	1,500.00	
WIMALADHARMA BROTHERS (PVT)LTD	1,051.00	
FIRE - X PROJECT (PVT) LTD	818.00	
INTERTEC CONTRACT	1,489.60	
IDAC PVT LTD	1,000.00	
RIENZIE GUNASEKARA & CO LTD	2,205.00	
M.K.MUTTU	500.00	
FRIGI ENGINEERING SERVICES(PVT) LTD	8,000.00	
AIR LIGHT SHINING SERVICES	2,108.75	
ECO SERVICES (PVT) LTD	4,000.00	
S.S.GODAKANDA	500.00	
T.G.PUSHPATHILAKE	500.00	
B.B.AJITH KUMARA	500.00	
VENTURE SECURITY SERVICES LTD	2,500.00	
IRON ARMS SECURITY SERVICES LTD	2,500.00	
UNITED FIELD SECURITY SEVICES LTD	2,500.00	
H.RANJITH	500.00	
W.A.MAHINDA RATHNASIRI	500.00	
R.A.ANANDA PRIYANTHA KUMARA	500.00	49,573.75

[E] PROVISION FOR GRATUITY 3,695,145.00

[F] PROVISION FOR AUDIT FEES 68,046.00

[G] GRATUITY PAYABLE 5,255.61

TOTAL

5,157,454.49

14 NOTE 08:- OTHER INCOME:-

PROVISION FOR SECURITY SERVICES
RENT INCOME
SALE OF CONDEMNED ITEMS
MISCELLANEOUS INCOME
NON REFUNDABLE DEPOSITS
DISTRESS LOAN INTEREST

600,000.00
539,520.04
12,153.00
12,144.52
3,600.00
116,307.98

1,283,725.54

NOTE 09:- STAFF COSTS:-

STAFF SALARIES
EMPLOYEES PROVIDENT FUND
EMPLOYEES TRUST FUND
STAFF OVERTIME
STAFF HOLIDAYPAY

13,228,133.52
1,169,045.29
292,261.33
761,064.44
31,292.67

15,481,797.25

NOTE 10:- OTHER OPERATING EXPENCES:-

[A] STAFF GRATUITY

713,847.50

[B] BOARD MEMBERS FEES & SECRETARIAL FEES

75,139.81

[C] SUPPLY & REQUISITIES:-

STAFF UNIFORMS
HOUSE KEEPING REQUISITIES
PRINTING & STATIONERY

134,331.50
27,793.01
214,195.46

376,319.97

[D] REPAIRS & MAINTENANCE:-

BUILDING MAINTENANCE
LIFT SERVICE MAINTENANCE
AIR CONDITIONING MAINTIONING
EQUIPMENT MAINTENANCE
ELECTRICAL MAINTENANCE

906,946.24
1,069,291.80
396,121.75
135,981.43
315,245.32

		TELEPHONE MAINTENANCE	243,997.00	
		SECURITY EQUIPMENT MAINTENANCE	24,470.62	
		HOUSE KEEPING EXPENCES	1,009,406.20	
		MOTOR VEHICLE MAINTENANCE	279,923.45	
		GARDEN MAINTENANCE	327,389.01	
		LAUNDRY CHARGES	41,900.00	4,750,672.82
			<hr/>	
15	[E]	TRAVELLING EXPENCES		6,554.50
	[F]	<u>TRANSPORT & COMMUNICATION:-</u>		
		TRANSPORT (FUEL)	198,285.50	
		ADVERTISEMENT CHARGES	31,937.45	
		TELEPHONE CHARGES	768,289.63	
		POSTAGE & TELEGRAMS	18,903.00	
		REVENUE LICENCE,INSURANCE REGISTRATION	110,668.14	1,128,083.72
			<hr/>	
	[G]	<u>UTILITIES & OTHER SERVICES:-</u>		
		ELECTRICITY BILLS	16,728,954.53	
		WATER BILLS	1,952,501.62	
		GENERATOR RUNNING CHARGES	876,645.29	
		INSURANCE	361,694.52	
		STAFF TRAINING EXPENCES	23,295.00	
		STAFF RECRUITMENT EXPENCES	33,802.00	
		ENTERTAINMENT	16,220.80	
		LEGAL EXPENCES	7,200.00	
		AUDIT FEES	30,000.00	
		BANK CHARGES	5,186.50	
		RATES & TAXES	26,784.00	
		MISCELLANEOUS EXPENCES	155,547.35	
		RIGHT OFFS	7,270.00	
		FINE	80,000.00	
		SURVEY CHARGES	1,500.00	
		NEW YEAR PIRITH CEREMONY	13,281.82	20,319,883.43
			<hr/>	
				<hr/>
		TOTAL		<u>27,370,501.75</u>

SUPERIOR COURTS COMPLEX BOARD OF MANAGEMENT
BUDGET CASH FLOW
YEAR ENDED 31 DECEMBER 2002

	2002		2001	
	Rs.	Rs.	Rs.	Rs.
<u>CASH FLOW FROM OPERATING ACTIVITIES:-</u>				
OPERATING DEFICIT FOR THE YEAR UNDER REVIEW (EXCLUDING INTEREST)		(5,002,328)		(12,114,132)
<u>ADJUSTMENT FOR ITEMS NOT INVOLVING MOVEMENT OF CASH:-</u>				
DEPRECIATION	7,703,755		7,407,046	
PROFIT ON DISPOSAL OF FIXED ASSETS	-		(514,962)	
PROVISION FOR PAYMENT OF GRATUITY	713,848		405,530	
		8,417,603		7,297,614
		3,415,275		(4,816,518)
 PRIOR PERIOD ITEMS				
<u>ADJUSTMENT FOR ITEMS NOT INVOLVING MOVEMENT OF CASH:-</u>				
<u>PRIOR YEAR ADJUSTMENT:-</u>	-	-	-	-
 <u>OVER PROVISION OF GRATUITY</u>				
		3,415,275		(4,816,518)
 OPERATING (DEFICIT/SURPLUS)BEFORE CHANGES IN ITEMS OF WORKING CAPITAL				
		3,415,275		(4,816,518)
 <u>CHANGES IN ITEMS OF WORKING CAPITAL:-</u>				
(INCREASE/DECREASE) IN STOCKS	(1,091,768)		612,852	
(INCREASE/DECREASE) IN LETTER OF CREDIT ACCOUNT AND SUNDRY DEBTORS	(264,272)		(441,546)	
(INCREASE/DECREASE)I INTEREST ON				

TREASURY DEPOSITS RECEIVABLE	-		800,000	
(INCREASE) IN STAFF LOAN AND FESTIVAL ADVANCE	(291,558)		444,904	
(INCREASE) IN ADVANCE PAYMENTS	1,615,859		(1,631,504)	
(INCREASE) IN DEPOSITS	-		-	
(INCREASE)IN TREASURY FUND-CAPITAL			14,000,000	
DECREASE IN TREASURY DEPOSITS	7,000,000		-	
INCREASE IN SUNDRY CREDITORS AND ACCRUED EXPENCES	(1,874,416)		1,087,941	
INCREASE IN REFUNDABLE DEPOSIT	-		(14,500)	
(DECREASE) IN PROVISION FOR AUDIT FEES	30,000	5,123,845	(22,754)	14,835,393
GRATUITY PAYMENTS		(16,450)		(134,275)
CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES		8,522,670		9,884,600
<u>CASHFLOW INVESTING ACTIVITIES:-</u>				
PURCHASE OF FIXED ASSETS	(34,139,440)		(7,613,982)	
WORK IN PROGRESS	20,341,366		(10,685,045)	
DISPOSAL OF FIXED ASSETS/INT ON INV	-		514,963	
CASH USED IN INVESTING ACTIVITIES		(13,798,074)		(17,784,064)
<u>CASH FLOW FROM FINANCIAL ACTIVITIES:-</u>				
GOVERNMENT CAPITAL GRANT IN RESPECT OF THE YEAR UNDER REVIEW	6,148,000		8,085,000	
CASH GENERATED FROM FINANCIAL ACTIVITIES		6,148,000		8,085,000
(NET DECREASE) /NET INCREASE IN CASH & CASH EQUIVALENTS		872,596		185,536

**BALANCE OF CASH AND CASH
EQUIVALENTS AT BEGINING OF THE
YEAR-CASH AND BANK BALANCE**

706,962

521,426

**BALANCE OF CASH AND CASH
EQUIVALENTS AT END OF THE YEAR
CASH AND BANK BALANCE**

1,579,558

706,962

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SUPERIOR COURTS COMPLEX BOARD OF MANAGEMENT
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	Rs.	Rs.	Rs.	Rs.
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PRIOR PERIOD ITEMS				
<u>ADJUSTMENT FOR ITEMS NOT INVOLVING MOVEMENT OF CASH:-</u>				
<u>PRIOR YEAR ADJUSTMENT:-</u>	-	-	-	-
<u>OVER PROVISION OF GRATUITY</u>				
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(INCREASE/DECREASE) IN LETTER OF CREDIT ACCOUNT AND SUNDRY DEBTORS	(264,272)		(441,546)	
(INCREASE/DECREASE)I INTEREST ON TREASURY DEPOSITS RECEIVABLE	-		800,000	
(INCREASE) IN STAFF LOAN AND				

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(INCREASE) IN ADVANCE PAYMENTS	1,615,859		(1,631,504)	
(INCREASE) IN DEPOSITS	-		-	
(INCREASE)IN TREASURY FUND-CAPITAL			14,000,000	
DECREASE IN TREASURY DEPOSITS	7,000,000		-	
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YEAR-CASH AND BANK BALANCE

706,962

521,426

BALANCE OF CASH AND CASH
EQUIVALENTS AT END OF THE YEAR
CASH AND BANK BALANCE

1,579,558

706,962

2001

Rs.

Rs.

41,172,041

50,791,542

91,963,583

3,903,104

12,492,178

3,935,910

706,962

21,038,153

113,001,736

111,561,160

8,085,000

(834,764)

(12,114,132)

106,697,264

6,304,472

6,304,472

113,001,736

**2001
Rs.**

32,380,000

1,658,670

13,753,666

7,407,046

24,992,090

(12,114,132)

-

(12,114,132)

The Marshall,
Board of Management of the Superior Courts Complex.

Report of the Auditor General on the Accounts of the Board of Management of the Superior Courts Complex for the year ended 31 December 2002 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971.

The audit of accounts of the Board of Management of the Superior Courts Complex for the year ended 31 December 2002 was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 11(2) of the Board of Management of the Superior Courts Complex Act, No. 50 of 1987 and Section 13(1) of the Finance Act, No. 38 of 1971. My observations which I consider should be published with the annual report of the Board in terms of Section 14(2)(c) of the Finance Act appear in this report. This report also should be considered as my detailed report in terms of Section 13(7)(a) of the Finance Act.

1:2 Scope of Audit

Audit opinion, comments and findings in this report are based on a review of the financial statements presented to audit and substantive tests of samples of transactions. The scope and the extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards, methods and practices to obtain reasonable assurance as to whether the financial statements are free of material misstatements. The audit included examination of evidence supporting the amounts and disclosures in financial statements and assessment of accounting principles and significant estimates and judgements made in the preparation of financial statements, evaluation of their overall presentation and determining whether accounting policies adopted were appropriate, consistently applied and adequately disclosed. . Sub-sections (3) and (4) of Section 13 of the Finance Act, No.38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

2. Accounts

2:1 Audit Opinion

Except for the effects of the adjustments arising from the matters referred to in paragraph 2:3 of this report, I am of opinion that the financial statements have been satisfactorily prepared to present in all material respects, the financial position of the Board as at 31 December 2002 and the results of its operations for the year then ended in accordance with Sri Lanka Accounting Standards and the accounting policies as set out in the Notes to the financial statements.

2:2 Financial Results

According to the accounts presented, the working of the Board for the year ended 31 December 2002 had resulted in a deficit of Rs.5,002,328 after taking into account the Government Grant of Rs.44,270,000 received for the year under review as compared with the corresponding deficit of Rs.12,114,132 for the preceding year after taking into account the Government Grant of Rs.32,380,000 received for that year.

Some of the significant data relating to the financial results are given below.

Particulars	2002	2001
-----	-----	-----
	Rs.	Rs.
Income		

Government Grant – Recurrent	44,270,000	32,380,000
Other Income	1,283,726	1,658,670
Expenditure		

Staff Salaries and Allowances	14,689,440	12,503,830
Overtime and Holiday Pay	792,357	1,249,837
Repairs and Maintenance	4,750,673	5,562,679
Transport and Communication	1,128,084	1,137,722
Consumables and other Services	20,319,883	17,239,528
Depreciation	7,703,755	7,407,046

2:3 Comments on Accounts
-----2:3:1 Lack of Evidence for Audit

The following items in the accounts could not be satisfactorily vouched or accepted in audit due to the non-availability of evidence indicated against each item.

<u>Item</u>	<u>Value</u> Rs .	<u>Evidence not made available</u>
Fixed Assets	127,719,391	Physical Verification Reports and Detailed Schedules.
Debtors	771,920	Confirmation of Balances
Creditors	834,427	Confirmation of Balances

2:3:2 Non-compliance with Laws, Rules, Regulations and Management Decisions

Instances of non-compliance observed in audit are given below.

<u>Reference to Laws, Rules Regulations and Management Decisions</u> -----	<u>Particulars</u> -----
(a) State Accounts Circular No. 147/2002 dated 16 April 2002 of the Deputy Secretary to the Treasury	Action had not been taken to revise the rent recovered at present on official quarters and bungalows through the Chief Valuer recover a revised rent.
(b) Public Administration Circular letter No.01/2002 dated 25 February 2002.	Action had not been taken to stencil the State Crest and the name of the Institution on two motor vehicles attached to the Board.

3. Financial and Operating Review

3:1 Financial Results

Working of the Board for the year under review had resulted in a deficit of Rs.5,002,328 as compared with the corresponding deficit of Rs.12,114,132 for the preceding year, thus indicating a decrease of the deficit for the year under review by Rs.7,111,804. The operating of the Board are carried out from the grant received annually from the Government. It was observed that the performance of the Board had continuously resulted in deficit.

3:2 Operations of the Board

In terms of Section 5 of the Board of Management of the Superior Courts Complex Act, No. 50 of 1987, the objectives of the Board are the control, administration, management, maintenance and improvement of facilities of the Superior Courts Complex and its buildings. In addition to the above, it include renting out or leasing out any of the buildings or lands as set out in Section 7(2)(1)(a) of the said Act.

3:2:1 Apparent Inefficiencies in the Maintenance and Renting out of Buildings

(i) Maintenance of Buildings – Contracts

The contract relating to the stage 11 of the repairs to the Superior Courts Complex building and the Ministry of Justice building amounting to Rs.3,209,336 (excluding Goods and Services Tax) had been awarded to a private contractor on 19 November 2001 and the Marshall had entered into an agreement with the contractor.

The following observations are made in this connection.

- (a) The contractor had been selected on the recommendation of the National Building Research Organisation without calling for quotations or tenders.

- (b) Therefore, the selection of a contractor for the above work with public competition on the rates and on equal terms had not been done in terms of provision in the Guidelines on Government Tender Procedure. Therefore, it was not possible to be satisfied in regard to the regulating and transparency relating to the selection.
 - (c) Although the contract should have been completed on 27 December 2001 it had not been completed upto date.
- (ii) Construction, Utilisation and Leasing out or Renting out of the Building of the Superior Courts Complex

- (a) The restaurant constructed for the lawyers at a cost of Rs.11,350,000 had been closed down without achieving its objectives. There was no evidence that an evaluation or a study had been carried out before the construction of restaurant for the lawyers.
 - (b) In reply to an Audit Query, the Marshall informed me that the first floor of the restaurant for lawyers would be given over for use by the Traffic Court and that the building for the record room had been handed over to the Registrar of the Supreme Court. Renting out buildings/rooms of the Board had not been done on the recommendation of the Chief Valuer.
 - (c) Funds received for the achievement of the objectives of the Board from sources other than the Government Grant had been negligible and as such the financial result at the end of each year had been a deficit. In spite of this situation, certain officers had been provided with the official quarters free of charge.

3:3 Prepayments -----

According to the accounts, there was a balance of Rs.1,184,868 under this item.

The following observations are made in this connection.

- (a) The Marshall of the Board had entered into an agreement with a private contractor on 04 January 1996 in a sum of Rs.15,958,775 for the construction of the Record Room.

- (b) According to the agreement the contract should have been commenced on 14 January 1996 and completed within 15 calendar months.
- (c) As the contract had not been executed properly, the agreement was cancelled on 25 February 1999 on the recommendation of the Central Engineering Consultancy Bureau. The payments made to the contractor upto cancellation amounted to Rs.15,054,003.
- (d) It was observed that there was a considerable delay in the cancellation of the agreement though a sum almost equal to the contract amount had been paid to the contractor.
- (e) According to the judgement given by the said Consultancy Bureau, a sum of Rs.1,184,868 had to be recovered from the advance payments made to the contractor. It had been decided on 08 April 2000 to recover the amount from the Union Assurance Co. Ltd. which insured the contract.
- (f) The Marshall had consulted the Attorney General only on 25 February 2002 on this matter. The outcome of the consultation could not be ascertained.
- (g) The reasons for the lethargic attitude shown by the Marshal of the Board for the recovery of the amount due on the cancelled contract during the period from 25 February 1999 upto date are not clear.

3:4 Idle and Underutilised Assets

Electrical equipment, furniture and household goods valued at Rs.577,900 purchased during the year 2000 for the lawyers' restaurant had been lying idle from the year of purchase.

3:5 Budgetary Control

Significant variances were observed between the estimates of income and expenditure and the actual expenditure, thus indicating that the budget had not been made use of as an effective instrument of management control.

3:6 Control and Maintenance of Motor Vehicles

It was observed that the control over the three pool motor vehicles of the Board had been entrusted to a driver. It is an irregular procedure to entrust a function to be attended by a responsible officer to a driver. It was not possible to examine in audit whether the expenditure of Rs.478,208 incurred on fuel and maintenance during the year under review had been incurred in compliance with the control procedure and regulations.

4. Systems and Controls

Special attention is needed in respect of the following areas of control.

- (a) Recovery of realistic rents on buildings/quarters of the Board
- (b) Budgetary Control
- (c) Assets Control
- (d) Contract Administration
- (e) Control and Maintenance of Motor Vehicles

(S.C. MAYADUNNE)
AUDITOR GENERAL

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(S.C. MAYADUNNE)
AUDITOR GENERAL

-/dk.

