

sri Lanka

**ANNUAL REPORT
2015**



SRI LANKA TOURISM DEVELOPMENT AUTHORITY

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INTRODUCTION

Sri Lanka Tourism reached a land mark with the arrivals of over 1.5 million tourists in the year 2015, 1,798,530 to be exact, well near to the target. The tourism receipts too reached USD 2980 million from the tourism industry.

While the permanent peace largely attributed to this achievement, Sri Lanka also emerged as a hot and attractive destination among tourists particularly from the strategies adapted to create conducive environment for tourism within the country and the new markets that Sri Lanka had entered to take advantages in the changing patterns of outbound tourism.

The activities of SLTDA were determined by the 2014-2016 corporate plan and the 5-year Tourism Strategy which was approved by the Cabinet of Ministers which takes into account the new peaceful environment in the country which has become permanent where Sri Lanka tourism industry could announce to their markets that Sri Lanka is one of the safest countries in the world.



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VISION

“To establish and position Sri Lanka as Asia’s most treasured and green island, with its beautiful beaches, warm and friendly people, with a strong nature culture and adventure offering, raising its profile to that of an Asian tourism icon and make it the largest foreign exchange earner, benefitting the stakeholders of tourism and the people of Sri Lanka”

MISSION

“Work towards delighting our customers (domestic and international) and developing their loyalty to destination Sri Lanka.

MESSAGE FROM THE HON. MINISTER OF TOURISM DEVELOPMENT AND CHRISTIAN RELIGIOUS AFFAIRS AND LANDS

The long awaited destination promotion campaign is set to begin early next year. The campaign will cover international TV channels, social media, digital and print mediums in identified strategic markets. Expected spend for the overall campaign is Rs 800 million.

Building on the momentum of 2015, tourist arrivals have continued to grow in 2016 with 15 percent growth year to date as at end September. With the current trend likely to continue we are confident of achieving the target of 2.2 million visitors by end December 2016.

While Western Europe remains our biggest source market we see aggressive competition from East Asia to displace South Asia as the second biggest market. I'm also very encouraged to see non-traditional markets North America and Australasia making a solid contribution to the growing numbers. I must congratulate the Chairman and the Board of SLTDA for these positive results.

Our focus is to build on the numbers. Promotions and road shows are being carried out throughout the world. Sri Lanka Tourism has participated in 58 trade fairs and road shows across the world this year. I have personally participated in five of these, namely ITB Berlin,

ATM Dubai, BITE China, IFTM Paris and WTM London, encouraging the global travel industry to put Sri Lanka on their agenda.

The long awaited destination promotion campaign is set to begin early next year. The campaign will cover international TV channels, social media, digital and print mediums in identified strategic markets. Expected spend for the overall campaign is Rs 800 million.

Another area that has received special attention during the year under review is the regularization of the informal sector. This year we hope to register around 250 new establishments in the informal sector. By doing this we hope to ensure minimum standards are maintained, applicable taxes are paid and create a level playing field for the industry. New classification rules which were made compulsory for all new tourist hotels from May 20 this year is currently being very successfully implemented by the SLTDA. This move has



come in for high praise from the tourism industry.

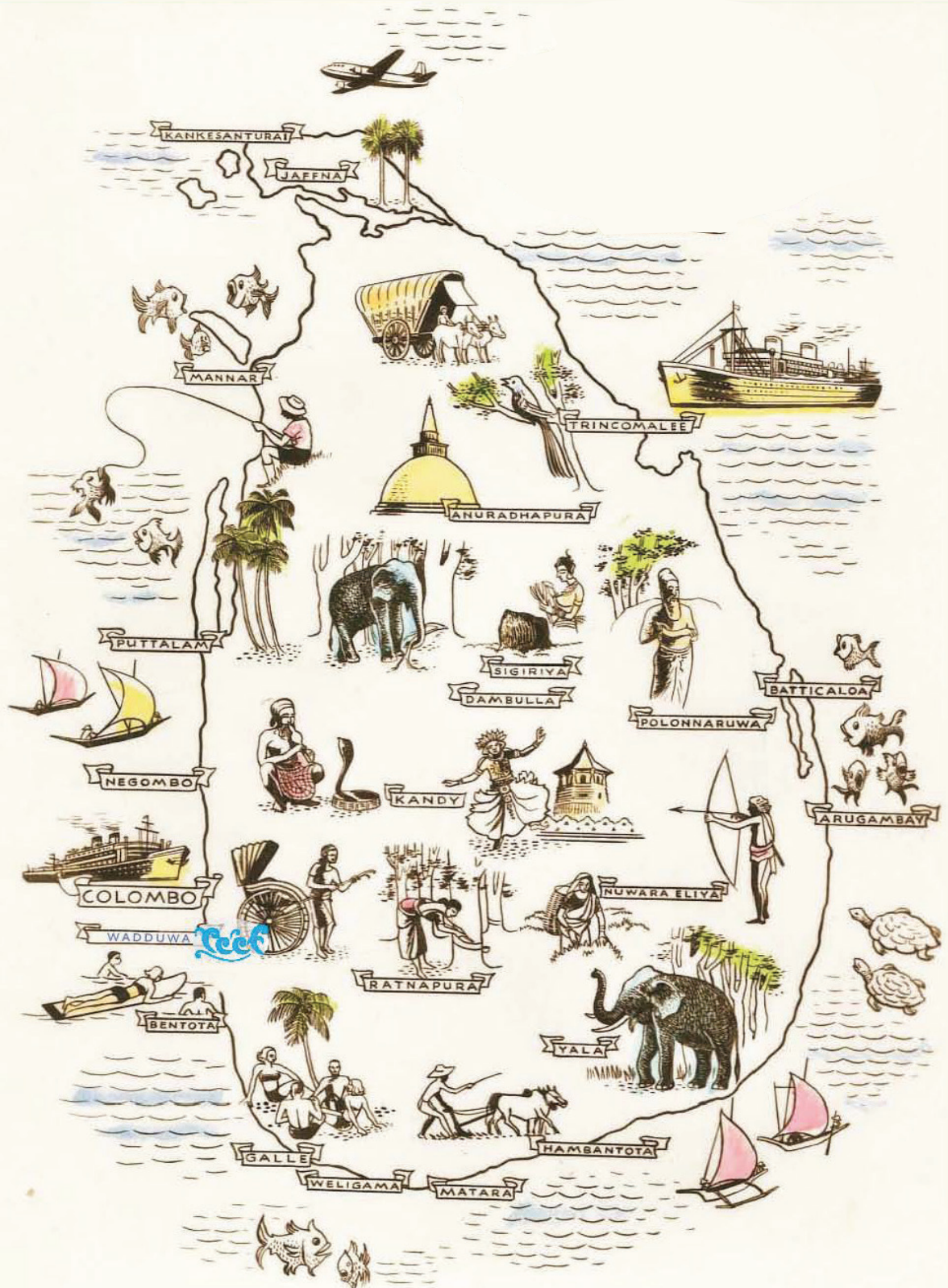
The JEV (formerly known as SNAV) French travel agents conference scheduled for end October 2016 will be a massive boost for the MICE tourism industry where 500 of the top most travel agents in France will be meeting in Colombo over a five day period from October 30th. In the year under review, one fifth of tourism revenue came from the lucrative MICE sector.

Meanwhile in a further effort to boost inbound travel, based on my recommendation a new international travel fair called 'Gateway to South Asia' will take place in Colombo in May 2017. The main idea behind this travel fair is to attract 500 travel agents from new markets and the event will take place alongside the Sancharaka Udawa exhibition. All industry stakeholders have already pledged their support for this initiative.

With the positive results shown in most segments in 2015, I believe we have created the right platform to take this industry to new heights in the years ahead.

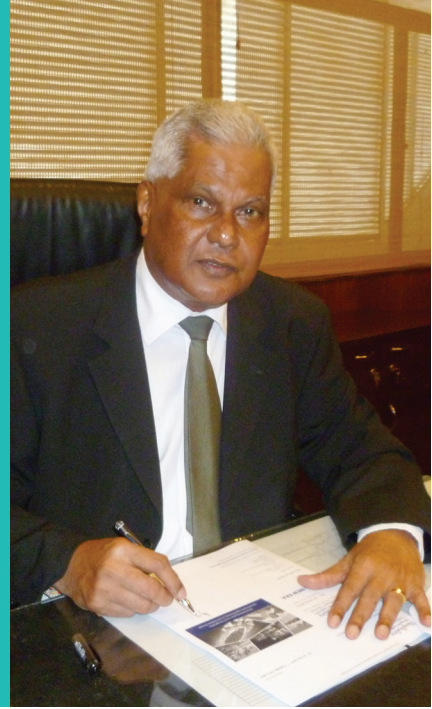
Hon. John Amaratunga

Minister of Tourism Development, Christian Religious Affairs and Lands



CHAIRMAN'S MESSAGE

The current peace and reconciliation and good governance process of Sri Lanka is enabling all domestic and international tourists to explore this beautiful country. We are now becoming an international business hub for all business people to come and make their investments.



Sri Lanka has grown into a global icon in the tourism industry, increasing on year with our cultural heritage, festival and scenic importance. In 2015 tourist arrivals increased by 4.4 % in 2015 to a total of 1,184 million, up from 1,134 million in 2014. The highest growth of all regions with 5 % was recorded from Europe in 2015.

The current peace and reconciliation and good governance process of Sri Lanka is enabling all domestic and international tourists to explore this beautiful country. We are now becoming an international business hub for all business people to come and make their investments.

The Government of Sri Lanka has allowed their full support to promote Sri Lanka as a global destination and to attract more tourists to our island.

We hope that this effort by Sri Lanka Tourism will truly trickle down and benefit people at a local community level.

P.M. Withana

Chairman

Sri Lanka Tourism Development Authority

CORPORATE INFORMATION

The SLTDA is leading economic development agency in tourism, one of Sri Lanka's key service sectors, SLTDA is known for partnership, innovation and excellence, the Authority champions tourism and builds it in to a key economic driver for Sri Lanka

Name

Sri Lanka Tourism Development Authority.

Legal Form

Statutory Corporations incorporated under Tourism Act No. 38 of 2005.

Head Office Address

80, Galle Road, Colombo 03.

Location of National Holiday Resorts

Passikudah, Kuchcheveli, Kalpitiya, Bentota, Girithale, Polonnaruwa and Yala.

Location of Domestic Holiday Resorts

Anuradhapura, Bandarawela, Bentota, Kataragama and Nuwaraeliya.

Auditors

Auditor General of Sri Lanka.

Bankers

Bank of Ceylon.





BOARD OF MANAGEMENT FOR 2015.

1. Mr. P.M. Withana – Chairman
2. Mr. M.B. Kiriella – Member
3. Mrs. Shirani Weerakoon - Member
4. Mr. H.T. Kamal Pathmasisri – Member
5. Mr. P. Algama – Member
6. Mr. Lalin T. Samarawickrama – Member
7. Mr. C. Wickramasinghe – Member
8. Mr. Nishantha Senevirathne – Member
9. Mr. Ruwan Karunaratne – Member

MEMBERS OF AUDIT AND MANAGEMENT COMMITTEE

6. Mr. P. Algama – Chairman - Director General, Department of Public Finance
7. Mrs. Shirani Weerakoon – Member – Addl. Secretary of Ministry of Tourism
8. Development and Christian Religious Affairs
9. Mr. Chandra Wickramasinghe – Member – Chairman of Connaissance De Ceylon
10. Mr. Ruwan Karunaratne – Member –M/s RWN Technologies

MEMBERS OF HOTEL CLASSIFICATIONS COMMITTEE

1. Mr. Amaranath S. Mahawaduge – Chairman
2. Mr. David Daane Boiler – Member
3. Mr. Erāj Abewardane – Member
4. Mr. Gamunu Gunawardane – Member
5. Mr. Wijitha Perera – Member
6. Mr. Hiran Charitha Serasinghe -Member
7. Mr. Mahinda Rathnayake - Member

SENIOR MANAGEMENT

Director General's Office
Director General
Mr. M.B. Kiriella

Tourism, Planning and Development
Director
Mr. P. U. Rathnayake

One Stop Unit
Deputy Director
Mr. Sisira Weerasekara

Domestic Tourism and Resorts Management
Act. Director
Mr. Udana Wicramasinghe

Domestic Tourism
Director
Mr. M. U. Liyanaarachchi

Human Resources and Premises Management
Director
Mr. M. U. Liyanaarachchi
Ms. Wathsala Priyadarshanie

Standard and Quality Assurance
Act. Director
Mr. Chandana Wijerathne

Financial Management
Director
Mr. D. P. Nandana

Information and Communication Technology
Act. Director
Mr. D.P. Nandana
Director
Mr. Udana Wicramasinghe

Internal Audit
Internal Auditor
Mrs. Pasanthi Jayasinghe
Ms. K.M. Naheem

Legal
Legal Officer
Mrs. Inoka Punchihewa

Tourist Police
SSP / Director Officer In Charge
Mr. Eardley Perera/ SSP

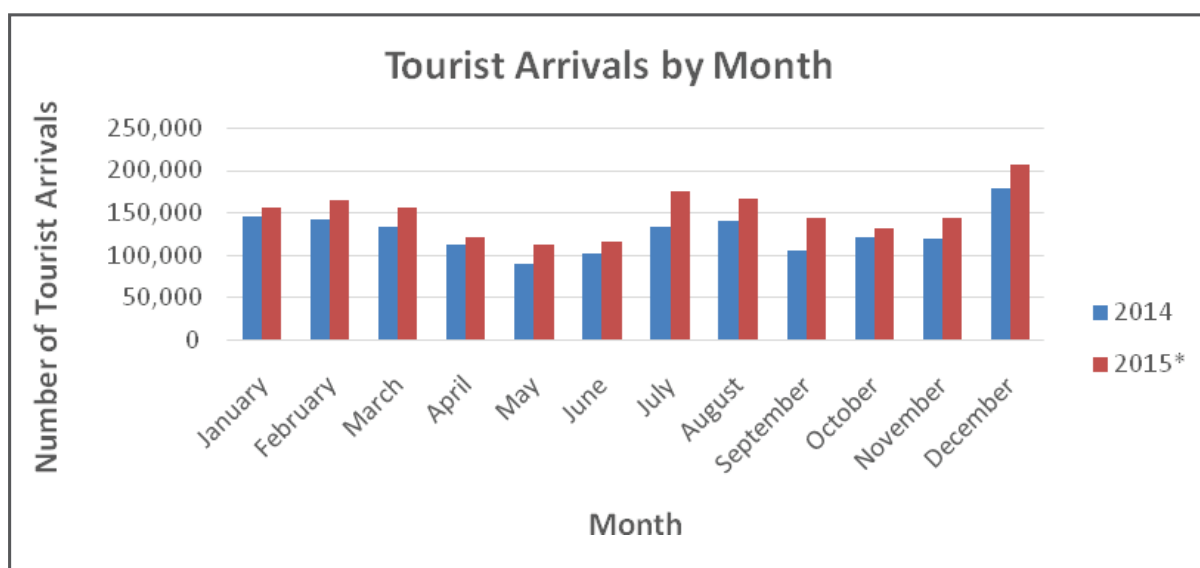


Overview

Sri Lanka Tourism Outlook

Tourist Arrivals - 2014 / 2015		* Provisional	
Month	2014	2015*	% Cha.2014/15
January	146,575	156,246	6.6
February	141,878	165,541	16.7
March	133,048	157,051	18
April	112,631	122,217	8.5
May	90,046	113,529	26.1
June	103,175	115,467	11.9
July	133,971	175,804	31.2
August	140,319	166,610	18.7
September	105,535	143,374	35.9
October	121,576	132,280	8.8
November	119,727	144,147	20.4
December	178,672	206,114	15.4
Total	1,527,153	1,798,380	17.8

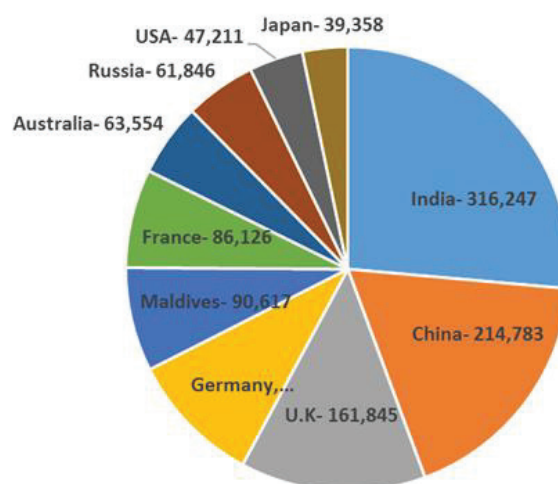
Revenue Growth	In USD Millions
2010	575
2011	839
2012	1,038
2013	1,715
2014	2,431
2015	2,980



Top Ten Markets Year 2015

Top Ten Markets Year 2015				
Market	Rank	2014	2015	Growth Change (%)
India	1	242,734	316,247	30.3
China	2	128,166	214,783	67.6
U.K	3	144,168	161,845	12.3
Germany	4	102,977	115,868	12.5
Maldives	5	86,359	90,617	4.9
France	6	78,883	86,126	9.2
Australia	7	57,940	63,554	9.7
Russia	8	69,718	61,846	(11.3)
USA	9	39,371	47,211	19.9
Japan	10	39,136	39,358	0.6

Top Ten Country Markets - 2015	
India	316,247
China	214,783
U.K	161,845
Germany	115,868
Maldives	90,617
France	86,126
Australia	63,554
Russia	61,846
USA	47,211
Japan	39,358



India will continue to lead as a primary market for Sri Lanka in 2015. But China has shown huge growth (67.6%) Comparison with 2014. Among the Traditional markets UK, Germany and France markets have not shown steady growth. But Russia has shown negative growth comparison to the year 2014.

Accessibility

Over 24 major Airlines have started operating to Sri Lanka with several cruise operations too.

Air Lines Operation of Year 2015

Air Arabia, Air India, Air Asia X**, Air Asia Berhad*, Air China Airline, Austrian Airlines*, British Airways**, Cathay Pacific Airways, China Eastern Air Line, Emirates, Ethihad Airways, Fly Dubai, Jet Airways, Korean Air, Kuwait Airways, Malaysian Airlines, Malindo Air*, Mihin Lanka, Oman Air, Qatar Airways, Rotana Jet, Saudi Arabian Air lines, Singapore Airlines, Spice Jet, Sri Lankan Airlines, THAI Airways, Turkish Airways.

*Air Asia Berhad operation was started on 20th October 2015, Australian Airlines operation was started on 28th October 2015 and Malindo Air were operation started on 16th December 2015.

** Air Asia X operation was ceased on 19th October 2015 and ** British Airways operation was ceased on 28th February 2015.

Tourism Performance

Item	2010	2011	2012	2013	2014	2015 *	Y-O-Y Change(%) 2015 *
Tourist Arrivals (No)	654,476	855,975	1,005,605	1,274,593	1,527,153	1,798,380	17.8
Pleasure	516,538	663,343	748,436	980,162	1,037,644	1,198,240*	15.5
Business	83,270	68,097	90,040	94,320	29,381	23,323*	(15.1)
Other	54,668	124,535	167,129	200,111	460,128	576,817*	22.9
Tourist Guest Nights ('000)	6,548	8,559	10,056	10,961	15,119	18,163	20.1
Room Occupancy Rate (%)	70.2	77.1	71.2	71.7	74.3	74.5	0.3
Gross Tourist Receipts (Rs. million)	65,018	91,926	132,427	221,720	317,502	405,492	27.7
Per Capita Tourist Receipts (Rs.)	99,344	107,393	131,688	173,954	207,905	225,476	8.5
Total Employment (No.)	132,055	138,685	162,869	270,150	299,890	319,436*	6.5
Direct Employment	55,023	57,786	67,862	112,550	129,790	135,930*	4.7
Estimated Indirect Employment	77,032	80,899	95,007	157,600	170,100	183,506*	7.9

* - Estimated

Sources: Sri Lanka Tourism Development Authority

Revenue from the Tourism Sector - 2,980.6 USD Million

Average Expenditure per day

Tourism Development Performance

- Worldwide, global tourism rebounded strongly, with international tourist arrivals grew by 4.4 per cent in 2015 to a total of 1,184 million, up from 1,134 million in 2014. The highest growth of all regions with 5.0 per cent was recorded from Europe in 2015.
- Sri Lanka Tourism has surged to a new high record of 1,798,380 arrivals in 2015, transcending all time high hits in the history which is an increase of 17.8 per cent over last year's 1,527,153 arrivals. - The foreign exchange earnings increased by 27.72 per cent from Rs. 317,479 million (US \$ 2,431.1 million) in 2014 to Rs. 405,492 million (US \$ 2,980.6 million) in 2015.
- Foreign Exchange (FE) Receipts per tourist per day recorded an increase of US \$ 3.3, from US\$ 160.8 to US\$ 164.1 in 2015.
- Due to the rise of the arrivals, tourism was able to upgrade its rank to the third level as the largest source of Foreign Exchange Earner of the national economy in 2015. Those that ranked above tourism were Foreign Remittances – Rs.948.95 billion, Textiles and Garments – Rs. 654.79 billion. The portion of tourism's contribution to total FE earnings in 2015 amounted to 12.4 per cent.

- As previous years, India emerged as the leading producer of tourism to Sri Lanka amounting 316,247 arrivals, accounting for 17.6 per cent of the total traffic. China progressed to second place with a rapid growth in tourist arrivals while UK moved down to 3rd position in 2015 from the second place in 2014.

World Tourism Scenario

International tourist arrivals reported by destinations around the world reached 1,184 million in 2015, an increase of 4.4 percent, over the previous year. Overall demand was robust with 51 million more tourists travelling the world. Year 2015 marks the 6th consecutive year of above-average growth, with international arrivals increasing by 4% or more every year since the post-crisis year of 2010. "International tourism reached new heights in 2015. The robust performance of the sector is contributing to economic growth and job creation in many parts of the world. It is thus critical for countries to promote policies that foster the continued growth of tourism, including travel facilitation, human resources development and sustainability. By region, Europe, the Americas and Asia and Pacific all recorded around 5% growth in 2015. Arrivals to the Middle East increased by 3% while in Africa, limited data available, points to an estimated 3% decrease, mostly due to weak results in North Africa, which accounts for over one third of arrivals in the region.

International tourist receipts in destinations around the world grew by 3.6% in 2015, in line with the 4.4% increase in international arrivals. The total export value from international tourism amounted to US \$ 1.4 trillion. Income generated by international visitors on accommodation, food and drink, entertainment, shopping and other services reached an estimated US\$ 1232 billion in 2015. Europe, which accounts for 36.3 per cent of worldwide international tourism receipts, saw a decrease in tourism earnings in absolute terms of US \$ 64.8 billion. Asia and the Pacific (34% share) saw a decrease by US\$ 1.2 billion to a total of US\$ 418.9 billion. In the Middle East (4.4 % share) tourism receipts increased by an estimated US\$ 3.1 billion to US\$ 54.6 billion and decrease in Africa (2.7% share) by US\$ 3 billion to US\$ 33.2 billion.

Departmental Performances

7.1 Research and International Relations

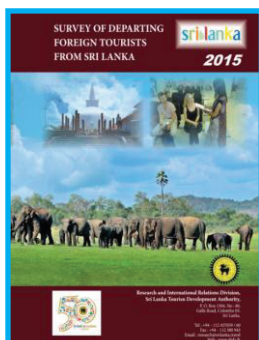
The SLTDA's Research and International Relations Division is responsible for the efficient collection of research and statistics. Moreover, work involves carrying out comprehensive market research continuously, carrying out studies, identifying gaps and tabulating the information for the relevant departments.

Visitor arrivals, domestic movements and product and service facilities are also monitored, while periodic research surveys are carried out to obtain qualitative and quantitative tourism related information. Research and International Division and ICT division will introduce Electronic Table Top Touch Screen Machine with Electronic Application for collect the comments and suggestions from International tourists who are departing from Sri Lanka. The machines will be installed at BIA Katunayake and It will be helped to get comments directly from the departing tourists and these data will be useful to identify issues of the tourism sector and develop the industry.



A comprehensive publication on statistical data relating to tourism is presented regularly. SLTDA's relations with international organizations such as PATA, UNWTO and the Regional Tourism Corporation are efficiently managed and participation at varied international and regional forums and events is ascertained. Periodically, the SLTDA publishes a monthly statistical bulletin and an Annual Statistical Report which indicates the performance of Sri Lanka Tourism in terms of tourist arrivals, foreign exchange earnings, creation of employment opportunities and hotel occupancy rates.

Published Statistical Reports



Airport Survey Report -2015



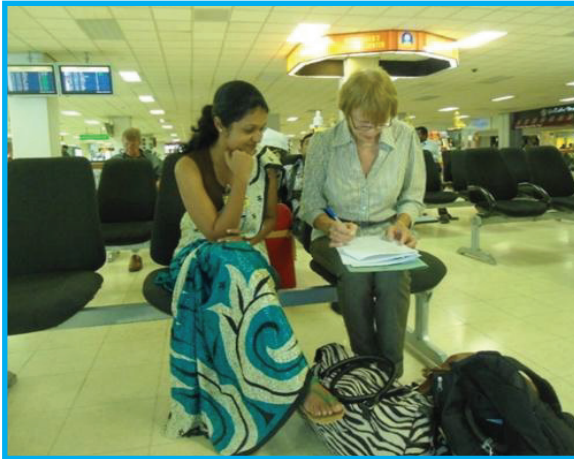
Annual Statistical Reports



Monthly Statistical Bulletin

- ** - Final report of the Annual Statistical Report 2015 was printed and.
- ** - Final report of the Airport Survey Report 2015 was printed and distributed
- ** - Electronic System Survey will be introduced
- ** - Provide research and Statistical information on monthly basis on the website. www.sltda.lk/statistics

Airport Exit Survey 2015/2016



Airport Survey of Departing foreign tourist from Sri Lanka was conducted by the Research and International Relation in Sri Lanka Tourism Development Authority. Therefore, It would be important to conduct surveys of tourism in Sri Lanka in order to promote and popularize Sri Lanka Tourism in the World. The Survey findings are important for both private and public sectors, to take the decisions in the areas of planning, promotions, marketing and for enhancing of potential markets affecting the Tourism Sectors.

Airport Survey Report 2015 was printed and distributed .Under Airport exit Survey, 2016 it is expected to interview approx. stratified sample of a 6,000 departing tourists and a sample of 2,000 transit passengers by a team of interviewers, who are competent in English, Japanese, French, Korean, Chinese, Russian, Hindi and German languages through a structured questionnaire. The Survey is conducted from February to December 2016 at the Bandaranaike International Airport, Katunayake.

International Relations

PATA Annual Summit 2015 from 23rd to 26th April 2015 in Leshan, Sichuan, China

PATA Annual Summit 2015 held at the Hong Zhu Hotel in Leshan, Sichuan, China from 23rd to 26th April 2015. The event was organized by the Pacific Asia Travel Association (PATA), co-hosted by the Leshan Municipal Peoples Government and supported by the Sichuan Provincial Tourism Administration and Foreign Affairs Office Sichuan Provincial People's Government.

Mr. P.M. Withana, Chairman, Sri Lanka Tourism Development Authority attended the above summit and the following meetings:

- i. Conference on New Dimension of Heritage and Cultural Tourism
- ii. PATA Government Committee Meeting
- iii. PATA Board Meeting

iv. PATA Annual General Meeting (AGM)

Arabian Hotel Investment Conference (AHIC) from 5th to 7th May 2015, Madinat Jumerirah, Dubai

Arabian Hotel Investment Conference (AHIC) was held from 5th to 7th May 2015 in Dubai. AHIC 2015 was on course to remain the Middle East's annual meeting place for the region's most senior hotel investors, developers, operators and advisors.

These mini events around the Middle East was helped shape our agenda this year, bringing new themes and hot topics to light, as well as highlighting challenges facing the industry in regional markets. Agenda highlights this year include:

- An interview with His Excellency Hesham Abdulla Al Qassim, CEO of WASL Asset Management
- An in-depth conversation with Ivanka Trump, Executive Vice President of Development and Acquisitions for the Trump Organization
- A Hard Talk Session with Arne M. Sorenson, President and CEO of Marriott International

Hon. Navin Dissanayake, Minister of Tourism & Sports and Mr. P.M. Withana, Chairman, Sri Lanka Tourism Development Authority attended the above Conference.

27TH JOINT MEETING OF THE TWO COMMISSIONS IN ASIA-PACIFIC & UNWTO REGIONAL MINISTERIAL CONFERENCE ON POSITIONING TOURISM IN A WIDER SOCIO-ECONOMIC CONTEXT. BANDOS ISLAND RESORT & SPA, REPUBLIC OF MALDIVES, 3RD - 5TH JUNE 2015

The 27th Joint Meeting of the United Nations World Tourism Organization (UNWTO) Commission for East Asia and the Pacific (CAP) and the UNWTO Commission for South Asia (CSA) & UNWTO Regional Ministerial Conference on Positioning Tourism in a Wider Socio-Economic Context was hosted in Maldives from 3rd - 4th June 2015, at Bandos Island Resort & Spa, Maldives. Countries from East Asia and South Asia were represented in the commission meeting, with affiliated members and numerous international organizations.

The Sri Lankan Delegation is as follows:

1. Hon. Wasantha Senanayake, Hon. Deputy Minister of Tourism & Sports
2. Mrs. Shirani Weerakoon, Additional Secretary, Ministry of Tourism & Sports
3. Mr. P.M. Withana, Chairman, Sri Lanka Tourism Development Authority
4. Mr. M.B. Kiriella, Director General, Sri Lanka Tourism Development Authority



5TH MEETING OF THE SAARC WORKING GROUP ON TOURISM, FROM 24TH TO 26TH NOVEMBER 2015 IN NEW DELHI, INDIA

The fifth meeting of the SAARC Working Group on Tourism was successfully organized by SAARC in conjunction with the Government of India, Ministry of Tourism from 25th-26th of November 2015 at New Delhi, after a long gap of previous meeting organized by Nepal in 2006. The Sri Lanka delegation is as follows:

1. Mrs. Shirani Weerakoon, Additional Secretary, Ministry of Tourism & Christian Religious Affairs
2. Mr. M.B. Kiriella, Director General, Sri Lanka Tourism Development Authority
3. Mr. Devindre Senaratne, President, Sri Lanka Inbound Tour Operators of Sri Lanka (SLAITO)
4. Mr. Kumudu Eramudugalla, Representative from Travel Agent Association of Sri Lanka (TAASL)



CULTURAL TOURISM FORUM IN SEOUL, SOUTH KOREA, 9TH TO 10TH NOVEMBER 2015

The Ministry of Culture, Sports and Tourism of Korea and the Korea Tourism Organization has jointly organized the “2015 Cultural Tourism Forum and Training Program for Tourism Leaders of Korea’s Fellow Countries”. The Forum was held from 9th to 10th November 2015 followed by a Training Programme.

The programme mainly consists of the “Cultural Tourism Forum”. The forum was opened for all participants whilst the training program was targeted for working-level officials and industry personnel. The following members comprised the Sri Lanka delegation.

- i. Mr. M.B. Kiriella, Director General, Sri Lanka Tourism Development Authority – Head of the Delegation
- ii. Ms. B.N. Mahavithanage, Assistant Director, Sri Lanka Tourism Development Authority
- iii. Mr. H.M.P. Pushpakumara, Assistant Director, Sri Lanka Tourism Development Authority
- iv. Mr. Kosala Gamage, Senior Executive, Alpha Travels & Holidays (Pvt) Ltd.
- v. Mr. Iyantha Abeysinghe, Food & Beverage Manager, The Kingsbury Hotel

The purpose of this forum was to provide support in tourism development and strengthen tourism-specialized competencies by sharing the development experiences of Korea’s tourism industry.



7th UNWTO International Meeting on Silk Road Tourism and 1st Tourism Ministerial Meeting on the Silk Road Economic Belt in Xian, China from 18th to 20th June 2015

7th UNWTO International Meeting on Silk Road Tourism and 1st Tourism Ministerial Meeting on the Silk Road Economic Belt were held in Xian, China from 18th to 20th June 2015. The Sri Lankan Delegation is as follows:

1. Mr. P.M. Withana, Chairman, Sri Lanka Tourism Development Authority – Head of the Delegations
2. Mrs. Uma Niranjana, Director/Planning, Ministry of Tourism & Sports

Bringing together senior officials and experts in the fields of tourism, heritage management, marketing and development, this meeting was jointly organized by UNWTO, China National Tourism Administration (CNTA) and the People’s Government of Shaanxi Province.

An integral part of the event programme was the 1st Tourism Ministerial Meeting of Countries along the Silk Road Economic Belt. This milestone event was bringing together Ministers from Europe, Asia and the Middle East to discuss key issues facing tourism development along the Silk Road Economic Belt.

World Tourism Day 2015 – 27th September 2015

1 BILLION TOURISTS, 1 BILLION OPPORTUNITIES
27 SEPTEMBER IS WORLD TOURISM DAY

SEMINAR ON "1 BILLION TOURISTS, 1 BILLION OPPORTUNITIES"
26th September 2015
From 8:30 am - 12:00 noon
Auditorium - SLITHM
(Prior registration required)
Contact 0112 387805

PHOTOGRAPHY & ARTIFACT REPLICA EXHIBITION OF CULTURAL HERITAGE
26th - 28th September 2015
From 8:30 am onwards
Ground floor,
Samudra Hotel
(SLITHM)
Entrance Free!

LAUNCHING OF TOURIST BUS SERVICE
SRI LANKA TOURISM Pinnawala EXPRESS
EBERT SILVA HOLIDAYS
26th September 2015, at 8:00 am
Right here!

sri lanka
WONDER OF ASIA

The Ministry of Tourism Development and Christian Religious Affairs together with affiliated institutions including Sri Lanka Tourism Development Authority have made all arrangements to celebrate the World Tourism Day which falls on the 27th of September. As new era of tourism has heralded in the country with a new administration, it is highly time opportune to celebrate the World Tourism Day in Sri Lanka under the theme of “One Billion Tourists, One million Opportunities”.

The inaugural ceremony of the World Tourism Day was held under the patronage of Minister of Tourism Development and Christian Religious Affairs Hon. John Amaratunga and Deputy Minister Hon. Arundika Fernando in Colombo at 08.00 a.m. of 26th of Saturday.



Meanwhile, a seminar organized by the SLTDA was held under the theme of “One Billion Tourists, One Billion Opportunities” at the Institute of Tourism and Hotel Management at 08.30 a.m. of the 26th of September. The keynote address of the seminar were delivered by Executive Director of the Institute of Policy Studies Dr. Saman Kelegama and panelists were Chairman of the SLTDA Mr. P.M. Withana, Chairman of Citrus Leisure PLC Prema Cooray and Chairman of Jetwing Hotels Mr. Hiran Cooray.

Photographic exhibition on “Cultural Heritage Tourism” was held in parallel to the World Tourism Day from 26th to 28th September at the Ground Floor of the Sri Lanka Institute of Tourism & Hotel Management (SLITHM).

Provincial activities organized to celebrate the World Tourism Day 2015 with the collaboration of Sri Lanka Tourism Development Authority.

PINNAWALA EXPRESS LAUNCHED

Sri Lanka Tourism Development Authority together with Ebert Silva Holidays was launched a tourist bus service from Colombo to the Pinnawala Elephant Orphanage. This service was launched by Hon. John Amaratunga, Minister of Tourism Development and Christian Religious Affairs on the 26th of September at the SLTDA premises marking the World Tourism Day which falls on the 27th of September

The Pinnawala Express, a trail blazer, is the first such service to fill the significant need for luxury shuttle services from Colombo to selected attractions and destinations of the island. The Pinnawala Orphanage is a popular tourist destination among both local and foreign tourists being home to 88 Asian elephants of different ages who have been found either lost or wounded in the wilderness and where shelter and care are provided.



7.2 Tourism Planning and Development

(1) Kalpitiya Integrated Tourism Resort Kalpitiya

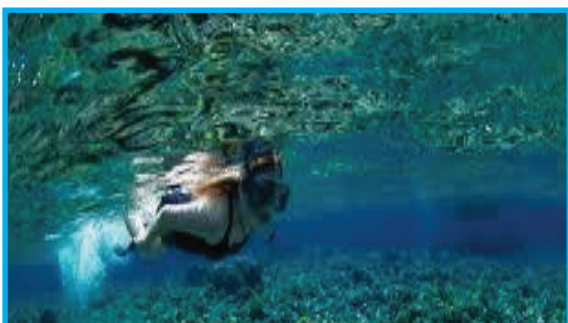
Dutch Bay Resort at Kalpitiya, will be an integrated development encompassing tourism, agriculture and fisheries in a total land extent of 4133 acres. The resort will consist of Dutch Bay, Portugal Bay and the most attractive islands namely, Karaiitive, Ippantive, Periyarachhici, Eramative and Sinnerarachchial, Oddakareltive, Battalangunduwa, Palliyawatta, Vellai etc. The resort is closely located to Wilpattu Sanctuary, Mundala Lagoon, Puttalam Lagoon and Kalpitiya Lagoon and with close proximity to Bandaranaike International Airport, Katunayake. The major Tourist attractions are Beaches, Living coral Reefs, Whale and Dolphin Watching, Bird watching, Wildlife, Shipwrecks, etc.



Corals at Kalpitiya



Corals at Kalpitiya



Corals at Kalpitiya



Kite Surfing at Kalpitiya

Up to the end of December 2015 the following works and activities were completed –

Vellai Island (Sun Resort Lanka (Pvt) Ltd.)

- (a) Sun Resort received approval from Coast Conservation Department to construct 04 water bungalows in Vellai Island and monitor for one year in 2013. Subsequently, District Secretary/ Puttlam has given his consent to use the water bed.

Ippantive Island (Qube Lanka Leisure (Pvt) Ltd.)

- (a) In Ippantive island divesting of 10 acres for fishing community in progress. Investor agreed to give all materials to the community village.
- (b) Tri –party (SLTDA/Qube Lanka Leisure (Pvt) Ltd/Government Agent) agreement discussed and finalized.
- (c) Proposed development plan for fishing village given by the investor in September, 2015.
- (d) The designs given to the Rev. Farther Michael on 14th October, 2015 to discuss with community and get their consent.
- (e) SLTDA requested to Government Agent to identify young people to train hotel school to work in future if they are like (live in the island) – no any response.
- (f) Cabinet Sub Committee at its meeting held on 18.05.2015 decided to lease for 50 years with effect from 2015. At a meeting on 29th October, 2015 Investor requested for 99 years and informed to comply with the Government Policy.

Uchchamuni Island

- (a) Proposal received during the end 2014 from a Switzerland investor for Uchchamuni Island and already forwarded to Economic Sub Committee for a decision.

General

- (a) Many investors visited the area to get lands. All investors' concern on infrastructure before takes a decision on their projects.

(1) Kuchchaveli

Kuchchaveli Tourism Development Resort Project is a high end Resort Project which located in between the Irakkandi bridge and the Salapayaru bridge in the North East Region. Total extent of this resort is 206.45 hectares (510 acres) and divided into nine (09) blocks according to its locations. The area declared as a Tourism Zone by the Gazette Notification No. 1671/29 dated 17th September 2010.

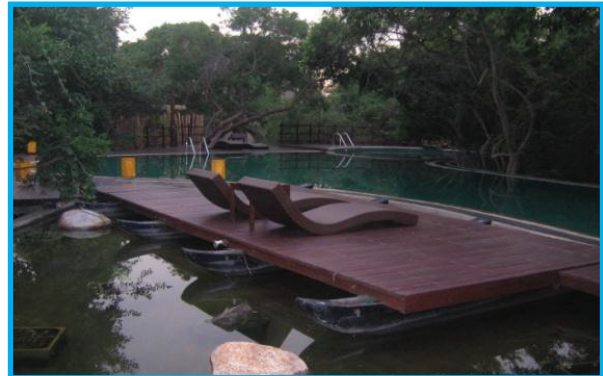
The Resort is located about 18 k.m. away from Trincomalee and close to the major tourist attractions like Girihanduseya archaeology site, Pulmudai mineral mine, Koneswaran Hindu Kovil, Kinniya hot springs, the longest man made bridge, natural harbour, marble beach, etc. the main attractions are living coral reefs, whale and dolphin watching in addition to the above. The main airport is Bandaranaike International Airport in Katunayake and can reach within 45 minutes by domestic aircraft.



Kuchchaweli Land

Up to the end of December 2015 the following works and activities were completed -

- (a) Two investors have reserved thirty acres (30 A) of land namely;
 - (1) Jungle Beach Resort (Pvt) Ltd., - 10 acres
 - (2) Mfar Hotel and Resorts Ltd., - 10 acres
- The Jungle Beach Resort (Pvt) Ltd., had construct 40 roomed hotel and commenced its operation in 22nd June 2012.



Jungle Beach Resort

- The Mfar Hotel and Resorts Ltd., had paid the upfront payment but the construction not started yet.
- (b) Cabinet of Ministers approval has been granted to consider the reinvestment opportunities of existing investors.
- (c) Board granted approval to lease 11.5 acres to MJF Holdings (Pvt.) Ltd.
- (d) Handed over additional 05 acres of adjoining land to the Jungle Beach Resort (Pvt) Ltd. according to the Cabinet decision on timely completion of the project.
- (e) On request of Prime Minister Office all land information forwarded. There is an idea to start a project by Youth Council in the same area. Chairman devised to see the progress on this before move forward.



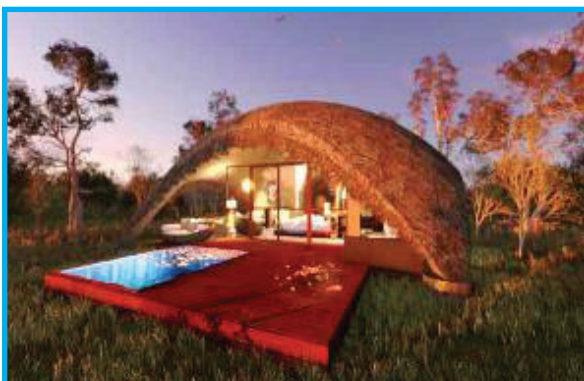
Jungle Beach Resort

(2) Yala Wildlife Resort Development

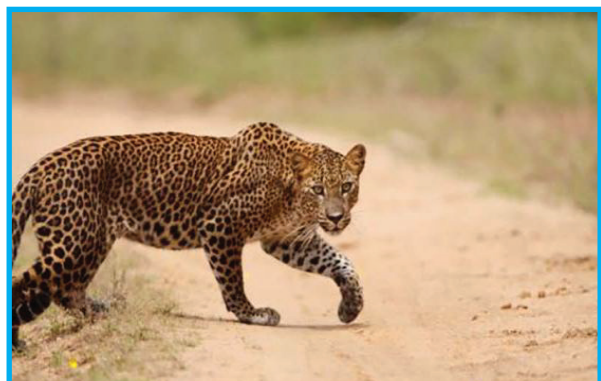
Palatupana is a branch of Yala National Park surrounded by several sanctuaries of Kumana, Bundala, Wirawila and Lunugamwehera which has been fabricated as an ardent piece of land for wild life aficionados. Yala is the most visited and the second largest park in Sri Lanka which has been designated as a wildlife sanctuary in 1900. Bordering to Indian Ocean from the side; it is situated in the southeast corner of the country, approximately 300KM (190Miles) from Colombo.

It lies at the edge of Southern Province and at the start of the Eastern Province covering 979 Square Kilometers (378 sqm), and the Palatupana region including 1107 acres which is proposed by wildlife resort. The area had been a center of past civilization with important pilgrim sites, Kataragama and Situlpahauwa. Up to the end of December 2015 the following works and activities were completed –

- 07 investors have been selected to allocate 07 acres block of land for each.
- Completed constructions of 01st phase of common access road to the resort.
- ICC started commercial operations.
- Given Electricity Supply to the resort.
- Implementation plan obtained from all the investors.
- Waiting approval from Once Stop Unit for the balance projects to start.



Uga Wild Resort, Yala

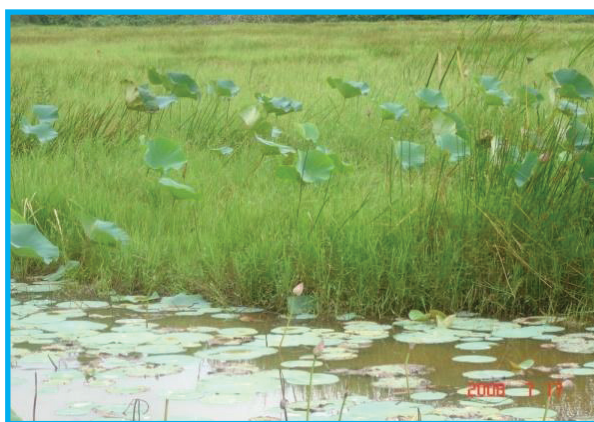


Leopard in Yala

(3) Dedduwa Lake Resort

Dedduwa is located to the East of Bentota, comprises with water bodies; Marshy lands and abandoned paddy lands. The total identified land area is 1700 acres which is proposed to develop as a Lake Resort focusing more on water based recreational activities. Up to the end of December 2015 the following works and activities were completed –

- Started paying compensation in 2012.
- Paid approximately Rs. 40 million as compensation
- Awaiting Board approval to allocate money to proceed with land acquisition for implementation of project.
- One Indian investor and Brandix Company visited the area for investment project but still land compensation payment is pending.



Surrounding view of Dedduwa Lake Resort

(4) Arugambay Tourism Development

Arugam Bay (Arugambay) is situated in the district of Ampara close to Pottuvil in South East of the Island, on one of the most beautiful and unspoiled tropical coasts in the world. Inland is a band of jungle 70 k.m. wide. Wild elephants roam the coastal plain and the small but delightful Lahugala National Park about 10 miles inland. An astonishing range of birdlife migrates to the wetlands and the huge Yala National Park which starts about 20 miles to the South.

Approximately, 314 km from Colombo, Arugambay is known as one of the best three surfing spots in the world. This typical fishing village to the South of the small town of Pottuvil can be reached via from Colombo. It is a popular surfing and tourist destination. Less than 01 acre land which is suitable for surfing also should be cleared.

Up to the end of December 2015 the following works and activities were completed –

- (i) Identified some lands and should be released from the Forest Department.
- (ii) Survey has been done and identified existing establishment and situation of the Arugambay tourism zone.
- (iii) Identified state lands which are suitable for tourism of the Panama area by visiting with land officer of Divisional Secretariat Office, Panama.



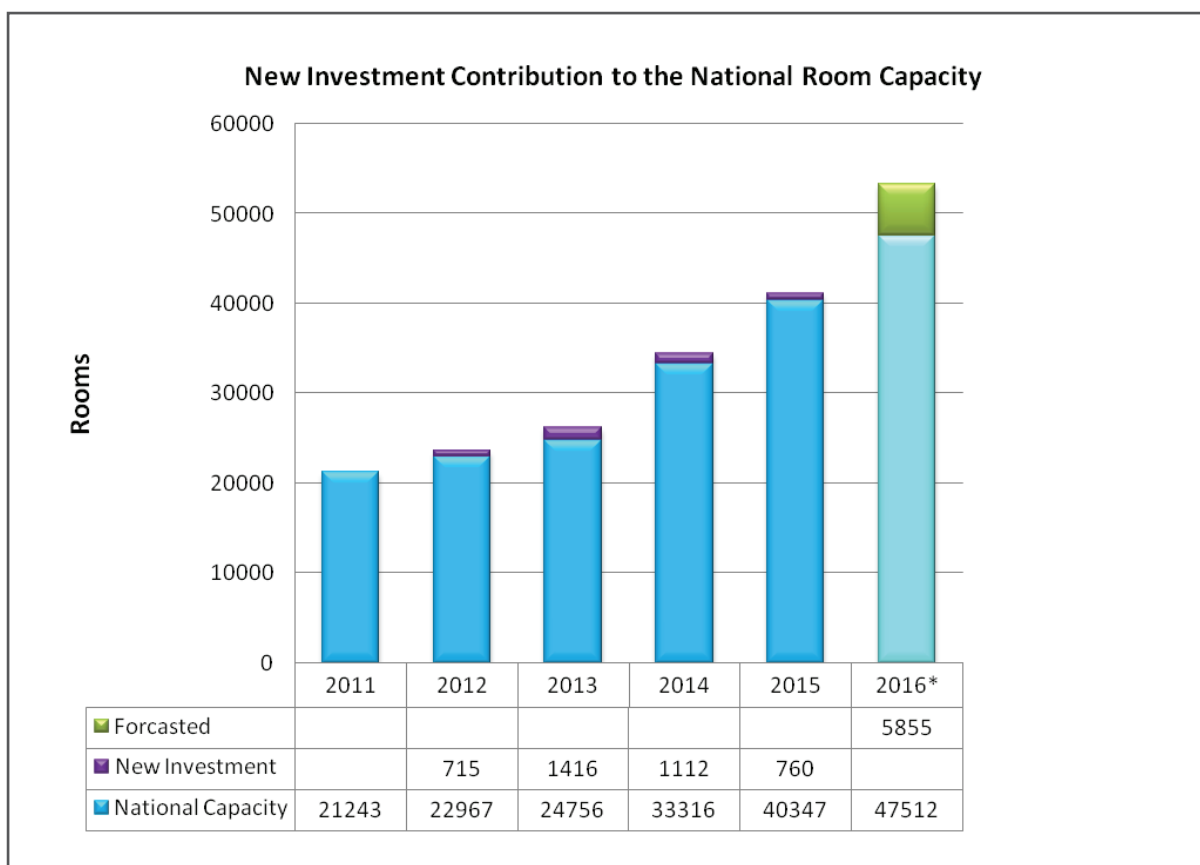
Surfing at Arugambay

7.3 One Stop Unit

Investment in Tourism

One Stop Unit (OSU) of Sri Lanka Tourism Development Authority facilitates to establish the new investment projects while simplifying and expediting the approval process for construction in conjunction with other government agencies.

According to the Tourism Development Strategy 2011 – 2016, it is estimated that 2.5 million tourist arrivals by 2016 will require around 45,000 hotel rooms catering to the tourism economy. OSU has granted a positive contribution to achieve the target while adding new rooms to the national room capacity through new investment projects. OSU contribution to increase the national room capacity was significantly high in last couple of years. According to the facts of under construction investment hotel projects that are registered under OSU, 760 new hotel rooms have been added in 2015 and around 5855 rooms are planning to add in 2016. The contribution of OSU to the national room capacity can be illustrated as follows.



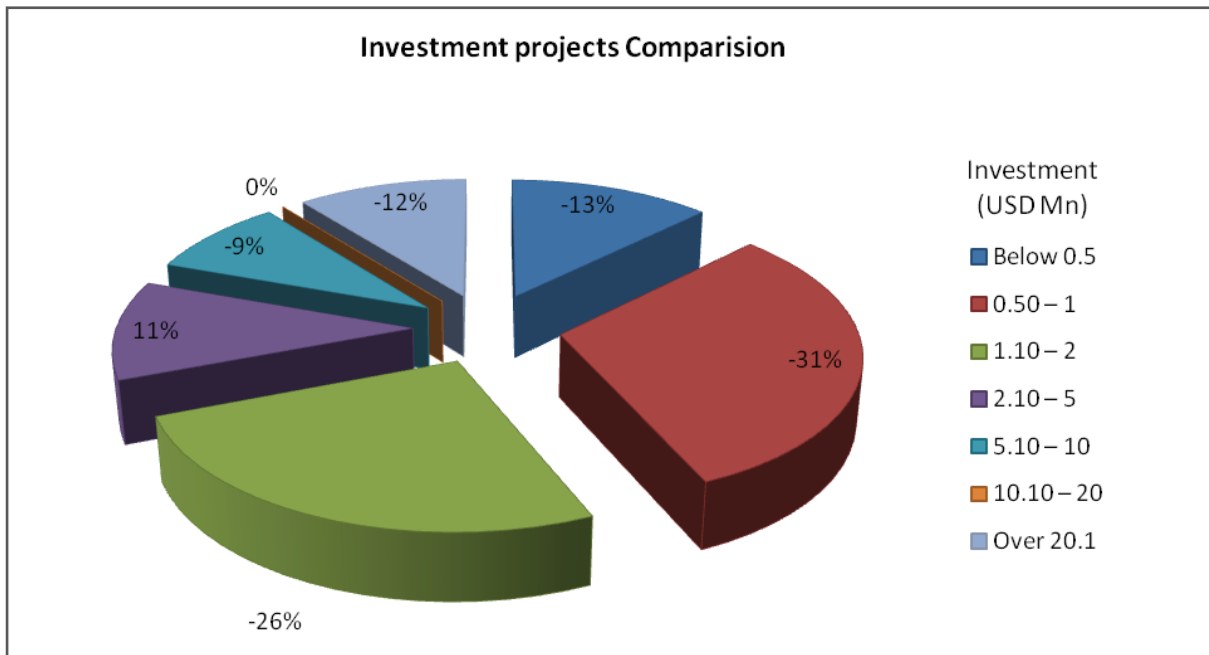
* The room count of the years 2016 are forecasted according to the actual room count of under construction hotel projects. It will be added more investment projects and room capacity during the upcoming years.

Progress of OSU handled Investment projects can be exemplified as follows.

Total No. of projects received as at 31st December 2015	- 468
Total No. of projects processed as at 31st December 2015	- 59
Total No. of final approval granted projects as at 31st December 2015	- 36

Projects classified according to the scale of investment are given in the table below.

Investment Range US \$ million	Total Projects Up to 2015	Number of Proj- ects in 2014	Number of Proj- ects in 2015	Change %
0.50 - 1	61	12	8	-6.56
1.10 - 2	73	15	11	-5.48
2.10 - 5	125	16	19	2.40
5.10 - 10	53	5	4	-1.89
10.10 - 20	38	4	4	0.00
Over 20.1	44	8	7	-2.27
Total	468	68	59	-16.5

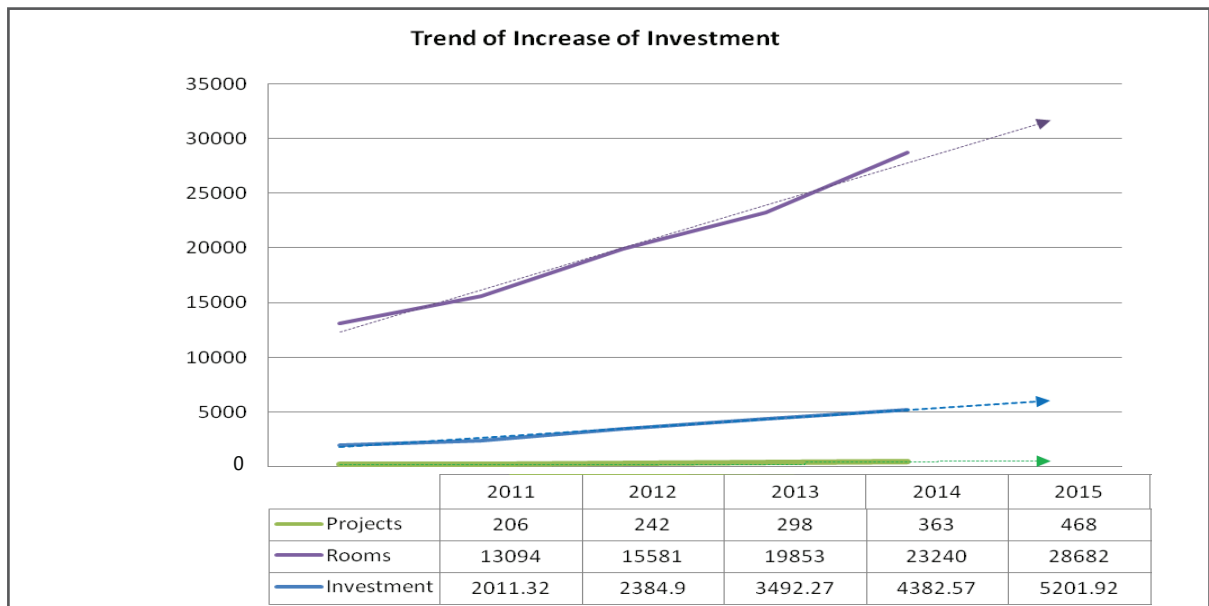


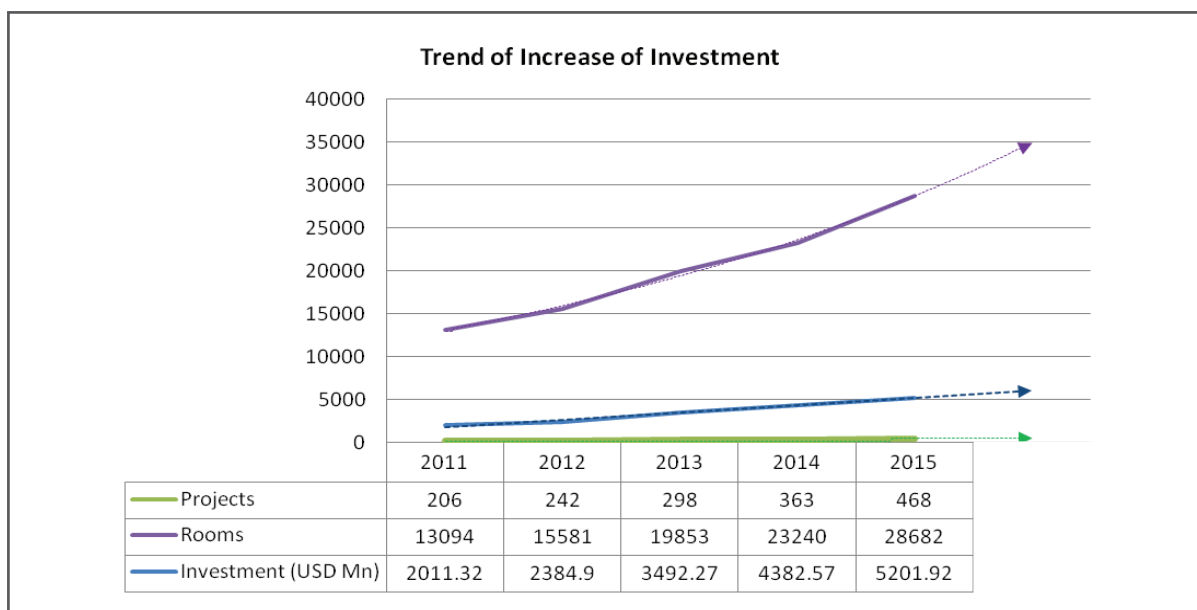
In 2015, OSU has handled 59 new investment projects. 7 high end investments which are more than US\$ 20 million have been received in the year 2015 out of the total 44 projects.

These 7 projects are distributed in the districts of Colombo, Nuwara Eliya, Galle and Matara. It is expected from these projects to facilitate a room count of 1632 to the national room count. It is proposed to invest US \$ 246.87 million on constructions.

Investment projects - 2011 to 2015

There is a significant increase in the investment projects received to OSU in 2014 and 2015. According to the existing trend of increase of receiving investment projects, it is expected to reach 550 investment projects which are facilitating for room count of nearly 31,000 by 2016. It is emphasised that the expected projects by end of 2015 was 450. However it is recorded 468 projects by end of December as well as the expected room capacity 28,000 was surfaced in the year 2015, it is recorded as 28,682.





Final Approval Granted Projects – 2011 to 2015

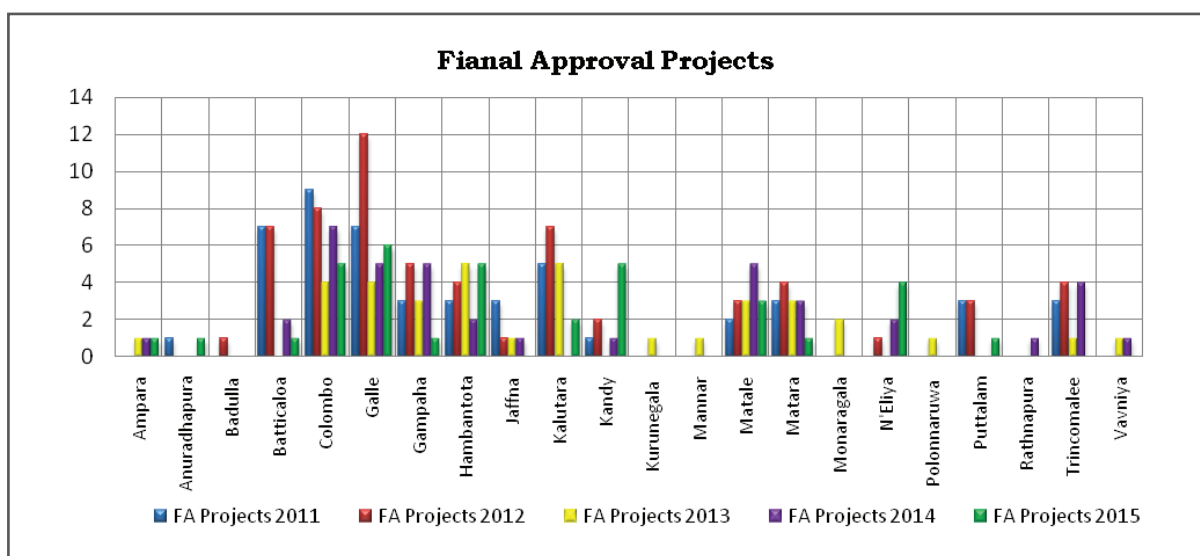
Out of total 224 final approvals granted projects, 40 were granted in the year 2014 and 36 were granted in 2015. It is showcased a 17.5% decline of final approval granted project compared to the 2014 year.

The geographical distribution of progress of final approval granted investment projects is as follows.

Final Approval Granted Investment Projects by One Stop Unit Geographical Distribution

DISTRICT	Final Approval Granted 2011			Final Approval Granted 2012			Final Approval Granted 2013			Final Approval Granted 2014			Final Approval Granted 2015		
	Total Projects	Rooms	Investment (USD) Mn	Total Projects	Rooms	Investment (USD) Mn	Total Projects	Rooms	Investment (USD) Mn	Total Projects	Rooms	Investment (USD) Mn	Total Projects	Rooms	Investment (USD) Mn
Ampara															
Anuradhapura	1	28	0.43										1	50	1.54
Badulla				1	12	0.69									
Batticaloa	7	285	16.46	7	132	13.78				2	50	8.78	1	60	3.45
Colombo	9	1067	118.59	8	874	108.31	4	329	24.14	7	1025	235.58	5	871	426.45
Galle	7	198	22.88	12	722	86.2	4	80	10.86	5	564	88.18	6	144	11.646
Gampaha	3	293	30.81	5	290	38.08	3	48	10.23	5	495	54.01	1	30	0.89
Hambantota	3	164	13.06	4	168	11.19	5	845	171.76	2	24	3.24	5	128	24.7
Jaffna	3	92	6.4	1	18	0.58	1	66	6.36	1	56	4.05			
Kalutara	5	335	33.49	7	322	16.44	5	712	110.89				2	186	11.01
Kandy	1	18	0.63	2	154	21				1	14	0.9	5	172	28.442
Kurunegala							1	16	0.37						
Mannar							1	52	1.22						
Matale	2	29	0.87	3	118	16.55	3	193	17.2	5	131	11.26	3	120	6.492
Matara	3	54	21.9	4	169	21.7	3	75	13.63	3	54	4.36	1	64	4.37

Monaragala							2	42	1.37							
N'Eliya				1	42	3.7					2	78	3.76	4	417	53.36
Polonnaruwa							1	33	0.63							
Puttalam	3	104	8.4	3	221	12.9							1	20	0.74	
Rathnapura											1	40	2.8			
Trincomalee	3	116	20.76	4	122	10.25	1	10	0.6	4	106	5.528				
Vavniya							1	15	1.16	1	34	0.38				
TOTAL	50	2783	294.68	62	3364	361.37	36	2547	372.22	40	2681	423.408	36	2272	573.7	



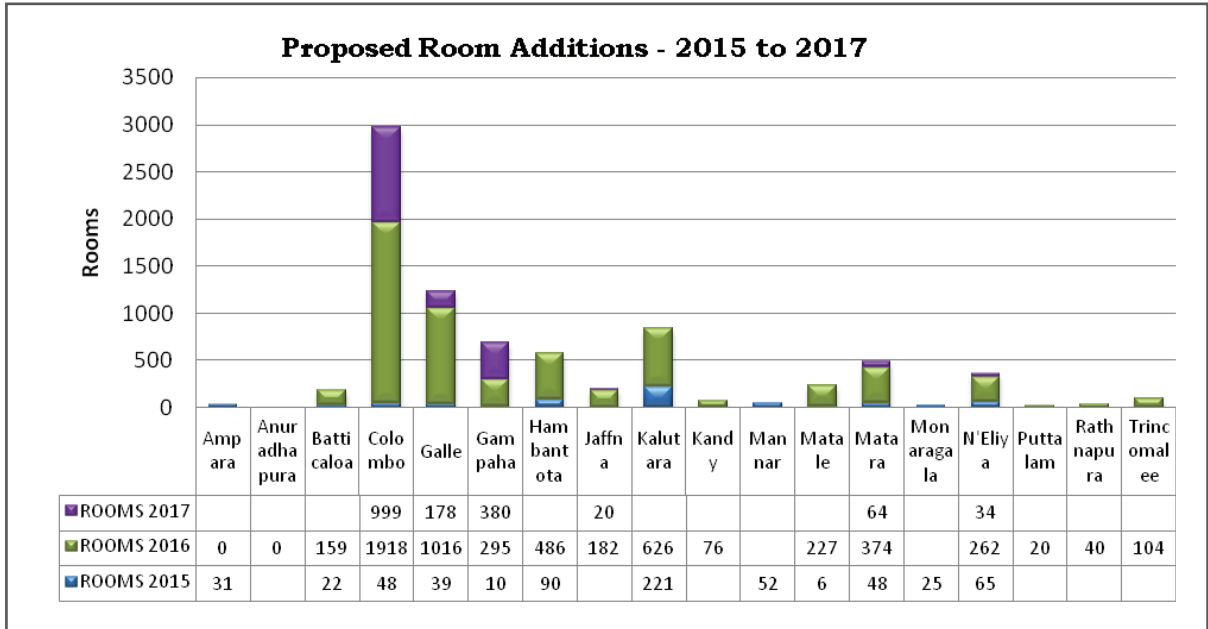
Projects by Under Construction - 2015

The district-wise distribution of Hotels which are under construction as at 31st December 2015 is as follows. This is not included the already commence operation projects up to 31st December 2015.

Projects by under construction – 2015

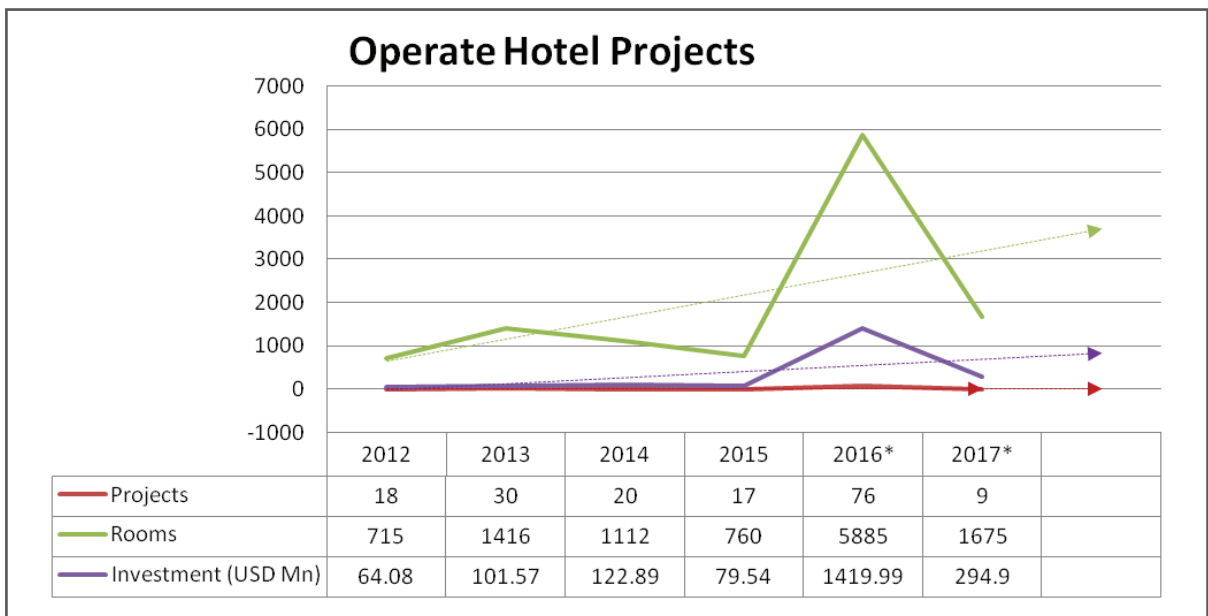
District	Under Construction projects in 2015			Proposed to commence operations as of 2015 under construction projects								
	No. of projects	No. of rooms	Investment USD	2015			2016			2017		
				No. of projects	No. of rooms	Investment	No. of projects	No. of rooms	Investment USD	No. of projects	No. of rooms	Investment USD
Ampara	3	51	2.99	1	31	1.8	2	20	1.19			
Anuradhapura	1	50	1.54				1	50	1.54			
Batticaloa	7	181	17.13	2	22	0.53	5	159	16.6			
Colombo	18	3063	800.81	2	48	3.06	11	1918	551.42	4	999	230.83
Galle	16	1135	129.559	2	39	2.51	14	1016	134.449	1	178	8.1
Gampaha	7	685	74.29	1	10	0.55	5	295	23.74	1	380	50
Hambantota	6	576	458.37	2	90	6.26	4	486	452.11			
Jaffna	5	202	14.39				4	182	13.99	1	20	0.4
Kalutara	9	847	119.28	4	221	10.93	5	626	108.35			
Kandy	3	76	5.512				3	76	5.512			
Mannar	1	52	1.22	1	52	1.22						
Matale	6	233	29.666	1	6	0.96	5	227	28.706			
Matara	9	486	46.05	2	48	7.7	6	374	33.98	1	64	4.37

Monaragala	1	25	0.98	1	25	0.98						
N'Eliya	6	361	35.82	1	65	3.34	4	262	31.28	1	34	1.2
Puttalam	1	20	0.74				1	20	0.74			
Rathnapura	1	40	2.8				1	40	2.8			
Trincomalee	5	104	13.59				5	104	13.59			
Total	105	8187	1754.737	20	657	39.84	76	5855	1419.997	9	1675	294.9



Commencement of Operations of Hotel Projects

The progress of hotel projects that have commenced operations, which were handled by OSU, can be described as follows. 760 rooms have been added to the tourism economy as operating rooms within the year 2015. By the year 2016, there will be another 5885 rooms on hand to operate highlighting a significant increment compared to this year. According to the existing facts and the existing trend of projects, more than 7500 room capacity can be expected by the next two years



Forecasted rooms addition

Project: National Holiday Resort Passikudah

1. On Going Tourism Infrastructure Projects

- i. Supplying of good quality water to National Holiday Resort (NHR) Passikudah from National Water Supply and Drainage Board (NWSDB)



Contractor	National Water Supply and Drainage Board
Project Cost	Rs. 50 Mn
Location	Supply and laying of pipe around 14 km (225mm Dia.Upvc, type 1000) from Chenkalady tower
Date Of commencement	1st June 2015
Remarks	Laying of pipe line - 95% Completed

7.4 Domestic Tourism and Resorts Management

Occupancy Comparison for Year 2014 and 2015

Months	Bandarawela		Kataragama		Nuwara Eliya		Anuradhapura	
	2014	2015	2014	2015	2014	2015	2014	2015
Jan	611	501	1313	1257	735	420	702	0
Feb	473	676	1267	1467	678	678	919	97
March	614	473	788	1023	512	631	668	0
April	1042	1054	1656	1699	748	835	790	0
May	616	716	1003	1206	737	892	749	19
June	811	584	1065	1002	676	892	675	355
July	568	931	1325	1499	678	644	919	315
Aug	1099	1048	2382	2066	1238	1055	668	633
Sept	1047	714	1656	1465	748	901	374	0
Oct	616	962	1086	1163	671	763	749	405
Nov	239	682	1088	807	547	647	1009	224
Dec	842	1064	1936	2143	626	1107	517	658
Total	8578	9405	16565	16797	8594	9465	8739	2706
Occupancy	18%	37%	40%	40%	33%	37%	35%	22%

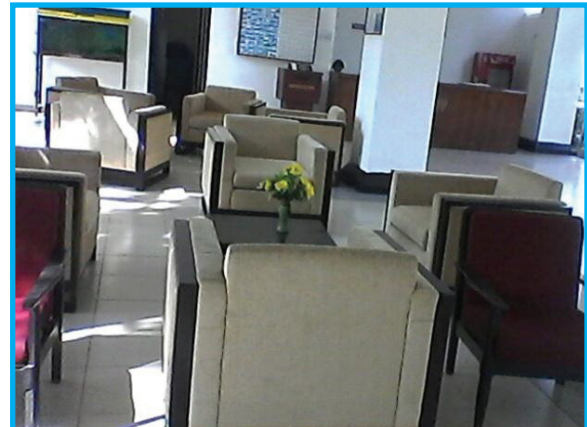
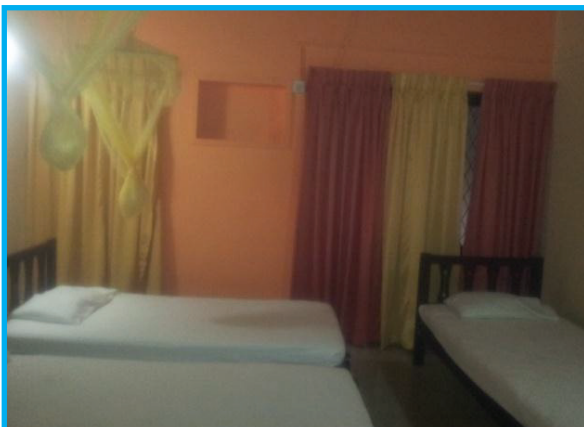
Refurbishment Work Completed in National Holiday Resorts



National Holiday Resort - Bandarawela



National Holiday Resort - Nuwara Eliya



National Holiday Resort - Anuradapura

7.5 Domestic Tourism and Community Relations

List of Programs

1. Commencing a shuttle bus services within eight venerated places in Anuradhapura
2. Training programme for Wild Life Caretakers & Security Officers
3. Inspection on unauthorized Tourist Guides & Tourist Drivers
4. Business Forums at Aluthgama, Kaluthara & Bentota
5. Inspection for preparing a report on Sewerage Treatment Plant-Bentota
6. Organizing Committee meeting of World Tourism Day 2015
7. World Tourism Day 2015
 - Provincial event –Northern Province
 - Provincial event – Central Province
 - Provincial event –Southern Province
 - Provincial event –Wayamba Province
 - Provincial event –Sabaragamuwa Province
8. Galapatha Perahera

Special Events

Project	Date	Objective	Activity	Out put
Commencing shuttle service within 8 venerated places in A'pura	1st August 2015	Enhance the facilities for the Domestic Tourists	The daily city tours have been arrange at 7.30 am, 11.30 am & 3.00 pm.	Enhance the Facilities for the tourist Local and foreign
Training programme for Wild Life Caretakers & Security Officers	3rd August 2015	Formalizing the stakeholders and facilitators	Lecture on Tourism industry - Past, today and Future - Lecture on Tourism Trends	Empowering the facilitators to provide responsible service
Inspection on unauthorized Tourist Guides & Tourist Drivers	At Lunugamwehera	To identify the unauthorized facilitators in tourism field and to formalized them.	Inspections	Formalizing the shareholders and facilitators Empowering the facilitators to provide responsible service
Business Forums at Aluthgama	4th, 9th, 16th August 2015	Formalizing the stakeholders	Discussions on tourism	<ul style="list-style-type: none"> • Enhance the quality of the Tourism Stakeholder • Empowering the facilitators to provide responsible service • Identifying the issues of the tourism stakeholders and give fast solutions for them
Study the Sewerage plant for a report at Bentota	9 August 2015	To get an idea about the plant	Field visit	Preparing a report to upgrade the facilities

Organizing committee meeting for World Tourism day	27th August 2015 at the Board Room	Aware the public about the theme of WTD.	Awareness Programmes Art Competitions Book launch Clean & Green Campaigns	To Celebrate World Tourism Day 2015 with the theme of Millions of Tourists Millions of Opportunities,
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7.6 Standards and Quality Assurance

Registration and Licensed Tourist Establishments

The registration and licensing of tourist establishments is an important function of Standards & Quality Assurance Division. For this purpose, regular inspections are carried out. Sri Lanka Tourism Development Authority also makes recommendations to Department of Excise for the issuance of liquor licenses for Hotels, Guest Houses & Restaurants and makes recommendations to Department of Immigration & Emigration for Visa to Expatriate staff in tourism establishments.

The number of Tourist Establishments registered with SLTDA are as follows.

Category	From 01st January to 31st December 2015		As at 31st December 2015	
	No. of Establishments	No. of Rooms	No. of Establishments	No. of Rooms
Classified Hotel				
One Star			34	1,330
Two Star	-	-	33	1,725
Three Star	-	-	15	1,469
Four Star	-	-	18	2,084
Five Star	-	-	13	2,744
Unclassified Hotel	19	738	217	9,593
Boutique Hotels			24	432
Boutique Villa	2	17	34	221
Guest House				
A Grade	29	312	391	4,922
B Grade	11	121	357	3,189
C Grade	1	6	34	278
Home Stay Units				
Standard	18	37	101	158
Superior	23	63	103	297
Deluxe	1	5	44	142
Bungalow				
Standard	7	22	39	158
Superior	18	68	73	279

Deluxe	33	129	131	556
Heritage Bungalow				
Deluxe	2	10	4	19
Heritage Home				
Deluxe			1	7
Rented Apartment		-	-	
Standard	3	4	13	26
Superior	4	7	25	66
Deluxe	2	4	5	12
Rented Home				
Standard	2	9	5	13
Superior	-	-	2	9

Specified Tourist Services

Category	From 01st January to 31st December 2015	As at 31st December 2015
Restaurant		
A Grade	15	361
B Grade	12	78
Travel Agency	75	762
Spa & Wellness Center	7	28
Tourist Shops	3	66
Spice Garden	1	33
Water Sport Center	2	23
Total	115	1,351

Category	From 01st January to 31st December 2015	As at 31st December 2015
National Tourist Guide Lectures	81	1,171
Chauffeur tourist Guide Lecturers	107	1,044
Area Tourist Guide Lecturers	16	474
Site Tourist Guide Lectures	-	89
Total	204	2,778

Programmes of the Year

1. Formulation of New Criteria/ Guide lines

Consultative meetings were held with tourist service providers to obtain firsthand information to prepare new criteria/ guidelines for 23 new tourist services such as Whale/ Dolphin watching, caravan, Eco lodges, camping sites, apartment hotels, elephant safari ect.

2. Celebrating of Tourism Fest 2015

'Tourism Fest' with spirit of Christmas was held in 19th to 23rd December 2015 as the Independence Arcade, Colombo



The main objective of this event was to create a festive glamour show casing a distinctive Sri Lankan flavor by creating opportunities for both tourist and Local community to feel and enjoy Christmas and new year season.



The highlights of the event were Exhibition of Sri Lanka Cultural Heritage, Handicrafts, Gem & Jewellery, Wildlife and Zoological/ Botanical Gardens.



Leading hotels and restaurants joined Street Food Festival offered varieties of international cuisines for affordable pricing.



Traditional Cultural Shows and line music was entertained the visitors to the venue

3. Introduce a certificate scheme for 'tourist friendly eating places' to ensure hygiene standards of eating places for tourists. Pilot Project was launched in Unawatuna.

There are many Eating Places in the country that are of very poor quality and hygiene standards which do not comply with the registration guidelines for Restaurants since it requires a minimum of 40 covers and other standards. Similarly, we have records of Eating Places of very poor standards in Tourism zones which offer services to tourists. The tourists usually like to eat in a good and hygienic place during their day-visits. The research survey information also reveals that tourists have commented on poor quality of food & services.

A certification scheme is to be introduced and implemented with the support of Health Ministry, Ind-Expo Certification Ltd. (as per the MOU signed between SLTDA & Ind-expo) and respective local authorities. As the first step it will be introduced in three (3) tourism zones i.e. Unawatuna, Sigiriya & Anuradhapura and will be implemented in other areas in the country as well, depending on the success.

Objectives

- i. To upgrade the quality standards of Eating Places in tourism zones and preparing places for tourists to get meals and refreshments with required food hygiene standards and adequate facilities
- ii. By awarding Certification Logo to those few places which comply with basic guidelines of Food Hygiene and Facilities for tourists, to create a competition among similar Eating Places in the area and encouraging them to upgrade and to obtain the Certification

Guidelines were prepared and obtained Board approval for implementation.



Launching Ceremony of the Certification Scheme for Tourist-Friendly Eating Places in Unawatuna

Date : 19th October 2015
Time : 3.00 p.m. – 4.30 p.m.
Venue : BB Café , Matara Road, Habaraduwa

The Certification Scheme for Tourist-Friendly Eating Places was officially launched in Unawatuna under the patronage of Hon. John Amaratunga, Minister of Tourism Development & Christian Religious Affairs and participation of Hon. Arundika Fernando, Deputy Minister of Tourism Development & Christian Religious Affairs.

The program is to be continued in other tourism zones in the country in future.

4. Development of Tourism Theme Villages

Coordinate and facilitate with Provincial Councils and Ministry of Tourism Development to develop 7 'Home Stay Villages' in Kanneliya, Seelogama, Padavigampola, Heeloya, Panama, Lahugala and Yapahugama. Main objective is to create tourism theme villages with Home Stay accommodation unit for tourist to experience local culture, traditions, cuisines with benefits to the local community.

Tourism Theme Villages are being developed as a sustainable community tourism initiative in order to create a rural tourism product giving opportunity to the visiting tourists to obtain an authentic engaged experience of the rural Sri Lankan village lifestyle by staying in Home Stays within the village.

The following villages were initiated by the respective provincial tourism authorities as pilot projects and the respective developments are in the process. Sri Lanka Tourism Development Authority facilitates the above village projects and the regulations are being prepared to upgrade and maintain the required standards of the Home Stay accommodation facilities and the common facilities for the tourists while preserving the cultural values and authentic characteristics of the respective villages. The main objective of this initiative is to trickle down the tourism benefit the grass-root level tourism rural community of the country.

- | | | |
|-------------------|---|---|
| 01. Padavigampola | - | Sabaragamuwa Provincial Council |
| 02. Seelogama | - | Sabaragamuwa Provincial Council |
| 03. Kanneliya | - | Ruhunu Tourism Bureau – Southern Provincial Council |
| 04. Heeloya | - | Department of Trade, Commerce & Tourism - Central province |
| 05. Yapahugama | | Wayamba Development Authority – Northwestern Provincial Council |
| 06. Panama | - | Eastern Province – Funded by NGOs with the approval of respective Divisional Secretariats |
| 07. Lahugala | - | |

- Funding for the villages

SLTDA has already funded the respective villages via respective provincial tourism authorities under the directives of Ministry of Tourism Development & Christian Religious Affairs in order to develop the initial facilities in the villages.

- Awareness Raising for Villages

SLTDA has conducted initial awareness programmes in all the villages in order to create awareness among the villagers about the concept, required standards and service to the tourists.

- Guidelines for Tourism Theme Villages

In addition, SLTDA has drafted a guideline of required standards in order to upgrade, register and maintain standards of the potential tourism Home Stay villages.

- Formation of CBOs in villages

In addition, SLTDA has supported in drafting a constitution for Community Based Organization (CBO) through which the management of the tourism villages are intended to handle together with Department of Trade, Commerce & Tourism of Central Province.

Further, SLTDA has started visiting the Home Stays within some of the above villages and the process is on to continue with the same in all the identified villages. Through this process, it is planned to identify the developments needed in the houses which are identified as suitable to accommodate tourists and to make aware the householders with regard to the required standards.

Way Forward...

- Approvals for the Drafted Guidelines

The drafted guidelines for tourism villages are to be discussed further and to obtain relevant approvals and based on which SLTDA is expecting to upgrade and register the village once ready for promotions.

- Introducing a SME Loan Scheme via Banks

It is planned to discuss with Public & Private Banks to create a special loan scheme for village Home Stay owners to finance required upgrading in their houses.

- Training programmes on Customer Services

Training programs are to be organized by SLTDA with practical sessions on customer services to prepare villagers in these villages.

- A Marketing Plan

It is also intended to plan a proper marketing strategy for the tourism villages to initiate once the developments of facilities in the villages and training are completed.

■ Site visit to Heeloya Tourism Village



Date : 25th January 2015

Participation :

1. Mrs. Shirani Weerakoon, Additional Secretary to Ministry of Tourism Development & Christian Religious Affairs
2. Malraj Kiriella, Director General, Sri Lanka Tourism Development Authority
3. Dr. Aslam, Senior Lecturer for the University of Sabaragamuwa
4. Mr. Atampawala, Director, Department of Trade, Commerce & Tourism, Central Province
5. Ms. Bhagya Mahavithanage, Assistant Director, Standards & Quality Assurance, SLTDA

A site visit was organized by the Department of Trade, Commerce & Tourism of the Central Province to the Heeloya village which is being developed as a tourism village which is located at the entrance to the knuckles range of mountains. The officials met the villagers and the village leaders and discussed

about the progress of the developments and what need to be done in future. The community centre which is under construction was examined by the team.

■ Awareness Program for the Officials of the Trade, Commerce & Tourism of the Central Province & Local Authorities in the Province

Date : 27th March 2015
Time : 9.00 a.m. – 3.30 p.m.
Venue : Department of Trade, Commerce & Tourism – Gatambe, Kandy

As per the request made by Trade, Commerce & Tourism of the Central Province, Bhagya Mahavithanage, Assistant Director of Standards & Quality Assurance conducted a one-day awareness programs on the Home Stay program and development of the Home Stay Villages. The guidelines for the Home Stays were explained in details together with the registration process to the officials enabling them to guide those who request for information on registering Home Stays. In addition, required standards and important aspects to look at when developing a tourism village were also explained in detail compared with the similar village concepts in other competing tourism destinations of the region. This was commented as a very good initiative for successful implementation of the Home Stay concept provincially.

Awareness Programmes & Site Visits in 2015

• Awareness Program in Mirissa

Date : 24th July 2015
Time : 9.00 a.m. – 12.30. a.m.
Venue : Mirissa



Standards & Quality Assurance of SLTDA has conducted a one-day awareness program for the potential Home Stay operators in the Mirissa Tourism hub and made them aware about how to prepare a house for a tourist accommodation and about the basic things to know on Tourism service. The potentiality of developing a village in the area is also shown at this program. The programme was organized by the Ruhunu Tourism Bureau.

■ Awareness programme in Yapahugama

Date : 06th October 2015
Time : 9.00 a.m. – 2.00 p.m.
Venue : Community Centre at Yapahugama Village



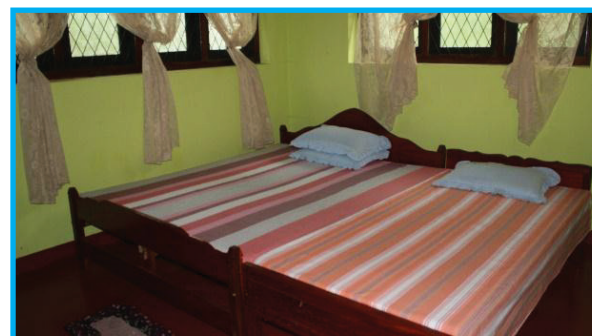


Yapahugama is a village located in close proximity to the Yapahuwa heritage site and has a potential to attract tourists as a result of the authentic features of the village and the easy access via motor ways and specially the railway from Maha Oya railway station. The village is identified and developed by the Wayamba Development Authority under Northwestern Provincial Council.

The awareness program was organized by the Wayamba Development Authority and was conducted by Bhagya Mahavithanage, Assistant Director of Standards & Quality Assurance Division. The eco-friendly community centre in the village sheltered the villagers who participated for the program. The objective of this programme was to educate on conversion of a room in their homes to a tourism accommodation with all required facilities. The importance of giving a satisfactory service to the tourists were emphasized at the program.

■ Awareness Programme in Kanneliya

Kanneliya is a tourism village identified and initiated by the Ruhunu Tourism Bureau bordering the Sinharaja Rain Forest located in the Galle district which is identified as one of the most valuable area with highest bio diversity in the world being the birth place for several endemic fauna & flora. Kanneliya tourism village which is in the process of development offers Home Stay accommodation along with eco type adventure activities for tourists.



Date : 30th October 2015
 Time : 9.00 a.m. to 12.30 p.m.
 Venue : Kanneliya Conservation Centre

Standards & Quality Assurance of SLTDA has conducted a one-day awareness program for the potential Home Stay operators in the Kanneliya village and did a village site visit. The villagers were made aware about the essential basic standards and tourist services as a preparation for a satisfied tourist service. The villagers together with officials of Ruhunu Tourism Bureau were enthusiastically participated for the said program.

5. Formalizing of Informal Sector Tourist Establishment Programme.

A crash programme was introduced to absorb the informal sector tourist establishments. A data of informal sector was collected from Pradeshiya Sabha, Local Authority and booking engines from major tourism zones such as Sigiriya, Unawatuna, Hikkaduwa, Hambantota, Ella, Negombo, Arugambay, Pothuvil, Jaffna, Ampara, Giritale, Polonnaruwa, Habarana, Anuradhapura and Trincomalee.

As per the data available of 1248 informal establishments, 464 inspected and 116 establishments were recommended for registration and 46 different categories of establishments were registered in Sri Lanka Tourism Development Authority.

Awarding of Registration Certificates for Absorbed Informal Sector Tourism Establishments

At the same launching ceremony, it was made arrangements to award the registration certificates to six (6) tourism establishments as detailed below out of the places which were inspected under the program for informal sector absorption in Unawatuna area which were eligible for registration.

No:	Business Name	Address	Category
01	Nature Trails	144B, Mathara Road, Unawatuna	Guest House
02	Hotel Ritas and Beach Restaurant	No: 29, Wewalgoda Road, Narigama, Hikkaduwa	Guest House
03	Villa Amashe	No: 28/B, Central Road, North Thalpitiya, Wadduwa	Bungalow
04	Mihiri Beach House	Sanuk Holdings, Mihiri Beach House, Mathara road, Thalpe	Bungalow
05	Spa Ceylon	Galle fort, Galle	Spa & wellness
06	Gloria Grand Hotel	Yaddehimulla road, Unawatuna	Spa & wellness



Chairman and Director General of Sri Lanka Tourism Development Authority, Chairman and Director of Ind-Expo Certification Ltd, Director, District Health Services Office- Galle (Health Ministry), Public Health Inspectors, Secretary, Pradesheeya Sabha, Habaraduwa and officials of SLTDA were present at the ceremony.

Hon. Minister's Visit to Tourism Establishments in Unawatuna

After the official ceremony, Hon. Minister, Deputy Minister along with other distinguished guests visited a few tourism establishments who received registrations at the ceremony.



7.7 Human Resources and Premises Management

Approved & Existing Cadre as at 31st December 2015

Carder

No	Category	Approved	Existing Carder
			2015
01	Director General		01
02	Deputy Director General	01	-
03	Directors	07	04
04	Deputy Directors	24	06
05	Assistant Directors		17
06	Junior Managers	30	22
07	Management Assistants	50	51
08	Drivers	13	13
09	Office Aides / Labors	26	22

11	Waiter Room Boy	25	24
11	Cook	13	13
12	Multi Duty Technician	02	01
13	Life Saving Guard	04	03
14	Pump Operator	03	04
16	Contract – Resort Officer		01
Total		199	182

New Recruitments – 2015

The following employees were recruited during the year 2015

Designation	Quantity	Date
Office Aide (Casual basis)	06	15th May 2015
Driver (Casual basis)	03	15th May 2015
Waiter Room Boy (Casual)	03	15th May 2015
Pump Operator (Casual)	01	01st June 2015
Assistant Directors	09	02nd July 2015
Management Assistant (Casual)	14	24th August 2015
Assistant Director	01	01st December 2015

Retired Employees – 2015

No	Name	Designation
01	Mr. K. A. Podiralahamy	Junior Manager Gr. II
02	Mr. H. Gunathilleke	Cook
03	Mr. S. Govindaraja	Labourer

Resigned Employees – 2015

No	Name	Designation
01	Mr. Ranjith Bandara	Director
02	Ms. Anushka Kahandagama	Assistant Director

Internal Promotions

No	Name	Promoted post	Promoted Date
01	Mr. Chandana Wijecrathne	Acting Director	15th October
02	Mrs. Inoka Punchihewa	Deputy Director	01st May
03	Mrs. Sanjeewa Rathnakumari	Junior Manger	01st May
04	Mrs. Chandima Gamage		
05	Mrs. Ramya Samarasinghe		
06	Ms. Sugandi Dodanwatte		
07	Ms. T. D. N. Renuka		

Training and Development

The Staff of SLTDA has Participated in Following Local Training Programmes;

No	Participants	Programme	Duration
01	Ms. Chandima Gamage Ms. Nadeeka Senevirathna Mr. Anupa Ranaweera	Positive thinking and self motivation – National Institute of Labour Studies	23.03.2015
02	Ms. Inoka Punchihewa	Disciplinary procedures and employee grievances – McQuire Rens & Jones (Pvt) Ltd.	31.03.2015
03	Mrs. K. M. Naheem Mrs. Sanjeewa Rathnakumari	Basic procurement procedure – Prag Service (Pvt.) Ltd.	31.03.2015
04	Mrs. S. Premkumar	Certificate course on environment pollution control – Central Environment Authority	09.05.2015 to 11.07.2015 (Only Saturdays)
05	Mr. D. P. Nandana	Internal Auditing as per ISO 9001 :2008 quality management system – Sri Lanka Standard Institute	19 - 20 May 2015.
06	Mr. M. R. A. S. Pieris Mr. R. A. Premachandra Mrs. R. D. M. Padmalatha Mrs. A. U. Anuradha Ms. T. D. N. Renuka	Workshop on recruitment procedure – Prag Service (Pvt) Ltd.	13.05.2015
07	Ms. Deepa Munasinghe Ms. S. P. Hadapangoda Ms. Jeewanthi Kumarihamy	Workshop on practical aspects of bid evaluation - Olanway Institute of language & technology & training and development	18 -19 June 2015
08	Mrs. P. Jayasinghe Mrs. K. M. Naheem Mr. W. C. N. K. Thenakoon Mrs. A. U. Gamage Ms. J.C Guruge	Expenditure & payment procedure – Prag Service (Pvt) Ltd.	23.07.2015
09	Mrs. Jeewanthi Kumarihamy Mrs. Anuradha Perera Ms. Shalika Sinharage	Awareness program on audit query	01-02 October 2015
10	Ms. K. M. Naheem Ms. Jayani Guruge	Preparation of Financial Statements (final accounts) for 2015 – Prag Service (Pvt) Ltd.	29.09.2015
11	08 Participants	Conference on future of tourism & responsible travel for driving revenue.	28.09.2015
12	Mrs. H. L. S. Amarasinghe Mr. A. A. Prasanjeewa	Advance analysis tools in excel – Fay Adams	09.10.2015

13	Mrs. Jeewanthi Kumari-hamy Mrs. Srina Weerakoon Mrs. Anuradha Perera Ms. Shalika Sinharage Mrs. Nilmini Serasinghe Mrs. Sagarika Wijerathna	Preparation of Procurement Plan for 2016 - Prag Service (Pvt) Ltd.	13.10.2015
14	Mrs. K. M. Naheem	Internal Auditing	04.11.2015
15	Mrs. Nilmini Serasinghe Mrs. Sagarika Wijerathna	Annual Stock verification & disposal of unserviceable items	02.12.2015
16	Mr. Indrajith Senanayake Mr. Susil Thotagamuwa Mr. M. A. C. T. Munasinghe	Advance analysis tools in excel.	16.12.2015

Motivation Seminars for the SLTDA staff

Venue : Restaurant Area, Samudra Hotel, SLITHM

- **Skills for Life.**

Seminar was conducted by Mr. Indika Krishantha Perera on 20th February 2015

- **Presentation – The Norms of 21st Century Management**

Conducted by Dr. Ajith Rohana Colonne on 03rd March 2015.

- **Seminar on Emotional Intelligence**

This seminar conducted by Mr. Trevor Mendis, Management Consultants and Strategies on 19th March, 2015.

- **Seminar – “Mindfulness and Way of Life with Stress Relief”**

This seminar was conducted by Ms. Asha Dias, Councillor on 31st March 2015.

- **Work shop on “Our Wildlife Resource a Wonder of World”**

Workshop conducted by Mr. Srilal Mithrapala on 06th May 2015.

- **Alternative products in Sri Lanka Tourism**

Workshop was conducted by Mr. Anurudda Bandara, Managing Director, Eco Tech Pvt. Ltd. On 17th June 2015

- **“Vision & Social Responsibilities”**

Conducted by Dr. Ajith Rohana Kolonne on 29th July 2015.

- **Customer Care & Courtesy**

Seminar was conducted by Ms. Preethi Gunarathna on 25th August 2015.

7.8 Information & Communication Technology

Sri Lanka Tourism Development Authority ICT division has initiated an Information Technology Deployment Three (3) Years Strategy (Blueprint) for Sri Lanka Tourism (2015-2019). As per blue print, SLTDA is planning to deploy several information technology projects which help organizations in the tourism family to use common technologies and share the resources to reduce costs and enables organizations to have consistency in technology deployment to increase the overall productivity and efficiency. This plan will broadly cover technologies related to organizational efficiency, customer experience enhancement and marketing / promotions and delivery of services to Sri Lanka tourism stakeholders etc.

These projects will enable Sri Lanka Tourism to gain and retain competitive advantage as tourism destination (taking tourism to the next generation) over other destinations in the region and in the world by leveraging on advancement of technology.

Following are some of the projects already in the pipeline for year 2015:

- Call Center for Sri Lanka Tourism
- Organization Resource Planning
- Revamping of all tourism portals
- Digital Marketing plan to promote Sri Lanka Tourism
- Sri Lanka Tourism Data Warehouse

Apart from that, ICT division has planned to move SLTDA data center into a Cloud platform and be one of the first government institutions to move their IT infrastructure to cloud platform offered by Sri Lanka Telecom.

7.9 Internal Audit

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations.

It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of;

- Risk management
- Control
- governance processes

When considering the scope of its activities, Internal Audit is often seen as the 'eyes' of the Management. Internal Audit may carry out financial audit activities and performance audits to ensure on the reliability of information, compliance with rules & regulations, Safeguarding of organization's assets and performance of the organization. For this Internal audit uses audit techniques such as compliance testing, substantive testing, Value for money Audit (3 E's) etc.

Targets Vs Achievements

According to the Annual Internal Audit Plan, 8 Internal Audit reports have been issued to the Management with suggestions and recommendations to rectify issues. Actions have been taken by the relevant officers according to given recommendations and resulted to minimize costs as well as in some area it helped to streamline the process through introducing a better internal control system.

Internal Audit participated for Auctions at the SLTDA resorts and rest houses, handing over/ taking over assignments also convened for several investigations during this period using limited Human resources.

Also convened for four quarterly Audit & Management Committee Meetings in the year.

Pre Auditing

To mitigate losses, frauds & errors, Audit and Management Committee has decided to implement pre audit voucher before making the payment. At present Internal Audit proceeds pre audit programme (Payment voucher value over Rs. 100,000) as directed by the AMC. From month of June 2015 nearly 100 vouchers were checked which received for Pre Auditing

7.10 Financial Management

The Financial Management Division's performance for the year 2015 as depicted below.

	2015	%	2014	%	2013
EL	1,968,541,098.67	11	1,779,76,146.71	11	1,604,887,048.67
TDL	1,014,773,185.20	1	1005,566,833.24	(1)	1,014,153,899.71
Other	10,239,483.91	(79)	52,099,002.02	754	6,099,936.95
	2,994,153,767.78	6	2,837,431,961.97	8	2,625,140,885.33
Embarkation Levy	275,595,753.85	11	249,167,260.56	11	224,684,186.81
Tourism Development Levy	142,824,736.75	(3)	147,343,871.55	4	142,107,586.11
Fees and Licenses	111,758,601.17	2	109,480,303.69	8	101,269,882.49
Surplus/(Deficit) from Resort Operation	(12,392,516.17)	(910)	1,529,200.76	(67)	4,642,129.21
Other Income	26,849,438.59	(30)	38,327,329.021	26	30,530,590.45
	544,636,014.19	(0)	545,847,965.58	8	503,234,375.07
Recurrent Exp	236,323,490.04	7	220,818,704.05	(3)	227,175,587.48
Capital Expenses	131,231,433.24	94	67,510,086.50	(36)	105,047,499.21
	367,554,923.28	27	288,328,790.55	(13)	332,223,086.69

7.11 Legal

Main functions of the Legal Division

- Providing legal advice to day to day functions of the SLTDA.
- Conducting Board Meetings and Audit & Management Committee Meetings of SLTDA and functioning as Board Secretariat.
- Drafting of Legal documents pertaining to the legal actions instructed against the SLTDA and cases instructed by the SLTDA and appearing in Courts, Labour Tribunal, Human Rights Commission and before the Commissioner of Labour and other Tribunal..
- Coordinating and attending to consultations with Attorney General's Department and

- Private Counsels on legal matters on behalf of the SLTDA.
- Preparation and execution of Agreements, such as, Service Agreements, Contract of Employment, Lease Agreements etc.
 - As and when, if a need arises, advice the Chairman, Director General and Human Resources Development in disciplinary matters and drafting of documents required to take action in relation to disciplinary matters.

The following functions were done by the Legal Division during the year 2015.

Lease Agreements

Categories of Agreement	Parties	Duration
Lease Agreement Nos. 126 & 127	SLTDA and Mangalika Amarasinghe nee Abeyakoon and Dr. Sarathchandra Amaradasa Abeyakoon regarding Warahena Well Site at Bentota	For a period of five (05) years.
Cancellation of Lease No. 128 & Lease Agreement No. 129	SLTDA & M/s Quickshaws (Pvt) Limited at Nuwarawewa Rest House	For a period of 30 years
Service Agreement	SLTDA and National Water Supply & Drainage Board regarding to provide uninterrupted good quality water supply to the NHR Passekudah	For a period of 08 months
	SLTDA and M/s Texperts Environmental Engineers regarding to operate the common sewage treatment plant at NHR Bentota	For a period of one year
	SLTDA & M/s Top Shine Environmental Services (Pvt) Limited regarding Janitorial Services	For a period of one year
	SLTDA & M/s Target Environmental Services Company Limited regarding Janitorial Services	
Contract Employment	SLTDA & Mohamed Maheer as a Resort Officer at NHR Passekudah	For a period of one year

Directory of Sri Lanka Tourism

Name of the officer		Tel:No	Inter com	Fax	E-mail
Chairman	Mr.P.M.Withana	2437759	100	243 7953	chairman@srilanka.travel
Director General	Mr.M. B. Kiriella	2426907	207	244 4165	dg@srilanka.travel
Director - HR & PM	Ms.Tharanga Rupasinghe	2423120	308	234 8716	tharangar@srilanka.travel
Director- Dom.Tourism & Comm. Relations	Mr.M.Liyanaarachchi	2329000	335		mihira@srilanka.travel
Director - Finance	Mr.Sampath Ganepal-aarachchi	2437063	200	244 8740	sampathk@srilanka.travel
Director -Dom. Tourism & Resorts Mgt.	Mr.K.D.S.S.Weerasekara	2440006	340	242 3447	sisiraw@srilanka.travel
Director- ICT	Mr.Udana Wickrama-singhe	2436321	223		udana@srilanka.travel
Director- Standards & Quality Assurance	Mr.Chandana Wijerathne		401	238 2623	chandana@srilanka.travel
Director – Dev. & Planning	Mr.P.U. Rathnayaka	2437062	203	238 2622	rath@srilanka.travel
Legal Officer	Ms.Inoka Punchihewa	3135943	290	243 3640	inoka@srilanka.travel
Internal Auditor	Ms. K. M. Naheem	2335000	304	233 5000	karthiv@srilanka.travel

SLTDA & SLTPB GENERAL LINES	2426800 /2426900
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SLTDA RESORTS	
Nuwara Eliya	052 2222943
Bandarawela	057 2222 209
Kataragama	047 2235 227
Anuradhapura	025 2222 188
Bentota	034 2275 212

Convention Bureau	2440002 / 4865050
SLITHM	2382201 -14



**SRI LANKA TOURISM DEVELOPMENT AUTHORITY
ANNUAL ACCOUNTS - 2015**



SRI LANKA TOURISM DEVELOPMENT AUTHORITY



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Domestic Tourism Resorts

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Sri Lanka Tourism Development Authority
Statement of Financial Position
as at 31 December 2015

ASSETS	Note	2015 Rs.	2014 Rs.
Current Assets			
Cash in Hand and at Bank	03	1,017,291,721.07	789,981,437.58
Trade & Other Receivables	04	315,202,351.04	234,346,225.77
Inventories		2,387,481.30	2,129,190.42
Pre payments		2,156,756.72	11,682,858.43
Advances	05	165,968,311.32	147,489,692.50
W.H.T. / VAT Receivable		7,959,006.05	6,845,638.35
Deposit Receivable		9,084,923.78	8,683,970.60
Interest Suspense		2,535,794.85	4,913,594.82
Total Current Assets		<u>1,522,586,346.13</u>	<u>1,206,072,608.47</u>
Non- Current Assets			
Property, Plant & Equipment	02	2,523,592,343.16	2,449,036,195.95
Less : Provision for Depreciation		375,905,248.55	315,230,854.66
Written down value		2,147,687,094.61	2,133,805,341.29
Add : Work in progress	06	226,565,525.02	175,831,995.29
Intangible Assets (Development cost Net)		35,089,485.68	44,377,176.16
Library Books		1,880,781.06	1,880,781.06
Long Term Investments	07	78,408,709.30	77,482,122.85
Total Non- Current Assets		<u>2,489,631,595.67</u>	<u>2,433,377,416.65</u>
Total Assets		<u>4,012,217,941.80</u>	<u>3,639,450,025.12</u>
LIABILITIES			
Current Liabilities			
Creditors		7,035,258.07	6,952,517.06
Land Lease Rent Payable		61,398,750.00	61,398,750.00
Deposit / Other payables		101,145,996.05	64,864,194.70
V. A. T. Payable		2,291,429.57	1,659,935.25
Revenue in Advance		29,125,940.26	27,574,908.88
Accrued Expenses		62,017,216.75	39,742,720.99
Provision for Retirement Gratuity	08	52,288,318.07	42,827,463.25
Total Current Liabilities		<u>315,302,908.77</u>	<u>245,020,490.13</u>
Long Term Liabilities		19,221,086.80	27,343,046.80
Net Assets		<u>3,677,693,946.23</u>	<u>3,367,086,488.19</u>

NET ASSETS/EQUITY

Government Account	14,272,174.41	14,272,174.41
Capital Reserves	(243,736,884.06)	(243,736,884.06)
Kalpitiya Equity	91,073,378.19	88,797,590.98
Revaluation Reserve	945,835,503.71	945,835,503.71
Capital Contribution	1,636,043,832.98	1,636,043,832.98
Revenue Account	1,232,516,919.55	924,185,248.72
Sinking Fund	759,021.45	759,021.45
Tourism Fund	930,000.00	930,000.00
Total Net Assets/Equity	<u>3,677,693,946.23</u>	<u>3,367,086,488.19</u>

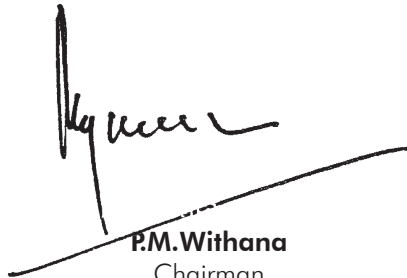
The Accounting policies on pages 05 to 10 and Notes on pages 11 to 25 form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf



M.B. Kiriella
Director General
Sri Lanka Tourism Development Authority



P.N. Dissanayake
Director/Financial Management
Sri Lanka Tourism Development Authority



P.M. Withana
Chairman
Sri Lanka Tourism Development Authority

Sri Lanka Tourism Development Authority
Income Statement
For the period ended 31 December, 2015

	Note	2015 Rs.	2014 Rs.
Revenue			
Embarkation Levy	09	275,595,753.85	249,167,260.56
Tourism Development Levy	10	142,824,736.75	147,343,871.55
Fees and Licenses	11	111,758,601.17	109,480,303.69
Surplus/(Deficit) from Resort Operation	12	(12,392,516.17)	1,529,200.76
Other Income	13	26,849,438.59	38,327,329.02
Total Revenue		544,636,014.19	545,847,965.58
Expenses			
Wages,Salaries & Employee Benefits	14	96,388,133.54	78,959,923.57
Supplies and Consumables Used	15	54,427,440.86	64,371,234.09
Trade Related Expenditure	16	42,564,788.62	38,762,326.64
Depreciation and Ammortization Expense		38,259,525.48	35,276,601.00
Other Expenses	17	1,320,111.84	593,664.27
Finance Expenses	18	3,363,489.70	2,854,954.48
Total Expenses		236,323,490.04	220,818,704.05
Profit/ (Loss) for the Period		308,312,524.15	325,029,261.53
Profit/ (Loss) brought forward		924,185,248.72	599,155,987.19
Correction of a prior period error		19,146.68	
Total		924,204,395.40	599,155,987.19
Profit/ (Loss) carried forward to general fund		1,232,516,919.55	924,185,248.72

Sri Lanka Tourism Development Authority
Changes in equity statement for the year ended 31 December 2015

	Government Account	Capital Reserves	Kalpitiya Equity	Revaluation Reserve	Capital Contribution	Revenue Account	Sinking Fund	Tourism Fund	Total
Balance at 31 December 2014	14,272,174.41	(243,736,884.06)	88,797,590.98	945,835,503.71	1,636,043,832.98	924,185,248.72	759,021.45	930,000.00	3,367,086,488.19
Prior Year Adjustment (Ref Note no 1.21)	-	-	-	-	-	19,146.68	-	-	19,146.68
Balance at 01 January 2015	14,272,174.41	(243,736,884.06)	88,797,590.98	945,835,503.71	1,636,043,832.98	924,204,395.40	759,021.45	930,000.00	3,367,105,634.87
Profit for the Year	-	-	-	-	-	308,312,524.15	-	-	308,312,524.15
Interest Income	-	-	2,275,787.21	-	-	-	-	-	2,275,787.21
Balance at 31 December 2015	14,272,174.41	(243,736,884.06)	91,073,378.19	945,835,503.71	1,636,043,832.98	1,232,516,919.55	759,021.45	930,000.00	3,677,693,946.23

Sri Lanka Tourism Development Authority
Cash Flow Statement
For the Year Ended 31 December 2015

Cash flows from operating activities	
Net Surplus/(Deficit) before taxation, and extraordinary item	308,312,524.15
Adjustments for	
Depreciation	70,626,326.20
Increase/(Decrease) in Provision for Doubtful debts	1,159,988.35
Staff loan & Deposit Interest	(536,598.44)
(Gain)/ Loss on Disposal of Assets	(338,332.00)
Bank Interest Received	(14,419,451.35)
Provision for Gratuity	11,201,709.82
Operating Surplus/(Deficit) before working capital changes	67,693,642.58
	376,006,166.73
Changes in working capital-Inflow/(Outflow)	
(Increase)/Decrease in Inventories	(258,290.88)
(Increase)/Decrease in Trade Receivables	(82,016,113.62)
(Increase)/Decrease in Prepayments	9,526,101.71
(Increase)/Decrease in Advances	(18,478,618.82)
(Increase)/Decrease in W.H.T. / V.A.T. Receivable	(1,113,367.70)
(Increase)/Decrease in Deposit Receivables	(400,953.18)
(Increase)/Decrease in Interest Suspense	2,377,799.97
Increase/(Decrease) in Trade Payables	82,741.01
Increase/(Decrease) in Deposit / Other Payables	36,281,801.35
Increase/(Decrease) in V.A.T. Payable	631,494.32
Increase/(Decrease) in Revenue in Advance	1,551,031.38
Increase/ (Decrease) in Accrued Expenditure	22,274,495.76
Net cash from operating activities	(29,541,878.70)
	346,464,288.03
Cash flows from investing activities	
Gratuity paid	(1,740,855.00)
Staff loan & Deposit Interest	536,598.44
Purchase of Property, Plant and Equipment	(131,231,433.24)
Sale of Property, Plant and Equipment	338,332.00
Recoverable Cost of Capital Assets (NPCL)	5,296,661.15
Increase in Long Term Investment	(926,586.45)
Bank Interest Received	14,419,451.35
Net cash used in investing activities	(113,307,831.75)
Cash flows from financing activities	
Increase in Kalpitiya Equity	2,275,787.21
Decrease in Long Term Liabilities	(8,121,960.00)
Net cash used in financing activities	(5,846,172.79)
Net Increase in cash and cash equivalents	227,310,283.49
Cash and cash equivalents at beginning of period (Note 20)	789,981,437.58
Cash and cash equivalents at end of period (Note 19)	1,017,291,721.07
	1,017,291,721.07

Notes to Accounts

1.0 Accounting Policies

1.01 Accounting Requirements:

The Financial Statements have been prepared in accordance with Sri Lanka Public Sector Accounting Standards. No adjustments have been made for inflationary factors affecting the accounts.

1.02 Events after the Reporting Date:

The materiality of events occurring after the reporting date has been considered and appropriate adjustments were made in the accounts, where necessary.

1.03 Inventories/Stocks:

Stocks have been generally valued at cost or net realizable value whichever is lower.

1.04 Depreciation

Depreciation has been provided on cost or valuation of the assets on straight line method as follows.

Land	-	No Depreciation	
Building	-	5%	(20 Years)
Roads & connected work	-	12.5%	(08 Years)
Water Services & Drainage	-	12.5%	(08 Years)
Electrical Installations	-	12.5%	(08 Years)
Telecommunication Installations	-	12.5%	(08 Years)
Fixtures & Fittings	-	10%	(10 Years)
Furniture	-	10%	(10 Years)
Miscellaneous Equipment	-	10%	(10 Years)
Plant & Machinery	-	20%	(05 Years)
Motor Vehicles	-	20%	(05 Years)
Data Processing Equipment	-	20%	(05 Years)
Glassware & Crockery	-	33 1/3%	(03 Years)
Cutlery & Silverware	-	25%	(04 Years)
Linen	-	50%	(02 Years)
Development Cost	-	10%	(10 Years)

Depreciation was provided for the above mentioned assets in the year of purchase/year of acquisition.

1.05 Provision for Bad Debts

Bad debts provision was estimated on debtor balances after deducting the rent deposits of particular customers and considering the pattern of receipts on the following basis.

More than one year but less than two years	-	No provision
More than two years but less than three years	-	05%
More than three years but less than four years	-	25%
Four years & above	-	50%

1.06 Contingent Liabilities

There are no contingent liabilities available to disclose as per the SLPSAS 8

1.07 Taxation

The Board was exempted from income tax under section 8(a)(xx) of the Inland Revenue Act No. 28 of 1979. However, as per the Inland Revenue amendment Act No. 10th of 2002 returns should be furnished to the Inland Revenue Department.

1.08 Foreign Currency Transactions

These transactions are converted on the following rates.

Receipts & payments	-	Actual
Remittance	-	Actual

1.09 Capitalization of Assets

There were no items to capitalize during the year 2015.

1.10 Advances

The following advances are shown under current assets

	Amount (Rs/Mn)
1. Acquisition of the land - Dedduwa project	30.00
2. Acquisition of the land – Kalpitiya Dutch bay	41.00

The advance of Rs.30.0 million was released to the Divisional Secretary Bentota in order to acquire lands from the private parties. The processing of land acquisition has been carried out by the Divisional Secretary in consultation with the Ministry of Land and the Survey Department.

The other advance, amounting to Rs.41.0 million was released to the Divisional Secretary Kalpitiya for acquisition of land from the private parties. Divisional Secretary Kalpitiya has taken necessary steps to acquire lands from private parties after obtaining assistance from the Ministry of Land and Survey Department.

Note: Present position of the above two advances

(a) Dedduwa Project

Initial Advance	30,000,000.00
Accrued Interest	39,124,674.54
Total Advance	69,124,674.54

The Divisional Secretary has proceeded with acquisition process and paid compensation to the tenant whose ownership was proven, and balance has to be paid for the remaining lands, when the process is completed the divisional secretary will issue a land vesting order to SLTDA.

Until we receive the vested right to lands, total advance has been recognized in the advance account.

(b) Kalpitiya Project

According to a Bank confirmation as at 31st December 2015, the value of the advance has been increased in the following manner.

Initial Advance	41,000,000.00
Accrued Interest	17,908,227.96
Total Advance	58,908,227.96

The amount of Rs. 17,908,227.96 interests added to the value of the initial advance, total amount will be utilized for land acquisition.

1.11 Investments

Board has invested Rs.4.0 million (Rs.10/- shares x 400,000) at Taj Exotica Ltd in 1991 and the company's shares are not listed. The net book value per share was Rs.10.63 as per 2015 financial statements of the company.

In addition Ceylon Tourist Board has invested Rs.750, 000/- with the Sri Lanka Hotel Tourism Training (Pvt) Ltd which is presently not in operation and the said training institution is to be liquidated according to the available information.

1.12 Related party transactions

No related party transaction available to disclose as per the LKAS 24.

1.13 Work in Progress

Projects under construction were representing the value of work in progress amounting to Rs.226, 565,525.03 (please refer note 6).

1.14 Comparison of Accounts.

Comparative financial information with the last year financial statements has been provided.

1.15 Valuation of Lands

During the financial year a process of valuing all the lands belongs to the SLTDA started with the government valuation department and is underway. When the valuation of entire assets class of lands is completed the new value will be recognized in the books of accounts.

1.16 Leased Assets

During the financial year 2014, the authority acquired (05) five motor vehicles through finance lease facility provided by the Bank of Ceylon. The lease period is four years (48 Months). The initial cost of leased asset has been recognized based on the historical cost.

Net Carrying Amount of the leased motor vehicle as at December 31, 2015 is depicted below.

Vehicle	Cost	Acc.Depreciation	Net Carrying Amount as at 31/12/2015
Mitsubishi Double Cab	6,962,441.43	2,901,017.26	4,061,424.17
Toyota Hiace Van - 03 Nos	21,155,643.09	7,051,881.06	14,103,762.03
Toyota Corolla Car	6,961,311.43	2,320,437.14	4,640,874.29

The total minimum lease payments relevant to the leased assets as at 31st December 2015, is as follow.

Vehicle	Future Minimum Lease Payments
Mitsubishi Double Cab	3,527,156.80
Toyota Hiace Van - 03 Nos	11,828,433.00
Toyota Corolla Car	3,865,497.00
Total	19,221,086.80

1.17 Kalpitiya Project

Funds received for the project from all the sources and expenditure for the project activities and project office administration have been listed in the following statement. All the expenses have been categorized under the project work in progress account in the SLTDA Ledger and funds received has been categorized under the project equity and income received by selling bidding document of Rs.1,743,000/- & 1% of contract price of Rs.1,500,000/- have also been identified directly in the equity account. Further expenditure has been identified on accrual basis.

Receipts

Description	Amount/Rs
Sri Lanka Tourism Development Authority	45,680,602.80
Sri Lanka Tourism Promotion Bureau	47,500,000.00
Sri Lanka Institute of Tourism & Hotel Management	1,800,000.00
Sri Lanka Convention Bureau	600,000.00
Qube Lanka Leisure Properties Pvt Ltd – 1% out of the bid price	1,000,000.00
Sun Resort Investment Pvt Ltd – 1% out of bid price	500,000.00
Bidding Fee at Rs.2,000/-	18,000.00
Bidding Fee at Rs.25,000/-	1,725,000.00
Total	98,823,602.80

Expenditure

Description	Amount/Rs
Payments Programme/Project expenses	66,306,641.53
Administrative expenses	32,427,616.48
Capital expenditure	1,807,049.33
Total	100,541,307.34

1.18 Debtor Amount Rs. 315,202,351.04

Description	Debtors Accounts (Rs.)
Trade Debtors	34,898,458.47
Sundry Debtors	6,460,645.08
Sub Total	41,359,103.55
Less: Provision for bad debts	(3,566,261.50)
Net – Trade & Sundry Debtors	37,792,842.05
Sri Lanka Tourism Promotion Bureau	13,559,157.04
Sri Lanka Institute of Tourism & Hotel Mgt	5,059,699.53
Kalpitiya Project	83,681.75
TDF Current Account	156,595,836.90
Sewage Plant Receivable	65,124,651.20
Water Service – Passikudah	11,166,093.25
Debtor – NPCL	7,889,140.70
Current A/c – Head office	42,630.65

Returned Cheques	709,198.75
Festival Advance	75,000.00
Special Loan	1,771,979.99
Distress Loan	15,332,439.23
Total	315,202,351.04

1.19 Creditor Amount Rs. 7,035,258.07

The following amounts were included to the creditor amount.

Description	Creditors Accounts Rs.
Sundry Creditors	190,566.18
SLTPB	47,905.74
SLITHM	6,512,810.19
SLCB	103,045.92
Gratuity payable	67,101.75
TDF C/A (Payable)	7,636.85
Kalpitiya Project Payables	106,191.44
Total	7,035,258.07

1.20 Land Lease Rent Payable Rs. 61,398,750.00

Represent the upfront payments of land rent collected on account of Deputy Secretary to the treasury.

1.21 Retained earnings

An over depreciation of Rs. 19,146.68 had been reported for the year 2014 due to a wrong classification of fixed asset item. Hence, this amount has been adjusted against the opening balance of equity as depicted below.

Retained earnings at the beginning of the year	924,185,248.72
Correction of a prior period error	19,146.68
Adjusted retained earnings at the beginning of the year	924,204,395.38
Profit for the year	308,312,524.15
Retained earnings at the end of the year	1,232,516,919.55

Continue note no 1.21

Reported figure in 2014	Deprecation (Rs.)
Linen	17,416.67
Plant and Machinery	10,426.67
Sub Total	27,843.34
Rectification	
Furniture	5,213.33
Miscellaneous Equipment	3,483.33
Sub Total	8,696.66
Net Impact	

2015 accounts have not been restated.

10. Property, Plant & Equipment
Note No. 02

Note	Code	Description	Balance as at 01.01.2015	Additions 2015	Transfers / Adjustments	Balance as at 31.12.2015	Acc. Depreciation as at 01.01.2015	Depreciation 31.12.2015	Transfers / Adjustments	Acc. Depreciation as at 31.12.2015	Net Book Value as at 31.12.2015
2.01	101	Land	1,581,748,537.48	66,014,138.02	-	1,647,762,675.50	-	-	-	-	1,647,762,675.50
2.02	102	Buildings	449,903,499.06	3,705,462.33	-	453,608,961.39	107,919,363.03	21,267,125.75	-	129,186,488.78	324,422,472.61
2.03	102A	Road & Works	38,165,186.37	857,617.57	-	39,022,803.94	19,674,065.59	2,808,714.94	-	22,482,780.53	16,540,023.41
2.04	102B	Water Ser & Drainage	146,076,683.74	30,500.00	5,296,661.15	140,810,522.59	59,215,813.87	15,078,063.80	-	74,293,877.67	66,516,644.92
2.05	102C	Electrical Installation	21,850,786.78	45,000.00	-	21,895,786.78	7,941,305.13	408,910.96	-	8,350,216.09	13,545,570.69
2.06	102D	Telecom Installation	16,968,046.32	55,255.00	-	17,023,301.32	4,884,630.42	1,773,700.79	-	6,658,331.21	10,364,970.11
2.07	103	Fixtures & Fittings	10,433,920.81	1,089,849.54	6,370.00	11,517,400.35	5,342,603.00	1,143,593.12	6,370.00	6,479,826.12	5,037,574.23
2.08	104	Furniture	25,855,191.94	630,955.09	122,160.00	26,363,987.03	9,188,663.61	2,378,190.15	116,946.67	11,449,907.09	14,914,079.94
2.09	105	Miscellaneous Equipment	26,733,826.00	3,346,497.75	10,710.00	30,069,613.75	9,944,023.49	3,021,365.88	7,226.67	12,958,162.69	17,111,451.06
2.1	106	Plant & Machinery	10,380,833.75	-	36,800.00	10,344,033.75	7,998,402.20	514,637.50	10,426.67	8,502,613.03	1,841,420.72
2.11	110	Motor Vehicles	59,503,267.63	-	-	59,503,267.63	30,343,810.31	8,189,378.65	-	38,533,188.96	20,970,078.67
2.12	111	Data Processing Equipment	50,533,473.89	2,022,840.00	-	52,556,313.89	45,211,408.66	2,815,390.30	-	48,026,798.96	4,529,514.93
2.13	107	Glassware & Crockery	1,372,459.11	15,766.97	24,359.00	1,363,867.08	953,155.70	9,828.33	24,359.00	938,625.03	425,242.05
2.14	108	Cutlery & Silverware	858,713.56	380,561.01	9,540.00	1,229,734.57	507,826.49	182,059.98	9,540.00	680,346.47	549,388.10
2.15	109	Linen	8,651,769.51	1,941,848.08	73,544.00	10,520,073.59	6,105,783.17	1,327,263.42	68,960.67	7,364,085.92	3,155,987.67
		Sub Total	2,449,036,195.95	80,136,291.36	5,580,144.15	2,523,592,343.16	315,230,854.66	60,918,223.57	243,829.68	375,905,248.55	2,147,687,094.61
2.16	211L	Development Cost	175,802,353.34	547,780.00	127,367.85	176,222,765.49	131,425,177.18	9,708,102.63	-	141,133,279.81	35,089,485.68
		Total	2,624,838,549.29	80,684,071.36	5,707,512.00	2,699,815,108.65	446,656,031.84	70,626,326.20	243,829.68	517,038,528.36	2,182,776,580.29

Sri Lanka Tourism Development Authority
Notes to the Financial Statements
For the period ended 31 December, 2015

03 Cash in Hand and at Bank		
Item	2015 (Rs.)	2014 (Rs.)
Cash in Hand - Petty Cash	83,837.91	19,952.80
Cash at Bank - HO & Resorts	530,762.10	18,422,340.83
Cash at Bank - Fund Management Account *	1,016,645,425.77	771,507,198.66
Cash in Hand - Petty Cash (Kalpitiya Project)	15,000.00	15,000.00
Cash at Bank - (Kalpitiya Project)	16,695.29	16,945.29
Total of cash in hand & bank balance	1,017,291,721.07	789,981,437.58
* Funds in the bank account has been invested on daily basis with in a fund management account with Bank of Ceylon ,please refer note no 13 for the interest earned.		

04 Trade & Other Receivable		
Item	2015 (Rs.)	2014 (Rs.)
Trade Receivable	34,898,458.47	30,592,714.81
Other Receivable	268,449,174.85	188,996,092.89
Employees - Loans & Advances	15,420,979.22	17,163,691.22
Sub Total	318,768,612.54	236,752,498.92
Less : Provision for bad & doubtful debts	(3,566,261.50)	(2,406,273.15)
Total	315,202,351.04	234,346,225.77
Provision for Doutful Debts		
Item	2015 (Rs.)	2014 (Rs.)
Balance at the Beginning	2,406,273.15	2,094,707.64
(Over)/ Under Provision for the year	1,159,988.35	311,565.51
Balance at the End	3,566,261.50	2,406,273.15

05 Advances		
Item	2015 (Rs.)	2014 (Rs.)
Advances - Expenses	40,152,376.11	23,949,544.50
Advances - Acquisition of Land (Dedduwa)	69,124,674.54	69,124,674.54
Advances - Acquisition of Land (Kalpitiya)	56,691,260.67	54,415,473.46
Total	165,968,311.32	147,489,692.50

06 Work in Progress		
Item	2015 (Rs.)	2014 (Rs.)
NHR - B'wela (Consultancy fee)	62,955.00	62,955.00
Passikudah - Infrastructure Development Project	45,661,667.25	45,661,667.25
Passikudah - Earth Filling	27,741,703.57	24,572,140.33
Anuradhapura	200,000.00	200,000.00
Sulanka Bentota	250,000.00	250,000.00
Tourist Police Information Centre	2,553,668.28	2,553,668.28

Bentota -Laying Asphalt Concrete	2,376,805.02	2,376,805.02
Construction of Generator Room - Kataragama	304,762.00	304,762.00
Calido Beach Development Project	1,247,205.90	1,247,205.90
Laying Water Line at NHR Passikudah	47,432,500.00	-
Kalpitiya Development Project	98,734,258.00	98,602,791.51
Total	226,565,525.02	175,831,995.29

07 Long Term Investments

Item	2015 (Rs.)	2014 (Rs.)
Depreciation Investment - Tourist Bureau	976,508.99	976,508.99
Depreciation Investment - Tourist Board	52,154,737.54	52,154,737.54
Sinking Fund Investment	759,021.45	759,021.45
Sri Lanka Hotel Tourism (Pvt) Ltd	750,000.00	750,000.00
Exotica Resorts Ltd- Ord. Shares of Rs. 10/= (each)	4,000,000.00	4,000,000.00
Investment for gratuity	19,768,441.32	18,841,854.87
Total	78,408,709.30	77,482,122.85

08 Provision for Retirement Gratuity -

Item	2015 (Rs.)	2014 (Rs.)
Gratuity payable brought forward	42,827,463.25	36,440,908.46
Less : Gratuity paid during the year 2015	1,740,855.00	1,367,790.00
Sub Total	41,086,608.25	35,073,118.46
Add : Provision for gratuity - 2015	11,201,709.82	7,754,344.79
Total Gratuity payable as on 31/12/2015	52,288,318.07	42,827,463.25

09 Embarkation Levy

Item	2015 (Rs.)	2014 (Rs.)
Embarkation Levy for the year	275,595,753.85	249,167,260.56
Total	275,595,753.85	#REFæ

10 Tourism Development Levy

Item	2015 (Rs.)	2014 (Rs.)
Tourism Development Levy for the year	150,403,573.24	147,343,871.55
Less : Over Provision (Change in Estimates)	(7,578,836.49)	-
Total	142,824,736.75	147,343,871.55

11 Fees and Licenses

Item	2015 (Rs.)	2014 (Rs.)
Land lease rent income - Head Office	36,919,858.89	35,467,372.10
License Fee/Administration Fee / Visa Fee	61,847,962.78	59,720,841.78
Unit for National Tourism Investment	7,862,756.74	9,204,027.78
TDF Administration Fee	5,128,022.76	5,088,062.03
Total	111,758,601.17	109,480,303.69

12 Surplus / (Deficit) - Domestic Tourism Resorts Operation		
Item	2015 (Rs.)	2014 (Rs.)
Kataragama	(3,067,262.17)	(578,466.59)
Nuwara Eliya	(5,997,379.28)	(4,286,092.63)
Bandarawela	(870,483.30)	58,913.79
Anuradhapura	(6,485,628.49)	(4,180,237.05)
Bentota	16,927,929.06	28,542,091.79
Polonnaruwa / Giritale	3,021,835.66	2,612,710.69
Kalkudah	(15,921,527.65)	(20,639,719.24)
Surplus / (Deficit) - National Holiday Resorts Operation	(12,392,516.17)	1,529,200.76

13 Other Income		
Item	2015 (Rs.)	2014 (Rs.)
Interest Income - Staff Loans	536,598.44	508,992.09
Bank Interest	963,476.14	919,053.05
Bank Interest - Fund Management Account *	13,455,975.21	23,212,606.37
Gain on Disposal of Assets	338,332.00	1,109,967.70
Other income	2,800,941.88	673,993.92
Accrued Expenditure written back	8,754,114.92	11,902,715.89
Total	26,849,438.59	38,327,329.02

14 Wages,Salaries & Employee Benefits		
Item	2015 (Rs.)	2014 (Rs.)
Salaries & Allowances	58,814,502.13	46,552,329.26
Holiday & Other Allowances	535,926.78	101,866.35
Overtime	2,964,193.28	2,809,040.23
Board's contribution to EPF	4,115,286.40	3,942,893.54
Board's contribution to ETF	823,057.29	788,579.13
Staff Welfare	15,170,759.25	14,329,259.94
Uniforms to Staff	290,393.66	265,798.21
Travelling local	631,191.00	656,326.46
Gratuity	11,469,688.82	7,903,184.29
Attendance Incentive	1,573,134.93	1,610,646.16
Total	96,388,133.54	78,959,923.57

15 Supplies and Consumables Used		
Item	2015 (Rs.)	2014 (Rs.)
Entertainment local	1,325,074.45	1,351,877.96
Misc. supplies	1,288,454.42	1,553,730.71
Security Charges	5,560,079.46	4,252,121.73
Janitorial Charges	3,018,464.51	3,423,823.88
Stationery	3,421,091.93	4,827,038.02
Telephones	6,339,932.23	7,777,712.43

Postage & Stamp Duty	2,522,824.23	2,848,321.76
Electricity	8,930,247.27	11,437,437.98
Rates & Licences	873,051.33	906,935.04
Insurance - Fixed Assets	1,355,141.44	1,291,280.83
Maintenance - Buildings	1,117,541.85	1,944,465.38
Maintenance - Equipment	3,971,707.70	2,533,812.17
Advertising General	1,504,396.64	796,510.89
Legal Expenses	1,094,650.00	2,035,216.00
Hire of Vehicles	1,972,428.20	5,764,112.00
Maint. & Repair vehicles	8,107,426.50	10,621,804.40
Water	864,940.35	693,467.40
Provision for Bad & Doubtful Debt	1,159,988.35	311,565.51
Total	54,427,440.86	64,371,234.09

16 Trade Related Expenditure

Item	2015 (Rs.)	2014 (Rs.)
Statistical Surveys	1,177,099.99	1,189,973.72
Hotel Classification	8,681,779.72	4,047,961.50
Travelling Overseas	2,436,145.31	887,538.89
Printing & Publications	1,544,192.98	991,358.28
Confrence & Special Events	4,776,165.57	3,365,613.82
Sub Int'l Organization	9,610,058.17	10,169,345.99
Community Relations	1,303,575.19	6,390,880.88
Unit for National Tourism investment	1,273,924.77	2,362,703.92
Staff Training /Consultancy services	763,856.32	870,821.98
Books & Periodicals	643,072.50	202,100.00
ICT Maintenance	9,201,882.85	7,437,069.69
Kalpitiya Expenses	795,420.41	846,957.97
Yala Wild Resorts Project Expenses	329,547.84	-
Kuchchaveli Project Expenses	28,067.00	-
Total	42,564,788.62	38,762,326.64

17 Other Expenses

Item	2015 (Rs.)	2014 (Rs.)
Board Member Allowance	329,500.00	202,500.00
Audit Fees	699,890.46	277,000.00
Economic Service Charge	289,446.38	114,164.27
Exchange Gain/Loss	1,275.00	-
Total	1,320,111.84	ඊසවන

18 Finance Costs

Item	2015 (Rs.)	2014 (Rs.)
Finance Charges	3,271,215.57	2,779,819.48

Bank Charges	92,274.13	75,135.00
Total	3,363,489.70	2,854,954.48

Notes to Cash Flow Statement

19 Composition of cash and cash equivalents at the end of the Period	
Cash in hand and at bank - (S.L.T.D.A.)	1,017,260,025.78
Cash in hand and at bank - Kalpitiya Project	31,695.29
	1,017,291,721.07

20 Opening Cash Balance	
Cash Balance of S.L.T.D.A. as at 01.01.2015	789,949,492.29
Cash Balance of Kalpitiya Project as at 01.01.2015	31,945.29
Cash Balance as at 01.01.2015	789,981,437.58

SUMMARY OF RESORTS OPERATIONS For the period ended 31st December 2015

	2015 (Rs.)	2014 (Rs.)
Domestic Tourism at Resorts		
Kataragama	(3,067,262.17)	(578,466.59)
Nuwara Eliya	(5,997,379.28)	(4,286,092.63)
Bandarawela	(870,483.30)	58,913.79
Anuradhapura	(6,485,628.49)	(4,180,237.05)
Sub Total	(16,420,753.24)	(8,985,882.48)
National Holiday Resorts		
Bentota	16,927,929.06	28,542,091.79
Polonnaruwa / Giritale	3,021,835.66	2,612,710.69
Kalkudah	(15,921,527.65)	(20,639,719.24)
Sub Total	4,028,237.07	10,515,083.24
Surplus/(Deficit)	(12,392,516.17)	1,529,200.76

REST HOUSE - KATARAGAMA**Income Statement****For the period ended 31 December, 2015**

	2015 Rs.	2014 Rs.
Restaurant sales	8,286,472.15	8,215,240.20
Less : Cost of sales	5,436,363.08	4,525,168.94
Gross Income	2,850,109.07	3,690,071.26
Room Sales	13,016,184.33	12,463,572.50
Other income	8,324.00	840.00
Gross profit	15,874,617.40	16,154,483.76
Less: Adm. & Est. Expenses	15,145,027.75	12,924,115.95
Depreciation	3,796,851.82	3,808,834.40
Surplus/(Deficit)	(3,067,262.17)	(578,466.59)
Administration & Establishment Expenditure		
Salaries & Allowances	6,748,309.02	4,915,201.95
Overtime	432,616.65	401,571.78
Board's contribution to EPF	431,380.63	443,891.09
Board's contribution to ETF	86,276.12	88,777.82
Staff Welfare / Entertainment Local	366,853.00	339,000.00
Staff Meals	213,500.25	423,234.80
Travelling local	3,060.00	-
Uniforms to staff	103,317.56	129,296.50
Cleaning Supplies	185,786.00	221,218.00
Misc. supplies	171,860.16	160,121.00
Security Charges	1,002,309.82	940,111.02
Janitorial Charges	1,446,105.84	787,311.19
Telephone	137,093.71	134,493.21
Stationery	94,632.20	86,353.72
Postage & Stamps	57,355.00	61,090.00
Electricity	1,396,620.36	1,691,618.86
Rates & Licenses	35,657.43	37,339.75
Insurance Fixed assets	3,501.21	2,119.86
Laundry	485,350.49	380,244.28
Maintenance - Buildings	213,954.50	188,162.80
Maintenance - Equipments	112,787.10	98,560.80
Transport & Freight	300.00	1,550.00
Bank Charges	6,500.00	4,750.00
Maint. & Repair vehicles	57,580.95	100,013.35
Books & Periodicals	9,772.00	11,119.00
Attendance Incentive	224,740.00	249,775.00
Economic Service Charge	42,482.59	11,444.63
Water	1,075,325.16	1,015,745.54
Total	15,145,027.75	12,924,115.95

NATIONAL HOLIDAY RESORT - NUWARA ELIYA

Income Statement

For the period ended 31 December, 2015

	2015 Rs.	2014 Rs.
Restaurant sales	5,608,922.35	4,376,888.30
Less : Cost of sales	3,589,343.12	2,666,428.26
Gross Income	2,019,579.23	1,710,460.04
Room Sales	7,184,487.39	7,171,796.55
Other income	168,124.40	113,989.60
Sub total	7,352,611.79	7,285,786.15
Gross profit	9,372,191.02	8,996,246.19
Less: Adm. & Est. Expenses	14,379,455.20	11,480,007.31
Depreciation	990,115.10	1,802,331.51
Surplus/(Deficit)	(5,997,379.28)	(4,286,092.63)
Administration & Establishment Expenditure		
Salaries & Allowances	6,782,192.81	4,554,547.12
Overtime	452,289.95	355,974.78
Board's contribution to EPF	458,188.85	415,024.86
Board's contribution to ETF	91,637.77	83,004.97
Staff Welfare	376,500.00	312,084.50
Staff Meals	271,836.80	336,922.95
Uniforms to staff	90,813.33	254,767.50
Cleaning Supplies	250,480.00	193,322.00
Misc. supplies	244,466.00	281,812.00
Security Charges	801,461.68	714,937.42
Janitorial Charges	1,398,961.56	729,752.17
Stationery	25,189.14	63,268.19
Telephones	182,701.44	141,002.16
Postage & Stamps	54,260.00	56,170.00
Electricity	1,658,297.56	1,788,063.52
Rates & Licences	163,283.13	120,291.20
Insurance - Fixed Assets	10,904.89	6,602.52
Laundry	196,634.00	216,334.00
Maintenance - Buildings	114,959.83	143,226.00
Maintenance - Equipments	192,765.00	166,975.70
Transport & Freight	81,746.00	12,850.00
Bank Charges	4,250.00	3,200.00
Maint. & Repair vehicles	2,530.00	50,815.80
Books & Periodicals	9,310.00	9,340.00
Attendance Incentive	217,545.00	208,758.00
Water	227,929.40	253,209.20
Economic Service Charge	18,321.06	7,750.75
Total	14,379,455.20	11,480,007.31

NATIONAL HOLIDAY RESORT - BANDARAWELA

Income Statement

For the period ended 31 December, 2015

	2015 Rs.	2014 Rs.
Restaurant sales	9,605,699.50	7,412,403.05
Less : Cost of sales	5,043,406.18	3,806,050.45
Gross Income	4,562,293.32	3,606,352.60
Room Sales	7,847,300.05	7,672,187.00
Other income	410,650.00	261,505.50
Sub total	8,257,950.05	7,933,692.50
Gross profit	12,820,243.37	11,540,045.10
Less: Adm. & Est. Expenses	12,406,770.62	9,781,472.65
Depreciation	1,283,956.05	1,699,658.66
Surplus/(Deficit)	(870,483.30)	58,913.79
Administration & Establishment Expenditure		
Salaries & Allowances	5,644,927.10	3,985,957.84
Overtime	358,808.50	297,088.70
Board's contribution to EPF	336,718.82	320,695.79
Board's contribution to ETF	67,343.76	64,139.15
Staff Welfare/ Entertainment Local	272,958.00	299,000.00
Travelling local	3,586.00	5,635.00
Staff Meals	263,667.31	489,834.23
Uniforms to Staff	68,576.96	122,883.00
Cleaning Supplies	161,177.00	197,536.40
Misc. supplies	171,063.00	61,146.00
Security Charges	1,005,309.82	928,883.79
Janitorial Charges	1,470,943.12	589,344.69
Stationery, Printing & Publications	48,012.00	75,839.27
Telephones	108,313.50	74,234.40
Postage & Stamps	48,010.00	52,685.00
Electricity & Gas	1,400,923.67	1,309,102.10
Rates & Licences	17,785.87	41,428.80
Insurance - Fixed Assets	5,423.04	3,283.46
Laundry	245,309.00	241,796.00
Maintenance - Buildings	306,027.50	180,219.00
Maintenance - Equipment	66,790.00	72,120.00
Transport & Freight	4,710.00	-
Bank Charges	14,250.00	6,015.00
Maint. & Repair vehicles	96,235.00	114,714.00
Books & Periodicals	8,980.00	10,920.00
Attendance Incentive	165,380.00	173,095.00
Water	22,331.64	54,887.76
Economic Service Charge	23,210.01	8,988.27
Total	12,406,770.62	9,781,472.65

REST HOUSE - ANURADHAPURA**Income Statement****For the period ended 31 December, 2015**

	2015 Rs.	2014 Rs.
Restaurant sales	1,922,546.78	4,949,126.05
Less : Cost of sales	1,283,203.42	3,135,697.93
Gross Income	639,343.36	1,813,428.12
Room Sales	2,583,065.68	6,160,773.39
Other income	-	6,688.00
Sub total	2,583,065.68	6,167,461.39
Gross profit	3,222,409.04	7,980,889.51
Less: Adm. & Est. Expenses	8,425,904.80	11,014,930.41
Depreciation	1,282,132.73	1,146,196.15
Surplus/(Deficit)	(6,485,628.49)	(4,180,237.05)
Administration & Establishment Expenditure		
Salaries & Allowances	3,650,597.15	4,319,607.64
Overtime	37,175.15	179,886.38
Board's contribution to EPF	246,247.48	383,654.67
Board's contribution to ETF	49,249.50	76,730.93
Staff Meals/ Staff Welfare	258,060.03	678,119.29
Travelling local	21,450.00	-
Entertainment local	3,700.00	-
Uniforms to Staff	64,155.60	137,092.50
Cleaning Supplies	43,481.00	242,389.00
Misc. supplies	97,180.55	225,679.73
Security Charges	1,064,807.30	901,465.93
Janitorial Charges	1,484,741.93	754,153.07
Stationery, Printing & Publications	56,194.70	92,204.49
Telephones	94,929.64	181,658.53
Postage & Stamps	38,075.00	86,620.00
Electricity	575,843.00	1,489,762.60
Rates & Licences	95,184.75	143,081.37
Insurance Fixed Assets	4,191.39	7,420.80
Laundry	69,562.00	245,148.00
Maintenance - Buildings	44,403.00	184,983.50
Maintenance - Equipment	23,224.00	56,429.11
Transport & Freight	29,933.00	14,360.00
Bank Charges	9,375.00	7,826.25
Maintenance & Repair Vehicle	41,049.49	104,729.00
Books & Periodicals	13,880.00	14,010.00
Attendance Incentive	94,455.00	228,403.00
Water	203,108.57	251,826.65
Economics Service Charge	11,650.57	7,687.97
Total	8,425,904.80	11,014,930.41

NATIONAL HOLIDAY RESORT - BENTOTA**Income Statement****For the period ended 31 December, 2015**

	2015 Rs.	2014 Rs.
Room Sales	7,500.00	313,000.00
Rent income (lease of land/buildings)	29,934,687.62	31,137,613.48
Other Income	4,194,183.82	13,484,578.15
Sub Total	34,136,371.44	44,935,191.63
Less: Adm. & Est. Expenses	12,754,438.38	10,795,668.78
Depreciation	4,454,004.00	5,597,431.06
Surplus/(Deficit)	16,927,929.06	28,542,091.79
Administration & Establishment Expenditure		
Salaries & Allowances	6,213,446.60	4,247,741.06
Overtime	133,659.80	194,222.05
Board's contribution to EPF	421,929.83	386,951.13
Board's contribution to ETF	84,385.97	77,390.23
Staff Welfare	451,525.00	411,825.00
Traveling local	200.00	3,530.00
Entertainment local	3,042.88	6,716.00
Uniforms to staff	84,385.59	83,620.50
Misc. supplies	69,396.00	221,899.34
Security Charges	1,464,015.49	2,091,600.13
Stationery	31,879.00	47,974.15
Telephones	99,433.78	129,388.24
Postage & Stamps	47,393.00	58,950.00
Electricity	2,589,167.44	1,897,614.25
Rates & Licences	106,205.98	155,519.20
Insurance - Fixed Assets	3,177.07	-
Rent (Land)	120,000.00	135,000.00
Maintenance - Buildings	392,473.50	298,042.41
Maintenance - Equipment	98,980.00	106,097.60
Transport & Freight	7,586.00	14,850.00
Bank Charges	3,750.00	3,945.00
Maint. & Repair vehicles / Fuel	5,080.00	6,839.00
Books & Periodicals	20,020.00	18,141
Attendance Incentive	218,539.00	173,980.00
Water	-	5,000.00
Economic Service Charge	84,766.45	18,832.49
Total	12,754,438.38	10,795,668.78

NATIONAL HOLIDAY RESORT - POLONNARUWA

Income Statement

For the period ended 31 December, 2015

	2015 Rs.	2014 Rs.
Rent Income	2,991,089.68	2,578,498.32
Other Income (Water & Garbage)	36,000.00	36,000.00
Gross profit	3,027,089.68	2,614,498.32
Economic Service Charge	5,254.02	1,787.63
Depreciation	-	-
Surplus/(Deficit)	3,021,835.66	2,612,710.69

NATIONAL HOLIDAY RESORT - KALKUDAH

Income Statement

For the period ended 31 December, 2015

	2015 Rs.	2014 Rs.
Rent Income	5,979,794.01	4,421,972.00
Other Income	707,663.13	78,926.70
Sub Total	6,687,457.14	4,500,898.70
Less: Adm. & Est. Expenses	2,180,460.26	2,962,681.16
Depreciation	20,428,524.53	22,177,936.78
Surplus/(Deficit)	(15,921,527.65)	(20,639,719.24)
Administration & Establishment Expenditure		
Salaries & Allowances	1,130,443.07	1,218,377.33
Overtime	170,572.20	214,306.00
Board's contribution to EPF	58,262.05	84,374.25
Board's contribution to ETF	11,652.41	16,874.85
Staff Welfare	88,350.00	70,850.00
Traveling local	10,800.00	6,150.00
Uniforms to staff	12,181.62	21,830.50
Misc. supplies	53,847.61	20,582.15
Security	453,452.24	326,953.00
Stationery	7,802.50	7,680.00
Telephones	45,268.45	26,080.42
Postage & Stamps	11,345.00	4,010.00
Electricity	70,490.16	65,734.10
Maintenance - Buildings	4,625.00	-
Maintenance - Equipment	12,000.00	854,192.33
Transport & Freight	6,000.00	-
Bank charges	750.00	-
Attendance Incentive	22,495.00	22,495.00
Economic Service Charge	10,122.95	2,191.23
Total	2,180,460.26	2,962,681.16



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல. } TIP/A/SLTDA/1/15/06
My No. }

ඔබේ අංකය
உமது இல. }
Your No. }

දිනය
திகதி } 24 December 2016
Date }

The Chairman,

Sri Lanka Tourism Development Authority

Report of the Auditor General on the Financial Statements of the Sri Lanka Tourism Development Authority of Sri Lanka for the year ended 31 December 2015 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971.

The audit of financial statements of the Sri Lanka Tourism Development Authority for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13 (1) of the Finance Act, No. 38 of 1971 and Section 20 of the Tourism Act No.38 of 2005. My comments and observations which I consider should be published with the Annual Report of the Authority in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13 (7) (a) of the Finance Act, was issued to the Chairman of the Institute on 07 December 2016.

1.2 Management's Responsibility for the Financial Statements

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

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000-1810).

අංක 306/72, පොල්ලව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. - இல. 306/72, பொல்தூவ வீதி, பத்தரமுல்லை, இலங்கை. - No. 306/72, Polduwa Road, Battaramulla, Sri Lanka

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1.4 Basis for Disclaimer of Opinion

As a result of the matters described in paragraph 2.2 of this report, I am unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded items, and the elements making up the statement of financial position, income statement, statement of changes in equity and cash flow statement.

2. Financial Statements

2.1 Disclaimer of Opinion

Because of the significance of the matters described in paragraph 2.2 of this report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

In terms of Sri Lanka Public Sector Accounting Standard 07, if the property, plant and Equipment are revalued, all the property plant and equipment belonging to one category should be revalued. Nevertheless, only the land and the building where Head Office was located had been revalued at Rs.1,378 million in the year 2008 without being revalued all the lands and buildings of the Authority.

2.2.2 Accounting Policies

The policy to determine the tax rate to be revalued from lands and buildings given on long term and short terms lease basis had not been disclosed.

2.2.3 Lack of Evidence for audit

As the evidence indicated against each item of the following was not made available for audit, they could not be satisfactorily vouched or accepted in audit.

Item of Account	Value	Evidence not made available
	Rs.	
Investments	55,540,267	Letters of confirmation
Debtors	125,539,987	Letters of confirmation
Fixed Assets	2,276,873,583	Title deeds, Register of assets
Amount paid to supply granite	1,067,580	Documents for the selection of supplier, invoices, particulars of transported vehicles, work done reports, goods receipts particulars



2.3 Accounts Receivable and Payable

The following observations are made.

- (a) Debtor balances remained unrecovered for more than 01 year and 3 years as at 31 December of the year under review amounted to Rs.5,979,605 and Rs.8,023,660 respectively.
- (b) A sum of Rs.17,223,705 receivable for the maintenance of Pasikuda Sewer Services remained unrecovered for the period of 01 to 03 years was unrecovered even by 31 December of the year under review.
- (c) A sum of Rs.4,429,753 receivable from Pasikuda Water Consumption debtors, remained outstanding for the period from 1 year to 3 years as at 31 December of the year under review had not been recovered even by 31 December of the year under review.
- (d) Out of the sum of Rs.190,566 payable to sundry creditors, the amount remained unrecovered for more than 3 years was Rs.146,063.

2.4 Non-compliances with Laws, Rules, Regulations, and Management Decisions

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

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
(a) Tourist Act No.38 of 2005 (i) Sub - section 26(1) of Chapter iv (ii) Paragraph 3 of Chapter vii	Rules determine tourist activities commercial and other activities to be carried out within a published and tourist development area had not been formulated. Even though the quorum of a meeting of the Authority should be 5 members, even otherwise determine by the Authority, such requirement had not been complied with in respect of certain Board papers.

- (b) Declaration of Assets and Liabilities Act No.01 of 1975 as amended by Act No.74 of 1988. Chairman and the Board of Directors should handover their statements of assets and liabilities every year to the Secretary to the Ministry and other staff officers to the Chairman of the Authority. Nevertheless, it had not been so done.
- (c) Sub- section 29:1 of Chapter XLVIII of the Establishments Code Part II of the Democratic Socialist Republic of Sri Lanka The disciplinary authority had not taken formal disciplinary action against the officers responsible for non-compliance with rules and regulations or discrepancies and misconduct revealed in the Auditor General's reports issued in the years 2013 and 2014, even by the end of the year under review.
- (d) Extra Ordinary Gazette No.1673/8 dated 28 September 2010 of the Democratic Socialist Republic of Sri Lanka. Contrary to the authority vested in the Authority recommendation had been given to issue liquor Licenses to buffet cars operated in the two trains called Wiserooy I and II.
- (e) Guidelines Circular of 24 January 1996 issued by the Secretary to the President. In leasing government lands, lease agreement and the amount of tax should be revised once in 5 years, action had not been taken in terms of this circular in respect of lands leased out by the Authority.
- (f) Sections 9.14.1 and 9.14.2 of the Public Enterprises Circular No.PED/12 of 02 June 2013. Even though a Procedural Guideline with a Chapter on Human Resources Management including all matters on rules and regulations relating to Human Resources Management should be approved by the Board of Control with the agreement of the Secretary to the Treasury the Authority had not taken action in compliance with those requirements.
- (g) Public Enterprises circulars No.PED 02/2015 of 24 May 2015. Instead of paying telephone bills of entitled officers by the Authority a sum of Rs.390,460 had been paid as monthly communication allowance along with the salaries of officers in the year under review.

2.5 **Transactions not supported by sufficient Authority**

In terms of Section 12(4)(iii) of Chapter 1 of the Tourism Act No.38 of 2005, out of the interest on a loan of Rs.100 million given to a private hotel from a State Bank a sum of Rs.7,382,305 had been paid by the Authority without the approval of the relevant Minister.

3. **Financial Review**

3.1 **Financial Results**

According to the financial statements presented, the financial results of the Authority for the year ended 31 December 2015 had been a surplus of Rs.308,312,524 as compared with the surplus of Rs.325,029,262 this indicating a deterioration of surplus by Rs.16,716,738 in the financial results as compared with the preceding year. Even though the deflection tax revenue had increased by Rs.26,428,493, decrease of other income by Rs.11,477,891 increase of employee remuneration by Rs.17,428,210 and incurring a loss of Rs.12,392,516 from resort activities by Rs.12,392,516 had mainly attributed to this deterioration.

In analyzing the financial results of the year under review and the preceding four years, the financial results had improved continuously from the year 2011 to the year 2014, but it had dropped by 5 per cent in the year under review as compared with the year 2014. In considering the Employees remuneration and the depreciation on non-current assets, the contribution of Rs.237,514,201 in the year 2011 had continuously improved up to Rs.442,960,183 in the year under review.'

3.2 **Analytical Financial Review**

The income of the Authority in the year under review amounted to Rs.545 million whereas it was Rs.546 million this indicating a decrease of 0.2 per cent as compared with the preceding year. Similarly, as compared with a sum of Rs.221 million spent for the Development of Tourism in the preceding year, a sum of Rs.236 million had been spent therein. Accordingly, an increase of 6.8 per cent was indicated.

3.3 **Legal cases initiated against the Authority and by the Authority**

The Authority had filed a case in the courts against 11 persons in respect of misuse of government properties and a lessee had filed a case against the Authority asking for reliefs.



4. Operating Review

4.1 Performance

Objectives of the Authority as per Tourism Act No.38 of 2005 are as follows.

- To develop Sri Lanka as a tourist and travel destination both in Sri Lanka and abroad.
 - To advise the Minister in charge of the subject of Tourism on matters relating to the travel and tourism industry, within the policy formulated by the Cabinet of Ministers in relation to this sector.
 - To provide guidance to the Sri Lanka Tourism Promotion Bureau to develop, promote and market Sri Lanka as a tourist and travel destination both in Sri Lanka and abroad.
 - To provide guidance to the Sri Lanka Institute of Tourism and Hotel Management to undertake human resource training and development activities.
 - To work towards the enhancement of the Tourism and travel sectors in order to secure a contribution for the expansion and development of Sri Lanka's economy.
 - To develop and promote adequate attractive and efficient tourist services inclusive of the hospitality industry in a sustainable manner.
 - To license and accredit tourist enterprises in order to develop enforce and maintain locally and internationally accepted standards in relation to the tourism industry and other related industries.
 - To encourage persons to bodies of persons in the Private Sector to participate in the promotion of the tourism industry and the promotional and training activities connected with such industry.
 - To do all such other acts as may be necessary or conducive to the attachment of all or any of the above objectives.
- (a) In the examination carried out in respect of achieving the above objectives during the year under review, evidence to ensure whether the following objectives had been achieved was not made available for audit.
- (i) Preparation of long term targets and 4 year plan and getting the cabinet approval, revision with the objectives of annual new long term targets and getting the cabinet approval therefor.

- (ii) Formulation of rules in respect of matters specifically stated in the Act, improvement and enforcement of locally and internationally recognized standards in respect of tourist industry and related other industries and issuing permits and giving authority to tourist entrepreneurs to operate them.
 - (iii) Establishment of general or other boards to facilitate the achievement of objectives in the Act.
 - (iv) Running businesses for the supply of transport, facilities to tourists who visit attractive places in Sri Lanka.
 - (v) Registration of tourist entrepreneurs and Tourist Services and the regulation of prices, charges and rates recoverable from tourist services.
 - (vi) Establishment of a Board, naming a Tourist Consultants Committee.
- (b) There were 4 tourist holiday resorts and 3 tourist resorts under the ownership and management of the Authority. There was a net surplus of Rs.1,529,201 in the year 2014 from those resorts but the net loss for the year under review amounted to Rs.12,392,516. In view of the excessive overhead expenditure a deficit of Rs.32,342,280 had incurred in 5 holiday resorts.
- (c) According to the Annual Action Plan, out of the 82 activities expected to be implemented during the year, only 47 activities or 57 per cent had been implemented. It was observed that out of the projects commenced during the year 7 projects and 9 projects had spent less than 10 per cent and less than 50 per cent of the allocated money respectively. Accordingly, it was observed that the expected performance had not been achieved by 51 projects, against the allocated money. Further, even though a sum of Rs.749.31 million had been allocated under 6 strategies in the Annual Action Plan for the implementation of projects only a sum of Rs.297.02 million had been spent during the year.

4.2 Management Activities

(a) Management of Lands and Properties

The following observations are made.

- (i) Out of the lands, 510 acres approximately in extent vested in the Authority from Kuchchaveli area in Trincomalee a few year ago, action had been taken to develop only even less than 50 acres by the end of the year under review.



- (ii) Out of the land 448.3 hectares in extent in the Yala Palatupana Wildlife area vested in the Authority for tourist activities only 26.8 hectares had been given to investors on lease basis by 31 December of the year under review.
 - (iii) A register for lands and properties, indicating the collection of transfer of deeds of properties and developments as a basic control system had not been maintained.
 - (iv) According to a sample test carried out by audit although the Gazette Notification had been issued to acquire 56 rest houses and 166 plots of land, 6495 in extent, only a part of them had been acquired by the end of the year under review.
- (b) Even though a sum of Rs.1,166,349 had been paid in respect of their pair of Holiday Resort in Nuwaraeliya a certificate to ensure whether repair works had been satisfactorily done had not been given. The audit test checks observed that repair works had not been carried out as per the agreement.
 - (c) Action had not been taken to acquire the land, 22 acres, 1 rood and 17.23 perches in extent in which Bandarawela Holiday Resort was located. Action had also not been taken to protect and inventories 200 trees with high values existed in the Resort premises.
 - (d) Eventhough a sum of Rs.65,104,138 had been paid to the Urban Development Authority to acquire a land, 11 acres, 3 roods and 13 perches in extent located in Sri Jayawardenapura Kotte in the year under review, action had not been taken to acquire the land to the Authority. Further, a sum of Rs.639,529 had been spent for the security of this land during the year under review.

4.3 Transactions of Contentious Nature

A sum of Rs.5,738,075 had been paid on 03 September 2014 to the Sri Lanka Cocomotion Welfare Society for the implementation of tourist promotion program by the Authority of this money, a sum of Rs.4,768,982 had been spent during the period from 03 to 09 September 2014 for the supply of foods to the selected groups in the Balangoda, Dehiattakandiya, Padiyathalawa, Hasalaka, Lunugamvehera and Nuwaraeliya areas and to provide facilities to staff and the balance money had been deposited in a account belonging to the society. This money had not been given to the Authority even up to 31 December of the year under review.



4.4 Utilisation of Funds

According to the analysis of monthly financial statements of Authority, the average working capital requirement had been Rs.170 million. Nevertheless, exceeding that requirement, surplus cash of Rs.599 million had been retained in the Fund Management Account during the whole year without getting a maximum investment.

4.5 Build up a fund for the provision for employee gratuities

Out of the provision of Rs.52,288,318 made for the employees gratuities, only a sum of Rs.19,768,441 had been invested.

4.6 Apparent Discrepancies

The following observations are made.

- (a) Audit observations are made construction of Thoraiadi Jetty in Kalpitiya and the Supply of Granite, gravels and A.B.C for laying of asphalt near wannimundalama lagoon are given below.
 - (i) Instead of the supplier for the supply of granite under the shopping method 1648 cubes of granite had been purchased from another person selected by the Project Director on his own discretion and as a result the Authority had to pay an additional amount of Rs.824,000. It had not been recovered even by 31 December of the year under review.
 - (ii) Even though the capacity of a tipper used for the transport of rubble, gravels and A.B.C at Kalpitiya worksite had been 3 cubes payments had been made in considering as material had been supplied at 4 cubes and as such overpayment made thereon amounted to Rs.2,549,000. Action had not been taken to recover same.
 - (iii) The Authority had paid a sum of Rs.10,196,000 for materials consisting of 1648 cubes of granite, 368 cubes of ABC and 40 cubes of gravels which had not been physically taken over.
- (b) Action had not been taken to recover an over payment of Rs.11,089,228 made to for the repairs carried out in the Katharagama Tourist Holiday Resort from the officers responsible and to take disciplinary action against them even up to 31 December of the year under review.



- (c) A sum of Rs.3,226,950 for 941.7 hours had been paid on the basis of three letters presented by suppliers stating that dozers had been supplied for the construction work of Kalpitiya Mohottuwarama Jetty. However, these payments had been made without being certified by an officer of the Authority stating that work hours had been recorded by met reading of daily work hours and certifying that the service of these dozers had been obtained. However, the work project work supervisor had certified that the service had been satisfactorily obtained on the above three letters.
- (d) The Resort Manager of Benthota had obtained 65 ½ days of no pay leave in the years 2012 and 2013 without being recorded and a sum of Rs.80,960 as unvalued leave allowances for the above 2 years without informing the Management.
- (e) Contrary to the rules and regulations, the Manager of Benthota Resort had paid a total sum of Rs.608,226 consisting of vehicle hire charges of Rs.480,000 and for fuel amounting to Rs.128,226 to 2 institutions for a period of one year for a vehicle with a fake number plate.
- (f) Salaries and allowances totalling Rs.1,879,478 had been paid to 9 Assistant Directors during the year under review who had been recruited to the Authority without qualifications approved by the Department of Management Services, without being complied with the Establishments Code of the Democratic Socialist Republic of Sri Lanka, Directors included in the Gazette Notification No.1589/30 dated 20 February 2009 containing rules of the Public Service Commission procedures and the election rules stated in the letter No.PE/2015/04 dated 29 June 2015 issued by the Commissioner of Elections.

4.7 Idle and Underutilized Assets

 The following observations are made.

- (a) Of the land, about 94 acres in extent which had been vested in the Ceylon Tourist Board in the year 1969 for the tourist industry and subsequently vested in the Tourist Development Authority, only about 50 acres had been utilized up to 31 December of the year under review. Accordingly, more than 40 acres had been idle for more than 46 years.
- (b) Building space of about 2880 square feet located in the Benthota National Holiday Resort premises had been idle since 2006 to the end of the year under review without being used for any economic activity.

4.8 Uneconomic Transactions

The following observations are made.

- (a) A sum of Rs.7,483,180 had been spent for the Security Services since 3 years provided to 7 Holiday Resorts in Bibila, Ragala, Horowpathana, Mahiyaganaya, Weeraketiya, Baththuluoya and Nikaweratiya areas. But action had not been taken to use them effectively and to earn some income.
- (b) The Authority had spent a sum of Rs.2,659,875 for the purchase of 55 sofa chairs without being evaluated the requirements. Even though the limited quotations had been called for the purchase of these chairs quotations had not been obtained from the institution which had supplied the model chair. Contrary to the Section 5.4.4 of the Procurement Guidelines advances of 50 per cent of the total value of supply had been paid in purchasing those items. A fruitless expenditure of Rs.211,000 had been incurred for the transport of chairs. Similarly, 3 chairs valued at Rs.159,803 had been misplaced.

4.9 Identified Losses

The following observations are made.

- (a) As the harvest had not been reaped from about 600 coconut and king coconut trees planted in the Benthotta National Holiday Resort Land continuously for 6 months from July 2013, the Authority had sustained a loss of over Rs.100,000. Action had not been taken to identify the officers responsible for this loss and recover the same even up to 31 December of the year under review.
- (b) As the salaries and allowances had been paid to officers, classified a project valued at more than 30 US Dollars as Kalpitiya Integrated Tourist Development Project, the overpaid amount of Rs.3,780,253 in the years 2009 to 2011 had not been recovered.
- (c) The cultural centre building in Colombo (Dutch Hospital) belonging to the Authority had been vested in the Urban Development Authority less than the depreciated value by Rs.7,274,715.

4.10 Procurement and Contract Administration

The following observations are made.

- (a) Audit observations relating to the construction of the rain water flowing drainage system in the Pasikuda Tourist Resort Project are given below.



- (i) The Director of the Planning and Development Division of the Authority was acting as the Chairman of the Technical Evaluation Committee of this project and he had certified payment vouchers valued at Rs.31,394,813 relating to the project checking and certification of measurement reports and bills and preparation vouchers had been done by the Resort Officer who had been working under the Director on contract basis. Accordingly the professional competence and independence of the officers on the performance of relevant duties could not be satisfied in audit.
- (ii) At the physical verification of construction works by auditors it was observed that water was remained in the drainage system as the construction works had not been done in considering the land slope. It was observed that an overpayment of Rs.3,792,420 had been made to the contractor as compared the actual measurement reports with the rates stated in the bills.
- (b) The following observations are made in respect of the creation of the website for the “One Stop” investment promotions of the Authority.
- (i) There was no pre plan or estimate for the invention of this web site and without entering into a written agreement with the selected contractor, only the relevant purpose had been informed in writing.
- (ii) A performance had not been obtained for the contract.
- (iii) An over payment of Rs.699,300 had been paid as at 06 January 2014 relating to this contract.
- (c) Contrary to the Paragraph 8 of the circular of the National Procurement Agency the labour contract for the operation of the Benthota Sewerage System from the year 2009 to 31 December of the year under review had been awarded to a private institution deviating the procurement procedure and a sum of Rs.28,740,018 had been paid.
- (d) For the carpeting of access road 1.126 km in length in the National Holiday Resort within the Pasikuda Tourist Zone, estimates had been prepared spuriously in 4 stages and the contractor had been selected without following the Procurement Procedure. In making payments for the construction work an overpayment of Rs.22,013,564 had been made.

4.11 Delayed Projects

The following observations are made in respect of Kalpitiya Integrated Tourist Project with an estimated cost of Rs.5,521 million for the construction on of resorts with additional 4000 rooms and the provision of infran structure facilities.

- (a) Even though the approval of the Cabinet of Ministers and the Department of National Planning of the General Treasury in the year 2008 for the implementation of Kalpitiya Integrated Tourist Development Project to complete within 5 years, any construction works whatsoever had not been done even by the end of 31 December of the year under review.
- (b) A detailed budget to cover up the project implementation plan project management expenses consultancy and capital works etc had not been prepared.
- (c) Fourteen Island under this project had been vested in the Authority to give them to investors up to the end of the year under review.
- (d) Even though advances totalling Rs.71 million had been given to the Divisional Secretariats in those areas to aquire lands in the Kalpitiya and Dedduwa areas for this project in the year 2007, those lands had not been acquired even by the end of the year under review.

4.12 Personnel Administration

The approved cadre of the Authority amounting to 199 under 19 names of designations had been approved by the Department of Management Services. The actual cadre in the year under review and the previous year had been 180 and 156 respectively.

5. Accountability and Good Governance

5.1 Corporate Plan

Even though a Corporate Plan had been prepared for the period 2013 to 2015, targets for few items stated in it had not been mentioned and the targets to be achieved at the end of each year had not been periodically reviewed and updated.

5.2 Action Plan

Even though periods had been indicated in the Action Plan prepared for the year under review, a methodology to assess the progress of the achievement of objectives periodically had not been introduced.



5.3 Internal Audit

An officer who had no qualifications approved by the Department of Management Services had been appointed to the Post of Chief Internal Auditor in the year under review. An audit in accordance with the plan of the Internal Audit Division had also not been carried out.

5.4 Procurement Plan

A main Procurement Plan had not been prepared in terms of Guideline 4.2.1 (a) of the Government Procurement Guidelines of 2006.

5.5 Budgetary Control

A variation between the 13 budgeted expenditure objects and the actuals ranging from 32 per cent to 283 per cent was observed in the year under review and as such the Budget had not been made use of as an effective instrument of Management Control.

5.6 Tabling the Annual Reports

The Annual Report of the Sri Lanka Tourism Development Authority for the year 2013 had been tabled in parliament in the year 2015.

6. Systems and Controls

Weaknesses in systems and controls were brought to the attention of the Chairman of the Authority from time to time. Special attention is needed in respect of the following areas of control.

Systems Control area	Observations
(a) Development Programs	A system had not been formulated to carry out development programs in compliance with the Action Plan and to report the physical progress.
(b) Project Control	In the implementation of Projects supervision of them and recommendation and approving payments, it had been done without checking work done reports adequately.
(c) Asset Management	Assets registers had not been maintained in an updated manner and action had not been taken acquire the ownership of properties.
(d) Accounts receivable and payable	Action had not been taken to settle receivables and payables.



(e) Accounting

Accounting had been made in terms of Sri Lanka Public Sector Accounting Standards disclosure of accounting policies and accounting of capital assets made without prime documents.

Sgd./ H.M. GAMINI WIJESINGHE
Auditor General

H.M.Gamini Wijesinghe
Auditor General

