

NATIONAL WATER SUPPLY AND DRAINAGE BOARD



**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022**



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National Water Supply And Drainage Board

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

		Budget 2022 Rs.	Actual 2022 Rs.	Restated 2021 Rs.
Revenue (Net of VAT)	7	40,082,030,000	35,464,465,620	28,935,444,532
Cost of Sales	8	(22,514,108,123)	(23,144,554,365)	(19,162,945,539)
Gross Profit		17,567,921,877	12,319,911,255	9,772,498,993
Other Operating Income and Gains	9	2,001,301,000	1,289,485,096	1,796,124,476
Administrative Expenses	10	(16,114,027,877)	(14,449,590,943)	(13,715,499,497)
Other Operating Expenses	11	(700,000,000)	(313,285,746)	(997,912,577)
Operating Profit / (Loss)		2,755,195,000	(1,153,480,338)	(3,144,788,604)
Finance Income	12	800,000,000	2,006,866,677	842,533,384
Finance Cost	13	(527,230,000)	(3,917,340,209)	(752,071,879)
Profit / (Loss) Before Tax		3,027,965,000	(3,063,953,871)	(3,054,327,099)
Income Tax (Economic Service Charges)	14	-	(33,795,903)	(138,860,749)
Profit / (Loss) for the Year		3,027,965,000	(3,097,749,774)	(3,193,187,848)

Accounting Policies and Notes from pages 8 to 28 form an integral part of these Financial Statements. Further, a summarized version of the above Statement of Comprehensive Income is included in Note No. 35 of these statements.



National Water Supply And Drainage Board

STATEMENT OF OTHER COMPREHENSIVE INCOME

Year ended 31 December 2022

	Budget 2022 Rs.	Actual 2022 Rs.	Restated 2021 Rs.
Profit / (Loss) for the Year	3,027,965,000	(3,097,749,774)	(3,193,187,848)
Other Comprehensive Income for the Year.			
Exchange Loss on Loan Conversion	-	(181,137,567)	
Net Actuarial Gain/(Loss) Recognized during the Year	-	-	(223,219,689)
Total Other Comprehensive Income for the Year	-	(181,137,567)	(223,219,689)
Total Comprehensive Income for the Year	3,027,965,000	(3,278,887,340)	(3,416,407,537)

Accounting Policies & Notes from pages 8 to 28 form an integral part of these Financial Statements.



National Water Supply And Drainage Board

STATEMENT OF FINANCIAL POSITION

Year ended 31 December 2022

		Actual 2022 Rs	Restated 2021 Rs.
Assets			
Non- Current Assets	Notes		
Property ,Plant & Equipment	15	276,966,312,149	263,032,023,476
Intangible Assets	16	27,730,640	20,429,157
Capital Work in Progress	17	584,908,992,114	443,417,701,611
Financial assets	18	1,934,451	1,889,780
Total Non Current Assets		861,904,969,354	706,472,044,024
Current Assets			
Non Operating Assets		149,748,448	149,748,448
Inventories	19	14,350,724,079	9,851,694,973
Trade & Other Receivables	20	12,645,826,163	10,680,472,901
Deposits & Advances	21	29,349,835,341	28,865,804,324
Investments	22	32,089,668,396	24,349,404,858
Cash & Cash Equivalents	23	4,088,000,534	4,233,330,332
Total Current Assets		92,673,802,962	78,130,455,835
Total Assets		954,578,772,315	784,602,499,859
Equity and Liabilities			
Equity			
Assets taken over from Government Dept.	24	185,480,387	185,480,387
Government Equity	25	115,115,643,291	100,263,323,220
Staff Welfare & Other Funds	26	23,656,876	33,115,808
Retained Earnings		(16,491,314,485)	(13,221,886,077)
Government Grant	27	123,523,371,754	117,548,897,076
Capital Grants	28	307,524,059,127	292,054,996,873
Total Equity		529,880,896,950	496,863,927,288
Non-Current Liabilities			
Loan Payable	29	282,368,872,833	227,420,934,401
Other Deferred Liabilities	30	4,435,065,261	4,414,833,084
Total Non Current Liabilities		286,803,938,094	231,835,767,485
Current Liabilities			
Non Operating Liabilities	34.2	51,287,805	51,287,805
Trade & Other Payables	31	69,511,675,272	40,103,085,274
Loan Capital Payable	29	52,475,160,647	12,578,838,828
Loan Interest Payable		15,855,813,547	3,169,593,179
Total Current Liabilities		137,893,937,271	55,902,805,086
Total Equity and Liabilities		954,578,772,315	784,602,499,859

R.M.A.S. Weerasena

Addl.G.M.(Finance)

The Accounting policies on pages 08 to 14 and Notes on pages 15 to 28 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

Nishantha Ranatunga

Chairman

Colombo

0927 February 2023

I.M.W.K. Ilangasinghe

General Manager

General Manager
National Water Supply &
Drainage Board

W.M.S.B. Wijekoon

Vice Chairman

Sanjeewa Wijekoon
Vice Chairman
National Water Supply and Drainage Board

Nishantha Ranatunga

Chairman

National Water Supply & Drainage Board
Galle Road, Ratmalana.



National Water Supply And Drainage Board

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Note	Government Departments	Govt Grants	Government Equity	Capital Grants	Staff Welfare & Other Funds	Accumulated Profit/Loss	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 January 2021		185,480,387	109,812,274,767	88,531,428,611	267,289,006,096	20,608,827	(9,016,059,633)	456,822,739,054
Prior Year Adjustments								
Assets/WIP Recognised and Derecognised	34.1.1	-	-	-	-	-	(336,075,872)	(336,075,872)
Depreciation adju. for Assets Recognised and Rerecognised	34.1.2	-	-	-	-	-	(462,031,009)	(462,031,009)
Trade & Other Payables	34.2	-	-	-	-	-	2,227,080	2,227,080
Inventories	34.2	-	-	-	-	-	3,468,465	3,468,465
Trade & Other Receivables & Non Operating Balances	34.2	-	-	-	-	-	20,639,944	20,639,944
Deposits	34.2	-	-	-	-	-	(431,329)	(431,329)
Capital Grants	34.2	-	-	-	(1,550,033)	-	1,550,033	-
Restated Balance as at 1 January 2021		185,480,387	109,812,274,767	88,531,428,611	267,287,456,062	20,608,827	(9,786,712,321)	456,050,536,333
Net Profit for the Year		-	-	-	-	-	(3,416,407,537)	(3,416,407,537)
Assets Recognised and Derecognised	34.1.1	-	-	-	-	-	166,550	166,550
Receipts / Transfers During the Year		-	7,736,622,310	-	24,767,540,811	-	-	32,504,163,120
Loan to Equity Conversion	34.2	-	-	11,731,894,610	-	-	-	11,731,894,610
Trade & Other Payables	34.2	-	-	-	-	-	5,711,933	5,711,933
Inventories	34.2	-	-	-	-	-	17,307,597	17,307,597
Trade & Other Receivables	34.2	-	-	-	-	-	(29,445,318)	(29,445,318)
Transfers to Staff Welfare Fund		-	-	-	-	12,506,981	(12,506,981)	-
Restated balance as at 31 December 2021		185,480,387	117,548,897,076	100,263,323,220	292,054,996,873	33,115,808	(13,221,886,077)	496,863,927,288
Net profit for the year		-	-	-	-	-	(3,278,887,340)	(3,278,887,340)
Receipts / Transfers during the Year		-	5,974,474,678	-	15,469,062,254	-	-	21,443,536,932
Loans Conversion to Equity		-	-	14,852,320,071	-	-	-	14,852,320,071
Transfers to Staff Welfare Fund		-	-	-	-	(9,458,932)	9,458,932	-
Balances as at 31 December 2022		185,480,387	123,523,371,754	115,115,643,291	307,524,059,127	23,656,876	(16,491,314,485)	529,880,896,950

Accounting Policies & Notes from pages 8 to 28 form an integral part of these Financial Statements.



National Water Supply And Drainage Board

STATEMENT OF CASH FLOW

Year ended 31 December 2022

For the year ended	Notes	Actual 2022 <u>Rs.</u>	Restated 2021 <u>Rs.</u>
Cash Flows from/(used) in Operating Activities			
Net Profit/(Loss) before Tax		(3,063,953,871)	(3,054,327,099)
<i>Adjustments for</i>			
Interest Income	12	(2,006,866,677)	(842,533,384)
Profit/Loss on disposal of Fixed Assets		3,875,213	21,504,234
Depreciation	10.2	5,080,251,400	5,028,521,410
Retiring Gratuity Provision	30.1	241,893,010	710,138,294
Interest Expense	13	<u>3,917,340,209</u>	<u>752,071,879</u>
Operating Profit before Working Capital Changes		4,172,539,285	2,615,375,334
(Increase)/Decrease in Inventories		(4,499,029,106)	(1,469,588,326)
(Increase)/Decrease in Debtors, Receivables & Deposits		(2,483,180,183)	139,054,243
Increase/(Decrease) in Creditors, Provisions & Deposits		<u>29,428,822,174</u>	<u>6,409,190,184</u>
Cash Generated from Operations		26,619,152,170	7,694,031,434
Gratuity Paid	30.1	<u>(241,893,010)</u>	<u>(568,916,918)</u>
Net Cash from Operating Activities		<u>26,377,259,160</u>	<u>7,125,114,517</u>
Cash Flows from/(used) in Investing Activities			
Investments in Fixed Assets & Work-In-Progress		(145,817,410,799)	(80,943,003,679)
Financial Assets		(44,671)	(36,273)
Sale Proceeds for Disposal Assets		9,138,224	5,772,078
Investment Income Received		2,006,866,677	842,533,384
(Investment) / Withdrawal of Investments		<u>(7,740,263,539)</u>	<u>(750,413,670)</u>
Net Cash Flows used in Investing Activities		<u>(151,541,714,108)</u>	<u>(80,845,148,159)</u>
Cash Flows from/(used in) Financing Activities			
Government Grant during the Period		5,974,474,678	7,736,622,310
Capital Grant during the period		18,269,821,832	27,178,674,810
New Loans and Equity including Currency Conversion Adjustments		119,574,514,646	63,526,231,118
Loan Repayments		(10,059,071,890)	(12,890,903,881)
Interest Paid		<u>(8,740,614,116)</u>	<u>(9,432,198,020)</u>
Net Cash Flows used in Financing Activities		125,019,125,149	76,118,426,337
Net Increase in Cash & Cash Equivalents		(145,329,799)	2,398,392,695
Cash & Cash Equivalents at the Beginning of the Year		<u>4,233,330,332</u>	<u>1,834,937,637</u>
Cash & Cash Equivalents at the End of the Period		<u>4,088,000,534</u>	<u>4,233,330,332</u>

The Accounting Policies and Notes on pages 8 to 28 form an integral part of the Financial Statements.



NATIONAL WATER SUPPLY AND DRAINAGE BOARD

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022



1. **CORPORATE INFORMATION**

1.1 **General**

National Water Supply & Drainage Board is a statutory board enacted by the Parliament under the National Water Supply & Drainage Board Law No. 2 of 1974. The registered office of the board is located at Galle Road, Ratmalana, and the principal place of business is situated at the same location.

National Water Supply & Drainage Board (NWS&DB) is an institution under the purview of the Ministry of Water Supply and Estate Infrastructure Development.

1.2 **Principal Activities**

The principal activity of the Board is to produce and sell treated drinking water to the community.

The objectives of the National Water Supply & Drainage Board are to develop treated drinking water throughout the country and its accessibility among the people of Sri Lanka.

1.3 **Going Concern**

The Management has made an assessment of the Board's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Board's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Board. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2. **BASIS OF PREPARATION**

2.1 **Statements of Compliance**

The financial statements which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, and the statement of cash flows, together with the accounting policies and notes have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

2.2 **Basis of Measurement**

The Financial Statements have been prepared on the historical cost basis except for financial instruments and other financial assets and liabilities held for trading that have been measured at fair value and liabilities for defined benefit obligation are recognized as at the present value of the defined benefit obligation.

2.3 **Presentation of Currency**

The financial statements are presented in Sri Lankan Rupees (LKR), which is the Board's functional and presentation currency.

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

3.1 **Property Plant and Equipment**

Property, plant, and equipment are stated at cost, net of accumulated depreciation, and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant, and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant, and equipment are required to be replaced at intervals, NWS&DB recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.



National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

3.1.1 Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Plant Property and Equipment	Rate
Building & Structures	1.67% - 2%
Plant & equipment pumping treatment	5%
Service & Bulk water meter	10%
Transmission & Distribution:	1.67%
Equipments	10%
Furniture & fittings	10%
Computers Peripherals & Mobile Phones	20% - 33.3%
Motor Vehicles	10% - 20%
Leasehold Vehicles	14.3%

3.1.2 Capital Work In Progress

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

3.1.3 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

3.1.4 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred. Acquisition of computer software is recognized as an intangible asset and amortized over the period of 7 years.

3.1.5 Research and Development Costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when NWS&DB can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is completed and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.



National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

3.1.6 Impairment of Non-Financial Assets

The NWS&DB assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the NWS&DB estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit (CGU) fair value less costs to sell and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.2.1 Inventories

Inventories are valued at cost or net realizable value whichever is lower after making allowance for obsolete and slow-moving items which are valued at a 'weighted average cost basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Measurement of Inventories

3.2.2 Cost of Inventories

Raw Materials

Cost of purchases together with any incidental expenses.

Other Stocks

Cost is arrived at weighted average basis.

3.3. Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and bank balances and short-term investment, net of outstanding bank overdrafts if any.

4. LIABILITIES, PROVISIONS, AND EQUITY

4.1. Retirement Benefit Obligation

4.1.1 Retirement Benefit Obligations (LKAS 19)

a) Defined Benefit Plan – Gratuity

Provision has been made for retiring gratuity from the first year of service for all employees, in conformity with Sri Lanka Accounting Standard No. 19 (LKAS 19). The cost of the defined benefit plans and the present value of their obligations are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, It is considered the interest rates of Sri Lanka Government bonds with maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases are based on the expected future salary increase rate of the Board.

b) Retirement Benefit Cost

NWSDB operates a defined benefit pension plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are



National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in retained earnings and are not reclassified to profit or loss in subsequent periods.

Unvested past service costs are recognized as an expense on a straight-line basis over the average period until the benefits become vested. Past service costs are recognized immediately if the benefits have already vested immediately following the introduction of, or changes to, a pension plan.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high-quality corporate bonds), less unrecognized past service costs, and less the fair value of plan assets out of which the obligations are to be settled.

Retirement benefit obligation is measured through the service of an actuarial valuer every three years intervals and maintains such liability over the period of three years in line with the salary revision. Hence, the gratuity liability that occurred for the next two consecutive years is treated as an expense immediately after the actuarial liability is identified in the first year.

Defined Contribution Plans- EPF & ETF

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective Statutes and Regulations. The Board contributes 12% and 3% of the gross emoluments of employees to EPF and ETF respectively.

4.2 Provisions

General

Provisions are recognized when NWS&DB has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When NWS&DB expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to provisions presented in the income statement net of any reimbursement.

4.3 Government Grants

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

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

The Cabinet Paper No 20/0974/204/029-VI is to provide necessary budgetary allocations as equity contributions for the NWSDB to settle interest and other costs which will be arisen from loans facilitated by the General Treasury for the period of 15 years. Further, the capital portion of such loans is being recognized as equity and the interest component will be recognized as revenue grants in compliance with LKAS.

5. INCOME STATEMENT

For the presentation of the Income Statement, the function of the expenses method is adopted, as it represents fairly the elements of NWS&DB performance.



National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

5.1.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the NWS&DB and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment.

The following specific recognition criteria must also be met before revenue is recognized.

Sale of Goods

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

Sale of Water

Revenue from the sale of water is recognized according to the number of consumed units within 30 days of the time by the consumer, when the meters are read, and when bills are processed within the system.

Other Income

Other income is recognized on an accrual basis.

Interest Income

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Rechargeable Works

Revenue from fixed-price construction contracts is recognized on the full completion of the contract.

5.1.2 Expenses

All expenditures incurred in the running of the business have been charged to income in arriving at the profit for the year. Repairs and renewals are charged to profit and loss in the year in which the expenditure is incurred.

5.2 Deferred Tax

The NWSDB is having massive deductible tax losses and other deductible expenses including interest against the tax liability. Hence, it is unlikely that arising of tax liability in the foreseeable future period therefore, NWSDB does not adjust deferred tax in Financial Statement.

6. FINANCIAL INSTRUMENTS- INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

6.1 Financial Asset

6.1.1 Initial Recognition and Measurement

Financial assets within the scope of SLFRS 9 are classified as financial assets at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss, as appropriate and determine the classification of its financial assets at initial recognition.

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



National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

The financial assets of NWS&DB include cash and short-term investment, trade and other receivables, staff loans, and other receivables.

6.1.2 Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows

6.1.2.1 Financial Assets at Fair value Through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired to sell or repurchase in the near term. NWS&DB did not have any financial assets at fair value through profit or loss during the years ended.

6.1.2.2 Financial Assets at Amortized Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. The NWSDB measures financial assets at amortized cost if both of the following conditions are met. (i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired. The NWSDB's financial assets at amortized cost include trade receivables and short-term investments.

6.1.2.3 Financial Assets at Fair Value Through Other Comprehensive Income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The NWSDB measures debt instruments at fair value through OCI if both of the following conditions are met. (i) The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and; (i) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line items in the income statement.

The financing of loans is implemented as per the Cabinet Decision number 43 @/ 16/0158/719/005 where 50% of the capital and interest of the loan on urban water supply projects, 75% of the rural water supply projects and 100% of the sewerage and wastewater projects are borne by the Treasury.

6.1.2.4 Derecognition

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

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



6.1.2.5 Impairment of Financial Assets

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

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

6.2 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of LKAS/SLFRS are classified as financial liabilities at fair value through profit or loss, at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. NWS&DB determines the classification of its financial liabilities at initial recognition.

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

Subsequent Measurement

Subsequent measurement of financial liabilities is at amortized cost.

Derecognition

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



National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

	Actual	Restated
	2022	2021
	Rs.	Rs.
7. REVENUE		
Metered Sales	32,532,771,267	25,258,459,667
Bulk Sales	368,826,738	302,786,383
Bowser Supply	220,555,486	174,226,590
Income from Main Operations	7.1 <u>2,342,312,129</u>	<u>3,199,971,893</u>
	<u>35,464,465,620</u>	<u>28,935,444,532</u>
7.1 Income from Main Operations		
Income related to New Connection and Other Main Operations	3,378,289,321	4,097,909,691
Capital Recovery Charges	675,254,528	1,058,843,764
Expense related to New Connection	<u>(1,711,231,719)</u>	<u>(1,956,781,562)</u>
	<u>2,342,312,129</u>	<u>3,199,971,893</u>
8. COST OF SALES		
Personnel Cost	8,220,144,775	8,265,455,789
Pumping Cost	7,240,988,228	4,751,630,799
Chemicals	1,997,344,741	1,242,760,106
Repairs & Maintenance	2,238,794,112	2,204,735,725
Establishment Expenses	1,147,429,361	819,171,330
Rent, Rates, Taxes, Security & Other Expenses	2,140,613,453	1,772,169,781
Rebates	<u>159,239,696</u>	<u>107,022,009</u>
	<u>23,144,554,365</u>	<u>19,162,945,539</u>
9. OTHER OPERATING INCOME		
Other Income	9.1 <u>1,274,213,626</u>	<u>1,768,137,060</u>
Staff Loan Benefit	<u>15,271,470</u>	<u>27,987,416</u>
	<u>1,289,485,096</u>	<u>1,796,124,476</u>
9.1 Other Income		
Sewerage and Ground Water Income	360,993,999	389,053,519
Miscellaneous Income including Surcharge, Penalties etc.	<u>913,219,627</u>	<u>1,379,083,541</u>
	<u>1,274,213,626</u>	<u>1,768,137,060</u>



National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

	Actual 2022 Rs	Restated 2021 Rs.
10. ADMINISTRATIVE EXPENSES		
Repairs & Maintenance	330,285,852	243,593,490
Establishment Expenses	1,353,095,724	897,881,429
Rent,Rates,Taxes, Security & Other Expenses	626,521,293	633,122,909
Staff Cost 10.1	7,048,436,675	6,902,380,259
Depreciation 10.2	5,080,251,400	5,028,521,410
Audit Fee Department of Auditor General	11,000,000	10,000,000
	<u>14,449,590,943</u>	<u>13,715,499,497</u>
10.1 Staff Cost		
Staff Cost on Loan Granted	15,271,470	27,987,416
Personnel Cost	7,033,165,205	6,874,392,843
	<u>7,048,436,675</u>	<u>6,902,380,259</u>
10.2 Depreciation		
Building and structure	1,689,538,443	1,609,321,986
Plant & Machinery	5,032,225,343	4,730,849,632
Equipments	601,513,427	539,031,433
Furniture and Fittings	49,352,565	46,108,451
Computers & Periparels	92,955,512	111,414,242
Motor Vehicles	422,727,171	410,786,403
Total Depreciation	7,888,312,461	7,447,512,147
Less: Depn. for Grant funded Assets	(2,797,207,561)	(2,411,900,057)
Less: Depn. for Rechargeable funded Assets	(12,804,308)	(9,041,487)
Add: Amortization of Intangible Assets	1,950,807	1,950,807
Depreciation Cost	<u>5,080,251,400</u>	<u>5,028,521,410</u>
Depreciation amounting 57,640,850 has been adjusted to the year 2021		
11. OTHER OPERATING EXPENSES		
Bad & Doubtful Debts	5,215,319	87,833,212
Provision for Obsolete Stock	43,886,872	92,426,248
Retiring Gratuity	241,893,010	710,138,294
Revenue Grant	22,290,544	107,514,823
	<u>313,285,746</u>	<u>997,912,577</u>
12. FINANCE INCOME		
Investment Income	2,006,866,677	842,533,384
	<u>2,006,866,677</u>	<u>842,533,384</u>
13. FINANCE COST		
Interest On Loans	21,426,834,484	9,055,650,555
Less: Capitalised Interest on Construction Projects	(17,509,494,275)	(8,303,578,676)
	<u>3,917,340,209</u>	<u>752,071,879</u>
14. INCOME TAX		
Economic Service Charges	33,795,903	138,860,749
	<u>33,795,903</u>	<u>138,860,749</u>

ESC Paid in 2020 & 2019 are recognised as expenses in 2022 & 2021 respectively.



National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

15. PROPERTY, PLANT AND EQUIPMENT

15.1 Gross Carrying Amounts	Restated Balance As at 01.01.2022	Additions after Adjustments	Transfers	Disposals	Balance As at 31.12.2022
Cost	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Assets					
Land Freehold	8,715,973,744	5,053,657	(25,525,224)	-	8,695,502,176
Land Leasehold	573,639,326	26,560,928	6,850,011	-	607,050,265
Infrastructure	9,992,815,922	657,013,676	8,273,896	-	10,658,103,494
Building - Freehold	25,305,576,597	277,794,499	(163,364,386)	(5,475,000)	25,414,531,711
Structures	56,979,123,314	5,368,257,580	(661,161,673)	-	61,686,219,221
Plant & Equipment-Pumping Treatme	50,768,749,864	3,266,560,528	(876,291,338)	-	53,159,019,053
Service Meter	(12,821,511)	14,414,416	(1,087,579)	-	505,327
Bulk Water Meter	751,070,176	155,086,567	4,194,980	-	910,351,723
Transmission & Distribution	147,002,268,379	10,226,515,577	(233,218,825)	-	156,995,565,131
Mobile Equipments	1,668,138,723	47,616,125	(71,648,785)	-	1,644,106,063
Survey Equipments	154,453,377	8,609,350	1,620,754	-	164,683,481
Laboratory Equipments	978,365,210	28,516,896	(1,930,273)	-	1,004,951,833
Other Equipment	3,890,626,027	1,105,674,114	956,078,817	-	5,952,378,958
Furniture & Fittings-Computer	561,397,915	210,207,024	(39,460,782)	(347,500)	731,796,657
Computers & Periparels	933,644,213	133,686,720	2,745,968	(420,600)	1,069,656,302
Motor Vehicles cars	2,724,791,759	(410,530,664)	351,051,562	(2,150,000)	2,663,162,657
Van busses & Jeeps	309,043,057	111,935,405	(22,802,896)	-	398,175,566
Lorries & Trucks	382,136,729	1,303,217,224	(381,144,708)	(925,000)	1,303,284,246
Tractors & Trailers	58,210,191	10,532,000	-	(500,000)	68,242,191
Water Bowsers,Heavy Vehicles	1,681,757,681	406,986,483	18,015,982	(26,172,000)	2,080,588,146
Motor Cycles	26,619,411	2,793,393	561,815	(802,036)	29,172,583
Three Wheelers	46,377,033	9,140,624	719,820	-	56,237,477
Total Value of Depreciable Assets	313,491,957,137	22,965,642,124	(1,127,522,862)	(36,792,136)	335,293,284,262



National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

15.2 Depreciation	Restated Balance As at 01.01.2022 Rs.	Charge for the Period Rs.	Adjustments Rs.	Disposal Rs.	Balance As at 31.12.2022 Rs.
Depreciation					
Freehold Assets					
Land Freehold	-	-	-	-	-
Land Leasehold	-	-	-	-	-
Infrastructure	1,368,991,181	202,243,685	(11,696,112)	-	1,559,538,754
Building - Freehold	2,920,762,983	492,751,205	(13,077,667)	(1,551,250)	3,398,885,270
Structures	7,951,550,961	994,543,552	20,397,394	-	8,966,491,907
Plant & eq: Pumping Treatment	15,223,600,111	2,474,494,266	7,495,168	-	17,705,589,545
Service Meter	769,065	62,919	(754,374)	-	77,611
Bulk Water Meter	399,589,548	67,985,112	1,907,426	-	469,482,086
Transmission & Distribution	15,358,686,457	2,489,683,046	5,426,309	-	17,853,795,813
Mobile Equipments	681,481,127	124,201,096	(6,209,878)	-	799,472,346
Survey Equipments	32,621,867	14,889,401	(0)	-	47,511,267
Laboratory Equipments	563,995,495	70,629,925	1,008,020	-	635,633,441
Other Equipment	2,019,885,807	391,793,005	(5,928,352)	-	2,405,750,460
Furniture & Fittings-Computer	426,221,462	49,352,565	(28,583,624)	(330,125)	446,660,278
Computers & Periparels	736,490,256	92,955,512	58,335,564	(420,600)	887,360,733
Motor Vehicles Cars	1,373,119,108	228,518,443	73,769	(1,941,325)	1,599,769,996
Van Busses & Jeeps	265,213,951	27,977,609	(6,057,901)	-	287,133,659
Lorries & Trucks	505,639,337	64,919,490	(25,409,806)	(359,813)	544,789,208
Tractors & Trailers	34,725,346	4,332,839	0	(292,917)	38,765,268
Water Bowsers, Heavy Vehicles	573,424,922	90,693,223	5,567,382	(18,216,121)	651,469,406
Motor Cycles	15,349,586	1,921,514	11,371	(666,549)	16,615,922
Three Wheelers	7,815,090	4,364,053	-	-	12,179,144
	<u>50,459,933,661</u>	<u>7,888,312,461</u>	<u>2,504,690</u>	<u>(23,778,699)</u>	<u>58,326,972,114</u>



National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

15. PROPERTY, PLANT AND EQUIPMENT (Contd...)

15.3 Net Book Values	2022 Rs.	2021 Rs.
At Cost		
Land Freehold	8,695,502,176	8,715,973,744
Land Leasehold	607,050,265	573,639,326
Infrastructure	9,098,564,740	8,623,824,741
Building - Freehold	22,015,646,440	22,384,813,615
Structures	52,719,727,313	49,027,572,353
Plant & Equipment-Pumping Treatment	35,453,429,508	35,545,149,753
Service Meter	427,716	(13,590,577)
Bulk Water Meter	440,869,638	351,480,628
Transmission & Distribution	139,141,769,319	131,643,581,922
Mobile Equipments	844,633,717	986,657,596
Survey Equipments	117,172,213	121,831,510
Laboratory Equipments	369,318,392	414,369,714
Other Equipments	3,546,628,498	1,870,740,220
Furniture & Fittings-Computer	285,136,379	135,176,452
Computers & Periparels	182,295,569	197,153,957
Motor Vehicles Cars	1,063,392,662	1,351,672,651
Van Busses & Jeeps	111,041,907	43,829,106
Lorries & Trucks	758,495,036	(123,502,608)
Tractors & Trailers	29,476,923	23,484,845
Water Bowsers, Heavy vehicles	1,429,118,741	1,108,332,760
Motor Cycles	12,556,661	11,269,825
Three Wheelers	44,058,334	38,561,943
Total Carrying Amount of Property, Plant & Equipment	276,966,312,149	263,032,023,476



National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

15. PROPERTY, PLANT AND EQUIPMENT

15.4 Investment Property

The Building constructed by the Board at Sunil Mawatha, Battaramulla currently occupied by the Ministry of City Planning and Water Supply is recognized as Investment Property according to the LKAS 40 - Investment Property.

This Investment Property is included under the Property, Plant & Equipment

	Land 2022	Building 2022	Total 2022	Total 2021
Cost	Rs	Rs	Rs	Rs
Balance as at 31.12.2022	138,500,000	238,053,034	376,553,034	376,553,034
Depreciation				
Opening Balance	-	48,293,414	48,293,414	43,532,353
Charge for the Period	-	4,761,061	4,761,061	4,761,061
Closing Balance	-	53,054,474	53,054,474	48,293,414
Net Book Value	138,500,000	184,998,560	323,498,560	328,259,620



National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

		Actual 2022 Rs.	Restated 2021 Rs.
16. INTANGIBLE ASSETS			
Computer Software		<u>27,730,640</u>	<u>20,429,157</u>
		<u>27,730,640</u>	<u>20,429,157</u>
During the year Rs 7,272,760 has been provided for amortization for the above software and new software amounting to 14,574,243 was added.			
17. CAPITAL WORK IN PROGRESS			
Construction Work	34.2	576,871,469,510	435,560,121,292
Rehabilitation	34.2	<u>8,037,522,604</u>	<u>7,857,580,318</u>
		<u>584,908,992,114</u>	<u>443,417,701,611</u>
18. FINANCIAL ASSETS			
HDFC Investment for Staff Housing Loans		434,368	434,368
Bank of Ceylon Saving - II		<u>1,500,083</u>	<u>1,455,412</u>
		<u>1,934,451</u>	<u>1,889,780</u>
19. INVENTORIES			
PVC Steel Pipes	34.2	9,866,282,779	6,368,260,131
Water Meter & Fitting & Brass Items	34.2	1,023,697,365	652,976,814
Chemical Materials	34.2	554,560,999	266,035,627
Electricals	34.2	989,815,754	782,591,849
Building Materials	34.2	325,355,005	63,714,713
Pump & Spare Parts	34.2	1,189,453,847	1,144,845,378
Vehicle Spare Parts		211,622,126	97,758,030
Stationary & Office Equipments	34.2	82,857,870	96,592,406
Other Items	34.2	1,025,634,644	918,744,978
Stock Adjustments	34.2	<u>(249,392,359)</u>	<u>93,461,627</u>
		15,019,888,031	10,484,981,553
Less- Major Spares			
Property Plant and Equipment at Stores		(388,318,570)	(396,328,070)
Provision for Obsolete Stock		<u>(280,845,382)</u>	<u>(236,958,510)</u>
		<u>14,350,724,079</u>	<u>9,851,694,973</u>

Rs 3,540,605,851 worth of inventories have been received for Water for All projects was recorded as at 31.12.2022.



National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

		Actual 2022 Rs.	Restated 2021 Rs.
20. TRADE AND OTHER RECEIVABLES			
Trade Debtors	34.2	8,309,580,399	7,473,625,465
Other Debtors	34.2	398,347,552	451,575,201
Less : Debtors Impairment		(1,513,035,567)	(1,516,901,595)
Debtors Collection Control		878,471,133	735,918,131
VAT Receivable		14,691,746	3,019,434
WHT Receivable		246,511,503	246,511,483
ESC Receivable		-	33,795,903
Advances to Staff		10,570,122	14,169,556
Loans To Employees		2,910,547,500	2,509,912,053
Dues from General Treasury		659,277,280	659,277,280
Receivable on Interest & Others		730,864,496	69,569,989
		<u>12,645,826,163</u>	<u>10,680,472,901</u>
21. DEPOSITS AND ADVANCES			
Pre Payments		270,946	2,387,651
Mobilization and Other Advances		28,948,686,972	28,469,734,734
Deposits	34.2	400,877,424	393,681,939
		<u>29,349,835,341</u>	<u>28,865,804,324</u>
22. INVESTMENTS			
Financial Assets (Including rechargeable funded investments)		32,089,668,396	24,349,404,858
		<u>32,089,668,396</u>	<u>24,349,404,858</u>
23. CASH AND CASH EQUIVALENTS			
Cash In Bank		3,832,751,317	4,013,569,719
Cash Imprest Head Office		1,525,000	2,225,000
Cash Imprests Regions		5,866,110	6,394,030
Cash In Transit		189,165,139	155,495,984
Savings Account		58,692,967	55,645,599
		<u>4,088,000,534</u>	<u>4,233,330,332</u>
24. ASSETS TAKEN OVER FROM GOVERNMENT			
Assets Taken Over from Government Dept.		185,480,387	185,480,387
		<u>185,480,387</u>	<u>185,480,387</u>
25. GOVERNMENT EQUITY			
Loans to Equity Conversion		101,215,659,366	86,363,339,295
Government Contribution (Treasury Bond)		13,899,983,925	13,899,983,925
		<u>115,115,643,291</u>	<u>100,263,323,220</u>

Policy decision has been taken by Government of Sri Lanka to convert foreign funded loans and interest payable thereon as at 31.12.2014 to Government Equity.



National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

		Actual 2022 Rs.	Restated 2021 Rs.
26. STAFF WELFARE & OTHER FUNDS			
Opening Balance		33,115,808	20,608,827
Received/(Paid) during the year		(9,458,932)	12,506,981
		<u>23,656,876</u>	<u>33,115,808</u>
27. GOVERNMENT GRANT			
Tresuary Grant		<u>123,523,371,754</u>	<u>117,548,897,076</u>
		<u>123,523,371,754</u>	<u>117,548,897,076</u>
28. CAPITAL GRANTS			
Foreign Grants	34.2	305,339,821,319	290,277,699,349
Local Grants		<u>2,184,237,808</u>	<u>1,777,297,524</u>
		<u>307,524,059,127</u>	<u>292,054,996,873</u>
29. LOAN PAYABLE			
Foreign Loans		253,349,944,793	195,618,735,427
Local Loans		<u>29,018,928,041</u>	<u>31,802,198,974</u>
Long term Portion of Loan Payable		<u>282,368,872,833</u>	<u>227,420,934,401</u>
Current Portion Loan Payable		<u>52,475,160,647</u>	<u>12,578,838,828</u>
Loan Payable		<u>334,844,033,481</u>	<u>239,999,773,229</u>
The interim policy of GOSL is to introduce a standstill of servicing external public debts, for an interim period pending an orderly and consensual restructuring of those obligations in a manner consistent with an economic adjustment program supported by the IMF. Hence, the portion of such loans which are paid by the GOSL is remained outstanding until such period.			
30. OTHER DEFERRED LIABILITIES			
Provision for Defined Benefit Plan	30.1	4,368,425,143	4,368,425,143
Customer and Employee Security Deposits		<u>66,640,117</u>	<u>46,407,941</u>
		<u>4,435,065,261</u>	<u>4,414,833,084</u>
30.1 Movement of Retiring Gratuity Provision			
Balance at the Beginning of the Period		4,368,425,143	4,003,984,078
Add Provision for the Period		241,893,010	933,357,983
Less: Gratuity Payments during the Period		<u>(241,893,010)</u>	<u>(568,916,918)</u>
Provision for Defined Benefit Plan		<u>4,368,425,143</u>	<u>4,368,425,143</u>
31. TRADE AND OTHER PAYABLES			
Rechargeable Work - Customer Advances	34.2	8,862,915,143	9,721,941,817
Contractors Retention		18,358,832,037	17,334,616,810
Creditors Control	34.2	9,008,678,679	2,765,890,116
Other Creditors		400,204,587	351,925,188
Accrued Expenses		30,017,594,587	9,172,705,908
Deposits		1,950,040,101	315,536,883
VAT Payable		695,593,486	220,602,860
With Holding Tax		19,122	129,122
Salaries and Other Payables		<u>217,797,531</u>	<u>219,736,570</u>
		<u>69,511,675,272</u>	<u>40,103,085,274</u>



National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

32. RELATED PARTY TRANSACTIONS

Transactions with State and State Controlled Entities

In the normal course of its operations, the Board enters into transactions with related parties. Related parties include the Government of Sri Lanka (State: as the ultimate owner of the Board), various Government Departments, and State Controlled Entities. Particulars of transactions, and arrangements entered into by the Board with the State and State Controlled Entities which are individually significant and for other transactions that are collectively, but not individually significant.

33. EVENTS AFTER THE BALANCE SHEET DATE

All the material events after the balance sheet date have been considered and appropriate adjustments and disclosures have been made to the Financial Statement, where necessary. Followings are ascertained to be disclosed.

<u>No</u>	<u>Case No</u>	<u>Court</u>	<u>Complainant</u>	<u>The accused</u>	<u>Amount may be (paid) or received</u>
			WMKWNK		
1	MR/321/14	Teldeniya District Court	Kumarihamy & Others	NWSDB	(10,000,000.00)
2	7708/2016/M	Mt Lavinia District Court	KS Wickramanayeka	NWSDB	(5,000,000.00)
3	M/8713	Kalutara District Court	NWSDB	NSS Liyanage	3,052,879.23
4	7157/M/2012	Mt Lavinia District Court	NWSDB	MP Fernando	4,777,348.87
5	7158/2012/M	Mt Lavinia District Court	NWSDB	A Mabulage	53,328,839.04
6	7156/2012/M	Mt Lavinia District Court	NWSDB	HV Kumaranayeka	190,335,023.30
7	DMR/5834/19	Colombo District Court	SA Obesekera	NWSDB	(5,000,000.00)
8	34383/M	Anuradhapura District Court	RKRI Ranasinghe	NWSDB	(600,000.00)
9	M/9675	Galle District Court	PB Lionel	NWSDB	(600,000.00)
				Bris Park Property Developer Ltd	
10	8205/19/M	Mt Lavinia District Court	NWSDB		1,586,330.13
11	8131/19/M	Mt Lavinia District Court	NWSDB	JM Karunarathne	21,450,000.00
12	DMR/00168/18	Colombo District Court	MF Vadooth	NWSDB	(100,000,000.00)
Total					<u>153,330,420.57</u>



National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

34. PRIOR YEAR ADJUSTMENTS

- 34.1 NWSDB assets were revalued by obtaining the service of the Department of Valuation in which NWSDB involves an immense assets base. Accordingly, the revalued amount of assets was taken to the books in the year 2010 and those values have been continuing as deemed the cost of PPE at present to which some adjustments were required retrospectively. Further, under the Assets Management System (AMS) implementation, some asset categorizations were amended in 2022. Hence, the net effect of Rs. 16,482,161 had been adjusted to the gross carrying amount of PPE, and Rs. 519,671,859 had been adjusted for depreciation as of 31.12.2021 as follows.

34.1.1 Gross Carrying Amounts

Cost	Balance As at 31.12.2021	Prior Year Adjustments	Restated Balance As at 31.12.2021
Freehold Assets	Rs.	Rs.	Rs.
Land Freehold	8,689,698,816	26,274,928	8,715,973,744
Land Leasehold	600,200,254	(26,560,928)	573,639,326
Infrastructure	9,887,836,404	104,979,518	9,992,815,922
Building - Freehold	23,890,234,765	1,415,341,832	25,305,576,597
Structures	59,277,201,001	(2,298,077,687)	56,979,123,314
Plant & eq: Pumping Treatment	51,150,121,959	(381,372,095)	50,768,749,864
Service Meter	1,301,905	(14,123,416)	(12,821,511)
Bulk Water Meter	774,136,535	(23,066,359)	751,070,176
Transmission & Distribution	146,069,730,369	932,538,010	147,002,268,379
Mobile Equipments	1,552,431,157	115,707,566	1,668,138,723
Survey Equipments	146,037,679	8,415,697	154,453,377
Laboratory	965,778,712	12,586,498	978,365,210
Other Equipment	3,683,844,042	206,781,985	3,890,626,027
Furniture & Fittings-Computer	647,048,841	(85,650,926)	561,397,915
Computers & Periparels	926,567,373	7,076,840	933,644,213
Motor Vehicles Cars	1,677,603,247	1,047,188,512	2,724,791,759
Van Busses & Jeeps	373,073,593	(64,030,535)	309,043,057
Lorries & Trucks	1,346,822,270	(964,685,541)	382,136,729
Tractors & Trailers	56,890,191	1,320,000	58,210,191
Water Bowsers, Heavy vehicles	1,719,036,783	(37,279,102)	1,681,757,681
Motor Cycles	26,466,368	153,043	26,619,411
Three Wheelers	46,377,033	-	46,377,033
Total Value of Depreciable Assets	313,508,439,297	(16,482,161)	313,491,957,137



National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

34.1.2 Depreciation	Balance	Prior Year	Restated Balance
	As at	Adjustments	As at
Freehold Assets	31.12.2021		31.12.2021
	Rs.	Rs.	Rs.
Land Freehold	-	-	-
Land Leasehold	-	-	-
Infrastructure	1,343,545,399	25,445,782	1,368,991,181
Building - Freehold	2,742,603,179	178,159,803	2,920,762,983
Structures	8,148,518,713	(196,967,752)	7,951,550,961
Plant & eq: Pumping Treatment	15,311,391,982	(87,791,871)	15,223,600,111
Service Meter	769,065	-	769,065
Bulk Water Meter	432,125,789	(32,536,241)	399,589,548
Transmission & Distribution	15,293,513,712	65,172,745	15,358,686,457
Mobile Equipments	591,477,007	90,004,120	681,481,127
Survey Equipments	31,527,249	1,094,618	32,621,867
Laboratory	556,562,444	7,433,052	563,995,495
Other Equipment	1,932,332,575	87,553,232	2,019,885,807
Furniture & Fittings-Computer	426,221,462	-	426,221,462
Computers & Periparels	786,120,438	(49,630,181)	736,490,256
Motor Vehicles Cars	556,923,152	816,195,957	1,373,119,108
Van Busses & Jeeps	319,058,036	(53,844,085)	265,213,951
Lorries & Trucks	851,572,730	(345,933,393)	505,639,337
Tractors & Trailers	34,171,496	553,850	34,725,346
Water Bowsers, Heavy vehicles	558,788,250	14,636,671	573,424,922
Motor Cycles	15,224,032	125,553	15,349,586
Three Wheelers	7,815,090	-	7,815,090
Total Value of Depreciation	49,940,261,802	519,671,859	50,459,933,661



34.2 In addition to the prior year adjustments for Property Plant & Equipment, the following items also have been adjusted retrospectively.

	Balance As at 31.12.2021 Rs.	Prior Year Adjustments Rs.	Adjustments For 2021 Rs.	Restated Balance As at 31.12.2021 Rs.
Capital Works in Progress (Note 17)				
Rehabilitation	7,855,021,373	2,558,946	-	7,857,580,318
Construction Work	435,882,107,400	(321,986,107)	-	435,560,121,292
Inventories (Note 19)				
PVC Steel Pipes	6,309,746,897	-	58,513,234	6,368,260,131
Water Meter & Fitting & Brass Items	652,421,298	-	555,516	652,976,814
Electricals	766,970,906	-	15,620,943	782,591,849
Building Materials	62,798,913	-	915,800	63,714,713
Pump & Spare Parts	1,138,476,173	-	6,369,205	1,144,845,378
Stationary & Office Equipments	96,557,311	-	35,096	96,592,406
Other Items	917,466,285	-	1,278,694	918,744,978
Stock Adjustments	155,974,054	3,468,465	(65,980,891)	93,461,627
Trade And Other Receivable (Note 20)				
Trade Debtors	7,494,937,600	-	(21,312,134)	7,473,625,465
Other Debtors	459,708,385	-	(8,133,184)	451,575,201
Deposits & Advances (Note 21)				
Deposits	394,113,267	(431,329)	-	393,681,939
Capital Grant (Note 28)				
Foreign Grants	290,279,249,382	(1,550,033)	-	290,277,699,349
Trade And Other Payable (Note 31)				
Rechargeable Work - Customer Advances	9,724,152,467	-	(2,210,650)	9,721,941,817
Creditors Control	2,771,618,480	(2,227,080)	(3,501,283)	2,765,890,116
Non Operating Liabilities	71,927,749	(20,639,944)	-	51,287,805



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Year ended 31 December 2022

35. **Summarized Statement of Income**

Revenue

	Actual 2022 Rs.	Restated 2021 Rs.
Metered and Bulk Supply	33,122,153,491	25,735,472,640
New Connection and Others	2,342,312,129	3,199,971,893
Total	35,464,465,620	28,935,444,532

Cost of Sales

Personnel Cost	8,220,144,775	8,265,455,789
Pumping Cost	7,240,988,228	4,751,630,799
Chemicals	1,997,344,741	1,242,760,106
Repairs & Maintenance	2,238,794,112	2,204,735,725
Establishment Expenses	1,147,429,361	819,171,330
Rent, Rates, Taxes, Security & Other Expenses	2,140,613,453	1,772,169,781
Rebates	159,239,696	107,022,009
Total	23,144,554,365	19,162,945,539

Gross Profit

Other Operating Income and Gains	1,289,485,096	1,796,124,476
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Other Cost

Administrative Expenses	(9,369,339,544)	(8,686,978,087)
Other Operating Expenses	(313,285,746)	(997,912,577)

Earning before Interest, Tax, Depreciation & Amortization (EBITDA)

	3,926,771,061	1,883,732,806
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Depreciation

	(5,080,251,400)	(5,028,521,410)
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Earning before Interest & Tax (EBIT)

	(1,153,480,338)	(3,144,788,604)
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Finance Income

	2,006,866,677	842,533,384
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Finance Cost

	(3,917,340,209)	(752,071,879)
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Profit / (Loss) Before Tax

	(3,063,953,871)	(3,054,327,099)
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Income Tax (Economic Service Charges)

	(33,795,903)	(138,860,749)
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Profit / (Loss) for the Year

	(3,097,749,774)	(3,193,187,848)
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