

# **Annual Report 2020**



## **Sri Lanka National Freedom from Hunger Campaign Board**

No.45, Kirimandala Mawatha,  
Colombo 05.

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Web Site: [www.nfpb.lk](http://www.nfpb.lk)

## **Vision**

Creation of the economic independence and self - confidence through the implementation of the Programmes for re-establishment of the Dignity of the farmers and less privileged persons.

## **Mission**

Implementation of participatory development Programmes to develop competencies in agriculture, livestock and the other fields in order to establish the economic independence and to alleviate the dependency culture of the beneficiaries.

## **Board of Directors of the Sri Lanka National Freedom from Hunger Campaign Board**

**as at 31<sup>st</sup> December 2020**

**Mr. D.M.Thilak Devagiribandara**

Chairman

Sri Lanka National Freedom from Hunger Campaign Board

**Mr. A.W.A. Chaminda Abesekara**

Vice Chairman

Sri Lanka National Freedom from Hunger Campaign Board

**Mr. C.C.Muhandiramge**

Additional Secretary (Development)

Ministry of Export Agriculture

**Mrs. Inoka Lankathilaka**

Deputy Director (Administration)

Ministry of Finance, Economic and Policy Development

**Mrs. K.A.R.Dharmasena**

Senior Assistant Secretary (Human Resources Development)

Ministry of Agriculture

**Mr. T.M.Rihan**

Assistant Director (Development)

Ministry of Finance, Economic and Policy Development

**Dr. K.Dhanushka Devappriya**

National Hospital

Member of the Board of Directors

**Mr. Sanjith Senanayaka , Attorney at Law**

Member of the Board of Directors

**Dates of Conducting Meetings of the Board of Directors in the year 2020**

- 402<sup>nd</sup> Meeting of the Board of Directors - 27.02.2020
- 403<sup>rd</sup> Meeting of the Board of Directors - 11.06.2020
- 404<sup>th</sup> Meeting of the Board of Directors - 27.08.2020
- 405<sup>th</sup> Meeting of the Board of Directors - 24.09.2020
- 406<sup>th</sup> Meeting of the Board of Directors - 25.11.2020

05 Meetings have been conducted in the year 2020.

## **Participation for the Meetings of the Board of Directors**

### **402- Meeting of the Board of Directors**

Mr. D.M.Thilak Devagiribandara – Chairman - Sri Lanka National Freedom from Hunger Campaign Board

Mr. A.W.A. Chaminda Abesekara - Vice Chairman - Sri Lanka National Freedom from Hunger Campaign Board

Mr. T.M.Rihan - Assistant Director (Development) - Ministry of Finance, Economic and Policy Development

Dr. K.Dhanushka Devappriya - National Hospital - Member of the Board of Directors

Mr. Sanjith Senanayaka , Attorney at Law - Member of the Board of Directors

### **403- Meeting of the Board of Directors**

Mr. D.M.Thilak Devagiribandara – Chairman - Sri Lanka National Freedom from Hunger Campaign Board

Mr. A.W.A. Chaminda Abesekara - Vice Chairman - Sri Lanka National Freedom from Hunger Campaign Board

Mr. C.C.Muhandiramge - Additional Secretary (Development) - Ministry of Export Agriculture

Mrs. K.A.R.Dharmasena - Senior Assistant Secretary (Human Resources Development) - Ministry of Agriculture

Mr. T.M.Rihan - Assistant Director (Development) - Ministry of Finance, Economic and Policy Development

Dr. K.Dhanushka Devappriya - National Hospital - Member of the Board of Directors

### **404- Meeting of the Board of Directors**

Mr. D.M.Thilak Devagiribandara – Chairman - Sri Lanka National Freedom from Hunger Campaign Board

Mr. A.W.A. Chaminda Abesekara - Vice Chairman - Sri Lanka National Freedom from Hunger Campaign Board

Mrs. K.A.R.Dharmasena - Senior Assistant Secretary (Human Resources Development) - Ministry of Agriculture

Mr. T.M.Rihan - Assistant Director (Development) - Ministry of Finance, Economic and Policy Development

Dr. K.Dhanushka Devappriya - National Hospital - Member of the Board of Directors

Mr. Sanjith Senanayaka, Attorney at Law - Member of the Board of Directors

#### **405- Meeting of the Board of Directors**

Mr. D.M.Thilak Devagiribandara – Chairman - Sri Lanka National Freedom from Hunger Campaign Board

Mr. A.W.A. Chaminda Abesekara - Vice Chairman - Sri Lanka National Freedom from Hunger Campaign Board

Mr. C.C.Muhandiramge - Additional Secretary (Development) - Ministry of Export Agriculture

Mrs. K.A.R.Dharmasena - Senior Assistant Secretary (Human Resources Development) - Ministry of Agriculture

Mr. T.M.Rihan - Assistant Director (Development) - Ministry of Finance, Economic and Policy Development

Dr. K.Dhanushka Devappriya - National Hospital - Member of the Board of Directors

#### **406- Meeting of the Board of Directors**

Mr. D.M.Thilak Devagiribandara – Chairman - Sri Lanka National Freedom from Hunger Campaign Board

Mr. A.W.A. Chaminda Abesekara - Vice Chairman - Sri Lanka National Freedom from Hunger Campaign Board

Mr. C.C.Muhandiramge - Additional Secretary (Development) - Ministry of Export Agriculture

Mrs. K.A.R.Dharmasena - Director ( Monitoring and Evaluation) -Ministry of Agriculture

## **Review of the Chairman**

Necessary steps have been taken to promote the poison-free value-added foods based on the concept of people-centric economy making a reality of manifesto known as Vistas of Prosperity and Splendor of His Excellency the President, Gotabaya Rajapakse. In the achievement of this task, the guidance provided by the Hon. Mahindananda Aluthgamage, Minister of Agriculture and Hon. Mohan De Silva, State Minister is a great encouragement to us. In order to make success this objective National Food Promotion Board has planned to implement several projects in this year. Accordingly, following projects have been given priority.

- Development of farms in Buttala and Thanamalwila
- Rice fortification project by use of iron and folic acid
- Production of organic fertilizers
- Providing vegetables to the consumers at concessionary prices
- Promotion of use of rice flour
- Farmers' products and foods outlet (Dehiwela)
- Traditional paddy purchasing project
- Project of plant sales centers

Action has been taken to improve the indigenous agro-economy which led to establish a people-centric economy, sell such harvest enabling to get a benefit to the farmers as well as the consumers and introduce food varieties innovated in line with the new technology. We have taken initial steps to popularize the food items which are made of indigenous substitutions instead of wheat flour caused many non-communicable diseases. Further, registered entrepreneurs of our institution have produced and presented substitutions for imported milk powder which is subject to discussion. Required initial arrangements have been made to create a sales outlet chain of indigenous foods as Agro Fresh Super and popularize such products island wide in near future.

Since the whole world has faced a backward economy due to prevailing Covid-19 pandemic, it is difficult for us to get rid of that situation. However, action has been taken to carry out development activities engaging the minimum staff effectively. It is our ambition to improve these functions furthermore and create a healthy generation through promoting of traditional food consumption.

D.M.Thilak Devagiribandara

Chairman

Sri Lanka National Freedom from Hunger Campaign Board

**Information of the Board:****Name of the Board:**

Sri Lanka Freedom from Hunger Campaign Board  
(National Food Promotion Board)

**Location and Legal Entity:**

This has been established under Sri Lanka Freedom from Hunger Act No.15 of 1973. The approval of the Cabinet of Ministers was granted to change the name as National Food Promotion Board in 2009.

**Fundamental Activities and Objectives:**

An entity that serves the people who have undergone economic inequality to a great degree. The objectives are,

- Obtaining assistance from foreign and local representatives for the social and economic development programme prepared by the Government.
- Assisting to other institutions and Boards in the implementation of social and economic development schemes benefitted to public.
- Providing assistance to specific schemes which are directed on the agricultural and technical development and improvement and coordination of such schemes.
- Enthusing the non-governmental representatives to implement the proposals made for the increase of agricultural and technical production.
- Extending cooperation with the international Freedom from Hunger Campaign and other similar foreign institutions, Associations and societies.



**Line Ministry:** State Ministry of Production and Supply of Fertilizer and Regulation of Chemical Fertilizer and Insecticide Use

**Office:** No.45, Kirimandala Mawatha, Colombo 05.

Telephone : 0112506895/ 0112505684

Fax : 0112506907

E mail : [ffhc.srilanka@gmail.com](mailto:ffhc.srilanka@gmail.com)

Website : [www.nfpb.lk](http://www.nfpb.lk)

**Auditors:** Auditor General's Department

Internal Audit Division: Ministry of Agriculture

**Bankers:** Bank of Ceylon – Borella

People's Bank - Dehiwela

**Strategies:**

- ❖ Integrating the development goals in order to direct to a collective objective.
- ❖ Providing opportunity to rural community to extend their cooperation in the economic and social development.
- ❖ Empowering the rural community enabling to participate in the development process.
- ❖ Changing towards the values that can be achieved with the establishment of self-confidence among traditional village community in order to generate self-propelled sustainable development.
- ❖ Promoting consumption and production of indigenous foods.
- ❖ Introducing technology of minimizing the post -harvest losses up to grass-roots level.

## **Staff of the Sri Lanka Freedom from Hunger Campaign Board**

Staff of the Sri Lanka Freedom from Hunger Campaign Board as at 31<sup>st</sup> December 2019 is as follows.

### **Chairman**

Mr. D.M. Thilak Devagiribandara

### **Vice Chairman**

Mr. A.W.A.Chaminda Abeysekara - BA, MA(MRDP)

### **Senior Managers**

Mr. (Dr.) R.Karawita - B.Sc. , M.Sc. , Ph.D. - Director

Mr.G.G.D.S. Priyankara - B.Sc. PG.Dip(Crop). Dip (Mkt & Mgt)- Assistant Director (Development)

Mr.Manoj Gunawardhena - B.Sc.(Agric.) M.Sc. - Assistant Director (Development)

Mrs.Shyama Gunawardhena - MLRHRM. M.B.M. BLE - Assistant Director (Admin)

Mrs.Mala Ambepitiya - CBA,Licentiate,HNDA 2<sup>nd</sup> B.A. - Assistant Director (Finance)

### **Managers**

Mrs.H.M.C.K. Nawarathna B.Sc. (business Admin) Financial Officer

Mr.Ishan Abeysinghe B.Sc. (Agric.) Project Officer

Mrs.Vindya Rathnayaka B.Sc. (Agric.) Project Officer

Mrs.R.Kamshalani B.Sc. (Agric.) Project Officer

### **Management Assistants (Technical)**

Mr. Chiranjeeva Karunarathna

Mr.Charitha Janaka

Mr.Tharindu Kasun Welihinda

### **Management Assistants (Non-Technical)**

Mrs.Chandra Abeysinghe Miss.Thilini Katulanda

Mr.J.N.K.Jayalath Mr.Thushira Abeygunawardhena

Mrs.Chathuri Senanayaka Mr.Budhika Sanjeewa

Mr.Duminda Sampath

**Karyala Karya Sahayaka**

Mr.Upendra Rajapaksha

Mr.Upali Dissanayaka

Mrs.Nilmini kumari

**Drivers**

Mr.Ranjith Warakaulla

Mr.Lal Gamini Rupasinghe

Mr.Ajith Wijekumara

Mr.Nishantha Abeyrathna

Mr.E.M.Harsha Kumara

Mr.T.P.Rohana

**Labourers**

Mr.Udaya Kumara

Mr.Lakshitha Panagoda

Mr.Tharanga Sandakelum

Mr.Gayantha Sammika

Mr.S.Lilan

Mr.Dilan Kodithuwakku

Mrs.Nadeeka Shyamali

Mr.Lakmal Saman Kumara

Mr.Malintha Madhushan

Mr.Lankathilaka Rathnayaka

Mrs.E.L.P.Priyanthi Yamuna

Mr.Sudesh Kiriwadeniya

Mr.L.Dinesh Chathuranga

Mr.D.S.Sameera

Mr.P.Wijedasa

Mr.W.H.Chinthaka Krishan

Mr.Amith Sampath Manage

Mr.Suminda Priyalal

Mr.Nalin Rangana Jasinghe

Mr.Gayan Kamalajith

Mr.N.A.Upali

Mr.Amila Prasad Ariyapala

Mr.H.G.Upul

Mr.I.G.Prabhath Chathuranga

Mr.Sudath Chandana

Mr.S.K.M.Kumarasinghe

Mr.Sampath Sisira Kumara

Mr.A.M.Gnanasiri

Mr.Suranga Sanjeeva Karunathilaka

Mr.Mahinda Samaranayaka

Mrs.Kanthi Kulasiri

**Cook**

Mr.T.S.D.Wickremasinghe

**Overall Performance:**

12 projects have been implemented by the Development Division of the Sri Lanka Freedom from Hunger Campaign Board in the year 2020 and a brief report of such projects are given below.

The main objective of implementing of these projects is to provide poison-free indigenous foods, value added foods and local poison-free agro-inputs to the consumers at concessionary prices and thereby uplifting economic status of local farmers in directly and indirectly and empowering the small and medium scale manufacturers through encouraging their products.

**1. Plant Sales Centre – Narahenpita**

Narahenpita plant sales center is a project initiated to provide various types of saplings including vegetables at concessionary prices to the urban community for their home gardening with a view to popularizing the poison- free foods which is the objective of our institution and motivating them to grow necessary things in their own home gardens as rural community. Saplings of herbals, flowers and fruits (specially under consumed fruits) and the seeds of fruits and vegetables and the fertilizers for vegetables and flowers, organic fertilizers, insect repellents and agricultural equipment can also be purchased at this center. In addition, instructions related to the crop cultivations can be obtained free of charge from this center.

The Operating cost of this project was Rs.8.92 million and a sum of Rs.9.74 million has been earned as operating revenue in this year. The net profit of the year was Rs.0.92 million.

**2. Plant Sales center – Dehiwela**

Dehiwewla plant sales center is a project initiated to provide various types of saplings including vegetables at concessionary prices to the urban community for their home gardening with a view to popularizing the poison- free foods which is the objective of our institution and motivating them to grow necessary things in their own home gardens as rural community.

All functions, performed by the sales center in Narahenpita, are also carried out by the sales center in Dehiwela.

A sum of Rs.6.30 million has been earned as operating revenue and operating cost was Rs.5.85 million in this year. Accordingly, the net profit was Rs.0.67 million.

### **3. Development of Farms at Buttala and Thanamalwila**

Farm Development Project initiated in the year 1986 in Buttala and Thanamalwila has been operating up to now. In addition to the farm development project several pilot projects are being implemented in line with this project.

#### **I. Development of Farm at Buttala**

Farm at Buttala has been maintaining as a model farm with the participation of families suffering from hunger in that area and producing of agro-crops and organic fertilizers have also been commenced in this farm. Further, arrangements have been made to commence a project of cultivation of saffron which is a current requirement, in this farm. The operating revenue of this farm was Rs. 0.04 million and operating cost was Rs.0.46 million in the year 2020. The net loss of this year was Rs.0.42 million.

#### **II. Development of Farm at Thanamalwila**

Farm at Thanamalwila has been maintaining as a model farm with the participation of families suffering from hunger in that area and arrangements are being made to produce agro-crops and organic fertilizers in this farm. The operating cost of Thanamalwila farm was Rs.0.42 million and the operating revenue was Rs.0.09 million. The net loss of this year was Rs.0.35 million.

### **4. Farm at Buttala (Production of Organic Fertilizers)**

Project of producing organic fertilizers which was commenced in 2013 at Buttala farm can be known as a pilot project. Economic benefits are also provided to the people of this area through supplying of raw materials required to produce fertilizers under this project. Producing of fertilizers such as compost, coir dust and potting mixtures has been carrying out successfully in this farm.

Such fertilizers are provided to the public at a reasonable price through the outlets owned by our Institution. The operating revenue of this project was Rs.4.15 million and the operating cost was Rs.3.54 million in the year 2020. Accordingly, a sum of Rs. 0.27 million has been earned as net profit.

## **5. Project of promoting rice flour**

Producing of rice flour can be introduced as a project initiated with the intention of popularizing the consumption of rice flour among the general public. Production activities under this project are carried out in the factory located in Gannoruwa, Peradeniya owned by the Department of Agriculture. The operating cost of this project was Rs.0.047 million and the operating revenue was Rs.0.013 million in the year 2020. Net loss of this year was Rs. 0.116 million.

## **6. Farmers' products and foods outlet -Dehiwela**

This project has been initiated and implemented for the purpose of popularizing the poison-free foods such as food items produced by farmers, value added food products of local entrepreneurs, traditional rice varieties (suwendel, kaluheeneti, pachchaperumal), Mawposha, suwaposha (nutritious foods), Thosai flour mixture and special rice flour mixture produced by this Institution.

In addition, arrangements have been made to provide breakfast, lunch, and nutritious food items at concessionary prices from the food outlet operating affiliated to this sales center.

The Operating cost of this project was Rs.9.72 million and the operating revenue was Rs.10.27 million in this year. Net loss of this year was Rs. 1.38 million.

## **7. Traditional Paddy Purchasing Project**

The project of producing traditional rice was commenced to achieve the sustainable development goals such as healthy life and foods for all. Consumption of these rice varieties is important to prevent from non-communicable diseases which are increasing in Sri Lanka and also to create a healthy nation and empower the local farmers. Paddy is purchased at a reasonable price from the farmers who cultivate traditional paddy in the district of Anuradhapura and they are converted into rice at the factory located in Kalankuttiya and sold at the sales centers of Dehiwela, Narahenpita and also through the private sector. The operating cost of this project was Rs.0.97 million and the revenue was Rs.2.04 million. The net loss was Rs.0.133 million in this year.

## **8. Project of providing a bag of vegetables at concessionary price**

This programme was initiated by the Sri Lanka Food promotion Board in collaboration with the Department of Agriculture and the Department of Agrarian Development for the purpose of achieving the objective of improving the state intervention for the maintenance of a fixed price for vegetables and to provide a bag of vegetables for consumers at concessionary price under the Vistas of Prosperity and Splendor. 15764.70 kg of vegetables have been sold at concessionary prices under this programme. The operating cost was Rs.2.51 million and a sum of Rs.1.88 million has been earned as income in this project. The net loss was Rs. 0.37 million in this year.

## **9. Import of Maize**

Maize is used as a main feeding item for poultry farming in the production of chicken and eggs in Sri Lanka. However, the quantity of maize presently produced in Sri Lanka is not sufficient to meet the annual requirement.

Presently, since import of maize is carried out by the private companies, they maintain a monopoly and it leads to increase the prices of poultry feeds creating the severe difficulties to the poultry farmers. A programme was initiated to regulate this situation under the guidance of the Hon. Minister of Agriculture. Accordingly, maize was imported with the support of the private sector and a sum of Rs.123.11 million of revenue was earned by importing of maize and cost of this programme was Rs. 120.74 million. The net profit was Rs.2.37 million.

## **10. Rice fortification Project**

This programme has been initiated with the intention of creation of a strong and healthy nation. Rice fortified by use of iron and folic acid is distributed for the identified school children who are suffering from nutritional deficits through this programme. Accordingly, 45105 kg of fortified rice have been provided for 31500 beneficiaries under this project.

**11. Allocations from the Treasury (2020)**

Description	Budgetary Allocations 2020 (Rs. Mn)	Actual Expenditure (Rs. Mn)	Grants Received (Rs. Mn)	Balance / Deficit
Recurrent	60.000	51.964	47.650	(4.314)
Capital	8.510	1.684	1.000	(0.684)
Total	68.510	53.648	48.650	(4.998)

**12. Other Allocations (2020)****Ministry of Agriculture and World Food programme**

Description	Amount (Rs. Mn)
Recurrent	1.128
Capital	-
Total	1.128



## **Report on Annual Accounts -2020**

### **(Sri Lanka Freedom from Hunger Campaign Board)**

The statements of Financial Position and Financial Performance have been prepared in compliance with the generally accepted Accounting Policies and in accordance with the Accounting Standards of Sri Lanka Public Sector based on historical cost and continuous existence.

#### **Accounting Policies:**

- 1) Calculations of depreciation are made from the date of purchasing of assets and all the assets are depreciated their useful life time.
- 2) Allocations have been made for Bad and Doubtful debts which are the receivable balances.
- 3) Allocations have been made for all identified liabilities.
- 4) Allocations for gratuities have been calculated on the basis of service period of each employee entitled to gratuity.
- 5) Income which was exceeded the expenditure has been calculated after making allocations for all known liabilities.
- 6) Stocks are calculated on the basis of less value out of the values of cost and net realized value. Cost for the following stocks is calculated under the following methods.
  - Raw materials - calculated at the actual cost using first in first out method
  - Unfinished stocks - calculated at the direct raw material cost
  - Finished stocks - Direct raw materials, variable overhead cost and direct salaries are calculated at the actual cost
  - Consumables – calculated at the actual cost
- 7) Allocations received from the government have been shown as a revenue in the revenue statement and expenditure items have also been presented separately.
- 8) Interest to be received for fixed deposits was calculated on the basis of interest rate of fixed deposits.

- 9) Amortization for the year 2020 was calculated in accordance with the LKAS- 20. There was a reduction in the calculation of amortization from 2015 to 2018 in the year 2019. It was rectified in 2020.

1. Following projects have been implemented by the Sri Lanka Freedom from Hunger Campaign Board in the year 2020.

<b>Project</b>	<b>Funded by</b>	<b>Location of the project</b>
Development of the farm	Self- funds	Thanamalwila
Development of the farm	Self- funds	Buttala
Traditional rice project	Self-funds	Kalankuttiya
Plant Nursery	Self-funds	Dehiwela
Plant Nursery	Self-funds	Narahenpita
Rice fortification project	World Food Programme	Kalankuttiya
BFN project	Self-funds	Gannoruwa
Import of maize	Self-funds	Main Office
Production of rice flour	Self-funds	Gannoruwa
Production of organic fertilizers	Self-funds	Buttala
Farmers' products sale center	Self-funds	Dehiwela
Vegetable project	Self-funds	Narahenpita

2. Following Current Accounts have been maintained under the Sri Lanka Freedom from Hunger Campaign Board in this year.

194125        -    Allocations received from the Treasury  
                      Allocations received from the Ministry of Agriculture,  
                      Development of farm in Buttala, Development of farm in  
                      Thanamalwila, Rice flour project, Plant Nurseries, Sales center in  
                      Dehiwela, Compost project, maize project, Traditional rice project,  
                      BFN project, Rice fortification project, Vegetable project

337100196138295    -    Revenue of Dehiwela sales center

80681636            -    Project for renovating minor irrigation

3. Separate ledgers are being maintained for every project.

**Statement of the Financial Position**of the Sri Lanka Freedom from Hunger Campaign Board as at 31<sup>st</sup> December 2020

Description	Note	2020 Rs.	2019 Rs.
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and inputs	<b>I</b>	<b>339,274,669.37</b>	342,583,552.38
Lands		307,200,000.00	307,200,200.00
Buildings		20,809,409.49	20,410,899.48
Motor vehicles		3,289,136.98	4,449,636.99
Machinery and Equipment		2,086,887.45	3,147,506.60
Furniture and fittings		1,221,513.46	1,166,831.34
Office Equipment		1,133,959.92	1,445,693.49
Agricultural Equipment		219,369.09	197,141.92
Gardening Equipment		448,184.29	636,675.44
Other Equipment		134,221.34	1008,442.43
Computer Accessories		631,664.98	1,000,442.43
Temporary Buildings		1,567,990.85	1,679,990.19
Measuring Equipment		165,131.52	230,000.93
Intangible Assets			
Software		367,200.00	487,500.00
Financial Assets		<b>218,931,269.10</b>	<b>163,290,601.05</b>
Saving Deposit		590,490.94	1,840,0395.60
Fixed Deposit		210,851,746.80	151,850,121.38
Distress and Ten- Month Loan		7,489,031.36	9,600,084.07
<b>Current Assets</b>		<b>18,098,830.81</b>	<b>423,427,456.27</b>
Deposits		411,816.50	419,316.50
Stocks		4,064,472.15	7,055,538.43
Debtors		686,862.77	686,862.77
Cash receivable		8,637,501.72	78,659,557.94
Cash in hand and Bank money		4,298,177.67	336,606,180.63

M.N. Ranasinghe

Secretary  
State Ministry of Promoting the Production  
& Regulating the Supply of Organic Fertilizer, and Paddy  
& Grains, Organic Foods, Vegetables, Fruits, Chillies,  
Onion and Potato Cultivation Promoting, Seed Production  
and Advanced Technology Agriculture  
80/5, "Govijana Mandiraya",  
Rajamalwatta Lane, Battaramulla.

P. S. M. Senadheera

Chief Financial Officer  
Ministry of Plantation  
11<sup>th</sup> Floor, Sethsiripaya Stage II  
Battaramulla

D. M. Thilak Devagiri Bandara

Chairman  
National Food Promotion Board  
Ministry of Agriculture  
(Sri Lanka Freedom From Hunger Campaign Board)  
No. 45, Kirimandala Mawatha, Narahenpita

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ශ්‍රී ලංකා නිදහස සහ ආහාර විපක්ෂී මහජන මණ්ඩලය  
නො. 45, කිරිමාදල මාවත, නරාහේන්පි.

Dr. Rohan Karawita

Director  
Sri Lanka Freedom From Hunger Campaign Board  
(National Food Promotion Board)  
Ministry of Agriculture  
No. 45, Kirimandala Mawatha, Narahenpita

Mala Sainanthi Ambepittha


Assistant Director - Finance  
Sri Lanka Freedom From Hunger Campaign Board  
(National Food Promotion Board)  
Ministry of Agriculture  
No. 45, Kirimandala Mawatha, Narahenpita.

<u>Total Assets</u>		<b>576,304,769.28</b>	<b>929,301,609.70</b>
<u>Equities and Liabilities</u>			
Capital and Reserve		483,785,153.14	476,205,524.27
Balance of Funds		376,879,914.68	384,618,995.55
Consolidated fund		106,905,238.46	91,586,528.72
<u>Non- Current Liabilities</u>		10,523,620.50	8,411,608.65
Retirement Gratuity Liabilities		10,400,800.00	8,411,608.65
Medium Term Loans		122,820.50	-
<u>Current Liabilities</u>		81,995,995.64	444,684,476.78
Retained Fund		582,260.85	480,640.86
Refundable Deposits		78,064,880.71	200,368,772.40
Accrued Expenditure		3,348,854.08	243,835,063.52
<u>Total Equities and Liabilities</u>		<b><u>576,304,769.28</u></b>	<b><u>929,301,609.70</u></b>


  
**M.N. Ranasinghe**  
 Secretary  
 State Ministry of Promoting the Production  
 & Regulating the Supply of Organic Fertilizer, and Paddy  
 & Grains, Organic Foods, Vegetables, Fruits, Chillies,  
 Onion and Potato Cultivation Promoting, Seed Production  
 and Advanced Technology Agriculture  
 805, "Govijana Mandiraya",  
 Rajamalwatta Lane, Battaramulla.

  
**P. S. M. Senadheera**  
 Chief Financial Officer  
 Ministry of Plantation  
 11th Floor, Seethasingaya Stage II  
 Battaramulla

  
**D. M. Thilak Devagiri Bandara**  
 Chairman  
 National Food Promotion Board  
 Ministry of Agriculture  
 (Sri Lanka Freedom From Hunger Campaign Board)  
 No. 45, Kirimandala Mawatha, Narahenpita

  
**Dr. Rohan Karawita**  
 Director  
 Sri Lanka Freedom From Hunger Campaign Board  
 (National Food Promotion Board)  
 Ministry of Agriculture  
 No. 45, Kirimandala Mawatha, Narahenpita

  
**Mala Saranathi Ambepitliya**  
 Assistant Director - Finance  
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 Ministry of Agriculture  
 No. 45, Kirimandala Mawatha, Narahenpita

### Statement of the Financial Performance


of the Sri Lanka Freedom from Hunger Campaign Board as at 31<sup>st</sup> December 2020

Description	Note	2020 Rs.	2019 Rs.
Revenue		<b>73,006,276.60</b>	<b>156,766,155.22</b>
Provisions of Treasury/Ministry	3,4	48,778,707.26	74,312,916.72
Other Operational Revenue	2	8,373,269.35	63,814,916.36
Interest from Savings Accounts		14,730,745.20	16,761,520.76
Revenue received from sale of assets		605,581.79	-
Remittance of Revenue received from sale of assets to Treasury		(312,000.00)	-
Other Revenue		826,972.60	1,876,801.38
Expenditure		<b>60,501,068.09</b>	<b>86,356,474.36</b>
Personal Emoluments		43,596,155.58	39,634,244.35
Travelling Expenses		168,332.16	331,383.37
Supplies and Requisites		1,275,769.24	3,150,778.48
Repairing and Maintaining of Fixed Assets		3,322,014.24	3,878,532.94
Transfers, Communication, utility and other services		12,138,796.87	39,361,535.22
Revenue/ surplus (deficit) exceeded expenditure		<b><u>12,505,208.11</u></b>	<b><u>70,409,680.86</u></b>

  
**M.N. Ranasinghe**  
 Secretary  
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 Onion and Potato Cultivation Promoting, Seed Production  
 and Advanced Technology Agriculture  
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**විද්‍යා ආචාර්ය උරුම ආරච්ඡි**  
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 අංක. 45, කිරිමාදලා මාවත, නරාහේපිට.

  
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**Statement of Cash Flows**

of the Sri Lanka Freedom from Hunger Campaign Board for the year ended 31st December 2020


Description	Note	2020 Rs.	2019 Rs.
<u>Cash flows received from Operations</u>			
Net profit / loss before income tax		12,505,208.11	70,409,680.86
<u>Adjustments</u>			
Depreciations	1	6,305,429.58	7,745,246.47
Depreciation on vehicle disposals / transfers		(1,631,415.15)	-
Amortization		(3,499,323.65)	(3,223,951.46)
Interest earned through investments		(14,730,745.20)	(16,761,520.76)
Adjustments of previous period		(2,426,255.59)	(3,169,847.31)
Allocations for retirement benefits		1,989,191.35	1,801,801.65
Operational profit before working capital changes		<b><u>(1,487,910.55)</u></b>	<b><u>56,801,409.45</u></b>
Stock (increases / decreases)		2,991,066.28	(2,701,686.75)
Trade and other receipts (increases / decreases)		70,029,556.22	77,917,971.22
Trade and increases / decreases of other payments		(362,688,481.14)	188,815,655.83
Cash generated from Operations		<b><u>(289,667,858.64)</u></b>	<b><u>264,031,940.30</u></b>
Net Cash from Operating activities		<b><u>(291,155,769.19)</u></b>	<b><u>320,833,349.75</u></b>
Cash flow from Investing activities (used)			
Acquisition of property, plant and equipment	1	(3,167,031.42)	(6,190,469.16)
Removing and Transfers of property, plant and equipment		1,801,900.00	-
Interest income earned from investing activities		14,428,781.83	16,308,676.39
Increases / decreases of Savings deposits		1,249,904.66	(1,180,634.61)
Increases / decreases of Fixed deposits		118,544,565.95	450,000,000.00

Increases / decreases of Fixed deposits		(177,546,191.37)	(477,711,810.19)
Net cash from Investing activities (used)		<b>(44,688,070.35)</b>	<b>(18,774,237.57)</b>
Cash flow from financial activities (used)			
Receipts of funds		49,778,707.26	79,464,237.19
Aid		(48,778,707.26)	(74,312,916.72)
Payment of Distress loans and Ten months loan		500,000.00	430,000.00
Repayment of Distress loans and Ten months loan		2,611,052.71	2,568,477.21
Funds for promotion of maize cultivation			(25,000,000.00)
Interest income earned from financial activities		301,963.37	452,844.38
Repayment of borrowings		2,727,129.50	-
Loans received		2,849,950.00	-
		<b>3,535,836.58</b>	<b>(17,257,357.94)</b>
Net increases (decreases) of cash and cash equivalents		(332,308,002.96)	284,801,754.24
Cash and cash equivalents at the beginning of the year		336,606,180.63	51,804,426.39
Cash and cash equivalents at the end of the year		<u>4,298,177.67</u>	<u>336,606,180.63</u>
Note – A			
Cash and Bank balance		<u>4,298,177.67</u>	<u>336,606,180.63</u>
Petty Cash			
		<b><u>4,298,177.67</u></b>	<b><u>336,606,180.63</u></b>

  
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### Statement of Change of Equities


of the Sri Lanka Freedom from Hunger Campaign Board for the year ended 31st December 2020

	<b>Revaluation Fund Rs.</b>	<b>Balance of Fund Rs.</b>	<b>Consolidated Fund Rs.</b>	<b>Total Rs.</b>
Balance as at 01.01.2020	328,671,316.14	55,947,679.41	91,586,528.72	476,205,524.27
Funds Received		49,778,707.26		49,778,707.26
Financial Aids		(48,778,707.26)		(48,778,707.26)
Adjustments in prior periods		(5,239,757.22)	2,813,501.63	(2,426,255.59)
Amortization relevant to the year		(3,499,323.65)		(3,499,323.65)
Net Surplus / (deficit)			12,505,208.11	12,505,208.11
	<b><u>328,671,316.14</u></b>	<b><u>48,208,598.54</u></b>	<b><u>106,905,238.46</u></b>	<b><u>483,785,153.14</u></b>

  
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of the Sri Lanka Freedom from Hunger Campaign Board for the year ended 31st  
December 2020

	Actual 2020 Rs.	Original Budget Rs.	Revised Budget Rs.	Difference between Original and Actual Budgets Rs.
<u>Revenue and Receipts</u>				
Provisions from Treasury/ Ministry - Capital	1,000,000.00	8,510,000.00		7,510,000.00
Provisions from Treasury/ Ministry - Capital	48,778,707.26	75,972,000.00		27,193,292.74
Revenue	157,687,105.53	122,720,000.00		(34,967,105.00)
Interest income from Savings and Fixed deposits and other	14,730,745.20	15,000,000.00		269,254.80
Surplus of disposal of assets	608,581.79			(608,581.79)
Vehicle selling income sent to Treasury	(312,000.00)			312,000.00
Other Revenue	826,972.60	720,000.00		106,972.60
<u>Expenditure</u>				
Personal Emoluments	43,596,155.58	58,935,900.00		15,339,744.42
Travel Expenses	168,332.16	2,308,000.00		2,139,667.84
Supplies and Requisites	147,598,539.14	97,206,100.00		(50,392,439.14)
Repairing and maintaining of fixed assets	3,322,014.24	11,021,000.00		7,698,985.76
Transfers, communication, utilities and other services	12,138,796.87	33,654,100.00		21,515,303.13
Capital Expenditure	3,167,031.42	8,510,000.00		5,342,968.58

**Secretary**  
State Ministry of Promoting the Production  
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& Grains, Organic Foods, Vegetables, Fruits, C  
Onion and Potato Cultivation Promoting, Seed Pro  
and Advanced Technology Agriculture  
80/5, "Govijana Mandiraya",

Chief Financial Officer  
Ministry of Plantation  
11<sup>th</sup> Floor, Sethsiripaya Stage II  
Battaramulla

Chairman  
National Food Promotion Board  
Ministry of Agriculture  
Sri Lanka Freedom From Hunger Campaign Box  
No. 16, Kirimandala, Muwaththa, Morrehennita

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(board)  
නො. 45, කිරිමෝදුලු මාවත.

**Director**  
Sri Lanka Freedom From Hunger Campaign Board  
(National Food Promotion Board)  
**Ministry of Agriculture**  
No. 45, Kirimandala Mawatha, Narahenpita

**Assistant Director - Finance**  
Sri Lanka Freedom From Hunger Campaign Board  
(National Food Promotion Board)  
Ministry of Agriculture  
No. 45, Kirimandala Mawatha, Narakumbura.

**Note 01****Non- Current Assets**

Asset category	Land and buildings	Motor vehicles	Machinery & equipment	Office equipment	Furniture and fittings	Agricultural equipment	Gardening equipment	Other equipment	Photography equipment	Temporary buildings	Measuring equipment	Computer accessories	Software	Total
Balance as at 01.01.2020	327,610,899.49	4,449,636.99	3,147,506.60	1,445,693.49	1,166,831.34	197,141.92	636,675.44	523,233.57	-	1,679,990.19	230,000.93	1,008,442.43	487,500.00	342,583,552.38
Additions	2,436,222.50	-	45,000.00	146,980.00	446,928.94	91,899.98	-	-	-	-	-	-	-	3,167,031.42
Disposals/ Transfers (Fixed assets)	-	(200,000.00)	(145,000.00)	-	(9,500.00)	(35,200.00)	-	(1,412,200.00)	-	-	-	-	-	1,801,900.00
Disposals/ transfers (cumulative values)	-	200,00.00	120,267.37	-	9,500.00	35,200.00	-	1,266,447.78	-	-	-	-	-	1,631,415.15
Depreciation for the year	(2,037,712.50)	1,160,500.00	(1,080,886.52)	(485,713.57)	(392,246.82)	(69,672.82)	(188,491.15)	(243,260.01)	-	(111,999.34)	(64,869.41)	(376,777.45)	(120,300.00)	(6,305,429.58)
Net Revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net value as at 31.12.2020	328,009,409.49	3,289,136.99	2,086,887.45	1,133,959.92	1,221,513.46	219,369.09	448,184.29	134,221.34	-	1,567,990.85	165,131.52	631,664.98	367,200.00	339,274,669.38
Total surplus of revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total restitutive deficit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross retained value	335,286,275.53	12,102,500.00	7,743,393.00	3,888,075.23	3,220,806.32	959,199.98	966,435.73	1,370,650.00	3,540.00	2,239,986.89	443,637.03	3,047,286.50	1,089,000.00	372,360,786.21
Cumulative depreciations	(7,276,866.04)	(8,813,363.01)	(5,656,505.55)	(2,754,115.31)	(1,999,292.86)	(739,830.89)	(518,251.44)	(1,236,428.66)	(3,540.00)	(671,996.04)	(278,505.51)	(2,415,521.52)	(721,800.00)	(33,086,116.83)
Net retained value	328,009,409.49	3,289,136.99	2,086,887.45	1,133,959.92	1,221,513.46	219,369.09	448,184.29	134,221.34	-	1,567,990.85	165,131.52	631,664.98	367,200.00	339,274,669.37



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**P. S. M. Senadheera**  
Chief Financial Officer  
Ministry of Plantation  
11th Floor, Sethsiripaya Stage II  
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**D. M. Thilak Devagiribandara**  
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**මහේස්වරයා ආරච්ඡිකර**  
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Director  
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**Mala Sananthi Ambepittha**  
Assistant Director - Finance  
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**Note 02****Trading and Profit Loss Accounts****2.1 Trading and profit Loss Account of Plant sale Centre – Narahenpita for the year ended 31.12.2020.**

Item	2020 Rs.	2019 Rs.
Trade Income	<b>9,748,603.90</b>	<b>8,976,860.50</b>
Less: Cost of Sales		
Opening Stock	1,063,313.01	976,511.34
Purchases	7,309,309.97	6,583,954.93
Loss of Stocks	-	-
Closing Stock	(1,162,902.76)	(1,063,313.01)
	7,209,720.22	6,497,153.26
Gross Profit / Loss	<b>2,538,883.68</b>	<b>2,479,707.24</b>
Overhead Cost	1,620,177.28	1,681,726.41
Net Profit / Loss	<b><u>918,706.40</u></b>	<b><u>797,980.83</u></b>


  
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## 2.2 Trading and Profit Loss Account of Dehiwela Sales Centre for the year ended 31.12.2020.

Item	2020 Rs.	2019 Rs.
Trade Income	10,278,110.08	39,214,204.37
<u>Less:</u> Cost of Sales		
Opening Stock	1,932,008.60	1,810,579.61
Purchases	7,739,246.27	33,132,732.36
Transport	-	-
Closing Stock		(1,932,008.60)
	9,671,254.87	33,011,303.37
Gross Profit / Loss	<b>606,855.21</b>	<b>6,202,901.00</b>
Overhead Cost	1,987,359.04	6,429,681.46
Net Profit / Loss	<b><u>1,380,503.83</u></b>	<b><u>(226,780.46)</u></b>

  
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### 2.3 Trading and Profit Loss Account of Plant Sales Centre – Dehiwela for the year ended 31.12.2020

Item	2020 Rs.	2019 Rs.
Trade Income (Plants and Fertilizer)	<b>6,302,297.00</b>	<b>6,302,736.00</b>
Less: Cost of Sales		
Opening Stock	579,784.89	623,027.61
Purchases	4,729,099.50	4,351,415.88
Loss of Stocks	-	-
Closing Stock	(797,826.18)	(579,784.89)
	4,511,058.21	4,394,658.60
Gross Profit / Loss	<b>1,791,238.79</b>	<b>1,908,077.40</b>
Overhead Cost	(1,125,725.73)	(1,382,285.00)
Net Profit / Loss	<b><u>665,513.06</u></b>	<b><u>525,792.40</u></b>


  
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## 2.4 Trading and Profit Loss Account of Rice flour Promotion Project for the year ended 31.12.2020

Item	2020 Rs.	2019 Rs.
Opening Stock	-	-
Purchases	35,639.00	434,087.50
Loss of Stocks	-	-
Closing Stock- Raw Materials	-	-
Cost of Raw Materials	35,639.00	434,087.50
Opening Stock – work in progress	-	-
Loss of Stocks	-	-
Closing Stock – work in progress	-	-
Production Cost	35,639.00	434,087.50
Sales Income	<b>13,506.55</b>	<b>427,594.37</b>
Less: Cost of Sales		
Opening Stock	107,137.36	64,006.66
Production Expenditure	35,639.00	434,087.50
	142,776.89	498,094.16
Loss of Stocks	(24,580.00)	(72,894.44)
Closing Stock	-	(34,243.42)
	118,196.86	390,956.30
Gross Profit / Loss	<b>(104,690.31)</b>	<b>36,638.07</b>
Overhead Cost	(12,009.00)	(502,798.00)
Net Profit / Loss	<b><u>(116,699.31)</u></b>	<b><u>(466,159.93)</u></b>


## 2.5 Trading and Loss Account of compost Project-Buttala for the year ended 31.12.2020

Item	2020 Rs.	2019 Rs.
Opening Stock	559,436.15	489,215.50
Purchases	3,003,305.00	2,542,382.50
Direct Salaries		-
Transport		-
Closing Stock- Raw Materials	(227,450.55)	(559,436.15)
	3,335,290.60	2,472,161.85
Opening Stock – work in progress		-
Closing Stock – work in progress		-
Production Expenditure	3,335,290.60	2,472,161.85
Trade Income	<b>4,151,090.00</b>	<b>2,940,050.00</b>
Less: Cost of Sales		
Opening Stock	-	-
Production Expenditure	3,335,290.60	2,472,161.85
Closing Stock		-
	<b>3,335,290.60</b>	<b>2,472,161.85</b>
Gross Profit / Loss	<b>815,799.40</b>	<b>467,888.15</b>
Overhead Cost	(544,000.00)	(375,675.20)
Net Profit / Loss	<b><u>271,799.40</u></b>	<b><u>92,212.95</u></b>

  
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## 2.6 Trading and Profit Loss Account of Traditional Rice Project for the year ended 31.12.2020

Item	2020 Rs.	2019 Rs.
Opening Stock	2,440,095.62	163,966.93
Purchases	576,395.05	4,286,448.50
Transport	-	-
Cost of Grinding	-	-
Direct Salaries	-	-
Loss of Stocks	-	-
Closing stock	(567,930.97)	(2,440,095.62)
	2,448,559.70	2,010,319.81
Opening Stock – work in progress	-	-
Loss of Stocks	-	-
Closing Stock – work in progress	-	-
Production Expenditure	2,448,559.70	2,010,319.81
Trade Income	<b>2,040,006.10</b>	<b>2,426,497.90</b>
Less: Cost of Sales		
Opening Stock	357,202.30	7,780.00
Production Expenditure	2,448,559.70	2,426,497.90
	2,805,762.00	2,010,319.81
Loss of Stocks	(29,269.00)	-
Closing Stock	(1,000,142.69)	357,202.30
	1,776,350.31	1,660,890.51
Gross Profit / Loss	<b>263,655.79</b>	<b>765,600.39</b>
Overhead Cost	(369,878.02)	(716,112.80)
Net Profit / Loss	<b><u>(133,222.23)</u></b>	<b><u>49,487.59</u></b>

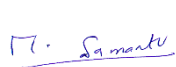
  
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## 2.7 Trading and Profit Loss Account of Buttala Farm for the year ended 31.12.2020

Item	2020 Rs.	2019 Rs.
Opening Stock	-	-
Purchases	-	5,050.00
Closing Stock- Raw Materials	-	-
	-	-
Opening Stock – work in progress	-	-
Closing Stock – work in progress	-	-
Production Expenditure	-	-
Trade Income	41,955.00	17,422.00
Less: Cost of Sales		
Opening Stock	-	-
Production Expenditure	-	5,050.00
Closing Stock	-	-
	-	-
Gross Profit / Loss	41,955.00	12,372.00
Overhead Cost	463,076.14	519,909.92
Net Profit / Loss	<u>(421,121.14)</u>	<u>(507,537.92)</u>


  
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## 2.8 Trading and Profit Loss Account of Thanamalwila Farm for the year ended 31.12.2020

Item	2020 Rs.	2019 Rs.
Income of the Farm	97,324.00	50,000.00
Less: Cost of Sales		
Opening Stock		
Production Expenditure	17,720.00	-
Closing Stock	-	-
	17,720.00	-
Gross Profit / Loss	79,604.00	50,000.00
Overhead Cost	(428,169.68)	(478,959.96)
Net Profit / Loss	<u>(348,565.68)</u>	<u>(428,959.96)</u>


  
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## 2.9 Trading and Profit and Loss Account of Vegetable Project for the year ended 31.12.2020

Item	2020 Rs.
Trading Income	1,887,670.40
Less: Cost of Sales	
Opening Stock	-
Purchases	1,766,940.68
Packaging	400,011.93
Stock Processing fees	-
Fumigation Expenses	
Loss of Stocks	
Closing Stocks	(254,370.00)
	1,912,582.61
Gross Profit / Loss	(24,912,.21)
Overhead Cost	(346,862.42)
Net Profit / Loss	<u>(371,774.63)</u>


  
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## 2.10 Trading and Profit Loss Account of BFN Project for the year ended 31.12.2020

Item	2020 Rs.	2019 Rs.
Trade Income	7,680.00	147,534.00
Less: Cost of Sales		
Opening Stock	16,560.00	560.00
Purchases	-	150,529.00
Packaging	-	-
Loss of Stocks	-	-
Closing Stock	-	(16,560.00)
	16,560.00	134,529.00
Gross Profit / Loss	(8,880.00)	13,005.00
Overhead Cost	116,610.00	603,265.72
Net Profit / Loss	<u>(125,490.00)</u>	<u>(590,260.72)</u>


  
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## 2.11 Trading and Profit Loss Account of Maize (import) Project for the year ended 31.12.2020

Item	2020 Rs.	2019 Rs.
Trade Income	123,118,862.50	2,613,731,100.95
Less: Cost of Sales		
Opening Stock		
Purchases	120,745,102.50	2,561,772,094.81
Transport		
Packaging		
Loss of Stocks		
Closing Stock		
	120,745,102.50	2,561,772,094.81
Gross Profit / Loss	2,373,760.00	51,959,006.14
Overhead Cost	-	(380,059.71)
Net Profit / Loss	<u>2,373,760.00</u>	<u>51,578,946.43</u>


  
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**Trading and Profit/ Loss Accounts**

Project	2020		2019	
	Gross Profit / Loss Rs.	Net Profit / Loss Rs.	Gross Profit / Loss Rs.	Net Profit / Loss Rs.
Plant Sales Centre - Narahenpita	2,538,883.68	918,706.40	2,479,707.24	797,980.83
Sales Outlet - Dehiwela	606,855.21	(1,380,503.83)	6,202,901.00	(226,780.46)
Plant Sales Centre - Dehiwela	1,791,238.79	665,513.06	1,908,077.40	525,792.40
Rice Flour Project - Kalankuttiya	(104,690.31)	(116,699.31)	36,638.07	(466,159.93)
Compost Project - Buttala	815,799.40	271,799.40	467,888.15	92,212.95
Traditional Rice Project	263,655.79	(133,222.23)	765,600.39	49,487.59
Farm – at Buttala	41,955.00	(421,121.14)	12372.00	(507,537.92)
Farm – at Thanamalwila	79,604.00	(348,565.68)	50,000.00	(428,959.96)
Vegetable Project	(24,912.21)	(371,774.63)	-	-
BFN Project	(8,880.00)	(125,490.00)	13,005.00	(590,260.72)
Maize (Import) Project	2,373,760.00	2,373,760.00	51,959,006.14	51,578,946.43
Samaposha Project	-	-	(30,606.45)	(495,336.45)
Mawposha Project	-	-	(12892.58)	(485,372.58)
Soya Project	-	-	(36780.00)	(36780.00)
<b>Total</b>	<b><u>8,373,269.35</u></b>	<b><u>1,332,402.04</u></b>	<b><u>63,895,195.39</u></b>	<b><u>50,824,721.21</u></b>


  
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4. Direct Development Expenditure has been mentioned under donations.
5. All the expenditure incurred for the administrative activities of the Head Office has been mentioned under the Treasury Funds.
6. Treasury Funds.

<b>Description</b>	<b>Budgetary Allocations</b>	<b>Actual Expenditure - 2020</b>	<b>Provisions from Treasury - 2020</b>	<b>Balance / Deficit</b>
Recurrent	60,000,000.00	51,964,098.81	47,650,000.00	12,350,000.00
Capital	8,510,000.00	1,684,283.70	1,000,000.00	7,510,000.00
			48,650,000.00	

7. The Funds received from the Ministry of Agriculture for the projects were utilized as recurrent and capital expenditure as given below.

<b>Description</b>	<b>Capital</b>	<b>Recurrent</b>	<b>Total</b>
Rice fortification Project	-	1,128,707.26	1,128,707.26
			1,128,707.26

Allocations from Treasury and Ministry (Recurrent and Capital) - Rs.49,778,707.26  
 Capital - Rs. 1,000,000.00  
 Recurrent - Rs. 48,778,707.26

8. The decision of the Case No. DMR 02401-13 filed at the Colombo District Court on the amount of Rs.3,209,728.53 payable for the fence constructed at the Ambalanthota Farm is still pending.
9. A sum of Rs.81,134,631.00 received from the Small Tank Development Project has been spent as follows in the years of 2017 and 2018 and it has been deducted from the deposits.



<b>Refundable Deposits</b>	<b>Rs. 81,134,631.80</b>
<b>Expenditure incurred in the year 2017</b>	<b>Rs. (1,445,668.16)</b>
<b>Expenditure incurred in the year 2018</b>	<b><u>Rs (1,924,927.39)</u></b>
	<b><u>Rs. 77,764,036.25</u></b>

10. Accounts related to the Sales outlet of Dehewela and restaurant of Dehiwela have been presented in a single Account.

11. A preliminary inquiry is being conducted by the Ministry of Agriculture regarding a misplacing of a certain quantity of soya which had been purchased under Local Soya Project.

12. A complaint has been lodged in the Police Station of Anuradhapura regarding a theft of rice from the rice store of Rice Fortification Project located in Savasthripura.

13. The projects scheduled to be implemented in the year 2020 were not completed as expected way due to Covid-19 pandemic.

14. Assessment charges which had not been paid before 2020, has been paid in 2020. It has been mentioned under the Cumulative Fund.

## **Report of the Auditor General – 2020**

### **National Audit Office**

My No: AGL/D/HCB/01/20/18

Date: 19<sup>th</sup> May 2021

The Chairman

Sri Lanka National Freedom from Hunger Campaign Board

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Sri Lanka Freedom from Hunger Campaign Board for the year ended 31<sup>st</sup> December 2020 in terms of the Section 12 of the National Audit Act No.19 of 2018.

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#### **1. Financial Statements**

##### **1.1. Qualified Opinion**

The audit of the financial statements of the National Freedom from Hunger Campaign Board for the year ended 31<sup>st</sup> December 2020 comprising the statement of financial position as at 31 December 2020 and statement of financial performance, statement of changes in equity, and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My comments and observations which I consider should be report to Parliament appear in this report. My report in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in Parliament in due course.

In my opinion, except for the effects of the matters described under Basis for Qualified Opinion of my report, the accompanying financial statements give a true and fair view of the financial position of the National Freedom from Hunger Campaign Board as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

## 1.2 Basis for Qualified Opinion

- a) Although, Assets, Liabilities, Income and Expenditure shall not be deducted except as required or permitted by the Public Sector Accounting Standards of Sri Lanka in accordance with paragraph 48 of Sri Lanka Public Sector Accounting Standards No. 01, out of the depreciation expenditure of Rs. 6,305,429 of the year under review in the Financial Performance Statement, the net depreciation value had been shown as Rs.2,806,105 after deduct the Government Capital Grant amortization value Rs. 3,499,323.
- b) In accordance with paragraph 47 of Sri Lanka Public Sector Accounting Standards No. 03, although the financial statements issued after the detection of errors in the sufficient prior period, it is necessary to restore the comparatively comparable values and disclose the nature of the errors and how they were adjusted in the financial statements, errors of Rs.8,053,259 had been corrected and restored in the financial statements during the year under review but had not been disclosed in the financial statements
- c) Grants receipts of government in the Cash Flow Statement of the Financial Statements were overstated as Rs.1,128,707. A sum of Rs. 467,066 which was disposed in the year under review and Rs. 312,000 which was remitted to the Treasury had not been properly adjusted in the cash flow statement.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLASs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion

### **1.3 Other information included in the Annual Report -2020 of the Board**

Information, included in the Annual Report -2020 of the Board and expected to provide me after the date of this audit report, but not included in the financial statements and my audit report, is known as the other information. Management is responsible for the other information.

My opinion on financial statements does not cover any other information and I do not express any kind of assurance or opinion on it.

In relation to my audit on the financial statements, it is my responsibility to read the other information identified above and to consider in regarding so whether other information is quantitatively inconsistent with the financial statements according to my knowledge obtained during the audit or otherwise.

When reading the Annual report -2020 of the Board, if I determine that there were quantitative errors such matters should be communicated to the governing body for rectification. If I found further misinformation which was not rectified, such matters will be included by me in due course to the report to be tabled in Parliament in terms of the Section 154 (6) of the Constitution.

### **1.4 Responsibilities of Management and those charged with Governance on the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

unless management either intend to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

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

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

### **1.5 Auditor's Responsibility on the audit of financial Statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the parties involved in the governance regarding the significant audit findings, main internal control deficiencies and related matters that I identify during my audit.

## **2 Report on Other legal and regulatory Requirements**

2.1.1 The financial statements of the Board are consistent with the preceding year as per the requirement of Section 6 (1) (d) (iii) of the National Audit Act No. 19 of 2018.

2.1.2 The financial statements presented are included all the recommendations made by me in the previous year as per the requirement of Section 6 (1) (d) (iv) of the

National Audit Act No.19 of 2018 except for the observation stated in the Para 2.2.3 in this report.

2.2. Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention so as to make following statements.

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

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

<u>Reference to Laws/ Regulations</u>	<u>Observations</u>
(a) Financial Regulation No.104 of the Socialist Republic of Sri Lanka	No action had been taken to investigate and recover damages from the responsible parties relating to loss of a mobile phone worth of Rs.48,990 at the Narahenpita Head Office, Fraud of Rs.77,362 at the Narahenpita Nursery in 2012 and misplacement of 37,223 kg of soyabeans worth of Rs.4,094,596 in the Upuldeniya warehouse in Anuradhapura in 2018.
(b) FR 371 (2) Amended by the Public Finance Circular No. 01/2020 dated 28 <sup>th</sup> August 2020.	Although it must be settled immediately the ad-hoc sub- imprest upon completion of the work during the year under review, it had taken 42 to 102 days to settle four advances of Rs.118,500 given to three officers for travel expenses,

transport expenses and purchases.

2.2.3 To state that the Board has not performed non-compliance with its powers, functions and duties as per the requirement of Section 12 (g) of the National Audit Act No. 19 of 2018 except the following observation.

In 2017 and 2018, the soil of the tanks was removed and sold to the expressways, which was not the purpose stated in the Sri Lanka Freedom from Hunger Campaign Board Act No.15 of 1973. A sum of Rs.3,370,595 had spent for the removal of soil and revenue of Rs.81,134,631 was earned from the sale of soil to the expressways. Although, it was stated that the tanks should be developed to the proper standard under the engineering guidance of the Department of the Agrarian Development after obtaining funds from the relevant farmers' organizations for the soil provided by the tank project and using that money along with the government allocations, instead of that Rs.77,764,036 was kept in a fixed deposit account.

2.2.4 To state that the resources of the Board had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of Section 12 (h) of the National Audit Act No.19 of 2018 except the following observation.

## **2.3 Other Matters**

- a) According to the revised action plan for the year 2020, a sum of Rs.172 million had been allocated for 15 projects and Rs.140 million out of it had not been spent. No work had been carried out in 8 projects for which had been allocated Rs.42 million through that action plan.
- b) Although 683.15 kg of WIP vitamins available for blending with the rice at Kalankuttiya factory related to the rice fortification project were expired and could not be used. No investigation had been conducted and no action had been taken by 28<sup>th</sup> February 2021 regarding this matter.



- c) A net loss was recorded from 2016 to 2020 at Thanamalwila farm and it was observed that more than 60 to 90% of the overhead cost was spent for salaries and wages.
- d) Although Rs.2.8 million has been spent for the soya related food production project during last three years, the Board has not introduced such products to the consumers in the year 2020.
- e) It was observed that although about 2 acres of Buttala farm consisted of 10 acres have been used for the production of compost fertilizer project, the remaining land was not utilized for cultivation effectively.
- f) When examine the budgetary revenue and the actual revenue of the Board for the year 2020 there was a variation from 2% to 100% and when examine the budgetary expenditure and actual expenditure, there was a variation from 26% to 93%.
- g) According to the financial statements of the Board as at 31<sup>st</sup> December 2020, there were loan balances of Rs.691,210 which was long-standing for more than 8 years due from government institutions, private institutions and individuals. It was further observed that some of the debtors mentioned in the debtor's register were fake.

W.P.C. Wickremaratna

Auditor General