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இலங்கை கடற்றொழில் நீரக வலமுளங்கள் அபிவிருத்தி அமைச்சு
MINISTRY OF FISHERIES & AQUATIC RESOURCES DEVELOPMENT



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வருடாந்த அறிக்கை
ANNUAL REPORT

2013

ලංකා ධීවර සංස්ථාව
இலங்கை கடற்றொழில் கூட்டுதாபனம்
Ceylon Fisheries Corporation

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Legal Status and Establishment of Ceylon Fisheries Corporation

The Ceylon Fisheries Corporation was established in 1964 under the State Industrial Corporation Act. No. 49 of 1957 and commenced its commercial operations in 1965. At the commencement the objectives of the corporation covered the entire fisheries sectors. The objectives of the Corporation were given in the Ceylon Government Extraordinary Gazette, No. 14186 of 1st October 1964 are mentioned below.

- The Corporation should directly or through authorized agents engage in fish production using trawlers in deep sea fishing operations.
- The Corporation should directly or through authorized agents engage in fish processing (canning, drying & processing) and in the production of fish by products.
- The Corporation should directly or through authorized engage in fish distribution and sale of fish on wholesale and retail basis.
- The construction and maintenance of fishery harbours, anchorages inclusive of cold storage rooms.
- Import and Export of fish and fishery products.
- Import and sale of fishing gear and necessary equipments to the fisheries industry.
- The Corporation should act for and on behalf of the department of fisheries or any other Government Department for the purpose of development of the fishing industry.
- The construction of boats and small ships for the fisheries industry.
- To provide facilities for the repair and maintenance of fishing boats.
- Manufacture and sale of fisheries equipments.

It should be noted that some of these functions have now been withdrawn. But, under the Extraordinary Gazette Notification No. 1712/21 dated 30-06-2011, objective item (v) of the above mentioned gazette was amended and substitutes the following items.

- a. Engaging in fishing operation within the Exclusive Economic Zone and beyond in accordance with accepted rules of international law.
- b. The processing of fish.
- c. Marketing of fish at foreign and local markets
- d. Where in appears to be so requires, to carry out such activities as are necessary for the import and export of fish and fish products.
- e. To enter into joint Venture agreements with local and foreign investors for the carrying out of any of the above activities.
- f. To represent local and foreign producers and distributors.

Corporate Information

Name of the Corporation : *Ceylon Fisheries Corporation*

Legal Form : *Public Corporation*

Date of Incorporated : *1st October 1964*

Directors

Chairman - *Mr.N.H.Maheel. P.Senaratne*

Vice Chairman - *Mr. Shantha Herath*

Managing Director - *Mr.Sadaruwan Lankeshwara* -

Director Treasury Representative - *Ms. Dharshana Senanayake*

Director - *Mr.H.Yasalal Perera*

Director - *Mr.D.Fernando*

Director - *Mr.M.H.M.Jelaldeen*

Senior Management

<i>General Manager</i>	-	<i>Vacant</i>
<i>Chief Manager</i>	-	<i>Mr. M.G.Somachandra (Up to Nov)</i>
<i>Administration Manager</i>	-	<i>Mr.D.S.W.A.R.Perera</i>
<i>Finance Manager</i>	-	<i>Mr.J.M..A.U.W.B.Jayasundara</i>
<i>Chief Internal Auditor</i>	-	<i>Mr.T.D.Priyantha</i>
<i>Legal Officer /Board Secretary</i>	-	<i>Mrs.K.V.H.Bandaranayake</i>
<i>Civil Engineer</i>	-	<i>Ms. I.S.Hettihewa</i>
<i>Operation Manager</i>	-	<i>Mr.P.K.Anuradha Manaranjana</i>
<i>Actg. Personnel Manager</i>	-	<i>Mr.E.A.S..Edirisinghe (Temporary)</i>
<i>Actg. Chief Engineer</i>	-	<i>Mr.A.G..De Silva (Contract)</i>
<i>Marketing Manager</i>	-	<i>Mr.K.J.R.S.Fernando (Contract)</i>

Registered Office

-No. 15 Rock House Lane, Mutwal, Colombo -15

Auditors

-Auditor General

Bankers

-Bank of Ceylon & People's Bank

VISION

To be the Leading Commercial Organization, Guiding and promoting fish production and trade for the benefit of the Consumer and the Producer.

MISSION

- **To be an effective organization to contribute more to the Gross National Product**
- **To be the most significant organization responsible for marketing of fisheries production, processing and marketing.**
- **To (harness) strengthen the economic activity of fishermen and to obtain greater (achievement) development of its production capacity.**
- **Would engage in production and marketing, quality fish and value added products at a reasonable price, using modern technology.**

Letter Submitted to the Hon. Minister of Fisheries & Aquatic Resources Development

*Rock House Lane,
Mutwal,
Colombo -15.
18th March 2016*

*Mr. Mahinda Amaraweera,
Hon Minister of Fisheries & Aquatic Resources Development,
Ministry of Fisheries & Aquatic Resource Development,
Maligawatte,
Colombo – 10.*

Hon Minister,

In terms of the Section 14(2) (c) of the Finance Act. No. 38 of 1971 and Section 30 (1) of the State Trading & Industrial Corporation Act. No. 49 of 1957. I submit the Annual Report of the Ceylon Fisheries Corporation for the year ended 31st December 2013..

- 1. Report of the Board of Directors*
- 2. Statement of Financial Position & Cash Flow Statement as at 31st December 2013.*
- 3. Comprehensive Income Statement for the year ended 31st December 2013*
- 4. Auditor General's Report for the year ended 31st December 2013.*
- 5. Reply to the Auditor General's Report by the CFC.*

It is kindly requested that this report to be submitted to the Cabinet.

Yours Faithfully,



*Jagath Kumara Perera
Chairman*

Chairman's Review

As a government owned public sector entity which entered in to the Sri Lankan fish market, Ceylon Fisheries Corporation (CFC) has a responsibility to enhance the economic status of Fishermen and ensure the availability of fish to consumers at reasonable prices. This aims to guarantee fish are within the purchasing power of all groups of customers and thereby it is expected to bring down cost of living and provision of nutritious, quality fish to fulfill the protein needs of the nation..

As a government owned public sector entity, there is a huge potential to be success in long run and this is the ideal time to come up with new and expansion projects as the fisheries industry moving towards its highest capacities. Since the fisheries sector is becoming more challenging at the open market, CFC is contributing its fullest strength to face the situation by adopting Attractive Pricing strategies, Product Differentiation, Market Diversification, Promotional Campaigns, to compete in this highly competitive market.

*1. **Purchase and Sale of Fish***

Direct fish purchasing from the fishermen ensures the paying best price for their harvest. To provide effective customer service CFC trade their products at best quality and low price. In the same time the processes finally enhance the organizations viability. CFC has negotiated with many Fishermen and fishing committees at fishing villages such as Trincomalee, Pesalai, Jaffna, for buy their fish harvest in order to strengthen livelihood of fishermen. In the same time opening up of new purchasing centers also support to enhance the purchasing ability of CFC. Total purchases of the year 2013 sum up to 4115 mt which consists of 2732mt of Direct purchase, 1012 mt of Foreign Vessels and 371mt of Imports. The Fish Marketing operation on the same time is the salient factor of CFC. Establishing new fish retail outlets in the main demographic and geographic locations in Sri Lanka helps to top of the mind awareness of "CEYFISH" brand to existing and potential consumers. Central Fish Market Complex at Peliyagoda is managed by the CFC under guidance of the Ministry of Fisheries and Aquatic Resources Development and CFC operates Flake Ice Production plant and the cold room in same Complex.

The Corporation has sold 3982 mt of fish through its sales net work, mobile service network, supply of fish to Govt. Hospitals and Other govt. Institutions.

2. **Production and Sale of Ice**

Production and sale of Ice is another income generation of CFC where the Ice Plants operated in Peliyagoda, Anuradhapura Hambantota Galle, Mutwal, Beruwala and Pesalai. The annual sales quantity sum up to 21469 Mt and has taken special attention to upgrade the Ice plant production and sale island wide.

3. **Operation of Foreign Fishing Vessels**

Corporation supporting the foreign vessels operations by providing electricity, water, processing area facilities where its able to operate 250 Nos. of foreign vessels at Mutwal Harbour. As a return they contribute CFC by handing over 10% of the total 1012 unloaded quantity of fish to Corporation at an agreed price.

4. **Canned Fish sales**

Locally manufactured canned fish factory has operated. The with joint project between CFC and Happy Cook Food Lanka (pvt) Ltd .

Services

• **Cold Storage and Processing Facilities**

The Cold Room Complex at Mutwal, a key component of the CFC Marketing chain, which provides storage, blast freezing and processing area facilities to outside and regional offices of the Corporation. It was able to practice proper stock holding system to provide better service to all the consumers.

• **Circuit Bungalows**

An attractive experience is given to clients by CFC circuit Bungalows situated in Kalametiya, Minneriya and Nuwara – Eliya where a good demand generated among the people.

Profit and Loss

The CFC had incurred a loss amounting to Rs 54.45 Mn for the year 2013 compared with the corresponding net loss of Rs 41.76 Mn. for the preceding year.



*Jagath Kumara Perera
Chairman*

Report of the Board of Directors

The Board of Directors of the Ceylon Fisheries Corporation takes pleasure in submitting the annual report for the year ended 31.12.2013 together with the audited financial statements for this period.

The Ceylon Fisheries Corporation was established in 1964 under the state Industrial Corporations Act No 49 of 1957.

The CFC is coming under purview of the Ministry of Fisheries and Aquatic Resources Development.

The activities carried out by the Corporation during the year 2013 could be summarized as follows.

- *Local Purchase and import of fish.*
- *Sale of fish on wholesale and retail basis*
- *Purchase and sales of fisheries by products.*
- *Production and Sale of Ice.*
- *Providing Cold Storage facilities.*

Review of the Business

An assessment of the corporation and its affairs is contained under the Chairman's review which is an integral part of the report of Board of Directors.

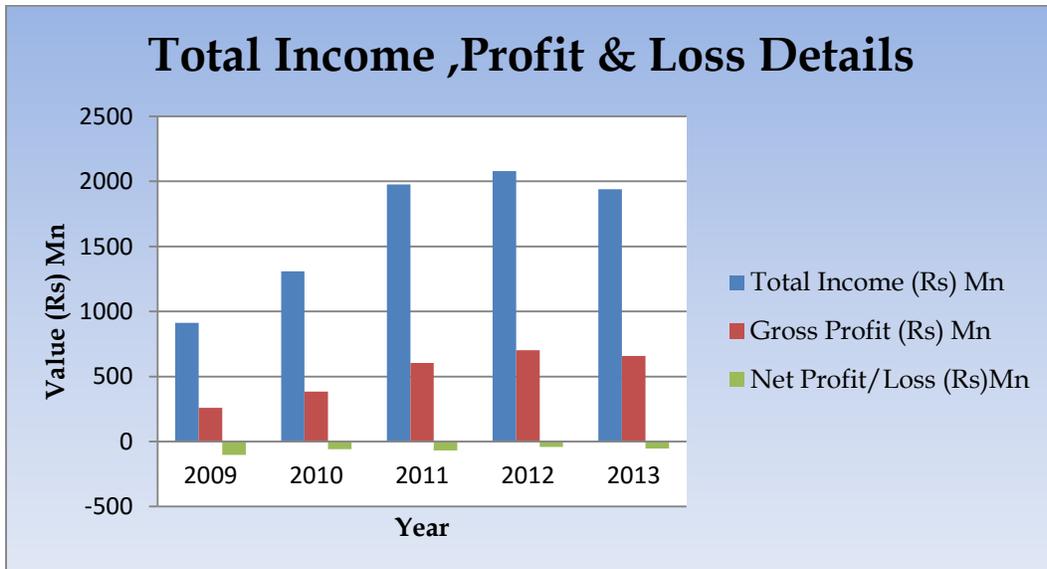
Financial Structure

The Corporation's revenue which had been over one billion for last few years as a result of increase of the revenue on expansion of retail fish stall net work. If we consider the net that a sharp decrease and increase in losses to Rs. 59Mn, Rs. 68.97 mn. Rs. 41.76 mn and Rs. 54.45 Mn from 2010 to 2013 respectively.

The financial performance could be summarized as follows.

Total Income , Profit & Loss Details

<u>Year</u>	<u>Total Income (Rs)</u> <u>Mn</u>	<u>Gross Profit (Rs)</u> <u>Mn</u>	<u>Net</u> <u>Profit/Loss</u> <u>(Rs)Mn</u>
2009	912	258.48	(103.90)
2010	1309	384.16	(59.40)
2011	1977	605.17	(68.97)
2012	2079	701.19	(41.76)
2013	1940	657.36	(54.45)



Fish Purchase,Sales & Gross profit Details

Year	Fish Purchase Value (Rs) Mn	Fish Sales Value (Rs) Mn	Gross Profit (Rs) Mn
2009	602.98	806.65	168.95
2010	917.96	1206.28	300.89
2011	1350.58	1840.04	485
2012	1338.91	1900.65	583.25
2013	1732.95	1155.18	537.38



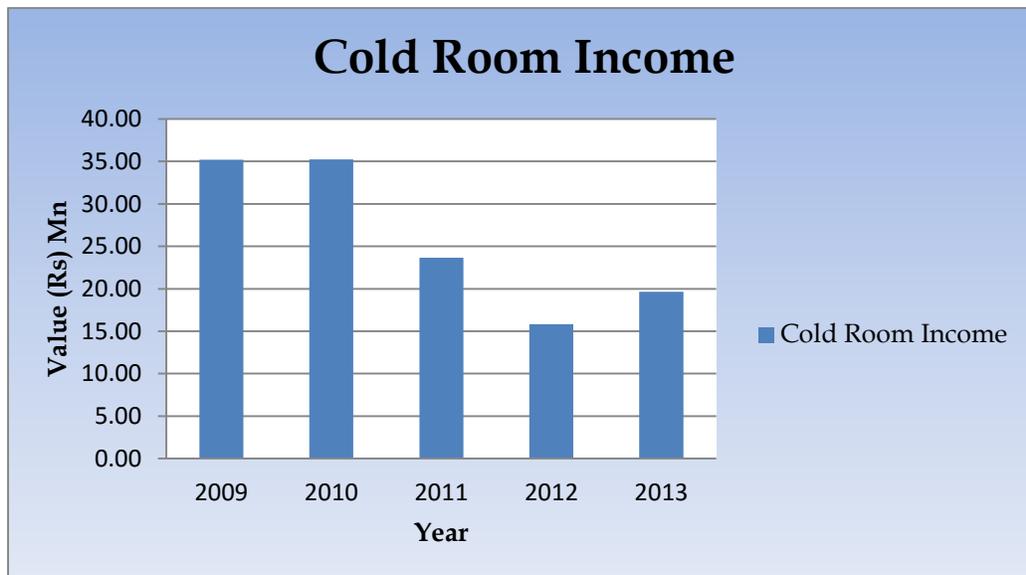
Ice Sales Details

Year	Ice Sales Qty Mt	Ice Sales Value (Rs) Mn
2009	22055	67.42
2010	24288	65.18
2011	21894	76.92
2012	24233	91.28
2013	21469	97.58



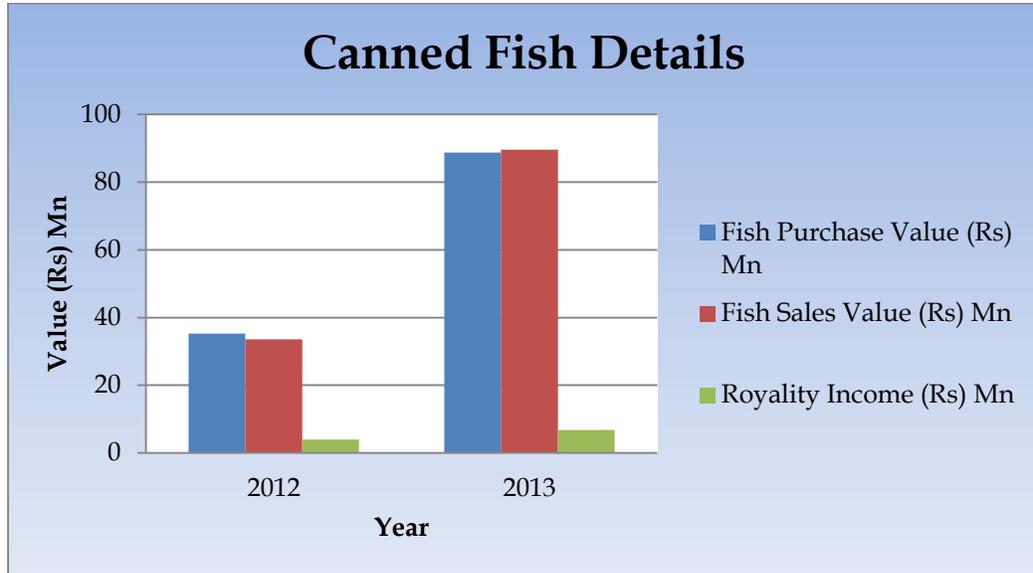
Cold Room Income (Rs) Mn

Year	Cold Room Income
2009	35.20
2010	35.24
2011	23.67
2012	15.82
2013	19.64



Canned Fish Purchase & Sales Details

Year	Fish Purchase Value (Rs) Mn	Fish Sales Value (Rs) Mn	Royalty Income (Rs) Mn
2012	35.23	33.59	3.93
2013	88.76	89.55	6.76



Staff Strength

Executive	-	75
Executive Trainees	-	01
Clerical , Tech Allied grade staff	-	248
Minor Employees	-	485
Junior Staff	-	<u>466</u>
		1275
		=====

Welfare Activities

Employees were given opportunity to purchase Phones Mobile Phones, Electrical Appliances, Computers, Freestyle option Glucose Meter, Jewelleries, and Motor Bicycles on credit basis from Sri Lanka Telecom Abans, Singer (Sri Lanka) , Hemas , Swarna Mahal, and T.V.S. Lanka (pvt) Ltd respectively.

Disciplinary Inquiries

During the year , service of an employee was interdicted and 02 Nos of employees were dismissed from the service.

Recurited to Staff Grade

Manager (Contract)	-	01
Manager (iv Grade)	-	01
Senior Consultant – (Contract)	-	01

Termination of the Service Staff Grade

Retired	-	Chief Manager	01
Terminated –		Atg. Chief Engineer	01

Directors Interest in Contracts

Directors have no interest in any contracts with CFC activities.

Acknowledgement

The Board of directors of the corporation expresses thanks to the Hon. Minister of Fisheries and Aquatic Resources Development for all the valuable advice, support and guidance given towards development and success of the Corporation. The Board of Directors sincerely appreciates the valuable contributions made by the Secretary and the officials of the Ministry of Fisheries and Aquatic Resources. We thank secretary to the Treasury and all officials of the Ministry of Finance and the General Treasury for cooperation extended to us during the year.

Our dearest asset is our employees, we thank all employees of the Corporation for their service and cooperation during the year.

The Board of Director also thanks our valued customers, state institutions, and special thanks for official of Bank of Ceylon People's Bank for their continued support and the confidence they placed on us.



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No. }

LP/B/CFC/FA/1/13/29

ඔබේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

23 December 2015

The Chairman
Ceylon Fisheries Corporation

Report of the Auditor General on the Financial Statements of the Ceylon Fisheries Corporation for the year ended 31 December 2013 in terms of Section 14(2) (c) of the Finance Act, No. 38 of 1971.

The audit of financial statements of the Ceylon Fisheries Corporation for the year ended 31 December 2013 comprising the statement of financial position as at 31 December 2013 and the comprehensive income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 29 of State Industrial Corporations Act, No.49 of 1957. My comments and observations which I consider should be published with the Annual Report of the Corporation in terms of Section 14(2)(c) of the Finance Act, appear in this report. A detailed Report in terms of Section 13(7)(a) of the Finance Act was furnished to the Chairman of the Corporation on 26 May 2014.

1.2 Management's Responsibility for the Financial Statements

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



1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institutions (ISSAI-1000-1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements 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 Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub - sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary power to the Auditor General to determine the scope and the extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 2.2 of this report.



2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Ceylon Fisheries Corporation as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Going Concern of the Corporation

The following observations are made.

- (a) The continuous loss sustained by the Corporation had adversely affected its net assets and it resulted in diminishing the ownership. Accordingly, it was observed that continuous operation of the Corporation without Government or other financial assistance was uncertain.
- (b) In order to mitigate the severe financial hardship prevailed in the Corporation, it had been decided to pay salaries of the excess staff of the Corporation by the Government for a period of six months according to a Cabinet decision. Further, the Cabinet of Ministers had decided that the Board of Directors of the Corporation should formulate a voluntary retirement scheme in consultation with the General Treasury and forward to the Cabinet of Ministers for consideration through the Minister in charge of the subject.

2.2.2 Sri Lanka Accounting Standard

The following instances of noncompliance with Sri Lanka Accounting Standards were observed during the course of audit.



- (a) Sri Lanka Accounting Standard 01 (i) Whatever presentation method is adopted, the assets that are expected to be recovered before or after 12 months from the date of reporting should be separately disclosed in the financial statements according to the liquidity. Nevertheless, the total trade and other receivables of Rs.481,215,523 and the total trade and other payables of Rs.583,033,691 had been shown under current assets and current liabilities respectively.
- (ii) Grants amounting to Rs.500, 000 received by the Corporation for the year under review and the amortization for the year amounting to Rs.81,014,528 had been set off against each other contrary to the requirements of the referred standards and Rs.80,514,527 had been adjusted under the grants in the statement of changes in equity.
- (b) Sri Lanka Accounting Standard 05 Nature of the assets due to be disposed of amounting to Rs.5,202,867 had not been disclosed in the financial statements.



(c) Sri Lanka Accounting Standard 07 (i) Although the expenditure incurred for the installation of fish stalls during the year under review in cash should be included in the cash flow statement, contrary to that, the amount of the net value after adjusting the amortization relating to the current year had been shown under investment activities.

(ii) Instead of being adjusted the expenditure incurred in cash for the capital work-in-progress within the year under the investment activities in the cash flow statement, the difference between the capital work-in-progress of the preceding year and the current year had been adjusted in the cash flow statement.

(d) Sri Lanka Accounting Standard 12 If it is felt that there will be tax profits within a specific period in the foreseeable future, the differed tax assets should be identified upon the tax losses so far brought forward and provisions should be made for that. Nevertheless, it had not been so done.



- (e) Sri Lanka Accounting Standard 17 Although lease liabilities payable by the Corporation should be separately shown as current and non-current liabilities in the financial statements, action had not been taken accordingly.
- (f) Sri Lanka Accounting Standard 18 The accounting policy for the recognition of revenue had not been disclosed.
- (g) Sri Lanka Accounting Standard 32 and 39 (i) The accounting method for the recognition and measurement of the financial assets had not been disclosed.
- (ii) Although the measurement of the investments should be carried out upon the investment classification, the Corporation had not taken action as per the standard in respect of the investments of Rs.110,376,603.

2.2.3 Accounting Deficiencies

The following accounting deficiencies are observed.

- (a) In the computation of depreciation of fixed assets at the end of the year under review, a sum of Rs.92,163 had been overstated.





- (b) Although the unusable assets valued at Rs.5,202,867 scheduled to be disposed, should be shown under current assets , those had been shown under non-current assets.
- (c) Abnormal credit balances of Rs.2,160,434 and abnormal debit balances of Rs.11,804,516 had been shown under the debtors and creditors respectively in the statement of financial position presented.
- (d) Due to the errors in the computation, gratuity allowances amounting to Rs.102,250 payable for the year under review had been understated in the statement of financial position.

2.2.4. Unreconciled Control Account

The following observations are made.

- (a) In comparing fish sales income with the summarized sales reports and the monthly statement of accounts, a difference of Rs.8,584,410 relating to 15 Marketing Executives was observed.
- (b) In comparing schedules relating to canned fish sales income with the monthly statement of accounts, the unreconciled value of each month totaled Rs.1,659,742.
- (c) In the examination of items of accounts of assets and liabilities in the financial statements with the schedules relevant thereto, a difference of Rs.17,534,668 relating to 10 accounts items of fixed assets and a difference of Rs.47,913,265 relating to 11 accounts items of other assets and liabilities was observed.



2.3 Accounts Payable and Receivable

The following observations are made.

- (a) The trade debtors balances older than 10 years, from 05 years to 10 years and less than 05 years as at 31 December 2013 had been Rs.22,087,398, Rs.16,927,018 and Rs.192,592,335 respectively and it included unidentified sundry debtors balances of Rs.1,156,239. Further, age analysis for the trade debtors of Rs.18,582,790 was not made available. A proper action had not been taken for the recovery of those debtors balances.
- (b) According to the information made available to audit, the balances of creditors older than 3 years, from 01 to 03 years and less than 01 year as at 31 December 2013 had been Rs.28,055,475, Rs.3,346,947 and Rs.272,773,832 respectively. An age analysis for creditors of Rs.68,991,791 was not made available.
- (c) Employees Provident Funds and Employees Trust Fund payable as at 30 August 2015 amounted to Rs.34,797,364 and Rs.400,696 respectively.
- (d) The value of taxes payable to the Department of Inland Revenue as at the end of the year under review was Rs.47,228,824.
- (e) An amount of Rs.1,785,405 payable for the construction of cold stores of 06 fisheries stalls including Kodbe, Pesalai and Batticaloa had been shown as a payable expenditure for over a period of 5 years, whereas action had not been taken to settle that amount.



2:4 Non-compliance with Laws, Rules, Regulations and Management Decisions

Instances of following non-compliances with Laws, Rules and Regulations were observed.

Reference to Laws, Rules, Regulations, etc.	Non compliances
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka.	
(i) Financial Regulations 261 and 262	Although cash book should be properly maintained in an updated manner, the cash book relevant to a current account of the Corporation had not been properly maintained.
(ii) Financial Regulations 395 (c)	A bank reconciliation statement on the position of the transactions as at the end of each month should be prepared before 15 of the following month. Nevertheless, bank reconciliation statements relating to one current account had not been prepared.
(iii) Financial Regulations 371 (2)	Although the advances obtained should be settled immediately after the completion of the purpose, advances totalling Rs.887,410 obtained in 14 instances had not been settled even by the end of the year under review.
(b) Section 8.3.9 of the Public Enterprises Circular No.PED/12 dated 02 June 2003.	Despite being emphasized that the expenses of the Line Ministry should not be borne by the Corporation, contrary to that, a sum of Rs.434,904 had been spent as the expenditure of the Ministry during the year under review.



- (c) Circular No.DMS/C/3/FAR/8 dated 18 December 2006 of the Department of Management Services. An allowance of Rs.45,000 per month had been paid for a post of Marketing Consultant in addition to the salary without the approval of the Department of Management Services and the total allowance paid during the year under review amounted to Rs.315,000.
- (d) Circular No. 28 dated 10 April 2006 of the Department of Management Services. In order to cover up duties of the post of General Manager of the Corporation, an officer older than 70 years of age had been appointed as the General Manager/ Consultant without the approval of the Department of Management Services outside the scheme of recruitment.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Corporation for the year under review had resulted in a deficit of Rs.54,446,218 as compared with the corresponding deficit of Rs.41,763,563 for the preceding year, thus indicating a deterioration of Rs.12,682,655 in the financial results for the year under review as compared with the preceding year. Increase in the financial and administration expenditure and decrease in the sales and income had been the main reasons for this deterioration.



3.2 Analytical Financial Review

The following observations are made.

- (a) The net loss sustained within the past 5 years amounted to Rs.330 million and the accumulated net loss as at the end of the year was Rs.54 million.
- (b) It was observed that due to the current ratio of the Corporation being 0.68:1, the Corporation had faced an acute working capital crisis.
- (c) The gross profit margin and the net profit margin of the fish, ice, cold store and canned fish divisions were as follows.

Division	Gross profit margin		Net profit margin	
	2013	2012	2013	2013
	Per cent	Per cent	Per cent	Per cent
Fish	45	44	(1.3)	(0.97)
Ice	294	326	(12.6)	(8.3)
Cold Store	2,882	4,429	(34.7)	(27)
Canned fish	1.6	(1.1)	(3.5)	(10.7)

The following observations are made.

- (i) Increase in distribution expenses, financial expenses and sundry expenses had mainly attributed to the decrease in the gross profit margin and the net profit margin of the ice income and cold store income.
- (ii) Increase in distribution expenses, administration expenses, financial expenses and provisions for overhead cost had mainly given rise to the decrease in the net profit margin of the fish income.
- (d) As compared with the preceding year, expenses of the marketing divisions of the Corporation had inordinately increased during the year under review.



Particulars -----	Year		Percentage difference
	Year under review	Preceding year	
	Rs.	Rs.	
Fish Marketing Division	19,464,150	458,956	4,141
Ice Marketing Division	1,558,921	887,531	75
Cold Store Division	606,931	19,627	2,992
Canned Fish Marketing Division	2,986,807	24,985	11,854

4. Operating Review -----

4.1 Performance -----

As compared with the preceding year, sale of fish had decreased by 23 MT while sales income had dropped by Rs.168 million during the year under review. Further, the sales of ice had dropped by 1716 MT and the sales income had increased by Rs.2 million. Similarly, income received from the cold stores had decreased by Rs.1 million and expenditure had gone up by Rs.3 million.

4.2 Personnel Administration -----

Although the approved cadre of the Corporation stood at 745, the actual cadre stood at 1,128. Accordingly, 51 per cent excess cadre had been employed and it had resulted in a severe financial crisis.



4.3 Management Inefficiencies

The following observations are made.

- (a) Even though the Corporation had not taken policy decision to supply fish on credit basis, as fish had been supplied on credit basis, the receivable loan balance that remained dormant as at 31 December 2013 amounted to Rs.33,485,685.
- (b) The loan balance receivable to the Corporation for the supply of fish to the Government hospitals amounted to Rs.53,086,699 and the recovery of that loan balance had been at a very weak level.
- (c) Despite being not properly acquired, action had not been taken for legally vest the Singhapura Circuit Bungalow valued at Rs.1,229,000 with the Corporation even by the end of the year under review.

4.4 Idle and Underutilized Assets

A balance of 4 bank accounts totaled Rs.57,948 had remained dormant for a period of 04 years.

4.5 Uneconomic Transactions

The following observations are made.

- (a) As gratuity and electricity charges had not been duly paid, a sum of Rs.186,678 and Rs.529,123 had to be paid as fines respectively during the year under review.





4.6 Transactions of contentious nature

Deviating from the prime objectives of the Ceylon Fisheries Corporation, sums of Rs.3,090,165 and Rs.1,138,328 had been paid to the private and government institutions during the preceding year and the year under review respectively by the Corporation.

4.7 Budgetary Control

A significant variance was observed between the budgeted and actual figures, thus indicating that the budget had not been made use of as an effective instrument of management control.

5. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of Chairman of the Corporation from time to time. Special attention is needed in respect of the following areas of control.

- (a) Purchase and Sale of Fish
- (b) Payment Control
- (c) Collection of Revenue
- (d) Payment of Taxes
- (e) Payment of Advances
- (f) Budgetary Control
- (g) Personnel Administration

H.M. Gamini Wijesinghe
Auditor General



Your Ref : AF/B/CFC/FA/2012

Our Ref: CFC/FD/AUD/2013

09th June 2014

Audit or General,
Auditor General's Department,
No. 306/72 Polduwa Rd.,
Battaramulla.

Dear Sir,

Report of the Auditor General on the Financial Statements of the Ceylon Fisheries Corporation for the year ended 31st December 2013 in terms of section 14(2) (C) of the Finance Act. No. 38 of 1971

Reference to your letter No. AF/B/CFC/FA/12 and dated on 30-05-2014.

We enclosed herewith & forwarded to our explanations & observations on the above draft Audit report.

Thanking you.

Yours faithfully,

Signed by
CHAIRMAN
CEYLON FISHERIES CORPORATION

STATEMENT OF FINANCIAL POSITION

	NOTES	LKR As at 31.12.2013	LKR As at 31.12.2012
ASSETS			
Non Current Assets			
Property, Plant & Equipment	01 /02	1,708,561,170	497,258,614
Capital Works in Progress		1,452,920	1,270,200
Fixed Deposits		200,000	200,000
Other Investments		110,376,603	110,376,603
Receivable From CFHC		17,363,486	17,363,486
Disposable Assets		5,202,867	5,202,867
Stall Establishment Capital Cost		21,986,041	27,096,238
		1,865,143,087	658,768,008
Current Assets			
Trading Inventories		68,755,127	87,064,565
Non- Trading Inventories		14,465,909	16,345,682
Trade & Other Receivables	03	481,215,523	382,429,023
Refundable Deposits		25,140,995	22,732,535
Cash and Cash Equivalents	04	35,606,238	16,850,978
		625,183,792	525,422,782
Total Assets		2,490,326,878	1,184,190,790
EQUITY & LIABILITIES			
Capital Contribution by the Govt. of Sri Lanka		326,609,805	326,609,805
Capital Reserve		24,258,241	24,258,241
Revaluation Reserve		1,397,655,531	109,487,330
Grants	05	369,840,088	450,354,615
Retained Earning	06	(707,351,433)	(655,011,968)
Total Equity		1,411,012,233	255,698,024
Non- Current Liabilities			
Provisions for Gratuity	07	62,205,170	82,651,919
Long Term Loan	08	111,801,919	93,706,806
		174,007,089	176,358,725
Current Liabilities			
Trade & Other Payables	09	583,033,691	473,753,766
Short Term Loans	10	151,280,990	158,960,739
Refundable Deposits	11	34,340,141	28,547,491
Bank Overdraft		136,652,735	90,872,046
		905,307,557	752,134,041
Total Equity & Liabilities		2,490,326,878	1,184,190,790

.....

Finance Manager

Approved and Signed for and on behalf of the Board of Directors

.....

Chairman

.....

Managing Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st DECEMBER 2013**

	NOTES	LKR 31.12.2013	LKR 31.12.2012
Revenue	12	1,969,485,805	2,078,840,744
Cost of Sales		1,312,123,147	1,402,607,988
Gross Profit		657,362,659	676,232,757
Other Income	13	38,789,756	54,017,793
Non Operating Income	14	16,729,938	-
Distribution Cost	15	115,740,208	143,345,030
Administration Cost	16	592,508,915	570,553,131
Other Expenses	17	22,785,382	29,146,289
Finance Cost	18	36,294,065	28,969,663
		767,328,570	772,014,113
Net Profit/ (Loss) Before Taxation		(54,446,218)	(41,763,563)
Income Tax Expenses		-	-
Net Profit/ (Loss) for the Year		(54,446,218)	(41,763,563)
Other Comprehensive Income			
Exchange gain/loss in translating foreign Operation		-	-
Revaluation Surplus		1,288,168,202	-
Gain/loss on fair value changers - Sales Financial Assets		-	-
Actual gain/loss on pension plans		16,729,938	-
Other Comprehensive Income		1,304,898,140	-
Total Comprehensive Income		1,250,451,922	(41,763,563)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2013**

		LKR	LKR
<u>Cash Flow From Operation Activities</u>	Note		
Net Profit/ (Loss) for the Year		(54,446,218)	
<u>Adjustments</u>		-	
Depreciation	19	94,875,448	
Amotization of Depreciation	19	(81,014,528)	
Foreign Exchange(Gain)		(3,505)	
Provision for Retirement Benefit Cost	7	(16,729,938)	
Investment Income		(472,627)	
Interest Expenses		18,837,212	
Fixed Assets Disposal Profit		(3,845,448)	
Prior Year Adjustment		(84,298)	
Operational Profit before Working Capital Adjustment		(42,883,901)	
Decrease in Trade and other Receivables	20	(101,194,960)	
Increase in Inventories	21	20,189,211	
Decrease in Trade Payables	22	115,072,576	
Cash Granted from Operation		(8,817,074)	
Gratuity Paid	7	(1,525,759)	
Interest Paid		(18,837,212)	
Net Cash from Operating Activities			(29,180,045)
<u>Cash Flow from Investing Activities</u>			
Purchase of Property Plant & Equipment	01	(18,009,803)	
Increase in Stall Establishment Cost	23	5,110,197	
Proceed from Sales of Assets		3,845,448	
Increase of Capital Works in Progress		(182,720)	
Receivable from CFHC			
Foreign Exchange(Gain)		3,505	
Interest received		472,627	
Net Cash used in Investment Activities			(8,760,746)
<u>Cash Flow from Financing Activities</u>			
Long Term Loan from BOC		(21,795,428)	
BOC LC Loan		36,858,331	
IFAD Grants Received		500,000	
Payment of finance lease liabilities	24	(4,647,539)	
Net Cash used in Financing Activities			10,915,364
Net Increase in Cash and Cash Equivalent			(27,025,428)
Cash and Cash Equivalent at the beginning of the period	25		(74,021,068)
Cash and Cash Equivalent at the end of the period	25		(101,046,496)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2013

	LKR	LKR	LKR	LKR	LKR	LKR
	Capital Con. By Govt. Of Sri Lanka	Capital Reserve	Revaluation Reserve	Grants	Retained Earning - Profits & Losses	Total
Balance as at 1st January 2012	376,709,648	24,258,241	109,487,330	545,428,821	(612,507,527)	443,376,513
Changes in Accounting Policies						-
Re-Stated Balance						-
Dividends						-
Issue of Share Capital						-
Total Comprehensive Income	(50,099,843)			(95,074,206)	(42,504,441)	(187,678,490)
Balance as at 31 st December 2012	326,609,805	24,258,241	109,487,330	450,354,615	(655,011,968)	255,698,024
Changes in Accounting Policies						-
Re-Stated Balance			1,288,168,202			1,288,168,202
Dividends						-
Issue of Share Capital						-
Total Comprehensive Income				(80,514,527)	(52,339,465)	(132,853,992)
Balance as at 31 st December 2013	326,609,805	24,258,241	1,397,655,531	369,840,088	(707,351,433)	1,411,012,233

13. Divisional Comprehensive Income & Central Administration Overhead Absorption							
	Note No	Fish Trading	Ice Trading	Cold Room	Canned Fish Division	Central Administration	Grand Total
Revenue							
Outside Sales	12	1,732,954,086	97,580,075	19,644,317	89,551,752	-	1,939,730,230
Transfer to Other Region - Fish Trading							-
- Cold Room				20,647,276			20,647,276
- Ice Trading		-	9,108,300		-	-	9,108,300
Total Sales		1,732,954,086	106,688,375	40,291,593	89,551,752	-	1,969,485,805
Cost of Sales							
Opening Stock		85,555,373	99,115	-	1,258,037	-	86,912,525
Add: Out Side Purchase	26	1,155,177,512	28,018,951	1,350,970	88,761,540	-	1,273,308,973
Transfer From Other Region- Fish Trading				-	-	-	-
- Cold Room		20,647,276					20,647,276
- Ice Trading			9,500				9,500
Less : Closing Stock		65,807,562	1,071,331	-	1,876,234		68,755,127
Cost Of Sales		1,195,572,599	27,046,735	1,350,970	88,143,343	-	1,312,123,147
Gross Profit		537,381,487	79,641,640	38,940,623	1,408,409	-	657,362,659
Other Income	13	1,741,765	2,658,652		6,765,535	27,623,804	38,789,756
Non Operating Profit	14					16,729,938	16,729,938
Distribution Cost	15	88,971,655	783,720	29,134	117,000	25,838,699	115,740,208
Administration Cost	16	294,199,760	80,913,574	48,585,778	36,951	168,772,853	592,508,915
Other Expenses	17	17,762,429	3,730,486	399,032	893,435	-	22,785,382
Finance Cost	18	19,464,150	1,558,921	606,931	2,936,807	11,727,256	36,294,065
Total Expenses		420,397,994	86,986,700	49,620,875	3,984,193	206,338,808	767,328,570
Net Profit/ (Loss)		118,725,258	(4,686,408)	(10,680,252)	4,189,751	(161,985,066)	(54,446,218)
Central Administration Overhead Absorption							
Absorption Rate %		87.99%	5.42%	2.05%	4.55%	-	100.00%
Overhead Absorption		(142,530,950)	(8,774,840)	(3,313,878)	(7,365,398)	161,985,066	-
Net Profit/(Loss)		(23,805,692)	(13,461,248)	(13,994,130)	(3,175,647)	-	(54,446,218)

2. Property, Plant & Equipment

LKR

Name of the Assets	Cost of the Assets				Depreciation			WDV As At 31/12/2013
	Balance As At 01/01/2013	Additions During the Year	Disposal During the Year	Balance As At 31/12/2013	Dep. Balance As At 01/01/2013	Dep.For the Year	Total Provision for Dep. As At 31/12/2013	
Land	273,682	-		273,682	-	-	-	273,682
Building & Construction	90,124,346	-		90,124,346	31,788,014	1,792,014	33,580,028	56,544,318
Plant & Machinery	32,183,948	850,000		33,033,948	19,976,886	1,792,782	21,769,668	11,264,279
Boat & Trawlers	66,731,516	-		66,731,516	66,689,596	41,900	66,731,496	20
Motor Vehicles	301,435,909	4,113,267		305,549,176	265,648,243	10,217,299	275,865,542	29,683,634
Furnirure & Fittings	10,935,830	747,995		11,683,825	5,993,353	733,624	6,726,976	4,956,849
Office Equipment	22,519,209	563,545		23,082,754	10,117,714	1,529,580	11,647,295	11,435,460
Deep Freezer	35,844,652	3,971,708		39,816,360	15,791,431	3,114,591	18,906,022	20,910,338
Equipment	8,189,550	708,956		8,898,506	7,354,479	184,562	7,539,041	1,359,466
Miscellaneous	2,281,267	863,913		3,145,180	359,549	197,471	557,020	2,588,161
Computer System	2,892,650	1,713,714		4,606,365	163,044	333,273	496,317	4,110,047
Bicycle	18,710	-		18,710	18,707		18,707	3
Cold Room & Leased Cold Room	224,123,297	3,080,000		227,203,298	175,382,742	11,402,160	186,784,903	40,418,395
Ice Plant	663,853,989	491,904		664,345,893	371,055,443	62,525,086	433,580,529	230,765,364
Weighing Scale	11,838,089	904,800		12,742,889	5,648,829	1,011,107	6,659,936	6,082,953
	1,473,246,643	18,009,803	-	1,491,256,447	975,988,030	94,875,448	1,070,863,478	420,392,969

2(a). Revaluation of Property, Plant & Equipment as at 31st December 2013

	LKR	LKR	
	W.D.V. as at 31st Dec.2013 (RS)	Revalue Amount As at 31 st Dec. 2013 (RS)	Revaluation Pluse or Mines (RS)
Land	273,682	822,700,950	(822,427,268)
Motor Vehicles	29,683,634	157,250,000	(127,566,366)
Boat & Trawlers	20	-	-
Building & Construction	56,544,318	372,559,350	(316,015,032)
Equipment	42,205,199	26,927,050	15,278,149
Ice Plant & Cold Room	271,183,759	317,336,000	(46,152,241)
Furnirure & Fittings	16,392,309	9,686,750	6,705,559
Computer & Softwareas	4,110,047	2,101,050	2,008,997
	420,392,968	1,708,561,150	(1,288,168,202)
Less:-			
Disposable Assets			-
			(1,288,168,202)

3. Trade & Other Receivables

LKR

	Schedules No.	Amount (LKR)	
		2013.12.31	2012.12.31
Trade Debtors	5.1	250,189,542	209,269,635
Staff Debtors	5.2	24,160,443	21,491,771
Sundry & Other Debtors	5.3	91,975,288	83,935,846
Current Account Balance	5.5	108,869,617	64,127,113
Packing Stock -Shortage		2,558,029	2,558,029
Pre Payments	5.4	3,462,604	1,046,629
Total		481,215,523	382,429,023

4. Cash and Cash Equivalentents

LKR

	Schedules No.	Amount (LKR)			
		2013.12.31		2012.12.31	
		Cash In Hand	Cash At Bank	Cash In Hand	Cash At Bank
Fish Trading	7	17,248,676	9,098,903	15,516,986	
Ice Trading	7	767,652	140,832	869,238	
Cold Room	7	847	5,283	(4,136)	
Canned Fish Division	7	424,792	-	100,000	
Central Administration	7	1,076,290	6,842,962	368,890	
Total		19,518,258	16,087,980	16,850,978	-
			35,606,238		16,850,978

5.Grants

	LKR	LKR
	Amount (LKR)	
	2013.12.31	2012.12.31
SDA Grants	26,182,559	26,407,054
Ministry Grants	86,081,111	90,576,522
JICA Grants	251,300,533	327,323,039
IFAD Grants	6,275,884	6,048,000
Total	369,840,088	450,354,615

6. Retained Earning

	LKR		LKR	
	2013.12.31		2012.12.31	
Net Trading Profit/(Loss) For The Year		(54,446,218)		(41,763,563)
Add: Losses Brought Forward				
Losses Brought Forward For	(655,011,968)		(595,336,960)	
Add: Adjustment In Respect Of Previous Year	2,106,753	(652,905,215)	(17,911,445)	(613,248,405)
Losses Carried Forward		(707,351,433)		(655,011,968)

7. Provision For Gratuity

	LKR	LKR
	2013.12.31	2012.12.31
Provision For Gratuity B/F Balance	82,651,919	74,889,329
Add:		
Current Year Gratuity Provision	-	9,197,861
Less:		
Current Year Gratuity Payment	1,525,759	1,435,271
Current Year Gratuity Payable	2,191,053	
Gratuity Over Provision	16,729,938	
Provision For Gratuity C/F Balance	62,205,170	82,651,919

8. Long Term Loan

	LKR	LKR
	2013.12.31	2012.12.31
Long Term Loan- People's Leasing	13,670,117	22,891,762
Long Term Loan- BOC - Leasing	3,153,855	
Interest In Suspense		
Long Term Loan- BOC L/C	45,958,331	
Long Term Loan- BOC	49,019,616	70,815,044
Long Term Loan-(C.A.L.F.)	6,872,110	6,872,110
Provision Made To In Respect Of C.A.L.F. Loan	(6,872,110)	(6,872,110)
	111,801,919	93,706,806

9. Trade & Other Payables

	Schedules No.	Amount (LKR)	
		2013.12.31	2012.12.31
Trade Creditors	9.1	373,319,563	284,647,452
Accured Expenses	9.2	23,286,737	20,467,371
Sundry Creditors	9.3	172,457,148	157,308,524
Staff Creditors	9.4	13,970,176	11,330,418
		583,033,625	473,753,766

10. Short Term Loans

	Amount (LKR)	
	2013.12.31	2012.12.31
Short Term Loan - Ministry	30,000,000	30,000,000
Short Term Loan - Treasury	111,600,000	111,600,000
L/C Loan (BOC)		9,100,000
Short Term Loan - BOC - Leasing	992,355	-
Short Term Loan - People's Leasing	127,136	1,330,868
Short Term Loan - People's Finance	8,561,499	6,929,871
	151,280,990	158,960,739

11. Refundable Deposits

	Schedules No.	Amount (LKR)	
		2013.12.31	2012.12.31
Fish Trading	10	500,000	500,000
Ice Trading	10	27,000	-
Canning Fish	10	1,275,320	
Cold Room	10	2,790,560	2,635,560
Production Unit-	10	1,200,000	1,200,000
Central Administration	10	28,547,262	24,211,931
Total		34,340,141	28,547,491

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2013

13. Divisional Comprehensive Income & Central Administration Overhead Absorption

	Note No	Fish Trading	Ice Trading	Cold Room	Canned Fish Division	Central Administration	Grand Total
Revenue							
Outside Sales	12	1,732,954,086	97,580,075	19,644,317	89,551,752	-	1,939,730,230
Transfer to Other Region - Fish Trading							-
- Cold Room				20,647,276			20,647,276
- Ice Trading		-	9,108,300		-	-	9,108,300
Total Sales		1,732,954,086	106,688,375	40,291,593	89,551,752	-	1,969,485,805
Cost of Sales							
Opening Stock		85,555,373	99,115	-	1,258,037	-	86,912,525
Add: Out Side Purchase	26	1,155,177,512	28,018,951	1,350,970	88,761,540	-	1,273,308,973
Transfer From Other Region- Fish Trading				-	-	-	-
- Cold Room		20,647,276					20,647,276
- Ice Trading			9,500				9,500
Less : Closing Stock		65,807,562	1,071,331	-	1,876,234		68,755,127
Cost Of Sales		1,195,572,599	27,046,735	1,350,970	88,143,343	-	1,312,123,147
Gross Profit		537,381,487	79,641,640	38,940,623	1,408,409	-	657,362,659
Other Income	13	1,741,765	2,658,652		6,765,535	27,623,804	38,789,756
Non Operating Profit	14					16,729,938	16,729,938
Distribution Cost	15	88,971,655	783,720	29,134	117,000	25,838,699	115,740,208
Administration Cost	16	294,199,760	80,913,574	48,585,778	36,951	168,772,853	592,508,915
Other Expenses	17	17,762,429	3,730,486	399,032	893,435	-	22,785,382
Finance Cost	18	19,464,150	1,558,921	606,931	2,936,807	11,727,256	36,294,065
Total Expenses		420,397,994	86,986,700	49,620,875	3,984,193	206,338,808	767,328,570
Net Profit/ (Loss)		118,725,258	(4,686,408)	(10,680,252)	4,189,751	(161,985,066)	(54,446,218)
Central Administration Overhead Absorption							
Absorption Rate %		87.99%	5.42%	2.05%	4.55%	-	100.00%
Overhead Absorption		(142,530,950)	(8,774,840)	(3,313,878)	(7,365,398)	161,985,066	-
Net Profit/(Loss)		(23,805,692)	(13,461,248)	(13,994,130)	(3,175,647)	-	(54,446,218)

12. Sales(Revenue)

	Notes	Amount (LKR)	
		2013.12.31	2012.12.31
Fish Trading		1,732,954,086	1,900,649,982
Ice Trading		106,688,375	104,062,324
Cold Room		40,291,593	40,536,873
Canned Fish Division		89,551,752	33,591,565
Central Administration		-	-
Total		1,969,485,805	2,078,840,744

13. Other Income

	Amount (LKR)	
	2013.12.31	2012.12.31
Fish Trading	1,741,765	2,823,050
Ice Trading	2,658,652	10,465,483
Cold Room	-	25,000
Canned Fish Division	6,765,535	3,929,090
Central Administration	27,623,804	36,775,170
Total	38,789,756	54,017,793

14. Non Operating Income

Over Provision For Gratuity

LKR

	2013.12.31	
Provision For Gratuity B/F Balance		82,651,919
Less:		
Current Year Gratuity Payment	1,525,759	
Current Year Gratuity Payable end of the year	2,191,053	
		3,716,811
		78,935,108
Provision For Gratuity C/F Balance		62,205,170
Over Provision for Gratuity - Non Operating Income		16,729,938

15. Distribution Cost

	Amount (LKR)	
	2013.12.31	2012.12.31
Fish Trading	88,971,655	139,899,647
Ice Trading	783,720	888,298
Cold Room	29,134	132,906
Canned Fish Division	117,000	3,815,971
Central Administration	25,838,699	23,569,527
Total	115,740,207	168,306,348

16. Administration Cost

	Amount (LKR)	
	2013.12.31	2012.12.31
Fish Trading	294,199,760	282,162,938
Ice Trading	80,913,574	80,800,349
Cold Room	48,585,778	46,593,729
Canned Fish Division	36,951	102,811
Central Administration	168,772,853	160,893,304
Total	592,508,915	570,553,131

17. Other Expenses

	Amount (LKR)	
	2013.12.31	2012.12.31
Fish Trading	17,762,429	21,041,414
Ice Trading	3,730,486	7,308,814
Cold Room	399,032	460,146
Canned Fish Division	893,435	335,916
Central Administration	-	-
Total	22,785,382	29,146,289

18. Finance Cost

	Amount (LKR)	
	2013.12.31	2012.12.31
Fish Trading	19,464,150	458,956
Ice Trading	1,558,921	887,531
Cold Room	606,931	19,627
Canned Fish Division	2,936,807	24,985
Central Administration	11,727,256	27,578,565
Total	36,294,066	28,969,663

19. Depreciation & Amortization for Fixed Assets for the year 2013

LKR

REGIONS	DEPRECIATION TOTAL	AMORTIZATION	NET DEPRECIATIO N
FISH TRADING	13,498,305	8,240,372	5,257,933.59
COLD ROOM	6,450,029	3,881,792	2,568,236.90
HEAD OFFICE	27,019,528	21,120,605	5,898,922.74
GALLE IP	36,391,936	36,321,684	70,251.37
HAMBANTOTA IP	821,393	821,393	-
BERUWALA IP	4,181,556	4,146,568	34,987.90
MUTWEL IP	6,495,350	6,482,113	13,237.27
PESALAI IP	-	-	-
ANURADAPURA IP	-	-	-
PELIYAGODA IP	17,351	-	17,351.00
TOTAL	94,875,448	81,014,528	13,860,920.77

20. Decrease in Trade and Other Receivables

	As at 31.12.2013	As at 31.12.2012	Decrease
Trade Debtors	250,189,542	209,269,635	(40,919,907)
Staff Debtors	24,160,443	21,491,771	(2,668,672)
Sundry & Other Debtors	91,975,288	83,935,846	(8,039,443)
Current Account Balance	108,869,617	64,127,113	(44,742,504)
Packing Stock -Shortage	2,558,029	2,558,029	-
Pre Payments	3,462,604	1,046,629	(2,415,974)
Refundable Deposits	25,140,995	22,732,535	(2,408,460)
Total	506,356,518	405,161,558	(101,194,960)

21. Increase in Inventories

	As at 31.12.2013	As at 31.12.2012	Increase
Trading Inventories	68,755,127	87,064,565	18,309,438
Non- Trading Inventories	14,465,909	16,345,682	1,879,773
Total	83,221,035	103,410,246	20,189,211

22. Decrease in Trade Payables

LKR

	As at 31.12.2013	As at 31.12.2012	Decrease
Trade Creditors	373,319,563	284,647,452	88,672,111
Accured Expenses	23,286,737	20,467,371	2,819,366
Sundry Creditors	172,457,148	157,308,524	15,148,624
Staff Creditors	13,970,176	11,330,418	2,639,758
Refundable Deposits	34,340,141	28,547,491	5,792,651
Total	617,373,766	502,301,256	115,072,510

23. Stall Establishment Cost

LKR

	As at 31.12.2013
Increase the Stall Establishment Cost for the year	1,538,524
(-) Stall Establishment Expenses for the year	6,648,721
Increase the Stall Establishment Cost for the year	5,110,197

24. Payment of finance lease liabilities

LKR

	As at 31.12.2013
Increase the finance lease liability for the year	4,793,148
Lease payment for the year	9,440,687
Net finance lease liability for the year	(4,647,539)

25. Cash and Cash Equivalent

	Cash & Bank	Bank OD
Cash and Cash Equivalent at the beginning of the period	16,850,978	(90,872,046)
Cash and Cash Equivalent at the end of the period	35,606,238	(136,652,735)

26. Purchase

	Amount (LKR)	
	2013.12.31	2012.12.31
Fish Trading	1,155,177,512	1,338,905,012
Ice Trading	28,018,951	24,361,437
Cold Room	1,350,970	894,968
Canned Fish Division	88,761,540	35,233,368
Central Administration	-	934,399
Total	1,273,308,973	1,400,329,184

2. **Financial Statements**

2.1. **Qualified Opinion**

The Auditor General has expressed a qualified Audit opinion that the financial statements give a true and fair view of the financial position of the Ceylon Fisheries Corporation as at 31st December 2013 and its financial performance and cash flow for the year then ended are in accordance with Sri Lanka Accounting Standards.

2.2. **Comments on Financial Statements**

2.2.1. **Going Concern of the Corporation**

We accept the comments and observations made in this regard.

2.2.2. **Sri Lanka Accounting Standard**

(a) **Sri Lanka Accounting Standard -01 (SLFRS-1)**

(1) The total trade and other receivables of Rs. 481,215,253 and the total trade and other payables of Rs. 583,033,091 had been stated in the financial statement according to the liquidity.

(II) The Grants received by the Corporation for the year under review had been accounted and disclosed as per the requirements of the Sri Lanka Accounting standard No.20 – Disclosure of the Government grant and Government subsidies.

(b) **Sri Lanka Accounting Standard – 05**

Value of the Disposable Assets had been identified on physical verification of fixed Assets of the Corporation conducted in order to reconcile the difference appeared between fixed Assets Register value and ledger Balance.

Action has been taken to write off the disposable Assets value.

(c) **Sri Lanka “Accounting Standard -07**

(i) We accepted the Comments made, it is noted to make amortization adjustments and capital working progress value in the cash flow statement as mentioned in the audit report.

(d) **Sri Lanka Accounting Standard – No 12**

Since the continued tax losses reported, provision has not been made for differed tax assets. This matter was stated by way of a note to the Financial Statements.

(e) **Sri Lanka Accounting Standard No. 17**

Lease Liability has been categorised as current and Non Current Liabilities Separately and stated in the Financial Statements.

(f) **Sri Lanka Accounting standard No. 18**

The accounting Policy for recognition of revenue had been disclosed by way of a note to the financial statements.

(g) **Sri Lanka Accounting Standard No. 32 and No.33**

Accounting method for the recognition and measurement of Financial Assets had been disclosed in the financial statements.

As per the Joint Venture agreement entered into with Union fish products Co. Ltd and the CFC, revalued land owned by the CFC had been transferred to the Joint Venture as per the corporation's share of the investment.

However the particular Joint Venture Company is no more in existence legal action has been imposed to cancel the Joint Venture and regain the legal ownership of the land to the CFC.

2.2.3. **Accounting deficiencies**

- (a) Annual depreciation value has been correctly calculated and accounted in the Financial statement for year under review.
- (b) Disposable assets value had been recognised during the physical verification of Fixed Assets and shown under Non Current Assets. Action has been taken to write off this amount on necessary approval obtained.
- (c) We accepted the comment The debt and credit balances shown under the individual debtor and creditor had been rectified in 2014.
- (d) Cumulative, Gratuity provision had been certified by a qualified Actuary as per LKAS-39 and Accounted in the financial statements.

2.2.4. **Unreconciled Control Accounts**

- (a) Fish sales income statements have been prepared for management decision making purpose.

Annual financial statements have been prepared maintaining proper books of accounts and applying generally accepted accounting policies and Sri Lanka Accounting Standards.

Accordingly the income and expenses shown in the monthly income statements have been adjusted for finalising annual financial statement.

- (b) Canned fish sales value had been shown in the financial statements were accurately calculated based on sales daybooks, sales summary and other relevant documents. No any unreconciled valued is reported.
- (c) Statement of Financial position as at 31-12-2013 and comprehensive income statement for year under review have been accurately prepared and submitted to the audit with relevant notes and schedules.

2.3. **Accounts Payable and Receivable**

- (a) Age analysis of debtor balance as at the end of date of the year under review had been submitted to the audit. Legal actions had been taken to recover the outstanding debts pertaining to the over 5 years which were stated in the audit report and in connection with the balance debtor amounts, actions have been taken to obtained approval for write-off the books of accounts.
- (b) Age analysis of creditor balance as at the end of date of the year under review had been submitted to the audit. Legal actions had been taken pertaining to the certain creditors balance shown in the audit report over 4 years , until such time the decisions will be taken it is impossible to take any actions therefore it is intended to make necessary adjustment entries when the matter is resolved.
- (c) Employee Trust Fund (ETF) contribution had been settled with due dates without any delay.

However there was a unpaid EPF contribution balance for year -2010 with the obtaining special provision from the Treasury total outstanding EPF were settled.

- (d) Value added Tax and Economic Service charge unpaid balance reported from 2002 & 2004 and with the obtained Treasury Fund, total outstanding balances were settled.
- (e) Accrued Expenses value of Rs. 1,785,405 had bot been claimed by the creditors for over 5 year period an action has been taken to make reversal entries of the books of Accounts.

2.4. **Non Compliance with laws, Rules Regulations and Management Decisions**

(a) **Financial Regulations of the Democratic Socialist Republic of Sri Lanka**

(i) (ii) **FR 261 , 262 & 395 (D)**

Accounting system of the Ceylon Fisheries Corporation which engaged in fish Trading as a commercial business has not been computerised therefore all the books of Accounts have been prepared manually which is a time consuming task.

There was a delay in preparation of a cash book for Boc. C/A NO. 7203562 However in order to finalize the 2013 Annual accounts all the cash books and Bank reconciliations have been properly updated & completed.

(iii) **FR 371 , (2)**

The CFC is a Government owned corporation engaging in purchase and sale of fish, production of sale of ice and also to provide cold room facilities. The CFC is compelled to attend to repair and maintenance work and related duties and as such advance payments were made on the recommendation and the approval granted by the Executive manager or higher management. It should be noted that such advances granted were completely settled.

It is prudent that owing to the nature, volume and urgency of operational activities, 100% compliance with financial regulations may not be possible. In particular to avoid delays or incur losses. The Board of Directors has approved and endorsed such operations owing to the circumstances.

(b) **Section - 8.39 of the Public Enterprises Circular No. PED/12 dated 02 June 2003**

Expansion of CFC retail network in Islandwide is carried in order to realizing task bringing down the cost of living in Sri Lankan nation. This has been fulfilled according to the instructions given by the Hon Minister of Fisheries and Aquatic Resources Development through his vision of this task. The officials of the Ministry of Fisheries and Aquatic Resources Development have been attended to the ceremonies as Chief Gests and for other activities. Therefore the CFC has offered the fuel for their traveling purposes as official undertakings takes places Islandwide.

C. **Circular No. DMS/C/3/FAR/8 dated 18 December 2006 of the Director General of Management Services**

Prime objective of the CFC is to supply quality fish to the nation at affordable price. In order to fulfil these objectives expand the existing CFC retail fish stall network and enhance the frozen fish supply through lak Sathosa related marketing activities should be coordinated by marketing manager, Therefore, awareness of the line Ministry, the Management has appointed competent person on contract basis as marketing consultant. Salaries and allowances have been approved by the Board of Directors depending on his past experience. However, the marketing consultant who covered efficiently the duties given has been resigned from CFC in December 2013.

d. **Circular No. 28 dated 10th April 2006 of the Director General of Management Services**

The Post of General Manager of CFC vacated for over 4 years and the duties assigned to this post specially in administration and overall control were abundant and in order to overcome this situation as per the then Minister's recommendation a competent person retired from administrative service had been appointed as a Senior Consultant to cover the duties of the General Manager. However his service was terminated from December, 2014.

3. **Financial Review**

3.1. **Financial Result**

The following reasons have been directly affected to the increase of the net loss reported the year under review with compared to the proceeding year.

- (i) Decrease of the total fish sales value from Rs. 167.69Mn (9%) compared to 2012 – total sales value.
- (ii) Decrease of Rs. 16.8Mn income derived from exporters of sea cucumber and conchshell.
- (iii) Stock loss of “approximately Rs. Mn. 5.2Mn reported FFC stocks due to repair condition of the main Cold Room.
- (iv) Increase of Rs. 30Mn. of the Administrative expenses from Salaries increased by the Govt. and increase of the Bank interest cost of Rs. 7.3Mn on overdraft and Bank Loan.

3.2. **Analytical Financial Review**

- (a) We accepted the observations made in this regard
- (b) Increase and Decrease of Expenditure

Overdraft interest charged in 2012 had been classified under Administration expenses in Financial Statements.

Whereas, the overdraft interest charged for the year under review had been classified under financial cost of fish trading thereby the variance arised when compaired to the expenses of year 2012 and 2013

Cold Room expenses had been increased in 2013 due to incur lease interest cost on purchase of Forklift.

4.2. **Personnel Administration**

Excess cadre reported due to contract employees were given permanency as per the implementation of 2015 budget proposals.

It is intended to introduce Voluntary Retirement scheme for excess staff.

4.3. **Management inefficiencies**

- (a) The Corporation had not taken any decision not to engage in credit sale business. The Precedure adopted to issue fish to stall Assistant who is an incharge of the retail fish stall by the relevant marketing Region is that the issue of credit memo and accounted as credit sales. On sale of fish the total sales proceeds have to be deposited on same day or the following day. The recovery action has been taken against the stall assistants who are not deposited the collections regularly. The Audit & Management committee reviews the status of the recovery of stall debts and recommend to the Board of Directors for making decision.
- (b) Due to the delay in releasing funds to the Health Ministry by the General Treasury was the main reason for acumulated Hospital Supply debtors. This matter was brought to the notice of the Treasury officials and now the receivable amounts on fish supplied to government Hospitals are being paid without any delay.
- (e) Action has been taken to obtain the ownership of the Sinhapura circuit Bungalaw.

4.4. **Idle and Underutilised Assets**

Non- operated Bank current accounts were closed down with the approval of the Board of Directors.

4.5. **Uneconomic Transactions**

- a. The Corporation engaged in business under a situation of the sevear financial crisis, certain utility payments were made with delays which can not be prevented.
- b. Overdraft interest paid on the overdraft obtained from BOC subject to the borrowing power approval granted by the Tresury had been shown in the financial statements as under financial cost and not related to the dishonoured cheques.

4.6. **Transactions of contentious nature.**

The Ceylon Fisheries Corporation is a commercial business entity which is compelled to achieve sales targets with competitive market hence it is essential to allocate funds for sale promotion by way of advertisement any other mode.

4.7. **Budgetary Control**

Annual programmed Budget has been prepared as per the requirement of the Finance Act However the inability to achieve the expected sales targets in order to obtain the required contribution to cover total overhead cost due to prevailing financial crises for longer period. This has been directly affected to report variance between Budgeted and actual figures.

5. **Systems Controls**

Every possible attempts have been taken to ensure achieving better internal control and check systems in the overall Management of CFC at present.

1. ACCOUNTING POLICIES

1.1) GENERAL POLICIES

1.1.1 Basis of Accounting

The Financial Statements are prepared under the historical cost basis (except revaluation) in accordance with Sri Lanka Accounting Standards (LKAS) laid down by the Institute of Chartered Accountants of Sri Lanka and the provisions of the Finance Act No.38 of 1971. Adjustments have not been made for inflationary factors in these Financial statements. The accounting principles are applied consistently on accrual basis.

Also complied with SLFRS & LKAS applicable which are effective as from 01-01-2012.

1.1.2 Change the Accounting System

With effect from 01-01-2011 decentralized accounting system adopted has been changed into centralized accounting system and the presentation of Income Statement has also rearranged accordingly.

1.1.3. Comparative information

The Accounting Policies have been consistently applied by the Corporation with these used in the previous year, Previous years figures and phrases have been rearranged wherever necessary to confirm to the current year presentation..

1.1.4. Events Occurring after the Balances Sheet date

All material post Balance Sheet events have been considered and where appropriate adjustments or disclosures have been made in the financial statements.

1.1.5. Taxation

a) Current Taxation

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act.

b) Deferred Taxation

No Provision has been made in these financial statements in the current year in view of accumulated tax losses.

1.2. ASSETS AND BASES OF THEIR VALUATION

1.2.1 Property, Plant & Equipment (PPE)

The cost of property, plant & equipments are at their cost of purchase or construction together with any incidental expenses thereon. Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or for the purpose of

increasing the earning capacity of the business has been treated as capital expenditure. Cost of maintenance and repairs are expensed as incurred. The property, plant & equipment are recorded at cost (or revaluation) less accumulated depreciation which is provided for on bases specified below.

1.2.2. Depreciation

Depreciation is provided in consistent with the previous years on straight line basis over their expected useful lives of the assets concerned. Depreciation rates are as follows

	<u>Useful Life time</u>	<u>Percentage</u>
Land	Nil	Nil
Buildings and Construction	50 Years	2
Motor Vehicles	05 Years	20
Plant & Machinery Furniture, Deep Freezer and Weighing Scales	10 Years	10
Office Equipments & Miscellaneous Assets	12 Years	8.5

The assets which are received as grants are being amortized in accordance with depreciation rates.

1.2.3. Valuation of Assets

In pursuance of the Sri Lanka Accounting Standard (LKAS)-16 Revaluation of the CFC owned fixed Assets except Two Multy day Boats which are in under repair condition) has been conducted by the chartered valuer. Accordingly the Revaluation Reserve accounted as follows.

Revaluation value as per the valuer's report	<u>Rs.</u> 1,709,790,150
Less : Value of Singhapura Circuit (Owership of the property has not been Transferred to the CFC)	(1,229,000)
W.D.V as at 31-12-2013	420,392,948
Revaluation Reserve	<hr/> 1,288,168,202 =====

Investment

The Ceylon Fisheries Corporation had entered into a joint venture with union fish products Ltd. by transferring a land as an investments. However, the Corporation has decided to cease the joint-venture and re-vest the Land. The legal process in this regard is being continued.

Trading Stocks

Trading stocks including fish, dry fish ice stocks are valued using weighted average basis/fair Value. Non trading stocks are valued at its cost.

Non trading stocks included trading diesel stocks as well as non trading oil stock of cold room and Stationery, Spare parts. Packing materials and Other General Items. Necessary adjustments for obsolete, slow moving and defective stocks had been made through the respective accounts.

1.2.4. Trade and Other Receivables

Trade and other Receivables are stated at the amounts which they are expected to realize. Adequate provision has been made for bad and doubtful debts as follows.

- | | | |
|------------------------------------|---|------|
| 1. Debtors balance over 5 year | - | 100% |
| 2. Debtors balance over 01-05 year | - | 5% |

1.2.5. Cash and Cash Equivalents

Cash and Cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments readily convertible to known amounts of cash and subject of in significant risk of changes in values.

For the purpose of Cash Flow Statements cash & cash equivalents consist of cash in hand and deposits at Bank net of outstanding Bank overdraft.

Interest paid and interest income are classified as operating cash flows. The cash flow statement is reported based on the indirect method.

1.3. LIABILITIES AND PROVISIONS

Capital expenditure commitments & contingent liabilities

Capital expenditure commitments and contingent liabilities as at the date of the Balance Sheet have been disclosed separately in the notes to the Financial Statements.

contingent liabilities

A provision for contingent liabilities has been made on pending legal cases pertaining to five ex-employees

1.3.1 Retirement Benefit Plan

Actuarial valuation of Gratuity Liabilities of Ceylon Fisheries Corporation as at 31-12-2013 in accordance with the LKAS-19 has been obtained from a professionally qualified Actuary.

1. In order to determining the required provision, Projected Unit Credit (PVC) method has been Adopted.
2. Rate of Discounts long term rate of discount of 10% per annum.
3. Gratuity Formula
Half month salary for each completed year of service when the total period of service as at the date of "exit" is 5 years or more.
4. The present value of the defined Benefit Obligation (PVDBO) as at 31-12-2013 amounts to Rs. 62,205,170
5. The current service cost under the projected unit credit method as defined in LKAS-19 (This is calculated only for those employees with at least one years service as at the date of valuation)

1.3.2. Defined Contribution Plan

Corporation contributes 15% and 3% of employees monthly salary to Employee's Provident Fund (EPF) and Employee's Trust Fund (ETF) respectively which are recognized as expenses in the comprehensive Income Statement.

1.3.3 COMPREHENSIVE INCOME STATEMENT

Revenue excludes all taxes relating to revenue, trade and other discounts appearing on the invoice.

All other expenditure incurred in the running of the Corporation and maintaining the Property, Plant & Equipment in a state of efficiency has been charged to revenue in arriving at Profit or Loss for the year.

Functions of expense method which presents fairly all elements of Corporation's performance is adopted in presentation of expenses Comprehensive in income statement.

Movement of reserves has shown in the Notes to the Financial Statements. Gains and losses of a revenue nature on the disposal of Property, Plant & Equipment have been accounted for in the Comprehensive Income Statement.

1.3.4. TERM LOAN FACILITY - BANK OF CEYLON

Term loan facility of Rs. 100 Mn has been taken from the Bank of Ceylon for utilize funding requirement of increase the CFC fish outlet network and six Nos of containerized ice plants to the value of Rs. 233 Mn. were mortgaged as a security.

1.3.5. Other Disclosures

The Management including financial handling and controlling of Trincomalee Fish Market complex assigned to the Ceylon Fisheries Corporation.

The income and expenditure of the Trincomalee Fish Market have been recorded receivable and payable basis in the book of account of the CFC.

The matters pertaining to the charging of management fee and the profit sharing basis are still pending.

CEYLON FISHERIES CORPORATION
FINANCIAL SUMMARY

	2013 Rs.000	2012 Rs.000	2011 Rs.000	2010 Rs.000	2009 Rs.000	2008 Rs.000	2007 Rs.000	2006 Rs.000	2005 Rs.000	2004 Rs.000	2003 Rs.000
<u>TRADING RESULTS</u>											
TURNOVER	1,939,730	2041346	1,942,858	1,308,606	911,698	100,974	1,136,312	736,946	433,151	341,176	360,661
OPERATING PROFIT (LOSS)	(109,966)	(95,781)	(89,512)	(78,279)	(134,108)	(96,103)	(32,789)	(74,334)	(122,426)	(98,200)	(86,940)
EXTRA ORDINARY LOSS(TSUNAMI)	-	-	-	-	-	-	-	-	-	(10,218)	-
OTHER INCOME	38,790	54108	20542	18,855	30,219	39,928	23,667	46,715	88,111	72,072	91,714
NET PROFIT(LOSS)	16,730	(41,673)	(68,970)	(59,424)	(103,889)	(56,175)	(9,122)	(27,619)	(34,315)	(36,346)	4,774
	54,446										
<u>BALANCESHEET</u>											
CAPITAL EMPLOYED		(194,657)	(84,882)	(18,488)	33,168	141,253	(573,235)	213,528	310,271	304,908	419,361
LONG TERM LOANS	1,041,173	93,707	136,731	94,344	82,876	29,868	-	-	50,680	51,175	36,495
RETIRING GRATUITY	111,802	82,652	74,889	65,276	70,624	68,770	66,144	55,514	6,872	6,872	7,026
GRANTS	62,205	450,355	545429	632,254	772,455	902,479	718,494	697,730	-	-	-
	369,840	432,057	672,167	773,386	959,123	1,142,370	211,403	966,772	367,823	362,955	462,882
	1,585,020										
<u>ASSETS EMPLOYED</u>											
NON CURRENT ASSETS	1,710,015	498,529	587,566	696,438	833,070	978,297		762,669	116,195	118,645	133,931
INVESTMENTS	110,576	110,576	110,576	110,576	110,577	173,055	165,532	161,058	164,978	172,298	172,318
CFHC RECEIVABLE & OTHERS	17,363	17,363	50,099	50,099	50,099	50,100	50,100	50,099	50,099	50,099	59,381
CURRENT ASSETS	515,720	466,851	460,372	317,515	288,828	200,437	172,312	181,374	143,396	109,540	174,890
CURRENT LIABILITIES	(768,654)	(661,262)	(536,446)	(401,242)	(323,450)	(259,519)	(176,541)	(188,428)	(106,845)	(87,627)	(77,638)
	1,585,020	432,057	672,167	773,386	959,124	1,142,370	211,403	966,772	367,823	362,955	462,882
CURRENT RATIO	0.64:1	0.66:1	0.86:1	0.79:1	0.89:1	0.77:1	1:1.02	.96:1	1.34:1	1.25:1	2.25:1
RATE OF RETURN	-2.81%	-2.01%	(3.49)	(3.12)	(11.75)	(5.72)	(0.80)	(3.75)	(7.92)	(10.65)	1.32
NUMBER OF EMPLOYEES	1275	1325	1315	1,038	652	718	763	720	678	658	697

RATIO ANALYSIS

	2013	2012	2011	2010	2009
CURRENT RATIO	<u>488,531,057.00</u> 768,654,822.00	<u>434,550,735.93</u> 661,261,994.96	<u>460,371,620.06</u> 536,446,231.13	<u>317,514,504.86</u> 401,241,785.06	<u>288,828,759.38</u> 323,450,964.05
	0.64 :1	0.66 :1	0.86 :1	0.79 :1	0.89 :1
QUICK ASSETS RATIO	<u>405,310,021</u> x 100 768,654,822	<u>331,140,489.47</u> 661,261,994.96	<u>351,107,455.10</u> 536,446,231.13	<u>241,266,058.17</u> 401,241,785.06	<u>248,657,006.92</u> 323,450,964.05
	0.53 : 1	0.50 :1	0.65 :1	0.60 :1	0.77 :1
SALES RETURNS (%)	<u>(75,841,048.00)</u> 1,969,485,805.00	<u>(41,763,563)</u> x 100 2,078,840,744	<u>(68,969,869)</u> x 100 1,977,444,527	<u>(59,423,907.55)</u> x100 1,904,765,517.35	<u>(103,889,474.95)</u> x100 884,523,559.30
	(3.85) %	(2.01) %	(3.49) %	(3.12) %	(11.75) %

OUR HUMAN RESOURCES

	2005	2006	2007	2008	2009	2010	2011	2012	2013
TOTAL NUMBER OF EMPLOYEES	611	725	763	718	652	1038	1315	1325	1275
EXECUTIVE (INCLUDING TRAINEES)	65	66	66	58	49	58	80	78	76
CLERICAL TECHNICAL	326	318	301	290	289	210	756	751	733
MINOR EMPLOYEES	220	341	396	370	314	770	479	496	466