



*National Aquaculture Development Authority of  
Sri Lanka*

# *Annual Report*



**2014**

# ***Annual Report***

***2014***

**National Aquaculture Development Authority of Sri Lanka**

**41/1, New Parliament Road,**

**Pelawatta,**

**Battaramulla.**

**Tel: 011 2786495**

**Fax: 011 2786493**

National Aquaculture Development Authority of Sri Lanka  
41/1, New Parliament Road,  
Pelawatta, Battaramulla.

11.02. 2016

Hon. Minister of Fisheries and Aquatic Resources Development  
Ministry of Fisheries and Aquatic Resources Development  
Maligawatte  
Colombo 10.

Dear Sir,

In accordance with the provision of the NAQDA Act No. 53 of 1998, I am pleased to present the following in respect of the activities of the National Aquaculture Development Authority of Sri Lanka for the period 01<sup>st</sup> January 2014 to 31<sup>st</sup> December 2014.

- 1 Chairman 's Review
- 2 Report of the Board of Directors
- 3 Balance Sheet with Annual Accounts
- 4 Auditor General's Report

Thanking You.  
Yours Faithfully

Upali Mohotti (Attorney-at-Law)  
Chairman

## **Corporate Information**

### **Name of the Organization**

**NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA**

### **Directors**

- Mr. Jayantha Chandrasoma - Chairman
- Mr. B. Tissa Mahanama - Director
- Mr. Lesley Wasantha Jayalath - Director
- Mr. Piyasena Dodangodaarachchi - Director
- Ms. N.H.J.M. Senaratne - Director
- Mr. N.D. Hettiarachchi - Director
- Mr. R.M.P. Ratnayake - Director
- Mr. N.H.M.P. Senaratne - Director
- Dr. S.G. Samarasundara - Director
- Dr. D.B.T. Wijeratne - Director
- Eng. D.D. Ariyaratne - Director
- Ms. K.G. Wijesooriya - Director
- Mr. L.K.S.U. Dharmakeerthi - Director

### **Head Office**

41/1, New Parliament Road, Pelawatta, Battaramulla

### **Auditors**

Auditor General's Department

### **Bankers**

Peoples Bank, Battaramulla.

Bank of Ceylon, Pelawatta.

## ***Chairman's Review***

I have the duty of presenting the Annual Report of NAQDA for the year  
ended 31/12/2014.

## Introduction

The performance of the National Aquaculture Development Authority of Sri Lanka (NAQDA) during the 12 months commencing from 01/01/2014 continued to improve as in the previous years.

## Inland Fish Production

*Table 1- Comparison of Aquaculture and Inland Fisheries Production in Sri Lanka over the years*

Year	Inland Fisheries & Aquaculture (MT)	Coastal Aquaculture prawn production (MT)	Total Production (MT)	% Increase over previous year
2008	42,270	2,220	44,490	16
2009	43,010	3,550	46,560	2
2010	48,930	3,480	52,410	13
2011	55,410	4,150	59,560	14
2012	65,640	3,310	68,950	16
2013	62,480	4,430	66,910	-3
2014	70,600	5,150	75,750	13

The inland fish and aquaculture production grew significantly by 13% to 75,750 Mt. in the year 2014 which was an increase of 8,840 Mt. over that in the year 2013. Mainly the proper management of the water bodies with community participation, operation of community based mini-hatcheries, fish seed production, fish fingerling and freshwater prawn post larvae in reservoirs have been adapted for increase of inland fish and aquaculture production. Also the cultured prawns/ coastal aquaculture production increased during the year due to the control of the spread of disease as a result of the implementation of best practices and the expansion of farms. The depleted water levels in reservoirs also help to increase the inland fish production.

### Foreign Exchange earned and contribution to rural economy

This inland fish and shrimp production in 2014 is valued at approximately Rs.13,940 Mn. contributing significantly to the rural economy. Further it is estimated that foreign exchange earned through export of cultured shrimps and ornamental fish is Rs. 3,375 Mn. and Rs. 1636 Mn. respectively.

### Fry Production & Distribution

The Aquaculture Development Centers (AQDCs) at Udawalawa, Dambulla, Inginiyagala, Polonnaruwa and Nuwara Eliya produced 75.91 Mn fry in 2014. A part of these fry were sold to Private Pond Owners (PPO) and Community Based Organizations (CBO) managed Mini Nurseries for rearing to fingerling size.

**Table 2 - Fry Production & Distribution (Million)**

	2008	2009	2010	2011	2012	2013	2014
Fry sold to Mini Nurseries	15.13	17.34	15.79	17.55	10.85	12.52	6.57
Fry reared at AQDCs	11.78	13.32	16.14	28.80	40.05	62.74	55.39
Fry sold to PPOs	11.34	17.99	26.31	34.88	24.39	21.94	11.93
Issued to Cages	3.83	1.35	2.30	1.88	1.11	0.84	2.02
<b>Total</b>	<b>42.08</b>	<b>50.00</b>	<b>60.54</b>	<b>83.11</b>	<b>76.40</b>	<b>98.04</b>	<b>75.91</b>

### Fingerling Production

In the year 2014, 40.98 Mn fingerlings were produced in Aquaculture Development Centers (AQDCs) of NAQDA, CBO managed Mini Nurseries and Private Ponds.

**Table 3 - Fingerling Production (Million)**

	2008	2009	2010	2011	2012	2013	2014
Fingerlings produced Mini Nurseries	6.60	8.14	8.03	8.47	5.63	5.76	4.27
Fingerlings produced AQDCs	6.70	9.62	13.75	20.35	21.18	34.94	30.94
Fingerlings produced PPOs	5.50	8.99	11.70	14.89	9.87	8.43	4.81
Cages	2.00	1.18	1.40	1.11	0.71	0.26	0.96
<b>Total</b>	<b>20.80</b>	<b>27.93</b>	<b>34.88</b>	<b>44.82</b>	<b>37.39</b>	<b>49.39</b>	<b>40.98</b>

### Distribution of fingerlings

The fingerlings produced at AQDCs, Private Ponds, Mini Nurseries and Cages were distributed amongst major aquaculture and inland fisheries development areas as given in the following table.

*Table 4 – Stocking of Fish Fingerlings - 2014*

Type of the water body	Number of tanks / units	Fingerling Stocked (Mn)
Major Reservoirs	34	9.20
Medium Reservoirs	65	12.68
Minor Reservoirs	190	11.03
Seasonal Tanks	265	3.28
Ponds	782	2.04
Rivers and Lagoons	07	0.51
<b>Total</b>	<b>1,343</b>	<b>38.74</b>

### Fresh Water Prawn Production (Post Larvae)

10.59 Mn. Post larvae of fresh water prawn were produced at Pambala and Kahandamodara centers and stocked as follows.

*Table 5 – Stocking of Freshwater Prawn Post Larvae - 2014*

Type of the water body	Number of tanks	Post larvae stocked (Mn)
Major Reservoirs	13	5.32
Medium Reservoirs	19	2.10
Minor Reservoirs	19	2.22
Ponds	48	0.22
Lagoons	01	0.06
<b>Total</b>	<b>100</b>	<b>9.92</b>

Freshwater prawn production has shown a gradual increase and has resulted in enhancing income of fishermen. In 2014, freshwater prawn production was about

---

460 Mt and thereby Rs. 368 Mn were contributed to the rural economy. Freshwater prawn created a new fishery in the inland waters and Export of Freshwater Prawn is an emerging trend. Today, there are mainly two companies engaged in exporting of freshwater prawn and 21.36 Mt, 20.68 Mt, and 141 Mt were exported in 2012, 2013 and 2014 respectively.

### **Programme to issue Fingerlings Free of Charge**

Based on a Cabinet Approval dated 16.07.2008, stocking of fish fingerlings in the reservoirs free of charge basis commenced from 2009. The total sum allocated for this programme was Rs. 150 Mn. NAQDA received Rs. 30.00 Mn. during 2014.

Under this programme 27.70 Mn. fish fingerlings and freshwater prawn post larvae were stocked in reservoirs during 2014.

### **Development of Reservoir Fisheries**

To improve the management of inland fisheries in perennial water bodies (by preventing illegal methods of fishing) the Authority conducted 315 raids during the year 2014. In addition, to this 356 management licenses were issued and 400 fishing crafts and 804 sets of fishing gear were distributed.

### **National Inland Fisheries and Aquaculture Training Institute, Kalawewa**

During 2014, it provided facilities for 116 training programmes and generated an income of Rs 15.11 Mn.

### **Shrimp Farming Industry**

Various activities were implemented during last few years through the Shrimp Farm Monitoring and Extension Unit of NAQDA to rehabilitate the shrimp farming industry, which was devastated by the White Spot disease. Main activities undertaken were Dredging of Dutch Canal; Introduction of a crop calendar and zoning; Formation of relevant rules & regulations and implementation; Regulation of shrimp hatcheries and Screening of post larvae of shrimp and broodstock. In

---

addition, services are being provided at the Shrimp Disease Diagnosis and Health Management Laboratory at Battuluoya for shrimp farmers to detect shrimp diseases.

During 2014 under monitoring activities, 469 Aquaculture Management licenses including 444 Shrimp Farms, 20 Shrimp Hatcheries and 5 broodstock collectors were issued. Further, NAQDA conducted 4,071 no. of PCR tests to screen brooders and post larvae and tested 20 water samples for improving the quality of water in shrimp hatcheries in the area. These tests were carried out by the Brackish water fish health and environmental monitoring laboratory at Battuluoya. Further to improve quality of post larvae, all the shrimp hatcheries were monitored by testing for Monodon Bacula Virus and white spot disease by officials from the brackish water fish health and environmental laboratory.

In 2014, 43 Shrimp Hatcheries and 527 Shrimp Farms were operated in Puttalam District. Shrimp post larvae production during the year was 330 Mn.

Action is being taken to expand shrimp farming under cluster farming system in North and East of the country and suitable sites have been identified. Area under shrimp farming in the District of Batticaloa is increasing gradually.

#### ***Development of Shrimp Farming in Batticaloa District***

Model shrimp hatchery in Puthukkudirippu was commenced operation during first quarter of 2011 on Public- Private Sector Partnership Basis and supplies the seed requirement of the shrimp farmers of the area. A private company manage the hatchery and 20.45 million post larvae were produced in 2014. This is the only hatchery available in the East and caters to the post larvae requirement of the expanding shrimp industry in the Batticaloa District.

Infrastructure development for cluster shrimp farming in Vakarai is to create alternative livelihoods to coastal communities specifically affected by the Tsunami 2004 by engaging them in shrimp farming on a cluster system. Further it is intended to develop the necessary infrastructure required to achieve the primary objective for creating livelihood. This is a model for the ecosystem approached shrimp farming based on a concept of cluster system. NAQDA together with Divisional Secretary, Vakarai selected an investor

---

and beneficiaries. It was formed an Aquaculture Development Society which was registered with NAQDA and the membership was comprised of all the beneficiaries. A company named Vakaraï Ocean Aqua Cluster (Pvt) Ltd was formed with the investor and society as shareholders. This cluster farm is managed by Vakaraï Ocean Aqua Cluster (Pvt) Ltd Company. From 2014 culture cycle, profit earned by the company was Rs. Mn 5.40 and each beneficiary received profit of Rs. 200,000.00.

Demonstration Shrimp Farm at the Air Force Base Camp in Batticaloa will train shrimp farmers of the area on Best Management Practices (BMP) & sustainable development of Shrimp Farming. At present this Demonstration Farm is managed by the Air Force, Batticaloa. 5.2 Mt. was harvested in 2014 and also 200 persons were trained so far from this farm.

### **Ornamental Fish and Aquatic Plant Farming**

NAQDA is involved in development of new ornamental fish strains, development of technology, provide brood fish, fish disease diagnosis, provide training and technical assistance etc. to support development of ornamental fish and aquatic plant culture and exports. Aquaculture Development Centres at Rambodagalla and Ginigathena is dedicated for ornamental fish and plants. A tissue culture laboratory established at Rambodagalla is involved in tissue culture of ornamental aquatic plants.

These centers sold 1,090,535 ornamental fish for farmers and exporters and earned Rs. 6.78 Mn. 52, 787 brooders were also sold in 2014. 30 training programmes were conducted and 1,087 people were trained in ornamental fish farming in the year 2014.

A tissue culture laboratory established at Rambodagalla is involved in tissue culture of ornamental aquatic plants. The main objectives of this are to technology transfer and to earn the foreign exchange by exporting aquatic plants.

Live rock export is a new addition to our product range and in 2014 live rocks to the values of Rs. Mn 7.30 has been exported.

### **“Divi Neguma” Programme 2011-2014**

Under the above programme of the Ministry of Economic Development, following projects were implemented by NAQDA

- Fry to fingerling rearing in ponds
- Ornamental fish farming
- Food fish/prawn culture in ponds
- Integrated fish farming
- Fish culture in seasonal tanks
- Fish culture in estate tanks
- Oyster farming
- Sea bass farming
- Expansion of facilities in existing small scale ornamental fish farms
- Smoked fish

This programme provide assistance for aquaculture development at the house hold level and benefiting people who are interested in engage in aquaculture to provide nutrition and generate an additional income. Assistance provided to 5,319 small scale enterprises in Fry to fingerling rearing, Food fish culture in ponds, Integrated fish farming, Oyster farming, sea bass farming and Ornamental fish farming under this programme. Financial and technical assistance and training provided to these small scale enterprises. Around 14,200 ha of seasonal reservoirs were brought under fish culture under “Divi Neguma”.

A special programme is being implemented to support establishment of fish ponds in Estates, involving estate communities. Main aim of this programme is to enhance nutrition among estate communities whose per capita animal protein intake is very poor when compared to other parts of the country and also to provide additional income for them. This programme is implemented in Nuwara Eliya, Kandy and Badulla Districts during 2014.

## **Non- traditional Aquaculture**

- **Sea cucumber fattening in pens**

NAQDA facilitate Sea cucumber fattening in pens. Projects were carrying out by private sector in Thewanpitti, Mannar south bay, Ambupuram Kilinochchi, Valaipadu Kilinochchi, and Nachchikuda Kilinochchi.

- **Sea weed farming**

NAQDA completed a pilot scale demonstration project in Valaipadu in North to verify and demonstrate technology for sea weed farming. A leading private sector company has commenced commercial scale sea weed farming with community participation in the North. Around 300 farmers have commenced sea weed cultivation under this programme.

- **Sea bass Hatchery**

NAQDA succeeded in breeding Sea bass under public private partnership. NAQDA provided expertise to breed Sea bass in a private hatchery. This will pave the way for expansion of Sea bass farming in Sri Lanka. 250,000 fingerlings were produced.

- **Sea bass farming**

Private sector involved in sea bass cage culture in Negombo lagoon, Kinniya lagoon, Puttalam and Galle. 55 farmers were involved in sea bass farming in cages and ponds. 43 Mt. of sea bass were also harvested in 2014.

A large scale sea bass farming in cages with an investment of US \$ 04 million commence operation in Trincomalee Sea. Objective of this venture is to introduce commercial scale marine based farming of fin fish to Sri Lanka. This will also create livelihood to coastal community through direct employment, reduce pressure on wild fishery and provide a consistent supply base, generate import revenue, added tourist attraction, and provide forward linkage opportunities such as value added fish production.

### **Project on Technical Assistance for Aquaculture Development in Sri Lanka under bilateral cooperation between Sri Lanka and Vietnam**

The objective of this project is to transfer technology in sea cucumber breeding and farming, sea weed farming and lobster fattening. Under this project pilot projects initiated and technology transfer and training of officers and farmers were carried out with the assistance of Vietnamese experts. Total estimated cost is Rs. Mn. 4.55.

Pilot projects are in progress in following sites.

- Sea weed farming - Valaipadu  
Around 70 Mt. of sea weed were harvested in 2014.
- Sea cucumber hatchery – Ambakadawila, Chilaw  
424,000 juveniles were produced in 2014.
- Sea cucumber farming in ponds – Pulinchikulam  
595.2 kg of sea cucumber were harvested in 2014.
- Sea cucumber farming in pens – Kiranchi
- Lobster fattening – Valaipadu  
290 lobsters were stocked in 4 cages and monitoring is in progress.

### **Aquaculture Development Centre at Iranamadu**

Construction of Iranamadu centre is in progress and the total estimated project cost is Rs. Mn 400. The objective of this project is to supply fish seed required for stocking in northern reservoirs in order to increase the nutrition level and rural economy by increasing the inland and aquaculture fish production.

The Chairman and Board of Directors wish to extend their grateful thanks to the Staff of the National Aquaculture Development Authority of Sri Lanka for their unstinted co-operation and support offered at all times and also wish to express their appreciation for the assistance extended to improve the quality of life of the fish farming community island wide and increase the income level of people who are engaged in this sector. The Board also wishes to place on record the co-operation and assistance provided by the Donor Agencies, NGO's, Provincial Councils and Projects which provided funds for the purchase of fish seed required by the Fisheries Societies and the fish farming sector and other aquaculture related programmes. Private Sector Shrimp Farmers, Exporters and other sponsors who contributed much to the sector also deserve our thanks.

Finally and not least, we wish to offer our thanks to His Excellency the President of Sri Lanka for the guidance given in increasing the inland fish production, the Hon. Minister of Fisheries & Aquatic Resources Development, the Hon. Deputy Minister, the Secretary, Ministry of Fisheries & Aquatic Resources Development and the staff of the Ministry for the guidance, support & assistance provided to carryout various other aquaculture projects, the Secretary to General Treasury, for all the financial assistance provided to carry out the activities of NAQDA smoothly.

Chairman  
National Aquaculture Development Authority of Sri Lanka

## **Report of the Board of Directors**

The Board of Directors is pleased to present the Annual Report for the Year ended 31<sup>st</sup> December 2014 together with the Audited Accounts and Report of the Auditor General.

## **1. Introduction**

The Aquaculture Development Division, which was functioning under the Ministry of Fisheries and Aquatic Resources Development, was transformed to National Aquaculture Development Authority of Sri Lanka (NAQDA) on 29<sup>th</sup> January 1999 under the Parliament Act No. 53 of 1998. At the inception its head office was established in a rented building at Darley Road, Colombo 10. It moved to Base line Road, Colombo 09 in 2003 and occupied its own Head Quarters at Pelawatta, Battaramulla in January 2010.

National Aquaculture Development Authority of Sri Lanka functions under the Ministry of Fisheries and Aquatic Resources Development and is operated under the purview of a Board of Directors. The Authority consists of five major Divisions namely Fresh water Aquaculture Development, Coastal Aquaculture Development, Extension, Finance and Human Resource Development which are headed by four Directors.

### **Aquaculture Development Centers (AQDCs) of NAQDA**

NAQDA maintains six (06) major Freshwater Aquaculture Breeding Centers, Two (02) Freshwater Prawn Breeding Centers, and Two (2) Ornamental Fish Breeding Centers.

<b><u>Centre</u></b>	<b><u>Fish Species Produced/Activity</u></b>
<b>Udawalawa (Carp)</b>	Common Carp, Indian Carps and Chinese Carps
<b>Dambulla</b>	Common Carp, Indian Carps, Chinese Carps and Tilapia
<b>Inginiyagala</b>	Common Carp, Indian Carps and Tilapia
<b>Nuwara Eliya</b>	Common Carp
<b>Udawalawa (Tilapia)</b>	Tilapia species
<b>Polonnaruwa</b>	Indian Carps, Chinese Carps and Tilapia
<b>Pambala</b>	Freshwater Prawn
<b>Thillawatawena</b>	Freshwater Prawn
<b>Rambodagalle</b>	Ornamental Fish Breeding and Conducting Training Programmes
<b>Ginigathhena</b>	Ornamental Fish Breeding & Rearing

All these centers function under the supervision of officer in charge (Aquaculturist) responsible for production of fish seeds for stocking in Reservoirs Island wide and producing ornamental fish for foreign and local markets. Of

### **Kalawewa Inland Fisheries and Aquaculture Training Institute**

This Institute conducts training for staff of NAQDA, Inland fishers, Fish farmers, NGO's, CBO's and interested parties in the fields related to Aquaculture and Inland Fisheries. In addition provides facilities for other institutions for their own training programmes and Assistant Director (Training) heads this Institute.

### **Aquaculture Extension Service**

There are 22 Regional Aquaculture Extension Offices and District Aquaculture Extension Offices Island wide. Regional/District Aquaculture Extension Officers (RAEO/DAEO) and Aquaculture Extension Officers (EO) are responsible for extension, regulation and management of aquatic resources which include Stocking of Fish Seed, Supervision and Coordination of the activities of Fisheries Societies, Educating the Fishermen, Prevention of illegal Fishing, and Transfer of Technology related to Aquaculture.

## **2. Objectives**

Main objectives of NAQDA are, regulation of the sector by introducing proper guidelines, research and development, Training and Extension activities, and management measures towards the sustainable development of Aquaculture sector in Sri Lanka, achieving economic growth through increase of Fish production, improving the nutritional status of population, producing high valued Aquatic species for export market and reducing the poverty by increasing the employment opportunities and income level of the people.

NAQDA is categorized as a Promotional Institute as per Public Enterprise circular No. 58(2) dated 15/9/2011.

**03. Manpower of National Aquaculture Development Authority of Sri Lanka as at 31<sup>st</sup> December 2014**

<b>Categories</b>	<b>Nos.</b>
<b>Senior Managers</b>	<b>05</b>
<b>Middle Managers</b>	<b>09</b>
<b>Junior Managers</b>	<b>59</b>
Aquaculturists	34
Regional/District Extension Officers	17
Statistical Officers	03
Computer Analyst	01
Procurement Officer	01
Social Development Officer	01
Finance Officer	01
Administrative Officer	01
<b>Management Assistant – Technical</b>	<b>75</b>
Assistant Aquaculturists	14
Extensions Officers	58
Technical Officers	02
Book keeper	01
<b>Management Assistant – Non Technical</b>	<b>69</b>
<b>Primary Level</b>	<b>309</b>
Technicians (Electrical/ Mechanical)	04
Drivers	32
Minor Staff	273
<b>Total</b>	<b>526</b>

**4. Principal Activities**

Principal activities of the National Aquaculture Development Authority are the sustainable development and management of aquatic resources and Aquaculture industry of Sri Lanka with a view to increasing production and

consumption of inland fish, creation of employment opportunities and increasing of export volume of aquatic products.

## **5. Capital**

NAQDA is a government Authority with 100% capital vested in Secretary to the Treasury. The authorized capital is Rs.90 Million.

## **6. Income**

Income from sale of fish seeds, rent on leased centers and other income is Rs.100.45 Million. The Treasury grant for financing recurrent expenditure was Rs.215.20 Million for the year ended 31<sup>st</sup> December 2014.

## **7. Performance of the Organization**

National Aquaculture Development Authority has made a net deficit of Rs.26.33 Million for the year ended 31<sup>st</sup> December 2014. The income details are set out page 24.

## **8. Statement of Affairs**

The statement of affairs of the Authority as at 31<sup>st</sup> December 2014 is set out on page 21.

## **9. Capital Expenditure**

A financial allocation of Rs. 95 Million was made available for National Aquaculture Development Authority of Sri Lanka for the year 2014. Total allocation was utilized for rehabilitation and renovation of buildings and Ponds at the Centers, rehabilitation of vehicles and equipment, Acquisition of Fixed assets and Aquaculture Development activities.

## **10. Collaboration with other Agencies**

The Authority collaborated with Post Tsunami Coastal Rehabilitation & Resource Management Programme and Post Tsunami Livelihood Support & Partnership

---

Programme, Food and Agriculture Organization (FAO) and private sector for operating the Brackish water Shrimp Hatchery, Sea bass hatchery Demonstration Shrimp Farm, Development of infrastructure facilities for cluster shrimp farming in Vakarai. Further Vietnamese Government provided technical assistance for transfer of technologies related to sea weed farming, sea cucumber hatchery and farming and Lobster fattening.

## **11. Directors Interest in Contracts**

The Directors of the Authority were not directly or indirectly involved in any contracts with the Authority during the year ended 31<sup>st</sup> December 2014.

## **12. Auditors**

The Accounts of the National Aquaculture Development Authority of Sri Lanka for the Year ended 31<sup>st</sup> December 2014 was audited by the Auditor General's Department.

**NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA**  
**STATEMENT OF FINANCIAL POSITION**

AS AT 31ST DECEMBER	Note	2014 Rs.	2013 Rs.
<b>ASSETS</b>			
<b><u>NON CURRENT ASSETS</u></b>			
Property, Plant & Equipment	.. 3	630,849,630.19	623,145,975.77
Breeding & Trading Assets	.. 4	133,074,104.93	128,240,690.26
Working Progress	..	47,187,303.03	43,678,801.96
Live stock	..	99,950.00	99,950.00
		811,210,988.15	795,165,417.99
<b><u>CURRENT ASSETS</u></b>			
Inventory	.. 5	22,876,016.69	13,673,740.74
Deposit, Advance & Prepayments	.. 6	2,989,487.93	2,992,755.62
Trade & Other Receivable	.. 7	37,938,286.82	36,972,750.76
Cash in Hand & at Bank	.. 8	11,591,440.47	5,932,847.88
		75,395,231.91	59,572,095.00
<b>TOTAL ASSETS</b>		886,606,220.06	854,737,512.99
<b>EQUITY AND LIABILITIES</b>			
<b><u>EQUITY</u></b>			
<b><u>CAPITAL &amp; RESERVES</u></b>			
Treasury Grants	..	207,003,656.89	139,230,329.73
Retained Earnings	..	(205,564,085.89)	(179,236,244.07)
Assets Valuation Fund	..	17,400,000.00	17,400,000.00
<b>TOTAL EQUITY</b>		18,839,571.00	(22,605,914.34)
<b><u>LIABILITIES</u></b>			
<b><u>NON CURRENT LIABILITIES</u></b>			
Retirement Benefit Obligation	.. 9	53,562,763.88	41,231,660.82
Differed Revenue	.. 10	702,648,721.18	733,761,651.03
Retention on contract	..	21,930,997.83	12,297,381.84
Government Grants Projects ( Bud. Proposal 2006)		54,040,042.00	54,040,042.00
		832,182,524.89	841,330,735.69
<b><u>CURRENT LIABILITIES</u></b>			
Trade & Other Payable	.. 11	35,584,124.16	35,290,290.60
Bank Overdraft	.. 12	0.00	722,401.04
		35,584,124.16	36,012,691.64
<b>TOTAL LIABILITIES</b>		867,766,649.05	877,343,427.33
<b>TOTAL EQUITY AND LIABILITIES</b>		886,606,220.06	854,737,512.99

**NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA**

**STATEMENT OF CASH FLOWS**

AS AT 31ST DECEMBER	2014 Rs.	2013 Rs.
<b><u>CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</u></b>		
Profit / (Loss) for year	(26,327,841.81)	(9,111,372.79)
<b><u>Adjustments for</u></b>		
Depreciation - Fixed Assets	33,768,364.43	39,596,018.13
Depreciation - Breeding Assets	24,571,238.26	22,772,408.84
Doubtful Debtor	1,057,742.08	195,186.37
Gratuity Provision	14,422,874.81	6,718,419.92
Previous year Adjustments	0.00	(569,227.61)
EPF & ETF Payment	0.00	(4,561,854.85)
Assets Deposale Profit	(3,260,187.96)	(3,138,000.00)
Differed Revenue	(58,339,602.69)	(62,497,731.05)
Operating Profit before working capital changes	(14,107,412.88)	(10,596,153.04)
(Increase)/Decrease in Inventory	(9,202,275.95)	(2,425,567.74)
(Increase)/Decrease in Advance & Prepayments	3,267.69	1,527,671.45
(Increase)/Decrease in Debtors & Other Receivables	(2,023,278.14)	(9,012,328.17)
(Decrease)/ Increase in Retention	9,633,615.99	(2,833,667.26)
(Decrease)/ Increase in Trade & Other payable	293,833.56	9,838,781.83
<i>Cash generated from operations</i>	(15,402,249.73)	(13,501,262.93)
Gratuity paid	(2,091,771.75)	(1,858,108.71)
<b>Net Cash from/(Used in) Operating Activities</b>	<b>(17,494,021.48)</b>	<b>(15,359,371.64)</b>
<b><u>CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES</u></b>		
Purchase of property, plant & equipment	(27,226,672.84)	(106,170,286.42)
Work in Progress	(47,187,303.03)	34,696,196.24
Investment	0.00	0.00
Disposal of Vehicle	3,288,990.98	3,138,000.00
<b>Net cash from / (Used in) Investing Activities</b>	<b>(71,124,984.89)</b>	<b>(68,336,090.18)</b>
<b><u>CASH FLOW FROM / (USED IN ) FINANCING ACTIVITIES</u></b>		
Treasury Grant for Capital	95,000,000.00	83,500,000.00
Income Tax paid	0.00	0.00
<b>Net cash flows from/(Used in ) Financing Activities</b>	<b>95,000,000.00</b>	<b>83,500,000.00</b>
<b>Net Increase / (decrease) in Cash &amp; Cash Equivalent</b>	<b>6,380,993.63</b>	<b>(195,461.82)</b>
<b>Cash &amp; Cash Equivalent at the beginning of the year</b>	<b>5,210,446.84</b>	<b>5,405,908.66</b>
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>11,591,440.47</b>	<b>5,210,446.84</b>
<b><u>ANALYSIS OF CASH &amp; CASH EQUIVALENT</u></b>		
<b><u>At the end of the year</u></b>		
Cash at Banks	11,591,440.47	5,932,847.88
Cash in hand	0.00	0.00
	<b>11,591,440.47</b>	<b>5,932,847.88</b>
Bank Overdraft	0.00	722,401.04
	<b>11,591,440.47</b>	<b>5,210,446.84</b>

**NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA**

**STATEMENT OF CHANGES IN EQUITY**

	Grants		Assets	Retained	Total
	Recurrent	Capital	Valuation Fund	Earnings	
Balance as at 1st January 2013	0.00	161,900,616.15	17,400,000.00	(165,260,153.60)	14,040,462.55
Grants during the year	208,441,000.00	83,500,000.00	0.00	0.00	291,941,000.00
Trf to Differed Revenue (During the year Am	0.00	(106,170,286.42)	0.00	0.00	(106,170,286.42)
Trf to Profit & Loss A/c	(208,441,000.00)	0.00	0.00	0.00	(208,441,000.00)
Net Profit / ( Loss ) for the Year	0.00	0.00	0.00	(9,111,372.79)	(9,111,372.79)
Add : Previous year adjustment				(4,561,854.85)	(4,561,854.85)
Less : Previous year adjustment	0.00	0.00	0.00	(302,862.83)	(302,862.83)
<b>Balance as at 31st December 2013</b>	<b>0.00</b>	<b>139,230,329.73</b>	<b>17,400,000.00</b>	<b>(179,236,244.07)</b>	<b>(22,605,914.34)</b>
Balance as at 1st January 2014	0.00	139,230,329.73	17,400,000.00	(179,236,244.07)	(22,605,914.34)
Grants during the year	215,200,000.00	95,000,000.00	0.00	0.00	310,200,000.00
Differed Revenue amount of during the year	0.00	(27,226,672.84)	0.00	0.00	(27,226,672.84)
Trf to Profit & Loss A/c	(215,200,000.00)	0.00	0.00	0.00	(215,200,000.00)
Net Profit / ( Loss ) for the Year	0.00	0.00	0.00	(26,327,841.81)	(26,327,841.81)
<b>Balance as at 31st December 2014</b>	<b>0.00</b>	<b>207,003,656.89</b>	<b>17,400,000.00</b>	<b>(205,564,085.89)</b>	<b>18,839,571.00</b>

**NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA**  
**STATEMENT OF INCOME**

FOR THE YEAR ENDED 31ST DECEMBER	NOTE	2014 Rs.	2013 Rs.
Revenue		57,134,456.49	56,294,720.14
Cost of Sales	13	(60,305,735.58)	(73,263,607.53)
<b>GROSS PROFIT</b>		<b>(3,171,279.09)</b>	<b>(16,968,887)</b>
Other Income	14	43,320,266.49	43,075,940.84
Treasury Grants - Recurrent		215,200,000.00	208,441,000
		<b>255,348,987.40</b>	<b>234,548,053.46</b>
Administrative Expenses	15	(297,409,553.89)	(264,472,960.61)
Distribution Cost	16	(42,539,556.56)	(41,609,897.68)
Finance Cost	17	(67,321.46)	(74,299.01)
		<b>(340,016,431.90)</b>	<b>(306,157,157)</b>
<b>PROFIT / (LOSS) BEFORE ADJUST DEFERRED REVENUE</b>		<b>(84,667,444.50)</b>	<b>(71,609,104)</b>
Differed Revenue		58,339,602.69	62,497,731.05
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>(26,327,841.81)</b>	<b>(9,111,373)</b>

## **National Aquaculture Development Authority of Sri Lanka**

### **Note to the Financial Statements**

#### **1. COPARATE INFORMATION**

##### **1.1 General**

National Aquaculture Development Authority of Sri Lanka established by the Act No.53 of 1998, is falling under the purview of Ministry of Fisheries & Aquatic Resources Development. The Head office is located at 41/1, New Parliament Road, Pelawatta, Battaramulla.

##### **1.2 Principal Activities and Nature of Operation**

During the year, the principal activities of the Authority were Sale of Fish seeds.

#### **2. BASIS OF PREPARATION**

These Financial Statements have been prepared on a historical cost basis. No adjustment is made for inflationary assets, which are reflected at valuation.

##### **2.1 Statement of Compliance**

The Financial Statement of Authority have been prepared in General Accepted Accounting Policies and also with the requirements of the National Aquaculture Development Authority of Sri Lanka Act No: 53 of 1998 institutionalizing the Aquaculture Development Authority of Sri Lanka and in terms of section 13 (6) of Financial Act 38 of 1971.

##### **2.2 Comparative Information**

The accounting policies have been consistently applied by the Authority and are consistent with those used in the previous year unless otherwise stated.

#### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

##### **3.1 Trade and Other Receivable**

Trade receivables are stated at the amounts they are estimated to realize net of provisions for bad and doubtful receivables. Other receivables recognized as at cost.

### 3.2 Cash and Cash Equivalence

Cash and Cash Equivalence are defined as cash in hand only.

### 3.3 Property, Plant and Equipment

Except lands, all other Assets are stated at cost less accumulated depreciation.

Depreciation is calculated on a straight line basis over the useful life of the assets.

The rate of depreciation as follows,

Building & Structure	4%
Motor Vehicles	20%
Furniture & Office Equipment	10%
Laboratory Equipment	10%
Machinery and equipment	10%
Hatchery Jars	10%
Fish Tanks	10%
Fish Ponds	6%
Tool and Implements	10%
Communication Outlay	20%
Computer software	10%

#### **Note:**

Land of value of 6.8799 hectare which was acquired by the Authority, had not been included in the Fixed Assets due to lack of Valuation report, which should be issued by the valuation Department.

### 3.4 Doubtful debtors.

10% provision on debtors balance has been made in respect on doubtful debtors.

Over provision of doubtful debtors during the year charge to the P & L.

### 3.5 Stocks

Stocks are valued at the lower of cost or net realizable value.

### 3.6 Retirement Benefit Obligation

Defined Benefit Plan-Gratuity

Gratuity provision has been made ½ month's salary for each year of service from the date of commencement of service.

However, according to the payment of gratuity Act no 12 of 1983, the liability for gratuity an employee arise only completion of five years continued service with the Authority.

Defined Contribution plans – Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident fund Contributions and Employees' Trust Fund contribution in line with the respective statutes and regulations. The Authority contributes 15% and 3% of gross emoluments of employees to Employees' Provident Fund & Employees' Trust Fund respectively.

**3.7 Revenue Recognition**

Revenue is measured at the fair value of consideration received or receivable.

**3.8 Expenditure Rrecognition**

Expenses are recognized in the Income statement on the basis of a direct association between the cost incurred and the earning of specific item of income. All expenditure incurred in the running of the Production and in maintaining the property, Plant & Equipment in a state of efficiency has been charged to income in arriving at the profit/(Loss) for the year.

**NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA**

**NOTE 03**

**PROPERTY, PLANT AND EQUIPMENT**

COST	Balance as at 01.01.14	Additions/Valuation/Adjustment of assets for the Year	Disposal & Adjustment	Balance as at 31.12.14
Land	146,411,854.00	-	-	146,411,854.00
Buildings & Structure.	344,538,375.10	37,235,210.97	-	381,773,586.07
Buildings & Structure (ADB)	206,460,717.00	-	-	206,460,717.00
Building & Structure (New Office)	3,184,404.00	-	-	3,184,404.00
Furniture & Office Equipment	30,610,134.53	2,044,846.69	-	32,654,981.22
Furniture & Office Equipment - ADB	4,911,820.00	-	-	4,911,820.00
Laboratory Equipment	8,610,082.80	1,527,400.00	-	10,137,482.80
Machinery & Other Equipment	22,269,706.06	249,144.60	-	22,518,850.66
Consumable and Sundry Equipment	10,137,648.96	-	-	10,137,648.96
Tools & Implement	1,573,467.00	-	-	1,573,467.00
Vehicles	56,537,608.11	1,791,905.80	1,701,112.00	56,628,401.91
Vehicles - ADB	42,226,474.00	954,300.00	4,347,500.00	38,833,274.00
Communication and Computer	7,559,913.99	1,196,041.00	-	8,755,954.99
Computer Software	1,155,625.00	-	-	1,155,625.00
	<b>886,187,830.55</b>	<b>44,998,849.06</b>	<b>6,048,612.00</b>	<b>925,138,067.61</b>
DEPRECIATION	Balance as at 01.01.14	Charge for the year	Disposal & Adjustment	Balance as at 31.12.14
Land	-	-	-	0.00
Buildings & Structure.	91,224,217.88	13,781,535.79	-	105,005,753.67
Buildings & Structure (ADB)	41,292,144.04	8,258,428.04	-	49,550,572.08
Building & Structure (New Office)	3,184,404.00	-	-	3,184,404.00
Furniture & Office Equipment	16,832,804.75	2,150,054.85	-	18,982,859.60
Furniture & Office Equipment - ADB	2,455,910.00	491,182.00	-	2,947,092.00
Laboratory Equipment	6,259,650.92	605,312.40	-	6,864,963.32
Machinery & Other Equipment	13,909,330.53	898,727.19	-	14,808,057.72
Consumable and Sundry Equipment	6,317,163.20	1,027,258.94	-	7,344,422.14
Tools & Implement	1,573,467.00	(465.71)	-	1,573,001.29
Vehicles	34,164,301.79	6,016,400.12	718,008.98	39,462,692.93
Vehicles - ADB	41,864,774.40	(329,000.40)	2,702,500.00	38,833,274.00
Communication and Computer	3,732,738.05	1,656,258.41	-	5,388,996.46
Computer Software	230,948.22	111,400.00	-	342,348.22
	<b>263,041,854.78</b>	<b>34,667,091.62</b>	<b>3,420,508.98</b>	<b>294,288,437.42</b>
<b>WRITTEN DOWN VALUE</b>	<b>623,145,975.77</b>			<b>630,849,630.19</b>

**NOTE 04**

**BREEDING & TRADING ASSETS**

COST	Balance as at 01.01.14	Additions for the Year	Disposal & Adjustment	Balance as at 31.12.14
Hatchery	9,025,731.00	3,258,014.87	-	12,283,745.87
Hatchery ADB	84,246,743.00	-	-	84,246,743.00
Fish Tank	13,726,094.00	15,055,877.19	-	28,781,971.19
Fish Ponds	215,801,276.52	10,192,033.68	-	225,993,310.20
	<b>322,799,844.52</b>	<b>28,505,925.74</b>	<b>-</b>	<b>351,305,770.26</b>
DEPRECIATION	Balance as at 01.01.14	Charge for the year	Disposal & Adjustment	Balance as at 31.12.14
Hatchery	5,832,783.02	353,581.93	-	6,186,364.95
Hatchery ADB	25,274,022.60	8,424,674.60	-	33,698,697.20
Fish Tank	5,683,817.70	2,793,525.10	-	8,477,342.80
Fish Ponds	157,768,530.94	12,100,729.44	-	169,869,260.38
	<b>194,559,154.26</b>	<b>23,672,511.07</b>	<b>-</b>	<b>218,231,665.33</b>
<b>WRITTEN DOWN VALUE</b>	<b>128,240,690.26</b>			<b>133,074,104.93</b>

