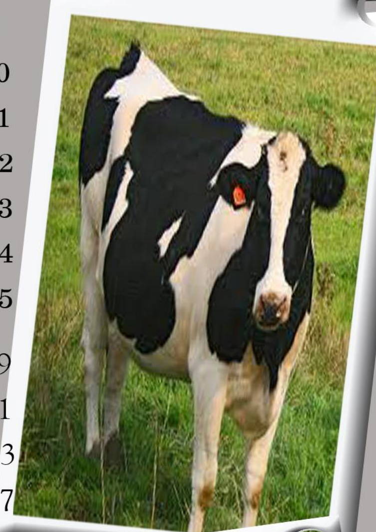
NLDB
ESTD 1973

Annual Report 2010
National Livestock Development Board








REPORT OF THE BOARD OF DIRECTORS

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The Chairman and the Board of Directors of the National Livestock Development Board (NLDB) is pleased to present this report for the period 1st January 2010 to 31st December 2010.

1.0 INTRODUCTION

The National Livestock Development Board (NLDB) was established in 1973 under the State Agricultural Corporations Act No.11 of 1972. Its field operations commenced in 1974. The redefined functions of the NLDB in 1977 were aimed at arresting the dwindling National herd and to concentrate on a planned intensive upgrading program of cattle and Buffaloes both for milk and draught. The NLDB is presently managing 30 livestock and crop integrated farms where livestock and coconut plantations are maintained. The Board also has a training center to impart practical and theoretical knowledge to farmers.

1.1 VISION

To be the best self sustaining organization in Sri Lanka to produce quality breeding material, livestock & agricultural products to enhance the Socio-Economic standards of our people.

1.2 MISSION

To run a self-sustaining chain of Livestock and Crop Integrated Farms in different Agro – Ecological Zones with a satisfied workforce,

* To develop Livestock activities within a reasonable time period to issue the requirement of breeding animals continuously to Farmers with the objective of making the country self – sufficient in Livestock and Dairy Products.

* To develop Livestock and Agricultural Products with new Technology to increase the output and profitability of the Organization.

* To cultivate Cash Crops in Selected Farms to support the Cash Crop Production programme in the Country.

* To achieve optimum productivity levels in Livestock and Agricultural Sectors.

* To obtain maximum productivity from Livestock and Crop Integrated Farming Systems and follow Eco – Friendly Cultivation Practices.

1.3 GENERAL GOALS

1.3.1 To maintain all farm activities at optimum level, infusing surplus funds from coconut based industries for sustenance.

1.3.2 To introduce new technology, expertise, capital with better management practices to reduce cost, improve productivity to successfully compete in the market.

1.3.3 To explore possibilities to break into new markets with better marketing strategies in order to convert these farming units into profitable business entities with the participation of the private sector.

1.4 OBJECTIVES

To achieve this end, the NLDB issues quality-breeding materiel at a nominal price. The NLDB caters not only to the individual livestock farmers but also to Livestock Producer Societies, various Non-Governmental Organizations, Samurdhi recipients as well as ongoing Government and Private Projects. Whether the need is for Cattle, Buffaloes, Goats, Sheep, Pigs, Rabbits, Poultry or Quails, the NLDB is obliged to issue quality-breeding material.

Developing the livestock sector being the main objective, the NLDB has also undertaken the task of imparting knowledge on animal husbandry to the farmers who have thus done things purely on instinct and experience. Making animal husbandry an economically viable enterprise is also one of the goals of the Board. To achieve this, cross breeding and pure breeding programs are implemented in farms to maintain breads that suit different agro- ecological zones.

Elite herds of Jersey, Friesian, Sahiwal, Khillari, Murrah and Nilli-ravi are maintained in there pure form at selected farms to preserve the gene pool. The NLDB has also contributed tremendously in creating self-employment avenues for the rural population, specially the subsistence farmer. The development of the livestock sector, especially dairy & poultry farming, contributes to improve not only the standard of living, but also the nutritional standards of the people. Eco-friendly land management techniques are practiced to prevent soil degradation and increase the organic matter level in the lands managed by the NLDB.

1.4.1 MAIN ACTIVITIES

The main activities of the Board are given below:

* Breeding and multiplication of livestock.
* Issue of quality breeding materials to the farmers at a reasonable price.
* Maintaining coconut plantations at optimum level to generate maximum profit.
* Practicing Livestock/Crop Integrated Farming System, wherever feasible.
* Providing training and demonstration facilities to the farmers, school children, Officials involved in agriculture and especially to the Livestock Small holders.
* Establishment and maintenance of marketing outlets to supply quality farm products at reasonable prices.
* Produce value added products using raw materials produced in farms to get a high profit margin.
* Sale of fresh cow milk to the public to popularize consumption of fresh milk among the public.

2.0 DIRECTORATE

After the General Election held on April 2010, new director Board was appointed to NLDB. Accordingly with the new government in office in April 2010, Mr. R.M.B. Ellegala and Mr. Laxman Hulugalle were appointed to NLDB as the Chairman and Deputy Chairman respectively with effect from May 2010.

The new Board of Directors for the year 2010 consisted of the following

Mr. R.M.B. Ellegala	- Chairman
Mr. Lakshman Hulugalle	- Deputy Chairman
Mr. A.R. Anura Jayasiri	- Working Director/ Director
Mr. H.M. Gunasekara	- Director
Mr. S. Balachandiran	- Director
Mr. S. Mervyn W. Perera	- Director
Dr. Samson L.A. Daniel	- Director
Mr. R. Ashokumar	- Director
Dr. Premakumara De Silva	- Director
Mr. Ravindra Manoj Gamage	- Director

The first Board Meeting of the new Board of Directors was held on 28th June 2010. There were 12 Board Meetings during the year 2010.

The National Livestock Development Board came under the purview of the Ministry of Livestock and Rural Community Development. The Minister was Hon. Arumugam Thondaman and Deputy Minster was Hon. H.R. Mithrapala.

During the year under review main emphasis was directed towards improving productivity with infrastructure development of the organization with the optimum utilization of available resources. Due to the limited financial resources available to the Board during the year, a strict control on financial matters had to be exercised but however giving preference to the most needed development activities. Accordingly top priority was given to livestock management and breeding programmes.

To enhance the genetic value of the dairy cattle the Board took a vital decisions to launch embryo transfer programme for the first time in the country and ended in the year 2009 in successful manner. From this programme it will be able to reduce the importation cost of animals and to produce high producing animals with known genetic merit in the future.

Further the Board has imported sexed semen to the country for the first time to accelerate the female breeding stock within a short period in year 2009. The programme is in progress in successful manner. The Board has decided to continue this programme by importing high density sexed semen to the country which could be inseminated to the cows too.

The programme to popularise the consumption of Fresh Milk, a Distribution Programme was implemented and expanded keeping with the objective of the Government's endeavour to popularise fresh milk consumption among the public. This programme will have an indirect impact on the reduction in the importation of dried milk powder making a substantial saving in foreign exchange. This programme has also paved the way for the NLDB to increase the income on milk by value addition while providing employment opportunities for rural youth.

The Board was able to import 2050kg of pasture and legume seeds in 2010 to NLDB after long period. With importing this consignment the Board has expected to increase the performance of both production and reproduction side mainly on the Dairy sector.

The Board has contributed to overcome shortage of broiler meat and egg production of the country by importing additional 27,000 broiler parent stock and 5,000 layer parent stock to the NLDB, LANLIB and Mahaweli Livestock Company in year 2009. Further 100,000 additional day old commercial chicks were imported to the country as instant solution of the egg shortage of the country in year 2010.

The weeding, land clearing and renovations of buildings including Head office which was an urgent issue of the Board were completed successfully in the year 2010

3.0 PERFORMANCE OF DEVELOPMENT ACTIVITIES

3.1 Embryo Transfer Programme.

Embryo Transfer (ET) program was commenced by the Board as a Pilot Project in 2006. This pioneering venture was initiated to provide an impetus to the dairy industry by obtaining quality animals cost effectively.

The Board imported 200 frozen embryos of the breeds – Friesian, Jersey and Australian Friesian Sahiwal and 196 embryos have been transferred for the first time in Sri Lanka and NLDB received 61 ET born calves. There were 9 calf deaths after the birth and raising 52 animals which consists of 22 females and 30males The female calves have a potential of producing over 20 L. of milk per day.

These embryos were obtained from the best bulls and the best producing cows presently available in the world. An embryo calf born will have a substantial value as they are better than artificially inseminated calves. An embryo bull calf born will be of immense value to the country as a male could produce 90,000 to 100,000 doses of semen and save the foreign exchange approximately Rs. 1800 million. Female calves born could be used for a similar ET programme and also as bull mothers to produce quality stud bulls. For this purpose NLDB has donated 07 bulls to the Artificial Inseminating Centre of the Department of Animal Production & Health, Kundasale. We have also issued 07 other bull calves to large scale Livestock Breeders in the country.

Recovery of foreign exchange
From ET born male calves (7 bulls)

Cost of an imported semen dose	-	Rs. 3,000/=
Cost of a dose locally produced	-	Rs. 250/=
Save of foreign exchange	-	Rs. 2,750/=
No. of Bulls donated to AI centre	-	07
Expected doses per bull	-	100,000
Total saving of foreign exchange	**-**	**Rs.1925 million**

From ET born female calves (22 animals)

Total expenditure for ET programme	- Rs.12 million
Cost per calf up to birth	- Rs. 0.23 million
Assumed rearing cost up to breeding	- Rs. 0.10 million
Anticipated total cost up to breeding	- Rs. 0.33 million
Cost of an imported animal	- Rs. 0.8 million
Saving of foreign exchange/animal	- Rs. 0.47 million
Total saving of foreign exchange	**- Rs.10.34 million**
Total saving	**- Rs. 1935 million**

1st ET born calf "Apeksha" in Sri lanka at Bopaththalawa farm on 3rd December 2007

Progress of ET programme as at 31/12/2010

Embryos

No. of Embryos imported	- 200
Damaged and missing	- 04
Embryos transferred	- 196
TOTAL	**- 200**

<u>Present Position at the end of all ET Births</u>

Embryonic deaths during 1st 28-60 days	- 15
Abortions of Full Foetuses	- 05
Weak Births (Died after birth)	- 01
Died at Birth	- 01
Deaths	- 07
Total No. of Deaths	- 09
Total No. of Births	- 61
Total live and healthier at present	- 52 (Female 22, Male 30)

The Overall success rate – 39%

3.2 Artificial Insemination with Sexed Semen

The Board has imported 200 doses of Sexed Semen in the year 2009 from USA on the breeds of Friesian and Jersey for the first time to Sri Lanka with an objective of increasing the female births up to 93% per calving in the future which is 50% at present. The Board expects to launch this programme as an experimental basis and according to the successability of the programme, it is expected to expand for all farms.

The Board expects through this programme, to increase the issuing number of high yielding females to the public which will course to increase the local milk production of the country.

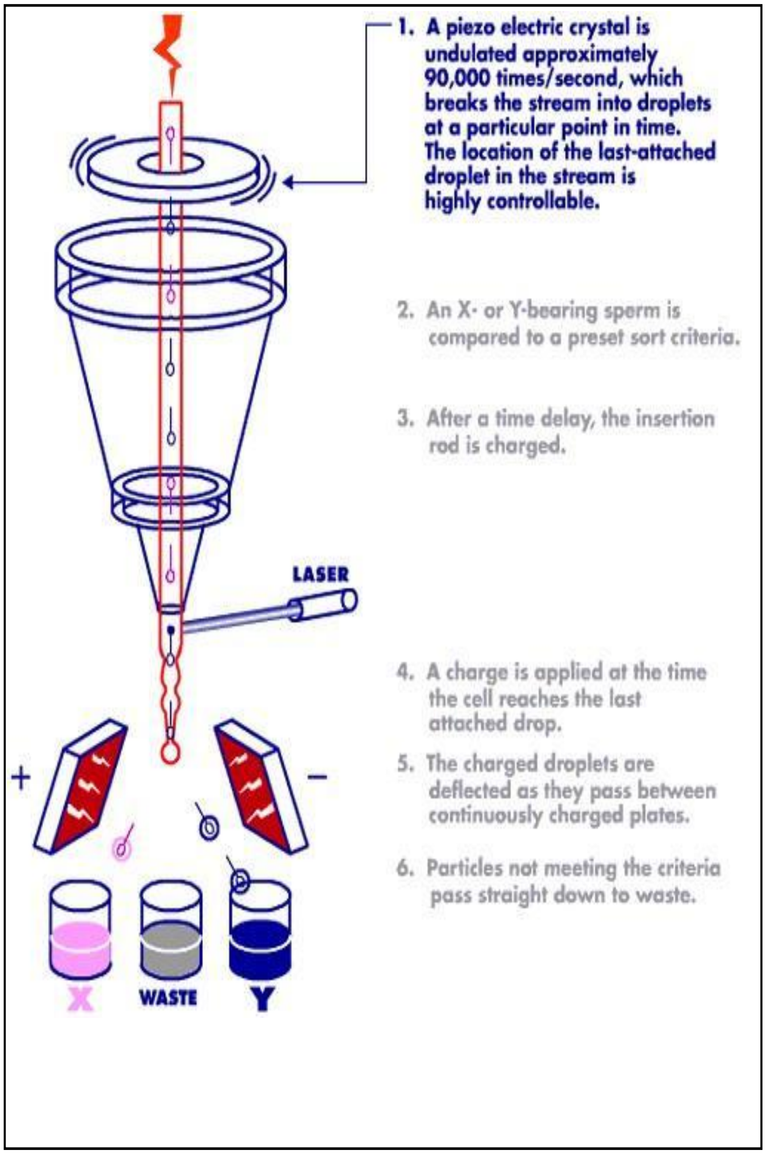
1st sexed semen inseminated heifer born on 3rd February 2010 0n the 1st time in Sri Lanka at Bopaththalawa farm.

<u>Progress of Sexed Semen AI Program</u>

<u>Sexed Semen Usage :</u>

Total Imported – 200
Total Used to date – 146 (Friesian – 76, Jersey – 70)
Balance – 54 (Friesian – 24, Jersey – 30)

No. of AIs examined for pregnancy	- 113
Total Pregnant Animals	- 55
Todate Success Rate	- (55/113) X 100% = 48.6%



Advantages of Sexed Semen:

- Results (to be a female calf) are predictable about 93% of the time.
- Handy tool to increase heifer heard within the shortest period.
- Reducing carving difficulties on heifers.
- A good cow heard can be built up in the Board.
- Cull rate of the cow could be reduced.
- The milk production could be increased by 2-3 times within the shortest period.
- Issue of breeding materials to the public could be increased by 2-3 times in the future.
- The Cost of female calf would be reduced by 50%
- Slaughtering of Cattle could be reduced.

3.3 Promotion of Liquid Milk consumption

Since 2004, The Board has been promoting fresh milk consumption among the public in the country with the main objective to increase the local milk production and consumption. The programme was accelerated in the year 2006 and Board has opened 150 milk stalls during period of 2006 to 2008 in various parts of the country to cater to the demand. The fresh milk sales per day has increased to 4,500 L. at present.

Under this programme 150 milk outlets and 109 franchise shops were opened in Colombo and suburbs, During the year 2010, 0.8 million ltrs. of milk were sold to the public through these outlets. The Board has decided to go for a Joint Venture with the private sector to over come the shown existing losses of some milk outlets.

	2005	*2006*	*2007*	*2008*	*2009*	*2010*
No. of Milk Stalls	04	37	120	150	150	150
No. of Franchise shops				76	109	109
Fresh Milk sold (ltrs.M)	0.54	0.78	0.94	1.37	1.2	0.8

3.4 Importation of additional parent stock to the Country in 2010 and 2011 to meet the shortage of Broiler meat & Eggs

NLDB imported Poultry Parent Stock and Commercial Day Old Layer Chicks to fulfill the existing local demand of the country under the direction of the Minister of Livestock & Rural Community Development. The details are given below.

Under this program 27,000 additional day old parent stock of broiler chicks were imported to the country to cater to the high demand for the day old chicks and expected Contribution to the National Meat Prod. 5% (4,300 MT/102,000 MT*100)

NLDB contribution to the National Meat Prod. 3% (2,280MT/102000(National) MT*100)

Total Contribution 8.0%

Under this program 5,000 additional day old parent stock of layer chicks also were imported and **expected Contribution to National Egg Production 10%** (115 m. eggs/1140 (National)m.eggs*100)

3.5 Importation of Commercial Day Old Chicks to meet the shortage eggs.

Under this program 200,000 day old layer commercial stock imported to the country (200,000*95%*300/hen=57 M. Eggs). 125,000 chicks were imported so far this year.

Expected contribution to the Nation 5%. (57 m eggs/1140 M.Eggs*100)

Total Contribution to the Nation on eggs is 15% in 2011

3.6 Feed Milling

NLDB commenced livestock feed milling this year in following feed mills.

01. Rosita farm
02. Horrekelly farm
03. Miriswatte farm
04. Karandagolla farm

Feed milling at Andigama farm also will be commenced during this year. NLDB has planned to sell the excess Livestock feed to the local farmers at a reasonable rate in the near future.

3.7 Importation of Pasture Seeds and pasture development program

Board imported high nutritious pasture and legume seed varieties this year after 8 years to over come the low nutritional conditions of the existing pasture fields in NLDB Farms. 2,050Kgs of Stylosanthus, Decumbance, Kikuya and White Clover seeds were imported under this programme.

The performance of pasture development in the Dairy farms of the NLDB is given below.

	2005	*2006*	*2007*	*2008*	*2009*	*2010*
Planted Acreage	200	522	273	367	90	333

3.8 Compost Production Program

In the past cow dung had been utilized to fertilize the pasture fields or coconut plantations. A large quantity of dung had been wasted. Therefore, the Board decided to manufacture compost at farm level and sell them as a value added product. As there is a big demand for the organic vegetables & fruits in the country, Board expects a significant income by selling compost. Ever increasing price of fertilizer is another reason to embark on a project of this nature.

Since year 2006 the Board has commenced compost production in the dairy farms as an alternative to inorganic fertilizer.

Compost production for the period 2006 – 2010 is given below.

	2006	***2007***	***2008***	***2009***	***2010***
Compost (mt.)	83	245	315	325	316
Compost Sold (mt.)	15.5	16.7	15.9	14.2	78

The balance of compost was used for the coconut plantation of NLDB farms.

3.9 Coconut Plantation

NLDB well maintains 4,373 ha. Of coconut Plantation integrated with Livestock activities in 14 estates located mainly in Coconut Triangle and Mid country of Kandy area. The annual coconut production of the Board is around 22 million nuts. Most of the Nuts are sold at the Auction of Coconut Development Authority and significant amount are converted to copra.

Prime Coconut Lands of

High Yield of Coconut

Under planting Programme – 2008 – 2010 under farm integration

	2008	2009	2010
Planted Acreage		**87**	**199**

Establishment of multi locational field trials with exotic crosses

With the collaboration of Coconut Research Institute we have established multi locational field trials with exotic coconut varieties namely. Renel Island Tall, Tagnanam Tall, Malayan Red Dwarf & San Ramon in our farms.

Farm	*Planted*	*Number of seedlings*
Marandawila	May 2008	478
Beligama	June 2008	487
Siringapatha	November 2008	619
Polonnaruwa	January 2009	522

The seedlings are performing up to expectations.

3.10 Human Resource Development

Leadership Development

A workshop for Leadership Development was conducted in August 2010 for all Senior Executives of NLDB to develop their leadership capacity to improve the productivity of the Board.

3.11 Marketing Development

Construction of New Milk Outlet at NLDB Head Office

Constructed of modern Milk Outlet at NLDB Head Office with all facilities for the consumers to have a glass of fresh milk comfortably. The Outlet was opened 17th November 2010.

Renovation of Head Office Sales Centre

3.12 Infrastructure Development

3.12.1 Modification of Head Office

All works have been completed on modification and renovation of Head Office and 30 farms of NLDB this year.

Land cleaning also was undertaken in selected farms.

Then (2009)

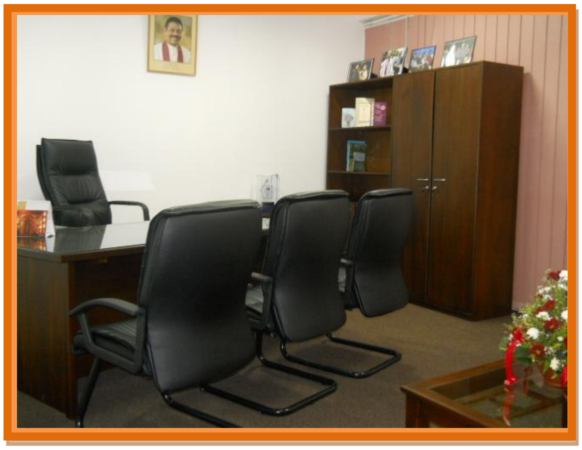
Now (2010)

3.12.2 Modification of Lobby Area (2010)

3.12.3 Modification of Auditorium (2010)

3.12.4 Newly Constructed Chairman's Room (2010)

3.12.5 Newly Constructed Deputy Chairman's Room (2010)



3.12.6 Installed two new Milking machines at Bopaththalawa and Dayagama farms. (2010)

4.0 Land extent and Livestock species of the Board 2010

Farms	Extent Ha.	Neat Cattle	Buffalo	Goats	Sheep	Rabbit	Pig	Com. Layer	Com. Broiler	Layer Breeder	Broiler Breeder
Bopaththalawa	1033.5	*		*							
Dayagama	210.2	*									
Rosita	*52.7	*		*		*	*				
Mahaberithanne	174.9	*		*			*				
M.L.D.C	29.0	*									
Karandegolla	20.0										*
Haragama	97.0	*	*			*					
Andigama	466.3	*			*						
Galpokuna	356.3	*									
Koulwewa	404.5	*		*							
Marandawila	921.6	*	*								
Rukkattana	406.8	*			*						
Siringepatha	472.2	*									
Narangalla	216.2	*									
Melsiripura	567.2	*	*					*	*		
Beligama	269.2	*									
Welikanda	413.8	*									
Kanadakaduwa	2266.0		*								
Nikawaratiya	*730.6	*	*								
Polonthalawa	245.3	*									
Kottukachchiya	340.0	*	*	*							
Oyamaduwa	1002.7	*									
Parasangaswewa	622.7	*									
Welisara	*7.0		*				*	*			
Miriswatta	17.4										*
Weerawila	220.5	*	*	*				*			
Ridiyagama	1510.9	*	*								
Horrekalley	368.8	*			*	*	*				
Polonnaruwa	*1144.8	*	*					*			
Martin	390.7		*								
Marawila	6.0									*	
Grand Total	**14984.8**	**25**	**11**	**6**	**3**	**3**	**4**	**4**	**1**	**1**	**2**

5.0 PHYSICAL PERFORMANCE OF THE PAST 04 YEARS
Livestock & Crop Production

TABLE (2)

	Activity	Norm	2009	2010
6.1	**Livestock Population**			
	Neat Cattle	No.	8,621	8,329
	Buffalo	No.	2,191	2,409
	Total		**10,812**	
	Goats	No.	1,656	1,454
	Sheep	No.	2,956	3,043
	Pigs (Breeders)	No.	1,514	975
	Rabbits	No.	507	0
	Poultry			
	Broiler Parent Stock	No.	25,953	33,838
	Layer Parent Stock	No.	4,998	9,870
6.2	**Livestock Issues for Breeding**			
	Neat Cattle	No.	1,033	944
	Buffalo	No.	128	210
	Goats	No.	274	218
	Sheep	No.	312	123
	Pigs	No.	1,833	3,328
	Rabbits	No.	746	0
	Day Old Chicks			
	Broiler	No. m.	1.8	1.8
	Layer	No. m.	0.6	1.0
6.3	**Milk Production**			
	Neat Cattle	ltrs. m.	3.3	3.2
	Buffalo	ltrs. m.	0.64	0.68
	Broiler Production	No.of birds m.	0.01	0.01
6.5	**Coconut Production**			
	Nut Production	No. m.	21.5	20.6
	Copra Production	mt.	336.7	247.9

6.0 Data on Livestock & Crop Production

6.1	Activity	Norm	2009	2010
	Livestock Population			
	Neat Cattle	No.	8,621	8,329
	Buffalo	No.	2,191	2,409
	Total		**10,812**	
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6.5	**Coconut Production**			
	Nut Production	No. m.	21.5	20.6
	Copra Production	mt.	336.7	247.9

7.0 Data on livestock & crop Performance for the year 2010

Activity	Norm	Qty
Neat Cattle		
Total Herd	No.	8,329
Heifers over 2 years	No.	1,550
Heifers 0 – 2 years	No.	2,084
Number of bull calves - 1 year	No.	957
Total Births	No.	2,613
Total Issues for Breeding	No.	944
Total Culls	No.	932
Total Deaths	No.	631
Total No. of Cows	No.	3,430
Total No. Of Milking Cows	No.	1,519
% Cows in Milk	%	57
Avg.Prod./ M. Cow/day	Ltrs.	5.8
Avg.Lactation Length	days	265
Milk Production	Ltrs (m).	3.2
Avg. Age at 1st Calving	Months	34
Avg. Calving Interval	Days	363
No.of animals Inseminated	No.	3,471
Buffalo		
Total Herd	No.	2,409
Heifers over 2 years	No.	611
Heifers 0 – 2 years	No.	481
Number of bull calves	No.	202
Total Births	No.	642
Total Issues for Breeding	No.	211
Total Culls	No.	219
Total Deaths	No.	207
Total No. of Cows	No.	925
Total No. of Milking Cows	No.	442
% Cows in Milk	%	45
Avg.Prod./ M. Cow/day	Ltrs.	6.0
Lactation Length	days	254
Milk Production	Ltrs (m).	0.68
Avg. Age at 1st Calving	Months	52
Avg. Calving Interval	Days	511

No.of animals Inseminated	No.	45
Poultry		
Broiler Parent Stock		
Total Flock	No.	33,838
Importation of Birds	No.	
Males Females	No. No.	7,609 19,116
Total Egg Production	No.	2,496,626
Total Hatchable Eggs	No.	2,332,740
Hatchability %	%	76
Total Chick Production	No.	1,768,333
Layer Parent Stock		
Total Flock	No.	9,870
Importation of Birds		
Males Females	No. No.	1,380 11,492
Total Egg Production	No.	1,575,334
Total Hatchable Eggs	No.	1,417,274
Hatchability %	%	75
Total Chick Production	No.	956,338
Commercial Broiler Production		
Total Flock	No.	1,958
Broiler Production	Birds	7,114
Commercial Egg Production		
Total Flock	No.	4,298
Total No. of Hens	No.	6,466
Egg Production	Mn	1,118,710
Performance of Pigs (Breeding Stock)		
Total Herd	No.	975
Piglings Born	No.	3,228
Avg. Litter Size - On Sows	No.	9
Avg. Litter Size - On Gilts	No.	8
No. of Piglings Died	No.	294
Performance of Goats		
Total Herd	No.	1,454
No. of Kids Born	No.	642
Kidding Rate	No.	0.78
No. of Deaths (adults & kids)	No.	191
Issues for Breeding	No.	218
Performance of Sheep		
Total Herd	No.	3,043
No. of Kids Born	No.	1,434
Lambing Rate	No.	0.75
No. of Deaths (adults & kids)	No.	188
Issues for Breeding	No.	123

Performance of Farmer Training Programmes		
No. of Courses	No.	108
No. of Participants	No.	3,597
Coconut Production		
Nut Production	No.	20,602,480
Copra Production	M/Tons	247.85

8.0 STAFF POSITION OF THE NLDB

The NLDB had a total of 2571 employees in the year 2009, the break-down of which is as follows:

Category	**2009**	**2010**
Executives	72	62
Clerical and Allied Grades	436	408
Minor and Allied Grades	74	83
Check roll Labours & Trainee Staff	1989	1917
TOTAL	**2571**	**2470**

The Board made the following new recruitments in the year 2010:

Grade	**Designation**	**Number**
	Check roll Clerks	7
	Trainee Clerk	3
	Check roll sales Asst.	07
	Driver (Contract)	1
	Check roll Labours	38
	TOTAL	**56**

Promotions Granted during the year 2010:

	Grade	**Designation**	**Number**
1	I	Manager	2
	TOTAL		**2**

Following retirements & resignations have taken place during the year 2010:

	Grade	**Designation**	**Number**
1	III	Asst. General Manager	1
	IV	Manager (Marketing)	1
	IV	Manager	1
3	VI	Asst. Manager	1
4		Clerk	9
6		Field Staff	5
11		Driver	3
	TOTAL		**21**

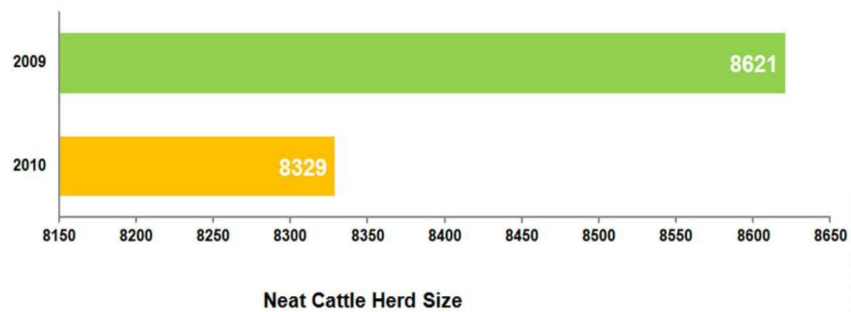
9. PHYSICAL PROGRESS OF NLDB 2010

9.1. LIVESTOCK ACTIVITIES

9.1.1. NEAT CATTLE

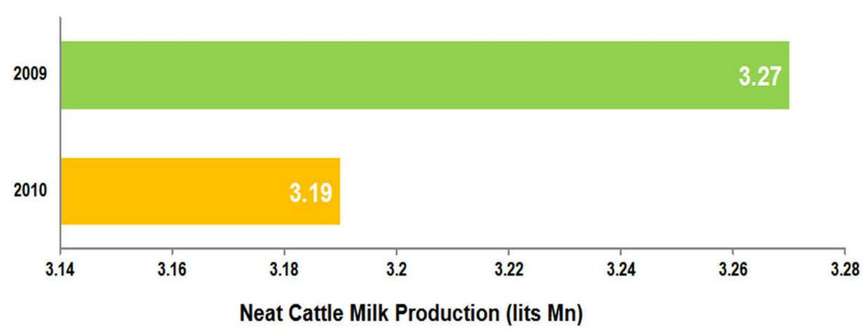
9.1.1.1. Cattle Herd

The Cattle herd size as at 31st December 2010 was 8329 against the Annual target of 7315 achievement is high against the target mainly due to unproductive and court cattle. The herd consists of 3430 cows of which 1519 are in milk. There are 3634 heifers in the cattle herd. The cattle herd was low against the last year mainly due to additional deaths and still births. The situational is under control at present.



9.1.1.2. Milk production

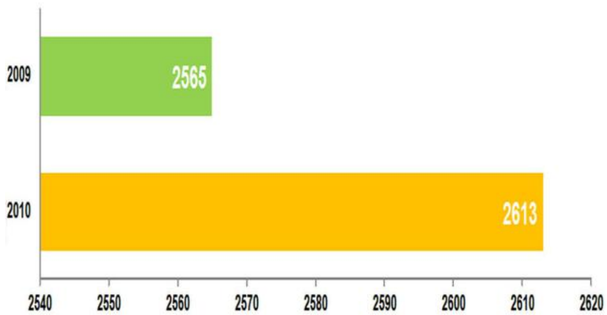
Milk production during the year under review was 3.2 million litres against the annual target of 4.0 million litres which is 80% of the target. When compared to the last year the milk production is almost same.



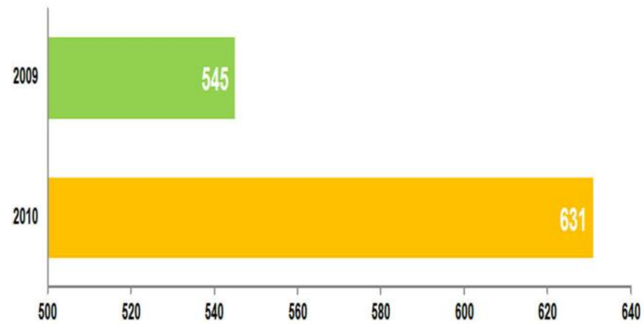
9.1.1.3. Births and Deaths

There are 2613 births during the year against the annual target of 2902. When compared to the last year there is an increase of 48 births.

When compare to the last year it has shown an increase of the Mortality rate of neat cattle during the year which is 7.5% against 6.5%



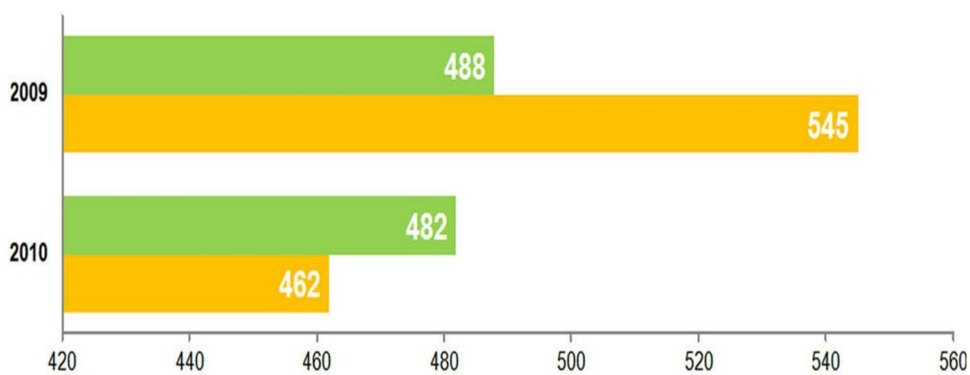
Buffalo Cettle Births



Buffalo Cettle Deaths

9.1.1.4. Issues

Board has issued 482 heifers and 462 bull calves to the public for breeding purposes against the annual target of 717 and 646 respectively. There was poor demand for bull calves for breeding purposes this year.

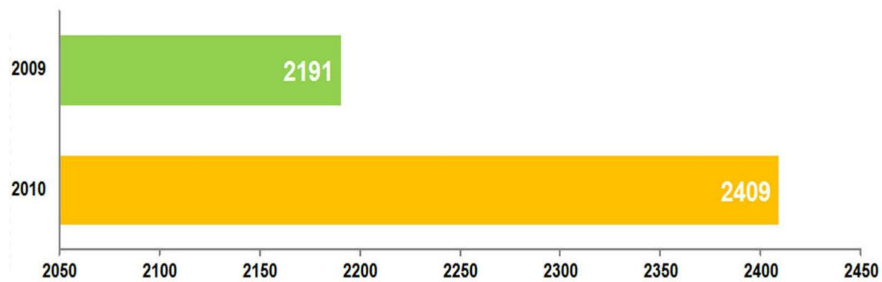


Neat Cattle Issues For Breeding

9.1.2. BUFFALO

9.1.2.1. Buffalo Herd

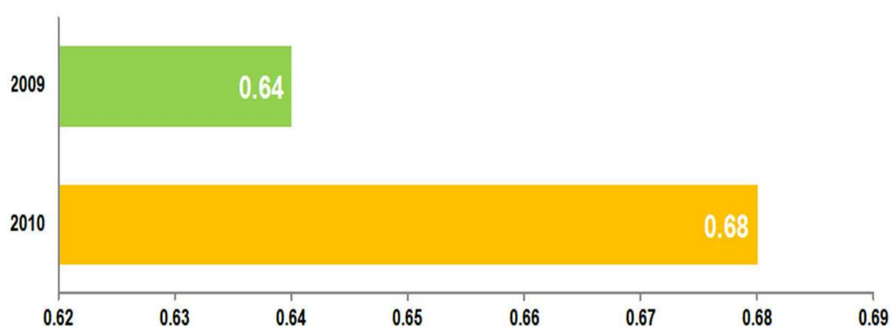
The Buffalo herd population as at end of December 2010 is 2409 against the target of 2149. When compared to the last year it has shown an increase of the buffalo herd by 218 heads. The herd consists of 925 cows of which 442 are in milk with and 1092 heifers.



Buffalo Herd Size

9.1.2.2. Milk production

Milk production during the year under review was 0.68 million litres against the targeted production of 0.81 million litres. When compared to the last year it has shown an increase of buffalo milk production by 11%.

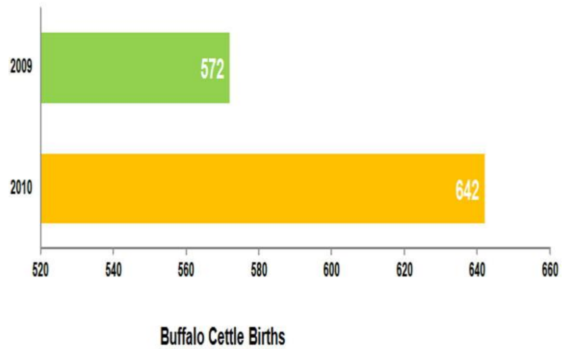


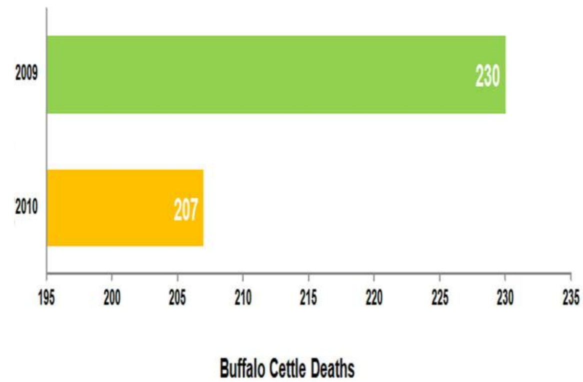
Buffalo Milk Production (lits Mn)

9.1.2.3. Births & Deaths

Births during the year under review were 642 against the annual target which is 645 and the achievement shown 99.5%. When compared to the last year total births has increased by 13%.

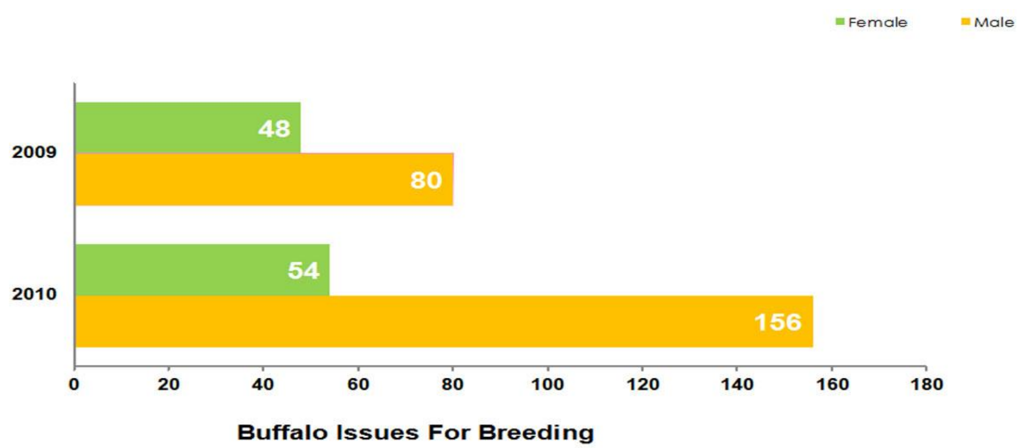
It has shown a decrease of the overall mortality against last year where as only 9% against 11%.





9.1.2.4. Issues

Issue of female buffaloes were restricted in the year 2010 also in order to increase the buffalo herd in the Board farms to maintain an optimum herd. During the year under review 54 heifers and 156 males were issued to the public for breeding purposes against the target of 80 and 150 respectively.

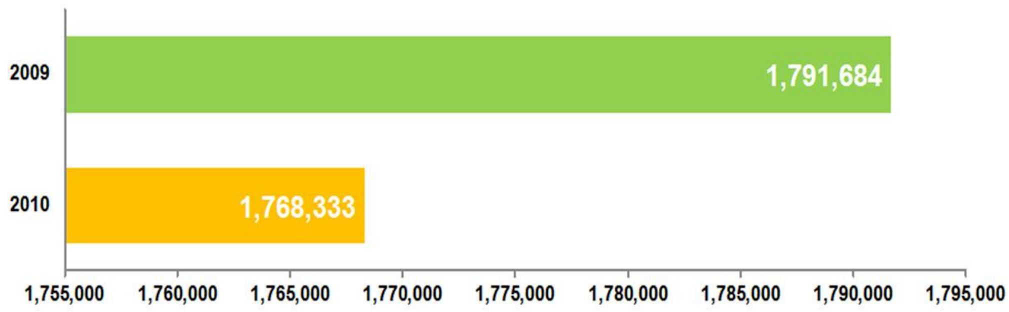


9.1.3. POULTRY

9.1.3.1. Poultry Breeding

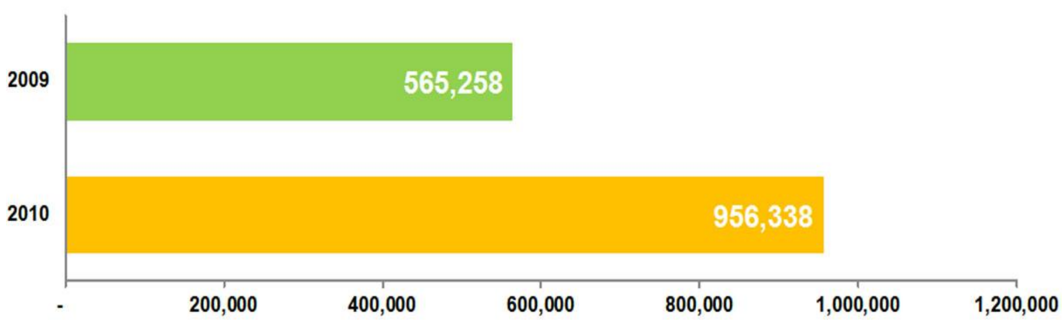
Broiler Chick Production

The broiler chick production in the year under review was 1.8 million, against the annual target of 2.0 m., the achievement is 90%. When compared to the last year the Broiler chick production of this is almost same.



Layer Chick Production

The NLDB has only one Layer Breeding Farm at Marawila where "Shaver 579" parent stock is maintained. The layer chick production for the year under review was 1.0 million against the target of 0.75 million. The achievement is only 127%. When compared to the last year the production was increased by 70% mainly due increase of importation of layer parent stock in year 2009.

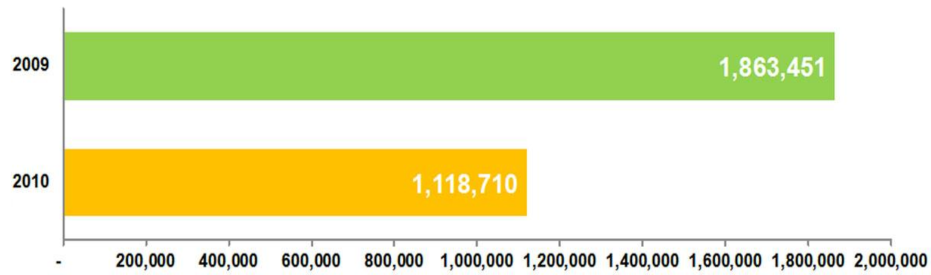


Layer Chick Production

9.1.3.2. Commercial Poultry

Commercial Egg Production

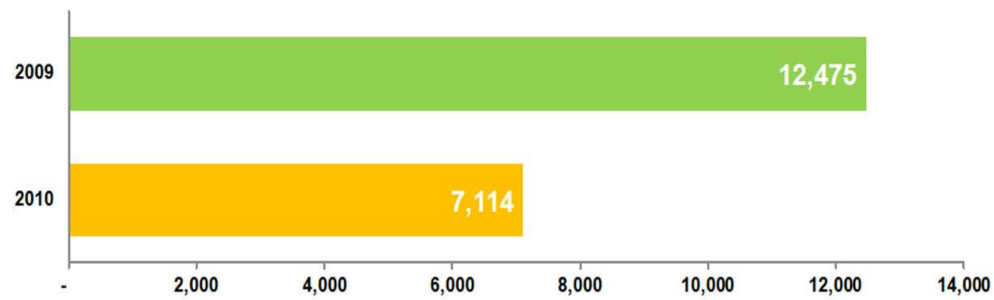
The commercial egg production was achieved by 110% in the year 2010 producing 1.1 million eggs, against the annual target of 1.0 million.



Commercial Egg Production

Commercial Broiler Production

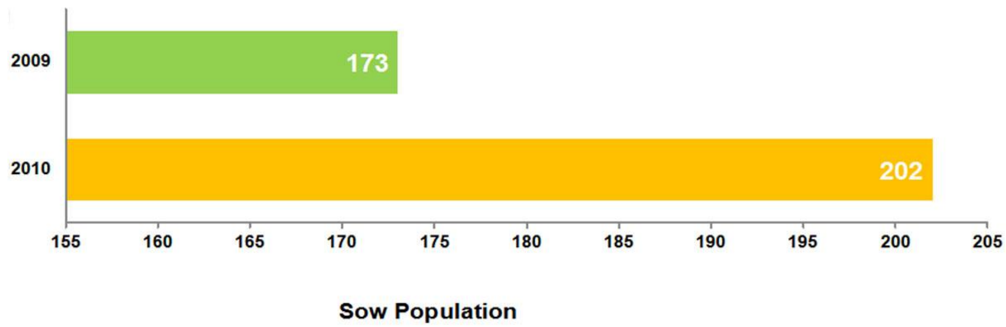
The broiler production was 7114 birds during 2010 against the annual target of 11,400 birds due to scale down of all projects because of high COP.



Commercial Broiler Production

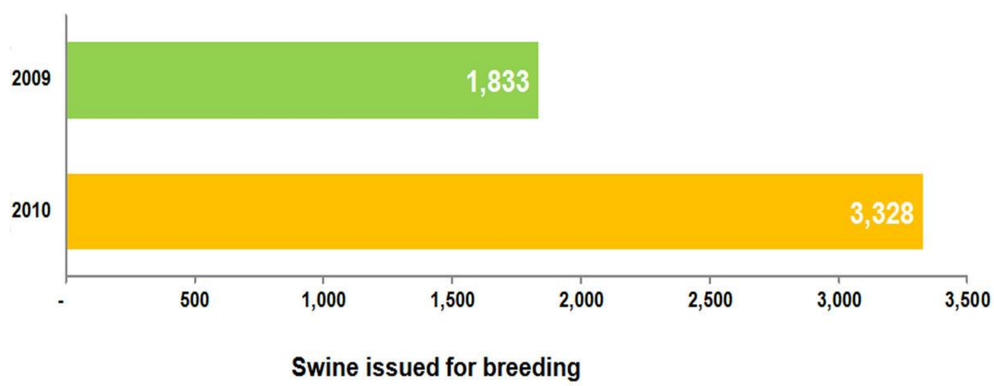
9.1.4. SWINE

The sow population in the Board's Farms was 202 sows against the target of 214 sows. The pig breeding was increased in year 2010 due to improving of the demand for piglings this year. The farrowing rate was 1.8 against the target of 2.1.



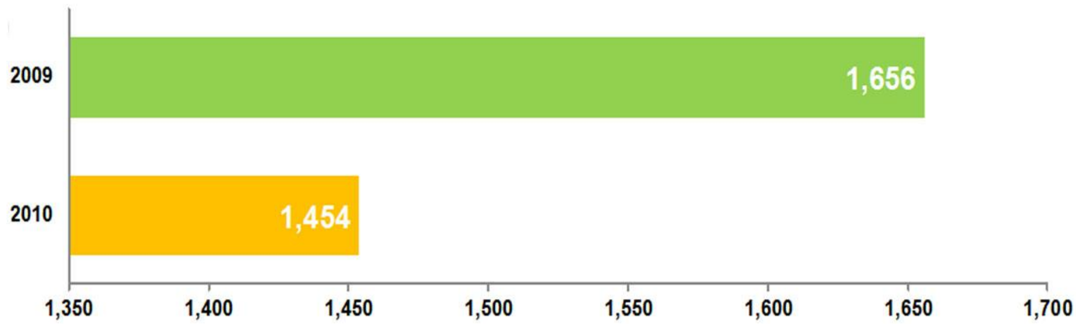
9.1.4.1. Issues of Piglings

During this year, total of 3,328 piglings were issued for breeding against the annual target of 3,531. The achievement is 94%. When compared to the last year issue of piglings for breeding purposes was increased by 82%.



9.1.5. GOAT

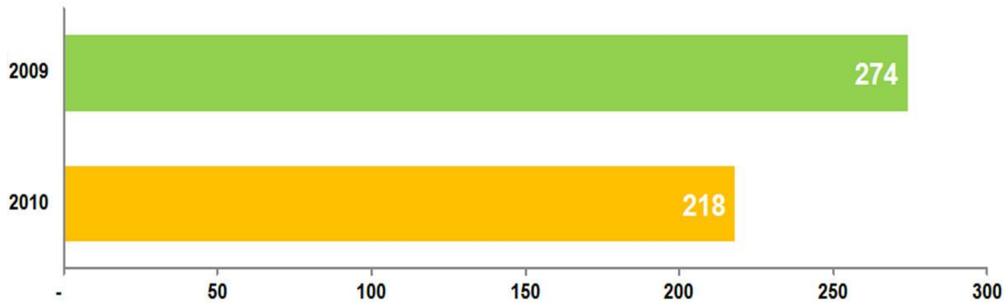
The total herd size of goat was 1454 at the end of the year against the herd size of 1656 during the last year. The decrease was mainly due to low Kidding Rate at Mahaberiyatenna farm and as well as high culling. The total does were 582 at the end December against the target of 863.



Goat herd size

9.1.5.1. Issues for Breeding

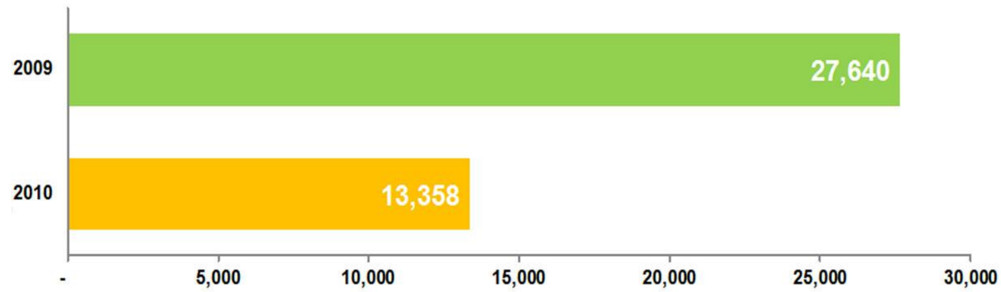
During the year 2010, 218 goats were issued against the annual target of 292. The achievement is low due to low kidding rate.



Goat Issues for Breeding

9.1.5.2. Goat Milk Production

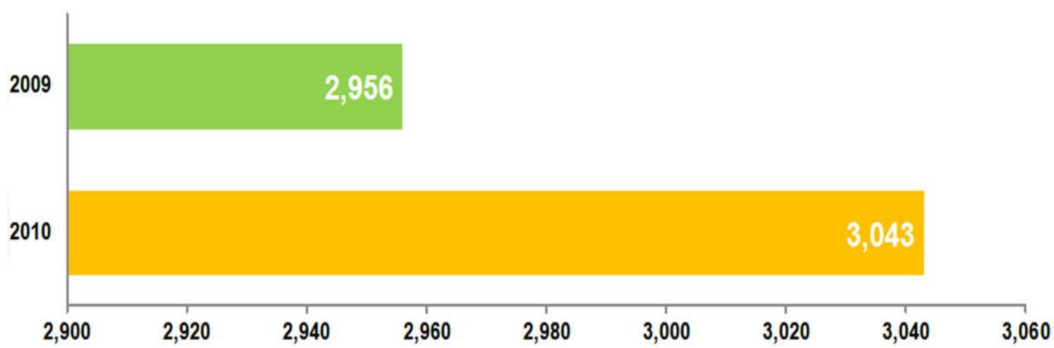
Bopaththalawa and Mahaberiyatenna farms are involved in goat milk production and these farms produced 13,358 ltrs. of milk against the annual target of 30,686 ltrs. Low achievement is due to low kidding rate at Mahaberiyatenna farm.



Goat Milk Production (Lit. Mn)

9.1.6. SHEEP

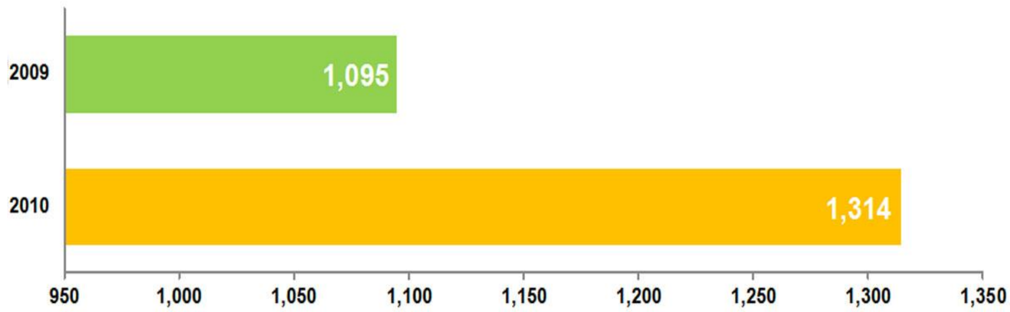
There was an increase in the flock size as at December 2010 which is 3043 against the annual target of 2671. The total ewes were 1389 against the target of 1278.



Sheep herd size

9.1.6.1. Births

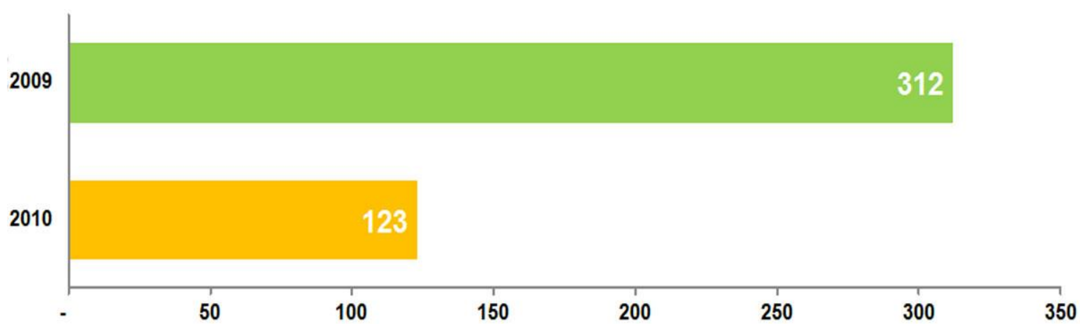
During 2010, births of lambs were 1314 against the set target of 1420 and the achievement was 93%.



Sheep Births

9.1.6.2. Issues for Breeding

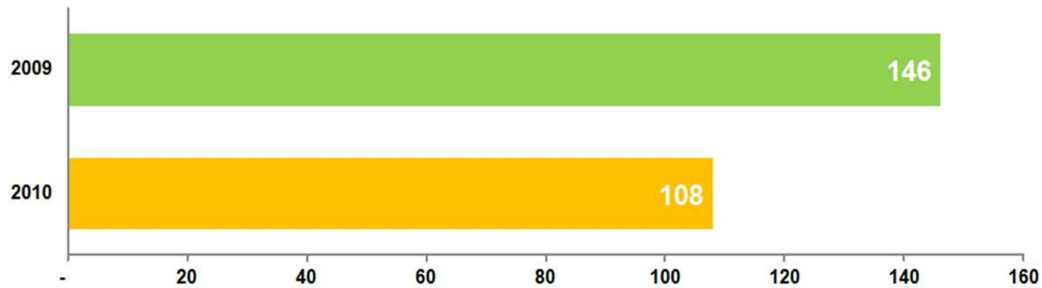
During the year under review 123 sheep were issued to the public for breeding against the target of 596. The less achievement is due to restriction of female sales to the public to increase the breeding stock at NLDB farms.



Sheep Issues for Breeding

9.1.7. Farmer Training Programmes

In all 108 training programmes were conducted at the Mid Country Livestock Development Centre (MLDC) at Digana, Rajawella during 2010 against the annual target of 106. During this period 3597 farmers were trained against the annual target of 3816. When compared to the last year the achievement was low due to poor demand for 3 day residential progremmes. Some institutions not allocating training courses having reserved the programmes due to lack of financial allocations for their institutions.



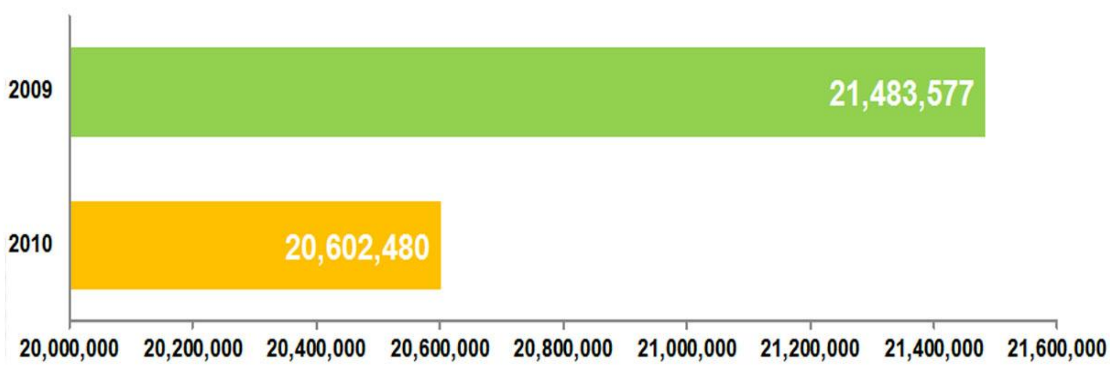
Farmer Training Programmes

9.2. COCONUT PERFORMANCE

9.2.1. CROP PRODUCTION

The average annual Coconut production of NLDB is around 20-22 Million nuts. This is due to the fact that, approximate 60% of the coconut plantation is senile. Keeping this fact in mind the Board is replanting approximate 300-400 Ac. every year. Copra manufacture has dropped due to better fresh nut prices.

NLDB has secured a total coconut crop of 20.6 M coconuts for the year 2010, as against the estimate of 22.6 M which represents achievement of 91%.



Coconut production

10. FINANCIAL STATEMENT

The NLDB showed a net profit of Rs.176.4 Million in the year 2010 when compared to the profit of Rs.24.56 Million in the year 2009. The profit is due to increase of coconut production, sale of fresh milk, livestock valuation and better financial management of the Board. Amalgamated Profit & Loss Account and the Balance sheet are annexed.

Turnover

The NLDB achieved a gross turnover of Rs.1, 099,722,297- during the year under review as against Rs.889, 769,026/- in the previous year.

Reserves

The capital reserve of the Board as at 31st December 2010 was Rs.131, 884,428/- which was Rs.132, 599,971/- as at 31st December 2009.

Farmers Trust Fund Loan

Rs.102,600,000 still outstanding.

11. GENERAL

During the year under review every effort was made to maximize productivity in all activities. Similar to the year before the financial situation of the Board was sound due to high coconut production, increase of fresh milk income, increase of issue of cattle for breeding purposes and better prices for coconuts. Control of expenditure improved the financial situation of the Board to a satisfactory level. The fresh milk distribution programme that was further expanded during the year under review has brought in a better price for the milk which has contributed a substantial increase in the income.

12. CONSTRAINTS

Agricultural and livestock activities in the farms are carried out on an integrated basis. The availability of pasture for the cattle was limited, all of which have negatively effected on the optimum productivity of the NLDB. Low genetic level of the existing cattle also negatively effected the milk production of the Board.

Prices of livestock feed and feed ingredients as well as other inputs such as salaries/wages , fuel, electricity etc increased during the year under review , resulting in higher cost of production, exceeding the estimated financial provisions in the annual estimates.

Acknowledgement

The Board of Directors have the pleasure to convey their sincere thanks to the Minister of Livestock & Rural Community Development, Hon. Arumugan Thondaman and the Deputy Minister of Livestock & Rural Community Development , Hon. H.R.Mithrapala for the encouragement and proper guidance to direct the activities of the Board towards prosperity during the year under review. The Board also wishes to thank all staff of the NLDB at various levels for the loyal and dedicated service rendered by them during the year under review for the development of the organization.

The Board never forgets and valuable assistance provided by various institutions such as the Department of Animal Production & Health, Department of Agriculture, Secretary and other officers and the staff of the Ministry of Livestock Development and the University of Peradeniya and all the other line agencies for the co-operation extended.

Financial Reports

AF/D/NLDB/FA/2010 21 September 2010

The Chairman,
National Livestock Development Board.

Report of the Auditor General on the Financial Statements of the National Livestock Development Board for the year ended 31 December 2010 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of financial statements of the National Livestock Development Board for the year ended 31 December 2010 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 23 of the State Agricultural Corporation Act No.11 of 1972. My comments and observations which I consider should be published with the annual report of the Board 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 Board on 14 September 2011.

1.2 Responsibility of the Management for the Financial Statements

---

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to frauds or errors, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

1.3 Scope of Audit and Basis of Opinion

My responsibility is to express an opinion on these financial statements based on my audit. Audit opinion, comments and findings in this report are based on a review of the financial statements presented to audit and substantive tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards to obtain reasonable assurance as to whether the financial statements are free from material misstatements. The audit includes the examination on a test basis of evidence supporting the amounts and disclosures in financial statements and assessments of accounting policies used and significant estimates made by the management in the preparation of financial statements as well as evaluating their overall presentation. I have obtained sufficient information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit. I therefore believe that my audit provides a reasonable basis for my opinion. Sub-sections (3) and (4) of Section 13 of the Finance Act, No.38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

2. Financial Statements

2.1 Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the National Livestock Development Board had maintained proper accounting records for the year ended 31 December 2010 and except for the effects on the financial statements of the matters referred to in paragraph 2:2 of this report, the financial statements have been prepared in accordance with Sri Lanka Accounting Standards and give a true and fair view of the state of affairs of the National Livestock Development Board as at 31 December 2010 and the financial results of its operations and cash flows for the year then ended.

2.2 Comments on Financial Statements

2.2.1 Non-compliance with Sri Lanka Accounting Standards

A statement of acceptance of responsibility of the financial statements had not been presented along with the financial statements presented for audit in terms of SLAS 3.

2.2.2 Accounting Deficiencies

(a) Foreign travel expenses of Rs.1,796,450 had been brought to accounts as lectures and seminars without showing in the relevant account.

(b) Even though a compensation of Rs.60,000 had been claimed in respect of the case heared relating to the Polonnaruwa Farm, no provision had been made therefore.

2.2.3 Accounts Payable

The following observations are made.

(a) A refundable deposit of Rs.385,450 obtained for the purpose of collection of milk through Agents which had been dormant since the year 2006 had been shown continuously in the accounts as a payable amount without being settled.

(b) The brokers charges Rs.3,376,038 payable in marketing coconuts through Brokers in the years 2006, 2007 and 2008 had not been settled.

(c) Balances of Rs.2,106,984 payable to 7 creditors brought forward since the year 2000 had not been settled.

(d) Salary increments of Rs.16,540 payable to 9 watchers in the Polonnaruwa Farm, brought forward since the year 2005 had not been settled.

(e) Eventhough the interest free loan of Rs.50,000,000 obtained from the Treasury in the year 1992 had been shown in the accounts for a long time, action had not been taken to settle it even in the year under review.

2.2.4 Accounts Receivable

The following observations are made.

(a) The value of irrecoverable debtor balances relating to the Polonnaruwa Farm remained outstanding for 6 years amounted to Rs.168,264.

(b) The Board had failed to recover a sum of Rs.418,511 due from 13 debtors relating to Milk Project since the year 2008.

(c) Even though a shortage of Rs.49,500 had been occurred by handing over the money to the Head Office from milk bars during the year under review, it had not been recovered even by 31 December 2010.

(d) By handing over the milk produced by 3 farms during the year under review to the Milk Project, milk had been handed over less by 1977.7 letres valued at Rs.67,679 and it had not been recovered.

(e) The Board had incurred an expenditure of Rs.2,644,404 on behalf of the Ministry during the year under review but it had not been reimbursed.

(f) The value of unsettle debtor balances remaining for more than 4 years amounted to Rs.27,121,209. The Chairman informed that a court case had been filed to recover Rs.12 million of it.

2.2.5 Lack of Evidence for Audit

The following items of accounts could not be satisfactorily vouched or accepted in audit due to lack of evidence stated against each item.

Item	Value	Evidence not made available
------	--------	----------------------------------
	Rs.	
Trade debtors	64,607,665	Confirmation of balances
Deposits	8,504,240	- do -
Pre-payments	1,289,611	- do -
Bank money of all farms	6,088,042	(i) Confirmation of Bank Balances
		(ii) Bank Statements
Liquid Milk Popularization	541,432	(i) Approved estimates
Project		(ii) Plan
		(iii) Budget
8 items of fixed assets	496,540,715	(i) Detailed schedules
		(ii) Board of survey reports
		(iii) Updated registers of Fixed Assets

2.2.6 Non-compliance of Laws, Rules, Regulations and Management Decisions

Instances of non-compliance with the following Laws, rules, regulations and management decisions were observed in audit.

Reference to laws, rules, regulations and Management Decisions	Non-compliance
(a) Section 16 (2) (a) and (b) of the Finance Act No. 38 of 1971	Although the Treasury approval should be obtained before obtaining bank over drafts, overdrafts of Rs.9,264,342 had been obtained at the end of the year under review without such approval. The interest paid in respect of ascertaining overdraft facilities during the year under review amounted to Rs.10,338,708.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka Financial Regulation 757 (2)	Except farms board of survey reports for the balance sections had not been submitted to the Auditor General even by 06 May 2011.
(c) Public Enterprises Circular No. PED/12 of 02 June 2003	
Paragraph 5.2.5	The updated overall budget of the Board had not been submitted to the Auditor General.
Paragraph 6.5.1	The Draft Annual Report had not been submitted to the Auditor General along with the financial statements.

	Paragraph 6.5.3	Annual reports had not been tabled in Parliament by the Board since 2007.
	Paragraph 7.4.1	Only one meeting of the Audit and Management Committee had been held in the year under review.
	Paragraph 8.3.8	A sum of Rs.3,144,990 had been given to external parties as grants by the Board.
(d)	Paragraph 2.4 of the Public Expenditure Management Circular No. CSA/P/40 dated 04 January 2006	Three vehicles belonging to Farms had been released to the Ministry in charge of the subject without approval and incurred an expenditure of Rs.198,600 thereon.
(e)	Paragraph 2 of the Public Enterprises Circular No. 353 (5) dated 31 August 2004	Eventhough the monthly charges in hiring vehicles should not exceed Rs.40,000, 4 vehicles had obtained on hire basis and an overpayment of Rs.520,690 had been made during the year under review in excess of the limit contrary to that provision.
(f)	Paragraph 3 of the Public Expenditure Management Circular No. CSA/P/40 dated 28 February 2007	Even though the hotel charges in respect of food and lodging should not be incurred by the Board at local travels, hotel charges of Rs.1,890,465 had been borne by the Fund of the Board.

3. Financial and Operating Review

3.1 Financial Review

3.1.1 Financial Results

According to the financial statements presented, the operation of the Board for the year under review had resulted in a net profit of Rs.176,463,447 as compared with the net profit of Rs.24,561,427 for the preceding year thus, indicating an improvement of financial results by Rs.151,902,020. The increase in income by Rs.209,953,271 had been the main reason for improvement of the financial results.

3.1.2 Transactions of Contentious Nature

The following observations are made.

(a) Even though a sum of Rs.15,995,170 invested in a company by the Board in the year 1995, dividends had not been declared due to incurring losses by the company. Action has been taken to liquidate this company at present and the valuation fees of that company, salaries of the Chairman of the company and foreign travel expenses totalling Rs.1,291,250 had been incurred by the Board.

(b) A loan of Rs.102,662,700 had been obtained from the Farmers' Trust Fund in the year 2003 with the condition that the loan would be settled from sale proceeds of the sale of Mahaberiyathenna Farm. As instructions had been given by the Cabinet of Ministers not to privatise any farm belonging to the Board, the above farm had not been sold, and the loan had also not been settled. Even though the Chairman had informed to audit in the year 2009 that action would be taken to settle this loan after becoming the better financial position action had not been taken to settle that loan even in the year under review.

3.2 Operating Review

3.2.1 Profitability of Farms

The Board had managed 30 and 32 Livestock Breeding and production farms during the preceding year and the year under review respectively and the following net profits / losses were observed.

	2010	2009
Number of farms which earned profit	17	19
Net profit earned Rs.	421,584,237	245,569,716
Number of farms which incurred losses	15	11
Net loss incurred Rs.	80,861,214	79,994,261

3.3 Uneconomic Transactions

The following observations are made.

(a) An expenditure of Rs.220,526 had been incurred in respect of deployment of labourers on household functions outside the activities of the Board.

(b) An expenditure of Rs.127,286 had been incurred for election purposes.

3.4 Identified Losses

The following observations are made.

(a) Three milk bars handed over to the Bopaththalawa farm had been closed by June 2010 and the loss incurred by those farms during the period March to June 2010 amounted to Rs.100,587.

(b) The farms had not taken any action in respect of 296.38 letres of milk valued at Rs.10,377 available by July in the milk bars belonging to the Bopaththalawa Farm which were closed.

(c) The value of 14 animals valued at Rs.79,380 lived in the Welikanda Farm and killed by various accidents had been written off from books.

(d) Due to non settlement of loan obtained from the Farmers Trust Fund in the year 2003, the interest payable thereon the year under review amounted to Rs.10,266,270.

(e) 4036 bottle of goat milk valued at Rs.242,160 produced at the Bopaththalawa farm and supplied to the Head office Milk Project had got spoiled.

(f) In delivering milk produced by Bopaththalawa farm to the Head office 5722 leters of liquid milk valued at Rs.202,020 had become short and rottened.

(g) Due to non receipt of money for the market products of the Oyamaduwa farm rottened before the expiry date, a loss of Rs.73,344 was incurred.

(h) The loss incurred in the year under review in 14 milk bars belonging to Oyamaduwa farm set up to sell farm products amounted to Rs.641,476.

3.5 Idle Assets

The following observations are made.

(a) Two G.1 cylindrical tank with a capacity of 5 Tons installed in the Bopaththalawa farm in the year 1992 to store animal foods had been idle without utilising for any purpose since the year of installation.

(b) Seven cattle sheads to the extent of 6039 square feet three cattle sheads to the extent of 5940 square feet and nine buildings used for various purposes had not been utilised for a long period at the Polonnaruwa farm.

(c) Twenty two crumbled houses belonging to the Polonnaruwa farm had existed and no any action whatsoever had been taken with regard to them.

(d) Number of buildings in the Parasangaswewa farm abondoned without being used and being becoming destroyed since the year 2007 amounted to 11. Any action whatsoever had not been taken in this regard.

3.6 Human Resource Management

The following observations are made.

(a) Nine instructors had been recruited outside the approved cadre and an allowance of Rs.475,407 had been paid during the year under review.

(b) Approval of the Department of Management Services and the Salaries and Cadre Commission had not been obtained for these recruitments and the cadre stucture.

3.7 Management Inefficiencies

The following observations are made.

(a) According to the letter dated 06 October 2009 of the Director General of Public Enterprises, the devidend of Rs.10 million to be paid to the Treasury had not been paid.

(b) As stated in letter dated 27 July 2009 of the Director General of Management Services with reference to " Promotion without a proper authority – Assistant General Manager" such promotions had not been regularised.

(c) Shortages of cash and goods valued at Rs.900,000 revelaed within 2 months in the year 2009 in the Head Office sales centre had not been recovered from the persons responsible.

(d) Any action whatsoever had not been taken to recover a sum of Rs.30,250 for which receipts had been issued but money was not collected in the Kanthale Maize Project.

(e) Any action whatsoever had not been taken against the relevant officers who misappropriate a sum of Rs.79,750 collected by selling Maize seed in the month of December 2008.

(f) Asentainment of the approval of the Cabinet of Ministers to release 4 acres from the Nikaweratiya farm for the Deduruoya Irrigation Project, legally transfer of these lands and the disposal of this assets from the register of fixed assets had not been done.

(g) Four vehicles belonging to the Board had been released to the Ministry and Minister's staff and incurred a repair expenditure of Rs.624,670.

3.8 Budgetary Control

Significant variance were observed between the budgeted expenditure and actual expenditure thus indicating that the budget had not been made use of as an effective instrument of management control.

4. Systems and Controls

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

(a) Fixed Assets Control
(b) Write off of Losses and Damages
(c) Idle Assets
(d) Personnel Management
(e) Financial Management
(f) Stock Control
(g) Balance to be Settled

H.A.S.Samaraweera
Auditor General

INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2010

	Notes	Year Ended 31.12.2010. Rs.	Year Ended 31.12.2009 Rs.
Revenue	5	1,099,722,297	889,769,026
Cost Of Sales		(797,818,226)	(718,381,807)
GROSS PROFIT		301,904,071	171,387,219
Other Operating Income	6	19,625,364	19,562,865
		321,529,435	190,950,084
Government Grant		5,125,000	13,661,559
		326,654,435	204,611,643
Distribution Cost		(3,574,785)	(4,045,274)
Administration Expenses		(107,912,043)	(114,209,277)
Other Expenditure		(10,656,712)	(24,498,613)
PROFIT FROM OPERATIONS	7	204,510,895	61,858,480
Finance Cost		(28,695,065)	(37,772,053)
PROFIT / (LOSS) BEFORE TAXATION		175,815,830	24,086,427
Profit on Disposal of Assets		3,129,328	475,000
Taxation	8	(2,481,711)	-
PROFIT FOR THE YEAR		**176,463,447**	**24,561,427**

BALANCE SHEET

AS AT 31ST DECEMBER, 2010	Notes	31.12.2010. Rs.	31.12.2009 Rs.
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	10	499,473,587	486,315,665
Other Assets	11	481,819,391	408,733,500
		981,292,978	895,049,165
Investment In Subsidiary Company	9	15,995,171	15,995,171
CURRENT ASSETS			
Inventories		168,272,292	130,782,456
Trade and Other Receivables		145,382,142	115,596,084
Cash and Cash Equivalent		50,489,106	74,556,881
		364,143,540	320,935,421
TOTAL ASSETS		**1,361,431,689**	**1,231,979,757**
EQUITY AND LIABILITIES			
Capital and Reserve			
Capital		576,587,649	576,587,649
Reserves		153,857,557	154,573,100
Profit and Loss Account		(41,211,528)	(217,674,975)
		689,233,678	513,485,774
Revolving Fund		37,500,000	37,500,000
Non - Current Liabilities			
Long Term Liabilities	12	117,863,653	134,901,135
Deferred Liabilities	14	166,466,691	154,442,001
Loan From General Treasury	13	50,000,000	50,000,000
		334,330,344	339,343,136
CURRENT LIABILITIES			
Trade and Other Payables	15	249,065,881	223,481,475
Long Term Loans payable within One Year		17,037,444	17,037,444
Bank Overdraft		34,264,342	101,131,928
		300,367,667	341,650,847
Total Equity and Liability		**1,361,431,689**	**1,231,979,757**

Signed For and on behalf of the Board ;

Chairman

Accountant

CASH FLOW STATEMENT

AS AT 31ST DECEMBER, 2010

	2010 Rs.	2009 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) for the Year	176,463,447	24,561,427
Adjustment not involving the movement cash flow		
Loss/(Profit) on Sales of Property, Plant and Equipment	(3,129,328)	-
Depreciation	32,218,289	62,655,033
Provision for Retiring Gratuity	29,906,056	6,131,944
Provision For Bad Debts	13,503,564	9,022,049
Interest	26,817,840	36,661,621
Provision For Bonus	8,206,000	6,000,000
Cash Generated from operations before working capital changes	283,985,868	145,032,074
Increase/(Decrease) in Working Capital		
(Increased) Decreased in Stocks	(37,489,836)	23,555,490
(Increased) Decrease in Trading & Other Receivables	(40,281,389)	8,424,636
(Increased) Decrease in Trade and Other Payable	17,378,406	(4,025,237)
Net Cash from Operating Activities	223,593,049	172,986,962
Interest Paid	(26,817,840)	(36,661,621)
Gratuity Paid	(17,881,366)	(14,203,015)
Taxes Paid	(3,008,233)	(5,039,400)
Net Cash Generated from Operating Activities	175,885,609	117,082,926
Net Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipments (Net)	(45,608,571)	(16,818,972)
Investment in Other Assets	(73,085,891)	(71,873,443)
Proceed From Sales Of Property ,Plant & Equipment	3,361,689	-
	60,552,836	28,390,511
Cash Flow from Financing Activities		
Government Grant Received	(715,543)	(13,161,559)
Net Movement of Loan	(17,037,482)	(17,141,610)
(Decrease)/Increase in Cash and Cash Equivalents	42,799,811	(1,912,658)
Cash and Cash Equivalents at the Beginning of the Year	(26,575,047)	(24,662,390)
Cash and Cash Equivalents at the End of the Year	16,224,764	(26,575,047)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER, 2010	Capital Rs.	Capital Reserves Rs.	Revenue Reserves Rs.	Profit and Loss Account Rs.	Total Rs.
Balance as at 01st January, 2010	576,587,649	132,599,971	21,973,129	(217,674,975)	513,485,774
Grant Received		4,508,928			4,508,928
Amortization of Grant		(5,224,470)			(5,224,470)
Net Profit for the year	-		-	176,463,447	176,463,447
Balance as at 31st December, 2010	576,587,649	131,884,428	21,973,129	(41,211,528)	689,233,678

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER, 2010

1. **Corporate Information**

1.1. **General**

National Livestock Development Board was established in 1973 under the State Agricultural Corporation Act.No 11 of 1972 and field operations were commenced in 1974.The NLDB is presently managing 30 livestock and crop integrated farms with a training centre. The registered office of the Board is located at o.40,Nawala Road, Narahenpita,Colombo 5.Principal Activities of Nature of Operations

The core activities of the Board is the maintenance of Livestock Breeding Farms with Livestock/Crop ntegrated farming systems with the objective of contributing to Livestock Development activities in the Country.

1.2. **Subsidiary and Sub-Subsidiaries**

The Board has acquired 51% of the issued share capital of the Sri Lanka Libya Agricultural & Livestock Development Company Ltd.It's registered office located at No.46/56,Nawam Mawatha,Colombo 2.Principal activities of the Sri Lanka Libya is Agriculture, Livestock.

Being a parent company,04 Nos. of Directors have been appointed to the Board of the subsidiary company.

2. **ACCOUNTING POLICIES**

2.1. **General Policies**

2.1.1 **Basis of Preparation**

The balance sheet, statements of income and expenditure and cash flows, together with accounting policies and notes to the "Financial Statements" of the Board as at 31st December, 2010 are attached herewith. Accounts so prepared are complied in all material aspects with the Sri Lanka Accounting Standards.

These financial statements presented in Sri Lanka Rupees and have been prepared on a historical cost basis.

2.1.2 **Comparative Information**

The accounting policies have been consistently applied by the Board and are consistent with those used in the previous year where necessary, comparative figures have been reclassified to confirm to the current years presentation. However, the over head cost incurred in respect of Asst. General Managers in the regions and the Vet. Surgeons have been shown as Head Office expenditure in previous years. With the recommendations of the Auditor General, that expenditure has been apportioned to all farms of the accounting unit. This is for their service rendered equally for the year under review. The comparative figures have been adjusted accordingly.

2.1.3 **Going-Concern**

The Directors have made an assessment that NLDB ability to continue as a going concern and they do not intend either to liquidate or to cease operations.

2.1.4 **Accrual Basis**

Recognizing the effect of transactions & other events when they occur without waiting to receipt or payment of cash or its equivalent.

2.1.5 **Foreign Currency Transaction**

All foreign exchange transactions are converted to Sri Lanka Rupees, which is the reporting currency, at the rates of exchange prevailing at the time of the transactions were effected.

2.1.6 **Deferred Taxation**

There is no deferred tax liability. As at the date of the balance sheet there is no differed tax liability as due to accumulated tax losses.

2.1.7 **Value Added Tax**

The Board is liable value added tax and complied the provision of this act.

2.1.8 **ESC**

ESC is payable on the liable income and we have paid all ESC liabilities.

2.1.9 **Deferred Expenditure**

(a). **Coconut Projects**

The expenses incurred for new planting and under planting on the coconut projects were capitalized considering the time lag of seven years between the planting and commercial harvesting. The write off is carried out over 3 5 years after the commercial harvesting is commenced.

(b). **Pasture Development**

Pasture development expenses were capitalized considering the time lag of five months between the time of planting and harvesting. It is being amortized over period of four years.

2.2 **Valuation of Assets and their measurement basis**

2.2.1 **Inventories**

Inventories are valued at cost or and net realizable value whichever is lesser, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business. The less estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition is accounted using the following cost formula.

(i) Animals other than poultry

Eg. Cattle, Buffaloes etc.

The cattle for breeding are valued at standard board circular rates based on the following factors.

1. Live weight
2. Lactation No.
3. Milk Production
4. Pregnancy
5. Genetic value

Other Animals

Sheep,Goats,Pigs and Rabbits are valued at standards rates based on the Live Weight, Genetic Value and Pregnancy.

All culled animals are valued at standard rates based on weights.

(ii) Breeder and Commercial Layer Poultry

(a). Laying Batches (after commencement of the laying)

Breeder and commercial layer batches which have commenced the laying are valued at cost incurred up to the laying point less cost of amortization for the period.

(b).The Breeder and Commercial layer growing batches (before Commencement of laying)

These batches are valued at actual cost incurred up to date.

(iii) Breeder eggs (Hatching eggs)

Breeder eggs are valued at cost using the following formula.

The total cost divided by number of hatchable eggs produced during the month of December.

The total cost in this connection refers to the cost of feed, direct wages and production overheads including depreciation charges.

(iv) Commercial Layer Eggs

Commercial layer eggs are valued at since realized price, at the NLDB farm shop.

(v) Broiler and Layer Immature Stocks - At Cost

(vi) Broiler in Cold Room - At since realized price.

(vii) Coconut and Agriculture products - At since realized price.

(viii) Charcoal - At 50% of the since realized price.

(ix) Other Stock
All other stocks are valued at the lower cost or net realizable value whichever is less.

2.2.2 **Trade and other Receivables**
Trade receivables are stated at the amounts they are estimated to realize setting off provisions for bad and doubtful receivables.

2.2.3 **Cash and cash Equivalents**
Cash and cash equivalents are defined as cash on hand, demand deposit and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

2.2.4 **Property, Plant & Equipment**
(a).Cost
Property, Plant & Equipment are recorded at cost less accumulated depreciation.

(b).Restoration Costs
Expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance, is recognized as an expense when incurred.

(c).Depreciation
The provision for depreciation is calculated by using the straight line method on the cost of all property , plant and equipment other than freehold land , in order to write-off such amounts over the following estimated useful life by equal installments.

	Rate Per Annum %
Buildings	5
Plant and Machinery	10
Furniture & Fittings	10
Road & Transport	20
Office Equipment	20
Motor Vehicles	20
Structures including livestock shed	20
Estate Equipments	25

(d).Livestock Sheds
Expenses incurred on livestock sheds are capitalized during the year in which they are incurred, and are written off over the next five years.

(e).Revaluation of Assets
Revaluation assets has not taken in to accounts

2.2.5 **Investments**
(a).Long Term Investments
Long term investments are stated at cost.

The cost of the investment is the cost of the acquisition of the 51% of the share capital of the subsidy company (Refer Notes to the Accounts No.02)

2.2.6 **Mature Plantations**

Cost of establishing plantations and expenditure incurred up to the maturity stage being capitalized from the current financial period less cost of amortization for the period

LIABILITIES AND PROVISIONS

2.3.1 **Retirement benefit obligations**

(a) Defined benefit plan - Gratuity

The Board is liable to pay gratuity in terms of the relevant statue. In order to meet this liability, a provision is carried forward in the Balance sheet, equivalent to an amount calculated based on a half month's salary of the last month of the financial year of all employees for each completed year of service, commencing from the 1st year of service. The resulting difference between brought forward provision at the beginning of a year and the carried forward provision at the end of a year is dealt with in the income statement.

The gratuity liability is not funded. This item is grouped under provisions and liabilities in the Balance Sheet.

(b) Defined contribution plans- Employees' Provident Fund and Employees' Trust Fund.

Employer are eligible for Employees' Provident Fund and Employees' Trust Fund respectively.

(c).Liabilities classified as current liabilities on the balance sheet are those, which fall due for payment on demand or within one year from balance sheet date. Non current liabilities are those balances that fall due for payment after one year from balance sheet date. All non current liabilities have been accounted in preparing the financial statement.

2.3.2 **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Board and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognition of revenue.

(a).Sale of Goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to buyer, with the Board retaining neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

(b).Interest Income

Interest income is recognized on a time proportion basis that takes into accounts effective yield on the assets.

(c).Rental Income

Rental income is recognized on accrual basis.

(d).Others

Other income is recognized on accrual basis.

Net gains and losses of a revenue nature on the disposal of property, plant & equipment and other non current assets have been accounted for in the income statement, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

2.3.3 **Government Grants**

(a).Income approach

Government grants related to development activities which can be treated in the nature of revenue and differed revenue are accounted under the income approach, due to the fact that NLDB is compelled to issue livestock and breeding materials to the local farmers at the concessionary rates as main objective of the Board.

(b).Capital Approach

Government grants related to the capital assets are accounted under capital approach, having considered that it is an incentive provided by the Government.

2.3.4 **Expenditure Recognition**

(a).Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

(b).For the purpose of presentation of Income Statement the directors of the opinion that the function of expenses method presents fairly the elements of the Board's performance, and hence such presentation method is adopted.

2.3.5 **Events after the balance sheet date**

No circumstances have arisen since the balance sheet date which requires material adjustments or disclosure in the financial statements.

Comparative figures

Some of the comparative figures have been re-classified in accordance with current year presentation.

3 **Contingent Liability**

No provision is required in the Accounts as the Attorney General who is appearing on behalf of the Board of the opinion that the outcome of or the potential liability of any of these cases cannot be assessed at this stage.

4 **Directors interest in Contracts and /or Proposed Contracts with the Board**

No Directors interest in contracts and /or proposed contracts with the Board as at the Balance sheet date

5 **TURNOVER**

Turnover represents amounts invoiced by the Board in respect of goods sales during the year.

	Year Ended 31.12.2010 Rs.	Year Ended 31.12.2009 Rs.
Sales	1,234,533,833	1,034,633,723
Less Inter Farm Sales	(134,811,536)	(144,864,697)
	1,099,722,297	889,769,026

6. **OTHER OPERATING INCOME**

	Year Ended 31.12.2010 Rs.	Year Ended 31.12.2009 Rs.
Income on Lease rent	2,176,854	2,348,534
Interest on staff Loans	2,467,350	2,393,365
Interest on Deposits	3,398,188	7,582,328
Profit(Loss) on Mini Projects	1,667,681	159,491
Other Income	9,915,291	7,079,147
	19,625,364	19,562,865

7. **PROFIT FROM OPERATIONS**

The following items has been charged in arriving at operating Profit.

	Year Ended 31.12.2010 Rs.	Year Ended 31.12.2009 Rs.
Depreciation	32,218,289	62,655,033

8. **TAXATION**

Provision for taxation has been made on the basis of profit for the year as adjusted for taxation purposes in accordance with the Inland Revenue Act No.10 of 2006.

10. PROPERTY PLANT & EQUIPMENT

	Land	Buildings	Plant & Machinery	Estate Equipments	Office Equipment	Furniture & Fittings	Structures	Motor Vehicles	Working Progres	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost										
As at 1st January,2010	338,642,967	89,854,630	43,638,343	39,597,987	10,480,605	4,172,421	141,287,036	57,056,676	296,768	725,027,433
Additions		9,979,944	7,752,458	3,191,257	1,485,000	1,154,121	18,431,137	978,550	2,932,872	45,905,339
Disposal			(545,383)	(918,788)		(408)	(553,723)	(820,725)		(2,839,026)
Working Progress Transfer to Assets									(296,768)	(296,768)
As at 31st Desamber,2010	338,642,967	99,834,574	50,845,418	41,870,456	11,965,605	5,326,134	159,164,450	57,214,501	2,932,872	767,796,978
Depreciation										
As at 1st January,2010	-	39,140,625	15,020,620	27,931,918	7,600,621	1,888,499	96,792,142	50,337,342	-	238,711,768
Charge for the year	-	3,323,637	3,947,521	4,640,059	660,207	349,075	17,036,362	2,261,427		32,218,289
Disposal	-		(372,883)	(914,776)		(273)	(498,008)	(820,725)		(2,606,665)
As at 31st Desamber, 2010	-	42,464,262	18,595,258	31,657,201	8,260,828	2,237,301	113,330,496	51,778,044	-	268,323,392
Net Book Value										
As at 31.12.2010	338,642,967	57,370,312	32,250,160	10,213,255	3,704,777	3,088,833	45,833,954	5,436,457	2,932,872	499,473,587
As at 31.12.2009	338,642,967	50,714,006	28,617,724	11,666,068	2,879,984	2,283,922	44,494,894	6,719,333	296,768	486,315,665

9. **INVESTMENTS**

Investments in Subsidiary Company Rs. 15,995,171

The Board has invested Rs. 15,995,170.61 in non - quoted investments in Sri Lanka Libya Agricultural & Livestock Development Co Ltd in 1995.The company holding in subsidiary is 51% .This investment has been accounted for under the cost method of accounting

Note-11(1) Funds Invested in the Sri Lanka Libya Agriculture & Livestock Development Co Ltd.Has been accounted in order to - comply with the SLAS-26

11. **OTHER ASSETS**

	Year Ended 31.12.2010 Rs.	Year Ended 31.12.2009 Rs.
Deferred Expenditure	325,188,669	271,919,709
Differed Revenue on Leased Assets	(45,017,007)	(46,017,511)
Livestock Capital	201,647,728	182,391,301
Livestock Cattle/Goats Bank	-	440,001
	481,819,391	408,733,500

12. **LONG TERM LIABILITIES**

		Year Ended 31.12.2010 Rs.	Year Ended 31.12.2009 Rs.
Long Term Loan	(12.a)	117,134,489	132,921,968
Obligation under Financial Lease	(12.b)	729,164	1,979,167
		117,863,653	134,901,135

12.a. **Long Term Loans**

Lender	Facility Amount Rs.	Purpose	Year Ended 31.12.2010 Rs.	Year Ended 31.12.2009 Rs.
Farmers Trust Fund	102.6 Mn	Capital Expenditure	102,662,700	102,662,700
People's Bank	220 Mn	Payment of Seylan Bank Loan	14,471,789	30,259,268
			117,134,489	132,921,968

12.b. **Obligations under Finance Lease**

	31.12.2010 Rs.	31.12.2009 Rs.
People's Bank - Leasing		
Balance as at Beginning of the year	3,229,167	4,583,334
Less : Repayment	(1,250,003)	(1,354,167)
	1,979,164	3,229,167
Less : Amount payable within One year	(1,250,000)	(1,250,000)
Balance as at End of the year	729,164	1,979,167

13. **LOAN GENERAL TREASURY**

	Year Ended 31.12.2010	Year Ended 31.12.2009
Treasury Loan	50,000,000	50,000,000
	50,000,000	50,000,000

14. **DEFERRED LIABILITIES**

Provision for Retiring Gratuity

	Year Ended 31.12.2010	Year Ended 31.12.2009
Balance as at beginning of the year	154,442,001	162,513,072
Charge for the year	29,906,056	6,131,944
	184,348,057	168,645,016
Less: Payments	(17,881,366)	(14,203,015)
Balance as at end of the year	166,466,691	154,442,001

15. **TRADE AND OTHER PAYABLES**

	Year Ended 31.12.2010	Year Ended 31.12.2009
Trade Creditors	179,049,066	160,198,068
Accrued Expenses	31,214,561	32,008,771
Other Payables	38,802,254	31,274,636
	249,065,881	223,481,475

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 2010		Year Ended 31.12.2010 Rs.	Year Ended 31.12.2009 Rs.
Sales		1,234,533,833	1,034,633,723
Less Inter Farm Sales		(134,811,536)	(144,864,697)
		1,099,722,297	889,769,026
Less Cost of Goods Sold		(797,818,226)	(718,381,807)
GROSS PROFIT		301,904,071	171,387,219
Add : Operating Income	(Annexure 1)	19,625,364	19,562,865
Government Grant	(Annexure 2)	5,125,000	13,661,559
		326,654,435	204,611,643
Less : Expenses and Outgoings			
Distribution Cost	(Annexure 3)	3,574,785	4,045,274
Administration expenses	(Annexure 4)	107,912,043	114,209,277
Other Expenses	(Annexure 5)	10,656,712	24,498,613
Finance Cost	(Annexure 6)	28,695,065	37,772,053
		(150,838,605)	(180,525,216)
Profit on Disposal of Assets	(Annexure 7)	3,129,328	475,000
PROFIT/(LOSS) FOR THE YEAR BEFORE TAXATION		178,945,158	24,561,427

	Year Ended 31.12.2010 Rs.	Year Ended 31.12.2009 Rs.
ANNEXURE 1		
OTHER INCOME		
Income on Lease Rent	2,176,854	2,348,534
Interest on Staff Loans	2,467,350	2,393,365
Interest on Deposits	3,398,188	7,582,328
Profit(Loss) on Mini Projects	1,667,681	159,491
Other Income	9,915,291	7,079,147
	19,625,364	19,562,865
ANNEXURE 2		
GOVERNMENT GRANT		
Milk popularization	5,125,000	8,437,500
Embryos Project	-	5,224,059
	5,125,000	13,661,559
ANNEXURE 3		
DISTRIBUTION COST		
Brokerage Expenses	3,574,785	2,246,628
Sales Promotions	-	1,798,645
	3,574,785	4,045,274
ANNEXURE 4		
ADMINISTRATION EXPENSES		
Administration & General of Farms	13,722,226	34,528,086
Annual Bonus	8,206,000	6,000,000
Head Office	85,983,817	73,681,191
	107,912,043	114,209,277
ANNEXURE 5		
OTHER EXPENSES		
Embryos Project	-	12,362,093
Maize Cultivation	2,279,651	(87,143)
Fresh Milk Distribution Project	8,002,380	12,223,663
Delite Project	374,681	-
	10,656,712	24,498,613
ANNEXURE 6		
FINANCE COST		
Bank Charges	1,877,226	1,110,432
Loan Interest	6,212,862	9,668,188
Other Loan Interest	10,266,270	10,266,270
Overdraft Interest	10,338,708	16,727,163
	28,695,065	37,772,053
ANNEXURE 7		
PROFIT ON DISPOSAL OF ASSETS		
Disposal on Non Current Assets	3,129,328	475,000
	3,129,328	475,000

SCHEDULES TO THE BALANCE SHEET

AS AT 31ST DECEMBER, 2010

Year Ended 31.12.2010 Rs.

1. **Deferred Expenditure - Rs. 325,188,669**

	Coconut Under planting New planting Rs.	Pasture Establishment Expenditure Rs.	Cassue Panting Expenditure Rs.	Rubber Planting Expenditure Rs.	Total Rs.
Balance as at 01.01.2010	262,264,767	5,691,006	1,335,382	2,628,555	271,919,710
Expenditure Incurred During 2	53,609,517	5,716,490	-	1,833,462	61,159,469
Amount Charge to Profit &	(3,427,786)	(4,462,723)	-	-	(7,890,509)
Balance as at 31.12.2010	312,446,498	6,944,773	1,335,382	4,462,017	325,188,669

2 **Deferred Revenue on Lease Assete - Rs. 45,017,007**

	Year Ended 31.12.2010 Rs.
Balance as at 01.01.2010	46,017,511
Transfer to Revenue - Lease From Ian-Lib Co.LTD	(88,384)
Transfer to Revenue - Lease From Grandix Co.LTD	(666,666)
Transfer to Revenue - Lease From Rajawella Holding	(245,455)
Balance as at 31.12.2010	45,017,007

3. **Livestock Valuation - Rs. 282,561,802**

		Capital	Trading	Total
Cattle/Buffalo		216,685,916	3,922,446	220,608,362
Goats		5,173,211	-	5,173,211
Pigs		3,657,566	1,204,453	4,862,019
Sheep		1,292,274	5,470,553	6,762,827
Rabbits		-	-	-
Poultry		31,541,003	12,614,332	44,155,335
Quills		-	30,167	30,167
Ducks		-	6,406	6,406
Turkey		-	18,881	18,881
Others		-	944,596	944,596
	Rs.	258,349,970	24,211,832	282,561,802
25% Deduction		56,702,242	2,649,363	59,351,605
Net Valuation		**201,647,728**	**21,562,469**	**223,210,198**

4 **Inventories - Rs. 168,272,292**

Coconut Copra	Rs	76,628,313
Sundry Produce		15,841,212
Other General Stocks at Farms & Head Office		54,240,298
Livestock Trading		21,562,469
	Rs	168,272,292

5 **Trade Debtors and Other Receivables - Rs. 145,382,142**

Trade Debtors	(Schedule 5.1)	Rs	64,659,365
Deposits and Prepayments	(Schedule 5.2)		9,943,851
Other Receivables	(Schedule 5.3)		57,459,602
Other Current Assets	(Schedule 5.4)		13,319,324
		Rs	145,382,142

5.1. **Trade Debtors - Rs. 64,659,365**

Trade Debtors	Rs	78,162,929
Less: Provision For Bad Debtors		(13,503,564)
	Rs	64,659,365

5.2. **Deposit, Prepayments and Advances - Rs.9,943,851**

Deposit

Deposits	Rs	8,654,240

Prepayments

Prepayments		1,289,611
	Rs	9,943,851

5.3. **Other Receivables - Rs. 57,459,602**

Staff Debtor	Rs	38,681,772
Economic Service Charges		14,717,971
Inland Revenue Dept.		2,919,209
VAT Claimable		1,140,649
	Rs	57,459,602

5.4. **Other Current Assets - Rs. 13,319,324**

The expenditure incurred on incomplete activities in farms such as nurseries, paddy cultivation		13,319,324
	Rs	13,319,324

6. **Cash and Cash Equivelant - Rs. 50,489,106**

Call Deposits at Peoples Bank Narahenpita	Rs	21,829,874
Fixed Deposits at Bank of Ceylon		244,449
Peoples Bank - Head Office		278,306
People's Bank-Farm Shop - 1001163694865		4,500
People's Bank-Franchise - 100120000228		4,024
Peoples Bank - All Farms		17,026,787
Saving Accounts		5,000

Cash Balances

Cash in Hand		2,366,187
Stamp In Hand		25,896
Cash In Transits		8,704,084
	Rs	50,489,106

7. **Capital Reserves - Rs. 131,884,429**

Balance as at Beginning of the year	132,599,971
Courts order Cattle	2,271,638
Importation Chicks	1,237,290
Paddock Upkeep	1,000,000
Cattle/Goat Bank	-
Amortization of Embryos Project	-
Uturu Wasanthaya	(99,470)
Amortization of Milk Outlets	(5,125,000)
	131,884,429

8. **Trade Creditor and Other Payables - Rs. 249,065,881**

Trade Creditors	(Schedule 8.1.)	Rs	179,049,066
Accrued Expenses	(Schedule 8.2.)		31,214,561
Other Payable	(Schedule 8.3.)		38,802,254
		Rs	249,065,881

8.1. **Trade Creditors - Rs. 179,049,066**

Trade Creditors	Rs	179,049,066
	Rs	179,049,066

8.2. **Accrued Expenses - Rs. 31,214,561**

Accrued Expenses	Rs	18,435,401
E.P.F Payable		4,883,315
E.T.F Payable		673,555
VAT Payable		7,222,290
NBT Payable		-
PAYE Tax Payable		-
	Rs	31,214,561

8.3. **Other Payable - Rs. 38,802,254**

Staff Creditors	Rs	15,791,631
Provisions		9,641,992
Deposits		13,368,631
	Rs	38,802,254

9. **Long Term Loan Payable with one year - Rs. 17,037,444**

People's Bank loan Payable		15,787,444
People's Bank loan Payable Freezer Truck		1,250,000
	Rs	17,037,444

10. **Bank Overdrafts - Rs. 34,264,342**

People's Bank - 100153693183	Rs	30,974,280
People's Bank 100103694873		2,984,689
Potatoes - 100113694896		-
Maize Project - 100138015117		6,088
Maharagama - 100153694880		-
People's Bank-Franchise - 100120000228		-
People's Bank-Delite - 100140003339		299,286
	Rs	34,264,342