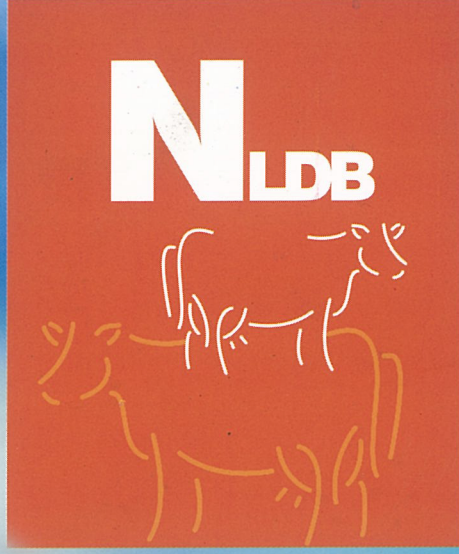




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தேசிய கால்நடை வன அபிவிருத்தி சபை - வருடாந்த அறிக்கை 2011
NATIONAL LIVESTOCK DEVELOPMENT BOARD - ANNUAL REPORT 2011

Mahinda Chinthana	3
Message from Minister	4-5
Message from Deputy Minister	6-7
Vision	8
Mission	9
Common Goals	10
Main Activities	11
Corporate Information	12-13
Board of Directors	14-15
Management Team	16
Chairman's Statement	18-21
Deputy Chairman's Statement	22-25
Review of Operations	26-41
Five Years at a glance	42-47
Financial Reports	49-74 75-104 105-128



NLDB enters its 40th year of operations with a proud record of revamping the livestock industry in Sri Lanka. At present NLDB manages 30 livestock and crop integrated farms where livestock and coconut plantations are maintained. A training centre to impart theoretical and practical knowledge to farmers is also maintained.



It is my desire to increase twofold the stock of dairy cattle presently available in the country amounting to about 340,000. Steps are being taken to increase the dairy cattle breeding farms in the island to achieve this.

It is my belief that there should be a change in the social attitude towards drinking fresh wholesome milk.

Mahinda Chinthana - Future Vision 2010

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2010

www.nlhb.gov.lk

Mahinda Chinthana - Future Vision 2010





Message from Minister

Message from Minister

I am extremely happy at the progress made by the National Livestock Development Board since it came under the purview of my Ministry in April 2010. I am impressed with the manner in which the Board of Directors has planned the activities in keeping with the Government's programme of work based on the *Mahinda Chinthanya*'.

Developing the livestock sector being the main objective of the NLDB, meaningful steps have been taken in that direction which this Report discusses in detail. The NLDB has succeeded in providing quality breeding material to the livestock farmers at a nominal price thereby creating a network of successful community of livestock farmers.

I congratulate the NLDB for winning an award in the Livestock and Fisheries Sector at the Business Excellence Awards 2011 held by the National Chamber of Commerce. I am sure this will serve as an incentive for the staff to produce even better results in the coming years. My best wishes go to the Board of Directors and the staff both at head office and the regions for the hard work they have put in to make the NLDB a profit-making Government institution.

Arumugam Thondaman M.P

Minister of Livestock and Rural Community
Development

Message from Deputy Minister



Message from Deputy Minister

The National Livestock Development Board (NLDB) is a vital organization for the economic development of Sri Lanka. Being so close to the farmer community in the rural sector, the NLDB performs a very important task in helping them to be profitably engaged in an essential industry.

In recent years, the NLDB has turned its attention towards improving its services to the consumer. The attractive sales outlets offer the consumers a good portion of their daily needs at reasonable prices. The NLDB products have also been made available in retail outlets for the convenience of the consumers. The Board's efforts to widen the product range are laudable.

The importation and distribution of high quality breeding material, particularly cattle has helped the farmers to get better yields thereby improving their income.

The efficient management of the organization has resulted in turning round a loss- making institution to a profitable one. The Board of Directors and the staff have to be congratulated for their efficient and dedicated service.

H R Mithrapala M.P

Deputy Minister of Livestock and Rural
Community Development

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

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.



Common Goals

- To maintain all farm activities at optimum level, infusing surplus funds from coconut-based industries for sustenance
- To introduce new technology, expertise, capital with better management practices to reduce costs and improve productivity to successfully complete in the market
- 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

Main Activities

- Breeding and multiplication of livestock
- Issue of quality breeding materials to the farmers at a reasonable price
- Maintain coconut plantations at optimum level to generate maximum profit
- Practise livestock/crop integrated farming system wherever feasible
- Provide training and demonstration facilities to farmers, school children, officials involved in agriculture & livestock small holders
- Establish and maintain sales 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 and popularize consumption among the public

Corporate Information

Name/Status

The National Livestock Development Board - a state corporation under the Ministry of Livestock & Rural Community Development

Formation

Established in 1973 under the State Agricultural Corporation Act No.11 of 1972. Commenced field operations in 1974.

Board of Directors

R M B Ellegala (Chairman)
Laksman Hulugalle (Deputy Chairman)
A R Anura Jayasiri
K M M Siriwardena
Dr Samson L A Daniel
S Mervyn W Perera
S Balachandran
Ravindra Manoj Gamage
R Ashokumar
Dr Premakumara de Silva

Chief Executive Officer

A C H Munaweera
General Manager

Head Office

No 40 Nawala Road
Narahenpita
Colombo 5
Telephone : +94 11 2501701/2
Fax : +94112502695
E-mail : infor@nldb.gov.lk
Web : <http://www.nldb.gov.lk>

Bankers

People's Bank

Board of Directors



R M B Ellegala
Chairman



Laksman Hulugalle
Deputy Chairman



A R Anura Jayasiri
Working Director



K M K Siriwardana



Dr Samson L A Daniel



S Mervyn W Perera



S Balachandran



Ravindra Manoj Gamage



R Ashokumar



Dr Premakumara de Silva



Management Team

Ms S A S Thewarapperuma
Administrative Manageress

M D Karunathilaka
Manager (M & E)

K K R Kannangara
AGM (Human Resources & Admin)

D Medagedara
DGM (Corporate Operations)

A C H Munaweera
General Manager

N P D Ekanayake
AGM (Finance)

M Padmasiri
Assistant Manager (Finance)

M Rajakaruna
Manager (Finance)



Head office and retail outlet

Chairman's Statement



Four decades of dedicated service to uplift a vital industry in Sri Lanka is a creditable performance for a state institution. That is exactly what the National Livestock Development Board (NLDB) has achieved for the country's livestock industry. As an active partner in the Government's drive in economic development, NLDB concentrated on its core function of developing the dairy and livestock industry recognising it as a priority area in the rural economy. Although we made a record profit of over 200 million rupees in the year under review, our focus was more on helping the rural farmer than commercial gains.

We felt a great sense of satisfaction when we were recognised at the annual Business Excellence Awards 2011 organised by the National Chamber of Commerce. The Merit Award we won in the Livestock and Fisheries Sector - the first national award for NLDB - is a great encouragement for our future endeavours and will no doubt be an impetus for the staff to pitch for even higher targets and achieve them. We will strive hard to improve our performance this year and fare even better at the Awards. My sincere thanks to the staff for their contribution towards winning the 2011 Award.

We made a major breakthrough with the arrival of the first stock of cattle from Australia in the early part of this year. The objective in importing cattle is to improve the yields and also enable the farmers to be owners of high quality, high yielding cattle that will bring him better returns and improve his income. This is a step in the right direction in promoting rural farmers to take to dairy farming on a larger scale.

We are conscious of the need to improve our products not only in quality but also in making them attractive to the consumer. This is necessary to be competitive in the market when the private sector is quick to introduce new products, attractively packaged and heavily advertised to create consumer awareness. We have given a better look to our sales outlets and improve the distribution of our products. In keeping with today's trends, we introduced the Tetra pack for our milk which is now being marketed under the brand name 'Delite'. The consumers appreciate our efforts to give them quality products in our own outlets in a more comfortable environment. The two outlets next to our head office are well patronised and their turnover has improved. The capital investments we made during 2011 in machinery and equipment and in modernising our farms, more congenial surroundings for the animals, and refurbishing the circuit bungalows have started to pay dividends.

The team spirit among the workforce at all levels made these achievements possible and I wish to offer my sincere appreciation to everyone. I greatly appreciate the support and guidance received from our Minister Hon. Arumugam Thondaman, Minister of Livestock and Rural Community Development, Deputy Minister Hon. H R Mithrapala, Secretary and officials of the Ministry. And if not for the keen interest and cooperation of the members of the Board of Directors and the Management Team, I would not have been able to steer the institution to achieve its objectives. Once again I thank the staff for their commitment and dedication which, I am sure they will continue to show so that we can collectively reach even better heights.

Ranjith Ellegala

Deputy Chairman's Statement



It is indeed a most satisfying experience that within a short spell since assuming office as the new Board of Directors of NLDB, we have been able to record a significant growth both in profits and activities.

NLDB is today contributing considerably to improve the vital livestock sector in Sri Lanka's economy which helps the rural farmer community improve their standard of living. We have provided them with high quality breeding stock at affordable prices. Training facilities have been made available and every encouragement given for them to do better.

In keeping with world trends, we have embarked on a planned programme of using modern methods and technologies to improve the livestock industry. Just to give one example. The sophisticated milking machinery we use records exactly how each cow performs and we are able to track the movements in milk production and identify reasons if a particular cow is not performing to expectations.

Realising the importance of having a contented workforce, we have continuously improved facilities given to them. Insurance schemes, indoor & outdoor medical reimbursement, social events and sports have helped to keep them motivated and inspired. Their participation at religious events and festive occasions as well as sporting events show their enthusiasm and eagerness.

We are active partners in the Government's efforts at developing the livestock industry. The importation of a herd of cattle from Australia now housed at the NLDB Manikpalma Farm has begun to show the most encouraging results in milk production with the daily production recording around 8,000 litres. The figure was a mere 1,000 1,200 litres not so long ago.

Our efforts to popularise the consumption of fresh milk is showing heartening results with more and more consumers enjoying the product at the NLDB booths. More and more NLDB products are reaching the marketplace and there are plans in the pipeline to introduce more products produced in our farms.

We are guided by the pronouncements made in the '*Mahinda Chintana*' and the constant leadership given by the Minister of Livestock & Rural Community Development, Hon. Arumugam Thondaman which we greatly appreciate. Chairman Ranjith Ellegala leads a motivated team with the fullest cooperation of fellow Board members and senior management. With the cooperation of the staff both in head office and in the outstation offices, we will strive to achieve even better results in the coming years.

Lakshman Hulugalle

Review of Operations



Developing the livestock sector is the main objective of the National Livestock Board (NLDB). In order to realise this objective, the NLDB constantly takes measures to provide the livestock farming community with the best possible services.

Improving breeding stock

During the year under review, the NLDB continued to play a prominent role in the implementation of a planned programme to improve the breeding stock under the Sri Lanka Dairy Development Programme (SLDDP).

During the year under review, elite herds of cattle were maintained in their pure form at selected farms to preserve the gene pool. They included Jersey, Friesian, Sahiwal, Khilari, and Nilli-Ravi. This enabled the Board to provide the farmers with a cross section of animals in various parts of the country.

The increase of the variety of stock in cattle, poultry, pigs and goats, has helped the farmers to boost their income thereby increasing profitability. The result has been the creation of a huge demand for NLDB breeding stock.

The supply of quality breeding material was not limited to individual livestock farmers. In addition, the Livestock Producer Societies, numerous Non-Governmental Organizations (NGOs), 'Divi Neguma' and Samurdhi recipients and ongoing Government and Private Sector projects continue to be issued with quality material. These are given at a nominal price and cover quite a wide range cattle, buffaloes, goats, sheep, pigs, rabbits and poultry.

During the year, arrangements were finalised to bring in 500 high yielding breeds of Friesian, Jersey and Jersey x Friesian crossed pregnant heifers from Australia. This will be the first batch of 4,500 cattle to be imported over the three year period 2012-14. The cattle will be housed at the Menikpalama farm where the necessary infra-structure facilities have been completed.



Poultry farming

As a measure of easing the high price of eggs, the Board continued to import day old chicks begun in 2010 and distributed them under the *Divi Neguma* rural upliftment programme under the direction of the Ministries of Livestock & Rural Community Development, and Economic Development. During 2011, 73,000 chicks were issued from Marawila farm. Under the second phase of the *Divi Neguma* programme, one month old chicks were being issued to various Provincial Councils. Meanwhile, the incubator 2 at the Marawila farm has undergone a major overhaul and the pullet chick production capacity has increased from 400,000 chicks to 800,000 chicks



Artificial Insemination

The programme of using imported sexed semen with the objective of increasing the female births was successfully completed during the period under review. Two hundred doses were imported from USA and the entire stock have been used.

Most of the NLDB farms have been covered and constant monitoring is done.

The latest records indicate that there are 89 pregnant animals.

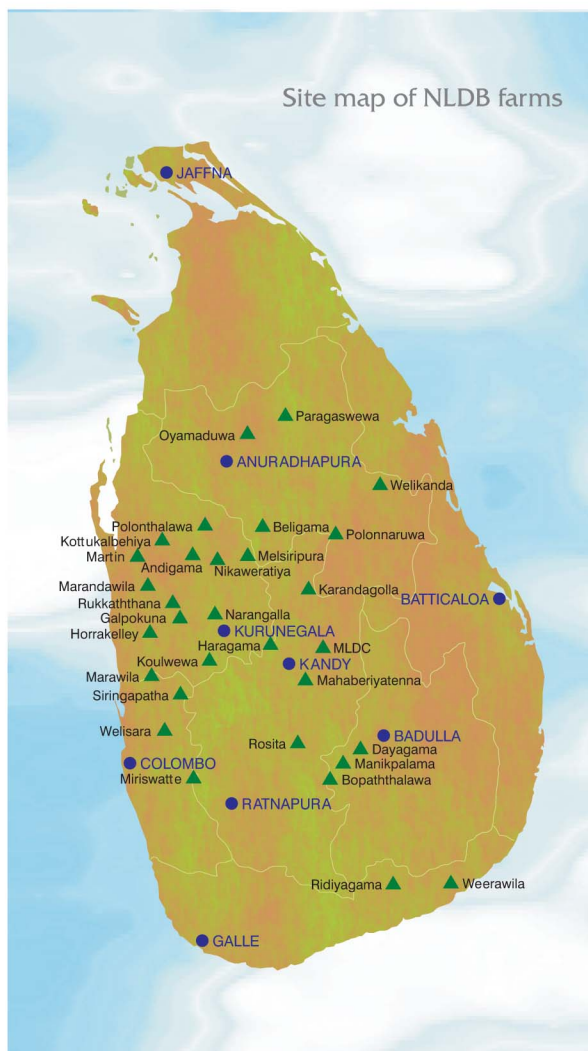
According to the planned programme, the female births are to be increased up to 93% per calving which at presents stands 50%.



Increasing milk production

A reduction has been noticed in milk production over the past few years. Milk production dropped to 2.8m litres in 2011 from 3.2m litres in 2010. This was due to scaling down the numbers in view of the anticipated imports in early 2012. The cattle were moved out of the farms and sold to farmers.

Milk production will increase with the arrival of the high-potential breeds in 2012. The average yield per milking cow is estimated to increase at least to 20 litres per day as compared with a low 7 litres at present. Thus a substantial increase in milk production is anticipated in the coming years. It is envisaged that milk production will go up by nearly 7,000 litres a day.



Installing new milking machines

Continuing the Board's efforts at introducing the latest technology in its operations, new milking machines are being imported. Two new machines were installed at the Bopathalawa and Dayagama farms in 2011.

Along with the import of high yielding cattle, production machinery will be upgraded. New machinery will be installed at the Menikpalama farm in 2012 in time for the arrival of the new breeds from Australia.

Importing pasture & fodder seeds

During the period under review, 5,700kgs of highly nutritious pasture & fodder seeds were imported and distributed among the NLDB farms. This was to overcome the low nutritional conditions in the existing pasture fields in the farms.

Varieties of Bracharia Decumbance, Mombasa Guinea and TD58 seeds were cultivated in 1,026 acres. It is planned to cultivate another 600 acres in 2012 from the available balance seeds.

Over the past five year period, pasture development in the dairy farms has shown a steady increase. From 273 acres in 2007, the figure went up to 741 in 2010 and to over 1,000 acres in 2011.

Integrated farming

The network of farms managed by the Board forms a vital link in this effort. There are 30 livestock and crop integrated farms scattered in several parts of the country. The majority of farms - 15 in number are in the coconut triangle while eight are in the dry zone. Of the balance, four are in up-country and three in mid-country.

During the year under review, the Board continued its programme of integrated farming with coconut as the main crop. The annual production amounting to 20 million nuts was maintained in 2011 showing a marginal drop from 20.6 million in 2010 to 19.94m. Coconuts bring in a significant income to the NLDB.

In addition, cattle are raised and crops like banana and papaw, and vegetables are grown in the farms.





Research & Development

Under the Board's planned programme to introduce measures to increase the coconut yields, organic fertiliser trials were conducted in both liquid and solid forms, at Siringapatha and Martin farms. If successful, the yield per farm as well as the weight of the nut will increase as a result of increasing the existing soil structure. The liquid fertiliser trial was carried out in 72 acres in Yakwila division of the Siringapatha farm in November 2011 and the performance s are being closely monitored.

Farmer training

The Mid Country Livestock Development Centre (MLDC) at Digana conducts training courses designed to suit the requirements of the different categories of farmers. Dairy husbandry, Small livestock management, Crop husbandry, Stock/Crop integrated farming system, Mushroom cultivation Milk processing and conservation farming are among these courses.

Four thousand (3945) participants attended 110 courses during the period under review. Residential programmes are becoming increasingly popular. In 2011, 21 residential programmes were held with 567 participants.

Infrastructure and training facilities have been provided. These include units for dairy farming, goat, sheep and poultry. The services of guest lecturers are obtained for specialized topics like crop cultivation and bee keeping.



Serving the Consumer

The NLDB strives to supply the consumer with quality farm products at reasonable prices. While maintaining high standards of quality, over the years, the NLDB has widened its range of products. Fresh dairy products are made available to the consumer.

A special effort was made to maintain an uninterrupted supply of coconuts from our farms at affordable prices when the retail price of coconuts rose sharply in the market. This service was greatly appreciated by the consumers.

Sales outlets have been modernised making them pleasant places for the consumers to walk in and make their purchases leisurely.

The NLDB range of products includes dairy, poultry and meat products, rice, coconut oil and coconut treacle. Gauda cheese and milk toffee have been added to the list. In addition, popular products of other manufacturers are made available for the convenience of the consumer.

Popularising fresh milk

The promotion of fresh milk consumption by the Board continued to show encouraging results during the period under review. The public has shown a keen interest in using fresh milk produced by the NLDB since they are assured of a quality product.

The introduction of the Tetra pack has created a new market with the more sophisticated consumers accepting our product which is marketed under the brand name 'Delite'.

As part of the marketing drive to popularise the consumption of fresh milk, a network of 60 outlets in Colombo and the suburbs covers a wide spectrum of institutions. They include government and corporation offices, schools & universities, government hospitals, places where people gather like markets and railway stations. In the outstations, most of the NLDB farms provide this service.



Community relations

During the period under review, the Board continued to maintain cordial relations with the public, particularly in the areas where NLDB farms are in operation.

As part of its public relations programme, the NLDB participates and organises exhibitions where the public get an opportunity of learning about its activities. The NLDB participates at *Deyata Kirula* national development exhibition held annually in different parts of the country.

The NLDB is an active partner of the *Divi Neguma*, the government programme to uplift the livelihood of rural families. The NLDB helps in the establishment of home gardens that include fruits, vegetables, poultry and livestock.

Awareness is created about the impact on the community through a model integrated farm set up at exhibition sites. In addition to the numerous cultivation crops and dairy farming exhibits, the lifestyle of a typical farmer family is projected through the '*gemi gedara*'.

The International Livestock & Poultry Exhibition organised by the Ministry of Livestock and Rural Development at the BMICH in July 2011 attracted large crowds who were able to get a first-hand knowledge of the NLDB operations.

Showing a keen interest, President Mahinda Rajapaksa spent quite some time in observing the NLDB operations. So did the Minister of Economic Development Basil Rajapaksa, who had a cup of tea and the '*gemi gedara*' in the company of Minister Arumugam Thondaman.





Accolades



COPE appreciates NLDB's high standards

The Parliamentary Committee on Public Enterprises (COPE) paid a tribute to the NLDB Management in the report presented to Parliament on 1 December 2011.

"The Committee appreciated the high standards maintained by the new Management, although there had been lapses in the past," the COPE report stated.

The NLDB management underwent change when a new Board of Directors took over on 10 May 2010.

Award at Business Excellence Awards 2011

At the National Business Excellence Awards 2011 organised by the National Chamber of Commerce, the NLDB was awarded a Merit Award in the Fisheries and Livestock Sector.

Chairman Ranjith Ellegala accepted the award at the presentation ceremony.

Leisure bungalows

Six leisure bungalows are maintained by the NLDB for the benefit of holidaymakers who wish get away from the busy city life and relax in an out of the way place. Most of these have been refurbished recently.

The leisure bungalows are attached to the NLDB farms and are located in places that are not the typical holiday destinations. For example, not many may think of spending a few days at Nikaweratiya or Galpokuna off Udubaddawa. Nelumwewa is another location off Polonnaruwa. The other two are situated at the NLDB farms at Bopathalawa and Digana both in the up-country.

The number of persons who can be accommodated in each bungalow varies from four to fourteen.



Staff welfare

The NLBD staff strength is over 2,000. They are scattered throughout several parts of the country where the NLDB operates the farms.

The NLDB management periodically reviews the working conditions and facilities offered to the staff and make amends where necessary. During the period under review, medical allowances to the staff have been increased. While the medical coverage has been increased up to Rs 100,000, the outdoor medical allowance is now Rs 3,500.

Housing needs of employees are being looked at constantly. Five staff quarters were constructed at the Welisara farm and line rooms in five farms were renovated.

The NLDB takes a special interest in the education of the children of the employees. As an incentive books are donated to them.

The employees take part in religious activities organised by the Board. A '*pirith pinkama*' was held at the head office. Vesak *Bhakthi-gee* is a regular event.

Family get-togethers are arranged at national festive occasions.

The staff is encouraged to take part in sports. Volleyball being a popular sport, they showed great enthusiasm in the Inter-Farm Volleyball tournament held in 2011 for the first time. While a keen contest was held, the finals held at the Jeyaraj Fernandopulle Memorial Indoor Stadium at Kadolkle drew a large crowd.



Five Years at a glance

Livestock & Crop Production

Activity	Unit	2007	2008	2009	2010	2011
Livestock Population						
Neat Cattle	Nos.	8,272	8,199	8,621	8,329	8,068
Buffaloes	Nos.	2,114	2,130	2,191	2,409	2,534
Total	Nos.	10,386	10,329	10,812	10,738	10,602
Goats	Nos.	1,738	1,673	1,656	1,454	945
Sheep	Nos.	2,222	2,692	2,956	3,043	3411
Pigs (breeders)	Nos.	1,306	923	1,514	975	1439
Poultry						
Broiler Parent Stock	Nos.	26,743	29,904	29,953	33,838	32,878
Layer Parent Stock	Nos.	6,053	5,767	4,998	9,870	7,260
Commercial Layer	Nos.	21,001	15,145	6,180	4,298	7,541
Commercial Broiler	Nos.	14,979	3,336	1,433	1,958	5,400
Quails	Nos.	8,349	6,552	46	377	252
Rabbits	Nos.	1,117	811	507	0	0
Livestock Issues for Breeding						
Neat Cattle	Nos.	1,153	1,200	1,033	944	1,328
Buffaloes	Nos.	265	174	128	210	185
Goats	Nos.	267	281	274	218	503
Sheep	Nos.	194	367	312	123	181
Pigs	Nos.	1,516	2,294	1,833	3,328	2885
Rabbits	Nos.	1,403	1,071	746	0	0
Chick Production						
Broiler (Millions)	Nos.	2.08	2.3	1.8	1.8	2.3
Layer (Millions)	Nos.	0.81	0.9	0.6	1.0	1.1
Milk Production						
Neat Cattle	Lt. m.	2.9	3.2	3.3	3.2	2.8
Buffaloes	Lt.m.	0.65	0.68	0.64	0.68	0.63
Goat Milk	Ltrs.	22,637	23,077	27,640	13,358	10,753
Egg Production (m)						
Quail Egg Pro. (m)	Nos.	4.1	3.4	1.9	1.0	2.0
Broiler Pro. (birds)	Nos.	0.25	0.21	0.05	0.02	0.04
	m.	0.09	0.09	0.01	0.01	0.03
Coconut Production						
Nut Production (nuts)	m.	21.73	20.55	21.48	20.60	19.94
Copra Production	mt	537.4	278.7	336.71	247.85	227.18

Livestock & Crop Performance 2010/2011

Activity	Norm	Qty	Qty
Neat cattle		2010	2011
Total Herd	No.	8,329	8,068
Heifers over 2 years	No.	1,550	1,318
Heifers 0-2 years	No.	2,084	1,987
No.of bull calves<1 year	No.	957	1,102
Total Births	No.	2,613	2,380
Total Issues for Breeding	No.	944	1,328
Total Culls	No.	932	349
Total Deaths	No.	631	980
Total No.of Cows	No.	3,430	3,443
Total No.of Milking Cows	No.	1,519	1,404
% Cows in Milk	%	57	53
Avg.Prod./M.cow/day	Ltrs.	5.8	5.6
Avg.LactationLength	Days	265	274
Milk Production	Ltrs (M)	3.2	2.8
Avg.Age at 1st Calving	Months	34	41
Avg.Calving Interval	Days	363	425
No.of animals Inseminated	No.	3,471	3,064
Buffalo			
Total Herd	No.	2,409	2,534
Heifers over 2 years	No.	611	527
Heifers 0-2 years	No.	481	489
No.of bull calves	No.	202	422
Total Births	No.	642	576
Total Issues for Breeding	No.	211	185
Total Culls	No.	219	9
Total Deaths	No.	207	380
Total No.of Cows	No.	925	939
Total No.of Milking Cows	No.	442	394
% Cows in Milk	%	45	49
Avg.Prod./M.cow/day	Ltrs.	6.0	4
Lactation Length	Days	254	281
Milk Production	Ltrs (M)	0.68	0.63
Avg.Age at 1st Calving	Months	52	58
Avg.Calving Interval	Days	511	432
No.of animals Inseminated	No.	45	51

Activity	Norm	Qty	Qty
Poultry- Broiler Parent Stock		2010	2011
Total Flock	No.	33,838	32,878
Importation of Birds	No.		
Males	No.	7,609	1,889
Females	No.	19,116	12,810
Total Egg Production	No.	2,496,626	3,574,459
Total Hatchable Eggs	No.	2,332,740	4,284,521
Hatchability%	%	76	78
Total Chick Production	No	1,768,333	2,329,205
Layer Parent Stock			
Total Flock	No	9,870	7,260
Importation of Birds			
Males	No.	1,380	1,798
Females	No.	11,492	14,103
Total Egg Production	No.	1,575,334	1,919,251
Total Hatchable Eggs	No.	1,417,274	1,755,556
Hatchability%	%	75	75
Total Chick Production	No	956,338	1,141,007
Com. Broiler Production			
Total Flock	No	1,958	5,400
Broiler Production	Birds	7,114	37,161
Com. Egg Production			
Total Flock	No.	4,298	7,541
Total No.of Hens	No.	6,466	7,944
Egg Production	Mn	1,042,385	2,095,328
Performance of Pigs (Breeding Stock)			
Total Herd	No	975	1,439
Piglings Born	No	3,228	3,571
Avg.Litter Size - On sows	No.	9	8
Avg.Litter Size - On gilts	No.	8	8
No.of Piglings died	No.	294	313
Performance of Goats			
Total Herd	No	1,454	945
No.of Kids Born	No	642	374
Kidding Rate	No	0.78	0.61
No.of Deaths (adults & kids)	No	191	355
Issues for Breeding	No	218	503
Performance of Sheep			
Total Herd	No	3,043	3,411
No.of Kids Born	No	1,434	1,294
Lambing Rate	No	0.75	0.76
No.of Deaths (adults & kids)	No	188	323
Issues for Breeding	No	123	181

Financial Reports 2011



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கணக்காய்வாளர் தலைமை அபிபதி
திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



AF/D/NLDB/FA/2011

16 October 2012

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 2011 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 2011 comprising the balance sheet as at 31 December 2011 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act No. 38 of 1971 and Section 25 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 issued to the Chairman of the Board on 30 May 2012.

1.2 Management's Responsibility for the Financial Statements

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

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. 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.

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

1.4 Basis for Qualified Opinion

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

2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the National Livestock Development Board as at 31 December 2011 and its financial performance for the year ended in accordance with Sri Lanka Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Accounting Standards

Even though the depreciation rate of 20 per cent made for previous year for the Fresh Milk Sales Centres valued at Rs.62,931,670 had been increased to 25 per cent and made provisions for depreciation it had not been disclosed in the financial statements in terms of Sri Lanka Accounting Standards No. 18.

2.2.2 Accounting Deficiencies

The following matters were observed.

(a) The sum incurred amounting to Rs.5,449,714 for the preparation of the Farm for Maize Cultivation had been capitalized.

(b) The audit fees payable from the year 2003 to 2010 amounting to Rs.2,081,750 had been brought to account as expenditure for the year under review and the provision for audit fees for the year 2011 had not been made.

(c) As the book value of closing stock had been accounted including the cumulative stock shortage of Rs.12,444,661 as at the end of the year under review, the net profit for the year had been overstated by that amount.

(d) The value of 120 acres of Nikaweratiya Farm which had been transferred to Deduru Oya Irrigation Project had not been eliminated from the Fixed assets Register.

2.2.3 Accounts Receivable and Payable

The following matters were observed.

(a) Action had not been taken to recover a sum of Rs.2,300,598 receivable from the farmers remained since the year 2009 in respect of Maize Project.

(b) Even though the chicks valued at Rs.1,070,435 had been given on credit basis by Marawila Farm to the farmers in Hambantota area in the year 2009, those amounts had not been recovered even as at 30 September 2012.

(c) The debtors remained over 05 years in the Karandagolla and Miriswatta Farms had been Rs.243,718 and Rs.240,000 respectively and the Board had failed to recover these amounts.

(d) The balance of Employee Trade Debtors amounting to Rs.255,442 older than 2 years and the balance of Trade Debtors amounting to Rs.300,626 in the Weerawila Farm had not been recovered.

(e) The balance of employee Trade Debtors amounting to Rs.101,907 older than 3 years and the balance of Trade Debtors amounting to Rs.392,196 older than 2 years in the Reediyagama Farm had not been recovered.

(f) The legal action had been taken to recover Rs.17,768,762 only out of the debtors valued at Rs.43,232,632 older than 01 year.

(g) Action had not been taken to recover a sum of Rs.221,038 from the farmers who were not given the Maize to the Reediyagama Farm as per agreements in the year under review.

(a) Action had not been taken even in the year under review to settle the loan amounting to Rs.50,000,000 obtained from the General Treasury without interest in the year 1992.

2.2.4 Lack of Evidence for Audit

Following evidence indicated against each item had not been presented to audit.

<u>Item</u>	<u>Value</u> Rs.	<u>Evidence not made Available</u>
Bank of Ceylon - Kantale	598,309	(i) Bank Reconciliation
Peoples` Bank - Kantale	13,721	
Peoples` Bank - Head office	598,309	(ii) Confirmation of Balance
Work in Progress	25,848,048	Detailed Schedules with Engineers Certificates
Creditors	210,527,092	Creditors Schedules
Credit Balance of Stock Account of Liquid Milk Project	90,182	(i) Reasons for Credit Balance (ii) Detailed Schedules
Cash Shortage of Liquid Milk Project	34,430	Investigation Reports regarding Shortage
Journal Entries	-	Relevant Narrations
Employees Provident Fund Penalties Recoverable	93,543	Details regarding Responsible persons
Fuel supplied to Dozers by External Parties	284,699	Fuel Bills

2.2.5 Non-compliance with Laws, Rules, Regulations and Management Decisions

Following non-compliances were observed.

<u>Reference to Laws, Rules, Regulations and Management Decisions</u>	<u>Value</u> Rs.	<u>Non-Compliance</u>
(a) Finance Act Number 38 of 1971		
(i) Section 10 (5)	248,688,654	Even though the net excess of income over expenditure should be credited to the Consolidated Fund, the profit earned in the year under review had not been credited to the Consolidated Fund.
(ii) Section 16 (2)(a) and (b)	21,812,323	The concurrence of the Minister of Finance and the respective Minister had not been obtained before obtaining bank overdraft facilities.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka		
(i) Financial Regulation 165	14,607	Even though the receipts of cash should be recorded in the cashbook, the cash earned by the Weerawila Farm had not been recorded in the cash book.
(ii) Financial Regulation 187 (1)	19,794	Even though all cash receipts should be kept in a safe, the Weerawila Farm had not kept the cash accordingly.
(c) The Cabinet Memorandum Number 11/0927/511/004-1 of 26 May 2011	3,831,431	Even though it was informed that it should not be utilized the state funds for the International Exhibition of Livestock and Poultry, the Board had spent cash for the exhibition contrary to that direction.

(d)	Public Enterprises Circular No PED 12 of 02 June 2003 Paragraph 6.5.1 Paragraph 8.3.8	1,505,803	The Draft Annual Report had not been furnished along with the financial statements. The donations had been made by the Milk Project and the Head Office without obtaining approval from the Cabinet of Ministers.
	Paragraph 8.3.9	3,827,906	Even though it had been directed that it should not be incurred the expenditure in respect of the line Ministry or other state Institution, the Board had incurred the expenditure of line Ministry and 03 other state Institutions.
(e)	Paragraph 2 of the Public Finance Circular no 353(5) of 31 August 2004	-	Even though the monthly charges of hiring vehicles should not exceed Rs. 40,000, a hiring vehicle had been obtained for Rs. 48,000 contrary to that provision.
(f)	Paragraph 2.14 of Procurement Guidelines No 08 of 25 January 2006	400,000	The Reedyagama Farm had obtained 48,000 clay pots under different prices for fermentation of curd without calling quotations.
		81,000	The Cleaning Service Contract had not been awarded to lowest price of Rs. 72,000 quoted by the registered Cleaning Service Institute and it had been awarded to a contractor who had not quoted prices and obtained the service by paying Rs. 81,000 per month.
(g)	Paragraph 2 of Office Circular No 34/2011 of 12 August 2011	30,000	The cattle sold had been transported by the lorry belonging to Reedyagama Farm contrary to the Circular issued by the Board and this amount had to be paid as legal expenses due to case filed against the Board by the Police as the cattle transport license was incorrect.

2.2.6 Transactions not Supported by Adequate Authority

The following matters were observed.

(a) The Board had incurred a sum of Rs.647,810 for 2 officers of the Ministry to be participated at a Livestock Exhibition held in America.

(b) A sum of Rs.1,815,422 had been paid in 2011 by the Board to 10 Consultants without obtaining approval from the Department of Management Services to appoint Consultants and to pay allowances.

2.2.7 Payments Contrary to Objectives

A sum of Rs.3,203,955 had been spent for Sports Ceremonies, New year Ceremonies and Religious Ceremonies contrary to the objectives of the Board.

3.Financial Review

3.1 Financial Results

According to the financial statements presented, the operation of the Board for the year under review had resulted in a surplus of Rs.248,688,654 as compared with the corresponding surplus of Rs.176,463,447 for the preceding year, thus indicating an improvement of financial results of Rs.72,225,207. The increase of income and other operating income by Rs.142,579,099 had mainly affected for the improvement of the financial results.

4.Operating Review

4.1 Performance

The following matters were observed.

(a) Seventy four sales centres out of 102 total franchise sales centres were remained in non-operative condition and the net loss of Franchise Sales Centres Project was Rs.2,704,222 in the year under review.

(b) The 83 sales centres out of 128 sales centres constructed under Liquid Milk Project were remained in operative condition and 09 sales centres were removed and eliminated. Eighteen sales centres had obtained a profit of Rs.6,157,815 and 56 sales centres sustained a loss of Rs.7,867,863 in the year under review.

4.2 Management Inefficiencies

The following matters were observed.

(a) Ninety eight persons had encroached 150 acres at Reediyagama Farm from the year 2001 for unauthorized cultivation, but the management had failed to remove the persons from the Farm even in the year under review.

(b) The dividends of Rs.10 million payable to General Treasury as informed by the letter dated 06 October 2009 of the Director General of Department of Public Enterprises had not been paid in the year under review.

(c) As informed by the letter dated 27 July 2009 of the Director General of Department of Management Services action had not been taken even in the year under review to regularize the 4 posts of Assistant General Manager which were promoted irregularly.

(d) The value of goods and cash shortage amounting to Rs.900,000 revealed in the sales Centre at Head Office in the year 2009 had not been recovered from the persons responsible even in the year under review.

(e) Action had not been taken even in the year 2011 to recover a sum of Rs.30,250 from the persons responsible for which receipts had been issued but money was not collected in the Kantale Maize Project and action had not been taken against the officers responsible who misappropriated a sum of Rs.79,750 collected by selling Maize seeds in the year 2008.

4.3 Idle and Under-utilized Assets

The following matters were observed.

(a) Three bank accounts amounting to Rs.861,094 in respect of Maize Project had remained idle from June 2010.

(b) Three cattle sheds and 09 buildings used for various purposes in the Polonnaruwa Farm had not been utilized for a long period.

(c) Proper action had not been taken in respect of 33 houses abandoned without being utilized in Polonnaruwa Farm and Parasangasweva Farm.

(d) Eighteen motor cycles, tractors and three wheelers owned by the Board had remained without being used and could not be used.

4.4 Identified Losses

A staircase with 13 steps in the Nelumweva Circuit Bungalow at Polonnaruwa Farm had been removed without using, after incurring a sum of Rs.60,000 to refurbish.

4.5 Deficiencies in Contract Administration

The following matters were observed.

(a) The Director Board had approved a gross expenditure estimate of Rs.16 million to refurbish the Circuit Bungalow at Polonnaruwa. The following matters were observed in audit in this connection.

(i) The total cost estimate had not been prepared for refurbishment work of Circuit Bungalow.

(ii) Refurbishment work had considered as 14 procurement works and obtained the approval of Regional Procurement Committee.

(iii) Above 14 procurement works had been given to same contractor.

(iv) The Refurbishment work had been started before the approval given for the contract by procurement Committee.

Therefore it could not be satisfied as these procurement works carried out in open, competitive and transparent manner.

(b) The constructions and renovations of Head Office had been carried out by incurring an expenditure of Rs.5,279,051 without following proper procurement procedure.

5.Accountability and Good Governance

5.1Corporate Plan

Even though a Corporate Plan for the years 2008 - 2012 had been prepared by the Board, it had not been updated.

5.2Action Plan

Following matters were observed.

(a)Thirty eight activities which were not included in the Annual Action Plan had been carried out by 19 Farms.

(b) Thirty eight activities included in the Annual Action Plan in respect of 23 Farms had not been carried out in the year under review.

(c)The progress of fifty three activities in respect of 24 Farms included in the Action Plan had remained on the level of less than fifty per cent.

5.3Procurement Plan

Even though the Procurement Plan for the year 2011 had been prepared, the construction carried out by the Board had not been included in that Plan.

5.4Budgetary Control

A proper Budget had not been prepared for the year under review thus the opportunity of preparing the Budget to use as an instrument of management control had been deprived.

5.5Tabling the Annual Reports

The Board had not tabled Annual Reports in Parliament since the year 2008.

6.Systems and Controls

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

- (a)Fixed Assets
- (b)Contract Administration
- (c)Debtors and Creditors
- (d)Purchases
- (e)Administration of Farm Lands
- (f)Financial Management
- (g)Budgetary Control
- (h)Journal Entries



H.A.S. Samaraweera
Auditor General

INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2011

	Notes	Year Ended 31.12.2011 <u>Rs.</u>	Year Ended 31.12.2010 <u>Rs.</u>
Revenue	5	1,231,958,718	1,099,722,297
Cost Of Sales		(871,843,346)	(797,818,226)
GROSS PROFIT		360,115,372	301,904,071
Other Operating Income	6	29,968,042	19,625,364
		390,083,414	321,529,435
Government Grant		1,187,500	5,125,000
		391,270,914	326,654,435
Distribution Cost		(4,382,003)	(3,574,785)
Administration Expenses		(121,766,384)	(107,912,043)
Other Expenditure		(1,414,972)	(10,656,712)
PROFIT FROM OPERATIONS	7	263,707,556	204,510,895
Finance Cost		(14,017,242)	(28,695,065)
PROFIT / (LOSS) BEFORE TAXATION		249,690,314	175,815,830
Profit on Disposal of Assets		504,845	3,129,328
Taxation	8	(1,506,504)	(2,481,711)
PROFIT FOR THE YEAR		248,688,654	176,463,447

BALANCE SHEET

AS AT 31ST DECEMBER, 2011	Notes	31.12.2011 <u>Rs.</u>	31.12.2010 <u>Rs.</u>
<u>ASSETS</u>			
<u>Non - Current Assets</u>			
Property, Plant and Equipment	10	629,040,422	499,473,587
Other Assets	11	<u>589,051,874</u>	<u>481,819,391</u>
		<u>1,218,092,296</u>	<u>981,292,978</u>
Investment In Subsidiary Company	9	15,995,171	15,995,171
<u>CURRENT ASSETS</u>			
Inventories		197,347,491	168,272,292
Trade and Other Receivables		178,721,439	145,382,142
Cash and Cash Equivalent		<u>46,428,054</u>	<u>50,489,106</u>
		<u>422,496,984</u>	<u>364,143,540</u>
TOTAL ASSETS		<u>1,656,584,451</u>	<u>1,361,431,689</u>
<u>EQUITY AND LIABILITIES</u>			
<u>Capital and Reserve</u>			
Capital		576,587,649	576,587,649
Reserves		167,337,303	153,857,557
Profit and Loss Account		<u>207,477,126</u>	<u>(41,211,528)</u>
		<u>951,402,078</u>	<u>689,233,678</u>
Revolving Fund		37,500,000	37,500,000
<u>Non - Current Liabilities</u>			
Long Term Liabilities	12	128,174,367	117,863,653
Deferred Liabilities	14	166,434,507	166,466,691
Loan From General Treasury	13	<u>50,000,000</u>	<u>50,000,000</u>
		<u>344,608,874</u>	<u>334,330,344</u>
<u>CURRENT LIABILITIES</u>			
Trade and Other Payables	15	281,579,647	249,065,881
Long Term Loans payable within One Year		19,681,528	17,037,444
Bank Overdraft		<u>21,812,323</u>	<u>34,264,342</u>
		<u>323,073,499</u>	<u>300,367,667</u>
Total Equity and Liability		<u>1,656,584,451</u>	<u>1,361,431,689</u>

I hereby certify that the Financial Statements have been prepared in compliance with the requirements of Finance Act No.38 of 1971 and Sri Lanka Accounting Standards.

The Directors are responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the Board.

Accountant

Chairman

Deputy Chairman

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER, 2011	Capital <u>Rs.</u>	Capital Reserves <u>Rs.</u>	Revenue Reserves <u>Rs.</u>	Profit and Loss Account <u>Rs.</u>	Total Rs.
Balance as at 01st January, 2011	576,587,649	131,884,428	21,973,129	(41,211,528)	689,233,678
Grant Received		14,667,246			14,667,246
Amortization of Grant		(1,187,500)			(1,187,500)
Net Profit for the year	-		-	248,688,654	248,688,654
Balance as at 31st December, 2011	576,587,649	145,364,174	21,973,129	207,477,126	951,402,078

CASH FLOW STATEMENT

AS AT 31ST DECEMBER, 2011

	2011 <u>Rs.</u>	2010 <u>Rs.</u>
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit/(Loss) for the Year	248,688,654	176,463,447
Adjustment not involving the movement cash flow		
Loss/(Profit) on Sales of Property, Plant and Equipment	(504,845)	(3,129,328)
Depreciation	32,345,576	32,218,289
Provision for Retiring Gratuity	16,602,511	29,906,056
Provision For Bad Debts	15993446	13,503,564
Interest	14,017,242	26,817,840
Provision For Bonus	8,000,000	8,206,000
Cash Generated from operations before working capital changes	335,142,585	283,985,868
<u>Increase/(Decrease) in Working Capital</u>		
(Increased) Decreased in Stocks	(29,075,199)	(37,489,836)
(Increased) Decrease in Trading & Other Receivables	(46,305,085)	(40,281,389)
Increased (Decrease) in Trade and Other Payable	24,513,766	17,378,406
Net Cash from Operating Activities	284,276,068	223,593,049
Interest Paid	(14,017,242)	(26,817,840)
Gratuity Paid	(16,634,695)	(17,881,366)
Taxes Paid	(3,027,659)	(3,008,233)
Net Cash Generated from Operating Activities	250,596,472	175,885,609
<u>Net Cash Flow from Investing Activities</u>		
Purchase of Property, Plant & Equipments (Net)	(161,913,147)	(45,608,571)
Investment in Other Assets	(107,232,483)	(73,085,891)
Proceed From Sales Of Property ,Plant & Equipment	505,580	3,361,689
	(18,043,578)	60,552,836
<u>Cash Flow from Financing Activities</u>		
Government Grant Received	13,479,746	(715,543)
Net Movement of Loan	12,954,798	(17,037,482)
(Decrease)/Increase in Cash and Cash Equivalents	8,390,967	42,799,811
Cash and Cash Equivalents at the Beginning of the Year	16,224,764	(26,575,047)
Cash and Cash Equivalents at the End of the Year	<u>24,615,731</u>	<u>16,224,764</u>

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

1.1. General

National Livestock Development Board was established in 1973 under the State Agricultural Corporation Act.No11 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 No.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 integrated 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.The cabinet has decided to acquire Sri Lanka Libya Agricultural & Livestock Development Company Ltd.

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, 2011 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 service rendered equally for the year under review. The comparative figures have been adjusted accordingly. expenditure has been apportioned to all farms of the accounting unit.

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.

NOTES TO THE FINANCIAL STATEMENTS

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 35 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.

NOTES TO THE FINANCIAL STATEMENTS

(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)

10 PROPERTY PLANT & EQUIPMENT

Cost

	Land Rs.	Buildings Rs.	Plant & Machinery Rs.	Estate Equipment's Rs.	Office Equipment Rs.	Furniture & Fittings Rs.	Structures Rs.	Motor Vehicles Rs.	Working Progress Rs.	Total Rs.
As at 1st January, 2011	338,642,967	99,834,575	50,845,418	41,870,456	11,965,605	5,326,134	159,164,450	57,214,501	2,932,872	767,796,978
Additions	5,787,714	37,961,608	5,143,200	2,447,978	6,987,426	530,108	28,809,997	51,415,440	25,848,048	161,931,518
Disposal	-	-	(2,968)	(1,032,256)	(24,156)	-	-	(251,106)	-	(1,310,486)
Working Progress Transfer to A:	-	-	-	-	-	-	-	-	(2,932,872)	(2,932,872)
Adjustments	-	-	-	-	(53,999)	-	(31,500)	-	-	(85,499)
As at 31st Desember, 2011	<u>344,430,681</u>	<u>137,796,183</u>	<u>55,985,650</u>	<u>43,286,178</u>	<u>18,874,877</u>	<u>5,856,242</u>	<u>187,942,947</u>	<u>108,378,835</u>	<u>25,848,048</u>	<u>928,399,639</u>

Depreciation

As at 1st January, 2011	-	42,464,262	18,595,258	31,657,201	8,260,828	2,237,301	113,330,496	51,778,044	-	268,323,392
Charge for the year	-	3,774,724	4,935,026	4,701,096	1,201,401	497,614	15,472,202	1,763,512	-	32,345,576
Disposal	-	-	(2,233)	(1,032,256)	(24,156)	-	-	(251,106)	-	(1,309,751)
As at 31st Desember, 2011	<u>-</u>	<u>46,238,986</u>	<u>23,528,051</u>	<u>35,326,041</u>	<u>9,438,074</u>	<u>2,734,915</u>	<u>128,802,699</u>	<u>53,290,450</u>	<u>-</u>	<u>299,359,217</u>

Net Book Value

As at 31.12.2011	<u>344,430,681</u>	<u>91,557,196</u>	<u>32,457,599</u>	<u>7,960,137</u>	<u>9,436,803</u>	<u>3,121,327</u>	<u>59,140,248</u>	<u>55,088,385</u>	<u>25,848,048</u>	<u>629,040,422</u>
As at 31.12.2010	<u>338,642,967</u>	<u>57,370,313</u>	<u>32,250,161</u>	<u>10,213,254</u>	<u>3,704,777</u>	<u>3,088,833</u>	<u>45,833,954</u>	<u>5,436,456</u>	<u>2,932,872</u>	<u>499,473,586</u>

NOTES TO THE FINANCIAL STATEMENTS

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 statute. 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.

NOTES TO THE FINANCIAL STATEMENTS

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.The cabinet has decided to acquire Sri Lanka Libya Agricultural & Livestock Development Company Ltd to the National Livestock Development Board.

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 31.12.2011 Rs.	Year Ended 31.12.2010 Rs.
Sales	1,441,363,755	1,234,533,833
Less Inter Farm Sales	<u>(209,405,037)</u>	<u>(134,811,536)</u>
	<u>1,231,958,718</u>	<u>1,099,722,297</u>

6. OTHER OPERATING INCOME

	Year Ended 31.12.2011 Rs.	Year Ended 31.12.2010 Rs.
Income on Lease rent	2,505,039	2,176,854
Interest on staff Loans	2,805,984	2,467,350
Interest on Deposits	827,529	3,398,188
Profit(Loss) on Mini Projects	999,263	1,667,681
Delite Project	629,121	-
Fresh Milk Distribution Project	4,243,781	-
Other Income	<u>17,957,324</u>	<u>9,915,291</u>
	<u>29,968,042</u>	<u>19,625,364</u>

7. PROFIT FROM OPERATIONS

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

	Year Ended 31.12.2011 Rs.	Year Ended 31.12.2010 Rs.
Depreciation	32,345,576	32,218,289

NOTES TO THE FINANCIAL STATEMENTS

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.

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 31.12.2011 Rs.	Year Ended 31.12.2010 Rs.
Deferred Expenditure	391,162,637	325,188,669
Differed Revenue on Leased Assets	(44,016,502)	(45,017,007)
Livestock Capital	240,321,969	201,647,728
Livestock Cattle/Goats Bank	1,583,770	-
	<u>589,051,874</u>	<u>481,819,391</u>

12. LONG TERM LIABILITIES

Long Term Loan	(12.a)	102,662,700	117,134,489
Obligation under Financial Lease	(12.b)	-	729,164
Obligation under Financial Lease	(12.c)	25,511,667	-
		<u>128,174,367</u>	<u>117,863,653</u>

12.a. Long Term Loans

			Year Ended 31.12.2011 Rs.	Year Ended 31.12.2010 Rs.
Lender	Facility Amount Rs.	Purpose		
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
			<u>102,662,700</u>	<u>117,134,489</u>

12.b. Obligations under Finance Lease

	31.12.2011 Rs.	31.12.2010 Rs.
<u>People's Bank - Leasing</u>		
Balance as at Beginning of the year	1,979,164	3,229,167
Less : Repayment	(1,250,027)	(1,250,003)
	729,137	1,979,164
Less : Amount payable within One year	(729,137)	(1,250,000)
Balance as at End of the year	<u>-</u>	<u>729,164</u>

NOTES TO THE FINANCIAL STATEMENTS

12.c. Obligations under Finance Lease

	31.12.2011 <u>Rs.</u>	31.12.2010 <u>Rs.</u>
<u>Bank of Ceylon Bank - Leasing For Cabs</u>		
Amount Granted	28,906,800	-
Less : Repayment	(3,083,392)	-
	25,823,408	-
Less : Amount payable within One year	(4,900,000)	-
Less : Future Finance Chages on Finance Lease within One year	(881,360)	-
Less : Future Finance Chages on Finance Lease over One year	(3,055,381)	-
Balance as at End of the year	<u>16,986,667</u>	<u>-</u>
<u>Bank of Ceylon Bank - Leasing For Cars</u>		
Amount Granted	12,978,600	-
Less : Repayment	(324,465)	-
	12,654,135	-
Less : Amount payable within One year	(2,200,000)	-
Less : Future Finance Chages on Finance Lease within One year	(395,720)	-
Less : Future Finance Chages on Finance Lease over One year	(1,533,415)	-
Balance as at End of the year	<u>8,525,000</u>	<u>-</u>
Total Balance as at End of the year	<u>25,511,667</u>	<u>-</u>

13. LOAN GENERAL TREASURY

	Year Ended 31.12.2011	Year Ended 31.12.2010
Treasury Loan	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>

14. DEFERRED LIABILITIES

Provision for Retiring Gratuity

	Year Ended 31.12.2011	Year Ended 31.12.2010
Balance as at beginning of the year	166,466,691	154,442,001
Charge for the year	16,602,511	29,906,056
	183,069,202	184,348,057
Less: Payments	(16,634,695)	(17,881,366)
Balance as at end of the year	<u>166,434,507</u>	<u>166,466,691</u>

15. TRADE AND OTHER PAYABLES

	Year Ended 31.12.2011	Year Ended 31.12.2010
Trade Creditors	210,527,092	179,049,066
Accrued Expenses	30,527,417	31,214,561
Other Payables	40,525,138	38,802,254
	<u>281,579,647</u>	<u>249,065,881</u>

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 2011

		Year Ended 31.12.2011 <u>Rs.</u>	Year Ended 31.12.2010 <u>Rs.</u>
Sales		1,441,363,755	1,234,533,833
Less Inter Farm Sales		(209,405,037)	(134,811,536)
		1,231,958,718	1,099,722,297
Less : Cost of Goods Sold		(871,843,346)	(797,818,226)
GROSS PROFIT		360,115,372	301,904,071
Add : Operating Income	(Annexure 1)	29,968,042	19,625,364
Government Grant	(Annexure 2)	1,187,500	5,125,000
		391,270,914	326,654,435
<u>Less : Expenses and Outgoings</u>			
Distribution Cost	(Annexure 3)	4,382,003	3,574,785
Administration expenses	(Annexure 4)	121,766,384	107,912,043
Other Expenses	(Annexure 5)	1,414,972	2,279,651
Finance Cost	(Annexure 6)	14,017,242	28,695,065
		(141,580,600)	(142,461,545)
Profit on Disposal of Assets	(Annexure 7)	504,845	3,129,328
PROFIT/(LOSS) FOR THE YEAR BEFORE TAXATION		250,195,158	187,322,219

SHEDULES TO THE DETAILED PROFIT AND LOSS ACCOUNT

	Year Ended 31.12.2011 Rs.	Year Ended 31.12.2010 Rs.
<u>ANNEXURE 1</u>		
<u>OPERATING INCOME</u>		
Income on Lease Rent	2,505,039	2,176,854
Interest on Staff Loans	2,805,984	2,467,350
Interest on Deposits	827,529	3,398,188
Profit(Loss) on Mini Projects	999,263	1,667,681
Delite Project	629,121	(374,681)
Fresh Milk Distribution Project	4,243,781	(8,002,380)
Other Income	17,957,324	9,915,291
	<u>29,968,042</u>	<u>11,248,303</u>
<u>ANNEXURE 2</u>		
<u>GOVERNMENT GRANT</u>		
Milk popularization	1,187,500	5,125,000
Embryos Project	-	-
	<u>1,187,500</u>	<u>5,125,000</u>
<u>ANNEXURE 3</u>		
<u>DISTRIBUTION COST</u>		
Brokerage Expenses	4,382,003	3,574,785
Sales Promotions	-	-
	<u>4,382,003</u>	<u>3,574,785</u>
<u>ANNEXURE 4</u>		
<u>ADMINISTRATION EXPENSES</u>		
Administration & General of Farms	21,908,098	13,722,226
Annual Bonus	8,000,000	8,206,000
Head Office	91,858,286	85,983,817
	<u>121,766,384</u>	<u>107,912,043</u>
<u>ANNEXURE 5</u>		
<u>OTHER EXPENSES</u>		
Maize Cultivation	1,414,972	2,279,651
Fresh Milk Distribution Project	-	-
Delite Project	-	-
	<u>1,414,972</u>	<u>2,279,651</u>
<u>ANNEXURE 6</u>		
<u>FINANCE COST</u>		
Bank Charges	-	1,877,226
Loan Interest	3,123,876	6,212,862
Interest On Lease	519,524	-
Other Loan Interest	10,266,270	10,266,270
Overdraft Interest	107,572	10,338,708
	<u>14,017,242</u>	<u>28,695,065</u>
<u>ANNEXURE 7</u>		
<u>PROFIT ON DISPOSAL OF ASSETS</u>		
Disposal on Non Current Assets	504,845	3,129,328
	<u>504,845</u>	<u>3,129,328</u>

SCHEDULES TO THE BALANCE SHEET

AS AT 31ST DECEMBER, 2011

1. Deferred Expenditure - Rs. 391,162,637

	Coconut Under planting New planting Rs.	Pasture Establishment Expenditure Rs.	Cassue Panting Expenditure Rs.	Rubber Planting Expenditure Rs.	Year Ended 31.12.2011 Rs.
Balance as at 01.01.2011	312,446,497	6,944,773	1,335,382	4,462,017	325,188,669
Expenditure Incurred During 2010	55,111,648	22,424,046	-	1,104,340	78,640,034
Amount Charge to Profit & Loss	(3,687,298)	(8,978,767)	-	-	(12,666,066)
Balance as at 31.12.2011	<u>363,870,846</u>	<u>20,390,052</u>	<u>1,335,382</u>	<u>5,566,358</u>	<u>391,162,637</u>

2. Deferred Revenue on Lease Assete - Rs. 44,016,502

	Year Ended 31.12.2011 Rs.
Balance as at 01.01.2011	45,017,007
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	<u>(245,455)</u>
Balance as at 31.12.2011	<u>44,016,502</u>

3. Livestock Valuation - Rs. 318,552,393

	Capital	Trading	Total
Cattle/Buffalo	245,252,020	8,493,200	253,745,220
Goats	4,324,850	193,520	4,518,370
Pigs	5,272,177	1,786,502	7,058,679
Sheep	11,920,855	-	11,920,855
Rabbits	-	-	-
Poultry	40,140,777	773,621	40,914,398
Quills	-	35,630	35,630
Ducks	3,771	9,915	13,686
Turkey	99,995	660	100,655
Others	-	244,900	244,900
	<u>Rs. 307,014,444</u>	<u>11,537,948</u>	<u>318,552,393</u>
25% Deduction	66,692,475	2,618,306	69,310,781
Net Valuation	<u>240,321,969</u>	<u>8,919,643</u>	<u>249,241,612</u>

4. Inventories - Rs. 197,347,491

	Year Ended 31.12.2011 Rs.
Coconut Copra	106,508,581
Sundry Produce	6,537,736
Other General Stocks at Farms & Head Office	75,381,531
Livestock Trading	<u>8,919,643</u>
	<u>197,347,491</u>

SCHEDULES TO THE BALANCE SHEET

		Year Ended 31.12.2011 Rs.
5	<u>Trade Debtors and Other Receivables - Rs. 178,721,439</u>	
	Trade Debtors (Schedule 5.1)	82,359,158
	Deposits and Prepayments (Schedule 5.2)	14,384,805
	Other Receivables (Schedule 5.3)	57,762,366
	Other Current Assets (Schedule 5.4)	24,215,111
		<u>Rs. 178,721,439</u>
5.1.	<u>Trade Debtors - Rs. 82,359,158</u>	
	Trade Debtors	98,352,604
	Less: Provision For Bad Debtors	(15,993,446)
		<u>Rs. 82,359,158</u>
5.2.	<u>Deposit, Prepayments and Advances - Rs.14,384,805</u>	
	<u>Deposit</u>	
	Deposits	13,170,744
	<u>Prepayments</u>	
	Prepayments	1,214,061
		<u>Rs. 14,384,805</u>
5.3.	<u>Other Receivables - Rs. 57,762,366</u>	
	Staff Debtor	33,837,348
	Economic Service Charges	19,186,020
	Inland Revenue Dept.	-
	VAT Claimable	4,738,999
		<u>Rs. 57,762,366</u>
5.4.	<u>Other Current Assets - Rs. 24,215,111</u>	
	The expenditure incurred on incomplete activities in farms such as nurseries, paddy cultivation	24,215,111
		<u>Rs. 24,215,111</u>
6.	<u>Cash and Cash Equivelant - Rs. 46,428,054</u>	
	Call Deposits at Peoples Bank Narahenpita	25,709,796
	Fixed Deposits at Bank of Ceylon	264,005
	Peoples Bank - Head Office	16,505,564
	Saving Accounts	6,069
	<u>Cash Balances</u>	
	Cash in Hand	2,845,689
	Stamp In Hand	43,137
	Cash In Transits	1,053,794
		<u>Rs. 46,428,054</u>

SCHEDULES TO THE BALANCE SHEET

	Year Ended 31.12.2011 Rs.
7. <u>Capital Reserves - Rs. 145,364,174</u>	
Balance as at Beginning of the year	131,884,428
Dayata Kirula	1,667,246
Imputation Of Chicks	13,000,000
Amortization of Milk Outlets	(1,187,500)
	Rs. 145,364,174
8. <u>Trade Creditor and Other Payables - Rs. 281,579,647</u>	
Trade Creditors (Schedule 8.1.)	210,527,092
Accrued Expenses (Schedule 8.2.)	30,527,417
Other Payable (Schedule 8.3.)	40,525,138
	Rs. 281,579,647
8.1. <u>Trade Creditors - Rs. 210,527,092</u>	
Trade Creditors	210,527,092
	Rs. 210,527,092
8.2. <u>Accrued Expenses - Rs. 30,527,417</u>	
Accrued Expenses	19,618,031
E.P.F Payable	4,465,067
E.T.F Payable	641,875
VAT Payable	5,802,444
	Rs. 30,527,417
8.3. <u>Other Payable - Rs. 40,525,138</u>	
Staff Creditors	15,338,229
Provisions	8,506,993
Deposits	16,679,917
	Rs. 40,525,138
9. <u>Long Term Loan Payable with one year - Rs. 19,681,528</u>	
People's Bank loan Payable	11,852,391
People's Bank loan Payable - Freezer Truck	729,137
Bank of Ceylon loan Payable - Cabs	4,900,000
Bank of Ceylon loan Payable - Cars	2,200,000
	Rs. 19,681,528
10. <u>Bank Overdrafts - Rs. 21,812,323</u>	
People's Bank - 100153693183	20,272,180
Maharagama - 100153694880	1,540,143
	Rs. 21,812,323