

PALMYRAH DEVELOPMENT BOARD

Annual Report

2011

Ministry of Traditional Industries and Small Enterprise Development

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Palmyrah Development Board

The Palmyrah Development Board (PDB) which originally came under the Ministry of Plantations was constituted by Gazette notification of 18 August 1978 published in terms of Amendment no 24 of 1975; to the Sri Lanka Coconut Development Act no 46 of 1971 to carry out all functions in relation to Palmyrah plantations. Subsequently, PDB came under the Ministry of Traditional Industries and Small Enterprise Development by Gazette notification in 2010.

The main activities of the PDB are restoration of Palmyrah plantations, renovation and enhancement of existing model farms, conduct handicraft training programmes, production of various Palmyrah items, promotion of Palmyrah products, conducting research relating to food products and other product development, and operating sales outlets called “Katpaham”.

Our Vision

Develop the Palmyrah sector as a dynamic sector for livelihood development

Our Mission

Develop, promote, popularize and regulate sustainable Palmyrah industry to be a significant contributor to the Gross Domestic Product (GDP) of Country.

Chairman's Review

Last year was a milestone for the Palmyrah development board. We successfully implemented several projects to achieve our goal and objectives.

We planted 603,300 numbers of Palmyrah seeds in the year 2011. An intensive planting program was done in resettled areas where a lot of palms were destroyed during the conflict period.

We also actively participated in the livelihood and infrastructure Development programmes such as "Nagenahira Navouthaya", "Wadakkinn Wasantham which are "Mahindha Chinthana" ideals. I also would like to highlight that we were able to mobilize funds for various development programmes by the gracious contributions made by the Non-Governmental Organizations.

Further our continuous participation in Exhibitions, Work Shops, and Vavuniya Katphakam Mobile Sales has helped us to increase our turnover.

My deep sense of gratitude is extended to the staff of the Palmyrah Development Board for their unstinted co-operation which enabled us to achieve our goals.

Finally I thank our Board of Directors for their valuable contribution towards the well being of this Board.

Executive Management

<u>Designation</u>		<u>Name</u>
General Manager	-	Mr. M.B. Loganathan
Manager (Finance & Administration)	-	Mr. V.P. Thevarajah
Acting Manager (Research & Quality control)	-	Mr. S. Srivijendran
Acting Manager (Marketing & Production)	-	Mr. G.K. Wahalathanthri
Assistant Manager (Administration)	-	Mr. B.Suthaharan
Assistant Manager (Development & Extension)	-	Mrs. Sumithira Janarthanam
Internal Auditor	-	Mr. R.Rameshwaran
Extension Officer	-	Mr. K. Gopalakrishnan

Corporate Information

Name : Palmyrah Development Board

Legal form : Coconut Development Act No. 46 of 1971
Amended by the Coconut Development
law No. 24 of 1975 and Amendment
Act No. 40 of 2003

Year of Incorporation : 1978

Registered Office	Address	Telephone & Fax
Head Office	National Housing Secretariat, Kandy Road, Jaffna	: 021-2222034 021-2224154
City Office	# 244, Galle Road, Colombo 04	: 011-2586820 011-2553697

Regional Offices

Batticaloa	: Bar Road, Batticaloa.	: 065-5673800 065-2223179
Trincomalee	: Inner Harbor Road, Trincomalee.	: 026-5675602 026-2224039
Ampara	: No.20, N.H.D.A. Kalmunai.	: 067-5675173 067-2220405
Puttalam	: Near Bus Stand, Kalpitiya.	: 032-5675925 032-2260749
Mannar	: No.32, Nallain Road, Mannar.	: 023-5676400 023-2222373
Vavuniya	: NO.67/68, Bazaar Street, Vavuniya.	: 024-2222483 024-5678400
Mullaithivu	: Word No 1, Puthu kudiyruppu, Mullaithivu	: -
Kilinochchi	: Kandy Road, Kilinochchi.	: -
Hambantota	: Wellawaya Road, Weerawila.	: 047-5679205

E-mail : slpalmyrah@yahoo.com

Web : www.katpahachchulai.com

Auditors : Auditor General
Auditor-General's Department.

Consultant Lawyers : Attorney General Department

Bankers : Bank of Ceylon

Our Goals & Objectives

- ⊙ To provide a sound organizational base for Palmyrah based Development and Community upliftment.
- ⊙ To provide a sound scientific basis for sustainable development of the Palmyrah based Industry in Sri Lanka at Micro enterprises, Intermediate industry & Hi-tech industry levels.
- ⊙ To develop appropriate crop conservation, processing and product development technologies for Palmyrah resources through basic strategic and applied research leading to Hi-tech development.
- ⊙ To develop improved Palmyrah based Crop & Livestock production systems to usher an integrated development effort.
- ⊙ To effectively transfer technologies developed by the Palmyrah Development Board appropriate to dependants and industrialists.
- ⊙ To serve as a national repository for the genetic resources of Palmyrah and produce improved planting materials.
- ⊙ To collate and disseminate technical information on Palmyrah along with popularized versions with practical applications.
- ⊙ To optimize Palmyrah based institutional development and support so that different options on managing production systems can be made available.

The Current Resources

a) Palmyrah Resource

The Palmyrah palm belongs to the family Arecaceae and placed under the genus *Borassus* is widely distributed throughout Africa, South and Southeast Asia up to the northern parts of the Indonesian Archipelago.

The *Borassus* palms in India, Sri Lanka, Indonesia, Thailand, Malaysia, Burma and Africa belong to the same species *Borassus flabellifer* L. The population of palms in India, Sri Lanka, Indonesia and Thailand is about 80, 11, 10 and 2 million respectively according to estimates prepared in 1990s.

The distribution of Palmyrah palms in Sri Lanka (2007) is given below.

District	Palmyrah Palms
Jaffna	3,500,000
Kilinochchi	3,500,000
Mannar	3,000,000
Mullaithivu	500,000
Trincomalee	210,000
Batticaloa	200,000
Puttalam	120,000
Ampara	40,000
Anuradhapura	40,000
Vavuniya	8,000
Hambantota	2,000
Total	11,120,000

Value Chain Development Plan for Palmyrah Products

Sap based products:
i) Sweeteners: Jaggary, Treacle, Sweet toddy, Sugar candy ii) Alcoholic : Arrack, Bottled toddy iii) Fermented product: Vinegar
Pulp based products:
Bottled pulp, Pannatu, Pani Pannatu, Jam, Cordial, Ready to serve drink, Medicinal based products
Tuber based products:
Tuber(Fresh), Dried tuber, Dried tuber flour, Boiled tuber flour, Palm Posha, biscuits, cakes
Palmyrah leaf based products
Traditional handicrafts: rattan like weaving baskets, weaving chairs, boxes for packing cashew , tea and spices, hats, mats, ekel products, brooms, tooth picks, skew sticks etc, flower pots, ornamentals, wall hangers, fibre dust as growing media for horticultural plants, soil salinity control
Fibre based products
Hard fibre- Heavy duty brushes, Medium fibre- Cleaning and household brushes Soft fibre + Coconut fibre- Yarn Fibre handicrafts
Timber based products
Construction purposes , Furniture making, chip board, fuel wood

The Palmyrah Development Board with its head office in Jaffna, carries out its activities on an island-wide basis through a network of 9 regional offices, 13 sales centres named “Katpaham”, 14 production centres, 01 Research Centre, 01 Palmyrah Arrack Distillery and 15 Palmyrah model farms. The locations of these are given below;

B. Review of Performance, Strategies & Risk Management

Reporting Business Performance

Development (Agronomy)

Seed/seedling plantation:

Palmyrah Development Board (PDB) being the only state organization engaged in Palmyrah industry focuses its fullest attention in increasing the Palmyrah vegetation and in protecting the existing Palmyrah trees. In this regard annual planting program was implemented during the period of October to December. In order to replace the damaged trees and to increase the stock of Palmyrah vegetation **340,045** seeds have been planted in nine districts. In addition to that **262,125** seeds were planted in seed beds to get seedling for year 2012 planting program.

Details of Seeds planted during the last three years are given below:

Districts	2009		2010		2011	
	Planted	Germination	Planted	Germination	Planted	Germination
Jaffna	1,059,150	325,083	667,778	119,341	106,100	Not evaluated yet
Mannar	179,870	56,500	124,100	37,600	50,000	
Vavuniya	150,000	60,000	61,000	27,450	38,420	
Killinochchi	15,300	6,120	217,500	97,875	75,000	
Mullaitivu	10,000	3,500	70,800	31,860	65,000	
Trincomalee	110,000	50,000	85,000	26,763	44,300	
Batticaloa	473,800	189,920	100,000	37,140	112,350	
Ampara	132,000	79,000	89,500	50,000	43,000	
Puttalam	44,000	20,565	45,250	27,486	50,000	
Hambantota	46,500	8,918	25,000	10,486	19,000	
Monaragala	46,500	13,950	10,000	3,000	0	
Others	0	0	0	0	0	
Total	2,267,120	813,226	1,495,928	469,001	603,170	

Details of seeds/seedling plantation of year 2011 are given below:

Districts	No of Seeds planted directly 2011	No of seeds planted in seed bed-2011	No of seedlings planted -2011
Jaffna	57,400	48,700	2,100
Mannar	0	50,000	-
Vavuniya	8,920	29,500	-
Killinochchi	50,000	25,000	-
Mulaithivu	34,325	30,675	-
Trincomalee	17,700	26,600	500
Batticaloa	95,000	17,350	1,000
Ampara	26,900	16,100	-
Puttalam	30,800	18,200	-
Hambanthota	19,000	0	-
Monaragala	0	0	-
Total	340,045	262,125	

Note: the seedlings planted in year 2011 were produced from the seed beds established in 2010

Usually Palmyrah seed planting campaigns are organized annually during the period of October to December. These seed planting campaigns are organized throughout the Island mainly in Crown land & bare land and also to fill the gaps caused by indiscriminate felling of Palmyrah trees for various purposes.

Seedlings:

In order to improve the Palmyrah plantation, the Palmyrah development board was produced 6,000 quality seedlings in Jaffna district from the seed beds which were established in 2010. Among these seedlings 1100 seedlings were issued freely to the fifteen schools in Jaffna district .250 seedlings were issued to Manthai west divisional secretariat, Mannar for planting, 1000 Seedling were issued for “Deyata sevana” tree planting program of the district secretariat, Jaffna.

In addition to that 3025 seedlings were sold to YMCA (2000), Maheswary fund (1000) and water board staff(25). The PDB earned additional income of Rs.250, 750.00 by these seedling sales.

1400 seedlings were produced in Batticaloa district and 1000 seedling were issued to the Batticaloa district secretariat for “Dayata sevana” tree planting program.1700 seedlings were produced in Trincomalee district and 500 seedling were issued to agriculture department for planting..

Palmyrah model farms:

As Palmyrah plants take more than 15 to 20 years to produce meaningful yield the Palmyrah model farms which were established by PDB are intercropped with Cashew, Coconuts, and Casuarinas and with fruit trees like Lime, Orange, Banana, Gauva, Pomegranate, etc. to use the land effectively. This serves as demonstration effort to promote similar activities amongst Palmyrah growers.

Palmyrah model farms are maintained in the districts of Jaffna, Kilinochchi, Mannar, Vavuniya and Hambanthota. Around 730 acres of land received for establishment of model farms in thirteen places. Among this Mamunai, Puliankulam, Ootruppulam, Ariviyal nagar lands were fenced and the farm buildings were renovated in year 2011 to manage the farms properly in the future.

Details of the model farms are given below:

District	Location	Main crops	Area
Jaffna	Manmunai	Palmyrah and Cashew	500 acres (64Ac are under use)
	Singainagar	Young Palmyrah	50 acres
	Kayts	Abandoned	10 acres
	Delft	Young Palmyrah	05 acres
	Kudathanai	Young Palmyrah	10 acres
Vavuniya	Puliyankulam	Young Palmyrah	50 acres
	Parathipuram	Young Palmyrah	02 acres
Kilinochchi	Ootrupulam	Young Palmyrah	50 acres
	Kowtharimunai	Recently received land for development	10 acres
	Mulankavil	Young Palmyrah	2 acres
	Ariviyal nagar	Recently received land for development	7 acres
Mannar	Naruvilikulam	Young Palmyrah	12 acres
Hambanthota	Weerawila	Palmyrah and Multi purposes trees.	22 acres

Extension

PDB is also involved in an extensive vocational training programme which three is pronged as given below:-

- (1) Training in Handicraft
- (2) Training in Toddy Taping Production
- (3) Training in Staff

40 numbers of officers who were designated as instructors/trainers were given training and were sent to various villages through head office in Jaffna and seven district offices to impart training to unemployed poor village folks, school dropouts and to destitute adult women to engage in self-employment.

Handicraft training programme is for a period of 6 months and for the other two training programmes the training period is 3 months. After training the trainees produce handicraft items and the PDB assists in purchasing quality items.

The details of the trainees trained are during the last three years are given below:

Area	2009	2010	2011
Jaffna	190	122	240
Trincomalee	78	34	91
Batticaloa	103	160	219
Mannar	100	70	61
Vavuniya	120	81	82
Kalmunai	90	56	86
Kalpitiya	54	54	58
Kilinochchi	0	20	55
Mullaithivu	0	0	39
Anuradhapura	24	15	18
Moneragala	0	12	0
Kurunegala			85
Hambanthota	16	24	0
Total	775	648	1034

Extension expenditure and supply throw Board and self-employment income

Year	Exp Rs.Mn	No of Trained trainees	Direct producer	Indirect Producer	Value of supply to Board Rs.Mn	Value of supply to Outside Rs.Mn
2009	11.89	775	235	320	2.00	10.72
2010	13.94	648	256	342	3.59	12.34
2011	19.09	1034	337	400	4.98	14.40
Total	44.92	2457	828	1062	10.57	37.46

Other Training

1. Staff Training

Two days residential training program was arranged for PDB staff in Jaffna district in the topic of “effective utilization of human resource”.

2. Sap Production Training

With the view of encourage the tappers, 390 Beneficiaries were selected through the co-operative societies and they are provided with tapping equipments and tools.

3. Pulp production training:

A 5 days training was conducted in Kowtharimunai, Poonagary.20 beneficiaries were trained in preservation and production of fruit pulp based product.

Production

PDB produces a variety of edible and non-edible Palmyrah based products. Edible products are mainly from the fruit and other items of Palmyrah tree are utilized for the non-edible products and for the production of Beverage.

Production Figures:

Sap Based Products				
		2009	2010	2011
Jaggery Production	Total Production in Kilograms	7,496	3,200	6,168
Treacle Production	Total Production in Liters	1,457	504	1,042
Sugar candy Production	Total Production in Kilograms	229	110	109
Fruit / Pulp Based Products				
Pulp Production	Total Production in Liters	4,251	18,380	4,250
Soft Drink Production	No. of bottles (190ml)	16,756	14,862	8,285
Cordial Production	No. of bottles (750ml)	-	6,000	-
Palm Crush Production	No. of bottles (750ml)	1,375	2,928	996
Jam Production	No. of bottles (450g)	84	567	292
Panattu Production	Total Production in Kilogram	609	455	427
Spiced Panattu Production	Total Production in Kilogram	395	62	205
Oil Cake Production	No. of Items produced (g)	2,342	2,575	1,770
Palm Palakaram Production	No. of Packets produced	2,610	2,927	4,664
Other Sweet & Savory Items) Production	No. of Items produced	6,455	7,095	10,850
Tuber Based Products				
Raw Tuber Production	Total purchases in Kilogram	300	13,868	955
Boiled & Dried Tuber Production	Total purchases in Kilogram	1,743	4,494	7710
Seeval Odiyal Production	Total purchases in Kilogram	1,326	1,378	430
Dried Tuber Flour Production	Total Production in Kilogram	1,736	6,168	1,055
Odiyal kool Production	No. of Packets (150g)	20	226	424
Palm Posha Production	Total Production in Kilogram	191	146	666
Fibre Based Products				
Fibre Production	Total Production in Kilogram	5,660	4,108	1,594
Broom Stick Production	No. of Brooms Stick	2,266	287	110

Value of Product transfer to Sales (Mn) 6.19 6.23 8.72

In this regard PDB has established Production Centers in the districts of Jaffna, Colombo, Mannar, Batticaloa, Puttalam and Trincomalee .The details of which are given below:

District	Jaggery Production centers	Fiber Production centers	Pulp Production canters	Food & Soft Drink Production centers
Jaffna	Singainagar	Sarasali	Singainagar	Jaffna MU
	Delft		Delft	
Mannar	Kaddukaran Kudirupu	Selvari	Padappddi	
	Tharavan Koddai	Oolithuduvai		
	Padappaddi			
Trincomalee	Varothayanagar		Varothayanagar	
Batticalao			Mukuthuvaram	
Colombo				Bambalapitiya
Puttalam		Kalpitiya	Kalpitiya	

Marketing

PDB not only markets its own products but also purchases items from producers and sell through its ten nos. of sales outlets named as “**Katpaham**” functioning in Jaffna, Colombo, Trincomalee, Batticaloa, Kalmunai, Vavuniya and Mannar.

Marketing Centres (“Katpaham” sales centres)

Jaffna District

1. Nellyyaddi – Point Pedro Road, Vadamarchchi
2. Nallur, Point Pedro Road, Nallur
3. Chunnakam, Market Building, Chunnakam
4. Showroom – Market Unit, Kandy Road, Jaffna
5. No.129 D, K.K.S Road, Jaffna
6. Bus stand, Jaffna town

Colombo District

1. 244 Galle Road, Colombo 04
2. Janakala kendra, Battaramullai

Mannar District

1. Grant Bazaar, Mannar

Batticaloa District

1. 15, UDA Building, Batticaloa
2. Show Room, Light House, Batticaloa

Trincomalee District

1. Power House Road, Trincomalee

Vavuniya District

1. 67/68, Bazaar Street, Vavuniya

Ampara District

1. 107 B, Batticaloa Road, Kalmunai

Turnover of the sales (Katpaham) outlets in years 2009-2011 is as follows:-

	KATPAHAMS	2009	2010	2011
	Jaffna			
1	Vadamarchchi	285,094.00	305,555.50	251,793.00
2	Nallur	757,960.50	1,581,683.50	1,433,820.30
3	Chunnakam	188,110.50	292,205.00	140,985.00
4	Showroom	894,375.25	1,663,932.00	1,368,420.95
5	K.K. S Road	1,225,754.44	2,275,333.25	1,560,354.00
6	Busstand	.....	.....	345,887.00
7	P.C		1,200.00	.....
	Colombo			
8	Katphakam	2,765,246.90	3,232,198.00	5,226,232.75
9	Stores	445,226.00	78,000.00	57,925.00
10	Janahala	.....	.....	13,143.00
11	Vavuniya	3,575,417.00	5,505,083.40	4,212,451.00
	Batticaloa			
12	Katpaham	270,386.90	687,829.40	267,335.00
13	Show Room	463,649.60	650,458.00	393,283.00
14	Kalmunai	467,121.00	227,073.90	339,030.00
15	Mannar	205,610.00	1,089,315.85	1,051,901.40
16	Trincomalee	318,785.36	444,884.52	406,683.50
	P.C Mannar			
	Jaggery	118,633.25	....	....
	Fibre	11,618.00		
18	P.C Kalpitiya	41,185.00	46,190.00	7,225.00
19	Weerawilla	195,437.80	166,973.00	170,749.00
20	Mobile/ Exhibition	1,454,556.85	1,762,416.00	1,914,145.30
	Total	13,684,158.35	20,010,331.82	19,161,364.20

Research and Development

Re-establishment of Palmyrah Research Institute at Kaithady, Jaffna is in progress. It was established in 1986 and functioned under the Palmyrah Development Board. This Research Institute under took many research initiatives in the Palmyrah sector and was deserted after 1996 due to the war situation.

The research carried out up to now had been in collaboration with Industrial Technology Institute (ITI), National Engineering Research and Development Centre (NERD), University of Jaffna, University of Sri Jeyawardenapura and the Eastern University. In 2011 Research division of the Palmyrah Development Board have successfully completed the research work on the "Factory Production of Bottled Sweet Toddy" with the collaboration of the Industrial Technology Institute (ITI).

The following are the outcomes of this research projects:

A Process was finalized for the collection of sap on clay pots. The traditional method of applying lime on the inner surface of the clay pot increased the amount of lime in the products. This was controlled by the addition of a known quantity of lime, depending on the amount of sap to be collected. Lime is added as a tablet than inner coating of the pot. Five other methods, such as using sodium metabisulphite, introduction of Hal bark, use of plastic pots, covering of pots with polythene and application of lime around the neck surface area was found to be ineffective to control the fermentation of the sap.

The study also showed that the time taken to bring the sap containing pots to the factory should not exceed 2hr. It was found that sap collected for 12hr. (Evening to following morning) was most suitable in the production of bottled inflorescence sap. Collection after 24hr. may increase the chances of fermentation of the sap which may not be suitable for processing.

In the processing technique, membrane filtration technique applied to remove the calcium was effective. This was more suitable than decanting and can be used in large scale processing. The manufacturing process has a bearing on the final product. Therefore, membrane filtration technique showed to be most appropriate for this purpose.

The product can be processed as pasteurized or sterilized in bottles. The sensory properties were high in the sterilized bottles as compared to pasteurized sap. The shelf life of the sterilized bottles is over one year, while the pasteurized bottles can be stored for over six months.

Review of Operating Results

Details	2009	2010	2011
Board Turnover	13,684,158.35	20,010,331.82	19,161,364.20
Board Trading Profit	4,577,533.74	5,063,043.81	4,938,440.43
Other Income	756,962.02	677,879.23	8,233,275.48
Profit/(Loss)	(9,644,685.12)	(14,415,132.60)	(3,145,965.01)
Profit/(Loss) other than Depreciation	(4,719,602.10)	(9,667,271.26)	3,163,300.49
Government Contribution			
Recurrent	53,000,000.00	53,500,000.00	55,000,000.00
Capital	23,320,000.00	30,000,000.00	30,000,000.00
Number of Employees	208	208	199
Personal Emoluments	52,739,609.72	56,402,330.18	46,344,200.84

Financial Review

	2009	2010	2011
Opening Balance for the year	5,475,847.75	5,889,221.04	4,071,694.58
Non cash movement			
Depreciation	4,925,083.02	4,747,861.34	6,309,265.50
Increase/Decrease in debtors	(1,385,527.20)	119,778.31	1,048,382.70
Increase/Decrease in creditors	(6,229,133.54)	(1,139,003.24)	(581,393.01)
Increase/Decrease in stock	(570,165.79)	(1,555,224.64)	(807,368.23)
Previous period adjustment	(377,469.94)	-	2,464,642.18
	(3,637,213.45)	2,173,411.77)	8,433,529.14
	1,838,634.30	8,062,632.81	12,505,223.72
Inflow			
Turnover	13,684,158.35	20,010,331.82	19,161,364.20
Other income	756,962.02	677,879.23	8,233,275.48
N.G.O	367,145.00	(19,420.00)	(347,725.00)
Line Ministry	.....	.....	4,102,841.70
Treasury Grant -Recurrent	53,000,000.00	53,500,000.00	55,000,000.00
-Capital	<u>23,320,000.00</u>	<u>30,000,000.00</u>	<u>30,000,000.00</u>
	<u>76,320,000.00</u>	<u>83,500,000.00</u>	<u>85,000,000.00</u>
	92,966,899.67	112,231,423.86	128,654,980.10
Outflow			
Recurrent expenses	77,085,805.49	88,603,343.65	85,540,604.69
Capital expenses			
● Fixed assets	5,606,586.34	17,059,135.22	20,381,143.91
● Other Assets	4,385,286.80	2,497,250.41	21,001,743.02
	<u>87,077,678.63</u>	<u>108,159,729.28</u>	<u>126,923,491.62</u>
Closing balance for the year	5,889,221.04	4,071,694.58	1,731,488.48

Risk Management

This is the sole state organization involved in Palmyrah industry.

Since this is a seasonal product effective management of resources is essential for the survival of the Board.

As this is dry zone vegetation thus limiting its population, methodology has to be adopted in increasing the population and sustaining existing plants for the enhancement of the Palmyrah Industry.

Most of the Palmyrah dependent people are in the Tsunami disaster areas. As a remedial measure to uplift the socio economic standards of these Palmyrah dependent people the board has to market their finished products at competitive prices.

Another setback during the last 3 years:

- Unfavorable weather conditions – Coincide with flowering and raining season thus reducing the yield of a Palmyrah tree.
- Increased demand for fermented toddy affect the jaggery production.

Also special food preservation methodology has to be adopted to avoid this risk of Palmyrah based edible products from perishing.

Due to the varied usefulness of this tree and due to manmade disaster such as the war in North & East provinces Palmyrah trees have been destroyed although an enactment has been passed in the year 2000 to amend the felling of trees control Act.

Internal controls are being implemented by designing systems and by drawing up a realistic budget.

Strategies

- The Palmyrah Development Board is striving to be a premier organization in providing Palmyrah based development & related community upliftment.
- Conducting and furthering of scientific research in respect of the improved growth and cultivation of Palmyrah palms, the growing of other crops and engagement in animal husbandry in Palmyrah plantation and prevention and cure of diseases and pests.
- Widening the scope under the Annual Palmyrah Seed Planting Programme.
- Catalyzing the trainers by providing part of the working capital required by them thus ensuring that they complement the Board with quality finished products turned out by the trainees.
- Rehabilitating Palmyrah plantation affected by natural and manmade disasters.
- Attracting donor agencies and for the PDB to play the role of implementing partners for Palmyrah based programmes such as seed planting, fiber production and handicrafts training.
- Searching for more opportunities to gain entry into international market

Human Capital

An attempt is being made to restructure the board in order to achieve our goal and to enhance the productivity of the employees.

While endorsing the fact the employees are the assets of this organization, well structured training programmes, scholarships and workshops are being carried out in order to enhance the contribution of these employees to the upliftment of this organization.

Impacts on Environment

As Palmyrah is one of the items of food, which is the first and foremost component that determines the economy of a country and is medicinal, search for special technology is underway to revive this industry.

Also Palmyrah trees have been destroyed due to natural and man made disasters. Hence under the “Mahindha Chinthana” Programme and “Wadakkinn Wasantham” programme new plantation to restore the

destroyed Palmyrah plantation are underway in the Northern Province and under the “Neganahira Navothaya” new plantation to restore the Palmyrah plantation in the eastern province.

As the Palmyrah food items are organic, and the demand is out weighing the supply with regard to edible and non-edible products of Palmyrah, we have ambitiously embarked on a plan to increase the Palmyrah trees from 11 Mn to 20 Mn.

As our Handicraft items are eco-friendly and our food items are organic, Non-Governmental Organizations support us to the handicraft training program . This not only helps in self employment but also helps in Infrastructure Development of the particular villages.

C. Corporate Governance

We are adapting to the code of perfect practices introduced by the Institute of Chartered Accountants of Sri Lanka and the Department of Public Enterprises, Ministry of Finance and follow the guide lines provided by the line ministry.

Board of Directors

The Palmyrah Board is adopting the policy, which is already mentioned in the Coconut Development Act no 46 of 1971 amended by the Coconut Development (amendment) law No. 24 of 1975 and Amendment Act No. 40 of 2003. Board of Directors comprises of nine members appointed by the Minister and one of the members being a representative of the Ministry of the Minister in charge of the subject of finance and out of the appointed eight members, Minister appoints the Chairman.

Meeting of the Board of Directors

Board meets every month, to deliberate and decide on important policy, administrative and management matters. Eight numbers of meetings were held.

Audit and Management Committee

The Audit & Management committee is headed by Director representing the General Treasury who is an independent non-executive Director and represented by two other non-executive Directors. The Chief Executive Officer attends the meeting by invitation. The Audit & Management Committee among other things reviews internal control systems, adherence to risk management measures, compliance with statutory requirements.

Audit & Management Committee Report

The following Non – executive Directors of the Board served as members of the Audit & Management Committee.

- | | | |
|----|------------------------|-----------------------------|
| 1. | Mrs. Malar Gangatharan | Treasury Rep. - Chairperson |
| 2. | Mr. K.P. Jegatheswara | Member |
| 3. | Mr. S.Santhuru | Member |

General Manager and the Manager (Finance & Administration) and a representative from the Auditor General's Department attended the meetings by invitation.

The objectives of the Committee are to assist the Board of Directors in carrying out their responsibilities pertaining to the following:-

- a. Ensure that a sound financial reporting system is in place and is well to give accurate, appropriate and timely information to the Management and Regulatory Authorities
- b. Management of Business Risks
- c. Management of Internal Controls
- d. Ensure systems are in place, report situations that conflict in interest with the management and other related parties of the Board and assess whether they are fair, reasonable and report therefore to the Board for its information to be reflected in the Financial Statements.
- e. Ensure compliance with laws and policies of the Board
- f. Monitor the functions of the Internal Auditor
- g. Assess the external audit functions

The Audit & Management Committee reviewed the Board's interim and annual financial statements and approved the same prior to the publication with the concurrence of the Board.

Considering the information received during the deliberations of the committee and results of the reviews carried out by the Department of Auditor General, the Committee is satisfied that the system of Internal Control is in place provides a reasonable assurance on safeguarding the Board's assets and the reliability of Financial Statements produced, which are under review, with professional input, in an endeavor to further improve the existing systems.

Internal Control

The Board has taken steps to appoint Tender Boards, Pricing Committee and Purchasing Committee to ensure that the required procedure is followed in the procurement of supplies.

Management

Five divisional heads function under the General Manager. The divisional heads collaborate with the Districts Coordinators. Each divisional head reports to the General Manager who is the chief executive officer.

Other Issues

- Drastic decline in skilled work force particularly tappers due to Influence of cast system, high life risk & tedious process during tapping has limited the supply of Palmyrah resources.
- The indiscriminate felling of Palmyrah trees for security & timber process has a repercussion on the Palmyrah population.
- Inadequate investment, by government and private sector.

- Inability to produce diversified quality products due to poor technological advances, lack of innovation and research & development programmes as these require additional funds.
- Excessive production of primary products during seasons and subsequent loss of products in perishable nature. Lack of availability of all products of Palmyrah through out the year on account of undeveloped storage facility to overcome the seasonality of the Palmyrah products.
- Poor marketing network & facilities locally as well as internationally, due to inadequate attention, effort and strategies to develop the same.
- Less marketability for locally produced products, due to availability of imported palmyrah products at lower prices.
- Absence of separate law to control and govern the Palmyrah sector effectively.
- Lack of scientific advancement in Palmyrah sector for meaningful development due to poor attention by scientists and there is no research institution entirely dedicated for Palmyrah and lack of fund allocation for research activities.
- As Palmyrah products are being resold through retailers at competitive prices, a stringent price fixing policy has to be adopted with the help of local authorities in the meantime maintaining an acceptable norm for quality.
- It was felt that a compulsory imposition of a norm fixed to the handicraft trainers had partially demoralized them. Hence the board had decided to cancel this norm and introduce a well structured feedback system commenced from January 2007.
- Optimum utilization of manpower is not possible due to the interference of external forces and surplus manpower in certain category of designated staff are being less utilized due to the activities of the Board being limited for want of funds.
- Restructuring programme is underway by granting extension of service to staff who reaches the retirement age in only exceptional cases.

D. Directors' Report

General

This is the only Government organization which develops Palmyrah based Industries, products and community upliftment.

The Head Office of the Palmyrah Development Board is in Jaffna and Regional Offices are functioning in the districts of Kilinochchi, Mullaithivu, Mannar, Vavuniya, Ampara, Batticaloa, Trincomalee, Puttalam and Hambanthota.

The City Office in Colombo is functioning to coordinate the activities with the regional offices and with the Ministry, Treasury and other key organizations.

Future Developments

It is anticipated to continue the implementation of Production Training Programme by obtaining funds through NGOs and Government Institutions who have the portfolio to function as participatory agencies in this type of programme

A three year investment plan for the Palmyrah industry for the period of 2012 to 2015 has been formulated and strategies are being worked out in order to implement this plan.

Establishment of a Sap Production Training centre in Jaffna district

Establishment of fruit pulp extraction and processing units in Jaffna, Kilinochchi and Mullaithivu districts

Rehabilitation of model farm in Jaffna, Kilinochchi, Vavuniya and Mannar district

Strengthening the Marketing network, Byers & seller's forum

Directors' of Palmyrah Development – 2011

- | | | |
|---|---|---------------|
| 1. Mr.P.Seevarathinam | - | Chairman, PDB |
| 2. Mr. T.Sivalingam | - | Director |
| 3. Mrs. Malar Gangatharan (Dept of Pubic Finance) | - | Director |
| 4. Mr. S.Santhuru | - | Director |
| 5. Mr. V.Thevanathan | - | Director |
| 6. Mr. V.Rasalingam | - | Director |
| 7. Mr. K.P.Jegatheswara | - | Director |
| 8. Mr. K.M.Kamaldeen | - | Director |
| 9. Mr. P.Ramachchandran | - | Director |

PALMYRAH DEVELOPMENT BOARD
SIGNIFICANT ACCOUNTING POLICIES

1:0 General Accounting Policies

1:1 Accounting Conventions:

The published results and the financial positions of the Board are prepared in accordance with generally accepted accounting principles and the applicable Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka. The Financial Statements have been prepared based on the historical cost convention except for certain items of Property, Plant and Equipment. No adjustment has been made for inflationary factors affecting the accounts.

The accounting policies have been consistently applied by the Board and, are consistent with those used in the previous year. Where appropriate, significant accounting policies are explained in the succeeding notes.

1:2 Consolidation Policies

The Consolidated Financial Statements of the Board are prepared to a Common Financial year, 1st January to 31st of December.

2.0 Assets and basis of valuation

2:1 Property, Plant and Equipment

2:1:1 Assets

Items of property, plant and equipment are stated at cost or valuation, less accumulated depreciation. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

2:1:2 Subsequent Expenditures

Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalized with the carrying amount of the component being written off. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditures are recognized in the income statement as an expense as and when incurred.

2:1:3 Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Generally assets are written off over the following periods.

Buildings	-	10 Years
Machinery & Equipment	-	05 Years
Motor Vehicles	-	05 Years

Furniture and Fittings	-	10 Years
Computer and other Installation	-	05 Years
Electrical fitting	-	10 Years
Tools and Implants	-	10 Years
Cutleries & Groceries	-	05 Years
Office and Laborites Equipment	-	05 Years
Miscellaneous Assets	-	04 Years

* Depreciation has been provided on property, plant & equipment purchased in the year of purchase.

2:2 Inventories

Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of the business, less the estimated cost of completion and selling expenses. The cost of inventories is based on the first-in-first-out (FIFO) principle. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overhead, based on normal operating capacity.

2:3 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and short term deposits.

3.0 Liabilities and Provisions

3:1 Retirement Benefit Obligations

3:1.1 Defined contribution plans

Liabilities to defined contribution plans, including Employees Provident Fund and Employees Trust Fund, are recognized as expenses in the income statement as and when incurred. The Board contributes 12% and 3% of gross emoluments of employees to Employees Provident Fund and Employees Trust Fund respectively.

3:1.2 Defined retirement benefit plans

Gratuity is a defined retirement benefit plan. The Board is liable to pay gratuity in terms of relevant statute. In order to meet this liability, a provision is carried forward in the balance sheet, 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 first year of service. However, as per the Gratuities Act No. 12 of 1983, the payment arises only upon completion of 5 years of continuo service with the Board. The gratuity liability is neither funded nor actually valued. This item is grouped under provision and other liabilities in the balance sheet.

3.2.1 Trade and other payables

Trade and other payables are stated at their cost.

3.2.2 Provision for Bad Debts 5 %

4 Income Statement

4.1 Revenue

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. The following specific criteria are used for the purpose of recognition of revenue.

a) Sales of Goods

Revenue from sale of goods is recognized when the significant risks and records of ownership of the goods have passed to buyer. Revenue from services rendered is recognized after completion of services.

b) Other income

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

Other income is recognized on an actual basis.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material are aggregated, reported and presented on a net basis.

4.2 Expenditure

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 & equipment in a state of efficiency has been charged to income when arriving at the profit / loss for the period.

5 Cash flow

The cash flow of the Board has been presented using the indirect method in accordance with the Sri Lanka Accounting Standard No. 9 – Cash flow statement.

6 Government Grants

Government grants, which are recognized in the financial statements only upon receipt, are initially shown in the balance sheet under non-current liabilities and differed income.

PALMYRAH DEVELOPMENT BOARD
NATIONAL HOUSING SECRETARIAT, KANDY ROAD, JAFFNA.
BALANCE SHEET AS AT 31 ST DECEMBER 2011

	NOTE	2011	2010
ASSETS			
Non - Current Assets			
Land, Building, Vehicle & Other Equipment	1	42,716,883.25	28,645,004.84
Other Assets	1F	37,967,219.78	16,965,476.76
		<u>80,684,103.03</u>	<u>45,610,481.60</u>
Current Assets	2	<u>12,655,624.11</u>	<u>15,236,844.68</u>
Total Assets		<u>93,339,727.14</u>	<u>60,847,326.28</u>
EQUITY & LIABILITIES			
Capital	4	212,016,197.53	178,261,080.83
Add: Net Profit		(125,989,864.03)	(125,308,541.20)
		<u>86,026,333.50</u>	<u>52,952,539.63</u>
Less: Current Liabilities	3	7,313,393.64	7,894,786.65
Total equity & Liabilities		<u>93,339,727.14</u>	<u>60,847,326.28</u>

PALMYRAH DEVELOPMENT BOARD
NATIONAL HOUSING SECRETARIAT, KANDY ROAD, JAFFNA.
PROFIT & LOSS ACCOUNT FOR THE PERIOD OF
1 ST JANUARY 2011 TO 31ST DECEMBER 2011

	NOTE	2011	2010
Turnover	A	19,161,364.20	20,010,331.82
Less			
Cost of Sales	B	<u>14,222,923.77</u>	<u>14,947,288.01</u>
Gross Profit		4,938,440.43	5,063,043.81
Treasury Grant		55,000,000.00	53,500,000.00
Other Income	10	<u>8,233,275.48</u>	<u>677,879.23</u>
		<u>63,233,275.48</u>	<u>54,177,879.23</u>
Total Income		<u><u>68,171,715.91</u></u>	<u><u>59,240,923.04</u></u>
Distribution Cost	C	547,515.40	1,118,934.20
Administrative Cost	D	70,697,858.74	72,390,303.78
Other Operation Cost	E	72,306.78	146,817.66
		<u>71,317,680.92</u>	<u>73,656,055.64</u>
Net Profit(Loss) During The Period		<u><u>(3,145,965.01)</u></u>	<u><u>(14,415,132.60)</u></u>

PALMYRAH DEVELOPMENT BOARD
STATEMENT OF CHANGES IN FINANCIAL POSITION
AS AT 31ST DECEMBER 2011

ASSETS	NOTE	2011	2010
Non - Current Assets			
Property, Plant and equipment	1	42,716,883.25	28,645,004.84
Investment			
Other financial Assets	1F	37,967,219.78	16,965,476.76
		<u>80,684,103.03</u>	<u>45,610,481.60</u>
Current Assets			
Inventories/Stocks	2 E	5,421,252.12	4,613,883.89
Trade and other Receivables	2A + 2B	4,012,531.50	5,371,408.65
Prepayments	2C + 2D	1,490,352.01	1,179,857.56
Cash & Cash Equivalents		1,731,488.48	4,071,694.58
		<u>12,655,624.11</u>	<u>15,236,844.68</u>
Total Assets		93,339,727.14	60,847,326.28
LIABILITIES			
Current Liabilities			
Payables		4,087,264.37	7,894,786.65
Accrued		1,024,197.27	-
Short - Term Borrowings		-	-
		<u>5,111,461.64</u>	<u>7,894,786.65</u>
Non Current Liabilities			
Payables		-	-
Deferred income		-	-
Provision for Gratuity		2,201,932.00	-
		<u>2,201,932.00</u>	<u>-</u>
Total Liabilities		7,313,393.64	7,894,786.65
Total Net Assets		<u>86,026,333.50</u>	<u>52,952,539.63</u>
NET ASSETS / EQUITY			
Accumulated Fund		86,026,333.50	52,952,539.63
Reserves		-	-
		<u>86,026,333.50</u>	<u>52,952,539.63</u>

PALMYRAH DEVELOPMENT BOARD

STATEMENT OF CHANGES IN EQUITY

	2011	2010
<i>Capital as at 1 January</i>	177,913,355.83	147,692,402.33
<i>Government contribution for capital expenditure</i>	30,000,000.00	30,000,000.00
<i>NGO</i>	-	568,678.50
<i>Capital from other sources</i>	4,102,841.70	-
	<u>212,016,197.53</u>	<u>178,261,080.83</u>
<i>Profit (loss) account B/F</i>	125,308,541.20	110,893,408.60
<i>Previous Adjustment</i>	(2,464,642.18)	-
<i>Profit (loss) During the Period</i>	3,145,965.01	14,415,132.60
	<u>125,989,864.03</u>	<u>125,308,541.20</u>
	<u>86,026,333.50</u>	<u>52,952,539.63</u>
	-	-

PALMYRAH DEVELOPMENT BOARD
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED 31ST DECEMBER 2011

	2011	2010
<u>Cash flow operation Activities</u>		
Surplus/(deficit) from ordinary Activities	(3,145,965.01)	(14,415,132.60)
Non cash movement		
Depreciation	6,309,265.50	4,747,861.34
Amortization		
Increase /Decrease in Debtors	1,048,382.70	119,778.31
Increase / Decrease in Creditors	(581,393.01)	(1,139,003.24)
Increase / Decrease in Stock	(807,368.23)	(1,555,224.64)
Previous Period adjustment	2,464,642.18	-
	8,433,529.14	2,173,411.77
Net Cash from Operating Activities	5,287,564.13	(12,241,720.83)
APPLICATION OF FUND		
Purchase of fixed assets	(20,381,143.91)	(17,059,135.22)
Other Assets	(21,001,743.02)	(2,497,250.41)
	(41,382,886.93)	(19,556,385.63)
Net Cash Flow Investment Activities	(36,095,322.80)	(31,798,106.46)
FUND FROM OTHER SOURCES		
Treasury Grant	30,000,000.00	30,000,000.00
Line Ministry	4,102,841.70	
NGO	(347,725.00)	(19,420.00)
	33,755,116.70	29,980,580.00
Total fund gained	(2,340,206.10)	(1,817,526.46)
Opening Balance of the year	4,071,694.58	5,889,221.04
Increase During The Period	(2,340,206.10)	(1,817,526.46)
Closing Balance of the year	1,731,488.48	4,071,694.58

NOTE TO THE ACCOUNTS**Turnover**

		2011	2010
	Note A		
Production Accounts	5	7,225.00	47,390.00
Marketing Accounts	6	18,925,465.20	19,717,968.82
Stores Accounts	7	57,925.00	78,000.00
Farms	8	170,749.00	166,973.00
Department A/C	9	-	-
Extension Accounts	10	-	-
		<u>19,161,364.20</u>	<u>20,010,331.82</u>
		<u>19,161,364.20</u>	<u>20,010,331.82</u>

Cost Of Sales

	Note B		
Production Accounts	5	2,167.50	(766,172.13)
Marketing Accounts	6	13,413,070.83	15,499,681.37
Stores Accounts	7	16,880.51	(333,547.11)
Farms	8	624,568.50	466,321.08
Department A/C	9	166,236.43	9,724.80
Extension Accounts	10	-	71,280.00
		<u>14,222,923.77</u>	<u>14,947,288.01</u>
		<u>14,222,923.77</u>	<u>14,947,288.01</u>

Distribution Cost

	Note C		
Production Accounts	5	-	-
Marketing Accounts	6	108,725.00	46,150.00
Stores Accounts	7	206,441.00	151,413.00
Farms	8	-	-
Department A/C	9	-	-
Extension Accounts	10		
District Administration A/C	14	232,349.40	921,371.20
		<u>547,515.40</u>	<u>1,118,934.20</u>
		<u>547,515.40</u>	<u>1,118,934.20</u>

Administration Cost

	Note D		
Production Accounts	5	8,797,461.44	9,543,840.98
Marketing Accounts	6	8,562,721.85	8,112,625.95
Stores Accounts	7	2,558,006.48	3,899,517.61
Farms	8	2,630,512.78	2,099,889.84
Department A/C	9	3,590,299.70	1,334,754.19
Extension Accounts	10	-	13,836,894.13
District Administration A/C	12	44,558,856.49	33,562,781.08
		<u>70,697,858.74</u>	<u>72,390,303.78</u>
		<u>70,697,858.74</u>	<u>72,390,303.78</u>

Other Operation Cost

	Note E		
Production Accounts	5	-	-
Marketing Accounts	6	-	-
Stores Accounts	7	-	-
Farms	8	-	-
Department A/C	9	-	-
Extension Accounts	10		
District Administration A/C	11	72,306.78	146,817.66
		<u>72,306.78</u>	<u>146,817.66</u>
		<u>72,306.78</u>	<u>146,817.66</u>

NOTE 1

FIXED ASSETS	NOTE	2011	2010
Land	1 A	1,766,564.92	1,728,064.92
Buildings at own land	1 B	15,561,063.68	11,659,379.40
Vehicles	1 C	5,657,821.00	1,922,625.00
Others	1 D	14,119,931.14	8,706,588.21
Fittings at Others Land/ Buildings	1 E	5,611,502.51	4,628,347.31
		<u>42,716,883.25</u>	<u>28,645,004.84</u>

NOTE 1 F

SEED PLANTATION	2011	2010
Brought Forward	16,965,476.76	14,468,226.35
Plantation in 2011/2010	1,889,900.63	2,497,250.41
	<u>18,855,377.39</u>	<u>16,965,476.76</u>

NOTE 1 G

Training(Handicraft) Programme	2011	2010
Brought Forward	-	-
Training in 2011/2010	19,111,842.39	-
	<u>19,111,842.39</u>	<u>-</u>
Total Other Assets	37,967,219.78	16,965,476.76

NOTE 2

CURRENT ASSETS	NOTE	2011	2010
Debtors	2 A	457,518.60	2,618,420.03
Deposit	2 B	3,555,012.90	2,752,988.62
Advance & Loan	2 C	6,975.00	64,220.50
Staff Advance & Loan	2 D	1,483,377.01	1,115,637.06
Stock In Hand	2 E	5,421,252.12	4,613,883.89
Bank of Ceylon , Jaffna		28,470.49	403,546.18
Bank of Ceylon , Milagiriya		429,422.24	118,348.23
Bank of Ceylon(fixed)		-	1,000,000.00
Bank of Ceylon.(saving)-Colombo		22,605.32	21,720.46
Bank of Ceylon.(saving)-Jaffna		217,460.50	1,534,689.10
Bank of Ceylon.(saving)-Batticaloa		105,951.33	23,340.38
Bank of Ceylon.(saving)-Kalmunai		1,044.11	5,030.30
Bank of Ceylon.(saving)-Kilinochchi		31,625.02	5,000.00
Bank of Ceylon.(saving)-Trincomalee		54,347.29	2,378.21
Bank of Ceylon.(saving)-Vavuniya		6,370.59	429,183.34
Bank of Ceylon.(saving)-Mannar		603,271.29	234,032.12
Bank of Ceylon.(saving)-Mullaithivu		230,482.83	230,482.83
Bank of Ceylon.(saving)-Kalpitiya		437.47	63,943.43
		<u>12,655,624.11</u>	<u>15,236,844.68</u>

NOTE 1

PALMYRAH DEVELOPMENT BOARD

FIXED ASSETS SCHEDULE 2011 (DEPRECIATION ON STRAIGHT LINE METHOD)

NARRATIVE	DEP. %	COST AS AT 01.01.2011	ADDITIONS	TOTAL	DEP. ON 01.01.2011	DEP. DURING THE PERIOD	ACC DEP.	2011 W.D.V	2010 W.D.V
A) LAND									
1 Farm - Araly		5,570.00	-	5,570.00				5,570.00	5,570.00
2 Farm- Rajadurai Batticaloa		145,103.76	-	145,103.76				145,103.76	145,103.76
3 Farm- Singanagar Integrated		14,000.00	-	14,000.00				14,000.00	14,000.00
4 Farm- Kayts		5,570.00	-	5,570.00				5,570.00	5,570.00
5 Farm- Kudathani		5,570.00	-	5,570.00				5,570.00	5,570.00
6 Farm- Palai		5,570.00	-	5,570.00				5,570.00	5,570.00
7 Farm - Mamunai		18,290.95	-	18,290.95				18,290.95	18,290.95
8 Farm- Vavunikulam		18,498.00	-	18,498.00				18,498.00	18,498.00
9 Farm- Weerawala		13,622.59	-	13,622.59				13,622.59	13,622.59
10 Kaitthady		394,659.00	21,000.00	415,659.00				415,659.00	394,659.00
11 Kilinochchi		12,797.00	-	12,797.00				12,797.00	12,797.00
12 Marketing Unit KANDY Road		3,996.00	-	3,996.00				3,996.00	3,996.00
13 Mullaivu - Kollupitty		19,657.76	17,500.00	37,157.76				37,157.76	19,657.76
14 Vavuniya		48,913.86	-	48,913.86				48,913.86	48,913.86
15 Batticaloa Regional Office		7,935.00	-	7,935.00				7,935.00	7,935.00
16 Padapadi		341,000.00	-	341,000.00				341,000.00	341,000.00
17 Kalpittiya		507,461.00	-	507,461.00				507,461.00	507,461.00
18 Thiccim		31,450.00	-	31,450.00				31,450.00	31,450.00
19 Tharavan Kudi Mannar		125,000.00	-	125,000.00				125,000.00	125,000.00
20 Trincomalee		3,400.00	-	3,400.00				3,400.00	3,400.00
		1,728,064.92	38,500.00	1,766,564.92	-	-	-	1,766,564.92	1,728,064.92
B) BUILDING AT OWN LAND									
Jaffna									
1 Farm Delft	10%	50,000.00	-	50,000.00	50,000.00	-	50,000.00	-	-
2 Fiber Centre Delft	10%	1,131,225.00	-	1,131,225.00	113,122.00	113,122.00	226,244.00	904,981.00	1,018,103.00
3 Farm Mamunai.	10%	2,194,880.22	507,107.33	2,701,987.55	19,961.00	270,197.00	290,158.00	2,411,829.55	2,174,919.22
4 Fencing, farm	10%	487,880.00	-	487,880.00	48,788.00	-	48,788.00	-	-
5 Farm, Thiccim	10%	144,921.00	-	144,921.00	14,492.10	-	14,492.10	-	-
6 Industrial Complex, Karainagar	10%	2,787,681.00	-	2,787,681.00	1,951,376.10	-	1,951,376.10	836,304.90	836,304.90
7 Industrial Complex, Thiccim	10%	80,159.93	-	80,159.93	8,015.99	-	8,015.99	-	-
8 PRI Kaitthady	10%	3,082,830.83	4,128,728.70	7,211,559.53	3,082,830.83	-	3,082,830.83	4,128,728.70	-
9 Farm- Kudathani	10%	747,393.00	113,358.00	860,751.00	134,172.00	86,075.00	220,247.00	640,504.00	613,221.00
		10,706,970.98	4,749,194.03	15,456,165.01	6,064,422.86	469,394.00	6,533,816.86	8,922,348.15	4,642,548.12
Mannar									
1 Farm Naravelikulam	10%	118,176.00	-	118,176.00	118,176.00	-	118,176.00	-	-
2 Fiber centre, K.karan Kurdirupu	10%	995,595.25	-	995,595.25	730,086.50	99,559.00	829,645.50	165,949.75	265,508.75
3 Fiber Centre Kolluthuduvai	10%	588,254.40	-	588,254.40	196,683.70	58,825.00	255,508.70	332,745.70	391,570.70
4 Fiber Centre Solvari	10%	423,907.45	-	423,907.45	169,560.75	42,390.00	211,950.75	211,950.75	254,346.70
5 Toddy Bottling Centre Nanadan	10%	99,492.00	-	99,492.00	99,492.00	-	99,492.00	-	-
6 Tharavan Kaddai Mannar	10%	2,165,302.75	-	2,165,302.75	649,590.00	216,530.00	866,120.00	1,299,182.75	1,515,712.75
7 Padapadi	10%	-	36,000.00	36,000.00	-	3,600.00	3,600.00	32,400.00	-
7 Distillery Mannar	10%	220,523.33	-	220,523.33	109,783.33	22,052.00	131,835.33	88,688.00	110,740.00
		4,611,251.18	36,000.00	4,647,251.18	2,073,372.28	442,956.00	2,516,328.28	2,130,922.90	2,537,878.90
Vavuniya									
1 Model Farm, Puliyaikulam.	10%	1,642,024.38	67,585.19	1,709,609.57	9,505.90	170,850.00	180,355.90	1,529,253.67	1,632,518.48
2 Training Centre Vavuniya	10%	45,025.00	-	45,025.00	-	-	45,025.00	-	-
		1,687,049.38	67,585.19	1,754,634.57	54,530.90	170,850.00	225,380.90	1,529,253.67	1,632,518.48
Batticaloa									
1 R. Office, & Brush Unit, Batticaloa.	10%	1,883,445.18	-	1,883,445.18	1,883,445.18	-	1,883,445.18	-	-
		1,883,445.18	-	1,883,445.18	1,883,445.18	-	1,883,445.18	-	-
Trincomalee									
1 Fencing, Trincomalee.	10%	58,473.00	-	58,473.00	58,473.00	-	58,473.00	-	-
2 Industrial Complex Trincomalee	10%	719,475.00	-	719,475.00	160,350.00	71,947.00	232,297.00	487,178.00	559,125.00
		777,948.00	-	777,948.00	218,823.00	71,947.00	290,770.00	487,178.00	559,125.00
Puttiam									
1 Fiber centre & R.O, Kalpittiya.	10%	2,617,723.00	106,394.80	2,724,117.80	1,904,391.60	272,411.00	2,176,802.60	547,315.20	713,331.40
Kilinochchi									
1 Kilinochchi Building	10%	850,172.50	539,907.26	1,390,079.76	156,512.50	53,990.00	210,502.50	1,179,577.26	693,660.00
		850,172.50	539,907.26	1,390,079.76	156,512.50	53,990.00	210,502.50	1,179,577.26	693,660.00
Weerawala Buildings									
1 Weerawala Buildings	10%	1,158,494.00	-	1,158,494.00	278,176.50	115,849.00	394,025.50	764,468.50	880,317.50
		24,293,054.22	5,499,081.28	29,792,135.50	12,633,674.82	1,597,397.00	14,231,071.82	15,561,063.68	11,659,379.40
C) VEHICLE									
1 Bicycles 18Nos	20%	129,154.69	43,700.00	172,854.69	104,009.69	15,024.00	119,033.69	53,821.00	25,145.00
2 Tractor & Trailer 02 Nos	20%	684,220.00	162,540.00	846,760.00	585,188.00	169,334.00	754,522.00	82,148.00	89,032.00
3 Land Master & Three Wheeler (5,3)	20%	1,771,715.00	-	1,771,715.00	1,507,787.00	65,892.00	1,573,679.00	198,036.00	263,928.00
4 Van & Lorry	20%	764,300.00	4,000,000.00	4,764,300.00	352,700.00	82,320.00	435,020.00	4,329,280.00	411,600.00
5 Double A/C Cab 01 No	20%	514,074.00	-	514,074.00	514,074.00	-	514,074.00	-	-
6 Pagero 01 No	20%	2,174,902.93	16,000.00	2,190,902.93	1,374,902.93	203,200.00	1,578,102.93	612,800.00	800,000.00
7 Motor Cycle 03 No	20%	580,800.00	119,820.00	700,620.00	247,880.00	71,004.00	318,884.00	381,736.00	332,920.00
		6,619,166.62	4,341,970.00	10,961,136.62	4,696,541.62	606,774.00	5,303,315.62	5,657,821.00	1,922,625.00
D) OTHERS									
1 Machinery & Equipment	20%	12,650,003.61	6,142,071.43	18,792,075.04	10,825,531.85	884,530.00	11,710,061.85	7,082,013.19	1,824,471.76
2 Air Conditioner	20%	436,738.00	-	436,738.00	390,020.00	46,718.00	436,738.00	-	46,718.00
3 Computer & Printer	20%	3,483,610.65	528,850.00	4,012,460.65	2,887,730.65	577,546.00	3,465,276.65	547,184.00	595,880.00
4 Containers	20%	119,994.08	-	119,994.08	119,994.08	-	119,994.08	-	-
5 Electrical Equip, & Fittings	20%	483,191.67	-	483,191.67	467,271.67	15,920.00	483,191.67	-	15,920.00
6 Exhibits	20%	76,799.25	-	76,799.25	76,799.25	-	76,799.25	-	-
7 Furniture & Fittings	20%	5,342,957.87	646,485.00	5,989,442.87	3,825,820.72	508,578.00	4,334,398.72	1,655,044.15	1,517,137.15
8 Miscellaneous Assets	25%	7,444,805.34	1,053,218.00	8,498,023.34	4,692,958.04	923,687.50	5,616,645.54	2,881,377.80	2,751,847.30
9 Office Equipment	20%	4,915,222.82	5,750.00	4,920,972.82	3,230,408.82	398,602.00	3,629,010.82	1,291,962.00	1,684,814.00
10 Testing & lab. equipment	20%	884,553.93	-	884,553.93	876,553.93	2,000.00	884,553.93	6,000.00	8,000.00
11 Tools & Implements	20%	1,597,727.95	575,000.00	2,172,727.95	1,335,927.95	180,450.00	1,516,377.95	656,350.00	261,800.00
12 Vots & Cask	20%	1,720,144.00	-	1,720,144.00	1,720,144.00	-	1,720,144.00	-	-
		39,155,749.17	8,951,374.43	48,107,123.60	30,449,160.96	3,538,031.50	33,987,192.46	14,119,931.14	8,706,588.21
E) Fittings at Others Buildings / Land Jaffna									
1 Building, Sandlipay	10%	145,137.91	-	145,137.91	145,137.91	-	145,137.91	-	-
2 Jaffna Office	10%	1,410,243.65	448,643.85	1,858,887.50	141,024.00	185,888.00	326,912.00	1,531,975.50	1,269,219.65
3 Circuit Bungalow (Hire Purchase)	10%	233,800.50	-	233,800.50	41,267.00	23,380.00	64,647.00	169,153.50	192,533.50
4 Land Master Shed, KANDY Rd, Jif.	10%	33,241.00	-	33,241.00	33,241.00	-	33,241.00	-	-
5 Production Centre, Mesalai	10%	40,911.75	-	40,911.75	40,911.75	-	40,911.75	-	-
6 Soft Drink Factory, Manipay.	10%	7,223.40	-	7,223.40	7,223.40	-	7,223.40	-	-
7 Velani Fibre Centre	10%	220,106.50	-	220,106.50	220,106.50	-	220,106.50	-	-
8 Vinegar Centre Manipay	10%	200,000.00	-	200,000.00	200,000.00	-	200,000.00	-	-
9 Jiffy Factory, Chumakam.	10%	99,248.30	-	99,248.30	99,248.30	-	99,248.30	-	-
10 Kondavil Jaggery Factory	10%	961,032.00	209,339.10	1,170,371.10	117,037.00	117,037.00	1,053,334.10	961,032.00	961,032.00
11 Chankani Jaggery Factory	10%	961,032.00	223,750.25	1,184,782.25	118,478.00	118,478.00	1,066,304.25	961,032.00	961,032.00
12 Jaggery Centre, Singanagar.	10%	1,180,895.50	-	1,180,895.50	244,730.00	118,808.00	256,538.00	924,357.50	936,165.50
13 Fiber Centre Sarasalai	10%	50,729.00	-	50,729.00	10,146.00	10,146.00	20,292.00	30,437.00	40,583.00
14 Busstand Katphakam	10%	-	172,940.00	172,940.00	-	17,294.00	17,294.00	155,646.00	-
		5,543,601.51	1,054,673.20	6,598,274.71	1,183,035.86	484			

NOTE 2 A**DEBTORS**

	2011	2010
North See Limited	38,000.00	-
Show Room, Jaffna	189.40	
Busstand Katphakam	380.00	
Vavuniya Katphakam	11,371.00	
Batticaloa Katphakam	975.00	
A.Srikanthan	119,320.00	400,120.00
M.Jegathesan	-	518,987.00
Chunnakam Katpakam	6,450.00	-
Nallur Katpakam	20.20	-
Marketing Division Jaffna	12,410.00	9,180.78
Weerawala.	18,403.00	21,975.00
A.Rajamanikam	-	1,220,000.00
A.Sujeevan	100,000.00	190,000.00
S.Ramesh	150,000.00	355,000.00
Safarullah	-	32,829.00
	<u>457,518.60</u>	<u>2,748,091.78</u>
Less Bad Debs Provision for Mr.M.Jegathesa	-	129,671.75
	<u><u>457,518.60</u></u>	<u><u>2,618,420.03</u></u>

NOTE 2 B**DEPOSIT & ADVANCES**

	2011	2010
N.S.B 1-0006-02-75115	630,512.90	731,488.62
Export Development Board	10,000.00	10,000.00
Rent Deposit	2,914,500.00	2,011,500.00
2B1	<u>3,555,012.90</u>	<u>2,752,988.62</u>

NOTE 2 C**ADVANCE AND LOAN**

	2011	2010
MISCELLANEOUS ADVANCE		
A.Amirthampaki	1,725.00	10,000.00
S.Arunthavavinayakamoorthy	3,000.00	-
Y.Varatharajah	-	20.00
S.Srivijendran	1,845.00	-
G.T.Waladendri	405.00	-
Lalith Wijeratna	-	53,730.00
P.Jeyawickrama	-	470.50
	<u>6,975.00</u>	<u>64,220.50</u>

NOTE 2 D**STAFF ADVANCE AND LOAN**

	2011	2010
Festival advance	240,500.00	222,000.00
Distress Loan to staff	1,242,877.01	893,637.06
	<u>1,483,377.01</u>	<u>1,115,637.06</u>

NOTE 2 E**STOCK IN HAND**

Katphakams	2011	2010
Batticaloa Katpakam	44,881.75	55,622.66
Batticaloa Show Room	21,832.00	11,881.00
Colombo Katpakam	237,280.45	208,158.00
Batharamullai Sales Centre	26,992.00	
Exhibition	73,664.00	
Katphakam Kalmunai	83,736.40	57,002.00
Katphakam Trincomalee	64,804.14	65,366.75
Katphakam Vavuniya	324,630.50	298,370.00
Katphakam, Nallur.	108,705.00	135,029.00
Katphakam Vadamararchi	32,950.00	42,625.00
Katphakam, Chunnakam	36,865.00	43,996.00
Katpakam K.K.S Road	253,898.00	185,459.20
Show Room, Marketing Unit, Jaffna.	86,632.00	82,035.00
Jaffna Busstand Katphakam	77,644.00	
Katpham Mannar	109,692.00	86,719.00
Stores		
Colombo Main Stores	807,259.20	1,090,167.50
Jaffna Main Stores, Marketing Unit	420,403.00	238,850.00
Stores Batticaloa	1,660.00	13,640.00
Stores Mannar	157,040.00	5,070.00
Stores Trinco	21,006.80	24,748.40
Stores Vavuniya	77,090.00	191,400.00
Jaffna Office Stores	450,781.98	411,239.32
Production Centres		
Jaffna P.C	310,831.35	261,584.25
Singanagar Jaggery centre.	192,540.33	170,435.14
Fiber Centre Jaffna	6,447.15	77,207.10
Food Production Centre, Co-4.	233,337.05	206,871.03
Kalpittiya Fiber centre	59,796.00	25,592.00
Jaggery Centre Vavuniya	284,996.85	240,250.70
Selvari Fibre Centre	31,034.00	30,624.00
Tharavan koddai Jaggery centre.	119,677.29	34,760.00
Kaddukaran koddai Jaggery centre.	190,359.00	52,535.00
Trinco Fiber Centre	66,941.64	13,712.50
Batticaloa Fibre Centre	99,074.62	65,053.75
Padapaddi Pro centre	306,768.62	187,879.59
	<u>5,421,252.12</u>	<u>4,613,883.89</u>

NOTE 2 B 1**RENT DEPOSIT**

	2011	2010
Ratmalana (W.P.Weeramanderi)	-	75,000.00
Jaffna	572,000.00	12,000.00
Nallur Katphakam	200,000.00	
Kalmunai Katphakam	200,000.00	200,000.00
K.K.S Road Katphakam	500,000.00	500,000.00
Urban Council Vavuniya	25,500.00	25,500.00
Vavuniya Production	100,000.00	
Mannar R.O	160,000.00	32,000.00
Kalpittiya Palm Land	30,000.00	40,000.00
China Fort Mosque Society	1,080,000.00	1,080,000.00
T.C.Chunnakam	20,000.00	20,000.00
Circuit Bungalow Jaffna	27,000.00	27,000.00
	<u>2,914,500.00</u>	<u>2,011,500.00</u>

NOTE 2D1

LOAN		2011	2010
1	Mr.W.J.P.Nimal Jeyasri		2,000.00
2	V.P.Thevarajah	77,466.56	110,666.60
3	Mrs.Y.Baskaran	26,600.00	43,400.00
4	Miss.H.N.G.Ranjani		4,840.00
5	Mrs.D.S.Jegasothy	89,534.69	5,950.00
6	Y.Puvanesamoorthy	26,685.00	48,033.00
7	A.Gowsiharan	26,106.00	45,714.00
8	S.Thavanpu	19,856.00	34,748.00
9	N.Srimurugan	30,381.00	49,569.00
10	Maliga Perara	34,230.00	53,790.00
11	P.Emawathi	34,250.00	50,690.00
12	K.Kalichilvee	1,138.85	14,805.55
13	T.Jeyarani	38,668.00	55,240.00
14	A.P.Ariyaratna	41,292.00	54,612.00
15	T.Srithevy	56,048.00	77,744.00
16	P.Thivendram	76,428.00	97,272.00
17	S.Selvanayagam	86,946.50	
18	A.Amirthalingam	100,311.75	
19	K.A.Jeganathan	134,730.75	
20	M.G.C.Croos	47,867.50	
21	M.Crestina	74,298.00	
22	R.Uthayachandirika	94,783.50	
23	S.Poovilingam	74,014.00	93,322.00
24	Mr.K.Kalaichilvan	23,153.06	23,153.06
25	Mr.T.Rajaverothayan	28,087.85	28,087.85
		1,242,877.01	893,637.06

NOTE 3**CURRENT LIABILITIES**

	2011	2010
Provision for Audit fee	254,034.00	348,014.00
Accrued Expenses	124,980.52	-
Associated News Paper	32,896.00	
Municipal Council Batticaloa	2,400.00	
Municipal Council Jaffna	840.00	
E.P.F Payable	863,080.75	-
E.T.F Payable	129,462.13	
Employees Security Deposit	630,152.49	665,411.48
Jaffna Co-op Society	54,521.00	
Gratuity Provision	2,201,932.00	-
Inland Revenue Department	885,746.48	885,746.48
Ceylon Electricity Board	15,819.74	37,461.82
Building Owners - Rent	425,296.00	-
Srilanka Telecom	21,530.61	347.73
Lanka Bell	40,408.48	47,088.24
Water Board	12,562.22	-
Sundry Creditors	229,200.24	4,349,723.09
Kasi Sinnathamby	-	22,000.00
Save Vanitha Unit	-	3,890.00
D.D.Enterprises	4,140.00	-
V.Sasikumar	272,846.70	
Staff	245,205.28	132,608.92
Welfare Society	65,000.00	70,485.45
Salary Control A/C	209,729.56	-
Palmyrah Growth Fund	-	740,400.00
Vadamarchchi Cluster	419,284.44	419,284.44
P.P.S.C.S Vani	172,325.00	172,325.00
	7,313,393.64	7,894,786.65

NOTE 3 A**SUNDRY CREDITORS**

	2011	2010
Industrial dept Trinco	-	29,250.00
K.G.Nimal De Silva	33,791.00	-
K.Kanagaratnam	-	10,000.00
Nadika Stores	14,530.00	-
M.J.Marketting	-	20,250.00
Y.Soundranathan	30,319.50	3,838.46
Palm Co-op	-	31,711.00
S.Navaratnam	-	11,132.00
Sundry	11,950.00	99,206.84
K.S.Nageswaran	-	9,126.74
K.Rajmohan	1,280.10	-
M.V.Thirmakulasingam	2,500.03	-
Mr.T.Mylvaganam	125,124.77	91,147.66
W.W.D.F Batticaloa	9,704.84	580,339.06
W.W.D.F Colombo	-	26,166.88
W.W.D.F Trinco	-	497,420.50
W.W.D.F Kalpitiya	-	817,983.49
W.W.D.F Kamunai	-	316,966.54
W.W.D.F Weerawala	-	264,280.90
W.W.D.F Jaffna	-	230,659.55
W.W.D.F Mannar	0.00	929,609.46
W.W.D.F Vavuniya	-	363,040.26
N.Balasubraminum	-	17,593.75
	<u>229,200.24</u>	<u>4,349,723.09</u>

NOTE 4**CAPITAL A/C**

	2011	2010
Brought Forward	177,913,355.83	147,692,402.33
Treasury Grant	30,000,000.00	30,000,000.00
Line Ministry	4,102,841.70	-
NGO	-	568,678.50
	<u>212,016,197.53</u>	<u>178,261,080.83</u>

NOTE 4A**UNDP/NGO**

		2011	2010
Kilinochchi	With OB	-	409,687.50
Mannar		-	455,965.00
		-	<u>865,652.50</u>
Less Expenditure			
Kilinochchi	With OB	-	188,734.00
Mannar		-	108,240.00
Total Expenditure		-	<u>296,974.00</u>
		-	<u>568,678.50</u>

NOTE 4B**PROFIT & LOSS PREVIOUS PERIOD****ADJUSTMENT ACCOUNT**

	2011	2010
Balance Brought Forward	125,308,541.20	110,893,408.60
Income/ Salary refund	(2,464,642.18)	-
	<u>122,843,899.02</u>	<u>110,893,408.60</u>

PALMYRAH DEVELOPMENT BOARD
PRODUCTION, TRADING, PROFIT & LOSS ACCOUNTS
FOR THE PERIOD OF JANUARY TO DECEMBER 2011

NARRATIVE	NOTE-5														
	TOTAL 2011	TOTAL 2010	Jaffha Pro.Centers	Singagagar Jaggery Centre	Sarasalli Fibre.Centre	Colombo-4 Food Pro.Centre	Kalpihiya Fibre.Centre	Tharavan katti Jaggery Centre	Kadaiakaran Jaggery Centre	Mannar Fibre.Centre	Mannar Tadappadi Centre	Vavuniya Jaggery Centre	Trincomalee Production Centre	Delft Production Centre	Batticaloa Fibre Centre
Turn over	7,225.00	47,390.00	7,225.00	-	-	-	7,225.00	-	-	-	-	-	-	-	-
Cost of Production	1,070,270.56	916,128.98	188,847.25	76,985.14	75,19.60	206,871.03	25,532.00	34,760.00	551,087.00	30,624.00	187,879.59	240,250.70	5,887.50	-	65,053.75
Opening stock Raw material	4,068,384.67	2,962,350.75	860,897.00	247,007.50	11,887.00	292,664.17	205,203.00	579,420.00	91,810.00	469,188.00	469,188.00	131,398.00	-	-	10,651.00
Purchases	4,137,943.00	1,958,161.65	1,003,220.10	251,001.26	11,887.00	1,236,209.30	155,823.00	45,540.00	10,177.00	36,175.00	36,175.00	1,184,636.50	53,229.14	-	80,298.70
Internal Transfer - In	30,263.50	11,960.00	-	-	-	-	525.00	10,914.00	62,400.00	8,647.50	57,728.00	-	-	-	-
Packing Materials	365,751.00	223,723.70	16,090.00	51,900.00	3,610.00	30,192.00	52,856.00	90,975.00	62,400.00	57,728.00	-	-	-	-	-
Fuel & Fire Wood	9,672,610.73	6,072,325.08	2,069,054.35	624,893.90	23,016.60	1,765,936.50	439,999.00	761,609.00	715,474.00	30,624.00	759,618.09	1,556,285.20	59,116.64	-	156,003.45
Less: Internal Transfer - Out	8,602,028.86	6,233,224.23	1,837,153.00	608,400.00	130,835.05	1,537,224.45	501,966.50	740,386.71	590,550.00	2,590.00	565,123.97	1,277,288.35	59,116.64	-	68,228.83
1,070,581.87	(1,617,399.15)	231,901.35	18,493.90	(10,738.45)	(6,447.15)	228,712.05	(61,967.50)	21,222.29	124,924.00	28,034.00	194,494.12	277,962.85	59,116.64	-	87,274.62
1,065,998.45	1,070,270.56	252,410.35	74,746.33	(114,265.60)	157,758.55	208,935.50	59,296.00	21,222.29	123,095.00	28,034.00	(64,075.88)	37,962.85	56,979.14	-	99,074.62
Less: Closing Stock	4,583.42	(1,231,669.71)	(20,509.00)	(56,232.43)	(114,265.60)	157,758.55	(121,763.50)	21,222.29	123,095.00	28,034.00	(64,075.88)	37,962.85	56,979.14	(31,802.00)	(11,800.00)
Add: Production Wages	420,876.50	540,663.10	-	65,850.00	33,737.50	-	87,056.50	97,705.00	12,000.00	3,000.00	101,927.50	7,000.00	-	-	4,800.00
Wages	22,826.43	6,762.00	2,753.00	14,746.43	(80,528.10)	157,758.55	(34,707.00)	118,927.29	135,095.00	31,034.00	43,178.62	44,962.85	56,979.14	(24,002.00)	(7,000.00)
Prime Cost	448,286.35	(684,244.61)	(17,756.00)	24,344.00	(80,528.10)	157,758.55	(34,707.00)	118,927.29	135,095.00	31,034.00	43,178.62	44,962.85	56,979.14	(24,002.00)	(7,000.00)
Add: Over Heads	68,242.60	153,902.00	-	-	8,570.60	4,625.00	22,000.00	750.00	900.00	5,020.00	5,020.00	-	-	-	-
Transport	25,209.50	30,130.00	3,440.00	-	2,270.00	4,625.00	14,874.50	750.00	900.00	5,020.00	5,020.00	-	-	-	-
Repair to Machinery	541,738.45	(500,212.61)	(14,316.00)	24,344.00	(69,687.50)	162,383.55	2,167.50	119,677.29	135,995.00	31,034.00	48,198.62	44,962.85	56,979.14	-	0.00
Cost of: Finishing Goods	296,234.50	30,274.98	72,337.00	93,450.00	69,687.50	162,383.55	2,167.50	119,677.29	188,530.00	31,034.00	48,198.62	44,962.85	56,979.14	-	0.00
Add: Opening Stock	837,927.95	(469,927.63)	58,421.00	117,794.00	-	162,383.55	2,167.50	119,677.29	188,530.00	31,034.00	48,198.62	44,962.85	56,979.14	-	0.00
Less: Closing Stock	835,803.45	296,234.50	58,421.00	117,794.00	-	162,383.55	2,167.50	119,677.29	188,530.00	31,034.00	48,198.62	44,962.85	56,979.14	-	0.00
Cost Of Sales	746,172.13	(746,172.13)	0.00	-	-	-	5,057.50	-	-	-	-	0.00	-	-	0.00
Gross Profit	5,057.50	813,562.13	(0.00)	-	-	-	5,057.50	-	-	-	-	0.00	-	-	0.00
Add: Sundry Income	3,600.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Profit	5,057.50	817,162.13	(0.00)	-	-	-	5,057.50	-	-	-	-	0.00	-	-	0.00
LESS: EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ADMINISTRATION & ESTABLISHMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries & Wages	6,244,837.01	7,226,111.64	2,626,839.19	599,698.01	75,000.00	972,257.83	960,600.90	229,842.00	-	29,000.00	346,171.17	64,000.00	22,000.00	-	2,000.00
E.P.F	724,510.44	843,399.10	315,220.70	67,643.76	-	116,670.94	112,482.11	27,581.04	-	-	39,140.54	-	-	-	45,771.35
E.T.F	181,127.62	210,849.77	78,805.18	16,910.94	-	29,167.73	28,120.53	6,895.26	-	-	9,785.14	-	-	-	11,442.84
Stationery	820.00	19,206.28	-	2,160.00	8,289.00	-	3,540.00	400.00	-	-	820.00	-	-	-	-
Traveling	8,603.00	891.00	36,997.72	16,548.00	-	-	-	579.16	-	-	6,766.50	250.00	9,771.00	-	5,793.00
Electricity	93,827.52	39,721.18	-	-	-	-	-	-	-	-	-	6,123.70	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	64,000.00	-	-	-
Rent	100,000.00	82,300.00	30,000.00	6,000.00	-	-	-	-	-	-	-	-	-	-	-
Rates & Taxes	6,739.22	6,739.22	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Bill	23,590.00	24,613.57	16,296.00	-	-	-	600.00	-	-	-	-	-	-	-	-
Entertainment	4,811.00	14,529.00	2,500.00	-	-	-	-	-	-	-	-	-	-	-	-
Repairs Vehicle	17,229.50	2,257.00	-	-	1,391.00	-	-	-	-	-	-	-	-	-	-
Repairs Buildings	4,261.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Buildings	749,542.00	532,485.00	11,808.00	11,808.00	10,146.00	49,554.00	130,886.00	216,530.00	99,559.00	42,390.00	3,600.00	-	71,947.00	113,122.00	6,661.00
Depreciation Vehicle	176,846.00	136,844.00	7,512.00	-	-	-	169,334.00	86,802.23	-	-	-	-	-	-	-
Depreciation Equipment's	352,297.35	273,098.72	57,420.48	28,586.40	27,930.15	49,873.84	101,684.25	86,802.23	-	-	-	-	-	-	-
Maintenance	119,420.00	109,237.50	4,500.00	7,401.00	555.00	12,075.00	35,280.00	10,012.50	9,193.50	11,486.00	20,476.00	-	-	-	4,661.00
Miscellaneous	17,294.50	17,294.50	-	-	-	-	-	-	-	-	-	-	-	-	-
8,797,461.44	9,543,840.98	3,176,091.27	756,756.11	123,311.15	1,229,593.34	1,229,593.34	1,559,757.29	583,854.63	108,752.50	71,390.00	417,769.35	90,849.70	110,412.00	562,257.10	6,661.00
SELLING & DISTRIBUTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advertisement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contems & Articles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	8,797,461.44	9,543,840.98	3,176,091.27	756,756.11	123,311.15	1,229,593.34	1,559,757.29	583,854.63	108,752.50	71,390.00	417,769.35	90,849.70	110,412.00	562,257.10	6,661.00
NET PROFIT	(8,792,403.94)	(8,726,678.85)	(3,176,091.27)	(756,756.11)	(123,311.15)	(1,229,593.34)	(1,559,757.29)	(583,854.63)	(108,752.50)	(71,390.00)	(417,769.35)	(90,849.70)	(110,412.00)	(562,257.10)	(6,661.00)
			4,059,271.27	1,136,260.04	183,386.25	1,557,080.51	1,935,047.29	1,363,618.63	745,316.50	74,390.00	1,065,607.35	229,247.70	110,412.00	1,329,501.26	29,112.00

PALMTRAH DEVELOPMENT BOARD
KATPAHAM TRADING PROFIT & LOSS ACCOUNTS
FOR THE PERIOD OF JANUARY TO DECEMBER 2011

NARRATIVE	TOTAL		KATPAHAM COLOMBO	EXHIBITION STALL	KATPAHAM B.CALOA	SHOW ROOM B.CALOA	KATPAHAM KALUNAI	KATPAHAM TRINCO	KATPAHAM VALUNYA	KATPAHAM MANNAR	KATPAHAM VADAMBAR	KATPAHAM NALLUR	KATPAHAM CHUNNAKAM	SHOW ROOM IAF	KATPAHAM K.K.S ROAD	Busstand Jaffna	KATPAHAM Jambala
	2011	2010															
Turn over	18,925,465.20	19,117,968.82	5,226,232.75	1,914,145.30	267,335.00	393,283.00	339,030.00	406,683.50	4,212,451.00	1,051,901.40	251,793.00	1,433,820.30	140,985.00	1,368,420.95	1,560,354.00	345,887.00	13,143.00
Cost of Sales																	
Opening stock	1,272,263.61	655,929.49	208,158.00		55,622.66	11,881.00	57,002.00	65,366.75	298,370.00	86,719.00	42,625.00	135,029.00	43,996.00	82,035.00	185,459.20	-	-
Purchases	7,485.00	18,527.00						390,454.40	7,485.00	964,258.00	210,245.00	942,617.80	129,385.50	967,326.70	1,110,708.46	379,334.20	29,921.00
Internal Transfer - In	14,395,411.16	17,644,888.09	3,732,396.17	1,776,932.53	201,373.50	325,282.95	312,441.00		2,922,733.95								
Transport	114,524.50	55,456.00		105,744.50					8,780.00								
Packing Materials	-	29,803.00															
Less: Internal Transfer - Out	15,789,684.27	18,404,583.58	3,940,554.17	1,882,677.03	256,996.16	337,163.95	369,443.00	455,821.15	3,237,368.95	1,050,977.00	252,870.00	1,077,646.80	173,381.50	1,049,361.70	1,296,167.66	379,334.20	29,921.00
	792,406.20	1,632,638.60	61,625.00	233,028.50	18,322.00	17,039.75	37,181.00	51,283.50	18,011.00	43,320.00	19,697.50	77,889.00	24,030.00	101,005.65	52,600.00	33,656.00	3,717.30
	14,897,278.07	16,771,944.98	3,878,959.17	1,649,648.53	238,674.16	320,124.20	332,282.00	404,537.65	3,219,373.95	1,007,657.00	233,172.50	992,757.80	149,351.50	948,356.05	1,243,867.66	345,878.20	26,703.70
Less: Closing Stock	1,594,207.24	1,272,263.61	237,280.45	73,664.00	44,881.75	21,832.00	83,736.40	64,804.14	324,630.50	109,692.00	32,950.00	108,705.00	36,865.00	86,632.00	253,898.00	77,644.00	26,992.00
	13,413,070.83	15,499,681.37	3,641,648.72	1,575,984.53	193,792.41	298,292.20	248,535.60	339,733.51	2,894,747.45	897,965.00	200,222.50	891,052.80	112,486.50	861,724.05	989,669.66	268,044.20	(788.30)
Gross profit	5,512,394.37	4,218,287.45	1,584,584.03	338,160.77	73,542.59	94,990.80	90,504.40	66,949.99	1,317,723.55	153,936.40	51,570.50	542,767.50	28,498.50	506,056.90	570,884.34	77,852.80	13,931.30
Add: Sundry Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross profit	5,512,394.37	4,218,287.45	1,584,584.03	338,160.77	73,542.59	94,990.80	90,504.40	66,949.99	1,317,723.55	153,936.40	51,570.50	542,767.50	28,498.50	506,056.90	570,884.34	77,852.80	13,931.30
LESS: EXPENDITURE																	
ADMINISTRATION & ESTABLISHMENT																	
Salaries & Wages	5,822,194.13	5,743,237.71	510,960.33		536,607.00	285,270.00	240,552.00	515,943.00	561,870.00	196,681.16	427,439.25	553,805.97	564,894.00	474,531.42	483,498.00	229,590.00	240,552.00
E.P.F	688,663.30	657,213.33	61,315.24		64,392.84	34,232.40	28,866.24	61,913.16	67,424.40	23,601.74	51,292.71	66,456.72	67,787.28	56,943.77	58,019.76	27,550.80	28,866.24
E.T.F	174,665.82	164,303.33	15,328.81		16,098.21	8,538.10	7,216.56	15,478.29	16,856.10	5,900.43	12,823.18	16,614.18	16,946.82	14,235.94	14,504.94	6,887.70	7,216.56
Over Time wages	388,078.56	525,456.23	10,291.90						57,563.81			40,336.75		872.46	2,144.16		
Travelling	92,646.00	167,914.61							1,050.00								
Stationery	2,432.00	22,163.27							2,432.00								
Entertainment	157,631.89	113,197.00															
Staff Welfare	-	-															
Electricity	170,336.41	131,227.96			8,490.00	19,820.00	3,686.00	2,842.50	10,586.71	4,336.00	18,000.00	12,480.50	8,845.52	3,204.00	77,820.18	18,225.00	
Telephone	-	33,000.00															
Rent	616,124.44	401,452.20			11,200.00	60,000.00	60,000.00	60,983.84	77,473.00	36,000.00		79,978.00			114,000.00		
Water Charges	4,759.00	7,082.72				4,759.00											
Rate & Taxes	26,490.50	4,070.00					560.00		2,480.00			1,807.50		20,000.00	1,443.00		
Postage	-	-															
Repairs - Vehicle	-	350.00															
Repairs - Buildings	85,990.00	989.00															
Repairs Equipments	52,075.00	-	30,855.00														
Depreciation Buildings	50,772.00	33,478.34															
Depreciation Vehicle	86,076.00	-	82,320.00						3,756.00								
Depreciation Equipments	-	-															
Maintenance	133,786.80	103,859.25						950.00	34,912.00		1,000.00	5,324.00	2,395.00	7,695.00	10,885.00	2,510.00	
Miscellaneous	-	3,631.00															
SELLING & DISTRIBUTION																	
Advertisement	8,582,721.85	8,112,625.95	711,071.28	725,042.77	656,788.05	347,880.50	345,659.80	653,110.79	836,404.02	299,997.33	510,555.14	814,633.62	660,888.62	586,457.59	827,930.04	303,707.50	276,634.80
Conterms & Article	108,725.00	46,150.00	6,000.00	91,725.00								6,000.00			5,000.00		
	108,725.00	46,150.00	6,000.00	91,725.00											5,000.00		
TOTAL EXPENDITURE	8,671,446.85	8,158,775.95	717,071.28	843,767.77	656,788.05	347,880.50	345,659.80	653,110.79	836,404.02	299,997.33	510,555.14	820,633.62	660,888.62	586,457.59	826,930.04	303,707.50	276,634.80
NET PROFIT	(3,159,052.48)	(3,940,488.50)	867,512.75	(505,607.00)	(563,245.46)	(252,889.70)	(255,135.40)	(591,160.80)	481,319.53	(146,060.93)	(458,984.64)	(277,866.12)	(652,370.12)	(79,760.69)	(256,245.70)	(225,854.70)	(262,703.50)

PALMYRAH DEVELOPMENT BOARD
STORES TRADING, PROFIT & LOSS ACCOUNTS

NOTE-7 FOR THE PERIOD OF JANUARY TO DECEMBER 2011

NARRATIVE	TOTAL	TOTAL	MAIN		MAIN	STORES	STORES	STORES	STORES	STORES	JAFFNA
	2011	2010	JAFFNA M.UNIT	COLOMBO	BATTICALOA	MANWAR	VAVUNIYA	TRINCO	OFFICE STORES		
Turn over	57,925.00	78,000.00	-	57,925.00	-	-	-	-	-	-	
Cost of Sales											
Opening stock	1,975,115.22	1,456,325.80	238,850.00	1,090,167.50	13,640.00	5,070.00	191,400.00	24,748.40	411,239.32		
Purchases	9,303,144.30	11,727,307.25	1,747,632.50	1,356,141.80	1,009,748.00	1,462,523.00	2,861,554.00	314,256.00	160,070.00		
Internal Transfer - in	14,519,844.90	11,026,461.53	4,767,134.00	5,678,026.45	236,438.95	2,722,540.00	687,394.00	336,523.00			
Packing Material	1,740.00	13,050.50				1,740.00					
	25,799,844.42	24,223,145.08	6,753,616.50	8,124,335.75	1,259,826.95	4,191,873.00	3,740,348.00	675,527.40	571,309.32		
Less: Internal Transfer - Out	23,847,722.93	22,581,576.97	6,333,672.30	7,265,477.88	1,258,166.95	4,049,541.00	3,665,167.50	660,595.00	125,701.30		
	1,952,121.49	1,641,568.11	419,944.20	858,857.87	1,660.00	142,332.00	75,180.50	14,932.40	445,608.02		
Less: Closing Stock	1,935,240.98	1,975,115.22	420,403.00	807,259.20	1,660.00	157,040.00	77,090.00	21,006.80	450,781.98		
	16,880.51	(333,547.11)	(458.80)	51,598.67	-	(14,708.00)	(1,909.50)	(6,074.40)	(5,173.96)		
Gross profit	41,044.49	411,547.11	458.80	6,326.33	-	14,708.00	1,909.50	6,074.40	5,173.96		
Add : Sundry Income	-	-	-	-	-	-	-	-	-		
Gross profit	41,044.49	411,547.11	458.80	6,326.33	-	14,708.00	1,909.50	6,074.40	5,173.96		
LESS: EXPENDITURE											
ADMINISTRATION & ESTABLISHMENT											
Salaries & Wages	2,144,255.25	3,283,410.83	1,116,585.00				532,480.50		495,189.75		
E.P.F	257,310.63	394,009.30	133,990.20				63,897.66		59,422.77		
E.T.F	64,327.66	98,502.33	33,497.55				15,974.42		14,855.69		
Over Time wages	1,672.94	-		1,672.94							
Traveling	1,975.00	13,934.00		1,975.00							
Stationery	-	13,275.65									
Entertainment	1,360.00	160.00	1,000.00	360.00							
Staff Welfare	-	-									
Electricity	6,915.00	27,972.00	6,915.00								
Telephone	-	-									
Rent	10,000.00	59,000.00	10,000.00								
Water Charges	-	-									
Rate & Taxes	-	-									
Postage	-	-									
Repairs - Vehicle	2,160.00	-	2,160.00								
Repairs - Buildings	-	-									
Repairs Equipment's	-	-									
Depreciation Buildings	3,756.00	-	3,756.00								
Depreciation Vehicle	-	-									
Depreciation Equipment's	64,274.00	8,552.50	5,582.00	1,865.00		53,307.00					
Maintenance	-	701.00									
Miscellaneous	2,558,006.48	3,899,517.61	1,313,485.75	5,872.94	-	53,307.00	612,352.58	-	569,468.21		
SELLING & DISTRIBUTION											
Advertisement	47,880.00	18,540.00		47,880.00							
Transport	158,561.00	126,333.00	46,503.00	108,511.00							
Contemns & Article	-	6,540.00									
	206,441.00	151,413.00	46,503.00	156,391.00							
	2,764,447.48	4,050,930.61	1,359,988.75	162,263.94	-	53,307.00	612,352.58	-	569,468.21		
TOTAL EXPENDITURE	(2,723,402.99)	(3,639,383.50)	(1,359,529.95)	(155,937.61)	-	(38,599.00)	(610,443.08)	6,074.40	(564,294.25)		
NET PROFIT											

FARM ACCOUNTS

NOTE 8

Narration	2011		2010		Kuddathanai	Mamunai	Delft	Puliyankulam	Naravellikulam	Weerawala
Sales	170,749.00	166,973.00								170,749.00
	170,749.00	166,973.00								170,749.00
Less:										
Maintenance Expenses:										
Plantation	37,872.00	36,848.00	18,800.00							19,072.00
Purchase	-	3,690.00								1,650.00
Fuel for tractor	1,650.00	7,778.08								
Repair & Maintenance of tools	-	-								
Depreciation:	-	-								
Equipment's	-	-								
Building	585,046.50	458,580.00	86,075.00			270,197.00		170,850.00		57,924.50
Furniture & Fittings	-	-								
TOTAL	624,568.50	506,896.08	104,875.00			270,197.00		170,850.00		78,646.50
Less: Internal Transfer	-	40,575.00								
Cost Of sales	624,568.50	466,321.08	104,875.00			270,197.00		170,850.00		78,646.50
Gross Profit	(453,819.50)	(299,348.08)	(104,875.00)			(270,197.00)		(170,850.00)		92,102.50
Add Mis Income	-	-								
	(453,819.50)	(299,348.08)	(104,875.00)			(270,197.00)		(170,850.00)		92,102.50
Administration & Establishment Exp.										
Salary	2,136,292.33	1,785,720.00	322,911.00			241,326.00		236,851.33		1,335,204.00
E.P.F	248,995.08	214,286.40	33,349.32			28,959.12		26,462.16		160,224.48
E.T.F	62,248.77	53,571.60	8,337.33			7,239.78		6,615.54		40,056.12
Overtime	9,379.80	-	6,509.00			2,870.80				
Traveling	4,569.80	-	4,569.80							
Stationary	-	461.20								
Entertainment	122.00	-	122.00							
Telephone	-	-								
Transport	-	-								
Postage	-	-								
Repair	-	-								
Turnover tax	-	-								
Maintenance	168,905.00	41,613.64	9,429.00			150,000.00				9,476.00
Miscellaneous	-	4,237.00								
	2,630,512.78	2,099,889.84	385,227.45			430,395.70		269,929.03		1,544,960.60
Total Expenditure	3,255,081.28	2,606,785.92	490,102.45			700,592.70		269,929.03		1,623,607.10
Expenditure Over Income	(3,084,332.28)	(2,399,237.92)	(490,102.45)			(700,592.70)		(269,929.03)		(1,452,858.10)

DEPARTMENTAL ACCOUNTS

NOTE 9

NARRATION	2011	2010	DEVELOPMENT	RESEARCH
Turnover	-	-	-	-
	-	-	-	-
Opening Stock	-	-		
Purchase	-	-		
In - Transfer	166,236.43	9,724.80	2,420.43	163,816.00
Depreciation: Equipment's	-	-		
	166,236.43	9,724.80	2,420.43	163,816.00
Out - Transfer	-	-	-	-
	166,236.43	9,724.80	2,420.43	163,816.00
Less Closing Stock	-	-		
Cost Of Sales	166,236.43	9,724.80	2,420.43	163,816.00
Gross Profit	(166,236.43)	(9,724.80)	(2,420.43)	(163,816.00)
Add Mis Income	5,437,850.00		5,437,850.00	
	5,271,613.57	(9,724.80)	5,435,429.57	(163,816.00)
Salary	2,224,947.93	1,031,737.70	789,288.42	1,435,659.51
E.P.F	266,993.75	123,808.52	94,714.61	172,279.14
E.T.F	66,748.44	30,952.13	23,678.65	43,069.79
Overtime	25,619.99	3,656.00	13,115.97	12,504.02
Training Ex.	23,810.00	-		23,810.00
Traveling	382,446.37	57,963.84	297,619.87	84,826.50
Stationery	4,320.00	15,250.00		4,320.00
Water	23,107.50	-		23,107.50
Rent	159,770.32	-		159,770.32
Entertainment	45,414.00	7,452.00	11,434.00	33,980.00
Welfare	2,900.00	-	2,900.00	
Repair	13,250.00	-	7,000.00	6,250.00
Transport	53,000.00	58,934.00	7,000.00	46,000.00
Maintenance	88,486.00	-		88,486.00
Advertisement	209,485.40	5,000.00	95,195.20	114,290.20
TOTAL	3,590,299.70	1,334,754.19	1,341,946.72	2,248,352.98
Expenditure Over Income	1,681,313.87	(1,344,478.99)	4,093,482.85	(2,412,168.98)

EXTENSION DIVISION ACCOUNTS

NOTE 10

NARRATION	2011	2010	Jaffna	Batticaloa	Kalmunai	Trincomalee	Vavuniya	Kilinochchi	Mullaithivu	Mannar	Colombo	Puttiam	Hambanthota	Anuradhapura
Turnover	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase	97,429.00	92,606.00	23,010.00	-	580.00	22,500.00	35,760.00	900.00	-	-	10,379.00	4,300.00	-	-
In - Transfer	22,722.50	20,620.00	3,370.00	-	-	-	-	-	-	-	5,670.00	13,682.50	-	-
Depreciation: Equipment's	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Out - Transfer	120,151.50	113,226.00	26,380.00	-	580.00	22,500.00	35,760.00	900.00	-	-	16,049.00	17,982.50	-	-
Less Closing Stock	-	41,946.00	-	-	-	-	-	-	-	-	-	-	-	-
Cost Of Sales	120,151.50	71,280.00	26,380.00	-	580.00	22,500.00	35,760.00	900.00	-	-	16,049.00	17,982.50	-	-
Gross Profit	(1,025,350.00)	(71,280.00)	(26,380.00)	-	(580.00)	(22,500.00)	(35,760.00)	(900.00)	-	-	(16,049.00)	(17,982.50)	-	-
Add Mis Income	905,198.50	(71,280.00)	(26,380.00)	525,000.00	62,350.00	192,000.00	156,000.00	90,000.00	-	-	(16,049.00)	(17,982.50)	-	-
Salary	13,189,476.51	11,965,634.63	2,401,436.16	525,000.00	61,770.00	169,500.00	120,240.00	89,100.00	-	-	(16,049.00)	(17,982.50)	-	-
E.P.F	1,580,337.18	1,447,432.96	288,172.34	2,920,549.38	1,141,871.68	1,347,950.84	825,574.50	264,366.00	313,254.00	1,096,083.00	1,352,359.95	775,962.00	1,352,359.95	775,962.00
E.T.F	393,476.99	361,858.24	72,043.08	350,465.93	134,624.60	161,754.10	99,068.94	31,723.92	37,590.48	131,529.96	162,283.19	93,115.44	162,283.19	93,115.44
Overtime	21,749.20	21,914.01	12,252.40	87,616.48	33,656.15	40,438.53	24,767.24	7,930.98	9,397.62	32,882.49	38,963.49	23,278.86	38,963.49	23,278.86
Training Ex.	3,761,815.00	(173,939.11)	2,575,429.00	438,830.00	118,550.00	189,749.00	160,000.00	7,167.00	-	195,708.00	65,000.00	-	-	11,382.00
Traveling	316,853.50	152,336.40	179,715.00	97,760.50	3,000.00	9,052.00	-	1,960.00	-	23,356.00	-	-	-	2,010.00
Stationery	15,075.00	-	15,075.00	-	-	-	-	-	-	-	-	-	-	-
Electricity	8,107.50	-	8,107.50	-	-	-	-	-	-	-	-	-	-	-
Rent	120,000.00	-	120,000.00	-	-	-	-	-	-	-	-	-	-	-
Entertainment	175,818.01	47,067.00	122,360.00	43,123.50	2,403.00	7,931.51	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repair	34,800.00	-	34,800.00	-	-	-	-	-	-	-	-	-	-	-
Transport	65,232.00	10,650.00	17,750.00	5,842.00	14,136.00	8,679.00	2,650.00	13,200.00	-	2,975.00	-	-	-	-
Maintenance	13,580.00	-	12,420.00	-	-	-	-	-	-	-	-	-	-	-
Advertisement	320,720.00	3,940.00	320,720.00	-	-	-	-	-	-	-	-	-	-	-
TOTAL	20,017,040.89	13,836,894.13	6,180,280.48	3,944,187.79	1,453,234.43	1,770,058.78	1,113,220.68	326,347.90	360,242.10	1,482,534.45	65,000.00	862,579.35	1,553,606.63	905,748.30
Expenditure Over Income	(19,111,842.39)	(13,908,174.13)	(6,206,660.48)	(3,419,187.79)	(1,391,464.43)	(1,600,558.78)	(992,980.68)	(237,247.90)	(360,242.10)	(1,482,534.45)	(81,049.00)	(880,561.85)	(1,553,606.63)	(905,748.30)

SUNDRY INCOME

NOTE 11

NARRATION	2011	2010
Jaffna	201,862.12	522,398.80
Batticaloa	5,537.55	6,375.97
Kalmunai	592.31	22,675.18
Trincomalee	1,838.07	1,565.72
Vavuniya	2,515.93	23,981.63
Kilinochchi	2,425.02	-
Mullaithivu	-	-
Mannar	11,853.29	15,204.80
Colombo	2,566,266.65	78,131.25
Puttiam	514.54	3,945.88
	2,020.00	-
	2,795,425.48	674,279.23

ADMINISTRATION & ESTABLISHMENT EXP.
NOTE 12

	Total 2011	Total 2010	Head Office Jaffna	Regional Office Batticaloa	Regional Office Kalmunai	Regional Office Trincomala	Regional Office Vavuniya	Regional Office Kilinochchi	Regional Office Mullaitivu	Regional Office Mannar	Regional Office Colombo	Regional Office Puttiam	Regional Office Hambantota
Salary & wages	20,796,036.16	17,182,026.08	7,539,880.29	1,757,734.00	787,094.56	800,595.00	1,151,208.00	834,035.67	408,004.42	870,273.00	5,100,330.68	771,332.67	775,547.87
E.P.F	2,429,072.05	1,970,235.79	842,293.35	210,928.08	94,451.35	96,071.40	138,144.96	96,124.28	48,960.53	104,432.76	612,039.68	92,559.92	93,065.74
E.T.F	607,268.02	491,817.97	210,573.34	52,732.02	23,612.84	24,017.85	34,536.24	24,031.07	12,240.13	26,108.19	153,009.92	23,139.98	23,266.44
Overtime wages	301,442.23	197,698.59	200,570.87				2,012.58	2,209.20			96,649.58		
Board member Exp.	662,351.39	293,597.56	108,352.50	37,540.00	18,997.50	64,610.00	8,325.00	18,250.00	2,500.00	35,095.00	352,803.89	31,875.00	3,000.00
Traveling	865,394.02	868,714.93	341,246.22	14,628.00	18,309.00	15,276.00	31,880.00	18,860.90	14,389.50	13,041.00	330,426.00	39,316.90	27,332.00
Stationary & Printing	903,150.13	564,118.38	633,416.02	17,300.63	18,309.00	17,985.00	7,062.00	2,498.00	1,000.00	23,471.00	175,423.48	2,295.00	5,390.00
Telephone	683,903.18	647,601.52	251,603.88	46,211.14	47,853.58	13,335.00	87,378.90	11,000.00	1,000.00	16,314.87	198,303.81	10,002.00	900.00
Rent	5,563,678.00	3,114,832.00	312,000.00		74,750.00		71,376.00	10,000.00		112,000.00	4,983,552.00		
Rats & Taxes											12,450.00		
Staff welfare	39,810.00	63,866.33	27,360.00			800.00	340.00	4,971.00		26,674.00	153,260.01	12,082.00	9,933.00
Entertainment	355,600.61	260,823.11	145,944.60	986.00	610.00					6,589.00	419,794.00	14,523.00	9,042.50
Electricity	710,358.92	815,843.52	212,069.92	28,496.50	7,697.00	6,203.00	5,944.00			7,950.00	47,098.24	4,135.00	
Water charges	70,335.74	28,824.12	6,000.00		5,152.50								
Legal expenses	4,500.00	64,275.00	1,500.00			5,645.00	3,000.00						
Postage	74,099.00	64,763.00	18,335.00	2,800.00	6,750.00		4,825.00	1,490.00		1,450.00	18,765.00	2,010.00	12,029.00
News paper & Periodicals	22,794.00	24,445.00	8,064.00								14,730.00		
Repair & Maintenance:													
Vehicle	744,755.88	718,204.48	410,989.92	36,202.97		6,158.89	850.00	1,690.00		1,800.00	285,924.10	1,140.00	
Miscellaneous Assets		2,000.00											
Building	80,829.00	60,772.00	7,850.00							45,175.00	26,890.00	914.00	
Office equipment	315,365.54	141,112.67	107,779.02	3,350.00	5,250.00	37,066.42	2,250.00	10,707.20	9,285.20	13,990.50	161,920.10	2,926.00	13,580.00
Fuel for Vehicle	1,058,767.52	761,640.26	736,143.82	55,348.80							204,336.00		
Audit fees	100,000.00	75,000.00	100,000.00										
Gratuity	3,597,959.38	1,587,697.50	3,597,959.38										
Depreciation on:													
Buildings	779,099.50	699,317.00	444,783.00					53,990.00		80,877.00		141,525.00	57,924.50
Furniture & Fittings	723,555.21	379,282.00	514,344.04	209,211.17				30,340.80				132,429.88	369,149.48
Office Equipment's	2,462,178.94	1,709,911.46	487,138.58		24,446.79	48,894.84	44,385.29	169,908.48		14,200.80	1,155,484.80		
Vehicle	340,096.00	524,864.82	203,200.00	14,200.80	14,200.80	14,200.80	14,200.80	14,200.80		49,850.50	65,892.00	7,140.00	4,868.00
Maintenance exp.	266,456.07	211,775.99	66,534.00	26,998.60	4,197.00	14,299.00	12,382.00	29,405.00	5,712.00		45,069.97		
Miscellaneous exp.		37,720.00											
FINANCIAL EXPENSES	44,558,856.49	33,562,781.08	17,535,931.75	2,514,668.71	1,119,172.12	1,175,358.20	1,620,100.77	1,163,803.92	502,091.78	1,619,201.10	14,614,153.26	1,289,346.35	1,405,028.53
NOTE 13													
Bank charges	72,306.78	146,817.66	66,872.99								5,433.79		
	72,306.78	146,817.66	66,872.99								5,433.79		
OTHER EXPENDITURE													
NOTE 14													
Advertisement	169,488.40	726,330.85	118,383.00							6,300.00	44,805.40		
Bad Debtors		25,949.35			3,675.00	2,505.00	28,207.00	12,600.00		6,626.00			
Transport	62,861.00	169,091.00	2,950.00	6,298.00									
	232,349.40	921,371.20	121,333.00	6,298.00	3,675.00	2,505.00	28,207.00	12,600.00		12,926.00	44,805.40		
Total Expenditure	44,863,512.67	34,630,969.94	17,724,137.74	2,520,966.71	1,122,847.12	1,177,863.20	1,648,307.77	1,176,403.92	502,091.78	1,632,127.10	14,664,392.45	1,289,346.35	1,405,028.53

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கணக்காய்வாளர் தலைமை அறிப்பதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය }
 எனது இல } NN/JF/C/PDB/
 My No } FS/2011

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 உமது இல }
 Your No }


දිනය } 09 August 2012
 திகதி }
 Date }

The Chairman
 Palmyrah Development Board



Report of the Auditor General on the Financial Statements of the Palmyrah Development Board for the year ended 31 December 2011 in terms of Section 14(2) (c) of the Finance Act. No.38 of 1971

English version of the above mentioned report is sent herewith.


 H.A.S.Samaraweera
 AUDITOR GENERAL.

- Copies: 1. Secretary, Ministry of Traditional Industries and Small Enterprises Development.
 2. Secretary, Ministry of Finance and Planning.

අංක 306/72 පොල්දූව පාර,
 බත්තරමුල්ල, ශ්‍රී ලංකාව

இல. 306/72, பொல்துவ வீதி,
 புத்தரமுல்லை இலங்கை

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විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அறிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல
My No. } NN/JF/C/PDB/FS/2011

මගේ අංකය
உமது இல
No. }

දිනය
திகதி
Date } 09 August 2012

The Chairman
Palmyrah Development Board

Report of the Auditor General on the financial statements of the Palmyrah 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 Palmyrah 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. 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 27 April 2012.

1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of those financial statements in accordance with Sri Lanka Accounting Standards and Generally Accepted Accounting Principles 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.

අංක 306/72 පොල්දූව පාර,
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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 judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 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 Palmyrah Development Board as at 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards and Generally Accepted Accounting Principles.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Accounting Standards (SLAS)

Following observations are made.

- (a) The Financial Statements had not been prepared and presented in accordance with SLAS No. 03. The Balance sheet items and notes had not been properly disclosed in the financial statements as per the SLAS
- (b) Although the Palmyrah Development Board engaged in production activities, break up of stocks had not been valued separately in terms of SLAS No. 05.
- (c) The book value of the fixed assets, which had become zero value and continued to be used had not been revalued and shown in the accounts in terms of SLAS No. 18.
- (d) The Board had purchased seeds for Rs. 1,889,901 during the year under review. However the seedlings had not been biologically examined with a view to eliminate and written off the loss to the Profit and Loss account in terms of SLAS No. 32.

2.2.2 Accounting Deficiencies

Following accounting deficiencies were observed in audit.

- (a) Four numbers of Name Boards valued at Rs. 27,500 had been treated as recurrent expenditure instead of capital expenditure.
- (b) Buildings of the Juggary centres at Kondavil and Chankanai costing Rs. 1,170,371 and Rs. 1,184,782 respectively had been capitalized to Buildings account. However, the ownership of the lands were not belonging to the Board.
- (c) Buildings of the Industrial complex at Karainagar costing Rs. 2,787,681 and Fiber Centre-Delft costing Rs. 1,131,225 had been capitalized to Buildings account. However the ownership of the lands were not belonging to the Board.
- (d) A sum of Rs. 50,199 being remittances from production and sales centres which was in transit at the end of the financial year, had been treated as debtors instead of being debited to cash in transit account.

2.2.3 Accounts Receivable and Payable.

Following observations are made

- (a) Confirmations had not been received from the debtors and creditors aggregating Rs. 457,519 and Rs. 7,313,394 respectively, Further, no action had been taken to recover or settle them in time.
- (b) Staff Loans aggregating Rs. 51,241 had been outstanding for over five years and follow up action had not been taken in this regard.

- (c) A sum of Rs. 53,730 due from a member of the Board, who had resigned from the post during the year 2008, had been written off in 2011 without proper authority obtained from the Chief Accounting Officer concerned.
- (d) A portion of Colombo office building had been sublet to the Ministry of Social Services. But the arrears of rental amounting to Rs. 1,220,000 had not been recovered from the relevant party. However, this amount had been written off in 2011 without proper authority obtained from the Chief Accounting Officer concerned.
- (e) A rent deposit of Rs. 75,000 relating to the occupation in building at Ratmalana which had been vacated in 1999 had been written off without proper authority obtained from the Chief Accounting Officer concerned.
- (f) Details of the Leased Assets had not been made available to audit and payables and receivables in connection with the “Thickam Distillery Project” had not been brought to accounts by the Board over last four years in terms of Lease agreement entered into with the Vadamardchchi Palm Development Co-operative Societies Cluster Limited on 10 April 2008. As per the information received from the Cluster Limited, the detail of payables and receivables as at 31 December 2011 is given below.

Payables to Board	Rs.7,438,358
Receivables from Board	Rs.14,540,603

No action had been taken to recover the Royalty and Lease rentals as per the Agreement and Rs. 426,024 only received up to 2011 as Equity share and Lease rental for the period of May 2008 to December 2009.

2.2.4 Lack of evidence for Audit

Ten items in the accounts aggregating 31,111,273 could not be satisfactorily vouched in audit due to non-availability of confirmations, fixed assets register, physical verification reports, register pertaining to computers and accessories daily running charts, Log books etc.

2.2.5 Non-Compliance with Laws, Rules, Regulations and Management Decisions.

Instances of non-compliance with the following Laws, Rules, Regulations and Management Decisions observed in audit are given below.

(a) **Laws:**

- (i) Section 14(3) of the Finance Act No. 38 of 1971.
(ii) Payment of Gratuity Act No. 12, of 1983

(b) **Financial Regulations:**

Nos. 371(2)(b), 751(1), 850(i), 1644 and 1646.

(c) **Establishments Code of the Democratic Socialist Republic of Sri Lanka**

- (i) Sections 03 and 10 of Chapter VIII
(ii) Section 05 of Chapter XII

(d) **Procurement Guidelines - 2006**

- (i) Section 5.3.5 of Chapter 05
(ii) Section 2.6.1 of Chapter 02
(iii) Section 8.13.3 of Chapter 08

(e) **Circulars.**

- (i) National Budget circular No.28 of 24 March 2006
(ii) Paragraph 2.4.1 of the circular No. MP/6/1/96 dated 20 April 1996 of the Ministry of Finance and Planning.

3. Financial and Operating Review

3.1 Financial Results

According to the financial statements presented the working of the Board for the year under review had resulted in a net loss of Rs. 3,145,965 after taking into account the Government grant of Rs. 55,000,000 received for recurrent expenditure as compared

with the corresponding net loss of 14,415,133 for the preceding year after taking into account the Government grant of Rs. 53,500,000 received for that year, thus indicating an improvement of Rs. 11,269,168 in the financial results due to decrease in payment of personal emoluments by Rs.10,058,129 and increase in Government Grants by Rs.1,500,000.

3.2 Financial Management

- (i) The Board had sublet a portion of the building in Colombo to a private hotel and a private shop. Electricity and water charges amounting to Rs. 412,052 and Rs. 30,726 respectively of the private hotel and shop had been paid from the funds of the Board. The agreements entered into with the private hotel and private shop did not contain a provision for the recovery of these charges.
- (ii) Although a sum of Rs. 4,983,552 had been paid as rent for 3rd floor of the office building at Colombo, it had not been utilized for the purpose of the Board for the last 3 years.
- (iii) A sum of Rs. 70,697,859 had been spent during the year under review for the administration cost of the Board. However, the turnover was only Rs. 19,161,364. It was observed that the activities of the Board had not been efficiently and effectively carried out through out the year.

3.3 Utilization of Funds

Following observations are made.

- (i) Out of the total expenditure of Rs. 85,540,605 for the year under review expenditure on personal emoluments was Rs. 45,595,180 which represented 53% of the total expenditure.
- (ii) Expenditure aggregating Rs. 21,001,743 had been incurred on the Development of Palmyrah Industry and Palmyrah resources which are the main objectives of the Board. This represents only 24 % of the total expenditure for the year under review.

3.4 Performance Review

Following observations are made.

- (i) A sum of Rs. 1,889,901 had been incurred on plantation of seeds for the year under review. However no progress report or any statistical information were made available to ascertain the number of seeds purchased, planted and distributed to schools and other various locations.
- (ii) Three Model Farms of the Board had been running at gross loss of Rs. 545,922 during the year under review as compared with the gross loss of Rs. 299,348 for the preceding year as per details given below.

<u>Name of Model Farm</u>	<u>Gross Profit/ (Loss)</u>
	<u>Rs.</u>
Kuddattanai	(104,875)
Mamunai	(270,197)
Puliyankulam	(170,850)

	(545,922)
	=====

3.5 Assets Management

Following observations are made.

- (i) Fixed assets and the laboratory equipment donated by the United Nation Development Programme had not been valued and brought to accounts. These assets had been lying idle for last twelve years.
- (ii) A water pump, an electric motor, nine typewriters, two grinding machines, five units of food extruder and a refractory meter machine had remained idle in the main stores at Jaffna over five years period.
- (iii) Two three wheelers and a hand tractor valued at Rs. 333,700 Rs. 235,150 respectively had remained idle in the main stores at Jaffna for a period ranging from 01 year to 17 years.

3.6 Delays in Implementation of Projects

Mobilization advance amounting to Rs. 2,500,000 had been paid to two contractors during the years 2003 and 2004 for the construction of Building for industrial complex at Karainagar. However the works had not been completed even up to 31 March 2012. In this regard the Chairman of the Board had informed me that they have not allocated any funds to continue this Project.

3.7 Utilization of Vehicles.

Following observations are made.

- (a) A sum of Rs. 1,803,000 had been spent on fuel, repairs and maintenance of vehicles. However, no log books had been maintained to record the repairs to vehicles.
- (b) Purpose of trips, nature of load times, fuel position, and capacity of the tanks and initial of drivers had not been indicated in the running charts.

3.8 Accountability and Corporate Governance

(a) Internal Audit

An internal audit division had been established and only one internal auditor had been appointed. But Internal Audit Plan and Programme for the year under review had not been rendered to the Auditor General.

(b) Audit and Management Committee

The Board has established an Audit and Management Committee and three Audit and Management Committee meetings had been conducted in 2011. However, according to the Public Enterprises Circular No.PED/31 dated on 01.July.2005, at least four meetings should be held for a year.

(c) **Procurement Plan**

The Secretary to the Ministry had not appointed a procurement committee and procurement plan had not been prepared properly for the year under review.

(d) **Recruitments and Promotions**

The schemes of recruitments and promotions for each post had not been approved by the Salaries and Cadre Commission.

(e) **Budgetary Control**

Significant variances were observed between the budget and the actual of income and expenditure for the year under review, thus indicating that the budget had not been made use as an effective instrument of management control.


(f) **Tabling of Annual Report**

The Annual report for the year 2010 had not been tabled in Parliament up to 31 May 2012 in terms of Section 14(3) of the Finance Act

4 **Systems and Controls**

Deficiencies observed in systems and controls during the course of audit were brought to the notice of the Chairman of the Board by my detailed report issued in terms of Section 13(7) (a) of the Finance Act. Special attention is needed in respect of the following areas of control.

- (a) Human Resources Management
- (b) Utilization of Funds
- (c) Accounting
- (d) Budget
- (e) Assets Management
- (f) Utilization of vehicles.


H.A.S. Samaraweera
Auditor General