Table of Contents

Introduction

The National Food Promotion Board - NFPB (Sri Lanka National Freedom from Hunger Campaign Board - FFHC Sri Lanka) is a statutory Board under the purview of the Ministry of Agriculture constituted by an Act of Parliament in 1973 with the auspices of UN – FAO. Initially, the Board operated as a facilitator and coordinating body to the foreign funded projects. Since 1978 the FFHC – Sri Lanka is directly implementing various community development projects aiming to alleviate poverty among the most vulnerable and marginalized groups in Sri Lanka.

Act No. 15 of 1973

The general objectives of the Board are:

1. To secure the aid of non-governmental agencies, both foreign and local, for social and economic development in accordance with the programme of development formulated by the Government.
2. To assist institutions and other bodies in carrying out schemes of public utility, social welfare an economic development.
3. To aid promote and coordinate specific projects directed towards agricultural and industrial development
4. To estimate non-governmental agencies in the implementation of projects for increasing agricultural and industrial production
5. To collaborate with the International Freedom from Hunger Campaign and other similar institutions, associations or societies abroad.

The Board shall in furtherance of the objects of the Board, have the power;

1. To receive aid and donations in cash, equipment or in any other from non-governmental sources;
2. To disburse such aid and donations on such terms and conditions as the Board may deem necessary;
3. To review and coordinate the activities of non-governmental agencies receiving assistance in cash, goods or services from foreign sources
4. To call for reports on the activities of non-governmental agencies receiving aid in cash or services from non-governmental sources for the purposes specified in section 3;
5. To negotiate with non-governmental organizations, both foreign and local, for the grant of aid for approved projects;
6. To sell or otherwise dispose of commodities received by way of aid from non-governmental sources;
7. To hold, take on lease, rent, hire or mortgage any movable or immovable property;
8. To negotiate and enter into contracts or agreements and vary or rescind such contracts or agreements;
9. To sell, manage, transfer, exchange, mortgage, lease hire or otherwise dispose of any movable or immovable property;

10. To impose and recover charges for services rendered by the Board;
11. To recover, in appropriate cases, the rupee value of aid or donations whether in cash, commodities or equipments received from foreign non-governmental sources and channeled to local recipients;
12. To establish and maintain information and educational services;
13. To draw, make, accept, endorse and discount cheques, notes or other negotiable instruments for the purposes of the Board;
14. To pay all expenses preliminary or incidental to the establishment of the Board and the management and administration of its affairs;
15. To do all such other things as the Board may think it necessary, incidental or conducive to the attainment of its objectives;

In the year 2009 the Cabinet has decided change the name of the Board as National Food Promotion Board. Accordingly a new act was prepared and the final draft is presented to the Legal Department for finalization

According to the proposed Act for the National Food Promotion Board the objectives and powers as follows.

(1) Provide incentives to develop the economic and social status of the agricultural community and guide them to sustainable agriculture pattern.
(2) Forwarding strategic recommendations and ensure their coordination for Organizations which are engaged in local agricultural activities.
(3) To coordinate and secure obtaining aid of local and foreign agencies for Government's agricultural programs.
(4) Monitoring and providing recommendations to local and foreign non-governmental organizations who engaged in agriculture field.
(5) Acting as a party intervenient for encouraging, coordinating, technical and other aids of agricultural investment.
(6) Providing incentives for agriculture product diversification, increasing productivity and product distribution and marketing.
(7) Taking convenient technology to agriculture community for yield management, value addition for products and packaging.
(8) Providing incentives to community to promote the usage and awareness of Indigenous & Traditional Agriculture Crops.

The Boar shall, in furtherance of the objects of the board, have the power

(a) to receive aid and donation in cash, equipment or in any other form from non-governmental sources;
(b) to disburse such aid and donations on such terms and conditions as the Board may deem necessary;
(c) to review and co-ordinate the activities of non-governmental agencies receiving assistance in cash, goods or services from foreign sources;

(d) to call for reports on the activities of non-governmental organizations receiving aid in cash, goods or services from non-governmental sources for the purposes specified in section 3;
(e) to negotiate with non-governmental organizations, both foreign and local, for the grant or aid for approved projects;
(f) to call, or otherwise dispose of, commodities received by way of aid from non-governmental sources;
(g) to purchase, hold, take on lease, rent, hire or mortgage any movable or immovable property;
(h) to negotiate and enter into contracts or agreements and to vary or rescind such contracts or agreements;
(i) to sell, manage, transfer, exchange, mortgage, lease hire or otherwise dispose of any movable or immovable property;
(j) to impose and recover charges for that services rendered by the Board;
(k) to recover in appropriate cases, the rupee value of aid or donations whether in cash, commodities or equipment received from foreign non-governmental; sources and channeled to local recipients, from such recipients;
(l) to establish and maintain information and educational services;
(m) to draw, make, accept, endorse and discount cheque, notes or other negotiable instruments for the purpose of the Board;
(n) to pay all expenses preliminary or incidental to the establishment of the Board and for the management and administration of its affairs;
(o) to do all such other thing as the Board may think it necessary, incidental or conductive to the attainment of its objects;

VISION

To identify and implement programs aimed at restoring the dignity of the farming community and the under privileged to ensure their economic independence with gaining self-reliance as the key motive.

MISSION

To implement programs that call for active participatory involvement and skills development of beneficiaries in the fields of agriculture, livestock development and other fields to make for economic independence and to wean them away from the culture of dependence.

STRATEGIES

- Integrating development initiatives towards a common goal
- Creating opportunities for the rural people to participate in economic growth and socio cultural development
- Empowering the rural people to participate fully in the development process
- Transforming traditional rural communities into self-reliance with achievement oriented values as well as capabilities for self-propelled sustainable development.
- Promotion of local food production and usage
- Promotion of post-harvest technological methods to the grass root level

Board of Directors for year 2011

Name	Position	Date Appointed	Represented Institute
Mrs. Kumudunee Gunasekera	Chairman	12/05/2010	Sri Lanka National Freedom from Hunger Campaign Board
Mr. Dhammika Soloman	Vice Chairman	12/05/2010	Sri Lanka National Freedom from Hunger Campaign Board
Mr. P.D.W. Jayawardhana	Addl. Secretary	23/06/2010	Ministry of Plantation Industries
Mrs. K.A.U.S. Imbulana	Adl. Secretary	02/07/2010	Ministry of Irrigation & Water Resource Management
Mrs. G.A.D.S. Gunasekera	Director	25/06/2010	Ministry of Agriculture
Mr. J.M. Karunadasa	Director	23/06/2010	Ministry of Public Administration and Home Affairs
Miss. A.H.S. Fareeda	Director	12/05/2010	Ministry of Finance & Planning
Mr. G.G. Bandula	Member of the Board	15/05/2010	Chandanee, Kinvigune, Madamulana
Mr. Saman Abeysinghe	Member of the Board	09/06/2010	Shakthi, Near the High Court, Galdola, Kotapola
Mr. Rashmi Jayasinghe	Member of the Board	09/06/2010	10, Mahawela Road, Dikwella
Mr. N.H. Palitha Yapa Abeywardhana	Member of the Board	09/08/2010	40/9, Panedarawatta, Meda Hiththatiya, Matara

Board Meetings

Nine Board meetings were held during the period. They are;

Board Meeting Number	Date
329	**24.01.2011**
330	**28.03.2011**
331	**28.04.2011**
332	**02.06.2011**
333	**26.07.2011**
334	**01.09.2011**
335	**04.10.2011**
336	**14.11.2011**
337	**21.12.2011**

Participation for Board Meetings

	Name	329	330	331	332	333	334	335	336	337	338	Total
1	Mrs. Kumudunee Gunasekara	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	9
2	Mr. S.K. Solomon	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
3	Mr. P.D.W. Jayawardhana	✓	✓	✗	✓	✗	✓	✓	✓	✓	✗	7
4	Mr. K.A.U.S. Imbulana	✓	✓	✓								3
	Mr. Chandraratne Pallegama							✓	✓	✓	✓	4
5	Mr. J.M. Karunadasa	✓	✓	✗	✗	✗	✓	✗	✗	✓	✗	4
6	Mrs. G.A.D.S. Gunasekera	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	9
	Mrs. Shyamlee Piyatissa										✓	1
7	Miss. A.H.S. Fareeda	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	9
8	Mr. G.G. Bandula	✗	✗	✓	✓	✓	✓	✓	✓	✓	✗	7
9	Mr. Saman Abeysinghe	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	9
10	Mr. Rashmi Jayasinghe	✓	✓	✓	✓	✓	✓	✗	✓	✗	✗	7
11	Mr. N.H. Palitha Yapa Abeywardhana	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	8
	Total	9	9	9	8	8	9	9	9	10	7	

Audit Committee Meetings

No	Date	Participants
1	10.04.2011	Miss. A.H.S. Fareeda
		Mrs. G.K.D.S. Gunasekera
		Mr. J.M. Karunadasa
		Mr. G.D.W. Jayawardhana
		Mrs. M.M.S.R. Herath
		Mrs. Pushpa Hemamalee
2	08.07.2011	Miss. A.H.S. Fareeda
		Mrs. G.K.D.S. Gunasekera
		Mr. J.M. Karunadasa
		Mrs. M.M.S.R. Herath
		Mrs. Pushpa Hemamalee
3	20.10.2011	Miss. A.H.S. Fareeda
		Mrs. G.K.D.S. Gunasekera
		Mr. J.M. Karunadasa
		Mrs. M.M.S.R. Herath
		Mrs. Pushpa Hemamalee
		Mr. G.D.W. Jayawardhana
4	29.12.2011	Miss. A.H.S. Fareeda
		Mrs. G.K.D.S. Gunasekera
		Mr. J.M. Karunadasa
		Mrs. Pushpa Hemamalee
		Mr. M.M.J. Wijeysundara

Review by the Chairperson

Sri Lanka National Freedom from Hunger Campaign Board is statutory body constituted by the Act 1973 number 15. The Board is under the purview of Ministry of Agriculture and during the year 2011 following projects were conducted to achieve the objectives of the Board with inclusion of Mahinda Chintha Vision for Future.

1. Production and Promotion of Suwaposaha Nutrion Pack
2. Promotion of rice flour based products in plantation sector
3. Production and promotion of traditional rice and consumption
4. Suwandal Slow Food Project - nonpoisonous our food
5. Fruit Drink Production Factory - Vilamulla
6. Model Village Program
7. Production and promotion of compost fertilizer and its usage
8. Promotion of Local Food Project

Further, to supply the daily agriculture needs of the Sri Lankan people the Board has been actively operating following institutes. During the year the operations of those institutes has been improved. From that the efficiency and productivity of the Board is improved and production targets are achieved according to the needs of the country. Those institutes are:

1. Farmer Product Selling Centers - Dehiwela & Narahenpita
2. Plant Nurseries - Dehiwela & Narahenpita
3. Rice flour production factory - Kalankuttiya
4. Fruit Drink production factory - Vilamulla
5. Suwaposha Production factory - Gannoruwa

In addition the Board has actively supported the national exhibitions during the year. Especially for Dayata Kirula Exhibition a home garden development program, Buttala & Thanamalvila Farm development program and an attractive stole were conducted to propagate the activities of the Board among people. By doing those activities the Board has tremendously supported to achieve success in the exhibition. Under the Agriculture Ministry's "Api Wawmu - Rata Nagamu" and "Jathika Govi Sathiya" programs the Board has taken actions to develop Buttala, Thanmalvial, Waddakachchi and Ambalantota farms. By conducting this South region of the island and 30 year war torn North's Wadddakachchi Farm were cultivated to develop the agriculture in the island.

To increase the motivation of officers and employees of the Board and to develop the social development following activities were carried out:

1. Office outing - Jaffna
2. Soup Dansala - Dehiwela
3. Thosay Dansala - Narahenpita & Kalankuttiya
4. Plant Distribution Ceremony
5. Inauguration of the Office Web Site

It is expected to conduct programs under the guidance of His Excellency the President & the Hon. Minister of Agriculture to improve the economic & social status of farmers and under privileged people of Sri Lanka with the aim of taking then to independent and self-sufficient status by providing them with incentives and taking necessary actions in the year 2012.

Mrs. Kumudunee Gunasekeera
Chairperson
Sri Lanka National Freedom from Hunger Campaign Board

Overall Performance 2011

1. Projects

Ministry Funded Projects

1. Api Wawamu Rata Nagamu – Buttala Farm

Estimated Cost - 2.5 Rs. Mn
Finances Received – 2.5 Rs. Mn
Expenses – 3.05 Rs. Mn
Activities – Banana, Lime & Orange and vegetable Cultivation. Production of budded mango plants. Purchasing 2, 2" electric water pumps
Progress – Cultivation of 2000 banana plants, 100 Orange plants and 100 lime plants. Harvesting 1.46 tons of vegetable and fruits. Production of 597 budded mango plants.
Number of Jobs Created – 3,264 Labor days

2. Api Wawamu Rata Nagamu – Thanmalvila Farm

Estimated Cost - 2.5 Rs. Mn
Finances Received – 2.5 Rs. Mn
Expenses – 2.983 Rs. Mn

Activities – Maintenance and harvesting the 2010 Maha Traditional Paddy Cultivation, 6 Ac Traditional Paddy cultivation for Yala, Digging of 2 Agro Wells, 4 Ac vegetable Cultivation.
Progress – 19,504 Kg of Traditional Paddy, 2000 Banana Cultivation
Number of Jobs Created – 3,296 Labor days

3. Api Wawamu Rata Nagamu – Waddakachchi Farm Development


Expenses – 11.718 Rs. Mn
Activities – Fencing, Rehabilitation of Farm Building, Development of irrigation facilities, land clearing and preparation, purchasing seeds and planting material, irrigation.
Progress – Fencing completed, Building renovation completed, Maintenance of the 2010 paddy cultivation, Cultivation of 100 Ac paddy. 177 ton paddy harvest.
Number of Jobs Created – 9,426 Labor days

4. Api Wawamu Rata Nagamu – Model Farm Development – Ambalanthota


Expenses – 0.83631 Rs. Mn
Activities – Purchasing planting material and equipment and maintain 5 ac model farm.
Progress – Cultivated Chilies, Capsicum, Okra, Pumpkin and Water Melon
Number of Jobs Created – 882 Labor days

5. Api Wawamu Rata Nagamu – Model Home Garden, Narahenpita


Estimated Cost – 1.0 Rs. Mn
Expenses – 0.99 Rs. Mn
Activities – Establishment of a home garden with vegetables, fruits, medicinal plants, flower plants and a village house. Cultivation Structures, New land clearing, Renovation of the Road, Establishment of leafy vegetables, Demolishing of labor quarters, Construction of fence and gate, establishment of new vegetable garden, Planting mango & Banana, Fertilizer & agric. input Center, Cultivation umbrellas, Soilless structures and other cultivation Structures.

6. Api Wawamu Rata Nagamu – Promotion of Local Food Usage


Estimated Cost – 7.5 Rs. Mn
Finances Received – 7.5 Rs. Mn
Expenses – 7.702 Rs. Mn
Activities – Conducting 74 workshops in all districts of the island to disseminate knowledge about local and Traditional food. 300 participants per workshop.
Progress – 91 workshops were done and 28,617 participants

.7. Model Village Program – Step 1

Estimated Cost – 3.6 Rs. Mn
Finances Received – 3.6 Rs. Mn
Expenses – 3.101 Rs. Mn
Activities – Identifying the beneficiaries, Conducting Training Programs, Providing Agricultural Inputs, Direct to operate as a collective group.
Progress – Covered 40 villages and 1045 participants.

Place Conducted		**Villages**	**Number of Participants**
Punarin	1	Pallikuda	150
	2	Maduwilnadu	
	3	Paramankirai	
	4	4th Post	
	5	Gotharimunai	
	6	Will adi	
Vavuniya	7	Nochimote	315
	8	Maradankulum	
	9	Katipanampuram	
	10	40 Acres	
	11	Periyakulum	
	12	400 Acres	
	13	Dheewaragama	
	14	Shashtheekulum	
	15	Nelukulum	
	16	20 Acres	
	17	60 Acres	

Weli Oya	18	Janakapura	240
	19	Kalyanapura	
	20	Navagajabapura	
	21	Nikawewa South	
	22	Kiriibbanwewa	
	23	Ethawatunuwewa	
	24	Ehatugaswewa	
	25	Nikawewa Left	
Mulathvu	26	Keilkudairuppu	190
	27	Kamalamunai West	
	28	Seelawanthay	
	29	Uppamaweli	
	30	Selvapuram	
	31	Kamulamunai East	
	32	Kallagudu North	
	33	Amalapil South	
	34	Uttarapalam	
	35	Kumalamunai Central	
Batticaloe	36	Vakanery	150
	37	Hijra nagar	
	38	Rahmath Nagar	
	39	Kerny Nagar	
	40	Majma Nagar	
Total			1045

8. Model Village Program – Step 2

Estimated Cost – 2.0 Rs. Mn
Finances Received – 2.0 Rs. Mn
Expenses – 1.245 Rs. Mn
Activities – Identifying the beneficiaries, Conducting Training Programs, Providing Agricultural Inputs, Direct to operate as a collective group.
Progress – Covered 19 villages and 200 participants.

Place Conducted		**Villages**	**Number of Participants**
Hakmana	1	Muruthamuraya	200
	2	Udupillaygoda	
	3	Naravalpita North	
	4	Naravalpita South	
	5	Denagama East	
	6	Ellewela East	

	7	Kongala West	
Pasgoda	8	Olakumbura	
	9	Gomila	
Weligama	10	Udupila	
	11	Henwela East	
	12	Kotawela	
	13	Mudugamuwa	
	14	Polwatta	
Welipitiya	15	Palalla	
	16	Denipitiya East	
	17	Meeruppa	
	18	Denipitiya Central	
	19	P/Kanagke North	
Mulatiyana	20	Horapawita	

9. Organic Fertilizer Production and Usage Promotion Program

Estimated Cost - 4.0 Rs. Mn
Finances Received – 4.0 Rs. Mn
Expenses – 4.214 Rs. Mn
Activity 1 and progress: Production of Compost – 300 Tons
Actual Production – 250 Tons
Number of Jobs Created – 1472 Labor Units
Location – Buttala

Activity 2 and progress: Establishment of Organic Fertilizer Promotion Villages based on paddy farming. Distribution of Organic Fertilizer Production methodology & Tool kits for 692 Farmers. Production of 1480 tons of compost by those farmers.
Location: Buttala (353 farmers) and kilinochchi (239 Farmers)

10. Suwandal Slow Food Restaurant – Battaramaulla and Narahenpita

Expenses – 4.618 Rs. Mn
Activities – Building Renovation, Purchasing Equipment, Training employees.
Progress – Completed all work at Battaramaulla & Narahenpita centers and functioning very well.

Self-Funded Projects

11. Plant Nursery - Narahenpita

Expenditure (Rs. Mn)	11.69
Income (Rs. Mn)	16.31
Number of Items sold	72,601
Number of items in the stock	10,253
Number of employments created	8
Profit (Rs. Mn.)	4.61

Type	Number Sold	Balance	Total
Fruit Plants	22,829	2,218	25,047
Spices	1,030	284	1,314
Forest Plants	2,059	169	2,228
Seed (Kg)			
Vegetable Plants	11,574	1,058	12,632
Fertilizer	11,472	1,798	13,270
Pesticides	1,946	448	2,394
Equipment	6,909	1,977	8,886
Flower and Ornamental Plants	14,668	1,771	16,439
Total	72,601	10,253	87,854

12. Farmer Product Selling Center - Dehiwela

Inauguration after Rehabilitation – 17th June 2010
Number of jobs created – 16
Profit – 5.0 (Rs. Mn.)

13. Farmer Product Selling Center – Narahenpita

Inauguration – 19th August 2010
New Jobs Created – 5
Profit – 0.60 Rs. Mn.

14. Promotion of Rice Consumption in Plantation Sector

Estimated Cost: 7.0 Rs. Mn.
Expenditure: 10.151 Rs. Mn.
Activities: Purchased 96 Tons of Rice. Conducted 16 Rice flour consumption promotional programs. Introduction of these products for 55 estates. 98 tons of Rice flour based products were produced and distributed.
Profit – 1.27 Rs. Mn

15. Fruit Drink Factory - Vilamulla

Finances Received: 0.6 Rs. Mn.
Expenses: 2.6 Rs. Mn.
Production: 203,340 Bottles
Income: Rs. 1.7 Rs. Mn

16. Suwaposha Nutrient Pack

Estimate: Rs.Mn. 1.0
Expenditure: Rs.Mn. 4.6
Production: 88,932 packets
Income: 3.5 Rs.Mn.

2. Administration

Following Employees were absorbed into the Board on permanent basis.

	Name	Post	Date
1	Mr. Sampath Gunawardhane	Assistant Director (Administration)	01.07.2011
2	Mrs. Shyamalee Hearth	Assistant Director (Finance)	04.07.2011

Following Employees were absorbed into the Board on contract / casual basis.

	Name	Post	Date
1	Mr. Rohitha Sanjeewa Pradeep Kumara	Project Office	08.07.2011
2	Mr. Jayantha Wijesundra	Financial Officer	01.07.2011

Following Employees left the Board.

	Name	Post	Date
1	Mrs. Shyamalee Hearth	Assistant Director (Finance)	28.11.2011
2	Mr. Rohitha Sanjeewa Pradeep Kumara	Project Officer	28.11.2011

Annual Accounts - 2011

27th April 2012

The Auditor General,
Auditor General Department
Colombo 07

Dear Sir,

<u>Annual Accounts 2011</u>

We submit herewith our Draft Annual Accounts for the year ended 31st December 2011 in accordance with Section 13 (06) of the Finance Act No. 38 of 1978.

Yours Sincerely,

Kumuduni Gunansekera
Chairperson

CC

1 Secretary, Ministry of Agriculture and Agrarian Services
2 Director, Public Enterprises Division, General Treasury

Statement of Responsibility of the Members of Sri Lanka National Freedom from Hunger Campaign Board

The Accounting policies on page 01 & pages from 08 to 19 and Integral part of these financial Statements. The Board of Directors is responsible for the preparation & presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors & signed on behalf.

Director Signature

SRI LANKA NATIONAL FREEDOM FROM HUNGER CAMPAIGN BOARD

The Statement of Financial Position and the Statement of Financial Performance have been prepared in conformity with Generally Accepted Accounting Principles and applied consistently on a historical cost basis.

Accounting Policies:

1 Depreciation

Depreciation is calculated for the entire year in the year of purchase and depreciation is not provided for the year of disposal.

Depreciation Rates

Land & Buildings	5 %
Motor Vehicles	20 %
Furniture Fittings & Office Equipment	10 %
Plant & Machinery	20 %
Photographic Cinema Equipment	10 %
Agriculture Equipment	20 %
Garden Equipment	10 %
Other Equipment & Other Investment	20 %
Minor Equipment & Survey Equipment	20 %
Temporary Building	5 %

2 Receivables are stated at net of provisions for bad and doubtful receivables.

3 Provisions have been made for all known liabilities

4 Provision for Gratuity is calculated based on the number of years gratuity entitled to each employee.

5 Excess of Income over expenditure is arrived at after making provisions for all known liabilities.

6 Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.
The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formulae:-

a) Raw Materials	-At actual cost on first-in first-out basis
b) Work-in-progress	-At the cost of Direct Materials.
c) Finished Goods	-At actual cost on direct Material, Direct Labour and Variable Overheads
d) Consumables	-At actual cost

7 Government Grants Presented as a credit in the income statement separately and expenditure items also have been disclosed separately.

SRI LANKA NATIONAL FREEDOM FROM HUNGER CAMPAIGN BOARD

1 FFHC Board carried out following development projects during the year 2011 on as own projects.

Project	Funded By	Project Location
Buttala Farm Development	Ministry Of Agriculture	Buttala
Thanamalvila Farm Development	Ministry Of Agriculture	Thanamalwila
Promotion of Rice Consumption in Plantation Sector	Self-Funded ,Treasury Grant	Anuradhapura and Estate sector
Waddakachchi Farm Development	Ministry Of Agriculture	Killinochchi
Model Farm Development Ambalanthota	Ministry Of Agriculture	Ambalanthota
Modal Home Garden Rehabilitation Narahenpita	Ministry Of Agriculture	Colombo
Promotion of Local Food Usage	Ministry Of Agriculture	In several District
Model Village Program	Ministry Of Agriculture	In several District
Organic Fertilizer Production & Usage Promotion Programe	Ministry Of Agriculture	Buttala
Ambalanthota Rice Flour Factory Project	Ministry Of Agriculture (Loan)	Ambalanthota
Suwandal Slow Food	Ministry Of Agriculture	Colombo
Farmers Product Selling Center-Narahenpita	Self-Funded	Narahenpita
Farmers Product Selling Center-Dehiwala	Self-Funded	Dehiwala
Plant Nursery Head Office	Self-Funded	Colombo
Fruit Drink Factory Vilamulla	Self-Funded	Vilamulla
Suwaposha Project	Self-Funded	Gannoruwa

2 The Following Bank Current Accounts were operate during the year under the FFHC Board

194125 - Treasury Grants

Funds allocated from Ministry of Agriculture,

Plant Nursery, Marketing Centers- Dehiwala & Narahenpita, Fruit Drink Project, Suwaposha Project

4430547 - Ambalanthota Rice Flour Factory Project

3 Separate ledgers have been maintained for each project and Board Account.

SRI LANKA NATIONAL FREEDOM FROM HANGER CAMPAIGN BOARD
STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2011

Description		Note	2011 Rs:	2010 Rs:
ASSETS				
	NON CURRENT ASSETS	1	***22,164,133.51***	***13,639,029.48***
	Land and Buildings		4,575,982.45	4,843,891.01
	Motor Vehicles		3,965,913.41	4,623.00
	Plant and Machinery		7,517,919.62	3,966,277.75
	Furniture and Fittings		1,874,921.98	1,631,511.51
	Office Equipment		754,127.92	669,254.55
	Agricultural Equipment		64,178.05	105,589.65
	Garden Equipment		93,241.31	109,310.51
	Other Equipment		926,814.40	230,798.97
	Photographic and Cinema Equipment		71,850.00	94,620.00
	Computer & Software		912,217.78	462,690.15
	Temporary Buildings		1,284,954.31	1,362,819.34
	Other Investment		122,012.28	157,643.04
	CURRENT ASSETS		***24,728,555.06***	***13,384,888.43***
	Deposits	2	400,786.20	403,385.58
	Bank Grantee	2.4	65,000.00	
	Inventory	3	6,431,187.43	4,003,358.21
	Debtors	4	6,055,772.04	2,645,940.03
	Loans	5	191,391.43	147,391.43
	Pre Payments			
	Advances	6	1,039,000.00	708,000.00
	Receivables	7	7,936,692.57	1,518,392.50
	Cash in Hand & Bank	8	2,608,725.39	3,958,420.68
	TOTAL ASSETS		**46,892,688.57**	**27,023,917.91**
EQUITY AND LIABILITIES				
	CAPITAL AND RESERVES		***27,597,769.24***	***22,448,324.58***
	Fund Balance		43,099,473.96	31,864,029.29
	Accumulated Fund		**(15,501,704.72)**	(9,415,704.71)
	NON CURRENT LIABILITIES		***2,109,429.94***	***1,061,684.24***
	Retirement Benefit Obligation	9	1,080,653.83	520,017.50
	Middle term Loan		1,028,776.11	541,666.74
	CURRENT LIABILITIES		***17,185,489.39***	***3,513,909.08***
	Deposits (Refundable)	10	10,000.00	10,000.00
	Short Term Loan			280,799.96
	Creditors	11	5,000.00	1,119,000.00
	Retention Money	12	202,000.00	202,000.00
	Farmers Loan fund		10,000.00	10,000.00
	Accrued Expenses	13	16,849,852.80	1,844,622.79
	Payables	14	108,636.59	47,486.33
	TOTAL EQUITY AND LIABILITIES		**46,892,688.57**	**27,023,917.90**

SRI LANKA NATIONAL FREEDOM FROM HANGER CAMPAIGN BOARD

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31st DECEMBER 2011

Description	Note	2011	2010
		Rs	Rs
REVENUE		**70,335,762.37**	**25,093,349.18**
Treasury /Ministry Grants	24 ,25	43,210,955.22	16,449,217.11
Other Operating income	15	21,743,615.77	8,554,605.92
Interest on Savings A/c		2,400.62	2,306.65
Proceeds from Disposal of Assets		1,756,838.00	
Other Income		3,621,952.76	87,219.50
EXPENDITURE		**76,807,351.64**	**24,778,578.23**
Personal Emoluments	16	27,039,357.91	12,659,596.32
Traveling Expenses	17	363,332.02	654,434.20
Supplies and Requisites	18	2,992,743.76	578,031.32
Repairs and Maintenance of Fixed Assets	19	5,364,298.08	2,024,294.40
Transformation, Communication, Utility and Other Services	20	41,047,619.87	8,862,221.99
EXPENDITURE OVER INCOME / SURPLUS (DEFICIT)		**(6,471,589.27)**	**314,770.95**

Chairman Deputy Director Assistant Director / Finance

SRI LANKA NATIONAL FREEDOM FROM HANGER CAMPAIGN BOARD
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st DECEMBER 2011

		Note	2011 Rs.	2010 Rs
Cash Flows From / (Used in) Operating Activities				
Net loss before Income Tax Expense			(6,471,589.27)	314,770.95
Adjustments for				
	profit on Disposal of fixed assets		(609,886.46)	-
	Depreciation	1	2,850,467.99	1,673,091.42
	Interest Income from Investing Activities		(2,400.62)	(2,306.65)
	Provision for Retirement Benefit Obligation	9	504,876.33	122,592.50
Operating Profit before Working Capital Changes			(3,728,532.03)	2,108,148.22
	(Increase)/ Decrease in inventory	3	(2,427,829.22)	(1,105,209.21)
	(Increase)/ Decrease in Trade and Other Receivables		(10,265,532.70)	(3,504,815.40)
	Increase in Trade and Other Payables	11-14	13,952,380.27	2,479,577.53
Cash Generated from Operations			1,259,018.35	(2,130,447.08)
Net Cash From Operating Activities			**(2,469,513.68)**	**(22,298.86)**
Cash Flows from / (Used in) Investing Activities				
	Acquisition of Property, Plant & Equipment	1	(12,479,654.20)	(4,126,348.13)
	Proceeds from sale of Property, Plant & Equipment		1,756,838.00	-
	Interest Income from Investing Activities		2,400.62	2,306.65
Net Cash Flows from/(Used in) Investing Activities			**(10,720,415.58)**	**(4,124,041.48)**
Net Cash Flows from/(Used in) Financing Activities				
	Fund Received		53,561,058.42	26,686,225.89
	Grant		(43,210,955.22)	(21,396,228.67)
	Prior Period Adjustment		1,321,774.67	(253.04)
	Under Provision		(50,843.94)	(61,980.00)
	Loan received		500,000.00	1,000,000.00
	Loan repayment		(280,799.96)	(373,933.30)
			11,840,233.97	**5,853,830.88**
Net Increase/(Decrease) in Cash and Cash Equivalents			(1,349,695.29)	1,707,490.54
Cash and Cash Equivalents at the beginning of the year		A	3,958,420.68	2,250,930.13
Cash and Cash Equivalents at the end of the year			2,608,725.39	3,958,420.67
Note - A				
Bank Balance			3,279,196.64	1,581,706.09
Petty Cash Imprest			678,073.31	668,073.31
Cash In Hand			1,150.73	1,150.73
			3,958,420.68	2,250,930.13

Note 01 **Non-current Assets**

Assets

Assets Category	Balance As At 01.01.2011	Addition	Disposals/ Transfer	Balance As At 31.12.2011	Accumulated Depreciation At 01.01.2011	Depreciation for the Year	Disposals/ Transfer	Accumulated Depreciation At 31.12.2011	Net Value As at31.12. 2011
Land and Buildings	12,817,508.75	16,080.00		12,833,588.75	7,973,617.74	283,988.57		8,257,606.31	4,575,982.44
Motor Vehicles	9,463,341.40	4,250,000.00	(1,251,247.10)	2,462,094.30	9,458,718.40	288,709.59	(1,251,247.10)	8,496,180.89	3,965,913.41
Plant and Machinery	8,273,226.75	6,145,753.60	(1,106,000.00)	13,312,980.35	4,306,949.00	1,490,029.52	(1,917.80)	5,795,060.72	7,517,919.63
Office Equipments	5,287,978.49	522,152.01		5,810,130.50	3,656,466.98	278,741.55		3,935,208.53	1,874,921.97
Furniture and Fittings	1,545,739.97	187,770.00		1,733,509.97	876,485.42	102,896.63		979,382.05	754,127.92
Agricultural Equipments	2,516,473.52	-		2,516,473.52	2,410,883.87	41,411.60		2,452,295.47	64,178.05
Garden Equipments	223,209.85	-		223,209.85	113,899.34	16,069.20		129,968.54	93,241.31
Other Equipments	1,375,100.80	794,815.61		2,169,916.41	1,144,301.83	98,800.18		1,243,102.01	926,814.40
Photographic and Cinema Equipments	418,533.92	-		418,533.92	323,913.92	22,770.00		346,683.92	71,850.00
Temporary Buildings	1,622,993.70	-		1,622,993.70	260,174.36	77,865.02		338,039.38	1,284,954.32
Minor Equipment	78,804.00	-		78,804.00	78,804.00	-		78,804.00	-
Survey Equipment	143,850.00	-		143,850.00	143,850.00	-		143,850.00	-
Computer & Software	479,626.00	563,083.00		1,042,709.00	16,935.85	113,555.37		130,491.22	912,217.78
Other Investment	178,153.80	-		178,153.80	20,510.76	35,630.76		56,141.52	122,012.28
Total	**44,424,540.95**	**12,479,654.22**	**(2,357,247.10)**	**54,546,948.07**	**30,785,511.47**	**2,850,467.99**	**(1,253,164.90)**	**32,382,814.56**	**22,164,133.51**

Note.2 **DEPOSITS**

2.1 **Miscellaneous Deposits**

Board Account		
Electricity deposit at C E B	20,000.00	
United Motors Ltd	15,000.00	
Unknown	57,000.00	2,000.00
A/C 193734		
Electricity deposit at C E B	1,500.00	
Seeds Deposit - Agricultural Ministry	550.00	2,050.00
A/C 138295		
Hewagam Koralaye (West) M.P.C.S. Ltd.	100.00	
Roshan Abeywickrama Agencies	1,025.00	1,125.00
A/C 194125		
Telephone Deposits	2,500.00	
Mobitel - Broad Band Connection Deposit	1,500.00	
Colombo (South) M.P.C.S Ltd.	9,599.50	
Suntel Limited	15,000.00	
Mobitel - Broad Band Connection Deposit	1,000.00	9,599.50
A/C 547		
Mahaweli Division Office - Thambuththegama	50,000.00	
Electricity deposit at C E B for Kalankuttiya Project	20,000.00	70,000.00
		194,774.50

2.2 **Fuel Deposits**

Board Account		
Fuel Deposits (MPCS - Colombo)	400.50	
S.S.Kotalawala (Pvt) Ltd. Fuel Deposits	20,000.00	20,400.50
A/C 194125		
S.S.Kotalawala (Pvt) Ltd. Fuel Deposits	50,000.00	
S.S.Kotalawala (Pvt) Ltd. Fuel Deposits	25,000.00	75,000.00
		95,400.50

2.3 **Saving Deposits**

A/C 193734		
Saving - Bank of Ceylon, Super Grade Borella	55,583.44	
Saving - Bank of Ceylon, Hingurakgoda	48,784.54	104,367.98
A/C 193125		
Saving - Bank of Ceylon, Anuradaphura		5,743.21
A/C 193735		
Saving - Bank of Ceylon, Buttala		500.00
		110,611.19
Total		**400,786.19**

Note 2.4 **Bank Grantee**

Department of National Zoological Garden		65,000.00
		5,000.00

Note.3 **INVENTORY**

A/C 194125 - Trading Stock		5,780,344.89
Board Account - Stock		629,866.14
A/C 194125 - Stationary & Consumables		20,976.40
Total		**6,431,187.43**

Note.4 **DEBTORS**

4.1 **Debtors Internal**

A/C. 734		
Mr.K.R.M.Gunasekara	5,000.00	**5,000.00**

4.2 **Debtors external**

Board Account		
Uva Provincial Council	38,157.71	
Employees Provident Fund	53,456.44	
U.N.P.Wijeewera	10,000.00	
Morawewa Multipurpose Co- Op. Society	150,000.00	
Mahawelli System G	279,716.00	531,331.15
A/C. 138295		
Plant Growers Loan (annexture.1)	1,250.00	1,250.00
A/C. 194125		
Ministry of Agriculture Service	34,233.00	34,233.00
		566,814.15

4.3 **Trade Debtors**

A/C 547		
Trade Debtors (annexture.2)		5,649,813.42
Total		**221,627.57**
Bad Debt Provision		**(165,855.53)**
		6,055,772.04

Note.5 **LOANS**

Staff loan Balances (annexture.3)		110,780.93
Farmers Loan (annexture.4)		80,610.50
		191,391.43

Note.6 **ADVANCES**

A/C 193734		
Small Farmers Project- Mahawilachchiya Gowinaguma		200,000.00
A/C 138295		
Traditional Rice Movement for the protection of Indigenous seeds		500,000.00
A/C 194125		
Kumuduni Gunasekara	20,000.00	
Kumuduni Gunasekara	15,000.00	
Charitha Janaka	20,000.00	
Charitha Janaka	20,000.00	
P.S.W.Dissanayake	20,000.00	
P.S.W.Dissanayake	15,000.00	
P.S.W.Dissanayake	12,000.00	
P.S.W.Dissanayake	20,000.00	
Chandra Abeysinghe	20,000.00	
Thushira Indrajith	20,000.00	
G.G.D.S.Priyankara	20,000.00	
Sampath Gunawardhana	20,000.00	
Rohitha Sanjeewa	5,000.00	
G.G.D.S.Priyankara	20,000.00	
G.G.D.S.Priyankara	10,000.00	
G.G.D.S.Priyankara	10,000.00	
G.G.D.S.Priyankara	10,000.00	
G.G.D.S.Priyankara	20,000.00	
G.G.D.S.Priyankara	7,000.00	
Vajira Perera	5,000.00	
Vajira Perera	15,000.00	
Vajira Perera	15,000.00	339,000.00
Total		**1,039,000.00**

Note.7 **RECEIVABLE**

A/C 194125		
Sales Center Narahenpita		2,582,088.05
Sales Center Dehiwala		5,073,110.52
Plant Nursery H/O		281,494.00
Total		**7,936,692.57**

Note.8 **CASH IN HAND AND BANK BALANCES**

Bank of Ceylon, Borella - A/C No:194125		1 ,844,113.98
Bank of Ceylon, Borella - A/C No:547		2 5,387.37
Board Account		1,150.73
		1 ,870,652.08
Petty Cash Imprest		7 38,073.31
Total		**2,608,725.39**

Note.9 **Provision for Gratuity**

Name	Basic Salary	Join Date	Provision Required
Mr.Y.A.V.S.Perera	45,093.75	1-Jun-05	135,281.25
Mr.W.R.H.M.R.R.Warakaulla	19,563.00	1-Mar-01	97,815.00
Mr.U.G.Aijth Wijeekumara	19,563.00	1-Aug-01	97,815.00
Mr.D.M.U.Senarath Disanayake	18,880.50	27-Dec-06	47,201.25
Mr.U.G.L.Rupasinghe	19,563.00	29-Apr-06	48,907.50
Mr.J.B.Chiranjeewa Karunarathna	21,342.75	15-Dec-06	53,356.88
Ms.S.R.M.Y.Senevirathna	21,342.75	25-Mar-07	42,685.50
Ms.K.K.C Abyesinghe	20,277.00	15-Feb-07	40,554.00
Mr.J.N.K.Jayalathge	20,277.00	1-Jan-07	50,692.50
Miss.H.M.C.K.Nawarathna	20,277.00	4-Sep-08	30,415.50
Mr.G.G.D.S.Priyankara	22,455.75	10-Feb-07	44,911.50
Miss.C.N.H.A.Senanayake	20,277.00	11-Mar-08	30,415.50
Mr.M.D.Gunasena	8,565.90	5-Apr-09	17,131.80
Mrs.K.K.M N Wasantha Kumari	13,350.00	4-Jan-07	26,700.00
Mr.W.T.A.Jagath Ranjith	20,130.00	13-Jun-08	30,195.00
Mr.E.D.Suminda Priyalal	13,350.00	16-Jun-09	13,350.00
Mr.P.N.Hiththatiyage	19,300.00	1-Jul-10	9,650.00
Mr.D.C.Warnasooriya	13,350.00	10-Jun-10	6,675.00
Mr.P.S.W.Dissanayake	22,455.75	21-Oct-10	11,227.88
Ms.L.N.Prasanthi	20,124.75	1-Sep-10	10,062.38
Mr.T.I.Abeygunawardhana	19,972.50	7-Sep-10	9,986.25
Ms.D.M.Nadeeka Shamali	17,780.00	7-Sep-10	8,890.00
Mr.D.H.C.Janaka	21,190.50	9-Jul-10	10,595.25
Mr.P.S.PUSHPAKUMARA	18,700.00	1-Aug-10	9,350.00
Mr.M.P.Gunasena	8,565.90	1-Feb-07	34,263.60
Mr.D.R.A.R.Ruwan	8,565.90	1-Jun-10	8,565.90
Mr.K.A.Liyanapathirana	13,350.00	10-Jun-10	6,675.00
Mr.K.M.N.Bandara	20,460.00	25-Aug-10	10,230.00
Mr.A.M.N R. Kumara Abyarathna	8,565.90	1-Apr-09	17,131.80
Mr.A.M. Ghanasiri	8,565.90	1-Jun-09	17,131.80
Mr.H.K.M.S. Kumarasingha	8,565.90	1-Jun-09	17,131.80
Mr.D.M.N. Disanayaka	8,565.90	1-Jun-09	17,131.80
Mr.T.K.Saman Kumara	8,565.90	1-Jun-10	8,565.90
Mr.G.P.M.Udaya Kumara	8,565.90	1-Oct-10	8,565.90
Mr.R.D.A.PRASAD ARIYAPALA	8,565.90	1-Oct-10	8,565.90
Mr.G.G.Nihal	8,565.90	1-Oct-10	8,565.90
Mr.N.M.A.Upali	8,565.90	1-Oct-10	8,565.90
Mr.R.G.Oshan Anurudda	8,565.90	1-Oct-10	8,565.90
Mr.G.A.J.Gunasekarea	8,565.90	1-Oct-10	8,565.90
Mr.P.B.Thilak	8,565.90	1-Oct-10	8,565.90
			1,080,653.83
Total provision for Retirement Benefit Obligation			**575,777.50**
			504,876.33

Note.10 **REFUNDABLE DEPOSITS**

A/C. 194125		
Refundable Deposits (Annexure 5)		10,000.00
Total		**10,000.00**

Note.11 **CREDITORS**

Creditors (External)		
Board A/C		
Lanka Filling Station - Narahenpita		5,000.00
Total		**5,000.00**

Note.12 **RETENTION MONEY**

A/C. 193734.		
Unitec Engineers		202,000.00
		202,000.00

Note.13 **ACCRUED EXPENDITURE**

A/C. 193734		
Audit Fees - 2004		50,000.00
A/C. 194125		
Audit Fees - 2005	42,500.00	
Audit Fees - 2007	45,000.00	
Audit Fees - 2009	27,500.00	
Audit Fees - 2010	97,097.00	212,097.00
Plant Nursery		
Salary	72,810.15	
E.P.F	6,461.14	
E.T.F	1,615.28	
Over Time	2,535.01	
Suntel Ltd	2,511.80	
Water supply & Drainage Board	4,266.70	
A.K.C.Sajeewa	19,875.00	
Rathnayake Enterprises	4,680.00	
Yasanthi Senavirathne	1,980.00	
P.J. Packing	4,857.10	
Dilshan Nursery	54,245.00	
Polwatta Nursery	156,215.00	
Deegama Farm	6,875.00	
Sampath Nursery	18,935.00	
Green Corner	83,300.00	
Sarath Service Center	31,164.00	
D.M.Chandana	31,000.00	
Ceylon Fertilizer Company	11,100.00	
Kemtek Pvt Ltd	45,890.00	
New Ranbima Agro	89,860.00	
Saraboomi	20,868.40	
New Ranbima Agriculture	20,240.00	
Organic Agro Lanka	38,670.00	
Onesh Trading Pvt Ltd	47,830.00	

Kads Lanka Pvt Ltd	144,000.00	
D.K.Hardware	133,500.00	
Exsotic Foliage	5,410.00	
L.H.P.D,Fernando	119,175.00	
Pinix Industries	59,737.50	
Exsotic Foliage	4,600.00	
Pinix Industries	338,512.50	**1,582,719.58**
Dehiwala		
Salary	259,795.97	
E.P.F	18,216.53	
E.T.F	4,554.13	
Manager-Sales Center Dehiwala	5,061,439.65	
Onex trading	10,120.00	
Polwatta Nursery	53,525.00	
Sarath Service Center	16,792.00	
Green Corner	14,950.00	
Polwatta Nursery	63,300.00	
New Ranbima Agro	54,120.00	
L.H.P.D,Fernando	18,875.00	
The Department of National Zoological Gardens	45,000.00	
Ceylon Electricity Board	10,873.50	
Over Time	174,548.76	
Suntel Ltd	2,511.80	
Sri Lanka Telecom	1,163.28	
Ceylon Electricity Board	55,281.00	
Water supply & Drainage Board	30,724.38	
Solala Steel Company	57,000.00	**5,952,791.00**
Narahenpita		
Salary	176,824.65	
EPF	17,401.01	
ETF	4,350.25	
Over Time	38,666.38	
Manager-Sales Center Narahenpita	2,203,956.48	
Rice Project-Kalankuttiya	298,832.00	
Suwaposha	144,755.00	
Ceylon Electricity Board	22,408.50	
Suntel Ltd	2,511.80	
Vista Technology	6,650.00	**2,916,356.07**
Rice Project		
Salary	212,589.82	
EPF	10,606.11	
ETF	2,651.53	
Manager-Kalankuttiya	5,400.00	
Central Distributors	117,750.00	
M.W.S.Bandara	13,000.00	
D.M.Chandana	20,000.00	
Traveling & Subsistent	1,575.00	
Over Time	5,935.15	
Suntel Ltd	2,511.80	
Ceylon Electricity Board	20,730.76	

Robert Agency	12,415.00	
U.M.Naffeer	9,500.00	
M.P.D.Wijawardana	10,375.00	
Director General Agriculture	561,094.00	
H.K.M.Sumith	6,300.00	
Hunupolagama Hardware	1,800.00	
Paddy Marketing Board	3,300,000.00	**4,314,234.17**
Suwandal		
T.U.Liyanage	18,600.00	
Salaries	14,072.55	
EPF	1,688.71	
ETF	422.18	
Sri Lanka Telecom	2,449.00	**37,232.44**
Ambalanthota		
Ceylon Electricity Board	1,410.00	
Suntel Ltd	1,287.30	
Suntel Ltd	1,224.50	
Water supply & Drainage Board	7,238.24	**11,160.04**
Fruit Drink		
Salary		
Salary	35,487.30	
EPF	3,377.41	
ETF	844.35	
Ceylon Electricity Board	4,321.50	
Water supply & Drainage Board	3,908.80	
Manager-Wilamulla	9,900.00	
Suntel Ltd	2,511.80	**60,351.16**
Buttala Farm (Income Project)		
Salary	24,530.00	
EPF	2,943.60	
ETF	735.90	
Narahenpita Sales Center	41,995.75	**70,205.25**
Buttala Farm		
Salary	93,613.05	
EPF	11,233.57	
ETF	2,808.39	
Farm Manager- Buttala	17,689.50	**125,344.51**
Thanamalvile		
Salary	121,758.15	
EPF	13,509.65	
ETF	3,371.41	
G.Gunawardana	9,950.00	
Suntel Ltd	1,224.50	
Gayan Drinking Mills	1,850.00	
Farm Manager	5,656.00	**157,319.71**
Organic		

Salary	113,138.55	
EPF	13,576.63	
ETF	3,394.16	
Farm Manager	3,750.00	**133,859.34**
Waddakachchi		
Salary	29,980.65	
EPF	249,439.78	
ETF	109,131.15	
EPF	16,693.42	
ETF	4,173.35	
Farm Manager	91,159.00	**500,577.35**
Treasury		
Salary	35,183.50	
EPF	2,275.02	
ETF	568.76	
Over Time	59,997.06	
Traveling & Subsistent	10,550.00	
Rainbo Stationary	18,141.50	
Spinny Trading Company	13,500.00	
Petty Cash	1,150.00	
M.N.Pinto	46,200.00	
ABC Trade Center	1,400.00	
Browns & Company	11,648.00	
T.U.Liyanage	18,875.00	
Wijayasiri Mothers	16,766.40	
Colombo South Cooperation	12,332.00	
Euro Car Mart	47,889.00	
Sri Lanka Telecom	13,945.61	
Suntel Ltd	45,699.21	
Mobitel Limited	1,819.42	
Ceylon Electricity Board	22,408.00	
Water supply & Drainage Board	4,266.70	
EPSI Computer	27,499.00	
ABC Computer	46,604.00	
A.K.C.Sanjeewa	8,500.00	
Euro Car Mart	124,477.00	
Spinny Trading Company	14,185.00	
Audit Department	97,076.00	
Aims Computer Pvt Ltd	750.00	
Salary	21,899.00	**725,605.18**
Total		**16,849,852.80**

Note.14 **PAYABLE EXPENDITURE**

E.P.F	94,466.60	
E.T.F	14,169.99	108,636.59
		108,636.59

Note 15: Other Operating income

15.1

Sales Outlets Dehiwala

Trade Account for the Year Ended 31.12.2011

Items	2011 Rs.
Sales Income	49,798,451.48
Less: Cost of sales	
Opening Stock	1,389,033.85
Purchases	39,542,469.82
Wages	8,080.00
Transport	7,170.00
	40,946,753.67
Closing Stock	(1,614,211.24)
	39,332,542.43
Gross Profit	10,465,909.05

Sales Outlets Narahenpita

Trade Account for the Year Ended 31.12.2011

Items	2011 Rs.
Sales Income	14,581,253.45
Less: Cost of sales	
Opening Stock	360,167.96
Purchases	12,589,846.11
Wages	
Transport	8,298.00
	12,958,312.07
Closing Stock	(500,902.50)
	12,457,409.57
Gross Profit	2,123,843.88

Sales Outlets Plant Nursery Head Office

Trade Account for the Year Ended 31.12.2011

Items	2011 Rs.
Sales Income	15,085,629.65
Less: Cost of sales	
Opening Stock	689,177.00
Purchases	10,630,852.60
Wages	4,500.00
Transport	
	11,324,529.60
Closing Stock	(1,084,586.70)

	10,239,942.90
Gross Profit	4,845,686.75

Sales Outlets Dehiwala, Narahenpita, Plant Nursery Head Office
Trade Account for the Year Ended 31.12.2011

Items	2011		2010
	Rs.		Rs.
Sales Income	79,465,334.58		30,689,821.29
Less: Cost of sales			
Opening Stock	2,438,378.81		1,134,299.82
Purchases	62,763,168.53		25,864,488.61
Wages	12,580.00		48,955.00
Transport	15,468.00		58,102.00
	65,229,595.34		27,105,845.43
Closing Stock	(3,199,700.44)		(2,438,378.81)
	62,029,894.90		24,667,466.62
Gross Profit	17,435,439.68		6,022,354.67

15.2

Promotion Of Rice Project -kalankuttiya
Production, Trade Account for the Year Ended 31.12.2011

Items	2011		2010
	Rs.		Rs.
Opening Stock	63,412.00		1,090,977.38
Purchases	17,139,025.38		3,825,937.00
Closing stock-Material	(998,453.00)		(63,412.00)
	16,203,984.38		4,853,502.38
Opening stock-Work in Progress	5,452.92		239.99
Closing stock-Work in Progress	(3,676.50)		(5,452.92)
Production cost	16,205,760.80		4,848,289.45
Sales Income	16,375,967.49		5,451,925.99
Less: Cost of sales			
Opening Stock	413,065.61		21,789.27
Production cost	16,205,760.80		4,848,289.45
	16,618,826.41		4,870,078.72
Closing Stock	(713,522.00)		(413,065.61)
	15,905,304.41		4,457,013.11
Gross Profit	470,663.08		994,912.88
15.2.1 Sales Income			
Rice Flour	13,822,385.49		3,802,446.78
Rotti Mixture	383,367.75		962,296.70
Tosse Mixture	39,531.00		142,971.26
Rice Niudu	1,545,263.25		63,647.75
Grinding	-		15,554.00

Rice	578,420.00		465,009.50
Other	7,000.00		
	16,375,967.49		5,451,925.99

15.3

Drink Factory- Vilamulla
Trade Account for the Year Ended 31.12.2011

Items	2011		2010
	Rs.		Rs.
Opening Stock	32,400.00		-
Purchases	1,250,880.79		139,363.00
Direct wages	699,951.26		132,418.00
Closing stock-Material	(230,497.88)		(32,400.00)
	1,752,734.17		239,381.00
Opening stock-Work in Progress	138,922.18		-
Closing stock-Work in Progress	(29,797.30)		(138,922.18)
Production cost	1,861,859.05		100,458.82
Sales Income	2,388,495.00		79,200.00
Less: Cost of sales			
Opening Stock	65,012.31		0.00
Production cost	1,861,859.05		100,458.82
	1,926,871.36		100,458.82
Closing Stock	(1,012.00)		(65,012.31)
	1,925,859.36		35,446.51
Gross Profit	462,635.64		43,753.49

15.4

Suwaposha
Trade Account for the Year Ended 31.12.2011

Items	2011 Rs		2010 Rs
Opening Stock	206,386.84		-
Purchases	3,898,150.40		257,657.00
Direct wages	472,218.78		26,909.46
Closing stock-Material	(546,326.98)		(206,386.84)
	4,030,429.04		78,179.63
Opening stock-Work in progress			-
Closing stock-Work in progress	-		-
Production cost	4,030,429.04		78,179.63
Sales Income	4,637,263.41		0.00
Less: Cost of sales			
Opening Stock	-		0.00
Production cost	4,030,429.04		78,179.63
			78,179.63

Closing Stock	-		0.00
	4,030,429.04		78,179.63
Gross Profit/(loss)	606,834.37		(78,179.63)

15.5

Buttala Farm Income	2,836,103.00
Cost of Purchasing	(68,060.00)
Gross Profit	2,768,043.00
Other Operating Income	
Gross Profit on Sales Outlets Dehiwala, Narahenpita, Plant Nursery Head Office	17,435,439.68
Gross Profit on Rice Project -kalankuttiya	470,663.08
Gross Profit on Drink Factory- Vilamulla	462,635.64
Gross Profit on Suwaposha Project	606,834.37
Gross Profit on Buttala Farm Income	2,768,043.00
Total	**21,743,615.77**

Note.16 **Personal Emoluments**

Items	2011 Rs.	2010 Rs.
Salaries & allowances	20,697,937.94	11,028,515.04
Overtime & Holiday Pay	2,784,816.38	544,625.41
Employees Provident Fund Contribution	2,846,377.28	869,164.67
Employees Trust Fund Contribution	710,226.31	217,291.20
Staff Medical services		
	27,039,357.91	12,659,596.32

Note.17 **Travelling Expenses**

Items	2011 Rs.	2010 Rs.
Traveling & Subsistence	194,265.08	117,354.00
Running Expenses of Mote vehicles	169,066.94	537,080.20
	363,332.02	654,434.20

Note.18 **Supplies and Requisites**

Items	2011 Rs.	2010 Rs.
Printing & Publication	1,715,584.40	226,453.88
Stationary & Consumables	333,561.16	207,243.98
Books, Newspapers & Periodicals	6,240.00	4,000.00
Other Inventories	35,563.50	16,194.00
Entertainments	901,794.70	124,139.46
	2,992,743.76	578,031.32

Note.19 **Repairs and Maintenance of Fixed Assets**

Items	2011 Rs	2010 Rs.
Buildings	1,888,737.75	241,385.50
Motor vehicles	2,087,202.39	1,199,712.49
Furniture & Fittings	-	-
Office Equipment	254,912.79	177,615.30
Other Equipment	325,746.98	24,680.00
Plant & Machinery	324,296.20	950.00
Agricultural Equipment	2,337.00	4,218.00
Garden Equipment	1,080.00	23,900.00
Insurance & Reg. of Motor vehicle	479,984.97	350,708.11
Insurance & Reg. of Other Assets		1,125.00
	5,364,298.08	2,024,294.40

Note.20 **Transformation, Communication, Utility and Other Services**

Items	2011 Rs.	2010 Rs.
Transport charges	5,683,690.46	167,250.00
Postage & Telephone	554,242.89	376,993.73
Electricity charges	1,686,872.77	545,812.31
Bank chargers	54,898.28	84,688.37
Depreciation	2,850,468.01	1,673,091.43
Miscellaneous expenses	265,624.05	127,843.50
Water charges	712,886.70	248,358.40
Audit Fees	97,076.00	97,097.00
Wages	9,751,547.60	-
Rate & Taxes	126,875.23	5,164.40
Hiring charges	-	828.00
Operational & Processing Cost	-	-
Material & Inputs	9,342,718.04	-
House rent	-	-
Training & scholarship	259,914.00	8,000.00
Donation	1,825,965.55	13,695.00
Board Members Fees	242,000.00	30,000.00
Secretary Fees	4,000.00	1,500.00
Welfare services	40,631.09	46,230.50
Losses & write off		

Advertising, Exhibition & Workshop	2,452,853.90	-
Promotion cost & Propaganda	804,364.75	1,046,565.21
Gratuity & compensation	504,876.33	178,352.50
Interest expense	38,060.65	61,460.67
Incidental expense	25,330.00	28,866.28
Packing	351,691.34	2,586,709.23
Grinding cost	13,277.00	70,148.50
Fencing	699,301.67	
Overhead	2,658,453.56	1,519,326.96
	41,047,619.87	8,917,981.99

20. Direct Development expenditure is shown under grants.

21. All expenditure incurred for Head Office administration is charged to Treasury Grants.

22. Implementation of Rice Consumption in Plantation Sector, funds allocated directly by the Treasury

23. Treasury Grants.

Description	**Budgetary Provision**	**Actual 2011**	**Saving/Deficit**
Recurrent- Administration	13,576,000.00	12,939,714.95	636,285.05
Capital - Administration	10,550,000.00	5,013,753.00	5,536,247.00
- Development	3,400,000.00	3,400,000.00	-

24. Ever tough the treasury grant received for Rice Project has been used for recurrent nature expenditure. Therefore it is allocated as follows.

Description	**Capital**	**Recurrent**	**Total**
Rice Project (Development)	-	3,400,000.00	3,400,000.00
Head Office (Administration)	6,529,500.00	10,740,000.00	17,269,500.00
			20,669,500.00

25. Ever tough the ministry grant received for Project has been used for recurrent & Capital expenditure. Therefore it is allocated as follows.

Description	Capital	Recurrent	Total
Project	5,577,441.20	29,070,955.22	34,648,396.42
			34,648,396.42

Annex.1 **Plant Growers Loan Balance**

Description	Balance as at 01.01.2010	Re Payment During the Year	Balance 2010.12.31
Ms.I.M.P.W.Gunawardena	250.00	-	250.00
Ms.Shanthi Vankulanberg	250.00	-	250.00
Ms.Sirima Munasinhe	300.00	-	300.00
Ms.K.Sagarika Padmakumari	750.00	-	750.00
Total	**1,550.00**	**-**	**1,550.00**

Annex.2 **Trade Debtors**

Hewavitarana Stores	5,960.00
Ranathunga Stores- Helabawa	492.00
kalum veledasala	492.00
Mudiyallagama Stores	492.00
Abe Stores- Namalgamuwa	492.00
Sathara pana Stores- Thabuththegama	1,000.00
Thoranegama Stores	492.00
Sunil Stores- Ganan gamuwa	1,968.00
Co-op City- Galnewa	234.00
Gayan Stores Hiddawa	492.00
Manju Stores-Thabuththegama	492.00
Spilika kade -Pahalagama	492.00
Mayanthi Stores -Kalankuttiya	104.40
Presanna Stores	492.00
Ajantha Stores - kalankuttiya	552.00
Sarath Chandrasena - Vijithapura	5,200.00
Sales Center - Dehiwala	258,399.10
Plant Nursery H/O	1,856.00
kalanivali	588,000.00

Sunil janaka	912.50
Shantha kalankuttiya	300.00
Maliban Biscuit Manufactories(Pvt)Ltd	1,154,625.00
Lanka Sathosa Limited	215,642.41
	2,239,181.41

Annex.3 **Staff loan Balances as at 31st December 2010**

Name of Employees	Distress Loan	Festival Advance	Special Advance	Total
Board Account				
Miss.W.M.S.S.H.Wasala		200.00		00.00
Mr.W.M.A.S.Weerakon			342.35	342.35
Mr.P.P.Udawaththa		335.00		335.00
Mr.N.D.Wijesinghe		200.00		200.00
Mr.K.P.Samaraweera		,413.17		,413.17
Mr.A.H.A.Rathnayake	6,543.35			6,543.35
Mr.M.M.A.Sunil	5,322.06			5,322.06
Mr.I.D.N.Kusumsiri	,625.00	1,500.00	700.00	10,825.00
Mr.D.Subasinghe	6,000.00		900.00	6,900.00
	36,490.41	***3,648.17***	***1,942.35***	***42,080.93***
A/C 194125				
Mr.Y.A.V.S.Perera		1,000.00		1,000.00
Mr.R.P.A.K.Randunu		1,000.00		1,000.00
Mr.W.R.H.M.R.R.Warakaulla		1,000.00		1,000.00
Mr.Ajith Wijekumara		1,000.00		1,000.00
Mr.Lal Gamani Rupasinghe		1,000.00		1,000.00
Mr.D.M.U.S.Dissanayake		1,000.00		1,000.00
Mr.G.G.D.S.Priyankara		1,000.00		1,000.00
Mr.C.Karunarathne		1,000.00		1,000.00
Ms.H.M.C.K.Nawarathne		1,000.00		1,000.00
Mrs.Lochana Liyanage		2,500.00		2,500.00
Ms.C.N.H.A.Senanayake		1,000.00		1,000.00
Ms.Yasanthi Senavirathne		1,000.00		1,000.00
Mr.J.N.K.Jayalath		1,000.00		1,000.00
Mrs.H.M.S.R.Herath		1,000.00		1,000.00
Ms.T.Madahapola		2,500.00		2,500.00
Mr.A.H.M.Nishantha		900.00		900.00
	-	***18,900.00***	**-**	

				18,900.00
A/C 138295				
Mrs. Subhasini Hemakanthi		800.00		800.00
Mr.Asanka Lakmal		5,000.00		5,000.00
	-	***5,800.00***	-	***5,800.00***
	36,490.41	**28,348.17**	**1,942.35**	**66,780.93**

Annex.4 **Farmers Loan**

Description	Balance
P.G.Wilasini	5,000.00
J.M.Siriyalatha	6,000.00
K.B.Piyadasa	3,000.00
K.A.Nandasena	11,925.00
W.V.Ranjith	10,000.00
W.M.Weerasinghe	4,500.00
K.Gamini Premarathne	8,703.00
K.Sugath Kumara	2,000.00
K.G.Shriyani	3,500.00
W.G.Sureka Erangani	2,000.00
N.D.Rathnayake	2,500.00
R.D.Jayasinghe	2,250.00
M.M.Bisomanika	32.50
R.D.Sirisena Rajapaksha	3,675.00
R.P.Piyadasa	2,525.00
K.D.Weerasinghe	4,000.00
N.W.Chandradasa	7,325.00
R.M.Surasena	500.00
K.D.Sirisena	1,175.00
	80,610.50

Annex.5 **Refundable Diposits**

H. Iddamalgoda	5,000.00
G. Nihal Gamel	5,000.00
	10,000.00

SRI LANKA NATIONAL FREEDOM FROM HUNGER CAMPAIGN BOARD

BALANCE SHEET AS AT 31ST DECEMBER 2011

	2011	Board	295	125	547	734	735
Property Plants & Equipment							
Land & Building	4,575,982.45	3,321.29	214,010.08	695,415.29	933,527.10	2,729,708.69	
Motor Vehicles	3,965,913.41	23.00		3,965,890.41			
Plant & Machinery	7,517,919.62			4,959,771.42	1,527,226.37	1,030,921.83	
Office Equipment	1,874,921.98	56,550.46	81,750.51	1,512,134.52	53,644.40	167,051.09	3,791.00
Furniture & Fittings	754,127.92		33,202.00	577,426.72		143,499.20	
Agriculture Equipment	64,178.05					64,178.05	
Garden Equipment	93,241.31				8,364.00	84,527.31	350.00
Other Equipment	926,814.40		41,473.15	721,636.91	3,478.40	107,579.64	52,646.30
Photographic Cinema Equipment	71,850.00			63,000.00		8,850.00	
Computer & Software	912,217.78			912,217.78			
Temporary Building	1,284,954.31	3,449.50	60,577.19	287,982.58		907,085.79	25,859.25
Other Investment	122,012.28			122,012.28			
Sub Total	**22,164,133.51**	**63,344.25**	**431,012.93**	**13,817,487.91**	**2,526,240.27**	**5,243,401.60**	**82,646.55**
Current Assets							
Deposit	194,774.50	92,000.00	1,125.00	29,599.50	70,000.00	2,050.00	
Bank Grants	65,000.00			65,000.00			
Fuel Deposit	95,400.50	20,400.50		75,000.00			
Savings Deposit	61,826.66			5,743.22		55,583.44	500.00
Savings Deposit Higurakgoda	48,784.54					48,784.54	
Inventory	6,431,187.43	629,866.14	-	5,801,321.29	-	-	
Debtors Internal	5,000.00			-		5,000.00	
Debtors External	6,216,627.57	531,331.15	1,250.00	4,231,351.67	1,452,694.75		
Farmers Loan	80,610.50						80,610.50

Staff loan	36,490.41	36,490.41					
Salary Advance	-		12,000.00	(12,000.00)			
Advances	1,039,000.00		500,000.00	(197,245.00)		396,245.00	340,000.00
Special Advance	1,942.35	1,942.35					
Festival Advance	72,348.17	3,648.17	77,300.00	(217,100.00)	43,000.00	160,500.00	5,000.00
Receivable	7,936,692.57			7,936,692.57		-	
Petty Cash Imprest	738,073.31	1,500.00	651,573.31	20,000.00	5,000.00	10,000.00	50,000.00
Bank Balance	1,870,652.08	1,150.73		1,844,113.98	25,387.37		
Sub Total	**24,894,410.59**	**1,318,329.45**	**1,243,248.31**	**19,582,477.23**	**1,596,082.12**	**678,162.98**	**476,110.50**
Total	**47,058,544.10**	**1,381,673.70**	**1,674,261.24**	**33,399,965.14**	**4,122,322.39**	**5,921,564.58**	**558,757.05**
Fund Balance	72,997,754.22	5,063,312.93	570,000.00	35,761,486.52	949,907.31	30,331,600.66	321,446.80
Funds							
Less: Grants	(34,648,396.42)			(25,148,396.42)		(9,500,000.00)	
Adjustment Fund Balance	**38,349,357.80**	**5,063,312.93**	**570,000.00**	**10,613,090.10**	**949,907.31**	**20,831,600.66**	**321,446.80**
Accumulated Fund	(4,537,925.65)	(4,003,108.29)	4,501,441.98	3,684,848.40	5,782,208.20	(15,071,532.78)	568,216.84
Prior Period Adjustments	436,433.20	774,175.75	(51,769.49)	(295,327.56)		12,900.17	(3,545.67)
Adjustment Account	-	(224,942.00)		(409,349.19)	606,549.19	27,742.00	-
Sub Total	**34,247,865.35**	**1,609,438.39**	**5,019,672.49**	**13,593,261.75**	**7,338,664.70**	**5,800,710.05**	**886,117.97**
Income Over Expenditure	(6,471,589.27)	(37,932.32)	(2,949,598.42)	570,328.18	(2,656,539.12)	(589,837.96)	##########
Sub Total	**27,776,276.08**	**1,571,506.07**	**2,070,074.07**	**14,163,589.93**	**4,682,125.58**	**5,210,872.09**	**78,108.34**
Temporary Transfers				1,461,722.61		(43,399.77)	466,368.71

	(178,506.84)	(366,339.00)	(1,137,056.20)		(559,803.19)		
Sub Total	**27,597,769.24**	**1,205,167.07**	**933,017.87**	**15,625,312.54**	**4,122,322.39**	**5,167,472.32**	**544,477.05**
Long Term Loan	1,028,776.11		**708,333.38**	(179,557.27)		500,000.00	
Current Liabilities							
Refundable Deposits	10,000.00			10,000.00			
Creditors Internal	-				-		
Creditors External	5,000.00	5,000.00					
Provision - Gratuity & Compensation	1,080,653.83		32,910.00	1,033,463.83			14,280.00
Retention Money	202,000.00					202,000.00	
Provision - Bad Debits	165,855.53	161,506.62		2,256.65		2,092.26	
Farmers Loan	10,000.00	10,000.00					
Accrued Expenses	16,849,852.80			16,799,852.80		50,000.00	
Payable	108,636.59			108,636.59	-	-	-
Sub Total	**18,431,998.75**	**176,506.62**	**32,910.00**	**17,954,209.87**	**-**	**254,092.26**	**14,280.00**
Total	**47,058,544.10**	**1,381,673.69**	**1,674,261.25**	**33,399,965.14**	**4,122,322.39**	**5,921,564.58**	**558,757.05**

Chairmen: Deputy Director: Assistant Director(Finance):

SRI LANKA NATIONAL FREEDOM FROM HUNGER CAMPAIGN BOARD

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENED 31ST DECEMBER 2011

	2011	Board	295	125	547	734	735
INCOME							
Treasury Grants	14,140,000.00			14,140,000.00			
Ministry Grants	29,070,955.22			19,570,955.22		9,500,000.00	
Savings Account Interest	2,400.62			224.78		2,175.84	
Gross profit Plant Nursery, Vegetables & Milk Project	21,743,615.77			21,743,615.77			
Other Income	1,607,349.26			820,570.31		12,439.76	774,339.19
Insurance claim	-						
Vehicle sales	1,756,838.00			1,756,838.00			
Farm Income	2,014,603.50			2,014,603.50			
Sub Total	**70,335,762.37**	**-**	**-**	**60,046,807.58**	**-**	**9,514,615.60**	**774,339.19**
Expenditure							
Personal Emoluments							
Salaries & Allowances	20,697,937.94		1,456,243.27	16,848,021.40	937,306.16	1,289,138.61	167,228.50
Overtime	2,784,816.38		356,276.43	2,396,448.20	30,028.75	2,063.00	
Provident Fund	2,846,377.28		167,730.75	2,144,466.99	102,158.09	416,649.38	15,372.07
Trust Fund	710,226.31		41,869.71	535,839.64	25,539.50	103,134.44	3,843.02
Sub Total	**27,039,357.91**	**-**	**2,022,120.16**	**21,924,776.23**	**1,095,032.50**	**1,810,985.43**	**186,443.59**

Traveling Expenses							
Traveling & Subsistence	194,265.08			142,401.63	7,281.25	25,290.00	19,292.20
Running Expenses of Motor Vehicle	169,066.94		53,592.94	115,474.00			
Sub Total	**363,332.02**	**-**	**53,592.94**	**257,875.63**	**7,281.25**	**25,290.00**	**19,292.20**
Supply & Requisites							
Printing & Publication	1,715,584.40		46,500.00	1,444,481.40	142,200.00		82,403.00
Stationary & Consumables	333,561.16		46,201.50	194,591.66	16,008.00	35,575.00	41,185.00
Books / Newspapers & Periodicals	6,240.00			6,240.00			
Other Inventories	35,563.50		18,538.00	10,538.00			6,487.50
Entertainment	901,794.70		6,390.00	790,998.20	23,869.00	62,977.50	17,560.00
Sub Total	**2,992,743.76**	**-**	**117,629.50**	**2,446,849.26**	**182,077.00**	**98,552.50**	**147,635.50**
Repairs & Maintenance of Vehicles							
Motor Vehicles	1,888,737.75		60.00	1,856,855.75	15,552.00	4,830.00	11,440.00
Land and Building	2,087,202.39		79,279.00	1,105,101.04	34,531.00	858,621.35	9,670.00
Office Equipments	254,912.79		43,721.99	166,590.80		44,600.00	
Other Equipments	325,746.98		4,353.00	5,444.00		315,949.98	
Plant & Machinery	324,296.20		9,310.00	202,510.20	108,076.00	4,400.00	
Agriculture Equipment	2,337.00		2,337.00				
Garden Equipment	1,080.00			1,080.00			

Insurance/ Reg. of M/V	479,984.97			479,984.97			
Sub Total	**5,364,298.08**	**-**	**139,060.99**	**3,817,566.76**	**158,159.00**	**1,228,401.33**	**21,110.00**
Transformation / Common: / Utility & Other Services							
Board Member Fees	242,000.00			242,000.00			
Training & scholarship	242,456.00			237,456.00		5,000.00	
Secretary Fee	4,000.00			4,000.00			
Welfare Services	40,631.09			40,631.09			
Fuel and Transport Charges	5,683,690.46		8,400.00	5,105,119.46	278,529.00	140,223.00	151,419.00
Postage / Telephone	554,242.89		18,667.76	480,337.61	20,470.43	34,577.09	190.00
Electricity	1,686,872.77		129,069.75	1,346,919.26	101,161.50	109,722.26	
Bank Chargers	54,898.28			25,966.93	8,688.89	17,100.38	3,142.08
Depreciation	2,850,468.01	37,932.32	85,934.74	965,130.72	740,913.65	1,003,080.93	17,475.65
Miscellaneous Expenses	265,624.05		5,420.30	224,586.75	10,655.00	24,252.00	710.00
Water Supply	712,886.70		104,037.64	558,421.42	20,371.90	30,055.74	
Audit Fees	97,076.00			97,076.00			
Wages	9,751,547.60		11,900.00	6,458,895.01		3,280,752.59	
Rate & Taxes	36,875.23		36,875.23				
House Rent	90,000.00			90,000.00			

Registration Fees	17,458.00			17,458.00			
Donation	1,825,965.55			1,825,965.55			
Advertising	50,210.00			50,210.00			
Packing	351,691.34		142,303.98	200,887.36			8,500.00
Promotion cost & Propaganda	804,364.75		25,648.00	635,100.75	29,450.00	114,166.00	
Gratuity & Compensation	504,876.33			504,876.33			
Interest Expense	38,060.65		19,180.43	18,880.22			
Dayata Kirula	2,402,643.90			1,545,263.10		312,046.00	545,334.80
Grinding Cost	13,277.00		13,277.00				
Irrigation	288,240.60			208,212.00		80,028.60	
Material & Agriculture inputs	9,342,718.04			8,364,372.88		978,345.16	
Administration	1,472,426.30			1,082,946.68	3,749.00	385,730.62	
Fencing	699,301.67			479,188.02		220,113.65	
Other Expenses	897,786.66			210,910.38		206,030.28	480,846.00
Incidence	25,330.00		16,480.00	8,600.00			250.00
Sub Total	**41,047,619.87**	**37,932.32**	**617,194.83**	**31,029,411.52**	**1,213,989.37**	**6,941,224.30**	**1,207,867.53**
Income Over Expenditure	**(6,471,589.27)**	**(37,932.32)**	**(2,949,598.42)**	**570,328.18**	**(2,656,539.12)**	**(589,837.96)**	**(808,009.63)**

Chairmen: Deputy Director: Assistant Director(Finance):

Audit Report- 2011

විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය / எனது இல / My No: AF/D/HCB/FA/2011	ඔබේ අංකය / உமது இல / Your No:	දිනය / திகதி / Date: 16 October 2012

The Chairperson,
Sri Lanka National Freedom from Hunger Campaign Board

Report of the Auditor General on the Financial Statements of the Sri Lanka National Freedom from Hunger Campaign 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 Sri Lanka National Freedom from Hunger Campaign Board for the year ended 31 December 2011 comprising the balance sheet as at 31 December 2011 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act No. 38 of 1971 and Sri Lanka National Freedom from Hunger Campaign Board Act No. 15 of 1973. My comments and observations which I consider should be published with the annual report of the Board in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was issued to the Chairman of the Board on 30 April 2012.

1.2 Management`s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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, බත්තරමුල්ල , ශ්‍රී ලංකාව | இல. 306/72, பொல්துவ வீதி, புத்தரமுல்லை இலங்கை | No.306/72, Polduwa Road, Battaramulla , Sri Lanka

දුරකථනය / தொலைபேசி / Telephone: 2887028 - 34 | ෆැක්ස් අංකය / பக்ஸ் இல / Fax No.: 2887223 | ඉලෙක්ට්‍රොනික් තැපැල් / ஈ- மெயில் / E-mail.: oaggov@sltnet.lk

1.3 Auditor`s Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor`s judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers Internal Control relevant to the Board`s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board`s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Sub-sections (3) and (4) of section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

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

1.4 Basis for Qualified Opinion

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

2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2:2 of this report, the financial statements give a true and fair view of the financial position of the Sri Lanka National Freedom from Hunger Campaign Board as at 31 December 2011 and its financial performance for the year ended in accordance with Generally Accepted Accounting Principles.

2.2 Comments on Financial Statements

2.2.1 Best Accounting Practices

The following matters were observed.

(i) The value of the Land and Buildings had been shown as Rs.4,575,982 instead of being identified and shown separately in the financial statements and five percent of depreciation had been made for the total value in the year under review.

(ii) Five motor vehicles, four motor cycles and two tractors costing Rs.6,491,801 belonging to the Institute which were fully depreciated and further being used, had not been revalued and brought to account.

2.2.2 Accounting Deficiencies

The cost of Rs.1,747,403 in respect of 3 motor vehicles and 5 motor cycles which were sold by the Board in 2008 had not been eliminated from the accounts.

2.2.3 Un reconciled Control Accounts

The following matters were observed.

(a) A difference of Rs.908,604 was observed between the values of 19 balances of accounts shown in the trial balance furnished with the financial statements for 2011, and the values of the balances of accounts in the ledger.

(b) The profit from the sales proceeds of fixed assets shown in the Cash Flow Statement under Adjustments amounting to Rs.609,886 and it was shown as Rs.1,756,838 according to the Income Statement, Thus observed a difference of Rs.1,146,952.

2.2.4 Accounts Receivable and Payable

According to the financial statements the un settled petty cash imprest balance was Rs.738,073 as at 31 December 2011.

2.2.5 Lack of Evidence for Audit

The following matters were observed.

Description	Value	Evidence not made Available
	Rs.	
Fixed Assets	10,680,300	(i) Schedules (ii) Board of Survey Reports (iii) Fixed Assets Registers
Savings Deposits	49,284	Certified savings Deposits Books
Prior year Adjustments for Financing Activities	1,321,774	Details in respect of Adjustments

5

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

Following non-compliances were observed.

Reference to Laws, Rules, Regulations and Management Decisions	Value	Non – Compliance
	Rs.	
(a) Sri Lanka National Freedom from Hunger Campaign Board Act No. 15 of 1973	-	The Board had not taken action to achieve the following objectives. (i) Ascertainment of assistance from foreign and local Non-governmental Agencies for the social economic development in conversant with the Development Programmes prepared by the Government. (ii) Collaboration with the International Freedom from Hunger Campaign Institutions and other similar foreign Institutions, Associations or Societies.
(b) Employee`s Trust Fund Act No. 46 of 1980, Section No 16 and 27	11,599	The contributions collected had not been remitted before the 30th day of following months and therefore surcharges had to be paid.

2.2.7 Transactions not Supported by Adequate Authority

The following matters were observed.

(a) A sum of Rs.11,025,243 had been spent to establish a farm in a land extent of 160 acres in Kilinochchi for which the legal ownership had not been obtained by the Board. In contrary to procurement procedure a Harvesting Machine also purchased for a sum of Rs.1,545,000 to be used in the farm.

(b) Two projects and two farms established in a land extent of 33 acres for which the legal ownership had not been obtained by the Board and Rs.29.54 million had been spent in the year under review.

(c) Despite the imprest of Rs.290,000 and Rs.50,000 had been granted to purchase of items for two sales outlets , The sales income of sales outlets amounting to Rs.14,364,689 had been used to purchase items in the year under review, without using such imprests. Therefore it was observed that the internal control of sales income of the outlets had been in a weak position.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Board in the year under review had resulted in a deficit of Rs.6,471,589 as against the surplus of Rs.314,770 for the preceding year. Increase in expenditure by Rs.52,028,774 and increase in income by Rs.45,242,413 of the Board in the year under review had been the main reasons for the deterioration of financial results by Rs.6,786,359 as compared with preceding year.

8

3.2 Analytical Financial Review

The difference in various stages in the year under review as compared with the preceding year are given below.

	As at 31 December 2011	As at 31 December 2010	Difference as compared with the preceding year (less)more
	Rs.	Rs.	Rs.
Government Grant	43,210,955	16,449,217	26,761,738
Income	27,124,807	8,644,132	18,480,675
Expenditure	76,807,351	24,778,578	52,028,773
Surplus / (Deficit)	(6,471,589)	314,770	(6,156,819)
Current Assets	24,728,555	13,384,888	11,343,667
Current Liabilities	17,185,489	3,513,909	13,671,580

4. Operating Review

4.1 Management Inefficiencies

The following observations are made.

(i) Eight thousand kilogram of vegetables had not been cultivated in the Thanamalwila Farm as planned in the year under review. Even though it had been planned to establish a Model Farm in extent of 05 acres in the Ambalanthota Farm a Model Farm in extent of 1 ½ acres only had been established.

(ii) It was planned to produce 10,000 Bud Plants spending Rs.8,000 at a cost of .80 cents per plant, Nevertheless Rs.14,100 had been spent to produce 597 Plants during the year under review and the production cost incurred per plant had been Rs.24.

(iii) It was planned to supply seeds and agricultural material and equipment for 125 acres, incurring a sum of Rs.480,000 or Rs.3,840 per acre. Nevertheless a sum of Rs.2,240,000 had been incurred for 100 acres and therefore Rs.22,400 had been incurred per acre to supply seeds and agricultural material and equipment.

(iv) Even though it was estimated an expenditure of Rs.14,800 as salaries for cultivation of one acre of Waddakchchiya Farm the actual expenditure was Rs.81,100.

4.2 Uneconomic Transactions

Even though the expenditure amounting to Rs.5,641,618 and Rs.973,963 had been incurred during the years 2009 and 2010 respectively, for "Black Lime Project" under " One village, One Crop Programme " the project had not been implemented in 2011. The Machinery and Kiln valued at Rs.5,490,385 purchased and constructed for that purpose had not been used and total expenditure amounted to Rs.6,615,581 incurred for the project had become an uneconomical expenditure.

4.3 Human Resources Management

Even though the Approved Cadre amounted to 51, the Actual Cadre had been 34 and as such the vacancies had been 17.

4.4 Utilization of Vehicles

The following observations are made.

(a) Action had not been taken to repair or dispose of 03 motor cycles which were not in running condition for 08 years.

(b) Eight vehicles belonging to Ministries and Departments had been deployed by the Board without being properly transferred.

5. Accountability and Good Governance

5.1 Presentation of Financial Statements

Even though the financial statements of the Board for the year 2011 should be presented to audit before 28 February 2011 the financial statements had been presented to audit on 03 May 2011. The financial statements had been taken back by the letter dated 21 May 2011 of the Chairperson of the Board to correct the accounting deficiencies in the financial statements and re-submitted it on 07 June 2011 to audit. Accordingly the financial statements had been presented to Auditor General with a delay of more than 3 months.

5.2 Corporate Plan

Even though a Corporate Plan had been prepared for the period 2011 – 2013, it had not been paid attention to the following matters referred in paragraph 5.1.2 of Public Enterprises Circular No. PED/12 of 02 June 2003.

(a) The Organization Chart not prepared accordingly to the approved Cadre.

(b) The Action Plans had not been prepared to cover the entire planned period.

5.3 Budgetary Control

The line Ministry had granted Rs.13,939,905 for 3 projects and the Board had spent Rs.24,806,274. Thus the provision had been exceeded by Rs.10,866,369.

5.4 Tabling Annual Reports

The Annual Reports for 2006 – 2008 had not been tabled in parliament.

6. 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 from time to time. Special attention is needed in respect of the following areas of control.

(a) Fixed Assets
(b) Vehicle Control
(c) Purchases
(d) Financial Statements
(e) Personnel Management
(f) Budgetary Control

H.A.S. Samaraweera
Auditor General

Ashani/AF

Audit Reply

2.2 Comments on Financial Statements

2.2.1 Higher Accountancy Procedures

i. In the Final Accounts of the Board value of land and buildings are included as the value at 2004 when the Board was recommenced. At that time the value of lands and buildings were not estimated separately. It is expected to re-evaluate land and buildings separately before the end of the current year.

ii. The completely depreciated vehicles which are used by the Board have been not re-evaluated. Hence according to the historical value shown in the books accounting has been done. Those values will be re-evaluated at the end of year 2012 and steps will be taken to correct the accounting reports.

2.2.2 Accounting Deficiencies

Steps have been taken to remove the value of those vehicles and motor bicycles from the accounting books.

2.2.3 Incompatible Control Accounts

a. On 30th May 2011, three accounts of the Board were closed and the balance was changed to account number 194125. Accordingly the ledger account balances of those accounts have to be transferred. According to that when comparing the balances of those ledger accounts it is accepted that there are some inconsistencies. This was the reason for changes in the balances. Further a computerized accounting system is not used when balancing the accounts this also contributed to the accounting deficiencies. At present those deficiencies were rectified.

b. A profit of Rs. 609,886.00 was shown after deducting the annual depreciation and marketing cost of the fixed asset from the selling of income from fixed assets. But at the time those vehicles were completely depreciated the profit is estimated less in the cash flow statement. At present steps have been taken to remove this problem from the accounting books.

2.2.4 Receivable and Payable Accounts

The amount of Rs. 738,073.31 shown in the Final Accounts was due to non-refunding of petty cash on 31.12.2011. It is expected to avoid this problem in future.

2.2.5 Lack of Evidence for Audit

Fixed Assets

Steps have been taken to prepare Fixed Assets Register and Goods Evaluation Reports.

Savings Deposits

The saving books for Lanka Bank's Hingurakgoda Branch (Rs. 48,784.54) and Buttala Branch (Rs. 500.00) are misplaced. Hence steps have been taken to ratify the balances through Balance Ratifying Letters.

Adjustments for previous years financial activities

To correct the Accounting Deficiencies in the year 2010 the adjustments done to the Cumulative fund were not indicated. The journal entries for those adjustment are completed at present.

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

a. i. 1973 No. 15 Sri Lanka National Freedom from Hunger Campaign Board Act

Project Proposals were forwarded continuously to foreign donors but yet to receive a good response. The reason for this is that, at the time when the Board was closed on 2002 all the donors were informed about it.

ii. Collaborate with the International Freedom from Hunger Campaign board and other similar organizations, associations or societies abroad.

Project Proposals were forwarded continuously to foreign donors but yet to receive a good response. The reason for this is that, at the time when the Board was closed on 2002 all the donors were informed about it.

b. Employment Provident Fund Act 1980 No. 46

At present EPF is done monthly and present a report to the Director Board on their instructions.

c. FR 177 (1), (2), (3)

Accepted. This methodology will be changed and a proper method to bank daily income will be implemented.

d. The points forwarded by the Audit are rectified and at present when vehicles of the Board is repaired the fairness of the prizes are sent to a qualified engineer and take reports. Further the repairs are being now done by the registered institutes.

e. A computerized fixed asset register is being maintained by the Board. From the year 2012 steps have been taken to keep a methodical fixed asset register according to the proper model

f. At present all purchases of the Board are done after obtaining quotations. In the last year several urgently needed items and purchases done from Government Institutes were bought without following the proper procedure. But at present all purchases are done by calling quotations and at the lowest price.

2.2.7 Transactions done without adequate authority

a. The Governor of the North Province has handed over this land by his letter dated 28.02.2011 to develop it as a farm under the project Api Wawamu - Rata Nagamu. The LTTE terrorist had used this land as terrorist training center for a long time. Hence the actual development cost has exceeded the targeted development cost. The Combine Harvest Machine was purchased after obtaining the approval of the Chairperson with following the proper procurement procedures.

Those all lands are government lands and the relevant Assistant Government Agents had given their approval to our Board to develop those lands as farms. Further all steps have been taken to take the ownership the Board at present. The Buttala and Thanamalwila land taking over is at the final step and the Ambalatota Land Usage Committee had given their approval to hand over this land to the Board.

3. Financial and Operating Review

3.1 Financial Results

Agree with your Financial Result. In the year 2011 the actual expenses were far more exceeded than the target. This was due to the fact that the Ministry had not released the full finance required for projects in the approved action plan. Hence to achieve that targets Board's finances had to be used. Most of these expenses were done for farm development activities. Thus the benefits of those investments will be expected to be gain in future.

3.2 Analytical Financial Review

a. Though the income of the Board was highly increased during the year the expenses were also highly increased. Hence there was some financial deterioration. But at present the Board practices rigid financial management practices hence expects to achieve beneficial results in future.

4. Operating Review

4.1

i. We mean by this was to get a vegetable harvest of 8000 Kg' But due to drought prevailed for 8 months this target could not be achieved.

ii. Though the plan was to produce 10,000 budded mango plants it could not be achieved due to drought condition. Hence only 597 mango plants were produced spending 0.00733 Rs. Mn.

iii. Accept. Due to higher acreage cultivated the expenses for agric material and equipment cost was higher than the target. Further an acre of paddy could not be cultivated for Rs. 3,840. This was a mistake in the estimate.

iv. According to action plan of the year the finances reserved for cultivation was 3.7 Rs. Mn. But in the Yala the cultivation area was 60 Ac & in the Maha it was 100 Ac. Hence the total expenses for cultivations were 6.4 Rs. Mn.
This land was abandoned for long period of time hence for land development and preparation activities consumed more labor days than expected.

4.3 Uneconomical Transactions

This project was started with the main objective of providing a solution to the excess production of lime in the Moneragala District. The methodology followed was to dry the lime fruit and make black lime and to export them to Middle East countries. But after the inception of the project the lime harvest was drastically dropped and the prices were sky rocketed and the continuation of the project was uneconomical and unsuccessful. At present we are having discussions with Hayleys Group to use those machines for fruit drying.

4.4 Human Resource Management

The approved cadre of the Board is as follows.

- Permanent - 28
- Contract
    - Kalankuttiya - 23
    - Dehiwela - 8

At present there are 22 permanent employees and steps have been taken to employ the balance 6. At Kalankuttiya 18 employees are working according to the machine capacity and the demand. At Dehiwela 5 employees are working on contract basis and the balance will be filled soon. Further there are around 100 employees working on daily paid basis according to daily requirements of our projects.

4.5 Vehicle Utilization

a. From these 3 motor bicycles only 1 belongs to the Board and it is unrepaired. Steps are being taken to dispose it as soon as possible. Relevant authorities are informed about the other 2 Motor Bicycles.

b. For carrying out the projects of the Board prevailing fleet of vehicles were not enough. Hence vehicles were obtained from the Ministry and Departments. The maintenance & repairing cost of those vehicles were done by the Board as shown by the Audit. On 19.05.2011 the relevant forms were submitted to transfer Ministry owned vehicles used by the Board but due to 9th Sub Section of the chapter II of Financial Regulations the inability to pay the estimated cost delayed the actions. Further actions will be taken to transfer these vehicles to the Board will be completed as soon as possible.

5. Accountability & Good Control

5.1 Presenting Financial Statements

From January to March of the year 2012 the posts of Assistant Director - Finance & Financial Officer were vacant. Hence the relevant reports could not be present at time. Now they have been presented to the Auditor General.

5.2 Corporate Plan

a. Accept. Corrected in the 2012-2014 Corporate Plan

b. Accept. Corrected in the 2012-2014 Corporate Plan

5.3 Budgetary Control

According to the Action Plan of 2011 18.5 Rs. Mn were allocated for Local Food Promotion Programs, Buttala, Thanamawila and Waddakachchi farm development programs. But the Ministry has released only 13.939 Rs. Mn. Hence the balance was sustained by the Board's income. These expenses were done to develop those lands as cultivable lands the benefits could be expected in the future.

5.4 Presenting Annual Reports to the Parliament

Accept. 2009 & 2010 Annual Reports were presented to the Parliament. 2006 to 2008 were prepared and translated into three languages and get the Ministry approval. Remaining work will be finished during this year.

6. Systems & Control

a. Fixed Assets

Fixed Asset Register has been prepared. Re-evaluating the fixed assets and entering the new values into the books will be completed during this year.

b. Vehicle Control
For the vehicles used by the Board Log Books and Running Charts are maintained. Further steps will be taken to get the ownership of vehicles which do not belong to the Board and to dispose the vehicles which could not be used.

c. Purchases
All purchases are done according the Procurement Guidelines.

d. Financial Statements
Though the Financial Statements could not be presented to the Auditor General on time for the year 2011, steps have been taken to present them on time in future.

e. Management of Employees
It is expected to get the approval of the Department of Management Services for employees who are employed by the Board for necessities.

f. Budgetary Control
It is expected to control the expenses of the Board according to the Budget of the year.

Our attention will be given on the matters you have indicated and the internal activities will be regularized in future. Further we would like to express our gratitude for your interest shown in the Board's matters and the assistance given.

Mrs. Kumudunee Gunasekera
Chairperson

Copy: The Secretary – Ministry of Agriculture