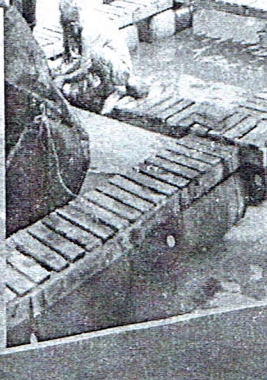
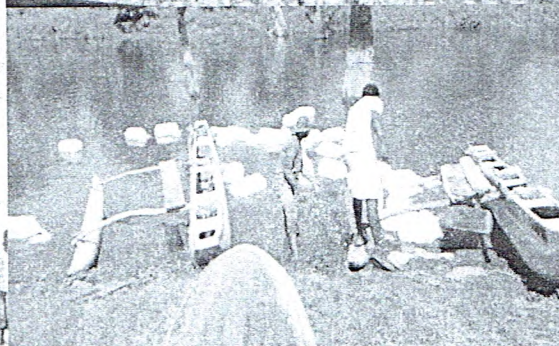


# *Annual Report*

# *2015*



**National Aquaculture  
Development Authority of  
Sri Lanka**

# ***Annual Report***

***2015***

**National Aquaculture Development Authority of Sri Lanka**

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

**Pelawatta,**

**Battaramulla.**

**Tel: 011 2786495**

**Fax: 011 2786493**

## **Corporate Information**

### **Name of the Organization**

**NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA**

### **Directors**

- |  |   |          |
|--|---|----------|
| 1. Upali Mohotti (Attorney-at-Law)         | - | Chairman |
| 2. Mr. K.G.A. Gunaratne                    | - | Director |
| 3. Mr. W. I. Deepal Peiris                 | - | Director |
| 4. Mr. V.B. R. Weerakoon (Attorney-at-Law) | - | Director |
| 5. Mr. Nelson W. Abeygunawardhana          | - | Director |
| 6. Dr. Anil Premaratne                     | - | Director |
| 7. Mr. Abdul Majeed                        | - | Director |
| 8. Mr. M.C.L. Fernando                     | - | Director |
| 9. Ms. Hiransa Kaluthanthri                | - | Director |
| 10. Ms. P.H. Handunhewa                    | - | Director |

### **Head Office**

41/1, New Parliament Road, Pelawatta, Battaramulla

### **Auditors**

Auditor General's Department

### **Bankers**

Peoples Bank, Battaramulla.

Bank of Ceylon, Pelawatta.

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

I have the duty of presenting the Annual Report of NAQDA for the year  
ended 31/12/2015.

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

20.04.2017

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

Dear Sir,

In accordance with the provision of the NAQDA Act No. 53 of 1998, I am pleased to present the following in respect of the activities of the National Aquaculture Development Authority of Sri Lanka for the period 01<sup>st</sup> January 2015 to 31<sup>st</sup> December 2015.

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

Thanking You.  
Yours Faithfully,



**Upali Mohotti (Attorney-at-Law)**  
Chairman

## Introduction

The performance of the National Aquaculture Development Authority of Sri Lanka (NAQDA) during the 12 months commencing from 01/01/2015 continued to improve as in the previous years.

## Inland Fish Production

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

| Year | Inland Fisheries & Aquaculture (MT) | Coastal Aquaculture prawn production (MT) | Total Production (MT) | % Increase over previous year |
|------|-------------------------------------|---|-----------------------|-------------------------------|
| 2008 | 42,270                              | 2,220                                     | 44,490                | 16                            |
| 2009 | 43,010                              | 3,550                                     | 46,560                | 2                             |
| 2010 | 48,930                              | 3,480                                     | 52,410                | 13                            |
| 2011 | 55,410                              | 4,150                                     | 59,560                | 14                            |
| 2012 | 65,640                              | 3,310                                     | 68,950                | 16                            |
| 2013 | 62,480                              | 4,430                                     | 66,910                | -3                            |
| 2014 | 70,600                              | 5,150                                     | 75,750                | 13                            |
| 2015 | 60,210                              | 7,090                                     | 67,300                | -11.2                         |

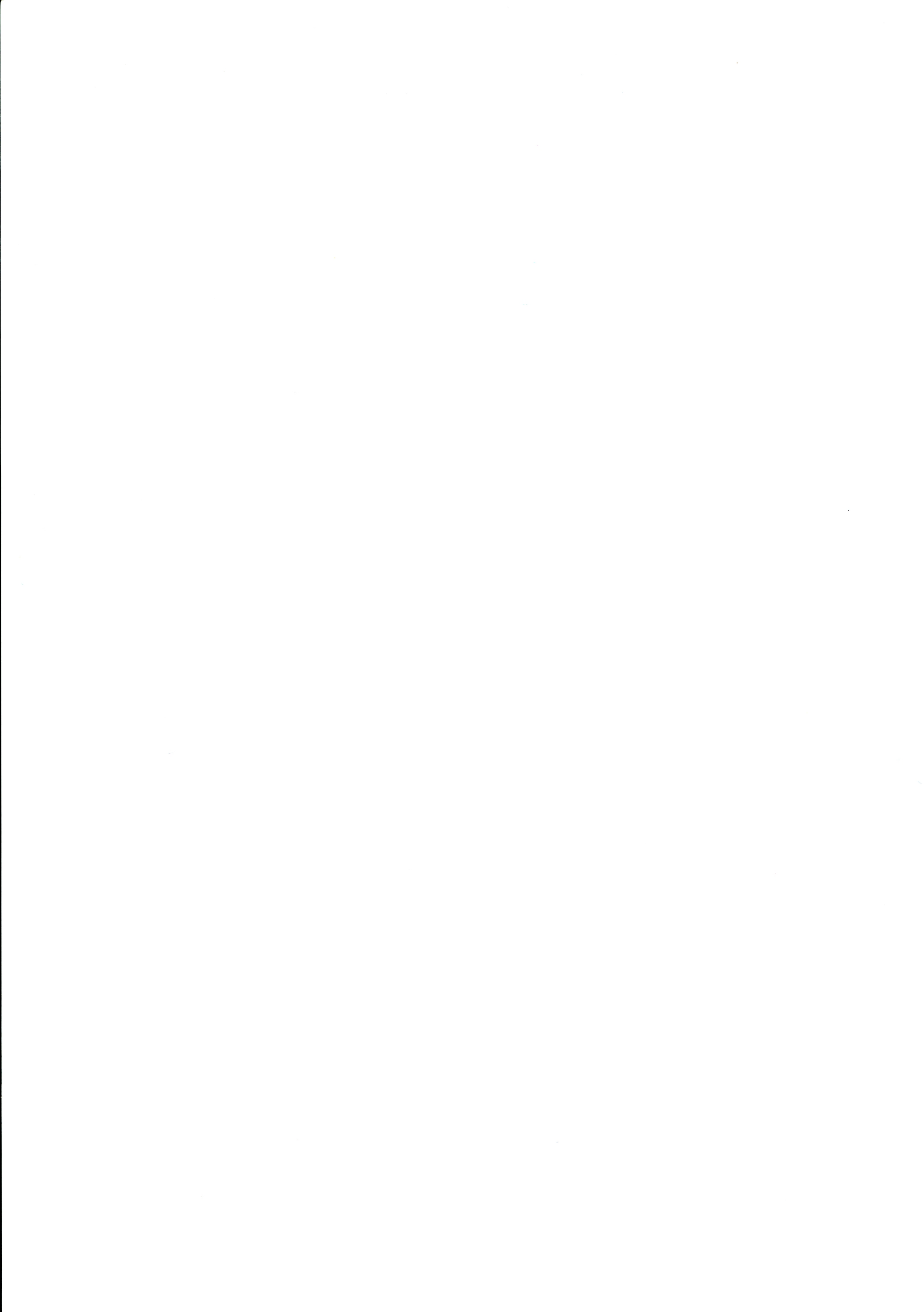
In 2015, targeted Inland Fish and Aquaculture Production was 79% achieved and the total inland fisheries and aquaculture production was 67,300 Mt. The inland fish production in 2015 came from culture based fisheries in the perennial reservoirs was decreased compared to 2014. This is due to the adverse weather conditions experienced during the 2015 where the high level of water in reservoirs reduced the fish netting areas which led to a less fish harvest. Further, the reduction of releasing fingerlings to the tanks in 2014 also contributed to the lower production. Steps have been carried out to over-come some constraints, mainly with the increase of fish fingerling and freshwater prawn post larvae stocking, and also the proper management of the water bodies with community participation, establishment of community based mini-hatcheries, have been adapted for increase of inland fish and aquaculture production. Also the cultured prawns/ coastal aquaculture production

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

The Board of Directors is pleased to present the Annual Report for the Year ended 31<sup>st</sup> December 2015 together with the Audited Accounts and Report of the Auditor General.







## Introduction

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increased during the year due to the control of the spread of disease as a result of the implementation of best practices and the expansion of farms..

### **Foreign Exchange earned and contribution to rural economy**

This inland fish and shrimp production in 2015 is valued at approximately Rs.13,640 Mn. contributing significantly to the rural economy. Further it is estimated that foreign exchange earned through export of cultured shrimps and ornamental fish is Rs. 1,971 Mn. and Rs. 2,392 Mn. respectively.

### **Fry Production & Distribution**

The Aquaculture Development Centers (AQDCs) at Udawalawa, Dambulla, Inginiyagala, Polonnaruwa, Iranamadu and Nuwara Eliya produced 88.31 Mn fry in 2015. A part of these fry were sold to Private Pond Owners (PPO) and Community Based Organizations (CBO) managed Mini Nurseries for rearing to fingerling size. This is an increase of 16% when compared to fry production in 2014.

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

|                            | <b>2009</b>  | <b>2010</b>  | <b>2011</b>  | <b>2012</b>  | <b>2013</b>  | <b>2014</b>  | <b>2015</b>  |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Fry sold to Mini Nurseries | 17.34        | 15.79        | 17.55        | 10.85        | 12.52        | 6.57         | 11.90        |
| Fry reared at AQDCs        | 13.32        | 16.14        | 28.80        | 40.05        | 62.74        | 55.39        | 50.79        |
| Fry sold to PPOs           | 17.99        | 26.31        | 34.88        | 24.39        | 21.94        | 11.93        | 15.67        |
| Issued to Cages            | 1.35         | 2.30         | 1.88         | 1.11         | 0.84         | 2.02         | 9.95         |
| <b>Total</b>               | <b>50.00</b> | <b>60.54</b> | <b>83.11</b> | <b>76.40</b> | <b>98.04</b> | <b>75.91</b> | <b>88.31</b> |

### **Fingerling Production**

In the year 2015, 55.21 Mn fingerlings were produced in Aquaculture Development Centers (AQDCs) of NAQDA, CBO managed Mini Nurseries and Private Ponds. This is a significant increase (35%), when compared to the fingerling production in 2014.

*Table 3 - Fingerling Production (Million)*

|                                     | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Fingerlings produced Mini Nurseries | 8.14         | 8.03         | 8.47         | 5.63         | 5.76         | 4.27         | 7.24         |
| Fingerlings produced AQDCs          | 9.62         | 13.75        | 20.35        | 21.18        | 34.94        | 30.94        | 39.65        |
| Fingerlings produced PPOs           | 8.99         | 11.70        | 14.89        | 9.87         | 8.43         | 4.81         | 6.06         |
| Cages                               | 1.18         | 1.40         | 1.11         | 0.71         | 0.26         | 0.96         | 2.26         |
| <b>Total</b>                        | <b>27.93</b> | <b>34.88</b> | <b>44.82</b> | <b>37.39</b> | <b>49.39</b> | <b>40.98</b> | <b>55.21</b> |

### Distribution of fingerlings

The fingerlings produced at AQDCs, Private Ponds, Mini Nurseries and Cages were distributed amongst major aquaculture and inland fisheries development areas as given in the following table. It is anticipated that the higher fish stocking during 2015, will support increase in inland fish production in 2016.

*Table 4 – Stocking of Fish Fingerlings - 2015*

| Type of the water body | Number of tanks / units | Fingerling Stocked (Mn) |
|------------------------|-------------------------|-------------------------|
| Major Reservoirs       | 32                      | 11.70                   |
| Medium Reservoirs      | 66                      | 16.30                   |
| Minor Reservoirs       | 257                     | 15.94                   |
| Seasonal Tanks         | 453                     | 7.07                    |
| Ponds                  | 654                     | 2.01                    |
| Rivers and Lagoons     | -                       | 0.67                    |
| <b>Total</b>           | <b>1462</b>             | <b>53.69</b>            |

### Fresh Water Prawn Production (Post Larvae)

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

*Table 5 – Stocking of Freshwater Prawn Post Larvae - 2015*

| Type of the water body | Number of tanks | Post larvae stocked (Mn) |
|------------------------|-----------------|--------------------------|
| Major Reservoirs       | 20              | 8.78                     |
| Medium Reservoirs      | 36              | 6.54                     |
| Minor Reservoirs       | 51              | 5.34                     |
| Seasonal Tanks         | 10              | 0.14                     |
| Ponds                  | 43              | 0.40                     |
| Lagoons                |                 | 1.07                     |
| <b>Total</b>           | <b>160</b>      | <b>22.27</b>             |

Freshwater prawn production has shown a gradual increase and has resulted in enhancing income of fishermen. In 2015, freshwater prawn production was about 374 Mt and thereby Rs. 337 Mn were contributed to the rural economy. Freshwater prawn created a new fishery in the inland waters and Export of Freshwater Prawn is an emerging trend. Today, there are mainly two companies engaged in exporting of freshwater prawn and 21.36 Mt, 20.68 Mt, 141 Mt and 144 Mt were exported in 2012, 2013, 2014 and 2015 respectively.

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

Based on a Cabinet Approval dated 16.07.2008, stocking of fish fingerlings in the reservoirs free of charge basis commenced from 2009. The total sum allocated for this programme was Rs. 150 Mn. NAQDA received Rs. 30.00 Mn. during 2015.

Under this programme 29.68 Mn. fish fingerlings and freshwater prawn post larvae were stocked in reservoirs during 2015.

#### **Development of Reservoir Fisheries**

To improve the management of inland fisheries in perennial water bodies (by preventing illegal methods of fishing) the Authority conducted 232 raids during the year 2015. In addition, to this 194 management licenses were issued and 253 fishing crafts and 900 sets of fishing gear were distributed.

## **Shrimp Farming Industry**

Various activities were implemented during last few years through the Shrimp Farm Monitoring and Extension Unit of NAQDA to rehabilitate the shrimp farming industry, which was devastated by the White Spot disease. Main activities undertaken were Dredging of Dutch Canal; Introduction of a crop calendar and zoning; Formation of relevant rules & regulations and implementation; Regulation of shrimp hatcheries and Screening of post larvae of shrimp and broodstock. In addition, services are being provided at the Shrimp Disease Diagnosis and Health Management Laboratory at Battuluoya for shrimp farmers to detect shrimp diseases.

During 2015 under monitoring activities, 345 Aquaculture Management licenses including 328 Shrimp Farms, 15 Shrimp Hatcheries and 2 broodstock collectors were issued. Further, NAQDA conducted 4,216 no. of PCR tests to screen brooders and post larvae. These tests were carried out by the Brackish water fish health and environmental monitoring laboratory at Battuluoya. Further to improve quality of post larvae, all the shrimp hatcheries were monitored by testing for Monodon Bacula Virus and white spot disease by officials from the brackish water fish health and environmental laboratory.

In 2015, 42 Shrimp Hatcheries and 608 Shrimp Farms were operated in Puttalam District. Shrimp post larvae production during the year was 463 Mn.

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

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

Model shrimp hatchery in Puthukkudirippu was commenced operation during first quarter of 2011 on Public- Private Sector Partnership Basis and supplies the seed requirement of the shrimp farmers of the area. A private company manage the hatchery and 21.00 million post larvae were produced in 2015. This is the only hatchery available in the East

and caters to the post larvae requirement of the expanding shrimp industry in the Batticaloa District.

Infrastructure development for cluster shrimp farming in Vakarai is to create alternative livelihoods to coastal communities specifically affected by the Tsunami 2004 by engaging them in shrimp farming on a cluster system. Further it is intended to develop the necessary infrastructure required to achieve the primary objective for creating livelihood. This is a model for the ecosystem approached shrimp farming based on a concept of cluster system. NAQDA together with Divisional Secretary, Vakarai selected an investor and beneficiaries. It was formed an Aquaculture Development Society which was registered with NAQDA and the membership was comprised of all the beneficiaries. A company named Vakarai Ocean Aqua Cluster (Pvt) Ltd was formed with the investor and society as shareholders. This cluster farm is managed by Vakarai Ocean Aqua Cluster (Pvt) Ltd Company. From 2015 culture cycle, profit earned by the company was Rs. Mn 5.40 and each beneficiary received profit of Rs. 200,000.00. 5.19 Mn post larvae were stocked and 96.87 Mt were harvested in 2015.

Demonstration Shrimp Farm at the Air Force Base Camp in Batticaloa will train shrimp farmers of the area on Best Management Practices (BMP) & sustainable development of Shrimp Farming. At present this Demonstration Farm is managed by the Air Force, Batticaloa. 0.33 Mn post larvae were stocked and 5.56 Mt. was harvested in 2015 and also 63 persons were trained in 2015 from this farm.

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

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

These centers sold 2.05 Mn ornamental fish for farmers and exporters and earned Rs. 7.59 Mn. 54,420 brooders were also sold in 2015. 18 training programmes were conducted and 564 people were trained in ornamental fish farming in the year 2015.

A tissue culture laboratory established at Rambodagalla is involved in tissue culture of ornamental aquatic plants. The main objectives of this are to technology transfer and to earn the foreign exchange by exporting aquatic plants. 33,675 numbers of aquatic plants were produced in 2015.

Live rock export is a new addition to our product range and in 2015 live rocks to the values of Rs. Mn 14.61 has been exported.

### **Non- traditional Aquaculture**

- **Sea cucumber Hatchery**

Under the MOU between Vietnam and NAQDA, provided expertise to breed Sea cucumber in a private hatchery. In 2015, 239,000 sea cucumber juveniles were produced.

- **Sea cucumber fattening in pens**

NAQDA facilitate Sea cucumber fattening in pens and ponds. Projects were carrying out by private sector in Thewanpitti, Mannar south bay, Ambupuram Kilinochchi, Valaipadu Kilinochchi, and Nachchikuda Kilinochchi. 53 Mt. (wet weight) were harvested in 2015.

- **Sea weed farming**

A pilot project to farm sea weeds was implemented in Kilinochchi district under technical assistance programme of the Government of Vietnam. Under this technology for farming of sea weed (*Kappaphycus*) using monoline method was introduced. A leading private sector company has commenced commercial scale sea weed farming with community participation in the North. Around 1000 persons involved in sea weed farming under this programme. 4760 Mt. (wet weight) were harvested in 2015. Family earned



Rs. 45,000 income per cycle (45 days) and the earned Rs. 16.5 million by exporting 165 Mt. (Dry weight) in 2015.

- **Sea bass Hatchery**

NAQDA succeeded in breeding Sea bass under public private partnership. NAQDA provided expertise to breed Sea bass in a private hatchery. This will pave the way for expansion of Sea bass farming in Sri Lanka. 250,000 no. of fingerlings were produced in 2015.

- **Sea bass farming**

Private sector involved in sea bass cage culture in Negombo lagoon, Town bay, Puttalam and Galle. Around 80 people were involved in sea bass farming in cages and ponds. 327,665 stocked and 36.50 Mt. of sea bass were also harvested in 2015.

FAO funded to install 09 cages of sea bass in Nawaladi, Batticaloa lagoon and 10,020 sea bass juveniles were stocked.

A large scale sea bass farming in cages with an investment of US \$ 04 million commence operation in Trincomalee Sea. Objective of this venture is to introduce commercial scale marine based farming of fin fish to Sri Lanka. This will also create livelihood to coastal community through direct employment, reduce pressure on wild fishery and provide a consistent supply base, generate import revenue, added tourist attraction, and provide forward linkage opportunities such as value added fish production. 350,131 sea bass fingerlings were stocked and 20 Mt of sea bass were harvested from these sea cages.

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

Construction work of Iranamadu centre was completed and the total estimated project cost was Rs. Mn 386. The objective of this project is to supply fish seed required for stocking in northern reservoirs in order to

increase the nutrition level and rural economy by increasing the inland and aquaculture fish production.

### **Marine Fin Fish Hatchery in Batticaloa**

Design completed and contractor was selected and the construction of the marine fin fish hatchery in Tharmapuram, Batticaloa District will begin on February 2016, to fulfill the need of marine fin fish seeds required for the development of marine fin fish farming in Sri Lanka. The project is funded by FAO and total estimated cost is Rs. 120.00 million. Following species have been identified for breeding; Milk fish (*Chanos chanos*), Barramundi/Asian sea bass (*Lates calcarifer*), Grouper (*Epinephalus sp.*), Snappers (*Lutjanus sp.*), Silver pomfret (*Pampus argenteus*), Sea bream (*Pagrus major*), Mahi mahi (*Coryphaena hippurus*), Cobia (*Rachycentron canadum*). By establishing this hatchery it is planned to create livelihoods for 1600 families (direct/indirect) in coastal communities, save the foreign exchange involved in imports of fish seeds, earn the foreign exchange by export of fin fish, support fin fish farmers to keep the cost of seed at a minimum level and disseminate breeding technology.

### **Regional Initiative on Sustainable Intensification of Aquaculture for Blue Growth in Asia-Pacific Projects (FAO)**

- Establishment of 05 water based mini hatcheries on pilot testing

Inadequacy in supply of fish seed is the major constrain for the further development of inland fisheries in reservoirs. At present Sri Lanka produce around 50.0 million fish fingerlings per annum and around 90% of this is produced at Aquaculture Development Centres of NAQDA, while the rest is produced by community based seed producers and small scale fish farmers. It has been estimated that a minimum of 150 million fish fingerlings required to utilize all freshwater reservoirs effectively for fish production.

It is proposed to support fisheries farmer organizations involved in CBF to undertake fish seed production activities. FAO will fund USD 150,000 to establish at least five water based hatcheries for Nile tilapia in five perennial

reservoirs. Project will provide training, technical assistance, materials and equipment required for the establishment of water based fish hatcheries and technical demonstration. 05 reservoirs were selected from 05 different districts to establish water based mini hatcheries.

- **Development of strategy for aquaculture value chain development**

Aquaculture value chain is not yet sufficiently established in the country, which include problems with both marketing of products and supply of aquaculture inputs. Currently, farmers in some production areas often experience marketing problems during the peak harvesting seasons. On the other hand, many farmers also have difficulty in accessing quality production inputs such as feed and seed. Inadequate development of aquaculture value chain has become an key constraint in aquaculture development in Sri Lanka. The overall objective of this project is to develop a national strategy for improved linkage small farmer to market, consumers and input supply, which will enhance the income generation of small farmers and supply of aquaculture products to consumers. The FAO was allocated USD 20,000 for this project and a draft strategic plan was prepared for aquaculture value chain development.

- **Technical assistance on human resource capacity building related to fish genetics and broodstock management.**

Overall objective of the project is to improve the aquaculture efficiency and sustainability in the country through improves access of rural farmers to quality fish seed with genetically improved and well managed broodstock. Total funds allocated from FAO are USD 360,000. Under this programme capacity building on fish genetics and broodstock management, BMPs and guidelines formulation for broodstock management including prevention of inbreeding, implementation of separate genetic improvement programme for existing broodstock of Indian and Chinese Carps will be continued.

- **Reducing and managing the risks of Acute Hepatopancreatic Necrosis Disease (AHPND) of cultured shrimp.**

Acute Hepatopancreatic Necrosis Disease (AHPND) or more popularly known as Early Mortality Syndrome (EMS) is an emerging disease of cultured shrimps. This interregional TCP project aims at raising awareness and disseminating up-to-date information about EMS/AHPND and providing a platform to better understand the disease and generate practical control measures. This will also help putting in place long-term preventive and proactive strategies rather than reactive measures as well as a platform regional and interregional cooperation.

FAO Aquatic Animal Health (AAH) Capacity and Performance Self-Assessment survey were completed and two inter regional workshops were held on 22 – 27 June in Panama to raise awareness, disseminate the most up-to-date scientific information. National Action Plan for prevention the introduction of AHPND to Sri Lanka was prepared at this workshop.

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

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



Chairman  
National Aquaculture Development Authority of Sri Lanka

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

The Board of Directors is pleased to present the Annual Report for the Year ended 31<sup>st</sup> December 2015 together with the Audited Accounts and Report of the Auditor General.

## **1. Introduction**

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

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

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

NAQDA maintains six (07) major Freshwater Aquaculture Breeding Centers, Two (02) Freshwater Prawn Breeding Centers, and Two (2) Ornamental Fish Breeding Centers.

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

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



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

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

## **Aquaculture Extension Service**

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

## **2. Objectives**

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

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

03. **Manpower of National Aquaculture Development Authority of Sri Lanka as at 31<sup>st</sup> December 2015**

| Categories                                  | Nos.       |
|---|------------|
| <b>Chief Executive Officer</b>              | <b>01</b>  |
| <b>Senior Managers</b>                      | <b>04</b>  |
| <b>Middle Managers</b>                      | <b>11</b>  |
| <b>Junior Managers</b>                      | <b>69</b>  |
| Aquaculturists                              | 41         |
| Regional/District Extension Officers        | 20         |
| Statistical Officers                        | 03         |
| Computer Analyst                            | 01         |
| Procurement Officer                         | 01         |
| Social Development Officer                  | 01         |
| Finance Officer                             | 01         |
| Administrative Officer                      | 01         |
| <b>Management Assistant – Technical</b>     | <b>87</b>  |
| Assistant Aquaculturists                    | 16         |
| Extensions Officers                         | 67         |
| Technical Officers                          | 03         |
| Book keeper                                 | 01         |
| <b>Management Assistant – Non Technical</b> | <b>71</b>  |
| <b>Primary Level</b>                        | <b>324</b> |
| Technicians (Electrical/ Mechanical)        | 07         |
| Drivers                                     | 42         |
| Minor Staff                                 | 275        |
| <b>Total</b>                                | <b>567</b> |

4. **Principal Activities**

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

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

## **5. Capital**

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

## **6. Income**

Income from sale of fish seeds, rent on leased centers and other income is Rs.147.53 Million. The Treasury grant for financing recurrent expenditure was Rs.313.09 Million for the year ended 31<sup>st</sup> December 2015.

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

National Aquaculture Development Authority has made a net deficit of Rs.11.44 Million for the year ended 31<sup>st</sup> December 2015. The income details are set out in page 5 of Financial Statements.

## **8. Statement of Affairs**

The statement of affairs of the Authority as at 31<sup>st</sup> December 2015 is set out in page 4 of Financial Statements.

## **9. Capital Expenditure**

A financial allocation of Rs. 100 Million was made available for National Aquaculture Development Authority of Sri Lanka for the year 2015. Total allocation was utilized for rehabilitation and renovation of buildings and Ponds at the Centers, rehabilitation of vehicles and equipment, Acquisition of Fixed assets and Aquaculture Development activities.

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

The Authority collaborated with Food and Agriculture Organization (FAO) and private sector for operating the Brackish water Shrimp Hatchery, Sea bass hatchery, Demonstration Shrimp Farm, Sea weed farming.

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

The Directors of the Authority were not directly or indirectly involved in any contracts with the Authority during the year ended 31<sup>st</sup> December 2015.

## **12. Auditors**

The Accounts of the National Aquaculture Development Authority of Sri Lanka for the Year ended 31<sup>st</sup> December 2015 was audited by the Auditor General's Department.

## ***Report of the Auditor General***

Report of the Auditor General on the Financial Statements of the  
National Aquaculture Development Authority of Sri Lanka for the year  
ended 31<sup>st</sup> December 2015.

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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்  
**AUDITOR GENERAL'S DEPARTMENT**



මගේ අංකය  
எனது இல.  
My No.

} FLS/A/NAQDA/1/15/08

ඔබේ අංකය  
உமது இல.  
Your No.

}

දිනය  
திகதி  
Date

} 30 November 2016

The Chairman

National Aquaculture Development Authority of Sri Lanka

**Report of the Auditor General on the Financial Statements of the National Aquaculture Development Authority of Sri Lanka for the year ended 31 December 2015 in terms of Section 14(2) (c) of the Finance Act, No.38 of 1971**

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The audit of financial statements of the National Aquaculture Development Authority of Sri Lanka for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No.38 of 1971 and Section 25(2) of the National Aquaculture Development Authority of Sri Lanka Act, No. 53 of 1998 as amended by the National Aquaculture Development Authority of Sri Lanka (Amendment) Act, No. 23 of 2006. My comments and observations which I consider should be published with the Annual Report of the Authority 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 will be issued to the Chairman of the Authority in due course.

**1.2 Management's Responsibility for the Financial Statements**

-----

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



### **1.3 Auditor's Responsibility**

-----

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000-1810). 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 misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority'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 Authority'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 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 audit opinion.

### **1.4 Basis for Qualified Opinion**

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

## **2. Financial Statements**

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### **2.1 Qualified Opinion**

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In my opinion, except for the effects of the matters described in paragraph 2.2 of this report the financial statements give a true and fair view of the financial position of the National Aquaculture Development Authority of Sri Lanka as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.



## 2.2 Comments on Financial Statements

### 2.2.1 Sri Lanka Public Sector Accounting Standards

The following observations are made.

(a) Sri Lanka Public Sector Accounting Standard – 03

In the absence of a Sri Lanka Public Sector Accounting Standard that specifically applies to a transaction, other event or condition, the management should develop and apply an accounting policy. Nevertheless, action had not been taken in respect of accounting the milk cows relevant to biological assets purchased by the Authority for a sum of Rs.91,700 in the year 2009. Moreover, the accounting policy so developed and applied in respect of Government grants had not been disclosed by financial statements.

(b) Sri Lanka Public Sector Accounting Standard – 07

When the fair values of property, plant and equipment differ materially from its carrying amount, annual revaluation is necessary. Even though frequent revaluation is unnecessary for property, plant and equipment which are not material and revaluation is adequate once in 03 or 05 years, revaluation of assets had not been carried out by the Authority after the year 2012.

### 2.2.2 Accounting Deficiencies

The following observations are made.

(a) The stock of fish seed had been over computed by Rs.131,907 as at the end of the year under review. As such, the value of the closing stock and the profit had been overstated by that amount.

(b) Direct bank credits amounting to Rs.2,865,680 had not been identified and brought to account during the two preceding years and the year under review.





### 2.2.3 Unexplained Differences

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A difference of Rs.412,560 was observed in the comparison of the balance of accrued expenses according to the financial statements with the relevant subsidiary records.

### 2.2.4 Lack of Evidence for Audit

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Detailed schedules for adjustments of Rs.6,644,148 made through Journal Number 57 were not made available to audit.

## 2.3 Accounts Receivable and Payable

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The following observations are made.

- (a) The debtors' balance receivable from sale of fry/fingerlings amounting to Rs.12,772,747 included a balance of Rs.1,543,928 exceeding 05 years and the balance Rs.1,749,745 exceeding 03 years and the recovery process of these loans had been at a sluggish level.
- (b) Action had not been taken to settle the balance of Withholding Tax (WHT) of Rs.363,329 included in the financial statements for over a period of 05 years.
- (c) Action had not been taken to settle 03 cancelled cheques valued at Rs.78,892 brought forward for a period of three years.

## 2.4 Non-compliance with Laws, Rules, Regulations and Management Decisions

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The following non-compliances with Laws, Rules, Regulations and Management Decisions were observed.

**Reference to Laws, Rules, Regulations  
etc.**

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**Non-compliance**

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- |   |   |
|---|---|
| (a) Treasury Circular No. IAI/2002/02 of 28 November 2002 | A Register of Fixed Assets had not been maintained in respect of Computer Accessories and Software. |
|---|---|

(b) Paragraph 3.6 and Paragraph 4 of the Public Finance Circular No.02/2014 of 17 October 2014 Action had not been taken to conduct the Board of Survey relating to the year under review, forward the relevant reports to the Auditor General with copies to the Chief Accounting Officer and to notify it to the Director of Public Finance.

(c) Financial Regulations of the Democratic Socialist Republic of Sri Lanka

Financial Regulation 571

Action had not been taken to credit to the state revenue or to settle the retention money totalling Rs.8,711,679 existing since the year 2001, retained in making payments to the contractors.

## 2.5 Transactions not supported by Adequate Authority

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A balance of Rs.1,207,278 receivable for the supply of fish seed to external persons and institutions in the year 2009 had been written off in the year under review on the approval of the Board of Directors and without the approval of the Treasury.

## 3. Financial Review

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### 3.1 Financial Results

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According to the financial statements presented, the operations of the Authority for the year under review had been a surplus of Rs.11,443,032 as against the deficit of Rs. 26,327,842 for the preceding year, thus indicating an improvement of Rs.37,770,874 in the financial result of the year under review as compared with the preceding year. Even though the administrative expenditure had increased by Rs.92,437,735, the increase in the gross profit, Government grants and deferred income by Rs.15,753,710, Rs.97,890,250 and Rs.12,791,483 respectively had mainly attributed to this improvement.

In the analysis of the financial results of the year under review and 4 preceding years, the deficit of the Authority amounting to Rs.25,754,103 in the year 2011 had decreased to Rs.9,099,309 by the year 2013 and it had increased up to Rs.26,327,842 again by the year 2014. However, it had been a surplus of Rs.11,443,032 in the year 2015. Nevertheless, in considering the depreciation for non-current assets and employees' remuneration, the contribution of the Authority which had been Rs.178,006,091 in the year 2011 had gradually improved up to Rs.372,125,864 at the end of the year 2015.

### **3.2 Legal Actions Instituted against the Authority**

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Three cases had been filed against the Authority claiming compensations totalling Rs.105,316,000 in respect of reacquisition of the Fresh Water Fisheries Centre due to failure in the payment of Rent by an external institution, obtaining re-employment by an employee and a vehicle accident by an external party.

## **4. Operating Review**

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### **4.1 Performance**

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In terms of Section 11 of the National Aquaculture Development Authority of Sri Lanka Act, No. 53 of 1998 amended by the National Aquaculture Development Authority of Sri Lanka (Amendment) Act, No. 23 of 2006, its functions are as follows.

- Development of freshwater aquaculture, brackish water aquaculture, coastal aquaculture and sea farming with a view to increasing fish production and fish consumption in the country and promote the creation of employment opportunities.
- Promote the farming of high valued fish species including ornamental fish for export and promote, facilitate and develop small, medium and large scale private sector investment in aquaculture.

- Preparation and implementation of environment friendly plans and programmes to manage, conserve and develop, having regard to the need to conserve biodiversity, aquaculture, aquatic resources used for aquaculture and the aquaculture operations and culture based fisheries in perennial tank and seasonal tank.
- To carry on business as an importer, exporter, seller, supplier and distributor of aquatic resources and to assist persons engaged in such activities etc.

The following observations are made in the examination carried out in respect of fulfilling the above objectives during the year under review.

- (a) Plans and environment friendly programmes to manage, conserve and develop, having regard to the need to conserve biodiversity, aquaculture, aquatic resources used for aquaculture and the aquaculture operations and culture based fisheries in perennial tank and seasonal tank which is one of the main functions of the Authority, had not been prepared and implemented.
- (b) Activities had been planned under four main topics instead of including the above functions separately in the Action Plan of the Authority. According to the Performance Report of the year under review, the following observations are made in respect of the progress in fulfilling the activities included in the Action Plan.
  - (i) Even though a sum of Rs.100,000 had been allocated for the implementation of exhibitions and educational training programmes for fresh water aquatic culture development, out of that, a sum of Rs.90,000 had been saved. Moreover, the targeted officers for the training programmes and the number of programmes had not been planned.
  - (ii) Even though a sum of Rs.4,500,000 had been allocated for the development of fish breeding centres, out of that, only constructions relating to a sum of Rs.2,460,000 or 55 per cent had been carried out.

- (iii) Even though a sum of Rs.2,000,000 had been allocated for the establishment of a water based related breeding centre of the Aquaculture Development Centre (Thilapiya) at Udawalawa, only a sum of Rs.1,250,000 had been spent and as such, the progress of constructions had been 62.5 per cent.
- (iv) Even though a sum of Rs.250,000 had been allocated for the constructions of the structure around the Laboratory of the Aquaculture Development Centre at Rambadagalla, out of that, only a sum of Rs.140,000 had been spent. As such, the progress of the financial performance had been 56 per cent.
- (v) Even though a sum of Rs.4,000,000 had been allocated for the construction of the Prawn Farming Follow up Centre at Baticcaloa, only the functions of Rs.1,520,000 had been fulfilled in the year under review. As such, functions of 62 per cent had not been fulfilled.

#### 4.2 Management Activities

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The following observations are made.

- (a) The Chairman of the Authority had confirmed in writing that suitable nets could not be obtained for activities of catching fry since the past several years and as a result, there had been obstacles in the production of fish seed in the centres. Nevertheless, the Management had failed to find a resolution therefor.
- (b) The Management had not taken appropriate measures in respect of irregularities valued at Rs.1,068,380 identified in the examination carried out by the Internal Audit Unit in several instances relating to the District Aquaculture Project Office at Anuradhapura and non-engagement of Aquaculture Extension Officers in the field and other related duties.

#### 4.3 Underutilization of Funds

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The following observations are made.

- (a) The sum of Rs.2,000,000 allocated for the importation of fish for cultivation of ornamental fish in the year under review had not been utilized therefor and out of that, only a sum of Rs.183,082 had been spent for the purchase of local brood stock and to obtain chemicals required for the tissue culture laboratory.
- (b) Out of the Capital Grants received for the year under review for the construction of a Fish Breeding Centre at Iranamadu in Kilinochchi, a sum of Rs.8,903,800 had been spent for the purchase of consumables such as hormones, chemicals and oxygen and a sum of Rs.1,091,302 for aquaculture development activities without spending for targeted functions. Moreover, consumables purchased had not been utilized even up to the end of the year under review as well.

#### 4.4 Commencement of Projects on lands/properties not formally vested

---

Lands in extent of 38.7526 hectares not belonging to the Authority had been utilized for development activities without vesting in the Authority.

#### 4.5 Personnel Administration

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The following observations are made.

- (a) Out of the two approved posts of Engineer, one post had been vacant since the year 2008. As such, it was observed that there had been delays in performing functions of constructions of 11 Fish Breeding Centres, reconstruction activities and release of retention money.
- (b) The authority had not taken action even by June 2016 to fill the post of Director and 04 posts of Deputy Directors vacant since the establishment of the Authority in the year 1999. Arrangements had been made to cover the duties and functions relevant to these 05 posts by subordinates without assigning them in writing.

- (c) A female officer had been appointed for the post of Director- Finance of the Authority on the contract basis of annual extension from 06 May 2014 and the Authority had not taken action to appoint permanent posts even by the end of the year under review.
  
- (d) Forty three posts of Aquaculture Extension Officers had been vacant as at 31 December 2015. As a result, there had been hindrances in carrying out duties such as raiding illegal fishing activities spread in 20 District Offices and earning penalties to the Authority therefrom, expansion of promotion of fish and collection of data on fishing activities at optimum level.
  
- (e) Four labourers had to be deployed for posts of Management Assistant (Non-technical) due to getting approval for the recruitment of employees without identifying the requirements of the Authority by the Management.

**5. Accountability and Good Governance**  
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**5.1 Action Plan**  
-----

The following observations are made.

- (a) The plans for special projects had been prepared separately, outside the Master Action Plan.
  
- (b) The physical targeted data had not been indicated in the Action Plan

**5.2 Internal Audit**  
-----

The following observations are made.

- (a) The internal audit had not covered an adequate area of the activities of the Authority due to the limitation of staff to three persons.
  
- (b) The Audit Plan relating to audit of special projects had not been included in the Annual Internal Audit Programme. As such, an internal audit had not been carried out thereon.

- (c) Maintenance of Project Documents and issuance of Circular instructions had not been carried out by the Internal Audit Unit to fulfil the responsibility assigned to the Accounting Officer properly for the effective completion of Development Projects on time by use of public resources effectively, fruitfully and economically according to Management Audit Circular No. 1 of 26 July 2010.

### **5.3 Budgetary Control**

-----

Significant variances ranging from 12 per cent to 370 per cent were observed between the budgeted income and expenditure and the actual income and expenditure, thus indicating that the budget had not been made use of as an effective instrument of management control.

### **5.4 Unresolved Audit Paragraphs**

-----

The following directives given at the Committee on Public Enterprises held on 19 November 2014 had not been fulfilled up to the end of the year under review.

- (a) Taking action to fill 10 Staff Grade vacancies including Director – Human Resources, 03 posts of Deputy Director, post of Caretaker of Circuit Bungalows, post of Translator, Aquaculture Economist and the Civil Engineer.
- (b) Arbitration process in respect of the case filed, claiming compensation by the private company which had leased out the Aquaculture Centre at Polonnaruwa.
- (c) Failure in submitting details in respect of recovery of a sum of Rs.11,094,329 spent for the construction of 25 Fish Seed Units in the year 2006.
- (d) Reimbursement of salaries amounting to Rs.755,973 paid from 19 November 2009 up to 31 May 2015 to a female officer released to the Presidential Secretariat without the approval of the Cabinet of Ministers.



## 6. Systems and Controls

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

| <b>Areas of Systems and Controls</b>                 | <b>Observations</b>   |
|--|---|
| (a) Contract Administration                          | <ul style="list-style-type: none"><li>- Preparation of overestimates</li><li>- Failure in submitting time frames of plans relevant to constructions and periodic changes in plans.</li></ul>  |
| (b) Control of Advances and maintenance of Registers | <ul style="list-style-type: none"><li>- Non-inclusion of voucher numbers relating to settlement of advances in the Register.</li><li>- Failure in taking action to settle advances immediately after the completion of the relevant purpose.</li><li>- Failure in mentioning the posts of the officers who obtained advances in the Register of Advances.</li></ul> |

H.M. Gamini Wijesinghe  
Auditor General

## ***Financial Statements***

Financial Statements for the year ended 31<sup>st</sup> December 2015.

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# Accounting Policies

## 1. COPARATE INFORMATION

### 1.1 General

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

### 1.2 Principal Activities and Nature of Operation

During the year, the principal activity of the Authority is Sale of Fish seeds.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

### 2.1 BASIS OF PREPARATION

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

### 2.2 Statement of Compliance

The Financial Statement of the Authority are prepared in accordance with Public sector Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka and provision of Finance Act 38 of 1971

### 2.3 Comparative Information

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

### 2.4 Trade and Other Receivable

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

### 2.5 Cash and Cash Equivalent

Cash and Cash Equivalents are defined as cash in hand and Cash at Bank.

## 2.6 Property, Plant and Equipment

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

Depreciation is calculated on a straight line basis over the useful life of the assets. The rate of depreciation as follows,

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

### Note :

Land value of 6.8799 hectare which was acquired by the Authority, had not been included in the Fixed Assets due to non-receipt of Valuation report, by valuation Department.

## 2.7 Doubtful debtors.

10% provision on debtors balance from 2012-2015 and full provision for 2010, 2011 has been made in respect of doubtful debtors. Over/under provision of doubtful debtors during the year is charged to the P & L.

## 2.8 Stocks

Stocks are valued at cost or net realizable value whichever is lower

## 2.9 Retirement Benefit Obligation

### Defined Benefit Plan-Gratuity

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

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

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

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

## **2.10 Revenue Recognition**

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

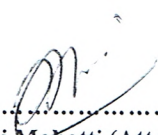
## **2.11 Expenditure recognition**

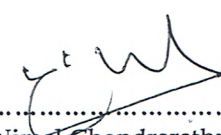
Expenses are recognised in the Income statement on the basis of a direct association between the cost incurred and the earning of specific item of income. All expenditure incurred in the running of the Production and in maintaining the property, Plant & Equipment in a state of efficiency has been charged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

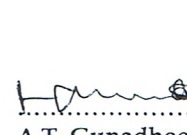
NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA  
STATEMENT OF FINANCIAL POSITION

| AS AT 31ST DECEMBER                              | Note  | 2015<br>Rs.      | 2014<br>Rs.      |
|--|-------|------------------|------------------|
| <b>ASSETS</b>                                    |       |                  |                  |
| <b><u>NON CURRENT ASSETS</u></b>                 |       |                  |                  |
| Property, Plant & Equipment                      | .. 4  | 823,778,666.93   | 630,849,630.19   |
| Breeding & Trading Assets                        | .. 5  | 285,364,959.02   | 133,074,104.93   |
| Working Progress                                 | ..    | 17,463,020.30    | 47,187,303.03    |
| Live stock                                       | ..    | 99,950.00        | 99,950.00        |
|  |       | 1,126,706,596.25 | 811,210,988.15   |
| <b><u>CURRENT ASSETS</u></b>                     |       |                  |                  |
| Inventory  | .. 6  | 27,383,281.52    | 22,876,016.69    |
| Deposit, Advance & Prepayments                   | .. 7  | 3,179,337.56     | 2,989,487.93     |
| Trade & Other Receivable                         | .. 8  | 65,375,846.72    | 37,938,286.82    |
| Cash in Hand & at Bank                           | .. 9  | 49,268,312.68    | 11,591,440.47    |
|  |       | 145,206,778.48   | 75,395,231.91    |
| <b>TOTAL ASSETS</b>                              |       | 1,271,913,374.73 | 886,606,220.06   |
| <b>EQUITY AND LIABILITIES</b>                    |       |                  |                  |
| <b><u>EQUITY</u></b>                             |       |                  |                  |
| <b><u>CAPITAL &amp; RESERVES</u></b>             |       |                  |                  |
| Treasury Grants                                  | ..    | 158,514,594.24   | 207,003,656.89   |
| Retained Earnings                                | ..    | (189,882,491.62) | (205,564,085.89) |
| Assets Valuation Fund                            | ..    | 17,400,000.00    | 17,400,000.00    |
| <b>TOTAL EQUITY</b>                              |       | (13,967,897.38)  | 18,839,571.00    |
| <b><u>LIABILITIES</u></b>                        |       |                  |                  |
| <b><u>NON CURRENT LIABILITIES</u></b>            |       |                  |                  |
| Retirement Benefit Obligation                    | .. 10 | 70,918,812.89    | 53,562,763.88    |
| Differed Revenue                                 | .. 11 | 1,091,547,414.97 | 702,648,721.18   |
| Government Grants Projects ( Bud. Proposal 2006) |       | 54,040,042.00    | 54,040,042.00    |
|  |       | 1,216,506,269.86 | 810,251,527.06   |
| <b><u>CURRENT LIABILITIES</u></b>                |       |                  |                  |
| Trade & Other Payable                            | .. 12 | 45,340,944.08    | 35,584,124.16    |
| Retention on contract                            | ..    | 24,034,058.16    | 21,930,997.83    |
|  |       | 69,375,002.24    | 57,515,121.99    |
| <b>TOTAL LIABILITIES</b>                         |       | 1,285,881,272.10 | 867,766,649.05   |
| <b>TOTAL EQUITY AND LIABILITIES</b>              |       | 1,271,913,374.73 | 886,606,220.06   |

The Accounting policies on pages 01 to 03 and Notes on pages 08 to 13 form an intergral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.

  
.....  
Upali Mohotti (Attorney-at-Law)  
Chairman

  
.....  
P. Nimal Chandrarathne  
Director General

  
.....  
A.T. Gunadheera  
Director Finance

NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA  
STATEMENT OF INCOME

| FOR THE YEAR ENDED 31ST DECEMBER                        | NOTE | 2015<br>Rs.             | 2014<br>Rs.           |
|---|------|-------------------------|-----------------------|
| Revenue   |      | 95,585,212.24           | 57,134,456            |
| Cost of Sales   | 13   | (83,002,781.06)         | (60,305,736)          |
| <b>GROSS PROFIT</b>                                     |      | <b>12,582,431.18</b>    | <b>(3,171,279)</b>    |
| Other Income  | 14   | 51,941,769.97           | 43,320,266            |
| Treasury Grants - Recurrent                             |      | 313,090,250.00          | 215,200,000           |
|   |      | <b>377,614,451.15</b>   | <b>255,348,987.40</b> |
| Administrative Expenses                                 | 15   | (389,847,289.79)        | (297,409,554)         |
| Distribution Cost                                       | 16   | (47,361,304.63)         | (42,539,557)          |
| Finance Cost  | 17   | (93,910.53)             | (67,321)              |
|   |      | <b>(437,302,504.95)</b> | <b>(340,016,432)</b>  |
| <b>PROFIT / ( LOSS ) BEFORE ADJUST DEFERRED REVENUE</b> |      | <b>(59,688,053.80)</b>  | <b>(84,667,444)</b>   |
| Differed Revenue  |      | 71,131,086.25           | 58,339,603            |
| <b>PROFIT / ( LOSS ) FOR THE YEAR</b>                   |      | <b>11,443,032.45</b>    | <b>(26,327,842)</b>   |

NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA

STATEMENT OF CASH FLOWS

| AS AT 31ST DECEMBER   | 2015<br>Rs.            | 2014<br>Rs.            |
|---|------------------------|------------------------|
| <b><u>CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</u></b>   |                        |                        |
| Profit / (Loss) for year                                      | 11,443,032.45          | (26,327,841.81)        |
| <i><u>Adjustments for</u></i>                                 |                        |                        |
| Depreciation - Fixed Assets                                   | 35,609,628.64          | 33,768,364.43          |
| Depreciation - Breeding Assets                                | 25,526,354.92          | 24,571,238.26          |
| Doubtful Debtor   | 1,554,649.14           | 1,057,742.08           |
| Gratuity Provision  | 18,698,933.01          | 14,422,874.81          |
| PY Adjustments  | 4,238,561.82           | 0.00                   |
| EPF & ETF Payment   | 0.00                   | 0.00                   |
| Assets Deposale Profit  | (4,694,898.00)         | (3,260,187.96)         |
| Differed Revenue  | (61,135,983.56)        | (58,339,602.69)        |
| Operating Profit before working capital changes               | 31,240,278.42          | (14,107,412.88)        |
| (Increase)/Decrease in Inventory                              | (4,507,264.83)         | (9,202,275.95)         |
| (Increase)/Decrease in Advance & Prepayments                  | (189,849.63)           | 3,267.69               |
| (Increase)/Decrease in Debtors & Other Receivables            | (28,992,209.04)        | (2,023,278.14)         |
| (Decrease)/ Increase in Retention                             | 2,103,060.33           | 9,633,615.99           |
| (Decrease)/ Increase in Trade & Other payable                 | 9,756,819.92           | 293,833.56             |
| <i>Cash generated from operations</i>                         | 9,410,835.17           | (15,402,249.73)        |
| Gratuity paid   | (1,342,884.00)         | (2,091,771.75)         |
| <b>Net Cash from/(Used in) Operating Activities</b>           | <b>8,067,951.17</b>    | <b>(17,494,021.48)</b> |
| <b><u>CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES</u></b>   |                        |                        |
| Purchase of property, plant & equipment                       | (57,622,956.66)        | (27,226,672.84)        |
| Work in Progress  | (17,463,020.30)        | (47,187,303.03)        |
| Investment  | 0.00                   | 0.00                   |
| Disposal of Vehicle   | 4,694,898.00           | 3,288,990.98           |
| <b>Net cash from/ (Used in) Investing Activities</b>          | <b>(70,391,078.96)</b> | <b>(71,124,984.89)</b> |
| <b><u>CASH FLOW FROM/ (USED IN ) FINANCING ACTIVITIES</u></b> |                        |                        |
| Treasury Grant for Capital                                    | 100,000,000.00         | 95,000,000.00          |
| Income Tax paid   | 0.00                   | 0.00                   |
| <b>Net cash flows from/(Used in ) Financing Activities</b>    | <b>100,000,000.00</b>  | <b>95,000,000.00</b>   |
| Net Increase / (decrease) in Cash & Cash Equivalent           | 37,676,872.21          | 6,380,993.63           |
| Cash & Cash Equivalent at the beginning of the year           | 11,591,440.47          | 5,210,446.84           |
| Cash & Cash Equivalent at the end of the year                 | <u>49,268,312.68</u>   | <u>11,591,440.47</u>   |
| <b><u>ANALYSIS OF CASH &amp; CASH EQUIVALENT</u></b>          |                        |                        |
| <i><u>At the end of the year</u></i>                          |                        |                        |
| Cash at Banks   | 49,268,312.68          | 11,591,440.47          |
| Cash in hand  | 0.00                   | 0.00                   |
|   | <u>49,268,312.68</u>   | <u>11,591,440.47</u>   |



NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA

STATEMENT OF CHANGES IN EQUITY

|  | Grants           |                       | Assets<br>Valuation<br>Fund | Retained<br>Earnings    | Total                  |
|--|------------------|-----------------------|-----------------------------|-------------------------|------------------------|
|  | Recurrent        | Capital               |                             |                         |                        |
| Balance as at 1st January 2014                 | 0.00             | 139,230,329.73        | 17,400,000.00               | (179,236,244.07)        | (22,605,914.34)        |
| Grants during the year                         | 215,200,000.00   | 95,000,000.00         | 0.00                        | 0.00                    | 310,200,000.00         |
| Trf to Differed Revenue (During the year A1    | 0.00             | (27,226,672.84)       | 0.00                        | 0.00                    | (27,226,672.84)        |
| Trf to Profit & Loss A/c                       | (215,200,000.00) | 0.00                  | 0.00                        | 0.00                    | (215,200,000.00)       |
| Net Profit / ( Loss ) for the Year             | 0.00             | 0.00                  | 0.00                        | (26,327,841.81)         | (26,327,841.81)        |
| <b>Balance as at 31st December 2014</b>        | <b>0.00</b>      | <b>207,003,656.89</b> | <b>17,400,000.00</b>        | <b>(205,564,085.89)</b> | <b>18,839,571.00</b>   |
| Balance as at 1st January 2015                 | 0.00             | 207,003,656.89        | 17,400,000.00               | (205,564,085.89)        | 18,839,571.00          |
| Grants during the year - Reccurent &<br>capita | 313,090,250.00   | 100,000,000.00        | 0.00                        | 0.00                    | 413,090,250.00         |
| Grants during the year - Iranamadu             | 0.00             | 280,780,717.39        | 0.00                        | 0.00                    | 280,780,717.39         |
| Non cash Grant during the year                 | 0.00             | 30,760,000.00         | 0.00                        | 0.00                    | 30,760,000.00          |
| Differed Revenue amount of during the yea      | 0.00             | (460,029,780.04)      | 0.00                        | 0.00                    | (460,029,780.04)       |
| Trf to Profit & Loss A/c                       | (313,090,250.00) | 0.00                  | 0.00                        | 0.00                    | (313,090,250.00)       |
| PY Adjustment                                  | 0.00             | 0.00                  | 0.00                        | 4,238,561.82            | 4,238,561.82           |
| Net Profit / ( Loss ) for the Year             | 0.00             | 0.00                  | 0.00                        | 11,443,032.45           | 11,443,032.45          |
| <b>Balance as at 31st December 2015</b>        | <b>0.00</b>      | <b>158,514,594.24</b> | <b>17,400,000.00</b>        | <b>(189,882,491.62)</b> | <b>(13,967,897.38)</b> |

NOTE 04

PROPERTY, PLANT AND EQUIPMENT

| COST                               | Balance as at<br>01.01.15 | Additions/Valuation/Adjustment of<br>assets for the Year | Disposal &<br>Adjustment | Balance as at<br>31.12.15 |
|------------------------------------|---------------------------|--|--------------------------|---------------------------|
| Land                               | 146,411,854.00            | -  | -                        | 146,411,854.00            |
| Buildings & Structure.             | 381,773,586.07            | 181,933,712.98   | -                        | 563,707,299.05            |
| Buildings & Structure (ADB)        | 206,460,717.00            | -  | -                        | 206,460,717.00            |
| Building & Structure (New Office)  | 3,184,404.00              | -  | -                        | 3,184,404.00              |
| Furniture & Office Equipment       | 32,654,981.22             | 7,359,124.95   | -                        | 40,014,106.17             |
| Furniture & Office Equipment - ADB | 4,911,820.00              | -  | -                        | 4,911,820.00              |
| Laboratory Equipment               | 10,137,482.80             | 3,536,535.90   | -                        | 13,674,018.70             |
| Machinery & Other Equipment        | 22,518,850.66             | 4,017,603.00   | -                        | 26,536,453.66             |
| Consumable and Sundry Equipment    | 10,137,648.96             | -  | -                        | 10,137,648.96             |
| Tools & Implement                  | 1,573,467.00              | -  | -                        | 1,573,467.00              |
| Vehicles                           | 56,628,401.91             | 30,919,741.95  | 3,287,300.00             | 84,260,843.86             |
| Vehicles - ADB                     | 38,833,274.00             | -  | 639,370.00               | 38,193,904.00             |
| Communication and Computer         | 8,755,954.99              | 2,118,700.00   | -                        | 10,874,654.99             |
| Computer Software                  | 1,155,625.00              | -  | -                        | 1,155,625.00              |
|                                    | <b>925,138,067.61</b>     | <b>229,885,418.78</b>                                    | <b>3,926,670.00</b>      | <b>1,151,096,816.39</b>   |
| DEPRECIATION                       | Balance as at<br>01.01.15 | Charge for the<br>year                                   | Disposal &<br>Adjustment | Balance as at<br>31.12.15 |
| Land                               | -                         | -  | -                        | 0.00                      |
| Buildings & Structure.             | 105,005,753.67            | 15,270,943.45  | -                        | 120,276,697.12            |
| Buildings & Structure (ADB)        | 49,550,572.08             | 8,258,428.68   | -                        | 57,809,000.76             |
| Building & Structure (New Office)  | 3,184,404.00              | -  | -                        | 3,184,404.00              |
| Furniture & Office Equipment       | 18,982,859.60             | 2,415,814.61   | -                        | 21,398,674.21             |
| Furniture & Office Equipment - ADB | 2,947,092.00              | 491,182.00   | -                        | 3,438,274.00              |
| Laboratory Equipment               | 6,864,963.32              | 577,826.45   | -                        | 7,442,789.77              |
| Machinery & Other Equipment        | 14,808,057.72             | 1,346,753.40   | -                        | 16,154,811.12             |
| Consumable and Sundry Equipment    | 7,344,422.14              | 860,934.62   | -                        | 8,205,356.76              |
| Tools & Implement                  | 1,573,001.29              | 466.00   | -                        | 1,573,467.29              |
| Vehicles                           | 39,462,692.93             | 6,350,871.36   | 3,287,300.00             | 42,526,264.29             |
| Vehicles - ADB                     | 38,833,274.00             | -  | 639,370.00               | 38,193,904.00             |
| Communication and Computer         | 5,388,996.46              | 1,271,761.47   | -                        | 6,660,757.93              |
| Computer Software                  | 342,348.22                | 111,400.00   | -                        | 453,748.22                |
|                                    | <b>294,288,437.42</b>     | <b>36,956,382.04</b>                                     | <b>3,926,670.00</b>      | <b>327,318,149.46</b>     |
| <b>WRITTEN DOWN VALUE</b>          | <b>630,849,630.19</b>     |  |                          | <b>823,778,666.93</b>     |

NOTE 05

BREEDING & TRADING ASSETS

| COST                      | Balance as at<br>01.01.15 | Additions for the<br>Year | Disposal &<br>Adjustment | Balance as at<br>31.12.15 |
|---------------------------|---------------------------|---------------------------|--------------------------|---------------------------|
| Hatchery                  | 12,283,745.87             | 3,775,712.56              | -                        | 16,059,458.43             |
| Hatchery ADB              | 84,246,743.00             | -                         | -                        | 84,246,743.00             |
| Fish Tank                 | 28,781,971.19             | 11,829,342.29             | -                        | 40,611,313.48             |
| Fish Ponds                | 225,993,310.20            | 160,865,400.76            | -                        | 386,858,710.96            |
|                           | <b>351,305,770.26</b>     | <b>176,470,455.61</b>     | <b>-</b>                 | <b>527,776,225.87</b>     |
| DEPRECIATION              | Balance as at<br>01.01.15 | Charge for the<br>year    | Disposal &<br>Adjustment | Balance as at<br>31.12.15 |
| Hatchery                  | 6,186,364.95              | 799,029.09                | -                        | 6,985,394.04              |
| Hatchery ADB              | 33,698,697.20             | 8,424,674.30              | -                        | 42,123,371.50             |
| Fish Tank                 | 8,477,342.80              | 2,708,851.52              | -                        | 11,186,194.32             |
| Fish Ponds                | 169,869,260.38            | 12,247,046.61             | -                        | 182,116,306.99            |
|                           | <b>218,231,665.33</b>     | <b>24,179,601.52</b>      | <b>-</b>                 | <b>242,411,266.85</b>     |
| <b>WRITTEN DOWN VALUE</b> | <b>133,074,104.93</b>     |                           |                          | <b>285,364,959.02</b>     |

**NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA**

| FOR THE YEAR ENDED 31ST DECEMBER                 | 2015                 | 2014                 |
|--|----------------------|----------------------|
|  | Rs.                  | Rs.                  |
| <b><u>NOTE - 6</u></b>                           |                      |                      |
| <b><u>INVENTORIES</u></b>                        |                      |                      |
| Stationery                                       | 213,245.72           | 464,559.53           |
| Fish feed  | 4,213,920.80         | 4,194,412.00         |
| Chemical & hormone                               | 15,377,662.40        | 5,199,753.16         |
| Fish seeds                                       | 3,864,130.60         | 9,561,507.00         |
| Brood Stock                                      | 3,714,322.00         | 3,455,785.00         |
|  | <u>27,383,281.52</u> | <u>22,876,016.69</u> |
| <b><u>NOTE - 7</u></b>                           |                      |                      |
| <b><u>DEPOSITS, ADVANCES AND PREPAYMENTS</u></b> |                      |                      |
| <b><u>Deposit</u></b>                            |                      |                      |
| Mis.deposit CEB                                  | 1,290,750.00         | 1,290,750.00         |
| Deposit Made by NAQDA                            | 292,290.00           | 292,290.00           |
|  | <u>1,583,040.00</u>  | <u>1,583,040.00</u>  |
| <b><u>Advances</u></b>                           |                      |                      |
| Special Advance                                  | 258,050.00           | 37,784.50            |
| Fuel Advance                                     | 183,200.00           | 81,700.00            |
| Petty Cash Advance                               | 8,400.00             | -                    |
| Festival Advance                                 | 92,250.00            | 858,431.73           |
| Book Loan Advance                                | 3,850.00             | 9,761.25             |
| Local purchasing Advance                         | 1,050,547.56         | 418,770.45           |
|  | <u>1,596,297.56</u>  | <u>1,406,447.93</u>  |
|  | <u>3,179,337.56</u>  | <u>2,989,487.93</u>  |
| <b><u>NOTE - 8</u></b>                           |                      |                      |
| <b><u>TRADE AND OTHER RECEIVABLES</u></b>        |                      |                      |
| <b><u>Trade Debtors</u></b>                      |                      |                      |
| Debtors for Fish Sales                           | 12,772,747.09        | 8,429,438.84         |
| Less :- Doubtful Debtors                         | (3,484,143.90)       | (1,929,494.76)       |
|  | <u>9,288,603.19</u>  | <u>6,499,944.08</u>  |
| <b><u>Other Receivable</u></b>                   |                      |                      |
| Debtors(PPP)                                     | 329,120.70           | 329,120.70           |
| Lease Rent Due                                   | 403,593.75           | 1,612,284.63         |
| Insurance  | 0.00                 | 8,000.00             |
| Prepaid  | 9,489,165.78         | 0.00                 |
| Establishment of Iranamadu AQDC-Kilinochchi      | 10,042,202.08        | 9,475,017.65         |
| Ornamantal Fish Industry Development             | 365,333.41           | 0.00                 |
| FW prawns Hetchery                               | 148,450.25           | 0.00                 |
| MH Mud Ponds                                     | 4,803.89             | 0.00                 |
|  | <u>20,782,669.86</u> | <u>11,424,422.98</u> |
| <b><u>Employee Related Debtors</u></b>           |                      |                      |
| Debtors for distress Loan                        | 34,497,332.03        | 19,781,669.76        |
| Bicycle Loan                                     | 807,241.64           | 232,250.00           |
|  | <u>35,304,573.67</u> | <u>20,013,919.76</u> |
|  | <u>65,375,846.72</u> | <u>37,938,286.82</u> |

**NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA**

| FOR THE YEAR ENDED 31ST DECEMBER                             | 2015                   | 2014                   |
|--|------------------------|------------------------|
| <b>NOTE - 9</b>  |                        |                        |
| <b><u>CASH IN HAND &amp; AT BANK</u></b>                     |                        |                        |
| <b><u>At Bank</u></b>  |                        |                        |
| People's Bank (Recurrent) - 243320761                        | 8,199,884.28           | 850,282.93             |
| People's Bank (Capital) - 333320761                          | 5,891,641.72           | 193,392.92             |
| Bank of Ceylon (Mis. Deposit) - 3270048                      | 6,507,121.49           | 2,437,307.98           |
| People's Bank (Distress Loan) -153320761                     | 962,054.57             | 186,413.25             |
| People's Bank (Pro./Mis.) - 423320761                        | 14,110,472.94          | 1,018,969.08           |
| People's Bank (Kalawewa) - 179-1-001-2-0000458               | 327,155.58             | 137,418.21             |
| Bank of Ceylon (Divinagama) - 0072520724                     | 12,901,381.64          | 6,079,236.99           |
| People's Bank (JICA) - 208-1-005-7-3320761                   | 121,732.85             | 121,732.85             |
| People's Bank (Motor Bike Fund) - 208-1-001-3-0022301        | 246,867.61             | 566,686.26             |
|  | <u>49,268,312.68</u>   | <u>11,591,440.47</u>   |
| <b>NOTE - 10</b>   |                        |                        |
| <b><u>RETIREMENT BENEFIT OBLIGATIONS</u></b>                 |                        |                        |
| Balance B/Forward  | 53,562,763.88          | 41,231,660.82          |
| Charge for the year  | 18,698,933.01          | 14,422,874.81          |
| Paid during the year   | <u>(1,342,884.00)</u>  | <u>(2,091,771.75)</u>  |
| Balance at the end of the year                               | <u>70,918,812.89</u>   | <u>53,562,763.88</u>   |
| <b>NOTE - 11</b>   |                        |                        |
| <b><u>DEFERRED REVENUE</u></b>                               |                        |                        |
| <b><u>Treasury &amp; Ministry Grants Grant - Capital</u></b> |                        |                        |
| Balance B/F (Ministry)                                       | 492,896,802.22         | 507,164,447.83         |
| Value of Grants received during the year                     | 460,029,780.04         | 27,226,672.84          |
| Profit & Loss A/C  | <u>(54,447,983.27)</u> | <u>(41,494,318.45)</u> |
|  | <u>898,478,598.99</u>  | <u>492,896,802.22</u>  |
| <b><u>ADB Grants</u></b>                                     |                        |                        |
| Balance B/F  | 209,751,918.96         | 226,597,203.20         |
| Profit & Loss A/C  | <u>(16,683,102.98)</u> | <u>(16,845,284.24)</u> |
|  | <u>193,068,815.98</u>  | <u>209,751,918.96</u>  |
| <b>NOTE - 12</b>   |                        |                        |
| <b><u>TRADE &amp; OTHER PAYABLE</u></b>                      |                        |                        |
| <b><u>Other Creditors</u></b>                                |                        |                        |
| Mis. Deposit Fish Seed                                       | 0.00                   | 4,160,946.00           |
| Aquaculture Development Fund                                 | 0.00                   | 2,469,816.74           |
| Mis. Deposit Other   | 1,725,796.27           | 5,525,503.77           |
| Mis. Dep. (Provincial Council)                               | 1,968,790.32           | 325,833.32             |
| Mis. Deposit(IUCN)   | 71,212.00              | 71,212.00              |
| Inter Bank transfer Accounts                                 | 200,000.00             | 700,000.00             |
| Management License   | 217,938.01             | 217,938.01             |
| Fisheries ID   | 301,907.90             | 447,975.47             |
| Cancelled Cheques  | 148,903.55             | 78,892.50              |
| Bonds  | 723,800.00             | 533,350.00             |
| Fingerling Stocking-FAO Project                              | 593,704.00             | 593,704.00             |
| JICA   | 121,732.85             | 121,732.85             |
| Vietnam MOU  | 454,948.60             | 604,948.60             |
| FAO - Administration cost                                    | 120.00                 | 120.00                 |
| Divi Naguma-Agreements                                       | 21,939,602.16          | 10,217,562.71          |
| Divi Naguma - Fingerling stocking                            | 1,258,960.75           | 1,258,960.75           |
| MH Mud Ponds   | 0.00                   | 1,664,460.00           |
| Bike Deposit Fund  | 246,867.61             | 566,686.26             |
| Brakish water Development                                    | 509,358.00             | 0.00                   |
| EU-SDDP-FAO Project  | 657,727.62             | 0.00                   |
|  | <u>31,141,369.64</u>   | <u>29,559,642.98</u>   |

**NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA**

| FOR THE YEAR ENDED 31ST DECEMBER                          | 2015                 | 2014                 |
|---|----------------------|----------------------|
| <b><u>Other Payable</u></b>                               |                      |                      |
| Accrued Expenses  | 13,507,090.22        | 4,971,231.96         |
| Provision for Audit Fees                                  | 296,370.00           | 625,960.00           |
| Stamp duty Payable  | 32,785.15            | 63,960.15            |
| WHT   | 363,329.07           | 363,329.07           |
|   | <b>14,199,574.44</b> | <b>6,024,481.18</b>  |
|   | <b>45,340,944.08</b> | <b>35,584,124.16</b> |
| <br><b><u>NOTE - 13</u></b>                               |                      |                      |
| <b><u>COST OF FISH SEED PRODUCTION</u></b>                |                      |                      |
| <b><u>Stocks as at 01.01</u></b>                          |                      |                      |
| Fish Seeds  | 9,561,507.00         | 2,894,511.50         |
| Brood stocks  | 3,455,785.00         | 2,232,642.00         |
| Add : Purchase / Production                               | 0.00                 | 0.00                 |
|   | <b>13,017,292.00</b> | <b>5,127,153.50</b>  |
| <b><u>Add : Direct Expenses</u></b>                       |                      |                      |
| Brood stocks Managing Expenses                            | 3,603,031.95         | 3,083,017.78         |
| <b><u>Fish Feed consumption</u></b>                       |                      |                      |
| stock as at 1.1   | 4,194,412.00         | 4,584,212.00         |
| Add : Purchases   | 27,009,693.26        | 16,407,326.71        |
| Less : Stocks as at 31.12                                 | (4,213,920.80)       | (4,194,412.00)       |
|   | <b>26,990,184.46</b> |                      |
| <b><u>Hormones, Chemical &amp; Oxygen consumption</u></b> |                      |                      |
| stock as at 1.1   | 5,199,753.16         | 3,820,371.92         |
| Add : Purchases   | 16,106,558.68        | 7,991,545.83         |
| Less : Stocks as at 31.12                                 | (15,377,662.40)      | (5,199,753.16)       |
|   | <b>5,928,649.44</b>  |                      |
| <b><u>Add : Breeding overhead</u></b>                     |                      |                      |
| Electricity & Water(60%)                                  | 8,877,625.22         | 8,993,412.35         |
| Security Services (50%)                                   | 5,320,672.55         | 6,470,704.90         |
| Repairs & Main. Plant & Machinery                         | 1,317,423.12         | 1,668,209.48         |
| Depreciation  | 25,526,354.92        | 24,571,238.26        |
| Note (05)   | <b>41,042,075.81</b> | <b>24,571,238.26</b> |
| <b><u>Less : Stocks as at 31.12</u></b>                   |                      |                      |
| Fish Seeds  | (3,864,130.60)       | (9,561,507.00)       |
| Brood stocks  | (3,714,322.00)       | (3,455,785.00)       |
| Cost of Fish seeds Production                             | <b>83,002,781.06</b> | <b>60,305,735.58</b> |

**NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA**

| FOR THE YEAR ENDED 31ST DECEMBER       | 2015           | 2014           |
|--|----------------|----------------|
| <b>NOTE - 14</b>                       |                |                |
| <b><u>OTHER INCOME</u></b>             |                |                |
| Lease Rent                             | 337,500.00     | 575,000.00     |
| Circuit Bungalow income                | 1,024,896.40   | 949,472.00     |
| Other Income                           | 2,870,060.12   | 1,746,728.14   |
| House Rent -Quarters                   | 467,433.45     | 306,125.67     |
| Tender Deposit non Refundable          | 398,400.00     | 553,100.00     |
| Distress Loan Interest                 | 1,036,401.63   | 744,605.94     |
| Bicycle Loan Interest                  | 23,619.06      | 5,541.87       |
| Ornamental Fish Training Programme     | 2,282,209.75   | 2,954,216.50   |
| Aquaculture license                    | 3,611,715.00   | 4,160,780.00   |
| Disposal of Assets A/C                 | 4,694,898.00   | 3,260,187.96   |
| Renting of Facilities at Kalawewa      | 20,285,171.56  | 14,817,451.49  |
| ADB Minihachery Loan recoveries        | 0.00           | 396,625.32     |
| Fingerling Transport Income            | 5,644,516.00   | 4,607,143.00   |
| Fine                                   | 499,167.00     | 689,833.50     |
| Income PPP                             | 1,492,967.00   | 2,296,615.10   |
| Lab Testing Income                     | 6,069,275.00   | 4,323,840.00   |
| Field Inspection Charges               | 1,146,000.00   | 933,000.00     |
| Fishery ID                             | 57,540.00      | 0.00           |
|  | 51,941,769.97  | 43,320,266.49  |
| <b>NOTE - 15</b>                       |                |                |
| <b><u>ADMINISTRATIVE EXPENSES</u></b>  |                |                |
| <b><u>Emoluments</u></b>               |                |                |
| Salaries & Other Allowances            | 227,488,877.15 | 158,788,494.05 |
| Overtime & Holiday pay                 | 9,806,835.52   | 8,264,987.94   |
| Contributions to E.P.F                 | 33,862,429.26  | 29,945,575.70  |
| Contributions to E.T.F                 | 6,973,603.17   | 7,445,882.69   |
| Uniform                                | 194,708.88     | 31,200.00      |
| Welfare Expenses                       | 2,521,462.08   | 1,867,714.88   |
| Provision Gratuity                     | 18,698,933.01  | 14,422,874.81  |
|  | 299,546,849.07 | 220,766,730.07 |
| <b><u>Communication</u></b>            |                |                |
| Telephone, Telex and Fax Charges       | 3,052,262.55   | 2,935,400.18   |
| Postage and Telegrams                  | 959,468.00     | 442,060.00     |
|  | 4,011,730.55   | 3,377,460.18   |
| <b><u>Repairs and Maintenance</u></b>  |                |                |
| Office and Centres Maintenance         | 3,495,414.54   | 1,761,124.45   |
| Equipment Maintenance                  | 3,400,596.32   | 1,707,771.94   |
| Depreciation on Fixed assets Note (04) | 29,258,757.28  | 28,080,964.71  |
|  | 36,154,768.14  | 31,549,861.10  |
| <b><u>Premises Maintenance</u></b>     |                |                |
| Rent                                   | 1,708,140.29   | 732,054.00     |
| Rates                                  | 74,633.00      | 54,848.18      |
| Cleaning charges                       | 2,380,707.66   | 2,382,797.40   |
| Water & Electricity Charges            | 5,918,416.82   | 5,995,608.24   |
|  | 10,081,897.77  | 9,165,307.82   |

**NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA**

| FOR THE YEAR ENDED 31ST DECEMBER             | 2015           | 2014           |
|--|----------------|----------------|
| <u>Others</u>                                |                |                |
| Audit Fees                                   | 264,350.00     | 0.00           |
| Security Charges                             | 5,320,672.55   | 6,470,704.90   |
| Advertisement                                | 1,672,108.00   | 522,579.68     |
| Newspapers and Periodicals                   | 54,010.00      | 56,030.00      |
| Transport                                    | 76,697.50      | 16,905.00      |
| Stationery                                   | 2,591,530.50   | 845,448.63     |
| Printing                                     | 297,194.72     | 1,062,017.25   |
| Traveling (Local)                            | 5,222,052.60   | 4,973,631.72   |
| Entertainment Expenses                       | 906,781.18     | 579,220.56     |
| Allowance to Board Members                   | 344,575.00     | 551,458.00     |
| Laboratory Equipment                         | 122,787.00     | 728,595.77     |
| Mechanical & Electrical goods                | 1,301,655.80   | 431,764.65     |
| Other Contractual Services                   | 6,780,526.46   | 3,895,612.62   |
| Expenses - Renting of Facilities at Kalawewa | 12,456,055.20  | 10,141,063.46  |
| Legal Expenses                               | 1,603,470.00   | 974,221.25     |
| Ornamental Fish Training Program Expenses    | 880,854.75     | 416,367.50     |
| Sundry Expenses                              | 156,723.00     | 884,573.73     |
|  | 40,052,044.26  | 32,550,194.72  |
| Total  | 389,847,289.79 | 297,409,553.89 |

**NOTE - 16**

**DISTRIBUTION COST**

|   |               |               |
|---|---------------|---------------|
| Motor Vehicle Running Expenses          | 8,619,871.22  | 11,725,451.08 |
| Fuel for Fingerling Transport           | 2,539,526.50  |               |
| Motor Vehicle Maintenance               | 10,493,491.92 | 9,345,021.82  |
| Aquaculture Development                 | 3,123,352.01  |               |
| Exhibition                              | 711,175.09    |               |
| Raids Illegal Fishing activities        | 370,263.67    |               |
| shrimp farming                          | 1,893,478.98  | 13,988,214.78 |
| Test Kits                               | 6,398,898.23  |               |
| Training -Local & Foreign               | 3,422,454.34  |               |
| Vehecal License & Emmision Test         | 675,993.42    | 735,727.08    |
| Depreciation on Motor Vehicle Note (04) | 6,350,871.36  | 5,687,399.72  |
| Debtor write off                        | 1,207,278.75  | 0.00          |
| Doubtful Debtor                         | 1,554,649.14  | 1,057,742.08  |
|   | 47,361,304.63 | 42,539,556.56 |

**NOTE - 17**

**FINANCE COST**

|              |           |           |
|--------------|-----------|-----------|
| Bank Charges | 93,910.53 | 67,321.46 |
|              | 93,910.53 | 67,321.46 |