



2013

Sri Lanka National Freedom From Hunger Campaign Board



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Annual Report



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Annual Report - 2013

VISION

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

MISSION

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



Review by the Chairperson

I am fortunate to present an investigative performance report for 2013 Annual Report after actively serving for 4 years as the Chairperson in the National Food Promotion Board.

Keeping with the Mahinda Chinthana - Vision for future and the objectives of the Act of the Board, the Board has carried out following projects to help the daily activities of farming community, urban & rural population of the island in the year 2013. In this matter the guidance given by the Hon. Minister of Agriculture Mr. Mahinda YapaAbeywardhana according to the concepts of His Excellency the President Mr. Mahinda Rajapaksha also should be mentioned.

1. Local Food Promotion Program which includes practical workshops and programs.
2. Production and promotion of Suwaposha nutrition pack.
3. Promotion of rice flour and Thosay mixture in the plantation sector.
4. Promotion of production of local traditional rice and consumption.
5. Un-poisonous our food - Suwandal Slow Food.
6. PoshanaMalla Program - for underweight pregnant mothers.
7. Farmer Product Selling Centers
8. Buttala, Thanamalwila and Ambalantota farm development project.

Other than above projects, previous projects were developed and updated to the needs of present society. Specially the Farmer Product Selling Centers at Dehiwela and Narahenpita help farmers to find new market and obtain a fair price for their products. Further they help the urban consumers to purchase fresh and high quality products at fair prices.

The Plant Nurseries at Narahenpita & Dehiwela allows urban people to purchase crops and fruit plants and to get higher productivity from a lower space. Other than that extension services are also provided.

Un-poisonous local rice flour, Thosay flour, Special Rice Flour, Mawposha and Suwaposha are produced in the factories located at Kalankuttiya & Gannoruwa and marketed. By this action we were able to increase the nutrition status of Sri Lankans.

By introducing local traditional paddy to farmers the production was increased and the private sector also came in because it is a profitable industry. Further it has a good market and can sell a kilogram per Rs. 80 to 90.

During 2013 the Board has participated for several national exhibitions. Specially for the "DayataKirula" at Kuliyaipitiya, Kurunagala, "GoviSthiya" at Wariyapola, "Health Care Exhibition", "Pro Food Pro Pack International Exhibition", "Common Wealth National Leaders Exhibition" and "Shilpa" exhibitions held at Bandaranayaka Conference Hall.

To motivate the staff and to improve their performance, training programs, New Year Festival, Pirith Chanting and religion programs were conducted. Promotion were also given.

KumuduniGunasekera
Chairperson,
National Food Promotion Board



Information of the Board

Name of the Board

National Food Promotion Board (pre Sri Lanka National Freedom from Hunger Campaign Board)

Legal Framework and Location

A statutory Board under the purview of the Ministry of Agriculture constituted by an Act of Parliament in 1973. Cabinet Approval was given to change the name as National Food Promotion Board in 2009. The Head Office is situated at No. 45, KirimandalaMawatha, Colombo 5.

Main Activities & Objectives

An organization which mainly serves economically disadvantage people. The objectives are,

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

and other similar institutions, associations or societies abroad.

Line Ministry

Ministry of Agriculture

Office

No. 45, KirimandalaMawatha, Colombo 5

Telephone: 0112506907

Fax: 0112506907

e mail: ffhc.srilanka@gmail.com

Auditors

Department of Government Audit

Bankers

Bank of Ceylon - Borella

Peoples Bank - Dehiwela

Strategies

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



Members of the Board for the year 2013

Name	Position	Representation From
Mrs. KumuduneeGunasekera	Chairman	Sri Lanka National Freedom from Hunger Campaign Board
Mr. DhammikaSoloman	Vice Chairman	Sri Lanka National Freedom from Hunger Campaign Board
Mr. B. Hettiarachchi	Vice Chairman	Sri Lanka National Freedom from Hunger Campaign Board
Mr. P.D.W. Jayawardhana	Adl. Secretary	Ministry of Plantation Industries
Mrs. R. Edirisinghe	Director (Planning)	Ministry of Plantation Industries
Mrs. K.S. Iddagoda	Adl. Secretary	Ministry of Irrigation & Water Resource Management
Mr. S. Suraweera	Senior Asst. Secretary (Admin)	Ministry of Irrigation & Water Resource Management
Mr. R. Hathurusinge	Adl. Secretary	Ministry of Public Administration and Home Affairs
Mr. K. Ranasinge	Senior Asst. Secretary (Admin)	Ministry of Public Administration and Home Affairs
Miss. A.H.S. Fareeda	Director	Ministry of Finance & Planning
Mr. W.H.G. Kosala	Asst. Director	Department of Management Services
Mrs. D.N. Hettiarachchi	Senior Asst. Secretary (Admin)	Ministry of Agriculture
Mrs. S. Piyatissa	Asst. Secretary (Admin)	Ministry of Agriculture
Mr. G.G. Bandula	Member of the Board	Chandanee, Kinvigune, Madamulana
Mr. SamanAbeyasinghe	Member of the Board	Shakthi, Near the High Court, Galdola, Kotapola
Mr. Rashmi Jayasinghe	Member of the Board	10, Mahawela Road, Dikwella
Mr. N.H. PalithaYapa	Member of the Board	Coordinating Secretary - Ministry of Agriculture



Overall Performance - 2013



Overall Performance - 2013

14 projects were conducted by the National Food Promotion Board during the year 2013. Except National Farmers Week and DayataKirula, all other projects were conducted by using finances generated by the Board. A summary of those projects are given below.

1. Buttala Farm Development - 10 Ac

There are 1 permanent employee and 2 daily paid employees are in the farm. The main objective is to create an orchard. At present there are Mango, Lime, Orange, Banana and vegetable cultivation. Moneragala Prison Department is providing labor from the 3rd Quarter of 2013. The total expenditure for the year is 0.454 Rs. Mn. and the income is 0.117 Rs. Mn. from the selling of Mango and Banana. Maintenance of fruit cultivation, Maintenance of farm machinery, Irrigation and Administration were the main activities.



2. Thanamalwila Farm Development - 16 Ac

There are 10 Ac Paddy field and 4 Ac upland in this farm. 2 daily paid employees are working in this farm and consist of Mango cultivation. In the Yala season no activities were done due financial difficulties. In the Maha season 8 Ac of paddy and 1.5 Ac of Mungbean were cultivated with labor provided by the Department of Civil Defense. Total expenditure for the year was 0.496 Rs. Mn and no income was generated till the end of the year. Maintenance of fruit cultivation, paddy cultivation, Maintenance of farm machinery, Irrigation and Administration were the main activities.



3. Ambalantota Farm Development (4 Ac)

There is an employee in the farm who is daily paid. The Labour is provided by the Department of Civil Defense. There is a Mungbean cultivation with an expense of 0.206 Rs. Mn.



4. Farmers Week

Refreshments were provided to His Excellency the President and other distinguished guests. To sell our products a stall was also established. The Ministry of Agriculture had provided 0.5 Rs. Mn. and the expense was Rs. 0.519 Rs. Mn.

5. DayataKirula 2014 - Step 1

121 Local Food Promotion Programs were conducted in Kururunegala, Kegall and Puttlum Districts with finance provided by the Ministry of Economic Development. 50 housewives were participated for one program. 0.95 Rs. Mn. were received and the expenditure was 0.89 Rs. Mn. The main activities were Distribution of Rice Flour OrSuwaposha for participants, Cost for practical's & Refreshment, Booklet Preparation, Transport, Accommodation & Refreshments for Organizers ect.



6. DayataKirula 2014 - Step 2

These 2 programs were conducted for 1000 participants in the Colombo district. The financing were done by the Ministry of Economic Development. Total expense was 0.629 Rs. Mn. Same activities were done as above program.



7. Plant Nursery - Narahenpita

Plants, fertilizer, Agric Tools which were needed for Urban Home Garden development were supplied.

The expense for the year was 5.0 Rs.Mn. and the income was 4.7 Rs. Mn.





8. Farmer Product selling center - Narahenpita

3 employees were worked in this center but the annual loss was 1.3 Rs. Mn. Hence steps had been taken to close it.



9. Farmer Product Selling Center - Dehiwela

18 employees are working in this center and the annual profit is 2.4 Rs.Mn. The total expenditure was 52.1 Rs. Mn. and the income was 54.7 Rs.Mn.



10. Promotion of Rice Consumption in Plantation Sector

The factory of this project is located at Kalankuttiya. The expenditure for the year was 11.7 Rs.Mn. and the income was 13.2 Rs. Mn. Hence the profit was 1.7 Rs. Mn. 93.4 tons of rice flour and 25 tons of Thosay mixture was produced.



11. Suwaposha Nutritious Food

The factory of this project is located at Gannoruwa. 108,000 Suwaposha 200 gr packs were produced. The expenditure was 3.9 Rs. Mn and the income was 5.4 Rs. Mn.





12. Suwandal Slow Food Restaurant - Battaramulla

The expenditure was 2.4 Rs. Mn. and the income was 2.1 Rs. Mn. Hence the loss was 0.3 Rs. Mn. At present this restaurant was closed.

13. Healthy Food Restaurant - Narahenpita

The expenditure was 2.3 Rs.Mn. and the Income was 1.7 Rs. Mn. Hence the loss was 0.6 Rs.Mn. At present this restaurant was renewed and opened with new management.



14. Treasury Provisions

	Budgetary Provisions 2013 (Rs. Mn.)	Grants Received (Rs. Mn.)	Actual Expenditure (Rs. Mn.)	Over Expenditure (Rs. Mn.)
Recurrent	23.597	12.91	14.265	1.355
Capital	4.0	2.81	2.814	0.004
Total	27.597	15.72	17.079	1.359



Annual Accounts - 2013



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

The Accounting Policies on page number 01 & notes on pages number from 07 to 29 an integral part of these Financial Statements. The Board of Directors are responsible for the preparation & presentation of these Financial Statements. These Financial Statements were approved by the Board of the Directors & signed on behalf.

Directors

Signature

- 1.
- 2.



SRI LANKA NATIONAL FREEDOM FROM HUNGER CAMPAIGN BOARD

The Statement of Financial Position and the Statement of Financial Performance have been prepared in conformity with Generally Accepted Accounting Principles, **Sri Lanka Public Sector Accounting Standards** and applied consistently on a historical Cost Basis.

Accounting Policies:

1 Depreciation

Depreciation is calculated from the date which is purchased to the Date of Disposal.

Depreciation Rates

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

- 2 Receivables are stated at net of provisions for bad and doubtful receivables.
- 3 Provisions have been made for all known liabilities
- 4 Provision for Gratuity is calculated based on the number of years gratuity entitled to each employee.
- 5 Excess of income over expenditure is arrived after making provisions for all known liabilities.
- 6 Inventories are valued at the lower cost and net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. The cost incurred in bringing inventories to its present location and condition are accounted using the following cost formulae:-
 - a) Raw Materials -At actual cost on First-in First-out basis
 - b) Work-in-progress -At the cost of Direct Materials.
 - c) Finished Goods -At actual cost on Direct Material, Direct Labour and Variable Overheads
 - d) Consumables -At actual cost



- 7 Government Grants Presented as a credit in the Income Statement separately and expenditure items also have been disclosed separately.

SRI LANKA NATIONAL FREEDOM FROM HUNGER CAMPAIGN BOARD

- 1 FFHC Board carried out following development projects during the year 2013

Project	Funded By	Project Location
Thanamalwila Farm Development	Self Funded	Thanamalwila
Waddakachchi Farm Development	Self Funded	Kilinochchi
Promotion of Local Food Usage	Ministry of Agriculture	In several District
Plant Nursery Project, Head Office	Self-Funded	Narahenpita
Ambalanthota Farm Development	Self Funded	Ambalanthota
Promotion of Rice Consumption in Plantation Sector	Self Funded	Anuradhapura and Estate sector
Farmers Product Selling Center- Narahenpita	Self Funded	Narahenpita
Suwaposhha Nutrient Pack	Self Funded	Gannoruwa
Mawposha Pack	Self Funded	Gannoruwa
Promotion of Organic Fertilizer Application	Self Funded	Buttala
Farmers Product Selling Center- Dehiwala	Self Funded	Dehiwala
Suwandal Slow food Restaurant	Self Funded	Battaramulla
Suwandal Slow food Restaurant	Self Funded	Narahenpita

- 2 The Following Bank Current Accounts had been operated during the year under the FFHC Board

- 194125 - Treasury Grants
Funds allocated from Ministry of Agriculture, Ambalanthota Farm, Suwaposhha Project, Mawposha Project, Promotion of Rice Consumption in Plantation Sector, Plant Nursery, Marketing Center- Dehiwala, Marketing Center- Narahenpita, Suwandal Slow food Restaurant Battaramulla & Narahenpita, Compost Project
- 138295 - Income of Farmers Product Selling Center- Dehiwala

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



SRI LANKA NATIONAL FREEDOM FROM HANGER CAMPAIGN BOARD				
STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2013				
Description		Note	2013 Rs:	2012 Rs:
ASSETS				
NON CURRENT ASSETS		1	17,652,871.01	18,771,491.69
Land and Buildings			4,759,997.85	4,320,986.59
Motor Vehicles			2,381,167.56	3,267,030.56
Plant and Machinery			4,429,459.21	5,722,051.30
Furniture and Fittings			747,777.27	783,400.09
Office Equipments			1,376,385.55	1,604,518.56
Agricultural Equipments			29,520.45	39,887.45
Garden Equipments			61,102.91	77,172.11
Other Equipments			583,811.50	760,326.22
Photographic and Cinema Equipments			26,310.00	49,080.00
Computer & Software			2,077,363.68	853,568.00
Temporary Buildings			1,129,224.26	1,207,089.29
Other Investment			50,750.77	86,381.52
WORKS IN PROGRESS			300,000.00	-
Primary expenses for new Building		2	300,000.00	-
CURRENT ASSETS			8,156,761.42	19,138,120.30
Deposits		3	409,934.08	407,333.60
Inventory		4	4,475,149.96	8,610,209.34
Debtors		5	1,288,973.30	5,910,423.91
Loans		6	117,100.91	169,091.43
Advances		7	798,215.52	1,371,225.00
Receivables		8	67,282.50	1,035,997.50
Cash in Hand & Bank		9	1,000,105.15	1,633,839.52
TOTAL ASSETS			26,109,632.43	37,909,611.99
EQUITY AND LIABILITIES				
CAPITAL AND RESERVES			13,244,656.36	19,007,883.81
Fund Balance			45,850,207.48	43,099,473.96
Accumulated Fund			(32,605,551.12)	(24,091,590.15)
NON CURRENT LIABILITIES			4,676,583.60	6,259,959.65
Retirement Benefit Obligation		10	2,176,583.60	1,718,292.90
Middle term Loan			2,500,000.00	4,541,666.75
CURRENT LIABILITIES			8,188,392.46	12,641,768.52
Deposits (Refundable)			-	10,000.00
Short Term Loan			479,166.68	479,166.59
Creditors		11	5,000.00	154,950.00
Retention Money			-	202,000.00
Farmers Loan fund			10,000.00	10,000.00
Accrued Expenses		12	7,694,225.78	10,576,822.94
Payables			-	1,208,828.99
TOTAL EQUITY AND LIABILITIES			26,109,632.42	37,909,611.98

Chairmen:

Deputy Director:

Finance Officer:



Sri Lanka National Freedom from Hunger Campaign Board
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SRI LANKA NATIONAL FREEDOM FROM HANGER CAMPAIGN BOARD				
STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2013				
	Description	Note	2013 Rs:	2012 Rs:
ASSETS				
	NON CURRENT ASSETS	1	17,652,871.01	18,771,491.69
	Land and Buildings		4,759,997.85	4,320,986.59
	Motor Vehicles		2,381,167.56	3,267,030.56
	Plant and Machinery		4,429,459.21	5,722,051.30
	Furniture and Fittings		747,777.27	783,400.09
	Office Equipments		1,376,385.55	1,604,518.56
	Agricultural Equipments		29,520.45	39,887.45
	Garden Equipments		61,102.91	77,172.11
	Other Equipments		583,811.50	760,326.22
	Photographic and Cinema Equipments		26,310.00	49,080.00
	Computer & Software		2,077,363.68	853,568.00
	Temporary Buildings		1,129,224.26	1,207,089.29
	Other Investment		50,750.77	86,381.52
	WORKS IN PROGRESS		300,000.00	-
	Primary expenses for new Building	2	300,000.00	-
	CURRENT ASSETS		8,156,761.42	19,138,120.30
	Deposits	3	409,934.08	407,333.60
	Inventory	4	4,475,149.96	8,610,209.34
	Debtors	5	1,288,973.30	5,910,423.91
	Loans	6	117,100.91	169,091.43
	Advances	7	798,215.52	1,371,225.00
	Receivables	8	67,282.50	1,035,997.50
	Cash in Hand & Bank	9	1,000,105.15	1,633,839.52
	TOTAL ASSETS		26,109,632.43	37,909,611.99
EQUITY AND LIABILITIES				
	CAPITAL AND RESERVES		13,244,656.36	19,007,883.81
	Fund Balance		45,850,207.48	43,099,473.96
	Accumulated Fund		(32,605,551.12)	(24,091,590.15)
	NON CURRENT LIABILITIES		4,676,583.60	6,259,959.65
	Retirement Benefit Obligation	10	2,176,583.60	1,718,292.90
	Middle term Loan		2,500,000.00	4,541,666.75
	CURRENT LIABILITIES		8,188,392.46	12,641,768.52
	Deposits (Refundable)		-	10,000.00
	Short Term Loan		479,166.68	479,166.59
	Creditors	11	5,000.00	154,950.00
	Retention Money		-	202,000.00
	Farmers Loan fund		10,000.00	10,000.00
	Accrued Expenses	12	7,694,225.78	10,576,822.94
	Payables		-	1,208,828.99
	TOTAL EQUITY AND LIABILITIES		26,109,632.42	37,909,611.98
Chairmen:				
Deputy Director:				
Finance Officer:				



SRI LANKA NATIONAL FREEDOM FROM HANGER CAMPAIGN BOARD				
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st DECEMBER 2013				
		Note	2013	2012
			Rs.	Rs.
Cash Flows From / (Used in) Operating Activities				
Net loss before Income Tax Expense			(5,077,456.57)	(8,142,953.24)
Adjustments for				
Profit on Disposal of fixed assets			-	-
Depreciation			3,933,160.16	4,027,781.58
Interest Income from Investing Activities			(2,600.48)	(2,505.40)
Provision for Retirement Benefit Obligation			458,290.70	637,639.07
Operating Profit before Working Capital Changes			<u>(688,606.19)</u>	<u>(3,480,037.99)</u>
(Increase)/ Decrease in inventory			3 4,135,059.38	(2,179,021.91)
(Increase)/ Decrease in Trade and Other Receivables			6,212,565.13	6,794,570.80
Increase in Trade and Other Payables			11-14 (4,453,376.06)	(5,009,996.90)
Cash Generated from Operations			<u>5,894,248.45</u>	<u>(394,448.01)</u>
Net Cash From Operating Activities			5,205,642.26	(3,874,486.00)
Cash Flows from / (Used in) Investing Activities				
Acquisition of Property, Plant & Equipment			1,2 (3,114,539.50)	(635,139.75)
Proceeds from sale of Property, Plant & Equipment			-	-
Interest Income from Investing Activities			2,600.48	2,505.40
Net Cash Flows from/(Used in) Investing Activities			(3,111,939.02)	(632,634.35)
Net Cash Flows from/(Used in) Financing Activities				
Fund Received			18,976,164.94	22,261,745.62
Grant			(16,166,164.94)	(22,261,745.62)
Prrior Period Adjustment			(3,495,770.88)	(446,932.19)
Under Provision			-	-
Loan received			-	4,000,000.00
Loan repayment			(2,041,666.84)	(20,833.33)
			(2,727,437.72)	3,532,234.48
Net Increase/(Decrease) in Cash and Cash Equivalents			(633,734.37)	(974,885.87)
Cash and Cash Equivalents at the beginning of the year			1,633,839.52	2,608,725.39
Cash and Cash Equivalents at the end of the year			<u>1,000,105.15</u>	<u>1,633,839.52</u>
Note - A				
Bank Balance			1,319,615.48	1,869,501.35
Petty Cash Imprest			313,073.31	738,073.31
Cash In Hand			1,150.73	1,150.73
			1,633,839.52	2,316,726.45
Chairmen:			Deputy Director:	Finance Officer:



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SRI LANKA NATIONAL FREEDOM FROM HANGER CAMPAIGN BOARD				
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st DECEMBER 2013				
		Note	2013	2012
			Rs.	Rs.
Cash Flows From / (Used in) Operating Activities				
Net loss before Income Tax Expense			(5,077,456.57)	(8,142,953.24)
Adjustments for				
	Profit on Disposal of fixed assets		-	-
	Depreciation	1	3,933,160.16	4,027,781.58
	Interest Income from Investing Activities		(2,600.48)	(2,505.40)
	Provision for Retirement Benefit Obligation	9	458,290.70	637,639.07
Operating Profit before Working Capital Changes			<u>(688,606.19)</u>	<u>(3,480,037.99)</u>
	(Increase)/ Decrease in inventory	3	4,135,059.38	(2,179,021.91)
	(Increase)/ Decrease in Trade and Other Receivables		6,212,565.13	6,794,570.80
	Increase in Trade and Other Payables	11-14	(4,453,376.06)	(5,009,996.90)
Cash Generated from Operations			<u>5,894,248.45</u>	<u>(394,448.01)</u>
Net Cash From Operating Activities			5,205,642.26	(3,874,486.00)
Cash Flows from / (Used in) Investing Activities				
	Acquisition of Property, Plant & Equipment	1,2	(3,114,539.50)	(635,139.75)
	Proceeds from sale of Property, Plant & Equipment		-	-
	Interest Income from Investing Activities		2,600.48	2,505.40
Net Cash Flows from/(Used in) Investing Activities			(3,111,939.02)	(632,634.35)
Net Cash Flows from/(Used in) Financing Activities				
	Fund Received		18,976,164.94	22,261,745.62
	Grant		(16,166,164.94)	(22,261,745.62)
	Prior Period Adjustment		(3,495,770.88)	(446,932.19)
	Under Provision		-	-
	Loan received		-	4,000,000.00
	Loan repayment		(2,041,666.84)	(20,833.33)
			(2,727,437.72)	3,532,234.48
Net Increase/(Decrease) in Cash and Cash Equivalents			(633,734.37)	(974,885.87)
Cash and Cash Equivalents at the beginning of the year			1,633,839.52	2,608,725.39
Cash and Cash Equivalents at the end of the year			<u>1,000,105.15</u>	<u>1,633,839.52</u>
Note - A				
Bank Balance			1,319,615.48	1,869,501.35
Petty Cash Imprest			313,073.31	738,073.31
Cash In Hand			1,150.73	1,150.73
			1,633,839.52	2,316,726.45
Chairmen:			Deputy Director:	Finance Officer:



Note 01									
Non current Assets									
Assets									Net
Assets Category	Balance As	Addition	Disposals/	Balance As	Accumulated	Depreciation	Disposals/	Accumulated	Value
	At 01.01.2013		Transfer	At 31.12.2013	Depreciation	for the Year	Transfer	Depreciation	As at
					At 01.01.2013			At 31.12.2013	31.12. 2013
Land and Buildings	12,863,838.75	728,287.00	-	13,592,125.75	8,542,852.18	289,275.73	-	8,832,127.91	4,759,997.84
Motor Vehicles	10,893,889.81	-	-	10,893,889.81	7,626,859.25	885,863.00	-	8,512,722.25	2,381,167.56
Plant and Machinery	13,312,980.35	486,280.00	-	13,799,260.35	7,590,929.04	1,755,665.00	-	9,346,594.04	4,452,666.31
Office Equipments	5,845,005.50	26,150.00	-	5,871,155.50	4,240,486.95	277,490.10	-	4,517,977.05	1,353,178.45
Furniture and Fittings	1,881,408.72	91,747.50	-	1,973,156.22	1,098,008.64	127,370.31	-	1,225,378.94	747,777.28
Agricultural Equipments	2,516,473.52	-	-	2,516,473.52	2,476,586.07	10,367.00	-	2,486,953.07	29,520.45
Garden Equipments	223,209.85	-	-	223,209.85	146,037.74	16,069.20	-	162,106.94	61,102.91
Other Equipments	2,216,278.41	-	-	2,216,278.41	1,455,952.19	176,514.72	-	1,632,466.92	583,811.49
Photographic and Cinema Equipments	418,533.92	-	-	418,533.92	369,453.92	22,770.00	-	392,223.92	26,310.00
Temporary Buildings	1,622,993.70	-	-	1,622,993.70	415,904.41	77,865.02	-	493,769.44	1,129,224.26
Minor Equipment	78,804.00	-	-	78,804.00	78,804.00	-	-	78,804.00	-
Survey Equipment	143,850.00	-	-	143,850.00	143,850.00	-	-	143,850.00	-
Computer & Software	1,239,263.00	1,482,075.00	-	2,721,338.00	385,694.99	258,279.33	-	643,974.32	2,077,363.68
Other Investment	178,153.80	-	-	178,153.80	91,772.28	35,630.76	-	127,403.04	50,750.76
Total	53,434,683.33	2,814,539.50	-	56,249,222.83	34,663,191.66	3,933,160.16	-	38,596,351.82	17,652,871.01



Note.2	WORKS IN PROGRESS		
	Primary expenses for new Healdy Food Building	300,000.00	300,000.00
Note.3	DEPOSITS		
3.1	Miscellaneous Deposits		
	<i>Board Account</i>		
	Electricity Deposit at C E B	20,000.00	
	United Motors Ltd	15,000.00	
	Unkown	57,000.00	92,000.00
	<i>A/C 194125</i>		
	Electricity Deposit at C E B	1,500.00	
	Seeds Deposit - Agricultural Ministry	550.00	
	Hewagam Koralaye (West) M.P.C.S. Ltd.	100.00	
	Roshan Abeywickrama Agencies	1,025.00	
	Telephone Deposits	2,500.00	
	Mobitel - Broad Band Connection Deposit	1,500.00	
	Colombo (South) M.P.C.S Ltd.	9,599.50	
	Suntel Limited	15,000.00	
	Mobitel - Broad Band Connection Deposit	1,000.00	
	Cocacola Beverage Ltd	4,042.00	
	Mahaweli Division Office - Thambuththegama	50,000.00	
	Electricity deposit at C E B for Kalankuttiya Project	20,000.00	106,816.50
			198,816.50
3.2	Fuel Deposits		
	<i>Board Account</i>		
	Fuel Deposits (MPCS - Colombo)	400.50	
	S.S.Kotalawala (Pvt) Ltd. Fuel Deposits	20,000.00	20,400.50
	<i>A/C 194125</i>		
	S.S.Kotalawala (Pvt) Ltd. Fuel Deposits	50,000.00	
	S.S.Kotalawala (Pvt) Ltd. Fuel Deposits	25,000.00	75,000.00
			95,400.50
3.3	Saving Deposits		
	<i>A/C 193125</i>		
	Saving - Bank of Ceylon, Super Grade Borella	60,211.25	
	Saving - Bank of Ceylon, Higurakgoda	48,784.54	
	Saving - Bank of Ceylon, Anuradaphura	6,221.29	
	Saving - Bank of Ceylon, Buttala	500.00	115,717.08
	Total		409,934.08



Note.4	INVENTORY		
	Sales Centre - Dehiwala	1,240,388.97	
	Sales Centre - Narahenpita	380,490.75	
	Sales Outlets Plant Nursery	403,350.00	
	Rice Project - Kalankuttiya	761,262.10	
	Suwaposha	468,574.00	
	Mawuposha	591,218.00	3,845,283.82
	<i>Board Account - Stock</i>		629,866.14
	Total		4,475,149.96
Note.5	DEBTORS		
5.1	<u>Debtors Internal</u>		
	<i>A/C. 194125</i>		
	Mr.K.R.M.Gunasekara	5,000.00	5,000.00
5.2	<u>Debtors external</u>		
	<i>Board Account</i>		
	Uva Provincial Council	38,157.71	
	Employees Providen Fund	53,456.44	
	U.N.P.Wijeewera	10,000.00	
	Morawewa Multipurpose Co- Op. Society	150,000.00	
	Mahawelly System G	279,716.00	531,331.15
	<i>A/C. 194125</i>		
	Plant Gowers Loan (annexture.1)	1,250.00	
	Ministry of Agriculture Service	34,233.00	35,483.00
			566,814.15
5.3	<u>Trade Debtors</u>		
	<i>A/C. 194125</i>		
	<i>Trade Debtors (annexture.2)</i>		883,014.68
			1,449,828.83
	Total		1,454,828.83
	Bad Debt Provision		(165,855.53)
			1,288,973.30
Note.6	LOANS		
	Staff loan Balances (annexture.3)		36,490.41
	Farmers Loan (annexture.4)		80,610.50
			117,100.91



Note.7	ADVANCES		
	A/C 194125		
	Kumuduni Gunasekara	20,000.00	
	Charitha Janaka	20,000.00	
	Charitha Janaka	20,000.00	
	P.S.W.Dissanayake	15,000.00	
	P.S.W.Dissanayake	20,000.00	
	Chandra Abeysinghe	20,000.00	
	Thushira Indrajith	20,000.00	
	G.G.D.S.Priyankara	20,000.00	
	Sampath Gunawardhana	20,000.00	
	G.G.D.S.Priyankara	10,000.00	
	G.G.D.S.Priyankara	10,000.00	
	G.G.D.S.Priyankara	10,000.00	
	Vajira Perera	5,000.00	
	Vajira Perera	15,000.00	
	Vajira Perera	15,000.00	
	Vajira Perera	20,000.00	
	Sampath Gunawardhana	10,000.00	
	P.S.W.Dissanayake	15,000.00	
	Sampath Gunawardhana	13,000.00	
	G.G.D.S.Priyankara	9,000.00	
	Vajira Perera	15,000.00	
	Vajira Perera	5,000.00	
	Sampath Gunawardhana	20,000.00	
	Sampath Gunawardhana	11,000.00	
	Sampath Gunawardhana	9,000.00	
	Sampath Gunawardhana	17,000.00	
	Sampath Gunawardhana	5,500.00	
	Sampath Gunawardhana	20,000.00	
	Vajira Perera	12,000.00	
	Sampath Gunawardhana	14,000.00	
	Sampath Gunawardhana	15,000.00	
	Vajira Perera	20,000.00	
	Sampath Gunawardhana	15,000.00	
	Sampath Gunawardhana	10,000.00	
	Sampath Gunawardhana	15,225.00	
	Vajira Perera	14,000.00	
	Sampath Gunawardhana	14,000.00	
	Sampath Gunawardhana	14,000.00	
	Sampath Gunawardhana	6,000.00	
	Sampath Gunawardhana	16,000.00	
	Vajira Perera	10,000.00	
	Sampath Gunawardhana	11,000.00	
	Sampath Gunawardhana	16,000.00	
	G.G.D.S.Priyankara	15,000.00	
	Vajira Perera	15,000.00	



	Sampath Gunawardhana	20,000.00	
	Vajira Perera	20,000.00	
	Sampath Gunawardhana	20,000.00	
	Sampath Gunawardhana	9,000.00	
	S.K. Dammika	4,500.00	
	Sampath Gunawardhana	18,000.00	
	Vajira Perera	15,000.00	
	Kumuduni Gunasekara	10,000.00	758,225.00
	Festival Advance Balances (annexture.3)	34,548.17	
	Salary Advance Balances (annexture.3)	3,500.00	
	Special Advance Balances (annexture.3)	1,942.35	39,990.52
	Total		798,215.52
Note.8	RECEIVABLE		
	A/C 194125		
	Rice Project Kalankuttiya		12,282.50
	Mouposa Project		55,000.00
	Total		67,282.50
Note.9	CASH IN HAND AND BANK BALANCES		
	Bank of Ceylon, Borella - A/C No:194125		918,739.46
	Peoples Bank, Dehiwala - A/C No:138295	-	-
	Board Account		1,150.73
			919,890.19
	Petty Cash Imprest		80,214.96
	Total		1,000,105.15



Note.10 Provision for Gratuity				
	Name	Basic Salary	Join Date	Provision Required
	Mr.Y.A.V.S.Perera	52,560.00	1-Jun-05	210,240.00
	Mr.W.R.H.M.R.R.Warakaula	22,584.00	1-Mar-01	135,504.00
	Mr.U.G.Ajith Wijeeekumara	22,584.00	1-Aug-01	135,504.00
	Mr.D.M.U.Senarath Disanayake	21,780.00	1-Jan-07	76,230.00
	Mr.U.G.L.Rupasinghe	22,584.00	29-Apr-06	79,044.00
	Mr.J.B.Chiranjeewa Karunarathna	24,654.00	15-Dec-06	86,289.00
	Ms.S.R.M.Y.Senevirathna	24,654.00	25-Mar-07	73,962.00
	Ms.K.K.C Abyesinghe	23,436.00	15-Feb-07	70,308.00
	Mr.J.N.K.Jayalathge	23,436.00	1-Jan-07	82,026.00
	Mrs.K.K.MN Wasantha Kumari	20,916.00	4-Jan-07	62,748.00
	Mr.G.G.D.S.Priyankara	38,166.00	10-Feb-07	114,498.00
	Mrs.H.M.C.K.Nawarathna	31,668.00	4-Sep-08	79,170.00
	Mrs.C.N.H.A.Senanayake	23,436.00	11-Mar-08	58,590.00
	Mr.E.D.Suminda Priyalal	20,916.00	16-Jun-09	41,832.00
	Mr.P.S.W.Dissanayake	26,094.00	21-Oct-10	39,141.00
	Mr.T.I.Abeygunawardhana	22,740.00	7-Sep-10	34,110.00
	Ms.D.M.Nadeeka Shamali	20,320.00	7-Sep-10	30,480.00
	Mr.D.H.C.Janaka	24,132.00	9-Jul-10	36,198.00
	Mr.A.M. Ghanasiri	9,749.60	1-Jun-09	38,998.40
	Mr.H.K.M.S. Kumarasingha	9,749.60	1-Jun-09	38,998.40
	Mr.D.M.N. Disanayaka	9,749.60	1-Jun-09	38,998.40
	Mr.R.J.C.S.S.Gunawardana	38,964.00	1-Jul-11	38,964.00
	Mr.M.P.Gunasena	9,749.60	1-Feb-07	58,497.60
	Mr.A.M.N R. Kumara Abyarathna	21,804.00	1-Apr-09	43,608.00
	Mr.G.P.M.Udaya Kumara	20,916.00	1-Oct-10	31,374.00
	Mr.G.G.Nihal	9,749.60	1-Oct-10	29,248.80
	Mr.N.M.A.Upali	20,320.00	1-Oct-10	30,480.00
	Mr.P.B.Thilak	20,320.00	1-Oct-10	30,480.00
	Mr.T.P.Rohana	20,320.00	1-Oct-10	30,480.00
	Mr.M.A.P Kumara	9,749.60	2-Jan-11	29,248.80
	Mr.E.M.H Kumara	9,749.60	22-Jan-11	19,499.20
	Mr.G.H.A.S Chandana	20,320.00	1-Feb-11	20,320.00
	Mr.N.R.T Jayasinghe	9,749.60	1-Feb-11	19,499.20
	Mr.L.D Duminda Sampath	20,320.00	1-Feb-11	20,320.00
	Mr.P.C. Vitharana	20,320.00	1-Feb-11	20,320.00
	Miss.T.N.Katulanda	9,749.60	1-Mar-11	19,499.20
	Mrs.E.L.P.Priyanthi Yamuna	9,749.60	1-Jun-11	19,499.20
	Mr.R.A.Gayan	9,749.60	1-Jul-11	19,499.20
	Mr.I.D.P.Chathuranga	9,749.60	1-Jul-11	19,499.20
	Mr.S.A.U.Rajapaksha	20,916.00	1-Jan-12	20,916.00
	Mr.J.Vidhanapathirana	25,578.00	15-Aug-12	12,789.00
	Mr.Buddika Sanjeewa	21,210.00	10-Jan-12	10,605.00



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	Mr.H.K.M.K. Kumarasingha	9,749.60	10-Jan-12	9,749.60
	Mr.D.D.Phaliyawadana	20,320.00	10-Jan-12	10,160.00
	Mr.G.H.M.Chandrananda	9,749.60	31-Mar-12	9,749.60
	Mr.M.A.Sampath	9,749.60	10-Jan-12	9,749.60
	Mr.T.Sadakalum	9,749.60	31-Mar-12	9,749.60
	Mr.S.K.S.Sampath	20,320.00	10-Jan-12	10,160.00
	Mr.H.G.Upul	9,749.60	10-Jan-12	9,749.60
	Total provision for Retirement Benefit Obligation			2,176,583.60
				1,718,292.90
				458,290.70



Note.11	CREDITORS		
	Creditors (External)		
	<i>Board A/C</i>		
	Lanka Filling Station - Narahenpita		5,000.00
	Total		5,000.00
Note.12	ACCRUED EXPENDITURE		
	Plant Nursery		
	Quality Seed Co.(Pvt)Ltd	15,759.00	
	Lukshmi Plant Nursery	18,760.00	
	Haritha Plant Nursery	141,505.00	
	Laksaru Agro Services	72,375.00	
	Indrani Vithanarachchi	15,095.00	
	Kemtek(Pvt)Ltd	29,900.00	
	Hyosung ONB(Pvt)Ltd	10,000.00	
	Deegama Farm	39,375.00	
	Polwaththa Plant Nursery	838,565.00	
	A.S.Athukorala	990.00	
	Indrani Vithanarachchi	5,070.00	
	CIC Cropguard(Pvt)Ltd	107,224.00	
	Green Corner	8,825.00	
	Onesh Agri(Pvt)Ltd	13,640.00	
	K & P Publicity Service	12,400.00	
	Over Time	12,214.96	1,341,697.96
	Dehiwala		
	D.M.Nandana Ranjith	31,025.00	
	G.P.K.Siriwardana	5,005.00	
	Ceylon Electricity Board	31,520.66	
	National Water Supply	31,763.20	
	S A Upul Kumara	119,340.00	
	Rohana Abeywickrama Agencies	77,472.00	
	Govinge Barakara Aramudala	247,421.89	
	Jayasri Traders	99,555.00	
	The Department of National Zoological Gardens	36,911.25	
	Over Time	69,071.10	
	P.V.P.Distributors	18,030.00	
	P.Gunasekara	19,600.00	
	SLS Trading	109,371.84	896,086.94
	Rice Project		
	Central Distributors	592,000.00	
	Paddy Marketing Board	3,300,000.00	
	Packaging Matirial	211,417.60	
	Ceylon Electricity Board	4,826.25	
	Over Time	5,935.15	4,114,179.00
	Suwadal Slow Food		
	Ministry of Agriculture Society	36,000.00	
	Ceylon Electricity Board	417.99	36,417.99



Fruit Drink		
Water supply & Drainage Board	11,310.20	
Ceylon Electricity Board	15,037.52	26,347.72
Waddakachchi		
Director General(Agriculture)	301,650.00	
Farm Manager	39,182.66	340,832.66
Kantha		
National Aquaculture Development Authority of Sri Lanka	7,800.00	7,800.00
Tresury		
Audit Fees - 2004	50,000.00	
Audit Fees - 2005	42,500.00	
Audit Fees - 2007	45,000.00	
Audit Fees - 2009	27,500.00	
Audit Fees - 2011	134,400.00	
Audit Fees - 2012	147,800.00	
Audit Fees - 2013	162,580.00	
Thilak Motors	23,850.00	
Wijayasiri Motors	59,300.00	
M.K.Motors	15,025.00	
Ceylon Electricity Board	24,925.62	
Over Time	33,934.82	
M.Shiroma Kumari	27,619.90	
The Associated News Papers of Ceylon Ltd	52,800.00	
Sri Lanka Telecom	6,793.93	
Etisalat Lanka (Pvt)Ltd	2,132.66	
Subsistance	6,684.50	862,846.43
Thanamalvila		
Ceylon Electricity Board	340.13	340.13
Govisathiya		
Ministry of Agriculture	15,000.00	15,000.00
Narahenpita Sales Center		
Ceylon Electricity Board	24,925.63	
Over Time	19,546.32	44,471.95
Suwaposa		
Kenilma Graphic Works	7,700.00	7,700.00
Buttala		
Manager Bullala Farm	505.00	505.00
Total		7,694,225.78



Note.13 Other Operating income			
13.1 Sales Centre -Dehiwala			
Trade, Profit & Loss Account for the Year Ended 31.12.2013			
		2013	2012
Items		Rs.	Rs.
Sales Income		54,795,215.59	65,473,800.33
Less: Cost of sales			
Opening Stock		1,382,949.40	1,614,211.24
Purchases		45,232,653.06	52,836,492.50
Transport		50,110.00	109,636.00
Stock Damage		(4,035.00)	-
Closing Stock		(1,240,388.97)	(1,382,949.40)
		45,421,288.49	53,177,390.34
Gross Profit		9,373,927.10	12,296,409.99
<u>Sales Income</u>			
Fish		1,083,078.84	
Grain		2,620,083.33	
Grocery		17,988,746.42	
Pastry Shop		4,029,516.00	
Plant		1,416,790.00	
Rice		3,564,266.00	
Spices		1,590,030.10	
T/Rice		275,327.00	
Vegetable		11,175,890.40	
Zoo -Grocery		1,995,052.00	
Zoo Pastry Shop		9,056,435.50	
		54,795,215.59	65,473,800.33
Overhead cost			
D-Electricity Charges		628,093.81	603,078.09
D-Entertainment		2,128.50	8,413.00
D-EPF		304,544.67	452,419.62
D-ETF		76,136.17	113,104.93
D-Interest		125,781.26	32,031.26
D-Miscellaneous		48,336.72	120,762.33
D-Other Inventries		10,805.00	23,095.00
D-Over Time		888,463.38	810,972.55
D-Grinding Cost		-	14,000.00
D-Packing		304,162.50	476,072.52
D-Plant Miscellaneous		2,705.00	-
D-Printing & Publication		44,100.00	45,340.00
D-Promosion		14,313.25	16,540.35
D-R. M. of Land & Building		64,929.00	128,251.50



D-R. M. of Motor Vehicles	7,138.00	17,442.00
D-R. M. of Office Equipments	34,829.00	13,712.00
D-R. M. of Other Equipments	3,935.00	5,696.00
D-R. M. of Plant & Mashinary	12,900.00	11,008.00
D-Insurance Registration of M.V	-	7,060.00
D-Running Expences	159,029.00	235,938.50
D-Salaries & Allowances	3,123,351.80	3,957,158.54
D-Stationery & Consumable	70,576.00	74,792.00
D-Tax & Rate	58,148.88	7,718.07
D-Telecommunication	27,029.50	34,648.33
D-Travelling	5,536.00	-
D-Water Supply Charges	449,696.80	331,814.46
D-Welfare	36,025.50	28,869.00
D-Zoo Electricity Charges	90,212.00	-
D-Zoo Rent	345,000.00	300,000.00
Total Expances	6,937,906.74	7,869,938.05
Net Profit	2,436,020.36	4,426,471.94



13.2	Sales Centre -Narahenpita		
	Trade, Profit & Loss Account for the Year Ended 31.12.2013		
	Items	2013 Rs.	2012 Rs.
	Sales Income	9,680,837.76	18,111,694.54
	Less: Cost of sales		
	Opening Stock	851,855.75	500,902.50
	Purchases	8,546,649.09	15,526,050.42
	Transport	11,342.00	16,274.60
	Stock Damage	(16,997.00)	(13,920.00)
	Closing Stock	(380,490.75)	(851,855.75)
		9,012,359.09	15,177,451.77
	Gross Profit	668,478.67	2,934,242.77
	Sales Income		
	N-Fish Income	335,556.61	
	N-Grain Income	816,838.86	
	N-Grocery Income	2,275,485.72	
	N-Juise Bar Income	900.00	
	N-Narahenpita Sales Centre	253,446.16	
	N-Pastry Shop Income	370,173.75	
	N-Rice Income	1,162,608.36	
	N-Spices Income	328,856.24	
	N-T/Rice Income	704,052.10	
	N-Vegetable Income	3,432,919.96	
		9,680,837.76	18,111,694.54
	Overhead cost		
	N-Electricity Charges	281,270.38	342,980.75
	N-EPF	124,991.56	288,224.99
	N-ETF	31,247.88	72,056.26
	N-Grainding Cost	1,908.00	-
	N-Miscellaneous	6,777.00	14,762.00
	N-Other Inventries	80.00	2,680.00
	N-Over Time	228,757.52	533,445.78
	N-Packing	40,111.90	38,677.40
	N-Printing & Publication	24,500.00	17,420.00
	N-R.M. of Land & Building	9,557.00	63,153.00
	N-R.M. of Office Equipments	50,699.00	2,955.00
	N-R.M. of Other Equipments	5,275.00	19,482.25
	N-Running Expences	25,500.00	11,500.00
	N-Salaries & Allowances	1,172,202.41	2,456,279.27
	N-Stationery & Consumable	12,893.00	22,725.00
	N-Telecommunication	9,796.00	14,694.00
	N-Water Supply	6,896.20	-
	N-Entertainment	-	1,640.00
	Total Expances	2,032,462.85	3,902,675.70
	Net Profit	(1,363,984.18)	(968,432.93)



13.3	Sales Outlets Plant Nursery Head Office		
Trade, Profit & Loss Account for the Year Ended 31.12.2013			
	Items	2013 Rs.	2012 Rs.
	Sales Income (Plant & Fertilizer)	4,737,775.45	7,981,756.00
	Less: Cost of sales		
	Opening Stock	719,006.98	1,084,586.70
	Purchases	4,155,646.00	5,894,510.01
	Stock Damage	(3,932.00)	-
		4,870,720.98	6,979,096.71
	Closing Stock	(403,350.00)	(719,006.98)
		4,467,370.98	6,260,089.73
	Gross Profit	270,404.47	1,721,666.27
	Overhead cost		
	H-Entertainment	2,350.00	5,727.00
	H-EPF	66,987.21	-
	H-ETF	16,746.81	-
	H-Fuel & Lubricant	16,500.00	14,500.00
	H-Over Time	16,717.97	-
	H-Packing	28,626.52	20,296.00
	H-Printing & Pulication	21,940.00	36,283.00
	H-R.M. of Agri. Equipments	4,527.00	-
	H-R.M. of Garden Equipments	10,060.00	26,041.75
	H-R.M. of Building	-	15,962.00
	H-Salaries & Allowences	650,390.61	-
	H-Telecommunication	9,796.00	14,694.00
	H-Transport	6,500.00	-
	H-Water Supply Charges	63,431.64	77,898.46
	H-Miscellaneous	-	9,355.45
	H-Stationary	-	6,915.00
	Total Expances	914,573.76	227,672.66
	Net profit	(644,169.29)	1,493,993.61



Sri Lanka National Freedom from Hunger Campaign Board
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13.4	Promotion Of Rice Project -Kalankuttiya		
	Production,Trade Account for the Year Ended 31.12.2013		
	Items	2013 Rs.	2012 Rs.
	Opening Stock	2,722,142.40	998,453.00
	Purchases	6,877,327.80	12,057,031.50
	Closing stock-Material	(750,058.10)	(2,722,142.40)
	Cost Of Raw Material	8,849,412.10	10,333,342.10
	Direct Wages	2,573,031.36	3,659,371.44
	Openning stock-Work in Prograss	186,314.70	3,676.50
	Closing stock-Work in Prograss	-	(186,314.70)
	Production cost	11,608,758.16	13,810,075.34
	Sales Income	13,249,247.25	15,729,544.43
	<u>Less: Cost of sales</u>		
	Opening Stock	196,989.20	713,522.00
	Production cost	11,608,758.16	13,810,075.34
		11,805,747.36	14,523,597.34
	Closing Stock	(11,204.00)	(196,989.20)
		11,794,543.36	14,326,608.14
	Gross Profit	1,454,703.89	1,402,936.29
	Sales Income		
	R-Black Gram Income	1,680.00	-
	R-Other Income	47,703.80	7,352.50
	R-Rice Flour Income	7,615,371.45	14,044,961.42
	R-Rice Income	308,945.00	922,851.50
	R-Roti Mixture Income	1,260.00	53,820.00
	R-Thosa Mixture Income	4,734,303.15	656,650.51
	T-Rice Niudu	-	43,908.50
	R-T/Rice Income	539,463.85	-
	R-Weat Flour Income	520.00	-
		13,249,247.25	15,729,544.43
	Overhead cost		
	R-Administration	44,101.60	91,156.60
	R-Electricity Charges	89,938.71	358,424.73
	R-Entertainment	46,730.13	51,255.00
	R-Fuel	167,587.80	270,310.00
	R-Grinding Cost	220,066.00	14,890.00
	R-Miscellaneous	4,793.00	12,050.00
	R-Other Inventries	1,120.00	-
	R-Packing	504,024.74	137,946.08
	R-R. M. of Land & Building	1,700.00	33,800.00
	R-R. M. of Machinery	116,252.00	71,119.50



R-R. M. of Motor Vehicle	4,215.00	63,558.00
R-R. M. of Other Equipments	5,510.00	-
R-Registration Fee	5,950.00	1,388.50
R-Stationary & Consumable	8,996.00	10,121.00
R-Telecommunication	11,910.00	14,860.30
R-Travelling and Subsistance	3,948.00	5,088.00
R-Promosion	-	215,239.67
R-Printing	-	434,346.14
R-Transport	171,032.00	82,560.00
Total Expances	1,407,874.98	1,868,113.52
Net profit	46,828.91	(465,177.23)

13.5	Suwaposha		
	Production, Trade Account for the Year Ended 31.12.2013		
	Items	2013 Rs.	2012 Rs.
	Opening Stock	344,235.75	546,326.98
	Purchases	3,121,551.00	344,878.00
	Direct wages	295,887.50	224,643.90
	Closing stock-Material	(458,574.00)	(344,235.75)
		3,303,100.25	771,613.13
	Opening stock-Work in Progress	-	-
	Closing stock-Work in Progress	-	-
	Production cost	3,303,100.25	771,613.13
	Sales Income	5,412,925.00	799,326.78
	Less: Cost of sales		
	Opening Stock	565,920.00	-
	Production cost	3,303,100.25	771,613.13
		3,869,020.25	771,613.13
	Closing Stock	(10,000.00)	(565,920.00)
		3,859,020.25	205,693.13
	Gross Profit/(loss)	1,553,904.75	593,633.65
	Overhead cost		
	S-Electricity Charges	240,406.20	
	S-Registration Fee	20,000.00	
	S-Suwaposha Entertainment	3,802.00	
	S-Suwaposha Fuel & Lubricant	26,700.00	
	S-Suwaposha Packing	37,788.56	
	S-Suwaposha Printing & Publication	515,981.79	
	Total Expances	844,678.55	
	Net profit	1,689,357.10	



13.6	Suwadal Slow Food -Narahenpita		
Trade, Profit & Loss Account for the Year Ended 31.12.2013			
	Items	2013 Rs.	2012 Rs.
	Sales Income	1,711,873.69	1,681,470.80
	Less: Cost of sales		
	Opening Stock	-	-
	Purchases	1,382,962.41	1,320,586.53
	Wages	-	-
	Transport	4,955.00	3,750.00
	Closing Stock		
		1,387,917.41	1,324,336.53
	Gross Profit	323,956.28	357,134.27
	Overhead cost		
	NU-Electricity Charges	88,782.74	65,615.46
	NU-EPF	49,273.01	41,985.88
	NU-ETF	12,318.26	10,496.48
	NU-Gas	102,634.00	66,684.00
	NU-Miscellaneous	560.00	4,450.00
	NU-Other Inventories	9,802.00	11,574.00
	NU-Over Time	143,319.16	107,439.70
	NU-Packing	24,618.00	15,945.00
	NU-R.M.of Land & Building	1,126.00	49,377.00
	NU-Salaries & Allowances	438,753.63	349,882.35
	NU-Water Supply	61,326.40	27,759.54
	NU-Stationary	-	9,130.00
	NU-Running Expences	-	170.00
	NU-Printing & Publication	-	3,390.00
	Total Expances	932,513.20	763,899.41
	Net profit	(608,556.92)	(406,765.14)



13.7	Suwadal Slow Food -Battharamulla		
	Trade, Profit & Loss Account for the Year Ended 31.12.2013		
	2013	2012	
Items	Rs.	Rs.	
Sales Income	2,076,922.00	6,622,348.08	
Less: Cost of sales			
Opening Stock	-	-	
Purchases	1,779,067.10	5,581,841.68	
Wages	-	-	
Transport	-	29,592.00	
Closing Stock	-	-	
	1,779,067.10	5,611,433.68	
Gross Profit	297,854.90	1,010,914.40	
Overhead cost			
U-EPF	37,019.50	155,707.42	
U-ETF	9,254.88	38,926.87	
U-Over Time	132,948.88	306,676.61	
U-Salaries & Allowances	406,613.49	1,297,561.83	
U-Telecommunication	9,796.00	29,388.00	
U-Other	-	23,648.50	
U-Packing	-	81,604.50	
U-Stationary & Consumable	-	6,843.00	
U-Running Expenses	-	10,575.00	
U-Miscellaneous	-	54,110.00	
U-R.M. of Other Equipment	-	7,168.00	
U-Entertainment	-	5,490.00	
U-Repair & Mainte of Office Eq	-	37,125.00	
U-Repair & Main of Land & Building	-	7,692.00	
U-Printing & Publication	-	10,970.00	
U-Rent	-	48,000.00	
U-Gas	-	354,090.00	
Total Expances	595,632.75	2,475,576.73	
Net Profit	(297,777.85)	(1,464,662.33)	



13.8	Mawuposha		
	Production, Trade Account for the Year Ended 31.12.2013		
	Items	2013 Rs.	2012 Rs.
	Opening Stock	444,209.02	-
	Purchases	8,158,053.00	1,917,468.20
	Direct wages	1,529,221.95	189,952.70
	Transport	432,359.00	-
	Closing stock-Material	(576,998.00)	(444,209.02)
		9,986,844.97	1,663,211.88
	Opening stock-Work in Progress	-	-
	Closing stock-Work in Progress	-	-
	Production cost	9,986,844.97	1,663,211.88
	Sales Income	13,130,423.00	906,970.00
	Less: Cost of sales		
	Opening Stock	566,720.00	
	Production cost	9,986,844.97	1,663,211.88
		10,553,564.97	1,663,211.88
	Closing Stock	(14,220.00)	(566,720.00)
		10,539,344.97	1,096,491.88
	Gross Profit/(loss)	2,591,078.03	(189,521.88)
	Overhead cost		
	M-Administration	2,200.00	
	M-Electricity Charges	240,406.20	
	M-Entertainment	10,697.00	
	M-Fuel & Lubricant	14,000.00	
	M-Grinding Cost	20,000.00	
	M-Miscellaneous	1,700.00	
	M-Other Equipments	54,762.75	
	M-Packing	735,557.66	
	M-Printing	285,242.86	
	P-Administration	58,078.00	
	P-Entertainment	156,608.50	
	P-Fuel & Lubricant	365,433.80	
	P-Grinding	20,000.00	
	P-Miscellaneous	41,780.00	
	P-Packing	86,200.00	
	P-Printing	32,910.00	
	P-R. M. of Machinery	42,200.00	
	Total Expenses	2,167,776.77	
	Net Profit	423,301.26	



13.9	Ambalanthota Farm		
Profit & Loss Account for the Year Ended 31.12.2013			
Items	2013 Rs.	2012 Rs.	
Sales Income	-	18,217.00	
Less: Cost of Cultivation			
Cultivation & Maintanance	9,255.00	12,310.00	
Wages	-	675,595.99	
Transport	14,717.00	8,000.00	
	23,972.00	695,905.99	
Gross Profit	(23,972.00)	(677,688.99)	
Overhead cost			
AF-Administration	21,391.00		
AF-Electricity Charges	1,118.23		
AF-Entertainment	5,385.00		
AF-EPF	12,287.96		
AF-ETF	3,071.99		
AF-Fuel & Lubricant	3,000.00		
AF-Wages	112,845.60		
AF-Telecommunication	6,122.50		
AF-Water Supply Charges	17,304.00		
Total Expences	182,526.28		
Net Profit	(206,498.28)		

13.10'	Butthala Farm		
Profit & Loss Account for the Year Ended 31.12.2013			
Items	2013 Rs.	2012 Rs.	
Sales Income	110,718.70	949,089.50	
Less: Cost of Cultivation			
Cultivation & Maintanance	16,078.00	56,407.60	
Wages	345,235.71	1,629,037.06	
Transport	2,060.00	213,350.00	
	363,373.71	1,898,794.66	
Gross Profit	(252,655.01)	(949,705.16)	
Overhead cost			
F-Bittala Entertainment	13,179.00		
F-Buttala Administration	10,204.00		
F-Buttala Electricity	19,686.93		
F-Buttala Fuel & Lubricant	20,500.00		



F-Buttala Miscellaneous	1,800.00
F-Buttala Other Inventories	5,360.00
F-Buttala R. M. of Land & Buildings	1,540.00
F-Buttala Stationary	585.00
F-Buttala-R. & M. of Motor Vehicals	10,380.00
F-Buttala-R. M. of Mashinery	210.00
F-Buttala-Telecommunication	10,011.00
Total Expenes	93,455.93
Net Profit	(346,110.94)

13.11	Thanamalvila Farm	
	Profit & Loss Account for the Year Ended 31.12.2013	
	Items	2013 Rs.
		2012 Rs.
	Sales Income	-
		141,056.00
	Less: Cost of Cultivation	
	Cultivation & Maintanance	47,420.00
	Wages	1,268,272.44
	Transport	-
		47,420.00
		1,450,193.24
	Gross Profit	(47,420.00)
		(1,309,137.24)
	Overhead cost	
	F-Thanamaivila -Fuel	25,000.00
	F-Thanamalvila-Administration	40,270.00
	F-Thanamalvila-Electricity	9,072.58
	F-Thanamalvila-ETF	8,451.73
	F-Thanamalvila-EPPF	33,806.86
	F-Thanamalvila-R. M. of M. V.	2,040.00
	F-Thanamalvila-Wages	328,859.29
	F-Thanamalvila-Telecommunication	9,796.00
	Total Expenes	457,296.46
	Net Profit	(504,716.46)
	Other Operating Income	
	Sales Centre -Dehiwala	9,373,927.10
	Sales Centre -Narahenpita	668,478.67
	Sales Outlets Plant Nursary	270,404.47
	Rice Project -Kalankuttiya	1,454,703.89
	Suwaposha	1,553,904.75
	Slow food -Narahenpita	323,956.28
	Slow food -Battharamulla	297,854.90
	Mawposha	2,591,078.03
	Ambalanthota Farm	(23,972.00)
	Butthala Farm	(252,655.01)
	Thanamalvila Farm	(47,420.00)
	Total	16,210,261.08



Note. 14	Personal Emoluments		
	Items	2013	2012
		Rs.	Rs.
	Salaries & allowances	14,668,539.43	17,189,301.34
	Overtime & Holiday Pay	1,776,625.32	2,256,367.35
	Employees Provident Fund Contribution	1,492,390.56	1,986,305.48
	Employees Trust Fund Contribution	379,357.96	451,670.17
		18,316,913.27	21,883,644.34
Note. 15	Travelling Expenses		
	Items	2013	2012
		Rs.	Rs.
	Traveling & Subsistence	123,575.50	112,545.00
	Running Expenses of Mote vehicles	184,529.00	258,183.50
		308,104.50	370,728.50
Note. 16	Supplies and Requisites		
	Items	2013	2012
		Rs.	Rs.
	Printing & Publication	1,012,301.25	944,853.71
	Stationary & Consumables	460,420.50	382,285.61
	Books, Newspapers & Periodicals	103,065.60	160,959.20
	Other Inventories	-	89,600.00
	Entertainments	567,453.63	223,514.10
		2,143,240.98	1,801,212.62
Note. 17	Repairs and Maintenance of Fixed Assets		
	Items	2013	2012
		Rs.	Rs.
	Buildings	197,004.70	440,630.28
	Moter vehicales	1,103,398.31	1,899,196.57
	Office Equipments	190,809.00	119,677.00
	Other Equipments	69,482.75	19,482.25
	Plant & Machinery	255,870.00	504,427.72
	Agricultural Equipments	4,527.00	
	Graden Equipments	67,188.00	26,041.75
	Insurance & Reg. of Motor vehicle	326,216.93	539,060.52
		2,214,496.69	3,548,516.09



Note. 18	Transformation, Communication, Utility and Other Services	2013	2012
		Rs.	Rs.
	Transport charges	1,295,792.60	1,165,257.10
	Postage & Telephone	558,246.25	711,323.65
	Electricity charges	2,026,344.40	2,097,608.67
	Bank chargers	47,946.82	24,513.75
	Depreciation	3,933,160.16	4,027,781.58
	Miscellaneous expenses	174,213.72	300,808.03
	Water charges	686,816.28	542,846.00
	Audit Fees	162,580.00	147,800.00
	Rate & Taxes	84,098.88	7,718.07
	Operational & Processing Cost	102,634.00	469,880.20
	Office rent	345,000.00	348,000.00
	Training & scholarship	16,500.00	3,000.00
	Board Members Fees	229,080.00	338,898.00
	Secretary Fees	3,500.00	5,000.00
	Welfare services	68,696.50	43,236.00
	Stock Damage	24,964.00	13,920.00
	Advertising, Exhibition & Workshop	2,779,161.42	4,659,883.57
	Promotion cost & Propaganda	194,053.85	302,986.02
	Gratuity & compensation	458,290.70	637,639.07
	Bad Debts	-	332,044.00
	Interest expense	125,781.26	32,031.26
	Packing	1,761,089.88	1,041,525.64
	Grinding cost	261,974.00	28,890.00
	Other Inventory	27,167.00	-
	Overhead	325,750.10	960,057.50
		15,692,841.82	18,242,648.11



Sri Lanka National Freedom from Hunger Campaign Board
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SRI LANKA NATIONAL FREEDOM FROM HUNGER CAMPAIGN BOARD			
BALANCE SHEET AS AT 31ST DECEMBER 2013			
	2013	Board	125
Property Plants & Equipment			
Land & Building	4,759,997.85	3,321.29	4,756,676.56
Motor Vehicles	2,381,167.56	-	2,381,167.56
Plant & Machinery	4,429,459.21	-	4,429,459.21
Office Equipment	1,376,385.55	-	1,376,385.55
Furniture & Fittings	747,777.27	-	747,777.27
Agriculture Equipment	29,520.45	-	29,520.45
Garden Equipment	61,102.91	-	61,102.91
Other Equipment	583,811.50	-	583,811.50
Photographic Cinema Equipment	26,310.00	-	26,310.00
Computer & Software	2,077,363.68		2,077,363.68
Temporary Building	1,129,224.26	2,759.60	1,126,464.66
Other Investment	50,750.77	-	50,750.77
Sub Total	17,652,871.01	6,080.89	17,646,790.12
Works in Progress			
Primary expenses for new Building	300,000.00	-	300,000.00
Current Assets			
Deposit	198,816.50	92,000.00	106,816.50
Fuel Deposit	95,400.50	20,400.50	75,000.00
Savings Deposit	115,717.08	-	115,717.08
Inventory	4,475,149.96	629,866.14	3,845,283.82
Debtors Internal	5,000.00	-	5,000.00
Debtors External	1,449,828.83	531,331.15	918,497.68
Farmers Loan	80,610.50	-	80,610.50
Staff loan	36,490.41	36,490.41	
Salary Advance	3,500.00	-	3,500.00
Advances	758,225.00	-	758,225.00
Special Advance	1,942.35	1,942.35	-
Festival Advance	34,548.17	3,648.17	30,900.00
Receivable	67,282.50	-	67,282.50
Petty Cash Imprest	80,214.96	1,500.00	78,714.96
Bank Balance	919,890.19	1,150.73	918,739.46
Sub Total	8,322,616.95	1,318,329.45	7,004,287.50
Total	26,275,487.96	1,324,410.34	24,951,077.62
Fund Balance	38,349,357.80	5,063,312.93	33,286,044.87
Funds	2,810,000.00	-	2,810,000.00
Less: Grants	-	-	-
Adjustment Fund Balance	41,159,357.80	5,063,312.93	36,096,044.87
Accumulated Fund	(21,169,274.19)	(3,529,739.18)	(17,639,535.01)
Prior Period Adjustment	-	-	-
Adjustment Account	-	-	-
Sub Total	19,990,083.61	1,533,573.75	18,456,509.86
Income Over Expenditure	(5,077,456.57)	(19,331.04)	(5,058,125.53)
Sub Total	14,912,627.04	1,514,242.71	13,398,384.33
Temporary Transfers	(1,667,970.68)	(366,339.00)	(1,301,631.68)
Sub Total	13,244,656.36	1,147,903.71	12,096,752.65
Long Term Loan	2,500,000.00	-	2,500,000.00
Current Liabilities			
Creditors External	5,000.00	5,000.00	-



Long Term Loan	2,500,000.00	-	2,500,000.00
Current Liabilities			
Creditors External	5,000.00	5,000.00	-
Provision - Gratuity & Compansation	2,176,583.60	-	2,176,583.60
Short Term Loan	479,166.68	-	479,166.68
Provision - Bad Debits	165,855.53	161,506.62	4,348.91
Farmers Loan	10,000.00	10,000.00	-
Accrued Expenses	7,694,225.78	-	7,694,225.78
Sub Total	10,530,831.59	176,506.62	10,354,324.97
Total	26,275,487.95	1,324,410.33	24,951,077.62



Report of the Management and Audit Committee

Composition

This committee was appointed by the Board of Directors. It consists of 2 members from the Board, one from the Department of Auditor General and the Assistant Director (Finance) of the Board. The Director representing the Government Treasury is appointed as the President of this Audit and Management Committee.

Meetings

During this year four Audit and Management Committee meetings were held and discussed about the problems which should be solved. Audit Queries forwarded by the Internal Auditor of the Ministry of Agriculture and the Department of Auditor General are evaluated by the Committee and present recommendations to the Board.

Conclusion

By scrutinizing the report very carefully the Committee advised the management by classifying the important problems according to the Board's Accounting Policies and Operational and Management systems.

Miss. A.H.S. Fareeda
President
Audit and Management Committee



Auditor General's Report - 2013



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல. } AF(1) D/HCB/1/13/03
My No. }

ඔබේ අංකය
உமது இல. }
Your No. }

දිනය
திகதி }
Date }

14 August 2014

The Chairperson
Sri Lanka National Freedom from Hunger Campaign Board.

Report of the Auditor General on the Financial Statements of the Sri Lanka National Freedom from Hunger Campaign Board for the year ended 31 December 2013 in terms of Section 14(2)(C) of the Finance Act No. 38 of 1971

The audit of financial statements of the Sri Lanka National Freedom from Hunger Campaign Board for the year ended 31 December 2013, comprising the statement of financial position as at 31 December 2013 and the statement of financial performance, 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 14 of the Sri Lanka National Freedom from Hunger Campaign Board Act, No. 15 of 1973. My comments and observations which I consider should be published with the Annual Report of the Board in terms of Section 14(2)(C) of the Finance Act, appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act, was issued on 07 July 2014.

1.2 Management's Responsibility for 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 consistent with International Auditing Standards of supreme Audit Instituting (ISSAI 1000 – 1810) and in accordance with Sri Lanka Auditing Standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the Board's



preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

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

1.4 Basis for Qualified Opinion

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

2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Sri Lanka National Freedom from Hunger Campaign Board, as at 31 December 2013 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 Accounting Deficiencies

The following matters were observed.

- (a) The value of the lands and buildings of the Board costing Rs. 12,863,839 had not been identified separately and brought to account and as such the provision for depreciation had been made for the lands as well since the inception.
- (b) Action had not been taken to identify and settle the "unidentified balance" amounting to Rs.57,000 brought to account under current/ non- current assets in the statement of financial position.
- (c) Buildings constructed temporarily for a project valued at Rs. 1,129,224 had been shown under non-current assets and it was further observed that those assets had been depreciated at the rate of 5 per cent annually.



- (d) A sum of Rs. 178,154 spent for the trade stall of “Deyata Kirula Exhibition” in the year 2010 had been brought to account as non- current assets.

2.2.2 Accounts Receivable and Payable

Action had not been taken to settle the sum of Rs. 3,300,000 payable to Paddy Marketing Board brought forward from the year 2011.

2.2.3 Lack of Evidence for Audit

The following matters were observed.

- (a) The evidence indicated against the following each item of accounts had not been furnished to audit.

Item of Accounts	Value	Evidence not made available
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	Rs.	
Trade Debtors	883,014	} Confirmation of Balances
Creditors	5,000	
External Debtors	35,483	

- (b) Due to the damage caused to the books and papers in the year 2004, the opening balance of the year 2005 had not been identified and as such the trial balance had been prepared according to the then information made available. The net non-current assets amounting to Rs. 6,080, current assets amounting to Rs. 1,318,329 and current liabilities amounting to Rs. 176,507 had reflected in these balances. The information of these assets and liabilities was not made available either to identify or verify in audit. A decision had been taken through a Board Paper to write off the assets amounting to Rs. 1,173,597 of those assets, and the liabilities amounting to Rs. 5,000 in the year 2014.



2.3 Non – Compliance with the Laws, Rules, Regulations and Management Decisions

The following non-compliances with laws, Rules, Regulations were observed during the course of audit.

Reference to Laws, Rules, Regulations etc.	Non – compliance
<p>(a) Sri Lanka National Freedom from Hunger Campaign Board Act No. 15 of 1973 Section 3 (i) and (v)</p>	<p>The Board had not taken action for achievement of the following objectives.</p> <p>(i) Obtaining aid from the foreign and local agencies for the social and economic development in accordance with the development programme of the Government.</p> <p>(ii) For affiliation with the International Freedom from Hunger Campaigns and other similar institutions, associations and societies.</p>
<p>(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka Financial Regulation 772</p>	<p>Action had not been taken in respect of unusable stocks amounting to Rs. 24,914 and of these, the goods valued at Rs. 6,017 had not been returned to sales agents to minimise the loss.</p>
<p>(c) Public Enterprises Circular No PED/12 of 02 June 2003</p> <p>(i) Paragraph 4.2.2</p>	<p>Action had not been taken to review the Corporate Plan and the Budget with the Action Plan and the actual performance data on a timely basis and for taking action on variances.</p>
<p>(ii) Paragraph 5.1.3</p>	<p>Even though the updated Corporate Plan should be furnished to the Auditor General at least 15 days before the commencement of the year, action in terms of the Circular had not been taken in the year under review.</p>



- (d) Treasury Circular No. 842 of 19 December 1978 A Register of fixed Assets had not been maintained in terms of the Circular.
- (e) Treasury Circular No IAI/2002/02 of 28 November 2002 A detailed register of computers and software had not been maintained in terms of the Circular.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Board for the year under review had resulted in a deficit of Rs. 5,077,456 as compared with the corresponding deficit of Rs. 8,142,953 for the preceding year. The deficit for the year under review decreased by Rs. 3,065,497 as compared with the preceding year.

3.2 Analytical Review

Particulars	2013	2012	Variance			
			Favourable		Adverse	
			Rs.	Per cent	Rs.	Per cent
Current Assets	8,156,761	19,138,120	-	-	10,981,359	57
Inventories	4,475,149	8,610,209	-	-	4,135,060	48
Non – current Assets	17,652,871	18,771,491	-	-	1,118,620	06
Current Liabilities	8,188,392	12,641,768	4,453,376	35	-	-
Non – current Liabilities	4,676,583	6,259,959	1,583,376	25	-	-
Income	33,598,140	37,703,796	4,105,656	10	-	-
Treasury Grant	16,166,165	22,261,745	6,095,580	27	-	-
Expenditure	38,675,597	45,846,749	7,171,152	15	-	-
Personal Emoluments	18,316,913	21,883,644	3,566,731	16	-	-

Working Capital Ratios

Current Ratio	1:1	1.5:1
Acid Test Ratio	2.22:1	1.2:1

Profitability Ratios

Net Loss Ratio (per cent)	(15)	(21)
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It was shown a decrease of current assets by 57 per cent and current liabilities by 35 per cent as compared with the year 2012, and the net deficit had also decreased by 38 per cent due to significant decrease of the expenditure during the year under review.

4. Operating Review

4.1 Performance

Six projects implemented from the funds of the Board had incurred a net loss of Rs. 3,467,005 while 05 projects had earned a net profit of Rs. 5,100,224.

4.2 Management Inefficiencies

The following matters were observed.

- (a) Even though 06 vehicles could have been repaired and utilized out of 15 vehicles belonging to the Board while other 07 vehicles could not either be repaired or utilized, necessary course of action had not been taken either for repair and utilize or for dispose them.
- (b) Even though the loan of Rs. 3,500,000 obtained from the Farmer's Trust Fund in 03 instances from the year 2010 to 2012 should have been paid in full during the year 2013, only a sum of Rs. 520,834 of the loan had been repaid by the end of the year under review.

4.3 Commencing of projects on the Lands without properly vested

Even though a sum of Rs. 895,986 had been spent in the year under review for the farms maintained on two lands for which the Board is not having the legal title, those had incurred a loss amounting to Rs. 850,826.

4.4 Personnel Administration

Even though the approved staff as permanent basis and contract basis had been 76, the actual staff had been 37, thus the vacancies represented 51 per cent of the approved staff.



4.5 Establishing a Fund for the Provisions of Payment of Gratuities

A fund had not been established for the provisions of payment of Gratuities of employees.

5. Accountability and Good Governance

5.1 Action Plan

- (a) As the action plan for Ambalantota Farm and Govi Sathiya Project had not been prepared in the year under review, the performance thereon could not be examined. The loss incurred there from amounted to Rs. 711,212.
- (b) As the targets for expected crops to be carried and in the Thanamalwila and Buttala Farms had not been prepared in the year under review, the performance of those could not be examined. Those two farms had incurred a loss amounting Rs. 867,824

5.2 Budgetary Control

Variances between the budgeted and the actual data in the Budget had been ranged between 15 per cent to 100 per cent in the year under review, thus indicating that the budget had not been made use of as an effective instrument of management control.

5.3 Unsettled Audit Paragraphs

The following matters were observed.

- (a) Action had not been taken even during the year under review for the recovery of the loans amounting to Rs. 80,610 granted to 19 farmers in the year 2003 for obtaining water supply machines for the farming lands.
- (b) A contract valued at Rs. 2,548,050 had been awarded illegally without the approval of the Board of Directors for the construction of a fence and a gate on a land with no legal title to the Board for commencing a project in the year 2012. As the payment had not been made to the contractor, a firm of Legal Consultants had sent a letter of demand claiming a sum of Rs. 3,209,728 and a compensation being the total expenditure. This had not been resolved even in the year 2013.
- (c) Even though the former Deputy Chairman had obtained Suwa Posha and Maw Posha packets on loan basis valued at Rs. 64, 500 in the year 2011, These amounts had not been settled even by the end of the year under review.



- (d) Even though a sum of Rs. 191,803 comprising Rs. 127,303 and Rs. 64,500 had remained under Trade Debtors shown under the name of the Chairperson and the Deputy Chairman respectively since 2011, action had not been taken to settle them.
- (e) Action had not been taken either for the takeover of the Paddy harvester valued at Rs. 1,545,000 belonging to the Waddakachchiya Farm or for the recovery of its value which transferred to the Department of Civil Security since November 2012.
- (f) Even though the sundry loans and advances amounting to Rs. 42,080 obtained by 09 officers had been outstanding for a period of 10 years, the Board had failed to recover the money.
- (g) The following directives made by the Committee on Public Enterprises at the meeting held on 01 October 2012 had not been implemented.
 - (i) Present the Amended Act to Parliament.
 - (ii) Elimination of the unidentified balances included in the financial statement.

6. Systems and Controls

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

- (a) Financial Control
- (b) Personnel Administration
- (c) Project Management
- (d) Assets Control

H.A.S. Samaraweera
Auditor General.