

# Financial Performance of Commercial Public Enterprises - 2004

## State Engineering Corporation Sri Lanka

**1 Name & Address of the Enterprise:** **State Engineering Corporation of Sri Lanka**  
130, W.A.D. Ramanayake Mawatha,  
Colombo 02.

**2 Mission:**

To provide the nation and our clients with unmatched services, ensuring total client satisfaction on quality, cost & timely delivery, in engineering/ architectural design, project management, construction and construction management, manufacture of building components and materials, engineering research, and training whilst achieving qualitative leadership, sustainable growth, financial stability and independence.

**3 Major Activities:**

Civil Engineering construction  
Mechanical & Electrical services  
Architectural & Engineering Consultancy services  
Manufacture of Pre-cast components

**4 Performance Trend**

ABSOLUTE VALUES		2001	2002	2003	2004	2005 B
1	Total Revenue for the year	(Rs.' 000) 1,095,072	901,629	619,381	880,985	1,426,654
2	Gross Profit for the year	(Rs.' 000) 4,040	42,886	(21,672)	10,517	117,307
3	Net Profit before Interest and Tax for the year	(Rs.' 000) (67,314)	(20,960)	(79,665)	(128,569)	52,216
4	Financial Charges for the year	(Rs.' 000) 14,920	36,348	11,598	12,490	12,000
5	Total Cost of Employment for the year	(Rs.' 000) 367,279	358,625	312,144	444,205	337,083
6	Capital Expenditure for the year	(Rs.' 000) 23,737	779	491	2,093	85,896
7	Non-Current Assets as at end of the year	(Rs.' 000) 94,539	77,046	60,930	48,544	339,617
8	Current Assets as at end of the year	(Rs.' 000) 1,111,534	1,020,839	855,104	958,269	758,518
9	Current Liabilities as at end of the year	(Rs.' 000) 769,217	791,120	755,318	822,244	731,000
10	Non-Current Liabilities as at end of the year	(Rs.' 000) 367,823	281,700	219,939	310,015	240,000
11	Equity as at end of the year	(Rs.' 000) 69,033	25,065	(59,223)	(125,446)	127,135
12	Contribution to the Consolidated Fund	(Rs.' 000) -	-	-	-	-
13	Number of Employees as at end of the year	(Nos.) 3,315	2,990	2,722	2,223	2,186
14	Investment of Surplus Fund as at end of the year	(Rs.' 000) -	-	-	-	-
15	<b>Key Performance Indicators</b>					
i)	Net Profit bef. Tax to Equity	% -119%	-229%	-	-	32%
ii)	Net Profit bef. Fin. Charges & Tax to Total Assets	% -6%	-2%	-9%	-13%	5%
iii)	Current Ratio	% 145%	129%	113%	117%	104%
iv)	Total Cost of Employment per Employee	(Rs.' 000) 111	120	115	200	154

**5 Comments on Performance:**

Although total revenue and gross profit have increased net loss has increased unprecedentedly during the year.

Financial charges although has increased marginally during the year, it is higher than the gross profit.

Total cost of employment has increased substantially during the year despite decline in the number of employees.

Capital expenditure too has increased substantially during the year.

There has been an improvement in the asset base with a corresponding increase in the liabilities while the accumulated loss has eroded the entire capital.

Unsettled debtors from government institutions amounts to Rs.443mn at the end of the year.

The Corporation is currently under going a restructuring process with the assistance of PERC.