

Financial Performance of Commercial Public Enterprises - 2004

Lanka Phosphate Ltd

1 Name & Address of the Enterprise : **Lanka Phosphate Ltd**
73 1/1, New Kelani Bridge Road,
Colombo 14.

2 Mission :

To be the market leader with global presence and the supplier of high quality phosphorous products with optimum productivity through environment friendly, state of the art process while satisfying the expectations of the stakeholders.

3 Major Activities :

Manufacture of Rock Phosphate Fertilizer and marketing locally.
New product launched - High grade Eppawala Rock Phosphate (HERP) with a view to market as a substitute for imported Rock Phosphate Production.

4 Performance Trend

ABSOLUTE VALUES		2001/2002	2002/2003	2003/2004	2004/2005	2005/2006 B	
1	Total Revenue for the year	(Rs.' 000)	128,521	148,438	141,074	188,604	195,085
2	Gross Profit for the year	(Rs.' 000)	67,323	75,431	77,749	87,966	96,669
3	Net Profit before Interest and Tax for the year	(Rs.' 000)	35,922	27,847	26,330	33,120	41,345
4	Financial Charges for the year	(Rs.' 000)	-	-	-	-	-
5	Total Cost of Employment for the year	(Rs.' 000)	50,673	62,175	67,275	75,647	88,327
6	Capital Expenditure for the year	(Rs.' 000)	10,360	5,600	10,542	7,585	32,022
7	Non-Current Assets as at end of the year	(Rs.' 000)	75,934	76,267	82,922	93,642	97,500
8	Current Assets as at end of the year	(Rs.' 000)	140,537	161,840	182,748	193,551	223,300
9	Current Liabilities as at end of the year	(Rs.' 000)	20,854	26,202	26,981	27,112	27,800
10	Non-Current Liabilities as at end of the year	(Rs.' 000)	20,642	21,180	22,315	22,867	23,000
11	Equity as at end of the year	(Rs.' 000)	175,155	190,724	216,374	237,214	270,000
12	Contribution to the Consolidated Fund	(Rs.' 000)	3,000	-	5,000	8,000	15,000
13	Number of Employees as at end of the year	(Nos.)	301	313	292	295	300
14	Investment of Surplus Fund as at end of the year	(Rs.' 000)	71,880	96,075	99,221	103,771	115,000
15	Key Performance Indicators						
i)	Net Profit bef. Tax to Equity	(%)	21%	15%	12%	14%	15%
ii)	Net Profit bef. Fin. Charges & Tax to Total Assets	(%)	17%	12%	10%	12%	13%
iii)	Current Ratio	(%)	674%	618%	677%	714%	803%
iv)	Total Cost of Employment per Employee	(Rs.' 000)	168	199	230	256	294

5 Comments on Performance

Total revenue although has increased by 34% during the year the Company has not been able to achieve 2001/2002 level of net profits.

Total cost of employment has increased by 12% during the year with a marginal increase in the number of employees.

Capital expenditure has declined by 28% during the year.

There has been an increase in the assets base and equity with a marginal increase in the liabilities.

The Company has contributed Rs.8mn to the Consolidated Fund as dividends during the year.

Return on equity and total assets reflect an improvement during the year.

The Company has substantial surplus funds in investments without the required approval in terms of the Finance Act No. 38 of 1971.