

Financial Performance of Commercial Public Enterprises - 2004

Milk Industries of Lanka (Pvt) Ltd (MILCO)

1 Name & Address of the Enterprise: **Milk Industries of Lanka (Pvt) Ltd (MILCO)**
No.45, Nawala Road,
Narahenpita.

2 Mission:

To improve the standard of living of local dairy farmers while contributing to increase milk production and providing customer satisfaction by supplying quality fresh milk and quality dairy products at competitive prices through effective and efficient management, ensuring human resources development in the organisation and maintaining a sustainable growth in shareholders wealth.

3 Major Activities:

Collecting, processing, packing, distributing and dealing in milk products in Sri Lanka.

4 Performance Trend:

ABSOLUTE VALUES		2001/2002	2002/2003	2003/2004	2004/2005D	2005/2006B	
1	Total Revenue for the year	(Rs.' 000)	1,636,864	1,649,666	1,777,003	2,282,654	2,544,678
2	Gross Profit for the year	(Rs.' 000)	154,883	174,228	226,366	267,408	283,837
3	Net Profit before Interest and Tax for the year	(Rs.' 000)	85,801	40,037	39,586	95,512	108,386
4	Financial Charges for the year	(Rs.' 000)	29,863	19,124	18,321	12,632	4,703
5	Total Cost of Employment for the year	(Rs.' 000)	251,345	288,363	310,560	347,566	310,560
6	Capital Expenditure for the year	(Rs.' 000)	33,863	64,130	116,027	41,116	150,000
7	Non-Current Assets as at end of the year	(Rs.' 000)	90,387	122,448	209,901	204,487	287,859
8	Current Assets as at end of the year	(Rs.' 000)	1,107,176	1,240,298	1,220,043	1,569,833	1,200,389
9	Current Liabilities as at end of the year	(Rs.' 000)	726,697	842,359	815,185	1,064,151	716,386
10	Non-Current Liabilities as at end of the year	(Rs.' 000)	91,875	113,600	168,962	172,905	146,003
11	Equity as at end of the year	(Rs.' 000)	378,991	406,786	445,796	537,264	625,859
12	Contribution to the Consolidated Fund	(Rs.' 000)	-	-	-	-	20,000
13	Number of Employees as at end of the year	(Nos)	1,227	1,253	1,288	1,277	1,302
14	Investment of Surplus Fund as at end of the year	(Rs.' 000)	502,735	360,358	331,980	494,981	488,952
15	Key Performance Indicators						
i)	Net Profit bef. Tax to Equity	(%)	15%	5%	5%	15%	17%
ii)	Net Profit bef. Fin. Charges & Tax to Total Assets	(%)	7%	3%	3%	5%	7%
iii)	Current Ratio	(%)	152%	147%	150%	148%	168%
iv)	Total Cost of Employment per Employee	(Rs.'000)	205	230	241	272	239

5 Comments on Performance:

There has been substantial improvement in the revenue generation, gross profit and net profit during the year.

Financial charges during the year has declined by 31%.

Total cost of employment has increased by 12% during the year despite drop in the number employed.

Capital expenditure has declined by 65% during the year.

There has been substantial build up in the asset base, equity and liabilities.

Return on equity and total asset have been on the increase.

The Company has not been contributing to the Consolidated Fund, however it is expected to contribute Rs.20mn in the financial year 2005/2006.