

Financial Performance of Commercial Public Enterprises - 2004

National Equipment & Machinery Organisation

1 Name & Address of the Enterprise: **National Equipment & Machinery Organisation**
P.O.Box 756, Sir Chittampalum A. Gardiner Mawatha,
Colombo 02.

2 Mission:
To provide the services of machinery and equipment for the construction industry country wide and undertake construction work.

3 Major Activities:
Hiring heavy machineries and pipe laying road constructions.

4 Performance Trend

ABSOLUTE VALUES			2001	2002	2003	2004	2005 B
1	Total Revenue for the year	(Rs.' 000)	132,234	111,623	130,276	89,434	153,626
2	Gross Profit for the year	(Rs.' 000)	(99,834)	(131,501)	(105,878)	(56,260)	41,717
3	Net Profit before Interest and Tax for the year	(Rs.' 000)	(120,025)	(149,715)	(127,450)	(82,993)	24,171
4	Financial Charges for the year	(Rs.' 000)	175	1,029	3,610	3,323	500
5	Total Cost of Employment for the year	(Rs.' 000)	102,545	118,724	114,841	101,561	110,146
6	Capital Expenditure for the year	(Rs.' 000)	381	171	107	17,398	N/A
7	Non-Current Assets as at end of the year	(Rs.' 000)	407,224	325,274	508,464	456,361	892,719
8	Current Assets as at end of the year	(Rs.' 000)	312,574	259,957	239,465	197,103	188,638
9	Current Liabilities as at end of the year	(Rs.' 000)	80,548	97,158	149,500	147,290	116,151
10	Non-Current Liabilities as at end of the year	(Rs.' 000)	-	-	-	-	-
11	Equity as at end of the year	(Rs.' 000)	639,250	488,073	598,430	506,174	965,206
12	Contribution to the Consolidated Fund	(Rs.' 000)	-	-	-	-	-
13	Number of Employees as at end of the year	(Nos)	647	920	921	621	621
14	Investment of Surplus Fund as at end of the year	(Rs.' 000)			29,750	33,514	
15	Key Performance Indicators						
i)	Net Profit bef. Tax to Equity	(%)	-19%	-31%	-22%	-17%	2%
ii)	Net Profit bef. Fin. Charges & Tax to Total Assets	(%)	-17%	-26%	-17%	-13%	2%
iii)	Current Ratio	(%)	388%	268%	160%	134%	162%
iv)	Total Cost of Employment per Employee	(Rs.' 000)	158	129	125	164	177

5 Comments on Performance:

NEMO is a unit functioning under the National Housing Development Authority operating as a separate entity.

The Organization has been incurring heavy losses continuously.

Revenue generation although has declined by 31% during the year gross loss and net loss have declined very sharply.

During the year 2003 a VRS was offered to 287 employees who retired in January 2004 at cost of Rs.105mn funded by the Treasury.

There has been substantial increase in capital expenditure mainly due to purchase of equipments.

Total asset base and equity have been on the decline while liabilities has declined marginally.

Currently the Organisation is undergoing a restructuring process.