

# Financial Performance of Commercial Public Enterprises - 2004

## Lanka Fabrics Ltd

**1 Name & Address of the Enterprise:** **Lanka Fabrics Ltd**  
No 312, Galle Road  
Colombo 04.

**2 Mission:**

To meet the needs of the handloom industry and assist the small scale handloom weavers through the provision of an organization to market their products. Lanka Fabrics is also totally committed in supplying handloom yarn and related accessories to small scale research at a fair and reasonable price.

**3 Major Activities:**

Marketing of handloom fabrics and supply of yarn to the handloom industry.

**4 Performance Trend**

ABSOLUTE VALUES		2001/2002	2002/2003	2003/2004	2004/2005	2005/2006 B	
1	Total Revenue for the year	(Rs.' 000)	38,462	24,770	36,585	28,489	39,900
2	Gross Profit for the year	(Rs.' 000)	7,685	6,647	5,635	3,870	12,016
3	Net Profit before Interest and Tax for the year	(Rs.' 000)	2,970	3,739	2,396	934	4,316
4	Financial Charges for the year	(Rs.' 000)	1,821	1,729	1,488	925	700
5	Total Cost of Employment for the year	(Rs.' 000)	1,342	1,491	1,692	1,743	2,198
6	Capital Expenditure for the year	(Rs.' 000)	24	90	77	-	N/A
7	Non-Current Assets as at end of the year	(Rs.' 000)	399	416	420	357	800
8	Current Assets as at end of the year	(Rs.' 000)	34,225	35,260	35,764	34,065	25,466
9	Current Liabilities as at end of the year	(Rs.' 000)	15,468	16,168	15,969	13,574	6,516
10	Non-Current Liabilities as at end of the year	(Rs.' 000)	1,250	-	-	-	-
11	Equity as at end of the year	(Rs.' 000)	17,906	19,508	20,215	20,848	19,750
12	Contribution to the Consolidated Fund	(Rs.' 000)	-	-	-	-	-
13	Number of Employees as at end of the year	(Nos)	13	13	13	12	10
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	(%)	6%	10%	4%	0%	18%
ii)	Net Profit bef. Fin. Charges & Tax to Total Assets	(%)	9%	10%	7%	3%	16%
iii)	Current Ratio	(%)	221%	218%	224%	251%	391%
iv)	Total Cost of Employment per Employee	(Rs.' 000)	103	115	130	145	220

**5 Comments on Performance:**

There has been a substantial decline in total revenue, gross profit and net profits during the year.

Financial charges during the year has declined by 38%.

Total cost of employment has been on the increase despite the marginal drop in the number of employees.

Total assets and liabilities have been on the decrease while equity has increased marginally.