

# Lanka Salusala Ltd

**1 Name & Address of the Enterprise:** **Lanka Salusala Ltd**  
93 Jawatta Road  
Colombo 05

**2 Mission:**

To delight customers by providing quality innovative products through an island -wide network at affordable prices whilst ensuring satisfactory returns to our stakeholders.

**3 Major Activities:**

Upgrading of retail outlets  
Launch of an interior decoration company to cover the Government Sector

**4 Performance Trend**

ABSOLUTE VALUES		2001/2002	2002/2003	2003/2004	2004/2005 D	2005/2006 B
1	Total Revenue for the year	(Rs.' 000) 92,853	142,340	201,108	113,460	120,268
2	Gross Profit for the year	(Rs.' 000) 14,388	35,237	30,785	14,938	15,832
3	Net Profit before Interest and Tax for the year	(Rs.' 000) (50,190)	(41,341)	(58,732)	(79,901)	(84,695)
4	Financial Charges for the year	(Rs.' 000) 52,765	51,309	54,713	51,811	54,920
5	Total Cost of Employment for the year	(Rs.' 000) 90,802	66,416	47,329	52,003	55,123
6	Capital Expenditure for the year	(Rs.' 000) -	-	-	-	-
7	Non-Current Assets as at end of the year	(Rs.' 000) 44,667	52,805	43,892	46,528	49,318
8	Current Assets as at end of the year	(Rs.' 000) 251,647	222,395	359,285	380,842	403,693
9	Current Liabilities as at end of the year	(Rs.' 000) 452,427	569,834	618,329	655,429	694,755
10	Non-Current Liabilities as at end of the year	(Rs.' 000) 187,139	51,521	152,621	161,778	171,485
11	Equity as at end of the year	(Rs.' 000) (343,252)	(346,155)	(367,773)	(389,839)	(413,229)
12	Contribution to the Consolidated Fund	(Rs.' 000) -	-	-	-	-
13	Number of Employees as at end of the year	(Nos) 465	465	440	409	390
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	(%) -	-	-	-	-
ii)	Net Profit bef. Fin. Charges & Tax to Total Assets	(%) -17%	-15%	-15%	-19%	-19%
iii)	Current Ratio	(%) 56%	39%	58%	58%	58%
iv)	Total Cost of Employment per Employee	(Rs.' 000) 195	143	108	127	141

**5 Comments on Performance:**

The performance of the Company has been fast deteriorating.

The Company continues to make losses and it has increased very sharply during the year.

Financial charges represents 46% of the total revenue.

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

Equity and working capital have been in negative and the Company is facing severe liquidity crisis.

The company needs to be restructured for improved performance and contribute to the national economy by way of dividend or levy to the Consolidated Fund.