

**CEYLON FISHERIES CORPORATION**

Rock House Lane,  
Mutwal,  
Colombo - 15

The Minister of Fisheries and Ocean Resources,  
Ministry of Fisheries and Ocean Resources,  
Maligawattae,  
Colombo – 10

Hon. Minister,

**In term of section 14 (2) ( C ) of the Fisheries Act No . 38 of 1971 and section 30 (1) of the state Trading and Industrial Corporation Act No. 49 of 1957. I submit the Annual Report of the Ceylon Fisheries Corporation for the year ended 31<sup>st</sup> December 2002.**

- 01 Report of the Board of Directors.
02. Balance Sheet as at 31<sup>st</sup> December 2002.
03. Profit & Loss Account as at 31<sup>st</sup> December 2002.
04. Audit General Report for the year ended 31<sup>st</sup> December 2002.
05. Reply to the Auditor General's Report by the Ceylon Fisheries Corporation.

It is kindly requested that this report be submitted to the Cabinet.

Yours Faithfully,

Daya Muthukumarana,  
Chairman,  
CEYLON FISHERIES CORPORATION

The Auditor General,  
Auditor General's Department,  
Independence Square,  
Colombo – 07.

02.05.2003

Your Reference 15/K/CFC/2002/2003/10

Dear Sir,

**Report of the Auditor General on the Account of the Ceylon Fisheries Corporation for the year ended 31<sup>st</sup> December 2002 in terms of section 14(2) (C) of the Finance Act No. 38 of 1971.**

We refer to your letter dated 27<sup>th</sup> April 2003 forwarding the 14(2) (C) final Audit report for the year ended 31.12.2002. We have studied the report and give our observation, comments and action taken regarding the matters mentioned in the report wherever necessary.

**2.3 COMMENTS ON ACCOUNTS**

**2.3.1 Inappropriate Disclosure in the Accounts**

- a) Regarding the five blocks of land acquired by the Corporation we are awaiting the Valuation Department valuation report to place a value on the transferred assets of the Corporation and show it as a receivable from the Ceylon Fisheries Harbour Corporation.
- b) The two properties maintained consists of Rs. 186,328 for the Mathumagals property handed over to the Coast Conservation Department, here again we are awaiting the Valuation Department report to incorporate the revalued figures into the accounts. The balance of Rs. 120,732 is expenses met for renovating the premises rented to the Ceynor Foundation and will be written off in 2003.
- c) The Rs. 762,760 consists of the long term liability on the lease credit for vehicle less the interest in suspense. We have given the relevant schedules the external auditors regarding this.
- d) This has been since corrected.

**2.3.2. Understatement / Overstatement of accounts**

- a) This is not an over payment but an under payment and adjusted subsequently.
- b) The difference of Rs. 2,302,780 was due to a revaluation of accumulated fish stocks which could not be sold. The revaluation was necessary to sell the accumulated stocks which would otherwise have deteriorated and caused a much bigger loss for the Corporation.

**2.3.3. Unexplained Differences**

**a) Between Ledger and Trial Balance Rs. 30,781,718**

The difference of Rs. 30,781,718 has been explained in detail in the Interim report reply dated 2<sup>nd</sup> April 2003. From the above figure Rs. 21,520,647 shown as a difference in the Marketing Unit is due to fish transfer from the original Operation Division to the Marketing Division and shown under transfers. If the Operation Division and the Marketing Division accounts are taken together there is no difference in the Trial Balance. The other difference as explained in the Interim Report reply are due to figures placed in 2 – 3 accounts in the ledger whilst the auditors have compared only with one account. As mentioned in the Interim reply we will amalgamate all accounts into one account in the Ledger during 2003. Please refer our 14 (2) (C) reply dated 2.4.2003 para- 3.2.5.

### 2.3.4 **Unreconciled Control Accounts**

With regards to the unreconciled difference amounting to Rs. 46,924,296 mentioned under this paragraph we mention as follows.

#### I. **Fixed Assets difference Rs. 2,790,738**

We wish to mention that a proper Fixed Assets register was maintained only from 1992 onwards. This register was prepared from the information available in the accounts department at that time. We are at present in the process of getting a complete revaluation of all the Corporations fixed assets done through the Valuation Department.. Once the valuation is complete we will be able to incorporate the revalued figures in the Accounts.

#### II. **Debtors Confirmation of Rs. 33,498,125**

We wish to mention that we had called for confirmation of balances from all the relevant regional managers. The respective schedules and details were available in the Accounts Department. We have not been able to obtain direct confirmation from the customers regarding these debts. However at present a committee appointed by the Chairman is looking into all Debts and to identify those which may not be recoverable for appropriate action.

#### III **Unreconciled Control Account Credit Rs. 8,483,109**

The difference of this accounts is Rs. 1,492,253. and not Rs .8,483,109. Please refer our 14 (02)( C ) reply dated 02.04.2003 Para 3.4.7.

#### IV **Current Accounts Rs. 1,856,293**

With regards to this difference we have over the years tried to reconcile the current accounts. This reconciliation cannot be done to eliminate all current account differences. However annually we now reconcile these differences for the annual transaction.

#### b) **Between Trial Balance and draft Accounts Rs. 744,834**

Here again we have given full details in our 14 (2) ( C ) reply dated 2-4-2003 para 3.2.5.

We will try to minimize identification problems in year 2003.

#### c) **Between Final Accounts and Schedules Rs. 468,722**

In this regards as mentioned in our Interim reply some payments have been debited to the current account. There have since been rectified and will not be repeated in 2003.

#### d) **These differences have been since rectified.**

#### e) **The inter regional fish transfer difference of Rs. 1,308,332 is due to fish in transit Adjustments.**

### 2.3.5 **Lack of evidence for Audit**

With regards to this matter we mention as follows

#### I **Debtors Confirmations Rs. 33,498,125**

Please refer 2.3.4 ( II ) above for our reply

#### II **Fixed Deposits placed as collateral Rs. 48,000,000**

In this regards we have explained to the auditors that the original certificates of the above deposits have been placed as security for collateral against the overdraft facilities obtained from the Bank of Ceylon. However we have shown the auditors photo copies of those certificates and Bank documents regarding deposit interest received.

### 2.3.6 Non Compliance with Laws, Rules, Regulations and Management Decisions etc.

- a) *Finance Act . No. 38 of 1971.  
Section 8,11,13 and 14* *We have given the necessary explanation in our 14 (2)( C ) reply dated 02.04.2003. Please refer Page 7*
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- c) *Public Administration Circular* *Please refer our Interim report reply dated 5.3.2003 where we have given the full explanations. Please refer Para 8, Page 4.*

### 2.3.7 **Account Receivable and Payable**

*Regarding outstanding old debtors and creditors as explained in our Interim report reply a committee is looking into all old debts and would recommend for appropriate action by the Board of Director. Please refer Page 5, Para 3.4.5 and 3,8 of our 14 ( 2 ) ( C ) reply dated 2.4.2003.*

## 3. **Financial and Operating Review**

### 3.1 **Financial Result**

*As explained in our previous interim report reply previous year adjustments have to be done for very old identified accounting adjustments. The Rs. 2,677,682 maintained is for a write off obsolete Trawler Spares more than 20 years old which has no resale value and virtually identified as scrap material.*

#### Deficiencies in Resource

#### **i Vakarai Project**

*The Rs. 2,010,000 invested for boats provided to fishermen in the Batticaloa District could not be recovered and the Boats and recipients are unidentifiable due to the situation in that region. We have made provision for write off of this amount during 2002 .*

#### **ii Equipment Ratnapura Rs. 3,700,844**

#### **Minneriya Rs. 18,39,490\_\_**

*As explained in our reply for the accounts year ending 31.12.2001 these are very old Ice Plants appearing at Rs. 1/- book value. They are beyond repair.*

#### **iii Plant and Equipment for production of canned fish Rs. 1,905,426**

*Here again we have given reasons in our Audit reply year ending 31.12.2001. The plant is at Rs. 1/- book value and cannot be utilised.*

#### **iv Investment- Rs. 8,061,183**

*As explained previously this was an Investment in Lanhuwa ( Pvt ) Ltd. The matter is now under litigation.*

#### **v Compressor- Mutwal**

*This compressor is now beyond economic repair.*

**vi Ice Plant - Hambantota**

*This plant has been repaired and is now operation.*

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**viii Rent Rs.71,280**

*As explained in our Interim reply we need these office space for future programmes.*

**ix Vehicle Repairs Rs. 14,668**

*This is for vehicle repair of our legal consultant.*

**3.4 Budgetary Control**

*We have already forwarded our quarterly variance statements. Budgetary Controls are done monthly. The actual performance for the year 2002 is more profitable than the Budgeted figure and thus shows a positive variance.*

**3.6 Weakness in Financial Management**

*The current account are for all our regional offices. The call deposits are necessary as we have to recover them at short notice for trading purpose.*

**3.7 Extraneous Items**

*The Rs. 6 Million loan has now been repaid to the Ministry of Fisheries and Ocean Resources.*

**4.0 Systems and Control**

*Please refer our 14 (2) ( C ) reply dated 2.4.2003. We forwarded herewith copies of our 14 (2) ( C ) reply dated 2.4.2003 and the Interim reply dated 28.3.2003 for easy reference.*

*Yours Sincerely*

-----  
*General Manager*

-----  
*Finance Manager*

## AUDITOR GENERAL'S DEPARTMENT.

LS/K/CFC/2002

27 APRIL 2003

The Chairman  
Ceylon Fisheries Corporation.

### **Report of the Auditor General on the Accounts of the Ceylon Fisheries Corporation for the year ended 31<sup>st</sup> December 2002 in terms of Section 14 (2) ( C ) of the Finance Act.No.38 of 1971.**

The Audit of Accounts of the Ceylon Fisheries Corporation (CFC) for the Year ended 21<sup>st</sup> December 2002 was carried out under my direction in Pursuance of provisions in Article 154 (1) of the constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13 (1) of the Finance Act. No.38 of 1971. My observation, which I consider should be published with the Annual Report in terms of Section 14(2)© of the Finance Act. Appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act. Was forwarded to the Chairman of the Corporation on 31 March 2003.

#### 1:2. **Scope of Audit**

Audit opinion comments and findings in this report are based on a review of the financial statements presented to audit and substantive tests of samples of transactions. The scope and the extend of such as to enable as

Wide an audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards, Methods and Practices to obtain a reasonable assurance as to whether the financial statements are free of material misstatements. The Audit included examinations of evidence supporting the amounts and disclosures in financial statements and assessment of accounting principals and significant estimates and judgments made in the preparation of financial statements, evaluation of their overall presentation and determining whether accounting policies adopted were appropriate, consistently applies and adequately disclosed. Sub-section (3) and (4) of Section 13 of the Finance Act. No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

#### 2. **Accounts**

##### 2:1. **Audit Opinion**

In view of my observation appearing in this report, I am unable to express an opinion on the Accounts presented to audit. Major deficiencies observed are given below

<u>Deficiency</u>	<u>Reference to Paragraph in this Report.</u>
( a ) In appropriate Disclosures in the Accounts	2:3:1
( b ) Understatements and Overstatements in the Accounts	2:3:2
( c ) Unexplained Differences	2:3:3
( d ) Unreconciled Control Accounts	2:3:4
( e ) Lack of Evidence for Audit	2:3:5
( f ) Non Compliance with Laws, Rules, Regulations and a Management Decisions etc.	2:3:6
( g ) Accounts Receivable and Payable	2:3:7
( h ) Financial Operating Review	3
( i ) Weaknesses in Systems and Controls	4

2:2 **Financial Results**

According to the Accounts presented, the working of at the Corporation for the year ended 31 December 2002 had resulted in a net profit of Rs. 19,125,294 /- as against the net loss of Rs. 21,257,224 /- for the previous year.

A summary of the results, at various stages is given below

	<u>Year ended 31 December</u>	
	<b>2002</b>	<b>2001</b>
	<b>Rs.</b>	<b>Rs.</b>
Gross Operating Profit	119,030,326	147,340,392
Net Operating Profit ( Loss )	75,843,333	(46,727,720)
Net Profit ( Loss ) After Adjustments for Non - Operating Income	19,125,294	(21,257,224)
 <b><u>Depreciation and Interest Charged</u></b>		
Depreciation	9,465,213	10,912,547
Interest	3,991,760,	3,012,286

## 2:3 **COMMENTS ON ACCOUNTS**

### 2:3:1 **Inappropriate Disclosures in the Accounts.**

Following inappropriate disclosures were observed in Audit

- a) Five blocks of land and buildings acquired by the Ceylon Fisheries Harbours Corporation had not been eliminated from the books of the Corporation.
- b) Two properties amounting to Rs. 307,060 transferred to two Government institutions continued to be shown in the balance sheet.
- c) Categories of lease creditors amounting to Rs. 762,762 had not been separately identified.
- d) Bank Commission amounting to Rs 56,250 had been shown as Bank guarantee.

### 2:3:2 **Understatements / Overstatements in the Accounts**

Following Overstatement and Understatement were observed in Audit.

- a) B.T.T had been over paid by Rs. 30,077/-
- b) The value of trading stock brought to account was Rs. 25,536,827/- as against the physically verified balance of Rs. 27,839,608 /-

### 2:3:3. **Unexplained Differences**

Following unexplained difference were observed in Audit

	<b>Difference Rs.</b>
a) Between Ledger and Trial Balance ( 11 Instances )	30,781,718
b) Between Trial balance and draft accounts ( 7 Instances )	744,834
c) Between final accounts and schedules ( 6 Instances )	468,722
d) Between ledger and returns	
Gross Sales	16,130
G.S.T	8,197
V.A.T	50,034
e) The records relating to value of inter – region fish transfers had disclosed a difference amounting to Rs. 1,308,332 /-	

### 2:3:4. **Unreconciled Control Accounts**

Balances in 128 control accounts aggregating Rs. 354,638,540/- had not been reconciled with the corresponding balances in the subsidiary records. The unreconciled differences amounted to Rs. 46,924,296 /- .

### 2:3:5 **Lack of evidence of Audit**

54 items of accounts totalling Rs. 74,697,430 /- could not be satisfactorily vouched or accepted in audit to non availability of confirmation, age analysis, share certificates, related source documents etc.

### 2.3.6 Non – Compliance with Laws, Rules, Regulations and Management Decision etc.

The following instances of non- compliance were observed.

<u>Reference to Laws, Rules, Regulation etc.</u>	<u>Particulars</u>
a) Finance Act . No. 38 of 1971 section 08,11,13,14	Budget for capital expenditure, approval relating to investments action taken on the detailed report for the year 2001 and draft annual report, had not been complied with
b) Sri Lanka Accounting and Auditing Standards Act No .15 of 1995 SLAS 3,10,12,22 AND 30	Requirements in standards relating to disclosure of accounting policies, Valuation, Prior year adjustment, Contingent, Liabilities recoverability of investment / related party transactions, had not been complied with.
c) Public Administration Circular	
i. No. 22/99 of 08 October 1999	Two vehicles had been allocated to the Chairman of the Corporation.
ii. No. 6/99 of 22 February 1999	Specified maximum monthly limits of expenditure on fuel for Chairman and Vice Chairman had been exceeded by Rs. 229,866
iii. No. 02/99 of 26 February 1999	Mobile telephone had been supplied to the deputy Chairman at a cost of Rs. 26,600/-

### 2:3:7 Accounts Receivable and Payable

Following Observations are made

- i. Trade debtors and Sundry debtors amounting to Rs. 6,465,254 and Rs. 78,053 respectively had been outstanding for over 4 years.
- ii. Trade creditors and Sundry creditors amounting to Rs. 782,004 /- and Rs. 2,821,773 /- respectively had been unsettled for over 4 years.

- iii. Sufficient evidence was not available to verify the accuracy and validity of the creditors amounting to Rs. 1,761,692 /-

3. **Financial and Operating Review**  
3:1. **Financial Results**

According to the Accounts presented, the working of the Corporation for the year under review had resulted in a net profit of Rs. 19,125,294 /- as against the net loss of Rs. 21,257,224 /- for the preceding year this indicating an increase in financial results by Rs. 40,382,518 /-

Adjustment for financial results disclosed in the financial statements rendered to audit in respect of each year for accounting errors, omissions etc, observed in the subsequent years had been a regular feature of the Corporation. For instance, the financial results for the preceding year had been adjusted by a sum of Rs. 2,677,682/- during the year under review. Such adjustments made in six prior years are given below

<b><u>Year</u></b>	<b><u>Financial Results for The year Profit / (Loss)</u></b>	<b><u>Adjustment made in the subsequent Year</u></b>
1993	9,175,975	622,419
1994	19,307,809	2,393,056
1995	19,699,406	(199,326,812)
1998	8,691,773	(6,647,956)
1999	(1,280,203)	(797,787)
2000	(3,885,536)	3,645,654

In this context, the possibility of similar adjustments for the financial results of the year under review in the ensuing years cannot be ruled out. In view of this unsatisfactory position and the various omissions, errors etc, referred to in this report, no reliance can be place in the financial results and financial position disclosed in the accounts.

3:2. **Funding arrangements for payment of Gratuity.**

A sum of Rs. 29,056,603/- had been provided for payment of gratuity as at 31 December 2002, whilst investment of the provision had not been separately identified in the accounts.

### **Deficiencies in Resource Utilisation.**

<b><u>Item</u></b>	<b><u>Value</u></b>	<b><u>Particular</u></b>
i). Purchase of fishing gear under Vakarai Project	2,010,000	Has become fruitless due to the Project been abandoned subsequently.
ii). Equipment - Ratnapura - Minneriya	3,700,844 1,839,490	Had been lying idle or under utilised mainly due to trading competition and lack of fresh water fish.
iii). Plant and Equipment for production of canned fish	1,905,426	Had been lying idle from commencement of production.
iv) Investment	8,061,183	Dividends were not received as the Company was not operational for years.
v). Compressor- Mutwal	Not available	Lying idle since 1996.
vi). Ice Plant - Hambantota	Not available	This plant is lying idle several years.
vii) Ice Plant - Minneriya	Not available	This plant is lying idle.
viii) Rent	71,250	Office of Matale and Bandarawella had not been operated since March 2002 and June 2002 respectively
ix) Vehicle repairs	14,668	Repair bill in respect of a private vehicle had been paid by the Corporation.

### 3:4 **Budgetary Control**

Major variations were observed between the budget and actual thus indicating that the budget had not been use of as an effective instrument of Management control.

### 3:6 **Weakness in financial Management.**

The corporation had maintained current accounts at various Banks. 33 current account had shown credit balances totaling Rs. 5,760,540/-, some current account had shown overdraft balances

totaling Rs. 5,153,973/-. Also the Corporation had call deposits amounting Rs. 10,200,000/- at certain Banks. Call deposits earned low rate of interest as against higher rates of interest paid on overdrafts.

3:7 **Extraneous Items**

A sum of Rs. 6 Million had been provided by the parent Ministry as a loan to purchase of boat engines of high capacity in order to distribute on recoverable basis, these engines among fishermen to facilities deep sea fishery. These engines had been disposed of to fishermen and cost of boat engines had been recovered by C.F.C. However the amount granted as loan to C.F.C had not been settled back to the Ministry/ Treasury and was been kept under a Trust Fund without any authority.

4. **Systems and Controls.**

Deficiencies observed during the course of audit were brought to the notice of the Chairman of the Corporation by my detailed report issued in terms of section 13 (7) (a) of the finance Act. Special attention is needed in respect of the following areas of control.

- a) Delegation of financial authority.
- b) Classification of accounts.
- c) Human Resources Development ( Requirement and Training ).
- d) Fixed Assets.
- e) Materials.
- f) Debtors.
- g) Creditors
- h) Cash collections.
- i) Security and Maintenance for Cold Rooms and Ice Plants.
- j) Selling.
- k) Budgeting.
- l) Management Reporting.
- m) Stock Control.
- n) Transport.
- o) Reconciliation of inter – region Current Accounts. Debtors, Control Accounts and Subsidiary Records.
- p) Accounting.

( S.C. MAYADUNNE ),  
AUDITOR GENERAL.

The Auditor General,  
Auditor General's Department,  
Independence Square,  
Colombo – 07.

02.05.2003

Your Reference 15/K/CFC/2002/2003/10

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*Yours Sincerely*

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*General Manager*

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*Finance Manager*

FISH	
ICE	
EMBUL THIYAL	
DRY FISH	
FISH FILLET	
TOTAL	RS. 0.00

### *CEYLON FISHERIES CORPORATION*

PARTICULARS	CENTRAL ADMINISTRATION
<u>ADMINISTRATION &amp; ESTABLISH: (SCH.5)</u>	
SALARIES	18,607,412.67
CONTRACTUAL WAGES	128,040.99
OTHER ALLOWANCES	6,564,857.57
OVERTIME	2,616,891.15
DIRECTORS SALARIES	
DIRECTORS ALLOWANCES	44,338.00
UNIFORM & PROTECTIVE CLOTHING	24,433.90
CONTRIBUTION THE PENSION FUND	
E.P.F. CONTRIBUTION	2,741,238.22
E.T.F. CONTRIBUTION	548,247.54
INCENTIVE BONUS	
INSURANCE PERSONAL	22,180.74
INSURANCE BUILDING/PLANT & MACHI:	
INSURANCE VEHICLES	182,743.75
INSURANCE CASH IN TRANSIT	1,425.96
INSURANCE BOATS	
INSURANCE BURGLARY	
INSURANCE FIRE	
INSURANCE STORES	
INSURANCE STOCK	
TRAVELLING & SUBSISTANCE	765,630.23
OVERSEAS TRAVELLING	1,217,922.84
TRAINING & SCHOLARSHIP	
STAFF WELFARE & MEDICAL	950,817.55
ELECTRICITY	1,957,928.38
WATER	397,002.58
TELEPHONE & RENTAL S.S.B.	948,520.28
TELEGRAMS CABLES & POSTAGE	41,684.50
PRINTING & STATIONERY	716,433.75
PUBLICATION & PERIODICALS	342,718.55
TRANSPORT	563,348.60

RATES	1,062,000.00
RENTS	40,000.00
REPAIRS OF BUILDINGS	318,299.55
-DO - PLANT & MACHINERY	
-DO - WEIGHING SCALE	
-DO - VEHICLES	2,060,772.30
-DO - OFFICE EQUIPMENT	122,320.64
-DO - VESSELS & TRAWLERS	
-DO - OTHER EQUIPMENT	63,491.50
-DO - S.S.B. SETS	
-DO - FISH BOXES	
-DO - FISH WADIES	
-DO - FURNITURE & FITTINGS	
-DO - TOOLS & IMPLEMENTS	
SERVICE CHARGES	43,860.00
FUEL FOR VEHICLES	1,620,602.35
FUEL FOR BOAT & TRAWLERS	
FUEL FOR PLANT & MACHINERY	
VICTUALING EXPENSES	
LICENCE & REGISTRATION FEES	150,775.50
LEGAL EXPENSES	347,540.50
CIRCUIT BUNGALOW EXPENSES	304,337.36
SECURITY SERVICES	1,845,850.56
DIRECTORS TRAVELLING & SUB. / GENERAL	66,235.73
CONSULTING FEES	168,155.25
GENERAL EXPENSES	473,590.32
SEMINAR FEES	64,768.75
DANATION	
AUDIT FEES	245,300.00
DEPRECIATION	2,588,336.76
OPENING CEREMONY EXPENSES	
FINES	4,150.00
CENTRAL ADMINISTRATION CHARGES	
SUB-CONTRACTS CIVIL WORKERS	
-DO- ENG: WORKERS	
-DO- MATTUMAGALA	
ENTERTAINMENT	1,108,726.77
COMPENSATION	
STALL EXPENSES	
LOSS ON NILWELLA PROJECT	
OUT OF POCKET ALLOWANCES	
TENDER EXPENCES	
FUEL FOR ICE PLANT	
FISH QUALITY & INSPECTION CHARGES	
ANNUAL BONUS	1,792,004.21
FUEL FOR FISH MEAL PLANT	
INCIDENTAL EXPENSES	
SCHOLARSHIP EXPENSES	
OTHER EXPENSES	
FUEL FOR SCHEME	
LEAVE PAY	997,225.78

EMPLOYEES GRATUITY	3,264,495.00
FREE FISH ISSUE TO STAFF	
ELECTRICAL FITTINGS	
AUDITOR GENERAL'S FEES	
ADDITIONAL CHARGES	
DEATH GRATUITY	60,000.00
DIRECTOR'S ENTERTAINMENT	57,444.40
FISHING GEAR PAYMENTS FOR MINN. FISHERMAN	
LOSS ON DISPOSAL OF ASSETS	
AUCTION CHARGES	
FINES FOR E.P.F & E.T.F.	
INCOME TAX	
RENEWAL OF MEMBER SHIP	78,964.00
COMPUTER CHARGES	
FESTIVAL EXPENSES	40,000.00
CONSUMABLE EXPENSES	146,510.36
TRAVELLING CHARGES (AIR FORCE)	
<b>TOTAL</b>	<b>58,519,575.34</b>

### *CEYLON FISHERIES CORPORATION*

PARTICULARS	CENTRAL ADMINISTRATION
<u>SELLING &amp; DISTRIBUTION (SCH.6)</u>	
ADVERTISING	1,636,003.50
PACKING EXPENSES	
COMMISSION ON SALES	
INCENTIVE BONUS	
HANDLING CHARGES	
REP. & MAIN. OF WEIGHING SCALES	
UNLOADING CHARGES	
HAIR & EQUIPMENT	
FISH STORAGE CHARGES	
PURCHASE OF POLYTHENE	
CUTTER ALLOWANCES	
COMMISSION ON FISH PURCHASES	
CONSUMBAL ITEMS	
COLD ROOM RENTAL	
FISH QUALITY ENSPECTION CHARGES	
BAD DEBTORS	
PROVISION FOR BAD DEBTS	
FISH MELA EXPENCES	
COLD ROOM CHARGES	

TOTAL RS.	1,636,003.50
<u>FINANCE &amp; OTHERS (SCH. 7)</u>	
BANK CHARGES	143,253.24
DEBT TAX	64,999.48
FINES	
INTEREST ON LOAN	
INTEREST ON BANK OVERDRAFT	2,844,503.45
INTEREST ON LEASE EXPENSES	196,140.00
DEFENCE LEVY	
MONEY ORDER CHARGES	
WITH HOLDING TAX FOR DEPOSITS	204,214.63
TOTAL RS.	3,453,110.80

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### *CEYLON FISHERIES CORPORATION*

PARTICULARS	CENTRAL ADMINISTRATION
<u>OTHER INCOME (SCH. 8)</u>	
RENT	481,717.04
INVESTMENT INCOME	3,043,992.61
INTEREST ON LOANS	513,957.71
COMMISSION ON SALE OF FISHING GEAR	
INSURANCE CLAIM	165,709.35
STORAGE INCOME	
HIRE CHARGES - DEEP FREEZERS	
EXTRA ODINERY INCOME	
HIRE OF EQUIPMENT	
HIRE CHARGES BOATS/TRAWLERS	
SUNDRY INCOME	341,497.93
SURCHARGES	60.00
EXCHANGE GAIN	6,367.22
OTHER INCOME	1,045,588.14
CIRCUIT BUNGALOW CHARGES	208,034.80
SALE OF MISC: UNCERVICEABLE ITEMS	
DISPOSAL OF SUNDRY ITEMS	185,000.00
DISPOSAL OF MISC: ITEMS	244,511.99
AMORTIZATIL REHABILITATION FUND A/C	
RECOVERY OF DAMAGES TO VEHICLES	
CENTRAL ADMINISTRATION CHARGES	
COMMISSION ON WHOLE SALE MARKET	
TRANSPORT INCOME	1,337,397.75
COMMISSION(SALES,PUR.& OTHERS)	
OVER PROVISION OF EXPENSES	

NON-REFUNDABLE TENDER DEPOSITS	41,000.00
PIER CHARGES	
COMMISSION ON INSURANCE	9,274.81
COLD ROOM RENTAL & VEHICLE RENTAL	
ELECTRONIC DIVISION INCOME	14,000.00
OVER PROVISION FOR BAD BEBTS	
OVER PROVISION BAD DEBTS	
SALARIES & WAGES RECOVERIES	
AUCTION SALES	
FISH SHORTAGE	
HANDLING & SERVICE CHARGES	
FUEL COMMISSION	
<b>TOTAL RS.</b>	<b>7,638,109.35</b>

## *CEYLON FISHERIES CORPORATION*

### TRADING STOCK

<b>PARTICULARS</b>	<b>CENTRAL ADMINISTRATION</b>
BALANCE AS AT 01.01.2002	434,872.76
'ADD : RESTATEMENT OF OPENING BALANCE	
WET FISH	
DRY FISH & JADDI	
FISH MEAL	
LESS;PROVISION	
RASAMASUN	
RASAJEEWA	
ICE	
FUEL AND OIL	
FISHING GEAR	
SAUSAGES	
FILLETs	
OTHERS	
GROCERIES	
CHAMECAL	
BALANCE AS AT 31.12.2002	624,305.77
STOCKS INCREASE/(DECREASE)	(189,433.01)

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*CEYLON FISHERIES CORPORATION*

**VALUE OF FIXED ASSETS**

	COST AS AT 01.01.2002
LAND	1,784,593.73
LEASE HOLD LAND	7,457.35
LEASE HOLD BUILDING	368,350.86
BUILDING & OTHER CONSTRUCTION	92,380,860.71
PLANT & MACHINERY	188,984,113.15
BOATS & TRWELERS	3,620,276.18
MOTOR VEHICLES	39,329,977.59
RADIO TRANSMITTERS	1,749,616.82
FURNITURE & FITTINGS	4,154,160.89
OFFICE EQUIPMENT	3,825,507.63
DEEP FREEZERS	5,420,273.92
OTHER EQUIPMENT	7,175,481.69
BICYCLE	121,699.60
FISH BOXES	866,373.36
OTHER FIXED ASSETS	670,611.25
FISHERIES HARBOUR MUTWAL	
LEESE MOTOR VEHICLE	7,745,277.00
WEIGHING SCALES	2,199,999.23
<b>TOTAL Rs.</b>	<b>360,404,630.96</b>

1,789,180.50	25,692,812.00		0.00
			0.00
			0.00
			0.00
			0.00
1,789,180.50	25,692,812.00	0.00	0.00

**TRADING PROFIT & (LOSS) ACCOUNTS FOR THE YEAR ENDED**

OPERATION DIVISION	MARKETING	COLD ROOM COMPLEX	ICE PLANT
1,060,016.41	1,196,107.28	4,255,908.98	3129554.06
900.00		1,930.00	145563.07
431,419.45	639,924.38	1,863,306.70	1199391.09
327,627.57	551,859.39	1,705,893.74	347566.91
			0.00
			0.00
	11,020.00	4,965.00	2495.00
			0.00
159,002.17	179,416.07	649,924.72	469442.69
31,800.53	35,785.59	116,236.85	93884.79
			0.00
			0.00
			0.00
9,061.60	13,724.62	7,237.02	0.00
			0.00
			0.00
			0.00
		35,650.78	0.00
			0.00
		35,722.25	0.00
4,370.00			6268.50
			0.00
			0.00
30,477.00	27,500.00	103,801.65	91567.23
		13,941,744.28	9160560.91
		454,020.00	384352.80
75,460.72	89,741.60	111,657.41	52048.05
100.50	13.50		5368.75
6,472.50	158,449.17	37,222.00	31449.71
2,460.50	3,769.00	7,124.00	0.00
	3,272.50	700.00	53592.00

			6552.00
			5621.32
	75,955.05	69,277.40	520.00
12,631.40	2,800.00	1,730,799.00	339106.19
		85,387.75	0.00
35,741.00	64,325.80	132,105.05	0.00
3,389.50	30,580.00	945.00	0.00
			0.00
	14,808.00	437,048.50	0.00
			0.00
			0.00
			0.00
			0.00
			0.00
33,923.50			0.00
			0.00
		768,524.13	0.00
			0.00
			1861.88
			0.00
			0.00
			0.00
			0.00
		28,500.00	0.00
29,432.54	25,640.00	45,129.17	63130.81
3,818.75			0.00
		2,000.00	0.00
			0.00
41,855.60	33,650.25	1,194,079.91	324484.94
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
12,263.00	3,545.00		0.00
			5000.00
			0.00
			0.00
			0.00
			0.00
			210152.04
			0.00
20,590.00	155,350.00	63,627.50	272814.00
			0.00
	22,453.00	44,042.00	0.00
			0.00
			0.00
			0.00
85,463.00		250,516.86	160403.85



<b>3,359,156.98</b>	<b>4,258,574.83</b>	<b>22,800.00</b>	<b>17,850.00</b>
66,892.64	139,644.85	22,280.87	58678.04
			5932.31
			0.00
			0.00
243,541.81	10,456.93	1,692.17	0.00
			0.00
			524623.00
			0.00
			0.00
<b>310,434.45</b>	<b>150,101.78</b>	<b>23,973.04</b>	<b>589,233.35</b>

**TRADING PROFIT & (LOSS) ACCOUNTS FOR THE YEAR ENDED**

OPERATION DIVISION	MARKETING	COLD ROOM COMPLEX	ICE PLANT
			375000.00
		3,198,529.23	0.00
			0.00
			0.00
			0.00
			98923.50
			0.00
			0.00
			0.00
5,520.00			0.00
			0.00
			0.00
	103,375.00	43,525,586.72	392830.25
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
324,500.00			0.00
			0.00
			0.00
			0.00

			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
		12,976.16	0.00
			0.00
	17,156.00		0.00
	36,685,908.00		0.00
			0.00
330,020.00	36,806,439.00	46,737,092.11	866,753.75

**(S AS AT 31.12.2002**

OPERATIONAL DIVISION	MARKETING	COLD ROOM COMPLEX	ICE PLANTS
25,536,827.00			5150.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
0.00	4,097,088.29		26,767.00
25,536,827.00	(4,097,088.29)		(21,617.00)

**D ASSETS NET OF DEPRECIATION**

ADDITIONS THE PERIOD 01.01.02-31.12.02	TOTAL COST AS AT 31.12.2002	PROV: FOR DEP. 01.01.2002	DEP. FOR THE PERIOD 01.01.02-31.12.02
	1,784,593.73	0.00	-
	7,457.35	0.00	
	368,350.86	34,384.54	1,367.02
2,651,657.73	95,032,518.44	17,937,278.38	1,843,625.00
339,216.04	189,323,329.19	#####	5,963,799.03
-	3,620,276.18	3,620,275.18	
81,012.04	36,052,538.53	26,528,016.41	6,308,654.61
-	1,749,616.82	839,357.89	69,984.67
191,368.94	4,345,529.83	2,476,287.59	392,091.15
245,639.30	4,039,392.93	1,579,656.16	301,015.02
424,709.00	5,844,982.92	2,115,191.50	377,877.45
376,065.79	7,551,547.48	6,345,882.27	493,755.41
	121,699.60	84,248.13	
4,372.40	870,745.76	866,373.36	
	670,611.25	224,883.22	46,569.91
	0.00	0.00	
675,000.00	8,400,477.00		
413,386.50	2,613,385.73	1,017,917.22	110,494.58
5,402,427.74	362,397,053.60	#####	15,909,233.85

#####	#####	3,169,037.05
295,920.00	295,920.00	
0.00	0.00	
206,368.00	206,368.00	
0.00	0.00	
#####	#####	3,169,037.05

**31ST DECEMBER 2002**

REGIONAL TOTAL	GRAND TOTAL	W.S.M. REGION
0.00		
0.00		
21,397,811.40	49,646,810.80	1,261,535.50
895,583.37	1,172,017.43	1,835.71
8,048,401.09	18,747,300.28	484,946.69
1,886,067.31	7,435,906.07	141,489.14
0.00	0.00	
0.00	44,338.00	
16,290.05	59,203.95	3,149.80
0.00	0.00	
3,214,587.72	7,413,611.59	189,230.33
648,776.82	1,474,732.12	37,846.07
0.00	0.00	
0.00	22,180.74	
0.00	0.00	
607,771.21	820,538.20	
0.00	1,425.96	
0.00	0.00	
0.00	0.00	
0.00	35,650.78	
0.00	0.00	
0.00	35,722.25	
844,247.61	1,620,516.34	8,776.00
0.00	1,217,922.84	
0.00	0.00	
624,183.37	1,828,346.80	34,419.56
4,530,260.35	29,590,493.92	58,920.08
484,496.54	1,719,871.92	5,957.60
1,489,668.99	2,767,097.05	61,597.99
76,405.01	123,572.26	285.00
444,036.03	1,394,063.16	35,338.58
116,012.00	472,084.05	
1,518,009.08	2,138,922.18	44,363.00

70,262.60	1,138,814.60	1,967.75
1,852,418.11	1,898,039.43	452,469.99
395,805.38	859,857.38	24,053.50
335,136.07	2,420,472.66	
58,387.75	143,775.50	2,325.00
1,169,652.28	3,462,596.43	
30,536.25	187,771.39	1,980.00
314,082.25	314,082.25	
101,553.00	616,901.00	8,346.00
9,052.00	9,052.00	
45,716.50	45,716.50	
986.00	986.00	
1,075.00	1,075.00	
19,683.00	19,683.00	300.00
140,782.81	184,642.81	140,782.81
2,640,252.33	4,294,778.18	
108,054.50	108,054.50	
71,748.00	840,272.13	
15,195.00	15,195.00	
18,700.35	171,337.73	275.00
90.00	347,630.50	
12,638.00	316,975.36	
0.00	1,845,850.56	
0.00	66,235.73	
0.00	196,655.25	
567,955.48	1,204,878.32	17,335.07
0.00	68,587.50	
0.00	2,000.00	
0.00	245,300.00	
5,282,805.36	9,465,212.82	61,798.82
0.00	0.00	
0.00	4,150.00	
0.00	0.00	
0.00	0.00	
0.00	0.00	
0.00	0.00	
108,247.85	1,232,782.62	
0.00	5,000.00	
14,026.54	14,026.54	
0.00	0.00	
0.00	0.00	
8,000.00	8,000.00	
0.00	210,152.04	
0.00	0.00	
1,447,176.31	3,751,562.02	111,920.00
0.00	0.00	
10,623.50	77,118.50	
0.00	0.00	
0.00	0.00	
0.00	0.00	
1,329,715.79	2,823,325.28	86,110.11

0.00	3,264,495.00	
0.00	0.00	
0.00	0.00	
0.00	0.00	
0.00	0.00	
0.00	60,000.00	
0.00	57,444.40	
0.00	0.00	
0.00	0.00	
0.00	0.00	
0.00	0.00	
0.00	0.00	
0.00	78,964.00	
0.00	0.00	
0.00	40,000.00	
0.00	146,510.36	
0.00	0.00	
<b>63,022,965.96</b>	<b>#####</b>	<b>3,279,355.10</b>

**31ST DECEMBER 2002**

REGIONAL TOTOAL	GRAND TOTAL	W.S.M. REGION
1,180.00	1,880,456.45	
958,293.09	986,450.59	5,153.00
4,806,575.64	4,806,575.64	430,292.00
123,267.08	123,267.08	
91,199.90	91,199.90	
0.00	0.00	
148,385.25	148,385.25	3,265.50
0.00	0.00	
1,059,869.08	5,206,036.05	
0.00	0.00	
0.00	0.00	
0.00	0.00	
0.00	0.00	
127,500.00	127,500.00	
0.00	600.00	
0.00	0.00	
0.00	0.00	
307,970.48	307,970.48	
415,322.57	3,655,506.96	

<b>8,039,563.09</b>	<b>17,333,948.40</b>	<b>438,710.50</b>
269,142.95	699,892.59	19,621.18
0.00	70,931.79	
0.00	0.00	
0.00	0.00	
2,758.09	3,102,952.45	
692,668.00	888,808.00	
0.00	524,623.00	
0.00	0.00	
0.00	204,214.63	
<b>964,569.04</b>	<b>5,491,422.46</b>	<b>19,621.18</b>

**31ST DECEMBER 2002**

REGIONAL TOTOAL	GRAND TOTAL	W.S.M.
634,031.42	1,490,748.46	289,100.00
44,364.08	6,286,885.92	
0.00	513,957.71	
0.00	0.00	
0.00	165,709.35	
3,250.00	102,173.50	
0.00	0.00	
0.00	0.00	
12,000.00	12,000.00	
0.00	0.00	
57,903.05	404,920.98	
0.00	60.00	
0.00	6,367.22	
1,321,354.14	46,388,734.25	1,262,363.24
5,750.00	213,784.80	
0.00	0.00	
0.00	185,000.00	
0.00	244,511.99	
0.00	0.00	
0.00	0.00	
0.00	0.00	
0.00	0.00	
452,277.50	2,114,175.25	
9,177.40	9,177.40	
999.80	999.80	

0.00	41,000.00	
0.00	0.00	
0.00	9,274.81	
49,105.00	49,105.00	
0.00	14,000.00	
0.00	0.00	
0.00	0.00	
0.00	12,976.16	
0.00	0.00	
0.00	17,156.00	
0.00	36,685,908.00	
0.00	0.00	
<b>2,590,212.39</b>	<b>94,968,626.60</b>	<b>1,551,463.24</b>

**SCHEDULE NO. 'E'**

**TRADING STO**

<b>REGIONAL TOTAL</b>	<b>GRAND TOTAL</b>	<b>W.S.M.</b>
5,893,610.08	31,870,459.84	
0.00	0.00	
0.00	0.00	
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0.00	0.00	
0.00	0.00	
0.00	0.00	
0.00	0.00	
0.00	0.00	
5,210,855.86	9,959,016.92	0.00
682,754.22	21,911,442.92	0.00

**SCHEDULE NO: 'A'**

**DISPOSAL / TRANSFER**

DISPOSAL FOR THE PERIOD OF 01.01.02-31.12.02	PROV. FOR DEP. AS AT 31.12.2002	W.D.V. AS AT 31.12.2002
-	0.00	1,784,593.73
-	0.00	7,457.35
-	35,751.56	332,599.30
-	19,780,903.38	75,251,615.06
-	#####	42,248,271.13
-	3,620,275.18	1.00
2,307,849.10	30,528,821.92	5,523,716.61
-	909,342.56	840,274.26
-	2,868,378.74	1,477,151.09
-	1,880,671.18	2,158,721.75
-	2,493,068.95	3,351,913.97
-	6,839,637.68	711,909.80
-	84,248.13	37,451.47
-	866,373.36	4,372.40
-	271,453.13	399,158.12
-	0.00	0.00
-	0.00	8,400,477.00
-	1,128,411.80	1,484,973.93
2,307,849.10	#####	#####





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