

Mantai Salt Limited  
Annual Report & Accounts  
*1<sup>st</sup> April – 31<sup>st</sup> March 2003*

***Governing Council as from 1<sup>st</sup> April 2002.***

Directors

-Mrs. Yogarane Mahesan  
Director/ Chairperson.

-Mr. Karunanithy Mahanandan  
Director.

-Mr. Nadarasa Inuvaipathy Nithana  
Sunthara Nadarasa  
Director.

-Mr. V. M. Ameen  
Director

From 26<sup>th</sup> January 2003

-Mrs. A.G.H.B. Attanayake  
Director

Secretary - Part time

-Mr. N. Hewa Kandamby

Auditor - External

-M/s. Tilakaratnam & Co

## **1. Introduction**

- 1.1 This Company, which was registered in August 2001 to succeed and carry on the business conducted by Lanka Salt Limited in the Northern Province, has expanded its business activities in the second year from Mannar to Chemmani- Jaffna. It is fully owned by Government with the Treasury being the shareholder. It is under the purview of Ministry of Enterprise Development, Industrial Policy and Investment Promotion.
- 1.2 The manufacturing out put recorded for Mannar Saltern revealed a 20% increase vis-à-vis the past year; whilst, the Chemmani Saltern revealed a 50% decrease in the year. However both Salterns were greatly affected by the unfavourable weather conditions, which explains the above phenomenon.
- 1.3 The poor yield in Chemmani – Jaffna could be further explained, as this Saltern was completely abandoned in the past twelve years due to the civic disturbances.

## **2. Vision Statement**

In keeping with the nature of the business the company has the following vision.

“Development of salt - based enterprises in the North by exploration of natural resources connected with chemical and other processes and thereby upgrade the living of the people”.

## **3. Mission Statement**

The Mission of the company is as follows.

“Operation of Salterns, manufacture, processing and marketing of salt and byproducts in the Northern Region”.

## **4. Management & Decision making**

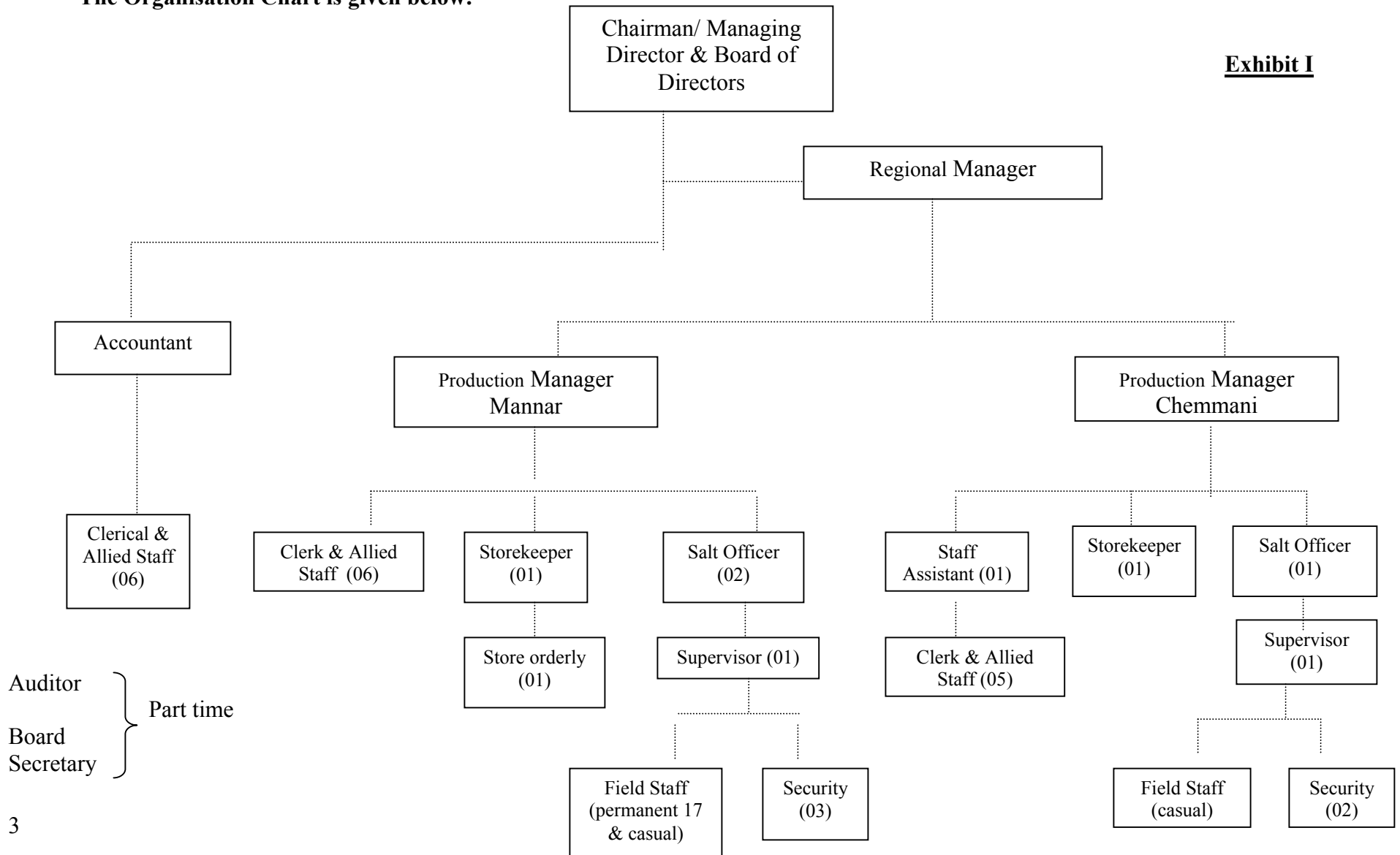
The business of the company is managed by a Board of Directors (approved by the Secretary to the Treasury on the recommendations of the line Ministry), and part time Company Secretary. Originally seven Directors present; currently there are only four. All major decisions are made by the Board.

An external Auditor has been appointed to audit the accounts.

## 5. Organisation

The Organisation Chart is given below:

**Exhibit I**



## 5. Organisation

See Exhibit I

### 5.1. Head Office

The Head Office which was situated in the BOI Building in Fort, shifted in September 2002 to the National Paper Company Building, Union place, on a rental basis occupying 500 square feet.

5.1.1. An Accountant was recruited to be in charge of the finance section.

The Permanent staff position is as follows.

Accountant	-	01
Personal Assistant	-	01
Clerk ( Finance )	-	01
Clerk ( Establishment)	-	01
Peon	-	02
Driver	-	01

### 5.2. Mannar Saltern

Several casual employees who served over ten years in the past were absorbed into the permanent cadre with effect from April 2002, based on their service record.

The permanent staff position otherwise remains the same and is as follows:

Regional Manager	-	01
Production Manager	-	01
Salt Officer	-	02
Store keeper	-	01
Clerk	-	01
Cashier	-	01
Book keeper	-	01
Peon	-	01
Machine operator	-	01

### 5.3 Chemmani Saltern – Jaffna.

The office functions in a rented premise and has the following staff. In accordance with the Memorandum and Articles of Association, Mantai Salt Ltd, which is the successor to the Northern Region of Lanka Salt Ltd, this company has reappointed the former employees for the respective posts as follows:

Production Manger	-	01
Salt officer	-	01
Executive Assistant	-	01
Finance Assistant	-	01
Clerks	-	02
Storekeeper	-	01
Field Supervisor	-	01
M & O Labourers	-	02
Watchers	-	<u>03</u>
<b>Total</b>		<b><u>13</u></b>

There are 20 Casual / Seasonal labourers hired for harvesting, and construction of Bunds etc.

## 6. Mannar Saltern

This is on an extent of 240 acres of which 110 acres are of cultivable land, and 50 acres of high land, which could be developed into a Saltern. On the rest of the land is the office cum stores, pump house, storage tank, workshop, iodisation plant room, staff quarters etc.

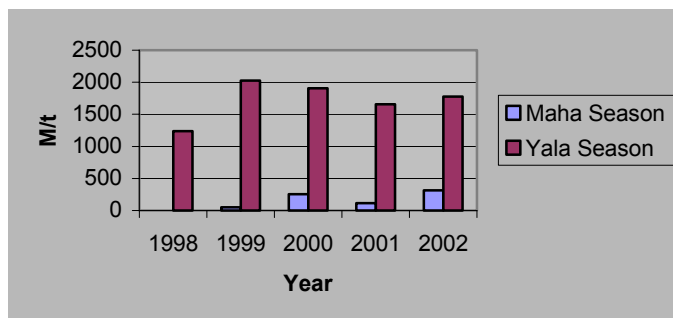
Salt production of the Saltern is carried out mainly in two seasons- **Yala** and **Maha** seasons. Former begins in January and ends in April. Maha seasons starts in June and ends in mid September.

The production during the two seasons in Mannar during the past five years is as given below:

*Table I*

### Salt Production (in Metric Tons)

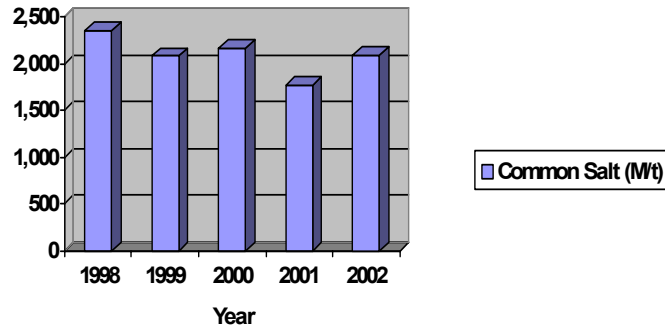
Year	Maha Season	Yala Season
1998	-	1,235.10
1999	50.60	2,026.30
2000	253.00	1,904.40
2001	115.00	1,658.30
2002	315.10	1,775.60



Total production for the same period is as follows.

*Table II*

<b>Year</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
Common Salt (M/t)	2,351	2,076.9	2,157.4	1,773.3	2,090.7

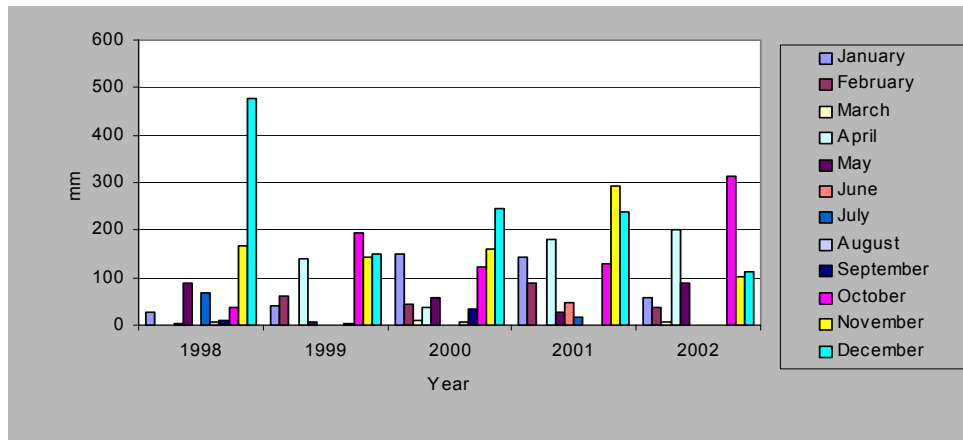


As salt production is heavily dependent on the weather patterns, high rainfall had adverse effect on the output of the Saltern, in the year under review.

*Table III*

**RAIN FALL FIGURES SINCE JAN 1998 TO DEC 2002**

<b>MONTH (mm)</b>	<b>YEAR</b>				
	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>January</b>	26.50	40.00	151.10	142.30	58.30
<b>February</b>	-	59.90	45.00	90.00	37.20
<b>March</b>	-	-	11.60	-	06.20
<b>April</b>	03.70	138.70	36.30	180.60	202.30
<b>May</b>	87.70	06.90	59.00	26.00	88.40
<b>June</b>	-	-	-	46.80	01.40
<b>July</b>	69.20	-	-	17.20	-
<b>August</b>	06.90	-	07.80	-	-
<b>September</b>	08.80	04.90	34.50	01.20	00.80
<b>October</b>	39.10	193.70	121.10	130.90	313.50
<b>November</b>	168.60	142.50	158.60	291.60	103.70
<b>December</b>	478.40	149.30	245.30	238.00	111.60
<b>Total</b>	<b>888.90</b>	<b>735.90</b>	<b>870.30</b>	<b>1164.60</b>	<b>923.40</b>

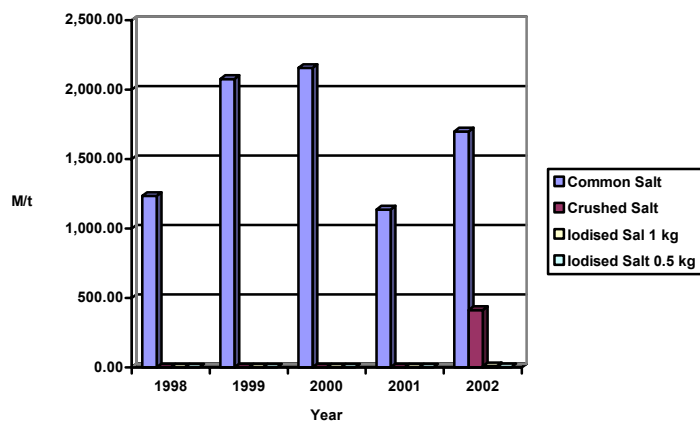


The type of products and the respective **sales volume** and **values** of the past five years are given below:

*Table IV*

**Sales Volume (in Metric Tons)**

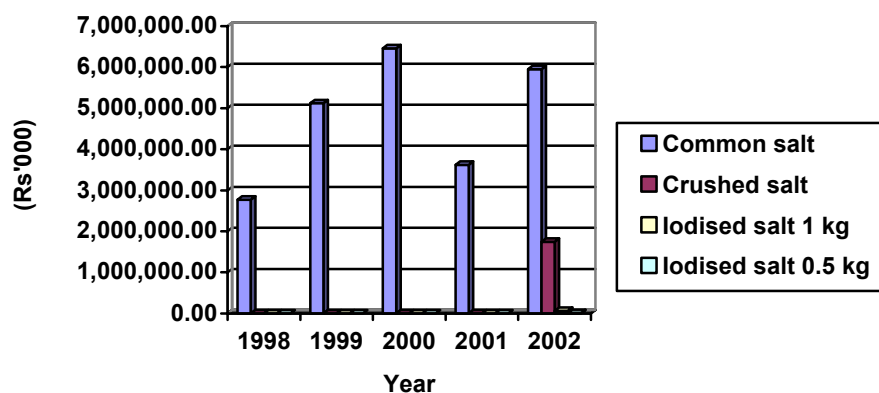
Type of Salt	1998	1999	2000	2001	2002
Common Salt	1,235.10	2,076.90	2,157.00	1,136.85	1,699.50
Crushed Salt	-	-	-	-	413.80
Iodised Salt (1Kg)	-	-	-	-	8.80
Iodised Salt (0.5Kg)	-	-	-	-	0.40



*Table V*

**Sales Value (Rs'000)**

Type of Salt	1998	1999	2000	2001	2002
Common Salt	2,774,462.50	5,120,325.00	6,457,894.07	3,618,034.26	5,947,620.98
Crushed Salt	-	-	-	-	1,746,121.05
Iodised Salt 50 Kg(1Kg)	-	-	-	-	63,589.95
Iodised Salt 50 Kg(0.5 Kg)	-	-	-	-	11,075.00

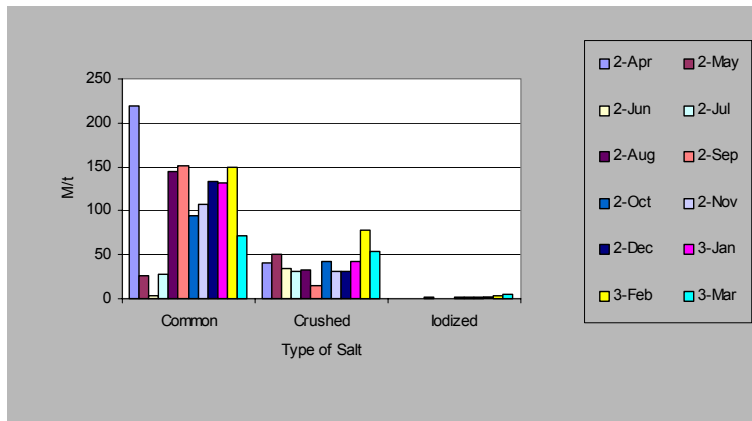


*Table VI*

**Salt Issued from April 2002 to March 2003.**

Type of Salt	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Total
Common	219.30	26.00	3.75	27.25	145.00	151.15	93.60	107.65	133.80	130.70	148.80	70.90	<b>1257.90</b>
Crushed	40.35	50.55	34.00	30.95	32.85	14.50	42.30	31.05	31.35	42.80	77.70	52.90	<b>481.30</b>
Iodized	0.60	0.15	0.15	1.15	0.55	0.50	0.85	1.00	1.95	2.40	3.45	5.05	<b>17.80</b>
<b>Total</b>	<b>260.25</b>	<b>76.70</b>	<b>37.90</b>	<b>59.35</b>	<b>178.40</b>	<b>166.15</b>	<b>136.75</b>	<b>139.70</b>	<b>167.10</b>	<b>175.90</b>	<b>229.95</b>	<b>128.85</b>	<b>1757.00</b>

It is evident from the above table that the type of salt sold is mainly the raw common salt being around 65% of the total sales.



## 7. Installation of Iodisation Plant

The above equipment was donated by UNICEF to the Mannar Saltern during the year under review. The value of the plant was 1.3 Mn. The employees were trained at Palalvi Saltern to operate the equipment. Since then the Company is producing crushed salt for the preservation of fish and iodised salt for human consumption.

## 8. Chemmani Saltern

This was reactivated on 1<sup>st</sup> April 2002. It is on an extent of 80 hectares. In the past decade no activities had been going on, due to the civic disturbances.

**The cultivation of salt in the Maha season in June – September 2002 was 244.52 M/t.** The salt harvested could not be sold for some time till January 2003 due to internal problems in the peninsula.

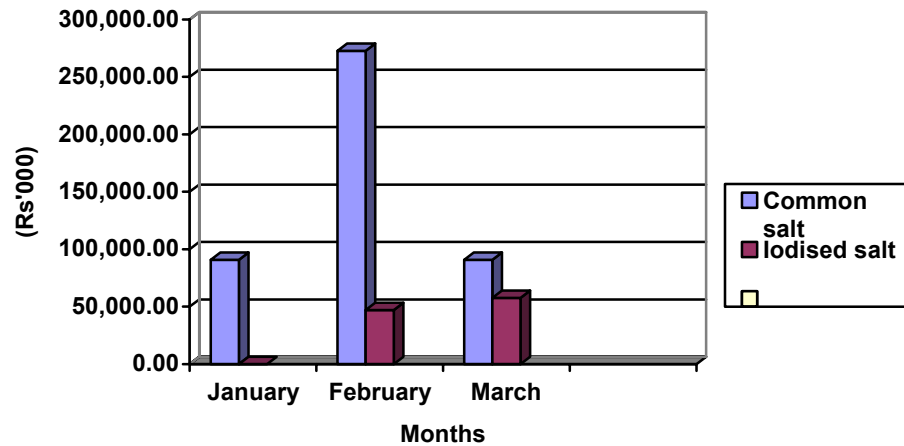
As the Saltern was reactivated only in the latter part of yala season no salt was collected during that time in that year.

The sales value & volume from January-March 2003 in Chemmani are as shown below:

*Table VII*

### Sales Value (Rs'000)

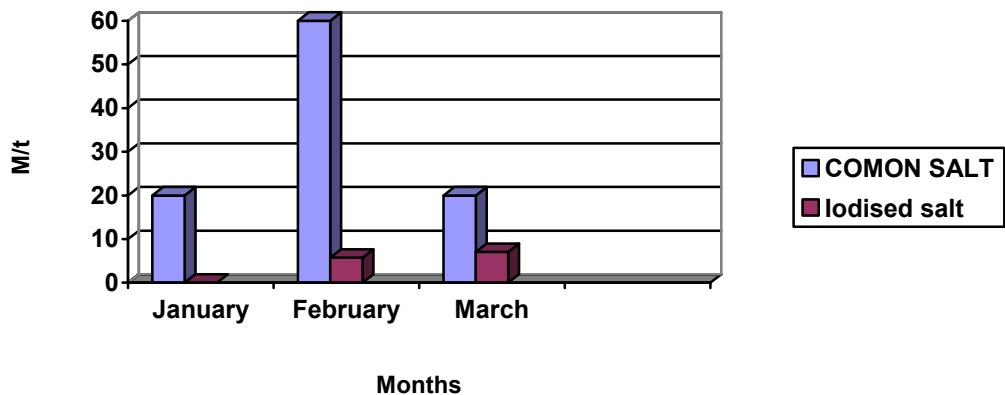
Type of Salt	January	February	March
Common Salt	90,910.00	272,728.00	90,910.00
Iodised Salt		47,045.00	57,682.00



*Table VIII*

**Sales Volume (M/T)**

Type of Salt	January	February	March
Common Salt	20	60	20
Iodised Salt	0	5.75	7.05



In the year ended March 2003 only 112.8 m/t out of a total of 244.5 m/t were sold with a sales value of Rs. 561,172.73.

**9. Sale of Salt**

Sale of salt by the company is wholesale and retail in the Salterns and sold under the trade name 'Mantai Salt', customers being mainly a few private parties. Distribution is through the customers carrying it as far as Colombo. Marketing strategies need improvement.

*Table IX*

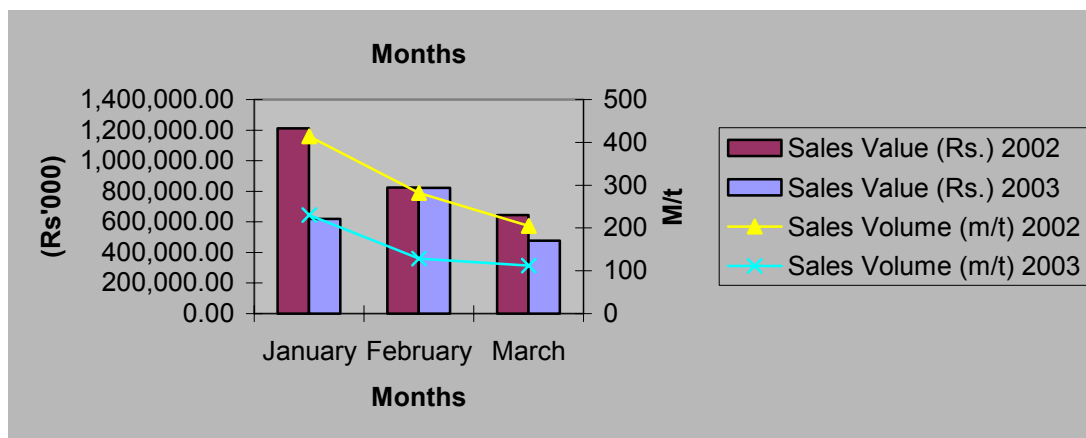
**Sale price against the cost price of Common Salt per M/T** - In Mannar.

Year	Cost Price (Rs.)	Sale Price (Rs.)
1998	1,807.43	2,250.00
1999	1,163.23	2,250.00
2000	1,455.81	2,362.50
2001	2,249.99	3,487.60
2002	2,512.11	3,520.00

The sales volume & value expected in January, February and March 2003 (Yala Season) was not achieved in Mannar Saltern vis-a- vis last year.

*Table X*

	Sales Value (Rs.)		Sales Volume (m/t)	
	2002	2003	2002	2003
January	1,212,337.96	618,964.32	413.80	229.95
February	825,445.96	823,195.91	281.95	128.85
March	645,022.16	477,838.18	204.45	111.90
	<u>2,682,806.08</u>	<u>1,919,998.41</u>	<u>900.20</u>	<u>470.70</u>



From the table X, it can be seen that the sales in January-March is less by Rs. 762,807.67 in 2003 when compared to the sales in the same period in 2002. This could be attributed to the cheaper common salt sold in the Puttalam area, which was readily available to the customers. Further the heavy drop in production of 430 m/t this period was due to intermittent rains, which prevented the harvesting of salt.

## **10. Performance**

During the year under review this Company made a loss of Rs. 776,959.51 vis-à-vis a profit of Rs. 216,440.72 in the last year. This may be explained as due to the low turnover in the year under review, which is due to the following reasons:

Firstly the company had severe competition in this year with salt being sold dearth cheap in certain areas near Mannar. Secondly the production output was much less than the previous years (due to bad weather). Thirdly the Production expenses went up having made 18 casual employees permanent; fourthly the administration expenses increased having shifted the Head Office to rented premises. Last but not the least, commencement of Chemmani sltern in the year under review greatly elevated the cost of sales without a concurrent increase in sales value. In fact the cost of sales (Rs.580,017.15) was higher than the sales value (Rs.561,172.73) in Chemmani.

This factor has contributed largely to the losses incurred.

## **11. Improvements to Salterns**

### **11.1. Mannar**

This Saltern though functioning in the past years was not rehabilitated or reconstructed for a long period. All the employees' quarters were dilapidated without the basic amenities; and without electricity and proper water supply. In the field the Saltern had not been reconstructed. With the advent of the rains, the channels and bunds get destroyed with time. The deep tanks were neglected with green fungi grown in it. All the pumps were working at very low efficiency and needed repairs.

The following major activities were carried out in the year under review.

11.1.1. Construction of Bunds, Channels in the Saltern fields.

11.1.2. Construction of field toilets.

11.1.3. Re construction of Employees quarters and supply of electricity.

11.1.4. Rehabilitation of the general office and stores.

11.1.5. Rehabilitation of Production Manager's and Regional Manager's quarters.

11.1.6. Repairs to all six water pumps.

11.1.7. Setting up of a temporary laboratory.

All these improvements were done at a cost of Rs. 1,783,483.99 In addition; uniforms and boots were supplied to all the employees in the field.

11.2. Chemmani Saltern.

11.2.1. As there is no office owned by the company, the construction of a general office cum stores began during the year.

11.2.2. Two water pumps were purchased at a cost of Rs. 56,345/-

## 12. Any other Activities

12.1. Preparation of Gypsum, which is a by-product of the Industry is collected over the year and is sold as a raw material to the Cement Industries and to the Agricultural Sector. In the year under review 545 M/t was collected.

## 13. Human Resources Development

13.1. Three day Interactive Seminar on 'Excellent Secretary' was attended by a clerical staff.

13.2. Seminar on Public Purchasing and Material Management was attended by the Accountant.

## 14. Publicity

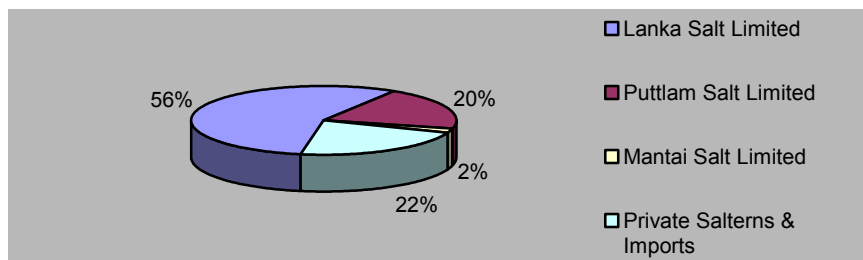
14.1 A half page advertisement was published in the Welfare Society publication of the Ministry of Enterprise Development, Industrial Policy and Investment Promotion at a cost of Rs. 6,000/-

14.2. A banner was displayed at the exhibition held at the BMICH by the National Crafts Council at a cost of Rs. 25,000/-.

## 15. Future Plans

All future promotional activities are centered around maximizing salt production and minimizing losses due to bad weather conditions, thereby producing a better performance. Increasing the productivity enables us to reduce the sale price and increase the market share.

### Present Market Share



- 15.1. Mannar
1. Purchase of machinery- Pumps, Crushing machine, Tractors etc.
  2. Providing a mechanism for the prevention of rainwater seepage into the salt tanks.
- 15.2. Chemmani
1. Completing the office building cum stores and provide better facilities to the officers/ employees.
  2. Construction of a channel to drain water from the salt beds.
- 15.3. Elephant pass/ Kurinchativu
- Although it was planned to take over this Saltern, attempts made were not successful. It is hoped that it would be handed over in the near future.

## **Acknowledgement**

I thank the governing Board for assisting me in the management of the company. My thanks are also due to the Hon.Minister Prof. G.L. Peiris and the Secretary of the Ministry of Enterprise Development, Industrial Policy and Investment Promotion Mr. Ranjit Fernando and other ministry officials for their guidance. In addition I thank all the officers / employees of the Company for their kind co-operation and commitment. I also thank the Auditors M/s Tilakaratnam & Co for the timely completion of the audit.

Finally I thank the shareholder of this company, the Secretary to the Treasury and look forward to his continued support.

Mrs. Y. Mahesan,  
Chairman / Managing Director.  
Colombo – 02

26<sup>th</sup> August 2003

## **REPORT OF THE AUDITORS**

## **TO THE MEMBERS OF MANTAI SALT LIMITED**

We have audited the balance sheet of Mantai Salt Limited as at 31 March 2003 and the related statements of income, cash flows and changes in equity for the year then ended, together with the accounting policies and notes thereto.

### **Respective responsibilities of Directors and Auditors**

The Directors are responsible for preparing and presenting these financial statements in accordance with the Sri Lanka Accounting Standards. Our responsibility is to express an opinion on these financial statements, based on our audit.

### **Basis of Opinion**

We conducted our audit in accordance with the Sri Lanka Auditing Standards, which require that we plan and perform the audit to obtain reasonable assurance about whether the said financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the said financial statements, assessing the accounting principles used and significant estimates made by the directors, evaluating the overall presentation of the financial statements, and determining whether the said financial statements are prepared and presented in accordance with the Sri Lanka Accounting Standards. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

### **Opinion**

In our opinion, except for the matters referred to in paragraph 2.4 of our Observation and Comments, so far as appears from our examination, the Company maintained proper books of account for the year ended 31 March 2003, and to the best of our information and according to the explanations given to us, the said balance sheet and related statements of income, cash flows and changes in equity and the accounting policies and notes thereto, which are in agreement with the said books and have been prepared and presented in accordance with the Sri Lanka Accounting

Standards, provide the information required by the Companies Act No. 17 of 1982 and give a true and fair view of the Company's state of affairs as at 31 March 2003 and of its profit and cash flows for the year then ended.

**Directors' Interest in Contracts with the Company**

According to the information made available to us, the directors of the Company were not directly or indirectly interested in contracts with the Company during the year ended 31 March 2003.

Chartered Accountants,  
Colombo -06  
29<sup>th</sup> August, 2003.

**MANTAI SALT LIMITED**

**BALANCE SHEET AS AT 31. 03. 2003**

	<b><u>NOTE</u></b>	<b><u>31. 03. 2003</u></b>	<b><u>31. 03. 2002</u></b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	<b>01</b>	47,969,782.42	44,587,179
<b>Current Assets</b>			
Inventories	<b>02</b>	2,881,551.50	1,284,762
Trade and other receivables	<b>03</b>	1,854,127.40	1,738,945
Cash and cash equivalents	<b>04</b>	820,384.34	2,366,643
		5,556,063.24	5,390,349
<b>TOTAL ASSETS</b>		<b>53,525,845.66</b>	<b>49,977,528</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share Capital		30,000,000.00	30,000,000
(Issued since Balance Sheet date)			
Reserves		167,960.65	137,961
Pre incorporation expenses		(50,000.00)	(50,000)
Grant from Govt. Treasury		5,997,722.68	1,997,723
Govt. treasury - Value of property transferred		46,493,429.23	46,493,429
Accumulated Profits / (Losses)		(546,018.79)	216,441
		<b>52,063,093.77</b>	<b>48,795,553</b>
<b>Current Liabilities</b>			
Trade and other payables	<b>05</b>	1,462,751.89	1,181,975
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>53,525,845.66</b>	<b>49,977,528</b>

**MANTAI SALT LIMITED**

**INCOME STATEMENT FOR THE YEAR ENDED 31. 03. 2003**

	<b><u>NOTE</u></b>	For the year ended <b><u>31. 03. 2003</u></b>	Six months period <b><u>ended 31. 03. 2002</u></b>
<b>Revenue</b>	<b>06</b>	6,479,236.81	3,965,972
Cost of Sales	<b>07</b>	<u>(5,430,028.11)</u>	<u>2,965,241</u>
<b>Gross Profit</b>		<b>1,049,208.70</b>	1,000,731
Other Income	<b>08</b>	96,558.30	-
Distribution Cost	<b>09</b>	(41,660.00)	(9,927)
Administrative Expenses	<b>10</b>	<u>(1,849,796.70)</u>	<u>(769,486)</u>
<b>Profit / (Loss) from Operation</b>		(745,689.70)	221,318
Finance Cost	<b>11</b>	<u>(31,269.81)</u>	<u>(4,877)</u>
<b>Profit / (Loss) before Tax</b>		(776,959.51)	216,441
Income Tax Expenses		<u>-</u>	<u>-</u>
<b>Profit / (Loss) after Tax</b>		<u>(776,959.51)</u>	<u>216,441</u>
<b>Net Profit / (Loss) for the period</b>		<u><u>(776,959.51)</u></u>	<u><u>216,441</u></u>

**MANTAI SALT LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 . 03 . 2003**

	For the year ended <u>31. 03. 2003</u>	Six months period ended <u>31. 03. 2002</u>
<b>Cash flows from operating activities</b>		
Operating Profit / (Loss)	(776,959.51)	216,441
Depreciation	137,259.91	-
Interest on investment	(17,708.33)	-
Operating profit before changes in operating assets	<u>(657,407.93)</u>	<u>216,441</u>
(Increase) / Decrease in Inventories	(1,596,790.00)	(1,284,762)
(Increase) / Decrease in Trade and other receivables	(115,182.08)	754,484
Increase / (Decrease) in Trade and other payables	280,777.13	1,181,975
	<u>(1,431,194.95)</u>	<u>651,697</u>
Net cash from operating activities before Taxation	<u>(2,088,602.88)</u>	<u>868,138</u>
Cash flows from Investing activities		
Purchase of Property, Plant and Equipment	(3,519,863.69)	(587,179)
Interest on Investment	17,708.33	-
Net cash from investing activities	<u>(3,502,155.36)</u>	<u>(587,179)</u>
Cash flows from Financing activities		
Grant received	4,000,000.00	1,997,723
Pre incorporation income received	30,000.00	87,961
Prior year adjustment	14,500.00	-
Net cash flow from financing activities	<u>4,044,500.00</u>	<u>2,085,683</u>
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>(1,546,258.24)</b>	<b>2,366,642</b>
Cash and cash equivalents at the beginning of the period	<u>2,366,642.58</u>	<u>-</u>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>820,384.34</u></b>	<b><u>2,366,642</u></b>

<b>Cash and Cash Equivalents</b>			
Fixed Deposit - Bank of Ceylon, Union Place		600,000.00	-
Cash at Bank			
Bank of Ceylon - Metropolitan Branch	81,450.80		2,046,355
Bank of Ceylon - Mannar Branch	131,447.80		305,211
Bank of Ceylon - Jaffna Branch	<u>1,572.00</u>	214,470.60	10,000
Cash in hand			
Head Office	931.24		5,017
Mannar	2,658.50		60
Chemmani	<u>2,324.00</u>	5,913.74	-
		<b><u>820,384.34</u></b>	<b><u>2,366,643</u></b>

**MANTAI SALT LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31. 03. 2003**

	<b>Share Capital</b>	<b>Reserves</b>	<b>Govt. Grant</b>	<b>Govt. Treasury</b>	<b>Accumulated Profits / (Losses)</b>	<b>Total</b>
<b>Balance at 26. 09. 2001</b>						
Issue of shares	Nil					
Property, Plant and Equipment acquired				46,493,429		46,493,429
Pre incorporation sales		137,961				137,961
Pre incorporation expenses		(50,000)				(50,000)
Grant received from Govt. Treasury			1,997,723			1,997,723
Net Profit for the period					216,441	216,441
<b>Balance at 31. 03. 2002</b>		<b>87,961</b>	<b>1,997,723</b>	<b>46,493,429</b>	<b>216,441</b>	<b>48,795,553</b>
Grant received during the year			4,000,000			4,000,000
Pre incorporation income received		30,000				30,000
Prior year adjustment to profits					14,500	14,500
Net Profit / (Loss) for the period					(776,960)	(776,960)
<b>Balance at 31. 03. 2003</b>	<b>Nil</b>	<b>117,961</b>	<b>5,997,723</b>	<b>46,493,429</b>	<b>(546,019)</b>	<b>52,063,094</b>

**MANTAI SALT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**SIGNIFICANT ACCOUNTING POLICIES**

**1.0 GENERAL**

**1.1 ACCOUNTING CONVENTION**

The Balance Sheet and the related statements of Income, changes in equity and cash flows of Mantai Salt Limited, are prepared in conformity with the generally accepted accounting principles and the Sri Lanka accounting standards laid down by the Institute of Chartered Accountants of Sri Lanka, applied consistently on a historical cost basis.

**1.2 FORMAT OF ACCOUNTS, PRIOR YEAR FIGURES AND PHRASES**

Prior year figures and phrases have been re-arranged wherever necessary to conform to the current year presentation.

**1.3 POST BALANCE SHEET EVENTS**

All material events occurring after the Balance Sheet date have been considered and where necessary adjustments have been made in the financial statements.

**2.0 ASSETS AND BASES OF THEIR VALUATION**

**2.1 PROPERTY, PLANT AND EQUIPMENT (PPE)**

The cost of Property, Plant and Equipment is the cost of purchase or construction together with any incidental expenses thereon.

Property, Plant and Equipment are stated at cost or valuation less accumulated depreciation to date.

The Property, Plant and Equipment are depreciated on straight line method.

No depreciation has been provided in the year of purchase and a full year's depreciation will be charged in the year of disposal.

The depreciation rates applied are as follows:

Computer & Accessories	20%
Furniture & Fittings	20%
Equipment	25%

## **2.2 TRADE AND OTHER RECEIVABLES**

Receivables are stated at the amounts estimated to be realized.

## **2.3 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are defined as cash in hand, savings accounts and demand deposits, which are readily convertible to known amounts of cash and subject to insignificant rise of changes in value.

## **3.0 LIABILITIES AND PROVISIONS**

### **3.1 LIABILITIES**

All known liabilities as at the Balance sheet date have been included in the financial statements and adequate provision has been made for liabilities which are known to exist but the amount of which cannot be determined accurately.

### **3.2 RETIREMENT BENEFIT COSTS**

No provision has been made in the financial statements for Retiring Gratuity for the employees

### **3.3 TAXATION**

The Company is liable to pay tax under the Inland Revenue Act No28 of 1979 and its subsequent amendments.

## **4.0 PROFITS AND LOSSES**

All expenditure incurred in the running of the business and in maintaining the capital assets in a state of efficiency has been charged to the Income Statement in arriving at the Profit or Loss for the year.

### **4.1 REVENUE RECOGNITION**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

### **4.2 REVENUE**

Revenue represents invoiced value of goods to customers which falls within the Company's ordinary activities net of G.S.T or VAT, Defence Levy and discounts.

### **4.3 INTEREST INCOME**

Interest income on Staff loans and Fixed Deposits is recognized on an accrual basis. Interest ceases to be taken into revenue when the recovery of interest or principal is in doubt.

**NOTES TO THE FINANCIAL STATEMENTS**

**OBSERVATION AND COMMENTS**

**ACCOUNTS**

**1.0 OPINION**

We are of opinion, that the financial statements have been satisfactorily prepared to present fairly in all material respects, the financial position of Mantai Salt Limited as at 31 March 2003 and the result of its operation for the year then ended in accordance with the generally accepted accounting principles.

**2.0 FINANCIAL RESULTS**

**2.1 PREAMBLE**

Mannar Saltern was acquired by Mantai Salt Limited in September 2001 as a running concern, hence the year under review was its second year of operation under the management of Mantai Salt Limited. On the other hand Chemmani Saltern at Jaffna was not in production when it was acquired in September 2001. Development and cultivation commenced in April 2002 and was able to generate revenue during the year under review. Since it was its first year of operation the overheads were fairly high and consequently could not break-even.

**2.2 GROSS PROFIT**

The operation of the Company for the year under review had resulted in a consolidated Gross Profit of Rs.1,128,948/- (17.42%) as compared with the Gross Profit of Rs.1,000,731/- (25.23%) in the preceding six months period, thus disclosing an increase in Gross Profit of Rs.128,217/- in the financial results during the year under review.

Gross Profits earned by the Salterns are as follows:

	<b>Chemmani</b>	<b>Mannar</b>	<b>Total</b>
Revenue	Rs. 559,272.73	Rs. 5,919,964.08	Rs.6,479,236.81
Cost of sales	<u>Rs. 561,730.02</u>	<u>Rs. 4,788,558.09</u>	<u>Rs.5,350,288.11</u>
Gross Profit	<u>(Rs. 2,457.29)</u>	<u>Rs. 1,131,405.99</u>	<u>Rs.1,128,948.70</u>
Gross Profit Percentage	(-0.44%)	19.11%	17.42 %

The Gross Profit percentage of Mannar Saltern for the six months period ended 31<sup>st</sup> March 2002 is 25.23%. Therefore the G.P percentage of Mannar Saltern has declined by 6.12% during the year under review.

### 2.3 NET PROFIT

The net operating results of the Company indicates a deficit of Rs.776,959./- as compared with the surplus of Rs.216,441/- in the preceding six months period of operation thus disclosing a decline in Net profit of Rs. 993,400/-.

The reason for the above decline in profits is due to increase in Administrative expenses.

### 2.4 ACCOUNTING DEFICIENCIES

We observed the following capital expenses being treated as revenue expense and debited to Revenue accounts. These principle errors have been identified and rectified.

Spring Balance.....	3,300/-
Aluminium Folding Ladder.....	4,100/-
Multi Meter.....	550/-
Kitchen utensil.....	1,845/-
Spiral Dial Balance.....	1,800/-
Polythene Sealer.....	2,500/-
Motex Price Labeler .....	2,650/-
Building Temporary shed.....	4,080/-
Name Board .....	2,000/-

## 3.0 ASSETS

### 3.1 PROPERTY, PLANT AND EQUIPMENT

The Property, Plant and Equipment at Mannar Factory include assets acquired at the commencement of the business, valued at Rs34 million by the Government Valuation Department. The break- down of the assets with their individual values was not provided; hence depreciation was not provided on those assets.

Furthermore we observed that the valuation report of the Deputy Chief Valuer, Valuation Department dated 29.10.2001 indicate amongst other properties a land at Kalundai – Jaffna valued at Rs.2.4million, but this was not reflected in the Accounts.

### 3.2 INVENTORIES

Finished goods were valued at average cost.

Deficiencies observed during the course of physical verification of assets at Mannar Factory were brought to the notice of the Chairman of the Company by our detailed report dated 5<sup>th</sup> May 2003.

### 3.3 TRADE AND OTHER RECEIVABLES

This includes an amount of Rs.262,875.34 receivable from Mr Harichandra. He was the custodian of funds at Mannar Factory for a short period before the

Company took over the management of the Factory. The sales money collected by him during this period had not been rendered to Mantai Salt Ltd. when the Company took over the activities. This amount is still pending despite repeated reminders sent by the Company. Since it is long overdue, more than one and half years, and no response received from him we suggest the directors to decide on the future course of action. However, we suggest to create a provision against this doubtful debt in the 2003/2004 accounts.

Rs.66,000/- was due from Ajasmin Industries on account of Boat Yard lease rent as on 31<sup>st</sup> March 2003. Ajasmin Industries had been in default for the last three lease years. This was not reflected in the accounts for the period ended 31<sup>st</sup> March 2002. A sum of Rs.35,000/- has been received on 1. 6. 2003 and a further Rs.5,000/- received on 25. 7. 2003 in part settlement of the arrears. Furthermore they seems to have agreed to settle the balance arrears in installment. Hence the lease rent for the period under review Rs.24,000/- had been taken as income in the Income Statement, the lease rent for the preceding six months period Rs12,000/- had been shown under Prior year adjustment and the lease rent for the period prior to incorporation of the Company Rs.30,000/- had been shown as Pre incorporation profits under Reserves.

When Mantai Salt Ltd took over the management of Mannar saltern from Mannar fishermen Society, all assets except a cash balance of Rs.1,165,945.73 were taken over. This cash balance due to the Company is not settled upto date.

Rs17,708.33 shown as interest receivable has been received in May 2003 on the maturity of the Fixed deposit with Bank of Ceylon, Union Place Branch.

### **3.4 PETTY CASH**

We observed that there was no control on the Petty cash operation. To prevent misappropriation of Company's funds by the staff, we recommend an Imprest System of Petty cash to be implemented.

### **4.0 SHARE CAPITAL**

The directors of Mantai Salt Ltd., at the Company's Board meeting held on 19<sup>th</sup> September 2002 had allotted the entirety of the Share Capital Rs.30,000,000/- in the name of the Secretary to the Treasury for and on behalf of the state as per the requirements of clause 3(b) of the Articles of Association of the Company. However, the shares still remain un- issued because the Secretary to the Treasury has not intimated to the Company the mode of settlement for the shares allotted.

### **5.0 GOVERNMENT GRANT**

A further sum of Rs.4,000,000/- had been received from the Government treasury as Grant during the year under review towards non recurring expenses.

## **6.0 TRADE AND OTHER PAYABLES**

A total amount of Rs.988,432.15 was owing by the Company to the Inland Revenue Department on account of GST / VAT and NSL. The company collected GST / VAT and NSL on its sales on behalf of the Government, but failed to render it fully to the government as requested by the law. We were told that this was due to lack of funds. However, this non-compliance with laws may attract additional burden on the liquidity of the Company by way of penalty.

## **7.0 GENERAL**

### **7.1 INSURANCE COVER**

The assets of the Company, like Factory building, Machinery, Equipment, Stocks etc. were not covered under insurance. Thus the company is carrying a heavy risk of total loss in the event of any disaster.

### **7.2 PROVISION FOR GRATUITY**

The company has not made any provision for the payment of gratuity under Gratuities Act No.12 of 1983 for employees who will retire.

### **7.3 CONTINGENT LIABILITIES**

Penalty may accrue for delayed payment or non payment of GST / VAT and NSL, other than that there are no contingent liabilities existing as at the Balance Sheet date.

### **7.4 POST BALANCE SHEET EVENTS**

The work-in-progress at Chemmani Saltern have been damaged by heavy rain. The value of the actual loss could not be estimated as the out come depends on the future weather. There have been no other events, which could materially affect the state of affairs of the Company.

### **7.5 ALLOWANCES TO CHAIRMAN**

Car allowance of Rs. 15,000/- per month to the chairman in addition to her other existing entitlements has been granted in August 2003 with retrospective effect. But, we found entries being passed in the books pertaining to this, debiting Rs. 45,000/- as car allowance for the three months ended 31st March 2003.

Rs.18,500/- was paid inadvertently to the chairman as fees for attending Board Meetings. Rs. 2,500/- was paid in the year 2001 / 2002 and Rs.16,000/- during this year. This amount has been recovered from the Chairman and credited to Prior year adjustment account Rs. 2,500/- and director's Fees account Rs. 16,000/-.

### **7.6 CORPORATE PLAN AND BUDGETS**

The company do not have a Corporate plan and Budgets to forecast its strategies regarding the future direction of the organization and its future management policies. On enquiries, we were made to understand that a draft Corporate Plan and Budgets for the financial years 2003/2004, 2004/2005 and 2005/2006 have been prepared and awaiting boards approval.

**MANTAI SALT LIMITED**  
**NOTES TO THE ACCOUNTS - 2002 / 2003**

<b>NOTE; 01</b>	<b>Balance at cost</b>	<b>Additions</b>	<b>Balance at cost</b>
<b>Property, Plant &amp; Equipment</b>	<b><u>Brought forward</u></b>	<b><u>during the year</u></b>	<b><u>Carried forward</u></b>
<b>Head Office</b>			
Computer with accessories	144,574.00	-	144,574.00
Photocopier	210,000.00	-	210,000.00
Fax Machine	63,000.00	-	63,000.00
Cellular Phone	6,340.30	-	6,340.30
Furniture	19,350.00	71,892.00	91,242.00
Calculator	1,340.00	-	1,340.00
Office equipment- Wall Clock (2)	-	2,600.00	2,600.00
Other equipment - Kettle	-	2,990.00	2,990.00
	<u>444,604.30</u>	<u>77,482.00</u>	<b>522,086.30</b>
<b>Mannar Factory</b>			
Factory Land & Building, Machinery, Equipment and Furniture & Fittings (As per valuation report)	34,000,000.00	-	34,000,000.00
Buildings	-	613,941.22	613,941.22
Land development Cost	-	837,639.43	837,639.43
Laboratory Equipment	12,643.34	4,340.00	16,983.34
Name Board	9,500.00	-	9,500.00
Fittings	20,231.00	-	20,231.00
Furniture	5,200.00	37,270.00	42,470.00
Electric Weighing Machine	95,000.00	-	95,000.00
Push Cart	-	20,500.00	20,500.00
Water Pump	-	314,920.00	314,920.00
Calculators (2)	-	1,300.00	1,300.00
Aluminium Folding Ladder	-	4,100.00	4,100.00
	<u>34,142,574.34</u>	<u>1,834,010.65</u>	<b>35,976,584.99</b>
<b>Chemmani Factory</b>			
Land - (as per valuation report)	10,000,000.00	-	10,000,000.00
Land development	-	1,374,959.79	1,374,959.79
Office Building	-	99,070.00	99,070.00
Building - Temporary Shed	-	4,080.00	4,080.00
Water Pumps	-	56,345.00	56,345.00
Water Tank - Cart	-	12,500.00	12,500.00
Hero Push Bicycle	-	5,200.00	5,200.00
Furniture	-	35,900.00	35,900.00
Equipment	-	14,731.25	14,731.25
Kitchen Utensil	-	2,385.00	2,385.00
Calculator	-	1,200.00	1,200.00
Name Board	-	2,000.00	2,000.00
	<u>10,000,000.00</u>	<u>1,608,371.04</u>	<b>11,608,371.04</b>
<b>Total</b>	<u>44,587,178.64</u>	<u>3,519,863.69</u>	<b>48,107,042.33</b>
Less: Provision for Depreciation	<b>Note:01A</b>		-
<b>Written Down Value</b>			<u><b>48,107,042.33</b></u>

**MANTAI SALT LIMITED**  
**NOTES TO THE ACCOUNTS - 2002 / 2003**

NOTE: 01A	<b>Balance at cost</b>	<b>Rate</b>	<b>Provision</b>
<b>Provision for Depreciation</b>	<b>on 01. 04. 2002</b>	<b>%</b>	<b>for the year</b>
<b>Head Office</b>			
Computer	144,574.00	20.00	28,914.80
Photocopier	210,000.00	25.00	52,500.00
Fax Machine	63,000.00	25.00	15,750.00
Cellular Phone	6,340.30	25.00	1,585.08
Furniture	19,350.00	20.00	3,870.00
Calculator	1,340.00	20.00	268.00
			102,887.88
<b>Mannar</b>			
Laboratory Equipment	12,643.34	25.00	3,160.84
Name Board	9,500.00	25.00	2,375.00
Fittings	20,231.00	20.00	4,046.20
Furniture	5,200.00	20.00	1,040.00
Electric Weighing Machine	95,000.00	25.00	23,750.00
			34,372.04
			<b>137,259.91</b>
<b>NOTE: 02</b>		<b>31. 03. 2003</b>	<b>31. 03. 2002</b>
<b>Inventories</b>	<b>Chemmani</b>	<b>Mannar</b>	<b>Total</b>
Finished Goods	592,740.00	960,032.50	1,552,772.50
Work-in-progress	250,000.00	1,000,000.00	1,250,000.00
Packing Materials	60,204.00	18,575.00	78,779.00
	902,944.00	1,978,607.50	<b>2,881,551.50</b>
			1,284,762
<b>NOTE: 03:</b>			
<b>Trade and Other Receivables</b>			
Mannar Fishermen Society		1,165,945.73	1,165,946
Mr.Harichandra		262,875.34	262,875
Chairman- ( Salary overpaid recovered during this year)		-	34,526
Ajasmin Industries		66,000.00	-
Interest Receivable on Fixed Deposit		17,708.33	-
<b>Deposits &amp; Advances</b>			
Telephone Deposit		32,838.00	32,838
Rent advance		60,000.00	-
<b>Trade Debtors - C.W.E</b>		18,000.00	-
<b>Staff Debtors</b>			
Festival Loan -Mannar		114,000.00	95,400
-Head Office		7,200.00	-
Staff Loan - Mannar		109,560.00	147,360
		<b>1,854,127.40</b>	1,738,945

**MANTAI SALT LIMITED**  
**NOTES TO THE ACCOUNTS - 2002 / 2003**

<b>NOTE: 04</b>	<b><u>31. 03. 2003</u></b>	<b><u>31. 03. 2002</u></b>
<b>Cash and Cash Equivalents</b>		
Fixed Deposit - Bank of Ceylon, Union Place	600,000.00	-
Cash at Bank		
Bank of Ceylon - Metropolitan Branch	81,450.80	2,046,355
Bank of Ceylon - Mannar Branch	131,447.80	305,211
Bank of Ceylon - Jaffna Branch	<u>1,572.00</u>	10,000
Cash in hand		
Head Office	931.24	5,017
Mannar	2,658.50	60
Chemmani	<u>2,324.00</u>	-
	<b><u>820,384.34</u></b>	<b><u>2,366,643</u></b>
<b>NOTE: 05</b>		
<b>Trade and Other Payables</b>		
GST	452,359.10	458,321
VAT	235,098.40	-
NSL	300,974.65	310,173
Sundry Creditors for:		
Fuel	58,257.50	-
Push cart	13,500.00	-
Water Pump	25,650.00	-
Raw Material	<u>12,600.00</u>	110,007.50
Accrued Expenses		
Travelling	1,500.00	-
Stationery	5,720.00	-
Production Expense	2,105.00	-
Machinery upkeep	5,980.00	-
Telephone	14,080.00	11,825
Electricity	19,073.04	16,084
E.P.F	113,432.08	12,591
E.T.F	16,090.38	93,122
Casual Wages	140,433.86	264,859
Water - Mannar	2,464.00	-
Audit fees	15,000.00	15,000
Union Membership	450.00	-
Car Allowance to Chairman	26,500.00	-
Rent - Chemmani	350.00	-
Electricity - Quarters	<u>1,133.88</u>	364,312.24
	<b><u>1,462,751.89</u></b>	<b><u>1,181,975</u></b>

**MANTAI SALT LIMITED**  
**NOTES TO THE ACCOUNTS - 2002 / 2003**

		<b>For the year ended</b>	<b>Six months period</b>
	<b>M.Ton</b>	<b><u>31. 03. 2003</u></b>	<b><u>ended 31. 03. 2002</u></b>
<b>NOTE: 06</b>			
<b>Revenue</b>			
Mannar	1,757.00	5,919,964.08	3,965,972
Chemmani	112.80	559,272.73	-
	1,869.80	<b>6,479,236.81</b>	3,965,972

<b>NOTE: 07</b>				
<b>Cost of Sales</b>	<b>Chemmani</b>	<b>Mannar</b>	<b>Total</b>	
Direct Wages	268,441.57	1,399,398.34	1,667,839.91	1,306,548
Production Overheads - Note:07A	193,511.64	936,340.00	1,129,851.64	575,755
Factory Operating Cost- Note:07B	-	-	-	-
<b>Total Cost</b>	461,953.21	2,335,738.34	2,797,691.55	1,882,302
Change in Work-in-Progress	(250,000.00)	-	(250,000.00)	(1,000,000)
<b>Cost of Production</b>	211,953.21	2,335,738.34	2,547,691.55	882,302
Change in Stock of Finished Product	(592,740.00)	(675,271.00)	(1,268,011.00)	883,962
<b>Cost of Sales</b>	(380,786.79)	1,660,467.34	<b>1,279,680.55</b>	1,766,264

<b>NOTE: 07A</b>				
<b>Production Overheads</b>				
Employees' Welfare	53,908.00	82,706.00	136,614.00	30,087
Fuel	39,016.64	303,977.50	342,994.14	105,303
Machinery Upkeep	5,583.00	92,666.00	98,249.00	64,344
Production Expenses	30,641.92	211,851.75	242,493.67	158,586
Electricity	-	91,298.25	91,298.25	23,491
Tools	23,840.00	91,183.00	115,023.00	-
Water	1,300.00	13,879.50	15,179.50	5,610
Lab Expenses & Chemicals	-	-	-	33,840
Packing Materials	39,222.08	48,778.00	88,000.08	154,494
	193,511.64	936,340.00	<b>1,129,851.64</b>	575,755

**MANTAI SALT LIMITED**

**NOTES TO THE ACCOUNTS - 2002 / 2003**

**for the year ended  
31. 03. 2003**      **Six month period  
ended 31. 03. 2002**

**NOTE: 07B**

<b>Factory Operating Cost</b>	<b>Chemmani</b>	<b>Mannar</b>	<b>Total</b>	
Staff salaries & Wages	759,914.71	2,161,179.85	2,921,094.56	632,014
Employees' Provident Fund	114,982.17	406,531.06	521,513.23	233,547
Employees' Trust Fund	28,745.73	101,632.75	130,378.48	58,329
Bonus	-	247,873.77	247,873.77	165,898
Staff Welfare		37,668.75	37,668.75	15,200
Rent	2,650.00	-	2,650.00	-
Assessment Tax	-	12,385.75	12,385.75	-
Telephone	13,778.50	21,965.78	35,744.28	15,948
Printing & Stationery	14,358.70	40,869.00	55,227.70	31,857
Postage	1,003.00	3,537.50	4,540.50	715
Travelling	5,200.00	16,847.50	22,047.50	19,760
News Paper & Periodicals	-	2,946.00	2,946.00	2,254
Office Equipment Maintenance	-	23,285.00	23,285.00	4,471
Building Maintenance	-	9,764.00	9,764.00	7,100
Repairs & Renewals	-	3,205.00	3,205.00	11,884
Bicycle Maintenance	935.00	488.00	1,423.00	-
Transport	31,510.00	48,230.00	79,740.00	-
Depreciation	-	34,372.04	34,372.04	-
Sundry Expenses	949.00	3,539.00	4,488.00	-
	<b>974,026.81</b>	<b>3,176,320.75</b>	<b>4,150,347.56</b>	<b>1,198,977</b>

**NOTE: 08**

**Other Income**

Boat Yard lease rent	24,000.00
Fishing area lease rent	15,000.00
Factory Quarters rent	31,720.65
Interest on Bank Fixed deposit	17,708.33
Interest on Staff Loan	5,029.32
Sundry sales - Mannar	1,200.00
Sundry sales - Chemmani	1,900.00
	<b>96,558.30</b>

**NOTE: 09**

**Distribution Costs**

Transport	4,400.00	-
Advertisement	37,260.00	9,927
	<b>41,660.00</b>	<b>9,927</b>

**NOTES TO THE ACCOUNTS - 2002 / 2003**

	<b>For the year ended 31. 03. 2003</b>	<b>Six months period ended 31. 03. 2002</b>
<b>NOTE: 10</b>		
<b>Administrative Expenses</b>		
Chairman's Emoluments	343,600.00	173,200
Directors' fees	47,500.00	17,920
Staff Salary	643,725.28	328,482
Overtime	41,309.06	946
Bonus	20,070.00	-
Employees' Provident Fund	103,842.74	49,894
Employees' Trust Fund	25,960.14	12,474
Staff Welfare	22,953.50	5,804
Secretary's Fees	26,000.00	11,755
Secretarial Expenses	1,235.00	-
Rent	120,000.00	-
Electricity	6,858.00	-
Telephone	99,857.57	28,642
Internet	4,206.40	2,627
Printing & Stationery	46,033.30	15,855
Postage	4,367.03	1,081
News Paper	-	16
Travelling	47,322.38	5,147
Chairman's Vehicle Allowance	45,000.00	
Vehicle Running Expenses	31,779.24	26,767
Entertainment	4,100.00	
Office Upkeep	30,052.75	3,558
Office Equipment Maintenance	11,075.00	
Audit fee	15,000.00	15,000
Tender Expense	-	14,686
Donation	-	6,500
Depreciation	102,887.88	
Sundry Expenses	5,061.43	1,360
Chemmani Factory pre operational Expenses	-	47,773
	<b><u>1,849,796.70</u></b>	<b><u>769,486</u></b>

**NOTE: 11**

**Finance Cost**

Bank Charges		
Head Office	13,656.09	625
Mannar	14,684.49	4,252
Chemmani	2,929.23	-
	<b><u>31,269.81</u></b>	<b><u>4,877</u></b>

## **REPLIES TO AUDITOR'S OBSERVATION AND COMMENTS**

### **2.3 NET PROFIT**

The reasons for the decline in profits are mainly due to poor sales, increase in cost of production due to less out put and administration expenses went up as the head office moved into a rented building.

### **2.4 ACCOUNTING DEFICIENCIES**

Capital expenses being treated as revenue expense;  
This has been corrected by a journal No. **J/58**

### **3.0 ASSETS**

I agree. The land at Kalundai - Jaffna has not been taken charge of.

### **3.2 INVENTORIES**

I agree. Action is being taken.

### **3.4 PETTY CASH**

Already an Imprest system of petty cash is being implemented. However in the petty cash book the amount reimbursed and the total expenses are seldom same because there is a delay in approving and sending the reimbursement of expenses from head office to the salterns.

### **6.0 TRADE AND OTHER PAYABLES**

A letter was sent to Director General, Inland Revenue Department requesting time to pay GST/NSL/VAT.

### **7.1 INSURANCE COVER**

I agree. Action will be taken.

### **7.2 PROVISION FOR GRATUITY**

All employees are on probation period for two years ending 30<sup>th</sup> September 2003.  
Action will be taken next year to make provision for Gratuity.

### **7.6 A CORPORATE PLAN & BUDGETS**

Board of Directors have approved it.

**Mrs. Y. Mahesan,  
Chairman/ Managing Director.**

**17<sup>th</sup> September 2003.**