

# **NATIONAL LIVESTOCK DEVELOPMENT BOARD**

## **REPORT OF THE BOARD OF DIRECTORS** **FOR THE YEAR – 2002**

The Chairman and the Board of Directors of the National Livestock Development Board are pleased to present this report for the period 1<sup>st</sup> January 2002 to 31st December, 2002.

### **1. INTRODUCTION**

The National Livestock Development Board (NLDB) was established in 1973 under the State Agricultural Corporations Act No. 11 of 1972. It's field operations commenced in 1974. The redefined functions of the Board in 1977 were aimed at arresting the dwindling National herd and to concentrate on an intensive upgrading program of Cattle and Buffalo, both for milk and draught. The NLDB is presently managing 28 livestock and integrated farms for maintaining livestock and coconut plantation and 01 Training Centre.

#### **1.1 VISION**

To be the best self sustaining organization in Sri Lanka to produce quality breeding material, livestock & agricultural products to enhance the Socio-Economic standards of our people.

#### **1.2 MISSION**

To run a self-sustaining chain of Livestock and Crop Integrated Farms in different Agro –Ecological Zones with a satisfied workforce, to:

- Develop Livestock activities within a reasonable time period to continuously issue the requirement of breeding animals of Farmers with the objective of making the country self-sufficient in Livestock and Dairy Products.
- Develop Livestock and Agricultural Products with new Technology with the participation of the Private Sector to increase the output and profitability of the Organization.
- Cultivate Cash Crops in selected Farms to support the Cash Crop Production programme in the Country.
- Achieve optimum productivity levels in Livestock and Agricultural Sectors.
- Obtain maximum productivity from Livestock and Crop Integrated Farming Systems and follow Eco – Friendly Cultivation Practices.

1.3 **GENERAL GOALS**

- 1.3.1 To maintain all farm activities at optimum level, infusing surplus funds from Coconut base industries for sustenance.
- 1.3.2 To introduce new technology, expertise, capital with better management practices to reduce cost, improve productivity to successfully complete in the market.
- 1.3.3 To explore possibilities to break into new markets with better marketing strategies in order to convert these farming units into profitable business entities with the participation of the private sector.

1.4 **OBJECTIVES**

In order to achieve the said targets, the NLDB issues quality-breeding material at a nominal price. The NLDB caters not only to the individual livestock farmers but also to Livestock Producer Societies, various Non-Government Organizations, Samurdhi recipients as well as ongoing Government and Private Projects. Whether the need is for Cattle, Buffaloes, Goats, Sheep, Pigs, Rabbits or Poultry, the NLDB is obliged to provide quality-breeding material.

Developing the livestock sector being the main objective, the NLDB has also undertaken the massive task of imparting knowledge on animal husbandry to the farmers who have thus far done things purely on instinct and experience. Making animal husbandry an economically viable enterprise is one of the goals on the way. To achieve this, cross breeding and pure breeding programmes are implemented in farms to suit each agro-ecological zone.

Elite herds of Jersey, Friesian, Sahiwal, Murrah and Nilli-ravi are maintained at selected farms to preserve the gene pool. The NLDB has also contributed tremendously in creating self-employment avenues for the rural population, specially the subsistence farmer. The development of the livestock sector, especially dairy & poultry farming, contributes to increase not only the standard of living, but also the nutritional standards of the people. Eco-friendly land management techniques are practiced to prevent soil degradation and increase the organic matter level in the lands managed by the NLDB.

1.4.1 The main activities of the NLDB are basically summarized in the following manner:

- \* Breeding and multiplication of livestock.
- \* Issue of quality breeding materials to the farmers at a reasonable price.

- \* Maintaining coconut plantations at optimum level to generate maximum profit.
- \* Practicing Livestock/Crop Integrated Farming System, wherever feasible.
- \* Providing training and demonstration facilities to the farmers, school children, Officials involved in agriculture and especially to the Livestock Small holders.
- \* The establishment and maintenance of marketing outlets to supply quality farm products at reasonable prices.
- \* To produce value added products using raw materials produced in farms to get high profit margin.

#### 1.5 **DIRECTORATE**

During the year under review the Board of Directors consisted of the following members.

1.	Mr. Ramal Siriwardena	-	Chairman
2.	Mr. Sunil Gunawardene	-	Deputy Chairman
3.	Mr. M.V.P. Silva	-	Director
4.	Mr. Ananda Lanerolle	-	Director
5.	Mr. Jagath Perera	-	Director
6.	Mr. H.H.A. Aveywardena	-	Director
7.	Ms. Dhammika Sepali Edirisuriya	-	Directress

Mr. Jagath Perera – Director, resigned with effect from 01<sup>st</sup> December, 2002.

During the year under review there were 12 Board Meetings.

As regards development activities under taken during the year under review, main emphasis was directed towards improving productivity with the utilization of available resources. The close monitoring of farm activities and strict control of financial activities were undertaken during the year under review. The development of the infrastructure facilities was given priority. To expand the development activities during the year, Livestock Management and Breeding Programmes were intensified. In addition to the maintenance of 6390 hectares of Pasture and fodder, a further area of 257 hectares of pasture and fodder had been established in 2002, under the Pasture Development Program financed by the Treasury.

During the year under review, the NLDB had made a substantial contribution to Rural Integrated programmes and Poverty Alleviation Programme initiated by the Government by providing breeding materials and technical know how. The main recipient of breeding stock was small scale livestock farmer.

2. Land extent and Livestock species of the Board

Farms	Extent	Neat Cattle	Buffalo	Goats	Sheep	Rabbit	Pig	Com. Layer	Com. Broiler	Layer Breed	Broiler Breed	Turkey & Ducks	Quail
Rosita	52.7						*		*				
Bopattalawa	1033.5	*		*									
Dayagama	210.2	*											
Mahaberiattenne	174.9						*		*				
M.L.D.C.	24.7	*		*	*	*		*	*			*	*
Karandagolla	38.9		*				*				*		
Haragama	97.0	*	*			*		*	*				*
Andigama	466.3	*											
Galpokuna	356.3	*								*			
Koulwewa	404.5	*		*									
Marandawila	921.6	*	*										
Rukkattana	406.8	*			*		*	*					
Siringapatha	472.2	*						*					
Narangalla	216.6	*											
Melsiripura	574.0	*	*					*	*				
Beligama	269.2	*	*										
Welikande	413.8	*											
Kandakaduwa	2266.0		<b>No activities</b>										
Nikeweratiya	803.3	*	*					*					
Polontalawa	245.3	*	*	*									
Kottukachchiya	340.0	*		*				*					
Oya Maduwa	1012.5	*											
Parasangaswewa	632.7	*	*					*					
Welisara	7.0		*				*	*					
Miriswatte	17.4						*				*		
Weerawila	220.5			*			*	*	*				
Ridiyagama	1510.9		*					*					
Horrekelly	368.8				*	*	*					*	
Martin	524.1		*				*	*	*				
Marawila	6.0									*	*		
<b>Grand Total</b>	<b>14088</b>	<b>19</b>	<b>11</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>9</b>	<b>12</b>	<b>7</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>2</b>

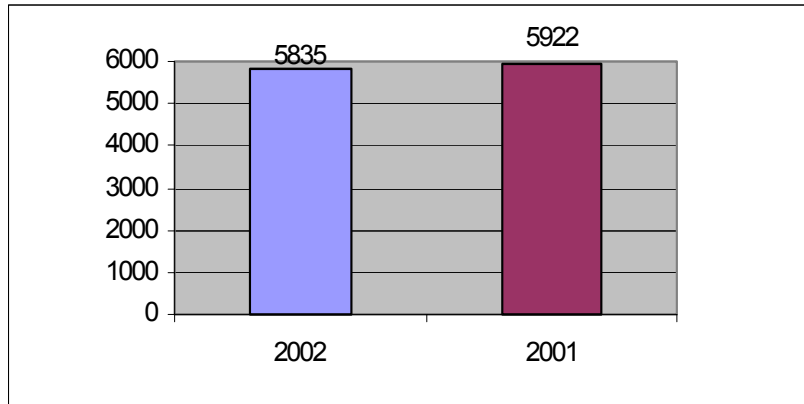
3. **CATTLE**

3.1 **Neat Cattle**

3.1.1 **Cattle Herd**

The cattle population was 5,922 at end of 2001 and 5,835 at end of 2002. 417 female cattle were culled in the year 2002 mainly due to fertility problems. As there was a high selection programme launched in the Regions I, & IV, a high number of unproductive animals were found and sold in these two Regions.

**Total Herd – Neat Cattle**

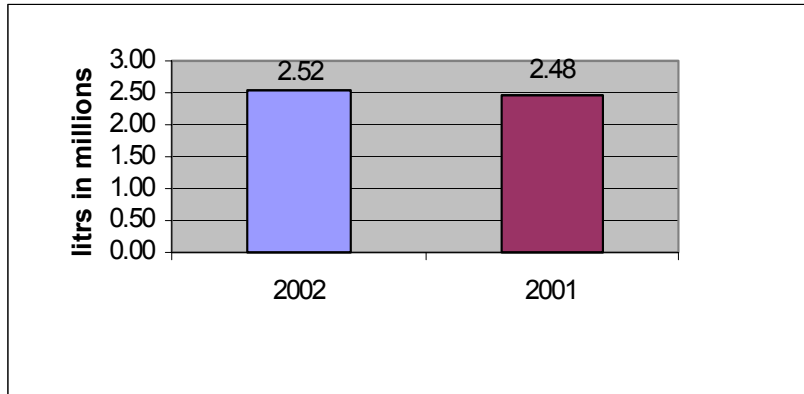


3.1.2 **Milk Production**

During 2002 the milk production was 2.52 million ltrs. against the target of 3.18 million ltrs. which had shown a drop of 0.66 million ltrs. This was mainly due to bad weather conditions prevailed in the year 2002, which has badly affected the pasture production where the quality and quantity of the roughage available for the animals was badly affected. On the other hand, quantity of feeding concentrates also was restricted, due to high price of concentrate feed. All these factors affected the achievement of 79.3% against the set target for the year 2002.

However, when compared to the milk production of 2001 which is 2.482 M. ltrs. the milk production of 2002 amounting to 2.523 M. ltrs. recorded an increase of 0.05 M. ltrs.

**Milk Production – Neat Cattle**

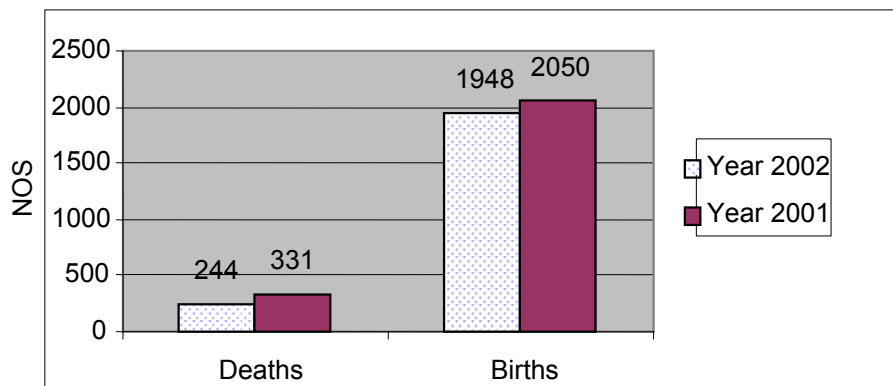


**3.1.3 Births and Deaths**

During the year 2002, 1948 calves were born against the set target of 2048 which had recorded 95.1% achievement. Total number of cows of the NLDB had shown an achievement of 104.1% against the set target of 2570. Region III had shown 104.9% achievement of cows, which led to 100% achievement of births against the set target 235 births in this region.

Deaths were decreased to 244 in the year 2002 from 331 in the year 2001. The calf deaths in the Special Project were also reduced to 244 from 331 in year 2001. Since the NLDB took immediate steps to change the management and provided extra inputs to the farms where high deaths were occurred in year 2001, the deaths were controlled in year 2002. Further more, NLDB introduced a close monitoring system to minimize the mortality rate.

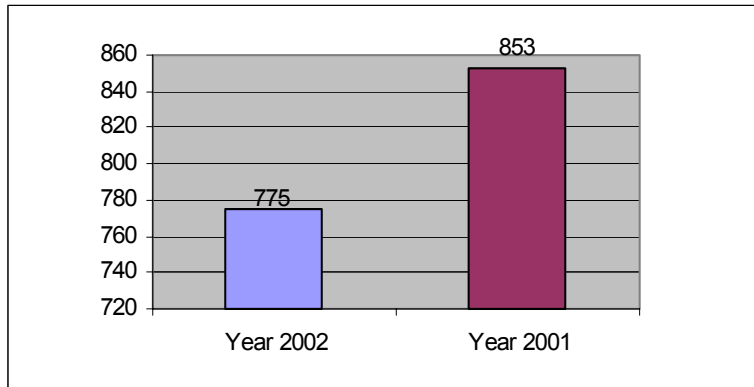
**Births and Deaths**  
**Neat cattle**



3.1.4 **Issues**

During the year 2002, 775 cattle had been issued to the public against the target of 841. There is a poor demand for breeding animals from farmers due to high cost of maintenance.

**Issues - Neat Cattle**



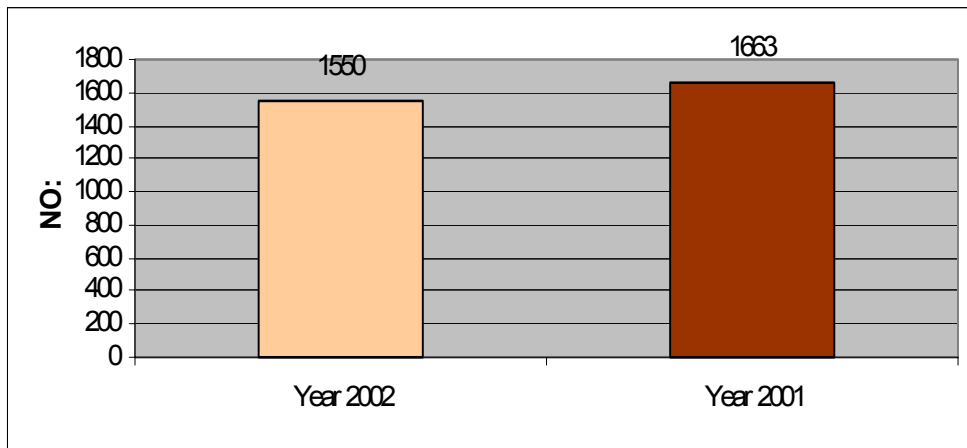
3.2 **BUFFALO**

3.2.1 **Buffalo Herd**

During the year 2002 the total buffalo population was 1550 heads, against 1663 heads during the year 2001. The decrease of the herd was mainly due to the selection programme carried out in the year, because of which a high number of unproductive animals were identified, culled and sold.

**TOTAL HERD**

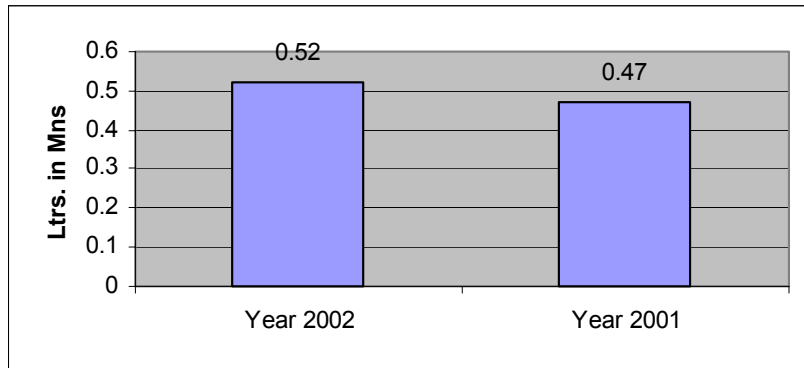
**Buffalo**



### 3.2.2 Milk production

The milk production during the year 2002 amounted to 524,788 ltrs. against the set target of 662,320 ltrs, which recorded an achievement of 79.2%. However, in comparison to the year 2001 an increase of 49,414 ltrs. recorded in the year 2002.

#### MLK PRODUCTION – BUFFALO



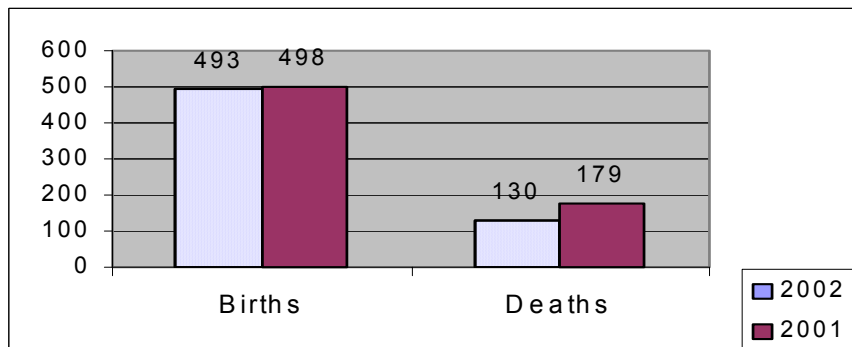
### 3.2.3 Births & Deaths

During the year 2002, 493 Calves were born which was below the set target of 524. This has recorded a slight decrease against the year 2001 where the achievement was 498.

There were 130 deaths in the year 2002, which was a very satisfactory situation when compared to 179 deaths in the previous year. This is mainly attributable to the low deaths occurred at Nikeweratiya & Melsiripura Farms when compared to the previous year.

#### BIRTHS AND DEATHS

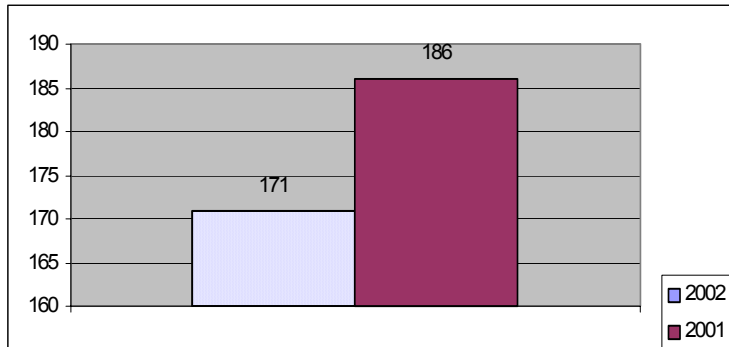
##### Buffalo



3.2.4. **Issues**

During the year 2002, 171 Buffaloes were issued for breeding to the public against the set target of 295. 186 heads were issued in the year 2001.

**Issues – Buffalo**



4. **POULTRY**

4.1 **Poultry Breeding**

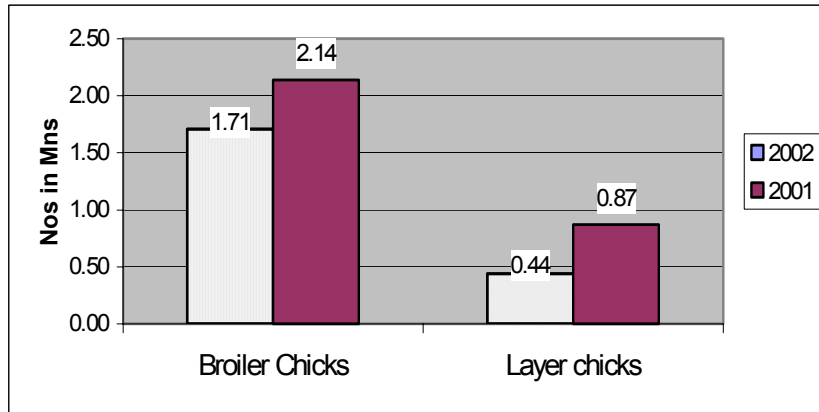
4.1.1 **Broiler chick production**

The year 2002 was relatively a bad year for Day Old Broiler Chick Production. Prices were relatively poor in comparison to year 2001. The total production for the year 2002 is 1.71 Million against the set target of 2.19 Million. There was a decrease of 20.1% when compared to the production of 2001.

4.1.2 **Layer Chick Production**

The only Layer Breeding Farm of the NLDB is Marawila Farm which maintains a parent stock of “Shaver 579”. The production of layer chicks for the year 2002 was 0.44 Million against the set target of 0.97 Million, recording an achievement of 45.4%. When compared to the 2001 production of 0.87 m. chicks there was a decrease of chick production in the year 2002. This was also due to the poor demand for day old chicks.

### Chick production

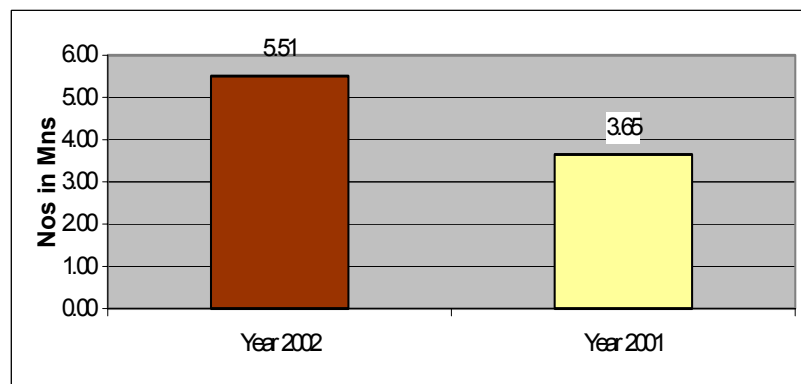


## 4.2 Commercial Poultry

### 4.2.1 Commercial Egg Production

The egg production during 2002 was 5.51 million eggs, against the set target of 5.09 Million. Achievement was 108.1% against the target.

### Egg Production

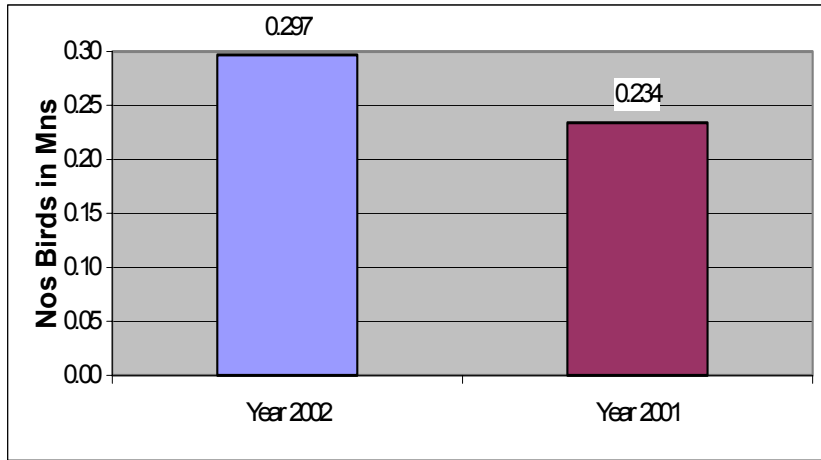


### 4.2.2 Commercial Broiler Production

The broiler production in the year 2002 was 0.297 Million birds against the targeted production of 0.268 Million, which has recorded an increase of 27% against the production of previous year. The low demand from

the Public for day old chicks during the year had caused a surplus of day old chicks in the hatcheries which the NLDB took action to rear thus increasing the number of birds in broiler operations.

**Commercial Broiler Production**



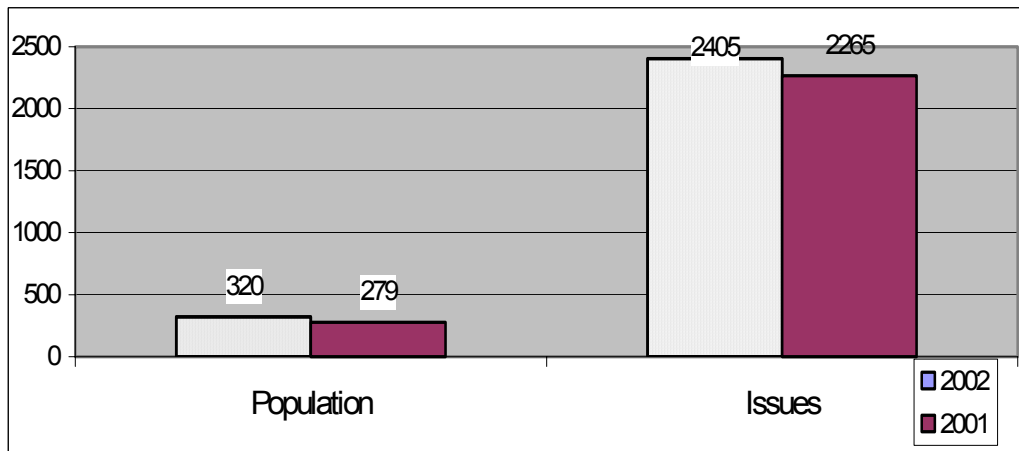
5. **SWINE**

There was an increase in sow population in the Board's Farms during the year 2002, by 41 numbers compared to the number of 279 sows in 2001. The farrowing rate was only 1.4 which recorded an increase compared to the year 2001. This was a very low rate in comparison to the standard of 2.0. The farrowing rate had come down mainly due to skipping of mating to control the births to face the crisis created by poor demand for piglings because of high cost of feed.

5.1 **Issue of Piglings**

During the year 2002, 2405 piglings were issued for breeding, which showed an increase of 140 against the issue of 2265 piglings in the year 2001.

**Sow Population & Issues**



5.2 **Meat Processing**

Pork products at Welisara Farm were sold at our Sale Centres. Sale of chicken parts was introduced to our Sale Centres, which led to a high turn over in our Sale Centres.

6. **GOATS**

During the year under review the herd strength was 1548, which showed a slight increase of 0.84% in 2002, against the herd of 1535 in 2001. When compared to year 2001, the number of breedable does in year 2002 increased to 627 from 517 does in the year 2001.

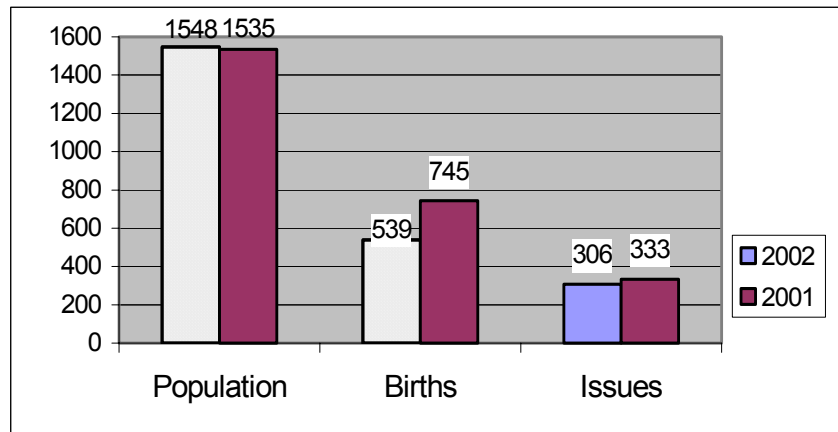
6.1 **Births**

During the year 2002, 539 kids were born which was below the Annual Target of 1155 kids. The main reason for this was the low Kidding Rate, which was 0.8, far below the standard of 1.5. Lack of roughage and inbreeding problems have contributed to the low growth rate, which in turn has resulted to lower the kidding rate.

6.2 **Issues for Breeding:**

During the year 2002, 306 goats were issued to the public against the set target of 508 animals.

**Goat Population, Births & Issues**



7. **SHEEP**

There was a decrease of the flock size of 1951, against that of 2042 in the year 2001. The Number of Ewes was 845 in the year 2002 against 760 ewes in 2001.

7.1 **Births:**

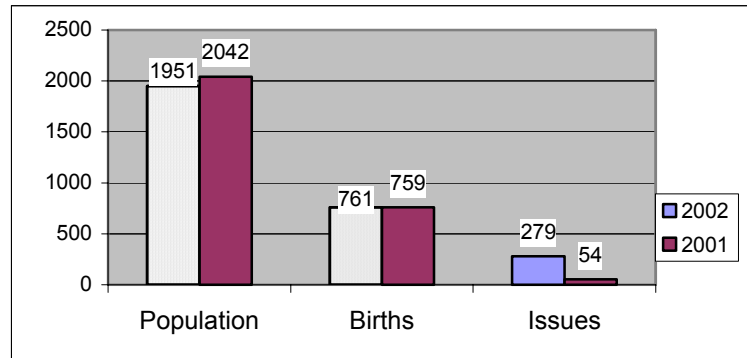
During the year 2002, 761 lambs were born which recorded a slight increase against 759 births in 2001.

The problem of inbreeding in the flock is a major set back and negotiations are under way with the Dept. of Animal Production & Health to import few males to overcome this problem.

7.2 **Issues for Breeding:**

During the year 2002, 279 breedable sheep were issued to the public, against 54 issues during the year 2001. The increase recorded against the target for 2002 is 103.3%. During the year under review, the demand for sheep from the Public was attractive.

**Sheep Population, Births & Issues**



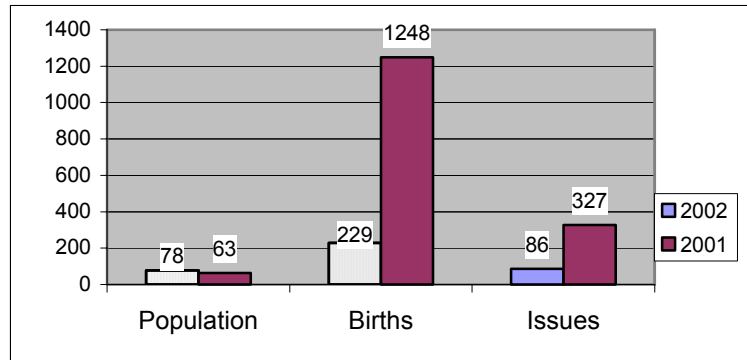
8. **RABBIT**

Rabbit husbandry operations were carried out at Horrekelly and Haragama farms during the year under review. The total herd size was 328.

8.1.1 **Issues for Breeding:**

During the year under review, 86 rabbits were issued to the public. The issues in the year 2001 were 327. This remarkable decrease when compared to 2001 was due to the fact that New Zealand Farm where the Rabbit husbandry was conducted was handed over to private sector in October, 2001.

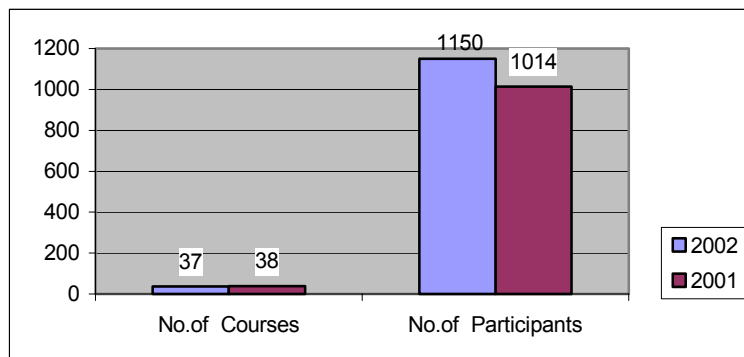
**Rabbit Doe Population, Births, Issues**



9. **Farmer Training Programmes**

37 Training programmes were conducted at the Mid Country Livestock Development Centre during the year 2002 against the target of 86. In the previous year 38 training programmes were conducted and the decrease is only 01 programme in this year. Perhaps due to the financial difficulties of the participating organizations, the response for training programmes in the year 2002 was not attractive.

**Farmer Training performance**



10. **COCONUT**

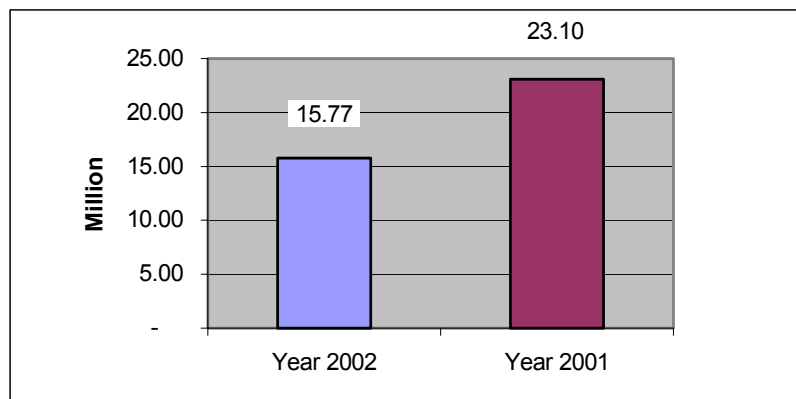
10.1 **Coconut & Copra production**

During the year 2002, the coconut production was 15.77 million nuts, an achievement of 64.6% of the Annual Target of 24.4 million nuts. When compared to 2001 production of 23.03 million nuts, the production of 2002 records a decrease of 31.5%. The reason for the low yield was due to the unfavourable weather conditions prevailed during 2001.

During the year 2002, copra production was 1171 M. tons, against the target of 3042 M.tons. recording an achievement of 38.5% of the target.

Year 2002 was a good year for the fresh nut market where the net sale average was nearly Rs. 11.00 per nut, which was high compared to the price of Rs. 7.50 in 2001. In the latter part of the year, price of fresh nuts further increased, creating a favourable situation for the NLDB.

**Nut Production**



11. **Data on Livestock & Crop Production**

11.1	<b>Activity</b>		<b>2002</b>	<b>2001</b>
	<b>Livestock Population</b>			
	Neat Cattle	No.	5835	5922
	Buffaloes	No.	1550	1663
	<b>Total</b>	<b>No.</b>	<b>7385</b>	<b>7585</b>
	Goats	No.	1548	1535
	Sheep	No.	1951	2042
	Pigs (breeders)	No.	1227	1172
	<b>Poultry</b>			
	Broiler Parent stock	No.	21192	25178
	Layer Parent stock	No.	7797	6692
<b>Rabbits</b>	No.	328	264	
11.2	<b>Livestock Issues for Breeding</b>			
	Neat Cattle	No.	775	973
	Buffalo	No.	171	186
	Goats	No.	306	366
	Sheep	No.	279	54
	Pigs	No.	2405	2265
	Rabbits	No.	86	327
	Day old chicks			
	Broiler	No. Mn.	1.71	2.13
	Layer	No. Mn.	0.44	0.86
11.3	Milk Production – No.	Lts. Mn.	2.52	2.48
	Bu.	Lts. Mn.	0.52	0.47
	Curd Production	01 lt. Pots	290908	252269
	Yoghurt	100 ml.cups	273010	407962
	Packet Milk	300 m.l..		65865
	Bottle Milk	185 m.l.	35824	
	Cheese	Kg.	NA	20881
11.4	Egg Production	Nos. Mn.	5.51	3.65
	Broiler Production	No. of birds Mn.	0.297	0.234
11.6	Coconut Production			
	Nut Production	No.Mn.	15.77	23.1
	Copra production	M. Ton	1171	3500
11.7	Potato	Mt.	238	61
11.8	Green Pepper	Kg.	34942	9520

12. **Staff Position of the NLDB**

The NLDB had a total of 2983 employees in the year 2002, the break down of which is as follows:

	<b><u>2002</u></b>	<b><u>2001</u></b>
Executives	74	75
Clerical & Allied grades	245	268
Minor & Labour grades	77	76
Checkroll labourers	2587	2263
<b>Total</b>	<b>2983</b>	<b>2682</b>

During the year under review two executive officers of the NLDB were granted the opportunity of scholarships to undergo International Livestock Courses in Netherlands.

The Board has made the following new recruitments in the year 2002:

Recruitments to permanent cadre:

	<b>GRADE</b>	<b>DESIGNATION</b>	<b>NUMBER</b>
1	II	Deputy General Manager (Finance)	01
2	IV	Administrative Manager	01
		<b>TOTAL</b>	<b>02</b>

Recruitments as Trainees:

		<b>DESIGNATION</b>	<b>NUMBER</b>
1		Trainee Assistant Manager	04
2		Investigation Officers (Contract basis)	03
3		Trainee Clerks	05
4		Trainee Field Supervisors	02
		<b>TOTAL</b>	<b>14</b>

Promotions granted during the year 2002:

	<b>GRADE</b>	<b>DESIGNATION</b>	<b>NUMBER</b>
1	X	Clerks	16
2	X	Field Supervisors	08
3	XII	Drivers	08
4	III	Asst. General Managers	04
5	IV	Managers	09
		<b>TOTAL</b>	<b>45</b>

The following retirements have taken place during the year 2002.

	<b>GRADE</b>	<b>DESIGNATION</b>	<b>NUMBER</b>
1	IV	Accountant	01
2	V	Personal Assistant to Chairman	01
3	V	Manager	01
4	VII,IX,X	Clerks	03
5	VII,VIII, IX,X	Field Supervisors	07
6	IX	Driver	01
7	XII	Watchers	03
8	IX	Circuit Bungalow Keeper	01
		<b>TOTAL</b>	<b>18</b>

13. **Financial Statement**

The NLDB showed a net profit of Rs. 4,757,120 in the year 2002 when compared to the net profit of Rs. 21,878,852 in the year 2001.

	2002 (Rs. '000)	2001 (Rs. 0.000)
Profit on coconut and copra	71,731	88,234
Loss on Livestock	25,360	29,667
Profit on Agriculture Products	5,530	1,771
Profit on Sundry Produce	26,401	22,148
Income on Interest, Rent, Dividends, etc.	56,495	17,307
<b>Expenses</b>		
Administration & General	84,220	86,622
<b>Net Profit/Loss for the year</b>	<b>4,757</b>	<b>5,876 *</b>

\* Net Profit of Rs. 5,876,000 for the year 2001 has been adjusted to Rs. 21,878,852 in the year 2002 due to prior year adjustments.

### **Turn Over**

The NLDB achieved a gross turn over of Rs. 461,022,743 during the year as against Rs. 472,911,763 in the previous year, which is a decrease of 2.5%.

### **Reserves**

The Capital Reserve of the Board as at 31.12.2002 was Rs. 126,706,395 which was Rs. 123,239,597 as at 31.12.2001 and Revenue Reserve had a negative balance of Rs. 294,876,900, The NLDB received a Treasury Grant of Rs. 8,625,000 during the year, which was accounted as an addition to the capital reserve. The Revenue Reserve which had a negative balance of Rs.306,261,254 was decreased to Rs. 294,876,900 mainly due to adjustments made in respect of previous years and net profit of the period under review.

## 14. **DEVELOPMENT ACTIVITIES UNDERTAKEN DURING THE YEAR**

### 14.1 **Improvement of essential infrastructure facilities:**

The development activities and the performance enumerated in the foregoing paragraphs were directed to maximise production of the activities undertaken during the year. However, the Board has spent a fair amount of capital to develop the infrastructure facilities of the farms during the year under review. These development works included the construction and renovating the buildings, establishment of pasture and fodder, land surveys, other inventory items, improvement to water, electricity, communication system and importing poultry parent stock.

### 14.2 **Purchase of Machinery & Equipment & Pasture Establishment:**

The Board was successful in obtaining required funds from the Ministry of Agriculture & Livestock for most needed development activities of the NLDB farms. Thus, we are proud to mention that a part of capital work that has been dragging on for the past 10 – 15 year period due to lack of funds was undertaken in the year 2002.

Accordingly, action was taken to purchase the following agricultural machineries. The farm activities had been greatly hindered during the past due to the non-availability of these machinery.

5	Disc Ploughs
5	Disc Harrows
5	Tyne Tillers
10	Rotary Slashers/Gyro Mowers
2	Forage Harvestors
12	Drum Movers
4	Hay Balers
2	Seed Planters
20	Milking Machines

Due to the shortage of adequate pasture, the Board had to incur heavy expenditure for purchase of concentrates for animals at high rates. In order to save on high concentrates and supplying a nutritional feed to the animals, action was taken in 2002 to establish 600 acres of pasture land.

The good results of the above activities will come in to bearing in the years to come.

15. **GENERAL**

**Reduction of Bank Loan Interest Rate**

The interest component payable on the bank loan obtained from the People's Bank constituted a major portion of the Board's expenditure. After negotiations with the People's Bank, during the year under review, the Board was successful in getting the interest rate reduced from 17.5% to 13.0%. This has resulted in a substantial saving.

**NLDB Share on sale of Ambewela & New Zealand Farm assets:**

The NLDB share from the sales proceeds of Ambewela and New Zealand Farms' assets amounts to Rs. 57.0 million. The Treasury has already paid to the NLDB Rs. 50.0 million as an interest free loan against this money. The Board firmly believes that the amount of Rs. 57.0 million being the sales proceeds of assets of the above two farms, is due to the NLDB and has appealed to the Treasury not to consider the released amount as a loan. Our endeavours in this regard are continuing.

**Fertilizing of Coconut Plantations:**

Due to the financial crisis of the Board that existed during the past decade or so, the Board was unable to undertake the complete fertilizing of coconut plantations during that period. Due to this situation the coconut palms were starving and as a result the nut production was in the falling trend. Realizing the gravity of this unfortunate situation, during the year under review, the Board was able to undertake and complete 100% fertilizer programme of coconut palms for the first time of the recent history of the NLDB. The good result of this is to be harvested in the years to come.

**Renovation of Labour Quarters and Livestock Sheds:**

Most of the labour quarters and livestock sheds in the farms were in dilapidated condition. Action was taken to renovate as much as possible up to the extent the available funds permitted.

**Welfare Scheme for Farm Workers:**

With the objective of extending assistance to the poor farm worker families, a contributory welfare scheme was inaugurated. Exercise books to the school going

children of the Board's low income families were distributed through this scheme. The Board expects to thrive this welfare scheme in the future to assist the farm workers to overcome their difficulties.

**Introduction of Uniforms for Milkers and Watchers:**

In order to make manual milking more hygienical, action was taken to introduce a uniform to the milkers. For easy identification of the watchers in the farms, a uniform was introduced to them as well.

**Purchase of guns to eliminate thieving in the farms**

At various forums with AGMs and Farm Managers it was revealed that thieving of coconuts and farm property has become a threat to the farms, and the Managers were of the view that if adequate guns are supplied to them, they could minimize the thieving. Accordingly, action was initiated in the latter part of 2002 to purchase 201 short guns. Guns have already been purchased and will be dispatched to the farms in due course after obtaining the licences for the year 2003.

**Commencement of New Livestock Projects:**

With the objective of providing quality breeding materials to the local farmer, following livestock projects were commenced in the year under review:

**Quail & Rabbit:**

Quail Project with 1000 birds, and Rabbit Project was started at Haragama farm. Quail eggs has become popular in the public. Our Quail eggs are being marketed in the Sales Centres countrywide.

**Giriraj Country Fowl Project:**

Giriraj Country Fowl Project was commenced at Galpokuna farm with the objective of providing a food with high nutritional value to the country farmer. It is the intention of the Board to popularize fowl farming among the villagers as a back yard farming habit.

**Turkey & Duck Project:**

A Turkey and Duck Project was started at Horrekelly farm with an imported parent stock to supply quality breeding material to the farmers.

**Fresh Water Fish:**

Action was taken to commence fresh water fish farming in the farms where water holes are available throughout the year. Horrekelly, Rukkattana, Nikeweratiya, Melsiripura, Bopattalawa and Oya Maduwa farms already have fish water tanks, and this project will be expanded further to the other farms as well.

## **CORPORATE PLAN OF THE NLDB FOR 5 YEARS**

The Board is proud to announce that with much effort and dedication, the Board was able to prepare a Corporate Plan of the NLDB for the next five years from 2003 to 2007.

### **Abolition of Cluster System of Management:**

The Cluster System of farm management that was introduced to the NLDB in 1998 has proved unsatisfactory during this period. Therefore, the Board decided to revert back to the former system of individual farm administration and the cluster system of farm administration was discontinued in the year 2002. The most senior farm Managers were promoted to the grade of Assistant General Managers in charge of farms while the Assistant Managers who were hitherto in charge of farms were promoted to the grade of Farm Managers. The responsibility of management of individual farms were thus given over to the Managers of the farms. We are confident that with the valuable experience and knowledge of Managers possess they will be able to develop the properties handed over to them gradually.

### **Planting of Teak and Timber Trees:**

Action was taken to plant teak and valuable timber trees along the boundaries of the farms. This will provide not only a permanent demarcation of the farm boundaries, but will also carry a valuable timber plantation which will bring in a substantial income to the Board in the future.

### **Plant Nurseries:**

Maintenance of plant nurseries of valuable timber and fruit trees have been commenced in most of the farms. These nurseries will supply plants to the village community at a reasonable price.

### **Painting of Fence Posts on the roadside boundaries:**

As a mark of clear identification of NLDB properties action was taken to paint the fence posts of the roadside boundaries of the farms with specified colours. This is very attractive and the roadside boundary fences are now colourful to easily distinguish the NLDB properties.

#### 16. **Constraints:**

Unfavourable weather conditions prevailed in the year 2001 had a negative effect on the Milk Production and pasture development programme in year 2002. Furthermore, the increase in price of most of the materials, especially livestock feed and feed ingredients and other inputs (salaries, fuel, electricity, etc.) the NLDB had a limit in purchasing of essential equipment and other items which led to a slow progress of some activities. The financial crisis prevailed during the year also badly affected the capital development activities of the NLDB. But with the finances obtained from the Ministry, the Board was

able to undertake a part of the most essential capital development work during the year as enumerated in the above paragraph.

All activities of the NLDB emphasised on the maximisation of the production in all aspects during the year. However, the financial situation of the Board was not very sound with low price obtained specially, for coconuts and coconut products during the year and the poultry, meat products during the early part of the year.

However, the Board was able to control the expenditure in whatever possible manner to adjust the increased wages, animal feed, fuel, electricity, water supply and other items which are beyond the control of the Board.

17. **Acknowledgement:**

It is with great pleasure the Board of Directors take this opportunity to thank all staff of the NLDB at a various levels for the dedicated service and the interest shown during the year under review, to make this operation a success, compared with the previous year. The Board also wishes to acknowledge the assistance provided by various Departments such as the Department of Animal Production & Health, Ministry of Agriculture and the University of Peradeniya and all the other line agencies for the co-operation extended.

Finally, the Board wishes to convey their sincere appreciation to the Hon. Minister of Agriculture & Livestock and the Hon. Deputy Minister of Agriculture & Livestock, Secretary and the other officers of the Ministry of Agriculture & Livestock for all the encouragement and assistance rendered to the Board.

**NATIONAL LIVESTOCK DEVELOPMENT BOARD**

**REPORT OF THE BOARD OF DIRECTORS**

**FOR THE YEAR 2002**

## AUDITOR GENERAL'S DEPARTMENT

My No. LS/D/NLDB/2002

Your No.

Date: 29<sup>th</sup> April, 2003.

The Chairman,  
National Livestock Development Board.

### **Report of the Auditor General on the Accounts of the National Livestock Development Board for the year ended 31 December 2002 in terms of Section 14 (2) (c') of the Finance Act No. 38 of 1971.**

---

The audit of the accounts of the National Livestock Development Board for the year ended 31 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. In carrying out this audit, I was assisted by a firm of accountants in public practice. My observations which I consider should be published with the annual report of the Board in terms of Section 14 (2) (c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7) (a) of the Finance Act was furnished to the Chairman of the Board on 24 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 extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitation 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 reasonable assurance as to whether the financial statements are free of material misstatements. The audit included examination of evidence supporting the amounts and disclosures in financial statements and assessment of accounting principles and significant estimates and judgements made in the preparation of financial statements, evaluation of their overall presentation and determining whether accounting policies adopted were appropriate, consistently applied and adequately disclosed. Sub-sections (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 observations appearing in this report, I am unable to express an opinion on the accounts presented for audit. Major deficiencies observed in this connection are given below.

<b>Deficiency</b>	<b>Reference to Paragraph in this report</b>
_____	_____
(a) Accounting Policies	2:3:1
(b) Inappropriate Disclosures in the Accounts	2:3:2
(c) Unreconciled Control Accounts	2:3:3
(d) Suspense Accounts	2:3:4
(e) Accounts Receivable and Payable	2:3:5
(f) Lack of Evidence for Audit	2:3:6
(g) Non-compliance with Laws, Rules, Regulations and Management Decisions	2:3:7
(h) Utilization of Specific Funds	2:3:8
(i) Systems and Controls	4

## 2.2 **Financial Results**

-----

According to the accounts presented, the profit for the year under review amounted to Rs. 4,757,120 as against the corresponding Profit of Rs. 5,876,672 for the preceding year. The following table gives a summary of the financial results at various stages for the year under review and the preceding year.

	<b><u>Year ended 31 December</u></b>	
	<b><u>2002</u></b>	<b><u>2001</u> *</b>
	<b>Rs.</b>	<b>Rs.</b>
Gross Operating Profit	59,656,070	80,490,855
Net Operating Profit	31,950,938	25,540,164
Net Operating Profit before Interest	31,950,938	42,848,104
Net Profit/(Loss) after Interest, before Bonus and Tax	9,757,120	11,176,672
Net Profit/(Loss) for the year	4,757,120	5,876,672

\* Figures in the previous year's audited accounts had been changed by the Board during the year under review.

## 2:3 **Comments on Accounts**

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### 2:3:1 **Accounting Deficiencies**

-----

- (a) Livestock at Polonnaruwa farm had been handed over to Animal Production and Health Department in 1992 at a value of Rs. 6,289,598. Since then the appreciation/depreciation of the Livestock had not been recognized and accounted.
- (b) Inter-farm transactions had not been eliminated when preparing amalgamated accounts. This has lead to a huge overstatement in sales and purchases.

- (c) Provision for bad debts of Rs. 14,195,378 had not been revised accordingly since 1998, instead being carried forward every year.
- (d) NLDB has not identified the obsolete items in general stock during the current year. The provision shown in the balance sheet was the brought forward balance since 1996.
- (e) During the last financial year all the assets and liabilities of Ambewela and New Zealand farms were transferred to Ambewela and Pattipola Livestock Companies. However accumulated depreciation over Property, Plant and Equipment were not transferred.
- (f) Revenue amounting to Rs. 461,022,744 had been accounted inclusive of VAT.
- (g) Stock Purchase Suspense accounts amounting to Rs. 25,657,698 had been accounted as Trade and Other Creditors.
- (h) NLDB has restated last year audited accounts without compiling with Sri Lanka Accounting Standard No. 10. This may mislead the users of the financial statements.

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

---

The following inappropriate disclosures in the accounts were observed in audit.

- (a) The book value of General Stock amounting to Rs. 19,366,236 had been shown in the accounts without a physical verification carried out by the Board as at the balance sheet date.
- (b) A provision for taxation amounting to Rs. 2,500,000 is still shown in the balance sheet even through the Board has a massive brought forward accounting loss of Rs. 294,876,900.

**2:3:3 Unreconciled Control Accounts**  
-----

Four control account balances as at 31 December 2002 aggregating Rs. 14,246,129 had not been reconciled with the corresponding balances in the subsidiary records aggregating Rs. 9,779,246. Reasons for the differences of Rs. 4,466,883 had not been made available to audit.

**2:3:4 Suspense Accounts**  
-----

Thirty one suspense accounts balances aggregating Rs. 36,006,108 had remained unidentified for a long period and action had not been taken to clear these balances.

**2:3:5 Accounts Receivable and Payable**  
-----

The following observations are made.

- (a) Trade and other debtors, totalling Rs. 29,225,235 and seven creditors totalling Rs. 39,283,573 had not confirmed their balances.
- (b) Long outstanding creditors amounting Rs. 11,598,603 have been written back to profit and loss account without obtaining confirmations from creditors.
- (c) Debtors and Creditors totalling Rs. 976,305 and Rs. 618,252 respectively had remained unsettled over a period of 5 years.
- (d) Age analysis of debtors balances totalling Rs. 74,974,684 had not been furnished to audit.

2:3:6 **Lack of Evidence for Audit**  
-----

Items of trade and other debtors, investments, creditors and livestock aggregating Rs. 238,425,874 could not be satisfactorily vouched or accepted in audit in the absence of evidence such as detailed schedules, age analysis, estimates, supporting documents, confirmations, audited annual accounts of the subsidiary, Gazette notification, etc.

2:3:7 **Non-compliance with Laws, Rules, Regulations and Management Decisions**  
-----

Instances of non-compliance with the provisions of the following Laws, Rules, Regulations, etc. were observed in audit.

(a) Finance Act No. 38 of 1971  
-----

- |      |              |                                |
|------|--------------|--------------------------------|
| (i)  | Section – 8  | Approval of the annual budget. |
| (ii) | Section – 11 | Approval for Investments.      |

(b) Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995  
-----

Accounting Standards

- |       |        |  |
|-------|--------|--|
| (i)   | No. 03 | Presentation of financial statements.                                |
| (ii)  | No. 10 | Consistency of preparation and presentation of financial statements. |
| (iii) | No. 12 | Disclosure requirements regarding contingencies.                     |
| (iv)  | No. 14 | Provision for taxes.   |
| (v)   | No. 16 | Adequacy of provision for retirement benefits.                       |

- |        |  |  |
|--------|--|--|
| (vi)   | No. 18   | Revaluation of fixed assets.                                 |
| (vii)  | No. 22   | Accounting policy for investments.                           |
| (viii) | No. 24   | Disclosures regarding Government Grants.                     |
| (ix)   | No. 29   | Revenue recognition  |
| (x)    | No. 30   | Identification of Related Parties Transactions.              |
| (c)    | Value added Tax Act No. 14 of 2002<br>-----            |  |
|        |  | - Accounting for VAT.  |
|        |  | - Incorrect invoicing.                                       |
|        |  | - Separate disclosure of VAT in the invoice.                 |
|        |  | - Reconciliation of VAT returns.                             |
|        |  | - Segregation of VAT components.                             |
| (d)    | Public Finance Circulars<br>-----                      |  |
| (i)    | No. PF/PE 14 of 28 February, 2001                      | Exceeded the limitations on fuel and mobile telephone bills. |
| (ii)   | No. 402 and 403  | Draft Annual Reports.  |
| (e)    | Public Administration Circulars<br>-----               |  |
| (i)    | No. 41/90 of 26 February 1990                          | Testing fuel consumption of vehicles.                        |
| (ii)   | No. 02/99 of 26 February 1999                          | Using mobile telephones.                                     |
| (f)    | Public Enterprise Circular No. 116 of 24 January, 1997 | Expenses on behalf of the Ministry.                          |

(g) **Financial Regulations**  
-----

- |       |                       |   |
|-------|-----------------------|---|
| (i)   | No. 104               | Preliminary investigation for vehicle accidents.  |
| (ii)  | No. 105(4)            | Disciplinary actions on vehicle accidents.        |
| (iii) | No. 208(4)            | Approval for utilization of specific funds.       |
| (iv)  | No. 378               | Over Draft facilities from Bank current accounts. |
| (v)   | No. 752,753,754 & 755 | Maintenance of Inventory books.                   |
| (vi)  | No. 1645(a)           | Maintenance of Log books.                         |
| (vii) | No. 1646              | Furnishing of running charts to audit.            |

(h) **Tender Guidelines**  
-----

- |       |                         |  |
|-------|-------------------------|--|
| (i)   | Paragraph I, Section 02 | Consideration of minimum bid.                |
| (ii)  | Paragraph V             | Calling for quotations.                      |
| (iii) | Section 14              | Approval of Tender Board.                    |
| (iv)  | Section 33              | Formation of Technical Evaluation Committee. |
| (v)   | Section 64(I)           | Registered Suppliers.                        |

**2:3:8 Utilization of Specific Funds**  
-----

For the purpose of purchases farm and milking equipments, the Treasury had released a sum of Rs. 8,000,000 to the Board during the year under review and the Board had spent a sum of Rs. 4,030,423 out of the above funds for pasture development and purchase of fertilizer.

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

---

#### 3.1 **Financial Results**

---

- (a) The operation of the Board for the year under review had resulted in a net profit of Rs. 9.757 Million as compared with the net profit of Rs. 11.177 Million in the previous year thus showing an deterioration of Rs. 1.420 Million in the financial results.
- (b) Adjustments of financial results disclosed in the annual accounts for errors, omissions, etc. observed in subsequent years had been a regular feature of the Board. For example, the profit of Rs. 5,876,672 for the previous year had been adjusted by Rs. 22,629,414 during the year under review. Such adjustments made during the five preceding years are given below.

<b>Year</b>	<b>Financial Results</b>	<b>Adjustments made in the subsequent years</b>
	<b>Rs.</b>	<b>Rs.</b>
1996	(3,766,931)	( 24,739,117)
1997	(73,423,024)	6,815,509
1998	(13,397,005)	412,367
1999	35,399,103	9,152,089
2000	26,431,744	15,111,428

In this context, the possibility of similar adjustments, to the financial results for the year under review during the ensuing years cannot be ruled out. In view of this unsatisfactory position and the errors, omissions, etc. referred to in this report, the reliability of the financial statements is open to question.

(c) **Profitability**  
-----

Certain significant percentages relevant to the profitability of the Board compared with the preceding year are indicated below.

	<b>2002</b> <b>(Percentage)</b> -----	<b>2001</b> <b>(Percentage)</b> -----
Gross profit on cost of sales	14.86	19.71
Net operating profit on cost of sales	1.19	1.44
Net operating profit on sales	1.03	1.20
Net profit before taxation on sales	1.03	1.20
Overheads on sales	14.90	18.81

3:2 **Profitability of the Farms**  
-----

The Board had twenty nine Livestock Breeding and Production Farms. Out of the 29 farms 14 farms earned net profits totalling Rs. 93,212,408, whilst 15 farms had incurred net losses totalling Rs. 32,360,794 during the year under review as compared with 12 farms which had earned net profits amounting to Rs. 105,936,223 whilst 17 farms which had incurred net losses totalling Rs. 60,030,826 in the previous year.

3.3 **Performance**  
-----

- (a) Monthly Hatchery capacity of the Miriswatte farm is 222,476 eggs. However, monthly average hatched eggs had been 93,392 for the year under review.
- (b) The egg production of the Miriswatte farm during the year 2002 was 1,383,636 and the production had decreased by 3% as compared with the production of year 2001.

3:4 **Corporate Plan**  
-----

A Corporate Plan in terms of Section 7 (1) of the Finance Act No. 38 of 1971 and paragraph 2 of Treasury Circular No. PED/52 of 16 June 1989 had not been prepared.

3.5 **Identified Losses**  
-----

- (a) The Board had lost turnover in a sum of Rs. 3.5 Million from the Siringapatha farm during the year under review as the entire land had not been properly cultivated.
- (b) Audit test check disclosed losses amounting to Rs. 19,762 due to motor accidents during the year under review.
- (c) The Board had spent a sum of Rs. 30,258 for the settlement of the unauthorised mobile telephone bills.

3.6 **Budgetary Control**  
-----

A comparison of the budgeted income and expenditure with the actual income and expenditure revealed significant variances, thus indicating that the budget had not been made use of as an effective instrument of management control.

4. **Systems and Controls**  
-----

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

- (a) Fixed Assets
- (b) Stocks
- (c) Accounting
- (d) Purchases
- (e) Cash and Revenue
- (f) Budget
- (g) Debtors and Creditors
- (h) Suspense Accounts

**Sgd/-**

**(S.C. MAYADUNNE)**  
**AUDITOR GENERAL**

## **1. Accounting Policies**

### **(A) Basis of Accounting**

The financial statements have been prepared according to the historical cost convention and generally accepted accounting principles .

### **(B) Fixed Assets**

Fixed Assets are shown in the financial statements at Cost less Accumulated Depreciation at the date of the Balance Sheet. Annual Depreciation is provided on the Straight Line Method. No Depreciation has been provided in the year of purchase.

Rates of Depreciation are as follows.

Buildings	5%
Plant & Machinery	10%
Road & Transport	20%
Furniture & Fittings	10%
Office Equipment	20%
Structures	20%
Estate Equipment	25%

### **(C) Stocks**

#### **1- Livestock**

Livestock have been valued at the standard rates recommended by the special Committee appointed by the Chairman.

## **2- Coconut/ Copra**

Coconut /copra stocks have been valued at Since Realize Prices.

## **2. Gratuity**

The provision for gratuity has been calculated and provided according to the requirement of the Gratuities Act No.12 of 1983.

## **3. Leases**

### 3.1 Amortization of interest on finance lease

Interest on lease for the motor vehicles had been charged to the revenue on straight line method during the accounting periods of 2000 & 2001. It has been changed to Sum of digit method with the view of presentation of financial statement at the true and fair view.

### 3.2 Asset leased to Lan/lib Co. and Rajawella Holdings

These leases have been considered as operating leases. Income on lease has been credited to the revenue on the periodical basis.

#### **4. Government Grants**

Government grants received for pasture development activities of the Board had been accounted on the capital approach. It has been changed for accounting of government grants from capital approach to income approach due to the fact that Board is compelled to issue cattle to the local farmers at a concessionary rate.

#### **5. Cost of Re-planting & Under-planting**

Cost of re-planting and under-planting had been Differed and written off against the revenue over 4 years period during the last couple of years. Accounting Policy has been changed and cost of re-plantation and under-plantation for coconut have been capitalized considering the time lag of 7 to 8 years between the time of planting and being ready for commercial harvesting, according to the requirement of the SLAS No.32.

#### **6. Cost of Pasture Development**

Pasture development expenses is considered as differed expenses and it is being amortized 25% per annum.

**NATIONAL LIVESTOCK DEVELOPMENT BOARD**

**NOTES TO THE PROFIT & LOSS ACCOUNT**

	2002	2001
<b>Note - 1</b>	<b>(RS.)</b>	<b>(RS.)</b>
<b>Cost of Sales</b>		
<b>Opening Stocks</b>		
-Coconut/ Copra	27,689,973	31,985,911
-Livestock	56,837,378	65,761,463
-Sundry	293,767	130,663
<b>Add -Cost of Production</b>	<b>421,647,397</b>	<b>372,052,605</b>
<b>Less- Closing Stocks</b>		
-Coconut/ Copra	26,155,895	27,689,973
-Livestock	73,181,382	56,837,378
- Agriculture	5,470,798	0
-Sundry	1,832,508	293,767
	<b>401,366,674</b>	<b>385,272,628</b>
<b>Note - 2</b>		
<b>Other Operating Income</b>	<b>(RS.)</b>	
Sundry Income from farms	25,495,398	
Sales centre HO	691,701	
Sales centre Bentota	93,307	
Head Office Sundry Income	2,663,576	
Balances to be Written-off -2002	11,598,603	
	<b>40,542,584</b>	
<b>Note - 3</b>		
<b>Administration Costs</b>	<b>(RS.)</b>	
Admin. & General Expenses of Farms	13,822,260	
Regional Office I Expenses	3,544,684	
Regional Office II Expenses	836,448	
Regional Office III Expenses	563,475	
Regional Office IV Expenses	950,343	
Vet Surgeon Expenses	1,877,014	
Head Office Expenses	33,781,893	
	<b>55,376,116</b>	
<b>Note - 4</b>		
<b>Other Expenses</b>	<b>(RS.)</b>	
Balances to be Written-off -2002		
Debtors	11,952,011	
Suspense A/c	11,548	
	<b>11,963,559</b>	
<b>Note - 5</b>		
<b>Financing Cost</b>	<b>(RS.)</b>	
Bank Interest	24,174,059	
Gain on Re- Structure Loan Interest	(13,176,430)	
Leasing Facility	2,493,515	
	<b>13,491,144</b>	
<b>Note - 6</b>		
<b>Dividend Income</b>		
No dividend from subsidiary Co. has been accrued in the financial statements because no dividend has been declared by the subsidiary company So far		

**NATIONAL LIVESTOCK DEVELOPMENT BOARD**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2002**

	Rs.	Rs.
<b>Operational Activities</b>		
- Net Profit for the Year	4,757,120	
Add - Depreciation for the Year	16,154,817	
Less - Other Adjustments not Moving Funds	1,091,644	
<b>Operational Profit before changes of working Capital</b>		<b>19,820,293</b>
<b>-Changes in Working Capital</b>		
-Trading Stocks	(19,343,630)	
- Trading & other receivable	12,581,700	
- Other Current Assets	(8,323,536)	
- Deposits & Pre- Payments	5,539,092	
- Trade & Other Payables	(6,341,387)	
- Short-term Borrowings	6,957,706	
		<b>(8,930,055)</b>
<b>Investing Activities</b>		
- Purchase of Fixed Assets	(7,910,474)	
- Govt. Grant	8,654,560	
- Pasture Development & Under Planting	(15,518,432)	
- Sale of Fixed Assets	7,137	
		<b>(14,767,209)</b>
<b>Financing Activities</b>		
- Settlement of Bank Loans	(57,500,000)	
- Interest Free Loan from Treasury	50,000,000	
- Interest Free Loan from Farmers Trust Fund	27,000,000	
- Settlement of Finance Lease	(8,425,451)	
		<b>11,074,549</b>
<b>-Net Cash Flows</b>		<b>7,197,578</b>
Opening Balance of Cash & Cash Equivalent		34,487,072
<b>Closing Balance of Cash &amp; Cash Equivalent</b>		<b>41,684,650</b>

<b>Note - 15</b>	
<b>TRADE AND OTHER PAYABLES</b>	<b>(RS.)</b>
STAFF CREDITORS	6,474,423
TRADE & OTHER CREDITORS	71,358,726
PROVISIONS	14,720,956
DEPOSITS	2,891,129
STAMP DUTY PAYABLE	2,345
GST PAYABLE	11,633,334
B.T.T. PAYABLE	1,727,327
TAX ON INTEREST INCOME	(1,964,816)
E.P.F PAYABLE	2,366,865
E.T.F PAYABLE	341,220
	<u>109,551,508</u>
VAT RECOVERABLE	<u>(111,578)</u>
	<u>109,439,930</u>
<b>Note - 16</b>	
<b>SHORT TERM BORROWINGS</b>	<b>(RS.)</b>
BANK OF CEYLON (HYDE PARK)	180,348
PEOPLES BANK NARHENPITA	6,652,423
MAHABERIYATENNE FARM	4,760
KARANDAGOLLA FARM	301,873
	<u>7,139,404</u>
<b>Note - 17</b>	
<b>PAYABLES ON LOANS WITHIN NEXT 12 MONTHS</b>	<b>(RS.)</b>
PEOPLES LEASING CO LTD	6,135,901
INTEREST PAYABLE ON PEOPLES BANK LOAN	1,112,178
	<u>7,248,079</u>

<b>FARM</b>		
	<b>NET PROFIT/ (LOSS) Y 2001</b>	<b>NET PROFIT/ (LOSS) Y 2002</b>
<b>REGION I</b>		
PARASANGAHAWEWA	(2,573,551.02)	(2,952,160.44)
OYAMADUWA	(2,532,147.42)	(1,547,303.52)
WELIKANDA	(568,392.76)	(666,046.29)
MELSIRIPURA	13,476,653.28	14,679,042.91
BELIGAMA	3,914,988.62	7,366,009.70
KARANDAGOLLA	8,790,433.58	(1,442,671.70)
HARAGAMA	(206,053.50)	(2,023,466.72)
<b>Sub Total</b>	<b>20,301,930.78</b>	<b>13,413,403.95</b>
<b>REGION II</b>		
GALPOKUNA	6,374,634.15	912,897.69
NARANGOLLA		129,985.25
KOULWEWA	5,376,202.23	5,136,269.93
SIRINGAPATHE	10,339,398.96	5,034,581.99
RUKATTANA	5,920,652.41	1,341,148.67
MARANDAWILA	17,594,027.78	14,785,577.98
<b>Sub Total</b>	<b>45,604,915.53</b>	<b>27,340,461.50</b>
<b>REGION III</b>		
MIRISWTTA	5,374,171.36	3,291,893.52
MARAWILA	(424,318.20)	2,515,705.15
MARTIN	(318,020.89)	(478,434.28)
NIKEWERATIYA	(4,286,333.52)	(1,747,810.82)
KOTTUKACHCHIYA		(1,115,933.77)
POLONTALAWA	1,162,435.85	1,438,685.55
<b>Sub Total</b>	<b>1,507,934.60</b>	<b>3,904,105.35</b>
<b>REGION IV</b>		
DAYAGAMA	(2,280,711.52)	(1,332,341.50)
WEERAWILA	(3,214,602.67)	(1,600,157.17)
ROSITA	(1,905,080.31)	(1,313,137.03)
WELISARA	(2,768,934.82)	(4,976,870.65)
M.L.D.C	(894,508.10)	1,355,814.83
MAHABERIYATENNE	(2,713,477.19)	(6,750,992.60)
<b>Sub Total</b>	<b>(13,777,314.60)</b>	<b>(14,617,684.13)</b>
<b>SPECIAL PROJECTS</b>		
RIDIYAGAMA	(4,350,934.23)	(3,156,533.77)
AMBEWELA	(6,031,106.48)	
NEWZEALAND	(623,199.45)	

ANDIGAMA	13,966,112.65	9,057,386.09
HOREKELLAY	13,646,512.31	25,288,016.57
BOPATHALAWA	(10,864,500.89)	2,235,206.49
<b>Sub Total</b>	<b>5,742,883.92</b>	<b>33,424,075.37</b>
<b>SUB TOTAL IN ALL FARMS</b>	<b>59,380,350.22</b>	<b>63,464,362.05</b>
SALES CENTER HEAD OFFICE	236,994.82	691,700.78
SALES CENTER BENTOTA	120,631.74	93,306.70
REGIONAL OFFICE I	-	(3,544,683.55)
REGIONAL OFFICE II	-	(836,447.96)
REGIONAL OFFICE III	-	(563,474.88)
REGIONAL OFFICE IV	-	(950,342.87)
VET SURGEON	-	(1,877,013.78)
DIVIDEND INCOME	15,300,000.00	-
HEAD OFFICE	(29,759,306.96)	(33,611,831.56)
BANK INTEREST	(36,971,431.90)	(24,174,059.08)
GAIN ON RE-STURCTURE L/INT.	-	13,176,430.00
PROVISION FOR GRATUITY	(8,354,116.18)	(8,702,674.44)
GRANT FOR PASTURE DEVELOPMENT	-	2,480,868.16
WRITTEN-OFF	-	(364,956.75)
V.A.T.	-	1,469,643.24
G.S.T.	11,223,550.06	5,619,040.26
PROVISION FOR BONUS	(5,300,000.00)	(5,000,000.00)
<b>TOTAL YEAR 2002</b>		<b>7,369,866.32</b>
<b>TOTAL YEAR 2001</b>	<b>5,876,671.80</b>	

**NATIONAL LIVESTOCK DEV  
ANALYSIS OF INCOME & EXP  
INCOME**

COCONUT SALES	COCONUT STOCK	SUNDRY INCOME	AGRICULTURE	LIVESTOCK
-	-	1,294.23		3,297,973.27
-	-	56,235.93		5,262,656.59
-	-	5,821.00		536,329.20
21,978,188.43	47,063.00	5,115,808.03		14,387,987.16
14,449,230.00	(388,141.00)	585,594.47		1,184,477.04
19,861.00	-	495,349.32		33,913,220.57
187,589.47	(11,420.00)	1,074,564.88		6,511,366.89
<b>36,634,868.90</b>	<b>(352,498.00)</b>	<b>7,334,667.86</b>	-	<b>65,094,010.72</b>
9,075,126.78	(906,559.00)	743,430.57		3,324,304.84
2,827,750.80	511,277.00	455,419.89		773,995.87
14,991,928.41	(1,850,850.00)	1,783,264.04		2,524,733.18
18,948,283.93	(1,306,482.00)	345,150.78		6,800,805.72
11,060,134.15	(2,226,350.00)	633,847.18		7,246,631.75
23,819,299.48	402,705.00	1,231,702.34		4,565,743.31
<b>80,722,523.55</b>	<b>(5,376,259.00)</b>	<b>5,192,814.80</b>	-	<b>25,236,214.67</b>
653,072.70	(121.90)	597,555.15		45,136,622.41
186,927.22	-	313,008.34		25,361,331.19
1,850,000.46	51,018.00	783,307.29		5,263,757.03
53,157.00	-	2,909,436.38		7,233,095.45
-	-	491,642.51		3,499,218.15
4,434,796.50	461,740.00	244,518.15		1,689,837.36
<b>7,177,953.88</b>	<b>512,636.10</b>	<b>5,339,467.82</b>	-	<b>88,183,861.59</b>
	-	167,463.10	4,685,918.78	11,253,879.93
-	-	515,358.42		9,569,526.82
-	-	(650,110.56)		9,132,825.32
19,067.10	(6,390.00)	(804,940.85)		8,935,710.32
	-	1,761,032.52		650,836.48
2,501,387.24	364,284.00	(244,784.28)		17,104,681.66
<b>2,520,454.34</b>	<b>357,894.00</b>	<b>744,018.34</b>	<b>4,685,918.78</b>	<b>56,647,460.53</b>
-	-	128,937.22		5,378,902.00



# DEVELOPMENT BOARD

## EXPENDITURE 2002

TOTAL	OTHER INCOME	COCONUT	AGRICULTURE	LIVESTOCK
3,299,267.50		-		5,963,626.22
5,318,892.52		-		6,446,855.08
542,150.20		-		966,443.53
41,529,046.62		12,651,285.61		13,192,897.27
15,831,160.51		6,931,415.34		1,240,335.17
34,428,430.89		13,334.48		35,246,355.17
7,762,101.24		1,113,077.77		8,228,472.33
<b>108,711,049.48</b>	-	<b>20,709,113.20</b>	-	<b>71,284,984.76</b>
12,236,303.19		8,871,401.80		2,684,692.22
4,568,443.56		3,599,287.79		772,188.78
17,449,075.63		9,094,516.81		2,642,463.67
24,787,758.43		11,542,230.44		6,999,294.21
16,714,263.08		7,276,615.86		7,807,160.62
30,019,450.13		12,598,626.50		2,112,008.97
<b>105,775,294.02</b>	-	<b>52,982,679.20</b>	-	<b>23,017,808.47</b>
46,387,128.36		221,301.24		40,927,071.34
25,861,266.75		79,219.83		22,763,055.26
7,948,082.78		2,227,016.13		5,981,628.27
10,195,688.83		74,015.72		11,128,267.06
3,990,860.66		-		4,789,871.70
6,830,892.01		3,443,755.92		1,810,564.52
<b>101,213,919.39</b>	-	<b>6,045,308.84</b>	-	<b>87,400,458.15</b>
16,107,261.81			3,989,169.65	13,019,563.19
10,084,885.24		-		11,425,518.78
8,482,714.76		-		9,331,658.36
8,143,446.57		110,811.34		12,739,000.63
2,411,869.00				934,663.75
19,725,568.62		3,410,737.62		23,171,120.36
<b>64,955,746.00</b>	-	<b>3,521,548.96</b>	<b>3,989,169.65</b>	<b>70,621,525.07</b>
5,507,839.22		-		8,326,804.77

26,008,780.87		12,362,971.05		4,107,113.69
51,275,632.65		13,973,850.18		8,994,233.51
29,619,345.63			6,281,131.04	20,068,904.41
<b>112,411,598.37</b>	-	<b>26,336,821.23</b>	<b>6,281,131.04</b>	<b>41,497,056.37</b>
<b>493,067,607.26</b>	-	<b>109,595,471.43</b>	<b>10,270,300.69</b>	<b>293,821,832.82</b>
	691,700.78			
	93,306.70			
	2,663,576.19			
	11,598,602.53			
<b>493,067,607.26</b>	<b>15,047,186.20</b>	<b>109,595,471.43</b>	<b>10,270,300.69</b>	<b>293,821,832.82</b>
<b>490,763,798.10</b>	<b>17,307,939.66</b>	<b>90,779,647.66</b>	<b>2,563,893.37</b>	<b>314,933,037.20</b>

**EXPENDITURE**

<b>TOTAL</b>	<b>LOT FEES &amp; BROKERAGE</b>	<b>ADMIN. &amp; GENERAL EXP</b>
5,963,626.22	-	287,801.72
6,446,855.08	-	419,340.96
966,443.53	-	241,752.96
25,844,182.88	227,309.31	778,511.52
8,171,750.51	147,445.15	145,955.15
35,259,689.65	-	611,412.94
9,341,550.10	545.95	443,471.91
<b>91,994,097.96</b>	<b>375,300.41</b>	<b>2,928,247.16</b>
11,556,094.02	99,764.17	(332,452.69)
4,371,476.57	30,067.44	36,914.30
11,736,980.48	151,338.70	424,486.53
18,541,524.65	204,956.21	1,006,695.58
15,083,776.48	123,823.63	165,514.30
14,710,635.47	329,308.99	193,927.69
<b>76,000,487.67</b>	<b>939,259.14</b>	<b>1,495,085.71</b>
41,148,372.58	-	1,946,862.26
22,842,275.09	-	503,286.51
8,208,644.40	19,856.36	198,016.30
11,202,282.78	-	741,216.87
4,789,871.70	-	316,922.73
5,254,320.44	52,488.84	85,397.18
<b>93,445,766.99</b>	<b>72,345.20</b>	<b>3,791,701.85</b>
17,008,732.84	-	430,870.47
11,425,518.78	-	259,523.63
9,331,658.36	-	464,193.43
12,849,811.97	-	270,505.25
934,663.75	-	121,390.42
26,581,857.98	11,759.84	(117,056.60)
<b>78,132,243.68</b>	<b>11,759.84</b>	<b>1,429,426.60</b>
8,326,804.77	-	337,568.22

16,470,084.74	259,897.07	221,412.97
22,968,083.69	434,818.60	2,584,713.80
26,350,035.45	-	1,034,103.70
<b>74,115,008.64</b>	<b>694,715.67</b>	<b>4,177,798.69</b>
<b>413,687,604.94</b>	<b>2,093,380.26</b>	<b>13,822,260.01</b>
		3,544,683.55
		836,447.96
		563,474.88
		950,342.87
		<b>1,877,013.78</b>
		36,275,407.75
		<b>24,174,059.08</b>
		(13,176,430.00)
		8,702,674.44
		(2,480,868.16)
		11,963,559.28
		(1,469,643.24)
		(5,619,040.26)
		5,000,000.00
<b>413,687,604.94</b>	<b>2,093,380.26</b>	<b>84,963,941.94</b>
<b>408,276,578.23</b>	<b>1,996,364.90</b>	<b>91,922,122.82</b>

**NATIONAL LIVESTOCK DEVELOPMENT BOARD**

**AMALGAMATED BALANCE SHEET AS AT 31ST DECEMBER 2002**

	Notes	2002		2001	
		Rs.	Rs.	Rs.	Rs.
<b>ASSETS</b>					
<b>Non- Current Assets</b>					
- Property, Plant & Equipments	1	451,443,720		459,688,076	
- Investments in Subsidiary Co's	2	15,995,171		15,995,171	
- Other Assets	3	45,614,805	<b>513,053,696</b>	34,455,392	<b>510,138,638</b>
- Deffered Revenue on Leased Assets	4		<b>(30,687,710)</b>		<b>(31,021,549)</b>
<b>Current Assets</b>					
- Trading Stocks	5	128,108,422		108,764,792	
- Trading & Other Receivables	6	92,834,867		110,820,423	
- Deposits & Pre-Payments	7	11,923,832		6,384,740	
- Other Current Assets	8	10,037,546		1,714,010	
- Cash & Cash Equalents	9	41,684,650	<b>284,589,317</b>	34,487,072	<b>262,171,037</b>
<b>TOTAL ASSETS</b>			<b>766,955,302</b>		<b>741,288,127</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>Capital &amp; Reserves</b>					
- Paid -up - Capital		576,587,649		576,587,649	
- Reserves	10	126,706,395		123,239,597	
- Accumulated Profits \ (Losses)	11	(294,876,900)	<b>408,417,143</b>	(306,261,254)	<b>393,565,992</b>
<b>Non- Current Liabilities</b>					
- Long-Term Loans	12	98,420,804		115,920,804	
- Leasing Facilities from Leasing Cos.	13	2,563,497		8,699,398	
- Interest Free Loans	14	77,000,000		0	
- Gratuity on Retirement		56,726,445	<b>234,710,746</b>	52,518,885	<b>177,139,087</b>
<b>Current Liabilities</b>					
- Trade and other Payables	15	109,439,930		114,792,168	
- Short -term Borrowings	16	7,139,404		181,698	
- Payables on Loans with- in next 12Months	17	7,248,079	<b>123,827,413</b>	55,609,183	<b>170,583,049</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>			<b>766,955,302</b>		<b>741,288,127</b>

.....  
CHAIRMAN

.....  
DEPUTY CHAIRMAN /DIRECTOR

.....  
DEPUTY GENERAL MANAGER  
(FINANCE)