

# Financial Performance of Commercial Public Enterprises - 2003

## 1 Name & Address of the Enterprise:

**Co-operative Wholesale Establishment**  
27, Vauxhall Street,  
Colombo 02.

## 2 Mission:

To be the most sought after trading organization providing consumer goods at a profit with social responsibility.

## 3 Major Activities:

Uninterrupted supply of essential food items while engaged in purchasing of Paddy, Bombay Onions, Potatoes etc. from farmers.

## 4 Brief Comments on financial performance

Performance has been fast deteriorating. The total revenue has declined to less than one sixth of the previous year and the gross profits have turned out to be a gross loss.

The Establishment has been incurring heavy losses continuously and the accumulated losses of Rs.6,847mn has eroded the entire capital employed.

Decline in total assets coupled with increase in total liabilities have resulted in the negative equity of Rs.5.2Bn.

Sixty percent of the holdings in Sathosa Retail Ltd a subsidiary of CWE has been divested with management control during the year.

GOSL has undertaken to settle the Bank Loans and to take over properties for disposal by issuing bonds to the value of Rs 4,397mn.

2,074 employees retired under the VRS.

The salaries are now being paid by the Treasury costing so far around Rs.1bn and the CWE is expected to wind up its activities

However the CWE is currently trying to revive through the process of restructuring .

## 5 Performance Trend

ABSOLUTE VALUES			2000	2001	2002	2003 D	2004B
1	Total Non-Current Assets (WDV) as at end of yr.	(Rs.' 000)	1,548,732	1,542,500	1,590,802	1,625,088	N/A
2	Total Current Assets as at end of year	(Rs.' 000)	7,908,065	2,801,529	2,492,110	1,124,853	N/A
3	Total Equity as at end of year	(Rs.' 000)	(1,150,482)	(2,394,290)	(3,997,213)	(5,187,700)	N/A
4	Total Non-Current Liabilities as at end of year	(Rs.' 000)	-	-	3,156,150	5,807,109	N/A
5	Total Current Liabilities as at end of year	(Rs.' 000)	10,607,279	6,738,320	4,923,974	2,130,533	N/A
6	Total Revenue for the year	(Rs.' 000)	17,381,911	15,319,190	7,270,921	1,202,493	N/A
7	Gross Profit for the year	(Rs.' 000)	693,856	93,412	816,957	(33,321)	N/A
8	Net Profit bef. Tax for the year	(Rs.' 000)	(1,356,658)	(1,243,808)	(1,602,922)	(1,152,727)	N/A
9	Financial Charges for the year	(Rs.' 000)	993,698	1,602,298	889,571	360,447	N/A
10	Total Capital Expenditure for the year	(Rs.' 000)	79,467	61,920	102,264	89,928	N/A
11	Total Cost of Employment for the year	(Rs.' 000)	921,817	961,681	862,280	317,728	N/A
12	Total Number of Employees as at end of year	(Nos.)	7,528	7,027	5,650	2,860	N/A
RATIOS							
a)	Net Profit bef. Tax to total Equity	(%)	-	-	-	-	N/A
b)	Net Profit before tax & Fin. Charges to Tot. Assets	(%)	-3.84%	8.25%	-17.47%	-28.81%	N/A
c)	Total Cost of Employment per employee	(Rs.' 000)	122.45	136.86	152.62	111.09	N/A

## **CHECK the validity of the financial statements**

### **1 Calculation of Equity**

Total Non-Current Assets (WDV) as at end of yr.	(Rs.' 000)	1,548,732	1,542,500	1,590,802	1,625,088	N/A
Total Current Assets as at end of year	(Rs.' 000)	7,908,065	2,801,529	2,492,110	1,124,853	N/A
<b>Total Assets</b>	(Rs.' 000)	9,456,797	4,344,029	4,082,912	2,749,941	#VALUE!
Total Non-Current Liabilities as at end of year	(Rs.' 000)	-	-	3,156,150	5,807,109	N/A
Total Current Liabilities as at end of year	(Rs.' 000)	10,607,279	6,738,320	4,923,974	2,130,533	N/A
<b>Total Liabilities</b>	(Rs.' 000)	10,607,279	6,738,320	8,080,124	7,937,642	-
<b>Equity (Total Assets - Total Liabilities)</b>	(Rs.' 000)	(1,150,482)	#####	(3,997,212)	(5,187,701)	#VALUE!
Equity as per line 7.3 of page 1	(Rs.' 000)	(1,150,482)	(2,394,290)	(3,997,213)	(5,187,700)	N/A
<b>DIFERENCE</b>	(Rs.' 000)	-	(1)	1	(1)	#VALUE!

### **2 Current Assets to Current Liabilities**

(Times)	0.75	0.42	0.51	0.53	#VALUE!
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### **3 Total Revenue per Employee**

(Rs.' 000)	2,309	2,180	1,287	420	#VALUE!
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### **4 Total Assets per Employee**

(Rs.' 000)	1,256	618	723	962	#VALUE!
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### **5 Total Cost of Employment per Employee**

(Rs.' 000)	122	137	153	111	#VALUE!
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2,749,941  
2,749,942

2,749,941  
2,749,942

931,843  
89,319,157  
11,954,463  
175,663  
177,494,365  
37,852,660

317,728,151

