

Financial Performance of Commercial Public Enterprises - 2003

1 Name & Address of the Enterprise:

Lanka Salusala Limited.
93, Jawatta Road,
Colombo 05.

2 Mission:

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

3 Major Activities:

1. Up grading of retail outlets.
2. Launch of an interior decoration company to cover for Government Sector.
3. Creation of a buying office.

4 Brief comments on financial performance

Total revenue has been on the decline.

Despite a reduction of 827 employees through a VRS at a cost of Rs.198mn funded by the Treasury to make it a commercially viable institution the Company has been continuously incurring losses.

The accumulated loss at the end of the year amounts to Rs. 646mn which has totally eroded the capital employed.

The Company's equity at the end of the year amounts to Rs.367mn negative.

The Company has large amounts of current and non current liabilities and is operating on a negative working capital.

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

5 Performance Trend

ABSOLUTE VALUES		2000/2001	2001/2002	2002/2003	2003/2004D	2004/2005B	
1	Total Non-Current Assets (WDV) as at end of yr.	(Rs.' 000)	42,500	44,667	52,805	42,892	43,750
2	Total Current Assets as at end of year	(Rs.' 000)	156,044	251,647	222,395	9,586	9,778
3	Total Equity as at end of year	(Rs.' 000)	(372,256)	(343,252)	(346,155)	(367,773)	(376,128)
4	Total Non-Current Liabilities as at end of year	(Rs.' 000)	189,600	187,139	51,521	152,620	156,722
5	Total Current Liabilities as at end of year	(Rs.' 000)	381,200	452,427	569,834	267,631	272,934
6	Total Revenue for the year	(Rs.' 000)	152,493	92,853	142,340	86,403	83,131
7	Gross Profit for the year	(Rs.' 000)	(139,668)	14,388	35,237	60,280	61,486
8	Net Profit bef. Tax for the year	(Rs.' 000)	(155,912)	(50,190)	(41,341)	(21,619)	(22,051)
9	Financial Charges for the year	(Rs.' 000)	49,554	52,768	51,309	49,783	50,779
10	Total Capital Expenditure for the year	(Rs.' 000)	-	-	-	-	-
11	Total Cost of Employment for the year	(Rs.' 000)	102,485	90,602	66,416	60,138	61,341
12	Total Number of Employees as at end of year	(Nos.)	1,163	465	465	440	449
RATIOS							
a)	Net Profit bef. Tax to total Equity	(%)	-	-	-	-	-
b)	Net Profit before tax & Fin. Charges to Tot. Assets	(%)	-53.57%	0.87%	3.62%	53.67%	53.67%
c)	Total Cost of Employment per employee	(Rs.' 000)	88.12	194.84	142.83	136.68	136.62

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