

# Financial Performance of Commercial Public Enterprises - 2003

## 1 Name & Address of the Enterprise:

State Development & Construction Corporation  
7, Borupana Road, Ratmalana

## 2 Mission:

To provide an efficient, competitive and commercially viable heavy Civil Engineering and Contracting Services

## 3 Major Activities:

1. Construction of Roads, Bridges, Buildings, Dams & Tunnels etc.
2. Manufacturing of concrete products.

## 4 Brief comments on financial performance

There has been a substantial improvement during the year in terms of revenue generation and net profits.

Net profit had increased by two fold reflecting a substantial improvement in the profitability.

However there has been a substantial build up of current assets and liabilities and funds have been tied up in account receivables mostly dues from Government Institutions.

The Corporation has not contributed to the Consolidated Fund by way of a special levy during the year.

Cost of employment has increased substantially during the year despite the drop in number of employees.

The Corporation has made investments amounting to Rs.44.7Mn without the required approval in terms of the Finance Act No. 38 of 1971.

Although the Corporation was identified for restructuring under the supervision of PERC and a proposal was made to offer VRS be paid from the own funds, so far no action has been taken.

## 5 Performance Trend

ABSOLUTE VALUES			2000	2001	2002	2003 D	2004 B
1	Total Non-Current Assets (WDV) as at end of yr.	(Rs.' 000)	303,119	334,266	359,004	326,583	426,771
2	Total Current Assets as at end of year	(Rs.' 000)	243,644	321,679	345,023	446,483	404,686
3	Total Equity as at end of year	(Rs.' 000)	310,418	345,712	326,886	336,453	421,676
4	Total Non-Current Liabilities as at end of year	(Rs.' 000)	97,197	105,809	106,541	110,273	107,994
5	Total Current Liabilities as at end of year	(Rs.' 000)	139,148	204,424	270,600	326,341	301,787
6	Total Revenue for the year	(Rs.' 000)	336,536	303,193	326,539	559,813	590,000
7	Gross Profit for the year	(Rs.' 000)	41,404	29,074	58,883	60,910	87,000
8	Net Profit bef. Tax for the year	(Rs.' 000)	43,097	35,293	9,424	17,598	50,750
9	Financial Charges for the year	(Rs.' 000)	25,031	1,621	1,503	3,160	1,600
10	Total Capital Expenditure for the year	(Rs.' 000)	1,310	11,713	21,226	2,795	42,250
11	Total Cost of Employment for the year	(Rs.' 000)	69,603	73,749	95,089	113,234	93,300
12	Total Number of Employees as at end of year	(Nos.)	630	619	610	591	547
RATIOS							
a)	Net Profit bef. Tax to total Equity	(%)	13.88%	10.21%	2.88%	5.23%	12.04%
b)	Net Profit before tax & Fin. Charges to Tot. Assets	(%)	12.46%	5.63%	1.55%	2.69%	6.30%
c)	Total Cost of Employment per employee	(Rs.' 000)	110.48	119.14	155.88	191.60	170.57

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

### **1 Calculation of Equity**

Total Non-Current Assets (WDV) as at end of yr.	(Rs.' 000)	303,119	334,266	359,004	326,583	426,771
Total Current Assets as at end of year	(Rs.' 000)	243,644	321,679	345,023	446,483	404,686
<b>Total Assets</b>	(Rs.' 000)	546,763	655,945	704,027	773,066	831,457
Total Non-Current Liabilities as at end of year	(Rs.' 000)	97,197	105,809	106,541	110,273	107,994
Total Current Liabilities as at end of year	(Rs.' 000)	139,148	204,424	270,600	326,341	301,787
<b>Total Liabilities</b>	(Rs.' 000)	236,345	310,233	377,141	436,614	409,781
<b>Equity (Total Assets - Total Liabilities)</b>	(Rs.' 000)	#####	#####	#####	#####	#####
Equity as per line 7.3 of page 1	(Rs.' 000)	310,418	345,712	326,886	336,453	421,676
<b>DIFERENCE</b>	(Rs.' 000)	-	-	-	(1)	-

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

(Times)	1.75	1.57	1.28	1.37	1.34
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### **3 Total Revenue per Employee**

(Rs.' 000)	534	490	535	947	1,079
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### **4 Total Assets per Employee**

(Rs.' 000)	868	1,060	1,154	1,308	1,520
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### **5 Total Cost of Employment per Employee**

(Rs.' 000)	110	119	156	192	171
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