



# FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30<sup>TH</sup> 2024

COLOMBO COMMERCIAL FERTILIZERS LTD.

HUNUPITIYA

WATTALA



# CONTENTS

	Page
STATEMENT OF DIRECTORS' RESPONSIBILITY	1
CHAIRMAN'S AND FINANCE MANAGER'S RESPONSIBILITY STATEMENT	2
STATEMENT OF COMPREHENSIVE INCOME	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF CHANGES IN EQUITY	5
CASH FLOW STATEMENT	6
ACCOUNTING POLICIES	7
NOTES TO THE FINANCIAL STATEMENTS	24



## Statement of Directors' Responsibilities

The Directors are responsible under Sections 150 (1), &151 of the Companies Act No. 07 of 2007, to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit & loss of the Company for the financial year.

The Directors are also responsible, under Section 148, for ensuring that proper accounting records are kept to enable for determination of financial position with reasonable accuracy, preparation of Financial Statements and audit of such statements to be carried out readily and properly.

The Board accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that in preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected.

They also confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards- SLFRS and Companies Act No. 07 of 2007.

Further, the Financial Statements provide the information required by the Companies Act.


The Directors are of the opinion, based on their knowledge of the Company, key operations and specific inquiries, that adequate resources exist to support the Company on a going concern basis over the next year. These Financial Statements have been prepared on that basis.

The Directors have taken reasonable measures to safeguard the assets of the Group and, in that context, have instituted appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities. As required by Section 56 (2) of the Companies Act, the Board of Directors has authorised distribution of the dividend now proposed, being satisfied based on information available to it that the Company would satisfy the solvency test after such distribution in accordance with Section 57 of the Companies Act, and have sought in respect of the dividend now proposed, a certificate of solvency from the Auditors.

The Auditor General who were appointed by the Constitution of Democratic Socialist Republic of Sri Lanka was provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements.

## Compliance Report

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company as at the Balance Sheet date have been paid or where relevant, provided for.

  
A.M. Chamila Swarnamali Thilakarathne  
COMPANY SECRETARY  
(SEC/1/(b)2005/3266)  
Chamila S. Thilakarathna  
Company Secretary  
Colombo Commercial Fertilizers Ltd  
Hunupitiya, Wattala.

By Order of Board of Directors



## Chairman's and Financial Manager's Responsibility Statement

The Financial Statements of Colombo Commercial Fertilizers Ltd as at 30<sup>th</sup> June 2024 are prepared and presented in compliance with the requirements of the following,

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka;
- Companies Act No. 07 of 2007;
- Code of Best Practice on Corporate Governance issued by General Treasury

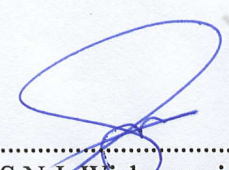
We confirm that the significant accounting policies used in the preparation of the Financial Statements are appropriate and are consistently applied, as described in the Notes to the Financial Statements. The prescribed Accounting Standards have been adopted without any deviations. The significant accounting policies and estimates that involved a high degree of judgment and complexity were discussed our External Auditors.

We have also taken proper and sufficient care in installing systems of internal control and accounting records, to safeguard assets, and to prevent and detect frauds as well as other irregularities. These have been reviewed, evaluated and updated on an ongoing basis. Reasonable assurances that the established policies and procedures of the Company have been consistently followed were provided by periodic audits conducted by company's internal auditors. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The Financial Statements were audited by the Auditor General of Democratic Socialist Republic of Sri Lanka.



.....  
T.C.W Sethuge  
Chairman



.....  
S.N.J. Wickremesinghe  
Finance Manager



# COLOMBO COMMERCIAL FERTILIZERS LTD

(Expressed in Sri Lankan Rupees)

## COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD 01.04.2024 TO 30.06.2024

30-06-2024

	NOTE	
Revenue	12	231,968,407
Cost of Sale	13	(176,040,613)
Gross Profit (Loss)		55,927,794
Other Income	14	302,252
		56,230,046
Administrative Expenses	15	(26,327,459)
Selling and Distribution Cost	16	(690,080)
Other Expenses	17	(117,435)
<b>Profit (Loss) from Operation</b>		<b>29,095,072</b>
Retirement Benefit Payment	46	(158,745,364)
Net Finance Income	18	88,472,337
Finance Income	18.a	(90,841,634)
Finance Expenses	18.b	2,369,297
<b>Profit ( Loss) before Tax</b>		<b>(41,177,955)</b>
Income Tax Expenses	19	(39,594,370)
<b>Net Profit for the year</b>		<b>(80,772,325)</b>
<b>Other Comprehensive Income (Expenses)</b>		
<i>Items that will never be reclassified to profit or loss</i>		
Actuarial Gain / (Loss) on Obligation		(19,545,285)
Impact from Property, Plant and Equipment Revaluation		-
<b>Total Other Comprehensive Income</b>		<b>(19,545,285)</b>
<b>Total Comprehensive Income for the Quarter</b>		<b>(100,317,610)</b>
<b>Basic Earnings per Share</b>	20	(8.08)

Figures in brackets indicates deductions.



COLOMBO COMMERCIAL FERTILIZES LTD

FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

STATEMENT OF FINANCIAL POSITION

	NOTE	30-06-2024 Rs.
<b>NON CURRENT ASSETS</b>		
Property Plant and Equipments	21	906,463,169
Right of Use Assets	22	-
Intangible Assets	23	1,757,689
Capital Work in Progress	24	3,752,491
		<u>911,973,349</u>
<b>CURRENT ASSETS</b>		
Inventories and other consumables	25	1,592,854,540
Trade and Other Debtors	26	10,142,789,735
Employees Loans and Advances	27	7,129,208
Deposits and Advances	28	4,674,516
Other Financial Assets	29	3,109,722,242
Cash at Bank	30	131,943,297
<b>TOTAL CURRENT ASSETS</b>		<u>14,989,113,538</u>
<b>TOTAL ASSETS</b>		<u>15,901,086,888</u>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Stated Capital	31	100,000,000
Capital Reserve	32	1,683,685
Reconstruction and Revalue Reserve	33	1,124,862,080
Retained Earnings		2,954,590,560
		<u>4,181,136,325</u>
<b>NON CURRENT LIABILITIES</b>		
Retirement Benefit Obligation	34	10,485,447
Deferred Taxation	35	226,933,658
Interest Bearing Borrowings	36	4,799,045,177
Long Term Lease Liabilities	37	-
		<u>5,036,464,282</u>
<b>CURRENT LIABILITIES</b>		
Interest Bearing Borrowings	36	4,126,480,636
ShortTerm Lease Liabilities	37	-
Trade and Other Payables	38	2,458,686,087
Deposits and Advances Received	39	68,344,014
Statutory Payable	40	21,178,806
Accrued Expenses	41	8,796,737
Bank Overdraft	30	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>6,683,486,280</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u>15,901,086,888</u>

I certify that these Financial Statements of the Company comply with the requirements of the Companies Act No. 07 of 2007.

**FINANCE MANAGER**

S.N.J Wickremesinghe

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These financial statements were approved by the Board of Directors and Signed on their behalf.

**CHAIRMAN**

T.C.W. Sethuge  
Chairman

State Fertilizer Co. Ltd.  
Ministry of Agriculture

**DIRECTOR**

Director  
State Fertilizer Company Limited  
Lakpohora Swarnajayanthi Mawatha,  
Hunupitiya, Wattala.



COLOMBO COMMERCIAL FERTILIZERS LTD.

FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

(Expressed in Sri Lankan Rupees)

STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL	CAPITAL RESERVE	REVENUE RESERVE	REVALUATION RESERVE	RETAINED EARNINGS	TOTAL
RETAINED BALANCE AT 31-03-2024	100,000,000	1,683,685	-	1,124,862,080	3,060,888,060	4,287,372,573
Comprehensive Income for the Year						
Net Profit/Loss for the Period	-	-	-	-	(80,772,325)	(80,772,325)
Other Comprehensive Expenses for the Year (Net of Tax)	-	-	-	-	(19,545,285)	(19,545,285)
Total Comprehensive Income for the Year	-	-	-	-	(100,317,610)	(100,317,610)
Dividend	-	-	-	-	-	-
Prior Year Adjustments	-	-	-	-	(5,979,890)	(5,979,890)
RETAINED BALANCE AT 30-06-2024	100,000,000	1,683,685	-	1,124,862,080	2,954,590,560	4,181,075,073

Figures in brackets indicates deductions.



**COLOMBO COMMERCIAL FERTILIZERS LTD.**  
**FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024**

**CASH FLOW STATEMENT**

**30-06-2024**

**Cash Flows from Operating Activities**

Profit Before Taxation (41,177,955)

**Adjustments for;**

Depreciation	10,065,927
Amortization of Intangible Assets	351,122
Sale of Property, Plant and Equipment	37,956
Depreciation of right of use of leased assets	255,374
Gratuity Charge for the Year	854,644
Interest Income	(90,841,634)
Interest Expenses for lease	19,624
Prior Year Adjustements	(5,979,890)

**Operating Profit Before Changes in Working Capital (126,414,832)**

**Changes in Working Capital**

Inventories	13,649,091
Trade and Other Receivables	1,265,962,138
Deposits and Advances	5,094,810
Employees Loans and Advances	9,758,657
Trade and Other Payables	(183,746,343)
Deposits and Advances Received	2,585,963
Accrued Expenses and Provision	(4,645,470)

**Cash Generated from Operations 982,244,014**

Gratuity Paid	(34,044,510)
Interest Paid	(19,624)
Taxes Paid	(73,879,864)

**Net Cash Flow from Operating Activities 874,300,017**

**Cash Flows from Investing Activities**

Acquisition of Property, Plant and Equipment	(30,950)
Increasing the investment on working capital	1,085,300
Acquisition of Intangible Assets	(1,463,470)
Proceeds from Sale of Property, Plant and Equipment	30,000
Net Investments in Other Financial Assets	527,349,828
Interest Received	90,841,634

**Net Cash used in Investing Activities 617,812,343**

**Cash Flows from Financing Activities**

Dividends Paid During the Year	-
Repayment of Lease Liabilities	(866,861)
Settlements of Borrowings During the Year	(1,228,567,985)

**Net Cash used in Financing Activities (1,229,434,847)**

**Net Changes in Cash and Cash Equivalents During the Year 262,677,513**

**Cash and Cash Equivalents at Beginning of the Year (130,621,168)**

**Cash and Cash Equivalents at End of the Year (Note) 30 131,943,297**

Figures in brackets indicates deductions.



COLOMBO COMMERCIAL FERTILIZERS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30<sup>th</sup> JUNE 2024

---

**1 Corporate Information**

**1.1 Reporting entity**

The Colombo Commercial Fertilizers Limited (the "Company") is a Limited Liability company incorporated on 04 10 1989 under act No. 17 of 1982 and reregistered on 15.07.2011 under the companies Act No. 7 of 2007, and domiciled in Sri Lanka and is fully owned by the Government of Sri Lanka.

The registered office and principle place of business of the company is located at Dalupitiya Road, Hunupitiya, Wattala.

**1.2 Company**

The company primarily involved in importing, blending and marketing fertilizer required for paddy, tea, coconut, rubber and other crops.

**1.3 Financial year**

The Company's financial reporting period ends on 31st March each year. However, these financial statements were prepared for the quarter ended 30/06/2024 since Colombo Commercial Fertilizers will be amalgamating with Ceylon Fertilizer Company from 01/07/2024 onwards.

**1.4 Date of authorization for issue**

The Board of Directors of the Company is responsible for the preparation and presentation of the Financial Statements. The financial statements of the Company for the quarter ended 30<sup>th</sup> June 2024 were authorized for issue in accordance with a resolution of the Board of Directors dated ..  
.....

**1.5 Number of employees**

Out of the 116 employees 71 employees were retired under the CRS Scheme as at 01/07/2024. No. of employees as at 30/06/2024 is 45.

**2. Basis of preparation**

**2.1 Statement of Compliance**

The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (referred to as SLFRS), issued by The Institute of Chartered Accountants of Sri Lanka (CASL) and the requirements of the Companies Act No. 07 of 2007 and Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

**2.2 Basis of Measurement**

The Financial Statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position

- Buildings and other non-current assets except for land, are stated at fair value based on the valuation done by an independent valuer as at 08.01.2024
- Financial instrument at fair value through profit and loss are measured at fair value
- Defined benefit obligation is measured after actuarially valuing the present value of the defined benefit of obligation is recorded

**2.3 Functional and Presentation Currency**

The financial statements are presented in Sri Lankan Rupees, (LKR) which is the functional currency of the Company and used in primary economic environment of in which the entity operates. All financial



COLOMBO COMMERCIAL FERTILIZERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30<sup>th</sup> JUNE 2024

---

information presented in Sri Lankan Rupees which has been rounded to the nearest rupees unless stated otherwise

**2.4 Use of Estimates and Judgments and Assumptions**

The preparation of financial statements in conformity with Sri Lanka Accounting Standards (SLFRS/LKAS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**2.4.1 Revaluation of Property, Plant & Equipment**

The Company carries its land at the value determined by the committee appointed for valuation by the general treasury when acquiring the same to the government on 1997. Further details of the land are explained in Note 21. Other non-current Assets were revalued by an independent valuer as at 08.01.2024 and the fair value is presented in financial statements.

**2.4.2 Impairment of Non-Financial Assets**

Impairment exists when the carrying value of an asset or cash-generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

**2.4.3 Retirement Benefits**

The cost of defined benefit plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**2.4.3.1 Termination Benefits**

**Nature of the Scheme**

During the year, the company implemented a Compulsory Retirement Scheme (CRS) with the approval of the Cabinet of Ministers. The scheme aims to optimize workforce efficiency and streamline operations. Eligible employees who opted for the scheme were provided with termination benefits, including severance payments and other compensations.

**Accounting Policy**

Termination benefits are recognized as an expense when the employee is notified of the termination and the employee accepts the offer of termination. The expense is measured at the actual amounts payable under the scheme.



#### **2.4.4 Fair Value of Financial Instruments**

When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### **3. Summary of Significant Accounting Policies**

The accounting policies set out below have been consistently applied to all periods presented in these Financial Statements.

#### **3.1. Foreign Currency**

##### **3.1.1 Foreign Currency Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and are expected foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences of gains and losses arising on settlement or translation of monetary items are recognized in the statement of comprehensive income.

Translation differences related to changes in amortized cost are recognized in the statement of comprehensive income.

#### **3.2. Property, Plant and Equipment**

Property, plant and equipment are tangible items that are held for use in the production or supply of goods and services, for rental to others for administrative purposes and are expected to be used during more than one period. Items of Property, plant and equipment are measured at fair value, except for the land.

##### **3.2.1 Basis of Recognition**

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Company and cost of the asset can be reliably measured.

##### **3.2.2. Initial Recognition and Measurement**

Property, plant and equipment are initially recognized at cost including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

##### **3.2.3 Subsequent Costs**



COLOMBO COMMERCIAL FERTILIZERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30<sup>th</sup> JUNE 2024

Subsequent expenditure is capitalized only when it is improbable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expended as incurred.

**3.2.4 Revaluation Model**

The Company applies the revaluation model to the entire class of PPE except for Land. Property plant and equipment were carried at fair valued amount, as at 08.01.2024 which was revalued by an independent Valuer.

Property, plant and equipment of the Company were carried at revalued amount in the Statement of Financial Position prepared in accordance with SLAS prior to 31 March 2012.

**3.2.5 Election of Cost Model**

Company's Land is measured at cost (Pls refer 9.3 - Changes in Significant Accounting Policies) .

**3.2.6. Derecognition**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in Statement of Income when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognized.

**3.2.8. Depreciation**

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognized. Depreciation does not cease when the assets become idle or is retired from active use unless the asset is fully depreciated.

Land is not depreciated; depreciation on other assets is calculated at the following rates on a straight line method over the periods appropriate to the estimated useful lives based on the pattern in which the asset's future economic benefits are expected to be consumed by the Company.

Their estimated useful lives and residual values are reviewed at each reporting date: The estimated useful lives of the current and comparative periods are as follows

Buildings	30 Years
Plant and Machinery	15 Years
Motor Vehicles	08 Years
Office Equipment	04 Years
Furniture and Fixings	05 Years
Computer Accessories	03 Years
Household Appliances	03 Years
Air Conditioners	03 Years



COLOMBO COMMERCIAL FERTILIZERS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30<sup>th</sup> JUNE 2024

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**3.2.9. Intangible Assets**

Acquired Computer software and operating system are capitalized on the basis of the cost incurred to acquire and bring to use the specific software and systems. Intangible assets acquired are stated at cost less accumulated amortization and accumulated impairment losses. These costs are amortized over their estimated useful lives, as follows.

Computer Software	03 Years
-------------------	----------

Costs associated with maintaining computer software programmers are recognized as an expenses as incurred.

**3.2.10 Impairment of Non-Financial Assets**

The carrying value of the company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

In respect of other assets except goodwill, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decrease or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

**3.3 Capital work-in-progress**

Capital expenses incurred during the year which are not completed as at the balance sheet date are shown as capital work-in-progress, whilst the capital assets which have been completed during the year and in use have been transferred to property, plant & equipment.



COLOMBO COMMERCIAL FERTILIZERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30<sup>th</sup> JUNE 2024

---

**3.4 Current Assets**

Assets classified as current in the Statement of financial position are cash and bank balances and those which are expected to be realized in cash during the normal operating cycle or within one year from the Statement of financial position date whichever is shorter.

**3.4.1 Inventories - Direct and Mixed Fertilizers**

Inventories (Direct and Mixed Fertilizers) are stated at cost minus subsidy. Cost is determined using the first-in, first-out (FIFO) method. The cost of mixed fertilizer comprises raw materials, direct labour, other direct costs and related production overheads. Inventories purchased locally are stated at cost. Net realizable value is the subsidized value in the ordinary course of business, less applicable selling expenses.

Packing material and Consumable items are stated at cost

**3.5. Financial Instruments**

**3.5.1 Non Derivative Financial Assets**

Initial recognition and measurement

Financial Assets are recognized when and only when, the company becomes a party to the contractual provisions of the financial instruments. The company determines the classification of its financial assets at initial recognition. When financial assets are recognized they are measured at fair value plus directly attributable transaction costs, however in the case of financial assets classified at fair value through profit and loss, directly attributable transaction costs are not considered

Classification and Subsequent measurement

At inception a financial asset is classified in one of the following categories.

- a. Held-to- Maturity Investment
- b. Loans and receivable
- c. At fair value through profit or loss.
- d. Available- for- sale

**3.5.1.1 Held-to- Maturity Investment ( HTM)**

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Company has the positive intent and ability to hold them until maturity and which were not designated as at fair value through profit or loss or as available-for-sale. HTM investments are record under current assets.

**3.5.1.2 Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and the Company does not intend to sell immediately or in the near term. Loans and receivables are included in current assets, except for maturities greater than



12 months after the end of the reporting period, which are classified as non-current assets. The Company's loans and receivables comprise subsidy receivables, trade and other receivables, repurchase government securities, fixed deposits, prepayments, advances, deposits, loans to employees and cash and cash equivalents in end of the reporting period.

During the financial year there were no assets classified as Fair value through profit and loss and Available for sale.

### **3.5.2. Subsequent Measurement**

The subsequent measurement of financial assets depends on their classification as described below:

#### **3.5.2.1. Held-to- Maturity Investment ( HTM)**

HTM investments are measured subsequently at amortized cost using the effective interest method. Amortized cost is computed taking into account the discount or premium on acquisition and transaction costs.

#### **3.5.2.2. Loans and receivables**

Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less allowances for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the (Effective Interest Rate) EIR. The EIR amortization is included in profit or loss as finance income.

#### **3.5.2.3 Derecognition**

The Company derecognizes financial asset when the contractual rights to the cash flows from the financial asset expires, or when it transfers the financial asset in a transaction in which substantially.

all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognized as a separate asset or liability in the Statement of Financial Position. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss. Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

### **3.5.3 Impairment of Financial Assets**

#### **Assets carried at amortized cost**

For financial assets carried at amortized cost, the Company assesses at the end of each reporting period whether there are objective evidences exist individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.



**COLOMBO COMMERCIAL FERTILIZERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30<sup>th</sup> JUNE 2024**

A financial asset is impaired and impairment losses are incurred only if there is objective evidence that an impairment loss has been incurred, as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

For loans and receivables and held-to-maturity investments carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the financial assets is reduced and the amount of the loss is recognized in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the statement of comprehensive income.

The Company considers evidence of impairment for receivables at both specific asset and collective level. All individually significant receivables are assessed for specific impairment. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the company - uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgments as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in profit or loss and reflected in an allowance account against loans and receivables. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

### **3.6 Collaterals**

Company has pledged its' following Fixed Deposits to the People's bank Corporate division against the LC facilities obtained on behalf of import of fertilizers and O/D facilities.

FD No.	Amount	
222-60-01-00009791-2	50,000,000.00	Assigned as an insurance fund
222-60-01-00012080-6	150,000,000.00	Assigned as an insurance fund
81942328	200,000,000.00	Overdraft facility
81994288	300,000,000.00	Overdraft facility



### **3.7 Financial Liabilities**

#### **3.7.1. Non derivative financial liabilities**

##### **3.7.1.1 Initial recognition and measurement**

Financial liabilities within the scope of SLFRS/LKAS are recognized when and only when the company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognized initially at fair value plus in case of financial liabilities which can be classified in to two categories as financial liabilities at fair value through profit and loss and other financial liabilities. Company has classified its financial liabilities in to other financial liability category.

##### **3.7.2 Offsetting**

Financial assets and liabilities are offset and the net amount presented in the Consolidated Statement of Financial Position when, and only when, the Company has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under LKASs/SLFRSs, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

### **3.8 Trade Receivables**

Trade receivables are amounts due from customers for sale of goods in the ordinary course of business. Collection is expected in the normal operating cycle of the business and they are classified as current assets. Trade receivables are recognized initially at fair value, which is the invoice value.

Trade receivables are recognized initially at fair value, which is the invoice value and subsequently measured at the original invoice value less impairment.

The Company assesses at the end of each reporting period whether there is objective evidence that trade receivables are impaired. Objective evidences of impairment for trade receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments past the maximum credit period of 90 days. Trade receivables are impaired and impairment losses are incurred, only if there is objective evidence of impairment. All trade receivables are assessed individually for impairment.

The model and basis used to assess the trade receivables for impairment is as follows:

Individual Evaluation Model: Following types of trade receivables are reviewed individually to measure the impairment loss.

- i. Multi Purpose Co-operative Societies
- ii. Agrarian Service Centers
- iii. Authorized Dealers
- iv. Government Institutions and Departments

### **3.9 Cash and Cash Equivalents**

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.



COLOMBO COMMERCIAL FERTILIZERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30<sup>th</sup> JUNE 2024

---

**3.10 Stated Capital**

Ordinary shares issued to the General Treasury, General Treasury Government of Sri Lanka are classified as equity.

**3.11 Trade and Other Payables**

The Company's other financial liabilities include borrowings, trade and other payables and bank overdraft. Trade and other payables are recognized initially at fair value, which is the transaction price and subsequently measured at the original invoice value as they are expected to be paid within a short period, such that the time value of money is not significant.

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities as in the normal operating cycle of the business.

**3.12 Borrowings**

**3.12.1. Initial recognition**

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost using the effective interest method.

**3.12.2. Subsequent measurement and recognition**

The Company classifies on derivative financial liability into the other financial liabilities category. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities including interest bearing loans and borrowings are measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized.

**3.13 Borrowing Cost**

Borrowing costs are recognized in the statement of comprehensive income in the period in which they are incurred.

**3.14 Government Grants and subsidy**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Fertilizer subsidies relating to import costs are recognized in the statement of comprehensive income to match them with the costs that they are intended to compensate. Fertilizer subsidies to compensate for import costs already incurred are recognized as subsidy receivable where there is a reasonable assurance that the subsidy will be received.

Government grants relating to property, plant and equipment are included in noncurrent liabilities as deferred government grants and are recognized in the statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

**3.15 Corporate tax and differed Taxes**

The Company is subjected to income taxes. The Company recognizes liabilities for anticipated taxes based on estimates of taxable income where the final tax outcome may be different from



amount that were initially recorded them. This difference will be affected to its current and differed income tax. Such difference will impact the current and differed income tax assets and liabilities in the period in which determination is made.

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of comprehensive income statement, except to the extent that it relates to items recognized or items recognized directly in equity or in other comprehensive income. In this case, the tax is also recognized in other comprehensive income.

### 3.15.1 Current

The current income tax charge is the expected tax payable or receivable on the taxable income or loss for the year calculated on the basis of the tax rates and tax laws enacted or substantively enacted at the reporting period end applicable for the Company and any adjustment to tax payable in respect of previous years. Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

Management evaluates periodically where appropriate on the basis of amounts expected to be paid to the tax authorities. With respect to situations in which applicable tax regulations subjected to interpretation and establishes provisions where appropriate

### 3.15.2 Deferred Tax

Deferred tax is recognized in respect of the taxable temporary differences arising between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes or the tax bases of assets and liabilities and their carrying amounts in the financial statements except for;

- (a). the initial recognition of goodwill; or
- (b). the initial recognition of an asset or liability in a transaction which:
  - i. is not a business combination; and
  - ii. at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates that have been enacted at the reporting period end date and are expected to apply when the related deferred tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



**COLOMBO COMMERCIAL FERTILIZERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30<sup>th</sup> JUNE 2024**

---

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized.

**3.16 Employee Benefits**

The Company has both defined contribution plans and defined benefit plan

**3.16.1 Defined Contribution plan**

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the income statement in the periods during which services are rendered by employees

**3.16.2 Employees' Provident Fund**

The company and employees contribute 12% and 10% respectively of the salary of each employee to the Employees Provident Fund. Managed by the Central Bank of Sri Lanka.

**3.16.3. Employees' Trust Fund**

The company contributes 3% of the salary of each employee to the Employees' Trust Fund managed by Central Bank of Sri Lanka.

**3.16.4 Defined benefit plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The company is liable to pay retirement benefits under the Payment of Gratuity Act, No 12 of 1983. The liability recognized in the financial statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated using the formula method. The company has hired a qualified actuary to perform actuarial valuation to determine the obligation for previous year. However, as per the provisions made in section 57 and appendix D of LKAS 19 we have used the formula method to calculate the gratuity provision of the company.

In respect of any gains and losses arising from the gratuity calculation, is recognized in other comprehensive income statement and the related staff cost and other cost are recognized in the comprehensive Income statement. The company's liability arising on employees retirement benefits are not funded externally.

**3.16 5. Short-term employee benefit**

Short-term employee benefits obligations are measured on an undiscounted amount expected to be paid for related services provided by the employee.

**3.17 Provisions and Contingent Liabilities**



Provisions for operating expenses are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company to settle the obligation and amounts can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

### 3.18 Capital commitments & contingencies

Contingent liabilities are possible obligations whose existence will be confirmed only by the occurrence uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Capital commitment and contingent liabilities of the Company are disclosed in the respective notes to the Financial Statements.

### 3.19 Events after the balance sheet date

#### Events Occurring after Reporting Period

There were no events occurred, which required adjustments or disclosure in these financial statements between the 31 March reporting date and the date of authorization. Except that, to enhance operational efficiency and strategic alignment, Ceylon Fertilizer Company Limited and Colombo Commercial Fertilizer Company Limited are in the process of amalgamating as mandated by Cabinet Decisions No. 21/0118/323/005 and 22/0706/514/001, dated 01.02.2021 and 30.05.2022, respectively. This merger will lead to the formation of a new entity named State Fertilizer Company Limited. The primary goal of this strategic decision is to optimize resources, streamline operations, and improve the effectiveness of fertilizer distribution within Sri Lanka.

Management is currently assessing the financial and operational impacts of the amalgamation. It is important to note that, as of the reporting date, the financial statements do not yet reflect these developments.

### 3.19 Financial Liabilities - Disclosure of Contingent Liabilities

Provisions for operating expenses are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

All contingent liabilities are disclosed as a note to the financial statements unless the possibility of an outflow of resources is remote.

- During the previous year, a fertilizer stock shortage of 87.985 metric tons (approximate cost value rupees 1.5 million) were detected. However, this matter is currently under investigation by the internal audit on a directive issued by the Chairman and since the matter has not been fully established no provision has been made in the books of accounts.

## 4. Cash Flow Statement



**COLOMBO COMMERCIAL FERTILIZERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30<sup>th</sup> JUNE 2024**

The Cash Flow Statement has been prepared using the "Direct Method" of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard (LKAS 7) "Statement of Cash Flows". Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalent include cash in hand, balances with banks, placements with banks, money at call and short notice

**5. Revenue Recognition**

Revenue is measured at the subsidized value received or receivable, and represents amounts receivable for sales of goods, stated net of Nation Building Tax (NBT). The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that economic benefits associated with the transaction will flow to the entity and when the cost incurred or to be incurred in relation to the transaction can be measured reliably.

The following specific criteria are used by the Company for the purpose of recognition of revenue.

**5.1 Sale of Fertilizer**

The Company import and sells direct fertilizers to state agencies designated by government and mixed fertilizers in the wholesale and retail markets. Sales of goods are recognized at the point that the risks and rewards of the goods have passed to the customer. It is the point of dispatch from the store to buyer's vehicles.

**5.2 Interest Income**

Interest income is recognized as it accrues in the income statement using effective interest method.

**5.3 Rent Income**

Rent income is recognized on an accrual basis over the term of lease.

**5.4 Gain and Losses on Disposal of Property, Plant and Equipment**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, revaluation reserve and are recognized in the statement of comprehensive income.

**5.5 Other Income**

Other income is recognized on accrual basis.

**6. Expenditure**

All expenditure incurred in running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to revenue in arriving at the profit for the year. For the purpose of presentation of income statement, the Directors are of the opinion that function of expense method present fairly the elements of the company's performance, hence such presentation method is adopted.

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Repairs and renewals are charged to the income statement in the year in which the expenditure is incurred. The profit earned by the company is before income tax expense and after making provision for all known liabilities, impairments and depreciation of property, plant & equipment.



COLOMBO COMMERCIAL FERTILIZERS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30<sup>th</sup> JUNE 2024

---

**7 Withholding tax on dividends (WHT)**

Dividends distributed out of taxable profit of the subsidiaries are subject to 10% deduction at source.

**8 Basic earnings per share (EPS)**

The financial statements present basic earnings per share (EPS) for its ordinary shareholders. The basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

**9. Related party transactions**

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is charged.

**10. New accounting standards issued not yet adopted**

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

**10.1 SLFRS 13-Fair Value Measurement**

This SLFRS defines fair value, set out in a single SLFRS a framework for measuring fair value; and requires disclosures about fair value measurements. This SLFRS will become effective for the Company from 1 April 2014. Earlier application is permitted. This SLFRS shall be applied prospectively as of the beginning of the annual period in which it is initially applied. The disclosure requirements of this SLFRS need not be applied in comparative information provided for periods before initial application of this SLFRS.

**10.2 SLFRS 9- Financial instruments**

The objective of this SLFRS is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to

users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. An entity shall apply this SLFRS to all items within the scope of LKAS 39 financial instruments - recognition & measurement. The effective date of this standard has been deferred.

In addition to above below listed standards are also been changed, however the application of these standards do not have any impact on the financial statements of the company.

**10.3 LKAS 8 – Changes in Significant Accounting Policies**

**1. SLFRS 16**

SLFRS 16 Supersedes LKAS 17 Leases, evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.



COLOMBO COMMERCIAL FERTILIZERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30<sup>th</sup> JUNE 2024

---

The company has purchased three vehicles on finance lease basis during the financial year 2019/2020. Since, there were no leasing transactions for prior periods no adjustment is needed to record the same.

The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). Upon adoption of SLFRS 16, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low value assets. The Company recognized lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Policy Applicable After 01st April 2019 At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset representing the right to use the underlying asset and a lease liability at the lease commencement date.

**Right-of-Use Asset**

The right-of-use asset is initially measured at cost. This comprises of the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. After the commencement date, Company measures the right-of-use asset on cost model. Depreciation Right-of-use assets are depreciated using the straight-line method over the shorter of the lease term and the estimated useful life of the underlying asset. If the ownership of the leased asset transfers to the Company at the end of the lease term, or the cost of the right-of-use asset reflects the exercise a purchase option, the asset is depreciated over the useful life of the underlying asset. The right-of-use assets are subject to impairment.

**Lease Liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, on initial application the Company used the incremental borrowing rate as the discount rate to determine the lease liability. The Company determines its incremental borrowing rate using the interest rate mentioned at the lease agreement. The lease liability is measured at amortized cost using the effective interest method. After the commencement date, the Company measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

**Short-Term Leases and Leases of Low-Value Assets**

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated



COLOMBO COMMERCIAL FERTILIZERS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30<sup>th</sup> JUNE 2024

with these leases as an expense on a straight-line basis over the term of the lease or any other basis more representative of the time pattern of the benefits derived from the lease.

**Presentation in the Statement of Financial Position**

The Company presents right-of-use assets separately from other assets and lease liabilities separately from other liabilities in its 'statement of financial position. Policy Applicable Before 01st April 2019 Accounting policies under LKAS 17 – "Leases" and IFRIC 4 - "Determining Whether an Arrangement Contains a Lease".

**Finance Leases**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership were classified as finance leases. On initial recognition, the leased assets under property, plant and equipment, were measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset was accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments under finance leases were apportioned between the finance expense and the reduction of the outstanding liability. The finance expense was allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**11 Leased Land**

According to the cabinet decision made on 05/09/2018 against the cabinet paper CP/18/1740/820, company has obtained a land in Mayurapura, Hambanthota on lease basis from the Mahaweli Authority of Sri Lanka (Walawe special Area) for a period of 30 years. Land extent is 0.0894 hectares and the assessed value of the land is Rs. 11,515,000.00. Lease amount per annum is Rs. 230,300/-.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

30-06-2024

**12 REVENUE**

Fertilizer Sale (Cash)	231,968,407
Fertilizer Sale (Credit)	-
	<u><u>231,968,407</u></u>

<b>13 Purchases</b>	<b>(Note 13.1)</b>	277,943,092
Direct Expenses	<b>(Note 13.2)</b>	<u>2,301,165</u>
<b>Cost of Production</b>		280,244,257
Finish Goods as at 01 April		1,409,592,766
Finish Goods as at 31 March		<u>(1,532,798,547)</u>
		157,038,476
<b>General Overheads</b>	<b>(Note 13.3)</b>	<u>19,002,137</u>
		<u><u>176,040,613</u></u>

Inventories are measured at the cost and net realizable value. The cost of the finished goods is computed based on the FIFO cost method. Net realizable value represent the difference between the cost per MT and the subsidiary entitle for a metric ton.

**13.1 Purchases**

Fertilizer Value	347,342,608
Contract labour wages	6,164,044
Transport Charges	687,700
Loading & Unloading Charges-RS	-
Fertilizer Testing Charges	188,741
Packing Materials	-
Exchange Loss	-
Exchange Profit	-
Treasury Grant	<u>(76,440,000)</u>
	<u><u>277,943,092</u></u>

**13.2 Direct Expenses**

Labour Charges	<b>Note 13.2.1</b>	857,179
Regional Stores Expenditure		9,000
Transport Charges to District Fertilizer Stores		<u>1,434,985</u>
		<u><u>2,301,165</u></u>

**13.2.1 Labour Charges**

Wages	598,019
Employees Provident Fund	71,762
Employees Trust Fund	17,941
Over Time & 1/20th Allowance	160,634
Unutilized Staff Leave & Incentive	2,489
Unutilized Medical Leave	-
Welfare & Medical	1,535
Meal Money & Combine Allowance	4,800
Incentive Payment	-
Bonus	-
	<u><u>857,179</u></u>

**13.3 General Overheads**

General Stores Items	42,964
Factory Overheads	<u>18,959,173</u>
	<u><u>19,002,137</u></u>

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



## NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

30-06-2024

## 14 OTHER INCOME

Rent Received	9,600
Registration of Suppliers	290,000
Miscellaneous Income	1,052
Sale of Disposable Items	1,600
Sale of Fixed Assets	-
	<u>302,252</u>

## 15 ADMINISTRATION AND ESTABLISHMENT

Executive Staff Remuneration	Note	15.1	4,042,991
Clerical Staff Remuneration	Note	15.1	9,524,194
Head Office Casual / Trainees Remuneration	Note	15.1	-
Gratuity			854,644
Building Maintenance			-
Electricity			25,019
Water Bill			34,162
Telephone Charges			141,059
Security Charges			1,002,718
Stationery			18,696
Postage & Telegram			70,876
Legal Charges			30,317
Motor Vehicle Maintenance			1,475,444
Fuel			1,238,306
Rates & Taxes			13,896
Office Equipment Maintenance			71,692
Travelling			39,643
Audit Fees			-
Other Administrative Expenses			58,420
Refreshment on Official Meetings			195,671
Building Depreciation			599,981
Office Equipment Depreciation			280,300
Furniture & Fittings Depreciation			501,662
Directors Allowance			426,000
Company Registration Expenses			-
Staff Skills Development Expenses			-
Insurance for Vehicle			634,752
Fertilizer License			-
Staff Welfare			683,486
TEC Allowance			270,000
Licence Fees			42,380
Directors Travelling Allowance			75,000
Professional charges			1,143,294
Audit & Management Committee Meeting Allowance A/C			42,500
Audit & Management Committee Meeting Travelling Allowance A/C			25,000
Semi Luxury Vehicle Tax			-
Amortization of Intangible Assets			351,122
Hambanthota New Warehouse Exp			82,908
Home Garden Expenses			-
Air Conditioners Depreciation			186,051
Computer Accessories Depreciation			759,706
Printers & Fax Machines Depreciation			258,155
Web Site Expenditure			226,036
Computers, Printers and Fax Machines Maintenance			84,336
A/C Maintenance			4,661
Depreciation of right of use of leased assets			255,374
Subsistence			339,865
Accommodate Expenses For Out Visit			103,140
Technical Evaluation Committee Travelling Allowance			114,000
			<u>26,327,459</u>

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



## NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

## 15.1 Staff salaries and Remuneration for the year ended 30.06.2024

	EXECUTIVE STAFF	CLERICAL & ALLIED STAFF	TOTAL
Salaries	2,691,669	6,359,283	9,050,952
Employees Provident Fund	323,000	763,114	1,086,114
Employees Trust Fund	80,750	190,779	271,529
Unutilized Short Leave & Incentive	-	28,472	28,472
Over Time & 1/20th Allowance	855,507	1,841,790	2,697,297
Unutilized Medical Leave	57,114	120,519	177,632
Welfare & Medical	22,392	107,888	130,279
Combine Allowance & Meal Money	4,200	111,525	115,725
Incentive Payment	8,360	825	9,185
Bonus	-	-	-
<b>Total</b>	<b>4,042,991</b>	<b>9,524,194</b>	<b>13,567,185</b>

## 16 SELLING AND DISTRIBUTION COST

30-06-2024

Sales Promotion & Advertising	690,080
	<b>690,080</b>

## 17 OTHER EXPENSES

General Expenses	79,479
Sale of Fixed Assets	37,956
	<b>117,435</b>

## 18 NET FINANCE COST

## 18.a FINANCE INCOME

Interest on Fixed Deposits	87,561,615
REPO Investments	3,138,014
Interest from Employees Loans	142,006
	<b>90,841,634</b>

## 18.b FINANCE COST

Bank Charges	33,802
Penalty Charges	-
Bank Commission Charges	-
Interest On Overdraft	2,315,872
Interest for lease	19,624
	<b>2,369,297</b>
	<b>(88,472,337)</b>

## 19 Income Tax Expenses

Current Tax Expense	32,214,867
Deferred Tax Charge	7,379,503
	<b>39,594,370</b>

## 20 Amount used as the Numerator

Net Profit Attributable to Ordinary Shareholders (Rs.)	(100,317,610)	696,020,880
--	---------------	-------------

## Number of Ordinary Shares used as the Denominator

Weighted Average number of Ordinary Shares in issue	10,000,000.000	10,000,000.000
---	----------------	----------------

## Basic Earnings per Share

**-10.03 69.60**

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



(Expressed in Sri Lankan Rupees)

## 21 Property Plant and Equipments

Net Carrying ValuesProvisan for Impairment of Fixed Assets

Notes to the Financial Statements Continued



## NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

**21 Property, Plant and Equipment Contd...**

- 21.1** Land and property situated at Hunupitiya has not yet been vested to CCF. Under the shares of company were re-vested to the General Treasury, under Rehabilitation of Public Enterprises Act. No. 29 of 1996, from private management on 20th January 1997, the ownership of the said land was vested to Provincial Secretary Kalaniya. The process of obtaining the title of land which is originally belong to CCF is in progress.
- 21.2** The Company's Property, Plant & Equipment were revalued on 08 January 2024 by Mr. G.H.A.P.K Fernando (Chartered Valuation Surveyor) (Sri Lanka), incorporated valuer of The Institute of Valuers of Sri Lanka, a professionally qualified and independent valuer.
- 21.3** Details of buildings owned by the company are as follows:

Ownership Status	Location	Last Revaluation Date	Carrying value	
			2024	2023
<b>Buildings</b>				
Building carried at revalued amount	Main Office and Stores - Hunupitiya	08 January 2024	716,152,071	402,631,910
	Container Office	08 January 2024	<u>397,004,575</u>	
			<u>716,549,075</u>	<u>402,631,910</u>

**21.4** Fair value hierarchy and valuation technique and significant unobservable inputs.**Fair value hierarchy**

The fair value of the property, plant and equipment was determined by external independent property valuer having appropriate recognized professional qualifications and recent experience in the location and category of the property, plant and equipment being valued.

The fair value measurement for all of properties has been categorised as Level 03 fair value based on the input to the valuation technique used.

**Valuation technique and significant unobservable inputs**

The following table shows the valuation technique used in measuring the fair value of property, as well as the significant unobservable inputs used:

	Valuation technique	Significant unobservable inputs
Buildings	Market comparable approach method	Estimated cost per square feet

**21.5** None of the property, plant or equipment have been pledged as security as at the reporting date.**21.6** The management has assessed the potential impairment indicators of property, plant and equipment as at 31 March 2024. Based on the assessment, the management does not foresee any indications of Impairment as at Company the reporting date.



**COLOMBO COMMERCIAL FERTILIZES LTD**

(Expressed in Sri Lankan Rupees)

**22 Right of Use Assets**

At Cost	As at 31 March 2024	Increases	(Decreases)	As at 30-06-2024
Motor Vehicles	32,687,873	-	32,687,873	-
	<u>32,687,873</u>	<u>-</u>	<u>32,687,873</u>	<u>-</u>
<hr/>				
Depreciation		As at 31 March 2024	Charge for the year	As at 30-06-2024
Motor Vehicles		19,931,545	-	-
		<u>19,931,545</u>	<u>-</u>	<u>-</u>
Net Book Value				<u>-</u>

**23 Intangible Assets**

At Cost	As at 31 March 2024	Additions	(Disposals)	As at 30-06-2024
Computer Software	3,666,185	-	-	3,666,185
Server & Network	-	1,463,470	-	1,463,470
	<u>3,666,185</u>	<u>1,463,470</u>	<u>-</u>	<u>5,129,655</u>
<hr/>				
Depreciation		As at 31 March 2024	Charge for the year	As at 30-06-2024
Computer Software		2,749,518	229,167	2,978,685
Server & Network		271,325	121,956	393,281
		<u>3,020,843</u>	<u>351,122</u>	<u>3,371,966</u>
Net Carrying Value				<u>1,757,689</u>

**24 Capital Work in Progress**

	31 March 2024	Expenditure Incurred	Amount Capitalized	30-06-2024
Work Stations	19,590	-	-	19,590
Hambanthota Warehouse	3,732,901	-	-	3,732,901
Server & Net Work	1,085,300	-	(1,085,300)	-
	<u>4,837,791</u>	<u>-</u>	<u>(1,085,300)</u>	<u>3,752,491</u>

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



## COLOMBO COMMERCIAL FERTILIZES LTD

(Expressed in Sri Lankan Rupees)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

30-06-2024

<b>25 Inventories and other consumables</b>		
<b>25 A Inventories</b>		
Fertilizers	1,532,798,547	
Packing Materials	46,267,841	
	<u>1,579,066,388</u>	
<b>25 B Other consumables</b>		
General Stores Items	9,016,451	
Stationery	4,771,701	
	<u>13,788,152</u>	
Stok at NLDB Milk Bar	-	
	<u>1,592,854,540</u>	
<b>26 TRADE DEBTORS AND OTHER REVEIVABLES</b>		
Trade Receivable	284,190,544	
Less: Impairment of Trade receivable	37,384,363	
	<u>246,806,181</u>	
Net Trade Receivable	246,806,181	
Other Receivables (Note 26.1)	9,895,983,554	
	<u>10,142,789,735</u>	

Trade receivables have been tested for impairment. Certain trade receivables which balances are uncollectible are treated as impaired and adjustments have been made in financial statement on the basis as stated in note 3.8

<b>26.1 Other Receivables</b>	
Treasury Grant	9,398,472,189
From General Treasury - Interest	185,830,554
CCF Welfare Society - Loan	-
Fixed Deposit Interest Receivable	137,410,637
Treasury Investment Interest Receivable	-
Sundry Debtors	-
WHT Receivable	3,502,203
Ceylon Fertilizer Co. Ltd	960,000
Recoverable Claim	2,248,949
Receivable from Impots	635,250
Treasury Grant Receivable for Import of Organic Fertilizer	124,818,064
Treasury Grant Receivable for ERP Fertilizer	1,137,235
Treasury Grant Receivable for USAID	9,988,367
Treasury Grant Receivable for Indian Credit line	1,000,000
VAT Input	24,295,669
Receivable from Compulsory Retirement Benefits	837,135
Receivable Handling Cost from ASC	4,847,302
	<u>9,895,983,554</u>



**COLOMBO COMMERCIAL FERTILIZES LTD**

(Expressed in Sri Lankan Rupees)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024**
**2024-06-30**
**27 Employees Loans and Advances**

Distress Loans	6,727,758
Festival Advance	336,450
Special Loan	65,000
	<u>7,129,208</u>
	<u><u>7,129,208</u></u>

Letter No PE/CON/100/EST dated 01.05.2011 issued by the Director General of Department of Public Enterprises and as in accordance with Para 3.8 in chapter XXVI in Establishment Code amended by public administration circular no 26/97 dated at 19.11.97 Personal loans are measured at fair value using the interest rate of 4.2% the rate at which the loans have been granted is considered as the market interest rate for employees working at Public sector entities.

**28 Deposits and Advances**

Deposits	3,179,938
Payment in Advance	(0)
Post Master General	33,807
Pre Payment	1,460,771
	<u>4,674,516</u>

**29 Other Financial Assets**

Fixed Deposits	3,109,722,242
	<u><u>3,109,722,242</u></u>

**30 CASH AT BANK**
**Favorable Balances**

Cash in Hand	16,028
NLDB Milk Bar Imprest	20,358
Regional Stores Contingency Fund	1,583,802
Repo's	-
Cash at Bank	130,323,110
	<u>131,943,297</u>

**Unfavorable Balances**

Bank balance overdraft	-
	<u>-</u>

**Cash and Cash Equivalents for the Purpose of Cash Flow Statement**

Investments In Treasury Bills	<u><u>131,943,297</u></u>
-------------------------------	---------------------------

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



<b>31 Issued and fully paid</b>		
Number of Ordinary Shares		<u>10,000,000</u>
Value (Rs.)		<u>100,000,000</u>
<b>32 Capital Reserve</b>		<u>1,683,685</u>
<b>33 Reconstruction and Revaluation Reserve</b>		
Capital Reserve	33.1	122,262,785
Revaluation Reserve 2007	33.2	105,668,272
Revenue Reserve	33.3	61,016,519
Revaluation Reserve 2019	33.4	423,774,255
Revaluation Reserve 2024	33.5	412,151,319
		<u>1,124,873,150</u>

**33.1 Capital Reserve - Year 2000 Rs.122,262,785**

Assets were re valued as at 14.02.2000 by chief value ,Valuation department for Rs. 140,000,000 The book Value of the assets as at 31.03.1993, according to Audited balance sheet was Rs. 17,737,215. Since then no any records to show the value of assets

**33.2 Revaluation Reserve 2007 Rs. 105,893,272**

Revaluation of fixed assets in March 2007 generated this revaluation reserve amounting to Rs. 105.893,272

**33.3. Revenue Reserve 1997 Rs. 61,016,519**

A unidentified difference of Rs. 237,451,804 between total assets and total liabilities were revealed in the reconstructing of the balance sheet as at 20.01.1997. After eliminating revaluation reserve of 122,262,785 the balance of Rs 115,189,019 has been transferred to a Revenue Reserve. Current liabilities and current assets relating to previous periods that are revealed and settled later also have been adjusted to this Revenue Reserve account. Thus suspense

**33.4 Revaluation Reserve 2018 Rs. 423,774,254.74**

Revaluation of fixed assets in March 2018 generated this revaluation reserve amounting to Rs. 423,774,254.74

**33.4 Revaluation Reserve 2024 Rs. 412,151,319**

Revaluation of fixed assets in March 2018 generated this revaluation reserve amounting to Rs. 412,151,319

The revaluation reserve relates to the revaluation surplus of property, plant and equipment, once the respective revalued assets have been disposed, portion of revalued surplus is transferred to retained earnings.

**34 Retirement Benefits Obligation**

<b>Provision for PV-DBO as at 01-04-2024</b>		<b>24,130,029</b>
Expenses Recognized in Income Statement	(Note 34.1)	20,399,929
Payments made during the year		(34,044,510)
Over Provision of the Previous Year		-
<b>Balance as at 31 March 30-06-2024</b>		<b><u>10,485,447</u></b>

**34.1 Expense Recognized in Income Statement**

Gratuity Charge	
Current Service Cost	130,743
Interest Charge for the Year	723,901
(Gain) / Loss Arising From Changes in the Assumptions	19,545,285
	<u>20,399,929</u>

The company has adopted the projected Unit Credit Method to calculate the Retirement Benefit Obligation and the Gratuity Formula (Appendix E) is used for the same. Assumptions used for the calculations are based on the

The principal assumptions used are as follows.

Mortality	As per A1967/70Morality
Discount Rate [%]	12
Future Salary escalation rate [%]	
Staff Turnover Factor [%]	2
Retirement age [Yrs]	60

**Sensitivity Analysis**

A sensitivity analysis has been conducted to illustrate the significance of the Discount Rate assumed in the calculation as at 31.03.2024

The results are as follows.

Discount Rate	Present value of defined benefit obligation
One Percentage Point Increase (+1%)	22,424,831
One Percentage Point Decrease (-1%)	26,076,583

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



## NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

	2024-06-30
<b>35 Deferred Taxation</b>	
Balance as at 01 April 2024	219,554,155
(Charge) / Reverse for the Year	7,379,503
Balance as at 30-06-2024	<u>226,933,658</u>
<b>35.1 The Analysis of Deferred Tax Assets and Liabilities</b>	
<b>Deferred Tax Liability</b>	
From Accelerating Depreciation	223,788,025
	<u>223,788,025</u>
<b>Deferred Tax Assets</b>	
From Retirement Benefits Obligation	(3,145,634)
From Impairment Provisions - Trade Debtors	-
	<u>(3,145,634)</u>
	<u>226,933,658</u>

Deferred tax assets are recognized for provision for retirement benefits obligation, impairment provision for trade and other receivables and non-moving stocks to the extent that the realization of the related tax benefits through future taxable profits are probable and deferred tax liabilities are recognized for accelerating depreciation and revaluation

<b>36 Interest Bearing Borrowings</b>	<b>30-06-2024</b>
<b>Settlement Fall Due More than One Year</b>	
Long Term Loan	4,799,045,177
Short Term Loan	-
	<u>4,799,045,177</u>
<b>Settlement Fall Due Within One Year</b>	
Short Term Loan	32,438,030
Long Term Loan	4,094,042,606
	<u>4,126,480,636</u>
	<u>8,925,525,813</u>
<b>36.1 Movement of the Loan</b>	
Balance as at 01 April 2024	10,154,093,798
Obtained During the Year	
Settlements Made During the Year	(1,228,567,985)
Balance as at 30-06-2024	<u>8,925,525,813</u>
<b>37 Lease Liabilities</b>	<b>30-06-2024</b>
<b>Long Term Lease Liabilities</b>	
Motor Vehicles	-
	<u>-</u>
<b>Short Term Lease Liabilities</b>	
Motor Vehicles	-
	<u>-</u>
	<u>-</u>

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



## NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

30-06-2024

<b>38 Trade and Other Payable</b>		
Trade Payable	Note 38.1	951,470,155
Other Payable	Note 38.2	1,340,455,932
		<u>2,291,926,087</u>
<b>38.1 Trade Payables</b>		
Fertilizer Suppliers (Imports)		15,186,100
Fertilizer Suppliers (Local)		14,055
Treasury Payable for ADB Fertilizer		936,270,000
		<u>951,470,155</u>
<b>38.2 Other Payable</b>		
Audit Fees		1,040,000
Treasury Payable	Note 38.2.1	1,332,367,015
E.P.F. Payable		809,281
E.T.F. Payable		109,034
Stamp fees payable		13,700
Union Fees Payable		15,040
Third Party Deduction		18,642
Medical Insurance Claim		77,446
Salary Withholding		294,832
Welfare society & Death Donation		40,680
Medical Insurance Cover		440,027
Salaries Control		8,391
Other Creditors		2,009,625
Welfare Payable		200
VAT Output		-
Ceylon Shipping Corporation Ltd		3,212,019
		<u>1,340,455,932</u>

**38.2.1 Treasury Payable**

From 1st of March 2016, the New Subsidy Scheme was introduced by the Government to sell the Fertilizer at the Market Price and the prevailed Subsidy Scheme was removed from 29th February 2016. Accordingly the Company has to repay the Subsidy amount pertaining in the Closing Stock as at 29th February 2016 to the General Treasury.

<b>39 Deposits and Advances Received</b>	
Employee Security Deposit	353,870
Refundable Deposits	210,000
Customer Deposits & Over Received	27,277,854
Deposits Prior to Clearance A/C	4,293,640
Advance From Tea Board	35,166,000
SSP Sales Control	1,042,650
	<u>68,344,014</u>

<b>40 Statutory Payable</b>	
Current Taxation	21,250,958
Withholding Tax (WHT)	(1)
NBT	(162,897)
PAYE	90,746
Notional Tax Payable	-
	<u>21,178,806</u>

**36.1 Current Tax**

<b>Balance at 01 April</b>	<b>62,934,187</b>
Charge for the Year	32,214,867
Payments Made - Self Assessment	
Payments Made - to Settle the Previous Liability	(64,563,061)
Set-off Against the Tax Credits - ESC	
Set-off Against the Tax Credits - WHT	(9,335,035)
- Notional tax	
Adjustments in Retained Earning at the	
- Economic Service Charges	
Under/ (Over) Provision of Income Tax	32,214,867
<b>Balance at 31 March</b>	<b>53,465,824</b>

<b>41 Accrued Expenses</b>	
Accrued Expenses	8,796,737
	<u>8,796,737</u>

**42 Capital and Other Commitments**

CCF has not entered into contracts with any parties for constructions for other capital commitment.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE 01.04.2024 TO 30.06.2024

**43 Events Occurring after Reporting Period**

There were no events occurred, which required adjustments or disclosure in these financial statements between the 31 March reporting date and the date of authorization. Except that.

To enhance operational efficiency and strategic alignment. Colombo Commercial Fertilizer Company and Ceylon Fertilizer Company are in the process of amalgamating as mandated by Cabinet Decisions No. 21/0118/323/005 and 22/0706/514/001, dated 01.02.2021 and 30.05.2022, respectively. This merger will lead to the formation of a new entity named State Fertilizer Company Limited. The primary goal of this strategic decision is to optimize resources, streamline operations, and improve the effectiveness of fertilizer distribution within Sri Lanka.

Management is currently assessing the financial and operational impacts of the amalgamations. It is important to note that, as of the reporting date, the financial statements do not yet reflect these developments.

**44 Contingent liabilities**

- a The Company has contingent liabilities in respect of legal claims arising in conducting its ordinary course of business. Management is of the opinion that these claims can be successfully defended thus possibility of an outflow of resources for their settlement is remote. This evaluation is consistent with legal advices of the years, no provision has
- b Transport charges to transport from CCF stores to miscellaneous Agrarian Services Centers and outstation CCF stores for a total sum of Rs. 3,522,255.43 has not been claimed from the year 2009 up to 2013 for unforeseen reason. CCF Ltd believes that these transporters will not lodge their claim in future for the recovery of the said amount. Since they have not been lodged their claim so far or submitted their bills for the payment, CCF Ltd believe that this unaccounted amount

**45 Related Party Disclosures**

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity'. The Company's related parties includes Government of Sri Lanka, State-Owned Enterprises, their related entities and key management personnel.

**Transactions with Key Management Personnel**

According to the Sri Lanka Accounting Standards LKAS.24 "Related Party disclosures" Key Management Personnel are those having responsibility for planning, directing and controlling the activities of the entity directly or indirectly. Accordingly, the Board of Directors has been classified as Key Management Personnel.

**Transactions with Key Management Personnel are given below. 30-06-2024**

Directors allowances	426,000
----------------------	---------

Name of the Related Party	Nature of Transactions	
Government of Sri Lanka	Subsidies Received	76,440,000
	Sales of Goods	231,968,407
State-Owned Enterprises	Loans borrowed	-
	Settlements of Loans	(1,228,567,985)
	Investments In Fixed Deposits	
	Investment during the year	1,060,000,000
	Interest Received	90,699,628
	Current Accounts	130,323,110
Other Government Related Entities	Recoveries of Trade Receivables	-
<b>46 Retirement Benefit Payment</b>		
CRS amount Paid to employees		158,745,364
Gratuity Paid		34,044,510

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued



**COLOMBO COMMERCIAL FERTILIZERS LTD**

**TRIAL BALANCE AS AT 30TH JUNE 2024**

	S.No	Debit	Credit
Land	1000	90,000,000.00	-
Building	1001	721,955,499.96	-
Machinery, Plants & Lab Equipments	1002	19,251,242.42	-
Motor Vehicles	1003	80,632,608.50	-
Office Equipments	1004	4,425,124.69	-
Furniture & Fittings	1005	10,060,805.20	-
Computers Accessories	1006	12,195,249.51	-
Air Conditioners	1007	3,731,250.20	-
Right of Use Assets	1008	-	-
Printers and Fax Machines	1009	3,106,375.00	-
Outward Transport WIP	1011	-	-
Server & Network	1013	1,463,469.98	-
Work stations	1015	-	-
Software (Web)	1016	325,425.00	-
Software	1100	3,340,760.00	-
Suspense A/C	1176	-	-
WHT Receivable	1183	3,502,203.09	-
Recoverable Claim	1187	2,248,949.39	-
Capital Work in Progress	1200	3,752,491.09	-
Fuel Consumption	1308	-	-
Deferred Tax Liability A/C	1310	-	226,933,658.46
Provision for Dividend A/C	1326	-	-
Medical Insurance Cover A/C	1327	-	440,026.73
Retirement Benefit Obligation A/C	1328	29,030,320.95	-
Medical Insurance Claim A/C	1329	-	77,446.42
Unclaimed Salary Wages A/C	1330	-	-
Other Creditors A/C	1335	-	2,009,625.48
Fertilizer Suppliers - Import	1336	-	15,186,100.28
Subsidy On Closing Stock A/C	1338	-	-
Subsidy On Closing Stock (Other Crops) A/C	1339	-	-
Provision for Impairment of Stationary	1347	-	-
Treasury Grant Income	1440	-	76,440,000.00
Compensation of Stock Losses A/C	1455	-	-
Compensations Claimed A/C	1456	-	-
Disposale of Fixed Assets A/C	1457	-	-
Value Added Tax	1705	-	-
General Insurance	1751	-	-
Stock Fertilizer	2000	1,366,038,547.02	-
Stock Packing Materials	2001	46,267,841.47	-
Stock General Stores Items	2002	9,016,451.12	-
Stock Stationary	2003	4,771,700.71	-
Stock NLDB Milk Bar	2004	-	-
Fertilizer Clearing WIP	2100	-	-
Loading H/O WIP	2101	-	-
Finance Cost WIP	2103	-	-
Unloading H/O WIP	2104	-	-
Fertilizer Transport Charges WIP	2105	-	-
Fertilizer Mixing Handling WIP	2106	-	-
RS Loading Charges WIP	2107	-	-
RS Unloading Charges WIP	2108	-	-
Marine Insurance WIP	2109	-	-
Sales Control	2200	284,190,544.29	-
Fertilizer Funds Control	2201	-	-
SSP Sales Control	2202	-	1,042,650.00
VAT Control	2250	-	-
Sundry Debtors	2300	-	-
Distress Loan Recievable A/C	2301	6,727,758.38	-
Festival Advance A/C	2302	336,450.00	-
Special Advance - Back Wages A/C	2303	65,000.00	-
Salary Advance A/C	2304	-	-
Staff Debtors A/C	2305	-	-
NLDB Milk Bar _ Staff Debtors A/C	2306	-	-
Staff Welfare Society - Loan A/C	2307	-	-



Receivable from Imports	2308	635,250.00	-
Ceylon Fertilizer Co. Ltd A/C	2309	960,000.00	-
A Bour & Co. (Pvt) Ltd. A/C	2310	-	-
Ceylon Shipping Corporation Ltd	2311	-	3,212,018.86
Receivable from Compulsory Retirement Benefits	2312	837,135.00	-
Payment In Advance	2400	-	0.08
Pre Payment	2401	1,460,771.44	-
Treasury Grant Receivable A/C	2402	9,398,472,188.92	-
Treasury Grant Receivable for Import of Organic Fe	2403	124,818,064.47	-
Short Delivery Claim A/C	2404	-	-
Income Recievable	2405	-	0.01
Refundable Deposit Paid A/C	2406	3,179,937.61	-
Security Deposits for Import of Fertilizer A/C	2407	-	-
Treasury Grant Receivable for Organic Suppliers	2408	-	-
Treasury Grant Receivable for ERP	2409	1,137,234.69	-
Treasury Grant Receivable for World Bank Fund	2410	-	-
Treasury Grant Receivable for Asian Development B	2411	-	-
Treasury Grant Receivable for USAID	2412	9,988,367.24	-
Treasury Grant Receivable for Indian Credit line	2413	1,000,000.00	-
Treasury Grant Receivable for FAO- Japan	2414	-	-
VAT Input	2450	24,295,668.64	-
Treasury Investment A/C	2500	-	-
Fixed / Call Deposit A/C	2501	3,109,722,241.81	-
Treasury Investment Interest Receivable A/C	2502	-	-
Fixed Deposits Interest Recievable A/C	2503	137,410,636.58	-
Advance From Tea Board	2550	-	35,166,000.00
Regional Stores Contingency Fund A/C	2600	1,583,801.80	-
Post Master General A/C	2601	33,807.00	-
NLDB Milk Bar Imprest A/C	2602	20,357.50	-
Petty Cash A/C	2603	16,027.71	-
Peoples' Bank A/C No-222-1-001-6-0976544	2700	44,701,753.22	-
Bank Of Ceylon A/C No. 135670	2701	80,680,058.45	-
Peoples' Bank Corporate Branch A/C NO-004-1-001-	2702	3,229,285.72	-
Peoples' Bank Corporate Branch A/C NO-004-1-001-	2703	1,712,012.51	-
Fund Transfer	2800	-	-
Funds Recievable A/C	2801	-	-
Fertilizer Loan Debtor	2802	-	-
Receivable for Sales of Fixed Assets	2803	-	-
Outward Transport Receivable	2804	-	-
Rent Receivable	2805	-	-
Receivable Handling Cost from ASC	2806	4,847,301.68	-
Prior Year Adjustment (Asset)	2900	11,519,068.76	-
Share Of Capital A/C	3001	-	100,000,000.00
Retained Earnings A/C	3002	-	3,060,888,059.17
Capital Reserve A/C	3003	-	1,683,684.59
Revenue Reserve A/C	3004	-	-
Reconstruction & Revalue Reserve A/C	3005	-	1,124,862,079.84
Long Term Loan A/C	4000	-	8,893,087,783.05
BOC Lessor	4001	-	-
Short term loan A/C	5000	-	32,438,029.90
Interest Payable A/C	5001	-	-
Long Term Loan Interest Control A/C	5100	2,528,587.80	-
Short Term Loan Interest Control A/C	5101	183,301,966.11	-
Salaries Control A/C	5102	-	8,390.67
Organic Fertilizer Suppliers Control A/C	5103	-	-
Provision for Impairment of Fixed Assets A/C	5150	-	-
Provision for Impairment of Debtors A/C	5151	-	37,384,363.12
Accumulated Depreciation A/C	5152	-	38,894,986.71
NLDB Milk Bar _ Accumulated Depreciation	5153	-	-
Accumulated Depreciation of Intangible Assets	5154	-	3,020,843.67
Economic Service Charges Payable A/C	5200	-	-
Income Tax Payable A/C	5201	-	21,250,957.71
National Building Tax Payable A/C	5202	162,896.66	-
Notional Tax Payable A/C	5203	-	-
PAYE Tax Payable A/C	5204	-	90,745.63
Treasury Payable A/C	5205	-	1,332,367,014.91
With Holding Tax Payable A/C	5206	0.93	-
VAT Output	5207	-	-



Treasury Payable for ADB Fertilizer	5208		936,270,000.00
Rent Payable A/C	5300	-	-
Audit Fees Payable A/C	5301		1,040,000.00
Accrued Expenses A/C	5302		8,796,737.06
EPF Payable A/C	5400		809,281.21
ETF Payable A/C	5401		109,033.58
Stamp Fees Payable A/C	5402		13,700.00
Union Fees Payable A/C	5403		15,040.00
Welfare Society & Death Donation A/C	5404		40,679.81
Third Party Deduction A/C	5405		18,642.25
Welfare Payable	5406		200.00
Salary Withholding A/C	5407		294,832.28
Deposits Prior to Clearance A/C	5500		4,293,639.99
Employee Security Deposit A/C	5501		353,869.93
Refundable Deposit A/C	5502		210,000.00
Retention	5503	-	-
Customer Deposits & Over Received A/C	5504		27,277,853.92
Prior Year Adjustment (Liability)	5602		5,539,178.80
Fertilizer Suppliers (Local)	5603		14,054.79
Suppliers GSI	5604	-	-
Organic Fertilizer Suppliers	5605	-	-
ERP Fertilizer Suppliers	5606	-	-
Stationary Suppliers	5607	-	-
Packing Materials Suppliers	5608	-	-
Head Office - Subsidy Cash Sales	6000		1,770,000.00
Head Office - Subsidy Credit Sales	6001	-	-
Head Office - Other Crops Cash Sales	6002		230,198,406.78
Head Office - Other Crops Credit Sales	6003	-	-
Regional Stores - Subsidy Cash Sales	6100	-	-
Regional Stores - Subsidy Credit Sales	6101	-	-
Regional Stores - Other Crops Cash Sales	6102	-	-
Regional Stores - Other Crops Credit Sales	6103	-	-
NLDB Milk Bar Cash Sales	6200	-	-
NLDB Milk Bar Credit Sales	6201	-	-
Sales of Compost Bags	6202	-	-
Other Comprehensive Income A/C	6300	19,545,285.00	-
Fixed Deposit Interest Received A/C	6400		87,561,614.66
Treasury Investment Interest Received A/C	6401		3,138,013.69
Distress Loan Interest Received A/C	6402		142,006.02
Registration of Suppliers	6500		290,000.00
Sale of Fixed Assets	6501	37,956.13	
Sale of Disposable Items A/C	6502		1,600.00
Other Income A/C	6503		1,052.00
Dispatch money Received A/C	6504	-	-
Rent Income A/C	6505		9,600.00
Exchange Profit A/C	6506	-	-
Commission from Eco Suppliers	6507	-	-
Import of Fertilizer A/C	7000	-	-
Local Purchase A/C	7001	-	-
Consumable Expenditure	7002	-	-
Packing Materials A/C	7100	-	-
NLDB Milk Bar Purchases	7101	-	-
General Stores Items	7102	42,964.20	
Printing & stationery	7103	24,927.96	
Fertilizer Clearing & Transport charges A/C	7200	687,700.00	
Transport Charges (Outward)	7201	1,434,985.25	
Fertilizer Loading H/O	7202	467,419.80	
Fertilizer Unloading_HO	7203	667,816.50	
Fertilizer Loading _RS	7204	-	-
Fertilizer Unloading _RS	7205	-	-
Fertilizer Mixing and Handling	7206	1,636,395.00	
LC Opening Finance cost	7207	-	-
Marine Insurance A/C	7208	-	-
Fertilizer Testing Charges	7209	188,740.60	
Stock Losses	7210	-	-
NLDB Milk Bar Stock Losses A/C	7211	-	-
Written off Stock of Fertilizer Found Lost / Damaged	7212	-	-
Cost of Sales	7213	224,136,826.77	



Discount A/C	7300	-	-
Over Riding Commision A/C	7301	-	-
Rent for Stores A/C	7302	-	-
Sales Promotions & Advertising A/C	7303	690,080.00	
Salaries & Wages - Head Office A/C	7400	9,050,952.01	
Salaries & Wages - Works Division A/C	7401	6,882,296.33	
Contract Workers Salaries & Wages A/C	7402	3,392,412.59	
EPF - Head Office	7403	1,086,114.24	
EPF - Works Division	7404	825,875.56	
ETF - Head Office	7405	271,528.56	
ETF - Works Division	7406	206,468.89	
Over Time -Head Office	7407	1,202,539.72	
Over Time - Works Division	7408	1,297,991.37	
Allowance -Head Office	7409	1,494,757.04	
Allowance - Works Division	7410	783,660.86	
Leave & Encashment - Head Office A/C	7411	177,632.37	
Leave & Encashment - Works Division A/C	7412	98,636.43	
Incentive & Coins -Head Office A/C	7413	28,471.76	
Incentive & Coins - Works Division A/C	7414	35,532.92	
Meal money /Combine Allowance -Head Office	7415	115,725.00	
Meal money /Combine Allowance -Works Division	7416	44,100.00	
Retirement Benefit	7417	854,644.00	-
Incentive Payment - Head Office	7418	9,185.00	
Incentive Payment - Works Division	7419	262.50	
Bonus Payment - Head Office	7420	-	-
Bonus Payment - Works Division	7421	-	-
Residential Telephone charges	7422	-	-
Compulsory Retirement Benefits	7423	-	-
Staff Welfare A/C	7423	683,486.38	
Staff Welfare -Head Office A/C	7424	128,090.00	
Staff Welfare - Works Division A/C	7425	11,080.00	
Tea Bill	7426	3,900.00	
Compulsory Retirement Benefits	7427	119,229,600.00	
Bussiness Turnover Tax	7500	-	-
Differred Tax A/C	7501	7,379,503.28	-
Economic Service Charges A/C	7502	-	-
Income Tax	7503	32,214,866.52	-
National Building Tax A/C	7504	-	-
Notional Tax A/C	7505	-	-
Semi Luxury Vehicle Tax A/C	7506	-	-
Withholding Tax A/C	7507	-	-
Rates & Taxes	7508	13,895.61	
Value Added Tax A/C	7509	-	-
Deemed Dividend Tax	7511	-	-
Dividend A/C	7512	-	-
Audit Fees	7513	-	-
Building Maintenance	7600	-	-
Motor Vehicles Maintenance	7601	1,445,648.98	
Vehicles Insurance	7602	634,751.56	
Office Equipment Maintenance	7603	71,691.74	
Computers, Printers and Fax Machines Maintenance	7604	84,336.25	
Web Site & Server Maintenance	7605	226,035.61	
Machinery Maintenance	7607	153,411.51	
Air Conditioners Maintenance	7608	4,661.01	
Electricity charges	7700	1,000,758.56	
Water bill	7701	47,288.52	
Telephone charges	7702	188,078.84	
Postage & telegram	7703	70,876.15	
Staff Travelling Expenditure	7800	39,642.96	
Directors' Travelling Allowance	7801	75,000.00	
Audit & Management Committee Travelling Allowan	7802	25,000.00	
Technical Evaluation Committee Travelling Allowanc	7803	114,000.00	
Directors' Allowance	7804	426,000.00	
Audit & Management Committee Allowance	7805	42,500.00	
Technical Evaluation Committee Allowance	7806	270,000.00	
Head Office Expenditure	7900	-	
Regional Stores Expenditure	7901	9,000.00	
NLDB Milk Bar Expenditure	7902	-	