



Annual Accounts

Year – 2024

State Timber Corporation
Ministry of Environment

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State Timber Corporation

Annual Accounts – 2024

Vision

To be the nation's leader in providing most trusted and best quality timber & timber based product.

Mission

To produce timber & timber based products for our customers through the knowledge & skills gained over the time and to contribute to the national and environmental demands of Sri Lanka.

Introduction

The State Timber Corporation was incorporated in 1968 by Hon.Minister of Lands, Irrigation and Power under the provisions of State Industrial Corporation Act No. 49 of 1957. The objectives and functions of the State Timber Corporation as per Gazette Notifications of No. 178/10 of 05.02.1982 and Gazette No. 11907 of 26.06.2009.

- Extraction of timber from forests, conversion of such timber into sawn timber and finished products. Sale of logs, sawn timber and finished products constructions of forest roads required for the above purpose.
- Acquisition, construction and operation of logging units, sawmills, impregnation and preservation plants, seasoning and drying kilns and other equipment and installations.
- Operation of timber and firewood sales depots.
- Manufacturing and marketing of by products from timber.
- Import of timber.
- Afforestation, reforestation and scientific management of forests and forest plantations.
- Agricultural productions.
- Export of timber related finished and semi-finished products.
- Purchase of timber from private lands.
- Processing of forest related products.
- Import of cane.
- Identification and certification of local and imported timber species through sample testing.
- Conduct training programs on timber industry related subjects and issue certificate and undertake environmental awareness programs to contribute towards developing and environmental conscious society.
- Planning and making investments so as to optimize the return from the lands and buildings owned by the corporation.

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31st December

	Note	2024 Rs.	2023 Rs.
Turnover	2	3,981,154,984	4,092,128,811
Less- cost of sales	3	(2,066,074,592)	(2,183,219,570)
Gross profit on operation		1,915,080,392	1,908,909,241
Other income	6		
Operating	6.3	123,943,175	95,255,751
Non- operating	6.1	9,280,921	14,568,317
Total net income		2,048,304,488	2,018,733,309
<u>Less- expenditure</u>			
Selling and distribution	4	(797,878,268)	(729,542,520)
Administration	5	(1,076,156,770)	(959,724,662)
Finance expense		(515,453)	(1,082,440)
Finance income	6.2	650,966,254	945,351,151
Profit before tax & levy		824,720,250	1,273,734,838
Taxation for the year	7	(29,091,766)	(117,943,033)
Profit after tax		795,628,484	1,155,791,805
Levy paid to treasury		(346,773,541)	(649,461,969)
Profit after tax & levy		448,854,943	506,329,836
Other comprehensive income			
Retirement benefit Surplus/(deficit) for the year	17	(333,304,478)	(164,697,250)
Other comprehensive income for the year		(333,304,478)	(164,697,250)
Total comprehensive income for the year		115,550,465	341,632,586

State Timber Corporation**Statement of Financial Position**

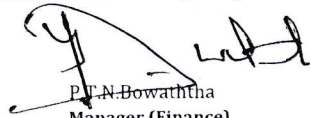
As at 31st December

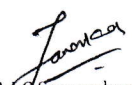
	Note	2024 Rs.	2023 Rs.
Assets			
Non-current assets			
Property plant and equipment	8	995,176,082	1,155,995,376
Biological assets	10	7,735,659	7,735,659
Deposits with treasury		2,966,000	2,966,000
Security deposit - staff		88,770,099	86,622,644
Investments	11.1	839,765,683	779,154,004
Deferred tax assets		55,079,959	
Capital work in progress		15,139,314	18,194,374
Total non-current assets		2,004,632,797	2,050,668,057
Current assets			
Inventories	12	1,552,638,476	1,789,634,929
Trade and other receivables	13	1,737,884,932	1,438,893,929
Investment in fixed deposits	11.2	5,197,606,388	4,060,343,525
Cash and cash equivalents	14	77,913,163	223,390,474
Total current assets		8,566,042,959	7,512,262,857
Total assets		10,570,675,756	9,562,930,912
Equity and liabilities			
Capital and reserves			
Authorised		75,000,000	75,000,000
Contributed capital	15	41,503,668	41,503,668
Revenue reserve		7,552,116,721	7,452,729,690
		7,593,620,389	7,494,233,358
Staff loan revolving fund	16	528,718,188	512,554,753
Total equity		8,122,338,577	8,006,788,112
Non current liabilities			
Retirement benefit obligation	17	772,838,940	406,440,553
Security deposit - staff		88,770,849	86,623,394
Interest bearing loans and borrowings	21	-	3,655,778
Deferred tax liability	7.2		86,912,496
Total non current liabilities		861,609,789	583,632,222
Current liabilities			
Income tax payable	18	(155,276,107)	24,375,301
Interest bearing loans and borrowings	21	3,369,439	3,520,107
Trade and other payables	19	1,738,634,058	944,615,173
Total current liabilities		1,586,727,390	972,510,580
Total liabilities		2,448,337,179	1,556,142,801
Total equity and liabilities		10,570,675,756	9,562,930,913

This statement of the activities of the State Timber Corporation is submitted in terms of the Finance Act. No. 38 of 1971.

The Statement of Financial Position, Statement of Profit or Loss, Statement of Comprehensive Income, Changes in Equity and Statement of Cash Flows, together with the notes, (the "Financial Statements") of the Corporation as at 31st December 2024 and for the period then ended have been prepared in accordance with Sri Lanka Accounting Standards (LKAS & SLFRS) and statements of recommended practices promulgated by The Institute of Chartered Accountants of Sri Lanka (ICASL).


D.N.D. Ruwanpathirana
General Manager/CEO


P.N. Bowaththa
Manager (Finance)


S.P.A. Samarakon
Manager (Finance) Cov.up

The Accounting policies on pages 6 to 14 and Notes on pages 15 to 24 form and integral part of these Financial Statements. 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.

Prof. Nishantha Patabadi
Chairman
State Timber Corporation
Date: 10.03.2025

Director

Statement of Cash Flows

For the Year Ended 31st December

	2024 Rs.	2023 Rs.
<u>Cashflows from operating activities</u>		
Cash receipts from customers	3,853,703,451	4,064,517,097
Cash paid to suppliers and employees	(2,715,993,727)	(4,084,101,538)
Cashflows from operating activities	1,137,709,724	(19,584,441)
Income tax	(350,735,629)	(270,278,278)
Special levy	(346,773,541)	(640,766,036)
Net cash flow from/(used in) operating activities	440,200,554	(930,628,755)
<u>Cashflows from investing activities</u>		
Acquisition of property plant and equipment	(37,257,688)	(54,647,451)
Over payment recovery from Land		3,591,344
Investments	(1,197,874,542)	(159,562,728)
Income from investment	660,668,893	1,294,205,736
Proceeds on sale of investment	(2,978,145)	
Staff loan Revolving fund		
Staff loan Granted	(174,634,362)	(176,411,991)
Staff loan Recovered	170,719,878	168,455,259
Net cash from/(used in) Investing activities	(581,355,965)	1,069,685,276
Cashflows from financing activities		
Proceeds from Interest Bearing Loans & Borrowings	(4,321,899)	(6,627,091.15)
Net cash from financing activities	(4,321,899)	(6,627,091.15)
Net increase/(decrease) in cash and cash equivalents	(145,477,311)	132,429,431
Cash and cash equivalents at the beginning of the year (Note 14)	223,390,474	90,961,043
Cash and cash equivalents at the end of the year (Note 14)	77,913,163	223,390,474
Net increase/(decrease) in cash and cash equivalents	(145,477,311)	132,429,431

State Timber Corporation**Statement of Changes in Equity**

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	Contributed capital	Staff loan revolving fund	Revenue reserves	Revaluation reserve	Total
Balance as at 01st January 2023	41,503,668	494,093,306	6,680,151,930	449,406,621	7,665,155,526
Profit for the year	-	-	506,329,836	-	506,329,836
Staff loan interest adjustment	-	18,461,447	(18,461,447)	-	-
Other comprehensive income	-	-	(164,697,250)	-	(164,697,250)
Balance as at 31st December 2023	41,503,668	512,554,753	7,003,323,069	449,406,621	8,006,788,113
Profit for the year			448,854,943		448,854,943
Staff loan interest adjustment		16,163,435	(16,163,435)		-
Other comprehensive income			(333,304,478)		(333,304,478)
Balance as at 31st December 2024	41,503,668	528,718,188	7,102,710,100	449,406,621	8,122,338,578

State Timber Corporation

Notes to the Financial Statements

For the year ended 31st December 2024

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1.1 Reporting Entity

1.1.1 Legal Form

State Timber Corporation is a Corporation which was incorporated in April 1968, under the State Industrial Corporation Act No. 49 of 1957.

1.1.2 Date of Authorization for Issue

The Financial Statements of the Corporation for the year ended 31st December 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 10th March 2025.

1.1.3 Number of Employees

The employees' strength of the Corporation as at 31st December 2024 is 1,315 (2023-1,390).

1.1.4 Responsibility for Financial Statements

The Board of Directors is responsible for preparation and presentation of these financial statements.

1.2 Basis of Preparation

1.2.1 Statement of Compliance

The Statement of Financial Position, Statement of Profit or Loss, Statement of Comprehensive Income, Changes in Equity and Statement of Cash Flows, together with the notes, (the "Financial Statements") of the Corporation as at 31st December 2024 and for the period then ended have been prepared in accordance with Sri Lanka Accounting Standards (LKAS & SLFRS) and statements of recommended practices promulgated by The Institute of Chartered Accountants of Sri Lanka (ICASL).

1.2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for the staff loan receivables and trade debtors are measured at fair value.

1.2.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees, which is the Corporation's functional currency. All financial information presented in Sri Lankan Rupees has been given to the nearest Rupee, unless stated otherwise.

State Timber Corporation

Notes to the Financial Statements

For the year ended 31st December 2024

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1.2.4 Use of Estimates and Judgments

The presentation of Financial Statements 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. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. 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 estimate is revised and in any future period affected.

1.2.5 Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency at exchange rates on the date of the transactions.

1.2.6 Taxation

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provision of the Inland Revenue Act No.10 of 2006 Act, No.24 of 2017, No. 45 of 2022 and subsequent amendments.

1.3 Significant Accounting Policies

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

1.3.1 Assets and Basis of the Valuation

1.3.1.1 Property, Plant and Equipment

1.3.1.1.1 Basis of Recognition

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the corporation and the cost of the asset can be reliably measured. Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing cost. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

State Timber Corporation

Notes to the Financial Statements

For the year ended 31st December 2024

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1.3.1.1.2 Revaluation Model

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year.

When vehicle (except motor bikes) are revalued, the gross carrying amount is adjusted consistently with the revaluation of the carrying amount. The accumulated depreciation at that date is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

Any increase in an asset's carrying amount, as a result of revaluation, is recognized in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognized in profit or loss in the current year. The decrease is recognized in other comprehensive income to the extent that any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity.

The revaluation reserve related to vehicles is transferred directly to retained income when the asset is derecognized.

1.3.1.1.3 Gains and Losses on Disposal

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income/other expenses" in Statement of Profit or Loss.

1.3.1.1.4 Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

1.3.1.1.5 De-Recognition

The carrying amount of an item of Property, Plant & Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from de recognition of an item of Property, Plant & Equipment is included in profit or loss when the item is derecognized.

The asset's residual value, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year.

State Timber Corporation

Notes to the Financial Statements
For the year ended 31st December 2024

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1.3.1.1.6 Depreciation

Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not depreciated. Applicable rates are as follows.

Buildings Permanent	2.5%
Buildings Semi-Permanent	30.0%
Plant and Machinery	10.0%
Vehicles	20.0%
Roadways and Railways	5.0%
Leasehold Lands	5.0%
Road Construction	10.0%
Furniture and Fittings	15.0%
Office Equipment	15.0%
Miscellaneous Assets	20.0%
Computers	20.0%
Electrical Equipment	10.0%
Tools and Implements	20.0%
Land Improvements	10.0%

1.3.1.2 Capital Work in Progress

Capital expenses incurred during the year which are not completed as at the statement of financial position date are shown as capital work-in-progress, while the capital assets which have been completed during the year and put to use are transferred to property, plant and equipment.

1.3.1.3 Intangible Assets

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Corporation. Intangible assets wholly consist of cost of computer software. Intangible assets acquired are measured on initial recognition at cost. Intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits. Amortization is recognized in Statement of Profit or Loss on a straight-line basis over the estimated useful lives of five years.

State Timber Corporation

Notes to the Financial Statements

For the year ended 31st December 2024

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1.3.1.4 Biological Assets

Biological assets are classified as mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specification.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset are not intended to be sold or harvested, however used to grow for harvesting agriculture produce. Consumable biological assets includes managed timber trees those that are to be harvested as agricultural produce from biological assets or sold as biological assets.

The entity recognize the biological assets when, and only when, the entity controls the assets as a result of past event, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

Life span of Teak Tree to maturity is expected to be 35 years from the date of planting. It is assumed that one teak tree takes 10 year period from the date of planting for its biological transformation. The cost is treated as approximation to fair value of immature plants as the impact on biological transformation of such plants to price during this period is immaterial. The managed timber trees are measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41 (Agriculture).

1.3.1.5 Financial Instruments

1.3.1.5.1 Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks .

1.3.1.5.1.1 Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables, including staff loan receivables.

Cash and cash equivalents comprise cash balances and call deposits are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

State Timber Corporation

Notes to the Financial Statements

For the year ended 31st December 2024

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1.3.1.6 Investments

1.3.1.6.1. Investment in Fixed Deposits stated at cost.

1.3.1.6.2 Long Term Investments Stated at Cost

1.3.1.6.3 Investment at State Mortgage and Investment Bank

The State Mortgage Bank and the State Timber Corporation have entered into an agreement regarding a housing loan scheme. Under this agreement, the State Timber Corporation provides the necessary funds, while loan disbursement and recovery are facilitated through salary deductions of employees by the bank.

As of December 31, 2024 the outstanding loan balance of above account at Rs. 3,403,613.41 as confirmed by the bank.

1.3.1.6.4 Impairment

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

1.3.1.7 Inventories

Inventories are measured at the lower of cost or net realizable value. Donated timber inventory also measured at the lower of cost (to bring inventories into present location and condition) or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Cost is determined on the first in first out basis and includes all costs incurred in bringing inventories to the present location and condition. Production cost includes all direct cost and production overhead cost at normal level of activity.

1.3.2 Liabilities and Provisions

Liabilities classified as current liabilities on the Statements of Financial Position are those which fall due for payment on demand or within one year from the Statement of Financial Position date. Non-current liabilities are those balances that fall due for payment later than one year from the Statement of Financial Position date. All known liabilities have been accounted for in preparing the Financial Statements.

1.3.2.1 Trade and Other Payables

Trade and other payables are stated at their cost.

State Timber Corporation

Notes to the Financial Statements

For the year ended 31st December 2024

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1.3.2.2 Retirement Benefit Obligation

Employees who have completed five years of continued service with the Corporation are eligible for retirement benefit in accordance with the payment of Gratuities Act No.12 of 1983. However provision has been made in the accounts for the retirement benefit for all employees of the corporation taking into consideration their last drawn salary and the years of services as at 31st December 2024. The defined benefit obligation is calculated annually using the Formula method.

1.3.2.3 Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognized, if as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provision has been made for all quantifiable liabilities and others have been declared.

The Conservator General of Forest has informed us the government had sustained a loss due to unauthorized felling in the Bagawanthalawa Chapalton commercial thinning plot of land. After the investigation this was not established due to doubtful facts. Conservator general of forest has decided to investigate this issue together with STC Officers. Further following cases have been filled against The State Timber Corporation, Case No: 1225/M (Rs. 1,000,000), Case No: 4/SPL (Rs. 500,000), Case No: 15404/M (Rs. 1,578,908), Case No: 11651/MR (Rs. 1,250,000), Case No: 3377/M (Rs. 1,000,000), A/31/2022, A/71/2023, Lt/44/798/2022, Lt/44/800/2022, HE/Ne/19/2022, SC/HC/35/2014, SC/HC/LA/36/2014

Following cases have been filled by The State Timber Corporation, Case No: 38804 (Rs. 2,500,000), Case No: 7036 (Magistrate Court Colombo), 5271/M (Rs. 294,275),

Bank guarantees were issued against Bank of Ceylon fixed deposits A/C number 82355589, 88980062, and 90579752 as collateral.

1.3.3 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

The timber has been issued to the employees of the State Timber Corporation and the Forest Department, under the scheme of 25% concessionary rate.

1.3.3.1 Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

State Timber Corporation

Notes to the Financial Statements

For the year ended 31st December 2024

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1.3.3.2 Rental Income

Rental income is recognized on an accrual basis. The Forest Department has been occupying the Timber Corporation's premises and paid rent until 2014. However, no rent payments have been made since then up to now. Discussions and negotiations between both parties are ongoing on the directives of Audit and Management committee-Ministry. Until a final resolution is reached, the outstanding rent is recorded as accounts receivable.

1.3.4 Expenditure Recognition

All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year. Repairs and renewals are charged to Statement of Comprehensive Income in the year in which the expenditure is incurred.

1.3.4.1 Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current applicable income tax rates is 30% of the year.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statements of Financial Position date.

A Deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the future asset can be utilized. Deferred tax assets are reduced to the extent that is no longer probable that the related tax benefit will be realized.

1.3.4.2 Stumpage Payment

The stumpage payment for the year 2024 has been calculated on actual felled timber volume basis.

1.3.4.3 Cost Allocation

Cost of conversion of Saw Mills and Timber Cost is allocated on the basis of Timber Transfer Value and Mechanical Workshop cost is allocated on the basis of Hiring Charge to relevant units.

1.3.5 Events Occurring After the Reporting Date

All material post reporting events have been considered and where appropriate, adjustments or disclosure have been made in respective notes to the Financial Statements.

State Timber Corporation

Notes to the Financial Statements

For the year ended 31st December 2024

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1.3.6 Staff Loan Revolving Fund

This fund is created to grant the loans to employees of the Corporation. The amount of interest received from staff loans stated as other income in the Statement of Profit or Loss. Interest income received after tax is transferred to Staff Loan Revolving Fund to buildup fund. Employee loans disbursements limit to the available fund balance in the Staff Loan Revolving Fund.

1.3.7 Statement of Cash Flows

The Statement of Cash Flow has been prepared using the direct method in accordance with the Sri Lanka Accounting Standards (LKAS) 07, 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 equivalents include cash in-hand, balances with banks and short term deposits with banks.

1.3.7 Prepaid staff Benefits

Staff Loan has been restated to the nominal value in 2024.

1.4. Changes in significant accounting policies

1.4.1. Leases

The Company applied SLFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 January 2020. Accordingly, the comparative information presented for 2024 is not restated – i.e. it is presented, as previously reported, under LKAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SLFRS 16 have not generally been applied to comparative information.

Notes to the accounts for the year ended 31st December

Note-02		2024	2023
Turnover		Rs.	Rs.
Logs- Crown land		2,297,905,796	2,329,150,420
Logs- Private land		28,565,680	87,152,013
Sawn Timber		189,405,433	233,895,652
Imported Sawn timber		13,238	-
Sleepers- private land		-	54,267,691
Sleepers - crown land		654,379,966	571,834,053
Transmission poles - crown land		64,706,888	60,586,298
Transmission poles - private land		10,174,901	58,147,166
Elephant poles		73,299,916	49,883,694
Others		22,735,140	22,629,656
Forest offence received timber		19,104,507	37,941,325
Donation of timber		352,308,649	316,643,803
Furniture		268,554,871	269,997,038
Net turnover		3,981,154,984	4,092,128,811

Note-03		2024	2023
Cost of sales		Rs.	Rs.
Depots	Page 25	931,108,326	811,245,772
Impregnation plants	Page 27	140,679,630	513,782,060
Furniture plants	Page 30	254,675,504	262,313,363
Wayside sale	Page 33	739,611,133	595,878,375
Total		2,066,074,592	2,183,219,570

Note-04		2024	2023
Selling and distribution expenses		Rs.	Rs.
Depots	Page 26	678,439,245	680,049,511
Impregnation plants	Page 28	67,679,398	70,412
Furniture plants	Page 30	44,154,461	41,997,250
RM office and head office	Page 35	7,605,163	7,425,347
Total		797,878,268	729,542,520

Notes to the accounts for the year ended 31st December

Note-05		2024	2023
Administration expenses		Rs.	Rs.
Impregnation plants	Page 28	42,921,016	39,394,407
Furniture plants	Page 31	99,422,526	72,637,515
RM office and head office	Page 36	924,843,296	840,546,391
Circuit bungalow	Page 38	8,969,932	7,146,349
Total		1,076,156,770	959,724,662

Note-06		2024	2023
Other income		Rs.	Rs.
<u>Non-operating income</u>	Note 6.1		
Foreign exchange gain		41,914	47,007
House rent		9,239,007	14,507,700
Gratuity over provision		0	13,609.57
Staff loan interest			
		9,280,921	14,568,317
<u>Finance income</u>	Note 6.2		
Interest income from investment		630,432,145	925,005,802
Staff loan interest		20,534,109	20,345,350
		650,966,254	945,351,151
<u>Operating income</u>	Note 6.3		
Miscellaneous income		30,942,872	23,842,502
Fines- contractors and suppliers		3,165,764	107,596
Disposal income		76,914	248,373
Over provision of stock		13,969,630	
Debtors over provision		72,002,440	67,690,968
Recovery on shortages and losses		1,815,381	1,910,526
Non refundable tender deposits		1,970,173	1,455,785
		123,943,175	95,255,751
Total		784,190,349	1,055,175,219

Note-07		2024	2023
Taxation		Rs.	Rs.
Current tax expense			
Income tax on profit for the year (Note 7.1)		171,084,221	184,876,090
(Over)/under provision of previous year			
		171,084,221	184,876,090
Deffered tax expense (Note 7.2)			
Origination and reversal of temporary difference		(141,992,456)	(66,933,057)
		(141,992,456)	(66,933,057)
Tax charge for the year		29,091,766	117,943,033

08. Property, Plant & Equipment - 2024

Description	Cost			Depreciation			Carrying amount as at 31.12.24	Carrying amount as at 31.12.23
	Balance as at 01.01.24	Additions	Disposals	Adjustment	Balance as at 31.12.24	Charge for the year	Balance as at 31.12.24	
Lands	88,066,274				88,066,274		88,066,274	88,066,274
Land Improvement	53,252,162	4,849,797			58,101,959	3,463,048	15,212,826	13,826,077
Buildings	1,023,242,301	4,931,939			1,028,174,240	23,264,792	674,427,855	692,760,708
Stacking sheds and other buildings	69,796,599				69,796,599	3,587,741	1,636,149	5,223,891
Roadways and railway lines	44,502,095				44,502,095	2,074,420	25,256,649	27,331,069
Plant and machinery	795,787,490	11,987,294			807,774,784	25,251,236	117,669,814	130,933,756
Leasehold land and building	148,311				148,311		-	-
Road construction mach. and equi.	60,450				60,450		-	-
Tools & implements	8,531,315	666,588			9,197,903	472,561	1,206,713	1,012,687
Electrical equipments	33,804,548	2,339,397			36,143,944	2,124,342	11,076,735	10,861,680
Vehicles & Motor Bikes	629,639,107				629,639,107	120,054,726	8,319,288	128,374,013
Furniture and fittings	106,400,860	2,936,618			109,337,479	8,770,736	23,903,534	29,687,651
Office equipments	48,340,683	2,450,994			50,791,677	2,190,728	9,345,691	9,085,425
Computers and accessories	103,774,214	5,883,756	311,700		109,346,270	5,951,264	16,807,123	16,874,641
Miscellaneous assets	37,013,787	393,433			37,407,220	1,233,078	2,247,431	3,087,076
Pre fabricated structure	4,938,333				4,938,333		-	-
Leasehold land-Rathnapura	680,300				680,300		-	-
Total	3,047,978,827	36,439,817	311,700	-	3,084,106,944	198,388,672	995,176,082	1,157,124,947

State Timber Corporation**Notes to the accounts for the year ended 31st December**

Note-10	2024	2023
Biological Assets	Rs.	Rs.
Balance as at the beginning of the year	7,735,659	7,735,659
Increase due to replantation		-
Balance as at the end of the year	7,735,659	7,735,659

life span of Teak tree to maturity is expected to be 35 years from the date of planting. The cost of immature trees up to 10 years from date of planting are treated as approximate to fair value particularly on the grounds of little biological transformation has taken place and impact of the biological transformation on price is not material. Therefore, Teak plantations belong to the Corporation are still only 09 years old immature plantations, when such plantations become mature, the additional investments since taken over to bring them to maturity are transferred from immature to mature.

Locations of the Teak plantations held by the Corporation are Puliyankulama, Madawachchiya, Sevanapitiya, Vineethagama.

Note-11	2024	2023
Investments	Rs.	Rs.
Note-11.1		
<u>Investment in fixed deposits - long term</u>		
Government ins. Treasury Bond	731,832,197	731,832,197
State mortgage and investment bank	107,433,487	46,821,808
	839,265,683	778,654,005
<u>Investment in shares</u>		
Land Reclamation and Development(Pvt) ltd	500,000	500,000.00
	500,000	500,000
Total	839,765,683	779,154,005

Note-11.2	2024	2023
Investment in fixed deposits - short term	Rs.	Rs.
Peoples' bank	2,355,535,981	2,188,897,580
Bank of ceylon	2,842,070,406	1,871,445,945
	5,197,606,388	4,060,343,525

Note-12	2024	2023
Inventories	Rs.	Rs.
Stock in trade Page - 23	1,292,106,600.43	1,518,825,660.13
Stock deterioration	(30,009,545)	(39,316,116.81)
	1,262,097,055	1,479,509,543
W.I.P. production	30,085,278	25,590,130.06
Stores and spares	136,413,998	148,681,869.70
Preservatives	96,211,655	109,428,516.92
Fuel and oil	7,022,613	8,690,792.68
Stationary stock	20,807,877	17,734,076.35
Total	1,552,638,476	1,789,634,929

State Timber Corporation**Notes to the accounts for the year ended 31st December**

Note-13	2024	2023
Trade and other receivables	Rs.	Rs.
Trade debtors	1241797019	966,058,091
Allowance for impairment	(288,468,445)	(286,629,589)
	953,328,575	679,428,502
Staff debtors 13.2	393,946,407	377,305,324
Other debtors 13.1	34,620,293	41,625,155
<u>Deposits and prepayments</u>		
Advances local purchases	752,018	2,210,439
Advances for imports		100,398
Advance pre payment	445,675	8,497,437
Advances timber supplies	17,674,403	21,340,342
Interest receivable- deposits	234,003,871	211,463,506
Returned cheques	4,791	4,791
Katharagama astapala fund	674,600	737,400
Deposit courts	82,316	82,316
Ministry of mahaweli development and environment	1,731,821	1,731,821
Department of forest	100,620,163	92,920,914
Escamp project		1,445,583
Total	1,737,884,932	1,438,893,929

Note-14	2024	2023
Cash and cash equivalents	Rs.	Rs.
Cash in hand	1,291,380	1,256,500
Bank of ceylon	46,107,255	79,939,206
Bank of ceylon - call deposit	30,314,528	141,994,769
Bank of ceylon - Debit Card	200,000	200,000
Total	77,913,163	223,390,474

Note-15	2024	2023
Contributed capital	Rs.	Rs.
Sri Lanka government fund	25,584,808	25,584,808
Assets taken over from forest department	10,714,815	10,714,815
World bank grant	708,202	708,202
C.A.D. british aid fund	4,495,843	4,495,843
Total	41,503,668	41,503,668

Note-16	2024	2023
Staff loan revolving fund	Rs.	Rs.
Balance as at 1st January	512,554,753	494,093,306
Staff loan interest received	16,163,435	18,461,447
Total fund as at 31st december	528,718,188	512,554,753
Nominal value of utilized fund balance as at 31st december	340,418,626	343,482,218
Unutilized fund balance as at 31st december	188,299,562	169,072,536

State Timber Corporation**Notes to the accounts for the year ended 31st December**

Note-17	2024	2023
Retirement benefit obligation	Rs.	Rs.
The amounts recognised in the balance sheet are determined as follows.		
Balance at the beginning of the year	406,440,553	253,071,791.32
Charge for the year	37,241,876	19,708,349.99
Interest for the year	39,692,326	28,451,669.81
Surplus/deficit charge for the year	333,304,478	164,697,249.59
Payment/payable during the year	(43,840,292)	(59,488,508.05)
Balance at the end of the year	772,838,940	406,440,553
The amounts recognised in the income statement are as follows.		
Charge for the year	37,241,876	19,708,350
Interest for the year	39,692,326	28,451,670
Recognised in income statement	76,934,201	48,160,020
The amounts recognised in the Statement of Comprehensive income are as follows.		
(Surplus)/deficit charge for the year	333,304,478	164,697,250
Recognised in statement of comprehensive income	333,304,478	164,697,250

As at December 31, 2024 the gratuity liability was calculated using formula method for all existing employees as required by LKAS 19 - 'Employee Benefits'. However under the Gratuity Act No. 12 of 1983, gratuity liability arises only upon an employee completing continuous service of five years. The following key assumptions were used in arriving at above gratuity liability .

	2024	2023
Discount interest rate	11.11%	14.10%
Salary increment rate	9.88%	4.45%
Staff turnover rate	5.54%	6.83%
Retirement age	60	60

Note-18	2024	2023
Income tax payable	Rs.	Rs.
Income tax payable opening balance	24,375,301	109,777,488
With holding tax on deposits	(26,360,328)	
Payment during the year	(324,375,301)	(270,278,278)
Provision for income tax	171,084,221	184,876,090
Balance at the end of the year	(155,276,107)	24,375,301

Note-19	2024	2023
Trade and other payables	Rs.	Rs.
Central bank- E.P.F	20,955,762	17,912,725
Labour department - E.T.F	2,515,552	2,060,784
Accrued expenses	486,490,538	77,169,571
Refundable tender deposits	23,881,107	19,046,421
Security deposits - except staff	129,619,705	118,498,103
Audit fees payable	4,000,000	4,000,000
Retention money	11,901,136	13,522,126
Other creditors	166,162,147	224,597,457
Department of forest	803,713,608	357,302,771
Stumpage- Wild life department	50,072,609	50,072,609
Stumpage- Agriculture department	112,802	112,802
SSCL	15,996,620	13,858,116
Value added tax	23,212,472	46,461,689
Total	1,738,634,058	944,615,173

State Timber Corporation**Notes to the accounts for the year ended 31st December****Note-20****Related party transactions**

* Conservator General of Forest who is the director of the Corporation is also the head person of Forest Department which is released commercial forest plantation according to national forest management plan to extract timber.

	No. of Sq. feet	Rented value
Department of Forest-01st Phase	22,040	550,000.00
Department of Forest-02nd Phase	6,480	300,000.00

Balances arising from above related party transactions as at the Statement of Financial Position date are as follows

	2024 Rs.	2023 Rs.
Payable to related parties		
Department of Forest	803,713,608	357,302,771
Department of Wildlife	50,072,609	50,072,609
	853,786,216	407,375,379
Receivable from related parties		
Department of Forest	100,620,163	92,920,914
Department of Wildlife	-	10,813,186
ESCAMP Project	-	1,445,583
Ministry of mahaweli development and environment	1,731,821	1,731,821
	102,351,984	106,911,504

Note-21**Interest Bearing Loans and Borrowings****Finance Lease**

	2024 Rs.	2023 Rs.
Balance as at 1st January	7,874,492	14,501,583
Repayment	(4,321,899)	(6,627,091)
	3,552,593	7,874,492
Lease interest in suspense	(183,154)	(698,607)
Balance at the end of the year	3,369,439	7,175,885
Current portion of Interest-bearing Borrowings	3,369,439	3,520,107
Non-current portion of Interest-bearing Borrowings	-	3,655,778
	3,369,439	7,175,885

State Timber Corporation

Notes to the accounts for the year ended 31st December

Note-06 Analysis of other income for the year 2024									
Income source	Units								
	Depots	Impregnation plant	Furniture plant	Timber cost	Regional and Head office	Sawmills	Circuit bunglows	Total	
Non operating income 6.1									
Foreign exchange gain					41,914			41,914	
House rent				-	9,239,007			9,239,007	
Sub total	-	-	-	-	9,280,921	-	-	9,280,921	
Finance income 6.2									
Interest income on investment					630,432,145			630,432,145	
Staff loan interest				-	20,534,109			20,534,109	
Sub total	-	-	-	-	650,966,254	-	-	650,966,254	
Operating income 6.3									
Miscellaneous income	488,823	2,272	249,290	-	28,196,413		2,006,074	30,942,872	
Fines from contractors and supplies				-	3,165,764			3,165,764	
Disposal income				-	76,914			76,914	
Over provision on stock deterioration	13,969,630			-	-			13,969,630	
Over provision in doubtful debtors	5,246,670	12,904,502	53,851,269	-	-			72,002,440	
Recovery on shortage and losses				-	1,815,381			1,815,381	
Non refundable tender deposits				-	1,970,173			1,970,173	
Sub total	19,705,123	12,906,774	54,100,559	-	35,224,645	-	2,006,074	123,943,175	
Grand total	19,705,123	12,906,774	54,100,559	-	695,471,820	-	2,006,074	784,190,349	

State Timber Corporation**Notes to the accounts for the year ended 31st December**

Note 7.1	2024	2023
Taxation	Rs.	Rs.
Profit before taxation	824,720,250	1,273,734,838
Aggregate disallowable expenses	349,220,163	255,363,876
Aggregate allowable expenses	896,557,285	(1,223,222,170)
Profit from business	277,383,128	305,876,544
Non business income	639,671,152	959,839,059
Assessable income	917,054,279	1,265,715,603
Qualifying payment	(346,773,541)	(649,461,969)
Taxable income	570,280,738	616,253,634
Income tax	171,084,221	184,876,090
Total taxation	171,084,221	184,876,090

Note 7.2		
Deffered Tax		
	Temporary difference	Temporary difference
as at 31st December 2023	289,708,321	86,912,496
Amount originating during the year	(473,308,186)	(141,992,456)
as at 31st December 2024	(183,599,864)	(55,079,959)
Temporary difference of Property plant & equipment	589,239,076	176,771,722.79
Temporary difference of retirement benefit obligation	772,838,940	231,851,682.08
As at 31st December 2024	(183,599,864)	(55,079,959)

Note 12.1	2024	2023
Analysis of inventories	Rs.	Rs.
Crown land logs	619,702,269	801,355,476
Crown land sawn timber	339,021,842	352,368,904
Imported Sawn timber		346,990
Private land logs		5,628
Crown land sleepers	8,134,820	1,054,597
Crown land transmission poles	38,528,528	31,701,917
Private land transmission poles		2,767,965
Wayside		1,565,736
Others	16,272,920	17,324,638
Furniture	270,446,221	310,333,809
Total	1,292,106,600	1,518,825,660

State Timber Corporation**Notes to the accounts for the year ended 31st December**

Note 13.1	2024	2023
Other debtors	Rs.	Rs.
Sundry debtors	4,783,576	2,291,468
Deposit general	30,203,336	39,700,307
Provision	(366,620)	(366,620)
Total	34,620,293	41,625,155

Note 13.2	2024	2023
Staff debtors	Rs.	Rs.
Staff loans		
Vehicle loan	30,327,991	31,309,713
Distress loan	278,871,964	298,625,502
Electrical equipment loan	21,820	21,820
Bicycle loan	1,816,546	1,420,786
Laptop loan	24,215,944	19,944,464
Furniture loan	5,186,182	4,281,642
	340,440,446	355,603,926
Advances and other receivables		
Salaries and wages advance	8,500	10,000
Travelling advance	575	8,000
Advance festival	3,217,710	3,325,192
Internal debit notes	49,785	153,145
Staff recoveries	4,976,741	
Site Clearing Expenses Receivable	33,374,639	7,561,816
Salusala textile loan	11,878,011	10,643,245
	53,505,961	21,701,397
Total	393,946,407	377,305,324

Depots**Statements of comprehensive income****for the year ended 31st December**

	2024 Rs.	2023 Rs.
<u>Sales</u>		
Logs - crown land	1,448,004,573	1,564,096,036
Logs - private land	12,112,387	29,535,031
Sawn timber	188,111,219	233,400,994
Sawn timber - imported	13,238	
Sawn timber and fire wood - private		103,568
Others	600,886	154,479
Common round poles	1,210,662	699,963
Fence post and outside slabs	6,073,806	6,220,479
Fire wood	13,170,266	11,072,366
Miscellaneous charges		994,693
Forest offence received timber	18,946,416	37,662,541
Donation of timber	187,161,070	180,023,604
Furniture		232,092
Firewood- development project	118,450	182,195
Gross sales	1,875,522,973	2,064,378,040
Less:		
NBT		-
Net sales	1,875,522,973	2,064,378,040
<u>Less - cost of sales</u>		
Stock as at 01.01	1,010,801,700	767,399,184
Timber cost (Page 33)	659,967,560	806,805,328
Loading/unloading	358,050	1,094,440
Gang Nail		1,188,318
Internal used timber		(138,147)
Cost of sawn timber (Page 34)	83,897,233	245,698,349
	1,755,024,542	1,822,047,472
Stock as at 31.12.	(823,916,217)	(1,010,801,700)
	931,108,326	811,245,772
Gross profit	944,414,648	1,253,132,268

	2024 Rs.	2023 Rs.
Gross profit	944,414,648	1,253,132,268
Add- Other income		
Sundry income	488,823	852,678
Debtors over provision	5,246,670	9,200,584
Over provision for stock	13,969,630	-
	964,119,771	1,263,185,530
Less: Selling and distribution expenses		
Salaries and wages	195,523,154	198,655,579
Other allowances	118,774,671	70,879,933
Overtime	20,618,379	19,844,626
Travelling and subsistence	2,685,095	2,500,049
Annual bonus	7,534,859	7,809,044
Retirement gratuity	25,503,283	22,023,305
E.P.F. contribution	39,760,220	35,410,092
E.T.F. contribution	7,757,497	7,068,410
Medical insurance	26,750	8,302,205
Training Allowance		774,800
Attendance incentive	43,206,748	43,425,268
Welfare facilities	18,025,156	13,280,129
Entertainment	1,869,871	1,588,829
Welfare facilities - uniform	1,302,347	1,542,025
Rent	2,951,565	3,823,835
Employee training		8,500
Water tax	2,499,958	2,290,660
Rates, taxes and licenses	630,064	779,371
Licenses and insurance	377,360	102,437
Repairs and maintenance	15,465,561	17,133,314
Tyres and tubes	2,862,364	4,592,010
Depreciation	42,984,478	34,190,308
Sanitary expenses	535,494	546,732
Fuel and oil - vehicles	32,924,843	47,314,536
Fuel and oil - plant and machinery	17,982,728	24,273,632
Electricity - lighting	4,498,865	4,850,851
Consumables	4,319,071	4,076,842
Printing and stationary	4,660,920	6,461,159
News papers, periodicals and books	950	
Postage	270,893	319,995
Telephone and telegraphs	1,880,268	2,000,498
Miscellaneous transport	602,498	590,580
Accident insurance	9,500	
Insurance fixed assets	45,904	
Computer expenses	280,417	292,319
Miscellaneous expenses	2,929,707	2,922,716
Workshop expenses (Page 37)	4,706,295	4,066,544
Doubtful debts	6,234,079	2,266,065
Workmen Compensation	3,750	
SSC Levy	41,530,627	44,726,196
Stock deterioration	4,663,059	39,316,116.81
	678,439,245	680,049,511
Total Profit/(Loss)	285,680,525	583,136,019

State Timber Corporation
Impregnation and seasoning plant
Statements of comprehensive income

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for the year ended 31st December

	2024 Rs.	2023 Rs.
<u>Sales:</u>		
Sleepers - Untreated	1,619,733	2,018,819
Sleepers	652,760,233	569,711,666
Tr.Poles - Untreated	220,934	33,323
Transmission poles	64,485,954	60,552,975
Elephant poles	73,299,916	49,883,694
Tr. Poles - private land	10,174,901	58,147,166
Sleepers - private land	-	54,267,691
Treated Sawn Timber	1,294,214	494,658
Others	1,561,070	3,305,481
Gross sales	805,416,955	798,415,475
Less: NBT		-
Net sales	805,416,955	798,415,475
<u>Less: Cost of sales</u>		
Stock as at 01.01	42,533,368	53,109,657
<u>Add: Cost of production</u>		
<u>Materials</u>		
Timber cost (Page 33)	46,909,634	360,166,596
Cost of sawn timber (Page 34)	1,299,130	37,799,746
Internal used timber		(71,500)
Creosote consumption	33,762,777	32,447,344
Furnace oil consumption	14,891,172	19,272,900
Gang nail consumption	1,883,433	2,024,845
Other chemicals	494,996	977,247
	99,241,142	452,617,178
<u>Labour</u>		
Salaries and wages	21,931,500	17,711,136
Other allowances	11,134,580	6,282,235
Overtime	2,859,115	1,552,431
E.P.F. contribution	4,483,178	3,292,333
E.T.F. contribution	896,636	657,019
	41,305,009	29,495,155
<u>Overheads</u>		
Repairs and maintainance - plant and machi.	3,128,640	3,979,605
Tyres and tubes	2,070,258	1,627,335
Depreciation - plant and machi	1,686,695	2,000,829
Fuel and oil - plant and machinery	9,537,286	9,209,931
Workshop expenses (Page 37)	1,443,314	1,552,443
Electricity - power	2,670,186	2,723,296
	20,536,379	21,093,439
Stock as at 31.12	(62,936,268)	(42,533,368)
	140,679,630	513,782,060
Gross profit	664,737,325	284,633,414

	2024 Rs.	2023 Rs.
Gross profit	664,737,325	284,633,414
<u>Other income</u>		
Miscellaneous income	2,272	
Debtors over provision	12,904,502	
Debtors over provision		26,655,836
	677,644,099	311,289,250
<u>Selling and distribution expenses</u>		
Entertainment	72,181	70,412
Doubtful debts	67,607,217	
	67,679,398	70,412
<u>Administrative expenses</u>		
Travelling and sub. - local	130,570	173,672
Annual bonus	854,000	700,000
Retirement gratuity	2,692,965	2,117,396
Medical insurance	-	659,157
Attendance incentive	4,153,110	3,059,160
Welfare facilities	1,709,493	1,303,977
Welfare facilities - Uniforms	74,000	48,000
Water tax	915,076	754,074
Licence and insurance	48,111	47,780
Rate and taxes	370,165	330,149
Depreciation	5,554,719	5,313,132
Repairs and maintenance	648,976	521,695
Fuel and oil	6,806,852	5,589,725
Consumables	1,545,966	849,763
Printing and stationary	69,927	23,954
Postage	6,830	6,800
Telephone	3,538	6,977
SSC Levy	17,084,007	17,046,942
Miscellaneous transport	180,000	240,000
Miscellaneous expenses	72,713	602,052
	42,921,016	39,394,407
Total Profit/(Loss)	567,043,685	271,824,431

State Timber Corporation

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Furniture Plant**Statements of comprehensive income**

for the year ended 31st December

	2024 Rs.	2023 Rs.
Opening stock of raw materials	154,480,525	117,966,506
Add:		
Sawn timber cost (Page 34)	78,608,880	94,499,365
Utility furniture - contr/pies	12,882,115	19,182,219
Utility furniture - purchase	15,098,405	14,115,014
Furniture plant material cons.	20,119,426	37,484,681
	281,189,351	283,247,786
Less: closing stock of raw materials	(134,807,894)	(154,480,525)
Cost of direct materials	146,381,456	128,767,261
Add:		
<u>Labour</u>		
Wages	27,980,520	50,078,094
Other allowance		33,897,010
Interim Allowance	20,119,426	
Overtime	2,327,766	1,441,975
E.P.F.contribution	10,119,960	8,640,628
E.T.F.contribution	2,037,376	1,808,520
	62,585,048	95,866,226
Prime cost	208,966,504	224,633,487
<u>Overheads</u>		
Depreciation - plant & machinery	3,715,846	3,270,718
Depreciation - building	1,136,045	718,912
Depreciation- tools & implements	84,600	82,731
Repairs - buildings	812,484	5,935,633
Repairs - plant & machinery	3,066,652	9,786,350
Fuel & oil - plant & mach.	1,270,126	5,460,698
Insurance of Asset	70,920	237,029
Electricity - power	7,562,453	10,413,467
	17,719,126	35,905,538
Add: w.i.p as at 01.01.	25,590,130	45,932,364
Internal used timber	(6,898,912)	(8,864,965)
Less: w.i.p.as at 31.12.	(30,085,278)	(25,590,130)
Cost of production	215,291,570	272,016,294
<u>Sales:</u>		
Utility furniture	268,548,394	269,426,075
Others	6,477	338,871
Net sales	268,554,871	269,764,946

	2024 Rs.	2023 Rs.
<u>Less - cost of sales</u>		
Opening stock of finished goods	309,425,895	299,078,566
Cost of production	215,291,570	272,016,294
Workshop expenses (Page 37)	404,260	644,398
	525,121,725	571,739,258
Less: closing stock of finished goods	(270,446,221)	(309,425,895)
Cost of sales	254,675,504	262,313,363
Gross profit	13,879,367	7,451,584
<u>Add:- other income</u>		
House Rent		66,800
Debtors over provision	53,851,269	31,834,549
Non refundable tender deposits		9,500
Miscellaneous income	249,290	3,115,330
Recovery on shortages & losses		41,609
Gratuity over provision		13,610
	54,100,559	35,081,397
<u>Less :</u>		
<u>Selling & distribution expenses</u>		
Salaries & wages	11,202,114	11,176,439
Other allowances	5,962,648	3,769,864
Interim Allowance	5,000	
Overtime	954,875	1,034,696
Travelling & subsistence - local	54,215	62,231
Annual bonus	440,000	380,000
Retirement gratuity	1,098,666	939,398
E.P.F.contribution	2,352,339	2,042,972
E.T.F.contribution	485,503	417,092
Medical insurance		358,753
Training Allowance		94,900
Attendance incentive	2,089,896	1,953,330
Welfare facilities	1,161,971	659,037
Entertainment	75,941	75,888
House Rent	1,298,250	1,311,500
Water tax	53,876	119,965
Rates , taxes & licenses	282,610	278,760
Repairs & maintenance	1,018,735	635,074
Depreciation	2,367,595	2,280,754
Sanitary expenses	1,257,125	661,525
Insurance and license-vehicle	10,690	8,500
Fuel & oil	3,254,483	3,977,885
Bank charges	9,535	
Electricity - lighting	325,502	754,657
Consumables	537,857	843,005
Printing & stationery	146,501	330,297
News papers ,periodicals & books	720	1,040
Postage	43,100	35,265
Telephone & telegraphs	355,058	443,366
Welfare facilities Uniforms	26,000	32,000
Miscellaneous expenses	913,716	370,187
Work shop expenses (Page 37)	218,185	105,982
Sales commission	717,873	896,104
Advertising	11,000	105,050
SSC Levy	5,422,883	5,841,732
	44,154,461	41,997,250

	2024 Rs.	2023 Rs.
<u>Administrative expenses</u>		
Salaries & wages	21,557,067	26,663,069
Checkroll Wages	182,892	841,341
Other allowances	16,218,728	9,275,550
Overtime	1,698,421	1,354,987
Travelling & subsistence - local	486,001	165,055
Annual bonus	2,738,822	1,072,986
Retirement gratuity	7,051,621	2,286,076
E.P.F.contribution	4,597,460	4,868,788
E.T.F.contribution	925,594	973,218
Medical insurance	4,000	829,740
Attendance incentive	12,788,693	5,086,301
Welfare facilities	7,651,555	1,871,302
Employee training - local		166,728
Entertainment	210,054	182,660
Sanitary expenses	1,681,530	1,362,895
Miscellaneous transport	11,870	4,350
Water tax	1,052,480	258,033
Insurance & licences	119,602	63,373
Repairs & maintenance	4,680,914	2,536,614
Depreciation	5,733,899	7,379,775
Electricity	492,738	1,444,555
Consumables	3,664,833	37,899
Printing & stationery	832,171	903,614
Postage	121,412	91,670
Fuel & oil-vehicle	2,334,769	2,146,229
Telephone & telegraphs	393,882	337,847
Rates,taxes	488,979	91,354
Bank Chargers	61,051	43,750
Welfare facilities Uniforms	261,950	65,150
Computer Expenses	114,465	
Miscellaneous expenses	1,265,074	232,608
	99,422,526	72,637,515
Total Profit/(Loss)	(75,597,062)	(72,101,784)

Timber cost account**Statements of comprehensive income**

for the year ended 31st December

	2024 Rs.	2023 Rs.
Gross Wayside sales - crown land	849,901,223	765,054,385
Gross Wayside sales - private land	16,453,293	57,616,982
Forest offence received timber	158,091	278,784
Donation of timber	165,147,579	136,620,199
	1,031,660,185	959,570,350
Less: NBT		-
Net Wayside sales	1,031,660,185	959,570,350
<u>Other income</u>		
	1,031,660,185	959,570,350
Stock as at 01.01	1,584,172	19,586,359
<u>Material cost</u>		
Logs- contract payment	101,746,625	273,055,945
Logs - piece rate payment	-	334,791
Logs - projects	272,430	948,534
Logs - private land	32,415,397	58,278,613
Logs - donated	237,546,497	151,867,419
Sleepers - contractor payments	48,806,145	35,844,886
Transmission poles - contract	5,524,289	46,320,631
Round poles - contract payments	102,158	1,132,505
Fence posts - contract payments	1,515,115	4,158,615
Fire wood - contract payments	36,900	-
Elephant Poles	7,560,702	493,300
Others	56,000	1,692,464
Gang nail consumption	21,225,226	14,368,388
Stumpage	567,140,335	982,005,335
Stumpage-wild life	279,637	1,127,473
Forest offence expenses		43,178
Marking coupe boundaries	1,967,025	1,503,934
Hauling,stacking,loading & unl.	7,972,337	9,350,094
	1,034,166,820	1,582,526,104
Internal used timber		-
	1,034,166,820	1,582,526,104
<u>Labour cost</u>		
Salaries & wages	123,370,835	129,906,524
Checkrole wages	3,827,714	2,836,076
Other allowances	71,286,123	45,512,275
Interim Allowance	850,206	-
Overtime	2,944,210	2,764,721
Retirement gratuity	14,518,486	10,419,647
E.P.F.contribution	26,926,066	23,700,209
E.T.F.contribution	5,381,493	4,746,563
	249,105,132	219,886,015

	2024 Rs.	2023 Rs.
Overheads		
Travelling & subsistances	24,577,680	25,545,947
Annual bonus	5,020,000	5,171,416
Production incentive	382,728	693,664
Medical insuarance	-	5,928,192
Attendance incentive	26,970,623	28,885,893
Welfare facilities	4,510,231	3,137,375
Training Allowance		80,600
Entertainment	32,117	15,580
Welfare facilities - uniform	270,402	87,583
Rent	867,000	1,567,602
Water tax	163,161	97,756
Rates, taxes	126,662	33,080
Insuarance & licence	376,268	533,672
Repairs & maintainances	27,345,856	25,499,362
Tyres & tubes	1,080,795	5,879,838
Depreciation	38,329,722	37,053,442
Fuel & oil - vehicles	54,562,327	47,791,041
Fuel & oil - plant & mach	14,447,395	12,893,548
Electricity - lighting	333,425	568,821
Consumables	2,821,025	1,125,048
Printing & stationary	4,151,187	5,454,924
News papers	190	
Postage	231,842	191,411
Telephone & telegraphs	141,360	162,518
Miscellaneous transport	174,450	85,520
Computer expenses	6,400	5,160
Workshop expenses (Page 37)	5,007,400	4,401,361
Accident insurance	23,416	95,000
Employee Training	89,310	45,000
Sanitary expenses	88,030	25,600
Workmen compensation		337,500
Advertising		1,260
Rukropana programm	7,500	97,900
Legal fees	16,119	
Miscellaneous expenses	538,249	284,883
SSC Levy	21,912,517	20,561,214
	234,605,384	234,338,712
Less: Stock as at 31.12		(1,584,172)
Cost of timber	1,519,461,508	2,054,753,018
Transferred to depot	659,967,560	806,805,328
Transferred to impregnation plant	46,909,634	360,166,596
Transferred to sawmills	72,973,182	291,902,718
Wayside sales expenditure	739,611,133	595,878,375
	1,519,461,508	2,054,753,018
Total Profit/(Loss)	292,049,052	363,691,975

State Timber Corporation
Saw mill conversion cost account
Cost Distribution Statement

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for the year ended 31st December

	2024 Rs.	2023 Rs.
<u>Material cost</u>		
Timber cost [Page 33]	72,973,182	291,902,718
Gang nail consumption	1,740,351	193,515
	74,713,533	292,096,233
<u>Labour cost</u>		
Salaries & wages	29,930,910	30,938,464
Other allowances	16,750,509	10,022,945
Interim Allowance	30,000	-
Overtime	109,475	302,868
Retirement gratuity	4,069,926	1,839,275
E.P.F.contribution	6,306,259	5,442,692
E.T.F.contribution	1,266,355	1,088,538
	58,463,434	49,634,781
<u>Overheads</u>		
Handling, Stacking, loading and unloading	14,000	
Travelling & subsistence	26,318	37,856
Annual bonus	905,667	813,000
Medical insurance		984,069
Attendance incentive	5,240,611	5,428,599
Welfare facilities	2,339,199	1,782,841
Entertainment	5,645	11,975
Welfare facilities - uniform	49,400	46,575
Water tax	214,942	304,676
Rates,taxes	190,413	264,834
Insurance & licenses	5,400	15,300
Repairs & maintainances	4,820,122	5,521,616
Depreciation	4,241,777	4,482,936
Fuel & oil -vehicle	118,888	995,673
Fuel & oil -plant & machinery	1,371,304	1,641,094
Electricity - power	7,443,985	10,588,997
Consumables	2,435,324	1,849,821
Printing & stationery	122,386	65,827
Postage	52,390	1,450
Telephones & telegraphs	35,344	38,019
Work shop expenses (Page 37)	98,801	250,563
Miscellaneous expenses	197,869	1,140,728
stores & spares	683,492	
Accidents Insurance	15,000	
Sanitary expenses		
	30,628,274	36,266,446
Cost of sawn timber	163,805,242	377,997,460
Transferred to furniture plants	78,608,880	94,499,365
Transferred to impregnation plant	1,299,130	37,799,746
Transferred to depots	83,897,233	245,698,349
	163,805,242	377,997,460

State Timber Corporation

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R.M. and Head office**Statements of comprehensive income****for the year ended 31st december**

	2024 Rs.	2023 Rs.
<u>Income</u>		
Fines - contractors & supplies	3,165,764	107,596
Non refundable tender deposit	1,970,173	1,446,285
Recovery on shortages & losses	1,815,381	1,868,917
House rent	9,239,007	14,440,900
Miscellaneous income	48,849,351	39,017,507
Interest income on investment	630,432,145	925,005,802
Net income	695,471,821	981,887,007
<u>Selling and distribution expenses</u>		
Advertising	7,605,163	7,425,347
	7,605,163	7,425,347
<u>Administrative expenses</u>		
Directors fees	501,870	620,000
Salaries & wages	255,674,005	250,005,173
Checkroll wages	14,638,767	15,954,491
Other allowances	119,949,023	83,871,918
Interim Allowance	390,117	-
Overtime	16,394,136	13,811,022
Travelling & subsistence	8,363,290	9,106,919
Annual bonus	8,900,736	9,344,490
Retirement gratuity	37,403,114	26,584,852
E.P.F.contribution	90,952,342	45,985,775
E.T.F.contribution	15,018,321	9,229,703
Workmen compensation	765,750	2,133,792
Medical insurance	2,500	7,772,031
Attendance incentive	36,662,417	38,087,282
Language and professional charges	76,369	77,896
Welfare facilities	19,813,967	14,017,075
Entertainment	4,540,897	2,119,920
Welfare facilities - uniform	330,735	568,403
Employees training	2,433,594	2,324,975
Production incentive	222,337	564,775
Rent	12,373,156	9,085,925
Water tax	2,385,781	1,977,307
Rates,taxes & licenses	1,100,456	901,491
Insurance & licenses	6,601,799	3,243,511
Insurance fixed assets	71,451	448,141
Repairs & maintenance	34,678,468	25,763,125
Tyres & tubes	2,778,421	3,256,947
Depreciation	90,241,867	104,119,694
	783,265,684	680,976,632

	2024 Rs.	2023 Rs.
Disciplinary expenses	471,636	346,326
Examination & interview exp.	578,300	-
Sanitary expenses	9,317,931	8,631,348
Fuel & oil	34,867,334	36,486,990
Electricity - lighting	15,125,180	15,272,549
Consumables	7,398,545	4,331,700
Printing & stationary	11,369,661	19,070,124
News papers,periodicals & books	445,711	494,491
Advertising non- publicity	100,000	475,320
Postage	4,046,395	4,067,294
Telephones & telegraphs	6,476,324	6,784,765
Bank draft commissions & charges	637,449	517,805
Miscellaneous transport	410,324	325,857
Computer expenses	1,287,792	8,978,925
Audit expenses	4,593,223	3,380,868
Legal fees	448,327	532,500
Consulting & special assignment	80,000	251,190
Tree plant expenditure	5,000	
Bad debt Write off	1,000	
Miscellaneous expenses	9,786,183	15,658,100
SECURITY SERVICE - EXTERNAL	9,492,575	6,554,586
Work shop expenses (Page 37)	24,638,723	27,409,022
	924,843,296	840,546,391
Finance Expenses		
Lease Interaset	515,453	1,082,440
	515,453	1,082,440
Total Profit/(Loss)	(237,492,092)	132,832,829

State Timber Corporation
Mechanical Workshop
Cost Distribution Statement

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for the year ended 31st December

	2024 Rs.	2023 Rs.
<u>Labour cost</u>		
Salaries & wages	11,730,216	12,540,654
Other allowances	7,534,183	4,343,748
Overtime	798,153	1,442,659
E.P.F.contribution	2,511,853	2,382,346
E.T.F.contribution	502,371	476,469
	23,076,776	21,185,876
<u>Variable overheads</u>		
Fuel & oil - plant & mach.	528,347	1,622,020
Electricity	404,253	374,983
Consumables	902,601	482,875
	1,835,201	2,479,878
<u>Overheads</u>		
Retirement gratuity	1,530,770	833,589
Travelling & subsistence	238,007	253,862
Annual bonus	432,000	639,123
Medical insurance		232,814
Attendance incentive	2,817,880	3,154,634
Welfare facilities	1,104,529	1,246,050
Water tax	268,138	301,210
Repairs & maintenance	2,139,817	4,250,321
Tyres & tubes	84,750	72,400
Depreciation	684,647	713,990
Fuel & oil - vehicles	278,330	693,992
Printing & stationary	15,750	368,144
Postage	290	
Telephones & telegraphs	50,537	53,980
Electricity - lighting	695,343	1,036,750
Rates, taxes and license		206,281
Sanitary expenses	1,096,313	569,718
Welfare facilities Uniforms	16,000	4,000
Miscellaneous expenses	116,651	85,972
Licenses/Insurance - vehicles	35,250	47,730
	11,605,000	14,764,560
Total expenditures	36,516,977	38,430,313
Transferred to depot	4,706,295	4,066,544
Transferred to showrooms	218,185	105,982
Transferred to impregnation plant	1,443,314	1,552,443
Transferred to sawmills	98,801	250,563
Transferred to furniture plant	404,260	644,398
Transferred to timber cost	5,007,400	4,401,361
Transferred to RM/HO	24,638,723	27,409,022
	36,516,977	38,430,313

State Timber Corporation
Circuit Bunglows
Statements of comprehensive income

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for the year ended 31st December

	2024 Rs.	2023 Rs.
Income	2,006,074	1,497,717
Net income	2,006,074	1,497,717
<u>Administrative expenses</u>		
Salaries & wages	2,161,203	1,859,111
Other allowances	1,133,970	724,535
Interim Allowance	260,500	-
Overtime	382,722	224,380
Travelling	84,673	3,471
Annual bonus	40,000	80,000
Retirement gratuity	194,633	206,674
E.P.F.contribution	462,246	331,068
E.T.F.contribution	90,687	70,808
Medical insurance		46,849
Attendance incentive	228,150	426,510
Welfare facilities	67,026	52,601
Water tax	217,462	188,759
Repairs & maintenance	562,380	219,977
Fuel and oil vehicles		2,000
Depreciation	1,410,419	1,337,064
Sanitary expenses	16,645	4,520
Miscellaneous expenses	37,774	217,359
Electricity - lighting	942,253	975,967
Consumables	560,791	80,822
Welfare facilities Uniforms	4,000	-
Printing & stationary	5,049	5,328
News Papers & Postage	9,280	2,560
Telephone & telegraphs	98,069	85,986
Total expenditure	8,969,932	7,146,349
Total Profit/(Loss)	(6,963,859)	(5,648,632)