

**LANKA SATHOSA LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME-DRAFT**  
**FOR THE YEAR ENDED 31 st DECEMBER 2023**

<i>(Expressed in Sri Lankan Rupees)</i>	Notes	2023 Year	2022 Year
Revenue	3	58,154,569,443	57,164,922,663
Cost of Sales	4	(51,007,237,243)	(49,843,377,168)
<b>Gross Profit</b>		<b>7,147,332,200</b>	<b>7,321,545,496</b>
		<b>12.3%</b>	<b>12.8%</b>
Other Income	5	1,220,275,846	821,300,354
Selling and Distribution Expenses	6	(4,823,076,521)	(4,956,257,394)
Administrative Expenses	7	(2,252,056,374)	(2,057,746,617)
<b>Profit /(Loss) from Operation Activities (EBIT)</b>		<b>1,292,475,151</b>	<b>1,128,841,838</b>
Interest Income	8	88,715,076	27,847,356
Interest Expence	9	(1,283,216,606)	(1,192,113,707)
<b>Profit /(Loss) before Taxation</b>		<b>97,973,621</b>	<b>(35,424,512)</b>
Income Tax Expense	10	-	-
<b>Profit /(Loss) for the Period (EAIT)</b>		<b>97,973,621</b>	<b>(35,424,512)</b>
<b>Basic Earnings / (Loss) Per Share (Rs.)</b>	<b>11</b>	<b>1.10</b>	<b>(0.40)</b>
<b>Other Comprehensive Income / (Expense)</b>			
<i>Other Comprehensive Income not to be reclassified to Statement of Profit or Loss in subsequent periods :</i>			
Actuarial Gain / (Loss) on Retirement Benefits O	23	(47,942,983)	56,626,291
Revaluation Gain		-	-
<b>Total Comprehensive Income /(Expense) for the Period</b>		<b>50,030,639</b>	<b>21,201,779</b>



**LANKA SATHOSA LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31st DECEMBER 2023**

**2023 Year**

**2022 Year**

*(Expressed in Sri Lankan Rupees)*

**Note**

**ASSETS**

**Non-Current Assets**

Property, Plant and Equipment	12	561,592,593	938,759,502
Lease Asset	12	202,028,331	269,295,879
Intangible Assets	13	75,288,447	134,437,696
<b>Total Non-Current Assets</b>		<b>838,909,371</b>	<b>1,342,493,077</b>

**Current Assets**

Inventories	15	8,129,864,110	7,954,622,465
Trade and Other Receivables	16	1,509,063,162	1,746,397,807
Deposit and Advances	17	182,618,732	152,934,985
Consumable Stocks	18	78,503,207	78,546,486
Pre-Paid Expenses and Statutory Receivables	19	55,334,774	36,433,215
Fixed Deposits		599,312,798	500,000,000
Bank Guarantee	20	10,000,000	10,000,000
Cash and Cash Equivalents	21	768,999,362	353,917,688
<b>Total Current Assets</b>		<b>11,333,696,144</b>	<b>10,832,852,647</b>
<b>TOTAL ASSETS</b>		<b>12,172,605,515</b>	<b>12,175,345,724</b>

**EQUITY AND LIABILITIES**

**Equity**

Stated Capital	22	893,752,720	893,752,720
Equity Infusion		8,035,109,971	5,739,364,265
Retained Earnings <i>(at Debit)</i>		(20,033,957,348)	(19,801,830,058)
Revaluation Reserve		558,873,306	558,873,306
<b>Total Equity</b>		<b>(10,546,221,351)</b>	<b>(12,609,839,767)</b>

**Non-Current Liabilities**

Retirement Benefits Obligation	23	400,396,271	288,785,872
Government Grants	29	65,306,704	145,983,614
Finance Lease Liability	26	164,570,121	230,503,574
Interest Bearing Loans and Borrowings	27	1,147,675,066	4,043,420,772
<b>Total Non-Current Liabilities</b>		<b>1,777,948,161</b>	<b>4,708,693,832</b>

**Current Liabilities**

Trade and Other Payables	24	12,057,437,015	11,069,605,694
Interest Payable on Import Loan	25	97,557,481	156,142,948
Government Grants	29	59,145,108	117,350,571
Finance Lease Liability	26	122,287,587	140,255,718
Interest Bearing Loans and Borrowings	27	3,428,382,133	3,428,382,133
Statutory Payables	28	652,973,438	114,472,361
Bank Overdrafts	21	4,523,095,944	5,050,282,232
<b>Total Current Liabilities</b>		<b>20,940,878,705</b>	<b>20,076,491,657</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,172,605,515</b>	<b>12,175,345,722</b>



**LANKA SATHOSA LIMITED**  
**LANKA SATHOSA LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2023**  
*(Expressed in Sri Lankan Rupees)*

	Stated Capital	Revaluation Reserve	Equity Infusion	Retained Earnings (at Debit)	Total
<b>Balance as at 31st December 2022</b>	<b>893,752,720</b>	<b>558,873,306</b>	<b>5,739,364,265</b>	<b>(19,801,830,058)</b>	<b>(12,609,839,767)</b>
Profit /(Loss) for the year	-	-	-	97,973,621	97,973,621
Prior Year Adjustment	-	-	-	(282,157,929)	(282,157,929)
Equity Infusion	-	-	2,295,745,706	-	2,295,745,706
Other Comprehensive Income / (Expense)	-	-	-	(47,942,983)	(47,942,983)
Revaluation Gain	-	-	-	-	-
<b>Balance as at 31st December 2023</b>	<b>893,752,720</b>	<b>558,873,306</b>	<b>8,035,109,971</b>	<b>(20,033,957,348)</b>	<b>(10,546,221,351)</b>



**LANKA SATHOSA LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 st DECEMBER 2023**  
*(Expressed in Sri Lankan Rupees)*

	2023 Year	2022 Year
<b>Cash Flows from Operating Activities</b>		
Profit /(Loss) for the Period (EAIT)	97,973,621	(35,424,512)
<b>Adjustments for;</b>		
Depreciation	541,977,744	577,696,131
Amortization of Intangible Assets	63,274,249	64,025,447
Amortization of Government Grant	(117,348,421)	(133,481,004)
Government Grant- Recurrent	(100,000,000)	
Provision for Gratuity	81,228,359	72,289,344
Interest Expense	1,283,216,606	1,192,113,707
Interest Income	(88,715,076)	(27,847,356)
Prior Year Adjustment	(282,157,929)	13,513,020
Non cash Expenses	33,119,951	
Disposal loss	-	753,815
<b>Operating Loss/profit Before Changes in Working Capital</b>	<b>1,512,569,104</b>	<b>1,723,638,592</b>
<b>Changes in Working Capital</b>		
Inventories	(175,241,645)	(3,050,906,332)
Trade and Other Receivables	(441,641,895)	(359,032,018)
Deposit and Advances	(29,683,746)	56,181,682
Consumable Stocks	43,280	(36,602,002)
Prepaid Expenses & Statutory Receivables	(18,901,559)	(22,425,762)
Trade and Other Payables	987,831,321	1,935,143,404
Statutory Payable	538,501,077	(203,202,047)
<b>Cash used in Operations</b>	<b>2,373,475,936</b>	<b>42,795,517</b>
Gratuity Paid	(17,560,943)	(14,178,554)
Interest Paid for Over Draft	(1,005,092,957)	(829,787,908)
<b>Net Cash used in Operating Activities</b>	<b>1,350,822,037</b>	<b>(801,170,945)</b>
<b>Cash Flows from Investing Activities</b>		
Acquisition of Property, Plant and Equipment	(131,277,728)	(133,431,567)
Acquisition of Intangible Assets	(4,125,000)	(3,482,000)
Cash Received from Disposal of Assets	610,350	6,878,000
Interest Received	28,207,578	26,652,149
Net Changes in Fixed Deposits	(99,312,798)	-
<b>Net Cash Flow from / (used in) Investing Activities</b>	<b>(205,897,598)</b>	<b>(103,383,418)</b>
<b>Cash Flows from Financing Activities</b>		
Repayment of Loan Capital	(2,895,745,706)	(2,895,745,706)
Receipt of Government Grant for Capital Repayment-IL	2,828,382,133	2,295,745,706
Repayment of Loan Interest	(818,138,175)	(1,136,811,745)
Government Grant Received for Interest-IL	694,423,661	845,073,594
Government Grant Received for Capital and other Projects	125,000,000	51,531,803
Repayment for Lease Assets	(136,578,385)	(34,972,537)
Bank Guarantee		(10,000,000)
<b>Net Cash Flow from Financing Activities</b>	<b>(202,656,472)</b>	<b>(885,178,886)</b>
<b>Net Changes in Cash and Cash Equivalents During the Period</b>	<b>942,267,964</b>	<b>(1,789,733,253)</b>
Cash and Cash Equivalents at Beginning of the Period	(4,696,364,545)	(2,906,631,293)
<b>Cash and Cash Equivalents at End of the Period</b>	<b>(Note 21) (3,754,096,581)</b>	<b>(4,696,364,545)</b>



**LANKA SATHOSA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 st DECEMBER 2023**

**2023 Year**

**2022 Year**

**3 Revenue**

Grocery Products	20,449,525,688	16,816,660,229
Provision Products	27,218,680,265	33,433,699,487
Liquor	6,673,561,267	3,641,780,720
Promotional Items	738,301,942	631,023,789
Household	3,094,942,304	2,680,555,373
Stationery	6,191,487	12,439,568
<b>Gross Revenue</b>	<b>58,181,202,953</b>	<b>57,216,159,165</b>
Sales Discount	3.2 (26,633,510)	(51,236,502)
	<b>58,154,569,443</b>	<b>57,164,922,663</b>

**3.2 Expense on Sales Discount**

Sales Discount recovered from suppliers	126,493,505	382,542,992
Net expense on Sales Discount	(99,859,995)	(331,306,490)
	<u>26,633,510</u>	<u>51,236,502</u>

**4 Cost of Sales**

Opening Stocks	7,954,622,465	4,903,716,133
Purchases	51,182,478,888	53,277,992,318
	<u>59,137,101,353</u>	<u>58,181,708,451</u>
Purchases Return	-	(383,708,818)
Closing Stocks	(8,129,864,110)	(7,954,622,465)
	<b>51,007,237,243</b>	<b>49,843,377,168</b>



**LANKA SATHOSA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**  
**FOR THE YEAR ENDED 31 st DECEMBER 2023**  
*(Expressed in Sri Lankan Rupees)*

	<b>2023 Year</b>	<b>2022 Year</b>
<b>Note</b>		
<b>5 Other Income</b>		
Gondola Income	137,256,647	59,623,509
Promotional Income	27,332,691	18,438,998
Commission Income	4,755,093	3,113,717
Sundry Income	54,980,363	62,325,241
Registration and Listing Income	45,455,875	25,838,548
Rent Income	9,468,334	6,936,457
Joint Business Plan Income	25,000,000	18,525,000
Government Grant-Recurrent	100,000,000	
Amortisation of Deferred Income - Capital Grant	117,348,421	133,481,004
Recoveries	25,717,681	24,445,356
Transport Recoveries	664,474,190	455,374,875
	<b>1,220,275,846</b>	<b>821,300,354</b>
<b>6 Selling and Distribution Expenses</b>		
Salaries	982,805,544	1,020,271,630
Cost of living and Other Allowances	447,084,810	464,745,345
Employees Provident Fund	160,155,384	145,838,098
Employees Trust Fund	39,903,589	39,267,549
Overtime	287,447,824	312,716,645
Advertising Expenses	69,097,690	32,166,791
Bonus	137,500	-
Incentive	37,669,517	29,645
Consumable Store Charges	24,041,925	24,657,906
Grocery Bags	226,308,989	483,736,997
Packing Charges	17,809,034	598,798
Printing Expenses	74,651,793	122,573,855
Rent	819,337,408	787,789,747
Sales Discount -Gift Voucher	180,000	9,615,500
Security Charges	268,926,566	254,009,313
Transport Charges	676,401,746	801,947,525
Promotional Expenses	4,748,062	2,862,098
Trade License Fees	40,262,840	25,959,486
Special Operational Expenses	3,127,352	546,984
Rental Expenses	4,246,045	7,093,996
Casual Labor	349,629,096	398,883,468
Social Security Contribution Levy	245,124,846	20,946,018
Stock shortage	43,978,960	0
	<b>4,823,076,521</b>	<b>4,956,257,394</b>



**LANKA SATHOSA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**  
**FOR THE YEAR ENDED 31 st DECEMBER 2023**  
*(Expressed in Sri Lankan Rupees)*

	<b>2023 Year</b>	<b>2022 Year</b>
<b>7 Administrative Expenses</b>		
Salaries - Managerial, Executive and Clerical	129,519,544	132,005,429
Cost of living and Other Allowances	121,049,341	99,673,465
Employees Provident Fund	19,656,104	32,890,533
Employees Trust Fund	4,862,190	4,975,346
Overtime	10,542,378	13,041,141
Director Fees	1,984,000	1,953,000
Annual Leave Payment	19,229,595	80,182,329
Audit Fees and Expenses	2,400,000	2,086,000
Repair and Maintenance	85,904,605	102,734,920
Stock Verification Charges	69,522,201	107,670
Courier Charges	5,081,322	5,286,040
Depreciation	541,977,744	577,696,131
Amortization of Intangible Assets	63,274,249	64,025,447
Gratuity	81,228,359	72,289,344
Donations	997,045	966,680
Electricity	472,277,956	261,661,634
Fine and Surcharges	293,153	491,228
Pest Control	4,391,440	3,199,600
Service Agreement Fees- AMC	35,193,016	31,122,763
Fuel Charges	32,163,073	74,832,711
Subscription	175,985	326,089
Insurance	24,384,973	22,881,613
Royalty Fees for CWE ( Liquor License )	4,040,682	4,920,024
Water Expenses	16,129,390	16,331,023
Legal Fees	6,002,886	6,495,188
Rates and Taxes	819,351	1,093,715
Postage and Stamp Fees	6,170,215	5,484,293
Secretarial Fees	390,000	485,000
Staff Training	68,200	180,499
Professional Fees	21,434,361	16,989,682
Stationeries	33,214,281	66,883,349
Telephone and Internet	117,572,544	116,365,270
Travelling & Subsistence	29,949,100	26,250,249
Unclaimable VAT	100,724,593	49,200,333
Staff Welfare	54,298,738	41,602,121
Vehical Rental	11,032,332	11,124,260
Labour Compensation	-	891,540
Bank Charges and Commissions	120,866,881	103,237,519
Disposal Clearing	-	753,815
Miscellaneous	3,234,548	5,029,624
	<b>2,252,056,374</b>	<b>2,057,746,617</b>



**LANKA SATHOSA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**  
**FOR THE YEAR ENDED 31 st DECEMBER 2023**

*(Expressed in Sri Lankan Rupees)*

	Note	2023 Year	2022 Year
<b>8</b>	<b>Interest Income</b>		
	Interest on Fixed Deposits and Savings	(88,715,076)	(27,847,356)
		<u>(88,715,076)</u>	<u>(27,847,356)</u>
<b>9</b>	<b>Interest Expenses</b>		
	Interest on People's Bank Loan	55,629,993	82,887,993
	Interest on BOC Loan	478,475,866	703,749,891
	( - ) Government Grant Received	(534,105,859)	(786,637,884)
	Interest on WCL	225,446,849	291,714,735
	Overdraft Interest	1,005,092,957	829,787,908
		<u><b>1,230,539,805</b></u>	<u><b>1,121,502,643</b></u>
	Lease Interest	<u><b>52,676,801</b></u>	<u><b>70,611,064</b></u>
		<u><b>1,283,216,606</b></u>	<u><b>1,192,113,707</b></u>



## NOTES TO THE FINANCIAL STATEMENTS (Contd...)

## FOR THE YEAR ENDED 31 st DECEMBER 2023

(Expressed in Sri Lankan Rupees)

## 12 PROPERTY, PLANT AND EQUIPMENT

12.1 Carrying Amount Cost	Balance as at 01.01.2023	Adjustment	Additions	Transfer from/To	Transfer to IA	Disposals	Balance as at 31.12.2023
Buildings	460,595,809		-				460,595,809
Name Board and Fittings	195,172,527		23,709,001				218,881,527
Computers Equipment	380,688,085		53,485,489		7,100		434,180,674
Computer Software	258,117,279		-		(7,100)		258,110,179
Equipment	1,915,261,814		51,217,628				1,966,479,442
Office Equipment	352,459,321		-				352,459,321
Furniture and Fittings	282,675,561		2,939,069				285,614,630
Motor Vehicles	18,821,440		-				18,821,440
Communication Equipment	3,642,602		-				3,642,602
Assets of CWE	22,798,843		-				22,798,843
<b>Total Gross Carrying Amount</b>	<b>3,890,233,280</b>	<b>-</b>	<b>131,351,187</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,021,584,467</b>

## 12.1.1 Capital Work-in-Progress

Project Advance - Mannar

Provision for Impairment

12,056,960  
(12,056,960)

## 12.2 Depreciation

	Balance As At 01.01.2023	Adjustment	Charge for the Year	Transfer from	Transfer to IA	Disposals	Balance As At 31.12.2023
Buildings	199,815,032		24,306,117	-			224,121,149
Name Board and Fittings	143,231,991		29,346,265				172,578,256
Computers Equipment	295,661,937		50,292,919				345,954,856
Computer Software	218,913,793		17,186,393				236,100,186
Equipment	1,408,113,615		342,141,084				1,782,289,697
Office Equipment	352,384,058	32,034,998	45,723				352,429,781
Furniture and Fittings	289,789,910		11,391,694				301,181,604
Motor Vehicles	18,821,440		-				18,821,440
Communication Equipment	3,642,602		-				3,642,602
Assets of CWE	22,798,843		-				22,798,843
<b>Total Depreciation</b>	<b>2,953,173,221</b>	<b>32,034,998</b>	<b>474,710,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,459,918,415</b>



### Net Book Values

12.3

	31.12.2023	01.01.2023
Buildings	236,474,660	260,780,777
Name Board and Fittings	46,303,271	51,940,535
Computers Equipment	88,225,817	85,026,147
Computer Software	22,009,993	39,203,487
Equipment	184,189,745	507,148,199
Office Equipment	29,540	75,263
Furniture and Fittings	(15,566,974)	(7,114,350)
Motor Vehicles	-	-
Communication Equipment	-	-
Assets of CWE	-	-
<b>Total Carrying Amount of Property, Plant and Equipment</b>	<b>561,666,052</b>	<b>937,060,059</b>
Fixed Asset Intermediate Account	(73,459)	1,699,443
<b>Total Carrying Amount of Property, Plant and Equipment</b>	<b>561,592,593</b>	<b>938,759,502</b>

### Fully Depreciated Assets

12.4 Rs.398 Mn Assets have been fully depreciated as at 31.12.2023

### Lease

12.5 As the Assets taken on Operating Lease was converted to a finance Lease, such Assets were capitalized and depreciated over a period of 05 years

Carrying Amount Cost	Balance as at 01.01.2023	Additions	Disposals	Balance as at 31.12.2023
Equipment	315,488,805	-	-	315,488,805
Name Board	11,250,000	-	-	11,250,000
Furniture	8,381,960	-	-	8,381,960
<b>Total Gross Carrying Amount</b>	<b>335,120,765</b>	<b>-</b>	<b>-</b>	<b>335,120,765</b>
Depreciation	Balance As At 01.01.2023	Charge for the Year	Disposals	Balance As At 31.12.2023
Equipment	61,948,061	63,341,157	-	125,289,218
Name Board	2,220,824	2,250,000	-	4,470,824
Furniture	1,656,000	1,676,392	-	3,332,392
<b>Total Depreciation</b>	<b>65,824,886</b>	<b>67,267,549</b>	<b>-</b>	<b>133,092,434</b>

### Net Book Values

Equipment	190,199,587	253,540,744
Name Board	6,779,176	9,029,176
Furniture	5,049,568	6,725,960
<b>Total Carrying Amount of Lease Assets</b>	<b>202,028,331</b>	<b>269,295,879</b>

Balance as at 31.12.2023

Balance as at 01.01.2023



**LANKA SATHOSA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**

**FOR THE YEAR ENDED 31 st DECEMBER 2023**

*(Expressed in Sri Lankan Rupees)*

**2023-Year**

**2022-Year**

**13 Intangible Assets**

**Cost**

<b>Balance as at 01.01.2023</b>		302,750,996	382,502,826
Previous Year Adjustment	<b>13.1</b>		(83,233,830)
Additions during the year		4,125,000	3,482,000
<b>Balance as at 31.12.2023</b>		<b>306,875,996</b>	<b>302,750,996</b>

**Amortiadation**

<b>Balance as at 01.01.2023</b>		168,313,300	156,308,997
Previous Year Adjustment	<b>13.1</b>	-	(52,021,144)
Charge for the Year		63,274,249	64,025,447
<b>Balance as at 31.12.2023</b>		<b>231,587,549</b>	<b>168,313,300</b>
<b>Net Carrying Value</b>		<b>75,288,447</b>	<b>134,437,696</b>

**13.1** The classification error between Computer software & Intangible asset has been corrected in the year 2022 .

**14 Deferred Tax Assets / Liability**

Since the company is incurring continues losses, no deferred tax assets have been recognised.

**15 Inventories**

Trading Stocks (Provisional Items)	1,483,696,128	1,654,749,436
Trading Stocks (Grocery Items)	5,964,487,614	5,871,831,143
Trading Stocks (Liquor)	681,680,369	428,041,886
	<b>8,129,864,110</b>	<b>7,954,622,465</b>

**16 Trade & Other Receivables**

Trade Receivables	<b>16.1</b>	893,500,278	592,837,068
Amounts Due from Related Parties	<b>16.2</b>	106,257,655	-
Other Receivables	<b>16.3</b>	509,305,229	1,153,560,739
		<b>1,509,063,162</b>	<b>1,746,397,807</b>

**16.1 Trade Receivables**

Trade Receivables	540,023,269	273,398,389
Unsettled Fund	(6,080,799)	(6,080,799)
Provision for Impairment	(62,959,958)	(62,959,958)
	<b>470,982,513</b>	<b>204,357,632</b>
Accounts Receivable	422,609,766	388,571,436
Provision for Impairment	(92,000)	(92,000)
	<b>893,500,278</b>	<b>592,837,068</b>



NOTES TO THE FINANCIAL STATEMENTS (Contd...)

FOR THE YEAR ENDED 31st DECEMBER 2023

(Expressed in Sri Lankan Rupees)

		2023-Year	2022-Year
<b>16.2</b>	<b>Amounts due from Related Parties</b>		
	Co-operative Wholesale Establishment	116,341,008	10,083,353
	Provision for Impairment	(10,083,353)	(10,083,353)
		<u>106,257,655</u>	<u>-</u>
<b>16.3</b>	<b>Other Receivables</b>		
	Receivable From Ministry	2,269,998	52,030,563
	Provision for Impairment	(2,270,000)	(2,270,000)
		<u>0</u>	<u>49,760,563</u>
	Receivable From Treasury(Claim)	(0)	42,224,161
	Receivable From Treasury(Rice Loan)	0	692,954,259
	Sports Ministry	36,454,133	36,453,533
	Provision for Impairment	(36,454,133)	(36,453,533)
		<u>(0)</u>	<u>784,938,983</u>
	Stock Loss Recoverable	416,045,679	342,327,235
	Cash Loss Recoverable	6,455,508	
	Cheques Control		
	FD Interest Receivable	86,804,042	26,294,521
		<u>509,305,229</u>	<u>1,153,560,739</u>
<b>17</b>	<b>Deposits and Advances</b>		
	Rent Advance	66,557,762	69,379,945
	Rent Deposit	33,363,241	19,009,724
	Rent & Rates Prepaid	113,214	842,705
	Rent Recoverable	4,640,524	3,456,343
	Salary Advance	2,454,588	14,426,409
	Festival Advance	24,436,937	6,409,187
	Advances- Other	300,136,195	290,619,372
	Import Clearing Advance-Liverpool	(267,600,500)	(267,600,500)
	Refundable Deposit Receivable	10,330,830	9,971,144
	NTB Utility Card Control	(1,800,293)	6,394,657
	Travelling Advance	704,781	26,000
	Big Onion Control	-	-
	Under Remittance	-	-
	Refundable Deposit - Container	-	-
	Mobilisation Advance	9,281,453	0
		<u>182,618,732</u>	<u>152,934,985</u>
<b>17.1</b>	<b>Festival Advance</b>		
	Advances to Staff	24,882,937	6,855,187
	Provision for Impairment	(446,000)	(446,000)
		<u>24,436,937</u>	<u>6,409,187</u>



**LANKA SATHOSA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**

**FOR THE YEAR ENDED 31 st DECEMBER 2023**

*(Expressed in Sri Lankan Rupees)*

		<b>2023-Year</b>	<b>2022-Year</b>
<b>17.2 Import Clearing Advances-Liverpool Navigation</b>			
Import Clearing Advances		267,600,500	267,600,500
Provision for impairment		(267,600,500)	(267,600,500)
		-	-
<b>17.2.1</b>	Above amount represents the amount paid to Liverpool Navigation in the year 2015 and 2016 for clearance of Imported Rice		
<b>17.3 Big Onion Control</b>			
Big Onion Control		137,826,385	137,826,385
Provision for Impairment		(137,826,385)	(137,826,385)
		-	-
<b>17.3.1</b>	The remaining balance of Big Onion Intermediate Account of Rs. 137,826,385/- is the difference between the total amount paid to purchase of big onion to the local farmers and the stock received to the company (the GRN's value). Further, a provision for impairment has been made on the entire amount since, recovery of the amount subsequently proved to be remote. However, this project is under investigation.		
<b>17.4 Under Remittance</b>			
Under Remittance		56,762,337	56,762,337
Provision for Impairment		(56,762,337)	(56,762,337)
		-	-
<b>17.4.1</b>	The above represent the amount spent out of the sales collection by the manual outlets.		
<b>17.5 Refundable Deposit - Container</b>			
Refundable Deposit - Container		19,507,254	19,507,254
Provision for Impairment		(19,507,254)	(19,507,254)
		-	-
<b>18 Consumable Stocks</b>			
Grocery Bags		13,232,445	13,139,700
Thermal Papers		26,174,508	20,184,249
Stationeries		11,035,154	11,164,942
Printer Toners		26,132,499	28,688,350
Printed Documents		0	5,369,245
Gift Vouchers		1,928,600	-
		<b>78,503,207</b>	<b>78,546,486</b>
<b>19 Pre-Paid Expenses &amp; Statutory Receivables</b>			
Pre-Paid Expenses	<b>19.1</b>	49,254,102	31,743,837
Statutory Receivables	<b>19.2</b>	6,080,671	4,689,377
		<b>55,334,774</b>	<b>36,433,215</b>
<b>19.1 Pre - Paid Expenses</b>			
Insurance		7,398,996	5,442,633
Liquor Licenses		16,557,823	22,305,419
Other Pre-Paid Expenses		25,297,284	3,995,786
		<b>49,254,102</b>	<b>31,743,837</b>
<b>19.2 Statutory Receivables</b>			
Income Taxes		10,927,534	10,927,534
Withholding Tax (Opening)		8,086,082	6,694,788
Provision for impairment		(12,932,944)	(12,932,944)
		<b>6,080,671</b>	<b>4,689,377</b>



**LANKA SATHOSA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**  
**FOR THE YEAR ENDED 31 st DECEMBER 2023**  
*(EAApressed in Sri Lankan Rupees)*

			2023 YEAR	2022 YEAR
	Note			
<b>20</b>	<b>Bank Guarantee</b>			
	Lanka Sathosa limited has placed a Bank Gurantee of 10 mn for Farms Pride.			
<b>21</b>	<b>Cash &amp; Cash Equivalents</b>			
<b>21.1</b>	<b>Favourable Cash and Cash Equivalent Balance</b>			
	Short Term Investment in REPO's		-	-
	Cash at Bank	<b>21.1.1</b>	399,212,137	150,461,533
	Cash in Hand	<b>21.1.2</b>	369,787,225	203,456,155
			<u>768,999,362</u>	<u>353,917,688</u>
<b>21.1.1</b>	<b>Cash at Bank</b>			
	<b>People's Bank</b>			
	Savings Account - 004-2-002-6-1991855		18,901,392	9,369,303
	Saving Account 004-2005-31991855 Colombo 01		138,674,482	-
	Saving Account 004-2006-21991855 Colombo 02		11,794,476	-
	Saving Account 004-2007-11991855 Colombo 03		3,984,324	-
	Saving Account 004-2008-01991855 Gampaha 01		3,322,275	-
	Saving Account 004-2009-91991855 Gampaha 02		10,024	-
	Saving Account 004-2010-61991855 Matale		6,691,942	-
	Saving Account 004-2011-51991855 Nuwaraeliya		10,023	-
	Saving Account 004-2012-41991855 Kegalle		1,639,024	-
	Saving Account 004-2013-31991855 Rathnapura 01		118,013	-
	Saving Account 004-2014-21991855 Rathnapura 02		464,525	-
	Saving Account 004-2015-11991855 Galle 01		467,654	-
	Saving Account 004-2016-01991855 Galle 02		2,458,314	-
	Saving Account 004-2017-91991855 Matara		2,061,784	-
	Saving Account 004-2018-81991855 Kurunegala		11,988	-
	Saving Account 004-2019-71991855 Puttalam		6,922,024	-
	Saving Account 004-2020-41991855 Kaluthara		8,533,333	-
	Saving Account 004-2021-31991855 Kandy		276,803	-
	Saving Account 004-2022-21991855 Badulla		31,695	-
	Saving Account 004-2023-11991855 Anuradhapura		4,145,524	-
	Saving Account 004-2024-01991855 Polonnaruwa & Trinco		2,905,325	-
	Saving Account 004-2025-91991855 Monaragala		2,957,524	-
	Saving Account 004-2026-81991855 Hambanthota		3,146,475	-
	Saving Account 004-2027-71991855 Ampara & Batticaloa		10,024	-
	Saving Account 004-2028-61991855 Jaffna		10,776	-
	Master Card Account - 004-1-001-1-0000044		1,034,734	1,823,388
	Petty Cash Account - 004-1-003-7-1991855		4,265,964	516,585
	Liquor Account - 004-1-002-8-1991855		-	-
	General Account - 004-1-004-6-1991855		18,164,548	1,393,886
	Mobitel Account - 004-2-006-4-1991855		583,019	49,708,219
	<b>Bank of Ceylon</b>	Current Account -7658712	36,031,178	10,730,575
	<b>Nations Trust Bank</b>	Card Account - 1000600	10,335,324	1,531,572
	<b>Commercial Bank</b>	Card Account - 1480045'	3,622,173	2,005,155
			<u>293,586,684</u>	<u>77,078,683</u>
	<b>Card Control</b>		<u>105,625,453</u>	<u>73,382,849</u>
<b>21.1.2</b>	<b>Cash in Hand</b>			
	Floating Cash		4,687,869	4,302,869
	Special Petty Cash		430,914	702,060
	Petty Cash Float		9,621,216	24,158,524
	Outlet Cash Control	<b>21.1.2.1</b>	355,047,226	174,292,702
			<u>369,787,225</u>	<u>203,456,155</u>
			<u>768,999,362</u>	<u>353,917,688</u>

**21.1.2.1** This balance represents the undeposited cash collection by the individual outlets at the year end.



**LANKA SATHOSA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**  
**FOR THE YEAR ENDED 31 st DECEMBER 2023**  
*(Expressed in Sri Lankan Rupees)*

	Note	2023 YEAR	2022 - Year
<b>21.2 Unfavourable Balances</b>			
<b>21.2.1 Bank Overdrafts</b>			
<b>People's Bank</b>			
Special Provision Account - 004-2-005-5-1991855		2,204,108,612	2,296,387,834
Savings Account - 004-2-002-6-1991855			
Provision Account - 004-2-007-3-1991855		1,863,113,253	2,165,083,835
Main Current Account - 004-1-001-9-1991855		417,250,472	548,108,246
Liquor Account - 004-1-002-8-1991855		38,623,607	40,702,317
General Account - 004-1-004-6-1991855			
		<b>(4,523,095,944)</b>	<b>(5,050,282,232)</b>
<b>Cash and Cash Equivalents for the Purpose of Statement of Cash Flows</b>		<b>(3,754,096,581)</b>	<b>(4,696,364,544)</b>
<b>22 Stated Capital</b>			
<b>Issued and Fully Paid,</b>			
Ordinary Shares		893,752,720	893,752,720
		<b>893,752,720</b>	<b>893,752,720</b>
No's of Shares		89,375,272	89,375,272
<b>23 Retirement Benefits Obligation</b>			
<b>Balance as at 01.01.2022</b>		<b>288,785,872</b>	<b>287,301,373</b>
Expenses Recognised in Profit or Loss	<b>23.1</b>	81,228,359	72,289,344
Acturial (Gain) / Losses Recognised in Other Comprehensive Income		47,942,983	(56,626,291)
Payments Made During The Period		(17,560,943)	(14,178,554)
<b>Balance as at 31.12.2022</b>		<b>400,396,271</b>	<b>288,785,872</b>
<b>23.1 Expenses Recognised in Profit or Loss</b>			
Current Service Cost		29,246,902	39,249,686
Interest Charge for the Year		51,981,457	33,039,658
		<b>81,228,359</b>	<b>72,289,344</b>
<b>23.2</b>	Acturial valuation of the defined benefit plan(Gratuity)was carried out on 31 December 2023 by Acturial & Management Consultant (Pvt)Ltd.Appropriate and compatible assumptions were used in determining the cost of retirement benefits.		
<b>23.3 Principal Acturial Assumptions</b>	The Principal assumptions used are as follows;		
<b>a) Demographic</b>		<b>2023</b>	<b>2022</b>
Retirement Age:		60 Years	60 Years
Staff Turnover-up to age 54		3%	5%
<b>b) Financial Assumptions</b>			
Rate of Discount p.a.		13%	18%
Salary Increment		10%	12%

Following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year 2022. The sensitivity of the Statement of Total Comprehensive Income and Statement of Financial Position is the effect of the assumed changes in discount rate and salary increase rate on the Comprehensive Income .

Effect on Total Comprehensive Income - (Reduction)/  
Increase in Results

	2023	2022
+1% Change in Discount Rate	365,169,253	269,309,928
-1% Change in Discount Rate	441,594,600	310,993,643



NOTES TO THE FINANCIAL STATEMENTS (Contd...)

FOR THE YEAR ENDED 31 st DECEMBER 2023

(Expressed in Sri Lankan Rupees)

	Note	2023 YEAR	2022 YEAR
<b>24 Trade and Other Payables</b>			
Trade Payables			
Related Party	<b>24.1</b>	-	1,736,524,123
Others	<b>24.2</b>	11,375,259,764	8,914,775,237
Other Payables	<b>24.3</b>	250,639,797	111,670,008
Accrued Expenses	<b>24.4</b>	431,537,454	306,636,326
		<b>12,057,437,015</b>	<b>11,069,605,694</b>
<b>24.1 Amount Due to Related Parties-Trade</b>			
<b>24.1 Trade Payables</b>			
Supplier Payables, and others		11,375,259,764	10,651,299,359
		<b>11,375,259,764</b>	<b>10,651,299,359</b>
<b>24.3 Other Payables</b>			
Employee Security Deposits		11,289,620	11,397,120
Retention Money		25,900,400	24,396,901
Refundable Deposit Payable		3,782,828	4,046,392
Gift Voucher Control		161,053,259	9,897,340
Printing Expense Payable		1,500,000	2,149,450
Lanka Sathosa Welfare Society and Employee Union		9,350	(750)
Transport Charges Payable		19,913,075	10,440,757
Chairman's Donation control AC		30,000	30,000
SRL Gratuity Control		24,497,685	49,312,799
Payable to Employee		2,663,580	
		<b>250,639,797</b>	<b>111,670,008</b>
<b>24.4 Accrued Expenses</b>			
Salaries Payable		217,393	120,721
Overtime Payable		31,684,804	30,164,516
EPF Payable		25,258,710	9,532,404
ETF Payable		3,759,229	1,372,923
Annual Leave Reimbursement Payable		76,959,005	78,678,460
Audit and Tax Fee Payable		7,200,000	4,800,000
Rent Payable		108,764,654	80,668,342
Electricity Payable		48,360,329	20,795,123
Telephone Charges Payable		10,583,171	11,699,690
Water Charges		2,556,623	540,683
Security Charge Payable		29,154,853	15,568,921
Accrued Charges		90,659,922	52,691,004
Mobitel Recharge Payable		(3,621,239)	3,539
		<b>431,537,454</b>	<b>306,636,326</b>
<b>25 Interest Payable on Import Loan</b>		<b>97,557,481</b>	<b>156,142,948</b>
<i>Interest Payable - BOC</i>			
Interest Payable Balance B/F		154,451,576	210,615,786
Interest Expense for the year		478,475,866	703,749,891
Interest Paid during the period		(534,640,073)	(759,914,100)
<b>Interest payable at the end of the year</b>		<b>98,287,370</b>	<b>154,451,576</b>
<i>Interest Payable - PB</i>			
Interest Payable Balance B/F		1,691,372	3,986,289
Interest Expense for the year		55,629,993	82,887,993
Interest Paid during the period		(58,051,254)	(85,182,910)
<b>Interest payable at the end of the year</b>		<b>(729,889)</b>	<b>1,691,372</b>
<b>26 Finance Lease Liability</b>			
Opening Balance		499,610,445	-
Recognition of lease liability		-	534,582,982
Payment made during the year		(136,578,385)	(34,972,537)
Closing Balance		363,032,060	499,610,445
Interest in suspense		(76,174,353)	(128,851,153)
<b>Total Lease Liability at the end</b>		<b>286,857,708</b>	<b>370,759,292</b>



Non Current lease liability  
Current lease liability

164,570,121	230,503,574
122,287,587	140,255,718
<b>286,857,708</b>	<b>370,759,292</b>



**LANKA SATHOSA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**  
**FOR THE YEAR ENDED 31 st DECEMBER 2023**

**Note**

**2023 YEAR**

**2022 Year**

*(All Amounts Are In Sri Lanka Rupees)*

<b>27</b>	<b>INTEREST BEARING LOANS AND BORROWINGS</b>		
	<b>Non-Current Interest Bearing Borrowings</b>		
27.1	Import Loan-BOC	1,023,972,854	3,071,918,560
27.2	Import Loan-PB	123,702,212	371,502,212
27.3	Working Capital Loan	-	600,000,000
		<b>1,147,675,066</b>	<b>4,043,420,772</b>
	<b>Current Interest Bearing Borrowings</b>		
27.1	Import Loan-BOC	2,559,932,133	2,559,932,133
27.2	Import Loan-PB	268,450,000	268,450,000
27.3	Working Capital Loan	600,000,000	600,000,000
		<b>3,428,382,133</b>	<b>3,428,382,133</b>
<b>27.1</b>	<b>Import Loan- BOC Bank</b>		
	Opening Balance	5,119,864,266	7,167,809,972
	Loan obtained during the year	-	-
	Repayment During the year	(2,047,945,706)	(2,047,945,706)
	Closing Balance	<b>3,071,918,560</b>	<b>5,119,864,266</b>
<b>27.2</b>	<b>Import Loan- People's Bank</b>		
	Opening Balance	619,302,212	867,102,212
	Loan obtained during the year	-	-
	Repayment During the year	(247,800,000)	(247,800,000)
	Closing Balance	<b>371,502,212</b>	<b>619,302,212</b>
	Total Loan Liability	<b>4,576,057,198</b>	<b>7,471,802,904</b>
27.1.1,	For the year 2023 Treasury has provided Rs.3.5 Bn for settlemnt of Import loan .		
27.2.1			
<b>27.3</b>	<b>Working Capital</b>		
	<b>Opening Balance</b>	1,200,000,000	1,800,000,000
	Loans Obtained During the Year	-	-
	Repayments -Capital	(600,000,000)	(600,000,000)
	<b>Closing Balalnce</b>	<b>600,000,000</b>	<b>1,200,000,000</b>
<b>28</b>	<b>Statutory Payables</b>		
	Value Added Tax (VAT) Payable	243,478,154	31,210,872
	Social Security Contribution Levy(SSCL)	409,494,217	83,261,489
	With Holding Tax (WHT) Payable	-	-
	PAYEE	1,067	
		<b>652,973,438</b>	<b>114,472,361</b>



LANKA SATHOSA LIMITED  
NOTES TO THE FINANCIAL STATEMENTS (Contd...)  
FOR THE YEAR ENDED 31ST DECEMBER 2023  
(Expressed in Sri Lankan Rupees)

29 Government Grants

	Development and Implementation of ERP System	Outlet Expansion and Refurbishments of Existing Outlets	Installation of CCTV System	Installation of Air Conditioners	Installation of Point of Sales System	Other Projects	Total
Balance as at 01 Jan 2022	9,908,789	236,177,379	35,907,613	17,413,627	16,358,667	29,517,312	345,283,387
Fund receivable/received from ministry	-	16,813,206	1,586,357	-	5,418,500	27,713,740	51,531,803
Amortization for the Period	(9,908,789)	(88,709,892)	(14,738,534)	(4,875,411)	(5,513,752)	(9,734,627)	(133,481,004)
Balance as at 31 Dec 2022	(0)	164,280,693	22,755,436	12,538,216	16,263,415	47,496,426	263,334,185
Non Current Portion	0.01	79,871,167	9,395,049	7,690,497	10,499,663	38,527,237	145,983,614
Current Portion	-	84,409,526	13,360,387	4,847,718	5,763,752	8,969,189	117,350,571
	(0)	164,280,693	22,755,436	12,538,216	16,263,415	47,496,426	263,334,185
Balance as at 01 Jan 2023	-	164,280,693	22,755,436	12,538,216	16,263,415	47,496,426	263,334,185
Fund receivable/received from ministry	-	-	-	-	-	25,000,000	25,000,000
Non receivable from ministry	-	(16,813,206)	(1,586,357)	-	(418,500)	(27,713,740)	(46,531,803)
Amortization for the Period	-	(84,409,526)	(13,360,387)	(4,847,718)	(5,763,752)	(8,969,189)	(117,350,571)
Balance as at 31 Dec 2023	(0)	63,057,961	7,808,693	7,690,497	10,081,163	35,813,497	124,451,811
Non Current Portion	0.00	22,231,851	3,955,231	3,310,173	5,399,975	30,409,473	65,306,704
Current Portion	-	40,826,110	3,853,462	4,380,324	4,681,189	5,404,023	59,145,108
	(0)	63,057,961	7,808,693	7,690,497	10,081,163	35,813,497	124,451,811