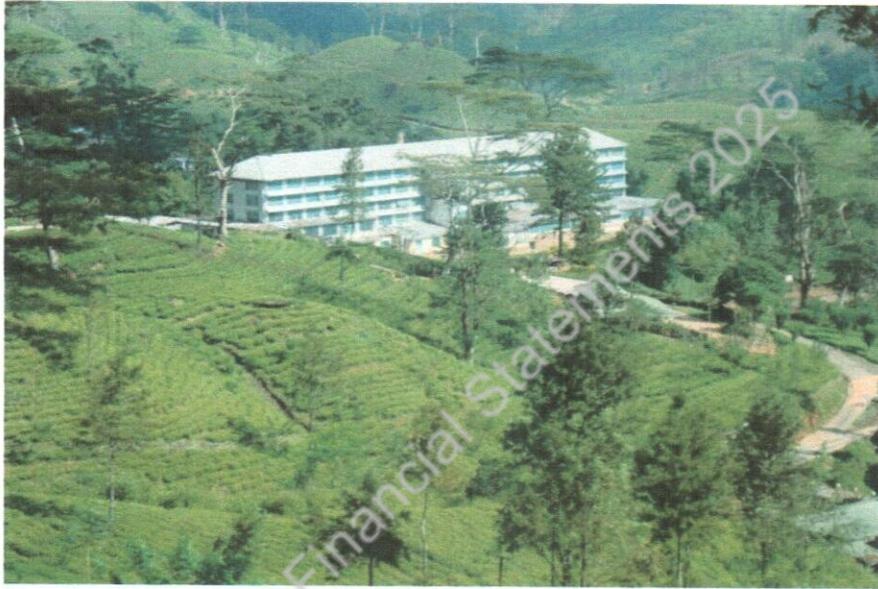


SRI LANKA STATE PLANTATIONS CORPORATION



ANNUAL ACCOUNTS 2025

Head office Address : No. 257, Siri Dhamma Mawatha, Colombo 10

Telephone : 011 4194877 Fax : 011 2438635 e-mail : slspc@sltnet.lk

Date : 09th March 2026

***Sri Lanka State
Plantations
Corporation***

Annual Accounts 2025

Contents

<i>Statement of financial position</i>	<i>2</i>
<i>Statement of Income</i>	<i>3</i>
<i>Statement of Changes in Equity</i>	<i>4</i>
<i>Statement of Cash flows</i>	<i>5</i>
<i>Notes to the financial Statements (Accounting Policies)</i>	<i>6-12</i>
<i>Notes to the financial Statements</i>	<i>13-22</i>

Our Vision

*To be the Government Owned
Strongest Commercial Enterprise
in the Plantation Sector*

Our Mission

*To contribute a maximum to the
Gross Domestic Product of the
Country as well as to the well-
being of the Plantation Worker
families and neighboring villages
by the proper management of the
assets of Sri Lanka State
Plantations Corporation through
worker participation*

Sri Lanka State Plantations Corporation

STATEMENT OF FINANCIAL POSITION

In LKR.

As at 31st December

	Note	Page No.	2025	2024
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	8	13	1,531,836,591	1,443,900,323
Biological Assets - Consumable	9	15	3,363,505,134	3,362,969,544
Investment Property	10	16	1,611,520,641	1,611,520,641
Deferred Assets	27	22	263,238	307,111
Total Non-current Assets			6,507,125,604	6,418,697,619
Current Assets				
Inventories	11	17	103,850,566	114,432,691
Trade and Other Receivables	12	17	458,174,739	348,085,497
Cash and Cash Equivalents	13	18	62,932,537	62,822,063
Total Current Assets			624,957,842	525,340,252
Total Assets			7,132,083,446	6,944,037,871
EQUITY AND LIABILITIES				
Capital and Reserves				
Contributed Capital	14	18	6,644,675,959	6,314,881,284
Retained Earnings			(2,574,642,004)	(2,587,033,547)
Total equity			4,070,033,955	3,727,847,737
Non-current liabilities				
Bank Loan	17.1	19	173,455,556	221,977,368
Deferred Income	16	18	10,746,319	49,159,332
Employee Benefit Obligations	15	18	649,985,253	763,931,645
Total Non-current liabilities			834,187,128	1,035,068,344
Current liabilities				
Trade and Other Payables	17	19	2,227,588,083	2,178,669,294
Bank Overdraft	13	18	274,278	2,452,494
Total Current liabilities			2,227,862,361	2,181,121,788
Total liabilities			3,062,049,489	3,216,190,132
Total equity and liabilities			7,132,083,446	6,944,037,871

The accounting policies and notes on pages 5 through 22 form an integral part of the financial statements.

The undersigned certify that these financial statements are prepared in accordance with Sri Lanka Accounting Standards.



Mr. S.I.M.Hassan

Deputy General Manager - Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Approved and signed for and on behalf of the Board of Directors of Sri Lanka State Plantations Corporation by,



Dr. R.R.M.S.K. Kanathunga
Chairman



Mr. R.M.S.P.S. Bandara
Board Member



Mr. G.D.T.S. Perera
Board Member

March 09, 2026 Colombo.

Sri Lanka State Plantations Corporation

STATEMENT OF INCOME

In LKR.					
Year ended	31st December	Notes	Page No.	2025	2024
Revenue		18	20	1,153,525,813	991,042,009
Cost of Sales				(1,088,880,339)	(969,188,394)
Gross Profit / (Loss)				64,645,474	21,853,615
Other Income		19	20	186,845,004	192,172,214
Administrative Expenses		20	20	(239,447,713)	(222,934,082)
Operating Profit / (Loss)				12,042,765	(8,908,253)
Finance Income		19	20	32,204	144,277
Finance Expenses		21	20	(47,604,154)	(59,876,479)
Profit/ (Loss) for the Period				(35,529,186)	(68,640,456)

The accounting policies and notes on pages 5 through 22 form an integral part of the financial statements.

Sri Lanka State Plantations Corporation

STATEMENT OF CHANGES IN EQUITY

In LKR.

Year ended 31 December 2025				
	Capital	Land	Accumulated	Total
	Rs.	Contribution	Profit/(Loss)	Rs.
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 January 2024	3,915,790,925	2,220,601,926	(2,355,053,627)	3,781,339,224
Grants Received from Treasury	178,488,434	-	-	178,488,434
Profit for the year	-	-	(68,640,456)	(68,640,456)
Prior year adjustments (Note 26)	-	-	(163,339,464)	(163,339,464)
Balance as at 31 December 2024	4,094,279,359	2,220,601,926	(2,587,033,547)	3,727,847,738
Balance as at 01 January 2025	4,094,279,359	2,220,601,926	(2,587,033,547)	3,727,847,738
Grants Received from Treasury	329,794,674	-	-	329,794,674
Profit for the year	-	-	(35,529,186)	(35,529,186)
Prior year adjustments (Note 26)	-	-	47,920,729	47,920,729
Balance as at 31 December 2025	4,424,074,033	2,220,601,926	(2,574,642,004)	4,070,033,955

The accounting policies and notes on pages 5 through 22 form an integral part of the financial statements.

Sri Lanka State Plantations Corporation

STATEMENT OF CASH FLOWS

In LKR.

Year ended 31st December	Notes	2025	2024
Cash Flows from Operating Activities			
Net Profit/(Loss) Before Taxation		(35,529,186)	(68,640,456)
Adjustments for :			
Depreciation of Biological Assets	8.1	3,700,329	4,289,928
Depreciation of Assets	8	18,769,662	17,051,852
Amortization of deferred Assets	27	43,873	43,873
Finance Expenses	21	47,604,154	59,876,479
Finance Income	19	(32,204)	(144,277)
Gratuity Provision	15	37,777,690	38,927,520
Audit fee Provisions		450,537	510,356
Insurance Provisions		633,553	894,846
Disposal of PPE	19	(2,737,880)	(451,670)
Government Grants & Subsidy	19	(19,286,334)	353,835
Prior year adjustments	26	(20,401,353)	12,461,458
Profit before Working Capital Changes		30,992,843	65,173,744
Changes in Working Capital			
(Increase) / Decrease in Inventories	11	10,582,126	(28,210,951)
(Increase) / Decrease in Trade and Other Receivables	12	(109,588,723)	(38,663,720)
Increase / (Decrease) in Current Liabilities	17	(45,901,098)	22,753,215
Cash generated from operations		(144,907,696)	(44,121,457)
Gratuity Paid		(39,638,957)	(26,260,370)
Finance Income	19	32,204	144,277
Finance cost Paid	21	(46,004,154)	(58,276,479)
Net cash generated from operating Activities		(199,525,760)	(63,340,286)
Cash flows from investing activities			
Additions to Property, Plant and Equipment	8	(110,311,087)	(112,543,152)
Additions to Consumable Biological Assets	9	(535,590)	(1,471,429)
Disposal of Property, Plant and Equipment	19	2,737,880	(2,652,300)
Net cash flow from Investing Activities		(108,108,797)	(116,666,881)
Cash flows from Financing Activities			
Treasury Grants Received	14	329,794,674	178,488,434
Government Grants & Subsidy	19	19,286,334	353,835
Deferred Income	16	9,364,049	49,159,332
Bank loan		-	237,100,000
Repayment of Bank Loan - Peoples Bank		(48,521,812)	(15,122,632)
Settlement of Bank Loan	17.1	-	(79,300,000)
Net cash flow from Financing Activities		309,923,245	370,678,968
Net Increase / (Decrease) in Cash and Cash Equivalents		2,288,689	190,671,802
Movement in cash and cash equivalents			
At the beginning of the period	13	60,369,569	(130,302,233)
Increase/(Decrease) for the year		2,288,689	190,671,802
Cash & Cash Equivalents at end of the year	13	62,658,258	60,369,569
Cash & Cash Equivalents at end of the year (Note 13)			
Cash in hand and at bank			
- Head Office		58,246,318	54,669,912
- Estates		4,686,219	8,152,152
Bank Overdraft		(274,278)	(2,452,494)
		62,658,258	60,369,569

Sri Lanka State Plantations Corporation

Notes to the Financial Statements

Accounting Policies

Year ended 31 December 2025

1. CORPORATE INFORMATION

General

Sri Lanka State Plantations Corporation (Corporation) is a Government Corporation incorporated in 1958 under the Act No. 4 of 1958 and domiciled in Sri Lanka. It is a Government Corporation located at No 257, Siri Dhamma Mawatha, Colombo 10.

The Corporation prepares financial statements for the twelve month's period ended 31st December and these financial statements are authorized/approved by the board of directors.

Principal Activities

Manufacture and marketing of made tea through tea auction, selling latex and minor or export crops (Cloves, Pepper, Cardamom, Cinnamon etc.) and planting and selling commercial timber of the Corporation.

2. BASIS OF PREPARATION

The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards comprising SLFRS and LKAS as issued by the Institute of Chartered Accountants of Sri Lanka.

The financial statements have been prepared on a historical cost basis other than the biological assets which are at fair value.

The financial statements are presented in Sri Lankan Rupees.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1.1 Significant Accounting Policies

The following are the significant accounting policies used by the Corporation in preparing these financial statements.

3.1.2 Property Plant and Equipment

Property, Plant and Equipment is stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Corporation derecognizes the replaced part, and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the income statement as incurred.

3.1.3 Depreciation

Depreciation is provided on the Property, Plant and Equipment acquired and disposed during the year from date of purchase to the date of disposal.

The estimated useful lives and rates of depreciation of Property, Plant and Equipment are as follows.

Item	Useful Life	Rate
Buildings	20 years	5%
Motor Vehicles	4 years	25%
Furniture and Fittings	8 years	12.5%
Office Equipment	8 years	12.5%
Machinery	8 years	12.5%
Computer and Printers	3 years	33.33%

Sri Lanka State Plantations Corporation

Notes to the Financial Statements

Accounting Policies

Year ended 31 December 2025

3.1.4 Biological Assets

Biological assets relate to a living animal or a plant. According to LKAS 41, certain common features exist for biological assets, i.e. (a) Capability to change (capability for biological transformation) (b) Management of change (Management facilitates biological transformation by enhancing the conditions necessary for the process to take place. Such management distinguishes agricultural activity from other activities. For example, harvesting from unmanaged sources) and (c) Measurement of change (The change in or brought about by biological transformation or harvest is measured and monitored as a routine management function.)

Biological assets are two types namely, bearer biological assets and consumable biological assets.

3.1.4.1 Bearer Biological Assets

Bearer Biological Assets are the assets other than consumable biological assets and would include the major plantations such as Tea bushes, Rubber Trees and any field crops for the corporation. These would be carried at Cost less any accumulated depreciation and any accumulated impairment losses as per the option given by CA Sri Lanka and shown with Property, Plant and Equipment from the year 2025.

The Bearer Biological Assets of the Corporation are categorized as Mature Bearer Biological Assets and Immature Bearer Biological Assets and presented under Notes to the Financial Statements. Mature Bearer Biological Assets are those able to sustain regular harvests. The Corporation's policy is to transfer Immature Bearer Biological Assets to Mature Bearer Biological Assets at the time their commercial harvesting commences.

The estimated useful lives of the bearer biological assets are as follows.

Coconut	25 years	Cocoa	20 years
Pepper	15 years	Cinnamon	25 years
Rubber	35 years	Nutmeg	30 years
Cloves	50 years	Ginger	01 year
Coffee	25 years	Tea	100 years
Arecanut	40 years		
Cardamom	20 years		

3.1.4.2 Consumable Biological Assets

Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets and comprises of timber. Agricultural produce is valued as fair value less estimated point of sale costs and costs necessary to get them to the market. A gain or loss on valuation is recognised under the Statement of Comprehensive Income.

3.1.4.3 Deferred Assets

Deferred Assets are amortized at 10 % per annum.

3.1.5 Investment property

Investment property includes properties held for capital appreciation and / or to earn rental income. They are initially measured at cost, including related transaction costs and costs incurred subsequently to add to, replace part of, or service a property. Subsequent measurement is also at cost less accumulated depreciation.

Sri Lanka State Plantations Corporation

Notes to the Financial Statements

Accounting Policies

Year ended 31 December 2025

3.1.6 Capital work in progress

Capital expenses incurred during the year, which are not capitalized as at the balance sheet date are shown as Capital work in progress, whilst the capital assets which have been capitalized during the year and put to use have been transferred to Property Plant & Equipment.

3.1.7 Leases

The determination of whether an arrangement is a lease, or it contains a lease, is based on the substance of the arrangement, and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as finance leases.

When the Corporation is a lessee under finance leases, the leased assets are capitalised and included in 'Property, plant and equipment' and the corresponding liability to the lessor is included in lease creditors. A finance lease and its corresponding liability are recognised initially at the fair value of the asset or, if lower, the present value of the minimum lease payments. Finance charges payable are recognised in 'Net interest income' over the period of the lease based on the interest rate implicit in the lease so as to give a constant rate of interest on the remaining balance of the liability.

Operating leases

All other leases are classified as operating leases. When the Corporation is the lessee, leased assets are not recognised on the balance sheet. Rentals payable and receivable under operating leases are accounted for on a straight-line basis over the periods of the leases and are included in 'Administrative expenses' and 'Other operating income', respectively.

3.2.1 Inventories

Inventories are recognized at cost and net realizable value, whichever is lower after making due allowance for obsolete and slow-moving items which are valued at 'First in first out' basis.

Measurement of inventories

3.2.2 Cost of Inventories

Raw Materials

Cost of purchases together with any incidental expenses.

Work in progress

Raw material cost and variable manufacturing expenses in full.

Finished Goods

Raw material cost and variable manufacturing expenses in full.

3.2.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and bank, fixed deposit investments, other short-term highly liquid investments with original maturities of six months or less. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Sri Lanka State Plantations Corporation

Notes to the Financial Statements

Accounting Policies

Year ended 31 December 2025

3.2.4 Research costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss when incurred.

4. LIABILITIES AND PROVISIONS

4.1 Retirement Benefit Obligations

4.1.1 Defined benefit plan – Retirement Gratuity

The Corporation is liable to pay Gratuity in terms of the Payment of Gratuity Act No.12 of 1983. The liability for gratuity to an employee arises only on completion of five years of continued service with the Corporation. In order to meet this liability, a provision is carried forward in the Balance Sheet. The resulting difference between the brought forward provision at the beginning of a year and the carried forward provision at the end of the year is recognised in the Income Statement.

The liability is not externally funded. The item is grouped under Non-Current Liabilities in the Balance Sheet.

4.1.2 Defined Contribution Plans- Employee Provident Fund & Employee Trust Fund

The Corporation contributes to Employees' Provident Fund and Employees' Trust Fund. These contributions are covered by relevant contribution funds in line with respective regulation. Obligations for contributions to the plans covering the employees are recognized as an expense in the income statement.

Employees' Provident Fund

The Corporation and Employees contribute to provident fund at 12% and 10% respectively on the basic salary.

Employees' Trust Fund

The Corporation contributes 3% on the basic salary to the Employees' Trust Fund.

5. INCOME STATEMENT

For the purpose of presentation of the Income Statement, the function of expenses method is adopted as it represents fairly the elements of corporation performance.

5.1.1 Revenue Recognition

Revenue is recognized on to the extent that is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

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

Rendering of services

Revenue from rendering of services is recognised in the accounting period in which the services are rendered or performed.

Other Income

Other income is recognised on an accrual basis. This mainly includes management income, registration fee, tree tender proceeds and lease rent income.

Sri Lanka State Plantations Corporation

Notes to the Financial Statements

Accounting Policies

Year ended 31 December 2025

5.1.2 Expenses

All expenditures incurred in the running of the business have been charged to income in arriving at the profit for the year. Repairs and renewals are charged to profit and loss in the year in which the expenditure is incurred.

5.1.3 Financial Expenses

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. The corporation's finance expenses comprise of overdraft interest, commission on cash, loan interest (bank & others) and broker's interest.

6. FINANCIAL INSTRUMENTS- INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

6.1 Financial Assets

6.1.1 Initial Recognition and Measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets, as appropriate and determine the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

The Corporation's financial Assets include cash and short-term fixed deposits, trade and other receivables and other deposits. The above financial assets are shown under current assets.

6.1.2 Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows.

6.1.2.1 Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. The Corporation did not have any financial assets at fair value through profit or loss during the year ended 31 December 2025.

6.1.2.2 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement in finance cost.

Sri Lanka State Plantations Corporation

Notes to the Financial Statements

Accounting Policies

Year ended 31 December 2025

6.1.2.3 Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to- maturity when the Corporation has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised as finance cost in the income statement in finance cost. The Corporation does not have any held to maturity investments during the year ended 31 December 2025.

6.1.2.4 Available-for-Sale Financial Investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available for- sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

The Corporation did not have any available-for-sale financial investments during the year ended 31 December 2025.

6.1.2.5 Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when,

- i). The rights to receive cash flows from the asset have expired.
- ii). The Corporation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either.
 - (a) The Corporation has transferred substantially all the risks and rewards of the asset, or
 - (b) The Corporation has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

6.1.2.6 Impairment of Financial Assets

The Corporation assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Currently the Corporation identifies a specific provision for trade receivables.

Sri Lanka State Plantations Corporation

Notes to the Financial Statements

Accounting Policies

Year ended 31 December 2025

6.1.2.7 Financial Assets Carried at Amortized Cost

For financial assets carried at amortized cost, the Corporation first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Corporation determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

6.2 Financial Liabilities

Initial recognition and measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Corporation determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs. The Corporation's financial liabilities include trade and other payables and bank overdrafts.

Subsequent measurement

The measurement of financial liabilities is at the amortised cost.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

7. FIRST- TIME ADOPTION OF SLAS (SLFRS/LKAS)

The financial statements, for the year ended 31 December 2012 are the first the Corporation prepared in accordance with SLAS comprising SLFRS/LKAS effective as of 1st January 2012. For the periods up to and including year ended 31 December 2011, the Corporation prepared its financial statements in accordance with previous Sri Lanka Accounting Standards.

Sri Lanka State Plantations Corporation
NOTES TO THE FINANCIAL STATEMENTS

9 BIOLOGICAL ASSETS - CONSUMABLE

Consumable Biological Assets	As at 31.12.2025 Rs.	As at 31.12.2024 Rs.
Biological Assets	3,362,969,544	3,361,498,115
Additions during the year	535,590	1,471,429
Total Consumable Biological Assets	3,363,505,134	3,362,969,544

(a)

The valuation of Consumable Biological Assets (trees with commercial value) in SLSPC's Plantations was commenced in 2024. The valuation of trees is performed by SLSPC staff by using the formula used by the Timber Corporation to value timber logs. Due to the existence of large number of trees, this exercise has taken a considerable time to complete though we have completed the valuation of trees in majority of our Plantations by the latter part of 2025.

However, some timber blocks of SLSPC's Plantations were damaged due to the Cyclone Ditwah experienced whole over Sri Lanka in November 2025. Therefore, the number of trees existing as per our previous records may have changed due to the damages incurred by this Cyclone. As such, we are required to identify the damaged trees and update Number of tree details accordingly to arrive the correct valuation of Consumable Biological Assets.

As of now, have completed the valuation of Consumer Biological assets of Alakolla State Plantation after considering the Cyclone Ditwah damages. The details are depicted in the following table.

Division	Number of Trees	Value of Trees (Rs.)
Lower Division	853	9,753,733
Ratnathenna Division	275	968,854
Upper Division	1,023	5,773,752
Wattakelle Division	846	7,459,208
Total (Rs.)	2,997	23,955,547

(b). Following table depicts the Trees available at each of the SLSPC's plantations as at 31st December 2023 as per physical verification and the trees harvestable as per approved forestry management plans for 2018-2023 are shown separately on the second column.

Name of the Plantation	Total No. of Trees as per physical verification (Excluding the trees in the Forestry Management Plan) as at 31/12/2023	Balance No. of harvestable Trees as at 31/12/2023. (as per approved Forestry Management Plan)	Total No. of Trees available in the plantations of SLSPC as at 31/12/2023
Allakolla State Plantation	3,042	209	3,251
Cottaganga State Plantation	4,070	1,093	5,163
Galphille State Plantation	10,338	-	10,338
Goomera State Plantation	7,232	303	7,535
Hagalla State Plantation	7,517	-	7,517
Harepark State Plantation	3,182	-	3,182
Hunnasgiriya State Plantation	5,691	-	5,691
Kallebokka State Plantation	7,544	7,177	14,721
Midlands State Plantation	10,471	782	11,253
Nicholoya State Plantation	2,320	-	2,320
Opalgala State Plantation	10,523	964	11,487
Rangalla State Plantation	5,544	45	5,589
Waithalawa State Plantation	6,959	109	7,068
Wiharagala State Plantation	791	-	791
Woodside State Plantation	3,299	4,435	7,734
Walahanduwa State Plantation	1,051	-	1,051
Total Number of Trees	89,574	15,117	104,691

As we have completed Valuation of Allakolla Plantation, we are expecting to complete the Tree valuations of all the other plantations and adjust the Consumable Biological Asset values in the Annual Financial Statements for 2026.

Sri Lanka State Plantations Corporation

NOTES TO THE FINANCIAL STATEMENTS

10 INVESTMENT PROPERTY

	As at 31.12.2025	As at 31.12.2024
	Rs.	Rs.
Land Contribution from Government	1,600,601,926	1,600,601,926
Land for Capital Appreciation	10,918,715	10,918,715
	1,611,520,641	1,611,520,641

As per LKAS 40, an investment property shall be measured initially (at the point of transfer) at its cost and subsequently using either the fair value model or the cost model. At the time of converting to SLFRS the Management was not in a position to get the monetary values as at the date of transfer and instead the values as at handing over the lands to RPCs were considered to be the fair value of the estates. Therefore the land value was extracted proportionately from the balance sheets of RPCs as at 1992. Management is of the view that the cost of such land as of the date that these lands were handed over to the RPCs reflects reasonably the cost of land and such amounts are carried forward in the books.

We have taken steps for the valuation of lands belonging to SLSPC during the year 2023 and written to the Department of Valuation requesting them to value the lands belongs to us and to inform us the total cost for the valuation. In reply they have informed us their formula to calculate their fees/charges to value our lands. According to the formula given for valuation of these lands we expect a large sum is required to complete these valuations. Due to the present financial difficulties faced by us, we are not in a position to accommodate a huge expenditure of this nature at this time. However as the initial step we are in the process of surveying the lands belongs to SLSPC from the funds allocated to the Ministry and already we have completed surveying fourteen plantations in the 2023, 2024 and 2025 while surveying started in the current year for other remaining plantations are in progress. Now we are waiting for any assistance through the line Ministry, using their budget allocations to complete the valuation of these plantations.

10.1 Lands owned by the Sri Lanka State Plantations Corporation (SLSPC) and Lands handed over to the Regional Plantation Companies (RPCs).

The Land Reform Commission (LRC) and Other Government Institution have vested the ownership of two hundred and seventy four (274) lands to the Sri Lanka State Plantations Corporation by Gazette notifications and out of which two hundred and forty (240) lands have been handed over to twenty (20) Regional Plantation Companies and the details are as follows.

	Gazette No.	Gazette Date	Vested by	Number of Lands vested to SLSPC	Lands handed over to RPCs	Lands with SLSPC
1	150/12	24.07.1981	LRC	38	38	-
2	569/14	02.08.1989	LRC	3	3	-
3	571/14	18.08.1989	LRC	1	1	-
4	157/13	03.04.1975	Other Govt. Ins.	5	5	-
5	181/12	27.02.1982	LRC	80	54	26
6	195/6	31.05.1982	LRC	14	9	5
7	206/15	20.08.1982	LRC	1	-	1
8	230/12	02.02.1983	LRC	1	1	-
9	439/18	06.02.1987	Other Govt. Ins.	1	-	1
10	937/2	19.08.1996	LRC	7	7	-
11	815/10	21.04.1994	LRC	123	122	1
Total Lands				274	240	34

10.2 Other Lands owned by the Sri Lanka State Plantations Corporation and lands handed over to the Regional Plantation Companies.

Thirty (30) Lands have been purchased by the SLSPC and eleven (11) plantations which have been received from the Government Institution without Gazette Notifications. Out of forty one (41) lands forty (40) lands have been handed over to the RPCs and the details are as follows.

	Source of Land Received	Received Year	Remarks	Number of Lands	Lands handed over to RPCs	Lands with SLSPC
1	Commissioner General of Inland Revenue	1960	-	4	4	-
2	Commissioner of Lands	1968	Handed over to Mahaweli Project	1	-	-
3	Janatha Estate Development Board	1977	-	6	6	-
4	Purchased by SLSPC	1972, 1973, 1974, 1975	-	30	30	-
Total Other Lands				41	40	-
				315	280	

Accordingly, two hundred and eighty (280) lands have been handed over to twenty (20) RPCs in 1992 on lease basis for fifty three (53) years. The Lease period will be ended in 2045. In terms of the lease agreements, Elkaduwa Plantations Ltd, Udupussellawa Plantations Ltd and Agapathana Plantations Ltd should pay the lease rentals to SLSPC and the lease rentals from other RPCs are paid to the General Treasury.

Sri Lanka State Plantations Corporation

NOTES TO THE FINANCIAL STATEMENTS

11 INVENTORIES	As at 31.12.2025	As at 31.12.2024
	Rs.	Rs.
Finished Products	64,435,458	70,779,796
Consumable Stock	39,415,108	43,652,895
	103,850,566	114,432,691

Finished product Inventories are valued at lower of Cost and the Net Realizable Value (NRV).

Nursery stocks as at 31/12/2025 are added with Consumable stocks above.

12 TRADE AND OTHER RECEIVABLES	As at 31.12.2025	As at 31.12.2024
	Rs.	Rs.
Trade Debtors - Head office (a)	84,156,613	47,273,044
Less : Provision for Head office debtors	(19,879,268)	(19,879,268)
Trade Debtors - All Estates (b)	270,070,882	244,388,992
Less : Provision for estate debtors	(49,128,420)	(49,128,420)
Other Receivables - Head office	129,887,282	89,985,927
Less : Prov. Doubt Debt-Lease land rent	(15,780,848)	(15,780,848)
Other Receivables - All Estates	58,848,498	51,226,071
Gratuity Suspense (2012 Bal.)	85,257,147	85,257,147
Less : Provision for Gratuity Suspense	(85,257,147)	(85,257,147)
	458,174,739	348,085,497

a). Trade Debtors - Head office includes the following	As at 31.12.2025	As at 31.12.2024
B.C.C. Company	15,404,568	15,404,568
Less : Specific Impairment of Head office debtors	(15,404,568)	(15,404,568)
Elkaduwa Plantation	1,916,092	1,916,092
Woodside Estate	992,125	992,125
Less : Prov. Doubtful Debtors- Woodside	(992,125)	(992,125)
Duckwarie	2,500,000	2,500,000
Less : Prov. Doubtful Debtors-Deckward	(2,500,000)	(2,500,000)
Trade Debtors	880,434	880,434
Less : Prov. Doubtful Debt-Trade Debtor	(880,434)	(880,434)
G G. Mahendrarathna	102,140	102,140
Less : Pro Doubt Deb-GG Mahendrarathna	(102,140)	(102,140)
Accounts Receivables - Green Leaf Buyers	33,571,310	25,301,927
Assets in Transit	28,700,850	-
Sundry and Other Debtors	89,094	175,757
	64,277,345	27,393,776

b). Trade Debtors - Estates includes the following		
Sundry Debtors	58,103,996	31,921,586
Consumer debtors	41,071,407	41,071,407
Sundry Income Debtors	2,588,530	2,588,530
J.E.D.B	1,668,269	1,668,269
Debtors for Produce	726,644	726,644
Less : Specific Impairment of estate debtors	(47,537,070)	(47,537,070)
Less : Provision for Bad Debts	(1,591,349)	(1,591,349)
Other Debtors - Current account balances	165,912,037	166,412,556
	220,942,462	195,260,572

Sri Lanka State Plantations Corporation
NOTES TO THE FINANCIAL STATEMENTS

	As at 31.12.2025	As at 31.12.2024
	Rs.	Rs.
13 CASH AND CASH EQUIVALANTS		
(a). Favourable Balances :		
Cash in hand and at bank		
- Head Office & Regional Office	58,246,318	54,669,912
- All Plantations	4,686,219	8,152,152
	<u>62,932,537</u>	<u>62,822,063</u>
(b). Negative Balances		
- Peoples Bank Current Account	(274,278)	(2,452,494)
Cash & Cash Equivalents at end of the year	62,658,258	60,369,569

	As at 31.12.2025	As at 31.12.2024
	Rs.	Rs.
14 CONTRIBUTED CAPITAL		
Government Contribution (Grants)	4,028,086,055	3,698,291,381
Land Contribution from Government	2,616,589,903	2,616,589,903
	<u>6,644,675,958</u>	<u>6,314,881,284</u>

Total Government contribution consists of grants received from government (Treasury) or Through Ministries and the lands transferred/vested to Sri Lanka State Plantations Corporation by the government through gazette notifications. During the year under review Rs. 255.6 Million was received from the General Treasury to SLSPC towards settlements of Legal cases which are coming for hearing every week against outstanding statutory dues and Rs. 26.42 million was received from Ministry of Plantation Industries towards various projects approved by them. In addition to these we have also received Grants through Ministry of Irrigation towards the implementation of GCF Knuckles Project and we have utilized Rs.47.78 Million this year for Capital works.

	Head office 2025	Plantations 2025	As at 31.12.2025	As at 31.12.2024
			Rs.	Rs.
15 EMPLOYEE BENEFIT OBLIGATIONS				
Opening Balance	29,753,663	734,177,982	763,931,645	584,181,197
Gratuity Under/(Over) provision	7,196,048	(60,645,465)	(53,449,417)	188,118,884
Provision for the Year	1,610,759	36,166,931	37,777,690	38,927,520
Transferred to Gratuity Payable	(3,386,138)	(94,751,119)	(98,137,257)	(45,860,793)
Other Transaction/Transfers		(137,408)	(137,408)	(1,435,163)
Total Employee Benefit Obligations	35,174,332	614,810,921	649,985,253	763,931,645

As per Sections 57 and 67 of the Sri Lanka Accounting Standard (LKAS) 19 – “Employee Benefits”, accounting by an entity for defined benefit plans (gratuity) involve using an Actuarial technique, namely the projected unit credit method. This method should be used to determine the present value of the gratuity liability and the deficit or the surplus of the gratuity provision. In order to comply with the said requirement, we have obtained the approval of the Board of Directors to obtain the services of an Actuary/ Actuarial Firm during the year 2025. We are in the process of procurement procedures to select an Actuary. Once selected, we will proceed with the valuations and disclose the Gratuity provisions according to these cancelations to reflect in the in the Annual Financial Statements for the year 2026.

16 DEFERRED INCOME

Last year we have initiated GCF (Green Climate Fund) Knuckles project activities at our Plantations and funded through Ministry of Agriculture, Livestock, Lands and Irrigation. We give below the summary details of Grants received and utilized during the year under review.

	As at 31.12.2025	As at 31.12.2024
	Rs.	Rs.
DEFERRED INCOME/CAPITAL GRANTS		
Opening Balance	49,159,332	-
Grants/Subsidy received for GCF Project activities	23,000,000	75,911,396
Less : Revenue Expenditures	(13,635,951)	(18,663,630)
Capital Expenditures	(47,777,062)	(8,088,434)
Closing balance - Deferred Income	10,746,319	49,159,332

Sri Lanka State Plantations Corporation

NOTES TO THE FINANCIAL STATEMENTS

17 TRADE AND OTHER PAYABLES

	As at 31.12.2025	As at 31.12.2024
	Rs.	Rs.
Head office (a)	461,506,435	479,620,080
Estates (b)	1,766,081,648	1,699,049,214
	2,227,588,083	2,178,669,294

a). Trade and other payables for Head office includes the following

	As at 31.12.2025	As at 31.12.2024
Perth Estate	6,610,411	6,610,411
Janatha Estates Development Board (JEDB)	97,709,342	97,709,342
Advance Received Made Tea Brokers	24,651,302	49,946,484
Advance Received - Green Leaf Buyers	-	393,201
Advance payments - Tender Customers	5,158,992	5,158,992
Sanstha Tea Customers - Over Payments	1,088	1,375
Rent Advance - EAM Maliban Textiles (Pvt) Ltd	30,985,000	34,525,000
Rent Advance - D R Leisure (Pvt) Ltd.	12,408,000	20,746,301
Refundable Deposit - D R Leisure (Pvt) Ltd.	4,400,000	4,400,000
State Resources Management Corporation	-	28,709,029
Fertilizer Corporation	35,931,679	35,931,679
Chilaw Plantation	44,410,959	42,810,959
Loan - Lanka Mineral Sands	25,000,000	25,000,000
Accrued Expenses	47,142,283	18,232,048
EPF - Payable	18,104,513	24,628,938
ESPS - Payable	16,047,396	12,043,028
CPPS - Payable	30,564,049	21,959,468
E.T.F Payable	196,387	168,768
Refundable deposits	32,833,974	28,571,363
Gratuity Payable	6,066,311	4,911,149
Interest payable - PB Loan	769,045	905,717
Other Payables	22,515,705	16,256,830
Total	461,506,435	479,620,080

b). Trade and other payables for Estates includes the following

	As at 31.12.2025	As at 31.12.2024
Sundry Creditors	7,030,909	7,887,384
Holiday Pay	22,428,444	20,181,207
Elkaduwa Plantation	172,137	172,137
Other Liabilities	82,868,504	85,149,589
Trade Unions	9,184,361	9,604,956
Staff and Workers Payables	41,774,985	49,868,157
Prov. for Audit Fees & Insurance	8,825,311	8,175,351
E. P. F. Payable	647,863,914	671,061,907
C.P.P.S. Payable	24,954	24,954
E.S.P.S Payable	95,762,141	77,756,693
E.T.F. Payable	49,973,952	47,368,717
Gratuity Payable	645,507,432	583,316,046
Accrued Expenses	9,191,950	14,313,389
Attendance Bonus Provision	885,314	117,583
E.P.F Surcharges Payable	98,472,494	85,854,420
E.T.F Surcharges Payable	19,472,644	10,425,561
Gratuity Surcharges Payable	26,642,201	27,771,163
Total	1,766,081,648	1,699,049,214

17.1 Bank Loan - (People's Bank)

Loan No. : PB Loan 0468001000001837	58,300,000	74,501,778
Loan No. : PB Loan 0468001000001846	2,955,556	5,276,268
Loan No. : PB Loan 0468001000001855	11,600,000	17,198,451
Loan No. : PB Loan 0468001000001864	100,600,000	125,000,871
Total	173,455,556	221,977,368

During the year we were able to pay all the loan installments due. We have also able to reduce the agreed Interest rate from 16% to 12% p.a. for Loan Nos. 0468001000001837 & 0468001000001864 for the remaining period. The repayment period for the Loan and Over draft will be five years and for the unpaid Interest component the settlement period will be three years. These loans were secured against the Treasury Guarantee and the Property situated at Dematagoda owned by Sri Lanka State Plantations Corporation.

Sri Lanka State Plantations Corporation

NOTES TO THE FINANCIAL STATEMENTS

18 REVENUE	31.12.2025	31.12.2024
	Rs.	Rs.
Tea	700,665,297	601,078,318
Green Leaf	428,900,815	377,713,655
Minor Crops	18,030,670	8,909,811
Rubber	5,929,032	3,340,226
Total Revenue	<u>1,153,525,813</u>	<u>991,042,009</u>

Revenue from Tea Sales Includes Income received from Sale of Made tea at Colombo tea auction, Local sales - Sale of Refuse tea by tender.

19 OTHER INCOME	31.12.2025	31.12.2024
	Rs.	Rs.
Tree Tender	81,342,768	141,951,100
Lease Rentals	41,176,432	26,746,165
Compensation for Land	18,550,000	-
Management Fee	10,985,720	9,877,975
Finance Income	32,204	144,277
Income from Hunnas Water Falls	4,521,755	3,493,242
Government Grants & Subsidy	19,286,334	353,835
Nursery Plants - Sale Income	225,780	100,000
Ticketing Income	2,366,985	1,952,500
Fixed Asset disposal account	2,737,880	(451,670)
Sale Income - Redundant items	2,945,980	5,030,380
Guest Bungalow Income	220,100	609,200
Other Income - Estates & Head Office	2,485,270	2,509,487
Total Other Income	<u>186,877,208</u>	<u>192,316,490</u>

20 ADMINISTRATION EXPENSES	31.12.2025	31.12.2024
	Rs.	Rs.
Personnel Cost - (Head office)	58,368,047	54,741,858
Defined Contributions - EPF, CPPS & ESPS (Head office)	6,213,584	5,613,465
Defined Contributions - ETF (Head office)	1,553,405	1,403,681
Depreciation (Head Office)	2,668,923	2,078,481
Gratuity Expense (Head office)	1,610,759	1,425,485
Other Administration & Sales Expenses - Head Office	68,645,820	61,673,645
Gratuity Expense (Plantations)	36,166,931	37,502,035
Other Administration Expenses- Plantations	64,220,244	58,495,431
Total Administration Expenses	<u>239,447,713</u>	<u>222,934,082</u>

21 FINANCE EXPENSES	31.12.2025	31.12.2024
	Rs.	Rs.
Commissions on Cash	6,269,168	6,039,928
Interest on Tea Brokers' Advances & Charges	9,433,401	13,987,222
Bank Charges	492,466	427,153
Bank Overdraft Interest	74,559	5,581,044
Bank Loan Interest - (People's Bank)	29,734,561	32,241,132
Other Loan Interest - Chilaw Plantation	1,600,000	1,600,000
Total Finance Expenses	<u>47,604,154</u>	<u>59,876,479</u>

Sri Lanka State Plantations Corporation

NOTES TO THE FINANCIAL STATEMENTS

25 EVENTS AFTER THE BALANCE SHEET DATE

All the material events after the balance sheet date have been considered and appropriate adjustments and disclosures have been made in to the financial statements, where necessary.

26 PRIOR YEAR ADJUSTMENTS

Prior year adjustments includes the following transactions relating to the previous financial years and these adjustments were made during this year by the plantations and Head office.

Details	2025 Rs.	2024 Rs.
Gratuity Payable / Provision (Under/Over Provision)	(51,689,866)	127,693,467
Gratuity Surcharges	3,604,346	2,902,909
EPF Surcharges	14,754,218	10,452,233
ETF Surcharges	12,722,179	2,642,549
Write-Back Creditors balance - as approved by the board	(28,709,029)	-
Under/Over stated depreciation Provisions	2,976,803	(761,685)
Other Expenditures/Adjustments	(1,579,380)	20,409,991
Total	(47,920,729)	163,339,464

27 DEFERRED ASSETS

During the year Deferred Assets were amortized by 10% as per the accounting policy number 3.1.4.3 and debited to the Expenditure - Roads under General Charges in the profit & loss account.

28 IMPACT OF CYCLONE DITWAH

Between 27th and 29th November 2025, Cyclone Ditwah caused widespread flooding and landslides across Sri Lanka, affecting communities in all districts. Our Plantations in Kandy and Matale districts were also affected due to Ditwah Cyclone and following damages were identified as at the balance sheet date.

a). Damages to Roads & Bridges

Name of Estate	Description	Details of Damages to Roads & Bridges
Allakolla	Road	Telleyawatura Ella Road - 2.00Km
Cottaganga	Bungalow Road	Goonawala Bungalow Road -2.00 Km
Cottaganga	Heeloya Road	Heeloya Road - 3.00Km
Hunnasgiriya	Hunnasgiriya Road	Lower to Upper Hunnasgiriya Road - 4.00Km
Kallebokka	Nellumale Road	Nellumale across to Hulankanda Road - 3.10 Km & Nellumale Bridge
Kallebokka	Kallebokka to Allakolla Road	Kallebokka to Allakolla Road - 1.50 Km
Kallebokka	Upper Division Road	Upper Division Road - 5.00 Km
Kallebokka	Poyangala Road	Poyangala Road -2.20 Km
Midland	Dankanda Wewa Road	Dankanda Wewa Road - 3.00 Km
Opalgala	Kudaoya Road	2nd phase land access Road - 3.00 Km
Waitalawa	Furndale Bungalow Road	Furndale Bungalow Road 2.00 Km
Waitalawa	Assistant superintendent bungalow	Bungalow road - 2.00 Km
Woodside	Wewathanna Road	Wewathanna Road - 3.5 Km

b). Damages to Nurseries

Name of Estate	Description	Details of Damages Nurseries
Nicholoya	Tea Nursery damaged	Damaged Tea plants 13,000
Rangala	Tea Nursery damaged	Damaged Tea plants 44,102
Rangala	Timber Nursey damaged	Damaged Eucalyptus 2,340 plants

c). Damages to Tea Fields

Name of Estate	Description	Damaged Extent (ha)
Allakolla	Infilling	10.00 Ha
Cottaganga	Infilling	0.25 Ha
Goomera	Replanting	0.25 Ha
Hagala	New Replanting	3.00 Ha
Hagala	Infilling	2.00 Ha
Harepark	New Planting	5.00 Ha
Hunnasgiriya	Replanting	1.25 Ha
Kallebokka	New Planting	6.50 Ha
Midland	New Planting/Replanting	7.00 Ha
Opalgala	New Planting/Replanting	3.00 Ha
Rangala	Replanting	5.00 Ha
Waitalawa	New Planting	4.00 Ha

A Committee has been appointed by General Manager to evaluate and assess the financial losses to the Corporation. Until the Committee finalise their assessment we are disclosing the material information pertaining to this loss by this Note to the Financial Statements. We expect to recognise the loss incurred due to Cyclone Ditwah in the Annual Accounts for the year 2026.