

# **SRI LANKA STATE PLANTATIONS CORPORATION**



## **ANNUAL ACCOUNTS 2024**

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*Date : 12<sup>th</sup> March 2025*

# ***Sri Lanka State Plantations Corporation***

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***Annual Accounts 2024***

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## ***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.	2024	2023
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	8	13	1,443,900,323	1,362,996,754
Biological Assets - Consumable	9	15	3,362,969,544	3,361,498,115
Investment Property	10	16	1,611,520,641	1,611,520,641
Deferred Assets	26	21	307,111	350,984
<b>Total Non-current Assets</b>			<b>6,418,697,619</b>	<b>6,336,366,494</b>
<b>Current Assets*</b>				
Inventories	11	17	114,432,691	86,221,740
Trade and Other Receivables	12	17	348,085,497	309,421,777
Cash and Cash Equivalents	13	18	62,822,063	5,088,843
<b>Total Current Assets</b>			<b>525,340,252</b>	<b>400,732,360</b>
<b>Total Assets</b>			<b>6,944,037,871</b>	<b>6,737,098,854</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
Contributed Capital	14	18	6,314,881,284	6,136,392,851
Retained Earnings			(2,587,033,547)	(2,355,053,627)
<b>Total equity</b>			<b>3,727,847,737</b>	<b>3,781,339,224</b>
<b>Non-current liabilities</b>				
Bank Loan	17.1	19	221,977,368	-
Deferred Income	16	18	49,159,332	-
Employee Benefit Obligations	15	18	763,931,645	584,181,197
<b>Total Non-current liabilities</b>			<b>1,035,068,344</b>	<b>584,181,197</b>
<b>Current liabilities</b>				
Trade and Other Payables	17	19	2,178,669,294	2,156,877,357
Bank Loan	17.1	19	-	79,310,000
Bank Overdraft	13	18	2,452,494	135,391,076
<b>Total Current liabilities</b>			<b>2,181,121,788</b>	<b>2,371,578,433</b>
<b>Total liabilities</b>			<b>3,216,190,132</b>	<b>2,955,759,630</b>
<b>Total equity and liabilities</b>			<b>6,944,037,871</b>	<b>6,737,098,854</b>

The accounting policies and notes on pages 5 through 21 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. Ranathunga**  
 Chairman

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

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

March 12, 2025 Colombo.

**G.D.T.S. Perera**  
 Chief Accountant I  
 Ministry of Plantation and Community Infrastructure  
 8th Floor, Sethsiripaya Stage II  
 Battaramulla.

## Sri Lanka State Plantations Corporation

### STATEMENT OF INCOME

In LKR. Year ended 31st December	Notes	Page No.	2024	2023
Revenue	18	20	991,042,009	1,012,615,844
Cost of Sales			(969,188,394)	(915,210,110)
<b>Gross Profit / (Loss)</b>			<b>21,853,615</b>	<b>97,405,733</b>
Other Income	19	20	192,172,214	134,729,318
Administrative Expenses	20	20	(222,934,082)	(252,774,948)
<b>Operating Profit / (Loss)</b>			<b>(8,908,253)</b>	<b>(20,639,897)</b>
Finance Income	19	20	144,277	1,014,565
Finance Expenses	21	20	(59,876,479)	(73,048,571)
<b>Profit/ (Loss) for the Period</b>			<b>(68,640,456)</b>	<b>(92,673,903)</b>

The accounting policies and notes on pages 5 through 21 form an integral part of the financial statements.

# Sri Lanka State Plantations Corporation

## STATEMENT OF CHANGES IN EQUITY

In LKR.

### Year ended 31 December 2024

	Capital Rs.	Land Contribution Rs.	Accumulated Profit/(Loss) Rs.	Total Rs.
<b>Balance as at 01 January 2023</b>	<b>3,851,890,925</b>	<b>2,220,601,926</b>	<b>(2,258,965,172)</b>	<b>3,813,527,679</b>
Grants Received from Treasury	63,900,000	-	-	63,900,000
Profit for the year	-	-	(92,673,903)	(92,673,903)
Prior year adjustments (Note 26)	-	-	(3,414,552)	(3,414,552)
<b>Balance as at 31 December 2023</b>	<b>3,915,790,925</b>	<b>2,220,601,926</b>	<b>(2,355,053,627)</b>	<b>3,781,339,224</b>
<b>Balance as at 01 January 2024</b>	<b>3,915,790,925</b>	<b>2,220,601,926</b>	<b>(2,355,053,627)</b>	<b>3,781,339,224</b>
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)
<b>Balance as at 31 December 2024</b>	<b>4,094,279,359</b>	<b>2,220,601,926</b>	<b>(2,587,033,547)</b>	<b>3,727,847,738</b>

The accounting policies and notes on pages 5 through 21 form an integral part of the financial statements.

# Sri Lanka State Plantations Corporation

## STATEMENT OF CASH FLOWS

In LKR.

Year ended 31st December

	Notes	2024	2023
<b>Cash Flows from Operating Activities</b>			
Net Profit/(Loss) Before Taxation		(68,640,456)	(92,673,903)
<b>Adjustments for :</b>			
Depreciation of Biological Assets	8.1	4,289,928	4,723,618
Depreciation of Assets	8	17,051,852	14,197,209
Amortization of deferred Assets	27	43,873	43,873
Finance Expenses	21	59,876,479	73,048,571
Finance Income	19	(144,277)	(1,014,565)
Gratuity Provision	15	38,927,520	32,279,972
Loss on disposal of PPE		(451,670)	-
Audit fee Provisions		510,356	580,599
Insurance Provisions		894,846	1,490,093
Government Grants & Subsidy	19	353,835	(2,655,167)
Prior year adjustments	26	12,461,458	(3,414,552)
<b>Profit before Working Capital Changes</b>		<b>65,173,744</b>	<b>26,605,748</b>
<b>Changes in Working Capital</b>			
(Increase) / Decrease in Inventories	11	(28,210,951)	(18,822,482)
(Increase) / Decrease in Trade and Other Receivables	12	(38,663,720)	(7,979,242)
Increase / (Decrease) in Current Liabilities	17	22,753,215	149,505,740
<b>Cash generated from operations</b>		<b>(44,121,457)</b>	<b>122,704,016</b>
Gratuity Paid		(26,260,370)	(22,738,709)
Finance Income	19	144,277	1,014,565
Finance cost Paid	21	(58,276,479)	(51,394,143)
<b>Net cash generated from operating Activities</b>		<b>(63,340,286)</b>	<b>76,191,478</b>
<b>Cash flows from investing activities</b>			
Additions to Property, Plant and Equipment	8	(112,543,152)	(187,693,245)
Additions to Consumable Biological Assets	9	(1,471,429)	(932,819)
Disposal of Property, Plant and Equipment	8	(2,652,300)	-
<b>Net cash flow from Investing Activities</b>		<b>(116,666,881)</b>	<b>(188,626,064)</b>
<b>Cash flows from Financing Activities</b>			
Treasury Grants Received	14	178,488,434	63,900,000
Government Grants & Subsidy	19	353,835	2,655,167
Deferred Income	16	49,159,332	-
Withdrawal of Fixed Deposits		-	9,785,400
Bank loan		237,100,000	-
Repayment of Bank Loan - Peoples Bank		(15,122,632)	(20,690,000)
Settlement of Permanent over draft facility		-	(35,480,000)
Settlement of Bank Loan	17.1	(79,300,000)	-
<b>Net cash flow from Financing Activities</b>		<b>370,678,968</b>	<b>20,170,567</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>190,671,802</b>	<b>(92,264,019)</b>
<b>Movement in cash and cash equivalents</b>			
At the beginning of the period	13	(130,302,233)	(38,038,213)
Increase/(Decrease) for the year		190,671,802	(92,264,019)
<b>Cash &amp; Cash Equivalents at end of the year</b>	<b>13</b>	<b>60,369,569</b>	<b>(130,302,233)</b>
<b>Cash &amp; Cash Equivalents at end of the year (Note 13)</b>			
Cash in hand and at bank			
- Head Office		54,669,912	3,125,608
- Estates		8,152,152	1,963,235
Bank Overdraft		(2,452,494)	(135,391,076)
		<b>60,369,569</b>	<b>(130,302,233)</b>

# Sri Lanka State Plantations Corporation

## Notes to the Financial Statements

### Accounting Policies

Year ended 31 December 2024

#### 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 2024

#### 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 2024.

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 2024**

#### **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 2024**

#### **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 2024**

#### **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 2024.

##### **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 2024**

#### **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 2024.

#### **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 2024.

#### **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 2024**

#### **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 1<sup>st</sup> 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**

**8 PROPERTY, PLANT AND EQUIPMENT**

Head office	Freehold land	Buildings	Equipment	Furniture & Fittings	Computer	Motor Vehicles	Total
<b>Cost or Valuation</b>							
As at 1st January 2024	4,031,845	4,959,427	14,277,369	9,510,126	6,720,151	67,511,974	107,010,892
Additions	-	202,420	491,608	255,180	549,650	-	1,498,858
Disposals	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-
As at 31st December 2024	4,031,845	5,161,847	14,768,977	9,765,306	7,269,801	67,511,974	108,509,750
<b>Accumulated Depreciation</b>							
As at 1st January 2024	-	4,959,384	11,343,300	4,763,804	5,149,778	66,217,469	92,433,735
Depreciation Charge for the year	-	4,959	581,053	892,850	599,619	-	2,078,481
Previous Year Adjustment	-	-	-	5,201	-	-	5,201
Disposals	-	-	-	-	-	-	-
As at 31st December 2024	-	4,964,342	11,924,352	5,661,856	5,749,397	66,217,469	94,517,417
<b>Net book value</b>							
As at 31st December 2024	4,031,845	197,505	2,844,625	4,103,451	1,520,404	1,294,505	13,992,334
<b>Estates</b>							
<b>Cost or Valuation</b>							
As at 1st January 2024	645,345,972	201,566,842	28,921,275	8,291,133	1,176,722	84,200,574	2,078,752,811
Additions	-	5,026,452	2,642,568	290,230	291,340	590,255	111,044,293
Previous Year Adjustment	-	-	-	-	-	-	(3,479,963)
Transfers	-	-	-	-	-	-	(4,963,475)
Disposals	-	(770,700)	-	-	-	-	(2,652,300)
As at 31st December 2024	645,345,972	205,822,594	31,563,843	8,581,363	1,468,062	84,790,829	2,178,701,366
<b>Accumulated Depreciation</b>							
As at 1st January 2024	-	124,882,097	20,599,351	990,455	997,348	73,406,988	730,333,213
Depreciation Charge for the Year	-	5,013,828	1,484,042	525,741	113,842	745,982	19,263,300
Previous Year Adjustment	-	(20,062)	(2,410)	-	-	-	(803,136)
Disposals	-	-	-	-	-	-	-
As at 31st December 2024	-	129,875,863	22,080,982	1,516,196	1,111,190	74,152,970	748,793,377
<b>Net book value</b>							
As at 31st December 2024	645,345,972	75,946,730	9,482,861	7,065,167	356,872	10,637,859	1,429,907,990
<b>Net book value Head office and Estate as at 31st December 2024 (Total)</b>	649,377,816	76,144,235	12,327,486	11,168,618	1,877,276	11,932,364	1,443,900,323

## Plantations Corporation

### FINANCIAL STATEMENTS

#### 8.1 Bearer Biological Assets

Bearer biological assets would be carried at cost less any accumulated depreciation.

Bearer Biological Assets	Tea		Other Crop Immature Plantation (8.2)	Coconut	Pepper	Rubber	Coffee	Other	Total
	Mature Plantation	Immature Plantation							
<b>Cost or valuation</b>									
As at 1st January 2024	508,654,524	357,059,545	16,527,314	3,870,374	3,709,621	15,270,484	1,565,492	20,690,284	927,347,638
Additions	6,927,929	77,064,731	15,935,431	-	-	-	-	62,476	99,990,568
Transfer/Correction	-	(4,979,598)	-	-	-	-	-	16,123	(4,963,475)
Disposals	-	-	-	-	-	-	-	-	-
As at 31st December 2024	515,582,454	429,144,679	32,462,745	3,870,374	3,709,621	15,270,484	1,565,492	20,768,884	1,022,374,731
<b>Accumulated Depreciation</b>									
As at 1st January 2024	370,322,825	-	-	3,358,935	2,647,942	6,463,241	1,442,998	2,305,901	386,541,844
Depreciation Charge for the Year	2,412,423	-	-	56,447	122,103	1,138,500	7,703	552,752	4,289,928
Previous Year Adjustment	-	-	-	(461,039)	-	-	-	-	(461,039)
As at 31st December 2024	372,735,248	-	-	2,954,344	2,770,046	7,601,742	1,450,701	2,858,654	390,370,733
<b>Net book value</b>									
As at 31st December 2024	142,847,206	429,144,679	32,462,745	916,031	939,575	7,668,742	114,791	17,910,230	632,003,998
Net book value as at 31st December 2024									632,003,998

#### 8.2 Immature Plantation - Other Crop

Bearer Biological Assets	Cinnamon	Cloves	Coconut	Coffee	Arecanut	Total
<b>Cost or valuation</b>						
As at 1st January 2024	5,001,336		11,525,977			16,527,314
Additions	5,542,577	69,863	4,671,018	4,906,215	745,758	15,935,431
As at 31st December 2024	10,543,913	69,863	16,196,995	4,906,215		32,462,745

# Sri Lanka State Plantations Corporation

## NOTES TO THE FINANCIAL STATEMENTS

### 9 BIOLOGICAL ASSETS - CONSUMABLE

Consumable Biological Assets	As at 31.12.2024	As at 31.12.2023
	Rs.	Rs.
Biological Assets	3,361,498,115	3,360,565,296
Additions during the year	1,471,429	932,819
<b>Total Consumable Biological Assets</b>	<b>3,362,969,544</b>	<b>3,361,498,115</b>

The valuation of the Consumable Biological Assets (Trees with commercial values) in SLSPC's Plantations was started in 2024 by appointing a committee of three members within the staff of SLSPC. Currently they have nearly completed the valuation of Biological Assets of one plantation and once the valuations for all the plantations are completed by the team, we will update the entries in the books accordingly.

Following table depicts the Trees available at each of the SLSPC's plantations as at 31<sup>st</sup> December 2023. 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
<b>Total Number of Trees</b>	<b>89,574</b>	<b>15,117</b>	<b>104,691</b>

## Sri Lanka State Plantations Corporation

### NOTES TO THE FINANCIAL STATEMENTS

#### 10 INVESTMENT PROPERTY

	As at 31.12.2024	As at 31.12.2023
	Rs.	Rs.
Land Contribution from Government	1,600,601,926	1,600,601,926
Land for Capital Appreciation	10,918,715	10,918,715
	<b>1,611,520,641</b>	<b>1,611,520,641</b>

#### 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
<b>Total Lands</b>				<b>274</b>	<b>240</b>	<b>34</b>

#### 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	Number of Lands	Lands handed over to RPCs	Lands with SLSPC	Remarks
1	Commissioner General of Inland Revenue	1960	4	4	-	-
2	Commissioner of Lands	1968	1	-	-	Handed over to Mahaweli Project
3	Janatha Estate Development Board	1977	6	6	-	-
4	Purchased by SLSPC	1972, 1973, 1974, 1975	30	30	-	-
<b>Total Lands</b>			<b>41</b>	<b>40</b>	<b>-</b>	

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 Agarapathana Plantations Ltd pay the lease rentals to the SLSPC and the lease rentals from other RPCs are paid to the General Treasury.

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 six plantations in the 2023, while surveying started in the current year for seven more plantations is in progress. In the year balance three plantations will be surveyed in the year 2025. In addition to above we are also in the process of getting approval from the Board of Directors to get the assistance of our line Ministry to obtain these valuation reports by using the budget allocations after the survey process is completed.

# Sri Lanka State Plantations Corporation

## NOTES TO THE FINANCIAL STATEMENTS

11 INVENTORIES	As at 31.12.2024	As at 31.12.2023
	Rs.	Rs.
Finished Products	70,779,796	51,878,540
Consumable Stock	43,652,895	34,343,200
	<u>114,432,691</u>	<u>86,221,740</u>

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

12 TRADE AND OTHER RECEIVABLES	As at 31.12.2024	As at 31.12.2023
	Rs.	Rs.
Trade Debtors - Head office (a)	47,273,044	43,124,085
Less : Provision for Head office debtors	(19,879,268)	(19,879,268)
Trade Debtors - All Estates (b)	244,388,992	251,813,385
Less : Provision for estate debtors	(49,128,420)	(59,652,474)
Other Receivables - Head office	89,985,927	61,465,342
Less : Prov. Doubt Debt-Lease land rent	(15,780,848)	(15,780,848)
Other Receivables - All Estates	51,226,071	48,331,554
Gratuity Suspense (2012 Bal.)	85,257,147	85,257,147
Less : Provision for Gratuity Suspense	(85,257,147)	(85,257,147)
	<u>348,085,497</u>	<u>309,421,777</u>

a). Trade Debtors - Head office includes the following	As at 31.12.2024	As at 31.12.2023
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)
Dukwarie	2,500,000	2,500,000
Less : Prov. Doubtful Debtors-Duckwari	(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	25,301,927	21,031,488
Sundry and Other Debtors	175,757	297,237
	<u>27,393,776</u>	<u>23,244,817</u>

b). Trade Debtors - Estates includes the following		
Sundry Debtors	31,921,586	38,390,538
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 : Prov. Unidentified Nursery Balances *	-	(10,524,054)
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	166,412,556	167,367,998
	<u>195,260,572</u>	<u>192,160,912</u>

\* Nursery stock as at 31/12/2024 are shown under Consumable stocks on Note Number 11 above.

## Sri Lanka State Plantations Corporation

### NOTES TO THE FINANCIAL STATEMENTS

	As at 31.12.2024	As at 31.12.2023
	Rs.	Rs.
<b>13 CASH AND CASH EQUIVALANTS</b>		
(a). <b>Favourable Balances :</b>		
Cash in hand and at bank	54,669,912	3,125,608
- Head Office & Regional Office	8,152,152	1,963,235
- All Plantations	<u>62,822,063</u>	<u>5,088,843</u>
(b). <b>Negative Balances</b>		
- Peoples Bank Current Accounts	(2,452,494)	(135,391,076)
<b>Cash &amp; Cash Equivalents at end of the year</b>	<b>60,369,569</b>	<b>(130,302,233)</b>

- (c). The permanent over draft (POD) facilities for Rs. 130.0 Million obtained from peoples bank was converted to a Long Term Loan with a repayment period of five years commencing from 22/02/2024,. Please refer note number 16.1 for more details.

	As at 31.12.2024	As at 31.12.2023
	Rs.	Rs.
<b>14 CONTRIBUTED CAPITAL</b>		
Government Contribution (Grants)	3,698,291,381	3,519,802,947
Land Contribution from Government	<u>2,616,589,903</u>	<u>2,616,589,903</u>
	<u><b>6,314,881,284</b></u>	<u><b>6,136,392,850</b></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. 170.4 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. In addition above we have also received Grants through Ministry of Irrigation towards the implementation of GCF Knuckles Project and we have utilized Rs.8.09 Million this year for Capital works.

	Head office 2024	Plantations 2024	As at 31.12.2024 Rs.	As at 31.12.2023 Rs.
<b>15 EMPLOYEE BENEFIT OBLIGATIONS</b>				
Opening Balance	25,103,255	559,077,942	584,181,197	643,919,338
Gratuity Under/(Over) provision	4,542,560	183,576,324	188,118,884	2,665,080
Provision for the Year	1,425,485	37,502,035	38,927,520	32,279,972
Transferred to Gratuity Payable	(2,244,478)	(43,616,315)	(45,860,793)	(93,919,517)
Other Transaction/Transfers	926,841	(2,362,004)	(1,435,163)	(766,675)
<b>Total Employee Benefit Obligations</b>	<b>29,753,663</b>	<b>734,177,982</b>	<b>763,931,645</b>	<b>584,181,197</b>

Gratuity under provision of Rs. 183.57 million is mainly due to the labour wage increase of 35% during the year. Labour wage per day was increased from Rs. 1,000 to Rs.1,350 during the year under review.

#### 16 DEFERRED INCOME

During the year we have initiated GCF (Green Climate Fund) Knuckles project activities at our Plantations and funded through Ministry of Agriculture, Livestock, Lands and Irrigation. Summary details of Grants received and utilized are given below.

	As at 31.12.2024 Rs.	As at 31.12.2023 Rs.
<b>DEFERRED INCOME/CAPITAL GRANTS</b>		
Grants/Subsidy received for GCF Project activities	75,911,396	-
Less : Revenue Expenditures	(18,663,630)	-
Capital Expenditures	(8,088,434)	-
<b>Closing balance - Deferred Income</b>	<b>49,159,332</b>	<b>-</b>

# Sri Lanka State Plantations Corporation

## NOTES TO THE FINANCIAL STATEMENTS

### 17 TRADE AND OTHER PAYABLES

	As at 31.12.2024	As at 31.12.2023
	Rs.	Rs.
Head office (a)	479,620,080	442,622,983
Estates (b)	1,699,049,214	1,714,254,373
	<b>2,178,669,294</b>	<b>2,156,877,357</b>

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

	As at 31.12.2024	As at 31.12.2023
Perth Estate	6,610,411	6,610,411
Janatha Estates Development Board (JEDB)	97,709,342	97,709,342
Advance Received Made Tea Brokers	49,946,484	48,316,765
Advance Received - Green Leaf Buyers	393,201	1,449,988
Advance payments - Tender Customers	5,158,992	1,139,492
Rent Advance - EAM Maliban Textiles (Pvt) Ltd	34,525,000	-
Rent Advance - D R Leisure (Pvt) Ltd.	20,746,301	-
Refundable Deposit - D R Leisure (Pvt) Ltd.	4,400,000	-
Sanstha Tea Customers - Over Payments	1,375	6,872
State Resources Management Corporation	28,709,029	28,709,029
Fertilizer Corporation	35,931,679	35,931,679
Chilaw Plantation	42,810,959	41,210,959
Loan - Lanka Mineral Sands	25,000,000	25,000,000
Accrued Expenses	18,232,048	23,306,903
EPF - Payable	24,628,938	22,926,897
ESPS - Payable	12,043,028	11,692,077
CPPS - Payable	21,959,468	18,135,315
E.T.F Payable	168,768	293,615
Refundable deposits	28,571,363	41,402,978
Gratuity Payable	4,911,149	3,253,946
Sri Lanka Tea Board -Fertilize	-	6,666,672
Interest payable - PB Loan	905,717	20,054,428
Other Payables	16,256,830	8,805,616
<b>Total</b>	<b>479,620,080</b>	<b>442,622,983</b>

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

	As at 31.12.2024	As at 31.12.2023
Sundry Creditors	7,887,384	6,838,664
Holiday Pay Provision	-	993,725
Holiday Pay	20,181,207	20,773,747
Elkaduwa Plantation	172,137	172,137
Other Liabilities	85,149,589	102,183,652
Trade Unions	9,604,956	9,557,646
Staff and Workers Payables	49,868,157	34,188,575
Prov. for Audit Fees & Insurance	8,175,351	7,700,651
E. P. F. Payable	671,061,907	666,314,285
E.S.P.S Payable	77,756,693	61,620,943
C.P.P.S. Payable	24,954	24,954
E.T.F. Payable	47,368,717	49,438,814
Gratuity Payable	583,316,046	625,998,758
Accrued Expenses	14,313,389	13,920,970
Attendance Bonus Provision	117,583	1,009,067
E.P.F Surcharges Payable	85,854,420	78,378,572
E.T.F Surcharges Payable	10,425,561	9,295,631
Gratuity Surcharges Payable	27,771,163	25,843,582
<b>Total</b>	<b>1,699,049,214</b>	<b>1,714,254,373</b>

#### 17.1 Bank Loan - (People's Bank)

Loan No. : PB Loan 0468001000001837	74,501,778	79,310,000
Loan No. : PB Loan 0468001000001855	17,198,451	-
Loan No. : PB Loan 0468001000001864	125,000,871	-
Loan No. : PB Loan 0468001000001846	5,276,268	-
<b>Total</b>	<b>221,977,368</b>	<b>79,310,000</b>

During the year the unsettled permanent over draft balance and the unpaid bank loan along with their unpaid interest balances were converted to four long term loans as above. 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. We have obtained the Board approval, the Treasury consent and guarantee for this purpose. These loans were secured against the Treasury Guarantee and against the Property situated at Dematagoda owned by us. All installments due for the year 2024 were paid.

## Sri Lanka State Plantations Corporation

### NOTES TO THE FINANCIAL STATEMENTS

18 REVENUE	31.12.2024	31.12.2023
	Rs.	Rs.
Tea	601,078,318	530,705,781
Green Leaf	377,713,655	462,446,492
Minor Crops	8,909,811	18,048,754
Rubber	3,340,226	1,414,816
<b>Total Revenue</b>	<b>991,042,009</b>	<b>1,012,615,844</b>

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

19 OTHER INCOME	31.12.2024	31.12.2023
	Rs.	Rs.
Tree Tender	141,951,100	86,053,385
Lease Rentals	26,746,165	18,189,536
Management Fee	9,877,975	10,612,085
Finance Income	144,277	1,014,565
Income from Hunnas Water Falls	3,493,242	1,369,773
Government Grants & Subsidy	353,835	2,655,167
Nursery Plants - Sale Income	100,000	1,289,152
Ticketing Income	1,952,500	2,205,250
Sale Income - Redundant items	5,030,380	4,369,360
Guest Bungalow Income	609,200	399,900
Other Income - Estates & Head Office	2,057,817	7,585,711
<b>Total Other Income</b>	<b>192,316,490</b>	<b>135,743,884</b>

20 ADMINISTRATION EXPENSES	31.12.2024	31.12.2023
	Rs.	Rs.
Personnel Cost - (Head office)	54,741,858	49,200,419
Defined Contributions - EPF, CPPS & ESPS (Head office)	5,613,465	4,852,131
Defined Contributions - ETF (Head office)	1,403,681	1,202,980
Depreciation (Head Office)	2,078,481	1,697,455
Gratuity Expense (Head office)	1,425,485	1,330,301
Other Administration & Sales Expenses - Head Office	61,673,645	65,819,110
Gratuity Expense (Plantations)	37,502,035	30,949,671
Other Administration Expenses- Plantations	58,495,431	63,104,361
<b>Total Administration Expenses</b>	<b>222,934,082</b>	<b>218,156,428</b>

21 FINANCE EXPENSES	31.12.2024	31.12.2023
	Rs.	Rs.
Commissions on Cash	6,039,928	6,808,618
Interest on Tea Brokers' Advances & Charges	13,987,222	8,050,274
Bank Charges	427,153	1,258,547
Bank Overdraft Interest	5,581,044	36,729,279
Bank Loan Interest - (People's Bank)	32,241,132	18,601,853
Other Loan Interest - Chilaw Plantation	1,600,000	1,600,000
<b>Total Finance Expenses</b>	<b>59,876,479</b>	<b>73,048,571</b>

### 22 INCOME TAX

As in the past years, Income Tax computations are not presented in the Annual Accounts of SLSPC for the financial year under review. Since SLSPC has incurred losses continuously in the past years (except for five years during the period 1995 to 2023 where SLSPC had generated profits), it is presumed that taxable profits may not be available in the future. However, we are currently working on submitting Income Tax Returns to the Department of Inland Revenue and at the present we have written to our Line Ministry to get an approval from the Department of Inland Revenue, allowing us to submit Income tax returns based on the annual accounts prepared as per our annual financial year which ends 31st December and not on 31st March each year. From the beginning SLSPC is preparing Annual Financial statements for the period 01st January to 31st December and the Annual Accounts up to the year 2023 are audited by National Audit office. Await the approval to proceed further.

# Sri Lanka State Plantations Corporation

## NOTES TO THE FINANCIAL STATEMENTS

### 23 RELATED PARTY TRANSACTIONS

#### Transactions with State and State Controlled Entities

In the normal course of its operations, the Corporation enters into transactions with related parties. Related parties include the Government of Sri Lanka (State as the ultimate owner of the Corporation), various government departments, and State controlled entities. Particulars of transactions, and arrangements entered into by the Corporation with the State and State controlled entities which are individually significant and for other transactions that are collectively, but not individually significant are as follows:

	2024 Rs.	2023 Rs.
<b>Outstanding Balances:</b>		
<b>Payable to</b>		
State Resources Management Corporation	28,709,029	28,709,029
Fertilizer Corporation	35,931,679	35,931,679
Chilaw Plantations	42,810,959	41,210,959
Lanka Mineral Sands Limited	25,000,000	25,000,000
Elkaduwa Plantation	172,137	172,137
Janatha Estates Development Board (JEDB)	97,709,342	97,709,342
Perth Estate	6,610,411	6,610,411
	<b>236,943,557</b>	<b>235,343,557</b>
<b>Receivable from</b>		
Elkaduwa Plantation	1,916,092	1,916,092
Janatha Estates Development Board (JEDB)	41,071,407	41,071,407
Janatha Estates Development Board (JEDB)	1,668,269	1,668,269
	<b>44,655,768</b>	<b>44,655,768</b>

### 24 COMMITMENTS AND CONTINGENCIES

At the beginning of the financial year, there were 784 legal cases filed against the Management of SLSPC at Panwila, Teldeniya and Matala Magistrate Courts for non-payment of Statutory Liabilities, namely, EPF, ETF and Gratuity.

During the year, 229 legal cases were settled in full although 230 new cases were filed against SLSPC. Accordingly, 785 cases were pending as at 31st December 2024. SLSPC has been advised by its lawyers that it is only possible, but not probable, that the action will succeed in favour of SLSPC. Accordingly, no provision for any contingent liability has been made in the Financial Statements.

From September 2023, SLSPC receives Rs. 21.3 Million monthly from the General Treasury for the payment of Court cases and other long outstanding employee statutory payments. During the year 2024, SLSPC has received Rs. 170.4 Million and out of these funds, we have paid Rs.167 million for court cases and long outstanding employee statutory payments. However, we have not been able to pay for the monthly employee statutory liabilities relevant for this financial year due to cash-flow shortages. During the year, SLSPC was confronted with cash flow issues mainly due to decrease in income generated from sale of tea due to drop in green leaves harvested as a result of unfavourable weather conditions and difficulties in fertilizing our plantations at the right time due to cash flow shortages, increase in labour wages by around 35%, etc.

### 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	2024 Rs.	2023 Rs.
Gratuity Payable / Provision (Under/Over Provision)	127,693,467	6,022,343
Gratuity Surcharges	2,902,909	227,010
EPF Surcharges	10,452,233	3,854,975
ETF Surcharges	2,642,549	521,454
Under/Over stated depreciation Provisions	(761,685)	(141,578)
Other Expenditures/Adjustments	20,409,991	(7,069,652)
<b>Total</b>	<b>163,339,464</b>	<b>3,414,552</b>

### 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.