



Annual Accounts
Year – 2025

State Timber Corporation
Ministry of Environment

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State Timber Corporation

Annual Accounts – 2025

Vision

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

Mission

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

Introduction

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

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

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31st December

	Note	2025 Rs.	2024 Rs.
Turnover	2	4,680,517,151	3,981,154,984
Less- cost of sales	3	(2,592,256,337)	(2,066,074,592)
Gross profit on operation		2,088,260,813	1,915,080,392
Other income	6		
Operating	6.3	254,449,404	123,943,175
Non- operating	6.1	10,622,009	9,280,921
Finance income	6.2	632,742,369	650,966,254
Total net income		2,986,074,595	2,699,270,742
<u>Less- expenditure</u>			
Selling and distribution	4	(762,273,330)	(797,878,268)
Administration	5	(1,084,494,746)	(1,076,156,770)
Finance expense		-	(515,453)
Profit before tax & levy		1,139,306,518	824,720,250
Taxation for the year	7	(189,351,939)	(29,091,766)
Profit after tax		949,954,580	795,628,484
Levy paid to treasury		(238,688,545)	(346,773,541)
Profit after tax & levy		711,266,035	448,854,944
Other comprehensive income			
Retirement benefit Surplus/(deficit) for the year	17	(102,414,008)	(333,304,478)
Other comprehensive income for the year		(102,414,008)	(333,304,478)
Total comprehensive income for the year		608,852,027	115,550,465

Statement of Financial Position

As at 31st December

	Note	2025 Rs.	2024 Rs.
Assets			
Non-current assets			
Property plant and equipment	8	959,739,481	995,176,082
Biological assets	10	7,735,659	7,735,659
Deposits with treasury		2,966,000.00	2,966,000
Security deposit - staff		91,558,487	88,770,099
Investments	11.1	3,961,515,122	839,765,684
Deferred tax assets		114,677,316	55,079,959
Capital work in progress		11,454,378	15,139,314
Total non-current assets		5,149,646,443	2,004,632,797
Current assets			
Inventories	12	1,729,099,723	1,552,638,476
Trade and other receivables	13	1,445,352,892	1,737,884,932
Investment in fixed deposits	11.2	2,944,059,623	5,197,606,387
Cash and cash equivalents	14	174,501,469	77,913,163
Total current assets		6,293,013,707	8,566,042,958
Total assets		11,442,660,150	10,570,675,755
Equity and liabilities			
Capital and reserves			
Authorised			
		75,000,000	75,000,000
Contributed capital			
	15	41,503,668	41,503,668
Revenue reserve			
		8,148,247,080	7,552,116,721
		8,189,750,748	7,593,620,389
Staff loan revolving fund			
	16	541,439,856	528,718,188
Total equity		8,731,190,604	8,122,338,577
Non current liabilities			
Retirement benefit obligation	17	957,068,311	772,838,940
Security deposit - staff		91,558,487	88,770,849
Total non current liabilities		1,048,626,798	861,609,789
Current liabilities			
Income tax payable	18	(480,816,329)	(155,276,107)
Interest bearing loans and borrowings	21	111,646	3,369,439
Trade and other payables	19	2,143,547,431	1,738,634,058
Total current liabilities		1,662,842,747	1,586,727,390
Total liabilities		2,711,469,545	2,448,337,179
Total equity and liabilities		11,442,660,149	10,570,675,756

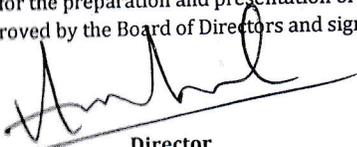
This statement of the activities of the State Timber Corporation is submitted in terms of the Finance Act. No. 38 of 1971.

General Manager (Actg.)
 W.B.Samantha
 General Manager/CEO (Actg.)
 Rajamalwatta Road, Battaramulla.

P.T.N. BOWATTE
 Finance Manager (Salaries & Payment)
 State Timber Corporation
 No. 62, Rajamalwatta Road,
 Battaramulla.

The Accounting policies on pages 6 to 14 and Notes on pages 15 to 24 form and integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.


 Prof. Nishantha Patabadi
 Chairman
 State Timber Corporation
 Date: 27.02.2026


 Director

Anuradha Kiralawalla LLM (UK)
 Attorney-at-Law, Notary Public
 & Commissioner for Oaths
 No. 108, Champakara Crescent.

State Timber Corporation**Statement of Cash Flows**

For the Year Ended 31st December

	2025	2024
	Rs.	Rs.
<u>Cashflows from operating activities</u>		
Cash receipts from customers	5,441,081,727	3,853,703,451
Cash paid to suppliers and employees	(4,240,433,495)	(2,715,993,727)
Cashflows from operating activities	1,200,648,232	1,137,709,724
Income tax	(574,489,517)	(350,735,629)
Special levy	(238,688,545)	(346,773,541)
Net cash flow from/(used in) operating activities	387,470,170	440,200,554
<u>Cashflows from investing activities</u>		
Acquisition of property plant and equipment	(47,017,823)	(37,257,688)
Over payment recovery from Land	-	
Investments	(868,202,674)	(1,197,874,542)
Income from investment	577,547,678	660,668,893
Proceeds on sale of investment	3,684,936	(2,978,145)
Staff loan Revolving fund		-
Staff loan Granted	(111,516,382)	(174,634,362)
Staff loan Recovered	157,880,193	170,719,878
Net cash from/(used in) Investing activities	(287,624,071)	(581,355,965)
<u>Cashflows from financing activities</u>		
Proceeds from Interest Bearing Loans & Borrowings	(3,257,793)	(4,321,899)
Net cash from financing activities	(3,257,793)	(4,321,899)
Net increase/(decrease) in cash and cash equivalents	96,588,306	(145,477,311)
Cash and cash equivalents at the beginning of the year (Note 14)	77,913,163	223,390,474
Cash and cash equivalents at the end of the year (Note 14)	174,501,469	77,913,163
Net increase/(decrease) in cash and cash equivalents	96,588,306	(145,477,311)

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

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	Contributed capital	Staff loan revolving fund	Revenue reserves	Revaluation reserve	Total
Balance as at 01st January 2024	41,503,668	512,554,753	7,003,323,069	449,406,621	8,006,788,113
Profit for the year	-	-	448,854,943	-	448,854,943
Staff loan interest adjustment	-	16,163,435	(16,163,435)	-	-
Other comprehensive income	-	-	(333,304,478)	-	(333,304,478)
Balance as at 31st December 2024	41,503,668	528,718,188	7,102,710,100	449,406,621	8,122,338,578
Profit for the year			711,266,036		711,266,036
Staff loan interest adjustment		12,721,668	(12,721,668)		-
Other comprehensive income			(102,414,008)		(102,414,008)
Balance as at 31st December 2025	41,503,668	541,439,856	7,698,840,460	449,406,621	8,731,190,606

State Timber Corporation

Notes to the Financial Statements
For the year ended 31st December 2025

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1.1 Reporting Entity

1.1.1 Legal Form

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

1.1.2 Date of Authorization for Issue

The Financial Statements of the Corporation for the year ended 31st December 2025 were authorized for issue in accordance with a resolution of the Board of Directors on 13th March 2025.

1.1.3 Number of Employees

The employees' strength of the Corporation as at 31st December 2025 is 1,241 (2024-1,315).

1.1.4 Responsibility for Financial Statements

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

1.2 Basis of Preparation

1.2.1 Statement of Compliance

The Statement of Financial Position, Statement of Profit or Loss, Statement of Comprehensive Income, Changes in Equity and Statement of Cash Flows, together with the notes, (the "Financial Statements") of the Corporation as at 31st December 2025 and for the period then ended have been prepared in accordance with Sri Lanka Accounting Standards (LKAS & SLFRS) and statements of recommended practices promulgated by The Institute of Chartered Accountants of Sri Lanka (ICASL).

1.2.2 Basis of Measurement

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

1.2.3 Functional and Presentation Currency

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

State Timber Corporation

Notes to the Financial Statements
For the year ended 31st December 2025

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1.2.4 Use of Estimates and Judgments

The presentation of Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

1.2.5 Foreign Currency Transactions

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

1.2.6 Taxation

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

1.3 Significant Accounting Policies

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

1.3.1 Assets and Basis of the Valuation

1.3.1.1 Property, Plant and Equipment

1.3.1.1.1 Basis of Recognition

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

State Timber Corporation

Notes to the Financial Statements
For the year ended 31st December 2025

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1.3.1.1.2 Revaluation Model

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

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

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

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

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

1.3.1.1.3 Gains and Losses on Disposal

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

1.3.1.1.4 Subsequent Costs

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

1.3.1.1.5 De-Recognition

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

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

State Timber Corporation

Notes to the Financial Statements
For the year ended 31st December 2025

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1.3.1.1.6 Depreciation

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

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

1.3.1.2 Capital Work in Progress

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

1.3.1.3 Intangible Assets

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

State Timber Corporation

Notes to the Financial Statements
For the year ended 31st December 2025

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1.3.1.4 Biological Assets

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

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

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

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

1.3.1.5 Financial Instruments

1.3.1.5.1 Non-derivative financial assets

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

1.3.1.5.1.1 Loans and receivables

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

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

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Notes to the Financial Statements
For the year ended 31st December 2025

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1.3.1.6 Investments

1.3.1.6.1. Investment in Fixed Deposits stated at cost.

1.3.1.6.2 Long Term Investments Stated at Fair Value.

1.3.1.6.3 Investment at State Mortgage and Investment Bank

This investment has been made with the State Mortgage and Investment Bank for granting housing loan facilities to the employees of the State Timber Corporation.

As of December 31, 2025 the outstanding loan balance of above account at Rs 12,119,444.24 as confirmed by the bank.

1.3.1.6.4 Impairment

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

1.3.1.7 Inventories

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

1.3.2 Liabilities and Provisions

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

1.3.2.1 Trade and Other Payables

Trade and other payables are stated at their cost.

1.3.2.2 Retirement Benefit Obligation

Employees who have completed five years of continued service with the Corporation are eligible for retirement benefit in accordance with the payment of Gratuities Act No.12 of 1983. However provision has been made in the accounts for the retirement benefit for all employees of the corporation taking into consideration their last drawn salary and the years of services as at 31st December 2025. The defined benefit obligation is calculated annually using the Formula method.

State Timber Corporation

Notes to the Financial Statements
For the year ended 31st December 2025

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1.3.2.3 Provisions, Contingent Assets and Contingent Liabilities

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

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

The Conservator General of Forest has informed us the government had sustained a loss due to unauthorized felling in the Bagawanthalawa Chapalton commercial thinning plot of land. After the investigation this was not established due to doubtful facts. Conservator general of forest has decided to investigate this issue together with STC Officers. Further following cases have been filled against The State Timber Corporation, Case No: 1225/M (Rs. 1,000,000), Case No: 4/SPL (Rs. 500,000), Case No: 11651/MR (Rs. 1,250,000), Case No: 3377/M (Rs. 1,000,000), A/31/2022, A/71/2023, Lt/44/798/2022, Lt/44/800/2022, HE/Ne/19/2022, SC/HC/35/2014, SC/HC/LA/36/2014, 319/M/24 (Rs. 2,000,000), 320/M/24 (Rs. 3,000,000), 157/SCCA (Rs. 800,000)

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

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

1.3.3 Revenue Recognition

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

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

1.3.3.1 Sale of Goods

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

1.3.3.2 Rental Income

Rental income is recognized on an accrual basis.

1.3.4 Expenditure Recognition

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

State Timber Corporation

Notes to the Financial Statements
For the year ended 31st December 2025

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1.3.4.1 Income Tax

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

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

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

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

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

1.3.4.2 Stumpage Payment

The stumpage payment for the year 2025 has been calculated on actual felled timber volume basis.

1.3.4.3 Cost Allocation

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

1.3.5 Events Occurring After the Reporting Date

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

1.3.6 Staff Loan Revolving Fund

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

1.3.7 Statement of Cash Flows

The Statement of Cash Flow has been prepared using the direct method in accordance with the Sri Lanka Accounting Standards (LKAS) 07, Statement of Cash Flows. Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalents include cash in-hand, balances with banks and short term deposits with banks.

State Timber Corporation

Notes to the Financial Statements
For the year ended 31st December 2025

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1.3.7 Prepaid staff Benefits

Staff Loan has been restated to the nominal value in 2025.

1.4. Changes in significant accounting policies

1.4.1. Leases

The Company applied SLFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 January 2025. Accordingly, the comparative information presented for 2025 is not restated – i.e. it is presented, as previously reported, under LKAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SLFRS 16 have not generally been applied to comparative information.

Unaudited Financial Statements 2025

Notes to the accounts for the year ended 31st December

Note-02		2025	2024
Turnover		Rs.	Rs.
Logs- Crown land		2,982,656,484	2,297,905,796
Logs- Private land		415,002	28,565,680
Sawn Timber		305,795,701	189,405,433
Imported Sawn timber		-	13,238
Sleepers - crown land		554,522,987	654,379,966
Transmission poles - crown land		79,799,250	64,706,888
Transmission poles - private land		588,967	10,174,901
Elephant poles		90,683,035	73,299,916
Others		36,230,878	22,735,140
Forest offence received timber		22,374,569	19,104,507
Donation of timber		366,079,213	352,308,649
Furniture		241,371,063	268,554,871
Net turnover		4,680,517,151	3,981,154,984

Note-03		2025	2024
Cost of sales		Rs.	Rs.
Depots	Page 25	826,738,617	931,108,326
Impregnation plants	Page 27	343,354,498	140,679,630
Furniture plants	Page 30	285,533,874	254,675,504
Wayside sale	Page 33	1,136,629,348	739,611,132
Total		2,592,256,337	2,066,074,592

Note-04		2025	2024
Selling and distribution expenses		Rs.	Rs.
Depots	Page 26	705,175,262	678,439,245
Impregnation plants	Page 28	155,439	67,679,398
Furniture plants	Page 30	56,942,630	44,154,462
RM office and head office	Page 35	-	7,605,163
Total		762,273,330	797,878,268

Notes to the accounts for the year ended 31st December

Note-05		2025	2024
Administration expenses		Rs.	Rs.
Impregnation plants	Page 28	39,406,503	42,921,016
Furniture plants	Page 31	104,568,718	99,422,526
RM office and head office	Page 36	917,929,786	924,843,296
Circuit bunglow	Page 38	8,675,346	8,969,932
Total		1,070,580,352	1,076,156,770

Note-06		2025	2024
Other income		Rs.	Rs.
<u>Non-operating income</u>	Note 6.1		
Foreign exchange gain		19,302	41,914
House rent		10,622,009	9,239,007
		10,641,311	9,280,921
<u>Finance income</u>	Note 6.2		
Interest income from investment		616,463,644	630,432,145
Staff loan interest		16,278,725	20,534,109
		632,742,369	650,966,254
<u>Operating income</u>	Note 6.3		
Miscellaneous income		43,393,211	30,942,872
Fines- contractors and suppliers		993,864	3,165,764
Disposal income			76,914
Over provision of stock		9,843,784	13,969,630
Debtors over provision		197,332,360	72,002,440
Recovery on shortages and losses		890,353	1,815,381
Non refundable tender deposits		1,976,530	1,970,173
		254,430,102	123,943,175
Total		897,813,781	784,190,350

Note-07		2025	2024
Taxation		Rs.	Rs.
<u>Current tax expense</u>			
Income tax on profit for the year (Note 7.1)		248,949,295	171,084,221
(Over)/under provision of previous year			
		248,949,295	171,084,221
<u>Deffered tax expense (Note 7.2)</u>			
Origination and reversal of temporary difference		(59,597,356)	(141,992,456)
		(59,597,356)	(141,992,456)
Tax charge for the year		189,351,939	29,091,766

Notes to the accounts for the year ended 31st December

Note-05		2025	2024
Administration expenses		Rs.	Rs.
Impregnation plants	Page 28	39,406,503	42,921,016
Furniture plants	Page 31	104,568,718	99,422,526
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		(59,597,356)	(141,992,456)
Tax charge for the year		189,351,939	29,091,766

Description	Cost				Depreciation					Carrying amount as at 31.12.25	Carrying amount as at 31.12.24	
	Balance as at 01.01.25	Additions	Disposals	Adjustment	Balance as at 31.12.25	Balance as at 01.01.25	Disposals	Adjustment	Charge for the year			Balance as at 31.12.25
Lands	88,066,274	-			88,066,274	-				-	88,066,274	88,066,274
Land Improvement	58,101,959	4,797,800			62,899,759	42,889,133			3,626,343	46,515,476	16,384,283	15,212,826
Buildings	1,028,174,240	9,992,314			1,038,166,554	353,746,385			23,192,383	376,938,767	661,227,787	674,427,855
Stacking sheds and other buildings	69,796,599	6,873,362			76,669,961	68,160,450			1,473,414	69,633,864	7,036,098	1,636,149
Roadways and railway lines	44,502,095	3,595,286			48,097,381	19,245,446			2,205,426	21,450,872	26,646,508	25,256,649
Plant and machinery	807,774,784	4,870,240			812,645,024	690,104,970			23,953,236	714,058,205	98,586,819	117,669,814
Leasehold land and building	148,311				148,311	148,311				148,311	-	-
Road construction mach. and equi.	60,450				60,450	60,450				60,450	-	-
Tools & implements	9,197,903	231,266			9,429,169	7,991,190			456,007	8,447,197	981,972	1,206,713
Electrical equipments	36,143,944	2,859,580			39,003,525	25,067,210			2,133,597	27,200,806	11,802,719	11,076,735
Vehicles & Motor Bikes	629,639,107				629,639,107	621,319,819			8,200,425	629,520,244	118,863	8,319,288
Furniture and fittings	109,337,479	1,997,770			111,335,249	85,433,945			7,651,708	93,085,653	18,249,596	23,903,534
Office equipments	50,791,677	4,735,195			55,526,871	41,445,986			2,476,436	43,922,422	11,604,449	9,345,691
Computers and accessories	109,346,270	6,203,290			115,549,560	92,539,147			6,138,471	98,677,618	16,871,942	16,807,123
Miscellaneous assets	37,407,220	861,720			38,268,939	35,159,789			946,978	36,106,767	2,162,172	2,247,431
Pre fabricated structure	4,938,333				4,938,333	4,938,333				4,938,333	-	-
Leasehold land-Rathnapura	680,300				680,300	680,300				680,300	-	-
Total	3,084,106,944	47,017,822	-	-	3,131,124,766	2,088,930,862	-	-	82,454,423	2,171,385,285	959,739,481	995,176,082

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

Note-10 Biological Assets	2025 Rs.	2024 Rs.
Balance as at the beginning of the year	7,735,659	7,735,659
Increase due to replantation		
Balance as at the end of the year	7,735,659	7,735,659
<p>life span of Teak tree to maturity is expected to be 35 years from the date of planting. The cost of immature trees up to 10 years from date of planting are treated as approximate to fair value particularly on the grounds of little biological transformation has taken place and impact of the biological transformation on price is not material. Therefore, Teak plantations belong to the Corporation are still only 09 years old immature plantations, when such plantations become mature, the additional investments since taken over to bring them to maturity are transferred from immature to mature.</p>		
<p>Locations of the Teak plantations held by the Corporation are Puliyankulama, Madawachchiya, Sevanapitiya, Vineethagama.</p>		

Note-11 Investments	2025 Rs.	2024 Rs.
Note-11.1		
Investment in fixed deposits - long term		
Government ins. Temporary surplus trust fund		
Government ins. Treasury Bond	3,753,271,211	731,832,197
State mortgage and investment bank	207,743,910	107,433,487
	3,961,015,122	839,265,684
Investment in shares		
Land Reclamation and Development(Pvt) ltd	500,000	500,000
(-) Impairment of investment		
	500,000	500,000
Total	3,961,515,122	839,765,684

Note-11.2 Investment in fixed deposits - short term	2025 Rs.	2024 Rs.
Peoples' bank	566,252,890	2,355,535,981
Bank of ceylon	2,377,806,733	2,842,070,406
	2,944,059,623	5,197,606,387

Note-12 Inventories	2025 Rs.	2024 Rs.
Stock in trade Page - 23	1,463,402,334	1,292,106,600.43
Stock deterioration	(42,752,806)	(30,009,545)
	1,420,649,528	1,262,097,055
W.I.P. production	16,503,600	30,085,278
Stores and spares	132,473,139	136,413,998
Preservatives	124,724,238	96,211,655
Fuel and oil	5,774,147	7,022,613
Stationary stock	28,975,071	20,807,877
Total	1,729,099,723	1,552,638,476

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

Note-13	2025	2024
Trade and other receivables	Rs.	Rs.
Trade debtors	510,167,135	1,241,797,019
Allowance for impairment	(109,318,292)	(288,468,445)
	400,848,843	953,328,575
Staff debtors 13.2	327,727,084	393,946,407
Other debtors 13.1	250,065,007	34,620,293
<u>Deposits and prepayments</u>		
Advances local purchases	5,628,200	752,018
Advances - Recoverable	11,186,102	
Advance pre payment	4,517,059	445,675
Advances timber supplies	42,446,335	17,674,403
Interest receivable- deposits	290,990,439	234,003,871
Returned cheques	4,791	4,791
Katharagama astapala fund	674,600	674,600
Deposit courts	82,316	82,316
Ministry of mahaweli development and environment	1,731,821	1,731,821
Department of forest	109,450,294	100,620,163
Total	1,445,352,892	1,737,884,932

Note-14	2025	2024
Cash and cash equivalents	Rs.	Rs.
Cash in hand	1,435,000	1,291,380
Bank of ceylon	7,985,070	46,107,255
Bank of ceylon - call deposit	164,878,525	30,314,528
Bank of ceylon - Debit Card	202,875	200,000
Total	174,501,469	77,913,163

Note-15	2025	2024
Contributed capital	Rs.	Rs.
Sri Lanka government fund	25,584,808	25,584,808
Assets taken over from forest department	10,714,815	10,714,815
World bank grant	708,202	708,202
C.A.D. british aid fund	4,495,843	4,495,843
Total	41503668	41503668

Note-16	2025	2024
Staff loan revolving fund	Rs.	Rs.
Balance as at 1st January	528,718,188	512,554,753
Staff loan interest received	12,721,668	16,163,435
Total fund as at 31st december	541,439,856	528,718,188
Nominal value of utilized fund balance as at 31st december	278,906,099	340,418,626
Unutilized fund balance as at 31st december	262,533,757	188,299,562

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

Note-17	2025	2024
Retirement benefit obligation	Rs.	Rs.
The amounts recognised in the balance sheet are determined as follows.		
Balance at the beginning of the year	772,838,940	406,440,553
Charge for the year	61,749,930	37,241,876
Interest for the year	68,323,700	39,692,326
Surplus/deficit charge for the year	102,414,008	333,304,478
Payment/payable during the year	(48,258,268)	(43,840,292)
Balance at the end of the year	957,068,311	772,838,940

The amounts recognised in the income statement are as follows.		
Charge for the year	61,749,930	37,241,876
Interest for the year	68,323,700	39,692,326
Recognised in income statement	130,073,630	76,934,201

The amounts recognised in the Statement of Comprehensive income are as follows.		
(Surplus)/deficit charge for the year	102,414,008	333,304,478
Recognised in statement of comprehensive income	102,414,008	333,304,478

As at December 31, 2025 the gratuity liability was calculated using formula method for all existing employees as required by LKAS 19 - 'Employee Benefits'. However under the Gratuity Act No. 12 of 1983, gratuity liability arises only upon an employee completing continuous service of five years. The following key assumptions were used in arriving at above gratuity liability .
Salary Increment rate for 2025 indicated as past 09 years of average.

	2025	2024
Discount interest rate	9.55%	11.11%
Salary increment rate	7.19%	9.88%
Staff turnover rate	5.14%	5.54%
Retirement age	60	60

Note-18	2025	2024
Income tax payable	Rs.	Rs.
Income tax payable opening balance	(155,276,107)	24,375,301
With holding tax on deposits	(39,489,517)	(26,360,328)
Payment during the year	(535,000,000)	(324,375,301)
Provision for income tax	248,949,295	171,084,221
Balance at the end of the year	(480,816,329)	(155,276,107)

Note-19	2025	2024
Trade and other payables	Rs.	Rs.
Central bank- E.P.F	25,385,642	20,955,762
Labour department - E.T.F	3,053,195	2,515,552
Accrued expenses	208,859,639	486,490,538
Refundable tender deposits	37,502,486	23,881,107
Security deposits - except staff	203,457,819	129,619,705
Audit fees payable	3,500,000	4,000,000
Retention money	11,305,575	11,901,136
Other creditors	231,428,856	166,162,147
Department of forest	1,297,631,801	803,713,608
Stumpage- Wild life department	49,204,764	50,072,609
Stumpage- Agriculture department	112,802	112,802
SSCL	18,668,872	15,996,620
Value added tax	53,435,981	23,212,472
Total	2,143,547,431	1,738,634,058

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

Note-20		
Related party transactions		
* Conservator General of Forest who is the director of the Corporation is also the head person of Forest Department which is released commercial forest plantation according to national forest management plan to extract timber.		
	No. of Sq. feet	Rented value
Department of Forest-01st Phase	22,040	550,000.00
Department of Forest-02nd Phase	6,480	300,000.00
ESCAMP Project		

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

	2025	2024
	Rs.	Rs.
Payable to related parties		
Department of Forest	1,297,631,801	803,713,608
Department of Wildlife	49,204,764	50,072,609
	1,346,836,564	853,786,216
Receivable from related parties		
Department of Forest	109,450,294	100,620,163
Ministry of Mahaweli Development and Environment	1,731,821	1,731,821
	111,182,115	102,351,984

Note-21		
Interest Bearing Loans and Borrowings		
Finance Lease		
	2025	2024
	Rs.	Rs.
Balance as at 1st January	3,552,593	7,874,492
Repayment	(3,257,793)	(4,321,899)
	294,800	3,552,593
Lease interest in suspense	(183,154)	(183,154)
Balance at the end of the year	111,646	3,369,439
Current portion of Interest-bearing Borrowings	111,646	3,369,439
	111,646	3,369,439

Notes to the accounts for the year ended 31st December

Note-06 Analysis of other income for the year 2025						
Income source	Units					
	Depots	Impregnation plant	Furniture plant	Regional and Head office	Circuit bungalows	Total
Non operating income 6.1						
Foreign exchange gain				19,302		19,302
House rent			-	10,622,009		10,622,009
Sub total	-	-	-	10,641,311	-	10,641,311
Finance income 6.2						
Interest income on investment				616,463,644		616,463,644
Staff loan interest			-	16,278,725.00		16,278,725
Sub total	-	-	-	632,742,369	-	632,742,369
Operating income 6.3						
Miscellaneous income	10,990,686	3,172	5,619,802	24,079,553	2,699,998	43,393,211
Fines from contractors and supplies				993,864		993,864
Over provision on stock deterioration	9,843,784			-		9,843,784
Over provision in doubtful debtors	7,916,415	177,926,086	11,489,859	-		197,332,360
Recovery on shortage and losses			-	890,353		890,353
Non refundable tender deposits			-	1,976,530		1,976,530
Sub total	28,750,885	177,929,258	17,109,661	27,940,299	2,699,998	254,430,102
Grand total	28,750,885	177,929,258	17,109,661	671,323,979	2,699,998	897,813,781

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

Note 7.1	2025	2024
Taxation	Rs.	Rs.
Profit before taxation	1,139,306,519	824,720,250
Aggregate disallowable expenses	230,710,261	349,220,163
Aggregate allowable expenses	(1,029,955,570)	896,557,285
Profit from business	340,061,210.51	277,383,128
Non business income	627,085,652	639,671,152
Assessable income	967,146,863	917,054,279
Qualifying payment	(238,688,545)	(346,773,541)
Taxable income	728,458,318	570,280,738
Income tax	248,949,295	171,084,221
Total taxation	248,949,295	171,084,221

Note 7.2		
Deffered Tax		
	Temporary difference	Temporary difference
as at 31st December 2024	(183,599,864)	(55,079,959)
Amount originating during the year	(198,657,855)	(59,597,356)
as at 31st December 2025	(382,257,719)	(114,677,315.74)
Temporary difference of Property plant & equipment	574,810,591	172,443,177
Temporary difference of retirement benefit obligation	957,068,311	287,120,493
As at 31st December 2025	(382,257,719)	(114,677,316)

Note 12.1	2025	2024
Analysis of inventories	Rs.	Rs.
Crown land logs	636,094,737	619,702,269
Crown land sawn timber	328,392,236	339,021,842
Donation Logs	218,794,482	
Crown land sleepers	2,795,031	8,134,820
Crown land transmission poles	18,176,788	38,528,528
Private land transmission poles	95,610	
Others	6,870,433	16,272,920
Furniture	252,183,018	270,446,221
Total	1,463,402,334	1,292,106,600

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

Note 13.1	2025	2024
Other debtors	Rs.	Rs.
Sundry debtors	218,311,958	4,783,576
Deposit general	32,119,669	30,203,336
Provision	(366,619.55)	(366,619.55)
Total	250,065,007	34,620,293

Note 13.2	2,025	2,024
Staff debtors	Rs.	Rs.
Staff loans		
Vehicle loan	29,571,133	30,327,991
Distress loan	231,003,606	278,871,964
Electrical equipment loan	21,820	21,820
Bicycle loan	1,215,100	1,816,546
Laptop loan	21,388,324	24,215,944
Furniture loan	3,965,931	5,186,182
	287,165,914	340,440,446
Advances and other receivables		
Salaries and wages advance	24,500	8,500
Travelling advance	6,000	575
Advance festival	3,093,853	3,217,710
Internal debit notes	5,341	49,785
Staff recoveries		4,976,741
Site Clearing Expenses Receivable	24,553,711	33,374,639
Salusala textile loan	12,877,766	11,878,011
	40,561,171	53,505,961
Total	327,727,084	393,946,407

Depots**Statements of comprehensive income**

for the year ended 31st December

	2025 Rs.	2024 Rs.
<u>Sales</u>		
Logs - crown land	1,828,450,235	1,448,004,573
Logs - private land		12,112,387
Sawn timber	296,549,967	188,111,219
Sawn timber - imported		13,238
Reeperes	5,207	
Others	639,971	600,886
Common round poles	2,083,891	1,210,662
Fence post and outside slabs	7,382,406	6,073,806
Fire wood	13,231,787	13,170,266
Miscellaneous charges	2,381,590	
Forest offence received timber	22,374,569	18,946,416
Donation of timber	228,484,111	187,161,070
Firewood- development project	146,655	118,450
Gross sales	2,401,730,390	1,875,522,973
Less:		
NBT		
Net sales	2,401,730,390	1,875,522,973
<u>Less - cost of sales</u>		
Stock as at 01.01	823,916,217	1,010,801,700
Timber cost (Page 33)	936,152,451	659,967,560
Loading/unloading		358,050
Internal used timber	(21,317)	
Cost of sawn timber (Page 34)	129,874,312	83,897,232
	1,889,921,662	1,755,024,542
Stock as at 31.12.	(1,063,183,045)	(823,916,217)
	826,738,617	931,108,326
Gross profit	1,574,991,773	944,414,648

	2025 Rs.	2024 Rs.
Gross profit	1,574,991,773	944,414,648
<u>Add- Other income</u>		
Sundry income	10,990,686	488,823
Debtors over provision	7,916,415	5,246,670
Over provision for stock	9,843,784	13,969,630
	1,603,742,657	964,119,771
<u>Less: Selling and distribution expenses</u>		
Salaries and wages	218,158,095	195,523,154
Other allowances	100,426,251	118,774,671
Overtime	17,297,982	20,618,379
Travelling and subsistence	4,938,310	2,685,095
Annual bonus	9,234,925	7,534,859
Retirement gratuity	29,513,147	25,503,283
E.P.F. contribution	46,297,523	39,760,220
E.T.F. contribution	9,015,633	7,757,497
Medical insurance	8,644,772	26,750
Attendance incentive	33,062,509	43,206,748
Welfare facilities	16,321,296	18,025,156
Entertainment	2,110,807	1,869,871
Welfare facilities - uniform	1,668,837	1,302,347
Rent	6,120,904	2,951,565
Water tax	2,417,214	2,499,958
Rates, taxes and licenses	643,681	630,064
Licenses and insurance	220,800	377,360
Repairs and maintenance	14,205,986	15,465,561
Tyres and tubes	2,882,690	2,862,364
Depreciation	23,371,208	42,984,478
Sanitary expenses	1,522,330	535,494
Fuel and oil - vehicles	25,307,675	32,924,843
Fuel and oil - plant and machinery	13,305,657	17,982,728
Electricity - lighting	3,691,021	4,498,865
Consumables	5,863,988	4,319,071
Printing and stationary	5,158,918	4,660,920
News papers, periodicals and books	600	950
Postage	245,495	270,893
Telephone and telegraphs	1,833,920	1,880,268
Miscellaneous transport	891,894	602,498
Advertising - publicity	31,240	-
Accident insurance		9,500
Insurance fixed assets	2,550	45,904
Computer expenses	254,685	280,417
Miscellaneous expenses	13,565,278	2,929,707
Workshop expenses (Page 37)	8,408,470	4,706,295
Doubtful debts	4,601,626	6,234,079
Workmen Compensation		3,750
SSC Levy	51,663,030	41,530,627
Stock deterioration	22,274,316	4,663,059
	705,175,262	678,439,245
Total Profit/(Loss)	898,567,396	285,680,526

State Timber Corporation
Impregnation and seasoning plant
Statements of comprehensive income

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for the year ended 31st December

	2025	2024
	Rs.	Rs.
<u>Sales:</u>		
Sleepers - Untreated	6,299,743	1,619,733
Sleepers	548,223,244	652,760,233
Tr.Poles - Untreated	474,537	220,934
Transmission poles	79,324,714	64,485,954
Elephant poles	90,683,035	73,299,916
Tr. Poles - private land	588,967	10,174,901
Treated Sawn Timber	9,240,527	1,294,214
Others	10,364,579	1,561,070
Gross sales	745,199,345	805,416,955
Less: NBT		
Net sales	745,199,345	805,416,955
<u>Less: Cost of sales</u>		
Stock as at 01.01	62,936,268	42,533,368
<u>Add: Cost of production</u>		
<u>Materials</u>		
Timber cost (Page 33)	188,347,143	46,909,634
Cost of sawn timber (Page 34)	1,486,756	1,299,130
Creosote consumption	45,157,042	33,762,777
Furnace oil consumption	15,995,887	14,891,172
Gang nail consumption	1,917,147	1,883,433
Other chemicals	652,112	494,996
	253,556,087	99,241,142
<u>Labour</u>		
Salaries and wages	23,408,651	21,931,500
Other allowances	10,056,750	11,134,580
Overtime	2,369,874	2,859,115
E.P.F. contribution	4,957,302	4,483,178
E.T.F. contribution	963,155	896,636
	41,755,731	41,305,009
<u>Overheads</u>		
Repairs and maintainance - plant and machi.	1,720,458	3,128,640
Tyres and tubes	463,839	2,070,258
Depreciation - plant and machi	643,726	1,686,695
Fuel and oil - plant and machinery	5,870,840	9,537,286
Workshop expenses (Page 37)	2,462,301	1,443,314
Electricity - power	1,883,110	2,670,186
	13,044,273	20,536,379
Stock as at 31.12	(27,937,861)	(62,936,268)
	343,354,498	140,679,630
Gross profit	401,844,847	664,737,325

	2025 Rs.	2024 Rs.
Gross profit	401,844,847	664,737,325
<u>Other income</u>		
Miscellaneous income	3,172	2,272
Debtors over provision	177,926,086	12,904,502
	579,774,105	677,644,099
<u>Selling and distribution expenses</u>		
Entertainment	155,439	72,181
	155,439	67,679,398
<u>Administrative expenses</u>		
Travelling and sub. - local	364,981	130,570
Annual bonus	761,959	854,000
Retirement gratuity	3,744,855	2,692,965
Medical insurance	850,000	-
Attendance incentive	3,559,221	4,153,110
Welfare facilities	1,449,221	1,709,493
Welfare facilities - Uniforms	377,466	74,000
Water tax	838,034	915,076
Licence and insurance	48,712	48,111
Rate and taxes	353,597	370,165
Depreciation	852,036	5,554,719
Repairs and maintenance	397,102	648,976
Fuel and oil	9,235,855	6,806,852
Consumables	611,390	1,545,966
Printing and stationary	163,187	69,927
Postage	6,890	6,830
Telephone	3,597	3,538
Sanitary expenses	60,085	
SSC Levy	15,390,347	17,084,007
Miscellaneous transport	-	180,000
Miscellaneous expenses	337,969	72,713
Newspapers		
	39,406,503	42,921,016
Total Profit/(Loss)	540,212,164	567,043,684

State Timber Corporation
Furniture Plant
Statements of comprehensive income

for the year ended 31st December

	2025 Rs.	2024 Rs.
Opening stock of raw materials	134,807,894	154,480,525
Add:		
Sawn timber cost (Page 34)	75,740,388	78,608,879
Loading and unloading	450,150	
Utility furniture - contr/pies	13,586,006	12,882,115
Utility furniture - purchase	17,372,468	15,098,405
Furniture plant material cons.	17,086,204	20,119,426
	259,043,110	281,189,350
Less: closing stock of raw materials	(120,098,409)	(134,807,894)
Cost of direct materials	138,944,701	146,381,456
Add:		
<u>Labour</u>		
Wages	58,317,900	27,980,520
Other allowance	24,466,465	
Interim Allowance		20,119,426
Overtime	1,986,056	2,327,766
E.P.F.contribution	12,163,515	10,119,960
E.T.F.contribution	2,663,279	2,037,376
	99,597,215	62,585,048
Prime cost	238,541,916	208,966,504
<u>Overheads</u>		
Depreciation - plant & machinery	3,194,763	3,715,846
Depreciation - building	1,185,499	1,136,045
Depreciation- tools & implements	211,451	84,600
Repairs - buildings	549,297	812,484
Repairs - plant & machinery	2,569,523	3,066,652
Fuel & oil - plant & mach.	2,531,351	1,270,126
Insurance of Asset		70,920
Electricity - power	5,413,904	7,562,453
	15,655,788	17,719,126
Add: W.I.P. as at 01.01.	30,085,278	25,590,130
Internal used timber	(1,326,742)	(6,898,912)
Less: W.I.P.as at 31.12.	(16,503,600)	(30,085,278)
Cost of production	266,452,640	215,291,570
<u>Sales:</u>		
Utility furniture	241,370,301	268,548,394
Others	763	6,477
Gross sales	241,371,063	268,554,871
Less: NBT		
Net sales	241,371,063	268,554,871

	2025 Rs.	2024 Rs.
<u>Less - cost of sales</u>		
Opening stock of finished goods	270,446,221	309,425,895
Cost of production	266,452,640	215,291,570
Workshop expenses (Page 37)	818,031	404,260
Furniture transport		
	537,716,892	525,121,725
Less: closing stock of finished goods	(252,183,018)	(270,446,221)
Cost of sales	285,533,874	254,675,504
Gross profit	(44,162,811)	13,879,367
<u>Add:- other income</u>		
Debtors over provision	11,489,859	53,851,269
Miscellaneous income	5,619,802	249,290
	17,109,661	54,100,559
<u>Less :</u>		
<u>Selling & distribution expenses</u>		
Salaries & wages	13,012,092	11,202,114
Other allowances	5,513,027	5,962,648
Interim Allowance		5,000
Overtime	944,720	954,875
Travelling & subsistence - local	99,610	54,215
Annual bonus	502,517	440,000
Retirement gratuity	2,033,479	1,098,666
E.P.F.contribution	2,732,841	2,352,339
E.T.F.contribution	512,844	485,503
Medical insurance	399,900	
Attendance incentive	1,798,188	2,089,896
Welfare facilities	1,106,818	1,161,971
Entertainment	58,295	75,941
House Rent	1,411,794	1,298,250
Water tax	166,552	53,876
Rates , taxes & licenses	308,471	282,610
Repairs & maintenance	618,348	1,018,735
Depreciation	1,585,865	2,367,595
Sanitary expenses	1,337,760	1,257,125
Insurance and license-vehicle	20,424	10,690
Fuel & oil	612,490	3,254,483
Bank charges		9,535
Electricity - lighting	416,630	325,502
Consumables	935,230	537,857
Printing & stationary	185,860	146,501
News papers ,periodicals & books		720
Postage	38,848	43,100
Telephone & telegraphs	368,847	355,058
Doubtful debts	13,580,581	
Welfare facilities Uniforms	57,060	26,000
Miscellaneous expenses	559,606	913,716
Work shop expenses (Page 37)	301,025	218,185
Sales commission	321,969	717,873
Advertising	16,340	11,000
SSC Levy	5,384,599	5,422,883
	56,942,630	44,154,462

	2025 Rs.	2024 Rs.
<u>Administrative expenses</u>		
Salaries & wages	34,918,522	21,557,067
Checkroll Wages	602,470	182,892
Other allowances	16,625,451	16,218,728
Overtime	2,474,770	1,698,421
Travelling & subsistence - local	869,981	486,001
Annual bonus	1,381,250	2,738,822
Retirement gratuity	5,148,768	7,051,621
E.P.F.contribution	6,979,976	4,597,460
E.T.F.contribution	1,404,110	925,594
Medical insurance	3,814,350	4,000
Attendance incentive	4,821,570	12,788,693
Welfare facilities	2,691,345	7,651,555
Employee training - local	131,125	
Entertainment	524,358	210,054
Sanitary expenses	3,150,246	1,681,530
Miscellaneous transport	35,529	11,870
Water tax	1,161,191	1,052,480
Insurance & licences	318,817	119,602
Repairs & maintenance	4,464,750	4,680,914
Depreciation	5,265,678	5,733,899
Electricity	1,192,159	492,738
Consumables	376,741	3,664,833
Printing & stationary	434,986	832,171
Postage	185,340	121,412
Fuel & oil-vehicle	1,499,885	2,334,769
Telephone & telegraphs	403,665	393,882
Rates,taxes	452,232	488,979
Bank Chargers	52,454	61,051
Welfare facilities Uniforms	702,028	261,950
Computer Expenses	239,648	114,465
Miscellaneous expenses	2,245,323	1,265,074
	104,568,718	99,422,526
Total Profit/(Loss)	(188,564,497)	(75,597,062)

State Timber Corporation
Timber cost account
Statements of comprehensive income

for the year ended 31st December

	2025 Rs.	2024 Rs.
Gross Wayside sales - crown land	1,154,206,249	849,901,223
Gross Wayside sales - private land	415,002	16,453,293
Forest offence received timber		158,091
Donation of timber	137,595,102	165,147,579
	1,292,216,353	1,031,660,185
Less: NBT		
Net Wayside sales	1,292,216,353	1,031,660,185
<u>Other income</u>		
	1,292,216,353	1,031,660,185
Stock as at 01.01	-	1,584,172
<u>Material cost</u>		
Logs- contract payment	330,087,500	101,746,625
Logs - projects		272,430
Logs - private land	1,553,203	32,415,397
Logs - donated	272,870,046	237,546,497
Sleepers - contractor payments	32,256,550	48,806,145
Transmission poles - contract	3,752,516	5,524,289
Round poles - contract payments	120,905	102,158
Fence posts - contract payments	1,895,340	1,515,115
Fire wood - contract payments	75,428	36,900
Elephant Poles	473,615	7,560,702
Others	331,171	56,000
Gang nail consumption	7,955,350	21,225,226
Stumpage	1,191,284,331	567,140,335
Stumpage-wild life		279,637
Forest offence expenses	7,500	
Marking coupe boundries	2,676,900	1,967,025
Hauling,stacking,loading & unl.	14,352,728	7,972,337
	1,859,693,084	1,034,166,820
<u>Labour cost</u>		
Salaries & wages	154,895,820	123,370,835
Checkrole wages	3,249,337	3,827,714
Other allowances	66,223,428	71,286,123
Interim Allowance	40,800	850,206
Overtime	3,558,243	2,944,210
Retirement gratuity	20,876,396	14,518,486
E.P.F.contribution	32,477,448	26,926,066
E.T.F.contribution	6,480,160	5,381,493
	287,801,630	249,105,132

	2025 Rs.	2024 Rs.
Overheads		
Travelling & subsistances	29,410,844	24,577,680
Annual bonus	5,967,500	5,020,000
Production incentive	62,441	382,728
Medical insuarance	4,157,763	-
Attendance incentive	26,584,507	26,970,623
Welfare facilities	4,514,780	4,510,231
Entertainment	21,090	32,117
Welfare facilities - uniform	667,513	270,402
Rent	1,663,264	867,000
Water tax	118,378	163,161
Rates, taxes	31,745	126,662
Insuarance & licence	300,559	376,268
Repairs & maintanances	40,118,673	27,345,856
Tyres & tubes	1,908,653	1,080,795
Depreciation	7,726,621	38,329,722
Fuel & oil - vehicles	46,522,265	54,562,327
Fuel & oil - plant & mach	14,580,007	14,447,395
Electricity - lighting	279,152	333,425
Consumables	1,628,143	2,821,025
Printing & stationary	5,483,123	4,151,187
News papers	-	190
Postage	243,384	231,842
Telephone & telegraphs	112,424	141,360
Miscellaneous transport	32,124	174,450
Computer expenses	690	6,400
Workshop expenses (Page 37)	5,340,184	5,007,400
Accident insurance	90,167	23,416
Employee Training		89,310
Sanitary expenses	57,332	88,030
Workmen compensation	405,167	
Rukropana programm	20,000	7,500
Legal fees	121,636	16,119
Miscellaneous expenses	271,911	538,249
SSC Levy	27,336,880	21,912,517
	225,778,917	234,605,384
Less: Stock as at 31.12		
Cost of timber	2,373,273,631	1,519,461,508
Transferred to depot	936,152,451	659,967,560
Transferred to impregnation plant	188,347,143	46,909,634
Transferred to sawmills	112,144,689	72,973,182
Wayside sales expenditure	1,136,629,348	739,611,133
	2,373,273,631	1,519,461,509
Total Profit/(Loss)	155,587,004	292,049,052

State Timber Corporation
Saw mill conversion cost account
Cost Distribution Statement

for the year ended 31st December

	2025 Rs.	2024 Rs.
<u>Material cost</u>		
Timber cost [Page 33]	112,144,689	72,973,182
Gang nail consumption	5,357,783	1,740,351
	117,502,472	74,713,533
<u>Labour cost</u>		
Salaries & wages	32,454,884	29,930,910
Other allowances	14,561,176	16,750,509
Interim Allowance		30,000
Overtime	46,024	109,475
Production incentive	514,000	-
Retirement gratuity	4,473,935	4,069,926
E.P.F.contribution	6,728,148	6,306,259
E.T.F.contribution	1,344,230	1,266,355
	60,122,397	58,463,434
<u>Overheads</u>		
Handling, Stacking, loading and unloading	8,495	14,000
Travelling & subsistence	1,075,000	26,318
Annual bonus	734,000	905,667
Meal/Tea allowance	5,555,163	
Attendance incentive	2,208,406	5,240,611
Welfare facilities	27,660	2,339,199
Entertainment	64,000	5,645
Welfare facilities - uniform	206,558	49,400
Water tax	191,513	214,942
Rates,taxes	700	190,413
Insurance & licenses	5,071,998	5,400
Repairs & maintainances	3,627,215	4,820,122
Depreciation	191,223	4,241,777
Fuel & oil -vehicle	1,364,748	118,888
Fuel & oil -plant & machinery	6,018,001	1,371,304
Electricity - power	2,306,811	7,443,985
Consumables	77,279	2,435,324
Printing & stationary	9,022	122,386
Postage	33,822	52,390
Telephones & telegraphs		35,344
Work shop expenses (Page 37)	445,517	98,801
Sanitary expenses	31,713	
Miscellaneous transport	400	
Workmen Compensation	16,250	
Miscellaneous expenses	211,092	197,869
stores & spares		683,492
Accidents Insurance		15,000
	29,476,586	30,628,275
Cost of sawn timber	207,101,455	163,805,242
Transferred to furniture plants	75,740,388	78,608,879
Transferred to impregnation plant	1,486,756	1,299,130
Transferred to depots	129,874,312	83,897,232
	207,101,455	163,805,241

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

	2025	2024
	Rs.	Rs.
<u>Income</u>		
Fines - contractors & supplies	993,864	3,165,764
Non refundable tender deposit	1,976,530	1,970,173
Recovery on shortages & losses	890,353	1,815,381
House rent	10,622,009	9,239,007
Miscellaneous income	24,098,855	48,849,351
Interest income on investment	616,463,644	630,432,145
Net income	655,045,254	695,471,821
<u>Selling and distribution expenses</u>		
Advertising	13,914,394	7,605,163
	13,914,394	7,605,163
<u>Administrative expenses</u>		
Directors fees	976,191	501,870
Salaries & wages	291,575,966	255,674,005
Checkroll wages	9,200,517	14,638,767
Other allowances	129,138,483	119,949,023
Interim Allowance		390,117
Overtime	16,431,862	16,394,136
Travelling & subsistence	9,554,880	8,363,290
Annual bonus	14,218,970	8,900,736
Retirement gratuity	56,823,427	37,403,114
E.P.F.contribution	59,953,727	90,952,342
E.T.F.contribution	12,049,545	15,018,321
Workmen compensation	118,483	765,750
Medical insurance	13,534,927	2,500
Attendance incentive	46,533,855	36,662,417
Language and professional charges	83,912	76,369
Welfare facilities	26,468,184	19,813,967
Entertainment	3,885,267	4,540,897
Welfare facilities - uniform	337,075	330,735
Employees training	1,785,226	2,433,594
Production incentive	271,412	222,337
Rent	8,018,842	12,373,156
Water tax	2,381,950	2,385,781
Rates,taxes & licenses	1,113,799	1,100,456
Insurance & licenses	957,923	6,601,799
Insurance fixed assets	3,047,026	71,451
Repairs & maintenance	46,453,848	34,678,468
Tyres & tubes	1,221,472	2,778,421
Depreciation	34,016,154	90,241,867
	790,152,924	783,265,684

	2025 Rs.	2024 Rs.
Disciplinary expenses	1,403,697	471,636
Examination & interview exp.		578,300
Sanitary expenses	9,039,262	9,317,931
Fuel & oil	29,944,756	34,867,334
Electricity - lighting	13,651,060	15,125,180
Consumables	3,164,019	7,398,545
Printing & stationary	7,786,722	11,369,661
News papers,periodicals & books	465,682	445,711
Advertising non- publicity	353,212	100,000
Postage	4,497,321	4,046,395
Telephones & telegraphs	8,687,151	6,476,324
Bank draft commissions & charges	456,101	637,449
Miscellaneous transport	320,152	410,324
Computer expenses	312,668	1,287,792
Audit expenses	1,267,000	4,593,223
Legal fees	636,116	448,327
Consulting & special assignment	300,000	80,000
Tree plant expenditure		5,000
Bad debt Write off		1,000
Non- refundable tender deposit	5,533	
Miscellaneous expenses	12,513,870	9,786,183
Security Service -External	10,129,465	9,492,575
Work shop expenses (Page 37)	22,843,076	24,638,723
	917,929,786	924,843,296
Finance Expenses		
Lease Interest		515,453
	-	515,453
Total Profit/(Loss)	(276,798,926)	(237,492,092)

State Timber Corporation
Mechanical Workshop
Cost Distribution Statement

for the year ended 31st December

	2025 Rs.	2024 Rs.
<u>Labour cost</u>		
Salaries & wages	13,180,071	11,730,216
Other allowances	6,976,837	7,534,183
Overtime	321,969	798,153
E.P.F.contribution	2,979,093	2,511,853
E.T.F.contribution	591,184	502,371
	24,049,153	23,076,776
<u>Variable overheads</u>		
Fuel & oil - plant & mach.	708,337	528,347
Electricity	266,936	404,253
Consumables	769,371	902,601
	1,744,644	1,835,201
<u>Overheads</u>		
Retirement gratuity	2,017,105	1,530,770
Travelling & subsistence	253,747	238,007
Annual bonus	400,000	432,000
Medical insurance	550,000	
Attendance incentive	2,265,120	2,817,880
Welfare facilities	1,256,701	1,104,529
Water tax	315,556	268,138
Repairs & maintenance	4,246,876	2,139,817
Tyres & tubes	44,500	84,750
Depreciation	150,156	684,647
Fuel & oil - vehicles	878,707	278,330
Printing & stationary	364,985	15,750
Postage	23,775	290
Telephones & telegraphs	65,208	50,537
Electricity - lighting	719,103	695,343
Sanitary expenses	825,049	1,096,313
Welfare facilities Uniforms	286,228	16,000
Miscellaneous expenses	82,871	116,651
Licenses/Insurance - vehicles	79,120	35,250
	14,824,805	11,605,000
Total expenditures	40,618,602	36,516,977
Transferred to depot	8,408,470	4,706,295
Transferred to showrooms	301,025	218,185
Transferred to impregnation plant	2,462,301	1,443,314
Transferred to sawmills	445,517	98,801
Transferred to furniture plant	818,031	404,260
Transferred to timber cost	5,340,184	5,007,400
Transferred to RM/HO	22,843,076	24,638,723
	40,618,602	36,516,978

State Timber Corporation
Circuit Bunglows
Statements of comprehensive income

for the year ended 31st December

	2025 Rs.	2024 Rs.
Income	2,699,998	2,006,074
Net income	2,699,998	2,006,074
<u>Administrative expenses</u>		
Salaries & wages	2,525,764	2,161,203
Other allowances	1,352,266	1,133,970
Interim Allowance		260,500
Overtime	467,579	382,722
Travelling	25,323	84,673
Annual bonus	50,000	40,000
Retirement gratuity	299,560	194,633
E.P.F.contribution	555,314	462,246
E.T.F.contribution	111,063	90,687
Medical insurance	25,000	
Attendance incentive	478,150	228,150
Welfare facilities	106,230	67,026
Water tax	309,673	217,462
Repairs & maintenance	133,680	562,380
Fuel and oil vehicles	620	
Depreciation	731,748	1,410,419
Sanitary expenses	23,000	16,645
Miscellaneous expenses	371,887	37,774
Electricity - lighting	814,358	942,253
Consumables	170,202	560,791
Welfare facilities Uniforms	4,000	4,000
Printing & stationary	4,577	5,049
News Papers & Postage	2,460	9,280
Insurance & Licence - Vehical		
Telephone & telegraphs	112,892	98,069
Total expenditure	8,675,346	8,969,932
Total Profit/(Loss)	(5,975,347)	(6,963,859)