

CONSOLIDATED FINANCIAL STATEMENTS 2024





AGRICULTURAL AND AGRARIAN INSURANCE BOARD

**AGRICULTURAL & AGRARIAN INSURANCE BOARD
CONSOLIDATED FINANCIAL STATEMENT
STATEMENT OF FINANCIAL POSITION**

	Notes	AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
		Rs.	Rs.	Rs.	Rs.
ASSETS					
Non- Current Assets					
Property, Plant & Equipment	1	295,956,724	234,540,729	283,845,231	226,825,080
Intangible Asset-WIP ERP System		72,002,970	72,002,970	72,002,970	72,002,970
		<u>367,959,694</u>	<u>306,543,699</u>	<u>355,848,201</u>	<u>298,828,050</u>
Financial Instruments					
Treasury Bond		5,657,249,551	3,352,820,995	3,319,257,408	1,851,357,619
		<u>5,657,249,551</u>	<u>3,352,820,995</u>	<u>3,319,257,408</u>	<u>1,851,357,619</u>
Current Assets					
Stocks	2.1	35,195,530	38,538,139	26,899,915	33,271,478
Receivables	2.2	149,863,972	463,394,978	993,153,254	1,266,364,206
Receivable Premium	2.3	1,826,970	1,288,180	810,790	371,734
Deposits & Pre Payments	2.4	23,882,944	30,537,026	23,882,944	30,537,026
Advances	2.5	29,781,785	669,348	29,781,785	669,348
Financial Instruments at amortized cost	2.6	4,795,234,411	5,557,963,798	3,467,937,002	4,250,427,003
Cash and Cash Equivalents	2.7	56,711,051	38,520,272	37,965,764	32,364,702
Total current Assets		<u>5,092,496,662</u>	<u>6,130,911,740</u>	<u>4,580,431,453</u>	<u>5,614,005,497</u>
TOTAL ASSETS		<u>11,117,705,908</u>	<u>9,790,276,434</u>	<u>8,255,537,063</u>	<u>7,764,191,166</u>
EQUITY & LIABILITIES					
Capital & Reserve					
Initial Capital Contributed by the Treasury		50,000,000	50,000,000	50,000,000	50,000,000
A.A.I.B. Accumulated Fund	3	(93,318,413,051)	(90,041,219,155)	4,479,043,840	3,237,653,337
Government Grant - Capital	4	10,654,285	17,330,189	10,654,285	17,330,189
A.A.I.B Reserve Fund	5	588,524,391	498,536,253	588,524,391	498,536,253
Farmer's Death Gratuity Fund	6	1,527,083,863	1,427,193,842	1,490,350,049	1,391,994,627
Staff Medical Insurance Fund		36,274,241	27,313,478	36,274,241	27,313,478
Kethata Aruna Compulsory Insurance Fund		706,503,600	706,503,600	706,503,600	706,503,600
Revaluation Reserve		214,006,925	172,530,347	206,206,925	165,680,347
Product Promotion and Incentive Fund		38,361,464	30,686,023	38,361,464	30,686,023
Government Grant for Farmers Pension		1,081,488,000	1,081,488,000	-	-
Capital Grant-GIZ		88,404,556	65,792,100	88,404,556	65,792,100
		<u>(88,977,111,726)</u>	<u>(85,963,845,323)</u>	<u>7,694,323,350</u>	<u>6,191,489,954</u>
Non - Current Liabilities					
Provision For Gratuity		90,459,417	55,462,953	39,032,761	22,103,553
Pension Liability		97,122,025,950	92,430,794,402	-	-
		<u>97,212,485,368</u>	<u>92,486,257,355</u>	<u>39,032,761</u>	<u>22,103,553</u>
Current Liabilities					
Provision For Printing		1,845,812	1,922,699	700,000	600,000
Pre Premium Receipts	7.1	116,164,521	115,686,318	116,164,521	115,686,318
Other Payables	7.2	2,528,330,730	2,137,472,315	175,229,578	425,556,787
Accrued Expenses	7.3	38,374,728	39,414,416	32,470,377	35,385,901
Provision For Indemnity	7.4	197,616,476	973,368,653	197,616,476	973,368,653
Total Current Liabilities		<u>2,882,332,266</u>	<u>3,267,864,401</u>	<u>522,180,952</u>	<u>1,550,597,659</u>
TOTAL EQUITY & LIABILITIES		<u>11,117,705,908</u>	<u>9,790,276,434</u>	<u>8,255,537,063</u>	<u>7,764,191,166</u>

These financial statements are in compliance with the requirements of the Sri Lanka Accounting Standards.


S. M. U. G. S. K. Subasingha
Director Finance (Acting)
Agricultural and Agrarian Insurance Board
Head of Finance, Subadrarama Road,
Gangodawila, Nugegoda.


I.U. Kalum Kaluarachchi
Director General
Agricultural and Agrarian Insurance Board
No: 117, Subadrarama Road,
Gangodawila, Nugegoda.

The Board of Directors are responsible for the preparation and presentation of these financial statements.
Signed for on behalf of the Board by:


Member of Director Board
Agricultural & Agrarian Insurance Board


Member of Director Board
Agricultural & Agrarian Insurance Board

Pemasiri Jaysingarachchi
Chairman
Agricultural and Agrarian Insurance Board
No: 117, Subadrarama Road,
Gangodawila, Nugegoda
Sri Lanka

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**AGRICULTURAL & AGRARIAN INSURANCE BOARD
CONSOLIDATED FINANCIAL STATEMENT
STATEMENT OF COMPREHENSIVE INCOME**

	Notes	AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
		31.12.2024 Rs.	31.12.2023 Rs.	31.12.2024 Rs.	31.12.2023 Rs.
REVENUE					
Premium and Contribution	8.1	623,351,504	502,154,945	623,284,487	502,033,477
Insurance Premium-Treasury Contribution		1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Grants for Indemnities - NITF Crop Levy		1,282,703,785	975,718,383	1,282,703,785	975,718,383
Interest	8.2	1,107,874,664	1,370,543,232	785,952,802	1,010,497,440
TOTAL REVENUE		4,013,929,953	3,848,416,560	3,691,941,074	3,488,249,300
OPERATING EXPENSES					
Indemnity	9.1	(1,780,680,767)	(2,138,394,861)	(1,780,680,767)	(2,138,394,861)
Operating Expenses	9.2	(129,694,540)	(98,281,615)	(111,497,555)	(81,623,872)
Pension Payments		(4,933,473,726)	(4,572,552,593)	-	-
Refund of Net Contribution & Interest		(17,769,003)	(19,370,863)	-	-
Group Insurance Premium		(17,721,420)	(18,322,800)	-	-
Disablement Gratuity Payment		(1,046,127)	(1,081,350)	-	-
Increase of Pension Liability		(4,691,231,548)	(4,927,590,388)	-	-
		(11,571,617,132)	(11,775,594,470)	(1,892,178,323)	(2,220,018,733)
OPERATING SURPLUS/(DEFICIT)		(7,557,687,179)	(7,927,177,910)	1,799,762,752	1,268,230,567
Govt. Grant for Pension Payment		4,762,000,000	4,395,000,000	-	-
Govt. Grant for Admin Expenses		249,630,000	206,225,000	-	-
Other Income	10	22,214,226	18,223,887	17,207,153	14,348,633
		5,033,844,226	4,619,448,887	17,207,153	14,348,633
		(2,523,842,953)	(3,307,729,023)	1,816,969,905	1,282,579,200
EXPENSES					
Administrative Expenses	11	(611,377,838)	(513,935,624)	(353,558,609)	(299,864,500)
Finance & Other Expenses	12	(46,964,427)	(62,884,014)	(346,723)	(214,664)
TOTAL EXPENSES		(658,342,265)	(576,819,639)	(353,905,331)	(300,079,164)
NET SURPLUS/ (DEFICIT)		(3,182,185,218)	(3,884,548,662)	1,463,064,574	982,500,036
Income tax expense		(124,226,159)	(150,084,498)	(124,226,159)	(150,084,498)
PROFIT AFTER TAX		(3,306,411,377)	(4,034,633,160)	1,338,838,415	832,415,538
Provision For A.A.I.B Reserve Fund		(89,988,138)	(63,411,528)	(89,988,138)	(63,411,528)
NET SURPLUS/ (DEFICIT) AFTER PROVISION		(3,396,399,515)	(4,098,044,688)	1,248,850,277	769,004,009
OTHER COMPREHENSIVE INCOME					
Gratuity Gain/(Loss)		(31,961,267)	(3,372,120)	(15,059,774)	725,417
		(31,961,267)	(3,372,120)	(15,059,774)	725,417
Revaluation surplus of property, plant and equipment		41,476,578	111,551,180	40,526,578	107,551,180
NET SURPLUS/ (DEFICIT) AFTER OTHER COMPREHENSIVE INCOME		(3,386,884,204)	(3,989,865,628)	1,274,317,081	877,280,606

AGRICULTURE & AGRARIAN INSURANCE BOARD

STATEMENT OF CHANGES IN EQUITY

GROUP

Description	Initial Capital Contributed by the Treasury Rs.	Accumulated Surplus/ (Deficit) Rs.	Govt. Grant for Capital Rs.	AAIB Reserve Fund Rs.	Farmer's Death Gratuity Fund Rs.	Staff Medical Insurance Fund Rs.	Kethata Aruna Compulsory Insurance Fund	Revaluation Reserve Rs.	Product Promotion and Incentive Fund Rs.	Government Grant on Treasury Bond Rs.	Capital Grant-GIZ Rs.	Total Rs.
Balance as at 01st January 2023	50,000,000	(84,791,312,860)	12,128,064	435,124,725	1,292,310,847	18,812,989	706,503,600	60,979,167	31,660,458	1,081,488,000	65,792,100	(81,036,512,911)
Prior Year Adjustment		(1,282,300,096)										(1,282,300,096)
Addition during the year:	-	133,810,610	17,800,000	63,411,528	18,322,800	5,503,200	-	-	7,740,142	-	-	246,588,280
Interest Income	-	-	-	-	118,209,835	5,402,615	-	-	-	-	-	123,612,450
Amortization Gov. Grant	-	-	(12,597,874)	-	-	-	-	-	-	-	-	(12,597,874)
Benefit paid	-	-	-	-	(1,649,640)	(2,405,326)	-	-	(8,714,577)	-	-	(12,769,543)
Net Surplus /(Deficit)	-	(4,101,416,809)	-	-	-	-	-	111,551,180	-	-	-	(3,989,865,628)
Balance as at 31st December 2023	50,000,000	(90,041,219,155)	17,330,189	498,536,253	1,427,193,842	27,313,478	706,503,600	172,530,347	30,686,023	1,081,488,000	65,792,100	(85,963,845,323)
Addition during the year:	-	143,566,886	9,150,000	89,988,138	17,721,420	5,221,150	-	-	18,056,415	-	22,612,456	306,316,465
Prior Year Adjustment		7,600,000	-	-	-	-	-	-	-	-	-	7,600,000
Interest Income	-	-	-	-	84,137,602	5,876,906	-	-	-	-	-	90,014,507
Amortization Gov. Grant Farmers Pension	-	-	(15,825,905)	-	-	-	-	-	-	-	-	(15,825,905)
Benefit paid	-	-	-	-	(1,969,000)	(2,137,293)	-	-	(10,380,974)	-	-	(14,487,267)
Net Surplus /(Deficit)	-	(3,428,360,782)	-	-	-	-	-	41,476,578	-	-	-	(3,386,884,204)
Balance as at 31st December 2024	50,000,000	(93,318,413,051)	10,654,285	588,524,391	1,527,083,864	36,274,240	706,503,600	214,006,925	38,361,464	1,081,488,000	88,404,556	(88,977,111,727)

STATEMENT OF CHANGES IN EQUITY

AGRICULTURE INSURANCE SCHEME

Description	Initial Capital Contributed by the Treasury Rs.	Accumulated Surplus/ (Deficit) Rs.	Govt. Grant for Capital Rs.	AAIB Reserve Fund Rs.	Farmer's Death Gratuity Fund Rs.	Staff Medical Insurance Fund Rs.	Kethata Aruna Compulsory Insurance Fund	Revaluation Reserve Rs.	Product Promotion and Incentive Fund Rs.	Government Grant on Treasury Bond Rs.	Capital Grant-GIZ Rs.	Total Rs.
Balance as at 01st January 2023	50,000,000	6,796,467,767	12,128,064	435,124,725	1,258,775,352	18,812,989	706,503,600	58,129,167	31,660,458	-	65,792,100	9,433,394,222
Addition during the year:	-	-	17,800,000	63,411,528	16,576,080	5,279,700	-	107,551,180	7,740,142	-	-	218,358,630
Interest Income	-	-	-	-	118,209,835	5,402,615	-	-	-	-	-	123,612,450
Amortization Gov. Grant	-	-	(12,597,874)	-	-	-	-	-	-	-	-	(12,597,874)
Prior Year Adjustment	-	(4,328,543,856)	-	-	-	-	-	-	-	-	-	(4,328,543,856)
Benefit paid	-	-	-	-	(1,566,640)	(2,181,826)	-	-	(8,714,577)	-	-	(12,463,043)
Net Surplus /(Deficit)	-	769,729,426	-	-	-	-	-	-	-	-	-	769,729,426
Balance as at 31st December 2023	50,000,000	3,237,653,337	17,330,189	498,536,253	1,391,994,627	27,313,478	706,503,600	165,680,347	30,686,023	-	65,792,100	6,191,489,954
Addition during the year:	-	-	9,150,000	89,988,138	15,977,820	5,221,150	-	40,526,578	18,056,415	-	22,612,456	201,532,557
Prior Year Adjustment	-	7,600,000	-	-	-	-	-	-	-	-	-	7,600,000
Interest Income	-	-	-	-	84,137,602	5,876,906	-	-	-	-	-	90,014,507
Amortization Gov. Grant Farmers Pension	-	-	(15,825,905)	-	-	-	-	-	-	-	-	(15,825,905)
Benefit paid	-	-	-	-	(1,760,000)	(2,137,293)	-	-	(10,380,974)	-	-	(14,278,267)
Net Surplus /(Deficit)	-	1,233,790,503	-	-	-	-	-	-	-	-	-	1,233,790,503
Balance as at 31st December 2024	50,000,000	4,479,043,840	10,654,285	588,524,391	1,490,350,049	36,274,240	706,503,600	206,206,925	38,361,464	-	88,404,556	7,694,323,350

AGRICULTURAL & AGRARIAN INSURANCE BOARD

CASH FLOW STATEMENT

	AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Cash Flows from Operating Activities				
Net Surplus / (Deficit) before tax	(3,182,185,218)	(3,884,548,662)	1,463,064,574	982,500,036
Adjustment for				
Depreciation	43,690,621	27,335,936	41,644,775	25,683,272
Amortization of Government Grant	(15,825,905)	(13,662,896)	(15,825,905)	(12,597,874)
Increase of Pension Liability	4,691,231,548	4,927,590,388	-	-
Accrued /Provision for Indemnity	151,252,512	882,188,483	151,252,512	882,188,483
Administration Expenditure paid by AIB	-	-	(241,024,034)	(196,569,848)
Government Grant for Recurent Expenditure AIB	-	-	249,630,000	206,225,000
Staff Incentive & Promotion Fund	18,056,415	7,740,142	18,056,415	7,740,142
Death Gratuity Premium	17,721,420	18,322,800	-	-
Interest Expenses	46,482,878	62,601,947	-	-
	4,952,609,491	5,912,116,799	203,733,764	912,669,175
Profit / loss on disposal of Property, Plant & Equip.	(49,715)	(256,473)	(49,715)	(205,913)
Provision for Retiring Gratuity	10,187,207	8,700,946	5,324,589	4,059,133
	1,780,561,765	2,036,012,610	1,672,073,211	1,899,022,430
Operating Surplus before working capital changes				
(Increase)/ Decrease in Inventories	3,342,609	(3,059,015)	6,371,563	(1,553,427)
(Increase)/ Decrease in Receivables	313,546,506	(285,944,219)	337,624,005	(217,282,039)
(Increase)/ Decrease Receivable Premium	(538,790)	3,906,687	(439,056)	2,912,413
(Increase)/ Decrease in Deposits & Prepayments	6,654,082	(24,461,887)	6,654,082	(24,461,887)
(Increase)/ Decrease in Advances	(29,112,437)	(465)	(29,112,437)	(465)
Increase /(Decrease) Provision For Indemnity	(919,404,690)	(206,086,932)	(919,404,690)	(206,086,932)
Increase /(Decrease) Provision For Printing	(76,888)	180,500	100,000	100,000
Increase /(Decrease) Pre-premium advance	478,203	69,743,604	478,203	69,743,604
Increase /(Decrease) Other Payables	612,168,072	490,453,917	(37,623,517)	(1,967,559)
Increase /(Decrease) Accrued expenses	(1,039,688)	22,629,995	(2,915,524)	21,126,615
	(13,983,020)	67,362,185	(638,267,370)	(357,469,676)
Cash Generated from Operations	1,766,578,745	2,103,374,795	1,033,805,841	1,541,552,754
Income Tax Paid	(347,270,504)	-	(347,270,504)	-
Retiring Gratuity - Paid	(7,152,010)	(17,734,755)	(7,152,010)	(17,734,755)
Net Cash Flows from Operating Activities	1,412,156,230	2,085,640,040	679,383,327	1,523,817,999
Cash Flows from Investing Activities				
Medical Fund	8,960,763	8,500,488	8,960,763	8,500,488
Farmer's Death Gratuity Fund	35,685,723	53,875,248	37,654,723	55,607,888
Staff Incentive & Promotion Fund	(10,380,974)	(8,714,577)	(10,380,974)	(8,714,577)
Investments during the year	(1,541,699,169)	(2,178,567,081)	(685,409,788)	(1,486,668,033)
Purchases of Property, Plant & Equipment	(52,761,756)	(145,298,124)	(47,270,065)	(145,298,124)
Proceeds from sale of Property, Plant & Equipment	50,620	355,410	50,620	302,260
Net Cash Flows from Investing Activities	(1,560,144,792)	(2,269,848,635)	(696,394,720)	(1,576,270,097)
Cash Flows from Financing Activities				
Grant for Capital expenditure	22,612,456	-	22,612,456	-
New Pension Scheme Fund	54,818,394	20,730,787	-	-
Old Pension Scheme Fund	88,748,492	113,079,824	-	-
Net Cash Flows from Financing Activities	166,179,342	133,810,610	22,612,456	-
Net Increase / (Decrease) in Cash & Cash Equivalents	18,190,780	(50,397,985)	5,601,062	(52,452,098)
Cash & cash equivalents at the beginning of the year	38,520,272	88,918,257	32,364,702	84,816,800
Cash & cash equivalents at the end of the year	56,711,052	38,520,272	37,965,764	32,364,702

Agricultural and Agrarian Insurance Board

Significant Accounting Policies

For the Year Ended 31st December 2024

1. Corporate Information

1.1 Reporting Entity

Agricultural and Agrarian Insurance Board of Sri Lanka (hereafter referred to as the 'Board') was incorporated by Act No.20 of 1999. The registered office of the Board is situated at No.117, Subadhararama Road, Gangodawila, Nugegoda and the principal place of business is located at this address. Further, all powers and duties conferred or imposed on the Agricultural Insurance Board established by the relevant law, as well as those outlined in the Farmers Pension and Social Security Benefit Scheme Act, No. 12 of 1987, and the Fisherman's Pension and Social Security Benefit Scheme Act, No. 23 of 1990, shall, with effect from the appointed date, be deemed to be powers and duties conferred or imposed on the Board.

1.2 Parent Entity and Ultimate Parent Entity

The Board parent and ultimate parent entity is the Government of Sri Lanka

1.3 Principal Activities and Nature of Operations

The board is primarily engaged in the Agricultural Insurance including agricultural and horticultural crops, medical plants, livestock, fisheries and forestry, agricultural equipment and implements and the storage and preservation of agricultural & horticultural produce and the products of medicinal plants, fisheries and forest produce. Further the board is also engaging in providing medical benefits, operating social security schemes and fertilizer insurance scheme for agriculturists & Third-Party insurance for vehicle who owned by the agriculturists. There were no significant changes in the nature of the principal activities of the board during the financial year under review.

1.4 Responsibility for Financial Statements

The Board of Directors are Responsible for preparation and presentation of these Financial Statements.

1.5 Number of Employees

The staff strength of the Board as at 31st December 2024 was 372

1.6 Approval of financial statements by the Board of Directors

The financial statements of the Board for the year ended 31st December 2024 were approved and authorized for issuance on 27th February 2025.

2. Basis of Preparation and Significant Accounting Policies

2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs) promulgated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The Financial Statements for the year ended 31st December 2024 comprise the following components.

- A Statement of Financial Position providing the information on the financial position of the Board as at 31st December 2024. [Page 01]
- A Statement of Comprehensive Income Providing the information on the financial performance of the Board for the year under review. [Page 02]
- Statement of Changes in Equity depicting all changes in equity. [Page 03]
- Statement of Cash Flows providing the information to the users, on the ability of the Board to generate cash and cash equivalents and utilization of those cash flows [Page 04]
- Notes to the Financial Statements comprising accounting policies and other explanatory information. [Page 05-29]

2.2 Basis of Measurement

The Financial Statements have been prepared on historical cost basis except where appropriate disclosures are made with regard to fair value under relevant notes.

2.3 Presentation of Financial Statements

The Board presents its statement of financial position broadly in order that reflects their relative liquidity. No adjustments have been made for inflationary factors affecting the Financial Statements.

2.4 Functional and Presentation Currency

The financial statements are presented in Sri Lankan Rupees, which is the functional and presentation currency of the board. All financial information presented in Sri Lankan Rupees has been rounded to the nearest Rupee, except when otherwise indicated.

2.5 Materiality and Aggregation

Each material class of similar items is presented separately. Items of a dissimilar nature or function are also presented separately unless they are immaterial.

2.6 Reporting Period

The reporting period is from January to December 2024. Where applicable, the accounting policies are explained in the in the succeeding notes

2.7 Significant Accounting Judgements, Estimates and Assumption

The preparation and presentation of financial statements in conformity with SLFRS/LKAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and judgments used.

Accounting Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimates, uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the notes to the financial statements.

2.7.1 Going Concern

The management has made an assessment of the board's ability to continue as a going concern and is satisfied as that the Board has the resources to continue in business for the foreseeable future. Therefore, the financial statements continue to be prepared on the going concern basis.

2.7.2 Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period for all amounts reported in the financial statements in order to enhance the understanding of the financial statements of the current period and to improve the inter- period comparability.

When the presentation or classification of items in the financial statements have been amended, comparative amounts have also been reclassified to conform with the current year in order to provide a better presentation.

2.7.3 Amortized cost of a Financial Assets

As per the SLFRS 9 the board is recognized the financial asset at amortized cost if both of the following conditions are met.

- (a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in government securities and in fixed deposits have been classified under the method of Amortized cost of a Financial Assets.

2.7.4 Fair value of financial instruments

The determination of fair values for financial assets and financial liabilities recorded on the statement of financial position, for which there is no observable market price, is carried out using a variety of valuation techniques, including the application of mathematical models. The inputs to these models are typically derived from observable market data when available. However, in the absence of such data, judgment is required to establish the fair values of these financial instruments.

2.7.5 provision for Liabilities and Contingencies

The Board receives legal claims against it in the normal course of business. Management has made judgement as to the likelihood of any claim succeeding in making provisions. The time of concluding the legal claim is uncertain, as is the amount of possible outflow of economic benefits. Timing and cost ultimately depend on the due process in respective legal jurisdictions. The Board decided to

provide 15% of total legal claims for litigation provision for Third party legal claims. It is recognized weighted average rate of 15% from three consecutive year's income. Out of 15% rate proportionated 7%, 5%, 3% for current year income, previous year income and year after previous year respectively.

2.8 Impairment of Financial Assets

The board assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired and if such impairment has occurred, that amount of impairment is calculated by taking the difference between the assets carrying amount and the present value of estimated future cash flow.

3 Assets and the Basis of their Valuation

3.1 Property, Plant and Equipment

3.1.1 Recognition and Measurement

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 board and cost of the asset can be measured reliably.

All items of property, plant and equipment are initially recorded at cost less accumulated depreciation and accumulated impairment losses. Significant components of an asset are identified and depreciated separately. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity derecognizes the replaced part, and recognizes the new part with its own associated useful life and depreciation. All other repair and maintenance costs are recognized in the income statement as incurred.

Fully depreciated assets with a total historical cost of Rs. 67,297,225.10 has been included in property plant and equipment in consolidated financial statements.

3.1.2 Cost

Measurement an item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. The cost of property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to working condition for its intended use.

Subsequent expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature in order to carry on or increase the earning capacity of the assets has been treated as capital expenditure.

Repairs and Maintenance are charged to the statement of profit and loss during the financial period in which they are incurred. Cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing assets will flow to the board and the renovation, replaces and identifiable part of the asset.

3.1.3 Revaluation

After recognition as an asset, lands and buildings whose fair value can be measured reliably, have been carried at revalued amount at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are being performed to ensure that the fair value of a revalued asset does not materially differ from its carrying amount as at the reporting date.

Motor Vehicle revaluation is performed by professionally qualified external valuers using the open market value. The revaluation surplus is recognized on the net carrying value of the asset and is transferred to a revaluation reserve after restating the asset at the revalued amount. On revaluation of motor vehicle, any increase in the revaluation amount is credited to the revaluation reserve in equity unless it off sets a previous decrease in value of the same asset that was recognized in the Statement of profit or loss. A decrease in value is recognized in the Statement of profit or loss where it exceeds the increase previously recognized in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

3.1.4 Depreciation

Depreciation is charged to the statement of comprehensive income on the straight-line method at the following rates per annum in order to write off the cost of such assets over their estimated useful lives. Depreciation charge begins when an asset is available for use.

Building	4%
Motor Vehicle	20%
Furniture & Fitting	10%
Office Equipment	10%

Publicity Equipment	10%
Loss Preventive Equipment	10%
Crop Cutting Equipment	10%
Bicycles	20%
Survey Equipment	10%
Weighing Scale	10%
Welfare Equipment	10%
Telephone	20%
Computer	20%
Motor Bicycles	20%

3.2 Intangible Assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with the Sri Lanka Accounting Standard LKAS 38 – Intangible Assets. Accordingly, these assets are stated in the statement of financial position at cost less accumulated amortization and any accumulated impairment loss.

The Board intangible asset include the value of acquired computer software. Computer software is amortized over a period of 5 years on the straight-line method.

3.3 Inventories

Inventories are stated at the lower of cost and 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. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

3.4 Financial Assets

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Board determines 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 Board 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 Board becomes a party to the contractual provisions of the instrument.

The Board derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset is transferred. Any interest in transferred financial assets that is created or retained by the Board is recognized as a separate asset or liability.

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position only when the Board has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The financial assets of the Board include cash and short-term investments and trade and other receivables.

3.4.1 Financial Assets at Fair Value through Profits 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.

Financial assets measured at fair value through profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recognized as finance income or finance expense in the statement of comprehensive income.

3.4.2 Loans & 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 (EIR) method, 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 statement of comprehensive income. The losses arising from impairment are recognized in the statement of comprehensive income in finance costs.

Loans and receivables comprise trade receivables, employee loans, deposits, advances, other receivables and cash and cash equivalents.

3.4.3 Amortized cost of a Financial Assets

As per the SLFRS 9 the board is recognized the financial asset at amortized cost if both of the following conditions are met.

(c) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(d) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in government securities and in fixed deposits have been classified under the method of Amortized cost of a Financial Assets.

3.4.4 Available-for-Sale Financial Investment

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognized in other comprehensive income and presented in the fair value reserved in funds and reserves. Interest income on available-for-sale debt securities is calculated using the effective interest rate method (EIR) and is recognized in profit or loss. When an investment is derecognized, the gain or loss accumulated in funds and reserves reclassified to profit or loss.

The board has not designated any financial asset upon initial recognition as available-for sale investment.

3.4.5 Impairment of Financial Assets

The board assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired and if such impairment has occurred, that amount of impairment is calculated by taking the difference between the assets carrying amount and the present value of estimated future cash flow.

4. Liabilities and Provisions

Liabilities classified as current liabilities on the statement of financial position are those which fall due for payment on demand or within one year from the reporting date. Non-current liabilities are those balances that fall due for payment after one year from the reporting date.

All known liabilities have been accounted for in preparing these financial statements. Provisions and liabilities are recognized when the Board has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

4.1 Provision for Claims

Liability for outstanding claims is recognized based on the risk factors of crop and insured subject matter. Following table shows the indemnity provision made for the financial year 2024.

Insured Subject	Provision for Indemnity (Rs.)
Kethata Aruna	136,160,359
Livestock	5,500,000
Suwasetha Insurance/ Personal Accidents	1,500,000
Subsidiary Crops	5,020,400
Moveable Property	49,435,717
	197,616,476

4.2 Provision for third party Insurance indemnity

Management has made judgement as to the likelihood of any claim succeeding in making provisions. The time of concluding the legal claim is uncertain, as is the amount of possible outflow of economic benefits. Timing and cost ultimately depend on the due process in respective legal jurisdictions. The Board decided to provide 15% of total legal claims for litigation provision for Third party legal claims. It is recognized weighted average rate of 15% from three consecutive year's income. Out of 15% rate proportionated 7%, 5%, 3% for current year income, previous year income and year after previous year respectively.

4.3 Provision for Doubtful Debts

5% provisions have been made from the total staff loan as the Provision for Doubtful Debts.

4.4 Provision for Income Tax

The income tax expense for the year 2024 has been presented as part of the Statement of Comprehensive Income. In accordance with the instructions issued by the Department of Inland Revenue, the Board has paid income tax amounting to Rs. 302,123,251.36 for the years 2018 to 2023. For the year 2024, the Board has incurred an income tax liability of Rs.124,226,159

4.5 Retirement Benefits

A Provision has been made for retiring gratuities from the completion of the first year of service for all permanent employees in conformity with Sri Lanka Accounting Standard 19 (LKAS 19) Retirement Benefits costs. However, according to the Payment of Gratuity Act No.12 of 1983 the liability to an employee arises only on completion of five years of continued service. The liability is not externally funded.

4.6 Capital Commitments and Contingent Liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured.

Capital commitments and contingent liabilities of the Board are disclosed in the respective notes to the financial statements.

All known liabilities have been accounted for in preparing these financial statements. Provisions and liabilities are recognized when the Board has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

4.7 Pension Liability

As stated in paragraph 15 of Sri Lanka Accounting Standard SLFRS 4, Insurance contracts, an insurer shall assess at the end of each reporting period whether its recognized insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities (less related deferred acquisition costs and related intangible assets) is inadequate in the light of the estimated future cash flows, the entire deficiency shall be recognized in profit or loss.

The pension liability has been increased by considering the changes in the market interest rates and a deficiency has been recognized in other comprehensive income in the statement of profit and loss and other comprehensive income to the financial statements.

Therefore, recognizing the said increase in pension liability for the farmers and fishermen under other comprehensive is in compliance with the requirement of the above standard.

5. Statement of Comprehensive Income

5.1 Revenue

1. The revenue of the board represents the income from insurance premium, interest income from treasury bills and fixed deposit, loans of employees, and other miscellaneous income.
2. All income has been recognized on accrual basis.
3. Insurance Premium have been received from the Government as subsidy on behalf of the farmers.
4. Government Grants received for capital expenditure has been recognized as income on systematic basis.

5.2 Revenue Recognition

1. Insurance premium revenue has been recognized based on the time of insured.
2. The above revenue is on accrual basis & matched with related expenditure.
3. Interest income is accrued on time basis.

5.3 Receivable Premium

Pursuant to the budget proposals and decisions of the Cabinet of Ministers, the Board has conducted its accounting operations commencing from the fiscal year 2018, with funding allocations duly provided by the Treasury. However, subsequent to the fiscal years of 2018 and 2019, the allocation of funds based on the premium amount calculated with respect to cultivated acreage, as accounted for by the Board, ceased to be included within the annual budget allocations.

5.4 Accounting for Government Grants

Grants that compensate the Board for expenses incurred are recognized as revenue in the statement of comprehensive income in the same period in which the expenses are recognized. Grants that compensate the Board for the cost of an asset are recognized in the statement of comprehensive income on a systematic basis over the useful life of the related asset.

The government provides annual grants for the compulsory insurance scheme to cover indemnity payments. Under this scheme, farmers receive compensation of Rs. 40,000 per acre for damages caused by natural disasters such as floods, droughts, and wild elephant attacks. The insurance coverage extends up to a maximum of 5 acres for paddy cultivation and up to 2.5 acres for other crops, including soybeans, chili, onions, maize, and potatoes.

Furthermore, the government provides an initiative grant for the Farmers' Pension, aimed at ensuring financial security for farmers during their retirement years. This grant offers a fixed monthly income to eligible farmers once they reach the age of 60.

5.5 Expenditure

Expenses are recognized in the statement of comprehensive income on the basis of direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the board and in maintaining the capital assets in a state of efficiency has been charged against revenue in arriving at the surplus for the year.

The indirect expenses of the board apportioned on the following rates by the board paper No: 401/4 - 2008.10.15.

Expenditure	Rates
Salaries, EPF, ETF, Gratuity	50%
Medical Expenses	50%
Consultancy Fees	60%
Welfare	50%
Uniform	50%
Entertainment	60%
Printing	60%
Legal Fees	40%
Allowances to B/Members	60%
Rent	55%
Telephone	55%
Postage	40%
Electricity	55%
Travelling, Over Time	50%
Water Bill	55%
Daily Pay	50%

Security	75%
Maintenance Office Equipment	75%
Maintenance of Motor Vehicles	57%
Computer Expenses	75%
Fuel Expenses	68%
Stationery	50%
Main. Building	55%
Publicity & Training	80%

5.6 Surplus

The surplus will be computed after making provisions for all the liabilities, bad and doubtful debts and depreciation for property, plant and equipment.

5.7 Reserve Fund

A contingency reserved fund was created year in the 2002 & the policy is to provide 5% from the operational surplus.

5.8 Pre-Premium

Insurance premium receipts for livestock and compulsory insurance have been treated as pre-premium, if received in advance.

6. Statement of Cash Flows

The cash flow statement of the scheme has been presented using the indirect method, in accordance with the LKAS 7.

7. Events After the Reporting Date

Events after the reporting period are those events, favorable and unfavorable, that occur between the reporting date and the date when the Financial Statements are authorized for issue. All material events after the reporting date have been considered and where appropriate, adjustments or disclosures have been made in the respective Notes to the Financial Statements.

8. Related Party Transactions

Farmers Pension Scheme and the Fisheries Pension Scheme are considered as related parties of Agricultural Insurance Scheme. The transactions carried out with these related parties are been disclosed based on fair value. Agricultural Insurance Scheme has granted a loan amounting to Rs. 295,230,441.79 to Farmers Pension Scheme.

9. Prior Year Adjustments

9.1 Suwasetha Insurance/Personal Accidents

The Board has allocated a provision of Rs. 8,000,000 for Suwasetha & Personal Insurance from prior years, has been adjusted the over-provision of Rs.6,500,000 in the 2024 financial statements.

10. Contingencies

One Hundred Twenty-two cases have been examined and the current status of the cases are disclosed in the following table. 18 cases were settled based on the Decision of the Risk Committee negotiate with petitioner in 2024 paid Rs.2,975,000/-

Unaudited Financial Statements 2024

Final Report 2024 – Cases filed by and against the AAIB

Court	No Of Case	Parties	Cause of Action	Current Situation
Worker's Compensation Court - A'pura	01 WC/NF/1149/2019 (ANU)	M.M. Senavirathne Banda VS AAIB	Action file against the board claiming insurance money for accident that occurred during office hours	The case is being heard
High court Anuradhapura	02 HC/233 & HC/234	Police VS Sandagomi Maheshika	1. Fraud of money which need to be given to farmers 2. forgery	The case is being heard
Magistrate court Anuradhapura	01 B/2171/2002	Police VS Mr.K. A. Heenbandara	Fraud of money which need to be received to the board	Keep down the case since 2005
Colombo High Court	01 3/8/2 ටො.අ / 2006	Police VS AAIB	Mavil Aru cultivation compensation	Case referred to attorney General's Department for further instruction
District Courts (Island wide)	117 cases	3 rd party Damage claimers Vs AAIB	Damages claim under 3 rd party insurance	The cases are being heard

AGRICULTURAL & AGRARIAN INSURANCE BOARD
NOTES TO THE ACCOUNTS

NOTE 1 - NON CURRENT ASSETS

**PROPERTY, PLANT & EQUIPMENT
GROUP**

ASSETS	Cost/Valuation as	Disposal	Cost Addition	Revaluation Assets	Transfers to	Cost/Valuation as	Accum.Dep	Disposal	Accumulated	Depreciation for	Accum.Dep	W.D.V
	at 01.01.2024			31-12-2024	revaluation reserve	at 31.12.2024	as at 01.01.2024		depreciation transfers to revaluation reserve	the year	at 31.12.2024	at 31.12.2024
Furniture & Fittings	25,286,969	(217,892)	2,327,470	-	-	27,396,547	12,476,945	(217,892)	-	1,841,443	14,100,496	13,296,051
Office Equipment	23,397,746	(117,158)	7,247,082	-	-	30,527,670	11,668,462	(117,158)	-	1,646,147	13,197,451	17,330,219
Motor Vehicle	131,265,000	-	11,063,047	153,345,000	(131,590,747)	164,082,300	-	-	(19,722,325)	27,847,075	8,124,750	155,957,550
Welfare Equipment	1,446,494	(8,800)	880,163	-	-	2,317,857	634,380	(8,460)	-	138,609	764,530	1,553,327
Computer Equipment	88,553,056	(214,379)	42,098,452	-	-	130,437,129	50,779,328	(198,314)	-	11,734,547	62,315,561	68,121,568
Computer Software	1,475,000	-	-	-	-	1,475,000	1,475,000	-	-	-	1,475,000	-
Telephone	1,510,808	-	-	-	-	1,510,808	1,510,808	-	-	-	1,510,808	-
Motor Bicycle	146,300	(89,950)	-	-	-	56,350	146,300	(89,950)	-	-	56,350	-
Building	10,828,779	-	-	-	-	10,828,779	5,928,507	-	-	350,566	6,279,073	4,549,706
Air Conditioners	1,051,273	-	-	-	-	1,051,273	950,914	-	-	43,011	993,925	57,348
Publicity Equipment	3,101,736	(26,150)	30,230	-	-	3,105,817	2,445,889	(26,150)	-	89,223	2,508,962	596,855
Bicycle	146,864	(11,450)	-	-	-	135,414	146,864	(11,450)	-	-	135,414	-
Crop Cutting Equipment	60,371	-	-	-	-	60,371	60,371	-	-	-	60,371	-
Loss Preventive Equip:	41,280	-	-	-	-	41,280	41,280	-	-	-	41,280	-
Survey Equipment	4,099	-	-	-	-	4,099	4,099	-	-	-	4,099	-
Weighing Scale	1,036	-	-	-	-	1,036	1,036	-	-	-	1,036	-
Norad Equipment	344,424	-	-	-	-	344,424	344,424	-	-	-	344,424	-
Work In Progress-Buildings	34,494,099	-	-	-	-	34,494,099	-	-	-	-	-	34,494,099
	323,155,334	(685,778.68)	63,646,443.93	153,345,000.00	(131,590,746.51)	407,870,252	88,614,605	(669,374)	(19,722,325)	43,690,621	111,913,528	295,956,724

Note :Property, plant & equipment includes fully depreciated assets that are still in use having a gross amount of Rs.67,297,225.10 as at 31st December 2024

**PROPERTY, PLANT & EQUIPMENT
AGRICULTURE INSURANCE SCHEME**

ASSETS	Cost/Valuation as	Disposal	Cost Addition	Revaluation Assets	Transfers to	Cost/Valuation as	Accum.Dep	Disposal	Accumulated	Depreciation for	Accum.Dep	W.D.V
	at 01.01.2024			31-12-2024	revaluation reserve	at 31.12.2024	as at 01.01.2024		depreciation transfers to revaluation reserve	the year	at 31.12.2024	at 31.12.2024
Furniture & Fittings	23,823,996	(217,892)	2,327,470	-	-	25,933,574	11,287,592	(217,892)	-	1,755,904	12,825,604	13,107,971
Office Equipment	21,614,511	(117,158)	7,247,082	-	-	28,744,435	10,012,428	(117,158)	-	1,619,664	11,514,934	17,229,501
Motor Vehicle	127,265,000	-	11,063,047	148,995,000	(127,590,747)	159,732,300	-	-	(19,122,325)	27,029,575	7,907,250	151,825,050
Welfare Equipment	1,425,191	(8,800)	866,315	-	-	2,282,706	616,482	(8,460)	-	137,556	745,578	1,537,128
Computer Equipment	62,850,376	(214,379)	36,620,609	-	-	99,256,606	28,287,712	(198,314)	-	10,662,287	38,751,685	60,504,921
Telephone	1,510,808	-	-	-	-	1,510,808	1,510,808	-	-	-	1,510,808	-
Motor Bicycle	146,300	(89,950)	-	-	-	56,350	146,300	(89,950)	-	-	56,350	-
Building	10,828,779	-	-	-	-	10,828,779	5,928,507	-	-	350,566	6,279,073	4,549,706
Publicity Equipment	2,678,899	(26,150)	30,230	-	-	2,682,980	2,023,052	(26,150)	-	89,223	2,086,125	596,855
Bicycle	146,864	(11,450)	-	-	-	135,414	146,864	(11,450)	-	-	135,414	-
Crop Cutting Equipment	60,371	-	-	-	-	60,371	60,371	-	-	-	60,371	-
Loss Preventive Equip:	41,280	-	-	-	-	41,280	41,280	-	-	-	41,280	-
Survey Equipment	4,099	-	-	-	-	4,099	4,099	-	-	-	4,099	-
Weighing Scale	1,036	-	-	-	-	1,036	1,036	-	-	-	1,036	-
Norad Equipment	344,424	-	-	-	-	344,424	344,424	-	-	-	344,424	-
Work In Progress-Buildings	34,494,099	-	-	-	-	34,494,099	-	-	-	-	-	34,494,099
	287,236,033	(685,779)	58,154,753	148,995,000	(127,590,747)	366,109,261	60,410,953	(669,374)	(19,122,325)	41,644,775	82,264,030	283,845,231

Note 54,496,444

Property, plant & equipment includes fully depreciated assets that are still in use having a gross amount of Rs. 39,105,389.46 as at 31st December 2024

AGRICULTURAL & AGRARIAN INSURANCE BOARD

NOTES TO THE ACCOUNTS

AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
31.12.2024	31.12.2023	31.12.2024	31.12.2023
Rs.	Rs.	Rs.	Rs.

NOTE 2 - CURRENT ASSETS

Note 2.1 - Stock

Printing Materials	25,358,463	33,766,224	17,236,720	29,074,230
Stationary	9,837,067	4,771,914	9,663,195	4,197,248
	35,195,530	38,538,139	26,899,915	33,271,478

Note 2.2 - Receivables

Staff Loans & Advance	42,049,874	41,126,624	42,049,874	41,126,624
Motor cycle loan	146,791	326,792	146,791	326,792
Salary Receivables	171,011	171,011	171,011	171,011
Staff Special Loan - 2004	4,800	4,800	4,800	4,800
Sundry Debtors	774,462	805,962	87,483	118,983
Receivables from C. W. E	256,520	256,520	256,520	256,520
National Insurance Trust Fund -NITF Crop levy	-	303,651,123	-	303,651,123
Motor cycle Expenses (Staff) -	2,567	2,567	2,567	2,567
Amount Due From Related Party	2.2.1	-	943,312,248	884,661,810
Provision for bad debtors	(1,999,744)	(2,056,331)	(1,999,744)	(2,056,331)
Death Gratuity	5,000	5,000	-	-
Receivable from Postal Department	99,330,987	81,000,602	-	-
With Holding Tax-WHT	9,121,703	38,100,309	9,121,703	38,100,308.57
	149,863,972	463,394,978	993,153,254	1,266,364,206

Note 2.2.1 Amount Due From Related Parties

Life insurance premium Receivable	-	-	308,647,637	294,429,817
Current Account	-	-	74,051,579	67,786,327
Farmers Pension Scheme (Capital)	-	-	7,944,528	3,663,542
Farmers Pension Advance	-	-	552,668,504	518,782,124
	-	-	943,312,248	884,661,810

Note 2.3 Receivable Premium

Livestock	105,254	9,100	105,254	9,100
Movable Property	705,535	313,234	705,535	313,234
Suwasetha and Personal	-	49,400	-	49,400
Farmers Contribution for Pension	1,016,180	916,446	-	-
	1,826,970	1,288,180	810,790	371,734

NOTE 2.4 - Deposits & Pre Payment

Deposit - (Fuel)	150,000	150,000	150,000	150,000
Deposit - (Transport)	5,000	5,000	5,000	5,000
Insurance	1,220,869	583,154	1,220,869	583,154
Rent	8,086,546	6,472,672	8,086,546	6,472,672
Cloud Server	14,420,529	23,326,200	14,420,529	23,326,200
	23,882,944	30,537,026	23,882,944	30,537,026

AGRICULTURAL & AGRARIAN INSURANCE BOARD

NOTES TO THE ACCOUNTS

	AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	Rs.	Rs.	Rs.	Rs.
Traveling Advance	7,970	12,220	7,970	12,220
Fuel Advance	69,645	20,120	69,645	20,120
Salary Advance	50,261	50,261	50,261	50,261
Miscellaneous Advance	9,108,783	19,445	9,108,783	19,445
Capital Advance	20,545,125	565,800	20,545,125	565,800
District Admin.acct	-	206	-	206
Livestock Advance	-	1,296	-	1,296
	29,781,785	669,348	29,781,785	669,348

Note 2.5 - Advances

Note 2.6 - Financial Instruments Held to Maturity

Treasury Bills	3,330,753,063	1,045,596,264	2,549,650,271	926,279,464
Fixed Deposit-Peoples Bank	1,065,675,398	3,554,754,210	525,646,203	3,080,958,113
Fixed Deposit-Bank Of Ceylon	271,740,254	852,831,556	265,574,832	138,407,657
Fixed Deposit-Regional Development Bank	127,065,696	104,781,768	127,065,696	104,781,768
	4,795,234,411	5,557,963,798	3,467,937,002	4,250,427,003

Note 2.7 - Cash and Cash Equivalents

Bank Of Ceylon A/C -164811	428,566	217,250	428,566	217,250
Bank Of Ceylon A/C -164667	2,583,191	1,182,568	2,583,191	1,182,568
Bank Of Ceylon A/C -164693	763,270	1,876,562	763,270	1,876,562
Bank Of Ceylon A/C -1622	4,263,949	3,577,942	4,263,949	3,577,942
Bank Of Ceylon A/C -1616	236,252	8,618,547	236,252	8,618,547
Bank Of Ceylon A/C -8600879	789,827	1,536,703	789,827	1,536,703
Bank Of Ceylon A/C -8600818	324,617	532,495	324,617	532,495
Bank Of Ceylon A/C -164790	190,525	332,905	-	-
Bank Of Ceylon A/C -164795	711,056	948,429	-	-
Bank Of Ceylon A/C -91071672	24,000	25,000	-	-
Peoples Bank A/C -335100280112349	47,945	-	-	-
Bank Of Ceylon A/C -8403704	29,346	266,636	-	-
Bank Of Ceylon A/C -87144457	32,100	32,100	-	-
Bank Of Ceylon A/C -87649201	520,062	144,082	-	-
Peoples Bank A/C -112352	1,215,643	1,428,265	1,215,643	1,428,265
Peoples Bank A/C -112343	651,184	1,272,968	651,184	1,272,968
Peoples Bank A/C -100440112349	851,721	93,280	-	-
Peoples Bank A/C -100260112349	92,770	274,969	92,770	274,969
Peoples Bank A/C -100350112349	464,110	314,202	464,110	314,202
Peoples Bank A/C -100170112349	1,446,646	1,228,644	1,446,646	1,228,644
Peoples Bank A/C -335100190008791	11,863,696	3,207,992	11,863,696	3,207,992
Peoples Bank A/C -335100280008791	3,752,015	2,431,253	3,752,015	2,431,253
Peoples Bank A/C -100530112349	163,258	82,208	163,258	82,208
Peoples Bank A/C -335100190112349	2,285,396	654,699	2,285,396	654,699
Peoples Bank A/C -100180112344	849,025	85,807	-	-
Peoples Bank A/C -100150112345	552,175	562,268	-	-
Peoples Bank A/C -100110112347	12,860,045	2,917,336	-	-
Peoples Bank A/C -100130112351	1,327,251	354,120	-	-
Peoples Bank A/C -100370008791	635,597	290,610	-	-
Regional Development Bank A/C- 134010103277	6,206,375	3,492,438	6,206,375	3,492,438
Collection Accounts	549,438	537,996	435,000	435,000
	56,711,051	38,520,272	37,965,764	32,364,702

AGRICULTURAL & AGRARIAN INSURANCE BOARD

NOTES TO THE ACCOUNTS

	AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
	31.12.2024 Rs.	31.12.2023 Rs.	31.12.2024 Rs.	31.12.2023 Rs.
NOTE 3 - A.A.I.B. ACCUMULATED SURPLUS				
Balance as at 01 January	(90,041,219,155)	(84,791,312,860)	3,237,653,337	6,796,467,767
Prior Year Adjustment	7,600,000	(1,282,300,096)	7,600,000	(4,328,543,856)
Adjusted Balance	(90,033,619,155)	(86,073,612,956)	3,245,253,337	2,467,923,911
Add:				
New Pension Scheme	54,818,394	20,730,787	-	-
Old Pension Scheme	88,748,492	113,079,824		
Surplus(Deficit) for the year	(3,428,360,782)	(4,101,416,809)	1,233,790,503	769,729,426
Balance as at 31 December	(93,318,413,051)	(90,041,219,155)	4,479,043,840	3,237,653,337

NOTE 4 - GOVERNMENT GRANT - CAPITAL

Govt. Grant For Capital				
Balance as at 01 January	17,330,189	12,128,064	17,330,189	12,128,064
Add:				
Grant for the year -Treasury	9,150,000	17,800,000	9,150,000	17,800,000
Less:				
Amortizations Gov. Grant	(15,825,905)	(12,597,874)	(15,825,905)	(12,597,874)
Amortizations Gov. Grant-AIMS	-	-	-	-
Balance as at 31 December	10,654,285	17,330,189	10,654,285	17,330,189

AGRICULTURAL & AGRARIAN INSURANCE BOARD

NOTES TO THE ACCOUNTS

	AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
	31.12.2024 Rs.	31.12.2023 Rs.	31.12.2024 Rs.	31.12.2023 Rs.
NOTE 5 - A.A.I.B. RESERVE FUND				
Balance as at 01 January	498,536,253	435,124,725	498,536,253	435,124,725
Add:				
Provision for the year	89,988,138	63,411,528	89,988,138	63,411,528
Balance as at 31 December	588,524,391	498,536,253	588,524,391	498,536,253

NOTE 6 - FARMERS DEATH GRATUITY FUND

				55,607,888
Balance as at 01 January	1,427,193,842	1,292,310,847	1,391,994,627	1,258,775,352
Add :				
Death Gratuity Premium	17,721,420	18,322,800	15,977,820	16,576,080
Interest Income	84,137,602	118,209,835	84,137,602	118,209,835
	<u>101,859,022</u>	<u>136,532,635</u>	<u>100,115,422</u>	<u>134,785,915</u>
Less :				
Death Gratuity Payment	1,957,000	1,649,640	1,748,000	1,566,640
Disablement Gratuity Payment	12,000	-	12,000	-
	<u>1,969,000</u>	<u>1,649,640</u>	<u>1,760,000</u>	<u>1,566,640</u>
Balance as at 31 December	1,527,083,863	1,427,193,842	1,490,350,049	1,391,994,627

AGRICULTURAL & AGRARIAN INSURANCE BOARD

NOTES TO THE ACCOUNTS

AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
31.12.2024	31.12.2023	31.12.2024	31.12.2023
Rs.	Rs.	Rs.	Rs.

NOTE 7 - CURRENT LIABILITIES

Note 7.1 - Pre - Premium Receipts

Livestock Insurance Premiums	2,121,678	1,643,475	2,121,678	1,643,475
Kethata Aruna Insurance Premiums	114,042,843	114,042,843	114,042,843	114,042,843
	116,164,521	115,686,318	116,164,521	115,686,318

Note 7.2 - Other Payables

Provision for Employee Allowance	14,587,500	7,242,500	14,587,500	7,242,500
Value Added Tax-VAT	4,721,181	4,718,480	4,721,181	4,718,480
Income tax	79,078,905	340,223,559	79,078,905.18	340,223,559
Social Security Contribution leavy-SSCL	909,813	808,546	909,813	808,546
Refundable Tender deposits	-	426,871	-	426,871
Unclaimed Indemnities	70,800,200	70,800,200	70,800,200	70,800,200
Net Contribution & Interest	229,298	233,391	-	-
Death & Disable Gratuity	169,000	167,000	-	-
Pension Payment	2,351,056,557	1,710,063,385	-	-
Pension Commission	1,255,674	1,225,042	-	-
Agency Commission	1,580,823	84,410	1,332,500	-
Staff Security Deposit	142,300	142,300	-	-
Retention from Piece Rate employees	2,064,791	1,336,632	2,064,791	1,336,632
Payable to vendors	1,734,688	-	1,734,688	-
	2,528,330,730	2,137,472,315	175,229,578	425,556,787

Note 7.3 - Accrued Expenses

Admin. Expenses	7.3.1	20,506,035	17,755,714	14,601,684	13,727,199
Incentive - Crop Insurance		8,881,128	671,833	8,881,128	671,833
Incentive - Movable Property		6,446,035	20,172,482	6,446,035	20,172,482
Personal Accident & Suwasetha		597,381	604,210	597,381	604,210
Operational Expenditure		1,944,148	210,177	1,944,148	210,177
		38,374,728	39,414,416	32,470,377	35,385,901

Note 7.4 - Provision For Indemnity

Livestock	5,500,000	4,000,000	5,500,000	4,000,000
Suwasetha Insurance/ Personal Accidents	1,500,000	8,000,000	1,500,000	8,000,000
Movable Property	49,435,717	49,193,563	49,435,717	49,193,563
Subsidiary Crops	5,020,400	4,020,400	5,020,400	4,020,400
Kethata Aruna (Compulsory Crop Insurance)	136,160,359	908,154,690	136,160,359	908,154,690
	197,616,476	973,368,653	197,616,476	973,368,653

AGRICULTURAL & AGRARIAN INSURANCE BOARD
AGRICULTURE INSURANCE SCHEME
NOTES TO THE ACCOUNTS

	AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	Rs.	Rs.	Rs.	Rs.
Electricity	553,686	661,036	553,686	661,036
Security Charges	422,130	282,436	422,130	282,436
Rent	1,759,352	1,805,973	1,759,352	1,805,973
Maintenance of Motor Vehicles	805,622	1,729,506	805,622	1,729,506
Traveling & Subsistence	2,165,822	2,512,067	2,165,822	2,512,067
Salaries	3,094,319	2,349,133	3,094,319	2,349,133
E.P.F	299,925	227,709	299,925	227,709
E.T.F	59,985	45,542	59,985	45,542
Overtime	2,218	61,816	2,218	61,816
Publicity	92,940	231,100	92,940	231,100
Stationary	895,505	133,069	895,505	133,069
Telephone	941,733	574,424	941,733	574,424
Water Bill	23,965	20,951	23,965	20,951
Audit Fees	3,360,845	1,932,195	2,131,625	1,235,295
Fuel	324,100	539,719	324,100	539,719
Uniform	8,100	-	8,100	-
Welfare	6,465	11,110	6,465	11,110
Labour Charges	114,490	227,540	114,490	227,540
Payable Computer Expenses	15,950	211,160	4,500	211,160
Transport Expenses	14,925	750	14,925	750
Bank Charges	-	6,200	-	6,200
Payable Main Building	88,678	405,765	88,678	405,765
Payable Printing	537,651	171,030	472,851	171,030
Payable Postage	3,693,631	3,205,227	15,060	20,422
Sundry Creditors	1,083,180	309,680	162,870	162,870
Payable Office Equipment	37,900	27,095	37,900	27,095
Payable Entertainment	2,550	-	2,550	-
Payable Newspapers	9,100	-	9,100	-
Payable Legal fees	91,270	73,482	91,270	73,482
	20,506,035	17,755,714	14,601,684	13,727,199

AGRICULTURAL & AGRARIAN INSURANCE BOARD

NOTES TO THE INCOME STATEMENT

AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
31.12.2024	31.12.2023	31.12.2024	31.12.2023
Rs.	Rs.	Rs.	Rs.

NOTE 8 - REVENUE

Note 8.1 - Premium and Contribution

Livestock	19,633,412	15,589,747	19,633,412	15,589,747
Suwasetha Insurance/ Personal Accidents	56,004,193	32,303,344	56,004,193	32,303,344
Subsidiary Crops	9,994,179	9,750,182	9,994,179	9,750,182
Movable Property	358,848,527	353,437,042	358,848,527	353,437,042
Kethata Aruna (Compulsory Crop Insurance)	178,804,176	90,953,163	178,804,176	90,953,163
Farmers Contribution for Pension	67,017	121,468	-	-
	623,351,504	502,154,945	623,284,487	502,033,477

Note 8.2- Interest Income

Interest - Investment	1,106,258,452	1,368,863,149	784,336,590	1,008,817,357
- Loans to employees	1,616,213	1,680,083	1,616,213	1,680,083
	1,107,874,664	1,370,543,232	785,952,802	1,010,497,440

NOTE 9 - OPERATIONAL EXPENDITURE

Note 9.1 - Indemnity - Insurance

Livestock	7,072,416	4,050,709	7,072,416	4,050,709
Suwasetha Insurance/ Personal Accidents	100,000	4,900	100,000	4,900
Movable Property	4,092,153	11,839,334	4,092,153	11,839,334
Subsidiary Crops	4,446,330	6,394,028	4,446,330	6,394,028
Kethata Aruna (Compulsory Crop Insurance)	1,764,969,868	2,116,105,890	1,764,969,868	2,116,105,890
	1,780,680,767	2,138,394,861	1,780,680,767	2,138,394,861

Note 9.2 - Other Operational Expenses

Insurance Incentive	13,515,399	628,348	13,042,496	281,705
Movable Property-Third party Insurance Incentive	67,101,840	67,659,676	65,393,400	66,866,733
Movable Property-Product Promotion and Incentive	18,056,415	7,740,142	18,056,415	7,740,142
Suwasetha Incentive	402,715	281,380	402,715	281,380
Crop Assessment	9,863,370	5,274,632	9,863,370	5,274,632
Livestock	4,739,160	1,179,281	4,739,160	1,179,281
Commission for Pension Payments	16,015,642	15,518,157	-	-
	129,694,540	98,281,615	111,497,555	81,623,872

NOTE 10 - OTHER INCOME

Disposal Of Fixed Assets	49,715	256,473	49,715	205,913
Amortization Of Government Grant	15,825,905	12,597,875	14,615,200	11,532,853
Sundry Income	2,038,434	972,934	1,930,351	932,516
Bad Debts Over Provision	56,587	-	56,587	-
Service Fees From Bank	555,300	1,677,350	555,300	1,677,350
Government Grant	1,500,000	1,500,000	-	-
Administration Income	2,188,285	1,219,255	-	-
	22,214,226	18,223,887	17,207,153	14,348,633

AGRICULTURAL & AGRARIAN INSURANCE BOARD

NOTES TO THE INCOME STATEMENT

AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
31.12.2024	31.12.2023	31.12.2024	31.12.2023
Rs.	Rs.	Rs.	Rs.

NOTE 11 - ADMINISTRATIVE EXPENSES

Salaries & Wages	271,939,434	209,837,893	135,547,011	103,777,380
Contribution E.P.F.	34,220,931	25,357,518	17,052,147	12,527,325
Contribution E.T.F.	6,845,104	5,151,215	3,410,888	2,541,336
Traveling & Subsistence	23,906,622	22,419,466	11,953,311	11,153,029
Overtime	8,592,507	6,611,628	4,141,154	3,179,260
Daily Pay	1,058,921	1,065,951	504,341	503,348
Medical Expenses	3,470,700	3,519,800	1,735,350	1,759,900
Allowance to Board Members	677,000	690,500	406,200	414,300
Gratuity	10,187,207	8,700,946	5,324,589	4,059,133
TAC and other Committee Allowances	451,000	-	383,000	-
Welfare	3,532,798	2,870,641	1,766,399	1,435,321
Allowance to employees	7,828,879	7,650,235	7,345,000	7,092,499
Fuel	24,935,762	23,048,817	16,956,318	15,673,196
Stationery	18,189,594	14,220,235	8,634,249	6,569,140
Entertainment Allowance	1,131,122	1,339,079	676,895	797,953
Legal Fees	2,132,524	2,684,116	2,132,524	2,684,116
Transport	983,709	831,201	983,709	829,151
Printing	19,937,130	29,632,464	18,737,824	28,158,447
Publicity & Training	16,176,284	18,591,535	12,848,687	14,276,533
Uniform	1,568,700	-	784,350	-
Rent	28,596,711	24,757,077	15,728,191	13,616,392
Telephone	17,919,351	7,417,046	9,847,970	4,079,375
Postage	10,371,544	10,150,805	1,855,585	1,933,538
Water	1,156,013	971,825	635,807	534,504
News paper & Advertisement	891,530	1,094,940	891,530	1,094,940
Security	3,480,463	3,690,603	2,610,347	2,767,952
Electricity	7,475,525	6,268,729	4,111,539	3,447,801
Vehicles Rent & Maintenance	27,107,243	26,423,692	15,451,128	15,061,504
Maintenance - Buildings	3,432,072	9,918,535	1,887,640	5,403,362
Maintenance - Office Equipment's	1,843,412	1,921,451	1,316,147	1,441,088
Labour Charges	1,890,310	2,275,685	1,890,310	2,213,115
Translation Fees	91,493	74,339	91,493	74,339
Computer Expenses	2,339,741	4,254,662	1,478,640	2,679,890
Miscellaneous Expenses	64,526	3,500	64,526	3,500
Depreciation	43,690,621	27,335,936	41,644,775	25,683,272
Bad Debts	-	58,666	-	58,666
Audit Fees	1,428,650	1,878,895	896,330	1,191,895
Consultation Fees	1,832,703	1,216,000	1,832,703	1,148,000
	611,377,838	513,935,624	353,558,609	299,864,500

NOTE 12 - FINANCE CHARGES

Bank Charges	481,549	282,068	346,723	214,664
Interest on loan	46,482,878	62,601,947	-	-
	46,964,427	62,884,014	346,723	214,664

NOTE 13 - INCOME TAX

Income Tax Liability	124,226,159	150,084,498	124,226,159	150,084,498
	124,226,159	150,084,498	124,226,159	150,084,498