

Tea Research Board - 2012

1. Financial Statements

1:1 Opinion

In my opinion, except for the effects of the matters described in paragraph 1:2 of this report, the financial statements give a true and fair view of the financial position of the Tea Research Board as at 31 December 2012 and its financial performance and cash flow for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Comments on Financial Statements

1:2:1 Sri Lanka Accounting Standards (LKAS)

Although new accounting Standards (LKAS) should be applied for preparing financial statements from 2012, the Board had not been followed the following accounting standards for the year under review.

(a) The value of the fixed assets which are being used at present had not been revalued and shown in fair value in accordance with LKAS 16. Further according to this Standard the land and buildings are separate assets and accounted separately. However, the Board had shown the value of Land and buildings in the accounts together.

The Chairman of the Board has stated in his reply that the Department of Valuation had undertaken the re-valuation process and it was almost completed.

(b) Gratuity provision as at the end of the year under review had not been measured in accordance with LKAS 19.

(c) Contingent liabilities regarding pending court cases against the Board had not been disclosed as per LKAS 37.

1:2:2 Accounting Policies

Rates of depreciation of the machinery and equipment had not been disclosed in the accounting policies.

Although it was stated in the notes that the policy of the depreciation had been changed in the year under review, no any changes had been made when compared with the previous year.