

**LAKE HOUSE PRINTERS
&
PUBLISHERS PLC**



ANNUAL REPORT

2024/2025

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LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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TO ALL SHAREHOLDERS OF LAKE HOUSE PRINTERS AND PUBLISHERS PLC.

NOTICE OF MEETING

Sixty First (61st) Annual General Meeting

Notice is hereby given that the Sixty-first (61st) Annual General Meeting of the Company will be held on 29th September 2025 at 3:00 p.m. in Colombo via Zoom

All the shareholders of the Company are entitled to participate online via Zoom and vote at this meeting. Also, a shareholder is entitled to appoint a proxy to attend and vote instead of such shareholder, and that proxy need not be a shareholder.

Agenda

- 1. To receive, consider and adopt the Directors' Report and Audited Financial Statements for the year ended 31st March 2025 with the Report of the Auditors thereon.**
- 2. To declare a first and final dividend of Rs. 6 /- per share as recommended by the Directors.**
- 3. To pass the under mentioned Resolutions for the appointment of Directors**

Pursuant to the Board Resolution dated 30th December 2024 the Shareholders approve the appointment of the following Directors:

Prof.Lakshaman Ravendra Watawala as a Non-Executive Director

Mr.Dilantha Stephen Seneviratne as an Independent Non-Executive Director

Mr.Eraj Arjuna Gihan De Silva as an Independent Non-Executive Director

- 4. To pass the under mentioned Resolutions, in terms of Section 211 of the Companies Act No.7 of 2007 of which special notice is hereby given to shareholders.**

“Resolved that the age limit referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to Mr.Ranjit Sujiva Wijewardene who is 88 years and that he be re-elected a Director of the Company”

“Resolved that the age limit referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to Prof. Lakshman Ravendra Watawala who is 77 years and that he be re-elected a Director of the Company until 31st December 2025”

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NOTICE OF MEETING (CONTINUED)

5. To reappoint Auditors for the year 2025/2026 and to authorize the Directors to determine their remuneration.
6. Any other matters

BY ORDER OF THE BOARD



D.P.A.N. Kumara
Company Secretary
01 September, 2025

Note: - Any member entitled to attend and vote is entitled to appoint a proxy in his stead. A form of proxy accompanies this notice. A proxy need not be a member. A scanned copy of the Instruments appointing proxies must be sent to the Email Address agmlhpp2025@gmail.com or shall be posted to reach its Registered Office not less than 48 hours before the meeting.

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CORPORATE INFORMATION

Legal Status

A Quoted Public Company

Registered Number – PQ 175

Board of Directors		
Name	Designation	Changes in Board Composition During the Financial Year
Mr. R.S.Wijewardene	Chairman/ Managing Director	
Mr. P.S.Wijewardene	Executive Director	
Mr. R.C.Samarasinghe	Non-Executive Director	
Prof.L.R.Watawala	Independent Non-Executive Director/Senior Independent Director	Retired on <i>31/12/2024</i>
	Non-Executive Director	Re-appointed on <i>01/01/2025</i>
Mr. Dulip.F.R. Jayamaha	Independent Non-Executive Director	Retired on <i>31/12/2024</i>
Mr. D.R Wijewardene	Non-Executive Director	
Mr. D.S. Seneviratne	Independent Non-Executive Director/Senior Independent Director	Appointed on <i>01/01/2025</i>
Mr. E. A. G. de Silva	Independent Non-Executive Director	Appointed on <i>01/01/2025</i>

Audit Committee		
Name	Designation	Changes in Committee Composition
Prof.L.R.Watawala	Chairman	Retired on <i>31/12/2024</i>
Mr. D.S. Seneviratne	Chairman	Appointed on <i>14/02/2025</i>
Mr. R.C.Samarasinghe	Member	Re-Appointed on <i>14/02/2025</i>
Mr. Dulip.F.R. Jayamaha	Member	Retired on <i>31/12/2024</i>
Mr. E. A. G. de Silva	Member	Appointed on <i>14/02/2025</i>

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CORPORATE INFORMATION (CONTINUED)

Related Party Transactions Committee		
Name	Designation	Changes in Committee Composition
Mr. Dulip.F.R. Jayamaha	Chairman	Retired on 31/12/2024
Mr. E. A. G. de Silva	Chairman	Appointed on 14/02/2025
Mr. R.C.Samarasinghe	Member	Re-Appointed on 14/02/2025
Prof.L.R.Watawala	Member	Re-Appointed on 14/02/2025
Mr. D.S. Seneviratne	Member	Appointed on 14/02/2025

Remuneration Committee		
Name	Designation	Changes in Committee Composition
Mr. Dulip.F.R. Jayamaha	Chairman	Retired on 31/12/2024
Mr. D.S. Seneviratne	Chairman	Appointed on 14/02/2025
Mr. R.C.Samarasinghe	Member	Appointed on 14/02/2025
Prof.L.R.Watawala	Member	Retired on 31/12/2024
Mr. E. A. G. de Silva	Member	Appointed on 14/02/2025

Nomination and Governance Committee		
Name	Designation	Changes in Committee Composition
Prof.L.R.Watawala	Chairman	Retired on 31/12/2024
	Member	Re-Appointed on 14/02/2025
Mr. D.S. Seneviratne	Chairman	Appointed on 14/02/2025
Mr. R.C.Samarasinghe	Member	Retired on 31/12/2024
Mr. Dulip.F.R. Jayamaha	Member	Retired on 31/12/2024
Mr. E. A. G. de Silva	Member	Appointed on 14/02/2025

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CORPORATE INFORMATION (CONTINUED)

Company Secretary

Mr. D.P.A.N.Kumara

Auditors

Messers KPMG

Chartered Accountants

Bankers

Bank of Ceylon, Corporate Branch.

Sampath Bank PLC, Headquarters Branch.

NDB Bank PLC, Headquarters Branch

Commercial Bank PLC, Dharmapala Mawatha Branch.

Commercial Bank PLC, W.A.D.Ramanayake Mawatha Branch.

DFCC Bank PLC, Head Office Branch.

Peoples Bank, Head Office Branch.

Hatton National Bank, Head Office Branch.

Seylan Bank, Union Place Branch.

Cargills Bank, Head Office Branch.

Registered Office

No.41, W.A.D.Ramanayake Mw, Colombo 02.

E- Mail

info@lakehppl.com

Website

www.lhpp.lk

Telephones

0112332271

0112433272-3

Shareholder and Investor Relations – Liaison Officer

Mr. D. P. A. N. Kumara, Company Secretary

No. 41, W. A. D. Ramanayake Mw, Colombo 02

Telephone: 011 243 3271

E- Mail - anura@lakehppl.com

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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COMPANY OVERVIEW

Lake House Printers & Publishers PLC is a Public Limited Liability Company quoted on the Colombo Stock Exchange. It was incorporated in 1965 as a Private Limited Liability Company until it went public in 1975 and remains so to this day.

The company has its origins as the Commercial Printing Department of the then largest newspaper group in Sri Lanka, the Associated Newspapers of Ceylon Limited (ANCL), which itself was incorporated in 1926.

Our company, located in Colombo 2, specializes in security printing, primarily the printing and supply of cheque leaves, as well as providing plastic and metal banking cards, digital solutions, sustainable cards and wearables to our customer base which mainly comprises state and commercial banks and established business houses in the country.

For operational purposes, the company comprises two main production divisions: the Security Printing Division and the Lake House Technologies Division (formerly known as the Security Cards Division).

Recently, a Publishing Division has also been established

Our Divisions

Security Printing Division

With a legacy spanning 60 years, the Security Printing Division of Lake House Printers & Publishers PLC has established itself as a leader in providing security printing services to leading government and private banks, as well as to other financial institutions in Sri Lanka.

Since 1987, we have been at the forefront of manufacturing MICR encoded cheque leaves in Sri Lanka, initially under a Technical Services Agreement with the internationally renowned security printer M/s Bradbury Wilkinson (Cheques) Ltd UK (now part of the Thomas De La Rue group).

Today, we are a prominent security printer in Sri Lanka, serving clients including state banks and all major commercial banks operating within the country. Our services extend beyond national borders, reaching the SAARC region and supplying cheque leaves to the Maldives and the Middle East.

Even during challenging times, such as the COVID-19 pandemic, we have maintained an uninterrupted service, demonstrating our dedication to consistent and reliable support to our customers.

We offer a wide range of products and services, including cheque personalization, continuous cheques and other security-related products, cheque return notifications, pay orders and customized statement printing. Additionally, we produce other security-focused documents such as share certificates, dividend warrants, certificates of deposit, fixed deposit certificates, motor vehicle registration certificates and revenue licenses for motor vehicles, to name a few. These services and products cater to both public and private sector organizations, utilizing the latest technology.

Our state-of-the-art manufacturing plant is strategically located in the heart of Colombo, at Colombo 2, with a disaster recovery facility in Malwana, Biyagama.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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COMPANY OVERVIEW (CONTINUED)

Products and Services Offered by Security Printing Division

Our comprehensive product lineup includes but is not limited to.

- Personalized Cheque Books
- Cheque Return Notifications (CRN)
- MICR Encoded Continuous Cheques
- Fixed Deposit Certificates
- Certificates of Deposit
- Motor Vehicle Revenue Licenses
- Commercial Papers
- Cash Sale Invoices
- Gift Vouchers
- Share Certificates
- Letters of Allotment
- Dividend Warrants
- Computer Stationery
- Computer Continuous Paper Manufacturing and Printing and, any other security printing-related jobs



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COMPANY OVERVIEW (CONTINUED)

Lake House Technologies Division (Formerly, Security Cards Division)

Established in 2007, the Lake House Technologies Division (also known as the Security Cards Division) has become a major player in the banking cards and digital solutions industry. The division has secured its position as a leading provider, offering a wide range of products including personalized plastic and metal banking cards, digital solutions, sustainable cards, and wearables. Lake House Technologies Division primarily caters to the Sri Lankan banking sector, corporate clients, and government entities

With 18 years of extensive experience in implementing end-to-end products, Lake House Technologies has successfully established numerous banking card projects for both state and private sector banks. Over the years, Lake House Technologies has supplied over 50 million cards, serving all segments of the Sri Lankan market.

Lake House Technologies leads the way in supplying banking cards and solutions within the country, in partnership with top global manufacturers and service providers.

Our partners are certified by major payment schemes, including Visa International, MasterCard, JCB, China UnionPay, American Express, and Diners Club.

Products and Services Offered by Lake House Technologies Division

Lake House Technologies offers a wide range of products, including but not limited to:

- Banking cards certified by all major payment schemes
- Sustainable cards
- Digital solutions
- Wearable products for contactless payments
- Insurance policy cards
- Loyalty cards
- Identification cards
- End-to-end personalization solutions set up at bank premises and, many more



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COMPANY OVERVIEW (CONTINUED)

Publishing Division

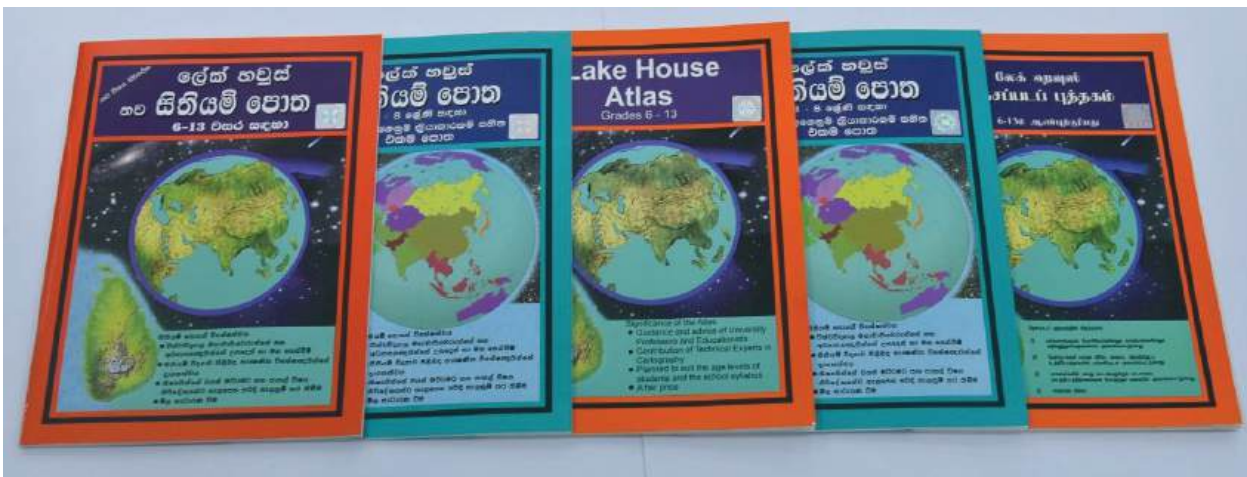
Established as recently as June 2025, the Publishing Division of Lake House Printers & Publishers PLC focuses on catering to a niche market with high customer demand, primarily targeting the publication of legal and professional educational books.

Publishing is not a new activity for the company. Previously, the closely related company but now defunct Lake House Investments Ltd maintained a highly successful publishing department for over three decades. Leveraging this legacy, the Book Publishing Division has been quick off the mark by signing publishing contracts with highly respected authors in the fields of law and education.

In addition, the division proudly publishes the iconic Lake House Atlas series in Sinhala, English, and Tamil. Compiled by university professors, educationists, and cartography experts, the Lake House Atlas caters to students across various age groups, seamlessly aligning with the learning requirements of students from grade 3 to 13. Tailored to meet the needs of students, educators, and curious minds alike, the Lake House Atlas Collection is widely recognized for its quality and affordability.

Products and Services Offered by Publishing Division

- Legal books
- Professional educational books
- Academic publications for higher education
- Iconic Lake House Atlas Collection (Sinhala, English & Tamil)



LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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BOARD OF DIRECTORS

Mr. R.S. Wijewardene – Chairman/Managing Director

Mr. Wijewardene is the Chairman and a founder Director of the Company. He is the holder of a Master's Degree from the University of Cambridge U.K and has guided the destiny of the Company from 1965 when it was initially floated as a Private Limited Liability Company. Mr. Wijewardene is a recognized personality in business and the media professions. He is the President of the Newspaper Society of Sri Lanka.

He is the Chairman of subsidiary company L H Plantations (Private) Limited. He is also the Chairman of closely related companies Wijeya Newspapers Limited, Ranweli Holiday Village Limited, Freudenberg & Company Limited, Sarathi Limited, R. S Printek (Private) Limited and Wijeya Graphics (Private) Limited.

Mr. P.S. Wijewardene – Executive Director

Mr. P.S. Wijewardene holds a Master's degree from the University of Leicester, UK, and has over 25 years of experience at Lake House Printers & Publishers PLC.

In addition to his role as a Director at Lake House Printers & Publishers PLC, he serves as a Director of our fully owned subsidiary, L H Plantations (Private) Limited. He is also the Deputy Chairman/ Managing Director of Wijeya Newspapers Limited.

Mr. R.C. Samarasinghe – Non-Executive Director

Mr. R.C. Samarasinghe, a senior Chartered Accountant, has been on our board since March 2005.

His extensive experience includes former key positions in prominent companies such as Textured Jersey Lanka PLC, Mobitel (Private) Limited, and Electronic Data Systems (Private) Limited, Singapore. He is a Fellow member of the Institute of Chartered Accountants of Sri Lanka.

Prof. Lakshman R. Watawala – Non-Executive Director

Prof. Lakshman R. Watawala is a distinguished professional, holding fellowships with several prestigious institutes. He has served in pivotal roles, including Chairman and Director General of the Board of Investment of Sri Lanka, Chairman of People's Bank, and as an advisor in the

Ministry of Finance. Prof. Watawala received The National Honour Sri Lanka 'Sikhamani' conferred by the President of Sri Lanka for distinguished service to the nation.

He is the President of the Institute of Certified Management Accountants of Sri Lanka and its founding president. He was a past President of the Institute of Chartered Accountants of Sri Lanka, the South Asian Federation of Accountants, and the Organization of Professional Associations of Sri Lanka, which is the apex body of professional organizations. He was also the Founder President of the Association of Accounting Technicians of Sri Lanka.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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BOARD OF DIRECTORS (CONTINUED)

Mr. D.R. Wijewardene – Non-Executive Director

Mr. D.R. Wijewardene, a Non-Executive Director, holds a Bachelor's Degree from the University of Sussex, UK. He also serves as a Director of R. S. Printek (Private) Limited, a company closely related to our company.

Mr. D. S. Seneviratne - Independent Non-Executive Director/Senior Independent Director

Mr. Dilantha Stephen Seneviratne is a Fellow of the Institute of Chartered Accountants of Sri Lanka (FCA) and a Fellow of the Institute of Certified Management Accountants (FCMA) with over 36 years of post-qualifying experience in Finance, Corporate Management & Commercial operations in the Plantation /Corporate sector.

Mr. Seneviratne served as a Director at Hayleys Plantation Services (Pvt) Ltd, and Director/CEO of Talawakelle Tea Estates PLC. With over two decades of experience in Finance and Corporate Management he has made a significant contribution to the plantation sector. In addition, he also has over a decade of exposure as CEO, General Manager, and Financial Controller in diverse corporate sectors in road construction, manufacturing, trading and logistics.

He was the Chairman of the CSR Steering Committee of Ceylon Chamber of Commerce. He has also served as a Trustee of the Plantation Trust Fund, Member of Employers Federation of Ceylon and Planters Association sub committees, and Steering Committee on IAS 41 – Agriculture of the Institute of Chartered Accountants of Sri Lanka

Mr. E. A. G. de Silva – Independent Non-Executive Director

Mr. Eraj de Silva, President's Counsel, is a distinguished legal professional with an active practise in the Original and Appellate Courts of Sri Lanka.

Mr. de Silva holds an LLM from the University of Cambridge and an LLB from the University of Essex. He is also a Barrister of Law of Gray's Inn, London.

Since April 2014, Mr. de Silva has served as Co-Editor-in-Chief of the Law Journal of the Bar Association of Sri Lanka. He was also a Board Member of the Board of Investment of Sri Lanka (2022–2024), Vice President of the National Council for Mental Health "Sahanaya" since May 2014, a Trustee of the Martin Wickremasinghe Trust, and a Board Member of the Centre for Society and Religion.



D.P.A.N. Kumara
Secretary to the Board
01 September, 2025
Colombo

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THE CHAIRMAN'S REVIEW.

The overall performance of the Company in the year under review has been rather modest in comparison with the two previous financial years during which period the conditions and circumstances prevailing at the time were exploited well, especially by the Security Cards Division (now Lake House Technologies).

The Company's Net Profit before Tax was Rs.75.5 mn.

The Profit after Tax amounted to Rs.54.2 mn which included a Gain of Rs.14.5 mn on the Valuation of Investment Properties.

You may perhaps recollect that, in my Review of the Company's performance in the Financial Year 2023/24, a reference was made to greater challenges ahead to counter emerging competitors with ample resources.

The two Production Divisions namely Lake House Technologies and the Security Printing Division, continue to perform solidly and to deliver results though, in the case specially of the Security Printing Division (for long the mainstay of the Company) meeting expectations is becoming more challenging with strong competitors making their presence felt in, what can be termed, a flat market.

Lake House Technologies however, being very much in touch with all the latest developments and innovations in its Market Environment, has made its presence felt in the Industry and, much is expected of this Division in the future.

The Company continues to maintain steady progress in terms of sustainability and resilience, and a glance at its financials confirms this assessment.

The performance of the Company during the year, though perhaps not matching the two previous financial years, would thus need to be viewed in perspective.

The Basic Earnings per Share in the year under review was a respectable Rs.18.46 while the value of a Company Share on Net Assets Basis has increased to Rs.309.75 from Rs.299.9 in the previous Financial Year.

The Financial Statistics (Performance Summary) set down on Page No. 89 to 93 in the Annual Report of the Company, may give the reader a fair idea of the steady growth and financial stability of the company over the last decade.

The fully owned subsidiary of the Company LH Plantations (Pvt) Ltd has recorded a Net Profit of Rs. 8.04 mn after tax in the year under review.

Its income is derived primarily from Interest earned from its Investments.

However, in the year under review, the rates of interest have declined substantially, thereby causing a drop in the Net Profit after tax from Rs. 15.2 mn in F/Y 2023/24.

Despite the relatively modest performance of the Company in the year under review, its overall financial health continues to be sound. Your Board is therefore, of the view that the Company's Shareholders should also actively benefit from this situation and, as such, its policy of paying attractive dividends should be maintained.

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THE CHAIRMAN'S REVIEW (CONTINUED)

They have thus recommended that the Company makes its Shareholders a Dividend Payment of Rs.6/= per Share less tax, for the Financial Year 2024/25, out of its retained earnings and the profit for the year.

Finally, on behalf of myself and the Board, our appreciation is due to the Management and Staff at all levels of the Company, for their dedication and hard work during the year which have contributed in no small measure to the overall success of the Company.



R. S. Wijewardene
Chairman
01 September, 2025
Colombo

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CORPORATE GOVERNANCE

Accountability, openness, and ethical conduct are the cornerstones of Lake House Printers & Publishers PLC (LHPP)'s corporate governance framework. It incorporates external and internal regulatory factors that could affect governance practices and policies.

The Company actively implements voluntary best practices to consolidate the strength and integrity of its governance structure, going beyond merely adhering to its legal duties. The Company has been able to maintain best practices in ethical conduct, corporate integrity, and open operations throughout time thanks to this methodical and organized approach to corporate governance, which has increased stakeholder trust and promoted long-term organizational sustainability.

LHPP adheres to a good corporate governance framework that is in line with the guidelines provided by the Institute of Chartered Accountants of Sri Lanka's (2023) Code of Best Practice on Corporate Governance, and the CSE's Section 09 regulatory requirements.

Board of Directors

The Directors of the Company meet frequently and the Board meetings with Independent Non-Executive Directors are normally conducted quarterly. At these meetings, unaudited accounts for each quarter are examined, and the Company's performance in each quarter is evaluated. The Directors also understand that they are responsible for preserving shareholders' rights and interests, as well as being accountable to them for the Company's overall management.

The directors are in charge of the company's governance, which includes establishing and maintaining the internal control systems, establishing strategic goals, and exercising leadership. Internal Control Systems are designed to meet the particular needs of the organization and the risks to which it is exposed to.

Fit and Proper Assessment of Criteria of Directors

The Directors provided declarations confirming their continued compliance with the Fit and Proper assessment criteria, in accordance with Rule 9.4.7 of the Listing Rules of the CSE (Corporate Governance)

These confirmations covered the entire financial year under review and remained valid as at the date of the declarations.

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CORPORATE GOVERNANCE (CONTINUED)

Composition of the Board

The composition of the Board is governed by the Listing Rules set out by the Colombo Stock Exchange and the Articles of the Association of the Company. On page No.3 of this report it will be seen that two out of the seven members are Executive Directors while the other five members are Non-Executive Directors. Two out of the five members are Independent Non-Executive Directors namely Mr. D.S. Seneviratne and Mr. E.A.G. De Silva as at the date of the Annual Report.

In terms of composition, the Board shall comprise of not less than five directors which include at least two Independent Directors or such number equivalent to one third (1/3) of the total number of Directors whichever is higher at any given time.

The Board of LHPP currently comprises of Seven (07) Directors and brief profiles of the Board members are given on page 10 & 11 of this report.

Board of Directors		
Name	Designation	Changes in Board Composition During the Financial Year
Mr. R.S.Wijewardene	Chairman/ Managing Director	
Mr. P.S.Wijewardene	Executive Director	
Mr. R.C.Samarasinghe (FCA)	Non-Executive Director	
Prof.L.R.Watawala (FCA, FCMA, FCMA(UK))	Independent Non-Executive Director/Senior Independent Director	Retired on 31/12/2024
	Non-Executive Director	Re-appointed on 01/01/2025
Mr. Dulip.F.R. Jayamaha (PC)	Independent Non-Executive Director	Retired on 31/12/2024
Mr. D.R Wijewardene	Non-Executive Director	
Mr. D.S. Seneviratne (FCA, FCMA)	Independent Non-Executive Director/Senior Independent Director	Appointed on 01/01/2025
Mr. E. A. G. de Silva (PC)	Independent Non-Executive Director	Appointed on 01/01/2025

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CORPORATE GOVERNANCE (CONTINUED)

Directors' Shareholdings

Name of the Director	No. of Shares	
	31/03/2025	31/03/2024
Mr. R.S.Wijewardene	1,052,087	1,052,087
Mr. D.R.Wijewardene	962,612	962,612
Mr.P.S.Wijewardene	108,282	108,282
Mr.R.C.Samarasinghe	-	-
Prof.L.R. Watawala	-	-
Mr.D.S.Senavirathna (Snr. Ind. Director)	-	-
Mr.E.A.G.De.Silva (Ind. Director)	-	-

Board Meetings

Board Meetings are generally held once in every three months unless business necessities demand the convening of additional meetings.

The Board is well engaged and dedicates adequate time for addressing business matters, performance evaluation of each business unit and ensures the completeness and accuracy of the Financial Statements of relevant periods and decision making on routine investment requirements (CAPEX).

The Board met Six (06) times during the financial year 2024 - 25, on the following dates:

(1) 29th April, 2024 (2) 31st May, 2024 (3) 14th June, 2024 (4) 15th August, 2024
(5) 28th August, 2024 (6) 14th February, 2025

The attendance of the Directors at the Board Meetings and the last Annual General Meeting held on 30th September, 2024 were as shown in page 17.

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CORPORATE GOVERNANCE (CONTINUED)

Name of Director	Board Meetings		AGM
	Held during Tenure	Attended	
Mr. R.S.Wijewardene – Chairman/Managing Director	6	6	√
Mr.P.S.Wijewardene	6	6	√
Mr.R.C.Samarasinghe	6	6	√
Prof.L.R. Watawala	6	6	√
Mr. Dulip.F.R. Jayamaha (till 31 st December,2024)	5	5	√
Mr. D.R Wijewardene	6	-	-
Mr.D.S.Seneviratne	1	1	Appointed on 1/1/2025
Mr.E.A.G.De Silva	1	1	Appointed on 1/1/2025

Sub Committees

The Board has established Sub-Committees to enable more targeted and thorough oversight of important issues because of the limited time available to fully handle every aspect of the Company's operations. By giving specialized focus to particular areas, these Committees enhance the Board's overall efficacy and encourage more effective and knowledgeable decision-making. The formally approved Terms of Reference, which support the values of impartiality, balanced governance, and effective risk management, define how each Committee operates.

Audit Committee

An Audit Committee has been established in accordance with the Colombo Stock Exchange's Corporate Governance regulations. The Audit Committee meets at least once in every three months and throughout the financial year, there have been six meetings of the audit committee.

Meeting Dates

The Committee met six (06) times during the financial year 2024–25, on the following dates:

- (1) 31st May 2024 (2) 14th June 2024 (3) 15th August 2024 (4) 28th August 2024
(5) 18th November 2024 (6) 14th February 2025

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CORPORATE GOVERNANCE (CONTINUED)

Audit Committee (Continued)

[Up to 31st December 2024]

Name of the member	Designation	Member Status in the Committee	Meeting Attendance
Prof. L.R. Watawala	Independent Non-Executive Director/ Senior Independent Director	Chairman	5/5
Mr. Dulip.F.R. Jayamaha	Independent Non-Executive Director	Member	5/5
Mr.R.C.Samarasinghe	Non-Executive Director	Member	5/5

[As at 31st March 2025]

Name of the member	Designation	Member Status in the Committee	Meeting Attendance
Mr.D.S.Seneviratne	Senior Independent Non-Executive director	Chairman	1/1
Mr. E.A.G.De Silva	Independent Non-Executive director	Member	1/1
Mr.R.C.Samarasinghe	Non-Executive Director	Member	1/1

[The Report of the Audit Committee is given on pages 33 to 35.]

Related Party Transactions Review Committee

The Related Party Transactions Review Committee functions as a Sub-Committee of the Board. The names of the Directors who serve on the said Committee and their attendance at meetings are given on page 19.

The Related Party Transactions Committee Meetings are usually held once in every quarter. Two meetings of the Related Party Transactions Committee were held during the year.

Meeting Dates

The Committee met four (04) times during the financial year 2024–25, on the following dates:

(1) 15th August 2024 (2) 10th November 2024

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CORPORATE GOVERNANCE (CONTINUED)

Related Party Transactions Review Committee (Continued)

[Up to 31st December 2024]

Name of the member	Designation	Member Status in the Committee	Meeting Attendance
Mr.Dulip F. R. Jayamaha	Independent Non-Executive Director	Chairman	3/3
Prof. L.R. Watawala	Independent Non-Executive Director	Member	3/3
Mr.R.C.Samarasinghe	Non-Executive Director	Member	3/3

[As at 31st March 2025]

Name of the member	Designation	Member Status in the Committee	Meeting Attendance
Mr. E.A.G.De Silva	Independent Non-Executive Director	Chairman	1/1
Mr.D.S.Seneviratne	Senior Independent Non-Executive Director	Member	1/1
Prof. L.R. Watawala	Von-Executive Director	Member	1/1
Mr.R.C.Samarasinghe	Non-Executive Director	Member	1/1

Disclosures - A detailed disclosure of all the related party transactions which are required to be disclosed under Section 9 of the Listing Rules of the Colombo Stock Exchange has been made in note 29 to the financial statements given in pages 81 this report. There were no non recurrent transactions with related parties during the year under review.

[The Report of the Related Party Transactions Review Committee is given on pages 36 to 37.]

Remuneration Committee

In compliance with the rules of Corporate Governance of the Colombo Stock Exchange, a Remuneration Committee is in place. The Remuneration Committee met once during the financial year on 29th of April 2024. The names of the Directors who served on the said Committee and attendance at meetings are given on page 20.

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CORPORATE GOVERNANCE (CONTINUED)

Remuneration Committee (Continued)

[Up to 31st December 2024]

Name of the member	Designation	Member Status in the Committee	Meeting Attendance
Mr. Dulip.F.R. Jayamaha	Independent Non-Executive Director	Chairman	1/1
Prof. L.R. Watawala	Non-Executive Director	Member	1/1

[As at 31st March 2025]

Name of the member	Designation	Member Status in the Committee	Meeting Attendance
Mr.D.S.Seneviratne	Senior Independent Non-Executive Director	Chairman	-
Mr. E.A.G.De Silva	Independent Non-Executive Director	Member	-
Mr.R.C.Samarasinghe	Non-Executive Director	Member	-

[The Report of the Remuneration Committee is given on page 38.]

Nominations and Governance Committee

The Committee was established at the Board meeting held on 10th November 2023. The Committee met once during the financial year, on 29th April 2024. The Committee was comprised of the following members:

Name of the member	Designation	Member Status in the Committee	Meeting Attendance
Prof. L.R. Watawala	Senior Independent Non-Executive Director	Chairman	1/1
Mr. Dulip.F.R. Jayamaha	Independent Non-executive Director	Member	1/1
Mr. R. C. Samarasinghe	Non-Executive Director	Member	1/1

New members of the Nominations and Governance Committee were appointed on 14th February 2025. This Committee functions as a Sub-Committee of the Board and met once during the financial year. The names of the Directors who serve on the said Committee and attendance are given in page 21.

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CORPORATE GOVERNANCE (CONTINUED)

Nominations and Governance Committee (Continued)

Name of the member	Designation	Member Status in the Committee	Meeting Attendance
Mr.D.S.Seneviratne	Senior Independent Non-Executive Director	Chairman	-
Mr. E.A.G.De Silva	Independent Non-executive Director	Member	-
Prof. L.R. Watawala	Non-Executive Director	Member	-

[The Report of the Nominations and Governance Committee is given on pages 39 to 40.]

Appointment of the Senior Independent Director

In compliance with the Colombo Stock Exchange Listing Rules, the Board has appointed a Senior Independent Director (SID) as required, given the governance structure of the Company. Accordingly, Prof. L.R. Watawala was appointed as the Senior Independent Director from 19th October 2023 to 31st December 2024 and Mr. D. S. Seneviratne has been appointed as the Senior Independent Director on 14th February 2025.

The SID provides an additional channel of communication for Independent and Non-Executive Directors, convenes meetings without the presence of Executive Directors where necessary and, facilitates the annual appraisal of the Chairperson. The rationale for the appointment and confirmation of duties discharged are disclosed herein in line with the CSE requirements.

Relationship with Shareholders

The shareholders have the opportunity of meeting the Board and forwarding their questions at the Annual General Meeting. However, this does not limit their communication with the Board and they are free to communicate with the Directors, Company Secretary or any of the Senior Managers depending on the matters that need to be addressed. A policy on communication has been established by the Company. Furthermore, a new *Policy on Relations with Shareholders and Investors* has been adopted, incorporating the provisions of the revised CSE Listing Rules to ensure effective communication and engagement with shareholders and investors.

Shareholder and Investor Relations - Liaison Officer

Mr. D. P. A. N. Kumara,
Company Secretary
No. 41, W. A. D. Ramanayake Mw, Colombo 02
Telephone: 011 243 3271
E- Mail - anura@lakehppl.com

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CORPORATE GOVERNANCE (CONTINUED)

Internal Controls

The Board places a high priority on internal controls to manage the day-to-day affairs of the Company. The Board is responsible for the Company's systems of internal controls and for reviewing their effectiveness. This is ensured and the system inter alia is designed to safeguard assets from unauthorized use or disposal and to ensure that proper records are maintained and reliable information is produced including financial, operational, compliance controls and risk management.

However, the Board is of the view that the company's systems of internal controls provide only a reasonable and not absolute assurance that material errors and irregularities are either prevented or detected within a reasonable time period.

Financial, operational, IT, and compliance risks can all be identified and managed with the help of LHPP's internal control system. The Board periodically assesses the efficacy of the internal controls with assistance from the Board Audit and Board Integrated Risk Management Committees. The internal controls for financial reporting have been checked and confirmed by external auditors.

Financial Reporting

The company's financial statements are prepared in compliance with the updated Sri Lanka Accounting Standards, which include the Finance Business Act, the Companies Act, the Sri Lanka Financial Reporting Standards (SLFRS), and the guidelines and regulations issued under them.

In accordance with the Listing Rules of the CSE, Lake House Printers and Publishers PLC publishes both unaudited quarterly and half-yearly financial statements as well as audited financial statements. The company's Independent Auditors are Messrs. KPMG, Chartered Accountants. The auditors are free to voice their opinions about the company's financial accounts without interference from the board of directors or management. The auditors are given all the necessary information to review.

Compliance Report

To the best of their knowledge, the directors attest that all taxes and duties that the company owes, as well as all contributions, levies, and taxes that are due on the company's behalf and in connection with the company, as well as any other known statutory dues that are due as of the balance sheet date, have been paid or are covered by the accounts.

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CORPORATE GOVERNANCE (CONTINUED)

Corporate Governance Policies

In compliance with Rule 9.2.1 of the Listing Rules of the Colombo Stock Exchange, the Board has adopted a comprehensive framework of governance policies to guide and strengthen the Company's governance culture. These policies are published on the Company's corporate website (www.lhpp.lk).

These policies cover the following areas:

- ❖ Policy on the matters relating to the Board of Directors
- ❖ Policy on Board Committees
- ❖ Policy on Corporate Governance, Nominations and Re-election
- ❖ Policy on Remuneration
- ❖ Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- ❖ Policy on Risk management and Internal controls
- ❖ Policy on Relations with Shareholders and Investors
- ❖ Policy on Environmental, Social and Governance Sustainability
- ❖ Policy on Control and Management of Company Assets and Shareholder Investments Policy on Corporate Disclosures
- ❖ Policy on Whistleblowing
- ❖ Policy on Anti-Bribery and Corruption

Other Information

The Annual Report contains statements from the Board including the responsibilities of the Directors for the preparation of the Financial Statements and the Directors are of the view that they have discharged their responsibilities as set out in this statement. The performance of the Company during the year under review and the future prospects of the Company are covered in the Chairman's Review of Operations.

Independence of Directors

In accordance with Rule 9.18.2 (b) of the Colombo Stock Exchange, the Board has carried out an annual assessment of the independence of its Non-Executive Directors. Each Director has submitted a declaration of independence as required under the Rules, and the Board, having reviewed the criteria set out therein, has determined that the Independent Directors of the Company satisfy the requirements prescribed for listed entities. The Board is of the view that the Independent Directors continue to exercise objective and independent judgment in all matters brought before them, thereby ensuring the protection of the interests of all shareholders.

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CORPORATE GOVERNANCE (CONTINUED)

Professor L.R Watawala and Mr. Dulip. F.R.Jayamaha were Independent Non-Executive Directors of the Company up to 31st December 2024. Mr.D.S.Seneviratne and Mr.E.A.G.De Silva are Independent Non-Executive Directors of the Company with effect from 14th February 2025. They have all submitted signed, dated declarations as per specimen given in Appendix 9C of Corporate Governance Listing Requirements of the CSE.

Based on the above declarations and other information available, the Board is of the view that Mr.D.S.Seneviratne and Mr.E.A.G.De Silva are eligible for re-appointment as Independent Non - Executive Directors till the 31st December 2025.

Industrial Relations

There were no material issues pertaining to employees and industrial relations of the entity which need disclosure.

Accountability and Disclosure

The members of the Board of Directors have reviewed in detail the Financial Statements in order to satisfy themselves that they present a true and fair view of the Company's affairs.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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CORPORATE GOVERNANCE (CONTINUED)

Corporate Governance Compliance Table

(Colombo Stock Exchange Circular No.04/2023 and New Listing Rules)

Rule No.	Subject	Applicable Requirement	Compliance Status	Details
9.5.1	Non-Executive Directors	At least two non-executive directors or; at least one third of the total number of directors whichever is higher should be Non-Executive Directors.	Compliant	Out of Seven Directors five Directors are Non-Executive Directors.
9.8.2	Independent Directors	At least two or one third of Directors, whichever is higher should be independent.	Compliant	Out of seven Directors, five are Non-Executive, of whom two are independent. Should this be considered insufficient, appropriate measures will be taken to align with requirements in the forthcoming financial year.
9.8.5 (a)	Independent Directors	Each Non-Executive Director should submit a declaration of independence / non-independence in the prescribed format.	Compliant	All Non-Executive Directors have Submitted the declarations of independence.
9.8.5 (b)	Disclosure relating to Directors	Names of independent Directors should be disclosed in the Annual Report	Compliant	Please refer page 15 in the Annual Report.
9.10.4	Disclosure relating to Directors	A brief resume of each Director should be included in the Annual Report including the area of Expertise.	Compliant	Please refer page 10 & 11 in the Annual Report.
9.12.1	Remuneration Committee	A listed company shall have a Remuneration Committee.	Compliant	Names of the members of the Remuneration Committee are available on page 20.
9.12.6	Composition of Remuneration Committee	Committee shall comprise of a minimum of three Non-Executive Directors, out of whom a minimum two members shall be independent Directors.	Compliant	Remuneration Committee comprises of three Non-Executive Directors out of whom two are independent.

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CORPORATE GOVERNANCE (CONTINUED)

Corporate Governance Compliance Table (Continued)

9.12.7	Functions of Remuneration Committee	The Remuneration Committee shall recommend the remuneration payable to the Executive Directors.	Compliant	Please refer the Remuneration Committee Report on page 38.
9.12.8	Disclosure in the Annual Report relating to Remuneration Committee	The Annual Report should set out; a) Names of the Chairperson and the members of the Remuneration Committee	Compliant	Please refer page 20.
		b) Statement of Remuneration Policy	Compliant	Please refer the Remuneration Committee Report on page 38 for a brief statement remuneration policy.
		c) Aggregate remuneration paid to Executive & Non-Executive Directors.	Compliant	Please refer page 81
9.13.1	Audit Committee	The Company shall have an Audit Committee comprising of a minimum of three Non-Executive Directors.	Compliant	Names of the members of the Audit Committee are available on page 18.
9.13.3	Composition of Audit Committee	Two members out of minimum of three Non-Executive Directors shall be independent Directors.	Compliant	Audit Committee comprises of two Independent Non-Executive Directors, and a Non-Executive Director.
9.13.3 (5)		CEO and CFO shall attend the Audit Committee Meetings.	Compliant	Advisor, CFO, DGM Finance, Finance Manger and the Internal Auditor attend the Committee meeting by invitation.
9.13.3 (6)		The Chairman of the Audit Committee shall be a member of a recognized professional accounting body.	Compliant	Chairman and one member of the of the Audit Committee are members of a professional accounting body.
9.13.4		Audit Committee Functions Should be as outlined in the Section 9.13.4 of the Listing Rules.	Compliant	Please refer Audit Committee Report on page 33 to 35.

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CORPORATE GOVERNANCE (CONTINUED)

Corporate Governance Compliance Table (Continued)

9.13.5	Disclosure in the Annual Report relating to Audit Committee	a) Names of the Directors comprising the Audit Committee.	Compliant	Please refer page 18.
		b) The Audit Committee shall make a determination of the independence of the Auditors and disclose the impacts for such determination.	Compliant	Please refer Audit Committee Report on page 33 to 35.
		c) The Annual Report shall contain a Report of the Audit Committee setting out the manner of Compliance of the functions.	Compliant	Please refer Audit Committee Report on page 33 to 35.
9.14.1	Related Party Transactions Review Committee	Company shall have a Related Party Transactions Review Committee with effect from 01.01.2016	Compliant	Names of the members of the RPT Review Committee are available in page 19.
9.14.2	Composition of Related Party Transactions Review Committee	Committee comprise of a minimum of three directors out of whom two Members shall be Independent Directors. The composition of the Committee may also include executive directors at the option of the Company.	Compliant	RPT Review Committee comprises of two Independent Non-Executive Directors, and a Non Executive Director
9.14.2		One Independent non-executive director shall be appointed as Chairman of the Committee.	Compliant	The Chairman of the RPT Review Committee is an Independent Non-Executive Director.
9.14.3	Functions of Related Party Transactions Review Committee	Should be as outlined in the sections 9.14.3 of the Listing Rules	Compliant	Please refer page 36 to 37
9.14.8	Disclosure in the Annual Report relating to Related Party Transactions Review Committee	a) Names of the Directors comprising the Related Party Transactions Review Committee	Compliant	Please refer page 19.

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CORPORATE GOVERNANCE (CONTINUED)

Corporate Governance Compliance Table (Continued)

		b) A Statement to the effect that the Committee has reviewed the Related Party Transactions during the financial year and has communicated the comments / Observations to the Board of Directors.	Compliant	Please refer page 36 & 37 the RPT Review Committee Report.
		c) The Policies and procedures adopted by the Committee for reviewing the Related Party Transactions.	Compliant	Please refer page 36 & 37.
		d) The number of times the Committee has met during the Financial Year.	Compliant	Please refer page 18.
		e) A declaration by the Board of Directors in the Annual Report as an affirmative statement of the Compliance with these Rules pertaining to Related Party Transactions or negative statement in the event the Entity has not entered into any Related Party Transaction/ s.	Compliant	Please refer page 36 & 37.
9.11.1	Nominations and Governance Committee	A Listed Company shall have a Nominations and Governance Committee.	Compliant	Names of the members of the Nominations and Governance Committee are available in page 39 & 40
9.11.4 (1)	Composition of Nominations and Governance Committee	Shall comprise of a minimum of three (03) Directors, out of whom a minimum of two (02) members shall be Independent Directors of the Listed Entity	Compliant	Committee comprises of two Independent Non-Executive Directors and One Non-Executive Director.

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CORPORATE GOVERNANCE (CONTINUED)

Corporate Governance Compliance Table (Continued)

9.11.4 (2)		An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors.	Compliant	The Chairperson of the Committee is an Independent Director
9.11.5	Functions of the Nominations and Governance Committee	Should be outlined in the section 9.11.5 of the Listing Rules.	Compliant	Please refer Page 39 & 40 of the Nomination and Governance Committee Report.
	Disclosures in Annual Report relating to Nominations and Governance Committee	(a) Names of the Chairperson and members of the Committee and the nature of directorships held by such members.	Compliant	Please refer Page 39 & 40.
		(b) The date of meetings of the Committee	Compliant	Please refer Page 20.
		(C) The date of appointment to the Committee	Compliant	Please refer Page 04.
		(d) A statement for determining independence	Compliant	Please refer Page 39 & 40.

By Order of the Board,



D. P. A. N. Kumara
Company Secretary
01 September, 2025
Colombo

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RISK MANAGEMENT REPORT

Introduction

Risk management is a critical component of the Company's governance framework and a key enabler of sustainable business performance. The Board of Directors, supported by the Audit Committee and senior management, is committed to embedding a culture of proactive risk identification, monitoring, and mitigation. This ensures that potential threats are managed effectively while opportunities are pursued in line with the Company's strategic objectives.

Overview

The Company is exposed to a wide spectrum of market, strategic, operational, and technological risks that could materially impact business continuity and shareholder value if not proactively managed. The Board and Management recognize the importance of a structured risk management framework and have taken steps to identify, evaluate, and mitigate key risks in line with good governance practices.

Risk Governance Framework

Risk management oversight rests with the Board of Directors, supported by the Audit Committee and senior management. During the year, the Company commenced strengthening its internal control environment, focusing on proactive risk identification, monitoring, and mitigation.

Risk Assessment Methodology

The Company follows a structured and continuous approach to risk management, depicted as a Risk Assessment Wheel comprising six interconnected stages: Risk Identification, Risk Analysis & Evaluation, Risk Prioritisation, Mitigation & Control, Monitoring & Review, and Reporting & Communication. This cyclical process enables the Company to proactively manage risks while sustaining business continuity, operational efficiency, and stakeholder confidence.

Risk Analysis & Evaluation	Assessment	Mitigation Strategy
Market Risk - Threat of Intense Competition and New Entrants (Possible Loss of Market Share): The company operates in a highly competitive environment where existing players are continuously enhancing their offerings. At the same time, the entry of new competitors with modern technology, lower cost structures, or innovative products poses a significant challenge. This may result in pricing pressures, reduced bargaining power, and potential erosion of the company's market share if not addressed through differentiation and customer retention strategies.	Moderate	The Company is repositioning its product offerings and focusing on niche market segments where it can create greater value. Regular pricing reviews are undertaken to remain competitive while sustaining profitability. The Company continues to maintain high standards of customer care and product quality to strengthen loyalty. In addition, new products and solutions are being introduced in line with evolving customer demand, ensuring relevance and competitiveness in the market.
Information Governance & Information Security Risk – Loss of Confidentiality, Integrity and Customer Confidence	Low	To address this risk, the Company has strengthened its information security framework

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<p>The risks relating to information governance and information security, including the potential loss of confidentiality, integrity, and availability of critical business and customer data. Cyber threats, unauthorized access, data breaches, or system failures could undermine stakeholder confidence, disrupt operations, and result in financial or reputational damage. Safeguarding sensitive information is therefore vital to maintaining trust and ensuring business continuity.</p>		<p>through robust IT controls, continuous monitoring, and staff awareness initiatives.</p> <p>A key achievement in this regard is the successful attainment of ISO/IEC 27001 certification, which demonstrates the Company's commitment to international best practices in information security management. This certification enhances governance, strengthens internal controls, and ensures ongoing compliance, thereby safeguarding data integrity and reinforcing customer confidence.</p>
<p>Technology Risk – Legacy Systems and Equipment</p> <p>The Company continues to operate with certain legacy systems and equipment, which may gradually reduce efficiency, increase maintenance requirements, and limit the ability to fully leverage modern technological advancements. While these systems remain functional, reliance on less advanced technology could over time affect competitiveness and responsiveness to changing customer and industry demands.</p>	Moderate	<p>The Company has adopted a phased technology upgrade plan to modernize systems and equipment in a structured manner.</p> <p>Feasibility studies are also being carried out to evaluate capital investments in new machinery and digital solutions, ensuring that upgrades are both cost-effective and aligned with long-term business objectives. These initiatives will enhance operational efficiency, reduce maintenance requirements, and strengthen the Company's competitive position.</p>
<p>Human Resource Risk – Labor Shortages and Skill Gaps</p> <p>The Company may face challenges in securing and retaining adequately skilled personnel, which could impact operational efficiency and the quality-of-service delivery. Skill gaps and workforce shortages may limit the Company's ability to execute strategic initiatives effectively.</p>	Moderate	<p>The Company addresses this risk through targeted recruitment, ongoing employee training, and development programs to enhance skills and capabilities.</p> <p>Succession planning and retention initiatives are also being proactively pursued to ensure a steady pipeline of qualified personnel and to maintain operational continuity.</p>
<p>Credit Risk – Delayed Receivables and Working Capital Pressure</p> <p>The Company's exposure to credit risk is relatively low as the Company's business is conducted with banks and established business houses. Accordingly, the risk of delayed receivables and working capital pressure remains minimal.</p>	Low	<p>The Company continues to maintain strong banking relationships and sound financial management practices, ensuring adequate liquidity and minimizing exposure to credit-related risks.</p>

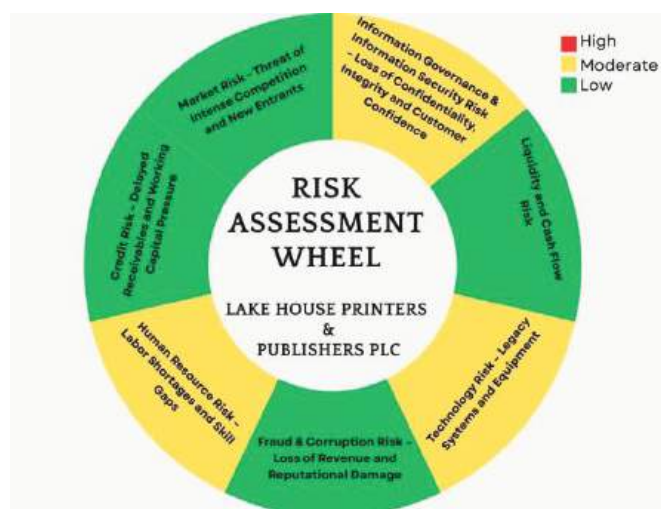
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Fraud & Corruption Risk – Loss of Revenue and Reputational Damage Exposure to potential fraud or corrupt practices that could result in financial losses and damage to its reputation. Such risks, if not properly managed, may undermine stakeholder trust, affect business operations, and have legal or regulatory implications.	Low	To mitigate this risk, the Company maintains continuous management oversight and conducts regular internal audits to monitor compliance with control systems. Any deviations are investigated, and strict disciplinary measures are enforced for confirmed instances of fraud or misconduct. These measures help safeguard the Company’s assets, revenue, and reputation while reinforcing a culture of integrity and accountability.
Liquidity and Cash Flow Risk Risk of insufficient liquidity or disruptions in cash flow that could affect its ability to meet short-term obligations. Effective management of working capital and timely cash flow monitoring are essential to ensure operational continuity and financial stability.	Low	The Company actively monitors cash flow and maintains prudent liquidity levels to ensure that short-term obligations can be met without disruption. Regular financial planning, close coordination with banking partners, and effective working capital management are employed to maintain financial flexibility and stability.

The Company continues to maintain a proactive approach to risk management, identifying, assessing, and mitigating key operational, financial, technological, and governance risks.

The risks assessed, including technology, information security, and human resources, are considered to be of moderate to low impact due to the robust control measures and mitigation strategies in place. The adoption of international standards such as ISO/IEC 27001, structured technology upgrade plans, internal audits, and strong banking relationships demonstrates the Company’s commitment to safeguarding its operations, assets, and reputation.

Regular monitoring, management oversight, and continuous improvement initiatives ensure that the Company remains resilient and responsive to emerging risks.



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REPORT OF THE AUDIT COMMITTEE

Introduction

The Audit Committee is primarily to assist the Board in fulfilling their oversight responsibilities regarding the financial reporting process of the Company, risk management, internal control and compliance with legal and regulatory requirements, assessment of the independence and performance of the external auditors and internal audit functions. This report aims to provide stakeholders with insights into the effectiveness of internal controls, risk management, and the integrity of financial reporting for the financial year 2024/2025.

The functions of the Committee are structured and regulated in line with Corporate Governance as per revised Section 9 of Listing Rules issued by the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

Composition of Committee

In relation to the Committee Composition, the following changes have taken place during the financial year due to the changes in the governance Rules in Section 9 of the Listing rules of Colombo Stock Exchange.

Accordingly, the Audit Committee comprises of three (03) non-executive directors of whom two (02) members are independent directors. All of them are members of recognized professional bodies and possess wide ranging financial, commercial and management experience. The details of the members of the Board Audit Committee are set out in the directors' profiles section of the Annual Report.

The Committee Members as at 31st March 2025:

Name of Director	Board Status	Membership
Mr. D. S. Seneviratne	Independent Non-Executive Director	Chairman
Mr. E. De Silva	Independent Non-Executive Director	Member
Mr. R. C. Samarasinghe	Non-Executive Director	Member

The Committee Members as at 31st December 2024:

Name of Director	Board Status	Membership
Prof. L. R. Watawala	Independent Non-Executive Director	Chairman
Mr. Dulip.F.R. Jayamaha	Independent Non-Executive Director	Member
Mr. R. C. Samarasinghe	Non-Executive Director	Member

The Chairman of the Audit Committee is a senior qualified Accountant and other members possess relevant knowledge, qualifications and experiences in financial reporting, control and regulatory requirements.

Charter of the Audit Committee

The Audit Committee Charter clearly defines the terms of reference of the Committee and regulates its composition, role and responsibilities. The Audit Committee Charter is periodically reviewed and revised with the concurrence of the Board of Directors to ensure that new developments relating to the function of the Committee are adopted.

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REPORT OF THE AUDIT COMMITTEE (CONTINUED)

Meetings of the Audit Committee

During the year under review, the Audit Committee convened six times. Measures were taken to review Internal Control systems, analyse Internal Audit reports and necessary recommendations made to the Board. Further, the Audit Committee continuously reviewed the financial performances of the Company in order to advise the Board.

Members who are invited to participate at the Audit Committee meetings are; Mr. D.V Gunatunga, Advisor, Prof. L. R. Watawala, Non-Executive Director, the Chief Financial Officer, the Deputy General Manager Finance, the Finance Manager and the Internal Auditor of the Company. Other officials are invited to attend on a need basis. The External Auditors also attend meetings whenever they are invited to be present. The Company Secretary serves as the Secretary of the Audit Committee.

Overview of Committee Activities – 2024/25

Financial Reporting System

The Committee reviewed the financial reporting processes adopted by the Company in preparing quarterly and annual Financial Statements to ensure consistency, reliability, and compliance with Sri Lanka Financial Reporting Standards. The Committee also evaluated management information reports and confirmed compliance with the Companies Act No. 07 of 2007, Listing Rules of the Colombo Stock Exchange, and SEC regulations before recommending the Financial Statements to the Board.

Risk Management & Internal Controls

The Committee reviewed the Company's risk management framework, including key business, market and technological risks, together with mitigatory actions. Business continuity planning, and information security measures were also reviewed, and recommendations were made to strengthen internal controls.

Internal Audit

The Committee assessed the effectiveness of internal financial controls and obtained reports from the Internal Audit Division under the annual audit plan. Key findings and recommendations were reviewed, and follow-up actions were monitored to ensure implementation. The Committee also evaluated the independence, scope, and adequacy of internal audit resources.

External Auditors

The Audit Committee assisted the Board in engaging the External Auditors in compliance with regulatory provisions. The Committee reviewed and monitored the independence and objectivity of the External Auditor and also assessed the effectiveness of their audit process considering the relevant professional and regulatory requirements.

The Committee also ensured that the External Auditor had the independence to discuss and express their opinions on any matter, and were granted opportunities to meet the Committee separately, without the presence of the Executive Directors and the Management.

Prior to the commencement of the annual audit, the Committee discussed with the External Auditors, their audit plan, audit approach, and matters relating to the nature and scope of the audit.

The Committee communicate with the External Auditors to ensure that there was no limitation of scope in relation to the Audit and to allow for full disclosure of any matters which could have had a negative impact on the effectiveness of the External Audit. The Committee concluded that there was no such cause for concern.

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REPORT OF THE AUDIT COMMITTEE (CONTINUED)

The Audit Committee has made a determination that the external auditors of the Company, Messrs. KPMG, Chartered Accountants, have acted independently in relation to their audit of the Financial Statements of the Company as of 31st March 2025. This determination is based on the Declaration of Independence issued by Messrs. KPMG under Section 163(3)(a) & (b) of the Companies Act No. 7 of 2007 and the confirmations given by M/s. KPMG in their Audit Results of Lake House Printers & Publishers PLC for the financial year ended 31st March 2025, presented to the Audit Committee. The Committee further confirms that Messrs. KPMG are independent Chartered Accountants in terms of the Sri Lanka Auditing Standards and the Code of Ethics issued by the Institute of Chartered Accountants of Sri Lanka. KPMG adopts a seven-year partner rotation policy to ensure independence. The Audit Committee has evaluated all services provided by KPMG to ensure such services do not conflict with their independence.

The Audit Committee has recommended to the Board of Directors that Messrs KPMG be continued as the auditors for the financial year ending 31st March 2026.

Ethics & Good Governance

The Committee emphasized the importance of ethical conduct and good governance across the Company. The Code of Business Conduct, Whistleblowing Policy, and Anti-Bribery and Corruption Policy were reinforced through staff awareness.

Statutory and Regulatory Compliance

The Committee reviewed the procedures established by management for compliance with the requirements of the regulatory bodies and also reviewed the compliance status with the Sri Lanka Accounting Standards.



Dilantha Stephen Seneviratne
Chairman of the Audit Committee
01 September, 2025
Colombo

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee for the period under review comprised of the following directors:

Name of Director	Board Status	Membership
Mr. Dulip.F.R. Jayamaha PC	Independent Non-Executive Director	Chairman
Prof. L. R. Watawala	Independent Non-Executive Director	Member
Mr. R. C. Samarasinghe	Non-Executive Director	Member

The Related Party Transactions Committee met on the following dates, namely 15th August 2024 and 10th November 2024.

There appear to have been no Non-Recurrent or Recurrent Related Party Transactions as set out in Section 9.3.2 A and 9.3.2 B of the Listing Rules, during the period.

During the period under review, in relation to the Group, the loan set out in in Note 17.2 has been granted, which by now appears to have been substantially settled.

There appears to have been no other Non- Recurrent transactions during the year.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE (CONTINUED)

The new Committee will comprise of:

Name of Director	Board Status	Membership
Mr. E. De Silva PC	Independent Non-Executive Director	Chairman
Mr. D. S. Seneviratne	Independent Non-Executive Director	Member
Prof. L. R. Watawala	Non-Executive Director	Member
Mr. R. C. Samarasinghe	Non-Executive Director	Member



Mr. E. De Silva PC
Chairman, Related Party Transaction Review Committee
01 September 2025
Colombo

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

REPORT OF THE REMUNERATION COMMITTEE

In compliance with the revised Listing Rules of the CSE on corporate governance, the Company established a Remuneration Committee.

The Committee is governed by a Charter (Terms of Reference) that defines its mandate, functions, composition, and practices. The Charter is reviewed periodically to ensure alignment with regulatory requirements and corporate governance best practices, including Section 9.12 of the Listing Rules. The Company Secretary serves as its secretary.

Composition of Committee

The Committee comprises of three (03) Directors whom two (02) are Independent Non-Executive Directors and one (01) Non-Independent, Non-Executive Director. The Committee is chaired by an Independent, Non-Executive Director.

Composition as on 31st March 2025

Name of Director	Board Status	Membership
Mr. D. S. Seneviratne	Independent Non-Executive Director	Chairman
Mr. E. De Silva	Independent Non-Executive Director	Member
Mr. R. C. Samarasinghe	Non-Executive Director	Member

During the Financial year under review till 31st December 2024, the Remuneration Committee comprised of Mr. Dulip.F.R. Jayamaha Independent Non-Executive Director and Prof.L.R Watalwala, Independent Non-Executive Director. Mr. Dulip.F.R. Jayamaha served as the Chairman.

From 14th February 2025 a new committee was appointed which comprised of Mr. Dilantha Stephen Seneviratne, Independent Non-Executive Director who serves as the Chairman, Mr. E. A. G. De Silva, Independent Non-Executive Director and, Mr. R.C Samarasinghe Non-Executive Director as members of the Committee. The Committee met once during the year under review.

The Remuneration Committee recommends the remuneration payable to the Executive Directors of the Company and equivalent position thereof, to the Board of the Company, who will make the final determination upon consideration of such recommendations.

The remuneration packages linked to the individual performances are aligned with the Company's long-term strategy. The Terms of remuneration shall make reference to cash and all non-cash benefits whatsoever received in consideration of employment with the company.

The aggregate remuneration paid to Board Directors is disclosed in page 81.



Dilantha Stephen Seneviratne
Chairman of the Remuneration Committee
01 September, 2025
Colombo

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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REPORT OF THE NOMINATION AND GOVERNANCE COMMITTEE

In accordance with Section 9 of the Colombo Stock Exchange Listing Rules, the Nomination and Governance Committee is mandated to oversee and guide the appointment, re-election, and overall governance of the Board. Its purpose is to ensure effective board composition, transparent nomination processes, and adherence to governance best practices.

Composition of Committee

The Committee comprises of two (02) Independent Non-Executive Directors and one (01) Non-Independent, Non-Executive Director. The Committee is chaired by an Independent, Non-Executive Director.

Composition as on 31st March 2025

Name of Director	Board Status	Membership
Mr. D. S. Seneviratne	Independent Non-Executive Director	Chairman
Mr. E. De Silva	Independent Non-Executive Director	Member
Prof. L.R. Watawala	Non-Executive Director	Member

The Committee has been established at the Board meeting held on 10th November 2023. During the Financial year under review till 31st December 2024, the Committee was comprised of Prof. L. R Watalwala, Independent Non-Executive Director, Mr. Dulip Jayamaha, Independent Non-Executive Director and Mr. R. C. Samarasinghe, Non-Executive Director. Prof. L. R Watalwala served as the Chairman.

From 14th February 2025 a new committee was appointed which comprised of Mr. D.S. Seneviratne, Independent Non-Executive Director who serves as the Chairman, Mr. E. A. G. De Silva, Independent Non-Executive Director and, Mr. R.C Samarasinghe Non-Executive Director as members of the Committee.

Meetings

The Committee held one meeting during the financial year, on 29th April 2024.

Duties of the Committee

To lead the process of Board appointments, Board inductions and to make recommendations to the Board in respect of all new Board appointments, and the re-election/re-appointment of those retiring in terms of applicable law.

To define and establish processes for the nomination and reappointment/ re-election of Independent Non - Executive Director and Non-Independent Non-Executive Directors.

To ensure that there is an acceptable methodology in place to periodically carry out a self-evaluation of the Board, which will be administered by an Independent Director and the outcomes discussed at the Board level.

To review and recommend an overall corporate governance framework considering applicable laws, rules, regulatory requirements.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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REPORT OF THE NOMINATION AND GOVERNANCE COMMITTEE (CONTINUED)

Governance Practices and Compliance with Listing Rules

The Company remains committed to enhancing its governance framework to uphold transparency, accountability, and stakeholder trust. A comprehensive statement on compliance with the Listing Rules is presented in the Corporate Governance Commentary section of this Annual Report.



Dilantha Stephen Seneviratne
Chairman of the Nomination and Governance Committee
01 September, 2025
Colombo

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

REPORT OF THE SENIOR INDEPENDENT DIRECTOR

In compliance with Section 9.6.3 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors appointed me as the Senior Independent Director (SID) of the Company with effect from 14th February 2025. I succeeded Mr. Lakshman R. Watawala, who previously served in this capacity.

Section 9.6.3 requires the appointment of a Senior Independent Director in circumstances where the Chairman and CEO roles are combined, or where the Chairman is not an Independent Director. At Lake House Printers and Publishers PLC, while the Chairman is not the CEO, he is not an Independent Director, thereby necessitating the appointment of a SID.

Role of the Senior Independent Director

The Senior Independent Director plays a key role in strengthening the governance framework of the Company by providing counsel to the Chairman on governance-related matters and ensuring that the views of Non-Executive and Independent Directors are effectively communicated. The SID is expected to meet with Non-Executive and Executive Directors as required to address governance concerns, enhance transparency, and review the overall effectiveness of the Board.

Activities During the Year

During the year under review, the responsibilities of the Senior Independent Director were discharged by two Directors. Prof. L. R. Watawala served as the SID from 1st April 2024 until 31st December 2025, after which I was appointed with effect from 14th February 2025.

In compliance with regulatory requirements, meetings of the Non-Executive Directors were held without the presence of the Executive Directors, at which the performance of the Chairman and the Executive Directors was evaluated. In addition, a meeting of Independent Directors was convened, where discussions were focused on the Company's operations and matters relating to the functioning of the Board.

The outcomes and recommendations arising from these meetings were communicated to the Chairman and the Board for consideration. Through these processes, the Company continued to uphold all mandatory governance requirements while also embracing voluntary codes and best practices, thereby reinforcing stakeholder confidence and ensuring integrity in decision-making.

We are confident that we have effectively carried out the responsibilities of the Senior Independent Director during the year under review and contributed towards enhancing the Company's governance practices in line with the Listing Rules and accepted corporate governance principles.



Dilantha Stephen Seneviratne
Senior Independent Director
01 September, 2025
Colombo

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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STATEMENT OF DIRECTORS' RESPONSIBILITIES

As required under the Companies Act, No. 7 of 2007, the Directors are responsible for preparing financial statements for each financial year that present a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for that year.

In preparing these financial statements, the Directors have applied appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The financial statements have been prepared in compliance with the Sri Lanka Accounting Standards (SLFRS and LKAS), the requirements of the Companies Act, No. 7 of 2007, and other relevant statutory provisions.

The Directors are also responsible for ensuring that the Company maintains adequate accounting records that correctly disclose, with reasonable accuracy, the financial position of the Company and enable the preparation of financial statements in compliance with the law.

The Directors have further taken steps to safeguard the assets of the Company and established appropriate systems of internal control with a view to preventing and detecting fraud, error, and other irregularities.

The Directors continue to adopt the going concern basis in preparing the financial statements. After reviewing the Company's business plans, cash flows, and funding requirements, the Directors are satisfied that the Company has adequate resources to continue its operations for the foreseeable future.

This statement, which should be read in conjunction with the Auditors' statement of their responsibilities set out in their report, is made with a view to distinguishing the respective responsibilities of the Directors and the Auditors in relation to the financial statements.

The Directors also confirm, to the best of their knowledge, that all statutory payments due and payable by the Company as at the reporting date have been either duly paid or adequately provided for.

By Order of the Board,



D. P. A. N. Kumara
Company Secretary
01 September, 2025
Colombo

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

REPORT ON THE AFFAIRS OF THE COMPANY

TO THE SHAREHOLDERS

The Board of Directors has pleasure in presenting the 61st Annual Report and the Audited Financial Statements of the Company for the year ended 31st March 2025. The Directors confirm that the financial statements have been prepared in accordance with the Sri Lanka Accounting Standards, which have been consistently applied and supported by reasonable and prudent judgments and estimates.

1. Review of the Year

The Chairman's Review describes in brief the Company's affairs and the performance during the year.

2. Financial Statements

The Financial Statements of the Company for the year ended 31st March 2025, which include the Statement of Comprehensive Income, Statement of Financial Position and Notes to the Financial Statements, are given from Pages 55 to 88.

3. Nature of Business

The major activities of the Company during the year were the printing of Cheque Leaves & Security Documents, the business of manufacturing & marketing internationally certified Visa, Master and other security cards & solutions, and, the supply of related Equipment and Machinery and, the publishing & distribution of the Lake House Atlas.

Our fully owned Subsidiary Company LH Plantations (Pvt) Ltd., functions as a managing agent of coconut plantations.

4. Auditors' Report

The Auditors' Report on the Financial Statements is set out on Pages No. 47 to 50.

5. Change in Accounting Policies

Any changes in accounting policies made during the financial year ended 31st March 2025, are recorded under Notes to the Financial Statements

6. Names of the Directors and Their Interest in Shares

<u>NAME</u>	<u>NO.OF SHARES</u>	
	<u>As At 31/03/2025</u>	<u>As at 31/03/2024</u>
Mr.R.S. Wijewardene (Chairman)	1,052,087	1,052,087
Mr. P.S. Wijewardene (Executive Director)	108,282	108,282
Mr. R.C. Samarasinghe (Non-Executive Director)	-	-
Prof.L.R. Watawala (Non-Executive Director)	-	-
Mr. Dulip F.R.Jayamaha (Independent Non-Executive Director)	Retired	-
Mr. D. R Wijewardene (Non-Executive Director)	962,612	962,612
Mr. D.S. Senaviratne (Senior Independent Director)	-	-
Mr. E.A.G. De Silva (Independent Non- Executive Director)	-	-

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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REPORT ON THE AFFAIRS OF THE COMPANY (CONTINUED)

In accordance with Rule 7.10.2(b) of the Colombo Stock Exchange (CSE) Listing Rules, Mr. D.S. Seneviratne was appointed as Independent Non-Executive Director/Senior Independent Director and Mr. E. A. G. de Silva was appointed as Independent Non-Executive Director with effect from 01/01/2025.

Further, Professor L. R. Watawala, Independent Non-Executive Director, retired on 31/12/2024 and was re-appointed as Non-Executive Director on 01/01/2025, and Mr. Dulip F. R. Jayamaha, Independent Non-Executive Director, Retired on 31/12/2024 from the Board.

They have submitted signed and dated declarations as per the specimen given in Appendix 9C of the Corporate Governance Listing Requirements of the CSE.

7. Transactions with Key Management Personnel

The Company maintains a Directors' Interest Register. Transactions with key management personnel are comprehensively recorded under Note No. 29 to the Financial Statements on Page No.81.

8. Remuneration and Other Benefits of Directors

The aggregate remuneration and other benefits of Directors of the company for the financial year 2024/2025 amounted to Rs.7, 304,524/- (2023/24 Rs. 5,352,804/-)

9. Dividends

The Directors recommend the payment of a dividend of Rs.6.00 per share for the year ended 31st March 2025. The company paid a dividend of Rs.6.00 per share for the year ended 31/03/2024 in October 2024.

10. Appointment of Auditors

Messrs KPMG Chartered Accountants are recommended for reappointment. A Resolution pertaining to their re-appointment and authorizing the directors to determine their remuneration will be proposed at the Annual General Meeting.

The Auditors' remuneration for the year 2024/2025 was fixed at Rs.1,041,000/= for the Company and Rs. 1, 316,000/= for the Group as disclosed in Note No.08 to the financial statements.

11. Auditors' Relationship or Any Interest with the Company

The Directors are satisfied that based on written representations made by the independent auditors to the Board, the auditors did not have any relationship or any interest with the company that would impair with their independence. Messrs KPMG were also engaged as tax consultants of the Company for the year 2024/2025 at a remuneration of Rs.270, 300/- (2023/2024 – Rs.222,000/-).

12. Donations

The Company has made donations amounting to Rs.54,950/= during the year ended 31st March 2025 (2023/24- Rs.65,000/=).

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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REPORT ON THE AFFAIRS OF THE COMPANY (CONTINUED)

13. Changes in Property, Plant and Equipment

The movements in Property, Plant and Equipment between the years ended 31st March 2025 and 31st March 2024 are set out in Note No.11 to the financial statements. A sum of Rs 10.408 Mn has been spent on the purchase of Machinery and Equipment during the year.

Further, Investment Property has been fair valued during the year at Rs. 370.9 Mn as at 31st March 2025 (2023/2024 Rs 356.4 Mn).

The Revaluation Reserve remained at Rs. 217.232 Mn during the Financial Year 2024/2025.

14. Stated Capital and Reserves

There were no changes in the Issued Share Capital and Capital Reserves of the Company during the year under review. The total Retained Earnings of the Company as at 31st March 2025 rose to Rs.639.89 Mn (2023/24 Rs.604.74 Mn) and Retained Earnings of the Group to Rs.781.15 Mn (2023/2024 Rs.738.33 Mn). The Revaluation Reserve as at 31st March 2025 remained at Rs.217.232Mn.

16. Related Party Transactions

It is hereby confirmed that Directors have complied with Related Party Transactions rules as stipulated in the Continuing Listing Rules of the Colombo, Stock Exchange during the year under review.

Details of the Related Party Transactions are shown under Note No.29 to the financial statements.

The Board of Directors hereby declares that it is in compliance with rules pertaining to related party transactions as per continuing listing requirements of the Colombo Stock Exchange

17. Statutory Payment

The Directors to the best of their knowledge and belief are satisfied that all statutory payments in relation to the employees and the Government up to the Balance Sheet date have been made.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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REPORT ON THE AFFAIRS OF THE COMPANY (CONTINUED)

18. Going Concern

The Directors have adopted the going concern basis in preparing the financial statements. The directors after making inquiry and following a review of the Company's budget, future cash flows and borrowing facilities, consider the Company has adequate resources to continue in operation.

Conclusion

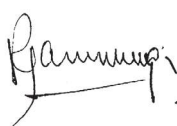
The Directors thank the members of staff at all levels for their efforts during the period under review.

By Order of the Board



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R. S. Wijewardene
Director
01 September, 2025



.....

R. C. Samarasinghe
Director
01 September, 2025



.....

D. P. A. N. Kumara
Company Secretary
01 September, 2025

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

Tel	+94 - 11 542 6426
Fax	+94 - 11 244 5872
	+94 - 11 244 6058
Internet	www.kpmg.com/lk

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lake House Printers and Publishers PLC (“the Company”) and the consolidated financial statements of the Company and its subsidiaries (“the Group”), which comprise the statement of financial position as at March 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as of March 31, 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the company financial statements and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the company financial statements and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

C.P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T.J.S. Rajakarier FCA
W.K.D.C. Abeyaratne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA

W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D. Corea Dharmaratne

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025



Valuation of Investment Property	
Refer Note 13 to the financial statements and the accounting policies in Note 3.5 to the Financial Statements.	
Risk Description	Our response
<p>As at 31 March 2025 the Group's Investment Properties carried at fair value amount to Rs. 370.9 Mn. Further, the fair value gain recognized in the statement of profit or loss for the year, amounted to Rs.14.5 Mn.</p> <p>Management's assessment of fair value of investment property is based on valuations performed by a qualified independent property valuer in accordance with recognized industry standards.</p> <p>We identified fair valuation of Investment properties as a key audit matter due to the use of significant estimates such as per perch price and value per square foot involved in assessing the fair value of the investment property.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> ▪ Assessing the objectivity, independence, competence and qualifications of the external valuer engaged by the management. ▪ Engaging our own internal experts where applicable to assess the reasonability of the valuation technique, per square-foot value, assumptions and methods used in the valuation by comparing the same with evidence of current market values. ▪ Assessing the adequacy of disclosures made in relation to fair value of investment property in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions used.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3272.

A handwritten signature in black ink, appearing to read 'KPMG'.

KPMG

Colombo, Sri Lanka
1st September 2025

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Revenue	5	1,285,763	1,901,425	1,285,403	1,901,065
Cost of Sales		(995,908)	(1,378,052)	(995,908)	(1,378,052)
Gross Profit		289,855	523,373	289,495	523,013
Other Operating Income	6	26,347	31,497	27,192	31,452
Administration Expenses		(177,994)	(182,996)	(176,666)	(181,589)
Distribution Expenses		(98,773)	(182,154)	(98,773)	(182,154)
Gain on Valuation of Investment Properties	12	14,544	8,168	14,544	8,168
Results from Operating Activities		53,979	197,888	55,792	198,890
Finance Income	7	37,248	40,720	24,297	20,205
Finance Cost	7	(4,565)	(7,367)	(4,565)	(7,367)
Profit before Tax	8	86,662	231,241	75,524	211,728
Income Tax Expense	9	(24,786)	(77,809)	(21,320)	(71,291)
Profit for the Year		61,876	153,432	54,204	140,437
Other Comprehensive Income					
Items that will not be reclassified subsequently to Profit or Loss					
Actuarial Loss on Defined Benefit Obligations	23	(2,045)	(3,399)	(2,045)	(3,399)
Equity Investment at FVTOCI – net change in Fair Value	14.1.1	(1,609)	1,129	(1,613)	1,127
Deferred Tax reversal Charge on Actuarial Loss	22	613	1,020	613	1,020
Deferred Tax Impact on Equity Investment at FVTOCI	22	(4,779)	-	(4,779)	-
Total Comprehensive Income / Expense for the Year, net of Tax		(7,820)	(1,250)	(7,824)	(1,252)
Total Comprehensive Income		54,056	152,182	46,380	139,185
Profit Attributable to					
Equity Holders of the Parent		61,876	153,432	54,204	140,437
Total Comprehensive Income Attributable to:		61,876	153,432	54,204	140,437
Equity Holders of the Parent		54,056	152,182	46,380	139,185
Total Comprehensive Income		54,056	152,182	46,380	139,185
Basic Earnings Per Share (Rs.)	10	21.07	52.24	18.46	47.82

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Group set out on pages 55 to 88.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

STATEMENT OF FINANCIAL POSITION


As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
ASSETS					
Non Current Assets					
Property, Plant and Equipment	11	27,850	22,518	29,412	24,705
Investment Property	12	370,963	356,419	370,963	356,419
Investment in Subsidiary	13	-	-	2,984	2,984
Other Investments	14	19,559	21,165	19,549	21,159
Total Non Current Assets		418,372	400,102	422,908	405,267
Current Assets					
Inventories	15	109,663	160,437	109,663	160,437
Trade and Other Receivables	16	328,783	100,516	325,094	96,693
Amounts due from Related Parties	17	32,451	28,766	32,451	28,766
Loans Due From Related Parties	17.2	8,000	7,000	-	-
Cash and Cash Equivalents	18	368,586	460,387	233,983	328,802
Total Current Assets		847,483	757,106	701,191	614,698
Total Assets		1,265,855	1,157,208	1,124,099	1,019,965
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	19	35,247	35,247	35,247	35,247
Capital Reserves	20	6,197	6,197	6,197	6,197
Revaluation Reserve	21	217,232	217,232	217,232	217,232
Fair Value Reserve		11,167	17,555	11,155	17,547
Retained Earnings		781,154	738,333	639,890	604,742
Total Equity attributable to Equity Holders of the Company		1,050,997	1,014,564	909,721	880,965
Total Equity		1,050,997	1,014,564	909,721	880,965
Non - Current Liabilities					
Deferred Tax Liabilities	22	31,229	29,690	31,229	29,690
Retirement Benefit Obligation	23	24,018	19,326	24,018	19,326
Total Non - Current Liabilities		55,247	49,016	55,247	49,016
Current Liabilities					
Trade and Other Payables	25	68,187	71,238	67,879	70,980
Current Tax Liabilities		12,435	21,747	12,263	18,361
Bank Overdrafts	18	78,989	643	78,989	643
Total Current Liabilities		159,611	93,628	159,131	89,984
Total Liabilities		214,858	142,644	214,378	139,000
Total Equity and Liabilities		1,265,855	1,157,208	1,124,099	1,019,965
Net Assets Per Share (Rs.)					
		357.85	345.44	309.75	299.95

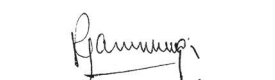
The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Group set out on pages 55 to 88.

It is certified that the financial statements have been prepared and presented in compliance with requirements of the Companies Act No.7 of 2007.


Rasinthaa Abeydheera
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Approved and signed on behalf of the Board of the Directors;


R.S. Wijewardene (Chairman)
01 September, 2025
Colombo


R. C. Samarasinghe (Director)
01 September, 2025

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March

Company	Stated Capital	Capital Reserves	Revaluation Reserves	Fair Value Reserve	Retained Earnings	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April 2023	35,247	6,197	217,232	16,420	481,371	756,467
Profit for the Year	-	-	-	-	140,437	140,437
Other Comprehensive Income						
Actuarial Gain / (Loss) on Defined Benefit Obligations	-	-	-	-	(3,399)	(3,399)
Equity Investment at FVTOCI – net change in Fair Value	-	-	-	1,127	-	1,127
Deferred Tax reversal / (Charge) on Actuarial Gain / (Loss)	-	-	-	-	1,020	1,020
Total Comprehensive Income	-	-	-	1,127	138,058	139,185
<i>Transactions with Equity Holders</i>						
<i>Contribution by and Distribution to Equity Holders</i>						
Dividend for the Year	-	-	-	-	(14,687)	(14,687)
Balance as at 31 March 2024	35,247	6,197	217,232	17,547	604,742	880,965
Balance as at 1 April 2024	35,247	6,197	217,232	17,547	604,742	880,965
Profit for the Year	-	-	-	-	54,204	54,204
Other Comprehensive Income						
Actuarial Gain / (Loss) on Defined Benefit Obligations	-	-	-	-	(2,045)	(2,045)
Equity Investment at FVTOCI – net change in Fair Value	-	-	-	(1,613)	-	(1,613)
Deferred Tax reversal / (Charge) on Actuarial Gain / (Loss)	-	-	-	-	613	613
Deferred Tax Impact on Equity Investment at FVTOCI	-	-	-	(4,779)	-	(4,779)
Total Comprehensive Income	-	-	-	(6,392)	52,772	46,380
<i>Transactions with Equity Holders</i>						
<i>Contribution by and Distribution to Equity Holders</i>						
Dividend for the Year	-	-	-	-	(17,624)	(17,624)
Balance as at 31 March 2025	35,247	6,197	217,232	11,155	639,890	909,721

Group	Stated Capital	Capital Reserves	Revaluation Reserves	Fair Value Reserve	Retained Earnings	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April 2023	35,247	6,197	217,232	16,426	601,969	877,071
Profit for the Year	-	-	-	-	153,432	153,432
Other Comprehensive Income						
Actuarial Gain / (Loss) on Defined Benefit Obligations	-	-	-	-	(3,399)	(3,399)
Equity Investment at FVTOCI – net change in Fair Value	-	-	-	1,129	-	1,129
Deferred Tax reversal / (Charge) on Actuarial Gain / (Loss)	-	-	-	-	1,020	1,020
Total Comprehensive Income	-	-	-	1,129	151,053	152,182
<i>Transactions with Equity Holders</i>						
<i>Contribution by and Distribution to Equity Holders</i>						
Dividend for the Year	-	-	-	-	(14,687)	(14,687)
Balance as at 31 March 2024	35,247	6,197	217,232	17,555	738,334	1,014,565
Balance as at 1 April 2024	35,247	6,197	217,232	17,555	738,334	1,014,565
Profit for the Year	-	-	-	-	61,876	61,876
Other Comprehensive Income						
Actuarial Gain / (Loss) on Defined Benefit Obligations	-	-	-	-	(2,045)	(2,045)
Equity Investment at FVTOCI – net change in Fair Value	-	-	-	(1,609)	-	(1,609)
Deferred Tax reversal / (Charge) on Actuarial Gain / (Loss)	-	-	-	-	613	613
Deferred Tax Impact on Equity Investment at FVTOCI	-	-	-	(4,779)	-	(4,779)
Total Comprehensive Income	-	-	-	(6,388)	60,444	54,056
<i>Transactions with Equity Holders</i>						
<i>Contribution by and Distribution to Equity Holders</i>						
Dividend for the Year	-	-	-	-	(17,624)	(17,624)
Balance as at 31 March 2025	35,247	6,197	217,232	11,167	781,154	1,050,997

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Group set out on pages 55 to 88.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

CASH FLOW STATEMENT

For the year ended 31 March

	Notes	Group 2025 Rs.'000	2024 Rs.'000	Company 2025 Rs.'000	2024 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before Tax		86,662	231,241	75,524	211,728
<i>Adjustments for,</i>					
Dividend Income	6	(7)	(3)	(852)	(3)
Profit on Disposal of Property, Plant and Equipment	6	-	(4,860)	-	(4,860)
Interest Income	7	(37,248)	(40,720)	(24,297)	(20,205)
Interest Expense	7	4,565	7,367	4,565	7,367
Provision for Retiring Gratuity	8	4,141	4,224	4,141	4,224
Provision of Trade and Other Receivables		-	1,425	-	1,425
Depreciation	11	5,076	7,158	5,701	7,471
Gain / (Loss) on Fair Value of Investment Property	12	(14,544)	(8,168)	(14,544)	(8,168)
Inventory Provision / (Reversal) for the Year	15	1,281	1,451	1,281	1,451
Operating Profit before Working Capital Changes		49,926	199,115	51,519	200,430
Changes In;					
Inventories		49,493	96,339	49,493	96,339
Trade and Other Receivables		(228,267)	167,687	(228,401)	163,338
Dues from Related Companies		(3,685)	(963)	(3,685)	(1,053)
Trade and Other Payables		(3,051)	(140,287)	(3,101)	(139,562)
		(135,584)	321,891	(134,175)	319,492
Interest Paid		(4,565)	(7,367)	(4,565)	(7,367)
Gratuity Paid	23	(1,494)	(3,231)	(1,494)	(3,231)
Tax Paid		(36,724)	(82,370)	(30,045)	(76,591)
Net Cash Generated / (Used In) From Operating Activities		(178,367)	228,923	(170,279)	232,303
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment	11	(10,408)	(3,711)	(10,408)	(6,211)
Proceeds from Sale of Property, Plant and Equipment		-	4,860	-	4,860
Interest Received		37,248	40,720	24,297	20,205
Dividend Received		7	3	852	3
Purchase of Shares		(3)	-	(3)	-
Net Cash Flow Generated From / (Used In) Investing Activities		26,844	41,872	14,738	18,857
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of Loans during the Year	24	(42,247)	(157,567)	(42,247)	(157,567)
Loans Obtained during the Year	24	42,247	102,567	42,247	102,567
Loan Granted to the Related Party during the Year	17.2	(25,000)	(158,000)	-	-
Repayment of Related Party Loans during the Year	17.2	24,000	151,000	-	-
Dividend Paid		(17,624)	(14,687)	(17,624)	(14,687)
Net Cash Flow Used in Financing Activities		(18,624)	(76,687)	(17,624)	(69,687)
Net Increase in Cash & Cash Equivalents		(170,147)	194,108	(173,165)	181,473
Cash & Cash Equivalents at the Beginning of the Year		459,744	265,636	328,159	146,686
Cash & Cash Equivalents at the End of the Year	18	289,597	459,744	154,994	328,159

Figures in brackets indicate deductions

The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Group set out on pages 55 to 88.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Lake House Printers and Publishers PLC (the “Company”), is a public limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the Company and the principal place of business are situated at No.41, W.A.D.Ramanayake Mawatha, Colombo 02.

Lake House Printers and Publishers PLC does not have any identifiable parent of its own. The Company is the ultimate parent of the Group.

1.1 Principal Activities of the Group

The major activities of the Company during the year were the printing of Cheque Leaves and Security Documents, the business of manufacturing and marketing plastic and internationally certified Visa, Master and other cards & solutions and the supply of related equipment and machinery and, publishing and distributing the Lake House Atlas.

The Subsidiary Company LH Plantations (Private) Limited functions as a managing agent of coconut plantations.

The consolidated financial statements of Lake House Printers and Publishers PLC comprise the Company and its fully owned subsidiary, L H Plantations (Private) Limited, (together referred to as the “Group”)

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The consolidated financial statements of the Group and the separate financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as SLFRSs/LKASs), laid down by The Institute of Chartered Accountants of Sri Lanka (ICASL).

2.1.1 Statement of Presentation

The Financial Statements of the Group and Company have been presented in compliance with the requirements of the Companies Act No. 07 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange.

These financial statements, except for information on cash flows have been prepared following the accrual basis of accounting.

The Group did not adopt any inappropriate accounting treatment, which is not in compliance with the requirements of the SLFRSs and LKASs and regulations governing the preparation and presentation of the Financial Statements.

2.2 Responsibility for financial statements

The Board of Directors of the Company acknowledges its responsibility for the Financial Statements, as set out in the "Annual Report of the Board of Directors", "Statement of Directors' Responsibilities for Financial Statements" and the "Certification on the Statement of Financial Position".

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

NOTES TO THE FINANCIAL STATEMENTS

2.3 Approval of financial statements by Directors

The financial statements of the Group and the Company for the year ended 31st March 2025 were approved and authorized for issue by the Board of Directors on the 01 September 2025.

1.4 Basis of Measurement

Financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position.

- Equity Investments at FVTOCI are measured at fair value. (Note – 14)
- Investment Property is measured at fair value. (Note – 12)
- Liability for defined benefit obligations is carried at the present value of the defined benefit obligations. (Note – 23)

1.5 Functional and Presentation Currency

Financial statements of the Group are presented in Sri Lankan rupees, which is the Group's functional currency. All financial information presented have been rounded to the nearest thousand unless otherwise indicated. All values presented in the financial statements are in Sri Lankan Rupees unless otherwise indicated as permitted by the Sri Lanka Accounting Standard – LKAS 01 on 'Presentation of Financial Statements'.

1.6 Current Versus Non-Current Classification

The Group presents assets and liabilities in the statement of financial position based on current/ non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle and held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period. or Is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle and is held primarily for the purpose of trading and is due to be settled within twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities. The Group classifies deferred tax assets and liabilities under non-current assets and liabilities

1.7 Use of Estimates and Judgments

The preparation of the financial statements in conformity with SLFRSs requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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 estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have a significant effect on the amounts recognized in the Group's financial statements is included in the respective notes.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 12 – Determining the fair values of Investment Property
Note 16 - Measurement of provision for trade receivables
Note 23.1 - Measurement of defined benefit obligations: key actuarial assumptions
Note 14.1 - Measurement of fair value of Unquoted Investment
Note 09 - Measurement of Income Tax liability.
Note 22 - Measurement of Deferred Tax liability.

1.8 Going Concern

Having evaluated the future outlook of the Group the Directors have made an assessment of the Group's ability to continue as a going concern, and being satisfied that it has the resources to continue in business for the foreseeable future confirmed that they do not intend either to liquidate or to cease operations of the Group. Furthermore, the Management is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

1.9 Reporting Date

The financial statements of both Companies in the Group are prepared for a common financial year, which ends on 31 March.

1.10 Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements'

Notes to the financial statements are presented in a systematic manner which ensures the understandability and comparability of financial statements of the Company and the Group. Understandability of the financial statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

3. Material Accounting Policies

The Group has consistently applied the following Material accounting policies to all periods presented in the financial statements, except as mentioned otherwise.

The Institute of Chartered Accountants of Sri Lanka has issued a number of new amendments to the Sri Lanka Accounting Standards (SLFRSs/ LKASs) that are effective for the current financial year. These amendments and interpretations did not have any Material impact on the reported financial statements of the Group.

3.1 Basis of Consolidation

The Group's financial statements comprise of the consolidation of financial statements of the Company and its subsidiary prepared in terms of Sri Lanka Accounting standard (SLFRS -10) – Consolidated Financial Statements.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.1.1 Business Combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Any contingent consideration is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the income statement.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

3.1.2 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control exists when the Company has the power, directly or indirectly to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable and other contractual arrangements. The Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee which includes; the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements and the Group’s voting rights and potential voting rights over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Entities that are subsidiaries of another entity which is a subsidiary of the Company are also treated as subsidiaries of the Company. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

3.1.3 Loss of Control

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary. Any non-controlling interests and the other components of equity related to the subsidiary, any surplus or deficit arising on the loss of control is recognized in comprehensive income. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as equity accounted investee depending on the level of influence retained.

3.1.4 Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.2 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument of another entity.

3.2.1 Financial Assets

Recognition and Initial Measurement

The Group initially recognizes "Trade Receivables" when they are originated. All other financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets other than trade receivables that do not contain a significant financing component are initially measured at fair value plus, for an item not at Fair Value through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and Subsequent Measurement

On initial recognition, the Group classifies a financial asset as measured at amortized cost; fair value through other comprehensive income (FVTOCI); or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A financial asset is measured at amortized cost if it is held within a business model where the objective is to hold assets to collect contractual cash flows and its contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates and the financial asset is not designated as at FVTPL. On initial recognition of an equity investment that is not held for trading, the Group irrevocably elected to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Business Model Assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the financial assets are managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether Contractual Cash Flows are Solely Payments of Principal and Interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- repayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3.2.2 Subsequent Measurement and Gains and Losses:

Financial Assets at Amortized Cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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Equity Investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3.2.3 Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except and only in those rare circumstances when the Group changes its objective of the business model for managing such financial assets.

3.2.4 Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset

3.3 Financial Liability

Recognition and Initial Measurement

The Group recognizes financial liabilities in its Statement of Financial Position when, and only when, it becomes a party to the contractual provisions of the instrument. At initial recognition, financial liabilities are measured at fair value. For financial liabilities not measured at fair value through profit or loss, transaction costs that are directly attributable to the issue of the liability are deducted from the fair value at initial recognition.

All financial liabilities are initially measured at fair value and, for an item not at Fair Value Through Profit or Loss (FVTPL), net of transaction costs that are directly attributable to its issue. The Group's financial liabilities comprise of loans and borrowings, bank overdrafts, trade and other payables.

Classification, Subsequent Measurement and Gains and Losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition of other financial liabilities are recognised in profit or loss.

Reclassification

Financial Liabilities are not reclassified as such reclassifications are not permitted by SLFRS 9.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

3.3 Stated Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

3.4 Property, Plant and Equipment

3.4.1 Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment. 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. Any 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 the profit or loss.

3.4.2 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 Group, 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.4.3 Depreciation

Items of Property, Plant and Equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of Property, Plant and Equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognized in comprehensive income, unless the amount is included in the carrying amount of another asset.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

<u>Class of Assets</u>	<u>Useful Lifetime (Years)</u>
Building - General Printing Division	40
Security Printing Division	20
Plant and Machinery	6.6
Motor Vehicles	4
Furniture and Fittings	6.6 - 13.3

3.5 Investment Property

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

3.5.1 Basis of Recognition

Investment Property is recognized if it is probable that future economic benefits that are associated with the Investment Property will flow to the Group and cost of the Investment Property can be reliably measured.

3.5.2 Measurement

An investment property is measured initially at its cost. The cost of a purchased investment property comprises of its purchase price and any directly attributable expenditure. The cost of a self-constructed investment property is its cost at the date when the construction or development is complete.

The Group applies the fair value model for investment properties in accordance with Sri Lanka Accounting Standard 40 (LKAS 40) "Investment Property". Accordingly, land and buildings classified as investment properties are stated at its fair value and the resulting gain or loss arising from the change in fair value of the Investment Property is recognized in Profit or Loss.

3.5.3 Transfers to and from Investment Property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any difference between carrying amount as per LKAS 16 "Property Plant and Equipment" and its fair value is treated in the same way as revaluation in accordance with LKAS 16.

For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting in accordance with LKAS 16 or LKAS 2 "Inventories" shall be its fair value at the date of change in use.

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3.5.4 Derecognition

Investment properties are derecognized when disposed of, or permanently withdrawn from use because no future economic benefits are expected. Transfers are made to and from investment properties only when there is a change in use.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in comprehensive income. When an investment property that was previously classified as property plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

3.6 Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Cost incurred in bringing inventories to the present location and condition is recognized as follows;

- Raw Material - At cost determined at the factory on weighted average cost method
- Packing Material - At cost determined at the factory on weighted average cost method
- Finished Goods - At factory cost of direct materials, direct labour and appropriate proportion of fixed production overheads at normal operating capacity.
- Goods in Transit -At the actual cost

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.7 Employee Benefits

3.7.1 Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which contributions are made into a separate fund and the entity will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plan are recognized as an employee benefit expense in profit or loss in the periods during services is rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

3.7.1.1 Defined Contribution Plans - Employees Provident Fund and Employees Trust Fund

All employees who are eligible for Employees' Provident Fund contribution and Employees' Trust Fund contribution are covered by relevant contribution funds in line with respective statutes and regulations. The Group contributes 12 % and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

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3.7.2 Defined Benefit Plan - Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

3.7.2.1 Retiring Gratuity

The Retirement Benefit Plan adopted is as required under the Payment of Gratuity Act No. 12 of 1983. This item is grouped under Retirement Benefit Obligation in the Statement of Financial Position.

Provision for the retirement benefit obligation on the employees of the Group is on an actuarial basis using the project unit credit method (PCU method) as recommended by LKAS 19, "Employee Benefit". The Group continues to use the actuarial method under Sri Lanka Accounting Standard 19, "Employee Benefit".

However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service. The liability is not externally funded.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gain or losses on the settlement of a defined plan when the settlement occurs.

The Group recognizes all the re-measurements of the net defined benefit liability in other comprehensive income. Re-measurements of the net defined benefit liability comprise an actuarial gain or loss. The assumption based on which the result of actuarial revaluation was determined are included in the note 24 to the Financial Statements.

3.7.3 Short-Term Benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

3.8 Provisions

A provision is recognized if, as a result of a past event, the Group 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

3.9 Revenue

SLFRS 15 established a comprehensive framework for determining whether, how much and when to recognise revenue. Revenue is measured based on the consideration specified in a contract with a customer. Under SLFRS 15, the Group revenue is recognised when a customer obtains control of the goods or services. The Standard also gives guidelines for determining the timing of the transfer of control ie: at a point in time or over time requires judgement.

Under SLFRS 15, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognition will not occur.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.9.1 Sale of Goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

3.9.2 Rental Income

Rental income from investment property is recognized in Profit or Loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

3.9.3 Revenue Recognition

Revenue is recognized when performance obligations satisfied.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

3.10 Finance Income and Finance Costs

Finance Income comprises interest income on funds invested and recognized in profit or loss using the effective interest method. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in Profit or loss using the effective interest method.

3.11 Income Tax

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 a business combination, or items recognized directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

3.11.1 Current Tax

Current Income Tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

The provision for income tax is based on the elements of income and expenditure reported in the Financial Statements and computed with in accordance with the provisions of the Inland Revenue Amendment Act No.14 of 2017 and its amendments thereto.

The relevant details are disclosed in the respective notes to the financial statements.

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3.11.2 Deferred Tax

Deferred tax is recognized in comprehensive income in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except to that it relates to items recognized directly in equity or other comprehensive income. Deferred tax is not recognized for:

Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

Temporary differences related to investments in subsidiaries, associates and to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.12 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the indirect method. For the purpose of presentation, interest paid is classified as operating cash flows, while interest received and dividends received are classified as investing cash flows. Dividend paid is classified as financing cash flows.

3.13 Earnings per Share

The Group presents Basic Earnings Per Share (EPS) data for its Ordinary Shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of Ordinary Shares outstanding during the period.

3.14 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is charged.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.15 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments operating results are reviewed regularly by the Group's operating decision maker to make decisions about the resources to each segment and to assess its performance and for which discreet financial information is available.

Details of financial reporting by segment as required by the SLFRS 8 "Operating Segment" are given in the Note 34 to the financial statements.

3.16 Operating Profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity-accounted investees and income taxes.

3.17 Foreign Currency

3.17.1 Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currency at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary assets and liabilities in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to reporting currency using the exchange rate that was prevailing on the date the fair value was determined.

Foreign currency differences arising on retranslation generally are recognized in income statement. However, the following items are recognized in the other comprehensive income.

- i. Differences arising on the retranslation of fair value through other comprehensive income equity investments which was recognised in other comprehensive income. Foreign currency gains and losses are reported on a net basis in the income statement.

3.18 Trade and Other Receivables

Trade and other receivables are stated at the amounts estimated to be realised after providing for impairment on trade and other receivables.

Other receivables and dues from related parties are recognised at cost, less provision for impairment.

3.19 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, balances with banks, and short-term deposits with original maturities of three months or less. For the purpose of the Statement of Cash Flows, cash and cash equivalents include those that form an integral part of the Group's cash management.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.20 Trade and Other Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

3.21 Other Income

- Rent income represents the rental income arising from renting of investment properties. All revenue is recognized on a straight-line basis over the term of hire.
- Dividend income is recognised when the right to receive dividends is established which is generally when the dividend is declared. Dividend income is included under other operating income.
- Profit on Disposal of Property Plant and Equipment is also included under other income.

3.22 Transfer Pricing

As prescribed in the Inland Revenue Act No. 24 of 2017 and the Gazette notifications issued on transfer pricing, companies in the Group have complied with the arm's length principles relating to transfer pricing.

3.23 Events Occurring After the Reporting Date

All material post balance sheet events have been considered, disclosed and adjusted where applicable.

4. New Accounting Standards Issued but Not Effective as at Reporting Date

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- 4.1** Standards issued but not yet effective There are no new accounting standards or amendments which are issued but not yet effective as at 31 March 2025 that are expected to have a material impact on the Group's Financial Statements other than below. The below standards will be effective from 1st January 2025, subject to the implementation timeframe given for each entity. Early adoption has not been applied by the entity.

- General Requirements for Disclosure of Sustainability related Financial Information (SLFRS S1)
- Climate-related Disclosures (SLFRS S2)

- 4.2** SLFRS S 1 – Sustainability Disclosure Standard – General Requirements for Disclosure of Sustainability-related financial information the objective of SLFRS S1 General Requirements for Disclosure of Sustainability related Financial Information is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. An entity shall apply this standard in preparing and reporting sustainability related financial disclosures in accordance with SLFRS Sustainability Disclosure Standards. An entity may apply SLFRS Sustainability Disclosure Standards irrespective of whether the entity's related general purpose financial statements (referred to as 'financial statements') are prepared in accordance with Sri Lanka Accounting Standards or other generally accepted accounting principles or practices (GAAP).

- 4.3** SLFRS Sustainability Disclosure Standard – Climate-related disclosures the objective of SLFRS S2 Climate related Disclosure is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

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For the year ended 31 March

5 REVENUE

	Group 2025	2024	Company 2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross Revenue	1,552,171	2,073,411	1,551,811	2,073,051
Less:- Revenue Related Taxes	(266,408)	(171,986)	(266,408)	(171,986)
Net Revenue	<u>1,285,763</u>	<u>1,901,425</u>	<u>1,285,403</u>	<u>1,901,065</u>

6 OTHER OPERATING INCOME

	Group 2025	2024	Company 2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit on Disposal of Property Plant and Equipment	-	4,860	-	4,860
Rent Income	18,382	19,010	18,382	19,010
Dividend Income	7	3	852	3
Sundry Income	7,958	7,624	7,958	7,579
	<u>26,347</u>	<u>31,497</u>	<u>27,192</u>	<u>31,452</u>

7 NET FINANCE INCOME / (COSTS)

	Group 2025	2024	Company 2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Finance Income				
Interest Income	37,248	40,720	24,297	20,205
	<u>37,248</u>	<u>40,720</u>	<u>24,297</u>	<u>20,205</u>
Finance Costs				
Interest On,				
- Bank Overdrafts	(42)	(501)	(42)	(501)
- Trust Receipt Loans	(265)	(1,002)	(265)	(1,002)
- Bank Charges	(4,258)	(5,864)	(4,258)	(5,864)
	<u>(4,565)</u>	<u>(7,367)</u>	<u>(4,565)</u>	<u>(7,367)</u>
Net Finance Income / (Cost)	<u>32,683</u>	<u>33,353</u>	<u>19,732</u>	<u>12,838</u>

8 PROFIT BEFORE TAX

Profit before tax is stated after charging all expenses including the following;

	Group 2025	2024	Company 2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Directors' Emoluments	7,325	5,368	7,305	5,353
Auditors' Remuneration - Audit Fees	1,316	1,220	1,041	965
- Non Audit Fees	270	222	270	222
Depreciation	5,076	5,076	5,701	7,471
Provision for Trade and Other Receivables	-	1,425	-	1,425
Inventory Provision for the Year	1,281	1,281	1,281	1,281
Donations	55	65	55	65
Personnel Costs (Note 8.1)	81,132	76,006	80,001	74,955
8.1 Personnel Costs				
Personnel Costs:-				
Defined Benefit Plan Costs-Gratuity (Note 23.3)	4,141	4,224	4,141	4,224
Defined Contribution Plan Costs - EPF and ETF	8,366	7,765	8,366	7,765
Other Staff Costs	68,625	64,017	67,494	62,966
	<u>81,132</u>	<u>76,006</u>	<u>80,001</u>	<u>74,955</u>

Number of employees as at 31 March 2025 - 154 (31 March 2024 -173).

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For the year ended 31 March

9 INCOME TAX EXPENSES

Current Tax

Current Tax for the Year (Note 9.2)

Additional Income Tax 2019/2020 and 2020/2021

Deferred Tax

Origination of temporary differences (Note 22)

Income tax expense recognized in statement of profit or loss

	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	27,413	69,354	23,947	62,836
	-	2,701	-	2,701
	27,413	72,055	23,947	65,537
	(2,627)	5,754	(2,627)	5,754
	24,786	77,809	21,320	71,291

9.1 Tax Effect on Other Comprehensive Income

Origination of temporary differences

Total Income Tax (Reversal) / Charge on Other Comprehensive Income (Note 23)

	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	4,166	(1,020)	4,166	(1,020)
	4,166	(1,020)	4,166	(1,020)

The Company has used the new tax rate introduced in the Inland Revenue (Amendment) Act No. 45 of 2022 certified on 19 December 2022, (with retrospective effect from 01 October 2022) for income taxation. Accordingly, income tax rates of, 18% for manufacturing business profits, and 24% for other income have been used for the first six months and a standard rate of 30% has been used for profits of all segments for the second six months.

The business profits and income of its subsidiary are liable to tax at the standard rate of 30%.

Deferred tax for the year has been computed based on the substantively enacted rates as of the reporting date. Accordingly the enacted rates specified in the Inland Revenue Act No. 24 of 2017 and its amendments thereto have been used.

9.2 The Reconciliation between Accounting Profit and Taxable Profit is as follows;

	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Accounting Profit before Tax	86,662	231,241	75,524	211,728
	86,662	231,241	75,524	211,728
Aggregate Tax Disallowable Items	19,325	23,736	19,280	23,711
Aggregate Tax Allowable Items	(14,611)	(23,797)	(14,981)	(25,986)
Taxable Income	91,376	231,180	79,823	209,453
Taxable Income at 30%	91,376	231,180	79,823	209,453
	91,376	231,180	79,823	209,453
Effective Tax Rate	30%	30%	30%	30%
Income Tax @ (30%)	27,413	69,354	23,947	62,836
	27,413	69,354	23,947	62,836

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10 BASIC EARNINGS PER SHARE

Basic Earnings Per Share is calculated based on the profit after taxation attributable to the ordinary shareholders divided by the weighted average number of ordinary shares outstanding during the year.

For the year ended 31 March	Group		Company	
	2025	2024	2025	2024
Profit attributable to Ordinary Shareholders (Rs.'000)	61,876	153,432	54,204	140,437
Weighted Average Number of Ordinary Shares ('000)	2,937	2,937	2,937	2,937
Basic Earnings Per Ordinary Share (Rs.)	21.07	52.24	18.46	47.82

There were no potentially dilutive ordinary shares at any time during the year, hence diluted earnings per share is equal to the basic earnings per share.

11 PROPERTY, PLANT & EQUIPMENT

The freehold land and buildings of the Company situated at No: 41, W.A.D.Ramanayaka Mawatha, Colombo were revalued as at 31 March 2025 by an independent qualified valuer at Rs. 1,493,260,920/-. (31 March 2024 - Rs 1,419,407,150/-). However, the revalued amount except for investment property has not been incorporated into the financial statements since the Company has elected the cost model as its accounting policy and applied that policy to the entire class of property, plant and equipment as required by LKAS 16 – “Property Plant and Equipment”. There are three buildings situated at the above address, the total extent of which is 33,650 sq feet. The location and extent of Group’s freehold lands as at the reporting date are as shown below:

Location	Extent
No: 41, W.A.D.Ramanayaka Mawatha, Colombo - 02.	90.39 Perches.

11.1 Group

The costs of fully depreciated items of Property, Plant and Equipment which are still in use as at 31 March 2025 are as follows;

	Buildings	Plant and Machinery	Furniture, Fittings and Equipment	Motor Vehicles
Cost as at 31 March 2024 (Rs.'000)	8,152	153,952	19,559	17,587
Cost as at 31 March 2025 (Rs.'000)	8,430	164,734	22,012	24,091

Refer note 18.1 for the details of assets pledged as a security as at 31 March 2025.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 March

11 PROPERTY, PLANT & EQUIPMENT (CONTINUED)

11.2 Group

Cost	Freehold					Total
	Land	Buildings	Plant & Machinery	Furniture, Fittings & Equipment	Motor Vehicles	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April 2023	9,594	17,050	165,985	30,665	33,965	257,259
Additions during the Year	-	-	-	3,711	-	3,711
Motor Vehicles	-	-	-	-	(4,325)	(4,325)
Balance as at 31 March 2024	9,594	17,050	165,985	34,376	29,640	256,645
Balance as at 1 April 2024	9,594	17,050	165,985	34,376	29,640	256,645
Additions during the Year	-	-	1,145	9,263	-	10,408
Disposals during the Year	-	-	-	-	-	-
Balance as at 31 March 2025	9,594	17,050	167,130	43,639	29,640	267,053
Accumulated Depreciation						
Balance as at 1 April 2023	-	13,174	162,176	25,156	30,788	231,294
Charge for the Year	-	492	2,440	1,791	2,435	7,158
Disposals during the Year	-	-	-	-	(4,325)	(4,325)
Balance as at 31 March 2024	-	13,666	164,616	26,947	28,898	234,127
Balance as at 1 April 2024	-	13,666	164,616	26,947	28,898	234,127
Charge for the Year	-	462	1,230	2,642	742	5,076
Disposals during the Year	-	-	-	-	-	-
Balance as at 31 March 2025	-	14,128	165,846	29,589	29,640	239,203
Net Book Value						
Balance as at 31 March 2024	9,594	3,384	1,369	7,429	742	22,518
Balance as at 31 March 2025	9,594	2,922	1,284	14,050	-	27,850

11.3 Company

Cost	Freehold					Total
	Land	Buildings	Plant & Machinery	Furniture, Fittings & Equipment	Motor Vehicles	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April 2023	9,594	17,050	165,979	30,637	28,417	251,677
Additions during the Year	-	-	-	3,711	2,500	6,211
Disposals during the Year	-	-	-	-	(4,325)	(4,325)
Balance as at 31 March 2024	9,594	17,050	165,979	34,348	26,592	253,563
Balance as at 1 April 2024	9,594	17,050	165,979	34,348	26,592	253,563
Additions during the Year	-	-	1,145	9,263	-	10,408
Disposals during the Year	-	-	-	-	-	-
Balance as at 31 March 2025	9,594	17,050	167,124	43,611	26,592	263,971
Accumulated Depreciation						
Balance as at 1 April 2023	-	13,174	162,170	25,128	25,240	225,712
Charge for the Year	-	492	2,440	1,791	2,748	7,471
Disposals during the Year	-	-	-	-	(4,325)	(4,325)
Balance as at 31 March 2024	-	13,666	164,610	26,919	23,663	228,858
Balance as at 1 April 2024	-	13,666	164,610	26,919	23,663	228,858
Charge for the Year	-	462	1,228	2,644	1,367	5,701
Disposals during the Year	-	-	-	-	-	-
Balance as at 31 March 2025	-	14,128	165,838	29,563	25,030	234,559
Net Book Value						
Balance as at 31 March 2024	9,594	3,384	1,369	7,429	2,929	24,705
Balance as at 31 March 2025	9,594	2,922	1,286	14,048	1,562	29,412

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 March

12 INVESTMENT PROPERTY

Balance as at 1 April
Fair value Gain for the Year
Balance as at 31 March

Group / Company	
2024	2024
Rs.'000	Rs.'000
356,419	348,251
14,544	8,168
370,963	356,419

Investment Property comprising a number of commercial properties situated at No 41, W. A. D. Ramanayake Mawatha, Colombo 02 are leased to third parties and to a related Company. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

In accordance with LKAS 40, a property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the company holds it to earn rentals or for capital appreciation or for both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

- 12.1 There were no direct operating expenses (including repairs and maintenance) arising from Investment Property that generated rental income during the year. Rent income received for the year is disclosed in Note 6 to the financial statements.

The Company's land (2R:10.39P) which consists of 5 buildings (Floor area 15,330sq.ft) was fairvalued by a professional valuer as at 31 March 2025. Details of properties are disclosed as follows

Location	Last Revalued Date	Rented to	Floor Area	Fair Value
W.A.D Ramanayaka Mawatha, Colombo 2	31 March 2025	Lideshi (Private) Limited	2,250	145,625
W.A.D Ramanayaka Mawatha, Colombo 2	31 March 2025	Wijaya News Papers	4,462	52,242
W.A.D Ramanayaka Mawatha, Colombo 2	31 March 2025	Wijaya News Papers	3,786	41,218
W.A.D Ramanayaka Mawatha, Colombo 2	31 March 2025	Wijaya News Papers	1,260	20,769
W.A.D Ramanayaka Mawatha, Colombo 2	31 March 2025	Commercial Bank PLC	3,380	111,109
				370,963

Measurement of Fair Value

(i) Fair Value Hierarchy

The fair value of Investment Property was determined by an external, independent professional valuer, Upali Silva, Member of the Royal Institution of Chartered Surveyors (UK), Fellow Member of the Institute of Valuers of Sri Lanka (SL), Senior Certified Valuer (IREI-USA), Chartered Valuation (Private) Limited, on 31 March 2025.

The fair value measurement for the investment property of the Company has been categorized as a Level 3 fair value measurement based on the inputs to the valuation techniques used.

(ii) Methods and Assumptions used in the Fair Valuation of Investment Properties are as follows;

Property	Valuation Technique	Significant Unobservable Inputs	Inter-relationship between key Unobservable Inputs and Fair Value measurement
Property rented out to - Wijeya News Papers Limited - Commercial Bank PLC	Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate and other cost not paid by tenants. The expected net cash flows are discounted using risk adjusted discount rate. Among other factors, discount rate estimation considers the quality of the buildings and its location.	Expected rental growth - 5% - 10% Risk adjusted discount rate - 12.5% Y.P in perpetuity - 7%	The estimate of fair value would increase. Expected rental growth was high. The risk adjusted discount rate was low. Y.P in perpetuity was low. Cost not paid by tenants was low.
Property rented out to - Lideshi (Private) Limited	Market Comparable Method - This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent market prices of similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property. In this process outlier transactions, indicative of particular motivated buyers or sellers are too compensated for since the price may not adequately reflect the fair market value.	Price Per perch for land Rs. 15,250,000 Price Per square foot for building Rs.10,500	Estimated fair value would increase/(decrease) if; -Price per perch increases / (decreases) -Price per square foot increases / (decreases)

Location and extent of Group's Investment Properties as at the reporting date are as shown below:

Location	Extent
No: 41, W.A.D.Ramanayaka Mawatha, Colombo - 02.	29.63 Perches.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 March

13 INVESTMENTS IN SUBSIDIARY

	2025			2024		
	Holding	No. of Shares	Cost	Holding	No. of Shares	Cost
	%	'000	Rs.'000	%	'000	Rs.'000
L.H. Plantations (Private) Limited	100	1,990	2,984	100	1,990	2,984

14 OTHER INVESTMENTS

The Group designated the investments shown as equity securities at FVOCI because these equity securities represent investments that the Group intends to hold for long term strategic purposes.

No strategic investments were disposed of during 2024/2025, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

Group	2025 Rs.'000	2024 Rs.'000
Unquoted Investments (Note - 14.2)	19,498	21,111
Quoted Investments (Note - 14.3)	61	54
	<u>19,559</u>	<u>21,165</u>
Company	2025 Rs.'000	2024 Rs.'000
Unquoted Investments (Note - 14.2)	19,498	21,111
Quoted Investments (Note - 14.3)	51	48
	<u>19,549</u>	<u>21,159</u>

14.1 Equity Investment at FVTOCI

14.1.1 The following table summarizes the fair value gain or loss recognized in other comprehensive income (OCI),

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
	(1,609)	1,129	(1,613)	1,127
Equity Investment at FVTOCI – net change in Fair Value	<u>(1,609)</u>	<u>1,129</u>	<u>(1,613)</u>	<u>1,127</u>

14.2 Unquoted - Investments

	Company					
	No. of Shares	Cost	Market Value 2025	No. of Shares	Cost	Market Value 2024
		Rs.'000	Rs.'000		Rs.'000	Rs.'000
Ranweli Holiday Village Limited	460,471	2,850	19,498	460,471	2,850	21,111
Lake House Investments Limited	1,464,969	14,650	-	1,464,969	14,650	-
Lake House Bookshop (Private) Limited	250,000	1,000	-	250,000	1,000	-
Ingrine Institute of Printing and Graphics Limited	2,500	25	-	2,500	25	-
LHP & P Enterprises (Private) Limited	3,410	39	-	3,410	39	-
Vanik Incorporation						
15 % Debentures	800	80	-	800	80	-
Voting	800	8	-	800	8	-
Non Voting Shares	1,000	10	-	1,000	10	-
Warrants	800	20	-	800	20	-
		<u>18,564</u>	<u>19,498</u>		<u>18,564</u>	<u>21,111</u>

Unquoted - Investments

	Group					
	No. of Shares	Cost	Market Value 2025	No. of Shares	Cost	Market Value 2024
		Rs.'000	Rs.'000		Rs.'000	Rs.'000
Ranweli Holiday Village Limited	460,471	2,850	19,498	460,471	2,850	21,111
Lake House Investments Limited	1,464,969	14,650	-	1,464,969	14,650	-
Lake House Bookshop (Private) Limited	250,000	1,000	-	250,000	1,000	-
Ingrine Institute of Printing and Graphics Limited	2,500	25	-	2,500	25	-
LHP & P Enterprises (Private) Limited	3,410	39	-	3,410	39	-
Vanik Incorporation						
15 % Debentures	800	80	-	800	80	-
Voting	800	8	-	800	8	-
Non Voting Shares	1,000	10	-	1,000	10	-
Warrants	800	20	-	800	20	-
		<u>18,564</u>	<u>19,498</u>		<u>18,564</u>	<u>21,111</u>

14.2.1 Unquoted Investments have been valued using net asset basis as at 31 March 2025.

14.2.2 The Company's unquoted investments have been fully provided for impairment, except for Ranweli Holiday Village Limited.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 March

14 OTHER INVESTMENTS (CONTINUED)

14.3 Quoted Investments

	Group					
	No. of Shares	Cost Rs.'000	Fair Value 2025 Rs.'000	No. of Shares	Cost Rs.'000	Fair Value 2025 Rs.'000
National Development Bank PLC	777	7	51	731	7	48
Seylan Bank PLC	115	7	10	115	7	6
			<u>61</u>			<u>54</u>

	Company					
	No. of Shares	Cost Rs.'000	Fair Value 2025 Rs.'000	No. of Shares	Cost Rs.'000	Fair Value 2025 Rs.'000
National Development Bank PLC	777	7	51	731	7	48
			<u>51</u>			<u>48</u>

15 INVENTORIES

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Raw Materials	62,509	100,672	62,509	100,672
Work In Progress	42,729	38,270	42,729	38,270
Goods in Transit	6,231	22,020	6,231	22,020
Capital Stock	8,548	8,548	8,548	8,548
	<u>120,017</u>	<u>169,510</u>	<u>120,017</u>	<u>169,510</u>
Less: Provision for Impairment (Note 15.1)	<u>(10,354)</u>	<u>(9,073)</u>	<u>(10,354)</u>	<u>(9,073)</u>
	<u>109,663</u>	<u>160,437</u>	<u>109,663</u>	<u>160,437</u>

Balance as at 1 April	9,073	7,622	9,073	7,622
Provision for the Year	1,281	1,451	1,281	1,451
Balance as at 31 March	<u>10,354</u>	<u>9,073</u>	<u>10,354</u>	<u>9,073</u>

There were no inventories pledged by the Group and Company as security for facilities obtained from the banks (2024 - Nil).

16 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Trade Receivables	268,959	88,692	268,959	88,692
Less: Provision for Impairment (Note 16.1)	<u>(11,889)</u>	<u>(11,889)</u>	<u>(11,889)</u>	<u>(11,889)</u>
	257,070	76,803	257,070	76,803
Deposits and Prepayments	550	931	550	931
Other Receivables	71,163	22,782	67,474	18,959
	<u>328,783</u>	<u>100,516</u>	<u>325,094</u>	<u>96,693</u>

Balance as at 1 April	11,889	10,464	11,889	10,464
Provision during the Year	-	1,425	-	1,425
Balance as at 31 March	<u>11,889</u>	<u>11,889</u>	<u>11,889</u>	<u>11,889</u>

17 AMOUNTS DUE FROM RELATED PARTIES

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Wijeya Newspapers Limited	32,056	28,612	32,056	28,612
Lake House Investments Limited (Note - 17.1)	-	-	-	-
Sarathi Limited	395	154	395	154
	<u>32,451</u>	<u>28,766</u>	<u>32,451</u>	<u>28,766</u>

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As at 31 March

17 AMOUNTS DUE FROM RELATED PARTIES (CONTINUED)

17.1 Lake House Investments Limited

Balance as at 1 April
Less: Provision for Impairment
Balance as at 31 March

Group 2025	2024	Company 2025	2024
Rs.'000	Rs.'000	Rs.'000	Rs.'000
718	718	718	718
(718)	(718)	(718)	(718)
-	-	-	-

17.2 LOANS DUE FROM RELATED PARTY

Wijeya Newspapers Limited

Balance as at 1 April
New Loans granted during the year
Payments during the Year
Balance as at 31 March

Group 2025	2024	Company 2025	2024
Rs.'000	Rs.'000	Rs.'000	Rs.'000
7,000	-	-	-
25,000	158,000	-	-
(24,000)	(151,000)	-	-
8,000	7,000	-	-

During the year, Wijeya NewsPapers Limited obtained a loan of Rs. 25 million from L H Plantations (Pvt) Ltd. The loan carries interest at the rate of 10.5% per annum. Repayment is structured to effect full settlement by January 2026.

18 CASH AND CASH EQUIVALENTS

Favorable Balance

Cash in Hand
Cash at Bank

Group 2025	2024	Company 2025	2024
Rs.'000	Rs.'000	Rs.'000	Rs.'000
1,019	1,180	1,019	1,180
367,567	459,207	232,964	327,622
368,586	460,387	233,983	328,802

Unfavorable Balance

Bank Overdraft

(78,989)	(643)	(78,989)	(643)
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Cash and Cash Equivalents for the Purpose of Cash Flow Statement

289,597	459,744	154,994	328,159
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18.1 The Property situated at No.41, W.A.D Ramanayake Mw, Colombo 02 has been pledged as a security for overdraft facilities obtained from the Corporate Branch of Bank of Ceylon.

19 STATED CAPITAL

Issued and Fully paid Share Capital (No. of Shares 2,937,245)

Group 2025	2024	Company 2025	2024
Rs.'000	Rs.'000	Rs.'000	Rs.'000
35,247	35,247	35,247	35,247

The Stated Capital of the Company comprises only one class of shares viz, Ordinary Shares.

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per individual present at the meeting of shareholders or one vote per share in case of a poll.

The Company has paid Rs.17,623,470/- dividends to the Company shareholders during the financial year 2024/2025. (2023/2024- Rs.14,686,225/-)

20 CAPITAL RESERVES

Capital Reserves

Group 2025	2024	Company 2025	2024
Rs.'000	Rs.'000	Rs.'000	Rs.'000
6,197	6,197	6,197	6,197

The balance mainly represents the net value of revaluation of land and buildings during the financial year 1983/1984, less Bonus Issue of Ordinary Shares during the financial year 1985/1986.

21 REVALUATION RESERVE

Balance as at 1 April
Balance as at 31 March

Group 2025	2024	Company 2025	2024
Rs.'000	Rs.'000	Rs.'000	Rs.'000
217,232	217,232	217,232	217,232
217,232	217,232	217,232	217,232

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22 DEFERRED TAX LIABILITIES

	Group 2025 Rs.'000	2024 Rs.'000	Company 2025 Rs.'000	2024 Rs.'000
Balance as at 1 April	29,690	24,956	29,690	24,956
<i>Recognized in the Profit or Loss</i>				
(Reversal) / Provision for the Year	(2,627)	5,754	(2,627)	5,754
<i>Recognized in the Other Comprehensive Income</i>				
Reversal for the Year	(613)	(1,020)	(613)	(1,020)
Deferred Tax Impact on Equity Investment at FVTOCI	4,779	-	4,779	-
Balance as at 31 March	31,229	29,690	31,229	29,690

The provision for deferred tax is attributable to the following;

	2025				2024			
	Group Temporary Difference Rs.'000	Tax Effect Rs.'000	Company Temporary Difference Rs.'000	Tax Effect Rs.'000	Group Temporary Difference Rs.'000	Tax Effect Rs.'000	Company Temporary Difference Rs.'000	Tax Effect Rs.'000
Property, Plant and Equipment	(15,278)	(4,584)	(15,278)	(4,584)	(13,682)	(4,106)	(13,682)	(4,106)
Retirement Benefit Obligations	24,018	7,204	24,018	7,204	19,326	5,795	19,326	5,795
Provision for Impairment on Inventories	10,353	3,106	10,353	3,106	-	-	-	-
Provision for Impairment on Trade Receivables	11,889	3,566	11,889	3,566	-	-	-	-
Investment Property	(119,143)	(35,742)	(119,143)	(35,742)	(104,599)	(31,379)	(104,599)	(31,379)
Unquoted Investments	(15,932)	(4,779)	(15,932)	(4,779)	-	-	-	-
	(104,093)	(31,229)	(104,093)	(31,229)	(98,955)	(29,690)	(98,955)	(29,690)

22.1 The Movement for deferred tax is attributable to the following;

	2025 Group				2024 Group			
	Balance as at 01st April Rs.'000	Recognized in Profit or Loss Rs.'000	Recognized in OCI Rs.'000	Balance as at 31st March Rs.'000	Balance as at 01st April Rs.'000	Recognized in Profit or Loss Rs.'000	Recognized in OCI Rs.'000	Balance as at 31st March Rs.'000
PPE	(4,106)	(478)	-	(4,584)	(504)	(3,602)	-	(4,106)
Investment property -FV Gain	(23,120)	(4,360)	-	(27,480)	(20,670)	(2,450)	-	(23,120)
PPE to IP revaluation gain (Building 2012)	(606)	-	-	(606)	(606)	-	-	(606)
PPE to IP revaluation gain (Building 2016)	(7,653)	-	-	(7,653)	(7,653)	-	-	(7,653)
Retirement Benefit Obligation	5,795	793	613	7,201	4,479	296	1,020	5,795
Provision for Impairment on Inventories	-	3,106	-	3,106	-	-	-	-
Provision for Impairment on Trade Receivables	-	3,566	-	3,566	-	-	-	-
Unquoted Investments	-	-	(4,779)	(4,779)	-	-	-	-
	(29,690)	2,627	(4,166)	(31,229)	(24,954)	(5,756)	1,020	(29,690)

	2025 Company				2024 Company			
	Balance as at 01st April Rs.'000	Recognized in Profit or Loss Rs.'000	Recognized in OCI Rs.'000	Balance as at 31st March Rs.'000	Balance as at 01st April Rs.'000	Recognized in Profit or Loss Rs.'000	Recognized in OCI Rs.'000	Balance as at 31st March Rs.'000
PPE	(4,106)	(478)	-	(4,584)	(504)	(3,602)	-	(4,106)
Investment property -FV Gain	(23,120)	(4,360)	-	(27,480)	(20,670)	(2,450)	-	(23,120)
PPE to IP revaluation gain (Building 2012)	(606)	-	-	(606)	(606)	-	-	(606)
PPE to IP revaluation gain (Building 2016)	(7,653)	-	-	(7,653)	(7,653)	-	-	(7,653)
Retirement Benefit Obligation	5,795	793	613	7,201	4,479	296	1,020	5,795
Provision for Impairment on Inventories	-	3,106	-	3,106	-	-	-	-
Provision for Impairment on Trade Receivables	-	3,566	-	3,566	-	-	-	-
Unquoted Investments	-	-	(4,779)	(4,779)	-	-	-	-
	(29,690)	2,627	(4,166)	(31,229)	(24,954)	(5,756)	1,020	(29,690)

Tax effective rate of 30% (2024 – 30%) was applied by the Company and Effective tax rate 30% (2024 - 30%) was applied for Subsidiary, (LH Plantations (Private) Limited), for the calculation of deferred tax Assets / Liability as at the reporting date.

23 RETIREMENT BENEFIT OBLIGATION

	Group 2025 Rs.'000	2024 Rs.'000	Company 2025 Rs.'000	2024 Rs.'000
Balance as at 1 April	19,326	14,934	19,326	14,934
Interest Cost	2,126	2,912	2,126	2,912
Current Services Cost	2,015	1,312	2,015	1,312
Benefits Paid	(1,494)	(3,231)	(1,494)	(3,231)
Actuarial Loss	2,045	3,399	2,045	3,399
Balance as at 31 March	24,018	19,326	24,018	19,326

The Company has made provision for employees retirement benefit obligation as at 31 March 2025 based on an actuarial valuation carried out by professionally qualified actuary Mr. M. Poopalanathan of M/s.Actuarial and Management Consultant (Private) Limited, a firm of professionally qualified actuaries, as required by LKAS 19 "Employee Benefits".

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23 RETIREMENT BENEFIT OBLIGATION (CONTINUED)

23.1 The key assumptions used in determining the above were as follows,

	2025	2024
Rate of Discount (%)	10.0	11.0
Salary Increment Rate - Senior Management/Executives (%)	15	15
Salary Increment Rate - Other Staff (%)	15	12
Staff Turn Over Factor - Contract Staff (%)	19	17
Staff Turn Over Factor - Other Staff (%)	19	17
Retiring Age of the Employees	60 Years	60 Years
Weighted average retirement age	3.25 Years	3.55 Years

Discount rate

The Company has used a long term interest rate of 10% p.a (2023/24-11% p.a) to discount future liabilities taking into consideration remaining working life of eligible employees..

Expected annual average salary increment rate

Based on the actual salary increment rate of the Company over the past few years and having evaluated the business continuity plan, adjustments have not been made to expected annual average salary increment rate, to value future liabilities.

23.2 Sensitivity Analysis

Salary Increment Rate

The cost of the defined benefit obligation are determined using actuarial valuations and it involves making various assumptions. All assumptions are reviewed at each reporting date. The sensitivity was carried for salary increment rate. Simulations made for retirement benefit obligation shows that an decrease or increase by 1% of the rate of salary increment has the following effect on the retirement benefit obligation.

	-1% Rs.'000	+1% Rs.'000
Present Value of Defined Benefit Obligation	(631)	664
Total	(631)	664

Discount Rate

The cost of the defined benefit obligation is determined using actuarial valuations and it involves making various assumptions. All assumptions are reviewed at each reporting date. The sensitivity was carried for the discount rate. Simulations made for retirement benefit obligation shows that an decrease or increase by 1% of the discount rate has the following effect on the retirement benefit obligation.

	-1% Rs.'000	+1% Rs.'000
Present Value of Defined Benefit Obligation	721	(671)
Total	721	(671)

23.3 The amount charged to comprehensive income in respect of retirement benefit obligation is made up as follows;

	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<u>Recognized in Profit and Loss</u>				
Current Services Cost for the Year	2,015	1,312	2,015	1,312
Interest Charge for the Year	2,126	2,912	2,126	2,912
	4,141	4,223	4,141	4,224
<u>Recognized in Other Comprehensive Income</u>				
Actuarial Loss for the Year	2,045	3,399	2,045	3,399
	2,045	3,399	2,045	3,399

23.4 Maturity analysis of the payments

The following payments are expected on defined benefit obligations in future years.

	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Within the next 12 months	9,795	9,409	9,795	9,409
Between 1-2years	3,254	3,003	3,254	3,003
Between 2-5 years	7,475	2,632	7,475	2,632
Between 5-10 years	2,515	3,129	2,515	3,129
Beyond 10 years	979	1,151	979	1,151
	24,018	19,323	24,018	19,323

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24 INTEREST BEARING BORROWINGS

Trust Receipt Loans - Bank of Ceylon

	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April	-	55,000	-	55,000
Obtained during the Year	42,247	102,567	42,247	102,567
Payments during the Year	(42,247)	(157,567)	(42,247)	(157,567)
Balance as at 31 March	-	-	-	-

25 TRADE AND OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade Creditors	1,133	159	1,133	159
Other Payables (Note 25.1)	67,054	71,079	66,746	70,821
	68,187	71,238	67,879	70,980

25.1 Other Payables

	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Accrued Expenses	17,825	23,076	17,825	23,076
Advance Received from Customer	5,643	17,314	5,643	17,314
Deposit Payable	11,816	11,439	11,816	11,439
Vat Payable	8,318	8,942	8,318	8,942
Sundry Payable	23,452	10,308	23,144	10,050
	67,054	71,079	66,746	70,821

26 EVENTS OCCURRING AFTER THE REPORTING DATE

26.1 Final Dividend

The Board of Directors has recommended a Dividend of Rs.6/- Per share payable for 2024/2025. In compliance with Sri Lanka Accounting Standard LKAS 10 - Events after the reporting period, the final dividend recommended is not recognized as a liability in the financial statements as at 31 March 2025.

No circumstances other than those disclosed above have arisen since the reporting date which would require adjustments to or disclosure in the financial statements.

27 CAPITAL EXPENDITURE AND COMMITMENTS

There were no material capital commitments as at the reporting date.

28 CONTINGENT LIABILITIES

There are no material contingent liabilities outstanding as at the reporting date which require adjustments to or disclosure in the financial statements.

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29 RELATED PARTY DISCLOSURES

The Company and its subsidiary carry out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24- "Related Party Disclosures". The details of related party transactions are reported below.

(a) Transactions with Related Companies

Name of the Company	Relationship	Name of Directors	Nature of the Transaction	Value of the Transactions		Balance as at 31 March	
				2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Wijeya Newspapers Ltd	Affiliate	Mr.R.S Wijewardene Mr. P. S Wijewardene	Security Charges	40,186	37,514	-	-
			Printing and Other Services	3,810	-	-	-
			Rent on Building	7,140	7,004	-	-
			Settlement of Current Account	(54,210)	(60,335)	-	-
			Electricity	5,028	8,287	-	-
			Printing of Atlases	1,490	9,799	-	-
			Loan give to	25,000	158,000	-	-
			Loans Repayments	(24,000)	(151,000)	-	-
			Current Account Balance	-	-	32,056	28,612
Sarathi Ltd	Affiliate	Mr.R.S Wijewardene Mr. D.R Wijewardene	Security Charges	1,845	1,692	-	-
			Sales of Atlas	4420	58	-	-
			Settlement of Current Account	(2,046)	(1,759)	-	-
			Current Account Balance	-	-	395	154
R.S.Printek (Pvt) Ltd	Affiliate	Mr.R.S Wijewardene Mr. R. C. Samarasinghe	Rent Charges	576	-	-	-
			Printing Charges	824	-	-	-
			Settlement of Current Account	(1,400)	-	-	-

The aggregate value of recurrent Related Party transactions with each related Company did not exceed 10% of the gross revenue of the Company during the financial year.

Amounts receivable from and/or due to related entities as at 31 March 2025 are disclosed in Notes 18 to the Financial Statements.

(b) Transactions with Key Management Personnel and their Close Family Members

According to LKAS 24 "Related Party Disclosures", Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including executive and non-executive Directors) have been classified as key Management Personnel of the Group.

Close Family Members (CFM) of the KMPs are those family members who may be expected to influence or be influenced by that KMPs in their dealing with the entity. They may include KMPs domestic partner and children of the KMPs domestic partner and dependents of the KMPs domestic partner.

During the year no transactions have been done with CFMs.

Compensation paid to KMPs during the year.

	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Directors' Emoluments	7,325	5,368	7,305	5,353
	<u>7,325</u>	<u>5,368</u>	<u>7,305</u>	<u>5,353</u>

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As at 31 March

30 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

30.1 ACCOUNTING CLASSIFICATION AND FAIR VALUE

SLFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The Group and Company classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or FVTPL.

As at 31 March 2025			Fair Value Through OCI Rs.	Amortized Cost Rs.	Non Financial Instruments Rs.	Total Carrying Value Rs.	Total Fair Value Rs.
Group		Note					
Financial Assets							
Unquoted Investments	14.2		19,498	-	-	19,498	19,498
Quoted Investments	14.3		61	-	-	61	61
Trade and Other Receivables	16		-	328,232	550	328,782	328,782
Loan Give from Related Party	17.2		-	8,000	-	8,000	8,000
Amounts due from Related Parties	17		-	32,451	-	32,451	32,451
Cash and Cash Equivalents	18		-	368,586	-	368,586	368,586
			<u>19,559</u>	<u>737,269</u>	<u>550</u>	<u>757,378</u>	<u>757,378</u>
Financial Liabilities							
Bank Overdraft	18		-	78,989	-	78,989	78,989
Trade and Other Payable	25		-	36,401	-	36,401	36,401
			<u>-</u>	<u>115,390</u>	<u>-</u>	<u>115,390</u>	<u>115,390</u>
As at 31 March 2024			Fair Value Through OCI Rs.	Amortized Cost Rs.	Non Financial Instruments Rs.	Total Carrying Value Rs.	Total Fair Value Rs.
Group							
Financial Assets							
Unquoted Investments	14.2		21,111	-	-	21,111	21,111
Quoted Investments	14.3		54	-	-	54	54
Trade and Other Receivables	16		-	99,585	931	100,516	100,516
Loans given to Related Party	17.2		-	7,000	-	7,000	7,000
Amounts due from Related Parties	17		-	28,766	-	28,766	28,766
Cash and Cash Equivalents	18		-	460,387	-	460,387	460,387
			<u>21,165</u>	<u>595,738</u>	<u>931</u>	<u>617,834</u>	<u>617,834</u>
Financial Liabilities							
Bank Overdraft	18		-	643	-	643	643
Trade and Other Payable	25		-	21,906	-	21,906	21,906
			<u>-</u>	<u>22,549</u>	<u>-</u>	<u>22,549</u>	<u>22,549</u>
As at 31 March 2025			Fair Value Through OCI Rs.	Amortized Cost Rs.	Non Financial Instruments Rs.	Total Carrying Value Rs.	Total Fair Value Rs.
Company		Note					
Financial Assets							
Unquoted Investments	14.2		19,498	-	-	19,498	19,498
Quoted Investments	14.3		51	-	-	51	51
Trade and Other Receivables	16		-	324,544	550	325,094	325,094
Amounts due from Related Parties	17		-	32,451	-	32,451	32,451
Cash and Cash Equivalents	18		-	233,983	-	233,983	233,983
			<u>19,549</u>	<u>590,978</u>	<u>550</u>	<u>611,077</u>	<u>611,077</u>
Trade and Other Receivables							
Bank Overdraft	18		-	78,989	-	78,989	78,989
Trade and Other Payable	25		-	36,093	-	36,093	36,093
			<u>-</u>	<u>115,082</u>	<u>-</u>	<u>115,082</u>	<u>115,082</u>
As at 31 March 2024			Fair Value Through OCI Rs.	Amortized Cost Rs.	Non Financial Instruments Rs.	Total Carrying Value Rs.	Total Fair Value Rs.
Company							
Financial Assets							
Unquoted Investments	14.2		21,111	-	-	21,111	21,111
Quoted Investments	14.3		48	-	-	48	48
Trade and Other Receivables	16		-	95,762	931	96,693	96,693
Amounts due from Related Parties	17		-	28,766	-	28,766	28,766
Cash and Cash Equivalents	18		-	328,802	-	328,802	328,802
			<u>21,159</u>	<u>453,330</u>	<u>931</u>	<u>475,420</u>	<u>475,420</u>
Financial Liabilities							
Bank Overdraft	18		-	643	-	643	643
Trade and Other Payable	25		-	21,648	-	21,648	21,648
			<u>-</u>	<u>22,291</u>	<u>-</u>	<u>22,291</u>	<u>22,291</u>

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30 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

30.2 FAIR VALUE MEASUREMENT

30.2.1 Fair value measurement hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level I: Quoted market price (unadjusted) in an active market for an identical instrument.

Level II: Valuation techniques based on observable inputs, either directly – i.e. as prices or indirectly – i.e. derived from prices. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level III: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the bank determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates. The objective of the valuation technique is to arrive at a fair value determination that reflect the price of the financial instrument at the reporting date, that would have determined by the market participants acting at the arms length.

The Group uses widely recognized valuation models for determining the fair value of common and more simple financial instruments, Observable prices and model inputs are usually available in the market for listed debt and equity securities and government securities. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Cash and Cash Equivalents

The carrying amount of the cash and cash equivalents and balances with banks approximate the fair value as these are short term in nature.

Trade and Other Receivables

Trade and other receivables are expected to be settled within one year from the reporting date and hence the discounting impact would be immaterial. Therefore carrying amount approximate the fair value as at the reporting date.

Amount due from Related Parties

Amount due from Related Parties are expected to be settled within one year from the reporting date and hence the discounting impact would be immaterial. Therefore carrying amount approximate the fair value as at the reporting date.

Trade and Other Payables

Trade and Other payables are expected to be settled within one year from the reporting date and hence the discounting impact would be immaterial. Therefore carrying amount approximate the fair value as at the reporting date.

Fair value measurement hierarchy - Group

	As at 31 March 2025				As at 31 March 2024			
	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Recurring fair value measurements								
Assets measured at fair value :								
- Investment Property	-	-	370,963	370,963	-	-	356,419	356,419
Other Financial Assets								
-Unquoted equity securities	-	-	19,498	19,498	-	-	21,111	21,111
-Quoted equity securities	61	-	-	61	54	-	-	54
	<u>61</u>	<u>-</u>	<u>390,461</u>	<u>390,522</u>	<u>54</u>	<u>-</u>	<u>377,530</u>	<u>377,584</u>
Assets for which fair values are disclosed								
Property Plant & Equipment								
-Freehold land	-	-	1,493,261	1,493,261	-	-	1,419,408	1,419,408
	<u>-</u>	<u>-</u>	<u>1,493,261</u>	<u>1,493,261</u>	<u>-</u>	<u>-</u>	<u>1,419,408</u>	<u>1,419,408</u>

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Fair value measurement hierarchy - Company

	As at 31 March 2025				As at 31 March 2024			
	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Recurring fair value measurements								
Assets measured at fair value :								
- Investment Property	-	-	370,963	370,963	-	-	356,419	356,419
Other Financial Asset								
-Unquoted equity securities	-	-	19,498	19,498	-	-	21,111	21,111
-Quoted equity securities	51	-	-	51	48	-	-	48
	51	-	390,461	390,512	48	-	377,530	377,578
Assets for which fair values are disclosed								
Property Plant & Equipment								
-Freehold land	-	-	1,493,261	1,493,261	-	-	1,419,408	1,419,408
	-	-	1,493,261	1,493,261	-	-	1,419,408	1,419,408

30.2.2 Valuation techniques and Significant Unobservable Inputs

The following table shows the valuation techniques used in measuring Level 3 fair values for financial instruments/ non-financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

Assets	Valuation technique	Significant unobservable input	Inter relationship between key unobservable input and fair value measurement
Equity Securities (Other Investments)	Market comparison technique : The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non - marketability of the equity securities, and the revenue and EBITDA of the investee. The estimate is adjusted for the net debt of the investee.	Adjusted market multiple Net Assets per Share Rs.42.34	The estimated fair value would increase/ (decrease) if the adjusted market multiple were higher (lower)

Valuation Techniques used for Investment Property are described in Note 13.1

30.3 FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and review the adequacy of the risk management framework in relation to the risks faced by the Group.

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30 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

30.3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet his contractual obligations, and this principally arises from the Group's receivables from customers.

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Notes	Group Carrying Amount		Company Carrying Amount	
		2025	2024	2025	2024
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade and Other Receivables	16	112,405	112,405	336,983	108,582
Amount due from Related Parties	17	32,451	28,766	32,451	28,766
Loans given to Related Parties	17.2	8,000	7,000	-	-
Cash at Bank	18	367,567	459,207	232,964	327,622
		520,423	607,378	602,398	464,970

Trade Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

Group	Group 2025		Company 2025	
	Gross Balance	Impairment	Gross Balance	Impairment
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Past due 0 - 60 days	252,466	-	252,466	-
Past due 61 - 180 days	12,654	8,050	12,654	8,050
Past due 181 - 365 days	2,069	2,069	2,069	2,069
More than one year	1,770	1,770	1,770	1,770
	268,959	11,889	268,959	11,889

Impairment Losses

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of Trade and Other Receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for Groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The Group has recognized an impairment loss amounting Rs.11.8 Mn as at 31 March 2025.

Cash and Cash Equivalents

The Group held Cash and Cash equivalents of Rs. 368.5 Mn at 31 March 2025 (Rs. 460.4 Mn as at 31 March 2024) which represent its maximum credit exposure on these assets.

The Company limits its exposure to credit risk on bank balances by maintaining balances with reputable and credit worthy banks having high credit ratings.

Bank of Ceylon – AA-(lka)

National Development Bank – A+(lka)

(ii) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities.

As at 31 March 2025	Note	Group				Company			
		Carrying Amount	Contractual Cash Flow	0-12 Months	More than 1 Year	Carrying Amount	Contractual Cash Flow	0-12 Months	More than 1 Year
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Liabilities (Non- Derivative)									
Bank Overdraft	18	78,989	78,989	78,989	-	78,989	78,989	78,989	-
Trade and Other Payables	25	36,401	36,401	36,401	-	36,093	36,093	36,093	-
Total		115,390	115,390	115,390	-	115,082	115,082	115,082	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

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30 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

30.3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Liquidity Risk (Continued)

As at 31 March 2024	NOTE	Group			Company		
		Carrying Amount Rs.'000	0-12 Months Rs.'000	More than 1 Year Rs.'000	Carrying Amount Rs.'000	0-12 Months Rs.'000	More than 1 Year Rs.'000
Financial Liabilities (Non- Derivative)							
Bank Overdraft	18	643	643	-	643	643	-
Trade and Other Payables	25	21,906	21,906	-	21,648	21,648	-
Total		22,549	22,549	-	22,291	22,291	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(iii) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency Risk

The Group is exposed to currency risk on purchases that are denominated in a currency other than Sri Lankan Rupees (LKR). The foreign currencies in which these transactions primarily denominated are United States Dollars (USD) and Euro. At the reporting date the group has not exposed to currency risk.

(a) Interest Rate Risk

At the reporting date, the Company's interest-bearing financial instruments were as follows

	Notes	Group		Company	
		Carrying Amount 2025 Rs.'000	2024 Rs.'000	Carrying Amount 2025 Rs.'000	2024 Rs.'000
Fixed Rate Instruments					
<i>Financial Assets</i>					
Loan Due From Related Party	17.2	8,000	7,000	-	-
		8,000	-	-	-
Variable Rate Instruments					
<i>Financial Liabilities</i>					
Bank Overdrafts	18	78,989	643	78,989	643
		78,989	643	78,989	643

Cash Flow Sensitivity Analysis for Variable Rate Instruments

The Group is exposed to changes in market interest rates through bank over draft at variable interest rates.

31 March 2025	Profit or Loss	
	100 bp Increase Rs.000	100 bp Decrease Rs.000
Variable Rate Instruments	(99)	99
Cash Flow Sensitivity (Net)	(99)	99

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As at 31 March

30 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)
30.3 FINANCIAL RISK MANAGEMENT (CONTINUED)
(iv) Capital management

The Board's policy is to maintain a strong capital base so as to maintain shareholder, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders.

The Management seeks to maintain a lower level of gearing to go in line with the risk limits they have set for the Group based on the Group's risk capacity. Accordingly, the borrowings are kept at a minimum level and major part of the borrowings comprise short term fixed interest rate loans from the Subsidiary Company and Bank Overdrafts with variable interest rates being used only to manage the working capital requirements of day to day operations of the Group.

The Group's debt to adjusted capital ratio at the end of the reporting period was as follows:

	Notes	Group		Company	
		2025	2024	2025	2024
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Total Liabilities		214,858	142,644	214,378	139,000
Less: Cash and Cash Equivalents	18	(368,586)	(460,387)	(233,983)	(328,802)
Net Debt		(153,728)	(317,743)	(19,605)	(189,802)
Total Equity		1,050,997	1,014,564	909,721	880,965
Net Debt to Equity Ratio		0%	0%	0%	0%

There were no changes in the Group's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 March

31 SEGMENTAL REPORTING

Reportable segment	Operations											
Security Printing Division	Printing of cheque leaves and security documents											
Security Card Division (Lake House Technologies)	Manufacturing and marketing plastic and internationally certified Visa, Master and other internal cards and solutions and the supply of related equipment and machinery											
Atlas Trading	Publishing and distributing Lake House Atlas											
LH Plantations (Pvt) Ltd	Managing agent of coconut plantations											
	Security Printing Division		Security Cards Division		Atlas		Other		L. H Plantations		Group	
	2025	2024	2025	2024†	2025	2024†	2025	2024	2025	2024	2025	2024
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Revenue												
External Sales	352,113	434,942	1,196,484	1,622,070	3,214	16,039	-	-	360	360	1,552,171	2,073,411
Inter Segment Sales	-	-	-	-	-	-	-	-	-	-	-	-
Gross Turnover	352,113	434,942	1,196,484	1,622,070	3,214	16,039	-	-	360	360	1,552,171	2,073,411
Revenue Based Taxes	(60,346)	(66,647)	(204,292)	(103,546)	(559)	(347)	(1,211)	(1,446)	-	-	(266,408)	(171,986)
Net Segment Revenue	291,767	368,295	992,192	1,518,524	2,655	15,692	(1,211)	(1,446)	360	360	1,285,763	1,901,425
Total Revenue	-	-	-	-	-	-	-	-	-	-	1,285,763	1,901,425
Gross Profit	-	-	-	-	-	-	-	-	-	-	289,855	523,373
Other Operating Income	-	-	-	-	-	-	-	-	12,951	20,516	63,595	72,217
Operating Profit	-	-	-	-	-	-	-	-	-	-	53,979	197,888
Net Finance Income	-	-	-	-	-	-	-	-	-	-	32,683	33,353
Profit before Tax	-	-	-	-	-	-	-	-	-	-	86,662	231,241
Income Tax Expense	-	-	-	-	-	-	-	-	-	-	(24,786)	(77,809)
Profit for the year	-	-	-	-	-	-	-	-	-	-	61,876	153,432
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	(7,820)	(1,250)
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-	54,056	152,182
Assets												
Segment Assets	150,391	207,667	313,725	106,404	3,620	4,245	285,380	343,528	141,756	138,945	894,872	800,789
Investment Property	-	-	-	-	-	-	-	-	-	-	370,963	356,419
Total Assets	150,391	207,667	313,725	106,404	3,620	4,245	285,380	343,528	141,756	138,945	1,265,835	1,157,208
Liabilities												
Segment Liabilities	3,742	4,404	12,228	18,999	-	-	88,190	88,655	308	252	104,468	112,310
Deferred Taxation	-	-	-	-	-	-	-	-	-	-	31,229	29,690
Interest Bearing Borrowings	-	-	-	-	-	-	78,989	643	-	-	78,989	643
Total Liabilities	3,742	4,404	12,228	18,999	-	-	167,179	89,298	308	252	214,686	142,643
Capital Expenditure	6,414	815	1,920	1,540	-	-	2,074	1,356	-	-	10,408	3,711
Depreciation	4,110	5,167	664	546	-	-	927	1,445	-	-	5,701	7,158

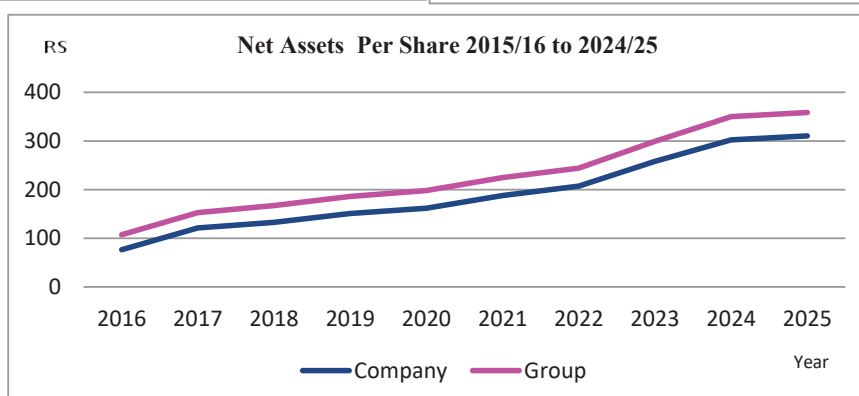
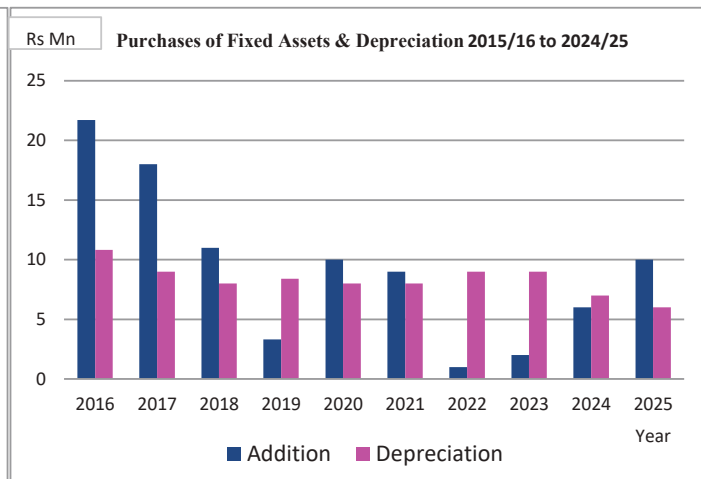
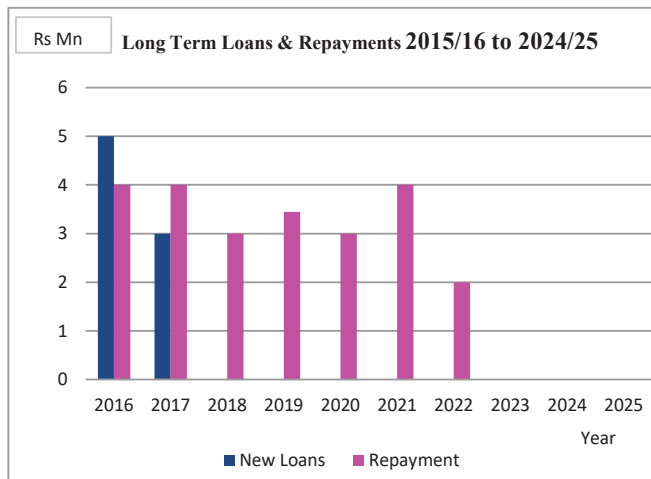
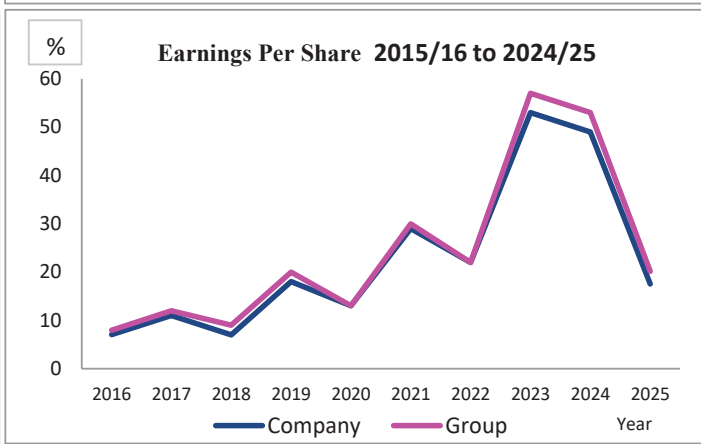
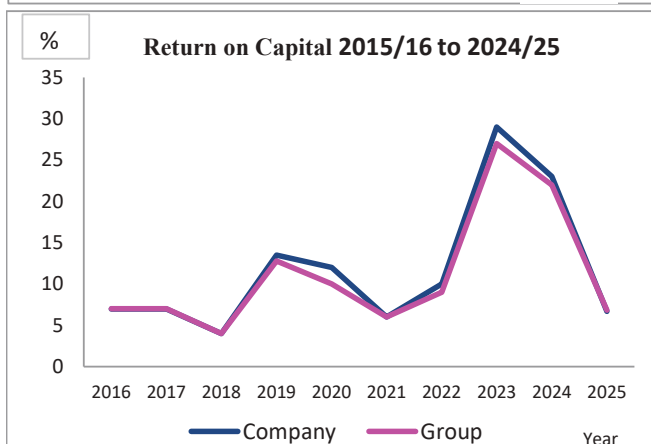
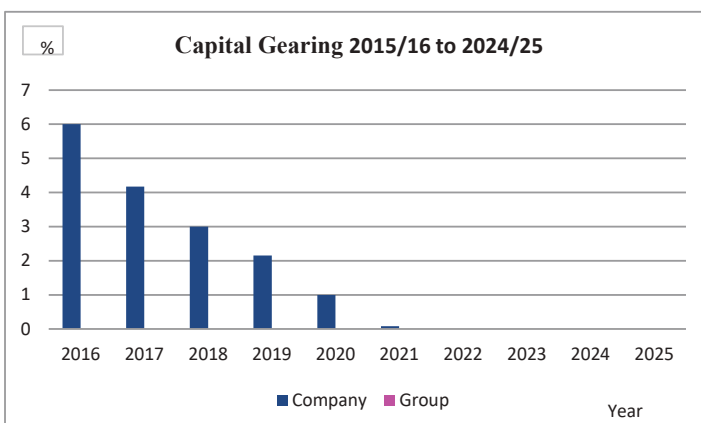
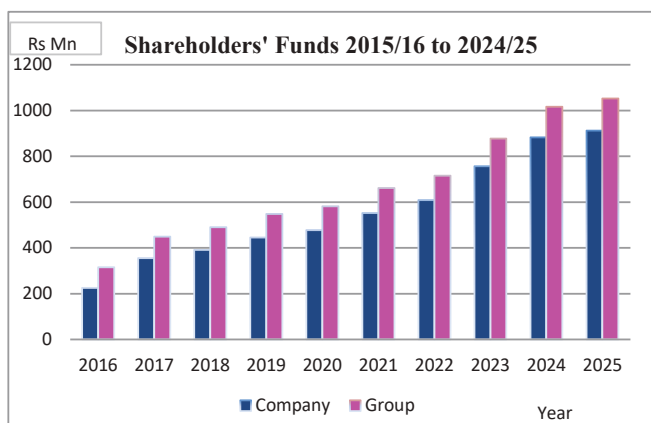
32 DIRECTORS' RESPONSIBILITY

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

STATISTICAL INFORMATION



LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

STATISTICAL INFORMATION (CONTINUED)

PERFORMANCE SUMMARY OF THE COMPANY FOR THE YEARS 2015/2016 - 2024/2025

	2024/2025		2023/2024		2022/2023		2021/2022		2020/2021	
	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%
CAPITAL & RESERVES										
Stated Capital	35.30	3.87	35.30	3.98	35.30	4.67	35.30	5.79	35.30	6.39
Capital Reserves	6.20	0.68	6.20	0.70	6.20	0.82	6.20	1.02	6.20	1.12
Other Reserves	228.38	25.10	234.73	26.64	236.95	31.32	234.73	38.55	234.50	41.96
Retained Earnings	639.84	70.35	604.74	68.68	478.02	63.19	332.60	54.64	271.68	50.44
Shareholders' Funds	909.72	100.00	880.97	100.00	756.47	100.00	608.83	100.00	547.68	99.91
LONG TERM LOANS	-	-	-	-	-	-	-	-	0.48	0.09
	909.72	100.00	880.97	100.00	756.47	100.00	608.83	100.00	548.16	100.00
REPRESENTED BY										
Property, Plant and Equipment	400.37	44.01	381.13	43.26	374.22	49.47	369.62	60.70	366.60	66.37
Investments	22.53	2.47	24.14	2.74	23.01	3.04	20.84	3.42	25.51	4.61
NON- CURRENT ASSETS	422.90	46.48	405.27	46.00	397.23	52.51	390.46	64.12	392.11	70.98
Current Assets	701.19	77.07	615.76	69.89	694.57	91.82	279.31	45.87	225.37	40.80
Liabilities	(183.15)	(20.43)	(115.10)	(13.06)	(310.37)	(41.03)	(56.24)	(9.21)	(59.29)	(10.73)
Deferred Tax	(29.06)	(3.12)	(24.96)	(2.83)	(24.96)	(3.30)	(4.70)	(0.78)	(5.80)	(1.05)
Net Assets	486.82	53.52	475.70	54.00	359.24	47.49	218.37	35.88	160.28	29.02
	909.72	100.00	880.97	100.00	756.47	100.00	608.83	100.00	552.39	100.00
GROSS TURNOVER	1,551.81	100.00	2,073.05	100.00	1,481.55	100.00	660.21	100.00	478.76	100.00
Brought out materials and services	1,110.53	71.56	1,558.29	75.17	1,057.51	71.38	480.16	72.72	334.33	69.83
Salaries and Wages	130.85	8.43	124.63	6.01	98.54	6.65	74.46	11.28	75.36	15.74
Depreciation	5.70	0.37	7.47	0.37	8.76	0.59	8.97	1.35	8.46	1.77
Loan Interest	4.56	0.29	7.37	0.36	14.12	0.96	2.02	0.30	1.01	0.21
Government Tax	290.35	18.71	243.03	11.71	158.38	10.67	39.53	5.99	31.70	6.62
Dividends	17.62	-	14.68	-	5.89	-	5.14	-	6.60	-
Profit/ (Loss) for the Year	39.65	2.52	132.26	6.38	144.21	9.73	55.07	8.36	27.90	5.83
Revaluation of Investment Property net of Tax	14.54	-	8.16	-	11.79	-	11.07	57.10	-	-
Other Income	27.19	-	31.45	-	22.97	-	23.95	-	33.34	-
Profit/ (Loss) Before Tax (Rs.Mn)	75.52	-	211.70	-	232.58	-	72.08	-	88.63	-
ACCOUNTING RATIOS										
	2024/2025		2023/2024		2022/2023		2021/2022		2020/2021	
Current Assets	4.40		6.83		2.35		6.43		3.80	
Quick Assets	3.71		5.04		1.48		3.80		2.56	
Gearing (Equity)	-		-		-		-		0.09%	
Gearing (Loans & Equity)	-		-		-		-		0.09%	

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

STATISTICAL INFORMATION (CONTINUED)

PERFORMANCE SUMMARY OF THE COMPANY FOR THE YEARS 2015/2016 - 2024/2025

2019/2020		2018/2019		2017/2018		2016/2017		2015/2016		
Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	
35.30	7.34	35.30	7.80	35.30	8.80	35.30	9.60	35.30	14.80	CAPITAL & RESERVES
6.20	1.29	6.20	1.40	6.20	1.50	6.20	1.60	6.20	2.60	Stated Capital
232.00	48.24	232.00	51.50	228.30	56.90	207.90	56.50	105.60	44.30	Capital Reserves
202.10	42.48	171.20	38.00	121.40	30.40	105.30	28.60	77.50	32.60	Other Reserves
475.60	99.35	444.70	98.70	391.20	97.60	354.70	96.30	224.60	94.30	Retained Earnings
3.12	0.65	6.20	1.30	9.80	2.40	13.30	3.70	13.50	5.70	Shareholders' Funds
478.72	100.00	450.90	100.00	401.00	100.00	368.00	100.00	238.10	100.00	LONG TERM LOANS
309.20	64.59	328.30	72.80	312.40	77.90	305.50	83.00	188.00	79.00	REPRESENTED BY
25.80	5.39	25.70	5.70	22.00	5.50	18.20	4.90	16.90	7.10	Property, Plant and Equipment
335.00	69.98	354.00	78.50	334.40	83.40	323.70	87.90	204.90	86.10	Investments
261.85	54.70	205.10	45.50	150.20	37.40	127.60	34.70	107.60	45.20	NON- CURRENT ASSETS
(110.51)	(23.09)	(100.70)	(22.30)	(81.80)	(20.40)	(81.60)	(22.20)	(73.50)	(30.90)	Current Assets
(7.62)	(1.59)	(7.50)	(1.70)	(1.80)	(0.40)	(1.80)	(0.40)	(0.90)	(0.40)	Liabilities
143.72	30.02	96.90	21.50	66.60	16.60	44.20	12.10	33.20	13.90	Deferred Tax
478.72	100.00	450.90	100.00	401.00	100.00	368.00	100.00	238.10	100.00	Net Assets
623.40	100.00	809.20	100.00	556.56	100.00	488.60	100.00	380.00	100.00	GROSS TURNOVER
378.16	60.66	596.60	73.70	331.20	59.50	297.20	60.80	228.70	60.18	Brought out materials and services
93.36	14.98	92.60	11.50	83.30	15.00	74.80	15.30	67.13	17.66	Salaries and Wages
7.74	1.24	8.40	1.00	7.90	1.40	9.30	1.90	10.80	2.84	Depreciation
2.10	0.34	2.80	0.30	5.00	0.90	3.60	0.70	2.90	0.76	Loan Interest
83.74	13.43	101.70	12.60	95.30	17.10	72.20	14.20	49.82	13.11	Government Tax
5.90	-	4.40	-	3.60	-	2.90	-	2.90	-	Dividends
58.30	9.35	54.00	6.70	20.50	3.50	31.50	6.50	20.65	5.45	Profit/ (Loss) for the Year
-	-	15.40	-	(10.80)	-	2.30	-	8.30	-	Revaluation of Investment Property
37.32	-	31.50	-	31.50	-	24.90	-	19.10	-	net of Tax
56.23	-	75.00	-	32.40	-	34.50	-	27.00	-	Profit/ (Loss) Before Tax (Rs.Mn)

ACCOUNTING RATIOS

2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	
2.37	2.03	1.84	1.56	1.46	Current Assets
1.57	0.93	1.16	0.82	0.81	Quick Assets
0.66%	1.27%	2.44%	3.70%	6.03%	Gearing (Equity)
0.65%	1.39%	2.50%	3.75%	5.68%	Gearing (Loans & Equity)

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

STATISTICAL INFORMATION (CONTINUED)

COMPANY

		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Earnings per Share	(Rs.)	12.62	26.57	22.48	53.12	47.82	18.46
Dividends per Share	(Rs.)	2.25	1.75	2.00	5.00	6.00	6.00
Net Assets per Share	(Rs.)	161.92	186.46	207.28	257.56	299.95	309.75
Year on Year growth in Earnings per Share	(%)	(31.33)	110.53	(15.39)	136.30	(9.98)	(61.41)
Year on Year growth in Dividends per Share	(%)	12.50	(22.22)	14.28	150.00	20.00	-
Operating Return before Interest on Investments	(%)	9.86	14.76	11.52	28.00	20.75	7.47
Borrowing as a percentage of Total Assets	(%)	20.30	11.30	9.10	30.71	13.46	19.07
Interest Cover		27.68	88.41	36.56	17.48	29.74	17.54
Price Earnings Ratio		10.15	4.56	6.75	3.42	3.76	13.55
Earnings Yield	(%)	9.85	21.91	14.81	29.18	26.56	7.38
Dividend Payout Ratio	(%)	17.83	6.58	8.90	9.41	12.62	32.52

GROUP

		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Earnings/(Loss) per Share	(Rs.)	13.26	27.93	22.01	57.50	52.24	21.07
Net Assets per Share	(Rs.)	197.71	223.62	243.96	298.63	345.44	357.85
Year on Year growth in Earnings per Share	(%)	(33.96)	110.63	(21.20)	161.25	(9.15)	(59.66)
Operating Return before Interest on Investments	(%)	8.35	13.36	9.79	26.59	20.11	7.53
Borrowing as a percentage of Total Assets	(%)	16.57	9.37	7.86	27.87	12.18	16.97
Interest Cover		42.50	145.55	37.78	18.78	32.39	19.98

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/2025

STATISTICAL INFORMATION (CONTINUED)

Share Structure as at 31 March 2025

No. Of Shareholders	Range	No. Of Shares	Percentage %
589	1-1000	41,402	1.41
25	1001-5000	56,271	1.92
3	5001-10000	22,195	0.76
7	10001-20000	103,125	3.51
2	20001-30000	79,450	2.70
5	30001-40000	139,211	4.74
1	40001-50000	48,830	1.66
2	50001-100000	162,059	5.52
3	100001-1000000	1,232,615	41.97
1	Over-1000000	1,052,087	35.82
638		2,937,245	100.00

Directors' Shareholdings

NAME OF THE DIRECTOR	NO. OF SHARES	
	<u>31/03/2025</u>	<u>31/03/2024</u>
Mr. R.S.Wijewardene	1,052,087	1,052,087
Mr. D.R.Wijewardene	962,612	962,612
Mr.P.S.Wijewardene	108,282	108,282
Mr.R.C.Samarasinghe	-	-
Prof.L.R.Watawala	-	-
Mr.D.S.Senavirathna (Snr. Ind. Director)	-	-
Mr.E.A.G.De.Silva (Ind. Director)	-	-

Major Shareholders

NAME	NO. OF SHARES	PERCENTAGE ON TOTAL SHARES
Mr. R.S.Wijewardene	1,052,087	35.82
Mr. D.R.Wijewardene	962,612	32.77
MR.D.N.Wijewardane	161,721	5.51
Mr.P.S.Wijewardene	108,282	3.69
Mr.A.I.Goonerathne	94,046	3.20
Mrs.A.I.Wijesundere	66,123	2.25
Mrs.R.N.Wijewardene	48,830	1.66
Mr.N.D.P.Hettiarachchi	39,519	1.35
Mr.Ranil Wickremasinghe	38,964	1.33
Mrs.I.N.Wijewardene	37,425	1.27
Mr.N.W.W.Welgama	32,584	1.11
Mr.R.N.Wickremasinghe	30,238	1.03
Mr.K.A.Weerathunge	29,730	1.01
Estate of Late Mr.P.Sivali Wijewardene	28,630	0.97
Mr.A.L.Goonerathne	20,000	0.68
Miss.R.M.Wijewardane	18,111	0.62
Ms.V.S.Wijewardene	14,038	0.48
Mr.A.R.Wijewardene	11,722	0.40
E CHANNELLING PLC	10,697	0.36
Mr.M.Mahibalan	10,312	0.35
	2,815,671	95.86

Public Holding

The company complies with the minimum public holding requirement under Table 1 Option 5 (as per the CSE Directive of 17th November 2016), as at 31 March 2025.

- Number of Shareholders	634	
- No,of Shares	765,434	
- As a Percentage	26.06%	
Highest Price per share for the period (Rs)		279.75
Lowest Price per share for the period (Rs)		167.25
Market Value Per Share as at 31 March 2025		250.00

It is not a requirement under Option 5 of Table 1 to disclose the Float Adjusted Market Capitalization of the Company. However, for purposes of information, the Float Adjusted Market Capitalization of the Company as at 31 March 2025 was Rs.171Mn.

Form of Proxy

I/We..... of
being a member/members of Lake House Printers & Publishers PLC hereby
appoint.....of.....
..... or failing him Mr.R.S.Wijewardene or failing him Mr.P.S.Wijewardene or failing him
Mr.R.C.Samarasinghe or failing him Prof.L.R.Watawala or failing him Mr.D.R Wijewardene or failing him
Mr. D.S. Seneviratne or failing him Mr. Mr. E. A. G. de Silva as my/our proxy to speak/vote for me/us and
on my/our behalf at the Annual General Meeting of the Company to be held on the 29th September 2025
at 3:00 p.m via ZOOM online platform and at any adjournment thereof and at every poll which may be
taken in connection with such meeting.

Signature

Note: Delete what is inapplicable

Instructions as to completion

1. To be valid, this Form of Proxy must be Scanned & E-mail to: agmlhpp2025@gmail.com /Post or deposited at the Registered Office at No: 41, W.A.D Ramanayake Mawatha, Colombo 02, not later than 48 hours before the time appointed, for holding the meeting.
2. The instrument appointing a proxy must be in writing under the hand of the appointer or his Attorney, duly authorized in writing.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or normally a certified copy of that power of attorney or other authority will have to be Scanned & Email to agmlhpp2025@gmail.com deposited at the registered office of the company, not less than 24hours before the time appointed for the holding of the meeting.



LAKE HOUSE PRINTERS
&
PUBLISHERS PLC

