



**LAKE HOUSE PRINTERS
&
PUBLISHERS PLC**

**ANNUAL REPORT
2021/2022**

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LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021/2022

TO ALL SHAREHOLDERS OF LAKE HOUSE PRINTERS AND PUBLISHERS PLC.

NOTICE OF MEETING

Fifty Eighth Annual General Meeting

Notice is hereby given that the Fifty Eighth Annual General Meeting of the Company will be held on 30th September 2022 at 11.30 a.m. in Colombo via Zoom.

All the shareholders of the Company are entitled to participate on line 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 2022 with the Report of the Auditors thereon.**
- 2. To declare a first and final dividend of Rs. 2/- per share as recommended by the Directors.**
- 3. 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.**

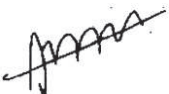
“Resolved that the age limit referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to Mr.Ranjit Sujiva Wijewardene who is 85 years and that he be re-elected a Director of the Company”

“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 74 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 Mr. Dulip F.R. Jayamaha who is 78 years and that he be re-elected a Director of the Company”

- 4. To reappoint Auditors, for the year 2022/2023 and to authorize the Directors to determine their remuneration.**
- 5. Any other matters**

BY ORDER OF THE BOARD



D.P.A.N. Kumara
Company Secretary
12 September, 2022

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 agmlhpp2022@gmail.com or shall be posted to reach its Registered Office not less than 48 hours before the meeting.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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CORPORATE INFORMATION

Legal Status

A Quoted Public Company
Registered Number – PQ 175

Board of Directors

R.S.Wijewardene (Chairman)
P.S.Wijewardene
R.C.Samarasinghe
Prof.L.R.Watawala (Independent non-Executive Director)
Dulip F.R. Jayamaha - President's Counsel (Independent non-Executive Director)
D.R Wijewardene – Non Executive Director (Appointed on 1st August 2021)

Secretary

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.

Registered Office

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

Fax

011 – 2449504

E- Mail

lhpp@sltnet.lk
[Http://www.lhpl.com](http://www.lhpl.com)

Telephones

0112433272-3
0112332271

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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 – Director

Mr.P.S.Wijewardene holds a Master’s Degree from the University of Leicester, U.K. He counts over 23 years in the Company specially overseeing the Security Card Division activities (as distinct from Security Printing Division) of the Company.

Mr.P.S.Wijewardene is also a Director of subsidiary company LH Plantations (Private) Limited, and closely related companies Ranweli Holiday Village Limited, and Freudenberg & Company Limited. He is also the deputy Chairman of Wijeya Newspapers Limited..

Mr.R.C.Samarasinghe – Director

Mr.Samarasinghe who became a Director of the Company in March 2005, is a Senior Chartered Accountant who prior to his present position, has held senior management positions at several well-known and diverse companies. He was the Finance Director of Textured Jersey Lanka PLC, a group company of MAS Holdings (Private) Limited, General Manager, Finance and Administration of Mobitel (Private) Limited, Project Manager of Public Enterprise Reform Commission of Sri Lanka and Financial Controller of Electronic Data Systems (Private) Limited, Singapore. Mr. Samarasinghe is a Fellow member of the Institute of Chartered Accountants of Sri Lanka.

Prof.Lakshman R.Watawala – Director

Prof.Lakshman R.Watawala is a Fellow of the Institute of Chartered Accountants of Sri Lanka, Fellow of the Institute of Certified Management Accountants of Sri Lanka and, a Fellow of the Chartered Institute of Management Accountants of U.K. He has held the position of Chairman and Managing Director of the Board of Investment of Sri Lanka twice. He has also served as the Chairman of People’s Bank, People’s Merchant Bank and other State Corporations. He has also functioned as an adviser in the Ministry of Finance. He is a Past President of the Institute of Chartered Accountants of Sri Lanka, South Asian Federation of Accountants and the Founder President of AAT Sri Lanka and also the Founder and incumbent President of the Institute of Certified Management Accountants of Sri Lanka. He was formerly a Committee Member of the Ceylon Chamber of Commerce and serves on the Boards of a number of Public Quoted Companies.

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BOARD OF DIRECTORS(CONTINUED)

Dulip.F.R.Jayamaha – Director

Dulip Flavian Raphael Jayamaha is a President's Counsel. He has been in active Civil Law practice since 1969. He was appointed as a Director of Ceylon State Hardware Corporation in 1980. Thereafter, he was appointed to the Board of Directors of Ceylon Petroleum Corporation and served as the Chairman of the Audit Committee of Ceylon Petroleum Corporation from February 2002 to April 2004. He was the first Chairman of Ceylon Petroleum Storage Terminals Limited and served in the Board from November 2003 to April 2004. Further he served as a Director of Lanka Cement Limited and served as Chairman of the Audit Committee of Lanka Cement Limited from March 2002 to April 2004.

Mr. D.R Wijewardene – (Director)

Mr.D.R Wijewardene was appointed as a Non-Executive Director w.e.f 1st August 2021. He is the holder of a Bachelor's Degree from the University of Sussex, UK. Mr. D.R Wijewardene is also a Director of the closely related Company R.S Printek (Private) Limited.



D.P.A.N. Kumara
Secretary to the Board
12 September, 2022
Colombo

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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THE CHAIRMAN'S REVIEW

Despite the prevailing conditions in the country, our Company continues to maintain its resilience by consistently posting strong results.

In the year under review, the Company has again fared well by posting a Net Profit before Tax of Rs.72.09 Mn.

The Profit for the year after Tax was Rs.66.04 Mn.

Its Surplus of Rs.61.21 Mn from Direct Business Operations (excluding Gains / Losses on Revaluation of Investment Properties & Finance Costs / Income) is an improvement of 105.66% over the Financial Year 20/21.

The Combined Gross Profit and Other Operating Income of Rs.202.9 Mn for the year is a substantial improvement of 25% over the previous financial year.

The Gross Turnover of Rs.631.9 Mn is the second highest Turnover achieved by the Company in its 50 plus year history, a 40% improvement over F/Y 20/21.

While we can be pleased with the impressive results achieved during a period of turmoil, we have to be constantly alert to the rapid rise of expenditure in every sphere of operations in the country, presenting grave problems to the progress and development of businesses and industries, including ourselves.

Finance Costs too have risen marginally during the period under review, to Rs.2 Mn but it has not affected the Company performance being negligible in the overall context.

Finance Income for the period was Rs.1.8 Mn.

Both Production Divisions have performed well but, we cannot overlook the fact that Works Overheads, Administration as also Distribution Expenses have all risen significantly in both Divisions, though not to the extent of undermining the excellent revenue related performance of the Security Printing and Security Cards Divisions. These two divisions continue to be the backbone of the Company and their consistent achievements over the years have been the primary reason for the growth of the company.

The current year has been no exception.

During the year under review, the Company took the important step of divesting itself of its holding of 49% of the Shares of Stamford Lake (Pvt) Ltd, after holding them for almost 25 years.

It was deemed advisable to do so in the face of major changes of personnel at Stamford Press Lanka (Pvt) Ltd and its overseas owner Stamford Press Ltd of Singapore (the major partner in the Joint Venture Operation), after the demise of its Chairman & Managing Director, Dr. R. Theyvendran.

An Agreement was entered into between the Company and Stamford Press, Singapore in March 2022 for the sale of our Company's entire stake in Stamford Lake (Pvt) Ltd (490000 shares at a par value of Rs.10/= per share), to Stamford Press, Singapore (through its Sri Lankan Company Stamford Press Lanka (Pvt) Ltd), at a price of Rs.14/= per share (Total Rs.6.86 Mn). As at date the entire dues have been settled by Stamford Press, Singapore.

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THE CHAIRMAN'S REVIEW (CONTINUED)

The fully owned subsidiary of the Company LH Plantations (Pvt) Ltd, is now in its 30th year of operations and, it has been operating for the last 18 years or more on a subdued scale.

In the year under review, the Net Profit has been affected due to its major source of income which is interest earned on its Deposits, dropping noticeably on low rates of interest.

Its Current Assets base which at present has a value of almost Rs.110 Mn is significant in relation to its liabilities which are virtually nil.

As a fully owned subsidiary Company, it enhances the financial viability of the parent company.

The Company's other income generating activities were also on a muted scale in the year under review due to the prevailing conditions in the country.

Atlas Trading activities just as in the previous financial year, have suffered badly as a result of schools being closed for a major part of the year. Though a slight improvement in terms of Turnover has been witnessed over the previous year, the potential of this activity remains unrealized owing to circumstances beyond our control.

Rent Income, another revenue generating source, has also remained the same, very much in line with the last financial year. We cannot see the position improving in the near future as rental values remain depressed.

However, as mentioned earlier, the outstanding performances of the two Production Divisions in spite of adverse conditions in recent years, have effectively compensated for these disappointments.

Notwithstanding the unfavourable conditions, the Company has achieved a Basic Earnings of Rs. 22.48 per share (F/Y 20/21 – Rs.26.57) and pushed up the value of a share on Net Assets Basis to Rs. 207.3 Mn (F/Y 20/21 – Rs.186.46)

The Company is in the fortunate position of operating mostly with accumulated internally generated funds, as an extremely low Gearing Ratio confirms.

Taking all relevant factors into consideration, your Board is of the view that the performance of the Company in the year under review, merits serious consideration for a higher rate of Dividend than in the previous year. Accordingly, they have recommended that the Company pays a Dividend of Rs.2/= per share to its shareholders for the Financial Year ended 31st March 2022. The Dividend payment for the Financial Year 20/21, was Rs.1.75 per share.

Finally, on behalf of myself and the Board, I would like to place on record our sincere appreciation to the Management and the Staff at all levels, 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
12 September, 2022
Colombo

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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CORPORATE GOVERNANCE

The Directors hereby confirm that the Company is in compliance with Section 7.10 of the Listing Rules of Corporate Governance as at 31st March 2022.

Board of Directors

The Executive Directors of the Company meets approximately once a month. Board Meeting with independent non-executive directors are held on a quarterly basis. At such quarterly meetings unaudited accounts for each quarter are analysed and the performance of the Company in each quarter is reviewed. The Directors also acknowledge that they are responsible for protecting the rights and interests of shareholders and their accountability towards them on behalf of the overall management of the Company.

The Directors are responsible for the governance of the Company including the establishment and maintenance of Internal Control Systems of the Company, setting out strategic aims and providing leadership. Internal Control Systems are designed to meet the particular needs of the organization and the risks to which it is exposed to.

Composition of the Board

The names of the Directors of the Company who held office in the Company as at the date of the Annual Report are set out on page no 02. Out of the six members of the Board, three Members are Executive.

There are two Independent Non-Executive Directors namely Prof. L.R Watawala and Mr. Dulip.F.R.Jayamaha P.C. Mr. D.R Wijewardene was appointed on 1st August 2021 as a Non-Executive Director.

Board Meetings

The Board Meetings with Independent Directors are scheduled once in three months, to consider the performance and Financial Statements of the period and to approve routine capital expenditure, among other matters.

Audit Committee

In compliance with the rules of Corporate Governance of the Colombo Stock Exchange, an Audit Committee is in place. The Audit Committee comprises of two Independent Directors Prof.L.R.Watawala who acts as the Chairman of the Audit Committee and Mr.Dulip Jayamaha as a Member. Audit Committee Meetings are held once every quarter. Four Audit Committee Meetings have been held during the financial year.

Related Party Transactions Committee

In compliance with the rules of Corporate Governance of the Colombo Stock Exchange, a Related Party Transactions Committee is in place. Its composition is as follows,

Mr. Dulip.F.R.Jayamaha	- Chairman
Prof.L.R.Watawala	- Member
Mr. R.C.Samarasinghe	- Member

The Related Party Transactions Committee Meetings are held once every quarter. Accordingly, four meetings of the Related Party Transactions Committee were held during the year.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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CORPORATE GOVERNANCE (CONTINUED)

Remuneration Committee

In compliance with the rules of Corporate Governance of the Colombo Stock Exchange, a Remuneration Committee is in place. The Remuneration Committee comprises of Mr.Dulip Jayamaha as the Chairman and, Prof L.R Watawala as a member. The Remuneration Committee met once during the financial year.

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.

Internal Control

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 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.

Disclosure

The Board's policy is to disclose all relevant information to stakeholders, within the bounds of prudent commercial judgment, in addition to preparing the Financial Statements in accordance with Sri Lanka Accounting Standards, the Companies Act No.7 of 2007 and in conformity with Stock Exchange disclosure of requirements.

Compliance Report

The Directors confirm that to the best of their knowledge, all taxes and duties payable by the Company and all contributions, levies and taxes payable on behalf of and in respect of the Company and all other known statutory dues payable as at the Balance Sheet date, have been paid or are provided for in the accounts.

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.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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CORPORATE GOVERNANCE (CONTINUED)

Independence of Directors

In accordance with Rule 7.10 2 (b) of the Colombo Stock Exchange (CSE) Listing Rules, Professor L.R Watawala and Mr. Dulip.F.R.Jayamaha are Independent Non-Executive Directors of the Company as at the date of Annual Report. They have submitted signed dated declarations as per specimen given in Appendix 7A of Continuing Listing Requirements of the CSE.

Based on the above declarations and other information available, the Board is of the view that Professor L.R Watawala and Mr. Dulip.F.R. Jayamaha are eligible for re-appointment as Independent Non - Executive Directors.

Industrial Relations

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

By Order of the Board,



D.P.A.N.Kumara
Company Secretary
12 September, 2022
Colombo

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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RISK MANAGEMENT REPORT

On an ongoing basis we identify potential risks to the business and endeavour to have mechanisms in place to manage them effectively. The Company is exposed to some business risks due to both internal and external factors.

We manage risks on a proactive basis, supported by an effective system of internal controls. Some key areas of risks and treatment methodology are as follows.

Credit risk

To manage our risk to minimize defaults and improve collections.

Process

- Evaluate the credit worthiness of customers prior to extending credit terms.
- Continuous assessment of overdue debtors to ensure restricted credit terms for such customers.

Internal controls

Continue to maintain an effective system of internal controls to ensure and safeguard company assets.

Process:

- Maintaining a strong internal audit team to ensure compliance with procedures and improving on existing systems and controls wherever required.

Technology risk

Continue to maintain awareness of developments in new technology.

Process:

- Our operating divisions continue to be exposed to development of new technology in overseas markets by participating in international trade exhibitions and trade fares. We endeavor to embrace new technology to the market wherever appropriate.

Competitor risk

To ensure we retain and improve our market share in our industry.

Process:

- Ensure a high standard of customer care and product quality.
- Embrace new products and business solutions to ensure we offer an appropriate product range as demanded by our customers and the market.

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REPORT OF THE AUDIT COMMITTEE

The Company's Audit Committee comprises of two Non-Executive Independent Directors as per the Code of Best Practice on Corporate Governance. Prof. Lakshman R.Watawala FCA, FCMA, FCMA (UK), serves as the Chairman of the Audit Committee. Mr. Dulip F.R.Jayamaha P.C is a Member of the Audit Committee. Mr.Jayamaha is a President's Counsel and has been in Civil Law Practice since 1969.

Members who are invited to participate at the Audit Committee meetings are; Mr.D.V Gunatunga, Consultant, Mr.R.C Samarasinghe Director, the Deputy General Manager (Finance) , the Accountant and the Chief Internal Auditor of the Company. The Company Secretary serves as the Secretary of the Audit Committee.

During the year under review, the Audit Committee met four times. Measures were taken to review Internal Control systems, analysed 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.

The objective of the Audit Committee is to assist the Board of Directors of the Company in fulfilling its responsibilities for the financial reporting process, the effectiveness of internal control systems, the audit process and the Company's process for monitoring compliance with laws, regulations and best practices.

The Audit Committee has examined the financial, business and other risks faced by the Company and recommended to the Board controls to mitigate risk management within the company.

The Committee also reviewed the reports submitted by the Internal Auditor and, recommendations were made to the Board and implementation monitored.

Quarterly Accounts and the Annual Audited Accounts are reviewed by the Audit Committee before being submitted to the Board for approval and subsequent release to the shareholders and other statutory institutions.

The Audit Committee has recommended to the Board of Directors that Messers KPMG, Chartered Accountants be re appointed as the auditors of the Company for the financial year ending 31st March 2023, subject to the approval of the shareholders at the Annual General Meeting and the audit fee to be determined by the Board of Directors.



Prof. Lakshman R. Watawala
Chairman of the Audit Committee
12 September, 2022
Colombo

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REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

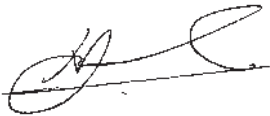
The Related Party Transactions Review Committee comprises of, Mr. Dulip Jayamaha who functions as the Chairman, Prof L.R.Watawala member (Independent Non-Executive Director) as a member and Mr. R.C. Samarasinghe, member (Executive Director).

During the Financial Year ended 31st March 2022, the Committee has reviewed the related party transactions of the Company and has communicated its observations and views to the Board of Directors.

The Committee met four times during the Financial Year.

When reviewing related party transactions of the Company, the Committee considered the terms and conditions employed by the Company when entering into such transactions, with special emphasis on the materiality, nature (whether they are being carried out on 'arm's length' basis) and the prevalent market rates, values and terms and conditions in relation to such transactions.

There were no non-recurrent transactions with related parties during the year under review.



Dulip Jayamaha
Chairman
Related Party Transactions Review Committee
12 September, 2022
Colombo

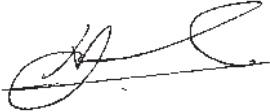
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REPORT OF THE REMUNERATION COMMITTEE

Mr.Dulip Jayamaha functions as the Chairman of the Remuneration Committee and Prof. L.R Watawala as a member of the Remuneration Committee.

The Remuneration policy of the Company is based on performance. A performance appraisal is done annually on employees and remuneration is decided.

The Remuneration of Senior Executives and Executive Directors are recommended by the Chairman to the Remuneration Committee which makes its observations and recommendations for implementation.



Dulip Jayamaha,
Chairman
Remuneration Committee
12 September, 2022
Colombo

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following 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 distinguish the respective responsibilities of the Directors and of the Auditors, in relation to the financial statements.

The Directors are required by the Companies Act No.07 of 2007 to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year. The Directors are required to prepare these financial statements on an ongoing concern basis, unless it is not appropriate.

Since the Directors are satisfied that the Company has resources to continue in business for the foreseeable future, the financial statements continue to be prepared on the said basis.

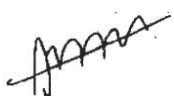
The Directors consider that in preparing the financial statements on pages 22 to 66 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all accounting standards, which they consider to be applicable, are followed.

The Directors are responsible for ensuring that the Company keeps accounting records, which will disclose with reasonable accuracy the financial position of the Company and which will enable them to ensure that financial statements comply with the Companies Act No.07 of 2007.

The Directors are generally responsible for taking such steps that are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Directors are confident that they have discharged their responsibility as set out in this statement. They also confirm that to the best of their knowledge all statutory payments payable by the Company as at the reporting date, are paid or where relevant, provided for.

By Order of the Board



D.P.A.N.Kumara
Company Secretary
12 September, 2022
Colombo

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REPORT ON THE AFFAIRS OF THE COMPANY

TO THE SHAREHOLDERS

The Board of Directors has pleasure in presenting the 58th Annual Report and the Audited Financial Statements of the Company for the year ended 31 March 2022. 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 31 March 2022, which include the Statement of Comprehensive Income, Statement of Financial Position and the Notes to the Financial Statements, are given from Pages 22 to 66.

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. 18 to 21.

5. CHANGE IN ACCOUNTING POLICIES

Any changes in accounting policies made during the financial year ended 31 March 2022, 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 31/03/2022</u>	<u>As at 31/03/2021</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 (Executive Director)	-	-
Prof.L.R.Watawala (Independent Non-Executive Director)	-	-
Dulip F.R. Jayamaha (Independent non-Executive Director)	-	-
Mr.D.R Wijewardene (Non-Executive Director) (Appointed on 1 st August 2021)	962,612	-

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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, Professor L.R. Watawala and Mr. Dulip F.R. Jayamaha are Independent Non-Executive Directors of the Company. They have submitted signed dated declarations as per specimen given in Appendix 7A of continuing listing requirements of CSE. Mr.D.R Wijewardene was appointed as a Non-Executive Director w.e.f 1st August 2021.

7. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The Company maintains a Directors' Interest Register. Transactions with key management personnel are comprehensively recorded under Note No.36 to the Financial Statements on Page No.59.

8. REMUNERATION AND OTHER BENEFITS OF DIRECTORS

The aggregate remuneration and other benefits of Directors of the company for the financial year 2021/2022 amounted to Rs.3,935,554/= (2020/21 Rs. 4,041,348/-)

9. DIVIDENDS

The Directors recommend the payment of a dividend of Rs.2.00 per share for the year ended 31 March 2022. The company paid a dividend of Rs. 1.75 per share for the year ended 31/03/2021 in November 2021.

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 2021/2022 was fixed at Rs. 600,000/= for the Company and Rs. 750,000/= 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. M/S KPMG were also engaged as tax consultants of the Company for the year 2021/2022 at a remuneration of Rs.171,329/-.

12. DONATIONS

The Company has made donations amounting to Rs.20, 000/= during the year ended 31 March 2022 (2020/21- Rs.20,000/=)

13. CHANGES IN PROPERTY, PLANT AND EQUIPMENT

The movements in Property, Plant and Equipment between the years ended 31 March 2022 and 31 March 2021 are set out in Note No.12 to the financial statements. A sum of Rs 0.914 Mn has been spent on the purchase of Furniture, Fittings and Equipment.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021/2022

REPORT ON THE AFFAIRS OF THE COMPANY (CONTINUED)

Further, Investment Property has been Fair valued during the year at Rs. 336.5 Mn as at 31 March 2022 (2020/2021 Rs.325.3 Mn).

The Revaluation Reserve remained at Rs. 220.536 Mn during the Financial Year 2021/2022. (2020/21 Rs. 220.536 Mn net of Deferred Tax).

14. INVESTMENT HELD FOR SALE

The Company entered into an agreement to dispose of the entire Shareholding of 490,000 of Stamford Lake (private) Limited for a consideration of Rs.6,860,000/- and the 1st installment of Rs.1,715,000/- was received on 22nd March 2022.

15. 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 31 March 2022 rose to Rs.332,599 Mn (2021 Rs. 271,673 Mn) and Retained Earnings of the Group to Rs.440.331 Mn (2021 Rs.380.811 Mn). The Revaluation Reserve as at 31 March 2022 remained at Rs.220.536Mn.

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.36 to the financial statements No Page 59.

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.

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.

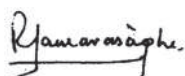
CONCLUSION

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

By Order of the Board



R. S. Wijewardene
Director
12 September, 2022



R. C. Samarasinghe
Director
12 September, 2022



D. P. A. N. Kumara
Company Secretary
12 September, 2022

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021/2022



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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Lake House Printers and Publishers PLC

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 31 March 2022, 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 a summary of significant accounting policies and other explanatory information as set out on pages 26 to 66.

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 at 31 March 2022, 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 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.

P.Y.S. Perera FCA	C.P. Jayatilake FCA	T.J.S. Rajakarier FCA
W.J.C. Perera FCA	Ms. S. Joseph FCA	Ms. S.M.B. Jayasekara FCA
W.K.D.C. Abeyrathne FCA	S.T.D.L. Perera FCA	G.A.U. Karunaratne FCA
R.M.D.B. Rajapakse FCA	Ms. B.K.D.T.N. Rodrigo FCA	R.H. Rajan FCA
M.N.M. Shameel FCA	Ms. C.T.K.N. Perera ACA	A.M.R.P. Alahakoon ACA
Ms. P.M.K. Sumanasekara FCA		

Principals - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, W.A.A. Weerasekara CFA, ACMA, MRICS

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021/2022



Valuation of Investment Property	
Refer note 13 to the consolidated financial statements	
Risk Description	<i>Our Response</i>
<p>As at 31 March 2022, the Group’s Investment Properties carried at fair value amount to Rs. 336.4 Mn. Further, the fair value gain recognized in the statement of profit or loss for the year, amounted to Rs.11 Mn.</p> <p>The Company has engaged an independent external professional valuer with appropriate expertise in valuing properties, to determine the fair value of investment property in accordance with recognized industry standards.</p> <p>Estimating the fair value is a complex process which involves a significant degree of judgement and estimates in respect of price per perch of the land, capitalization rates, value per square feet, fair market rental and diversity of locations and nature of the land and buildings and investment properties.</p> <p>We identified this as a key audit matter because of the significant judgments and estimations in the selection of appropriate valuation methodology to be used and in estimating the key assumptions applied. These key assumptions include market comparable used, taking into consideration for difference such as location, size and tenure. A change in the key assumptions will have an impact on the valuation.</p>	<p>Our audit procedures included,</p> <ul style="list-style-type: none"> • Assessing the objectivity, independence, competence and qualifications of the external valuer. • Assessing the key assumptions applied and conclusion made by the external valuer in deriving the fair value of the properties and comparing the same with evidence of current market values and consultation with internal valuation specialist. • Inquiring how valuers had assessed the impact of the prevailing uncertain and volatile macro-economic environment and implication of COVID-19 to assess whether that it was appropriately considered in the measurement in valuing properties to determine the fair value of the investment property. • Assessing the adequacy of the disclosures in relation to fair value of investment property in the financial statements.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021/2022



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.

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.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021/2022



- 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 ethical requirements in accordance with the Code of Ethics 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, related safeguards.

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. 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 2599.

A handwritten signature in black ink, appearing to be 'Kpm' followed by a long, sweeping horizontal line.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

12 September, 2022

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021/2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March	Note	Group		Company	
		2022 Rs.'000	2021 Rs.'000	2022 Rs.'000	2021 Rs.'000
Revenue	5	632,108	452,315	631,898	452,105
Cost of Sales		(451,131)	(320,246)	(451,131)	(320,246)
Gross Profit		180,977	132,069	180,767	131,859
Other Operating Income	6	18,308	30,313	22,123	30,565
Administration Expenses		(112,735)	(104,516)	(110,288)	(103,243)
Distribution Expenses		(31,396)	(29,420)	(31,396)	(29,420)
Gain on Revaluation of Investment Properties	13	11,078	57,110	11,078	57,110
Results from Operating Activities		66,232	85,556	72,284	86,871
Finance Income	7	7,361	9,419	1,836	2,780
Finance Cost	7	(1,947)	(652)	(2,027)	(1,014)
Share of Loss of Equity Accounted Investee (Net of Tax)	15.1	-	(79)	-	-
Profit before Tax	8	71,646	94,244	72,093	88,637
Income Tax Expense	9	(7,011)	(12,198)	(6,051)	(10,606)
Profit for the Year		64,635	82,046	66,042	78,031
Other Comprehensive Income					
Items that will not be reclassified subsequently to Profit or Loss					
Actuarial Gain / (Loss) on Defined Benefit Obligations	26	29	(2,241)	29	(2,241)
Equity Investment at FVTOCI – net change in Fair Value		211	(250)	213	(252)
Tax Effect on Other Comprehensive Income	25	(5)	3,156	(5)	3,156
Total Comprehensive Income / Expense for the Year, net of Tax		235	665	237	663
Total Comprehensive Income		64,870	82,711	66,279	78,694
Profit Attributable to					
Equity Holders of the Parent		64,635	82,046	66,042	78,031
Total Comprehensive Income Attributable to:		64,635	82,046	66,042	78,031
Equity Holders of the Parent		64,870	82,711	66,279	78,694
Total Comprehensive Income		64,870	82,711	66,279	78,694
Basic Earnings Per Share (Rs.)	11	22.01	27.93	22.48	26.57

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 26 to 66.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021/2022

STATEMENT OF FINANCIAL POSITION


As at 31 March	Note	Group		Company	
		2022 Rs.'000	2021 Rs.'000	2022 Rs.'000	2021 Rs.'000
ASSETS					
Non Current Assets					
Property, Plant and Equipment	12	33,164	41,224	33,164	41,224
Investment Property	13	336,458	325,380	336,458	325,380
Investment in Subsidiary	14	-	-	2,983	2,983
Investment in Equity Accounted Investee	15	-	10,055	-	4,889
Other Investments	16	17,860	17,649	17,856	17,643
Total Non Current Assets		387,482	394,308	390,461	392,119
Current Assets					
Inventories	17	114,136	73,553	114,136	73,553
Trade and Other Receivables	18	70,356	73,190	65,914	70,665
Amounts due from Related Parties	19	27,336	24,192	27,291	24,175
Loans given to Related Party	19.2	-	1,646	-	-
Tax Recoverable		210	161	-	-
Assets Held for Sale	20	5,145	-	3,667	-
Cash and Cash Equivalents	21	173,003	157,715	68,311	56,978
Total Current Assets		390,186	330,457	279,319	225,371
Total Assets		777,668	724,765	669,780	617,490
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	22	35,247	35,247	35,247	35,247
Capital Reserves	23	6,197	6,197	6,197	6,197
Revaluation Reserve	24	220,536	220,536	220,536	220,536
Fair Value Reserve		14,249	14,038	14,245	14,032
Retained Earnings		440,331	380,811	332,599	271,673
Total Equity attributable to Equity Holders of the Company		716,559	656,829	608,824	547,685
Total Equity		716,559	656,829	608,824	547,685
Non - Current Liabilities					
Deferred Tax Liabilities	25	4,759	10,031	4,759	10,030
Retirement Benefit Obligation	26	12,765	13,988	12,765	13,988
Interest Bearing Borrowings	27	-	482	-	482
Loans from Related Party	29	-	-	-	-
Total Non - Current Liabilities		17,524	24,501	17,524	24,500
Current Liabilities					
Interest Bearing Borrowings	27	482	655	482	655
Trade and Other Payables	28	36,877	38,873	36,726	38,696
Loans from Related Party	29	-	-	-	2,047
Current Tax Liabilities		5,810	233	5,808	233
Bank Overdrafts	21	416	3,674	416	3,674
Total Current Liabilities		43,585	43,435	43,431	45,305
Total Liabilities		61,109	67,936	60,956	69,805
Total Equity and Liabilities		777,668	724,765	669,780	617,490
Net Assets Per Share (Rs.)		243.96	223.62	207.28	186.46

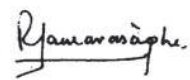
The financial statements are to be read in conjunction with the related notes, which form an integral part of the financial statements of the Group set out on pages 26 to 66.

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


T.A.U. Jinadasa
D.G.M. Finance

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)
12 September, 2022
Colombo


R.C. Samarasinghe (Director)

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021/2022

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March

Company	Stated Capital	Capital Reserves	Revaluation Reserves	Fair Value Reserve	Retained Earning	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April 2020	35,247	6,197	217,783	14,284	202,089	475,600
Profit for the Year	-	-	-	-	78,031	78,031
Other Comprehensive Income	-	-	2,753	(252)	(1,838)	663
Total Comprehensive Income	-	-	2,753	(252)	76,193	78,694
<i>Transactions with Equity Holders</i>						
<i>Contribution by and Distribution to Equity Holders</i>						
Dividend for the Year (Note - 10)	-	-	-	-	(6,609)	(6,609)
Balance as at 31 March 2021	35,247	6,197	220,536	14,032	271,673	547,685
Balance as at 1 April 2021	35,247	6,197	220,536	14,032	271,673	547,685
Profit for the Year	-	-	-	-	66,042	66,042
Other Comprehensive Income	-	-	-	213	24	237
Total Comprehensive Income	-	-	-	213	66,066	66,279
<i>Transactions with Equity Holders</i>						
<i>Contribution by and Distribution to Equity Holders</i>						
Dividend for the Year (Note - 10)	-	-	-	-	(5,140)	(5,140)
Balance as at 31 March 2022	35,247	6,197	220,536	14,245	332,599	608,824
Group	Stated Capital	Capital Reserves	Revaluation Reserves	Fair Value Reserve	Retained Earning	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April 2020	35,247	6,197	217,783	14,288	307,212	580,727
Profit for the Year	-	-	-	-	82,046	82,046
Other Comprehensive Income	-	-	2,753	(250)	(1,838)	665
Total Comprehensive Income	-	-	2,753	(250)	80,208	82,711
<i>Transactions with Equity Holders</i>						
<i>Contribution by and Distribution to Equity Holders</i>						
Dividend for the Year (Note - 10)	-	-	-	-	(6,609)	(6,609)
Balance as at 31 March 2021	35,247	6,197	220,536	14,038	380,811	656,829
Balance as at 1 April 2021	35,247	6,197	220,536	14,038	380,811	656,829
Profit for the Year	-	-	-	-	64,635	64,635
Other Comprehensive Income	-	-	-	211	24	235
Total Comprehensive Income	-	-	-	211	64,659	64,870
<i>Transactions with Equity Holders</i>						
<i>Contribution by and Distribution to Equity Holders</i>						
Dividend for the Year (Note - 10)	-	-	-	-	(5,140)	(5,140)
Balance as at 31 March 2022	35,247	6,197	220,536	14,249	440,330	716,559

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 26 to 66 .

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021/2022

CASH FLOW STATEMENT

For the year ended 31 March	Notes	Group		Company	
		2022 Rs.'000	2021 Rs.'000	2022 Rs.'000	2021 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before Tax		71,646	94,244	72,093	88,637
<i>Adjustments for,</i>					
Dividend Income	6	(1)	(1)	(697)	(797)
Profit on Disposal of Property, Plant and Equipment	6	(50)	(3,310)	(50)	(3,310)
Gain / (Loss) on Disposal of Associate	6	798	-	(493)	-
Impairment loss from classification of Held for Sale	6	2,396	-	-	-
Interest Income	7	(7,361)	(9,419)	(1,836)	(2,780)
Interest Expense	7	1,947	652	2,027	1,014
Provision for Retiring Gratuity	8	1,218	2,584	1,218	2,584
Write-off of Trade and Other Receivables	8	5	-	5	-
Depreciation	12	8,974	8,461	8,974	8,460
Gain / (Loss) on Fair Value of Investment Property	13	(11,078)	(57,110)	(11,078)	(57,110)
Share of profit of Associate (Net of Tax)	15.1	-	(79)	-	-
Inventory Provision for the Year	17.1	1,281	1,281	1,281	1,281
Operating Profit before Working Capital Changes		69,776	37,303	71,445	37,979
Changes In;					
Inventories		(41,863)	2,220	(41,863)	2,220
Trade and Other Receivables		2,828	27,336	4,745	27,341
Dues from Related Companies		(3,144)	1,243	(3,117)	1,141
Trade and Other Payables		(1,996)	(35,707)	(1,970)	(35,713)
		25,600	32,395	29,240	32,968
Interest Paid		(1,846)	(483)	(1,926)	(845)
Gratuity Paid	26	(2,412)	(5,189)	(2,412)	(5,189)
Tax Paid		(6,759)	(15,264)	(5,750)	(13,391)
Net Cash (Used In) / Generated From Operating Activities		14,583	11,459	19,150	13,543
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment	12	(914)	(8,758)	(914)	(8,758)
Proceeds from Sale of Property, Plant and Equipment		50	3,310	50	3,310
Interest Received		7,361	9,419	1,836	2,780
Dividend Received		1	1	697	797
Proceeds from disposal of associate		1,715	-	1,715	-
Net Cash Flow Generated From / (Used In) Investing Activities		8,213	3,972	3,384	(1,871)
CASH FLOWS FROM FINANCING ACTIVITIES					
Lease Rentals Paid	27.2	(756)	(774)	(756)	(774)
Repayment of Loans during the Year	27.3	(37,566)	-	(37,566)	-
Loans Obtained during the Year	27.3	37,566	-	37,566	-
Related Party Loans during the Year	19.2	-	(2,500)	-	-
Loan recoveries during the Year	19.2	1,646	854	-	-
Repayment of Related Party Loans during the Year	29	-	-	(2,047)	(4,285)
Dividend Paid		(5,140)	(6,609)	(5,140)	(6,609)
Net Cash Flow Used in Financing Activities		(4,250)	(9,029)	(7,943)	(11,668)
Net Increase in Cash & Cash Equivalents		18,546	6,402	14,591	4
Cash & Cash Equivalents at the Beginning of the Year		154,041	147,640	53,304	53,298
Cash & Cash Equivalents at the End of the Year	21	172,587	154,041	67,895	53,304

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 26 to 66.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021/2022

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 Associate Company Stamford Lake Private Limited is involved in the printing and publishing and the marketing of literary works.

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”)

During the year under review, Stamford Lake (Private) Limited was divested has been classified as an Asset held for sale which was previously accounted as an Investment in Associate.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The consolidated financial statements and separate financial statements of the company have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as SLFRS/LKASs) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and there requirements of the Companies Act No. 7 of 2007, and the Listing Rules of the Colombo Stock Exchange.

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".

2.3 Approval of financial statements by Directors

The financial statements of the Group and the Company for the year ended 31st March 2022 were approved and authorized for issue by the Board of Directors on the 12 September 2022.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.4 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 – 16)
- Investment Property is measured at fair value. (Note – 13)
- Assets held for sale measured at lower of carrying value or fair value less cost to sell. (Note 20)
- Liability for defined benefit obligations is carried at the present value of the defined benefit obligations. (Note – 26)

2.5 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'.

2.6 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.

Note 13 – Determining the fair values of Investment Property

Note 18 - Measurement of loss rate to compute ECL Allowance for trade receivables

Note 26.2 - Measurement of defined benefit obligations: key actuarial assumptions

Note 16.1 - Measurement of fair value of Unquoted Investment

2.7 Going concern

The ongoing economic crisis in the country has increased the estimation uncertainty in the preparation of Financial Statements. The estimation uncertainty is associated with the extent and duration of the expected economic downturn (and forecasts for key economic factors including GDP and employment) This includes the disruption to capital markets, deteriorating credit, liquidity concerns, increasing unemployment, declines in consumer discretionary spending, reductions in production because of decreased demand, and other restructuring activities; and the effectiveness of government and central bank measures that have and will be put in place to support businesses and consumers through this disruption and economic downturn.

Having evaluated the future outlook of the Group's, 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.7 Going concern (Continued)

Furthermore, 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.

2.8 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the income statement, unless required or permitted by Sri Lanka Accounting Standards and as specifically disclosed in the significant accounting policies of the Group.

2.9 Reporting Date

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

2.10 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. SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements except if mentioned otherwise.

3.1 Basis of Consolidation

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1.1 Business Combinations (Continued)

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.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

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. 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1.3 Investment in Equity Accounted Investees

An Associate is an entity over which the Group has significant influence and that is neither subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not have any control over those policies.

Investments in associates are accounted for using the equity method (equity accounted investees) and are recognized initially at cost. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

3.1.4 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.

3.1.5 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.

3.1.6 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and, employee benefit assets or investment property which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for distribution and subsequent gains and losses on re-measurement are recognized in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

3.1.7 Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities are denominated in foreign currencies rate at that date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1.7 Foreign Currency Transactions (Continued)

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

Foreign currency differences arising on retranslation are generally recognized in profit or loss.

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. A debt investment is measured at FVTOCI if it is held within a business model where the objective is achieved by both collecting contractual cash flows and selling financial assets; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and the debt investment 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.

All financial assets not classified as measured at amortized cost or FVTOCI as described above are measured at FVTPL. This includes equity Investments and derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (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 FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Debt Investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

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.

If the Group enters into transaction whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets, such transferred assets are not derecognised.

3.3 Financial Liability

Recognition and Initial Measurement

The Group initially recognises financial liabilities other than debt securities when it becomes a party to the contractual provisions of the instrument. The Group recognises debt securities issued when they are originated.

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, refundable rental and other deposits, bank overdrafts, trade and other payables and loans from related parties.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. 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.

3.4 Impairment – Financial Assets

The Group recognizes allowances for expected credit losses (ECLs) on financial assets measured at amortized cost. The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs. Loss allowance for debt instruments is measured and 12-month ECL unless credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) of the debt instrument has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held). Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-Impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- For trade receivables, being more than 365 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market to a security because of financial difficulties.

Presentation of Allowance for ECL in the Statement of Financial Position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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.

3.5 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.

3.6 Property, Plant and Equipment

3.6.1 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6.1 Recognition and Measurement (Continued)

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.

3.6.2 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.

3.6.3 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. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

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

3.6.4 Transfers to and from Property Plant and Equipment

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group, accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Any difference at the date of the change in use between the carrying amount of the property and its fair value is recognized as a revaluation of property, plant and equipment and is not transferred to profit or loss at the date of transfer and subsequent disposal, any existing revaluation surplus that was recognized under revaluation model to the property will be transferred to retained earnings.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 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.

3.7.1 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.

3.7.2 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.

3.7.3 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.

3.7.4 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 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.

3.9 Employee Benefits

3.9.1 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.

3.9.1.1 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.

3.9.2 Defined Benefit Plan - Gratuity

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

3.9.2.1 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9.2.1 Retiring Gratuity (Continued)

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 26 to the Financial Statements.

3.9.3 Short-Term Benefits

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

3.10 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.

3.11 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.

3.11.1 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.

3.11.2 Rental Income

Rental income from investment property is recognized in comprehensive income 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11.3 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.

3.12 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 comprehensive income using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.13 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.

3.13.1 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.

3.13.2 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;

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13.2 Deferred Tax (Continued)

- 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 unused tax losses, tax credits and 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.

3.14 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the “Indirect Method”. Interest paid is classified as operating cash flows, interest received is classified as investing cash flows for the purpose of presenting Statement of Cash Flows.

3.15 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.

3.16 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.

3.17 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 38 to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 . SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 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.

3.19 Foreign Currency

3.19.1 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.

ii. Gains and losses arising from translating the financial statements of foreign operations.

iii. Qualifying cash flows hedges to the extent that the hedge is effective.

3.20 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.

3.21 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and short-term deposits with original maturity of three months or less. Bank overdrafts are shown within borrowings in current liabilities. For purpose of Cash Flow, bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as components of cash and cash equivalent.

3.22 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.23 Other Income

- Rent income represents the rental income arising from renting of property, plant and equipment and 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.

3.24 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.

3.25 Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 inputs are inputs that are not based on observable market data (unobservable inputs).

If inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

Fair value of non-financial assets

The fair value used by the Group in the measurement of non-financial assets is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market that is accessible by the Group for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would act in their economic best interest when pricing the asset or liability.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka has issued number of new Sri Lanka Accounting Standards (SLFRSs / LKASs) and amendments that are effective for annual periods beginning after the current financial year. Accordingly, these standards have not been applied in preparing these financial statements and the Company plans to apply these standards if applicable as and when they become effective.

Company does not expect the following new Accounting standards, amendments and interpretations that will become effective for future accounting periods will have a significant impact on the Company's financial statements.

- Classification of Liabilities as Current or Non-current (Amendments to LKAS 1)
- Disclosure of Accounting Policies (Amendments to LKAS 1)
- Definition of Accounting Estimates (Amendments to LKAS 8)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to LKAS 37)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12)
- Annual Improvements to SLFRS Standards 2018 – 2020
- Covid 19 – related rent concessions beyond 30 June 2021
- Property, Plant and Equipment: Proceeds before intended use (Amendments to LKAS 16)
- Reference to conceptual Framework (Amendments to SLFRS 3)

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NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
For the year ended 31 March				
5 REVENUE				
Gross Revenue	660,428	478,975	660,218	478,765
Less:- Revenue Related Taxes	<u>(28,320)</u>	<u>(26,660)</u>	<u>(28,320)</u>	<u>(26,660)</u>
Net Revenue	<u>632,108</u>	<u>452,315</u>	<u>631,898</u>	<u>452,105</u>
6 OTHER OPERATING INCOME / (EXPENSE)				
Profit on Disposal of Property Plant and Equipment	50	3,310	50	3,310
Rent Income	16,916	17,644	16,916	17,644
Dividend Income	1	1	697	797
Sundry Income	4,535	9,358	3,967	8,814
Gain / (Loss) on Disposal of Associate	(798)	-	493	-
Impairment Loss from classification of Asset Held for Sale (Note 20.1)	<u>(2,396)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>18,308</u>	<u>30,313</u>	<u>22,123</u>	<u>30,565</u>
7 NET FINANCE INCOME / (COSTS)				
<i>Finance Income</i>				
Interest Income	7,361	9,419	1,836	2,780
	<u>7,361</u>	<u>9,419</u>	<u>1,836</u>	<u>2,780</u>
<i>Finance Costs</i>				
Interest On,				
- Related Party Loans	-	-	(80)	(362)
- Bank Overdrafts	(439)	(180)	(439)	(180)
- Trust Receipt Loans	(280)	-	(280)	-
- Finance Lease	(101)	(169)	(101)	(169)
- Other Finance Costs	<u>(1,127)</u>	<u>(303)</u>	<u>(1,127)</u>	<u>(303)</u>
	<u>(1,947)</u>	<u>(652)</u>	<u>(2,027)</u>	<u>(1,014)</u>
Net Finance Income / (Cost)	<u>5,414</u>	<u>8,767</u>	<u>(191)</u>	<u>1,766</u>
8 PROFIT BEFORE TAX				
<i>Profit before tax is stated after charging all expenses including the following:</i>				
Directors' Emoluments	3,956	4,061	3,936	4,041
Auditors' Remuneration - Audit Fees	750	594	600	484
- Non Audit Fees	171	163	171	163
Depreciation	8,974	8,461	8,974	8,460
Write Off of Trade and Other Receivables	5	-	5	-
Inventory Provision for the Year	1,281	1,281	1,281	1,281
Donations	20	20	20	20
Personnel Costs (Note 8.1)	<u>43,496</u>	<u>40,065</u>	<u>42,500</u>	<u>39,135</u>
8.1 Personnel Costs				
Personnel Costs:-				
Defined Benefit Plan Costs-Gratuity (Note 26.5)	1,218	2,584	1,218	2,584
Defined Contribution Plan Costs - EPF and ETF	6,054	6,739	6,054	6,739
Other Staff Costs	<u>36,224</u>	<u>30,742</u>	<u>35,228</u>	<u>29,813</u>
	<u>43,496</u>	<u>40,065</u>	<u>42,500</u>	<u>39,135</u>

Number of employees as at 31 March 2022 - 166 (31 March 2021 -197).

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Group		Company	
	2022	2021	2022	2021
For the year ended 31 March	Rs.'000	Rs.'000	Rs.'000	Rs.'000
9 INCOME TAX EXPENSES				
<u>Current Tax</u>				
Current Tax for the Year (Note 9.2)	12,079	6,523	11,118	4,931
Under Provision for Income Tax	112	-	112	-
Dividend Tax	97	112	97	112
	12,288	6,635	11,327	5,043
<u>Deferred Tax</u>				
Origination of temporary differences	(5,277)	6,000	(5,276)	6,000
Impact of Rate Changes	-	(437)	-	(437)
Income tax expense recognized in statement of profit or loss	7,011	12,198	6,051	10,606

	Group		Company	
	2022	2021	2022	2021
9.1 Tax Effect on Other Comprehensive Income	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Origination of temporary differences	5	(403)	5	(403)
Impact of Rate Changes	-	(2,753)	-	(2,753)
Total Income Tax Charge / (Reversal) on Other Comprehensive Income (Note 25)	5	(3,156)	5	(3,156)

The business Profit and income of Lakehouse Printers & Publishers PLC derived from manufacturing , is liable to tax at the concessionary rate of 18% under the Inland Revenue Act No 24 of 2017 and its amendments thereto.

In addition, any gains and profits other than manufacturing, is liable to tax at the standard rate of 24% under the Inland Revenue Act No 24 of 2017 and its amendments thereto.

The business Profit and income of its subsidiary is liable to tax at the standard rate of 24% under the Inland Revenue Act No 24 of 2017 and its amendments thereto.

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	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Accounting Profit before Tax	71,646	94,244	72,093	88,637
Share of (Profit) Loss of Equity Accounted Investee	-	79	-	-
	71,646	94,323	72,093	88,637
Aggregate Tax Disallowable Items	11,200	12,103	11,174	12,152
Aggregate Tax Allowable Items	(17,776)	(72,931)	(22,198)	(73,926)
Taxable Income	65,071	33,495	61,069	26,863
Taxable Income at 18%	58,977	25,265	58,977	25,265
Taxable Income at 24%	6,094	8,230	2,092	1,598
	65,071	33,495	61,069	26,863
Income Tax @ (18%)	10,616	4,551	10,616	4,548
Income Tax @ (24%)	1,463	1,972	502	383
	12,079	6,523	11,118	4,931

10 DIVIDENDS PER SHARE

	2022	2021
	Rs.'000	Rs.'000
Final ordinary dividend recommended Rs.2.00 Per share (2020/2021 – Rs.1.75 Per share)	5,140	6,609

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 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	
	2022	2021	2022	2021
Profit attributable to Ordinary Shareholders (Rs'000)	64,635	82,046	66,042	78,031
Weighted Average Number of Ordinary Shares	2,937	2,937	2,937	2,937
Basic Earnings Per Ordinary Share (Rs.)	22.01	27.93	22.48	26.57

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.

There is no change in basic earning per share and diluted earning per share value.

12 PROPERTY, PLANT & EQUIPMENT

The freehold land of Company situated at No: 41, W.A.D.Ramanayaka Mawatha, Colombo was revalued as at 31 March 2022 by an independent qualified valuer at Rs. 1,332,729,450/-. (31 March 2021 - Rs 1,302,158,950/-). However, the revalued amount excluding 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

No: 41, W.A.D.Ramanayaka Mawatha, Colombo - 02.

Extent

90.39 Perches.

12.1 Group

The costs of fully depreciated items of Property, Plant and Equipment which are still in use as at 31 March 2022 are as follows;

	Buildings	Plant and Machinery	Furniture, Fittings and Equipment	Motor Vehicles
Cost as at 31 March 2021 (Rs.'000)	1,857	143,285	17,169	14,635
Cost as at 31 March 2022 (Rs.'000)	1,857	144,370	17,921	14,859

Refer note 21.1 for the details of assets pledged as a security as at 31 March 2022.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 March

12 PROPERTY, PLANT & EQUIPMENT (CONTINUED)

12.2 Company

Cost	Freehold					Total
	Land	Buildings	Plant & Machinery	Furniture, Fittings & Equipment	Motor Vehicles	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Balance as at 1 April 2020	9,593	17,049	165,985	25,991	31,790	250,408
Additions during the Year	-	-	-	2,258	6,500	8,758
Disposals during the Year	-	-	-	-	(4,325)	(4,325)
Balance as at 31 March 2021	9,593	17,049	165,985	28,249	33,965	254,841
Balance as at 1 April 2021	9,593	17,049	165,985	28,249	33,965	254,841
Additions during the Year	-	-	-	914	-	914
Disposals during the Year	-	-	-	(62)	-	(62)
Balance as at 31 March 2022	9,593	17,049	165,985	29,101	33,965	255,693
Accumulated Depreciation						
Balance as at 1 April 2020	-	11,279	152,051	20,483	25,668	209,481
Charge for the Year	-	626	3,678	1,457	2,700	8,461
Disposals during the Year	-	-	-	-	(4,325)	(4,325)
Balance as at 31 March 2021	-	11,905	155,729	21,940	24,043	213,617
Balance as at 1 April 2021	-	11,905	155,729	21,940	24,043	213,617
Charge for the Year	-	626	3,295	1,639	3,414	8,974
Disposals during the Year	-	-	-	(62)	-	(62)
Balance as at 31 March 2022	-	12,531	159,024	23,517	27,457	222,529
Net Book Value						
Balance as at 31 March 2021	9,593	5,144	10,256	6,309	9,922	41,224
Balance as at 31 March 2022	9,593	4,518	6,961	5,584	6,508	33,164

12.3 Company

Cost	Freehold					Total
	Land	Buildings	Plant & Machinery	Furniture, Fittings & Equipment	Motor Vehicles	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Balance as at 1 April 2020	9,593	17,049	165,978	25,963	26,241	244,824
Additions during the Year	-	-	-	2,258	6,500	8,758
Disposals during the Year	-	-	-	-	(4,325)	(4,325)
Balance as at 31 March 2021	9,593	17,049	165,978	28,221	28,416	249,257
Balance as at 1 April 2021	9,593	17,049	165,978	28,221	28,416	249,257
Additions during the Year	-	-	-	914	-	914
Disposals during the Year	-	-	-	(62)	-	(62)
Balance as at 31 March 2022	9,593	17,049	165,978	29,073	28,416	250,109
Accumulated Depreciation						
Balance as at 1 April 2020	-	11,279	152,051	20,451	20,117	203,898
Charge for the Year	-	626	3,678	1,456	2,700	8,460
Disposals during the Year	-	-	-	-	(4,325)	(4,325)
Balance as at 31 March 2021	-	11,905	155,729	21,907	18,492	208,033
Balance as at 1 April 2021	-	11,905	155,729	21,907	18,492	208,033
Charge for the Year	-	626	3,295	1,639	3,414	8,974
Disposals during the Year	-	-	-	(62)	-	(62)
Balance as at 31 March 2022	-	12,531	159,024	23,484	21,906	216,945
Net Book Value						
Balance as at 31 March 2021	9,593	5,144	10,249	6,314	9,924	41,224
Balance as at 31 March 2022	9,593	4,518	6,954	5,589	6,510	33,164

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 March

13 INVESTMENT PROPERTY

	Group		Company	
	2022 Rs.'000	2021 Rs.'000	2022 Rs.'000	2021 Rs.'000
Balance as at 1 April	325,380	268,270	325,380	268,270
Fair value (Loss) / Gain for the Year	11,078	57,110	11,078	57,110
Balance as at 31 March	336,458	325,380	336,458	325,380

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.

- 13.1** 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 6 buildings (Floor area 15,330sq.ft) was revalued by a professional valuer as at 31 March 2022.

Details of properties are disclosed as follows

Location	Last Revalued Date	Rented to	Floor Area (Sq.ft)	Fair Value Rs.'000
W.A.D Ramanayaka Mawatha, Colombo 2	31 March 2022	Lideshi (Private) Limited	2,250	132,500
W.A.D Ramanayaka Mawatha, Colombo 2	31 March 2022	Wijaya News Papers	4,654	57,094
W.A.D Ramanayaka Mawatha, Colombo 2	31 March 2022	Wijaya News Papers	3,786	35,394
W.A.D Ramanayaka Mawatha, Colombo 2	31 March 2022	Wijaya News Papers	1,260	17,963
W.A.D Ramanayaka Mawatha, Colombo 2	31 March 2022	Commercial Bank PLC	3,380	93,507
				336,458

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 2022.

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% Cost not paid by tenants 30% of expected rent income.	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. 13,750,000 Price Per square foot for building Rs.10,000	Estimated fair value would increase/(decrease) if; -Price per perch increases / (decreases) -Price per square feet increases / (decreases)

The Company has consider the impact of the Covid 19 Pandemic and the impact of the prevailing uncertain and volatile macro-economic environment when determining the fair value of the Investment Properties.

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

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

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14 INVESTMENTS IN SUBSIDIARY

	2022			2021		
	Holding	No. of	Cost	Holding	No. of	Cost
	%	Shares	Rs.'000	%	Shares	Rs.'000
L.H. Plantations (Private) Limited	100	1,990	2,983	100	1,990	2,983

15 INVESTMENTS IN EQUITY ACCOUNTED INVESTEE

	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Stamford Lake (Private) Limited (Note 15.1)	-	10,055	-	4,889
	-	10,055	-	4,889

Stamford Lake (Private) Limited

The Group's interest in equity accounted investee relates to Stamford Lake (Private) Limited and is 49%. The principal activities of the Associate are Printing, Publishing and the Marketing of literary works.

15.1 Stamford Lake (Private) Limited

	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost of the Investment	4,889	4,889	4,889	4,889
Accumulated Share of Profit	5,165	5,245	-	-
Share of Profit for the Year, net of Tax	-	(79)	-	-
(-) Disposal during the Year	(2,514)	-	(1,222)	-
(-) Transferred to Asset Held for sale (Note 20)	(7,541)	-	(3,667)	-
Net Asset Value of Associate	-	10,055	-	4,889

During the year under review, the Company has partially disposed shares of Stamford Lake (Private) Limited. The corresponding gain arising from the disposal has been included in " Other Operating Income".

15.2 Summarized Financial Information of Associate

The following table summarizes the financial information of Stamford Lake (Private) Limited as included in its own financial statements adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in Stamford Lake (Private) Limited.

	2022	2021
	Rs.'000	Rs.'000
Non Current Assets	-	2,205
Current Assets	-	46,071
Non Current Liabilities	-	(1,165)
Current Liabilities	-	(29,445)
Net Assets (100%)	-	17,666
Group Share of Net Assets (49%)	-	8,656
Goodwill	-	1,399
Carrying amount in the Statement of Financial Position	-	10,055
Revenue	-	25,381
Profit from Operations	-	552
Net Profit after Taxation	-	(162)

16 OTHER INVESTMENTS

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

No strategic investments were disposed of during 2021, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

Group	No. of Shares	2022	2021
		Rs.'000	Rs.'000
Unquoted Investments (Note - 16.1)	460,471	17,819	17,590
Quoted Investments (Note - 16.2)	769	41	59
		<u>17,860</u>	<u>17,649</u>

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16 OTHER INVESTMENTS (CONTINUED)

Company	No. of Shares	2022 Rs.'000	2021 Rs.'000
Unquoted Investments (Note - 16.1)	460,471	17,819	17,590
Quoted Investments (Note - 16.2)	654	37	53
		<u>17,856</u>	<u>17,643</u>

16.1 Unquoted - Investments

	Group			Company		
	No. of Shares	2022 Rs.'000	2021 Rs.'000	No. of Shares	2022 Rs.'000	2021 Rs.'000
Ranweli Holiday Village Limited	460,471	17,819	17,590	460,471	17,819	17,590
Lake House Investments Limited (Note - 16.1.1)	1,464,969	-	-	1,464,969	-	-
Lake House Bookshop (Private) Limited (Note - 16.1.2)	250,000	-	-	250,000	-	-
Ingrine Institute of Printing and Graphics Limited (Note - 16.1.3)	2,500	-	-	2,500	-	-
LHP & P Enterprises (Private) Limited (Note - 16.1.4)	3,410	-	-	3,410	-	-
		<u>17,819</u>	<u>17,590</u>		<u>17,819</u>	<u>17,590</u>

16.1.1 Unquoted - Investments

	Group		Company	
	2022 Rs.'000	2021 Rs.'000	2022 Rs.'000	2021 Rs.'000
Lake House Investments Limited				
Cost	14,650	14,650	14,650	14,650
Less: Provision for Impairment	(14,650)	(14,650)	(14,650)	(14,650)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

16.1.2 Lake House Bookshop (Private) Limited

Cost	2,500	2,500	1,000	1,000
Less: Provision for Impairment	(2,500)	(2,500)	(1,000)	(1,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

16.1.3 Ingrine Institute of Printing and Graphics Limited

Cost	25	25	25	25
Less: Provision for Impairment	(25)	(25)	(25)	(25)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

16.1.4 LHP & P Enterprises (Private) Limited

Cost	39	39	39	39
Less: Provision for Impairment	(39)	(39)	(39)	(39)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

16.1.5 Unquoted Investments have been valued using net asset basis as at 31 March 2022.

16.2 Quoted Investments

	Group			Company		
	No of Shares	2022 Fair Value Rs.'000	2021 Fair Value Rs.'000	No of Shares	2022 Fair Value Rs.'000	2021 Fair Value Rs.'000
National Development Bank PLC	654	37	53	654	37	53
Vanik Incorporation PLC (Note 16.2.1)						
15 % Debentures	800	-	-	800	-	-
Voting	800	-	-	800	-	-
Non Voting Shares	1000	-	-	1000	-	-
Warrants	800	-	-	800	-	-
Seylan Bank PLC	115	4	6	-	-	-
		<u>41</u>	<u>59</u>		<u>37</u>	<u>53</u>

16.2.1 Vanik Incorporation PLC

Cost	118	118	118	118
Less: Provision for Impairment	(118)	(118)	(118)	(118)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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17 INVENTORIES

	Group		Company	
	2022 Rs.'000	2021 Rs.'000	2022 Rs.'000	2021 Rs.'000
Raw Materials	76,796	50,527	76,796	50,527
Work In Progress	35,746	20,519	35,746	20,519
Capital Stock	8,547	8,547	8,547	8,547
	121,089	79,593	121,089	79,593
Less: Provision for Impairment (Note 17.1)	(6,953)	(6,040)	(6,953)	(6,040)
	114,136	73,553	114,136	73,553

17.1 Provision for Impairment

Balance as at 1 April	6,040	5,176	6,040	5,176
Provision for the Year	1,281	1,281	1,281	1,281
Write-off of Inventory	(368)	(417)	(368)	(417)
Balance as at 31 March	6,953	6,040	6,953	6,040

There were no inventories pledged by the Group and Company as security for facilities obtained from the banks (2021 - Nil).

18 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 Rs.'000	2021 Rs.'000	2022 Rs.'000	2021 Rs.'000
Trade Receivables	55,662	65,292	55,662	65,292
Less: Provision for Impairment (Note 18.1)	(8,167)	(8,540)	(8,167)	(8,540)
	47,495	56,752	47,495	56,752
Deposits and Prepayments	671	671	671	671
Other Receivables	22,190	15,767	17,748	13,242
	70,356	73,190	65,914	70,665

18.1 Provision for Impairment

Balance as at 1 April	8,540	8,540	8,540	8,540
Write-off of Trade and Other Receivables	(373)	-	(373)	-
Provision reversal during the Year	-	-	-	-
Balance as at 31 March	8,167	8,540	8,167	8,540

19 AMOUNTS DUE FROM RELATED PARTIES

	Group		Company	
	2022 Rs.'000	2021 Rs.'000	2022 Rs.'000	2021 Rs.'000
Wijeya Newspapers Limited	23,942	20,688	23,897	20,643
L H Plantations (Private) Limited	-	-	-	28
Lake House Investments Limited (Note - 19.1)	-	-	-	-
Sarathi Limited	110	240	110	240
Stamford Lake (Private) Limited	1,556	896	1,556	896
R.S Printek (Private) Limited	1,728	2,368	1,728	2,368
Geekiyangedara Estate	-	-	-	-
	27,336	24,192	27,291	24,175

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19 AMOUNTS DUE FROM RELATED PARTIES (CONTINUED)

19.1 Lake House Investments Limited

	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April	718	718	718	718
Less: Provision for Impairment	(718)	(718)	(718)	(718)
Balance as at 31 March	-	-	-	-

19.2 LOANS GIVEN TO RELATED PARTIES

R.S Printek (Private) Limited

	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April	1,646	-	-	-
Loans granted during the year	-	2,500	-	-
Loan recoveries during the Year	(1,646)	(854)	-	-
Balance as at 31 March	-	1,646	-	-

A new loan was granted to R.S Printek (Private) Limited on 25th January 2021 at a interest rate of 6.25%. The loan was repaid in full in financial year 2021/2022.

20 ASSETS HELD FOR SALE

	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets Held for Sale	5,145	-	3,667	-
	5,145	-	3,667	-

During the year under review, the Company has entered into an agreement, with a prospective buyer to dispose its interest in Stamford Lake (Private) Limited. Accordingly, this has been classified as an Asset Held for sale as at the year end.

20.1 Impairment loss relating to assets held for sale

	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Carrying Value of the Investment	7,541	-	3,667	-
(-) Impairment loss relating to the asset held for sale	(2,396)	-	-	-
Fair Value of Investment as at 31 March	5,145	-	3,667	-

As at 31 March 2022, the assets held for sale was stated at the lower of carrying value and fair value less costs to sell. An Impairment loss of Rs. 2.4Mn for write down of the asset held for sale to the lower of its carrying amount and its fair value less cost to sell has been included in " Other Operating Income / (Expenses)".

21 CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<i>Favorable Balance</i>				
Cash in Hand	706	734	706	734
Cash at Bank	172,297	156,981	67,605	56,244
	173,003	157,715	68,311	56,978
<i>Unfavorable Balance</i>				
Bank Overdraft	(416)	(3,674)	(416)	(3,674)
Cash and Cash Equivalents for the Purpose of Cash Flow Statement	172,587	154,041	67,895	53,304

21.1 The Property situated at No.41, W.A.D Ramanayake Mw, Colombo 02 have been pledged as a security for overdraft facilities obtained from the Corporate Branch of Bank of Ceylon.

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	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
22 STATED CAPITAL				
Issued and Fully paid Share Capital (No. of Shares 2,937,245)	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 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.

	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
23 CAPITAL RESERVES				
Capital Reserves	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.

	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
24 REVALUATION RESERVE				
Balance as at 1 April	220,536	217,783	220,536	217,783
Deferred tax effect due to rate change	-	2,753	-	2,753
Balance as at 31 March	220,536	220,536	220,536	220,536

The Land and Buildings situated at No: 41, W.A.D Ramanayaka Mawatha, Colombo 02 have been revalued by Mr.J.M.Senanayaka Bandara, a qualified valuer (B.Sc.Hons. State Management and Valuation) as at 1 July 2016 for the purpose of reclassification to Investment Property. Accordingly the Land and Buildings relating to Investment Property were revalued for Rs.131Mn (Land Rs.85Mn and Buildings Rs.46Mn) which had a carrying amount of Rs.21.2Mn (Land 0.8Mn and Building 20.4Mn), resulting in a Revaluation Reserve of Rs.108.8Mn as at 1 July 2016 and Rs.100.9Mn as at 31 March 2017 after accounting for subsequent deferred tax adjustments.

The Land and Buildings situated at No: 41, W.A.D Ramanayaka Mawatha, Colombo 02 have been revalued by Mr.J.M.Senanayaka Bandara, a qualified valuer (B.Sc.Hons. State Management and Valuation) as at 1 April 2017 for the purpose of reclassification to Investment Property. Accordingly the Land and Buildings relating to Investment Property were revalued for Rs.17Mn which had a carrying amount of Rs.0.46Mn, resulting in a Revaluation Reserve of Rs.16.54Mn as at 1st April 2017 and Rs.18Mn as at 31 March 2018.

There is no revaluation gain on Property Plant and Equipment recognized during the year in Revaluation Reserve.

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	Group		Company	
	2022	2021	2022	2021
25 DEFERRED TAX LIABILITIES	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April	10,031	7,624	10,030	7,623
<i>Recognized in the Profit or Loss</i>				
Provision /(Reversal) for the Year	(5,277)	5,563	(5,276)	5,563
<i>Recognized in the Other Comprehensive Income</i>				
Provision /(Reversal) for the Year	5	(3,156)	5	(3,156)
Balance as at 31 March	4,759	10,031	4,759	10,030

The provision for deferred tax is attributable to the following:

	2022				2021			
	Group		Company		Group		Company	
	Temporary	Tax	Temporary	Tax	Temporary	Tax	Temporary	Tax
	Difference	Effect	Difference	Effect	Difference	Effect	Difference	Effect
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Property, Plant and Equipment	(5,523)	(994)	(5,522)	(994)	(4,374)	(787)	(4,368)	(786)
Retirement Benefit Obligations	12,765	2,298	12,765	2,298	13,987	2,518	13,987	2,518
Investment Property	(38,608)	(6,063)	(38,608)	(6,063)	(95,591)	(11,762)	(95,591)	(11,762)
	(31,366)	(4,759)	(31,365)	(4,759)	(85,978)	(10,031)	(85,972)	(10,030)

Tax effective rate of 18% and 10% (2021 – 18% & 10%) was applied by the Company and Effective tax rate 24% (2021 - 24%) was applied for Subsidiary, (LH Plantation (Private) Limited), for the calculation of deferred tax Assets / Liability as at the reporting date. Impact of Rate changes have been disclosed in Note 9.

Having sought independent professional legal advice, the Company is of the view that the freehold land used in the business falls under category of "Investment Assets" and accordingly deferred tax has been provided on the related gain on revaluation. In the event it is deemed that freehold land be considered as "Capital Assets and accordingly deferred tax has been provided on the related revaluation gain. In the event that it is deemed that freehold land be considered as "Capital Assets used in the business", the Company would have to make an additional deferred tax charge in Profit or loss for the 31 March 2022 amounting to Rs.0.89 Mn with a consequential increase in the deferred tax liability on the statement of financial position.

	Group		Company	
	2022	2021	2022	2021
26 RETIREMENT BENEFIT OBLIGATION	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April	13,988	14,353	13,988	14,353
Interest Cost	856	1,435	856	1,435
Current Services Cost	951	1,148	951	1,148
Past Service Cost	(589)	-	(589)	-
Benefits Paid	(2,412)	(5,189)	(2,412)	(5,189)
Actuarial Loss / (Gain)	(29)	2,241	(29)	2,241
Balance as at 31 March	12,765	13,988	12,765	13,988

26.1 The Company has made provision for employees retirement benefit obligation as at 31 March 2022 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".

26.2 During the year 2021/22, Employee Benefits were adjusted to reflect new legal requirements in the country regarding the retirement age based on the Minimum Retirement Age of Workers Act No.28 of 2021. As a result of the plan amendment, the Group's and Company's Employee Benefit Obligation decreased by Rs. 0. 59Mn (2020/21-Nil). A corresponding past service credit was recognised in the Statement of Profit or Loss.

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26 RETIREMENT BENEFIT OBLIGATION (CONTINUED)

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

	2022	2021
Rate of Discount (%)	12.5	6
Salary Increment Rate - Senior Management/Executives (%)	10	8
Salary Increment Rate - Other Staff (%)	4	4
Staff Turn Over Factor - Contract Staff (%)	39	29
Staff Turn Over Factor - Other Staff (%)	19	18
Retiring Age of the Employees	60 Years	55 Years

26.4 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 increase or decrease 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	(266)	278
Total	(266)	278

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 salary increment rate. The sensitivity was carried for the discount rate. Simulations made for retirement benefit obligation shows that an increase or decrease 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	291	(274)
Total	291	(274)

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

	Group		Company	
	2022 Rs.'000	2021 Rs.'000	2022 Rs.'000	2021 Rs.'000
<i>Recognized in Profit and Loss</i>				
Current Services Cost for the Year	951	1,148	951	1,148
Interest Charge for the Year	856	1,435	856	1,435
Past Service Cost	(589)	-	(589)	-
	1,218	2,584	1,218	2,584
<i>Recognized in Other Comprehensive Income</i>				
Actuarial (Gain) / Loss for the Year	29	2,241	29	2,241
	29	2,241	29	2,241

26.6 Maturity analysis of the payments

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

	Group		Company	
	2022 Rs.'000	2021 Rs.'000	2022 Rs.'000	2021 Rs.'000
Within the next 12 months	6,450	6,285	6,450	6,285
Between 1-2years	2,545	2,193	2,545	2,193
Between 2-5 years	1,706	3,878	1,706	3,878
Between 5-10 years	1,806	1,178	1,806	1,178
Beyond 10 years	258	454	258	454
	12,765	13,988	12,765	13,988
Weighted Average duration (Year) of Defined Benefit Obligation	2.44	2.64	2.44	2.64

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27 INTEREST BEARING BORROWINGS

27.1 Interest bearing borrowings - Payable after One Year

	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Lease Creditors (Note - 27.2)	-	482	-	482
	-	482	-	482

Interest bearing borrowings - Payable within One Year

	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Lease Creditors (Note 27.2)	482	655	482	655
Trust Receipt Loans - Bank of Ceylon (Note 27.3)	-	-	-	-
	482	655	482	655

27.2 Lease Creditors

	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April	1,243	2,017	1,243	2,017
Payments during the Year	(756)	(774)	(756)	(774)
	487	1,243	487	1,243
Less: Interest in Suspense	(5)	(106)	(5)	(106)
Balance as at 31 March	482	1,137	482	1,137
Transferred to Current Liabilities (Payable within One Year)	482	655	482	655
Loan Payable after One Year	-	482	-	482
	482	1,137	482	1,137

27.3 Trust Receipt Loans - Bank of Ceylon

	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April	-	-	-	-
Obtained during the Year	37,566	-	37,566	-
Payments during the Year	(37,566)	-	(37,566)	-
Balance as at 31 March	-	-	-	-

28 TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade Creditors	225	17,210	225	17,210
Other Payables	36,652	21,663	36,501	21,486
	36,877	38,873	36,726	38,696

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	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
29 LOANS FROM RELATED PARTY				
Balance as at 1 April	-	-	2,047	6,332
New Loans obtained during the year	-	-	-	-
Payments during the Year	-	-	(2,047)	(4,285)
Transferred to Current Liabilities (Payable within one year)	-	-	-	2,047
Balance as at 31 March	-	-	-	-
Transferred to Current Liabilities (Payable within One Year)	-	-	-	2,047

29.1 The two loans taken from L H Plantations (Private) Limited during the years of 2013 and 2016 interest at the rate range of 7% - 8.75% per annum. The payables amount of Rs. 200,000/- and Rs.165, 098/- per month respectively. The loan taken in 2016 has a grace period of one year. Both loans have been settled in full during the year, 2021/22 period.

30 EVENTS OCCURRING AFTER THE REPORTING DATE

30.1 Final Dividend

The Board of Directors has recommended a Dividend of Rs.2.00 Per share payable for 2021/2022. 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 2022.

30.2 Changes to tax laws

According to the Gazette No 2282/26 enacted on 31 May 2022, Value Added Tax (VAT) charged based on the Value Added Tax Act No. 14 of 2002 as amended by Act No 6 of 2005, has been increased from 8% to 12% effective from 1 June 2022.

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

31 ECONOMIC UNCERTAINTY

Sri Lankan economy showed signs of recovery from the impact of COVID-19 pandemic during the year ended 31 March 2022. However, from late March 2022, the Sri Lankan economy presented a negative outlook mainly due to insufficient foreign reserves/liquidity and the global price increases of fuel. The situation was aggravated when the credit rating of the country was downgraded to "Restricted Default (RD)" by Fitch Ratings in May 2022, following the expiry of the 30-day grace period on coupon payments that were due on 18 April 2022 on two international sovereign bonds. As at 31 March 2022, inflation rate was 21.5%. However, it has been escalated up to 64.5% at 12 September 2022.

The macro level issues on reserves and the free floating of the USD caused a sharp depreciation of the rupee along with an adjustment to the Standing Lending Facility Rate by 700 basis points in April, resulted in a steep increase in costs of imports and other products. The inflationary pressures could further intensify in the period ahead, driven by the build-up of aggregate demand, fuel shortages, domestic supply disruptions, and the elevated prices of commodities globally, which could also have an impact on the Group's businesses.

The Management has considered the consequences of the current economic & political uncertainty in the country and based on its strategic plans has determined that it is not expected to have a significant impact on the Group's operations in the foreseeable future.

32 CAPITAL EXPENDITURE AND COMMITMENTS

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

33 CONTINGENT LIABILITIES

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

34 COMPARATIVE INFORMATION

The Group and Company have consistently applied the accounting policies with those adopted in the previous financial year. The presentation and classification of the financial statements of the previous period, have been adjusted, where relevant, for the better presentation.

35 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.

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36 RELATED PARTY DISCLOSURES

The Company and its subsidiary carries 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	
				2022	2021	2022	2021
				Rs.'000	Rs.'000	Rs.'000	Rs.'000
L.H. Plantations (Private) Ltd	Subsidiary	Mr. R. S Wijewardene Mr. P. S Wijewardene	Loan Interest	(80)	(362)	-	-
			Loans Repayments	(2,047)	(4,285)	-	-
			Loan Outstanding Balance	-	-	-	(2,047)
			Hire of Vehicle and Salary	353	380	-	-
			Settlement of Current Account	(381)	(477)	-	28
Stamford Lake (Private) Ltd	Associate	Mr. R.S Wijewardene	Sales of Atlases	2,002	1,752	-	-
			Settlement of Current Account	(1,342)	(2,000)	-	-
			Current Account Balance	-	-	1,556	896
Wijeya Newspapers Ltd	Affiliate	Mr.R.S Wijewardene Mr. P. S Wijewardene Mr. R. C. Samarasinghe	Security Charges	35,435	38,788	-	-
			Printing and Other Services	2,217	1,623	-	-
			Rent on Building	6,616	6,585	-	-
			Settlement of Current Account	(49,193)	(49,993)	-	-
			Electricity	3,188	2,917	-	-
			Printing of Atlases	4,991	-	-	-
			Current Account Balance	-	-	23,897	20,643
Sarathi Ltd	Affiliate	Mr.R.S Wijewardene	Security Charges	1,397	1,510	-	-
			Sales of Atlas	165	208	-	-
			Settlement of Current Account	(1,692)	(1,763)	-	-
			Current Account Balance	-	-	110	240
R.S.Printek (Private) Ltd	Affiliate	Mr.R.S Wijewardene Mr. D.R Wijewardene	Security Charges	162	4,330	-	-
			Settlement of Current Account	(802)	(5,001)	-	-
			Current Account Balance	-	-	1,728	2,368

The transactions reported above have being carried out on an arms' length basis.

Constraints such as accessibility, security, restricted facilities offered on rental properties have being considered in determining such transactions on arms length basis.

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 2022 are disclosed in Notes 19 and 29 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.

Directors' Emoluments

	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	3,956	4,061	3,936	4,041
	<u>3,956</u>	<u>4,061</u>	<u>3,936</u>	<u>4,041</u>

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37 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

37.1 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.

<i>As at 31 March 2022</i>		Fair Value Through PL	Fair Value Through OCI	Amortized Cost	Non financial instruments	Total Carrying value	Total Fair Value
<i>Group</i>		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets							
Unquoted Investments	16.1	-	17,819	-	-	17,819	17,819
Quoted Investments	16.2	-	41	-	-	41	41
Trade and Other Receivables	18	-	-	69,685	671	70,356	70,356
Amounts due from Related Parties	19	-	-	27,336	-	27,336	27,336
Cash and Cash Equivalents	21	-	-	173,003	-	173,003	173,003
		-	17,860	270,024	671	288,555	288,555
Financial Liabilities							
Bank Overdraft	21	-	-	416	-	416	416
Interest Bearing Borrowings	27	-	-	482	-	482	482
Trade and Other Payable	28	-	-	36,878	-	36,878	36,878
		-	-	37,776	-	37,776	37,776

<i>As at 31 March 2021</i>		Fair Value Through PL	Fair Value Through OCI	Amortized Cost	Non financial instruments	Total Carrying value	Total Fair Value
<i>Group</i>		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets							
Unquoted Investments	16.1	-	17,590	-	-	17,590	17,590
Quoted Investments	16.2	-	59	-	-	59	59
Trade and Other Receivables	18	-	-	72,519	671	73,190	73,190
Loans given to Related Party	19.2	-	-	1,646	-	1,646	1,646
Amounts due from Related Parties	19	-	-	24,192	-	24,192	24,192
Cash and Cash Equivalents	21	-	-	157,715	-	157,715	157,715
		-	17,649	256,072	671	274,392	274,392
Financial Liabilities							
Bank Overdraft	21	-	-	3,674	-	3,674	3,674
Interest Bearing Borrowings	27	-	-	1,137	-	1,137	1,137
Trade and Other Payable	28	-	-	38,873	-	38,873	38,873
		-	-	43,684	-	43,684	43,684

<i>As at 31 March 2022</i>		Fair Value Through PL	Fair Value Through OCI	Amortized Cost	Non financial instruments	Total Carrying value	Total Fair Value
<i>Company</i>		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets							
Unquoted Investments	16.1	-	17,819	-	-	17,819	17,819
Quoted Investments	16.2	-	37	-	-	37	37
Trade and Other Receivables	18	-	-	65,243	671	65,914	65,914
Amounts due from Related Parties	19	-	-	27,291	-	27,291	27,291
Cash and Cash Equivalents	21	-	-	68,311	-	68,311	68,311
		-	17,856	160,845	671	179,372	179,372
Financial Liabilities							
Bank Overdraft	21	-	-	416	-	416	416
Interest Bearing Borrowings	27	-	-	482	-	482	482
Trade and Other Payable	28	-	-	36,728	-	36,728	36,728
		-	-	37,626	-	37,626	37,626

<i>As at 31 March 2021</i>		Fair Value Through PL	Fair Value Through OCI	Amortized Cost	Non financial instruments	Total Carrying value	Total Fair Value
<i>Company</i>		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets							
Unquoted Investments	16.1	-	17,590	-	-	17,590	17,590
Quoted Investments	16.2	-	53	-	-	53	53
Trade and Other Receivables	18	-	-	69,994	671	70,665	70,665
Amounts due from Related Parties	19	-	-	24,175	-	24,175	24,175
Cash and Cash Equivalents	21	-	-	56,978	-	56,978	56,978
		-	17,643	151,147	671	169,461	169,461
Financial Liabilities							
Bank Overdraft	21	-	-	3,674	-	3,674	3,674
Interest Bearing Borrowings	27	-	-	1,137	-	1,137	1,137
Trade and Other Payable	28	-	-	38,696	-	38,696	38,696
Loans from Related Party	29	-	-	2,047	-	2,047	2,047
		-	-	45,554	-	45,554	45,554

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

37.2 FAIR VALUE MEASUREMENT

37.2.1 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

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, forward rated contracts that use only observable market data and require little management judgement and estimation. 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.

Amounts due to Related Parties

Amount due to Related Parties are expected to be paid 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.

Interest Bearing Borrowings

Majority of loans outstanding as at the reporting date are floating rate instruments which are reprised upon changes in economic conditions. Therefore the carrying amount of interest bearing borrowings are approximate to the fair value.

Fair value measurement hierarchy - Group

	As at 31 March 2022				As at 31 March 2021			
	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	-	-	336,458	336,458	-	-	325,380	325,380
Other Financial Asset								
-Unquoted equity securities	-	-	17,819	17,819	-	-	17,590	17,590
-Quoted equity securities	41	-	-	41	59	-	-	59
-Asset held for sale	-	-	5,145	5,145	-	-	-	-
	<u>41</u>	<u>-</u>	<u>359,422</u>	<u>359,463</u>	<u>59</u>	<u>-</u>	<u>342,970</u>	<u>343,029</u>
Assets for which fair values are disclosed								
Property Plant & Equipment								
-Freehold land	-	-	1,332,729	1,332,729	-	-	1,302,158	1,302,158
Assets for which fair values are disclosed								
Interest Bearing Borrowings	-	482	-	482	-	1,137	-	1,137
	<u>-</u>	<u>482</u>	<u>1,332,729</u>	<u>1,333,211</u>	<u>-</u>	<u>1,137</u>	<u>1,302,158</u>	<u>1,303,295</u>

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Fair value measurement hierarchy - Company

	As at 31 March 2022				As at 31 March 2021			
	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	-	-	336,458	336,458	-	-	325,380	325,380
Other Financial Asset								
-Unquoted equity securities	-	-	17,819	17,819	-	-	17,590	17,590
-Quoted equity securities	37	-	-	37	53	-	-	53
	<u>37</u>	<u>-</u>	<u>354,277</u>	<u>354,314</u>	<u>53</u>	<u>-</u>	<u>342,970</u>	<u>343,023</u>
Assets for which fair values are disclosed								
Property Plant & Equipment								
-Freehold land	-	-	1,332,729	1,332,729	-	-	1,302,158	1,302,158
Assets for which fair values are disclosed								
Interest Bearing Borrowings	-	482	-	482	-	1,137	-	1,137
	<u>-</u>	<u>482</u>	<u>1,332,729</u>	<u>1,333,211</u>	<u>-</u>	<u>1,137</u>	<u>1,302,158</u>	<u>1,303,295</u>

37.2.2 Valuation techniques and Significant Unobservable Inputs

The following table show the valuation techniques used in measuring Level 2 and 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.38.20	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

37.3 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.

(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.

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

37 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit Risk (Continued)

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		Company	
		Carrying Amount		Carrying Amount	
		2022	2021	2022	2021
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade and Other Receivables	18	69,685	72,519	65,243	69,994
Amount due from Related Parties	19	27,336	24,192	27,291	24,175
Loans given to Related Parties	19.2	-	1,646	-	-
Cash at Bank	21	172,297	172,297	67,605	56,244
		269,318	270,654	160,139	150,413

Trade and Other Receivables

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

Group	Group		Company	
	2022		2022	
	Gross Balance	Impairment	Gross Balance	Impairment
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Past due 0 - 60 days	40,558	2,405	40,558	2,405
Past due 61 - 180 days	1,689	96	1,689	96
Past due 181 - 365 days	13,492	4,022	13,492	4,022
More than one year	22,785	1,644	18,343	1,644
	78,523	8,167	74,081	8,167

Impairment Losses

The Group establishes an allowance for impairment that represents its estimate of incurred 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.8.2 Mn as at 31 March 2022.

Cash and Cash Equivalents

The Group held Cash and Cash equivalents of Rs. 173.3 Mn at 31 March 2022 (Rs. 157.7 Mn as at 31 March 2021) which represent its maximum credit exposure on

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 2022	Notes	Group				Company			
		Carrying	Contractual	0-12	More than	Carrying	Contractual	0-12	More than
		Amount	Cash Flow	Months	1 Year	Amount	Cash Flow	Months	1 Year
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Liabilities (Non- Derivative)									
Bank Overdraft	21	416	416	416	-	416	416	416	-
Interest Bearing Borrowings	27	482	482	482	-	482	482	482	-
Trade and Other Payables	28	36,877	36,877	36,877	-	36,726	36,726	36,726	-
Interest Bearing Borrowings from Related Compa	29	-	-	-	-	-	-	-	-
Total		37,775	37,775	37,775	-	37,623	37,624	37,624	-

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

37.3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Liquidity Risk (Continued)

As at 31 March 2021	NOTES	Group			Company		
		Carrying Amount	0-12 Months	More than 1 Year	Carrying Amount	0-12 Months	More than 1 Year
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Liabilities (Non- Derivative)							
Bank Overdraft	21	3,674	3,674	-	3,674	3,674	-
Interest Bearing Borrowings	27	1,137	756	441	1,137	756	441
Trade and Other Payables	28	38,873	38,873	-	38,696	38,696	-
Interest Bearing Borrowings from Related Company	29	-	-	-	2,047	2,096	-
Total		43,685	43,303	441	45,554	45,222	441

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.

(a) Interest Rate Risk

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

	Notes	Group		Company	
		Carrying Amount		Carrying Amount	
		2022	2021	2022	2021
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Fixed Rate Instruments					
Financial Liabilities					
Interest Bearing Borrowings	27	-	-	-	-
Interest Bearing Borrowings from Related Company	29	-	-	-	2,047
		-	-	-	2,047
Variable Rate Instruments					
Financial Liabilities					
Interest Bearing Borrowings	27	482	1,137	482	1,137
Bank Overdrafts	21	416	3,674	416	3,674
		898	4,811	898	4,811

Fair Value Sensitivity Analysis for Fixed Rate Instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash Flow Sensitivity Analysis for Variable Rate Instruments

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

31 March 2022	Profit or Loss	
	100 bp Increase	100 bp Decrease
	Rs.000	Rs.000
Variable Rate Instruments	(99)	99
Cash Flow Sensitivity (Net)	(99)	99

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 March

37 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)
37.3 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	
		2022 Rs.'000	2021 Rs.'000	2022 Rs.'000	2021 Rs.'000
Total Liabilities		61,109	67,936	60,956	69,805
Less: Cash and Cash Equivalents	21	(173,003)	(157,715)	(68,311)	(56,978)
Net Debt		(111,894)	(89,779)	(7,355)	12,827
Total Equity		716,559	656,829	608,824	547,685
Net Debt to Equity Ratio		-16%	-14%	-1%	2%

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 2021/2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

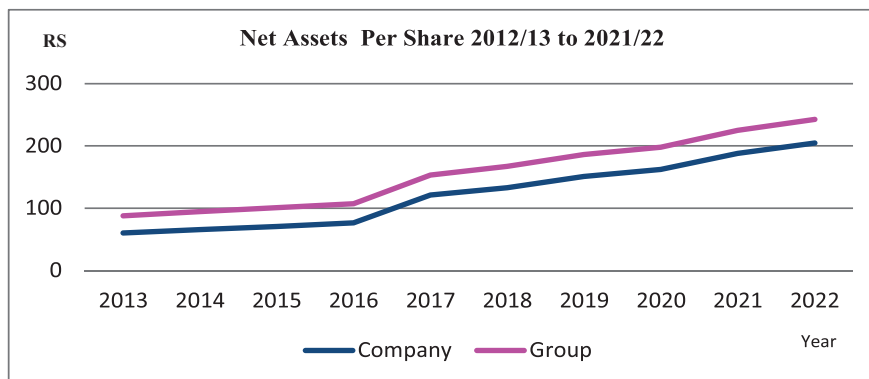
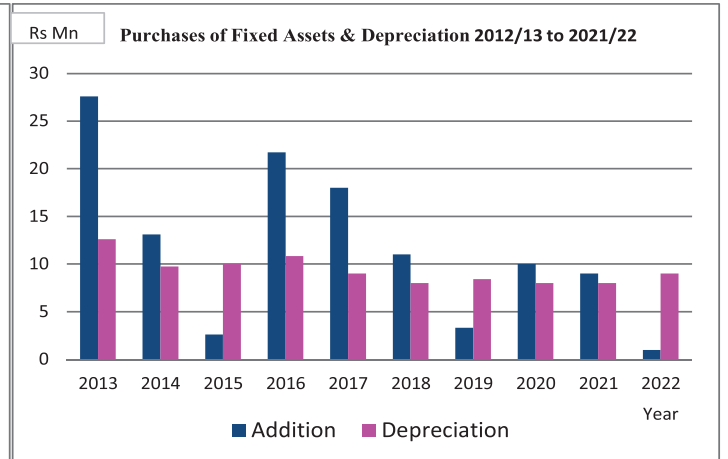
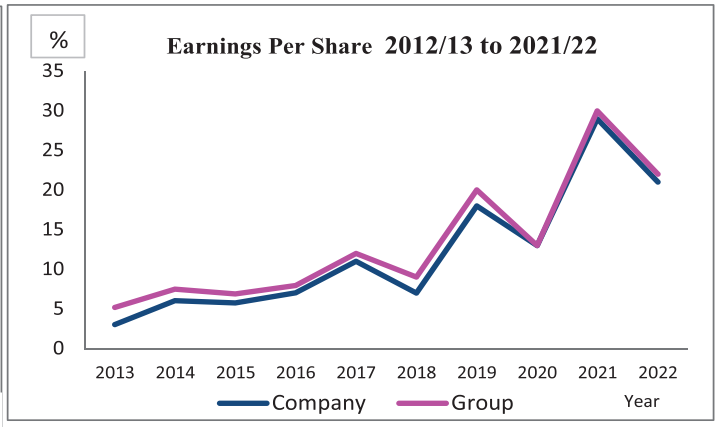
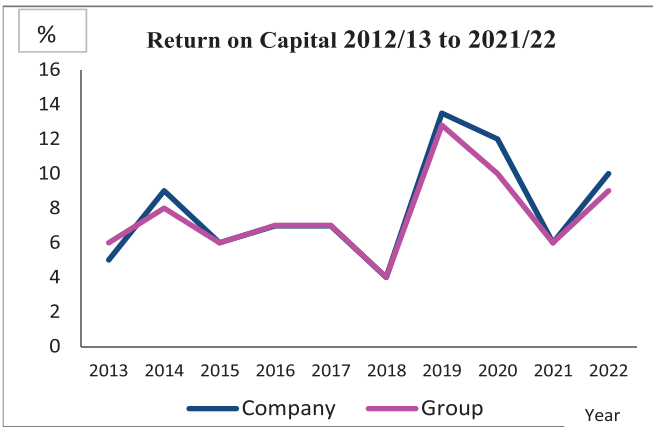
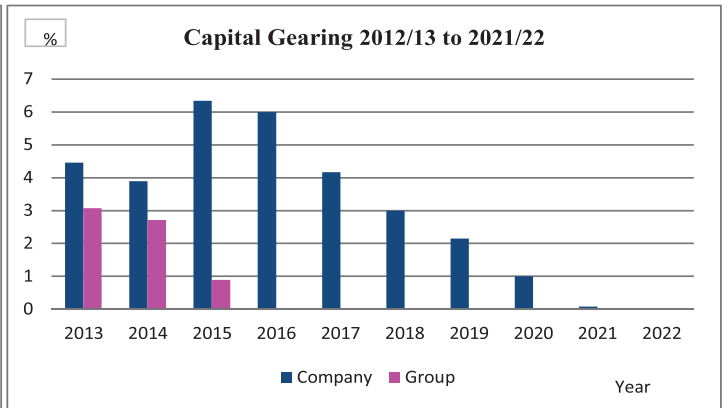
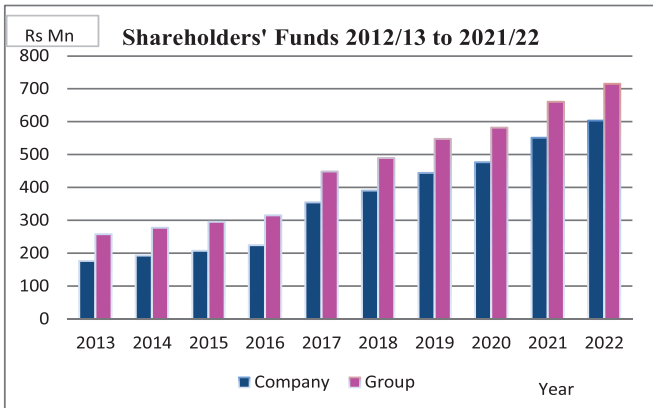
As at 31 March

38 SEGMENTAL REPORTING

Reportable segment	Operations											
	Security Printing Division		Security Card Division		Atlas		Other		L H Planation		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Security Printing Division	Printing of cheque leaves and security documents											
Security Card Division	Manufacturing and marketing plastic and internationally certified Visa, Master and other internal cards and solutions and the supply of related equipment and machinery											
Atlas Division	Publishing and distributing Lake House Atlas											
LH Plantation (Pvt) Ltd	Managing agent of coconut plantations											
Revenue												
External Sales	239,300	245,779	417,827	230,391	3,091	2,595	-	-	210	210	660,428	478,975
Inter Segment Sales	-	-	-	-	-	-	-	-	-	-	-	-
Gross Turnover	239,300	245,779	417,827	230,391	3,091	2,595	-	-	210	210	660,428	478,975
Revenue Based Taxes	(17,704)	(18,190)	(10,616)	(8,470)	-	-	-	-	-	-	(28,320)	(26,660)
Net Segment Revenue	221,596	227,589	407,211	221,921	3,091	2,595	-	-	210	210	632,108	452,316
Total Revenue	-	-	-	-	-	-	-	-	-	-	632,108	452,316
Gross Profit	-	-	-	-	-	-	-	-	-	-	180,977	132,069
Other Operating Income	-	-	-	-	-	-	-	-	6,239	7,680	18,308	30,313
Operating Profit	-	-	-	-	-	-	-	-	-	-	66,232	85,556
Net Finance Cost	-	-	-	-	-	-	-	-	-	-	5,414	8,767
Share of Associate Company's Net Profit	-	-	-	-	-	-	-	-	-	-	-	(79)
Profit before Tax	-	-	-	-	-	-	-	-	-	-	71,646	94,245
Income Tax Expense	-	-	-	-	-	-	-	-	-	-	(7,011)	(12,198)
Profit for the year	-	-	-	-	-	-	-	-	-	-	64,635	82,046
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	235	665
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-	64,870	82,712
Assets												
Segment Assets	171,758	161,418	61,059	52,961	4,965	2,177	88,891	61,610	109,392	111,164	436,065	389,330
Investment Property	-	-	-	-	-	-	-	-	-	-	336,458	325,380
Held for sale Investment	-	-	-	-	-	-	-	-	-	-	5,145	10,055
Total Assets	171,758	161,418	61,059	52,961	4,965	2,177	88,891	61,610	109,392	111,164	777,668	724,765
Liabilities												
Segment Liabilities	3,232	3,403	12,255	17,215	-	-	40,226	35,861	150	183	55,863	56,662
Deferred Taxation	-	-	-	-	-	-	-	-	-	-	4,759	10,031
Interest Bearing Borrowings	-	-	-	-	-	-	487	1,243	-	-	487	1,243
Total Liabilities	3,232	3,403	12,255	17,215	-	-	40,713	37,104	150	183	61,109	67,936
Capital Expenditure	199	7,508	136	4,893	-	-	579	1,250	-	-	914	13,650
Depreciation	6,104	5,472	820	1,087	-	-	2,050	1,901	-	1	8,974	8,461

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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STATISTICAL INFORMATION



LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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STATISTICAL INFORMATION (CONTINUED)

PERFORMANCE SUMMARY FOR THE YEARS 2012/2013 - 2021/2022

	2021/2022		2020/2021		2019/2020		2018/2019		2017/2018	
	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%
CAPITAL & RESERVES										
Stated Capital	35.30	5.79	35.30	6.39	35.30	7.34	35.30	7.80	35.30	8.80
Capital Reserves	6.20	1.02	6.20	1.12	6.20	1.29	6.20	1.40	6.20	1.50
Other Reserves	234.73	38.55	234.50	41.96	232.00	48.24	232.00	51.50	228.30	56.90
Retained Earnings	332.60	54.64	271.68	50.44	202.10	42.48	171.20	38.00	121.40	30.40
Shareholders' Funds	608.83	100.00	547.68	99.91	475.60	99.35	444.70	98.70	391.20	97.60
LONG TERM LOANS	-	-	0.48	0.09	3.12	0.65	6.20	1.30	9.80	2.40
	608.83	100.00	548.16	100.00	478.72	100.00	450.90	100.00	401.00	100.00
REPRESENTED BY										
Property, Plant and Equipment	369.62	60.70	366.60	66.37	309.20	64.59	328.30	72.80	312.40	77.90
Investments	20.84	3.42	25.51	4.61	25.80	5.39	25.70	5.70	22.00	5.50
NON- CURRENT ASSETS	390.46	64.12	392.11	70.98	335.00	69.98	354.00	78.50	334.40	83.40
Current Assets	279.31	45.87	225.37	40.80	261.85	54.70	205.10	45.50	150.20	37.40
Liabilities	(56.24)	(9.21)	(59.29)	(10.73)	(110.51)	(23.09)	(100.70)	(22.30)	(81.80)	(20.40)
Deferred Tax	(4.70)	(0.78)	(5.80)	(1.05)	(7.62)	(1.59)	(7.50)	(1.70)	(1.80)	(0.40)
Net Assets	218.37	35.88	160.28	29.02	143.72	30.02	96.90	21.50	66.60	16.60
	608.83	100.00	552.39	100.00	478.72	100.00	450.90	100.00	401.00	100.00
TURNOVER	660.21	100.00	478.76	100.00	623.40	100.00	809.20	100.00	556.56	100.00
Brought out materials and services	480.16	72.72	334.33	69.83	378.16	60.66	596.60	73.70	331.20	59.50
Salaries and Wages	74.46	11.28	75.36	15.74	93.36	14.98	92.60	11.50	83.30	15.00
Depreciation	8.97	1.35	8.46	1.77	7.74	1.24	8.40	1.00	7.90	1.40
Loan Interest	2.02	0.30	1.01	0.21	2.10	0.34	2.80	0.30	5.00	0.90
Government Tax	39.53	5.99	31.70	6.62	83.74	13.43	101.70	12.60	95.30	17.10
Dividends	5.14	-	6.60	-	5.90	-	4.40	-	3.60	-
Profit/ (Loss) for the Year	55.07	8.36	27.90	5.83	58.30	9.35	54.00	6.70	20.50	3.50
Revaluation of Investment Property net of Tax	11.07	57.10	-	-	-	-	15.40	-	(10.80)	-
Other Income	23.95	-	33.34	-	37.32	-	31.50	-	31.50	-
Profit/ (Loss) Before Tax (Rs.Mn)	72.08	-	88.63	-	56.23	-	75.00	-	32.40	-
ACCOUNTING RATIOS										
	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018					
Current Assets	6.43	3.80	2.37	2.03	1.84					
Quick Assets	3.80	2.56	1.57	0.93	1.16					
Gearing (Equity)	-	0.09%	0.66%	1.27%	2.44%					
Gearing (Loans & Equity)	-	0.09%	0.65%	1.39%	2.50%					

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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STATISTICAL INFORMATION (CONTINUED)

PERFORMANCE SUMMARY FOR THE YEARS 2012/2013 - 2021/2022

2016/2017		2015/2016		2014/2015		2013/2014		2012/2013		
Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	
35.30	9.60	35.30	14.80	35.30	16.00	35.30	17.60	35.30	19.04	CAPITAL & RESERVES
6.20	1.60	6.20	2.60	6.20	2.80	6.20	3.10	6.20	3.34	Stated Capital
207.90	56.50	105.60	44.30	105.60	47.90	105.60	52.60	105.60	56.96	Capital Reserves
105.30	28.60	77.50	32.60	27.30	46.00	46.00	22.90	30.40	16.40	Other Reserves
354.70	96.30	224.60	94.30	207.40	94.00	193.10	96.20	177.50	95.74	Retained Earnings
13.30	3.70	13.50	5.70	13.10	6.00	7.50	3.80	7.90	4.26	Shareholders' Funds
368.00	100.00	238.10	100.00	220.50	100.00	200.60	100.00	185.40	100.00	LONG TERM LOANS
305.50	83.00	188.00	79.00	168.90	76.60	176.40	87.90	171.50	92.50	REPRESENTED BY
18.20	4.90	16.90	7.10	16.90	7.60	17.00	8.50	16.90	9.12	Property, Plant and Equipment
323.70	87.90	204.90	86.10	185.80	84.20	193.40	96.40	188.40	101.62	Investments
127.60	34.70	107.60	45.20	93.00	42.20	63.30	31.50	90.20	48.65	NON- CURRENT ASSETS
(81.60)	(22.20)	(73.50)	(30.90)	(58.40)	(26.50)	(56.60)	(28.50)	(94.40)	(50.92)	Current Assets
(1.80)	(0.40)	(0.90)	(0.40)	0.10	0.10	0.50	0.60	1.20	0.65	Liabilities
44.20	12.10	33.20	13.90	34.70	15.80	7.20	3.60	(3.00)	(1.62)	Deferred Tax
368.00	100.00	238.10	100.00	220.50	100.00	200.60	100.00	185.40	100.00	Net Assets
488.60	100.00	380.00	100.00	373.14	100.00	350.00	100.00	326.70	100.00	TURNOVER
297.20	60.80	228.70	60.18	219.58	58.85	202.00	57.70	185.20	56.80	Brought out materials and services
74.80	15.30	67.13	17.66	67.34	18.12	65.40	18.70	69.70	21.30	Salaries and Wages
9.30	1.90	10.80	2.84	10.11	2.71	9.70	2.80	12.60	3.80	Depreciation
3.60	0.70	2.90	0.76	3.56	0.95	6.20	1.80	10.30	3.20	Loan Interest
72.20	14.20	49.82	13.11	55.80	14.95	49.20	14.00	40.00	12.20	Government Tax
2.90	-	2.90	-	3.05	-	2.00	-	2.60	0.80	Dividends
31.50	6.50	20.65	5.45	16.75	4.49	17.60	5.00	8.90	2.70	Profit/ (Loss) for the Year
2.30	-	8.30	-	-	-	1.70	-	5.00	-	Revaluation of Investment Property net of Tax
24.90	-	19.10	-	17.10	-	15.80	-	17.10	-	
34.50	-	27.00	-	28.00	-	24.60	-	6.96	-	Profit/ (Loss) Before Tax (Rs.Mn)

ACCOUNTING RATIOS

2016/2017	2015/2016	2014/2015	2013/2014	2012/2013	
1.56	1.46	1.59	1.12	0.96	Current Assets
0.82	0.81	1.06	0.58	0.40	Quick Assets
3.70%	6.03%	6.34%	3.85%	4.45%	Gearing (Equity)
3.75%	5.68%	5.96%	3.74%	4.26%	Gearing (Loans & Equity)

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
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STATISTICAL INFORMATION (CONTINUED)

COMPANY

		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Earnings per Share	(Rs.)	10.71	6.99	18.38	12.62	26.57	22.48
Dividends per Share	(Rs.)	1.25	1.50	2.00	2.25	1.75	2.00
Net Assets per Share	(Rs.)	120.78	133.17	151.39	161.92	186.46	207.28
Year on Year growth in Earnings per Share	(%)	52.34	(34.73)	162.95	(31.33)	110.53	(15.39)
Year on Year growth in Dividends per Share	(%)	25.00	20.00	33.33	12.50	(22.22)	14.28
Operating Return before Interest on Investments	(%)	9.98	7.98	15.20	9.86	14.76	11.52
Borrowing as a percentage of Total Assets	(%)	21.42	19.30	20.48	20.30	11.30	9.10
Interest Cover		10.49	7.43	27.96	27.68	88.41	36.56
Price Earnings Ratio		12.41	18.74	7.61	10.15	4.56	6.75
Earnings Yield	(%)	8.05	5.33	13.13	9.85	21.91	14.81
Dividend Payout Ratio	(%)	11.67	21.46	10.88	17.83	6.58	8.90

GROUP

		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Earnings/(Loss) per Share	(Rs.)	12.12	8.25	20.08	13.26	27.93	22.01
Net Assets per Share	(Rs.)	152.97	166.63	186.55	197.71	223.62	243.96
Year on Year growth in Earnings per Share	(%)	51.63	(28.79)	143.39	(33.96)	110.63	(21.20)
Operating Return before Interest on Investments	(%)	7.82	8.00	14.07	8.35	13.36	9.79
Borrowing as a percentage of Total Assets	(%)	15.26	14.22	16.13	16.57	9.37	7.86
Interest Cover		12.09	11.43	45.10	42.50	145.55	37.78

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021/2022

STATISTICAL INFORMATION (CONTINUED)

Share Structure as at 31 March 2022

No. Of Shareholders	Range	No. Of Shares	Percentage %
527	1-1000	32,989	1.13
23	1001-5000	58,005	1.97
5	5001-10000	38,559	1.31
8	10001-20000	121,294	4.12
2	20001-30000	58,360	1.99
4	30001-40000	139,211	4.74
1	40001-50000	48,830	1.67
2	50001-100000	155,295	5.30
3	100001-1000000	1,232,615	41.96
1	Over-1000000	1,052,087	35.81
576		2,937,245	100.00

Directors' Shareholdings

NAME OF THE DIRECTOR	NO. OF SHARES	
	31/03/2022	31/03/2021
Mr.R.S. Wijewardene	1,052,087	1,052,087
Mr.P.S.Wijewardene	108,282	108,282
Mr.R.C.Samarasinghe	-	-
Prof.L.R.Watawala (Independent)	-	-
Mr.D.F.R.Jayamaha (Independent)	-	-
Mr. D.R Wijewardene (Appointed on 1st August 2021)	962,612	-

Major Shareholders

NAME	NO. OF SHARES	PERCENTAGE ON TOTAL SHARES
Mr.R.S. Wijewardene	1,052,087	35.81
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.Gooneratne	95,046	3.24
Mrs.A.I.Wijesundere	60,249	2.05
Mrs.R.N.Wijewardene	48,830	1.66
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
Mrs.K.A.Weerathunge	29,730	1.01
Estate of Late Mr.P.S.Wijewardene	28,630	0.97
Mr.A.L.Gooneratne	20,000	0.68
Miss.R.M.Wijewardene	18,111	0.62
Mr.N.D.P.Hettiarachchi	21,090	0.71
Mr., Mrs & Miss. Hettiarachchi	18,429	0.63
Miss.V.S.Wijewardene	14,038	0.48
Mr.A.R.Wijewardene	11,722	0.40
E Channelling PLC	10,697	0.36
	2,800,485	95.33

Public Holding

The company complies with the minimum public holding requirement under Table 1 Option 5 (as per the CSE Directive of 17th

- Number of Shareholders	624
- No,of Shares	765,434
- As a Percentage	26.06%
Highest Price per share for the period (Rs)	529.50
Lowest Price per share for the period (Rs)	122.50
Market Value Per Share as at 31 March 2022	151.75

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 2022 was Rs.249.5Mn.

Form of Proxy

I/We..... of
..... Being a member/members of Lake House Printers and
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.Dulip.F.R.Jayamaha or failing him Mr. D.R. Wijewardene 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
30th September 2022 at 11.30 am 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 agmlhpp2022@gmail.com/ Fax (011-2449504) /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 a certified copy of that power of attorney or other authority will have to be Scanned & Email to agmlhpp2022@gmail.com / Fax (112449504) / deposited at the registered office of the company, not less than 48 hours before the time appointed for the holding of the meeting.

כנס קהל

