



ANNUAL REPORT

2023/2024

**LAKE HOUSE PRINTERS &
PUBLISHERS PLC**

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

NOTICE OF MEETING

Sixtieth Annual General Meeting

Notice is hereby given that the Sixtieth Annual General Meeting of the Company will be held on 30th September 2024 at 11.30 a.m. in Colombo via Zoom.

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

Agenda

- 1. To receive, consider and adopt the Directors' Report and Audited Financial Statements for the year ended 31st March 2024 with the Report of the Auditors thereon.**
- 2. To declare a first and final dividend of Rs. 6/- per share as recommended by the Directors.**
- 3. To pass the under mentioned Resolutions, 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 87 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 76 years and that he be re-elected a Director of the Company until 31st December 2024”

“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 80 years and that he be re-elected a Director of the Company until 31st December 2024”

- 4. To reappoint Auditors for the year 2024/2025 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
30 August, 2024

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 agmlhpp2024@gmail.com or shall be posted to reach its Registered Office not less than 48 hours before the meeting.

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CORPORATE INFORMATION

Legal Status

A Quoted Public Company
Registered Number – PQ 175

Board of Directors

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)

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.
Hatton National Bank, Head Office Branch.
Seylan Bank, Union Place Branch.
Cargills Bank, Head Office Branch.

Registered Office

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

Fax

011 – 2449504

E- Mail

lhpp@slt.net.lk

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 25 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)

Mr. 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 on the Board from November 2003 to April 2004. Further, he has served as a Director of Lanka Cement Limited and as the 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. 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
30 August, 2024
Colombo

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THE CHAIRMAN'S REVIEW

The Company has had another highly satisfactory year.

It has recorded a Net Profit before Tax of Rs. 211.7 mn (F/Y 22/23 – Rs.232.5 mn) which also includes an unrealized Gain on Revaluation of Investment Properties of Rs.8.1 mn.

The Net Profit of the Company after Tax was Rs.140.4mn (F/Y 22/23 – Rs.156 mn).

The two Production Divisions namely, the Security Printing Division and the Security Cards Division (Lake House Technologies) continue to be the driving force behind the exceptional performances the Company has been achieving in the past two years.

The Company can expect a much more challenging situation in the future as strong competitors with substantial resources are now entering the fray in a big way.

The Security Cards Division of the Company has now been more aptly renamed as Lake House Technologies, as its range of activities has greatly expanded from the supply of Plastic and Metal Cards and Banking Solutions initially. The Division is now in a position to provide Digital Solutions too.

The Company continues to be alert to keep its operational costs down.

Favourable Cash Flows generated during the year on the back of successful operations, have been put to good use resulting in an enhancement of the operational surpluses by way of Interest Income through judicious Investments.

Understandably, the Company's Works and other related Overhead Expenditure have also increased substantially due to the conditions currently prevailing in the Country and also on account of the extra efforts applied towards the generation of substantially higher Income.

Atlas Trading activities continue to be on a muted scale and this has remained so since the onset of COVID. This was once an income earner and efforts at reviving this once profitable activity are ongoing.

LH Plantations (Pvt) Ltd, the 100% owned Subsidiary of the Company has also had a relatively good year, posting a Net Profit after Tax of Rs.15.2 mn (F/Y 22/23 Rs.14.3 mn). Its Income is almost entirely derived from Interest earned from its Investments. The Company has now been in existence for over 32 years and though the purpose for which it was originally established hardly applies today, it is still an invaluable acquisition with its substantial liquid Assets Base. As a fully owned Subsidiary, it enhances the financial viability of the Parent Company.

The Basic Earnings per Share of Rs.47.82 and the Value of a Share on Net Assets Basis of Rs.299.95 (F/Y 22/23 – Rs.257.56) of Lake House Printers and Publishers PLC are indications of the stability of the Company.

The Company is presently able to meet all its operational costs through internally generated funds and, bank and any other borrowings have hardly been used, as the absence of a Capital Gearing Ratio in the last two years indicates. (Please see Chart on Page 63).

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THE CHAIRMAN'S REVIEW (CONTINUED)

Taking all relevant factors into consideration, your Board is of the view that the excellent performance of the Company in the Financial Year 2023/24, merits a Dividend similar to that of the previous financial year which too was a highly successful one.

Accordingly, they have recommended that the Company makes its Shareholders a Dividend payment of Rs.6/- per share less tax, out of its profits for the year, for the Financial Year 2023/24.

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



R. S. Wijewardene
Chairman
30 August, 2024
Colombo

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CORPORATE GOVERNANCE

The Directors hereby confirm that the Company is in compliance with Section 9 of the Listing Rules of Corporate Governance as at 31st March 2024.

Board of Directors

The Directors of the Company meet approximately once a month. Board Meetings with independent non-executive directors are generally held on a quarterly basis. At 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 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, two Members are Executive. There are two Independent Non-Executive Directors namely Prof. L.R Watawala and Mr. Dulip.F.R.Jayamaha P.C and two Non-Executive Directors, namely Mr.R.C.Samarasinghe and Mr. D.R Wijewardene.

Board Meetings

The Board Meetings with Independent Directors are generally scheduled once in three months, to consider the performance and Financial Statements of the relevant period 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 and Non-Executive Director Mr.R.C.Samarasinghe as Members. 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.

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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.

Nominations and Governance Committee

In compliance with the rules of 9.3.1 of Corporate Governance of the Colombo Stock Exchange, a Nominations and Governance Committee has been established at the Board Meeting held on 10th November 2023. The Nominations and Governance Committee comprises of Prof L.R Watawala as the Chairman and Mr. Dulip Jayamaha and Mr. R.C. Samarasinghe as members. The Nominations and Governance Committee has met once during the financial year.

Appointment of the Senior Independent Director

In compliance with the rules of 9.6.1, 9.6.2 and 9.6.3 of Corporate Governance of Colombo Stock Exchange, the Chairperson of the Company is not a Non-Executive Director. Accordingly, Prof. L.R. Watawala has been appointed as the Senior Independent Director on 19th October 2023.

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.

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CORPORATE GOVERNANCE (CONTINUED)

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.

Independence of Directors

In accordance with Rule 9.18.2 (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 9C of Corporate Governance Listing Requirements of the CSE.

Based on the above declarations and other information available, the Board is of the view that Professor L.R Watawala and Mr. Dulip.F.R. Jayamaha are eligible for re-appointment as Independent Non - Executive Directors till the 31st December 2024.

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
30 August, 2024
Colombo

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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 fairs. 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 Independent Non-Executive 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. Mr.R.C Samarasinghe FCA, Exective Director is also a member of the Audit Committee

Members who are invited to participate at the Audit Committee meetings are; Mr.D.V Gunatunga, Consultant, the Deputy General Manager (Finance) , the Finance Manager 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, analyzed Internal Audit reports and necessary recommendations made to the Board. Further, the Audit Committee continuously reviews 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 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 2025, 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
30 August, 2024
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 (Non-Executive Director).

During the Financial Year ended 31st March 2024, 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 F.R. Jayamaha
Chairman
Related Party Transactions Review Committee
30 August, 2024
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.

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 decisions for implementation.



Dulip F.R. Jayamaha,
Chairman
Remuneration Committee
30 August, 2024
Colombo

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STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

In order to comply with Section 9.6.3 of the Colombo Stock Exchange Listing Rules, the Board of Directors of the Company designated me as the Senior Independent Director (SID) of the Company with effect from 19th October 2023.

Section 9.6.3 of the Listing Rules provide that in a situation where the Chairman and CEO are the same person or where the Chairman is not an Independent Director, a Senior Independent Director (SID) shall be appointed. In Lake House Printers and Publishers PLC, the Chairman is not the CEO, he is not an Independent Director either.

ROLE OF THE SENIOR INDEPENDENT DIRECTOR

The Senior Independent Director (SID) provides guidance to the Chairman on matters of governance of the Company. To perform this duty effectively the SID is required to meet the Non- Executive Directors and Executive Directors to discuss on governance related matters. The role of SID also provides emphasis to transparency on matters relating to governance and call for a review of the effectiveness of the Board.

ACTIVITIES DURING THE YEAR

In line with the regulatory requirements, I presided over the following meetings and exercised my voting rights where necessary. A meeting was held with the Non-Executive Directors without the presence of the Executive Directors. At these meeting performances of the Chairman and the Executive Directors were appraised. A meeting was held with only the Independent Directors and discussions were held on matters relating to the Company and the operations of the Board

Outcomes of these meetings together with the recommendations were duly informed to the Chairman and Board. The Company strictly adheres to all relevant mandatory requirements while embracing voluntary guidelines and best practices in governance, thus building stakeholder trust and ensuring integrity across all decision making. I believe that I have effectively discharged the duties entrusted to the SID in accordance with the Corporate Governance guidelines.



Prof.Lakshman R.Watawala
Senior Independent Director
30 August, 2024
Colombo.

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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 23 to 62 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
30 August, 2024
Colombo

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REPORT ON THE AFFAIRS OF THE COMPANY

TO THE SHAREHOLDERS

The Board of Directors has pleasure in presenting the 60th Annual Report and the Audited Financial Statements of the Company for the year ended 31 March 2024. 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 2024, which include the Statement of Comprehensive Income, Statement of Financial Position and Notes to the Financial Statements, are given from Pages 23 to 62.

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. 19 to 22.

5. CHANGE IN ACCOUNTING POLICIES

Any changes in accounting policies made during the financial year ended 31 March 2024, 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 31/03/2024</u>	<u>As at 31/03/2023</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 (Senior Independent non-Executive Director)	-	-
Mr. Dulip F.R. Jayamaha (Independent non-Executive Director)	-	-
Mr. D. R Wijewardene (Non-Executive Director)	962,612	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 9C of Corporate Governance listing requirements of CSE.

7. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The Company maintains a Directors' Interest Register. Transactions with key management personnel are comprehensively recorded under Note No.31 to the Financial Statements on Page No.55.

8. REMUNERATION AND OTHER BENEFITS OF DIRECTORS

The aggregate remuneration and other benefits of Directors of the company for the financial year 2023/2024 amounted to Rs.5,352,804/- (2022/23 Rs. 4,655,554/-)

9. DIVIDENDS

The Directors recommend the payment of a dividend of Rs.6.00 per share for the year ended 31 March 2024. The company paid a dividend of Rs.5.00 per share for the year ended 31/03/2023 in October 2023.

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 2023/2024 was fixed at Rs.964,750/= for the Company and Rs.1,220,125/= 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 2023/2024 at a remuneration of Rs.222,000/- (2022/2023 – Rs.185,035).

12. DONATIONS

The Company has made donations amounting to Rs.65,000/= during the year ended 31 March 2024(2022/23- Rs.25,000/=).

13. CHANGES IN PROPERTY, PLANT AND EQUIPMENT

The movements in Property, Plant and Equipment between the years ended 31 March 2024 and 31 March 2023 are set out in Note No.12 to the financial statements. A sum of Rs 6.211 Mn has been spent on the purchase of Machinery, Equipment, Motor Vehicles during the year.

The Motor Vehicle purchased in 2012 was sold during the year and Profit on disposal of Asset was Rs.4.860Mn.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/2024

REPORT ON THE AFFAIRS OF THE COMPANY (CONTINUED)

Further, Investment Property has been Fair valued during the year at Rs. 356.4 Mn as at 31 March 2024 (2022/2023 Rs 348.2 Mn).

The Revaluation Reserve remained at Rs. 217.232 Mn during the Financial Year 2023/2024. (2022/23 Rs. 217.232 Mn net of Deferred Tax).

14. STATED CAPITAL AND RESERVES

There were no changes in the Issued Share Capital and Capital Reserves of the Company during the year under review. The total Retained Earnings of the Company as at 31 March 2024 rose to Rs.604.74Mn (2023 Rs.481.37 Mn) and Retained Earnings of the Group to Rs.738.34Mn (2023 Rs.601.96Mn). The Revaluation Reserve as at 31 March 2024 remained at Rs.217.232Mn.

16. RELATED PARTY TRANSACTIONS

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

Details of the Related Party Transactions are shown under Note No.31 to the financial statements.

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

17. STATUTORY PAYMENT

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

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

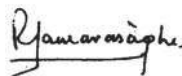
The Directors thank the members at all levels for their efforts during the period under review.

By Order of the Board



.....

R. S. Wijewardene
Director
30 August, 2024



.....

R. C. Samarasinghe
Director
30 August, 2024



.....

D. P. A. N. Kumara
Company Secretary
30 August, 2024

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/2024



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
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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 statements of financial position as at March 31, 2024, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information as set out on pages 23 to 62 of this annual report.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as of March 31, 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

C.P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA
T.J.S. Rajakarier FCA
W.K.D.C. Abeyathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadiwakara FCA

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

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

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/2024



Valuation of Investment Property	
Refer note 13 to the financial statements and the accounting policies in note 3.5 to the Financial Statements.	
Risk Description	Our response
<p>As at 31 March 2024 the Group's Investment Properties carried at fair value amount to Rs. 356.4 Mn. Further, the fair value gain recognized in the statement of profit or loss for the year, amounted to Rs.8.1 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>Further, the Company has incorporated risk adjustments for prevailing uncertain and volatile economic conditions in property valuation to reflect the associated risks in the valuation model based on reasonable and supportable information available to management at the reporting date.</p> <p>We identified this as a key audit matter because of the significance of the value of these properties to the Financial Statements and significant judgement/estimation involves in 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. ▪ Discussions with management and the external valuer and comparison of the key assumptions used against externally published market comparable or industry data where available and knowledge of the industry. and challenging the reasonableness of the method, assumptions, and data with the assistance of KPMG valuation Specialist. ▪ Discussions with management and the external valuer in relation to the possible impact on the key assumptions and the resulting valuation due to current uncertain economic conditions. ▪ Assessing the adequacy of the disclosures in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions in the estimates.

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.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/2024



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.
- 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.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/2024



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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 read 'K. M.', with a long horizontal flourish extending to the right.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka
30 August 2024

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March	Note	Group		Company	
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Revenue	5	1,901,425	1,379,466	1,901,065	1,379,156
Cost of Sales		(1,378,052)	(919,881)	(1,378,052)	(919,881)
Gross Profit		523,373	459,585	523,013	459,275
Other Operating Income	6	31,497	22,028	31,452	22,966
Administration Expenses		(182,996)	(157,859)	(181,589)	(156,352)
Distribution Expenses		(182,154)	(100,446)	(182,154)	(100,446)
Gain on Valuation of Investment Properties	13	8,168	11,793	8,168	11,793
Results from Operating Activities		197,888	235,101	198,890	237,236
Finance Income	7	40,720	29,994	20,205	9,460
Finance Cost	7	(7,367)	(14,117)	(7,367)	(14,117)
Profit before Tax	8	231,241	250,978	211,728	232,579
Income Tax Expense	9	(77,809)	(82,111)	(71,291)	(76,576)
Profit for the Year		153,432	168,867	140,437	156,003
Other Comprehensive Income					
Items that will not be reclassified subsequently to Profit or Loss					
Actuarial Gain / (Loss) on Defined Benefit Obligations	24	(3,399)	(1,036)	(3,399)	(1,036)
Equity Investment at FVTOCI – net change in Fair Value	15.1.1	1,129	2,174	1,127	2,174
Deferred Tax reversal / (Charge) on Actuarial Gain / (Loss)	23	1,020	(311)	1,020	(311)
Deferred Tax Impact on Revaluation Reserve due to Rate Change	23	-	(3,304)	-	(3,304)
Total Comprehensive Income / Expense for the Year, net of Tax		(1,250)	(2,477)	(1,252)	(2,477)
Total Comprehensive Income		152,182	166,390	139,185	153,526
Profit Attributable to					
Equity Holders of the Parent		153,432	168,867	140,437	156,003
		153,432	168,867	140,437	156,003
Total Comprehensive Income Attributable to:					
Equity Holders of the Parent		152,182	166,390	139,185	153,526
Total Comprehensive Income		152,182	166,390	139,185	153,526
Basic Earnings Per Share (Rs.)	11	52.24	57.50	47.82	53.12

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 27 to 62.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/2024

STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	Group		Company	
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
ASSETS					
Non Current Assets					
Property, Plant and Equipment	12	22,518	25,965	24,705	25,965
Investment Property	13	356,419	348,251	356,419	348,251
Investment in Subsidiary	14	-	-	2,984	2,984
Other Investments	15	21,165	20,037	21,159	20,032
Total Non Current Assets		400,102	394,253	405,267	397,232
Current Assets					
Inventories	16	160,437	258,227	160,437	258,227
Trade and Other Receivables	17	100,516	269,628	96,693	261,456
Amounts due from Related Parties	18	28,766	27,803	28,766	27,713
Loans Due From Related Parties	18.2	7,000	-	-	-
Cash and Cash Equivalents	19	460,387	266,121	328,802	147,171
Total Current Assets		757,106	821,779	614,698	694,567
Total Assets		1,157,208	1,216,032	1,019,965	1,091,799
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	20	35,247	35,247	35,247	35,247
Capital Reserves	21	6,197	6,197	6,197	6,197
Revaluation Reserve	22	217,232	217,232	217,232	217,232
Fair Value Reserve		17,555	16,426	17,547	16,420
Retained Earnings		738,333	601,967	604,742	481,371
Total Equity attributable to Equity Holders of the Company		1,014,564	877,069	880,965	756,467
Total Equity		1,014,564	877,069	880,965	756,467
Non - Current Liabilities					
Deferred Tax Liabilities	23	29,690	24,956	29,690	24,956
Retirement Benefit Obligation	24	19,326	14,934	19,326	14,934
Interest Bearing Borrowings	25	-	-	-	-
Total Non - Current Liabilities		49,016	39,890	49,016	39,890
Current Liabilities					
Interest Bearing Borrowings	25	-	55,000	-	55,000
Trade and Other Payables	26	71,238	208,187	70,980	207,948
Current Tax Liabilities		21,747	35,401	18,361	32,009
Bank Overdrafts	19	643	485	643	485
Total Current Liabilities		93,628	299,073	89,984	295,442
Total Liabilities		142,644	338,963	139,000	335,332
Total Equity and Liabilities		1,157,208	1,216,032	1,019,965	1,091,799
Net Assets Per Share (Rs.)		345.44	298.63	299.95	257.56

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 27 to 62.

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

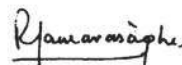


T.A.U. Jinadasa
D.G.M. Finance

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)
30 August, 2024
Colombo



R. C. Samarasinghe (Director)

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/2024

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 2022	35,247	6,197	220,536	14,246	332,591	608,817
Profit for the Year	-	-	-	-	156,003	156,003
Other Comprehensive Income	-	-	(3,304)	2,174	(1,347)	(2,477)
Total Comprehensive Income	-	-	(3,304)	2,174	154,656	153,526
<i>Transactions with Equity Holders</i>						
<i>Contribution by and Distribution to Equity Holders</i>						
Dividend for the Year (Note - 10)	-	-	-	-	(5,875)	(5,875)
Balance as at 31 March 2023	35,247	6,197	217,232	16,420	481,371	756,467
Balance as at 1 April 2023	35,247	6,197	217,232	16,420	481,371	756,467
Profit for the Year	-	-	-	-	140,437	140,437
Other Comprehensive Income	-	-	-	1,127	(2,379)	(1,252)
Total Comprehensive Income	-	-	-	1,127	138,058	139,185
<i>Transactions with Equity Holders</i>						
<i>Contribution by and Distribution to Equity Holders</i>						
Dividend for the Year (Note - 10)	-	-	-	-	(14,687)	(14,687)
Balance as at 31 March 2024	35,247	6,197	217,232	17,547	604,742	880,965
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 2022	35,247	6,197	220,536	14,252	440,323	716,555
Profit for the Year	-	-	-	-	168,867	168,867
Other Comprehensive Income	-	-	(3,304)	2,174	(1,347)	(2,477)
Total Comprehensive Income	-	-	(3,304)	2,174	167,520	166,390
<i>Transactions with Equity Holders</i>						
<i>Contribution by and Distribution to Equity Holders</i>						
Dividend for the Year (Note - 10)	-	-	-	-	(5,875)	(5,875)
Balance as at 31 March 2023	35,247	6,197	217,232	16,426	601,968	877,070
Balance as at 1 April 2023	35,247	6,197	217,232	16,426	601,968	877,070
Profit for the Year	-	-	-	-	153,432	153,432
Other Comprehensive Income	-	-	-	1,129	(2,379)	(1,250)
Total Comprehensive Income	-	-	-	1,129	151,053	152,182
<i>Transactions with Equity Holders</i>						
<i>Contribution by and Distribution to Equity Holders</i>						
Dividend for the Year (Note - 10)	-	-	-	-	(14,687)	(14,687)
Balance as at 31 March 2024	35,247	6,197	217,232	17,555	738,334	1,014,565

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 27 to 62.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/2024

CASH FLOW STATEMENT

For the year ended 31 March

	Notes	Group		Company	
		2024	2023	2024	2023
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before Tax		231,241	250,978	211,728	232,579
<i>Adjustments for,</i>					
Dividend Income	6	(3)	(1)	(3)	(1)
Profit on Disposal of Property, Plant and Equipment	6	(4,860)	-	(4,860)	-
Gain / (Loss) on Disposal of Associate	6	-	-	-	(1,479)
Interest Income	7	(40,720)	(29,994)	(20,205)	(9,460)
Interest Expense	7	7,367	14,117	7,367	14,117
Provision for Retiring Gratuity	8	4,224	2,757	4,224	2,757
Provision of Trade and Other Receivables		1,425	5,302	1,425	5,302
Depreciation	12	7,158	8,762	7,471	8,762
Gain / (Loss) on Fair Value of Investment Property	13	(8,168)	(11,793)	(8,168)	(11,793)
Inventory Provision / (Reversal) for the Year	16	1,451	670	1,451	670
Operating Profit before Working Capital Changes		199,115	240,798	200,430	241,454
Changes In;					
Inventories		96,339	(144,757)	96,339	(144,757)
Trade and Other Receivables		167,687	(204,584)	163,338	(200,859)
Dues from Related Companies		(963)	(465)	(1,053)	(420)
Trade and Other Payables		(140,287)	171,309	(139,562)	171,222
		321,891	62,301	319,492	66,640
Interest Paid		(7,367)	(14,117)	(7,367)	(14,117)
Gratuity Paid	24	(3,231)	(1,626)	(3,231)	(1,626)
Tax Paid		(82,370)	(35,727)	(76,591)	(33,797)
Net Cash Generated / (Used In) From Operating Activities		228,923	10,831	232,303	17,100
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment	12	(3,711)	(1,563)	(6,211)	(1,563)
Proceeds from Sale of Property, Plant and Equipment		4,860	-	4,860	-
Interest Received		40,720	29,993	20,205	9,460
Dividend Received		3	-	3	-
Proceeds from disposal of associate		-	5,145	-	5,145
Net Cash Flow Generated From / (Used In) Investing Activities		41,872	33,575	18,857	13,042
CASH FLOWS FROM FINANCING ACTIVITIES					
Lease Rentals Paid	25.1	-	(482)	-	(482)
Repayment of Loans during the Year	25.2	(157,567)	(57,137)	(157,567)	(57,137)
Loans Obtained during the Year	25.2	102,567	112,137	102,567	112,137
Loan Granted to the Related Party	18.2	(7,000)	-	-	-
Dividend Paid		(14,687)	(5,875)	(14,687)	(5,875)
Net Cash Flow Used in Financing Activities		(76,687)	48,643	(69,687)	48,643
Net Increase in Cash & Cash Equivalents		194,108	93,049	181,473	78,785
Cash & Cash Equivalents at the Beginning of the Year		265,636	172,587	146,686	67,901
Cash & Cash Equivalents at the End of the Year	19	459,744	265,636	328,159	146,686

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 27 to 62.

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/2024

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

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

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

1.1 Principal Activities of the Group

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The consolidated financial statements of the Group and the separate financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as SLFRSs/LKASs), laid down by The Institute of Chartered Accountants of Sri Lanka (ICASL) and in compliance with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, and the Listing Rules of Colombo Stock Exchange.

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

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

2.2 Responsibility for financial statements

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

2.3 Approval of financial statements by Directors

The financial statements of the Group and the Company for the year ended 31st March 2024 were approved and authorized for issue by the Board of Directors on the 30th August 2024.

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NOTES TO THE FINANCIAL STATEMENTS (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 – 15)
- Investment Property is measured at fair value. (Note – 13)
- Liability for defined benefit obligations is carried at the present value of the defined benefit obligations. (Note – 24)

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 Current Versus Non-Current Classification

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

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

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

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

2.7 Use of Estimates and Judgments

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

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

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

Note 13 – Determining the fair values of Investment Property

Note 17 - Measurement of provision for trade receivables

Note 24.2 - Measurement of defined benefit obligations: key actuarial assumptions

Note 15.1 - Measurement of fair value of Unquoted Investment

Note 09 - Measurement of Income Tax liability.

Note 23 - Measurement of Deferred Tax liability.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2.8 Going Concern

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

2.9 Reporting Date

The financial statements of both 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. Material Accounting Policies

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

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

3.1 Basis of Consolidation

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

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.

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NOTES TO THE FINANCIAL STATEMENTS (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.

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.

3.1.3 Loss of Control

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.1.4 Transactions Eliminated on Consolidation

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

3.2 Financial Instruments

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

3.2.1 Financial Assets

Recognition and Initial Measurement

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

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

Classification and Subsequent Measurement

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

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Business Model Assessment

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

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

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

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

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

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

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

3.2.2 Subsequent Measurement and Gains and Losses:

Financial Assets at Amortized Cost

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Equity Investments at FVTOCI

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

3.2.3 Reclassification

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

3.2.4 Derecognition

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

3.3 Financial Liability

Recognition and Initial Measurement

The Group initially recognises financial liabilities other than when it becomes a party to the contractual provisions of the instrument. The Group recognises 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, bank overdrafts, trade and other payables and loans from related parties.

Classification, Subsequent Measurement and Gains and Losses

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

Reclassification

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

Derecognition

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Write-off

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

3.3 Stated Capital

Ordinary Shares

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

3.4 Property, Plant and Equipment

3.4.1 Recognition and Measurement

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

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within the profit or loss.

3.4.2 Subsequent Costs

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

3.4.3 Depreciation

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

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

3.5 Investment Property

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

3.5.1 Basis of Recognition

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

3.5.2 Measurement

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

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

3.5.3 Transfers to and from Investment Property

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.5.4 Derecognition

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

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

3.6 Inventories

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

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

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

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

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

3.7 Employee Benefits

3.7.1 Defined Contribution Plans

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.7.2 Defined Benefit Plan - Gratuity

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

3.7.2.1 Retiring Gratuity

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

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

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

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

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

3.7.3 Short-Term Benefits

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

3.8 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

3.9 Revenue

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

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.9.1 Sale of Goods

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

3.9.2 Rental Income

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

3.9.3 Revenue Recognition

Revenue is recognized when performance obligations satisfied.

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

3.10 Finance Income and Finance Costs

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

3.11 Income Tax

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

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

3.11.1 Current Tax

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.11.2 Deferred Tax

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

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

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

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

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

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

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

3.12 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the “Indirect Method”. 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.

3.13 Earnings per Share

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

3.14 Related Party Transactions

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

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3.15 Segment Reporting

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

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

3.16 Operating Profit

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

3.17 Foreign Currency

3.17.1 Foreign Currency Transactions

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

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

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

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

3.18 Trade and Other Receivables

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

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

3.19 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.20 Trade and Other Payables

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

3.21 Other Income

- Rent income represents the rental income arising from renting of 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.

3.22 Transfer Pricing

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

3.23 Events Occurring After the Reporting Date

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

4. New and Amended Standards Issued but not Effective as at the Reporting Date

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these Financial Statements. The following amended standards are not expected to have a significant impact.

- Classification of liabilities as current or non-current and non-current liabilities with covenants (Amendments to LKAS 1)
- Supplier Finance Arrangements (Amendments to LKAS 7)
- Lease liability in a Sale and Leaseback (Amendments to SLFRS 16)
- Lack of Exchangeability (Amendments to LKAS 21)
- General Requirements for Disclosure of Sustainability-related Financial Information (SLFRS S1)
- Climate-related Disclosures (SLFRS S2).

For the following standards the impact is yet to be assessed by the Company.

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

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For the year ended 31 March		Group		Company	
		2024	2023	2024	2023
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
5	REVENUE				
	Gross Revenue	2,073,411	1,481,827	2,073,051	1,481,517
	Less:- Revenue Related Taxes	(171,986)	(102,361)	(171,986)	(102,361)
	Net Revenue	<u>1,901,425</u>	<u>1,379,466</u>	<u>1,901,065</u>	<u>1,379,156</u>
6	OTHER OPERATING INCOME				
	Profit on Disposal of Property Plant and Equipment	4,860	-	4,860	-
	Rent Income	19,010	14,963	19,010	14,963
	Dividend Income	3	1	3	1
	Sundry Income	7,624	7,064	7,579	6,523
	Gain / (Loss) on Disposal of Associate	-	-	-	1,479
		<u>31,497</u>	<u>22,028</u>	<u>31,452</u>	<u>22,966</u>
7	NET FINANCE INCOME / (COSTS)				
	<i>Finance Income</i>				
	Interest Income	40,720	29,994	20,205	9,460
		<u>40,720</u>	<u>29,994</u>	<u>20,205</u>	<u>9,460</u>
	<i>Finance Costs</i>				
	Interest On,				
	- Bank Overdrafts	(501)	(3,326)	(501)	(3,326)
	- Trust Receipt Loans	(1,002)	(3,072)	(1,002)	(3,072)
	- Finance Lease	-	(23)	-	(23)
	- Other Finance Costs	(5,864)	(7,696)	(5,864)	(7,696)
		<u>(7,367)</u>	<u>(14,117)</u>	<u>(7,367)</u>	<u>(14,117)</u>
	Net Finance Income / (Cost)	<u>33,353</u>	<u>15,877</u>	<u>12,838</u>	<u>(4,657)</u>
8	PROFIT BEFORE TAX				
	<i>Profit before tax is stated after charging all expenses including the following:</i>				
	Directors' Emoluments	5,368	4,676	5,353	4,656
	Auditors' Remuneration - Audit Fees	1,220	1,075	965	850
	- Non Audit Fees	222	186	222	186
	Depreciation	7,158	8,762	7,471	8,762
	Provision for Trade and Other Receivables	1,425	5,302	1,425	5,302
	Inventory Provision for the Year	1,451	670	1,451	670
	Donations	65	25	65	25
	Personnel Costs (Note 8.1)	76,006	59,160	74,955	58,182
8.1	Personnel Costs				
	Personnel Costs:-				
	Defined Benefit Plan Costs-Gratuity (Note 24.3)	4,224	2,757	4,224	2,757
	Defined Contribution Plan Costs - EPF and ETF	7,765	6,851	7,765	6,851
	Other Staff Costs	64,017	49,552	62,966	48,574
		<u>76,006</u>	<u>59,160</u>	<u>74,955</u>	<u>58,182</u>

Number of employees as at 31 March 2024 - 173 (31 March 2023 -177).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
9 INCOME TAX EXPENSES				
Current Tax				
Current Tax for the Year (Note 9.2)	69,354	61,739	62,836	56,204
Under Provision for Income Tax	-	1,482	-	1,482
Additional Income Tax 2019/2020 and 2020/2021	2,701	2,113	2,701	2,113
Capital Gain Tax	-	196	-	196
	72,055	65,530	65,537	59,995
Deferred Tax				
Origination of temporary differences (Note 23)	5,754	4,390	5,754	4,390
Impact of Rate Changes (Note 23)	-	12,191	-	12,191
Income tax expense recognized in statement of profit or loss	77,809	82,111	71,291	76,576

9.1 Tax Effect on Other Comprehensive Income	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Origination of temporary differences	(1,020)	311	(1,020)	311
Impact of Rate Changes	-	3,304	-	3,304
Total Income Tax Charge / (Reversal) on Other Comprehensive Income (Note 23)	(1,020)	3,615	(1,020)	3,615

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

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

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	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Accounting Profit before Tax	231,241	250,978	211,728	232,579
	231,241	250,978	211,728	232,579
Aggregate Tax Disallowable Items	23,736	21,254	23,711	19,750
Aggregate Tax Allowable Items	(23,797)	(20,011)	(25,986)	(20,011)
Taxable Income	231,180	252,221	209,453	232,315
Taxable Income at 18%	-	108,676	-	108,676
Taxable Income at 24%	-	14,762	-	7,482
Taxable Income at 30%	231,180	128,783	209,453	116,157
	231,180	252,221	209,453	232,315
Effective Tax Rate	34%	35%	34%	33%
Income Tax @ (18%)	-	19,562	-	19,562
Income Tax @ (24%)	-	3,543	-	1,796
Income Tax @ (30%)	69,354	38,634	62,836	34,846
	69,354	61,739	62,836	56,204

10 DIVIDENDS PER SHARE

	2024	2023
	Rs.'000	Rs.'000
Final ordinary dividend recommended Rs.6/- Per share (2022/2023 – Rs.5.00 Per share)	14,687	5,875

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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	
	2024	2023	2024	2023
Profit attributable to Ordinary Shareholders (Rs'000)	153,432	168,867	140,437	156,003
Weighted Average Number of Ordinary Shares ('000)	2,937	2,937	2,937	2,937
Basic Earnings Per Ordinary Share (Rs.)	<u>52.24</u>	<u>57.50</u>	<u>47.82</u>	<u>53.12</u>

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.

12 PROPERTY, PLANT & EQUIPMENT

The freehold land and buildings of the Company situated at No: 41, W.A.D.Ramanayaka Mawatha, Colombo were revalued as at 31 March 2024 by an independent qualified valuer at Rs. 1,419,407,150/-. (31 March 2023 - Rs 1,364,313,645/-). 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 2024 are as follows;

	Buildings	Plant and Machinery	Furniture, Fittings and Equipment	Motor Vehicles
Cost as at 31 March 2023 (Rs.'000)	7,201	145,757	18,463	15,130
Cost as at 31 March 2024 (Rs.'000)	<u>8,152</u>	<u>153,952</u>	<u>19,559</u>	<u>17,587</u>

Refer note 19.1 for the details of assets pledged as a security as at 31 March 2024.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 March

12 PROPERTY, PLANT & EQUIPMENT (CONTINUED)

12.2 Group

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 2022	9,594	17,050	165,985	29,102	33,965	255,696
Additions during the Year	-	-	-	1,563	-	1,563
Balance as at 31 March 2023	9,594	17,050	165,985	30,665	33,965	257,259
Balance as at 1 April 2023	9,594	17,050	165,985	30,665	33,965	257,259
Additions during the Year	-	-	-	3,711	-	3,711
Disposals during the Year	-	-	-	-	(4,325)	(4,325)
Balance as at 31 March 2024	9,594	17,050	165,985	34,376	29,640	256,645
Accumulated Depreciation						
Balance as at 1 April 2022	-	12,532	159,025	23,517	27,458	222,532
Charge for the Year	-	642	3,151	1,639	3,330	8,762
Balance as at 31 March 2023	-	13,174	162,176	25,156	30,788	231,294
Balance as at 1 April 2023	-	13,174	162,176	25,156	30,788	231,294
Charge for the Year	-	492	2,440	1,791	2,435	7,158
Disposals during the Year	-	-	-	-	(4,325)	(4,325)
Balance as at 31 March 2024	-	13,666	164,616	26,947	28,898	234,127
Net Book Value						
Balance as at 31 March 2023	9,594	3,876	3,809	5,509	3,177	25,965
Balance as at 31 March 2024	9,594	3,384	1,369	7,429	742	22,518

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 2022	9,594	17,050	165,979	29,074	28,417	250,114
Additions during the Year	-	-	-	1,563	-	1,563
Balance as at 31 March 2023	9,594	17,050	165,979	30,637	28,417	251,677
Balance as at 1 April 2023	9,594	17,050	165,979	30,637	28,417	251,677
Additions during the Year	-	-	-	3,711	2,500	6,211
Disposals during the Year	-	-	-	-	(4,325)	(4,325)
Balance as at 31 March 2024	9,594	17,050	165,979	34,348	26,592	253,563
Accumulated Depreciation						
Balance as at 1 April 2022	-	12,532	159,019	23,489	21,910	216,950
Charge for the Year	-	642	3,151	1,639	3,330	8,762
Balance as at 31 March 2023	-	13,174	162,170	25,128	25,240	225,712
Balance as at 1 April 2023	-	13,174	162,170	25,128	25,240	225,712
Charge for the Year	-	492	2,440	1,791	2,748	7,471
Disposals during the Year	-	-	-	-	(4,325)	(4,325)
Balance as at 31 March 2024	-	13,666	164,610	26,919	23,663	228,858
Net Book Value						
Balance as at 31 March 2023	9,594	3,876	3,809	5,509	3,177	25,965
Balance as at 31 March 2024	9,594	3,384	1,369	7,429	2,929	24,705

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As at 31 March

13 INVESTMENT PROPERTY

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

Group / Company	
2024	2023
Rs.'000	Rs.'000
348,251	336,458
8,168	11,793
356,419	348,251

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 2024. Details of properties are disclosed as follows

Location	Last Revalued Date	Rented to	Floor Area	Fair Value Rs.'000
W.A.D Ramanayaka Mawatha, Colombo 2	31 March 2024	Lideshi (Private) Limited	2,250	138,500
W.A.D Ramanayaka Mawatha, Colombo 2	31 March 2024	Wijaya News Papers	4,462	50,583
W.A.D Ramanayaka Mawatha, Colombo 2	31 March 2024	Wijaya News Papers	3,786	39,909
W.A.D Ramanayaka Mawatha, Colombo 2	31 March 2024	Wijaya News Papers	1,260	20,109
W.A.D Ramanayaka Mawatha, Colombo 2	31 March 2024	Commercial Bank PLC	3,380	107,318
				356,419

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 2024.

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. 14,500,000 Price Per square foot for building Rs.10,000	Estimated fair value would increase/(decrease) if; -Price per perch increases / (decreases) -Price per square foot increases / (decreases)

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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As at 31 March

14 INVESTMENTS IN SUBSIDIARY

	2024			2023		
	Holding	No. of	Cost	Holding	No. of	Cost
	%	Shares	Rs.'000	%	Shares	Rs.'000
L.H. Plantations (Private) Limited	100	1,990	2,984	100	1,990	2,984

15 OTHER INVESTMENTS

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

No strategic investments were disposed of during 2023/2024, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

Group	2024	2023
	Rs.'000	Rs.'000
Unquoted Investments (Note - 15.2)	21,111	20,000
Quoted Investments (Note - 15.3)	54	37
	21,165	20,037

Company	2024	2023
	Rs.'000	Rs.'000
Unquoted Investments (Note - 15.2)	21,111	20,000
Quoted Investments (Note - 15.3)	48	32
	21,159	20,032

15.1 Equity Investment at FVTOCI

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

	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Equity Investment at FVTOCI – net change in Fair Value	1,129	2,174	1,127	2,174
	1,129	2,174	1,127	2,174

15.2 Unquoted - Investments

	Group			Company		
	No. of	2024	2023	No. of	2024	2023
	Shares	Rs.'000	Rs.'000	Shares	Rs.'000	Rs.'000
Ranweli Holiday Village Limited	460,471	21,111	20,000	460,471	21,111	20,000
Lake House Investments Limited (Note - 15.2.1)	1,464,969	-	-	1,464,969	-	-
Lake House Bookshop (Private) Limited (Note - 15.2.2)	250,000	-	-	250,000	-	-
Ingrine Institute of Printing and Graphics Limited (Note - 15.2.3)	2,500	-	-	2,500	-	-
LHP & P Enterprises (Private) Limited (Note - 15.2.4)	3,410	-	-	3,410	-	-
		21,111	20,000		21,111	20,000

15.2.1 Unquoted - Investments

	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Lake House Investments Limited	14,650	14,650	14,650	14,650
Cost	14,650	14,650	14,650	14,650
Less: Provision for Impairment	(14,650)	(14,650)	(14,650)	(14,650)
	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 March

15 OTHER INVESTMENTS (CONTINUED)

15.2.2 Lake House Bookshop (Private) Limited

Cost
Less: Provision for Impairment

Group		Company	
2024	2023	2024	2023
Rs.'000	Rs.'000	Rs.'000	Rs.'000
2,500	2,500	1,000	1,000
(2,500)	(2,500)	(1,000)	(1,000)
-	-	-	-

15.2.3 Ingrine Institute of Printing and Graphics Limited

Cost
Less: Provision for Impairment

Group		Company	
2024	2023	2024	2023
Rs.'000	Rs.'000	Rs.'000	Rs.'000
25	25	25	25
(25)	(25)	(25)	(25)
-	-	-	-

15.2.4 LHP & P Enterprises (Private) Limited

Cost
Less: Provision for Impairment

Group		Company	
2024	2023	2024	2023
Rs.'000	Rs.'000	Rs.'000	Rs.'000
39	39	39	39
(39)	(39)	(39)	(39)
-	-	-	-

15.2.5 Unquoted Investments have been valued using net asset basis as at 31 March 2024.

15.3 Quoted Investments

National Development Bank PLC
Vanik Incorporation PLC (Note 15.3.1)
 15 % Debentures
 Voting
 Non Voting Shares
 Warrants
Seylan Bank PLC

	Group			Company		
	No of Shares	2024 Fair Value Rs.'000	2023 Fair Value Rs.'000	No of Shares	2024 Fair Value Rs.'000	2023 Fair Value Rs.'000
National Development Bank PLC	731	48	32	731	48	32
Vanik Incorporation PLC (Note 15.3.1)						
15 % Debentures	800	-	-	800	-	-
Voting	800	-	-	800	-	-
Non Voting Shares	1000	-	-	1000	-	-
Warrants	800	-	-	800	-	-
Seylan Bank PLC	115	6	5	-	-	-
		54	37		48	32

15.3.1 Vanik Incorporation PLC

Cost
Less: Provision for Impairment

Group		Company	
2024	2023	2024	2023
Rs.'000	Rs.'000	Rs.'000	Rs.'000
118	118	118	118
(118)	(118)	(118)	(118)
-	-	-	-

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As at 31 March

16 INVENTORIES

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Raw Materials	100,672	80,107	100,672	80,107
Work In Progress	38,270	174,116	38,270	174,116
Goods in Transit	22,020	3,078	22,020	3,078
Capital Stock	8,548	8,548	8,548	8,548
	169,510	265,849	169,510	265,849
Less: Provision for Impairment (Note 16.1)	(9,073)	(7,622)	(9,073)	(7,622)
	160,437	258,227	160,437	258,227

16.1 Provision for Impairment

Balance as at 1 April	7,622	6,952	7,622	6,952
Provision for the Year	1,451	1,281	1,451	1,281
Provision Reversal for the Year	-	(611)	-	(611)
Balance as at 31 March	9,073	7,622	9,073	7,622

There were no inventories pledged by the Group and Company as security for facilities obtained from the banks (2023 - Nil).

17 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Trade Receivables	88,692	79,054	88,692	79,054
Less: Provision for Impairment (Note 17.1)	(11,889)	(10,464)	(11,889)	(10,464)
	76,803	68,590	76,803	68,590
Deposits and Prepayments	931	972	931	972
Other Receivables	22,782	203,070	18,959	194,898
Less: Provision for Impairment	-	(3,004)	-	(3,004)
	100,516	269,628	96,693	261,456

17.1 Provision for Impairment

Balance as at 1 April	10,464	8,166	10,464	8,166
Provision during the Year	1,425	2,298	1,425	2,298
Balance as at 31 March	11,889	10,464	11,889	10,464

18 AMOUNTS DUE FROM RELATED PARTIES

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Wijeya Newspapers Limited	28,612	26,432	28,612	26,342
Lake House Investments Limited (Note - 18.1)	-	-	-	-
Sarathi Limited	154	163	154	163
Stamford Lake (Private) Limited	-	1,208	-	1,208
	28,766	27,803	28,766	27,713

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18 AMOUNTS DUE FROM RELATED PARTIES (CONTINUED)

18.1 Lake House Investments Limited	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Balance as at 1 April	718	718	718	718
Less: Provision for Impairment	(718)	(718)	(718)	(718)
Balance as at 31 March	-	-	-	-

18.2 LOANS DUE FROM RELATED PARTY

Wijeya Newspapers Limited

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Balance as at 1 April	-	-	-	-
New Loans granted during the year	158,000	-	-	-
Payments during the Year	(151,000)	-	-	-
Balance as at 31 March	7,000	-	-	-

19 CASH AND CASH EQUIVALENTS

Favorable Balance

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Cash in Hand	1,180	1,187	1,180	1,187
Cash at Bank	459,207	264,934	327,622	145,984
	460,387	266,121	328,802	147,171

Unfavorable Balance

Bank Overdraft	(643)	(485)	(643)	(485)
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Cash and Cash Equivalents for the Purpose of Cash Flow Statement	459,744	265,636	328,159	146,686
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19.1 The Property situated at No.41, W.A.D Ramanayake Mw, Colombo 02 has been pledged as a security for overdraft facilities obtained from the Corporate Branch of Bank of Ceylon.

20 STATED CAPITAL

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
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 are entitled to receive dividends as declared from time to time and are entitled to one vote per individual present at the meeting of shareholders or one vote per share in case of a poll.

21 CAPITAL RESERVES

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
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.

22 REVALUATION RESERVE

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Balance as at 1 April	217,232	220,536	217,232	220,536
Deferred tax effect due to rate change	-	(3,304)	-	(3,304)
Balance as at 31 March	217,232	217,232	217,232	217,232

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 1 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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23 DEFERRED TAX LIABILITIES	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Balance as at 1 April	24,956	4,760	24,956	4,760
<i>Recognized in the Profit or Loss</i>				
Provision for the Year	5,754	4,390	5,754	4,390
Deferred Tax Impact due to Rate Change	-	12,191	-	12,191
<i>Recognized in the Other Comprehensive Income</i>				
Provision/(Reversal) for the Year	(1,020)	311	(1,020)	311
Deferred Tax Impact on Revaluation Reserve due to Rate Change	-	3,304	-	3,304
Balance as at 31 March	29,690	24,956	29,690	24,956

The provision for deferred tax is attributable to the following;

	2024				2023			
	Group		Company		Group		Company	
	Temporary Difference Rs.'000	Tax Effect Rs.'000	Temporary Difference Rs.'000	Tax Effect Rs.'000	Temporary Difference Rs.'000	Tax Effect Rs.'000	Temporary Difference Rs.'000	Tax Effect Rs.'000
Property, Plant and Equipment	(13,682)	(4,106)	(13,682)	(4,106)	(1,681)	(505)	(1,681)	(506)
Retirement Benefit Obligations	19,326	5,795	19,326	5,795	14,934	4,479	14,934	4,479
Investment Property	(104,599)	(31,379)	(104,599)	(31,379)	(96,432)	(28,930)	(96,432)	(28,930)
	(98,955)	(29,690)	(98,955)	(29,690)	(83,181)	(24,956)	(83,181)	(24,956)

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

	2024				2023			
	Balance as at 01st April Rs.'000	Recognized in Profit or Loss Rs.'000	Recognized in OCI Rs.'000	Balance as at 31st March Rs.'000	Balance as at 01st April Rs.'000	Recognized in Profit or Loss Rs.'000	Recognized in OCI Rs.'000	Balance as at 31st March Rs.'000
	PPE	(504)	(3,602)	-	(4,106)	(994)	490	-
Investment property -FV Gain	(20,670)	(2,450)	-	(23,120)	(1,108)	(19,563)	-	(20,670)
PPE to IP revaluation gain (Building 2012)	(606)	-	-	(606)	(364)	-	(242)	(606)
PPE to IP revaluation gain (Building 2016)	(7,653)	-	-	(7,653)	(4,592)	-	(3,061)	(7,653)
Retirement Benefit Obligation	4,479	296	1,020	5,795	2,298	2,492	(311)	4,479
	(24,954)	(5,754)	1,020	(29,690)	(4,760)	(16,581)	(3,614)	(24,956)

Tax effective rate of 30% (2023 – 30%) was applied by the Company and Effective tax rate 30% (2023 - 30%) was applied for Subsidiary, (LH Plantations (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.

24 RETIREMENT BENEFIT OBLIGATION

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Balance as at 1 April	14,934	12,767	14,934	12,767
Interest Cost	2,912	1,596	2,912	1,596
Current Services Cost	1,312	1,161	1,312	1,161
Benefits Paid	(3,231)	(1,626)	(3,231)	(1,626)
Actuarial Loss	3,399	1,036	3,399	1,036
Balance as at 31 March	19,326	14,934	19,326	14,934

The Company has made provision for employees retirement benefit obligation as at 31 March 2024 based on an actuarial valuation carried out by professionally qualified actuary Mr. M. Poopalanathan of M/s.Actuarial and Management Consultant (Private) Limited, a firm of professionally qualified actuaries, as required by LKAS 19 "Employee Benefits".

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24 RETIREMENT BENEFIT OBLIGATION (CONTINUED)

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

	2024	2023
Rate of Discount (%)	11.0	19.5
Salary Increment Rate - Senior Management/Executives (%)	15	15
Salary Increment Rate - Other Staff (%)	12	12
Staff Turn Over Factor - Contract Staff (%)	17	33
Staff Turn Over Factor - Other Staff (%)	17	33
Retiring Age of the Employees	60 Years	60 Years

Discount rate

The Company has used a long term interest rate of 12% p.a (2022/23-19.5% p.a) to discount future liabilities taking into consideration remaining working life of eligible employees.. As per the guidelines issued by the Institute of Chartered Accountants of Sri Lanka, the discount rates have been adjusted to convert the coupon bearing yield to a zerocoupon yield to match the characteristics of the gratuity payment liability and the resulting yield to maturity for the purpose of valuing Employee benefit obligations as per LKAS 19 'Employee Benefits'.

Expected annual average salary increment rate

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

24.2 Sensitivity Analysis

Salary Increment Rate

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

	-1% Rs.'000	+1% Rs.'000
Present Value of Defined Benefit Obligation	(497)	526
Total	(497)	526

Discount Rate

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

	-1% Rs.'000	+1% Rs.'000
Present Value of Defined Benefit Obligation	576	(534)
Total	576	(534)

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

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
<i>Recognized in Profit and Loss</i>				
Current Services Cost for the Year	1,312	1,161	1,312	1,161
Interest Charge for the Year	2,912	1,596	2,912	1,596
	4,224	2,757	4,224	2,757
<i>Recognized in Other Comprehensive Income</i>				
Actuarial Loss for the Year	3,399	1,036	3,399	1,036
	3,399	1,036	3,399	1,036

24.4 Maturity analysis of the payments

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

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Within the next 12 months	9,409	8,491	9,409	8,491
Between 1-2years	3,003	3,172	3,003	3,172
Between 2-5 years	2,632	2,614	2,632	2,614
Between 5-10 years	3,129	619	3,129	619
Beyond 10 years	1,151	36	1,151	36
	19,323	14,932	19,323	14,932

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25 INTEREST BEARING BORROWINGS

25.1 Interest bearing borrowings - Payable after One Year

	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Lease Creditors (Note - 25.1)	-	-	-	-
	-	-	-	-

Interest bearing borrowings - Payable within One Year

	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Lease Creditors (Note 25.1)	-	-	-	-
Trust Receipt Loans - Bank of Ceylon (Note 25.2)	-	55,000	-	55,000
	-	55,000	-	55,000

25.1 Lease Creditors

	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April	-	482	-	482
Payments during the Year	-	(482)	-	(482)
	-	-	-	-
Less: Interest in Suspense	-	-	-	-
Balance as at 31 March	-	-	-	-
	-	-	-	-
Transferred to Current Liabilities (Payable within One Year)	-	-	-	-
Loan Payable after One Year	-	-	-	-
	-	-	-	-

25.2 Trust Receipt Loans - Bank of Ceylon

	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April	55,000	-	55,000	-
Obtained during the Year	102,567	112,137	102,567	112,137
Payments during the Year	(157,567)	(57,137)	(157,567)	(57,137)
Balance as at 31 March	-	55,000	-	55,000

26 TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade Creditors	159	196	159	196
Other Payables (Note 26.1)	71,079	207,991	70,821	207,752
	71,238	208,187	70,980	207,948

26.1 Other Payables

	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Accrued Expenses	23,076	13,387	23,076	13,387
Advance Received from Customer	17,314	171,408	17,314	171,408
Deposit Payable	11,439	3,900	11,439	3,900
Vat Payable	8,942	6,707	8,942	6,707
Sundry Payable	10,308	12,589	10,050	12,350
	71,079	207,991	70,821	207,752

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27 EVENTS OCCURRING AFTER THE REPORTING DATE

27.1 Final Dividend

The Board of Directors has recommended a Dividend of Rs.6/- Per share payable for 2023/2024. 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 2024.

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

28 CAPITAL EXPENDITURE AND COMMITMENTS

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

29 CONTINGENT LIABILITIES

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

30 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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As at 31 March

31 RELATED PARTY DISCLOSURES

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

(a) Transactions with Related Companies

Name of the Company	Relationship	Name of Directors	Nature of the Transaction	Value of the Transactions		Balance as at 31 March	
				2024	2023	2024	2023
				Rs.'000	Rs.'000	Rs.'000	Rs.'000
Wijeya Newspapers Ltd	Affiliate	Mr.R.S Wijewardene Mr. P. S Wijewardene Mr. R. C. Samarasinghe	Security Charges	37,514	36,393	-	-
			Printing and Other Services	-	3,839	-	-
			Rent on Building	7,004	6,906	-	-
			Settlement of Current Account	(60,335)	(50,903)	-	-
			Electricity	8,287	6,209	-	-
			Printing of Atlases	9,799	-	-	-
			Loan give to	158,000	-	-	-
			Cash Receipt	(151,000)	-	-	-
			Current Account Balance	-	-	35,612	26,342
Sarathi Ltd	Affiliate	Mr.R.S Wijewardene Mr. D.R Wijewardene	Security Charges	1,692	1,537	-	-
			Sales of Atlas	58	45	-	-
			Settlement of Current Account	(1,759)	(1,529)	-	-
			Current Account Balance	-	-	154	163
Stamford Lake (Private) Limited	Associate	Mr.R.S Wijewardene	Transfers to Trade Receivable	(1,208)	-	-	1,208

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 been 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 2024 are disclosed in Notes 18 to the Financial Statements.

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

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

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

During the year no transactions have been done with CFMs.

Compensation paid to KMPs during the year.

	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Directors' Emoluments	5,368	4,676	5,353	4,656
	<u>5,368</u>	<u>4,676</u>	<u>5,353</u>	<u>4,656</u>

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As at 31 March

32 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

32.1 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 2024</i>			Fair Value Through OCI	Amortized Cost	Non Financial Instruments	Total Carrying Value	Total Fair Value
<i>Group</i>		Note	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets							
Unquoted Investments		15.2	21,111	-	-	21,111	21,111
Quoted Investments		15.3	54	-	-	54	54
Trade and Other Receivables		17	-	99,585	931	100,516	100,516
Loan Give from Related Party		18.2	-	7,000	-	7,000	7,000
Amounts due from Related Parties		18	-	28,766	-	28,766	28,766
Cash and Cash Equivalents		19	-	460,387	-	460,387	460,387
			<u>21,165</u>	<u>595,738</u>	<u>931</u>	<u>617,834</u>	<u>617,834</u>
Financial Liabilities							
Bank Overdraft		19	-	643	-	643	643
Trade and Other Payable		28	-	21,906	-	21,906	21,906
			<u>-</u>	<u>22,549</u>	<u>-</u>	<u>22,549</u>	<u>22,549</u>

<i>As at 31 March 2023</i>			Fair Value Through OCI	Amortized Cost	Non Financial Instruments	Total Carrying Value	Total Fair Value
<i>Group</i>			Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets							
Unquoted Investments		15.2	20,000	-	-	20,000	20,000
Quoted Investments		15.3	37	-	-	37	37
Trade and Other Receivables		17	-	268,656	972	269,628	269,628
Amounts due from Related Parties		18	-	27,803	-	27,803	27,803
Cash and Cash Equivalents		19	-	264,934	-	264,934	264,934
			<u>20,037</u>	<u>561,393</u>	<u>972</u>	<u>582,402</u>	<u>582,402</u>
Financial Liabilities							
Bank Overdraft		19	-	485	-	485	485
Interest Bearing Borrowings		25	-	55,000	-	55,000	55,000
Trade and Other Payable		26	-	16,685	-	16,685	16,685
			<u>-</u>	<u>72,170</u>	<u>-</u>	<u>72,170</u>	<u>72,170</u>

<i>As at 31 March 2024</i>			Fair Value Through OCI	Amortized Cost	Non Financial Instruments	Total Carrying Value	Total Fair Value
<i>Company</i>		Note	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets							
Unquoted Investments		15.2	21,111	-	-	21,111	21,111
Quoted Investments		15.3	48	-	-	48	48
Trade and Other Receivables		17	-	95,762	931	96,693	96,693
Amounts due from Related Parties		18	-	28,766	-	28,766	28,766
Cash and Cash Equivalents		19	-	328,802	-	328,802	328,802
			<u>21,159</u>	<u>453,330</u>	<u>931</u>	<u>475,420</u>	<u>475,420</u>
Financial Liabilities							
Bank Overdraft		19	-	643	-	643	643
Trade and Other Payable		26	-	21,648	-	21,648	21,648
			<u>-</u>	<u>22,291</u>	<u>-</u>	<u>22,291</u>	<u>22,291</u>

<i>As at 31 March 2023</i>			Fair Value Through OCI	Amortized Cost	Non Financial Instruments	Total Carrying Value	Total Fair Value
<i>Company</i>			Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets							
Unquoted Investments		15.2	20,000	-	-	20,000	20,000
Quoted Investments		15.2	32	-	-	32	32
Trade and Other Receivables		17	-	260,484	972	261,456	261,456
Amounts due from Related Parties		18	-	27,713	-	27,713	27,713
Cash and Cash Equivalents		19	-	147,171	-	147,171	147,171
			<u>20,032</u>	<u>435,368</u>	<u>972</u>	<u>456,372</u>	<u>456,372</u>
Financial Liabilities							
Bank Overdraft		19	-	485	-	485	485
Interest Bearing Borrowings		25	-	55,000	-	55,000	55,000
Trade and Other Payable		26	-	16,446	-	16,446	16,446
			<u>-</u>	<u>71,931</u>	<u>-</u>	<u>71,931</u>	<u>71,931</u>

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As at 31 March

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

32.2 FAIR VALUE MEASUREMENT

32.2.1 Fair value measurement hierarchy

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

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

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

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

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

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

The Group uses widely recognized valuation models for determining the fair value of common and more simple financial instruments, 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.

Fair value measurement hierarchy - Group

	As at 31 March 2024				As at 31 March 2023			
	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	-	-	356,419	356,419	-	-	348,251	348,251
Other Financial Asset								
-Unquoted equity securities	-	-	21,111	21,111	-	-	20,000	20,000
-Quoted equity securities	54	-	-	54	37	-	-	37
	<u>54</u>	<u>-</u>	<u>377,530</u>	<u>377,584</u>	<u>37</u>	<u>-</u>	<u>368,251</u>	<u>368,288</u>
Assets for which fair values are disclosed								
Property Plant & Equipment								
-Freehold land	-	-	1,419,408	1,419,408	-	-	1,364,314	1,364,314
Assets for which fair values are disclosed								
Interest Bearing Borrowings	-	-	-	-	-	55,000	-	55,000
	<u>-</u>	<u>-</u>	<u>1,419,408</u>	<u>1,419,408</u>	<u>-</u>	<u>55,000</u>	<u>1,364,314</u>	<u>1,419,314</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 March

Fair value measurement hierarchy - Company

	As at 31 March 2024				As at 31 March 2023			
	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	-	-	356,419	356,419	-	-	348,251	348,251
Other Financial Asset								
-Unquoted equity securities	-	-	21,111	21,111	-	-	20,000	20,000
-Quoted equity securities	48	-	-	48	32	-	-	32
	<u>48</u>	<u>-</u>	<u>377,530</u>	<u>377,578</u>	<u>32</u>	<u>-</u>	<u>368,251</u>	<u>368,283</u>
Assets for which fair values are disclosed								
Property Plant & Equipment								
-Freehold land	-	-	1,419,408	1,419,408	-	-	1,364,314	1,364,314
Assets for which fair values are disclosed								
Interest Bearing Borrowings	-	-	-	-	-	55,000	-	55,000
	<u>-</u>	<u>-</u>	<u>1,419,408</u>	<u>1,419,408</u>	<u>-</u>	<u>55,000</u>	<u>1,364,314</u>	<u>1,419,314</u>

32.2.2 Valuation techniques and Significant Unobservable Inputs

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

Assets	Valuation technique	Significant unobservable input	Inter relationship between key unobservable input and fair value measurement
Equity Securities (Other Investments)	Market comparison technique : The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non - marketability of the equity securities, and the revenue and EBITDA of the investee. The estimate is adjusted for the net debt of the investee.	Adjusted market multiple Net Assets per Share Rs.43.43	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

32.3 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.

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

As at 31 March

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

32.3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit Risk

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

Exposure to Credit Risk

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

	Notes	Group		Company	
		Carrying Amount		Carrying Amount	
		2024	2023	2024	2023
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade and Other Receivables	17	112,405	269,628	108,582	261,456
Amount due from Related Parties	18	28,766	27,803	28,766	27,713
Loans given to Related Parties	18.2	7,000	-	-	-
Cash at Bank	19	459,207	264,934	327,622	145,984
		607,378	562,365	464,970	435,153

Trade Receivables

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

Group	Group		Company	
	2024		2024	
	Gross Balance	Impairment	Gross Balance	Impairment
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Past due 0 - 60 days	69,345	-	69,345	-
Past due 61 - 180 days	16,924	3,157	16,924	3,157
Past due 181 - 365 days	11,162	5,582	11,162	5,582
More than one year	3,150	3,150	3,150	3,150
	100,581	11,889	100,581	11,889

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.11.8 Mn as at 31 March 2024.

Cash and Cash Equivalents

The Group held Cash and Cash equivalents of Rs. 459.7 Mn at 31 March 2024 (Rs. 266.12 Mn as at 31 March 2023) which represent its maximum credit exposure on these assets.

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

Bank of Ceylon – AA-(lka)

National Development Bank – A+(lka)

(ii) Liquidity Risk

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

The following are the contractual maturities of financial liabilities.

As at 31 March 2024	Note	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	19	643	643	643	-	643	643	643	-
Trade and Other Payables	26	21,906	21,906	21,906	-	21,648	21,648	21,648	-
Total		22,549	22,549	22,549	-	21,791	22,291	22,291	-

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 March

32 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)
32.3 FINANCIAL RISK MANAGEMENT (CONTINUED)
(ii) Liquidity Risk (Continued)

As at 31 March 2023	NOTE	Group			Company		
		Carrying Amount Rs.'000	0-12 Months Rs.'000	More than 1 Year Rs.'000	Carrying Amount Rs.'000	0-12 Months Rs.'000	More than 1 Year Rs.'000
Financial Liabilities (Non- Derivative)							
Bank Overdraft	19	485	485	-	485	485	-
Interest Bearing Borrowings	25	55,000	55,000	-	55,000	55,000	-
Trade and Other Payables	26	208,187	208,187	-	207,948	207,948	-
Total		263,672	263,672	-	263,433	263,433	-

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

(iii) Market Risk

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

(a) Currency Risk

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

(a) Interest Rate Risk

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

	Notes	Group		Company	
		Carrying Amount 2024 Rs.'000	2023 Rs.'000	Carrying Amount 2024 Rs.'000	2023 Rs.'000
Fixed Rate Instruments					
Financial Liabilities					
Loan Due From Related Party	18.2	7,000	-	-	-
		7,000	-	-	-
Variable Rate Instruments					
Financial Liabilities					
Interest Bearing Borrowings	25	-	55,000	-	55,000
Bank Overdrafts	19	643	485	643	485
		643	55,485	643	55,485

Cash Flow Sensitivity Analysis for Variable Rate Instruments

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

31 March 2024	Profit or Loss	
	100 bp Increase Rs.000	100 bp Decrease Rs.000
Variable Rate Instruments	(99)	99
Cash Flow Sensitivity (Net)	(99)	99

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 31 March

32 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)
32.3 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	
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Total Liabilities		142,643	338,963	138,999	335,332
Less: Cash and Cash Equivalents	19	(460,387)	(266,121)	(328,802)	(147,171)
Net Debt		(317,744)	72,842	(189,803)	188,161
Total Equity		1,014,564	877,069	880,965	756,467
Net Debt to Equity Ratio		0%	8%	0%	25%

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.

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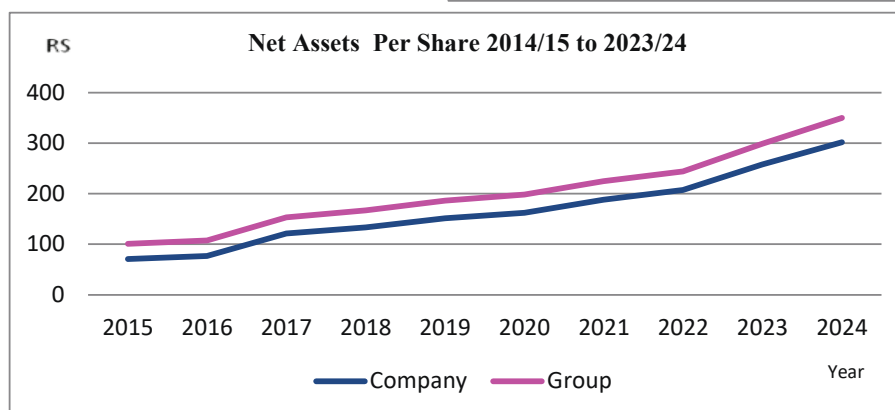
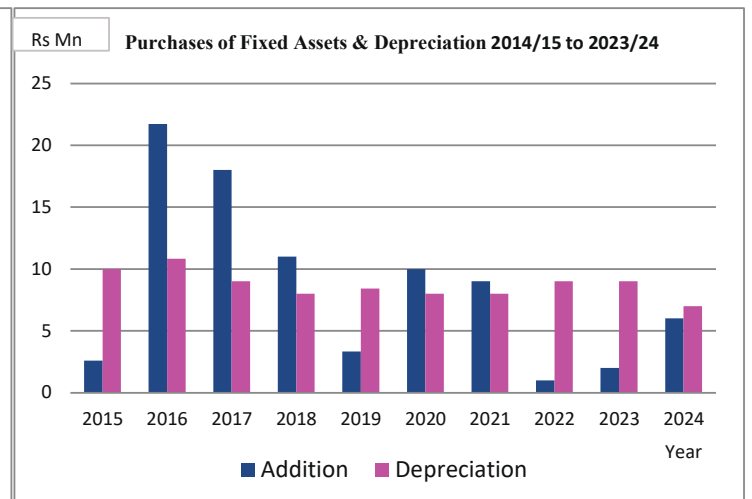
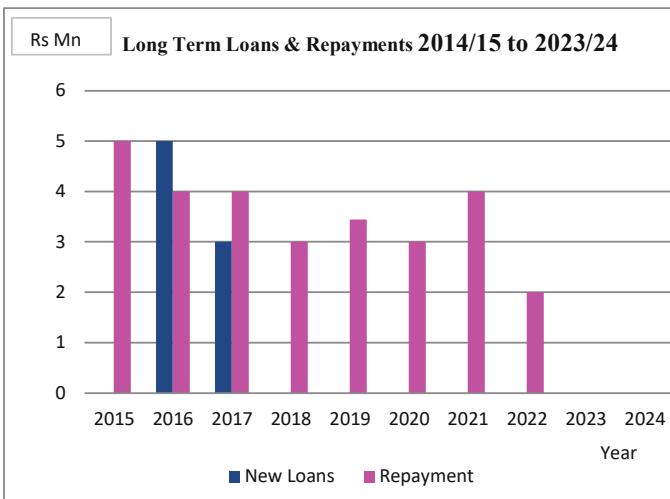
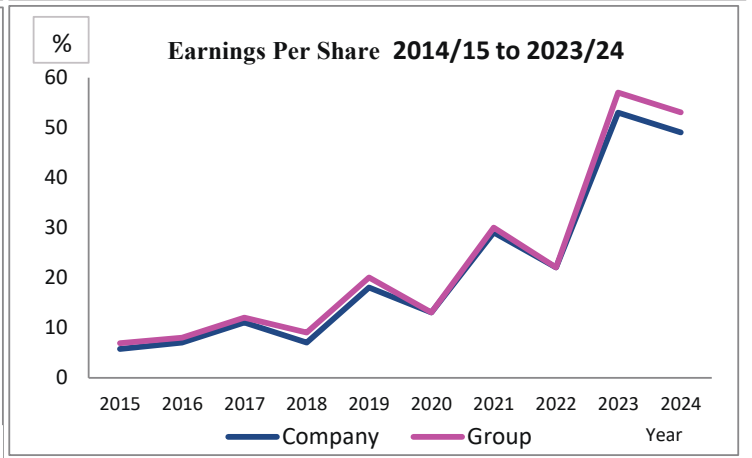
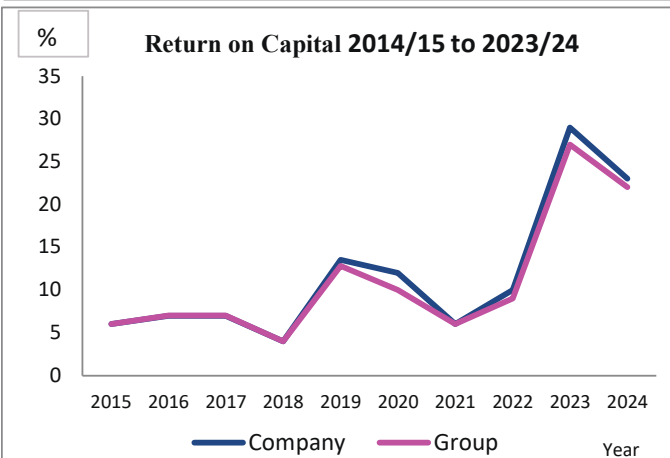
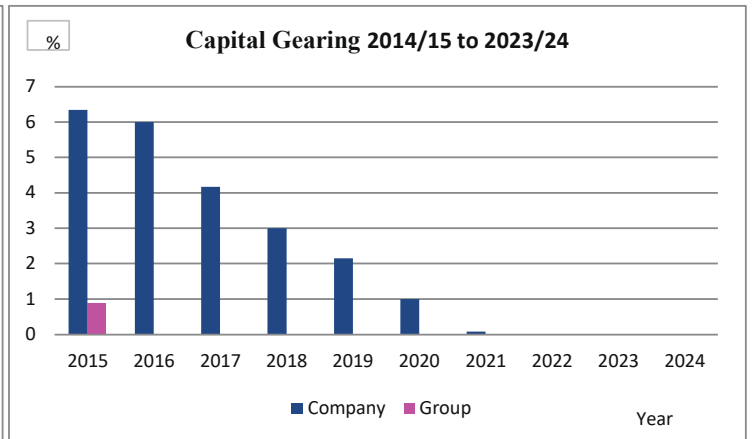
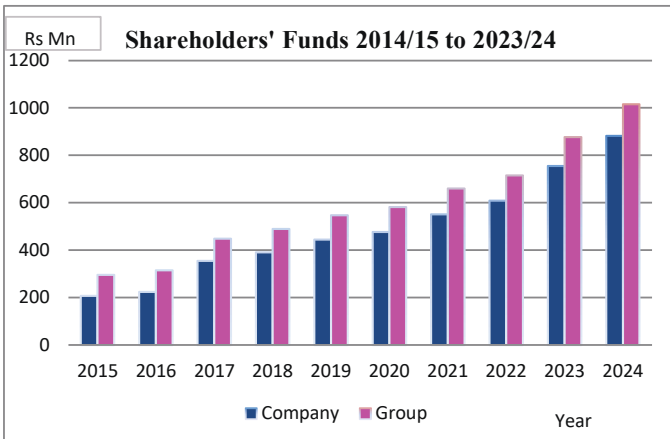
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
As at 31 March

33 SEGMENTAL REPORTING

Reportable segment	Operations											
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 Plantations (Pvt) Ltd	Managing agent of coconut plantations											
	Security Printing Division		Security Cards Division		Atlas		Other		L H Plantations		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Revenue												
External Sales	434,942	425,840	1,622,070	1,050,142	16,039	5,535	-	-	360	310	2,073,411	1,481,827
Inter Segment Sales	-	-	-	-	-	-	-	-	-	-	-	-
Gross Turnover	434,942	425,840	1,622,070	1,050,142	16,039	5,535	-	-	360	310	2,073,411	1,481,827
Revenue Based Taxes	(66,647)	(55,463)	(103,546)	(46,263)	(347)	-	(1,446)	(635)	-	-	(171,986)	(102,361)
Net Segment Revenue	368,295	370,377	1,518,524	1,003,879	15,692	5,535	(1,446)	(635)	360	310	1,901,425	1,379,466
Total Revenue	-	-	-	-	-	-	-	-	-	-	1,901,425	1,379,466
Gross Profit	-	-	-	-	-	-	-	-	-	-	523,373	459,585
Other Operating Income	-	-	-	-	-	-	-	-	20,516	21,075	72,218	52,022
Operating Profit	-	-	-	-	-	-	-	-	-	-	197,888	235,101
Net Finance Cost	-	-	-	-	-	-	-	-	-	-	33,353	15,877
Share of Associate Company's Net Profit	-	-	-	-	-	-	-	-	-	-	-	-
Profit before Tax	-	-	-	-	-	-	-	-	-	-	231,241	250,978
Income Tax Expense	-	-	-	-	-	-	-	-	-	-	(77,809)	(82,111)
Profit for the year	-	-	-	-	-	-	-	-	-	-	153,432	168,867
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	(1,250)	(2,477)
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	-	152,182	166,390
Assets												
Segment Assets	207,667	221,881	106,404	357,573	4,245	4,863	343,528	157,088	138,945	126,376	800,789	867,781
Investment Property	-	-	-	-	-	-	-	-	-	-	356,419	348,251
Total Assets	207,667	221,881	106,404	357,573	4,245	4,863	343,528	157,088	138,945	126,376	1,157,208	1,216,032
Liabilities												
Segment Liabilities	4,404	5,029	18,999	172,829	-	-	88,655	80,426	252	239	112,310	258,523
Deferred Taxation	-	-	-	-	-	-	-	-	-	-	29,690	24,956
Interest Bearing Borrowings	-	-	-	55,000	-	-	643	485	-	-	643	55,485
Total Liabilities	4,404	5,029	18,999	227,829	-	-	89,298	80,911	252	239	142,643	338,964
Capital Expenditure	815	458	1,540	459	-	-	1,356	646	-	-	3,711	1,563
Depreciation	5,167	6,039	546	696	-	-	1,445	2,027	-	-	7,158	8,762

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STATISTICAL INFORMATION



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STATISTICAL INFORMATION (CONTINUED)

COMPANY

		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Earnings per Share	(Rs.)	18.38	12.62	26.57	22.48	53.12	47.82
Dividends per Share	(Rs.)	2.00	2.25	1.75	2.00	5.00	6.00
Net Assets per Share	(Rs.)	151.39	161.92	186.46	207.28	257.56	299.95
Year on Year growth in Earnings per Share	(%)	162.95	(31.33)	110.53	(15.39)	136.30	(9.98)
Year on Year growth in Dividends per Share	(%)	33.33	12.50	(22.22)	14.28	150.00	20.00
Operating Return before Interest on Investments	(%)	15.20	9.86	14.76	11.52	28.00	20.75
Borrowing as a percentage of Total Assets	(%)	20.48	20.30	11.30	9.10	30.71	13.46
Interest Cover		27.96	27.68	88.41	36.56	17.48	29.74
Price Earnings Ratio		7.61	10.15	4.56	6.75	3.42	3.76
Earnings Yield	(%)	13.13	9.85	21.91	14.81	29.18	26.56
Dividend Payout Ratio	(%)	10.88	17.83	6.58	8.90	9.41	12.62

GROUP

		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Earnings/(Loss) per Share	(Rs.)	20.08	13.26	27.93	22.01	57.50	52.24
Net Assets per Share	(Rs.)	186.55	197.71	223.62	243.96	298.63	345.44
Year on Year growth in Earnings per Share	(%)	143.39	(33.96)	110.63	(21.20)	161.25	(9.15)
Operating Return before Interest on Investments	(%)	14.07	8.35	13.36	9.79	26.59	20.11
Borrowing as a percentage of Total Assets	(%)	16.13	16.57	9.37	7.86	27.87	12.18
Interest Cover		45.10	42.50	145.55	37.78	18.78	32.39

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STATISTICAL INFORMATION (CONTINUED)

PERFORMANCE SUMMARY FOR THE YEARS 2014/2015 - 2023/2024

	2023/2024		2022/2023		2021/2022		2020/2021		2019/2020	
	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%
CAPITAL & RESERVES										
Stated Capital	35.30	3.98	35.30	4.67	35.30	5.79	35.30	6.39	35.30	7.34
Capital Reserves	6.20	0.70	6.20	0.82	6.20	1.02	6.20	1.12	6.20	1.29
Other Reserves	234.73	26.64	236.95	31.32	234.73	38.55	234.50	41.96	232.00	48.24
Retained Earnings	604.74	68.68	478.02	63.19	332.60	54.64	271.68	50.44	202.10	42.48
Shareholders' Funds	880.97	100.00	756.47	100.00	608.83	100.00	547.68	99.91	475.60	99.35
LONG TERM LOANS	-	-	-	-	-	-	0.48	0.09	3.12	0.65
	880.97	100.00	756.47	100.00	608.83	100.00	548.16	100.00	478.72	100.00
REPRESENTED BY										
Property, Plant and Equipment	381.13	43.26	374.22	49.47	369.62	60.70	366.60	66.37	309.20	64.59
Investments	24.14	2.74	23.01	3.04	20.84	3.42	25.51	4.61	25.80	5.39
NON- CURRENT ASSETS	405.27	46.00	397.23	52.51	390.46	64.12	392.11	70.98	335.00	69.98
Current Assets	615.76	69.89	694.57	91.82	279.31	45.87	225.37	40.80	261.85	54.70
Liabilities	(115.10)	(13.06)	(310.37)	(41.03)	(56.24)	(9.21)	(59.29)	(10.73)	(110.51)	(23.09)
Deferred Tax	(24.96)	(2.83)	(24.96)	(3.30)	(4.70)	(0.78)	(5.80)	(1.05)	(7.62)	(1.59)
Net Assets	475.70	54.00	359.24	47.49	218.37	35.88	160.28	29.02	143.72	30.02
	880.97	100.00	756.47	100.00	608.83	100.00	552.39	100.00	478.72	100.00
GROSS TURNOVER	2,073.05	100.00	1,481.55	100.00	660.21	100.00	478.76	100.00	623.40	100.00
Brought out materials and services	1,558.29	75.17	1,057.51	71.38	480.16	72.72	334.33	69.83	378.16	60.66
Salaries and Wages	124.63	6.01	98.54	6.65	74.46	11.28	75.36	15.74	93.36	14.98
Depreciation	7.47	0.37	8.76	0.59	8.97	1.35	8.46	1.77	7.74	1.24
Loan Interest	7.37	0.36	14.12	0.96	2.02	0.30	1.01	0.21	2.10	0.34
Government Tax	243.03	11.71	158.38	10.67	39.53	5.99	31.70	6.62	83.74	13.43
Dividends	14.68	-	5.89	-	5.14	-	6.60	-	5.90	-
Profit/ (Loss) for the Year	132.26	6.38	144.21	9.73	55.07	8.36	27.90	5.83	58.30	9.35
Revaluation of Investment Property net of Tax	8.16	-	11.79	-	11.07	57.10	-	-	-	-
Other Income	31.45	-	22.97	-	23.95	-	33.34	-	37.32	-
Profit/ (Loss) Before Tax (Rs.Mn)	211.70	-	232.58	-	72.08	-	88.63	-	56.23	-

ACCOUNTING RATIOS

	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
Current Assets	6.83	2.35	6.43	3.80	2.37
Quick Assets	5.04	1.48	3.80	2.56	1.57
Gearing (Equity)	-	-	-	0.09%	0.66%
Gearing (Loans & Equity)	-	-	-	0.09%	0.65%

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/2024

STATISTICAL INFORMATION (CONTINUED)

PERFORMANCE SUMMARY FOR THE YEARS 2014/2015 - 2023/2024

2018/2019		2017/2018		2016/2017		2015/2016		2014/2015		
Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	Rs.Mn	%	
35.30	7.80	35.30	8.80	35.30	9.60	35.30	14.80	35.30	16.00	CAPITAL & RESERVES
6.20	1.40	6.20	1.50	6.20	1.60	6.20	2.60	6.20	2.80	Stated Capital
232.00	51.50	228.30	56.90	207.90	56.50	105.60	44.30	105.60	47.90	Capital Reserves
171.20	38.00	121.40	30.40	105.30	28.60	77.50	32.60	27.30	46.00	Other Reserves
444.70	98.70	391.20	97.60	354.70	96.30	224.60	94.30	207.40	94.00	Retained Earnings
6.20	1.30	9.80	2.40	13.30	3.70	13.50	5.70	13.10	6.00	Shareholders' Funds
450.90	100.00	401.00	100.00	368.00	100.00	238.10	100.00	220.50	100.00	LONG TERM LOANS
										REPRESENTED BY
328.30	72.80	312.40	77.90	305.50	83.00	188.00	79.00	168.90	76.60	Property, Plant and Equipment
25.70	5.70	22.00	5.50	18.20	4.90	16.90	7.10	16.90	7.60	Investments
354.00	78.50	334.40	83.40	323.70	87.90	204.90	86.10	185.80	84.20	NON- CURRENT ASSETS
205.10	45.50	150.20	37.40	127.60	34.70	107.60	45.20	93.00	42.20	Current Assets
(100.70)	(22.30)	(81.80)	(20.40)	(81.60)	(22.20)	(73.50)	(30.90)	(58.40)	(26.50)	Liabilities
(7.50)	(1.70)	(1.80)	(0.40)	(1.80)	(0.40)	(0.90)	(0.40)	0.10	0.10	Deferred Tax
96.90	21.50	66.60	16.60	44.20	12.10	33.20	13.90	34.70	15.80	Net Assets
450.90	100.00	401.00	100.00	368.00	100.00	238.10	100.00	220.50	100.00	
809.20	100.00	556.56	100.00	488.60	100.00	380.00	100.00	373.14	100.00	GROSS TURNOVER
596.60	73.70	331.20	59.50	297.20	60.80	228.70	60.18	219.58	58.85	Brought out materials and services
92.60	11.50	83.30	15.00	74.80	15.30	67.13	17.66	67.34	18.12	Salaries and Wages
8.40	1.00	7.90	1.40	9.30	1.90	10.80	2.84	10.11	2.71	Depreciation
2.80	0.30	5.00	0.90	3.60	0.70	2.90	0.76	3.56	0.95	Loan Interest
101.70	12.60	95.30	17.10	72.20	14.20	49.82	13.11	55.80	14.95	Government Tax
4.40	-	3.60	-	2.90	-	2.90	-	3.05	-	Dividends
54.00	6.70	20.50	3.50	31.50	6.50	20.65	5.45	16.75	4.49	Profit/ (Loss) for the Year
15.40	-	(10.80)	-	2.30	-	8.30	-	-	-	Revaluation of Investment Property
31.50	-	31.50	-	24.90	-	19.10	-	17.10	-	net of Tax
75.00	-	32.40	-	34.50	-	27.00	-	28.00	-	Profit/ (Loss) Before Tax (Rs.Mn)

ACCOUNTING RATIOS

2018/2019	2017/2018	2016/2017	2015/2016	2014/2015	
2.03	1.84	1.56	1.46	1.59	Current Assets
0.93	1.16	0.82	0.81	1.06	Quick Assets
1.27%	2.44%	3.70%	6.03%	6.34%	Gearing (Equity)
1.39%	2.50%	3.75%	5.68%	5.96%	Gearing (Loans & Equity)

LAKE HOUSE PRINTERS AND PUBLISHERS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/2024

STATISTICAL INFORMATION (CONTINUED)

Share Structure as at 31 March 2024

No. Of Shareholders	Range	No. Of Shares	Percentage %
625	1-1000	41,402	1.41
22	1001-5000	56,271	1.92
3	5001-10000	22,195	0.76
7	10001-20000	103,125	3.51
3	20001-30000	79,450	2.70
4	30001-40000	139,211	4.74
1	40001-50000	48,830	1.66
2	50001-100000	162,059	5.52
3	100001-1000000	1,232,615	41.97
1	Over-1000000	1,052,087	35.82
671		2,937,245	100.00

Directors' Shareholdings

NAME OF THE DIRECTOR	NO. OF SHARES	
	<u>31/03/2024</u>	<u>31/03/2023</u>
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	962,612	962,612

Major Shareholders

NAME	NO. OF SHARES	PERCENTAGE ON TOTAL SHARES
Mr. R.S.Wijewardene	1,052,087	35.82
Mr. D.R.Wijewardene	962,612	32.77
MR.D.N.Wijewardane	161,721	5.51
Mr.P.S.Wijewardene	108,282	3.69
Mr.A.I.Goonerathne	94,046	3.20
Mrs.A.I.Wijesundere	68,013	2.32
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
Mr.K.A.Weerathunge	29,730	1.01
Estate of Late Mr.P.Sivali Wijewardene	28,630	0.97
Mr.N.D.P.Hettiarachchi	21,090	0.72
Mr.A.L.Goonerathne	20,000	0.68
Mr., Mrs & Miss. Hettiarachchi	18,429	0.63
Miss.R.M.Wijewardane	18,111	0.62
Ms.V.S.Wijewardene	14,038	0.48
Mr. A.R.Wijewardene	11,722	0.40
E Channelling PLC	10,697	0.36
	2,807,249	95.57

Public Holding

The company complies with the minimum public holding requirement under Table 1 Option 5 (as per the CSE Directive of 17th November 2017), as at 31 March 2024.

- Number of Shareholders	667
- No,of Shares	765,434
- As a Percentage	26.06%
Highest Price per share for the period (Rs)	272.00
Lowest Price per share for the period (Rs)	122.00
Market Value Per Share as at 31 March 2024	179.75

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 2024 was Rs.150.8Mn.

Form of Proxy

I/We..... of
being a member/members of Lake House Printers & Publishers PLC hereby
appoint.....of.....
..... or failing him Mr.R.S.Wijewardene or failing him Mr.P.S.Wijewardene or failing him
Mr.R.C.Samarasinghe or failing him Prof.L.R.Watawala or failing him Mr.Dulip Jayamaha or failing him
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, 2024 at 11.30 am in 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: agmlhpp2024@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 or normally a certified copy of that power of attorney or other authority will have to be Scanned & Email to agmlhpp2024@gmail.com / Fax (112449504) deposited at the registered office of the company, not less than 24hours before the time appointed for the holding of the meeting.

