



LAKSALA

State Gift & Souvenir Boutique

SRI LANKA HANDICRAFTS BOARD

**FINANCIAL STATEMENTS
31 DECEMBER 2025**

Unaudited Financial Statements 2025

2025

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CORPORATE INFORMATION

NAME OF THE BOARD

SRI LANKA HANDICRAFTS BOARD
MINISTRY OF INDUSTRY AND ENTREPRENEURSHIP DEVELOPMENT

LEGAL FORM

STATUTORY BOARD INCORPORATED BY NATIONAL CRAFTS COUNCIL & ALLIED INSTITUTIONS ACT NO.35 OF
1982

HEAD OFFICE

NO : 215, BAUDHALOKA MAWATHA, COLOMBO 7

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FAX : 011 2594872 / 011 2488496

E-MAIL : *info@laksala.gov.lk*

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SALES INQUIRIES

PHONE : 011 2597797

E-MAIL : *info@laksala.gov.lk*

AUDITORS

NATIONAL AUDIT OFFICE

BANKERS

BANK OF CEYLON

PEOPLE'S BANK

REGIONAL DEVELOPMENT BANK

Unaudited Financial Statements 2025

CORPORATE INFORMATION

Laksala is the only State owned Gift & Souvenir Boutique and was established under the National Crafts Council and Allied Institutions Act, No. 35 of 1982. Since then Laksala has witnessed numerous changes with an ever growing list of products on sale. Today Laksala operates through 11 branches located island wide and offer the widest variety of all Sri Lankan products at a reasonable price. Most importantly, Laksala enables the numerous industries that supply goods to it to stay both profitable and in business. Today you will find an eclectic blend of items ranging from selections of beautifully packaged tea and spices, colorful batik ware to an elaborate collection of art and craft as well as the finest collection of traditional Sri Lankan Gems and Jewelry.

Our Vision

To continue to be the leader in the gift and souvenir market in Sri Lanka.

Our Mission

Be a commercially viable, socially responsible marketing organization which creates opportunities for rural products to enter mega – markets, thereby enhancing the growth potential of the gift and souvenir category and adding value to the tourism sector.

Our Core Values

- Delighting the customer
- Value creation and shared values among the rural community
- Multi – faceted opportunities for the best customer choices
- Quality, reliability and value for money

Sourcing

Laksala follows a rigorous selection process when it comes to sourcing of products for its stores. Because Laksala plays a nationally important role of fostering the arts and crafts of the island, its products are sourced from the most authentic of manufacturers. Therefore you can count on Laksala to offer you the most genuine and traditionally crafted items wherever possible. The goods are sourced from throughout the island and sometimes from multiple sources to offer you, our valued customers the very best in product and price. Over the years we have been able to increase the list of items on sale and even bring back certain product types that were all but wiped away.

SRI LANKA HANDICRAFTS BOARD
NOTE TO THE FINANCIAL STATEMENTS

Revenue analysis for the year 2025

YEAR AT A GLANCE- Dynamic strategic turnaround of Laksala Business

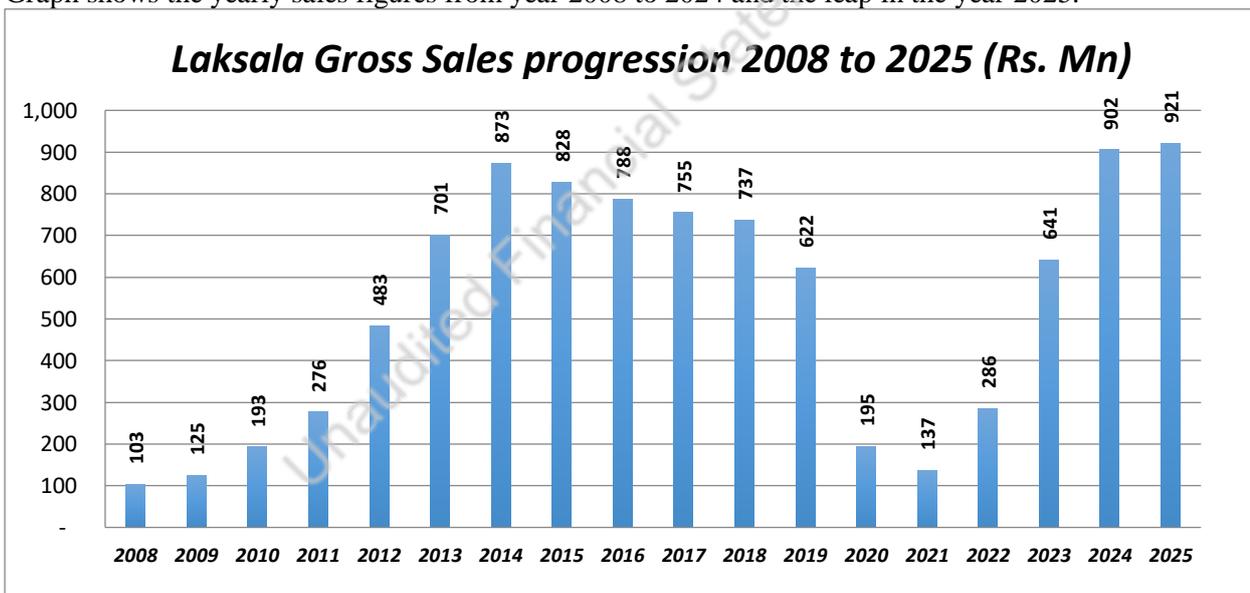
The fiscal year 2025 marked a dynamic period for [Sri Lanka Handicrafts Board, characterized by both robust growth and strategic realignment across sales channels. Despite market fluctuations, total Gross revenue reached **Rs.921Mn**, and net revenue after VAT **Rs.781Mn**, representing a Decrease of 13% compared to the previous year 2024. This was Laksala’s highest revenue in the history of the organization.

With the growth of the tourist arrivals to Sri Lanka in the year 2025, Laksala started regaining the sales patterns which Laksala was experiencing few years back when the revenue was at its peak. The sales growth was clearly visible when analyzing the quarterly sales which showed a rising trend starting from the 1st quarter onwards where every quarter had a growth over the previous quarter. Depicted below are the positive quarterly growths during the year.

Laksala quarterly Revenue – 2025

1st quarter – Rs.216.3mn	} Growth	
2nd quarter – Rs.165.8 mn		-23%
3rd quarter – Rs.201.6 mn		21.5%
4th quarter – Rs.197.3 mn		- 2.13%

Graph shows the yearly sales figures from year 2008 to 2024 and the leap in the year 2025.



One of the main reasons in achieving sales revenue of **Rs.781Mn** was the inflow of trading goods purchased for a value of **Rs.360Mn** throughout the year 2025.

Laksala recorded a sales revenue of Rs. 781 Mn in 2025, Administrative expenses for the year amounted to Rs. 323 Mn, an increase of Rs. 25 Mn (8%), which remains reasonable in relation to the corresponding rise in revenue. Selling and distribution expenses Decrease to Rs.81Mn in 2025, compared with Rs. 154 Mn in 2024 an Decrease of approximately 47%. This notable rise is mainly attributable to the escalation of operational activities in line with revenue growth during 2025. Despite the strong revenue performance, the Sri Lanka Handicrafts Board (Laksala) concluded the year with a profit before tax of Rs.35 Mn, compared to Rs. 25 Mn reported in 2024.

**SRI LANKA HANDICRAFTS BOARD
BRANCH NETWORK**

LAKSALA OUTLET	ADDRESS	TELEPHONE
FORT	NO : 60, YORK STREET, COLOMBO 01	011-2323514
THUMMULLA	NO : 215, BAUDDHALOKA MAWATHA, THUMMULLA, COLOMBO 07	011-2580579
KANDY	NO : 05, SANGARAJA MAWATHA, KANDY	081-2222087
KATUBEDDA	NO : 282, GALLE ROAD, KATUBEDDA, MORATUWA	011-2605600
BATTARAMULLA	JANAKALA KENDRAYA, PALAWATTA, BATTARAMULLA	011-2786026
NUWARA ELIYA	UDUPUSSALLAWA ROAD,NUWARA ELIYA	052-2234445
GALLE	NO : 74/1, GALLE ROAD, GALLE	091-2222783
PINNAWALA	ELEPHANT ORPHANAGE, (AT THE EXIT) , PINNAWALA	035-2256015
PERADENIYA	NO : 14, BOTANICAL GARDEN, PERADENIYA	081-2389253
KATUNAYAKE	54D DEPARTURE TRANSIT AREA, BANDARANAYAKE INTERNATIONAL AIRPORT	011-2260167
ELLA	STATION RD,ELLA	057-2121029

Unaudited Financial Statements 2025

**SRI LANKA HANDICRAFTS BOARD
MEMBERS OF THE BOARD - 2025**

NAME OF BOARD MEMBERS	DESIGNATION	APPOINTMENT DATE
Mrs. J.D.S.Padmakumari	Chairperson (Present)	28/11/2024
Mrs.P.N Wickramarathne	Observer	13/12/2024
Ms. G.K.A Samarasinghe	Board Member	15/01/2025
Mrs. G.L.Darshika	Board Member	28/02/2025
Mrs.Indira Malwatte	Board Member	20/03/2025
Mr. Sisira Amarabandu	Board Member	08/10/2025
Mrs.N.T.Amarathunga	Board Member	13/12/2024
Mr. Dammika Dissanayaka	Board Member	20/02/2025 to 27/07/2025

Unaudited Financial Statements 2025

SRI LANKA HANDICRAFTS BOARD
STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 LKR	2024 LKR
Assets			
Non-current assets			
Property, Plant & Equipment	9.0	595,005,366	667,111,059
Building development	9.1	135,873,184	49,182,080
New ERP system		9,357,500	
Total non-current assets		740,236,050	716,293,139
Current assets			
Inventories	10	566,376,388	555,739,959
Trade and other receivables	11	173,256,430	210,017,576
Cash and cash equivalents	12	27,215,176	26,174,274
Total current assets		766,847,994	791,931,809
Total assets		1,507,084,044	1,508,224,948
Equity and liabilities			
Equity			
Stated capital		69,628,878	69,628,878
Capital reserves		510,806	510,806
Revaluation reserves		454,366,157	454,366,157
Capital grants		107,951,172	107,951,172
Retained earnings		(338,198,106)	(345,084,551)
Total equity		294,258,907	287,372,462
Non-current liabilities			
Retirement benefit obligations	13	63,880,172	56,422,498
Long term borrowings	14	250,074,555	324,320,623
Total non-current liabilities		313,954,727	380,743,121
Current liabilities			
Trade and other payables	15	804,037,650	760,221,056
Income tax payable		54,529,828	43,916,002
Short term borrowings	16	33,292,173	32,757,672
Bank overdrafts	17	7,010,759	3,214,635
Total current liabilities		898,870,410	840,109,365
Total liabilities		1,212,825,137	1,220,852,487
Total equity and liabilities		1,507,084,044	1,508,224,948

.....
Mr.D.A.N.D.Dissanayaka
Asst.Accountant-Act

(For director Finance)

.....
Mrs R.C Vancuylenberg
Asst.Accountant-Act

The Accounting policies and Notes form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. The Financial Statements were approved by the Board of Directors and signed on their behalf on 24-02-2026 at the Board meeting held in Laksala Thummulla, Colombo 07

.....
Mrs.Nadeeka Amrathunga
Board Member

.....
Mrs.G.L Darshika
Board Member

.....
Mrs.J.D.S.Padmakumari
Chairperson

Notes from pages 9 to 28 form an integral part of these financial statements. Figures in brackets indicate deductions.

SRI LANKA HANDICRAFTS BOARD
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2025

		2025	2024
	Notes	LKR	LKR
Revenue	3	781,083,377	902,918,181
Cost of sales		(317,328,445)	(389,142,013)
Gross profit		463,754,932	513,776,168
Interest on Saving Accounts	4	293,030	98,068
Other income	5	11,342,536	16,362,394
Administrative expenses	6	(323,680,100)	(298,355,691)
Selling & distribution expenses	7	(81,543,168)	(154,663,287)
Results from operating activities		70,167,230	77,217,652
Finance cost	8	(34,788,709)	(52,130,860)
Profit before tax		35,378,520	25,086,792
Income Tax		(10,613,556)	(7,526,038)
Profit for the year		24,764,964	17,560,754

Notes from pages 9 to 28 form an integral part of these financial statements. Figures in brackets indicate deductions.

SRI LANKA HANDICRAFTS BOARD
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

	Stated capital	Capital reserves	Revaluation reserves	Capital grants	Retained earnings	Total equity
	LKR	LKR	LKR	LKR	LKR	LKR
Balance as at 1 January 2024	69,628,878	510,806	454,366,157	107,951,172	(322,362,276)	310,094,737
Adjustments to prior year errors	-	-	-	-	(40,283,025)	(40,283,025)
Profit for the year					17,560,754	17,560,754
Balance as at 31 December 2024	69,628,878	510,806	454,366,157	107,951,172	(345,084,546)	287,372,467
Adjustments to prior year errors					(17,878,525)	(17,878,525)
Profit for the year	-	-	-	-	24,764,964	24,764,964
Balance as at 31 December 2025	69,628,878	510,806	454,366,157	107,951,172	(338,198,106)	294,258,907

Note

Adjustments relating to a prior period that were incorporated into the accumulated income reserve during the year 2025, based on audit queries for the year 2024

Cost of sales adjustment	13,279,606
New ERP system rent adjustment	400,000
Incentive adjustment	635,618
Credit card commission adjustment	2,706,211
Vat payable adjustment	770,745
VPN underprovision adjustment	86,345
	17,878,525

Notes from pages 9 to 28 form an integral part of these financial statements. Figures in brackets indicate deductions.

SRI LANKA HANDICRAFTS BOARD
STATEMENT OF CASH FLOWS
For the year ended 31 December 2025

	Notes	2025 LKR	2024 LKR
Cash generated from operations			
Profit before tax		35,378,520	25,086,792
Adjustments for:			
Income TAX		(10,613,556)	(7,526,038)
Retirement benefit obligations		17,387,173	8,609,607
Interest expenses		34,246,415	51,537,682
Depreciation		15,200,764	10,919,049
Interest On saving Accounts		(293,030)	(98,068)
Amortization of capital expenditure costs		18,535,011	8,089,360
Prior Year Adjustment		(17,878,525)	(40,283,025)
		91,962,773	56,335,360
Changes in working capital			
Inventories		(23,916,036)	(31,724,222)
Trade and other receivables		36,761,147	(126,886,673)
Trade and other payables With Tax		54,430,420	267,386,395
Cash generated from operations		159,238,304	165,110,860
VRS paid			
Gratuity paid		(9,929,498)	(11,488,333)
Interest paid		(15,948,135)	(27,591,879)
Net cash generated from operating activities		133,360,671	126,030,649
Cash flows from investing activities			
Interest On saving Accounts		293,030	98,068
Capital Work in progress		(19,543,975)	(85,175,318)
Purchases of property, plant & equipment		(43,153,381)	(5,088,993)
Net cash used in investing activities		(62,404,326)	(90,166,243)
Cash flows from financing activities			
Long/short term loans obtained		29,692,059	14,969,382
Loan repayments		(103,403,626)	(85,715,068)
Net cash used in financing activities		(73,711,567)	(70,745,686)
Net increase/(decrease) in cash and cash equivalents		(2,755,222)	(34,881,280)
Cash and cash equivalents at the beginning of the year		22,959,639	57,840,919
Cash and cash equivalents at the end of the year		20,204,417	22,959,639
Bank overdrafts	17	(7,010,759)	(3,214,635)
Cash in hand and at bank	12	27,215,176	26,174,274
		20,204,416	22,959,639

Notes from pages 9 to 28 form an integral part of these financial statements. Figures in brackets indicate deductions.

SRI LANKA HANDICRAFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.0 Company

Sri Lanka Handicrafts Board (“SLHB” or “Laksala”) popularly known and operating under the trade name “LAKSALA” is the only state owned organization marketing handicrafts that are produced throughout Sri Lanka.

1.1 Principal Activities and Nature of Operations

Principal activities of SLHB are marketing and selling of gift and souvenir items to the local and foreign market

2. GENERAL ACCOUNTING POLICIES

2.0 Basis of Measurement

The Statement of financial position, statements of comprehensive income, statement of changes in equity and statement of cash flows, together with accounting policies and notes (Financial Statement) of the Board as at 31 December 2025 and for the year ended, have been prepared in accordance with Sri Lanka Financial Reporting Standards (SLFRSs) issued by the Institute of Chartered Accountants of Sri Lanka.

These financial statements have been prepared under the historical cost convention, except for financial assets and liabilities which are measured at fair value. The preparation of financial statements in conformity with SLFRSs requires the use of certain critical accounting estimates. All values are presented in Sri Lankan Rupees.

2.1 Use of Accounting Estimates, Assumptions and Judgments

The preparation of Financial Statements are in conformity with LKAS (Sri Lanka Accounting Standards) and SLFRS which requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments on the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

2.2 Going Concern

When preparing the Financial Statements, we have made an assessment of the liability of the organization to continue as a going concern in the foreseeable future. We do not foresee a need for liquidation or cessation of trading, taking into account all available information about the future.

2.3 Comparative Information

The accounting policies have been consistently applied by the company and are consistent with those used in the previous year and reclassified for fair presentation where required.

SRI LANKA HANDICRAFTS BOARD NOTES TO THE FINANCIAL STATEMENTS

2.4 Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial Statements, and have been applied consistently by the Board.

2.4.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or accounted as receivable net of trade discounts and applicable taxes.

Transactions in foreign currencies are converted at the foreign exchange rate ruling at the time of transaction.

Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are converted to Sri Lankan Rupees at the foreign exchange rate ruling at that date.

2.4.2 Property, Plant and Equipment

a) Recognition and Measurement

Basis of recognition of property, plant & equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the company & the cost of the asset can be reliably measured.

Property Plant and Equipment other than land are stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self -constructed assets includes the cost materials, direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Where an item of property, plant and equipment comprise major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

The carrying values of property, plant & equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Any gains and losses upon disposal of items 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 in statement of comprehensive income.

Lands & building owned by the Department of Small Industries were vested to sri lanka handicrafts board in 1993. This included 11 (eleven) Properties valued for Rs.112,330,000/= When SLHB was restructured in 2012-2013 Three (3) properties were vested to the National Craft council by a Cabinet decision valued for Rs.20,700,000/= & the balance remains in the SLHB balance sheet.

SRI LANKA HANDICRAFTS BOARD

NOTES TO THE FINANCIAL STATEMENTS

b) Depreciation

The provision for depreciation is calculated using a straight line method on the cost of all property, plant and equipment other than freehold land, in order to write off such amounts over the estimated useful lives.

The principal rates used are as follows.

1. Building	2.5%
2. Machinery Equipment	10%
3. Inventory Articles	10%
4. Furniture & Fittings	10%
6. Computer Hardware & Software	20%

* Until the year 2018 the depreciation on **PPE** items was done using a straight line method. But in the year 2019 Laksala had to use the reducing balance method because the depreciation value when calculated in the straight line model was surpassing the cumulative total value as these items had been purchased more than 8 years ago. Thereby from 2019 onwards the reducing balance method has been implemented.

c) Profit / Loss from Sales of Property, Plant and Equipment.

Any gains or losses on retirement or disposal of property, plant and equipment are recognized in the period in which the sale occurs and is classified as other operating Income.

d) Grant amortization rate & depreciation of building development expenses have been adjusted accordingly preventing unnecessary income or expenditure coming in to the P & L through the difference of grant amortization & depreciation of building developments expenditure.

2.4.3 Capital Work in Progress

Capital expenses incurred during the year, which are not completed as at the date of the financial statements are shown as advance payments, whilst the capital assets which have been completed during the year end put to use have been transferred to property, plant and equipment.

2.4.4 Intangible Assets

Intangible assets that are acquired by SLHB, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

a) Basis of Recognition

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the entity and cost can be measured reliably and carried at cost less accumulated amortization and accumulated impairment losses.

SRI LANKA HANDICRAFTS BOARD NOTES TO THE FINANCIAL STATEMENTS

b) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relate. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the income Statement as incurred.

c) Retirement and Disposal

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal.

d) Amortization

Amortization is recognized in the income statement on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

2.4.5 Impairment

The carrying amounts of SLHB's assets are reviewed at each of the financial statements balance sheet date to determine where there is any indication of impairments. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

2.4.6 Trade and Other Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

2.4.7 Inventories

Inventories are valued at the lower of cost and net realizable value, after making provision for obsolete and repairable items. Cost is determined using the Weighted Average Cost (WAC) method. Net realizable value is the price at which inventories can be sold in the ordinary course of business.

2.4.8 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand and short term highly liquid investments, readily convertible to know amounts of cash for the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and net of outstanding bank overdrafts, short term borrowings and short term investments.

2.4.9 Cash Flow Statement

The cash flow statements have been prepared using the indirect method in accordance with Sri Lanka Accounting Standard No. LKAS07 – Cash flow statement.

SRI LANKA HANDICRAFTS BOARD NOTES TO THE FINANCIAL STATEMENTS

2.4.10 Employee Benefits

a) Defined Benefit Plan – Retirement Gratuity

The liability for Retirement benefit obligation under the payment of Gratuity Act. No. 12 of 1983 is a defined benefit plan covering 90 employees of the organization in the period of 2024. In order to meet this liability a provision is carried forward as at the date of the financial statements equivalent to an amount calculated based on a half month salary of the last month of the financial year of all employees for each completed year of service commencing from the first year of service. The resulting difference.

between the brought forward provision at the beginning of a year and the carried forward provision at the end of a year is dealt with in the statement of comprehensive income.

b) Define Contribution Plan -Employee's provident fund & employee's trust Fund.

Employees are eligible for Employees Provident Fund contribution and employees' trust fund contributions in line with respective statutes and regulation. SLHB contributes 12% and 3% on gross employments of employees to employee's provident fund and employee's trust fund respectively.

2.4.11 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortized cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings.

2.4.12 Liabilities and Provisions

Liabilities and provisions are recognized in the financial statements when there is a present legal /constructive obligation as a result of the past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the creditor or within one year from the financial statements date are treated as current liabilities in the financial statements. Liabilities payable after one year from the financial statements date are treated as non-current liabilities in the comprehensive statement of financial position.

a) 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 (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Laksala had been following the policy of recording liabilities in the books of accounts at the time of raising goods received notes for all purchases including consignment stocks. However, payments are made to consignment creditors only when the respective consignment stocks are being sold. with the increase in purchasing consignment stock for trading purpose the accounts need to be corrected as the liability of the consignment stocks need to be omitted from the accounts as the liability is transfer to the supplier and not laksala

SRI LANKA HANDICRAFTS BOARD
NOTES TO THE FINANCIAL STATEMENTS

2.4.13 Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the country where SLHB operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Sale of Goods

Revenue from the sales of goods is measured at fair value of the consideration received or receivable net of returns, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost and possible return of goods can be estimated reliably and there is no continuing management involvement with goods. Transfer of risks and rewards vary depending on the individual terms of the contract of sales.

Other Operating Income

- a) Profit and loss from sale of property, plant and equipment.
- b) Any gains or losses on retirement or disposal of property, plant and equipment are recognized in the period in which the sales occur and are classified as other operating income.

Grants Received

If the Government grant relates to an expense item, it is recognized as income over the period necessary to match to the costs, that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual installments.

Capital Grants Received

Capital grants received have been recognized as deferred income and amortized over a period of 10 years.

Recurrent Grants Received

Grants relating to income may be reported separately as 'other income' or deducted from the related expense.

2.4.14 Expense Recognition

Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the income statement.

For the purpose of presentation of the income statement, the “function of expenses” method has been adopted, on the basis that it presents fairly the elements of the organizations performance.

**SRI LANKA HANDICRAFTS BOARD
NOTES TO THE FINANCIAL STATEMENTS**

a) Recurrent Expenditure

The profit earned by the board as shown in the income statement is after providing for all known liabilities and for depreciation of property, plant and equipment.

b) Capital Expenditure

Expenditure incurred for the purposes of extending or improving assets of a permanent nature by means to carry on the business or for the purposes of increasing the earning capacity of the business has been treated as capital expenditure.

Gains or losses of revenue nature on the disposal of property, plant and equipment have been accounted for in the Income statement.

2.4.15 Borrowing Costs

Borrowing costs are recognized as an expense in the year in which they are incurred.

2.4.16 Commitments and Contingencies

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrences or non- occurrence of uncertain future events, which are beyond the board's control.

2.4.17 Events Occurring After the Balance Sheet Date

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

SRI LANKA HANDICRAFTS BOARD
NOTES TO THE FINANCIAL STATEMENTS

3. Revenue	2025	2024
	LKR	LKR
Showroom sales		
Thummulla	403,899,215	457,611,760
Galle	70,301,970	87,735,280
Peradeniya	63,559,989	94,604,999
Katunayaka	64,391,941	83,197,566
Fort	32,456,989	38,332,327
Battaramulla	16,468,726	19,455,298
Kandy	45,196,375	44,642,568
Katubadda	17,694,672	20,514,852
Pinnawala	40,729,092	38,739,206
Ella	13,242,582	30,052
Nuwara Eliya	3,773,422	4,461,712
Total showroom sales	771,714,972	889,325,621
Direct/custom made orders	9,368,405	13,592,560
	781,083,377	902,918,181
3.1 Cost of sales		
opening stock	616,196,265	524,015,737
Adjustments to prior year errors	(13,279,606)	
	602,916,659	524,015,737
Goods return	(18,930,554)	(14,549,935)
purchases	360,865,526	495,872,476
	944,851,631	1,005,338,278
Less- closing Stock	(627,523,186)	(616,196,265)
	317,328,445	389,142,013
4. Investments		
Interest on saving account	88,471	82,573
Interest on staff Loan	204,559	15,495
	293,030	98,068
5. Other income	2025	2024
	LKR	LKR
Rental income	10,571,997	16,062,394
Sponser ship	-	300,000
Foreign exchange gain **	770,539	-
	11,342,536	16,362,394
**LKR Book Value NRFC A/C	99,728	
USD book Value	2,816.40	
Exchange Rate (Spot Rate)	<u>309.00</u>	
LKR Value to Spot Rate	870,268	
Exchange gain Deff.	770,539	

SRI LANKA HANDICRAFTS BOARD
NOTES TO THE FINANCIAL STATEMENTS

6. Administrative expenses	Note	2025	2024
		LKR	LKR
Salaries & Allowance *		81,646,474	80,214,324
Incentive		2,961,894	7,960,888
E.P.F. & E.T.F.		10,164,708	8,943,764
Gratuity		17,387,173	8,609,607
Transport Allowance		8,215,135	8,492,958
Directors Fees & Board Meeting Expenses		891,500	499,500
Audit Fees/Professional Fees		950,000	945,000
Legal Fees		1,428,280	335,040
Security Charges		14,935,490	11,998,064
Rent & Rates *		51,612,332	43,535,731
Electricity		13,363,257	14,599,345
Deprerciation		15,200,764	10,919,049
Building Development Amortization-Exp		18,535,011	8,089,376
Cleaning Services		7,036,688	8,688,838
Other Staff Cost *	6.1	15,596,194	18,324,350
Other Operational Cost *	6.2	63,755,202	66,199,857
		323,680,100	298,355,691
Subnote 6.1			
Included under other ataff cost *		2025	2024
		LKR	LKR
Overtime		8,717,351	6,967,400
Bonus		-	1,714,996
Staff Welfare		6,392,693	7,524,862
Cash Security Interest		79,961	75,317
Staff Training		-	6,195
Medical Expenses		406,189	2,035,580
		15,596,194	18,324,350

SRI LANKA HANDICRAFTS BOARD
NOTES TO THE FINANCIAL STATEMENTS

Subnote 6.2	2025	2024
Included under other operation cost *	LKR	LKR
Consultancy Fees	12,590,000	5,790,000
SSCL tax Expences	9,443,301	11,320,094
Advertisement	1,420,547	1,266,547
Printing & Stationery	3,160,960	4,050,480
News Papers & Periodicals	-	858
Postage/Tele/Telex	10,553,253	9,178,489
Fuel & Lubricants	1,081,384	1,048,816
Supplier Welfare Contribution	2,637,524	2,545,435
Stock Verification	-	27,190
Trade Licence Fees	574,112	519,756
Computer Expenses	108,454	1,043,850
Insurance	199,399	177,064
Water Bill	2,899,293	2,645,489
Rep & Maint - Building	5,647,271	4,714,046
Rep & Maint - Machinery	1,186,119	3,801,522
Vehicle Rental Charges	2,818,460	6,712,465
Translation Fess	59,270	17,520
Concession Fees	9,375,830	9,454,960
Opening Ceromany Expenses	-	1,885,250
Stamp Fees	25	25
	63,755,202	66,199,857

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SRI LANKA HANDICRAFTS BOARD
NOTES TO THE FINANCIAL STATEMENTS

7. Selling & distribution expenses	Notes	2025	2024
		LKR	LKR
Guide Commission		55,062,457	59,015,949
Credit card Commission		13,625,475	13,131,633
Packing Materials Locals		5,802,816	7,607,088
Business Promotion		2,068,580	1,441,425
Rep.& Main.Purchase Goods		294,875	1,502,061
Non Refundable Tender Deposits		20,000	15,000
Exhibition and Trade Fair		317,000	74,000
Shortages		-	6,687,842
Travelling Expenses		4,198,553	3,527,124
Registration Fees		3,742	3,000
Valuation Expenses		85,400	16,100
Insurance & Freight Charges		64,271	1,185,760
Special Order/Miscellaneous Expenses		-	-
Inventory write off Damages Items		-	60,456,306
		81,543,168	154,663,287

	2025	2024
	LKR	LKR
8. Finance costs		
Bank charges	542,294	593,178
Loan interest -Boc*	14,638,415	26,894,676
-Rdb*	19,608,000	24,643,006
	34,788,709	52,130,860

**Interest on the BOC loan has been charged at AWPLR + 2% In accordance with the terms approved by the bank

** RDB Loan was restructured due to non payment and as discussed interest calculation for the year 2024 was subsidized, carrying forward the reduced interest amount to be paid from 2026 onwards.

SRI LANKA HANDICRAFTS BOARD
NOTES TO THE FINANCIAL STATEMENTS

09. Property, plant and equipment

Freehold assets	Notes	2025 LKR	2024 LKR					
Freehold assets	9.1	595,005,366	567,090,955					
		595,005,366	567,090,955					
		Land	Buildings	Plant & machinery	Furniture fittings & office equipment	Computer equipment	Articles	Total
		LKR	LKR	LKR	LKR	LKR	LKR	LKR
Cost or valuation								
Balance at 1 January 2024		380,788,639	248,131,099	101,320,266	60,179,729	24,894,896	33,636,623	848,951,250
Additions			-	2,925,226	88,516	1,316,544	758,706	5,088,992
Balance at 31 December 2024		380,788,639	248,131,099	104,245,492	60,268,245	26,211,440	34,395,330	854,040,242
Adjustments								-
Additions		-	-	13,372,415	9,326,420	17,387,324	2,001,622	42,087,781
Balance at 31 December 2025		380,788,639	248,131,099	117,617,907	69,594,665	43,598,764	36,396,952	896,128,023
Depreciation								
Balance at 1 January 2024		-	64,864,738	103,526,759	64,541,722	23,225,520	33,292,464	289,451,204
Adjustments				(6,070,885)	(5,162,934)		(2,187,147)	(13,420,966)
Charge for the year		-	6,203,277	2,102,717	327,657	1,236,793	1,048,605	10,919,049
Balance at 31 December 2024			71,068,015	99,558,591	59,706,445	24,462,313	32,153,922	286,949,287
Adjustments					-	(451,650)	(575,744)	(1,027,394)
Charge for the year		-	6,203,277	3,125,606	1,101,068	3,675,848	1,094,965	15,200,764
Balance at 31 December 2025		-	77,271,292	102,684,198	60,807,513	27,686,511	32,673,143	301,122,657
Carrying amounts								
At 31 December 2024		380,788,639	177,063,084	4,686,901	561,800	1,749,126	2,241,407	567,090,955
At 31 December 2025		380,788,639	170,859,806	14,933,709	8,787,152	15,912,252	3,723,808	595,005,366

Note

The work-in-progress amounting to Rs. 100,020,127, which was included in PPE in the year 2024, has been transferred to the Building Development Account in the year 2025.

SRI LANKA HANDICRAFTS BOARD
NOTES TO THE FINANCIAL STATEMENTS

9.1 Building development costs (contd.)

Amortisation

Site	Year	Cost incurred	Rate % @ 2 decimal	Cumulative amortisation balance at 01 January 2025	Amortised during 2025	Cumulative amortisation balance at 31 Dec 2024	Carrying amounts of building development cost at 31 Dec 2025
Museum	2013	172,847,765					
Museum	2014	1,881,295					
Museum	2015	389,178					
Total		175,118,238	5.77%	175,118,238		175,118,238.00	-
Battaramulla	2013	117,704,905					
Battaramulla	2014	7,119,772					
Battaramulla	2015	9,744,208					
Total		134,568,885	5.77%	86,647,470	7,762,237	94,409,706.00	40,159,179
Pinnawala	2013	10,086,000	10.00%	10,086,000		10,086,000.00	-
Wagolla	2014	810,487	10.00%	810,487		810,487.00	-
Peradeniya	2013	31,657,965					
Peradeniya	2014	8,968,352					
Peradeniya	2015	677,222					
Total		41,303,539	10.00%	41,303,539		41,303,539.00	-
Welipanna	2013	10,269,019	10.00%	10,269,019		10,269,019.00	-
Race course	2013	1,113,613	10.00%	1,113,613		1,113,613.00	-
Katunayake	2013	1,060,004	10.00%	1,060,004	-	1,060,004.00	-
Unawatuna	2013	1,000,004	10.00%	1,000,004		1,000,004.00	-
K-Zone	2013	8,353,071	10.00%	8,353,071		8,353,071.00	-
Thunmulla		769,766	10.00%	769,767		769,767.00	-
kandy	2019	1,993,423					
Adjusted	2020	508,213					
		2,501,636	10.00%	1,240,966	250,164	1,491,130.00	1,010,503
Ella	2024	105,226,113	10.00%		10,522,611	10,522,611.00	94,703,502
Grand total		492,180,375		337,772,178	18,535,012	356,307,189	135,873,184

9.2 Building development costs

	2025 LKR	2024 LKR
Cost or deemed cost		
Balance at 1 January	386,954,261	386,954,261
additional	105,226,113	
Balance at 31 December	492,180,374	386,954,261
Amortisation		
Balance at 1 January	337,772,178	258,818,422
Charge for the year	18,535,012	8,089,360
*Adjusted	-	70,864,396
Balance at 31 December	356,307,190	337,772,178
Carrying amounts as at 31st	135,873,184	49,182,080

SRI LANKA HANDICRAFTS BOARD
NOTES TO THE FINANCIAL STATEMENTS

		2025	2024
	Notes	LKR	LKR
10. Inventories			
Showroom trading first quality finished goods		455,879,551	443,011,255
Second quality finished goods	10.1	170,560,849	172,792,715
Provision for Damaged Item		(60,456,306)	(60,456,306)
Raw materials and work in progress	10.2	392,295	392,295
		566,376,388	555,739,959

10.2 Raw materials and work in progress

Raw materials and work in progress consist of items manufactured for custom made direct orders.

		2025	2024
	Notes	LKR	LKR
11. Trade and other receivables			
Trade receivables	11.1	7,155,621	10,239,173
Other receivables	11.2	104,600,389	80,017,564
Deposits and prepayments	11.3	61,500,420	119,760,840
		173,256,430	210,017,577
11.1 Trade receivables			
Trade Debtors		14,670,654	16,976,085
Doubtful Debtors	11.4	(9,578,372)	(9,578,372)
Receivable Credit Card		2,063,339	2,841,460
		7,155,621	10,239,173
11.2 Other receivables			
Staff loans		2,441,529	2,828,578
Rent receivable		6,843,787	5,019,909
VAT receivable		22,846,161	-
NBT receivable		1,515,937	1,287,828
Miscellaneous Receivable		88,577	16,850
Museum Building Amortised Cost		70,864,399	70,864,399
		104,600,389	80,017,564
11.3 Deposits and prepayments			
Security deposits		-	-
Prepayments		2,859,233	3,479,762
Advances paid		36,191,835	104,446,560
Retention money		500,000	500,000
Refundable deposit		21,949,352	11,334,518
		61,500,420	119,760,840

11.4 Doubtful Debtors

In the year 2018 provision had been passed for Rs.9,578,372 /in relation to the old balances

10.1 Second quality finished goods

The stock classified as second-grade has been categorized as suspense and bargain stock. Two committees have been appointed to review these stocks and determine their current value for inclusion in the books.

Based on the recommendations of these committees, necessary adjustments to the stock will be made in the year 2026. In the meantime, an amount of Rs. 60,456,306 has been allocated in the year 2024 as provision for damaged stock.

SRI LANKA HANDICRAFTS BOARD
NOTES TO THE FINANCIAL STATEMENTS

	2025	2024
	LKR	LKR
12. Cash and cash equivalents		
Cash at bank	25,451,014	22,941,061
Cash in hand	1,764,162	3,233,213
	27,215,176	26,174,274
	2025	2024
	LKR	LKR
13. Retirement benefit obligations		
Opening balance	56,422,498	59,301,223
Gratuity provision for the year	17,387,173	8,609,607
Gratuity paid during the year	(9,929,498)	(11,488,333)
Closing balance	63,880,173	56,422,498

The liability for retirement benefit obligation under the payment of Gratuity Act. No. 12 of 1983 is a defined benefit plan covering 75 employees of the organization.

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SRI LANKA HANDICRAFTS BOARD
NOTES TO THE FINANCIAL STATEMENTS

	2025	2024
	LKR	LKR
14. Long term borrowings		
Opening balance	342,734,895	427,823,981
Loan paid during the year	(74,246,068)	(85,089,086)
Closing balance	268,488,827	342,734,895
(Less) Payable within one year	(18,414,272)	(18,414,272)
Long term loan obligations	250,074,555	324,320,623

14.1 Bank of Ceylon – Loan Balance Rs.97.47 Mn as at end 2025

Initially loans were taken within the periods of 2012 to 2018 for approximately Rs.950 Mn for working capital requirements by mortgaging the Fort building. While having upgraded the showrooms with the loans taken, Laksala found a substantial growth in revenue to service the loans. Eventually having settled the capital loan amounts & reducing the Bank of Ceylon loans from year 2013 to 2019 to Rs.273Mn. But due to the economic situation in the country Laksala was not able to settle the capital and the interest from year 2020 to 2023. Therefore as provided by the Central bank of SL many moratoriums' were taken in 2020 and 2023 .and the loans were re-structured to suit the then prevailing cash flow situation in 2023 and loans are being currently serviced accordingly.

14.2 During the financial year 2022 six additional moratoriums were provided for the existing 3 loans.

2023 BOC loan balance	Rs . 256.8 Mn
2024 BOC capital paid	Rs. <u>85.1 Mn</u>
Total BOC loan balance	Rs 171.7 Mn
2025 BOC capital paid	Rs. <u>74.2 Mn</u>
Total BOC loan balance	Rs. 97.5 Mn

Monthly Loan Interest Rate (AWPLR+2%)

14.3 Regional Development Bank – Rs.200 Mn

Rs.200 Mn facility was obtained from the Rural Development Bank Kelaniya branch in the year 2013 to meet urgent working capital requirements. No security was offered by Laksala as the General Treasury has arranged the loan facility through the bank. In the year 2021 due to the financial situation arisen as a result of COVID-19 the interest was capitalized and the loan was structured with the substantial wave-off of the interest portion. Initiatives have been taken to re-start the payment of the loan with the cashflows

Main Loan

2023 RDB loan balance	Rs .171.0 Mn
2024 RDB capital paid	Rs. <u>00.0 Mn</u>
Total RDB loan balance	Rs.171.0 Mn
2025 RDB capital paid	Rs. <u>00.0 Mn</u>
Total RDB loan balance	Rs.171.0 Mn

Monthly Loan Interest Rate **12%**

Provisions have been made to pay Rs. 19.6 million as loan interest for the year 2025 on the loan obtained from RDB Bank, and Rs. 96.5 million has been allocated to be paid by the end of 2025. No installment payments have been made towards the RDB loan from the year 2021 onwards

SRI LANKA HANDICRAFTS BOARD
NOTES TO THE FINANCIAL STATEMENTS

	2025	2024
	LKR	LKR
15. Trade and other payables		
Trade payables	420,067,790	382,245,431
Other payables	216,374,118	235,100,820
Accrued expenses	167,595,743	142,874,805
	804,037,651	760,221,056
16. Short term borrowings		
Current portion of the long term loan obligations	18,414,272	18,414,272
Short term loan	14,877,901	14,343,400
	33,292,173	32,757,672
17. Bank overdrafts		
Bank overdrafts	7,010,759	3,214,635

The bank overdraft amounting to Rs.7,010,759.00 (2023: Rs.3,214,635.00) is the balance appearing in the cash book as of the year end. With the restructuring of the BOC loans in the previous financial years an approval was provided by the bank for an overdraft facility of Rs.15 Mn.

Unaudited Financial Statements 2025

**SRI LANKA HANDICRAFTS BOARD
NOTES TO THE FINANCIAL STATEMENTS**

18. Contingent Liabilities and Commitments

Pending litigations against the board:

Court No.	Case filed on:	Case filed by	Nature of the case	Current status
DMR/0280/13	13-Jul-15	Kotte Municipal Council	Litigation filed in the District Court by the Kotte Municipal Council against Laksala for breaching of contract for fixing of solar panels.	Decision was given to pay Rs.4,020,000 along with interest to Kotte Municipal Council. However, Laksala has filed an appeal on this case. As the court decision was given, a similar amount was provided as a payable as of 31 December 2025.
DMR/2255/16	9-May-16	Dimo Pvt Ltd	Litigation filed on District court by Dimo against Laksala for breaching of contract due to non payment of balance dues.	Decision still pending and no probable commitment prevails as at 31st December 2025
138/2018/MR	8-Mar-18	JAT Holdings Pvt Ltd	Litigation filed in Colombo commercial High Court with regard to a contract taken by Laksala from Tourist Board and sub contracted to JAT Holdings & a payment pending of Rs.8,184,683.49	Attorney general Department has submitted objections on behalf of Laksala (SLHB).
139/2018/MR	10-Apr-18	JAT Holdings Pvt Ltd	Laksala has signed an agreement with the Ministry of Justice to renovate the Arbitration centre in the 22nd floor of the World Trade Centre. Laksala had sub contracted this to JAT Holding and the job has been completed. But Ministry of justice had not settled the balance amounts to pay to JAT Holdings. Therefore JAT Holdings have filed a case in the Colombo High Court against Laksala for not settling a sum of Rs.32,256,980	Attorney general Department has submitted objections on behalf of Laksala (SLHB).

Internal inquiries

Internal inquiries were held against two senior officers Mrs.L.M.E. Perera and Mrs.S.R.M.Perera however as per the court decision for the LT case No 31/18/2023 on temperaly interdicted.officer Mrs.S.R.M Perera Sri Lanka Handicrafts Board-Laksala arranged of payment of LKR 6,294,099/=to the Assistant Commissioner of labor-J-Ela.

SRI LANKA HANDICRAFTS BOARD
NOTES TO THE FINANCIAL STATEMENTS
Comparison of Budgeted and Actual Expenditures

	Notes	2025 LKR	2025 Budgeted
Revenue	3	781,083,377	1,012,500,000
Cost of sales		(317,328,445)	(410,000,000)
Gross profit		463,754,932	602,500,000
Grants received		-	-
Interest on Saving Accounts	4	293,030	
Other income	5	11,342,536	30,000,000
Administrative expenses	6	(323,680,100)	(328,746,068)
Selling & distribution expenses	7	(81,543,168)	(115,200,000)
Results from operating activities		70,167,230	188,553,932
Finance cost	8	(34,788,709)	(75,350,000)
Profit before tax		35,378,520	113,203,932
Income Tax		(10,613,556)	(33,961,180)
Profit for the year		24,764,964	79,242,752

3. Revenue

	2025 LKR	2025 Budgeted
Showroom sales		
Thummulla	403,899,215	454,410,000
Galle	70,301,970	90,198,563
Peradeniya	63,559,989	102,105,563
Katunayaka	64,391,941	
Fort	32,456,989	42,155,438
Welipenna - 1	-	94,365,000
Battaramulla	16,468,726	30,729,375
Kandy	45,196,375	47,952,000
Katubadda	17,694,672	29,716,875
Pinnawala	40,729,092	40,930,313
Ella	13,242,582	17,769,375
Nuwara Eliya	3,773,422	11,542,500
Total showroom sales	771,714,972	961,875,000
Direct/custom made orders	9,368,405	50,625,000
	781,083,377	1,012,500,000

4. Investments

Interest on saving account	88,471	-
Interest on staff Loan	204,559	
	293,030	-

SRI LANKA HANDICRAFTS BOARD
NOTES TO THE FINANCIAL STATEMENTS
Comparison of Budgeted and Actual Expenditures

<u>5. Other income</u>	2025	2025
	LKR	Budgeted
Rental income	10,571,997	30,000,000
Foreign exchange gain	770,539	
	11,342,536	30,000,000

<u>6. Administrative expenses</u>	2025	2025
	LKR	Budgeted
Salaries & Allowance *	81,646,474	74,000,000
Incentive	2,961,894	17,000,000
E.P.F. & E.T.F.	10,164,708	15,180,000
Gratuity	17,387,173	8,200,000
Transport Allowance	8,215,135	9,000,000
Directors Fees & Board Meeting Expenses	891,500	1,000,000
Audit Fees/Professional Fees	950,000	1,500,000
Legal Fees	1,428,280	500,000
Security Charges	14,935,490	12,500,000
Rent & Rates *	51,612,332	55,000,000
Electricity	13,363,257	22,000,000
Deprerciation	15,200,764	24,316,068
Building Development Amortization-Exp	18,535,011	
Cleaning Services	7,036,688	10,000,000
Other Staff Cost *	15,596,194	29,000,000
Other Operational Cost *	63,755,202	44,550,000
	323,680,100	323,746,068

Subnote 6.1

Included under other ataff cost *	2025	2025
	LKR	Budgeted
Overtime	8,717,351	7,500,000
Bonus	-	2,500,000
Staff Welfare	6,392,693	13,000,000
Cash Security Interest	79,961	
Staff Training	-	2,500,000
Medical Expenses	406,189	3,500,000
VRS	15,596,194	29,000,000

SRI LANKA HANDICRAFTS BOARD
NOTES TO THE FINANCIAL STATEMENTS
Comparison of Budgeted and Actual Expenditures

Subnote 6.2	2025	2025
Included under other operation cost *	LKR	Budgeted
Consultancy Fees	12,590,000	1,000,000
SSCL tax Expences	9,443,301	-
Advertisement	1,420,547	1,500,000
Printing & Stationery	3,160,960	3,000,000
Postage/Tele/Telex	10,553,253	10,000,000
Fuel & Lubricants	1,081,384	1,250,000
Supplier Welfare Contribution	2,637,524	3,600,000
Stock Verification	-	500,000
Trade Licence Fees	574,112	500,000
Computer Expenses	108,454	1,250,000
Insurance	199,399	1,000,000
Water Bill	2,899,293	3,000,000
Rep & Maint - Building	5,647,271	5,000,000
Rep & Maint - Machinery	1,186,119	1,250,000
Vehicle Rental Charges	2,818,460	7,700,000
Translation Fess	59,270	
Concession Fees	9,375,830	
Opening Ceromany Expenses	-	4,000,000
Stamp Fees	25	
	63,755,202	44,550,000
7. Selling & distribution expenses		
Guide Commission	55,062,457	65,000,000
Credit card Commision	13,625,475	15,000,000
Packing Materials Locals	5,802,816	10,000,000
Business Promotion	2,068,580	5,000,000
Rep.& Main.Purchase Goods	294,875	2,000,000
Non Refundable Tender Deposits	20,000	
Exhibition and Trade Fair	317,000	7,000,000
Travelling Expenses	4,198,553	2,200,000
Registration Fees	3,742	
Valuation Expenses	85,400	
Insurance & Freight Charges	64,271	2,000,000
Special Order/Miscellaneous Expenses	-	7,000,000
	81,543,168	115,200,000
	2025	2025
8. Finance costs	LKR	Budgeted
Bank charges	542,294	350,000
Overdraft interest		
Loan interest -Boc	14,638,415	35,000,000
-Rdb*	19,608,000	40,000,000
	34,788,709	75,350,000