

FINANCIAL STATEMENTS 2025



CENTRAL ENGINEERING CONSULTANCY BUREAU

Ministry of Agriculture, Livestock, Lands & Irrigation
No 415, Buddhaloka Mawatha, Colombo 07, Sri Lanka

www.cecb.lk

FINANCIAL STATEMENTS 2025

CENTRAL ENGINEERING CONSULTANCY BUREAU

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CENTRAL ENGINEERING CONSULTANCY BUREAU
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2025

	Note	GROUP		CECB	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revenue	9	15,071,019,240	12,330,515,017	10,688,775,106	8,933,921,313
Cost of Sales	10	(12,614,235,880)	(10,570,751,795)	(10,121,654,963)	(8,330,420,386)
Gross Profit		2,456,783,359	1,759,763,222	567,120,143	603,500,927
Other Income	11	183,740,599	150,536,834	99,585,029	183,450,324
Administration Expenses		(1,689,073,748)	(1,492,948,950)	(608,734,048)	(562,154,068)
Selling and Distribution Expenses		(5,847,755)	(58,563,559)	(505,941)	(56,571,033)
Results from Operating Activities		945,602,456	358,787,547	57,465,181	168,226,150
Finance Income		729,839,934	924,480,893	340,847,136	443,189,620
Finance Cost		(22,946,184)	(11,672,644)	(3,674,275)	(3,911,517)
Net Finance Income	12	706,893,750	912,808,249	337,172,861	439,278,103
Profit Before Tax		1,652,496,206	1,271,595,796	394,638,042	607,504,253
Income Tax Expense	14	(496,459,640)	(236,140,443)	(97,150,246)	(97,170,702)
Profit/(Loss) for the Year		1,156,036,566	1,035,455,353	297,487,796	510,333,551
Other Comprehensive Income Items that will not be reclassified to profit or loss					
Remeasurement of Defined Benefit Liability	24	(168,716,515)	(32,958,627)	(150,250,590)	(27,472,352)
Net Exchange Differences on Translation of Foreign Operation		1,014,529	1,205,016		
Other Comprehensive Income for the Year, Net of Tax		(167,701,986)	(31,753,611)	(150,250,590)	(27,472,352)
Total Comprehensive Income for the Year, Net of Tax		988,334,580	1,003,701,742	147,237,206	482,861,199

Figures in brackets indicates deductions.

The Notes to the Financial Statements set out on pages 5 to 37 form an integral part of these Financial Statements.

CENTRAL ENGINEERING CONSULTANCY BUREAU
STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2025	Note	GROUP		CECB	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Assets					
Non-Current Assets					
Property, Plant and Equipment	15	3,176,220,195	3,127,869,181	2,661,279,247	2,690,040,579
Biological Assets	15A	12,789,501	27,867,391	-	-
Right-of-use Assets	16	60,526,403	63,219,684	48,435,528	50,614,634
Intangible Assets	17	4,871,147	3,112,933	2,281,147	3,112,933
Investments	18	438,297,228	374,271,053	288,601,260	232,676,606
Deffered Tax	25	65,786,249	21,915,190	46,440,189	10,130,222
Amount Due from Related Parties	21	-	-	1,508,260,679	1,569,400,938
Total Non-Current Assets		3,758,490,723	3,618,255,433	4,555,298,050	4,555,975,912
Current Assets					
Inventories	19	1,187,379,874	873,069,114	5,326,363	7,320,677
Work in progress	19	265,045,775	133,953,904	8,777,621	-
Trade and Other Receivables	20	8,903,968,541	9,624,331,944	8,408,048,474	8,307,816,496
Short term Investments	18	9,788,252,613	8,912,058,934	4,194,979,475	4,181,882,587
Cash and Cash Equivalents	22	4,757,062,856	1,707,522,993	1,326,356,262	309,280,061
Total Current Assets		24,901,709,659	21,250,936,889	13,943,488,195	12,806,299,821
Total Assets		28,660,200,382	24,869,192,321	18,498,786,245	17,362,275,733
Equity and Liabilities					
Contributed Capital		500,000	500,000	500,000	500,000
Capital Reserve	28	197,939,233	197,939,233	197,939,233	197,939,233
Revaluation Reserve		666,888,864	666,888,864	516,618,300	516,618,300
Retained Earnings		9,535,687,954	8,482,227,716	6,939,430,368	6,753,924,257
Total Equity		10,401,016,052	9,347,555,813	7,654,487,901	7,468,981,790
Non-Current Liabilities					
Lease Creditors	23	1,712,678	1,734,463	1,712,678	1,734,463
Employee Benefit Liabilities	24	552,939,817	366,493,715	470,591,891	312,717,955
Total Non-Current Liabilities		554,652,495	368,228,178	472,304,569	314,452,418
Current Liabilities					
Trade and Other Payables	26	16,860,196,236	14,399,262,560	9,839,514,989	8,962,638,405
Income Tax Payables	27	844,074,304	753,884,496	532,217,492	615,941,846
Lease Creditors	23	261,274	261,274	261,274	261,274
Total Current Liabilities		17,704,531,835	15,153,408,330	10,371,993,775	9,578,841,525
Total Liabilities		18,259,184,330	15,521,636,508	10,844,298,344	9,893,293,943
Total Equity and Liabilities		28,660,200,382	24,869,192,321	18,498,786,245	17,362,275,733

Figures in brackets indicates deductions.

The Notes to the Financial Statements set out on pages 5 to 37 form an integral part of these Financial Statements.

It is certified that the Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (LKAS s and SLFRS s) issued by the Institute of Chartered Accountants of Sri Lanka.

Ms G.V.A.R.M. De Silva

ADDEPUTY GENERAL MANAGER (FINANCE)

Eng. S.A.U.D.C. Siriwardhana

GENERAL MANAGER

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board ;

Eng A.P. Jayathissa

CHAIRMAN

Mr.M.B.L.Rahuman

DIRECTOR

27th February 2026

Colombo

CENTRAL ENGINEERING CONSULTANCY BUREAU
STATEMENT OF CHANGES IN EQUITY - CECB

FOR THE YEAR ENDED 31ST DECEMBER 2025

	CECB				
	Contributed Capital Rs.	Capital Reserve Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01st January 2024	500,000	197,939,233	516,618,300	6,271,063,056	6,986,120,589
Net Profit For the Year				510,333,552	510,333,552
Other Comprehensive Income for the year, net of tax				(27,472,352)	(27,472,352)
Balance as at 31st December 2024	500,000	197,939,233	516,618,300	6,753,924,256	7,468,981,789
Balance as at 01st January 2025	500,000	197,939,233	516,618,300	6,753,924,256	7,468,981,789
Net Profit For the Year				297,487,797	297,487,797
Other Comprehensive Income for the year, net of tax				(150,250,590)	(150,250,590)
Fixed Asset Adjustment				38,268,904	38,268,904
Balance as at 31st December 2025	500,000	197,939,233	516,618,300	6,939,430,367	7,654,487,901

	GROUP				
	Contributed Capital Rs.	Capital Reserve Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01st January 2024	500,000	197,939,233	666,888,864	7,478,525,975	8,343,854,072
Net Profit For the Year	-	-	-	1,035,455,353	1,035,455,353
Other Comprehensive Income for the year, net of tax	-	-	-	(31,753,611)	(31,753,611)
Balance as at 31st December 2024	500,000	197,939,233	666,888,864	8,482,227,716	9,347,555,813
Balance as at 01st January 2025	500,000	197,939,233	666,888,864	8,482,227,716	9,347,555,813
Net Profit For the Year				1,156,036,566	1,156,036,566
Other Comprehensive Income for the year, net of tax				(168,716,515)	(168,716,515)
Prior Year Adjustment Note 1				25,811,862	25,811,862
Prior Year Adjustment Note 2				1,044,892	1,044,892
Prior Year Adjustment Note 3				38,268,904	38,268,904
Net Exchange Differences on Translation of Foreign Operation.				1,014,529	1,014,529
Balance as at 31st December 2025	500,000	197,939,233	666,888,864	9,535,687,954	10,401,016,052

Note 1

Correction of erroneously recorded sundry creditors.

Note 2

Correction of erroneously recorded accumulated depreciation of Computers.

Note 3

Adjustment in fixed asset based on Centralisation of Fixed Assets with Enterprise Resource System

CENTRAL ENGINEERING CONSULTANCY BUREAU
STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST DECEMBER 2025	GROUP		CECB	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Cash Flows from Operating Activities				
Profit Before Tax	1,652,496,206	1,271,595,796	394,638,042	607,504,253
Adjustments for:				
Depreciation on Property, Plant and Equipments	210,753,037	208,945,749	83,563,624	87,062,093
Amortisation of Leased Hold Property	2,693,282	2,503,534	2,179,106	1,989,358
Amortisation of Intangible Assets	1,201,786	1,185,868	831,786	1,185,868
Depreciation on Biological Assets	19,022,757	10,294,296		
Reversal of Bad and Doubtful Debts	(53,674,350)	(36,066,461)	(46,192,939)	(36,066,461)
Provision / (Reversal) for Gratuity	77,120,552	69,059,990	61,051,492	56,001,023
Net Finance Income	(706,893,750)	(912,808,249)	(337,172,861)	(439,278,103)
Previous Period Adjustments	25,811,862		-	-
(Profit) / Loss on disposal of Property, Plant and Equipments	(755,561)	1,795,703	-	4,540,221
Exchange rate impact on balance sheet items	(1,988)			
Exchange Gain/(Loss)	1,014,529	1,205,016		
Operating Profit before Working Capital Changes	1,228,788,362	617,711,242	158,898,249	282,938,253
(Increase)/Decrease in Inventories	(314,310,760)	(38,934,172)	1,994,314	17,879,471
(Increase)/Decrease in Work In Progress	(131,091,872)	(17,880,098)	(8,777,621)	-
(Increase)/Decrease in Trade and Other Receivables	774,037,753	(588,682,086)	(54,039,039)	509,173,816
(Increase)/Decrease in Amounts Due from Related Companies			61,140,259	(23,436,033)
Increase/(Decrease) in Trade and Other Payables	2,460,933,676	(367,049,811)	876,876,584	(860,732,259)
Cash Generated from Operating Activities	4,018,357,147	(394,834,928)	1,036,092,738	(74,176,752)
Interest paid	(22,946,184)	(11,672,644)	(3,674,275)	(3,911,517)
Tax paid	(450,140,889)	(329,283,233)	(217,184,566)	(238,591,936)
Gratuity paid	(59,393,811)	(44,927,492)	(53,428,146)	(38,266,224)
Net Cash Flows from Operating Activities	3,485,876,264	(780,718,296)	761,805,751	(354,946,429)
Cash Flows from Investing Activities				
Investment in Property Plant and Equipment	(208,440,109)	(91,229,279)	(13,273,320)	(2,287,022)
Acquisition of Biological Assets	(3,944,869)	(17,878,023)		
Investment in Capital Work in Progress	(15,059,591)	(38,364,777)	(3,260,040)	-
Investment in Leased Hold Property	-	758,765	-	758,765
Investment in Intangible Assets	(2,960,000)	-	-	-
Sales Proceed on Disposal of Property Plant and Equipment	4,469,874	20,638,730		(908,491)
Investment / Disposal of Long Term Deposit	(64,026,176)	333,461,349	(55,924,654)	339,732,878
Investment / Disposal of Short Term Deposit	(876,193,679)	(1,453,080,923)	(13,096,888)	(686,585,850)
Interest Income	729,839,934	924,480,893	340,847,136	443,189,620
Net Cash Flows from Investing Activities	(436,314,616)	(321,213,264)	255,292,235	93,899,899
Cash Flows from Financing Activities				
Payment of Finance Lease Liabilities	(21,784)	(1,356,654)	(21,784)	(1,356,654)
Net Cash from Financing Activities	(21,784)	(1,356,654)	(21,784)	(1,356,654)
Net Increase/(Decrease) in Cash and Cash Equivalents	3,049,539,863	(1,103,288,215)	1,017,076,201	(262,403,184)
Cash and Cash Equivalent at the beginning	1,707,522,993	2,810,811,208	309,280,061	571,683,245
Cash and Cash Equivalent at the end (Note 22)	4,757,062,856	1,707,522,993	1,326,356,262	309,280,061

Figures in brackets indicates deductions.

The Notes to the Financial Statements set out on pages 5 to 37 form an integral part of these Financial Statements.

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

1. CORPORATE INFORMATION

1.1 Domicile and Legal Form

Central Engineering Consultancy Bureau is a State Corporation established under the provisions of the State Industrial Corporations Act no. 49 of 1957 and domiciled in Sri Lanka. The Bureau's registered office and the principal place of business are located at No.415, Bauddhaloka Mawatha, Colombo 07.

The Consolidated Financial Statements of Central Engineering Consultancy Bureau as at and for the year ended 31st December 2025 comprises the Bureau and its subsidiaries (together referred to as the "Group").

The Financial Statements of all Companies in the Bureau have a common financial year which ends on December 31st.

1.2 Principal Activities and Nature of Operations

Central Engineering Consultancy Bureau is primarily involved in the business of construction, consultancy and any engineering related activities.

Central Engineering Service (Private) Limited (CESL) is a fully owned subsidiary of CECB engage in the business of undertaking and executing Design-Build, Turnkey and other types of construction work in the field of civil, electrical and mechanical engineering and all aspects connected therewith or ancillary or incidental thereto on its own or as a member of joint venture or a member of a consortium in Sri Lanka or elsewhere.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Bureau and the Group comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the cash flow statement, together with the accounting policies and notes to the financial statements. These financial statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs and LKASs) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

Financial Statements of the subsidiary are prepared in compliance with the Accounting policies of the Bureau unless stated otherwise.

2.2 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for the following material items in the statement of Financial Position.

- Financial Assets and Financial Liabilities that have been measured at fair value (LKAS -39)
- Property Plant and Equipment are stated at fair value. (LKAS -16)
- Employee benefit liability recognized based on actuarial valuation (LKAS-19)

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Bureau's Directors have made an assessment of the Bureau's ability to continue as a going concern in the foreseeable future and they do not foresee a need for liquidation or cessation of business.

2.3 Functional and Presentation Currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees (LKR), which is the Bureau's functional and presentation currency.

2.4 Significant Accounting Judgments, Estimates & Assumptions

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards (SLFRS) requires the management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses and disclosure of contingent liabilities. Actual results may differ from these estimates.

The Estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from the other sources.

The 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 if the revision affects only that financial year or in the period of the revision and future periods if the revision affects both current and future financial years.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Critical accounting estimate/ judgment	Note No	Page No
Contract revenue, cost and percentage of completion	09	21

Information about assumptions and estimates uncertainties that have a significant risk of resulting in a material adjustment in the financial statements are included in the table below:

Critical accounting estimate/ judgment	Note No	Page No
Property, plant and equipment	15	23-24
Employee Benefits	24	27
Deferred Tax Liabilities	25	28

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of Consolidation

(a) Business Consolidation

The group's financial statements comprise consolidation of the financial statements of the bureau, its subsidiaries in terms of the SriLanka Accounting Standards SLFRS 10- "Consolidated Financial Statements"

(b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Financial Statements of Subsidiaries are included in the consolidated Financial Statements from the date that control commences, until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(c) 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. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.2 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 sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period;

Or

- 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.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period;

Or

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Basis of Consolidation (Continued)

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities including deferred tax liabilities as non-current.

3.3 Foreign Currency Transactions

All foreign exchange transactions are converted to functional currency, at the rates of exchange prevailing at the time the transactions are effected. Monetary assets and liabilities denominated in foreign currency are retranslated to functional currency equivalents at the spot exchange rate prevailing at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference.

Foreign exchange differences arising on translation of foreign exchange transactions are recognized as a profit or loss in the statement of Comprehensive Income.

3.3.1 Foreign Operation

The assets and liabilities of foreign operations are translated into Sri Lanka Rupees at the rate of exchange prevailing at the reporting date and their Statements of Profit or Loss are translated at exchange rate prevailing at the dates of the transactions. The Exchange differences arising on transaction for consolidation are recognized in Other Comprehensive Income.

3.4 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Bureau estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Basis of Consolidation (Continued)

Impairment losses are recognised in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Bureau estimates the asset's or cash-generating unit's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3.5 Statement of cash flows

The Statement Cash Flow has been prepared using the "indirect method" in accordance with Sri Lanka Accounting Standard LKAS 7 – "Statement of Cash Flows". Cash and cash equivalent

comprise cash in hand, cash at bank and short-term investments that are readily convertible to known amount of cash and subject to an insignificant risk of change in value.

Interest received and dividends received are classified as investing cash flows, while dividend paid is classified as financing cash flow and interest paid is classified under the operating cash flows for the purpose of presentation of Statement of Cash Flows.

Cash and cash equivalent includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

3.6 Sri Lanka Accounting Standards (SLFRSs/ LKASs) Issued But Not Yet Effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2026 and earlier application is permitted; however, the Group has not early adopted them in preparing these consolidated financial statements.

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial Instruments

3.7.1 Financial Assets and Financial Liabilities

(a) Initial Recognition and Measurement

The Bureau recognizes a financial asset or a financial liability in its statement of financial position when the entity become party to the contractual provisions of the instrument.

Bureau initially measures its financial assets at fair value. In case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset, are added to the cost if financial asset.

Bureau initially measures its financial liabilities at fair value. In case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liabilities, are deducted from carrying value.

Trade receivables are intially measured at transaction price as stated in SLFRS 15.

(b) Classification of Financial Assets

- (i) Financial assets are classified as subsequently measured at amortised cost, Fair Value through other comprehensive income or fair value through profit or loss based on
- The company's business model for managing the financial assets and
 - The contractual cash flow characteristics of the financial assets

- (ii) Financial Assets measured at Amortized cost

A Financial asset is measured at amortised cost if both the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

- (iii) Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through OCI if both of following conditions are met.

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial Instruments (Continued)

(iv) Financial assets measured at fair value through profit or loss

A financial asset is measured at Fair value through profit or loss unless it is measured at amortized cost or fair value through OCI in accordance with paragraph (ii) and (iii) above.

(c) Classification of Financial liabilities

Financial liabilities are subsequently measured at amortized cost, except for,

- Financial liabilities at fair value through profit or loss.
- Commitments to provide a loan at a below-market interest rate.

3.7.1 Financial Assets and Financial Liabilities

(d) Reclassification

(i) Financial assets are reclassified when and only when the company changes its business model for managing financial assets.

If the company reclassifies financial assets, Such reclassification is applied prospectively from the reclassification date and previously recognized gains, losses (including impairment gains or losses) are not restated.

(ii) Financial liabilities are not reclassified

(e) Amortised cost Measurement

Interest revenue is calculated by using the effective interest method by applying effective interest rate to the gross carrying value of financial assets

(f) Impairment

The company recognizes a loss allowances for expected credit losses on a financial asset.

Where on the reporting date the credit risk on the financial instrument has increased significantly since initial recognitions, loss allowances at an amount equal to the lifetime expected credit losses is made.

Where on the reporting date the credit risk on the financial instrument has not increased significantly since initial recognitions, loss allowances is measured for that financial instrument at an amount equivalent to 12 month expected credit losses.

(g) Derecognition of Financial Assets

The company derecognises a financial assets when:

- The contractual rights to the cash flows from the financial asset expire, or
- It transfers the financial asset and the transfer qualifies for derecognition.

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial Instruments (Continued)

(h) Derecognition of Financial Liabilities

A financial liability is removed (or a part of a financial liability) from its statement the financial position when, and only when, it is extinguished—ie when the obligation specified in the contract is discharged or cancelled or expires.

3.8 Property, Plant and Equipment

3.8.1 Recognition and Measurement

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

All items of property, plant and equipment are initially recorded at cost. Where items of property, plant and equipment are subsequently revalued, the entire class of such assets is revalued at fair value.

The Group applies cost model to property, plant and equipment and records at cost of purchase or construction together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses. The carrying values of property plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

When an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

When an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

The revaluation surplus included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is de-recognised.

3.8.2 Freehold Assets

The cost of an item of property, plant and equipment comprise of its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of Self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to the working condition for it intended use. This also includes cost of dismantling and removing the items and restoring in the site on which they are located and borrowing costs on qualifying assets.

Property, plant and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Property, Plant and Equipment (Continued)

Purchased software that is integrated to the functionality of the related equipment is capitalised as part of equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted as separate items (major component) of property, plant and equipment.

i. Leasehold Assets

Leases in terms of which the Group assumes substantially all the risk and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured and capitalized at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

ii. Subsequent Costs

The cost of replacing 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 derecognised. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

iii. De-recognition

The carrying amount of an item of property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on de-recognition are recognized in profit or loss.

iv. Depreciation

Depreciation is recognized in profit or loss on the straight-line basis over the estimated useful lives of each part of item of Property, Plant and Equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Depreciation of an asset begins when it is available for use where as depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal Group that is classified as held for sale) and the date that the asset is derecognised. Depreciation is not charged on Freehold Land and Capital Work in Progress.

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Property, Plant and Equipment (Continued)

The estimated useful lives are as follows:

Asset Category	Useful Lives(years)
Freehold Building,Prefabricated Houses,Structures	30-50
Office Equipment and Furniture and Fittings	5-8
Construction Instruments and Equipment	4-5
Motor Vehicles	4-10
Plant & Machinery	5
Containers	5
Computers	5
Library Books	8

The residual value and the useful life of an asset shall be reviewed at least at each financial year end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with LKAS 08 Accounting Policies, Changes in Accounting Estimates and Errors.

3.8.7 Capital Work in Progress

Capital expenses incurred during the year which are not completed as at the reporting date are shown as Capital Work-in-Progress, whilst the capital assets which have been completed during the year and available to use have been transferred to Property, Plant and Equipment.

3.9 Leasehold Property

Prepaid lease rentals paid to acquire land use rights are amortised over the lease term in accordance with the pattern of benefits provided. Leasehold property comprising of land use rights and stated at valuation, are amortised on a straight line basis over the remaining lease term. The impairment loss if any is recognised in the Statement of Profit or Loss.

3.10 Intangible Assets

An intangible asset is an identifiable non monetary asset without physical substance held for use in the production or supply of goods or other services, rental to others or for administrative purposes. An intangible asset is initially recognised at cost, if it is probable that future economic benefit will flow to the enterprise, and the cost of the asset can be measured reliably. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Intangible Assets (Continued)

(i) Computer software

Computer software costs incurred, licensed for use by the Group, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and it's probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category intangible assets and carried at cost less accumulated amortisation and any ac Amortisation

(ii) Amortisation

Intangible assets with finite lives are amortised over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets are amortised on a straight line basis in the Income Statement from the date on which the asset was available for use, over the best estimate of its useful life. The estimated useful life of software is 5 years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. cumulated impairment losses.

Amortisation shall cease at the earlier of the date that the asset is classified as held for sale or the date that asset is de- recognised.

(iii) De-recognition

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

3.11 Inventories

Inventories are valued at lower of cost and net realizable value. Cost is determined on the weighted average cost basis and includes expenses incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the normal course of business less estimated cost of realization and/or cost of conversion from their existing state to saleable condition. The Company follows the first in first out (FIFO) cost formula to issue and measure the inventories other than agricultural produce.

Inventory movement is reviewed at the end of the Reporting Period by an expert to assess the recoverability of inventory and the items that are identified as irrecoverable are written off during the year.

The cost incurred in bringing agricultural produce to its present location and condition is accounted as follows:

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Inventories (Continued)

Broiler meat

Broiler meat is valued at prime cost together with an appropriate proportion of overheads on weighted average basis, after making due allowance for weight losses

Poultry feed, drugs and sundry inventories

Poultry feed, drugs and sundry inventories are valued at actual cost on weighted average basis after making due allowance for obsolete and slow-moving items.

3.11.1 Trading inventories

Trading Inventories which include retail items for sale are valued at actual cost on weighted average basis.

3.11.2 Sundry stocks

Sundry stocks consist with packing materials and ingredients which are used for the production process. Stocks are valued at actual cost on weighted average basis after making due allowance for obsolete and slow-moving items.

3.12 Biological assets & agricultural produce

3.12.1 Bearer Biological Plant

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter-planting and fertilizing etc, incurred between the time of planting and harvesting (When the planted area attains maturity) are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads, including interest (borrowing cost) attributable to long-term loans used for financing immature plantations. The expenditure incurred on bearer biological assets (Sugar cane roots, Passion fruit tree, Papaya tree, Mango tree, Sandriana tree & Coconut fields), which come into bearing during the year, has been transferred to mature bearer biological assets and depreciated over their useful life in accordance with the LKAS 16 – Property, Plant and Equipment.

3.12.2. Immature and Mature Plantations

The cost of replanting and new planting are classified as immature plantations up to the time of harvesting the crop. Further, the general charges incurred on the plantation can be apportioned based on the labour days spent on respective replanting and new planting and capitalized on the immature areas. The remaining portion of the general charges is expensed in the accounting period in which it is incurred. The cost of areas coming into bearing is transferred to mature plantations at end of the financial year.

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Biological assets & agricultural produce (Continued)

3.12.3 Infilling Costs

The land development costs incurred in the form of infilling have been capitalized to the relevant mature field, only if it increases the expected future benefits from that field, beyond its pre-infilling standard of performance assessment. Infilling costs so capitalized are depreciated over the newly

assessed remaining useful life of the relevant mature plantation or the unexpired lease period, whichever is lower.

Infilling cost that are not capitalized have been charged to the statement of Profit or loss for the year in which they are incurred.

3.12.4 Growing Crop Nurseries

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads.

3.12.5 Depreciation

Depreciation commences when the bearer biological plants are considered mature, which is when they produce their first commercially viable crop. Depreciation is as follows;

Description	Useful Lifetime
Sugar cane roots	05 year
Passion fruit	05 year
Coconut	02 year
Mango	20 year
Sandriana	05 year

3.12.6 Non-harvested Produce crop on Bearer Biological Plant

The Company recognizes its agricultural produce prior to harvest separately from its bearer plant. It is measured at fair value less costs to sell. Changes in the fair value of such agricultural produce are recognized in profit or loss at the end of each reporting period.

3.12.7 Bearer Animal

Bearer animals are those other than consumable animals. Bearer animals are not agricultural produce but, rather, are self-regenerating. The Company has identified Parent birds as bearer biological animals.

Bearer animals are measured at fair value less costs to sell. The fair value of parent birds is determined using discounted cash flows model (specify any other method used) based on the internal rate of return, mortality rates of the parent birds, egg production rates, hatchability rates of eggs, estimated market selling price of day-old-chick and other estimated farming cost that will be incurred throughout the remaining life of the parent birds.

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Biological assets & agricultural produce (Continued)

3.12.8 Consumable biological assets

Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets. Vegetable plants, Broiler birds and hatching eggs have been identified as consumable biological assets.

Consumable biological assets are measured at fair value less costs to sell. In management's opinion, cost is approximated as fair value of the broiler birds and hatching eggs mainly due to the associated short life cycle of those assets and the fact that a significant value addition on broiler birds arises from the manufacturing process and no or only little biological change was observed for hatching eggs as at the year end. Accordingly, the cost of consumable biological assets approximates its fair value.

3.12.9 Joint Operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated entity has recognized its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Biological assets consist of perennial and annual crops relating to Agri Engineering Business which are measured at fair value less cost to sell, with any change therein recognized in profit or loss. In the instances where fair value cannot be measured reliably biological assets are carried at cost less accumulated amortization.

Gain or loss arising in initial recognition of biological assets at fair value less cost to sell and from a change in fair value is included in profit or loss for the period in which it arises.

3.13 Work in Progress

Work in Progress represent the cost incurred in respect of unbilled work done as at the end of the year. It is measured at the amount of expenditure incurred from the last date of billing (or Valuation) upto the end of the financial year. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

3.14 Trade receivables

Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business. Most sales are made on the basis of normal credit terms, and the trade receivables do not bear interest. Where credit is extended beyond normal credit terms, trade receivables are measured at amortized cost using the effective interest rate method. Other receivables that are not financial assets measured at the cost.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Trade receivables (Continued)

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, impairment loss is recognized immediately in the statement of comprehensive income.

The Company assesses at the reporting date whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

3.15 Employee benefits

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which contributions are made in to 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 recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

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

(a) Defined Benefit Plan - Gratuity

The liability recognized in the Statement of Financial Position in respect of defined benefit plan is the present value of defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually by independent actuaries using Projected Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee

Benefits. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in Other Comprehensive Income.

The Group expects to carry out actuarial valuation atleast once in every three years.

The gratuity liability is valued using the Projected Unit Credit (PUC) method considering the assumptions required to arrive at the present value of defined benefit obligation.

However, according to the Payment of Gratuity Act No. 12 of 1972, the liability for gratuity payment to an employee arises only after the completion of 5 years of continued service.

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Employee benefits (Continued)

3.16 Provisions

Provisions are 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 benefit will be required to settle the obligation. Provisions and liabilities are recognized in the Statement of Financial Position. Provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to the liability. Unwinding of discount is recognized as finance cost.

Capital commitments and contingencies

Capital commitments and contingent liabilities of group are disclosed in respective note 30 to the Financial Statements.

3.17 Statement of Profit or Loss and Other Comprehensive Income

3.17.1 Revenue

(a) Construction Revenue

Construction revenue is recognized in the statement of profit or loss in proportion to the stage of completion of the contract (based on input method) in accordance with SLFRS 15-Revenue from contracts with customers.

Under input method, revenue is recognized on the basis of the group's input to the satisfaction of performance obligation relative to the total expected inputs (Estimated Cost) to the satisfaction of that performance obligation.

For projects pending STC approval, the contract revenue is recognized only to the extent of 90% of initial amount of revenue agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they

will result in revenue and can be measured reliably. Contract revenue is revised to the STC approved contract revenue approval once is received from STC. For other contracts the contract price includes initial amount agreed in the contract plus any variations in the contract work.

(a) Consultancy Services

Revenue from consultancy services is recognized according to nature, scope, value and duration of the consultancy contracts in the following manner.

- **Stage of Completion Method**

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Statement of Profit or Loss and Other Comprehensive Income (Continued)

Revenue from consultancy services is recognized in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed with reference to survey of work performed.

- **Invoice Method**

Revenue from consultancy services for which stage of completion of a contract cannot be reliably determined is recognized by invoice Method.

- **Collection Method**

Revenue from “Maintenance Requests” projects is recognized on Cash Collection Method

3.17.2 Interest Income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the Statement of Comprehensive Income.

3.17.3 Dividend Income

Dividend income is accounted when the shareholders’ right to receive payment is established.

3.17.4 Other Income

Profits or losses from disposal of property, plant and equipments recognized having deducted from proceeds on disposal, the carrying value of the assets and the related expenses.

Foreign currency gains and losses are reported on a net basis.

3.17.5 Expenditure Recognition

(a) Construction and consultancy Cost

Contract expenses are recognised as incurred unless they create an asset related to future Contract activity. Expected losses are recognized as an expense when it is probable that the total cost pertaining to construction contracts will exceed its revenue.

(b) Other Expenses

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 revenue in arriving at the profit for the year.

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Statement of Profit or Loss and Other Comprehensive Income (Continued)

3.17.6 Taxation

(a) Current Taxes

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 expenditures reported in the Financial Statements and computed with in accordance with the provisions of the Inland Revenue Act.

The relevant details are disclosed in the respective notes to the Financial Statements.

(b) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised 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 and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

3.18 Right of use assets

The Company is recognized right of use assets when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18.1 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the

commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

4 ORDINARY SHARE CAPITAL

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

5 GOING CONCERN

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties 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.

6 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 being charged. The relevant details are disclosed in the Note 29 to the Financial Statements.

**CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025**

7 CASH FLOW STATEMENT

The Cash Flow Statement has been prepared using the indirect method in accordance with Sri Lanka Accounting Standard LKAS 7 – Statement of Cash Flows.

8 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Events after the reporting period are those events favourable and unfavourable that occurs between the end of the reporting period and the date when the Financial Statements are authorized for issue.

The materiality of the events occurring after the reporting period is considered and appropriate adjustments to or disclosures are made in the Financial Statements, where necessary.

Unaudited Financial Statements 2025

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

	GROUP		CECB	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
9 Revenue				
Construction Revenue	13,362,689,337	10,565,400,993	8,969,319,430	7,156,875,780
Consultancy Revenue	1,708,329,902	1,765,114,025	1,719,455,675	1,777,045,533
	15,071,019,240	12,330,515,017	10,688,775,106	8,933,921,313
10 Cost of sales				
Construction Cost	11,116,050,971	9,151,065,583	8,598,394,832	6,902,117,993
Consultancy Cost	1,498,184,909	1,419,686,213	1,523,260,130	1,428,302,393
	12,614,235,880	10,570,751,795	10,121,654,963	8,330,420,386
11 Other Income				
Miscellaneous Revenue	58,203,728	63,282,389	20,955,672	57,949,631
Hiring Income	48,171,353	18,460,608	-	61,216,172
Gain on Disposal of property plant & equipment	755,561	2,744,518	-	-
Reimbursable costs			32,436,417	28,218,060
Bad Debt Provision Reversal	53,674,350	36,066,461	46,192,939	36,066,461
Loss on Asphalt/Crusher Plant	-	(2,661,902)	-	-
Commission Income	22,935,607	32,644,759	-	-
	183,740,599	150,536,834	99,585,028	183,450,324
12 Net Finance Income				
Finance Income				
Interest Income	721,656,755	941,751,875	332,663,957	460,460,602
Foreign exchange gain/(loss)	8,183,179	(17,270,982)	8,183,179	(17,270,982)
	729,839,934	924,480,893	340,847,136	443,189,620
Finance Cost	(22,946,184)	(11,672,644)	(3,674,275)	(3,911,517)
Net Finance Income	706,893,750	912,808,249	337,172,861	439,278,103

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

	GROUP		CECB	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
14 Income Tax				
14.1 Current Tax Expense	521,983,348	420,120,447	131,539,161	203,029,298
Deferred Tax Provision	(43,871,058)	(77,451,666)	(36,309,966)	(33,050,021)
Adjustment for Prior Years	18,347,350	(106,528,338)	1,921,051	(72,808,575)
	496,459,640	236,140,443	97,150,246	97,170,702
14.2 Reconciliation of Accounting Profit to Taxable Profit				
Income Tax Charge at				
Income Tax @ 30%	521,983,348	420,120,447	131,539,161	203,029,298
Current Income Tax Expenses	521,983,348	420,120,447	131,539,161	203,029,298

Unaudited Financial Statements 2025

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31ST DECEMBER 2025
15A Biological Assets

Group	Immature Plantation				Mature Plantation				As at 31.12.2025 Rs.	As at 31.12.2024 Rs.
	Coconut Rs.	Sugercane Rs.	Other Rs.	Total Rs.	Passion fruit Rs.	Sugercane Rs.	Others Rs.	Total Rs.		
Gross Carrying Amounts										
At Cost										
Balance as at 1st January	2,854,115	-	2,527,902	5,382,017	1,544,669	3,865,669	-	5,410,338	10,792,354	2,263,903
Additions during the year	497,290	-	3,447,579	3,944,869	-	-	-	-	3,944,869	8,528,451
Transfer (to)/ from	-	-	-	-	-	-	-	-	-	-
Transfer (to) Statement of Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Balance as at 31st December	3,351,405	-	5,975,481	9,326,886	1,544,669	3,865,669	-	5,410,338	14,737,223	10,792,354
Depreciation										
Balance as at 1st January	-	-	-	-	308,934	773,134	-	1,082,068	1,082,068	-
Charge for the year	-	-	-	-	247,147	618,507	-	865,654	865,654	1,082,068
Balance as at 31st December	-	-	-	-	247,147	1,391,641	-	865,654	1,947,722	1,082,068
Net Carrying Value	3,351,405	-	5,975,481	9,326,886	1,297,522	2,474,028	-	3,771,550	12,789,501	9,710,286

(i) Mature Bearer Biological Assets include Passion fruit. Bearer plants are stated at cost less accumulated depreciation and impairment in accordance with Sri Lanka Accounting Standard - LKAS 16 - Property, Plant & Equipment

(ii) The transfer of immature plantation to mature plantation commences at the time the plantation is ready for the commercial harvesting

(iii) Immature Plants include Coconut, Mango, Sandiriana etc.

Consumable Biological Assets

Gross Carrying Amounts	Immature Asset			Mature Asset			As at 31.12.2025 Rs.	As at 31.12.2024 Rs.
	Chicks Rs.	Crops Rs.	Other Rs.	Chicks Rs.	Crops Rs.	Total Rs.		
At Cost								
Balance as at 1st January	-	-	-	-	27,369,332	-	27,369,332	18,019,760
Additions during the year	-	-	-	-	-	-	-	9,349,572
Transfer (to)/ from	-	-	-	-	-	-	-	-
Transfer (to) Statement of Comprehensive Income	-	-	-	-	-	-	-	-
Balance as at 31st December	-	-	-	-	27,369,332	-	27,369,332	27,369,332
Depreciation								
Balance as at 1st January	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	9,212,229	-	9,212,229	9,212,229
Balance as at 31st December	-	-	-	-	18,157,103	-	18,157,103	18,157,103
Net Carrying Value	-	-	-	-	27,369,332	-	27,369,332	27,369,332
	-	-	-	-	-	-	(0)	18,157,103

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31ST DECEMBER 2025

	GROUP		CECB	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
16 Right-of-use Assets				
Prepaid Lease rental paid to acquire land use right are amortized over the lease term in accordance with pattern benefits provided. Lease Hold Property Comprising of land use rights and stated at valuation are amortized on a Straight line basis over the remaining lease term. The impairment loss if any is recognized in the statement of Profit or Loss.				
At Beginning of the year	63,219,684	66,481,983	50,614,634	53,362,757
Acquisition during the year	-	-	-	-
Reversal of Valuation	-	(758,765)	-	(758,765)
Amortization	(2,693,282)	(2,503,534)	(2,179,106)	(1,989,358)
At end of the year	<u>60,526,403</u>	<u>63,219,684</u>	<u>48,435,528</u>	<u>50,614,634</u>
Lease hold property is the land which use to construct WP 01 base office. The Lease hold land on a 30 years long term lease agreement entered with the Urban Development Authority (UDA) Sri Lanka. Which Commenced from 4th September 2018 and is being amortized on a straight line basis over a period of 30 year which commence from 4th September 2018. (CECB)				
The Lease hold lands situated in No 10, Sri Rathana Mawatha, Ampara and Priyantha Mawatha, Kanthale on a 30 years long term lease agreement entered with the Land Commissioner General's Department. Which Commenced from year 2009 and are being amortized on a straight line basis over a period of 30 years which commence from 2019. (CECB)				
Lease hold property is the land which use to construct Sabaragamuwa base office. The Lease hold land on a 30 years long term lease agreement entered with the Urban Development Authority (UDA) Sri Lanka. Which Commenced from 08th July 2019 and is being amortised on a straight line basis over a period of 30 year which commence from 08th July 2019. (CESL)				
16.1 Details of Right-of-use Assets				
Property	Land Extent (in areas)	Lease Period		
Land at Parliament Road, Battaramulla	0A-2R-20.00P	30 Years from 04.09.2018	53,430,066	53,430,066
Plan No 582	(Lot nos 7, 8 & 9)	30 Years	12,090,874	12,605,050
New Town Ratnapura	60P	From 08.07.2019		
Ampara District Jayawardenapura Village Ha	.1012		1,773,759	1,773,759
Plan No 484	(Deed 280006)	30 Years		
Kanthale	(A:1,R:1,P:11.93)	30 years from 2008	375,745	375,745
			<u>67,670,444</u>	<u>68,184,620</u>
			<u>55,579,570</u>	<u>55,579,570</u>
17 Intangible Assets				
Cost/ Revaluation				
At 1st January	13,125,028	13,125,028	13,125,028	13,125,028
Addition	2,960,000	-	-	-
At 31st December	<u>16,085,028</u>	<u>13,125,028</u>	<u>13,125,028</u>	<u>13,125,028</u>
Amortization and Impairment				
At 1st January	(10,012,095)	(8,826,227)	(10,012,095)	(8,826,227)
Amortization	(1,201,786)	(1,185,868)	(831,786)	(1,185,868)
At 31st December	<u>(11,213,881)</u>	<u>(10,012,095)</u>	<u>(10,843,881)</u>	<u>(10,012,095)</u>
Carrying Value				
As at 31st December 2024	3,112,933	4,298,801	3,112,931	4,298,802
As at 31st December 2025	<u>4,871,147</u>	<u>3,112,933</u>	<u>2,281,147</u>	<u>3,112,933</u>
Intangible Asset mainly consist of Transport Modelling ,Air Quality software, Architecture Engineering Construction Collection IC Commercial (Auto Desk) Software and ArcGIS Online Professional Plus software purchased from DHI (India) Water & Environment (Pvt) Ltd,Lakes Environmental consultants INC, Bloomberg Solutions (Pvt) Ltd and GIS Solutions (Pvt Ltd respectively.				
18 Investments				
Long term investment (Note 18.1)	438,297,228	374,271,053	288,601,260	232,676,606
Short term investment (Note 18.2)	9,788,252,613	8,912,058,934	4,194,979,475	4,181,882,587
	<u>10,226,549,841</u>	<u>9,286,329,986</u>	<u>4,483,580,734</u>	<u>4,414,559,193</u>
18.1 Long term investment				
Loans and receivable financial assets				
Investment in Treasury Bonds/Fixed Deposit	436,297,228	372,271,053	276,601,240	220,676,586
Available for sale financial assets				
Investment in Shares	2,000,000	2,000,000	2,000,000	2,000,000
	<u>438,297,228</u>	<u>374,271,053</u>	<u>278,601,240</u>	<u>222,676,586</u>
CECB has been received a long term treasury bond against trade receivable amount of Rs 52,333,695.07 from Ministry of Defence. The Bonds are to be matured on 15th September 2027 and classified as long term investment in the financial statements.CESL has been received a long term treasury bond against trade receivable amount of Rs 148,015,856.66 from Ministry of Urban Development & Housing. The Bonds is to be matured on 15th September 2027.				
The valuation of the bond has been calculated based on future cash flows and shown at amortised cost in financial				
Investment in subsidiary (Unquoted)				
Central Engineering Services (Private) Limited	-	-	10,000,020	10,000,020
	-	-	<u>10,000,020</u>	<u>10,000,020</u>
	<u>438,297,228</u>	<u>374,271,053</u>	<u>288,601,260</u>	<u>232,676,606</u>
18.2 Short term investment				
Repo	-	-	-	-
Short term investments	9,788,252,613	8,912,058,934	4,194,979,475	4,181,882,587
18.2 Short term investment	<u>9,788,252,613</u>	<u>8,912,058,934</u>	<u>4,194,979,475</u>	<u>4,181,882,587</u>
Fixed Deposits pledged as security				
Fixed deposit amounting to Rs. 25Mn held at Bank of Ceylon has been pledged against individual loan facilities granted to CECB employees by Bank of Ceylon under concessionary personal loan scheme . Out of total interest paid by employees 40% on interest cost is subsidized by CECB through the interest income earned on deposit pledged against the loan facilities and such expenses (Rs 79,714 in 2025 and Rs. 326,439 in 2024) have been charged in the income statement.)				
As at reporting date Fixed Deposits amounting to Rs. 786 Mn and USD 72,775.23 have been pledged by CECB and Rs 3.4Bn CESL respectively as securities against bank guarantee facilities obtained from banks.				

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31ST DECEMBER 2025

	GROUP		CECB	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
19 Inventories				
Inventories	1,187,278,538	872,921,816	5,326,363	7,320,677
Biological Assets (Work in Progress-Agriculture)	101,336	147,298	-	-
	<u>1,187,379,874</u>	<u>873,069,114</u>	<u>5,326,363</u>	<u>7,320,677</u>
19 Work in Progress	<u>265,045,775</u>	<u>133,953,904</u>	<u>8,777,621</u>	
20 Trade and Other Receivables				
Trade Receivables (Note 20.1)	8,591,721,930	9,047,838,006	5,680,154,587	6,006,092,956
Other Receivables (Note 20.2)	107,756,835	85,075,682	42,707,372	42,204,569
Deposits, Prepayments and Advances (Note 20.3)	204,489,776	491,418,255	2,685,186,515	2,259,518,971
	<u>8,903,968,541</u>	<u>9,624,331,944</u>	<u>8,408,048,474</u>	<u>8,307,816,496</u>
20.1 Trade Receivables				
Debtors	5,223,266,015	6,593,244,988	4,392,671,233	5,188,581,999
Due from customers	1,705,270,628	1,338,205,525	451,919,460	500,405,682
Retention receivables	4,150,475,710	3,656,000,373	3,178,589,531	2,712,453,370
Less - Provision for Impairment (Note 20.1.1)	(2,487,290,423)	(2,539,612,680)	(2,343,025,636)	(2,395,348,094)
	<u>8,591,721,930</u>	<u>9,047,838,006</u>	<u>5,680,154,587</u>	<u>6,006,092,956</u>
20.1.1 Provision for Impairment				
Balance at the beginning of the year	1,932,656,061	1,925,579,311	1,790,797,999	1,783,721,248
Impairment loss recognized	-	40,991,898	-	40,991,898
Reversal of bad debt provision	(20,237,969)	(33,915,148)	(20,237,969)	(33,915,148)
Balance at the end of the year	<u>1,912,418,092</u>	<u>1,932,656,061</u>	<u>1,770,560,030</u>	<u>1,790,797,999</u>
20.1.1.2 Retention receivables				
Balance at the beginning	606,956,819	620,982,617	604,550,095	618,575,894
Impairment loss recognized	-	4,487,131	-	4,487,131
Amounts written off	(32,084,489)	(18,512,930)	(32,084,489)	(18,512,930)
	<u>574,872,330</u>	<u>606,956,818</u>	<u>572,465,607</u>	<u>604,550,095</u>
20.2 Other Receivables				
Staff Loans	41,918,677	31,941,175	24,852,712	23,667,028
Prepaid Staff Cost	4,561,626	3,523,439	3,017,070	3,523,439
Sundry Debtors	54,743,209	41,985,005	8,304,267	8,717,408
WHT Receivable	6,533,323	7,626,063	6,533,323	6,296,694
	<u>107,756,835</u>	<u>85,075,682</u>	<u>42,707,372</u>	<u>42,204,569</u>
20.3 Deposits, Prepayments and Advances				
Deposits	66,294,274	143,892,139	11,620,015	7,845,121
Mobilization Advance paid	(38,326,667)	266,965,339	2,666,566,325	2,245,985,456
Advances	147,310,412	56,951,625	4,195,659	4,363,162
Prepayments	29,211,758	23,609,152	2,804,515	1,325,232
	<u>204,489,776</u>	<u>491,418,255</u>	<u>2,685,186,515</u>	<u>2,259,518,971</u>
21 Amount Due from Related Party Companies				
Central Engineering Services (Private) Limited			1,508,260,679	1,569,400,938
			<u>1,508,260,679</u>	<u>1,569,400,938</u>

The Group assesses whether there is any objective evidence that trade receivables have been impaired at the reporting date. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31ST DECEMBER 2025

	GROUP		CECB	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
22 Cash and Cash Equivalents				
Favorable Balances				
Cash in hand and at bank	4,748,164,337	1,494,574,279	1,324,070,311	305,725,445
Bank Imprest	269,607	269,607	269,607	269,607
Cheque in Transit	8,628,911	212,679,107	2,016,344	3,285,009
Cash and Cash Equivalents for the Cash Flow Purpose	4,757,062,856	1,707,522,993	1,326,356,262	309,280,061
23 Lease Creditors				
Balance as at 1st January	1,995,736	3,352,391	1,995,736	3,352,391
Additions/(Reversal)	-	(758,765)	-	(758,765)
Interest Expense	239,489	(336,616)	239,489	(336,616)
Payments made during the year	(261,274)	(261,274)	(261,274)	(261,274)
Balance as at 31st December	1,973,952	1,995,736	1,973,952	1,995,736
Amount payable within one year	261,274	261,274	261,274	261,274
Amount payable after one year	1,712,678	1,734,463	1,712,678	1,734,463
	1,973,952	1,995,737	1,973,952	1,995,737
24 Employee Benefits				
Balance as at 1st January	366,493,714	309,402,590	312,717,955	267,510,804
Provision for the year	77,123,398	69,059,990	61,051,492	56,001,023
(Gain)/loss from changes in assumptions or due to (over)/under provision in the previous year	168,716,515	32,958,627	150,250,590	27,472,352
Payment made during the year	(59,393,811)	(44,927,492)	(53,428,146)	(38,266,224)
Balance as at 31st December	552,939,817	366,493,714	470,591,891	312,717,955
a) The Employee benefit obligation of CECB & Group as at 31 st December 2025 are based on the actuarial valuation carried out by professionally qualified firms of actuaries Messers. UNITS Actuaries & Consultants (Pvt) Ltd. Accordingly, the unfunded present value of defined benefit obligations as at 31 st December 2025 of CECB Rs 470.5 Mn and Group is Rs.552.9 Mn including Abu Dabhi Provision End of Service Benefit for full time workers-Calculated based on the Federal Decree Law No. (33) of 2021, Article 51 amounting to Rs 2 Mn. As at reporting date Fixed Deposits equivalent to Gratuity Provision are held in CECB and CESL respectively .				
b) Key assumptions used in the computation includes the following;				
Rate of Discount	11%	11%	11%	11%
Employee Turnover Factor	Avg 10%	Avg 9%	Avg 10%	Avg 9%
Retirement Age	60 Years	60 Years	60 Years	60 Years
c) Expenses recognised immediately in the statement of Comprehensive Income				
Interest Cost	35,431,109	40,222,337	30,030,408	34,776,405
Current Service Cost	39,671,093	28,837,653	31,021,084	21,224,618
Net Actuarial Gain/(Loss) recognised immediately	168,716,515	32,958,627	150,250,590	27,472,352
Provision for the year	243,818,717	102,018,617	211,302,082	83,473,375

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31ST DECEMBER 2025

	GROUP		CECB	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
25 Deferred Tax Assets/Liabilities				
Balance at the beginning of the year	(21,915,191)	55,536,474	(10,130,223)	22,919,800
Expense for the year recognized in profit/loss	(43,871,058)	(77,451,666)	(36,309,966)	(33,050,021)
Balance at the end of the year	<u>(65,786,249)</u>	<u>(21,915,191)</u>	<u>(46,440,189)</u>	<u>(10,130,222)</u>
26 Trade and Other Payables				
Trade Payables (Note 26.1)	15,882,374,349	13,778,813,990	9,541,533,581	8,724,875,571
Other Payables (Note 26.2)	977,821,887	620,448,570	297,981,408	237,762,834
	<u>16,860,196,236</u>	<u>14,399,262,560</u>	<u>9,839,514,989</u>	<u>8,962,638,405</u>
26.1 Trade Payables				
Creditors	2,277,380,439	2,130,286,878	2,176,398,076	2,103,676,349
Due to Customers	8,620,708,718	7,124,535,294	1,620,286,908	1,584,612,531
Mobilization & Other Advances	3,770,389,951	3,363,520,359	2,983,235,971	2,643,839,863
Retention Payables to Contractors	1,213,895,241	1,160,471,460	2,761,612,627	2,392,746,828
	<u>15,882,374,349</u>	<u>13,778,813,990</u>	<u>9,541,533,581</u>	<u>8,724,875,571</u>
26.2 Other Payables				
Unpaid salaries	15,071,012	22,109,422	-	-
Sundry Creditors	130,900,624	116,870,827	70,227,453	67,421,641
Refundable Deposits	813,595	713,595	813,595	713,595
Accrued Expenses	150,844,157	123,058,240	115,140,267	96,091,845
PAYE Tax	1,721,897	3,142,479	(349,665)	1,014,487
EPF/ETF Control	5,609,639	-	-	-
Withholding Tax Provisions	-	1,290,481	-	-
Other Taxes	672,860,963	353,263,527	112,149,759	72,521,267
	<u>977,821,887</u>	<u>620,448,570</u>	<u>297,981,408</u>	<u>237,762,834</u>
27 Income Tax Payables				
Balance at the beginning of the year	753,884,496	769,575,620	615,941,846	724,313,059
Income tax for the year	521,983,348	420,120,447	131,539,161	203,029,298
Provision in respect of the last year	18,347,350	(106,528,338)	1,921,051	(72,808,575)
Payments made during the year	(397,395,252)	(287,279,939)	(191,435,718)	(219,404,594)
Withholding Tax	(52,745,637)	(42,003,294)	(25,748,848)	(19,187,342)
Balance at the end of the year	<u>844,074,304</u>	<u>753,884,496</u>	<u>532,217,492</u>	<u>615,941,846</u>

28 Capital Reserve

Vehicles were revalued in 1995 and the result of such revaluation was incorporated in the financial statements under the Capital Reserve.

Plant & Machinery were valued by M/s Upali Doranegama Associates (Pvt)Ltd,an independant Chartered Valuer as at 31.12.2018 and the book values were written up to corresponded with the valuation.

Motor vehicles were revalued by Professional Independant Chartered Valuers as at 31.12.2019 and the book values were written up to corresponded with the valuation.

PPE amounting to Rs. 4,162,233.00 were taken into books at current market value in the year 2020.

PPE amounting to Rs. 105,500,000.00 were taken into books at current market value in the year 2023.

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 31ST DECEMBER 2025

29.0 Related Party Transactions

29.1 Transaction with Subsidiaries

a) Eng A.P.J. Jayathilake is the Chairman of both parent (CECB) and subsidiary (CESL) from 18.12.2024 .

The Company has carried out transactions with CECB during the year and the details were as follows,

Further key management personnel of CECB and also Directors of CESL are as follows

Name	Designation	
	CECB	CESL
Eng. S.A.U.D.C.Siriwardana	General Manager	Director
Eng.Aravinda Kalugaldeniya	Coporate Addl General Manager Design	Director
Ms. G.V.A.R.M. De Silva	A/ Deputy General Manager Finance	Director

b) Nature of the Transactions	Amount	
	2025	2024
	Rs.	Rs.
Sub Construction Costs	6,777,401,779	6,898,540,123
Hiring		61,793,672
Reimbursement of Salary over head	32,436,417	28,218,060
Consultancy services	37,768,209	22,146,528
Other Miscellaneous Services	5,746,219	15,989,520

29.2 Terms and conditions of transactions with related parties

The Income from related party and expenditure incurred or purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This note should be read in conjunction with Note No. 19 to these Financial Statements.

Transactions with Key Management Personnel

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) as key management personnel of the CECB/Group have been classified as Key Management Personnel.

	GROUP		CECB	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Compensation paid to Key Management Personnel				
Salaries and other Employment Benefits	3,629,167	2,754,661	2,147,500	1,692,161

AS AT 31ST DECEMBER 2025

30.0 Commitments and contingencies

There were no material Commitments and Contingent liabilities in CECB / Group as at the reporting date except below.

CECB has requested 150 Acres land from Ministry of Mahaweli to carry out Agricultural activities in Rambakanoya division in Ampara District on long term lease and this has not yet been finalised.

30.1 Contingencies

a) Legal cases filed against CECB

MR 609/14 District Court of Nawalapitiya

The District Court, Nawalapitiya Case No. MR 609/14, was dismissed on 2017.05.17 and case was appealed in Provincial Appellate High Court of the Central Province. (Ms. A.D.K. Pitiyekumbara has filed to claim Rs. 3,000,000.00 against CECB and two others. But the works were done by CESL.) Again case was referred to Nawalapitiya District Court to hear.

M/15141/17 District Court Embilipitiya

Ms. G. Chandima Sujeevani Abeywickrama (wife of Mr. H.M. Saman Indika Hennayake) & Rusadhu Vidunitha Hennayake (Minor – Son of Mr. H.M. Saman Indika Hennayake) claiming Rs. 11,000,000/- as damages for death of Mr. H.M. Saman Indika Hennayake.

1/Add/19/2014 Labour Tribunal, Colombo

Eng. W.K.P.I. Rodrigo filed against CECB challenging his termination, mainly claiming Rs. 60,000,000/-, 50% of salary retention from his service termination and gratuity.

The case was filed in 2014 and dismissed by the LT. Thereafter Eng. Rodrigo appealed to the High Court and the Supreme Court. The Supreme Court has directed LT to rehear the case and the LT was noticed to hear on 18.08.2021.

Rs. 60,000,000/- +other order delivered on 28.02.2025 against the CECB (Respondent) to pay compensation of Rupees Two Million Four Hundred Ninety Nine Thousand Five Hundred and Ten (Rs. 32,045/- < 78 = Rs 2,499,510/-) to the Applicant, Eng. W.K.P.I. Rodrigo)

CA Writ Application No. 273/2019, Court of Appeal

Super Neat Technology (Pvt) Ltd. has filed against CECB and 7 Others for obtain Writ of Certiorari, Writ of Prohibition and Writ of Mandamus. No specific claim prayed against CECB. Judgement delivered on 18.11.2025

CA Writ Application No. 153/2019 ,Court of Appeal

Super Commercial Complex Traders & 10 Others have filed against CECB and 12 Others to obtain Writ of Certiorari and Writ of Prohibition, restraining outstanding rate of amended monthly rent for the stalls of Nawalapitiya Super Commercial Complex inter alia other claims. No specific claim prayed against CECB. Dismissed on 24.06.2025

27/Anu/2601/2021 ,Labour Tribunal ,Anuradhapura

Mr. W.M.U.S.B. Wijesundara filed against CECB claiming compensation considering until his retirement or reinstatement with back wages. Amount has not mentioned. (Order delivered on 08.10.2025 against the CECB (Respondent) to reinstate with back wages.)

LT 08/51/2023,Labour Tribunal, Colombo

Mr. R.A.M. Rajitha Ranaweera has filed the case against CECB claiming reinstatement with back wages and compensation. Amount has not mentioned. (Order delivered on 30.04.2025 against the CECB (Respondent) to pay compensation of Rs. One million one hundred forty five thousand one hundred and sixty (Rs31,810/-, 12<3=Rs 1,145,160/-) to Mr. R.A.M.R. Ranaweera)

LT 08/52/2023 ,Labour Tribunal, Colombo

Mr. K.N. Madhushanka de Silva has filed the case against CECB claiming reinstatement with back wages and compensation. Amount has not mentioned. (Order delivered on 30.04.2025 against the CECB (Respondent) to pay compensation of Rs. One Million One Hundred Fifty Five Thousand Nine Hundred and Sixty (Rs. 32,110/- < 12 < 3 = Rs. 1,155,960/-) to the Applicant, Mr. K.N.M. De Silva)

LT 03/85/2023,Labour Tribunal, Kandy

Mr. W.G.P. Aruna Jayawardhana has filed the case against CECB claiming reinstatement with back wages, compensation, gratuity and service certificate. Amount has not mentioned. (Order delivered on 27.08.2025 discharging CECB (1st Respondent)

LT 03/93/2023,Labour Tribunal, Kandy

Ms. K.U.U.S.K. Chandrasiri has filed the case against CECB claiming compensation. Amount has not mentioned. (Order delivered on 31.10.2025 against the CECB (Respondent) to pay compensation of Rs. Two Hundred Sixty Three Thousand Seven Hundred and Twenty Five (Rs. 37,675/- < 7 = Rs. 263,725/-) to the Applicant, Ms. K.U.U.S.K. Chandrasiri)

LT 01/68/2023,Labour Tribunal, Colombo

Mr. S.J.H.M. Eranga Lochana Bandara has filed the case against CECB claiming reinstatement, salary arrears and compensation. Amount has not mentioned.

LT 01/69/2023,Labour Tribunal, Colombo

Ms. H.H.S. Shashikala Jayathilake has filed the case against CECB claiming reinstatement, salary arrears and compensation. Amount has not mentioned.

LT 01/70/2023,Labour Tribunal, Colombo

Ms. R.G.U. Namada Kumari has filed the case against CECB claiming reinstatement, salary arrears and compensation. Amount has not mentioned.

LT 01/71/2023 Labour Tribunal, Colombo

Ms. A.N. Anuradha Sirimewan has filed the case against CECB claiming reinstatement, salary arrears and compensation. Amount has not mentioned.

LT 01/72/2023 Labour Tribunal, Colombo

Ms. Menaka Wathsala Weerasekera has filed the case against CECB claiming reinstatement, salary arrears and compensation. Amount has not mentioned.

LT 01/73/2023 Labour Tribunal, Colombo

Ms. M.T. Chathurani Peiris has filed the case against CECB claiming reinstatement, salary arrears and compensation. Amount has not mentioned.

LT 01/74/2023 Labour Tribunal, Colombo

Mr. B.E. Priyankara Fernando has filed the case against CECB claiming reinstatement, salary arrears and compensation. Amount has not mentioned.

LT 01/75/2023 Labour Tribunal, Colombo

Mr. H. K.S. Pradeep Priyadharshana has filed the case against CECB claiming reinstatement, salary arrears and compensation. Amount has not mentioned.

HCA LT 29/2024 High Court of Western Province holden in Colombo

The Order of Labour Tribunal, Battaramulla Case No. 01/Add/19/2014, was delivered on 2025.02.28 against CECB and case was appealed by Eng. W.K.P.I. Rodrigo in High Court of Western Province holden in Colombo.

CA Writ Application No. 0734/2025 Court of Appeal

Eng. Lakmal Gamage has filed against CECB and 11 Others praying Writ of Certiorari quashing the disciplinary decision made by CECB, Writ of Mandamus for reimplement the CECB loan scheme and assign him civil engineering duties, compensation, cost and any other relief.

AS AT 31ST DECEMBER 2025

30.1 Contingencies

b) Legal cases filed by CECB

Arbitration between CECB & Soar Technology

The Bureau has referred Arbitration claiming sum of Rs. 3,485,343/22 for Generator from Soar Technology (Pvt) Ltd., The Arbitrator was resigned for the personnel grounds. Settlement was entered between the parties for installment payments, total amounting to Rs1,178,288/36 with the approval of the Board of Directors. Paid and completed on 10.09.2025.

DMR 2677/16 - District Court of Colombo

Bureau has filed a case against Eng. (Ms.) K.G.S. Sandamali regards to fail to fulfill the obligation as per the Agreement signed with Bureau to claim sum of Rs. 257,326.67

DMR 1719/18 - District Court of Colombo

Bureau has filed a case against Eng. (Ms.) W.C.B. Wickramarathna regards to fail to fulfill the obligation as per the Agreement signed with Bureau to claim sum of Rs. 515,520/-.

37505/M District Court of Rathnapura

Bureau has filed a case against Mr. Munasinghe.Patabendige Ranjith and Ceylinco General Insurance Ltd. regards to claim accident damages of Rs. 800.000/- caused to the Bureau vehicle.

CHC 494/2021 ARB Commercial High Court

CECB has filed the case against Star Construction (Pvt) Ltd., to appoint Arbitrator to recover dues of Rupees 2,240,726/98 payable by Star Constructions (Pvt) Ltd., to CECB.

DMR 4176/21 District Court of Colombo

Bureau has filed the case against Mr. O.E.H. Fonseka regards to fail to fulfill the obligation as per the Agreement signed with Bureau to claim sum of Rs. 958,703/83.

DMR 4377/21 District Court of Colombo

Bureau has filed the case against Ms. A.V.G.S. Sandamini regards to fail to fulfill the obligation as per the Agreement signed with Bureau to claim sum of Rs. 781,953/-

HCAIT 31/2025 High Court of Western Province holden in Colombo

The Order of Labour Tribunal, Battaramulla Case No. 01/Add/19/2014, was delivered on 2025.02.28 against CECB and case was appealed by CECB in High Court of Western Province holden in Colombo. Deposited Rs. 2,499,510/- at the Labour Tribunal Battaramulla as security in cash according to section 31C(4) of the Industrial Disputes Act.

HCAIT 44/2025 High Court of Western Province holden in Colombo

The Order of Labour Tribunal, Colombo Case No.08/51/2023, was delivered on 2025.04.30 against CECB and case was appealed in High Court of Western Province holden in Colombo. Deposited Rs. 1,145,160/- at the Labour Tribunal Colombo as security in cash according to section 31C(4) of the Industrial Disputes Act.

HCAIT 45/2025 High Court of Western Province holden in Colombo

The Order of Labour Tribunal, Colombo Case No.08/52/2023, was delivered on 2025.04.30 against CECB and case was appealed in High Court of Western Province holden in Colombo. Deposited Rs. 1,155,960/- at the Labour Tribunal Colombo as security in cash according to section 31C(4) of the Industrial Disputes Act.

Details of Industrial Disputes (Arbitration as at 31.12.2025)

Arbitration Case No. A/74/2023

Dispute mentioned is whether Mr. L.P. Jayasundara, DGM (HR & Administration) has been caused injustice by

- (1) The appointment date not being backdated
- (2) Not being appointed to the post of Additional General Manager
- (3) Non-payment of transport allowance
- (4) Non-payment of retaining allowance
- (5) Non-payment of professional allowance
- (6) Membership fee not being reimbursed
- (7) Non-payment of interview board allowance
- (8) Non-payment of communication allowance
- (9) Not being appointed as Human Resources Head and/ or a member of the Board of Directors of the Bureau replacement company

Arbitration Case No. A/61/2024

Dispute mentioned is whether 144 employees inclusive of Mr. A.M. Rohana Dissanayake working in the CECB have been caused injustice by their employment not being confirmed and if so, to what relief they entitled
Award dated 11.11.2025 received on 20.01.2026.

CENTRAL ENGINEERING CONSULTANCY BUREAU
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2025

31 Financial risk management

overview

The group has exposure to the following risk arising from financial instruments

Credit risk

Liquidity risk

Market risk

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

Risk management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its

The Audit and Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Management Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Management Committee.

31.1 Credit risk

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

31.2 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 is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses .

31.3 Market risk

Market risk is the risk that fair value of future cash flows of financial instruments will fluctuate because of changes in market price. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Market risk comprise the following types of risks.

31.4 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

31.5 Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities related to foreign operations.

CENTRAL ENGINEERING CONSULTANCY BUREAU

REPORT TO BE SUBMITTED WITH ACCOUNTS IN TERMS OF SECTION 13 (6) OF THE FINANCE ACT NO: 38 OF 1971

		<u>Yes</u>	<u>No</u>	<u>Any other short answer</u>
1. Balance Sheet				
1.1	Verification of the existence of physical assets (Land, Buildings, Plant & Machinery, Stores etc.)			
1	Was a physical verification of all the physical assets carried out as at date of the Balance Sheet?	Yes	-	All Assets are verified
2	Where no physical verification was carried out as at the date of the Balance Sheet, were the assets verified on a staggered or continuous basis?	-	-	All Assets are verified
3	Are schedules showing book quantities, physically verified quantities, variations, action taken with regard to variation in respect of the verifications carried out available for audit examination?	Yes	-	Wherever, verifications were completed
4	Give a summary of the position with regard to physical verification as shown in Annex 1, which is duly completed and submitted herewith	-	-	Refer Annex 1
1.2	Confirmation of money assets (bank balances, petty cash balances, debtors, advances, deposits, investments etc.)			
1	Were custodians required to confirm the balances of the money assets as at the Balance Sheet date?	Yes	-	
2	If no confirmations were called for as at the Balance Sheet date, were confirmations called for as at any other date during the year?	-	-	Not Applicable
3	Are the confirmations received available for audit examination?	Yes	-	Requested confirmations to be directly forwarded to Auditors
1.3	Confirmation of liabilities (all liabilities including capital and current liabilities)			
1	Were letters sent out calling for confirmation of liabilities as at the Balance Sheet date?	Yes	-	
2	If no confirmation were called for as at the Balance Sheet date, were confirmations called for as at any other date during the year?	-	-	Not Applicable
3	Are the confirmations received available for audit examination?	Yes	-	Requested confirmations to be directly forwarded to Auditors
1.4	Legal position with regard to assets and liabilities			
1	Are all the assets shown in the Balance Sheet owned by the Corporation?	Yes	-	
2	If the legal position with regard to the ownership of any assets shown on the Balance Sheet is not clear, give particulars of such assets in a separate schedule. A schedule is annexed.	-	-	Not Applicable
3	Does legal liability exist in respect of each liability shown in the Balance Sheet?	Yes	-	

CENTRAL ENGINEERING CONSULTANCY BUREAU

REPORT TO BE SUBMITTED WITH ACCOUNTS IN TERMS OF SECTION 13 (6) OF THE FINANCE ACT NO: 38 OF 1971

		<u>Yes</u>	<u>No</u>	<u>Any other short answer</u>
4	If the legal position with regard to any liability is not clear, give particulars of such liability in a separate schedule. A schedule is annexed.	-	-	Not Applicable
5	Are there any assets or liabilities legally determined but which have not been disclosed in the Balance Sheet? If so, give particulars of such assets and liabilities in a separate schedule. The schedule is annexed.		No	Not Applicable
1.5 Valuation of Assets				
1	Statements showing particulars of the valuation of fixed assets, stocks, etc, should be prepared in the form shown in Annex 2. The relevant statements are submitted herewith.	-	-	Schedules of Assets & Stocks are available. Details could be provided at the time of Audit.
2	Has there been any change in the basis of valuation of any type of asset during the year as compared to the basis adopted during the previous year?	-	No	
3	If there has been any such change in the basis of valuation of assets, particulars of such assets and changes should be given in the form shown in Annex 3. Annex 3 duly completed is annexed.	-	-	Not Applicable
4	In the valuation of any assets have the following charges been included? (a) Financing Charges; (b) FEECs	-	-	Not Applicable
5	In the valuation of any asset, has any indirect cost been charged on the basis of any apportionment?	-	No	
6	Where the value of any asset has been estimated, give particulars of such assets, the basis of estimating and the reasons there for in a separate schedule. Such schedule is annexed.	-	-	Not Applicable
7	Is the work in progress determined on the basis of works certified?	Yes	-	
8	Has any advance payment to contractors been treated as work in progress without work certificates?	-	No	
9	Are all the retention moneys due to contractors shown separately under liabilities?	Yes	-	
1.6 Valuation and computations of liabilities and provisions				
1	Has there been any change on the basis of computation or valuation of any liabilities or provisions including provisions for depreciation, bad debts, obsolescence, etc., during the year as compared to the basis adopted in the previous year?	-	No	
2	Give particulars of such liabilities, provisions and the changes in the basis of computation and valuation in the form shown in Annex 4. Annex 4 duly completed is submitted herewith.	-	-	Not Applicable

CENTRAL ENGINEERING CONSULTANCY BUREAU

REPORT TO BE SUBMITTED WITH ACCOUNTS IN TERMS OF SECTION 13 (6) OF THE FINANCE ACT NO: 38 OF 1971

		<u>Yes</u>	<u>No</u>	<u>Any other short answer</u>
1.7 Trial Balance				
1	If the Trial Balance has not been agreed, what is the difference?			Agreed
1.8 Control Accounts				
1	Give in the form shown in Annex 5 particulars of control accounts maintained and the difference, if any, between the control accounts balances and the detailed subsidiary ledger balances. The form duly completed is annexed.		No	
1.9 Bank Reconciliation				
1	Has the Bank Reconciliation as at the date of the Balance Sheet been prepared?	Yes		
2	Have all debits and credits made direct by the Bank been incorporated in the Cash Book in arriving at the Cash Book Balance shown in the reconciliation?	Yes		
3	Are there payments which are outstanding for six months or more awaiting debit by the Bank?		No	
4	Are there any credits outstanding more than one week recorded in the Cash Book but not credited by the Bank?		No	
5	Give particulars of the debits and credits referred to in 2 above in a separate schedule. The Schedule is submitted herewith.	-	-	Not Applicable
1.10 Suspense Accounts				
1	Are there any debit accounts or credit accounts appearing in the Balance Sheet which accommodate unidentified items and which await reconciliation and clearing?	No	-	
2	Give particulars of such accounts in the form shown in Annex 5. Annex 5 duly completed and submitted herewith.			Not Applicable
2 Trading, Manufacturing, Profit and Loss Accounts				
2.1 Basis of Accounting				
1	Are the revenues and incomes treated on accrual basis?	Yes	-	
2	Are all expenditures treated on an accrual basis?	Yes	-	
3	Where any item of income or expenditure is not accounted for on an accrual basis, give particulars of such items and reasons for such procedure in a separate schedule. The schedule is annexed.	-	-	Not Applicable
4	Where a change in the basis of accounting has occurred give particulars of such changes and the effect of such changes on the financial results of the year in the Form shown in Annex 8	-	-	Not Applicable

CENTRAL ENGINEERING CONSULTANCY BUREAU

REPORT TO BE SUBMITTED WITH ACCOUNTS IN TERMS OF SECTION 13 (6) OF THE FINANCE ACT NO: 38 OF 1971

		<u>Yes</u>	<u>No</u>	<u>Any other short answer</u>
2.2	Matching the revenue with expenditure			
1	Have all expenses incurred in the earning of revenue been charged against revenue?	Yes	-	
2	Has any item of expenditure been omitted?	-	No	
3	Has any item of revenue been omitted?	-	No	
4	If any item of revenue or expenditure had been omitted give particulars of such items and the reasons therefor in a separate schedule.	-	-	Not Applicable
2.3	Exceptional Items			
1	Are there any items of revenue of a non-recurring nature or which are unusual or exceptional?	-	No	
	What is the total of such items?			Not Applicable
2	Are there any items of expenditure of a non-recurring nature or which are unusual or exceptional?	-	No	
	What is the total of such items?			Not Applicable
3	What would be the profit or loss for the year under review exclusive of the exceptional items referred to above?	-	-	Not Applicable
2.4	Estimates and Apportionments			
1	Has any item of revenue or expenditure or any part there of been brought into account on an estimated basis?	-	No	
2	Does any item of revenue or expenditure include transfers from other accounts on any basis of apportionment?	-	No	
3	Where any estimates or apportionments have arisen, give particulars of such estimates and apportionments, the reason for estimating and apportioning and the basis of estimating and apportioning in a separate schedule.	-	-	Not Applicable
2.5	Capital and Revenue Expenditure			
1	Does expenditure charged against income include any items, the benefit of which may extend beyond the period of the accounts?	-	No	
2	Has any expenditure which are directly associated with stocks, stores or fixed assets including financial charges, charged separately in the Profit and Loss Account without being included in the cost of the assets concerned?	-	No	
3	Has interest, rebates, discounts and financial charges relating to acquisition of fixed assets been brought to account in the Profit and Loss Account?	-	No	
2.6	Variations in Profit and Loss Items			
1	Give particulars of the variations in items shown in the Profit and Loss Accounts as compared to the previous year in the Form shown in Annex 9. Annex 9 duly completed is submitted herewith.	-	-	Schedule Annexed

CENTRAL ENGINEERING CONSULTANCY BUREAU

REPORT TO BE SUBMITTED WITH ACCOUNTS IN TERMS OF SECTION 13 (6) OF THE FINANCE ACT NO: 38 OF 1971

		<u>Yes</u>	<u>No</u>	<u>Any other short answer</u>
2.7	Appropriations			
1	Have the appropriations of profits up to the previous Balance Sheet date been approved in accordance with the provisions of the Finance Act. No. 38 of 1971?	-	-	Not Applicable
2	Are the proposed appropriations of the current year's profits approved in accordance with the provisions of the Finance Act No. 38 of 1971?	-	-	Not Applicable
3	Has Application been made to the Ministry in charge for the necessary approval of appropriations of surpluses in accordance with the provisions of the Finance Act. No. 38 of 1971?	-	-	Not Applicable
4	Have all compulsory contributions to the Consolidated Fund been charged in arriving at the net surplus available for appropriations?	Yes	-	
2.8	Variations compared to Budget			
1	Explain all the major variations between the items in the accounts for the current period with those of the budget in the form shown in Annex 10.			Our Organisation is undertaking Consultancy and Turn-Key Projects in the open market. Getting the work depends on the availability and competition in the market. As such, preparation of a realistic budget is not possible.
2	Explain the variations between budgeted output volume and actual output volume in the form shown in Annex 10.			
3	Procedures			
3.1	Have written instructions or manuals been prepared in respect of the following subjects?			
(a)	Purchasing	Yes		
(b)	Sales	-		Not Applicable
(c)	Receipts	Yes		
(d)	Payments	Yes		
(e)	Inventory Control	Yes		
(f)	Budgeting	Yes		
(g)	Capital Expenditure Control	Yes		
(h)	Security and Maintenance of Assets	Yes		
(I)	Pay-Rolls	Yes		
(j)	Foreign Exchange Allocations	-		Not Applicable
(k)	FEECs	-		Not Applicable

CENTRAL ENGINEERING CONSULTANCY BUREAU

REPORT TO BE SUBMITTED WITH ACCOUNTS IN TERMS OF SECTION 13 (6) OF THE FINANCE

ACT NO: 38 OF 1971

	<u>Yes</u>	<u>No</u>	<u>Any other short answer</u>
3.2 Have control accounts been maintained in the general ledger in respect of the following?			
(a) Fixed Assets	Yes		
(b) Stocks	Yes		
(c) Trade Debtors			Individual debtor accounts are maintained
(d) Employee Debtors	Yes		
(e) Trade Creditors			Individual debtor accounts are maintained
(f) Deposits receivable	Yes		
(g) Deposits payable	Yes		
(h) Others (with details)	Yes		
3.3 Has an internal audit been in operation?	Yes	-	
3.4 Is there numerical control on all important documents supporting original entries in the accounts such as purchase orders, payment vouchers, sales invoices, cash receipts, goods receipts, goods issue orders, etc.?	Yes	-	
4 Compliance with laws, regulations, etc.			
1 Have all income tax returns required to be rendered been rendered?	Yes		
2 Is payment of Income tax in arrears?	Yes		
3 Have all amounts due in respect of Value Added Tax been paid promptly?	Yes		
4 Have any fines been imposed for non-payment of Inland Revenue taxes?		No	
5 Have provisions of the Shop and Office Employees' Act been complied with?	Yes	-	Wherever applicable
6 In entering into contracts involving foreign exchange, has the necessary approvals been obtained from the Central Bank, Exchange Control, Ministry of Planning and other authorities?	Yes	-	
7 Are there any Board decisions which have not been implemented?		No	
8 Are there any Directives from the Cabinet, the Ministry or the Treasury which have not been complied with?		No	
9 Are all the provisions in Finance Act, No. 38 of 1971, being complied with? Indicate the numbers of the sections.		-	
5 Losses			
1 Details of losses detected and experienced during the year should be given in the form shown in Annex 11.			Not Applicable

CENTRAL ENGINEERING CONSULTANCY BUREAU

REPORT TO BE SUBMITTED WITH ACCOUNTS IN TERMS OF SECTION 13 (6) OF THE FINANCE ACT NO: 38 OF 1971

	<u>Yes</u>	<u>No</u>	<u>Any other short answer</u>
6 Idle Resources			
1	-	No	
2	-	No	
3	-	No	
4	-	No	
5	-	-	Not Applicable
7 Commitments and Contracts			
1	-	No	Such contracts
1 A			Bureau has been a subscriber (100,000 shares @ Rs 100/- and 02 Shares @ 10/-) to the Central Engineering Services (Pvt) Ltd., which is performed his business commencing the year 2011.
2	-	No	
3	-	No	
4			
			(a) Foreign Exchanges costs; Not Applicable
			(b) Credit terms Not Applicable
5	-	No	
6	-	No	
7	-	No	
8	-	No	
9	-	No	
10	-	No	

CENTRAL ENGINEERING CONSULTANCY BUREAU

REPORT TO BE SUBMITTED WITH ACCOUNTS IN TERMS OF SECTION 13 (6) OF THE FINANCE ACT NO: 38 OF 1971

		<u>Yes</u>	<u>No</u>	<u>Any other short answer</u>
11	Did any disputes arise with any contractor during the period under review?	-	No	
12	Were there any contracts awarded to any party without calling for quotations or tenders?	-	No	
13	Are there any penalties or fines recoverable from contractors, suppliers and buyer?	-	No	
14	Particulars of the contracts awarded during the year should be given in the form shown in Annex 13.	-	No	Submitted with Accounts
8	Project in Progress			
1	Particulars with regard to capital projects in progress should be given in the form shown in Annex 14.	-	No	
9	Write - Offs			
1	Are any amounts written off during the year in respect of the following?			
	(a) Debtors for sales	-	No	
	(b) Debts due from employees	-	No	
	(c) Debts due from contractors and Suppliers	-	No	
	(d) Debts due from other parties	-	No	
	Give particulars of amounts written-off in the form shown in Annex 15. The form duly completed is submitted herewith.			
10	Information to Board			
1	Is regular information submitted to the Board in respect of the following?			
	(a) Inventories of all classes on stocks	-	-	Yearly
	(b) Debtors	-	-	Quarterly
	(c) Capital projects	-	-	Not Applicable
	(d) Cost statements and Profit and Loss Accounts relating to manufacture, services and sales	-	-	Yearly
	(e) Variations of actuals against budget	-	-	Half Yearly
	(f) Cash Forecasts	-	-	Monthly
	What other information is submitted regularly to the Board?			
	Give particulars of the information regularly submitted to the Board in the form shown in Annex 16.	Yes		Schedule Annexed

Information to be shown in the Annexures should be tabulated under the following headings in columnar form:

CENTRAL ENGINEERING CONSULTANCY BUREAU

REPORT TO BE SUBMITTED WITH ACCOUNTS IN TERMS OF SECTION 13 (6) OF THE FINANCE ACT NO: 38 OF 1971

	<u>Yes</u>	<u>No</u>	<u>Any other short answer</u>
ANNEX 1			
1. Class of asset	}		It Could be given at the time of Audit
2. Type of asset			
3. Type of verification			
4. Proportion of total assets verified			
5. Value of Shortages			
6. Value of Excesses			
7. Shortages adjusted in books			
8. Excesses adjusted in books			
9. Shortages awaiting adjustment Balance Sheet date			
10. Excesses awaiting adjustment Balance Sheet date			
ANNEX 2			
1. Asset description	}		It Could be given at the time of Audit
2. Elements of cost distinguishing between direct costs and apportioned costs			
ANNEX 3			
1. Description of liability and provision	}		Not Applicable
2. Description of original basis valuation or computation			
3. Value on original basis			
4. Description of new basis of valuation computation			
5. Value on new basis			
6. Effect of change on assets			
7. Effect of change on assets			
8. Effect of change on other liabilities and reserves			

CENTRAL ENGINEERING CONSULTANCY BUREAU

REPORT TO BE SUBMITTED WITH ACCOUNTS IN TERMS OF SECTION 13 (6) OF THE
FINANCE ACT NO: 38 OF 1971

ANNEXTURE 09.

	2025	2024	Variation
Income			
Consultancy Fees	1,708,329,902	1,765,114,025	(56,784,122)
Construction Revenue	13,468,658,754	10,565,400,993	2,903,257,761
Other Income	183,740,599	150,536,834	33,203,765
Finance Income	729,839,934	924,480,893	(194,640,959)
	<u>16,090,569,190</u>	<u>13,405,532,744</u>	<u>2,685,036,446</u>
Expenditure			
Construction Cost	11,224,071,354	9,151,065,583	2,073,005,772
Consultancy Cost	1,498,184,909	1,419,686,213	78,498,697
Administration Expenses	1,689,073,748	1,492,948,950	196,124,798
Selling & Distribution Expenses	5,847,755	58,563,559	(52,715,805)
Financial Expenses	22,946,184	11,672,644	11,273,540
	<u>14,440,123,950</u>	<u>12,133,936,947</u>	<u>2,306,187,001</u>
Surplus of income over Exp: (Before Tax)	1,650,445,240	1,271,595,797	378,849,444