



AMAYA

Amaya Leisure PLC

Annual Report
2012/2013



Reflections of Sri Lanka

“Amaya”

non-illusiv e – a brand that highlights the true reflections of Sri Lanka – our hotels offer guests an authentic experience that reflects the culture and natural beauty of our truly diverse island – history in abundance, indigenous culture and ecological beauty, all this and more could be found at Amaya Resorts and Spas. Our theme resorts open up the rich heritage of our ancient kingdoms and offers our clients the expected satisfaction and promotes a unique concept that is “Amaya”





Կարգապահություն

WELCOME!

Երջանայ!



AMAYA

Amaya Leisure PLC



THE TRADITIONAL DANCES OF SRI LANKA

From time immemorial, traditional dancing has been an integral part of the Sri Lankan culture and lifestyle. The origin of dancing lies with the indigenous people of Sri Lanka who primarily used the dancing as a form of ritualistic healing and witchcraft. According to historians, the first significant incident related to dancing involved Sri Lanka's first King Vijaya.

Vijaya, an Indian Prince who was banished from the kingdom together with his friends accidentally lands in Sri Lanka. Vijaya meets and falls in love with a native indigenous princess, Kuveni fathering 2 children. Vijaya then abandons Kuveni to marry an Indian princess. Scorned and hurt, Kuveni curses Vijaya, a curse which even haunted King Panduvas who subsequently ascended to the throne. This led to a dance ritual being performed by the Indian healer-king Malaya to heal Panduvas of the affliction he suffered because of Kuveni's curse. This ritual eventually led to the now famous traditional dance, the 'Kohomba Kangkaariya'.

Over the next 2,500 years or so, dancing gradually evolved in to an inherent an expressive form of art which became an essential part of the Sri Lankan culture. This is evident in the many archaeological sites that offer us a glimpse of the Sri Lankan dance history. The Mulkirigala Rock Temple and the Embekke Devalaya are two extremely important sites that prove without a doubt that dancing was indeed a vital facet in the lives of our people.

Although dancing originally began as a ritual and an act of healing, today it is considered to be more of an entertainment item used in parades, functions and even weddings. The expressions, the rhythmic movements, music and instruments along with the costumes and dresses worn by the dancers have also changed with time due to various external factors.

This year's Annual Report from Amaya intends to offer you an insight in to the various forms of traditional Sri Lankan dancing and a few of its main dance styles and rituals.

Traditional Sri Lankan Dancing can be divided in to 4 broader categories.

01. The Kandyan Dances of the Hill Country, known as Uda Rata Natum
02. The Low Country Dances of the southern plains, known as Pahatha Rata Natum
03. Sabaragamuwa Dances, of the Sabaragamuwa region which lies between the hills and the low country, known as Sabaragamuwa Natum
04. Other Dance styles which are practiced in various other regions

KANDYAN DANCES

As its name suggests, the Kandyan Dance forms are widely practiced in the central hills of the Kandy District in areas such as Kandy, Yatinuwara, Sath Korahaya, Sathara Korahaya, Dumbara and Harispatthuwa. The main item or highlight of this form of dance is the 'Kohomba Kangkaariya' comprising many traditional dance rituals. Other dance rituals that form an integral part of the Kandyan Dance forms include Waliyak Mangalya, Kadawara Kangkaariya, Adukku Mangalya and Bali rituals believed to drive away illness and disease.

In addition to these 'healing dance rituals', yet another essential aspect of Kandyan Dancing are the 'Vannams' portraying the behaviour of various characters or animals. Research has proven that 5 of these Vannams were in existence during earlier times. The number of Vannams subsequently increased to 18 which are Gajaga Vannama, Uruga Vannama, Gaahaka Vannama, Thurangaa Vannama, Ukusaa Vannama, Moosaladi Vannama, Hanuma Vannama, Mayuraa Vannama, Sawulaa Vannama, Sinharaja Vannama, Nai Adi Vannama, Kirala Vannama, Eeradi Vannama, Surapathi Vannama, Ganapathi Vannama, Wairodi Vannama, Udaara Vannama and the Asadrusa Vannama.

The region's most popular dance style is probably the 'Sokari' dance - a magnificent combination of Kandyan Dancing and Folk Drama.

A Kandyan dancer's attire is an elaborate costume which includes a stunning headdress. The headdress includes a metallic front which makes the dancer look taller than he actually is. This costume is known as the Ves costume. The dancer's chest is usually covered by a decorative beaded net while the complete costume also includes anklets which produce a metallic rattle every time the dancer moves.

Kandyan Dances are traditionally performed only to percussion. Geta Beraya, the most common drum used is only used in Kandyan Dancing. The Udekkiya and the Rabana, 2 different types of drums are also used during these performances.

LOW COUNTRY DANCES

The Low Country Dances also known as Pahatha Rata or Ruhunu Natum is widely practiced in Sri Lanka's southern plains. The main highlights of this dance form includes 'Healing Dances' and Kolam Dances while the use of

stunning multi-coloured masks are an integral part of these dances. Many of these healing dances are performed as an act of reverence to the various deities, demons and celestial objects.

The primary percussion instrument used in these Low Country Dances is the 'Yak Beraya' or the 'Devil's Drum' which is also known as the 'Devol Beraya'. The costumes worn by the dancers differ according to the occasion. This ranges from the 'Devol' costume when performing for deities, the 'Sooniyam' costume for various sorcery activities and the 'Thelme' costume.

SABARAGAMUWA DANCES

Widely practiced in the Sabaragamuwa region which lies between the central hills and the low country, Sabaragamuwa Natum is yet another exceptional dance style with its own distinctive characteristics. Healing rituals offered in reverence to deities and demons are an essential aspect of these dances. Some of these healing rituals include the Pan Maduwa, Gam Maduwa, Punaa Maduwa and Kiri Maduwa. The Diggei Dance which is a major highlight of this traditional dance form is performed to invoke the blessings of the God Saman. The main costume is God Saman's costume also known as the beads costume while the 'Davula' is the main percussion instrument used.

In addition to these main forms of dance, there are quite a few additional dance traditions and styles practiced in various areas of the island.

OTHER DANCE STYLES

In addition to the more famous dance styles mentioned above, Sri Lanka is also home to a few dance forms and styles prevalent in various other regions of the country. This includes the dances performed by Sri Lanka's indigenous people who still believe that dancing is indeed a way of invoking blessings in all of life's golden moments.

Over the years, Sri Lanka has been invaded by kings of various Indian dynasties. These invasions have left an indelible mark in Sri Lanka's dancing tradition as well. Tamil and Indian dancing styles are quite common among Sri Lanka's Tamil communities living in Jaffna and the hill country.

*The glorious Traditions of Dance etched
in the annals of history...*



Mulkirigala Paintings

Located in Giruwa Pattuwa in the Hambanthota District in Southern Sri Lanka, Mulkirigala is a rock temple seeping with historic splendour. The temple is considered to be one of the 64 temples constructed by King Kavantissa and dates way back to the 3rd Century BC. The renowned Mulkirigala cave paintings offer us just a glimpse of the past - stunning reflections of Sri Lanka's glorious cultural heritage of which traditional dancing styles are an integral part of.



Embekke Devalaya Wood Carving

Dedicated to the god Kataragama, the Embekke Devalaya off Kandy is one of the best places in the world to see stunning wood carving masterpieces. Built during the 14th century AD, the temple is believed to have been constructed under the orders of Queen Henakanda Bisobandara. A drummer from the nearby village called Rangama was also believed to have been involved in the construction of the temple. This dancer is believed to have influenced the wood carvings at the temple that depict dancers and many other facets of Sri Lankan culture.

Kohomba Kangkaariya

The Kohomba Kangkaariya is a traditional ritual of propitiation performed for the Kandyan deity, the Kohomba god. As mentioned earlier, the origins of this ritual dates back to the days of King Vijaya and Kuveni. Kuveni, fuming and distraught at being abandoned by King Vijaya who chose an Indian Princess as his queen, casts a curse on him and his descendants. The Kohomba Kangkaariya is considered to be a re-enactment of a ritual performed to heal Panduvasdewa who subsequently succeeded Vijaya as King of Sri Lanka. This ritual or healing dance is the main ritual in the Kandyan Dance form and incorporates many beliefs of those living in Sri Lanka's hill country.

Relax. Rejuvenate. Pamper yourself in the lap of luxury the Amaya way.





Rejuvenate your Mind, Body & Soul...



CONTENTS

CONTENTS

Financials at a Glance	18
Chairman's Message	24
Managing Director's Review	32
Profiles of the Board	46
Corporate Management	72

FINANCIAL INFORMATION

Annual Report of the Board of Directors on the Affairs of the Company	84
Corporate Governance	92
Statement of Directors' Responsibility for the Financial Reporting	109
Report of Audit Committee	114
Report of Remuneration Committee	118
Auditor's Report	119
Statement of Comprehensive Income	122
Statement of Financial Position	123
Statement of Changes in Equity	124
Cash Flow Statement	125
Accounting Policies	128
Notes to the Financial Statements	148
Statement of Value Added	182
Share and Investor Information	183
Major Shareholders	184
Glossary of Financial Terms	185
Five Year Summary	187
Notice of Meeting (AGM)	188
Form of Proxy (AGM)	189

OUR VISION

To be the Number One choice for holidaymakers in Sri Lanka

OUR MISSION

To provide our guests good value for money so as to surpass their expectations whilst ensuring a good return to shareholders and inspiration to employees

OUR VALUES

Amaya Hotels maintain the following values:

Outstanding Service

Delivering a superior service, offering an unforgettable quality of service to our guests

High Performance

Fulfilling all that we promise to all stakeholders of our business including guests, shareholders and employees

Perpetual Integrity

Being honest and transparent in our transactions with guests, associates and within the communities in which we operate

Unflagging Passion

Doing things with zeal which sets us over and above all others – this is the “Amaya Way”

Improvement

Innovating and utilizing best practices with a view to continually improving the quality of our products and services to the satisfaction of all

Hewisi Waadanaya

The Hewisi Waadanaya or performance dates back to the days of the Lord Buddha. This is considered to be the five pronged instrumental performed by 'Gandharwa' when the Lord Buddha preached his famous Damsak Soothraya. The Hewisi performances are widely practiced at most major temples and devalas in Sri Lanka at present. The Thammettama, Davula, Hakgediya, Horanewa and the type of drum used in that particular region are the main musical instruments used in these performances.

Similarly, the peace, tranquillity and sheer bliss experienced at Amaya properties will help our guests summon their true spirituality...





Awaken your spirituality...



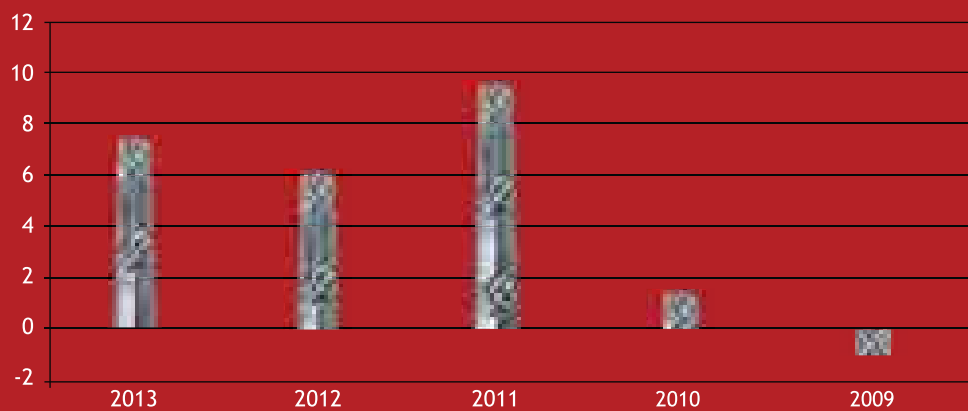
FINANCIALS AT A GLANCE

FINANCIALS AT A GLANCE

	2012/2013 Rs.'000	2011/2012 Rs.'000	Changes %
For the year			
Turnover-Gross	1,077,472	877,084	23%
Turnover-Net	1,066,520	867,653	23%
Profit before Tax	408,525	308,948	32%
Profit after Tax & Non-Controlling Interest (Beofre Other Comprehensive Income)	376,587	292,583	29%
At the year end			
Shareholders Funds	2,472,143	2,242,195	10%
Total Assets	2,975,946	2,626,390	13%
Group Employment (No. of Persons)	444	419	6%
Per Share			
Earning (Rs.)	7.84	6.09	29%
Dividend (Rs.)	4.00	4.00	-
Net Assets (Rs.)	51.47	46.68	10%
Market Value (Rs.)	76.50	76.70	-
Ratio			
Gross Profit (%)	78.89	75.36	5%
Interest Cover (Times)	28.91	11.70	147%
Current Ratio (Times)	0.84	1.23	(32%)

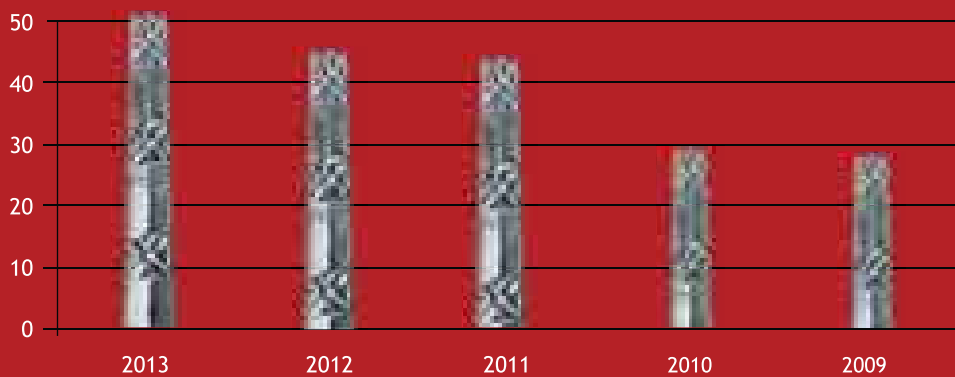
Earning / (Loss) per Share (Rs.)

Earning/(Loss) per Share (Rs.)



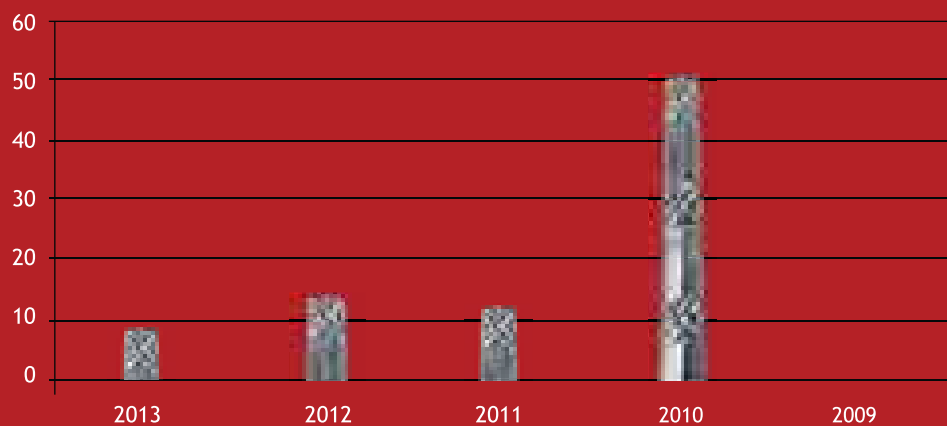
Net Assets per Share (Rs.)

Net Assets per Share (Rs.)



Price Earning Ratio

Price Earning Ratio (Times)



Ganapathi Vannama

Believed to bring out the mystical and spiritual elements of those witnessing it, the Ganapathi Vannama has been created to praise and honour the Gana Devi and his characteristics.

At Amaya, we treat our guests with divine-like attention. We combine the timeless traditions and spiritual elements of the Sri Lankan culture and life-style and seamlessly incorporate them in to our properties.





Timeless traditions...



**MESSAGE FROM THE
CHAIRMAN**



MESSAGE FROM THE CHAIRMAN

"A steady mix of business prowess and a brand image, Hayleys and Amaya has blended well in creating one of Sri Lanka's leading luxury resort chains in the country."



Dear Shareholder,

I am pleased to present to you The Annual Report and Audited Financial Statements of Amaya Leisure PLC for the year ended 31 March, 2013.

Your company performed exceptionally well this year, surpassing Rs. 1bn turnover, a 22% growth from the previous year.

Industry Overview

The dawn of peace in mid 2009 led to a resurgence of economic activity across the country and an improved international investor confidence in Sri Lanka.

Many of the international publications now rank Sri Lanka as the ultimate tourist destination to visit in 2013.

As the country moves steadily towards economic growth, we have accelerated our strategies, hopes and plans for our properties across the country.

As a corporate that has pioneered innovative tourism products in Sri



MESSAGE FROM THE CHAIRMAN

Lanka, Amaya Leisure PLC is uniquely positioned to reap the rich dividends. We are however, aware that one cannot be complacent, but continuously strive to achieve the highest possible standards in a competitive world to cater to the ever demanding guest.

With the ever changing trends, Sri Lanka has opened gateways to explore not only the existing and traditional markets in Europe, but also emerging markets in the Middle East, the Indian sub-continent, the Far East and mainland China. These new gateways will certainly increase the tourist arrivals and develop the industry.

We are continuously aware of the recession that is affecting the entire industry and steps will be taken to steer your company towards profitability and ensure a continued enhancement of shareholder value.

Prospects

A steady mix of business prowess and a brand image, Hayleys and Amaya has blended well in creating one of Sri Lanka's leading luxury resort chains in the country .

Financial Review

During the year under review, Amaya has recorded revenues beyond it's expectations and the excellent returns in terms of profitability at operational

level has been the highest ever since it's inception. During the year, revenue recorded was Rs. 1,077Mn, compared to Rs. 877 Mn in the previous year.

A dividend of Rs. 4/- per share has already been paid in 28th February 2013.

Directorate

There were no changes to the composition of the Directorate.

Conclusion

In conclusion I wish to place on record my sincere appreciation of my colleagues on the Board, whose input has been invaluable to me and my management team.

The staff at all levels has been instrumental in Amaya's success, and I wish they would continue to serve the company well.

Furthermore I also thank our many stakeholders and all those who patronized our resorts during the year for their contribution towards our success.



A. M. Pandithage
Chairman

13th May 2013



Udekki Dance

The Udekki Dance is yet another form of Kandyan Dance which holds great respect among Sri Lankans. The unique feature of the Udekki Dance is that the dancer plays the Udekkiya by himself by tightening the strings of the Udekkiya to obtain various pitches while he dances. The Udekkiya is a type of hand drum believed to be a divine gift from the gods and is extremely difficult to master.

Mayura Vannama

This Vannama depicts the magnificent beauty and elegance of the Peacock believed to be the vehicle of the god of Kataragama.

For centuries, the Peacock has been a symbol of beauty, grandeur and pride; distinct characteristics that we at Amaya have been successful in incorporating in all our properties.





Beauty, Grandeur & Pride...



MANAGING DIRECTOR'S
REVIEW

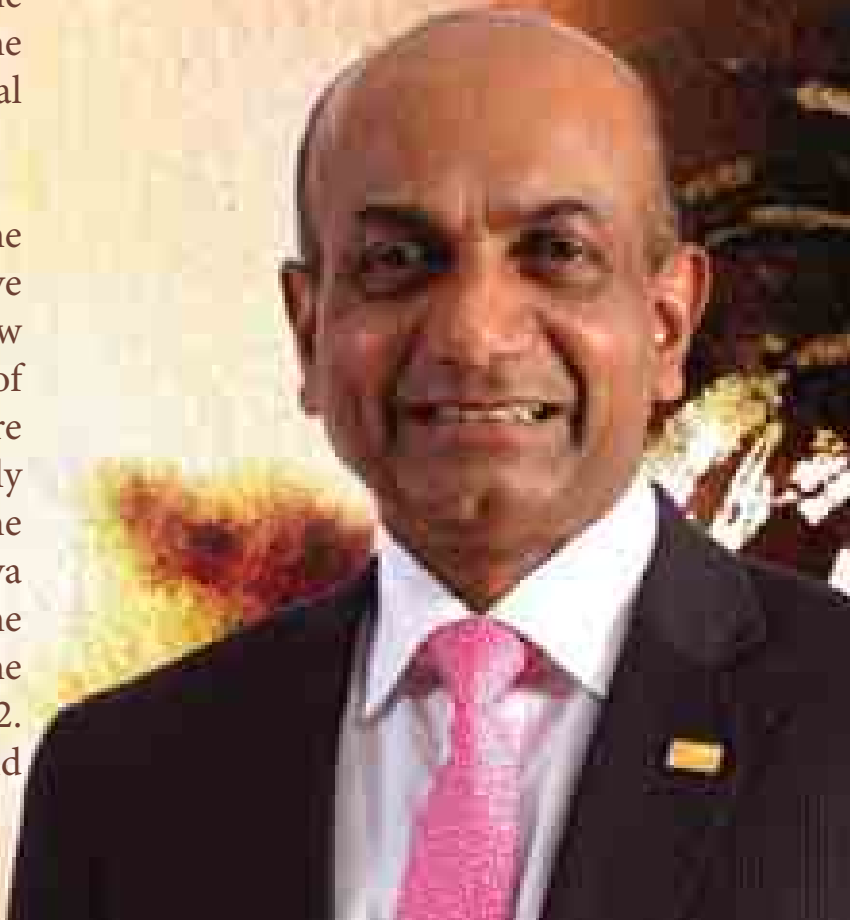


MANAGING DIRECTOR'S REVIEW

"Amaya has always rated highly its most valuable resource, our personnel at all levels and extensive training programs were carried out encouraging staff to adopt to new system changes in today's world of technology"

The year under review was one of high-quality growth for Amaya Leisure with excellent results both in terms of revenue and profitability. The strategies adopted in marketing and sales as well as operational changes effected, enabled us to achieve the desired results. Amaya achieved the highest ever revenue and operational profit during the year 2012/13.

Product development to enhance the brand value was our primary objective during the year and several new developments took place at each of our properties. Firstly, the Signature Wing of Amaya Lake was successfully completed and has brought in a niche to the eco-friendly resort. Amaya Lake was proud to be awarded the “Best Four Star Category Hotel” at the Annual Tourism Awards held in 2012. Refurbishment of all public areas and



MANAGING DIRECTOR'S REVIEW

the upgrading of standard rooms to deluxe category will be completed very soon.

The Bungalow concept at Amaya Hills has been well accepted and has added value to the main hotel that contributed heavily towards our profitability. Continuous refurbishment has enhanced the quality and improved the service we provide our valuable customers. The once badly dilapidated access road leading to this property has been fully carpeted and this has resulted in an increased number of local residents visiting us frequently. In acknowledgement of the improvements made over the years, Amaya hills has been nominated for a "World Luxury Holiday Award"

The properties managed by Amaya, especially "Langdale" have received high accolades for its services which are in a class of its own. This boutique resort has also been nominated for a "World Luxury Holiday Award"

Amaya has always rated highly its most valuable resource, our personnel at all levels and extensive training programs were carried out encouraging staff to adopt to new system changes in today's world of technology and will always continue to do so, maintaining its traditions and "true reflections of Sri Lanka"

Outlook

In terms of outlook for the coming year, although we may face stiff competition as well as the global recession, we will strive to achieve our targets adopting our professional skills, with some degree of flexibility offering a value for money product, maintaining the Amaya brand.



L.T. Samarawickrama
Managing Director

13th May 2013



LEE KELI DANCING

The Lee Keli or Stick Dance is performed by hitting sticks together in rhythmic motion. Many consider the traditional forms of martial arts as the origin of this dance which falls under the folk dancing category. The carvings visible at the Ambakke Devalaya bear testimony to the fact that these dances have been existence for many centuries.

Thelme Dance

The Thelme Dance is yet another vibrant, exciting and colourful style of Low Country Dancing styles believed to have originated over 5,000 years ago during King Rawana's era.

The Thelme Dance costume is as vibrant, exciting and colourful as the dance itself - the same vibrancy, excitement and colour synonymous with all Amaya properties.

Vibrant, exciting and colourful





FINANCIAL CALENDAR

1,067 Mn

Group Turnover for Year 2012/2013

23%

Revenue Growth Rate for Year 2012/2013

408 Mn

Profit before Tax 2012/2013

FINANCIAL CALENDAR

Audited Financial Statements Signed on	13 May 2013
31st Annual General Meeting	24 June 2013

INTERIM FINANCIAL STATEMENTS

1st Quarter Interim Results released on	02 August 2012
2nd Quarter Interim Results released on	31 October 2012
3rd Quarter Interim Results released on	07 February 2013

GROUP OPERATIONAL HIGHLIGHTS

Year ended 31st March

	2013	2012
Occupancy - Lake	68%	79%
Occupancy - Hills	91%	92%
Overall Occupancy	80%	86%
Guest Nights	110,166	117,128

Authentic reflections of a paradise isle



Sanni Yakuma

The Sanni Yakuma is believed to have originated from a story which relates to the Indian King Sankhapala, his Queen and his son. This is considered to be a healing ritual performed to heal the effects of 18 types of Sannis or diseases. These rituals are widely practiced in areas such as Bentharda, Galle, Matara and Tangalle.

We at Amaya truly understand that traditions are an inherent part of the Sri Lankan lifestyle. We strive hard to protect these traditions which are indeed authentic reflections of Sri Lanka as well as its people.



PROFILES OF THE
BOARD

Mr. A. M. Pandithage - Chairman

Joined Hayleys Group in 1969. Appointed as Chairman of Amaya Leisure PLC in December 2011. Chairman and Chief Executive of Hayleys PLC since July 2009. Honorary Consul of United Mexican States (Mexico) to Sri Lanka. Fellow of the Chartered Institute of Logistics & Transport and a Member of the Presidential Committee on Maritime Matters. Committee Member of the Ceylon Chamber of Commerce and Council Member of the Employers' Federation of Ceylon. Member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka. Director, Sri Lanka Port Management & Consultancy Services Limited.



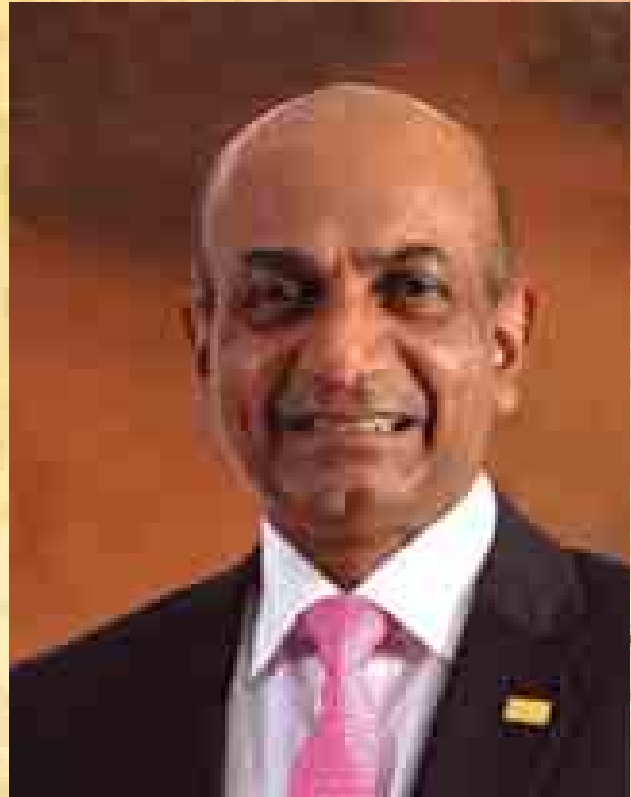
Mr. Chandra J. Wickramasinghe Deputy Chairman

Mr. Chandra J. Wickramasinghe counts over 34 years of experience in the leisure industry. He is the Founder Chairman of Connaissance de Ceylan (Pvt) Ltd, Maalu Maalu Resort & Spa as well as Aliya Resort & Spa, and is a Director of The Fortress Resorts PLC and of Hunas Falls Hotels PLC. He is a Past President of the Travel Agents Association of Sri Lanka (TAASL) and a Past President of the Sri Lanka Association of Inbound Tour Operators (SLAITO). He is a former Board Member of the Sri Lanka Tourism Promotion Bureau (SLTPB) and a current Board Member of the Sri Lanka Tourism Development Authority (SLTDA). He is also the Founder President of Alliance Française de Kotte.

Mr. Wickramasinghe was awarded Silver in the National Entrepreneurs category in 1999 by the Federation of the Chamber of Commerce & Industry (FCCISL).

Mr. L.T. Samarawickrama
Managing Director

An internationally qualified hotelier having gained most of his Management experience in the UK, working for large international hotel chains over a long period of time. The first Sri Lankan Manager to be appointed by the Beaufort International Chain of Hotels to run the first seaside boutique resort. He is a member of the Institute of Hospitality, UK (formerly HCIMA) and of the Royal Society of Health, London. He has several years of experience in the trade, having specialized in Hotel designs and development and has been responsible for the careful planning and execution of Amaya Resorts & Spas refurbishment and rehabilitation programmes. He is also Director of The Fortress Resorts PLC, Hunas Falls Hotel PLC, The Kingsbury Hotel, Royal Ceramics Lanka PLC and Kelani Valley Plantation PLC and an Executive Director of Hayleys PLC.



Mr. Denesh Silva
Director - Marketing & Sales

Fellow Graduate Member from the Ceylon Hotel School and School of Tourism (FCHSGA), in Hotel and Catering Operations with a specification in Front Office Operations. Was awarded the Management Diploma in Hotel and Catering Operations with a Second Class Upper Division and is a Member of the Institute of Hospitality (UK). He is also a Director of The Fortress Resorts PLC, Maalu Maalu Resorts and Spa, Hunas Falls Hotels PLC and Delair Travels (Pvt) Ltd. An All Island Justice of the Peace, he counts over 20 years of experience in the Hospitality Industry, specialising in Marketing and Sales. He currently functions as the Head of the Marketing Sub-Committee of The Hotels Association of Sri Lanka and as the Vice President-Hotels of the Travel Trade Sports Club.



Mr. Dammika Perera - Director

Mr. Dammika Perera is the quintessential strategist and business specialist with 25 years of business experience.

His business interests include Hydropower generation, Manufacturing, Hospitality, Entertainment, Banking and Finance. He currently holds the position of Secretary to the Ministry of Transport, Sri Lanka. He is the Chairman of Sampath Bank PLC, Vallibel One PLC, Vallibel Finance PLC, Vallibel Power Erathna PLC, The Fortress Resorts PLC and Delmege Limited. He is the Deputy Chairman of Hayleys PLC, Royal Ceramics Lanka PLC & LB Finance PLC. He also serves on the Boards of Haycarb PLC, Hayleys MGT Knitting Mills PLC, Hotel Services (Ceylon) PLC, Dipped Products PLC, Orit Apparels Lanka (Pvt) Limited and Sri Lanka Insurance Corporation Ltd.

He is also a member of the Board of Directors of Strategic Enterprise Management Agency (SEMA).



Mr. Nimal Perera - Director

Executive Deputy Chairman of Vallibel One PLC and Chairman of Pan Asia Banking Corporation PLC, Don Wilbert Capital Ltd, N Sports (Pvt) Ltd and N Capital (Pvt) Ltd, Managing Director of Royal Ceramics Lanka PLC and also serves on the Board of Hayleys PLC, Haycarb PLC, LB Finance PLC, Vallibel Finance PLC, Hotel Services (Ceylon) PLC, Thalawakale Tea Estates PLC and Vallibel Power Erathna PLC. Mr. Perera is a Member of the Sri Lanka Institute of Marketing, counts over 31 years of experience in the fields of Finance, Capital Market Operations, Manufacturing and Management Services.

Mr. S. Senaratne - Director

Mr. Senaratne's involvement in the Tourism Industry dates back to 1975 and counts over 37 years of experience in the Tourism Sector. He is a Diploma Holder in Foreign Languages and possesses a wealth of experience behind him having held Managerial positions in reputed Travel Companies. He has held the position of Managing Director of Connaissance Holdings Group of Companies from 1987 till 2008. He is also a Director of The Fortress Resorts PLC and Vallibel Finance PLC. He is presently Chairman/ Managing Director at Yathra Travels (Pvt) Ltd.



Mr. S.H. Amarasekera - Director

Mr. Amarasekera was appointed to the Board of Amaya Leisure PLC from 28th February 2005.

Mr. Harsha Amarasekera, President Counsel has a wide practice in the Original Courts as well as in the Appellate Courts. He has specialized in Commercial Law, Business Law, Securities Law, Banking Law, and Intellectual Property Law. He serves as an Independent Director in several listed companies in the Colombo Stock Exchange including Vallibel One PLC, CIC Holdings PLC, Keells Food Products PLC, Vallibel Power Erathna PLC and Expo Lanka Holdings PLC. He is also a Director of Amana Bank Ltd. and CIC Agri Business Private Limited.

Ms. D. S. N. Weerasooriya - Director

Ms. Shyamalie Weerasooriya is an Associate Member of the Institute of Chartered Accountants of Sri Lanka and holds a Bachelor's Degree in Science from the University of Colombo. She possesses 17 years of post qualified experience and counts over 11 years of working experience in the finance sector. She is the Chief Financial Officer of The Fortress Resorts PLC and LB Finance PLC.



Ms. R. N. Ponnambalam - Director

Mrs. Ponnambalam has held several senior management positions in large private sector entities. She has served as a Director of McLarens Holdings Ltd & GAC Shipping Ltd. She currently serves as a Director of Hotel Services (Ceylon) PLC, Alliance Finance Co. PLC and McBolon Polymer (Pvt) Ltd. She is presently the Managing Director/CEO of Macbertan (Pvt) Ltd. She has also been in roles of International and Local Business Development and negotiation.



Pantheru Dances

Dedicated to the goddess Patthini, the Pantheruwa is an instrument that resembles a tambourine and has small cymbals attached at intervals around its circumference. It is believed that the gods used this instrument to celebrate victories in war, and Sinhala kings employed pantheru dancers to celebrate victories in the battlefield. The dance itself is believed to have evolved within the courtyards of the royal palaces.



Abundant exclusivity...





Garaa Yakuma

The Garaa Yakuma or Garaa Maduwa is said to cast away the effects of the evil eye on those who are blessed with an abundant harvest. This ritual is conducted at various important occasions using a mask and costume that's exclusive to the Garaa Yakuma.

At Amaya, abundance and exclusivity beckons you...



OUR HOTELS

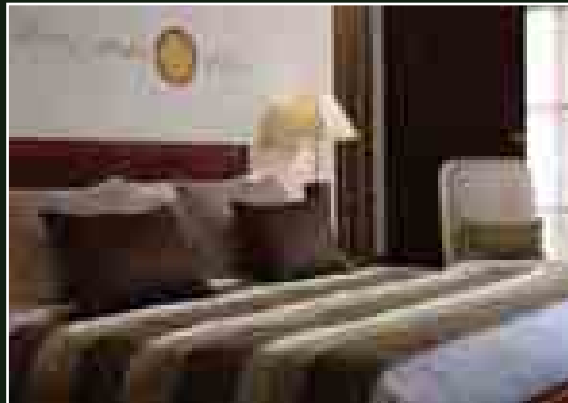


AMAYA HILLS

Kandy • Sri Lanka

Nestled among the splendour of the rolling Hantana Hills discover a new rhythm to life. Amid verdant hillsides high above the famed city of Kandy, Amaya Hills welcomes you to graceful private havens with designs recalling the region's ancient and natural wonders. All rooms and suites boast private balconies overlooking the sweeping valley or lush mountainside, with interiors defined by unforgettable details and natural, modern grandeur.

Discover the local lure of Sinhalese heritage throughout the kingdom of Kandy, exploring traditional markets, ancient temples, and the region's renowned natural beauty. After venturing out, return to the resort to luxuriate in the soothing touch of Ayurvedic spa treatments, or sample culinary flavours, masterfully concocted. Spend indulgent evenings in the majestic pool underneath a canopy of stars, or sipping cocktails at our private club deep in the hillside. Experience Amaya Hills - the sweep of natural splendour and the timeless tradition of the Kandyan culture.





AMAYA LAKE

Dambulla • Sri Lanka

Heart of the Cultural Triangle

On the shores of the enchanting Kandalama Lake, discover a lifestyle defined by tradition and natural splendour. Nestled amid 40 acres of lush forest, Amaya Lake preserves the aura of local historical treasures, creating a feeling of old-world Sri Lankan charm matched with modern luxury. Located in the heart of Sri Lanka's Cultural Triangle, the resort is the ideal base for exploring nearby wonders such as the ancient city of Anuradhapura and the Dambulla cave temples.

After days filled with exploration, return to rooms that awe and inspire. Unique village-style accommodation allows guests the traditional experience of Sri Lankan village-life, while private lodges, chalets and suites create locally inspired spaces with touches of luxury. At our two scenic dining venues, savour traditional Sri Lankan flavours made fresh with homegrown ingredients. Indulge in treatments at the Ayurvedic Spa, immersing yourself in a full range of natural remedies as old as the hills.





A Colonial Heritage

Escape to the cool mornings and crisp air of Randalla, a quaint hill station tucked in the mountain ranges of Sri Lanka's central highlands. An exclusive, luxury boutique resort, Langdale by Amaya is embraced by winding brooks and 200-year-old tea gardens all ripe with the grace of pastoral charm. The scent of antique mahogany and the feel of hand-woven linens personalise decadent private living spaces serenely secluded high in the hills. With luxury facilities promising privacy and comfort, Langdale by Amaya offers rooms alive with character and modern tranquility.

A nearby strawberry farm along with other cultural and adventure excursions allow for exploration of historic trails, and timeless natural wonders. Pamper your mind, body and spirit amid the beauty and quietude of Langdale by Amaya, a unique blend of ancient wonders and modern discovery.





The dramatic backdrop of the cascading Hunas Falls dominates this idyllic mountain retreat, close to Sri Lanka's hill capital Kandy. Nestled amidst the lush green forest of Elkaduwa in the Hunnasgiriya Hills, Amaya Hunas Falls offers the perfect base from which to explore the region's spectacular scenery, characterised by steep tea plantations and expanses of spice cultivations.

Let the early morning mist envelope you as you enjoy a delectable breakfast on the terrace, before taking a refreshing hillside walk amongst wild flowers and shady groves, or learn more about the local culture with a visit to a traditional Sri Lankan village. In the evening, return to your spacious room, where stylish furnishing and modern amenities will ensure a comfortable night's rest before you embark on the next day's adventure.





Experience the golden sands, colourful batiks and cresting waves of Hikkaduwa, a beautiful seaside town on the Southern coastline of Sri Lanka. Situated directly on the beach, Coral Rock by Amaya is an idyllic haven for beach lovers and those who wish to explore the unique local culture of the surrounding area with its unspoiled coastline, rich marine life and the nearby Yala Game Sanctuary. As the sun sets, the hitherto placid Narigama beach transforms itself, revealing the vibrant nightlife that Hikkaduwa is famous for.

After a day of exploration, return to the welcoming comforts of a boutique, luxury resort, where antique detailing and modern amenities seamlessly merge to create inspired interiors. Soak up the spectacular views as you dine on freshly-caught seafood at our signature restaurant, or retreat to the cozy bar and lounge area for a quiet drink and warm conversation.



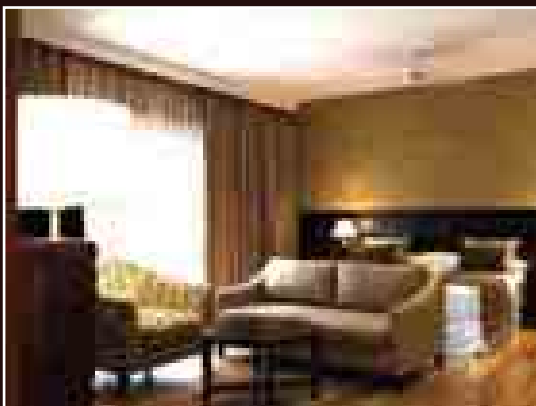
The Bungalow
AMAYA





AMAYA SIGNATURE

Dambulla • Sri Lanka



Sooniyam Rituals

Sooniyam dances are rituals performed to break magic spells and cast away demonic spirits. Great emphasis is given to the Low Country Dance styles in these rituals which are conducted almost as an act of reverence and worship. Beautiful structures are built to conduct these performances which are believed to have originated from the legend where the Vasawarthi Maaraya was supposed to have cast a spell on King Maha Sammatha's Queen.

At Amaya we let our guests experience the opposite. We let the beauty and serenity of our properties enchant you and leave you spellbound.



Wrapped in a strange enchantment...





CORPORATE MANAGEMENT

CORPORATE MANAGEMENT

A.M. Pandithage

Chairman

L.T. Samarawickrama

Managing Director

Denesh Silva

Director – Marketing & Sales

Aruna Dikkumbura

Finance Manager



Mal Padaya Dances

The Mal Madu Paaliya is yet another dance form belonging to the Sabaragamu Dance tradition.

Devol Maduwa

The Devol Maduwa is the only healing dance or ritual belonging to the Low Country Dance form that is dedicated to the gods. The ritual is believed to have originated from the story where a Sambhur is killed by the Chola King Seramana. The Devol Maduwa ritual is believed to invoke blessings and eliminate the troubles and worries that plague us.

Pack light and leave your worries at home. Enter a world of relaxation, serenity and sheer bliss at Amaya.





Leave your worries at home...



FINANCIAL INFORMATION

FINANCIAL INFORMATION

Annual Report of the Board of Directors	84
Corporate Governance	92
Statement of Directors' Responsibility for the Financial Reporting	109
Report of Audit Committee	114
Report of Remuneration Committee	118
Auditor's Report	119
Statement of Comprehensive Income	122
Statement of Financial Position	123
Statement of Changes in Equity	124
Cash Flow Statement	125
Accounting Policies	128
Notes to the Financial Statements	148



Maha Bambaa Kolama

The performance of the chief dancer of the Sabaragamu Saman Devala perahera is called the Maha Bambaa Kolama. This item is believed to have been included in the perahera on the direct orders of King Seethawaka Rajasinghe. The mask worn by the chief dancer who leads the perahera from the front has a serene face on one side and a fierce, demonic face on the other. This depicts the fact that the god Saman looks favourable upon the just and righteous and handsomely rewards them while looking unfavourably upon those with iniquities.

Sokari

This funny and entertaining folk dance is centred on the story of a female character called 'Sokari'. Primarily limited to the upcountry, Vanni and Sathara Korale areas, this dance is performed using the Gata Beraya and masks. The Davula and the Udekkiya are also used occasionally as musical instruments during these performances which bring in much needed entertainment to the lives of the village folk.

Guests staying at our Amaya properties too can indulge in a wide range of entertainment activities which would no doubt add some much needed spice to your life.





Spice up your life...



**ANNUAL REPORT OF
THE BOARD OF DIRECTORS ON
THE AFFAIRS OF THE COMPANY**

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Directors of Amaya Leisure PLC have pleasure in presenting to the Shareholders their report together with the audited accounts of the Company for the year ended 31st March 2013.

PRINCIPAL ACTIVITIES

The Principal activities of the Company and its subsidiaries included in the consolidation consist of the following:

Operators of star class hotels, providing services for management research and development of the hotel chain of the Group.

Servicing the MICE (Meetings, Incentives, Conferences and Exhibition) market.

Promoting and providing facilities relating to Eco-tourism.

BUSINESS REVIEW

The Chairman's Report and the Managing Director's Review of Operations give a fair analysis of the operations of the Company during the financial year ended 31st March 2013 and its future prospects.

PERFORMANCE AND APPROPRIATIONS

The Company's performance including that of its subsidiaries for the year ended 31st March 2013 is summarized as follows:

	Year Ended	
	31st March 2013 Rs. '000	31st March 2012 Rs. '000
Turnover	1,066,520	867,653
Profit before Tax	408,525	308,948
Taxation	(31,948)	(16,384)
Profit after Tax	376,577	292,564
Non-Controlling Interest	(10)	(19)
Net Profit for the Year		
attributable to the Group	376,587	292,583
(Before other Comprehensive income)		
Dividend Paid	192,137	192,137

STATED CAPITAL

In accordance with the Section 58 of the Companies Act No. 7 of 2007, Share Capital and share premium were classified as stated capital. The Stated capital of the Company as at 31st March 2013 was Rs. 526,770,320 comprising 48,034,238 Ordinary Shares.

RESERVES

Details of reserves of the company are shown in Note 23 to the financial statements.

CAPITAL EXPENDITURE

The total capital expenditure incurred on the acquisition of Property, Plant and Equipment during the year amounted to Rs. 507 Million (2012 - Rs. 288 Mn) details of which are given in Note 13.1 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Information relating to the movement in Property, Plant and Equipment is given in Note 13 to the financial statements.

DIRECTORATE

The Directors of the Company as at 31st March 2013

Mr. A. M. Pandithage
 Mr. C. J. Wickramasinghe *
 Mr. L. T. Samarawickrama
 Mr. S. Senaratne *
 Mr. K. D. D. Perera *
 Mr. W. D. N. H. Perera *
 Mr. S. H. Amarasekera **
 Mr. D. E. Silva
 Ms. D. S. N. Weerasooriya**
 Ms. R. N. Ponnambalam**
 Mr. S. J. Wijesinghe - (Alternate Director to
 Mr. K. D. D. Perera)
 Mr. H. Somashantha - (Alternate Director to
 Mr. W. D. N. H. Perera)

* Non-Executive Directors

** Independent Non-Executive Directors

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Mr. D.E.Silva retires by rotation and being eligible offer himself for re-election in terms of Article No. 98 of the Articles of Association of the Company.

DIRECTORS' SHAREHOLDING

Directors' interests in shares: Directors of the Company and its Subsidiaries who have relevant interest in the shares of the respective Companies have disclosed their shareholdings and any acquisitions/disposals to their Boards, in compliance with section 200 of the Companies Act.

Director	31/03/2013	01/04/2012
Mr. C. J. Wickramasinghe	2,282,817	2,282,817
Mr. L. T. Samarawickrama* Waldock Mackenzie Limited/ Mr. L. T. Samarawickrama 3,973,477 HSBC / Mr. L. T. Samarawickrama – 429,740 Mr. L. T. Samarawickrama – 60,000	4,463,217	4,463,217
Mr. S. Senaratne**	1,002,894	1,142,894
Mr. K. D. D. Perera***	447,661	447,661
Mr. W. D. N. H. Perera	96	96
Mr.S .H . Amarasekera (JT.) Mr. B . M. Amarasekera & Mr. S. H. Amarasekera – 12,380 HSBC / B. M. Amarasekera & S. H. Amarasekera – 8,489	20,869	84,890
Mr. D. E. Silva****	29,729	1,200

*Mr. L.T. Samarawickrama has the controlling interest in Elles (Pvt) Ltd., which has 439,272 (0.91%) shares in the Company.

** Mr. Senaratne sold 140,000 ordinary shares held by him.

*** Mr. K.D.D. Perera holds directly and indirectly 48.38% of the total issued shares of Hayleys PLC which in return holds 40.32% shares in Amaya Leisure PLC.

**** Mr. D.E. Silva purchased 28,529 ordinary shares during the year.

SHAREHOLDERS DISTRIBUTION

The distribution of shareholders is indicated on pages 183 in the Annual Report. There were 1567 registered shareholders as at 31st March 2013.

DIVIDENDS

The Directors have confirmed that the company satisfied the solvency test requirement under section 56 of the companies Act No. 7 of 2007 for the interim dividend of Rs. 4.00 per share paid on 28th February 2013 and a solvency certificate was obtained from the Auditors.

SHAREHOLDERS INFORMATION

Information relating to major shareholders of the Company as at 31st March 2013 are given on page 184.

CHANGES IN FIXED ASSETS

The movement in fixed assets during the year is set out in Note 13 to the Accounts.

MARKET VALUE OF THE COMPANY'S ORDINARY SHARES

The Market Value of the Company's Ordinary Share as at 31st March 2013 was Rs. 76.50 compared to Rs. 76.70 as at 31st March 2012 as per official valuation of the Colombo Stock Exchange.

INVESTMENTS

Details of investments held by the Company and by the Group are given in Note 16 and 17 to the Financial Statements.

POST BALANCE SHEET EVENTS

No material events have taken place since 31st March 2013 that require disclosure or/and adjustments in these Financial Statements.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

DIRECTORS' INTEREST IN CONTRACTS AND PROPOSED CONTRACTS

Directors' interests in transactions: The Directors of the Company and its Subsidiaries have made the general disclosures provided for in Section 192 (2) of the Companies Act No. 7 of 2007. Note 28 to the Financial Statements dealing with related party disclosures includes details of their interests in transactions.

Details of transactions carried out with Director related entities during the year ended 31st March 2013 are as follows:

Name of the Related party	Name of the Director	Relationship	Details	Balance outstanding as at 31/03/2013
Pan Asia Banking Corporation PLC	W. D. N. H. Perera	Director	A Sum of Rs. 3,725,988/- was paid as lease rental A Sum of Rs. 947,058/- was paid as Overdraft Interest	(14,593,453)
Culture Club Resorts (Pvt) Ltd	A. M. Pandithage W. D. N. H. Perera L. T. Samarawickrama C. J. Wickramasinghe S. Senarathne D. E. Silva	Director Director Director Director Director	A sum of Rs. 1,200,000/- was charged as management fees. A sum of Rs. 24,941,711/- was charged as sales commission	(227,079,566)
Kandyan Resorts (Pvt) Ltd	A. M. Pandithage W. D. N. H. Perera L. T. Samarawickrama C. J. Wickramasinghe S. Senarathne D. E. Silva	Director Director Director Director Director	A sum of Rs. 1,200,000/- was charged as management fees. A sum of Rs. 37,543,588/- was charged as sales commission	(102,705,620)
Hayleys PLC	A. M. Pandithage K. D. D. Perera W. D. N. H. Perera L. T. Samarawickrama	Director Director Director Director	A sum of Rs. 33,989,587/- was charged as services fees and other reimbursement expenses by Hayleys PLC	(11,035,652)
Hunas Falls Hotels PLC	A. M. Pandithage C. J. Wickramasinghe L. T. Samarawickrama D. E. Silva	Director Director Director Director	A sum of Rs. 3,303,337/- was charged as management fees. A sum of Rs. 4,397,566/- was charged as sales commission	972,857

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

AUDITORS

The Auditors, Messrs. Ernst & Young, Chartered Accountants, were paid Rs. 1,180,049/- and as audit fees by the Group, in addition, they were charged Rs. 902,682/- by the Group for non-audit related work.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The auditors also do not have any interest with the Company.

Messrs. Ernst & Young, Chartered Accountants, are deemed re-appointed, in terms of Section 158 of the Companies Act No. 7 of 2007, as Auditors of the Company.

A Resolution proposing the Directors be authorised to determine their remuneration will be submitted at the Annual General Meeting.

ACCOUNTING POLICIES

The Accounting policies adopted by the Company in the preparation of Financial Statements are given on pages 128 to 145 in the Annual Report. The Accounting Policies adopted are consistent with those of the previous Financial Year.

DONATIONS

No donations were made for the year ended 31 March 2013.

DIRECTORS' REMUNERATION

Directors' Remuneration in respect of the company is disclosed under Note No. 28.

GOING CONCERN

The Directors, after making necessary inquiries and reviews including reviews of the budget for the ensuing year, capital expenditure requirements, future prospects and risks, cash flows and borrowing facilities have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at the Conference Room of Hayleys PLC, No. 400, Deans Road, Colombo 10, Sri Lanka, on Monday, 24th June 2013 at 3.00 p.m. The Notice of the Annual General Meeting appears on page 188.

By order of the Board of
Amaya Leisure PLC

(sgd)
Hayleys Group Services (Pvt) Ltd.
Secretaries

Colombo
13 May 2013

Tamil Dance Styles

Widely performed and practiced by the Tamil communities in Sri Lanka's hill country estates as well as those in Jaffna, these dances have been tremendously influenced by the traditional Indian Bharatha Natyam dances. The Mridangam, a large drum that rests on the player's right ankle and foot is one of the major instruments used in these dances which also use the traditional Bharatha costumes that make the dances truly exotic.

Amaya offers a stunning mix and a virtual kaleidoscope of culture, traditions and art to satisfy even the most discerning of travellers.





A kaleidoscope of cultures...



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

We are pleased to present this report which sets out the corporate governance philosophy that is practiced by the Company. We confirm compliance with the following and where necessary, any deviations permitted by the relevant rules and regulations have been explained.

- Companies Act No. 7 of 2007
- The Listing Rules of the Colombo Stock Exchange (CSE) (revised April 2011)
- The recommendations of the Code of Best Practice on Governance issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka (Joint Code) to the extent that they are practicable.

Amaya Leisure PLC, through a process of continuous review, is committed to maintaining the highest standards of business integrity, ethical values and professionalism in all of its activities and relationships, nurturing the trust placed in it by all its stakeholders by greater value creation, year-on-year.

This philosophy has been ingrained at all levels in the Hotels Group through a strong set of corporate values and a code of conduct which staff at all levels and the Board of Directors are required to follow in the performance of their official duties and in circumstances that are publicly profiled. These values are reinforced through the Group's recognition schemes which insist, as a minimum, that all nominees have modeled the values.

Code of Conduct

- Allegiance to the Company and the Group
- Compliance with rules and regulations applicable in the territories in which the Group operates
- Conduct of business in an ethical manner at all times and in keeping with acceptable business practices
- Exercise of professionalism and integrity in all business and 'public' personal transactions

The Group believes that the core values that underlie its corporate activities are the main source of its competitive advantage which is rewarded by the trust placed in it by stakeholders.

The Chairman of the Board affirms that there has not been any material violation of any of the provisions of the code of conduct. In instances where violations did take place, they were investigated and handled through well established procedures.

CORPORATE GOVERNANCE FRAMEWORK

The Board of Amaya Leisure PLC is responsible to shareholders of the Company to fulfil its stewardship obligations, in the best interests of the Company and its stakeholders. This is achieved by:

CORPORATE GOVERNANCE

- Maximising shareholder wealth-creation on a sustainable basis while safeguarding the rights of multiple stakeholders
- Ensuring that the methods employed to achieve goals are as important as the goals themselves
- Ensuring that one person does not have unfettered powers of decision making
- Building and improving stakeholder relationships which is considered an integral aspect of Board effectiveness and a responsible approach to business
- Taking an active role in discussing with the relevant regulatory bodies in Sri Lanka the Implementation of Governance Regulations, Accounting Standards and Economic Reforms
- Opting for the early adoption of Accounting Standards and best practices in Governance Regulations, when practical
- Resolving to maintain Strong Governance practices which result in strengthened stakeholder confidence, particularly that of both institutional and individual investors
- Making business decisions and resource allocations in an efficient and timely manner, within a framework that ensures transparent and ethical dealings which are compliant with the laws of the country

Independence of the Directors have been determined in accordance with the Listing Rules of the Colombo Stock Exchange (CSE) and all four independent, Non-Executive Board members have submitted signed confirmations of their independence. The biographical details of the Directors are set out on pages 46 to 50 of this report.

Non-Executive/Independent Directors and Board Balance

The Board is of the view that its present composition ensures a healthy balance between executive expediency and independent judgement and conforms to the requirements of the Listing Rules of the CSE. This is based on the following:

- Collectively, the Non-Executive Directors possess proven business experience and expertise in their respective fields.
- The Independent Directors possess strong financial acumen and by virtue of their membership on External Boards, are able to assess the integrity of the Group's financial reporting systems and internal controls, continually review, critique and suggest changes in keeping with best practice.

THE BOARD OF DIRECTORS

Board Composition

The Board of Amaya Leisure PLC, consisted of ten Directors as at 31 March 2013 and comprises of:

- Three Executive Directors
- Four Non-Executive, Directors.
- Three Non-Executive, independent Directors (NED/ID)

CORPORATE GOVERNANCE

Name of Director/Capacity	Share Holding 1	Management/ Director 2	Material Business Relationship 3	Employee of Company 4	Family Member a Director or CEO 5	Nine Years of Continuous Service 6
Executive Director						
Mr. A .M. Pandithage	No	No	No	No	No	No
Mr. L. T. Samarawickrama	Yes	No	Yes	No	No	Yes
Mr. D. E. Silva	No	No	Yes	Yes	No	No
Non-Executive/Non-Independent						
Mr. C. J. Wickramasinghe	No	No	No	No	No	Yes
Mr. S. Senaratne	No	No	No	No	No	Yes
Mr. K. D. D. Perera	No	No	No	No	No	Yes
Mr. W. D. N. H. Perera	No	No	No	No	No	Yes
Non-Executive/Independent						
Mr. S. H. Amarasekera	No	No	No	No	No	No
Ms. D. S. N. Weerasooriya	No	No	No	No	No	No
Ms. R. N. Ponnambalam	No	No	No	No	No	No

1. Shareholding carrying not less than 10% of the voting rights of the Company.
2. Director of a listed Company in which they are employed or have a “business connection” where the transaction value is equivalent to or more than 10% of the turnover of the Company
3. Income/Non-cash benefits derived from Company equivalent to 20% of Director’s annual income
4. Employed by Company two years immediately preceding appointment
5. Close family member a Director or CEO
6. Continuously served on Board for over nine years

- The present composition of the Board represents an appropriate mix of skills and experience.
- The Board is also conscious of the need to progressively refresh its composition over time and notes the qualitative contribution of the independent Directors to the Governance of the Hotels Group.

Conflicts of Interest and Independence

Each Director has a continuing responsibility to determine whether he has a potential or actual conflict of interest

arising from external associations, interests or personal relationships in material matters which are considered by the Board from time to time.

Each Director also files a General Disclosure in terms of the Companies Act which is updated and renewed annually.

Details of Companies in which Board members hold Board or Board Committee membership is available with the Company for inspection by shareholders on request.

Roles of Chairman and CEO (Managing Director)

The Chairman is an Executive Director. The main responsibility of the Chairman is to lead and manage the Board and its Committees so that they can function effectively. He represents the Group externally and is the focal point of contact for shareholders on all aspects of Corporate Governance.

While leading the Board in effectively discharging its duties towards all stakeholders, the Chairman, with the assistance of the Board Secretaries, Hayleys Group Services (Pvt) Ltd ensures that:

CORPORATE GOVERNANCE

- Board procedures are followed
- Directors receive timely, accurate and clear information
- Updates on matters arising between meetings
- The agenda for the Board Meeting, reports and papers for discussion are generally dispatched at least one week in advance so that the Directors are in a position to study the material and arrive at sound decisions
- A proper record of all proceedings of Board Meetings is maintained

The Chairman also sets the tone for the Governance and ethical framework of the Group, facilitates and solicits the views of all Directors and by keeping in touch with local and global industry developments, ensures that the Board is alert to its obligations to the Company's shareholders and other stakeholders.

Board Responsibilities

The Board of Directors are accountable

- to shareholders for the governance of the Company
- for the proper stewardship of the Company's resources and the effectiveness of the Company's systems of internal control and the management of risk
- for sharing responsibility in ensuring the highest standards of disclosure, reporting, ethics and integrity across the Group.
- for compliance with laws and regulations of the countries in which the Group's subsidiaries operate
- for the formulation and approval of the Group's medium and long-term strategy, annual investment budgets, significant financial and operational policies

Delegation of Authority

The Board has delegated some of its functions to the Audit Committee while retaining the final right to accept the recommendations made by this committee. The Audit Committee is chaired by an independent Director appointed by the Board.

The operations of the hotels owned by the following companies has been entrusted to Amaya Leisure PLC, the Managing Agents, with whom formal management contracts have been signed

Group Owned Hotel

1. Kandyan Resort (Pvt) Ltd – Owner of Amaya Hills at Kandy
2. Culture Club Resort (Pvt) Ltd – Owner of Amaya Lake at Dambula

Managing Hotel

1. Hunas Falls PLC - Owner of Hunas Falls by Amaya at Elkaduwa
2. Langdale Resort and Spa (Pvt) Ltd – Owner of Langdale by Amaya at Nuwaraeliya
3. Coral Rock Hotel (Pvt) Ltd – Owner of Coral Rock by Amaya at Hikkaduwa

The operations of these hotels are conducted by the Managing Agents within the policy framework outlined by the Board that requires adherence to global best practices in the hospitality industry. The Board regularly monitors and assesses the performance of the hotels by means of Management Reports in prescribed formats, presentations and discussions with the Managing Agents.

Board Meetings, Agenda and Attendance

The Board of Amaya Leisure PLC met once every quarter and the Directors' attendance is shown in the table below.

Name of Director	Meetings Attended
Mr. A. M. Pandithage	04/04
Mr. L. T. Samarawickrama	04/04
Mr. D. E. Silva	04/04
Mr. C. J. Wickramasinghe	04/04
Mr. S. Senaratne	02/04
Mr. K. D. D. Perera	–
Mr. S. J. Wijesinghe (Alt to Mr. K. D. D. Perera)	01/04
Mr. W. D. N. H. Perera	01/04
Mr. Haresh Somashantha (Alt to Mr. W. D. N. H. Perera)	01/04
Mr. S. H. Amarasekera	01/04
Ms. D. S. N. Weerasooriya	04/04
Ms. R. N. Ponnambalam	04/04

The updating of all Directors' skills and knowledge is progressive and ongoing. This is achieved by keeping them fully briefed on important developments in the business activities of the Group and by providing them access to

CORPORATE GOVERNANCE

- External and Internal Auditors
- Periodic reports on performance
- Updates on topics that range from proposed/new regulations to industry best practices
- Senior Management of the Managing Agents in a structured setting
- Industry experts and other external professional advisory services
- The Legal, Tax and Finance Divisions of the Hayleys PLC of which the Company is a member and
- The services of the Company Secretary

Non-Executive Directors have the opportunity of gaining further insight into the Groups' business by visits to hotels across the brand portfolios.

The Directors devote sufficient time and make every effort to ensure that in proportion with their knowledge and experience, they discharge their responsibilities to the Company and the Group. This is achieved by reviewing Board papers, business visits to understand risk exposures and operating conditions, attending Board meetings and participating in discussions with the Managing Agents.

Board and CEO's performance appraisal

The Chairman evaluates the performance of the Board while the independent, Non-Executive Chairman of the Audit Committee evaluates the effectiveness of the Audit Committee based on feedback from Committee members and regular invitees to the Committee, which includes the MD, CFO, FM.

Nominations Committee and Board Appointments

The Nominations Committee of Amaya Leisure PLC functions as the Nominations Committee of the Company and its subsidiaries. The Nominations Committee of Amaya Leisure PLC, comprises three independent Directors and one non independent Director namely:

1. Mr. C. J. Wickramasinghe - Chairman
2. Mr. S. H. Amarasekera
3. Ms. D. S. N. Weerasooriya
4. Ms. R. N. Ponnambalam

The Board identifies eligible candidates having regard to their professional competence, experience in commercial, management and personal qualities. Eligible candidates

are recommended for appointment by the Nominations Committee of the Amaya Leisure PLC, in keeping with its norms.

Shareholders must formally approve all new appointments at the first opportunity after their appointment, as provided by Article 90 of the Articles of Association of the Company.

Tenure, Retirement and Re-election

One third of the Directors by rotation on the basis prescribed in the Articles 98 of the Articles of Association. Director retiring by rotation is eligible for re-election.

The tenure of office for non independent Directors is limited by their prescribed Company retirement age.

Independent Directors, on the other hand, can be appointed to office for three consecutive terms of three years, which however, is subject to the age limit set by statute at the time of re-appointment following the end of a term.

The proposal for the re-appointment of Directors is set out in the Annual Report of the Board of Directors on page 84 as well as the Notice of Meeting on page 188 of this Report.

REMUNERATION

As permitted by the listing rules of the Colombo Stock Exchange, the Remuneration Committee of the Amaya Leisure PLC functions as the Remuneration Committee of the Company and its subsidiaries. The Remuneration Committee of Amaya Leisure PLC comprises three independent Directors and one non independent Director.

1. Mr. C. J. Wickramasinghe - Chairman
2. Mr. S. H. Amarasekera
3. Ms. D. S. N. Weerasooriya
4. Ms. R. N. Ponnambalam

The remuneration policy adopted by the Group as recommended by the Remuneration Committee of Amaya Leisure PLC is formulated to attract and retain high caliber executives and motivate them to develop and implement the business strategy in order to optimize long term Shareholder value creation. The Committee also recommends the remuneration of the Managing Director. Having conducted market surveys, obtained expert opinion and having considered the management complexities of

CORPORATE GOVERNANCE

the Group, on the recommendation of the Remuneration Committee, the Group has adopted the suitable remuneration policy designed to provide an appropriate remuneration to the employees

Board Remuneration

Non-executive Directors are paid to their accounts on the attendance for the meeting.

ACCOUNTABILITY AND AUDIT

Operations, Planning, Monitoring and Decision Rights

The responsibility for monitoring plans has been entrusted to the Managing Agents, while the achievement of the plans as well as ensuring compliance with Group policies and guidelines rests with the Managing Director and functional department heads of the respective business units.

Monitoring of Financial Data

- Financial results are evaluated against the Annual Plan and subsequent Re-forecast on a monthly basis at all management levels
- The Board reviews the financial results on a quarterly basis

Investment Appraisal Process and Investment Decisions

Over the years, the Group has refined the process of investment appraisal which ensures the involvement of the relevant persons when investment decisions are made. In this manner, several views, opinions and advice are obtained prior to the investment decision. Experience has proven that a holistic and well debated view of the commercial viability and potential of proposed projects including operational, financial, funding, risk and tax implications has most of the time, culminated in a good result.

Integrity of Systems, Processes and Internal Controls

The Board has taken necessary steps to ensure the integrity of the Group's accounting and financial reporting systems, internal control systems and also reviews and monitors such systems on a periodic basis. Systems and processes covering risk management, financial and operational control, ethical conduct, compliance with legal and regulatory requirements and corporate social responsibility are described below:

Audit Committee

The Audit Committee comprises three independent Directors and one Non-independent Director as prescribed in the Listing Rules of the Colombo Stock Exchange, the Chairman of the Audit Committee is a member of a professional accounting body of the Institute of Chartered Accountants of Sri Lanka with several years of experience in financial auditing and accounting.

The Audit Committee focuses principally in assisting the Board to fulfil its duties by providing an independent and objective view of the financial reporting process, internal controls, risk review and the audit function. It is governed by a Charter that encompasses the review and monitoring of internal controls, operational and business risks, adequacy and fairness of disclosures, procedures relating to statutory, regulatory and related compliances as well as the working of the committee. The Committee is responsible for the evaluation and recommendation of the External Auditors.

The Audit Committee met on three occasions during the year. Attendance was as follows:

Name of Director	Meetings Attended
Ms. D. S. N. Weerasooriya - Chairman	04/04
Mr. C. J. Wickramasinghe	04/04
Mr. S. H. Amarasekera	-
Ms. R. N. Ponnambalam	04/04

The Chairman, Managing Director, the Group Financial Officer, Finance Manager, and Internal Auditor are regular invitees of the Audit Committee.

External Auditors

Messrs. Ernst & Young are the External Auditors of Amaya Leisure PLC as well as its subsidiaries; they also audit the Consolidated Financial Statements of the Amaya Group.

Care is taken to ensure that the internal audit function in Group Companies is not outsourced to the External Auditor in order to ensure that the independence of the External Auditor is not compromised.

CORPORATE GOVERNANCE

The audit fees paid by the Company and Group to Messrs. Ernst & Young are separately classified on page 156 in the Notes to the Financial Statements.

The Auditors' Report on the Financial Statements of the Company and the Group for the year under review is found on page 119 of this Report.

System of Internal Control and Risk Review

The Group's systems are designed to provide the Directors with reasonable assurance that assets are safeguarded, transactions are authorised and properly recorded and that material errors and irregularities are either prevented or detected in a timely manner. Key elements of such procedures are as follows:

- Formal policies and procedures are defined which include the documentation of key systems and rules relating to delegation of financial authority. This restricts the unauthorised use of the Group's assets and ensures the monitoring of controls.
- The annual budgets are approved by the Board after detailed management review. There is a detailed budgeting process for each hotel property of the Group. Budgets are prepared in a manner that facilitates management to monitor key business and financial activities. Results are regularly reviewed against budget and revised forecasts for the year are prepared on a half yearly basis.
- Capital Expenditure is subject to formal authorization procedures.
- Experienced and suitably qualified staff takes responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance
- To further strengthen internal controls and have independent assurance in the Group has enlisted the services of internal audit division of Hayleys PLC which is parent company

Going Concern and Financial Reporting

The Directors are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future.

In the unlikely event that the net assets of the Company falls below 50% of shareholders funds, shareholders would be notified and an extraordinary resolution passed on the proposed way forward.

The going concern principle has been adopted in preparing the Financial Statements. All statutory and material declarations are highlighted in the Annual Report of the Board of Directors. Financial Statements are prepared in accordance with the Sri Lanka Accounting Standards (SLFRS's/LKAS's), including all the new standards introduced during the subject year and comply with the requirements of the Companies Act No. 7 of 2007.

The Statement of Directors' Responsibility in relation to financial reporting is given on page 109 of this Report. The Directors' interests in contracts of the Company are addressed on page 86 of this Report.

The Directors have taken all reasonable steps in ensuring the accuracy and timeliness of published information and in presenting a honest and balanced assessment of results in the quarterly and annual Financial Statements. Price sensitive information has been disclosed to the Colombo Stock Exchange, shareholders and the press in a timely manner and in keeping with the regulations.

SHAREHOLDER RELATIONS

Constructive Use of AGM

The Annual General Meeting provides a useful forum for shareholders to interact with the Directors of the Company and discuss the progress of the business, its performance and objectives, while at the same time giving the Directors the opportunity to understand the issues and concerns of shareholders. Every effort is made to ensure that the Chairmen of the Board Committees are available to respond to shareholder queries.

The Company places great emphasis on releasing its Financial Statements in a timely manner so as to ensure that shareholders have access to information on which they could make informed decisions. Maximum possible information is provided to shareholders in a timely manner and full disclosure is made subject only to any sensitive information, which could directly affect the business of the Company and the Group.

CORPORATE GOVERNANCE

Shareholder Participation

The Notice convening the meeting provides details of the Agenda to be dealt with at the meeting. The consideration and adoption of the Annual Report of the Board of Directors and the Financial Statements for the year ended 31 March 2013 along with the Report of the Auditors are presented as separate resolutions.

Along with the Notice of Meeting, the Company Secretaries inform shareholders of their voting rights as well as the procedure they could adopt to vote in the event they are unable to attend the meeting.

Major Transactions

The Directors ensure that any corporate transaction that would materially affect the net asset base of the Company are communicated to shareholders. There were no Major Transactions as defined under Section 185 by the Companies Act No. 7 of 2007 during the year under review.

Conclusion

As the track record of companies with regard to transparency, integrity and sustainable governance practices have become key factors influencing a growing number of investors as they seek to safeguard their investments, the solid foundation of trust, loyalty, personal integrity, fairness to all stakeholders and strong corporate culture that has been nurtured by the Company has positioned it well to reap the benefit of this trend.

CORPORATE GOVERNANCE

Compliance with the Listing Rules of the Colombo Stock Exchange - Check List

● Compliant ○ Non-Compliant

Rule No	Subject	Applicable Requirement	Compliance Status	Applicable Section in the Annual Report
7.10.1(a)	Non-Executive Directors (NED)	2 or at least 1/3 of the total number of Directors should be NEDs	●	Corporate Governance
7.10.2 (a)	Independent Directors (ID)	2 or 1/3 of NEDs, whichever is higher, should be independent	●	Corporate Governance
7.10.2 (b)	Independent Directors	Each NED should submit a declaration of independence	●	Available with the Secretaries for review
7.10.3 (a)	Disclosure relating to Directors	<ul style="list-style-type: none"> • The Board shall annually determine the independence or otherwise of the NEDs • Names of IDs should be disclosed in the Annual Report (AR) 	●	Corporate Governance
7.10.3 (b)	Disclosure relating to Directors	The basis for the Board's determination of ID, if criteria specified for independence is not met	●	Corporate Governance
7.10.3 (c)	Disclosure relating to Directors	A brief resume of each Director should be included in the AR including the Director's areas of expertise	●	Board of Directors section in the Annual Report
7.10.3 (d)	Disclosure relating to Directors	Provide a brief resume of new Directors appointed to the Board with details specified in 7.10.3(a), (b) and (c) to the CSE	●	Corporate Governance and Board of Directors section in the Annual Report
7.10.5	Remuneration Committee (RC)	A listed company shall have RC	●	Corporate Governance
7.10.5 (a)	Composition of Remuneration Committee	Shall comprise of NEDs, a majority of whom will be independent	●	Corporate Governance
7.10.5 (b)	Functions of Remuneration Committee	The RC shall recommend the remuneration of the Managing Director and other Directors	●	Corporate Governance
7.10.5 (c)	Disclosure in the Annual Report relating to Remuneration Committee	<ul style="list-style-type: none"> • Names of Directors comprising the RC • Statement of Remuneration Policy • Aggregate remuneration paid to Directors 	● ● ●	Corporate Governance
7.10.6	Audit Committee (AC)	The Company shall have an AC	●	Corporate Governance

CORPORATE GOVERNANCE

Rule No	Subject	Applicable Requirement	Compliance Status	Applicable Section in the Annual Report
7.10.6 (a)	Composition of Audit Committee	<ul style="list-style-type: none"> • Shall comprise of NEDs, a majority of whom will be Independent • A NED shall be appointed as the Chairman of the Committee • CEO and Chief Financial Officer (CFO) should attend AC meetings • The Chairman of the AC or one member should be a member of a professional accounting body 	<ul style="list-style-type: none"> ● ● ● ● 	Corporate Governance and the Audit Committee Reports
7.10.6 (b)	Audit Committee Functions	<p>Overseeing of the –</p> <ul style="list-style-type: none"> • Preparation, presentation and adequacy of disclosures in the Financial Statements in accordance with Sri Lanka Accounting Standards • Compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements • Processes to ensure that the internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards • Assessment of the independence and performance of the External Auditors • Make recommendations to the Board pertaining to appointment, re-appointment and removal of External Auditors, and approve the remuneration and terms of engagement of the External Auditor 	<ul style="list-style-type: none"> ● ● ● ● ● ● 	Corporate Governance and the Audit Committee Reports
7.10.6 (c)	Disclosure in Annual Report relating to Audit Committee	<ul style="list-style-type: none"> • Names of Directors comprising the AC • The AC shall make a determination of the independence of the Auditors and disclose the basis for such determination • The AR shall contain a Report of the AC setting out the manner of compliance with their functions 	<ul style="list-style-type: none"> ● ● ● 	Corporate Governance and the Audit Committee Reports

CORPORATE GOVERNANCE

Adoption of Joint Code of Best Practice - Check List

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable requirement	Adoption Status	Applicable Section in the Annual Report
A. 1 DIRECTORS - Board				
A.1.1	Frequency of Board Meetings	<ul style="list-style-type: none"> Board should meet regularly, at least once every quarter 	●	Corporate Governance/ Annual Report of the Board of Directors
A.1.2	Responsibilities of the Board	<ul style="list-style-type: none"> Formulation and implementation of strategy, Skill adequacy of management and succession, Integrity of information, internal controls and risk management Compliance with laws, regulations and ethical standards Code of conduct Adoption of appropriate accounting policies 	● ● ● ● ● ●	Corporate Governance/ Annual Report of the Board of Directors
A.1.3	Access to professional advice	<ul style="list-style-type: none"> Procedures to obtain independent professional advice 	●	Corporate Governance
A.1.4	Company Secretary	<ul style="list-style-type: none"> Ensure adherence to board procedures and applicable rules and regulations Procedure for Directors to access services of Company Secretary 	● ●	Corporate Governance
A.1.5	Independent judgment	<ul style="list-style-type: none"> Directors should exercise independent judgment on issues of strategy, resources, performance and standards of business judgment 	●	Corporate Governance
A.1.6	Dedication of adequate time and effort by Directors	<ul style="list-style-type: none"> Directors should devote adequate time and effort to discharge their responsibilities to the Company satisfactorily 	●	Corporate Governance
A.1.7	Training for Directors	<ul style="list-style-type: none"> Directors should receive appropriate training, hone skills and expand knowledge to more effectively perform duties 	●	Corporate Governance
A. 2 DIRECTORS - Chairman & Chief Executive Officer (Managing Director)				
A.2	Division of responsibilities to ensure no individual has unfettered powers of decision making	<ul style="list-style-type: none"> A balance of power and authority to be maintained by separating responsibility for conducting board business from that of executive decision making 	●	Corporate Governance
A. 3 DIRECTORS - Role of Chairman				
A.3	Ensure good corporate governance	<ul style="list-style-type: none"> Chairman to preserve order and facilitate effective discharge of board functions by proper conduct of board meetings 	●	Corporate Governance

CORPORATE GOVERNANCE

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable requirement	Adoption Status	Applicable Section in the Annual Report
A. 4 DIRECTORS - Financial Acumen				
A.4	Possession of adequate financial acumen	• Board to ensure adequacy of financial acumen and knowledge within board	●	Corporate Governance
A. 5 DIRECTORS – Board Balance				
A.5.1	Composition of Board	• The Board should include a sufficient number of Non-Executive, independent Directors	●	Corporate Governance
A.5.2	Proportion of independent Directors	• Two or one third of the Non-Executive Directors should be independent	●	Corporate Governance
A.5.3	Test of independence	• Independent Directors should be independent of management and free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgment	●	Corporate Governance
A.5.4	Declaration of independence	• Non-executive Directors should submit a signed and dated declaration of their independence/Non-Independence	●	Corporate Governance/ Annual Report of the Board of Directors
A.5.5	Annual determination of criteria of independence/ Non-Independence and declaration of same by the Board	• The Board should annually determine and disclose the names of Directors deemed to be independent	●	Corporate Governance
A.5.6	Appointment of Senior Independent Director (SID)	• If the roles of Chairman/CEO are combined, a non-executive Director should be appointed as a Senior Independent Director	N/A	
A.5.7	Availability of Senior Independent Director to other Directors	• If warranted, the SID should be available to the other Directors for confidential discussions.	N/A	
A.5.8	Interaction between Chairman and Non-Executive, independent Directors	• The Chairman should meet the Non-Executive, independent Directors at least once a year	●	Corporate Governance
A.5.9	Directors' concerns to be recorded	• When matters are not unanimously resolved, Directors to ensure their concerns are recorded in board minutes	N/A	

CORPORATE GOVERNANCE

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable requirement	Adoption Status	Applicable Section in the Annual Report
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A. 6 DIRECTORS - Supply of Information

A.6.1	Provision of adequate information to Board	<ul style="list-style-type: none"> Management to ensure the Board is provided with timely and appropriate information 	●	Corporate Governance
A.6.2	Adequacy of Notice and formal agenda to be discussed at Board meetings	<ul style="list-style-type: none"> Board minutes, agenda and papers should be circulated at least seven days before the Board meeting 	●	Corporate Governance

A. 7 DIRECTORS - Appointments to the Board

A.7.1	Nomination Committee	<ul style="list-style-type: none"> Nominations Committee of the Company make recommendations to the Board on new Board appointments 	●	Corporate Governance
A.7.2	Annual assessment of Board composition	<ul style="list-style-type: none"> Nominations Committee or Board should annually assess the composition of the Board 	●	Corporate Governance
A.7.3	Disclosure of new Board appointments	<ul style="list-style-type: none"> Profiles of new Board appointments to be communicated to Shareholders 	●	Corporate Governance Notice of Meeting

A. 8 DIRECTORS - Re-election

A.8.1	Appointment of Non-Executive Directors	<ul style="list-style-type: none"> Appointment of Non-Executive Directors should be for specified terms and re-election should not be automatic 	●	Corporate Governance/ Annual Report of the Board of Directors
A.8.2	Shareholder approval of appointment of all Directors	<ul style="list-style-type: none"> The appointment of all Directors should be subject to election by shareholders at the first opportunity and also subject to retire by rotation of the Annual General Meeting 	●	Corporate Governance Annual Report of the Board of Directors/ Notice of Meeting/ Article of Association of the Company

A. 10 DIRECTORS - Disclosure of Information in respect of Directors

A.10.1	Biographical profiles and relevant details of Directors to be disclosed	<ul style="list-style-type: none"> Annual Report should disclose the biographical details of Directors and attendance at Board/ Committee Meetings 	●	Board of Directors Section/ Corporate Governance
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A. 11 DIRECTORS - Appraisal of Chief Executive Officer

A.11.1	Short, medium and long-term objectives, financial and non-financial objectives to be set	<ul style="list-style-type: none"> The Board should set out the short, medium and long term objectives, financial and non-financial objectives at the commencement of each year 	●	Corporate Governance
A.11.2	Evaluation of CEO performance	<ul style="list-style-type: none"> The performance of the CEO should be evaluated at the end of the year 	●	Corporate Governance

CORPORATE GOVERNANCE

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable requirement	Adoption Status	Applicable Section in the Annual Report
B. 1 DIRECTORS REMUNERATION - Remuneration Procedure				
B.1.1	Appointment of Remuneration Committee	<ul style="list-style-type: none"> RC of parent may function as such for the Company to make recommendations on Directors' remuneration 	●	Corporate Governance / Report of the Remuneration Committee
B.1.2	Composition of Remuneration Committee	<ul style="list-style-type: none"> Board to appoint only Non-Executive Directors to serve on RC 	●	Corporate Governance / Report of the Remuneration Committee
B.1.3	Disclosure of members of Remuneration Committee	<ul style="list-style-type: none"> The Annual Report should disclose the chairman and Directors who serve on the RC 	●	Corporate Governance / Report of the Remuneration Committee
B.1.4	Remuneration of Non-Executive Directors	<ul style="list-style-type: none"> Board to determine the level of remuneration of Non-Executive Directors 	●	Corporate Governance / Report of the Remuneration Committee
B.1.5	Access to professional advice	<ul style="list-style-type: none"> RC should have access to professional advice in order to determine appropriate remuneration for Directors 	●	Corporate Governance / Report of the Remuneration Committee
B. 2 DIRECTORS REMUNERATION - Level and Make up of Remuneration				
B.2.1	Remuneration packages for Executive Directors	<ul style="list-style-type: none"> Packages should be structured to attract, retain and motivate Directors 	●	Corporate Governance
B.2.2	Remuneration packages to be appropriately positioned	<ul style="list-style-type: none"> Packages should be comparable and relative to that of other companies as well as the relative performance of the Company 	●	Corporate Governance
B.2.3	Appropriateness of remuneration and conditions in relation to other Group companies	<ul style="list-style-type: none"> When determining annual increases RC should be sensitive to that of other Group companies 	●	Corporate Governance
B.2.4	Performance related elements of remuneration	<ul style="list-style-type: none"> Performance related elements of remuneration should be aligned with interests of Company 	N/A	
B.2.5	Share options Remuneration packages for Non-	<ul style="list-style-type: none"> Share options should not be offered at a discount 	N/A	
B.2.9	Executive Directors	<ul style="list-style-type: none"> Should reflect time commitment and responsibilities of role and in line with existing market practice 	●	Corporate Governance
B. 3 DIRECTORS REMUNERATION - Disclosure of Remuneration				
B.3.1	Disclosure of details of remuneration	<ul style="list-style-type: none"> The Annual Report should disclose the remuneration paid to Directors 	●	Financial Statements

CORPORATE GOVERNANCE

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable requirement	Adoption Status	Applicable Section in the Annual Report
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C. 1 RELATIONS WITH SHAREHOLDERS – Constructive Use and Conduct of Annual General Meeting

C.1.1	Proxy votes to be counted	<ul style="list-style-type: none"> The Company should count and indicate the level of proxies lodged for and against in respect of each resolution 	●	Corporate Governance
C.1.2	Separate resolutions	<ul style="list-style-type: none"> Separate resolutions should be proposed for substantially separate issues 	●	Corporate Governance/ Notice of Meeting
C.1.3	Availability of Committee chairmen at AGM	<ul style="list-style-type: none"> The chairmen of Board committees should be available to answer any queries at AGM 	●	Corporate Governance
C.1.4	Notice of AGM	<ul style="list-style-type: none"> 15 working days notice to be given to shareholders 	●	Notice of Meeting
C.1.5	Procedure for voting at meetings	<ul style="list-style-type: none"> Company to circulate the procedure for voting with Notice of Meeting 	●	Notice of Meeting

C. 2 MAJOR TRANSACTIONS

C.2.1	Disclosure of Major Transactions	<ul style="list-style-type: none"> Transactions that have a value which are greater than half of the net assets of the Company should be disclosed 	N/A	
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D.1 ACCOUNTABILITY AND AUDIT - Financial Reporting

D.1.1	Presentation of public reports	<ul style="list-style-type: none"> Should be balanced, understandable and comply with statutory and regulatory requirements 	●	Corporate Governance/ Financial Statements
D.1.2	Directors Report	<ul style="list-style-type: none"> The Director's Report should be included in the Annual Report. The report should confirm that: <ul style="list-style-type: none"> - the Company has not contravened laws or regulations in conducting its activities - Material interests in contracts have been declared by Directors - the Company has endeavoured to ensure equitable treatment of shareholders - that the business is a "going concern" - that there is reasonable assurance of the effectiveness of the existing business systems following a review of the internal controls covering financial, operational and compliance Annual 	● ● ● ● ● ●	Report of the Board of Directors Audit Committee Report Annual Report of the Board of Directors/ Financial Statements Corporate Governance Audit Committee Report
D.1.3	Respective responsibilities of Directors and Auditors	<ul style="list-style-type: none"> The Annual Report should contain separate statements setting out the responsibilities of the Directors for the preparation and presentation of the financial statements and the reporting responsibilities of the Auditors Statement of Directors 	●	Responsibility Report of the Auditors and Directors
D.1.4	Going Concern	<ul style="list-style-type: none"> Directors to substantiate and report that the business is a going concern or qualify accordingly 	●	Annual Report of the Board of Directors
D.1.5	Serious Loss of Capital	<ul style="list-style-type: none"> Directors to summon an Extraordinary General Meeting in the event that the net assets of the Company falls below 50% of the value of Shareholders Funds 	N/A	

CORPORATE GOVERNANCE

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable requirement	Adoption Status	Applicable Section in the Annual Report
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D.2 ACCOUNTABILITY AND AUDIT - Internal Control

D.2.1	Effectiveness of system of internal controls	<ul style="list-style-type: none"> • Directors to annually conduct a review of the effectiveness of the system of internal controls. This responsibility may be delegated to the Audit Committee 	●	Audit Committee Report/Corporate Governance
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D.3 AUDIT COMMITTEE

D.3.1	Chairman and Composition of Audit Committee	<ul style="list-style-type: none"> • Should comprise of a minimum of two independent, Non-Executive Directors • Audit Committee Chairman should be appointed by the Board. 	● ●	Audit Committee Report/Corporate Governance
D.3.2	Duties of Audit Committee	<ul style="list-style-type: none"> • Review of scope and results of audit and its effectiveness • Independence and objectivity of the Auditors 	● ●	Audit Committee Report/Corporate Governance
D.3.3	Terms of Reference/ Charter	<ul style="list-style-type: none"> • The parent company terms of reference charter is applicable to the company 	●	Corporate Governance
D.3.4	Disclosures	<ul style="list-style-type: none"> • The Annual Report should disclose the names of Directors serving on the Audit Committee • The Audit Committee should determine the independence of the Auditors and disclose the basis of such determination • The Annual Report should contain a report by the Audit Committee setting out the manner of compliance of the Company during the period to which the Report relates 	● ● ●	Corporate Governance/ Audit Committee Report Corporate Governance Audit Committee Report

D.4 CODE OF BUSINESS CONDUCT AND ETHICS

D.4.1	Adoption of Code of Business Conduct and Ethics	<ul style="list-style-type: none"> • The Company must adopt a Code of Business Conduct and Ethics for Directors and members of the senior management team and promptly disclose any violation of the Code 	●	Corporate Governance
D.4.2	Chairman's affirmation	<ul style="list-style-type: none"> • The Annual Report must include an affirmation by the Chairman that he is not aware of any violation of the Code of Business Conduct and Ethics 	●	Chairman's Statement/ Annual Report of the Board of Directors

CORPORATE GOVERNANCE

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable requirement	Adoption Status	Applicable Section in the Annual Report
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D.5 CORPORATE GOVERNANCE DISCLOSURES

D.5.1	Corporate Governance Report	<ul style="list-style-type: none"> The Annual Report should include a report setting out the manner and extent to which the Company has adopted the principles and provisions of the Code of Best Practice on Corporate Governance 	●	Corporate Governance
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E. INSTITUTIONAL INVESTORS – Structured Dialogue

E.1	Structured Dialogue with Shareholders	<ul style="list-style-type: none"> A regular and structured dialogue should be conducted with shareholders and the outcome of such dialogue should be communicated to the Board by the Chairman 	●	Corporate Governance
E.2	Evaluation of Governance Disclosures by Institutional Investors	<ul style="list-style-type: none"> Institutional investors should be encouraged to consider the relevant factors drawn to their attention with regard to board structure and composition 	●	Corporate Governance

F. INDIVIDUAL INVESTORS – Structured Dialogue

F1	Individual Investors	<ul style="list-style-type: none"> Individual shareholders should be encouraged to carry out adequate analysis and seek professional advice when making their investment/divestment decisions 	●	Corporate Governance
F2	Shareholder Voting	<ul style="list-style-type: none"> Individual shareholders should be encouraged to participate and exercise their voting rights 	●	Corporate Governance/ Form of Proxy

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible under sections 150 (1), 151, 152 (1) & 153 of the Companies Act No. 7 of 2007, to ensure compliance with the requirements set out therein to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit & loss of the Company and the Group for the financial year.

The Directors are also responsible, under section 148, for ensuring that proper accounting records are kept to enable, determination of financial position with reasonable accuracy, preparation of financial statements and audit of such statements to be carried out readily and properly.

The Board accepts responsibility for the integrity and objectivity of the financial statements presented. The Directors confirm that in preparing the financial statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected.

They also confirm that the financial statements have been prepared and presented in accordance with the Sri Lanka Accounting standards, Companies Act No 07 of 2007 and the listing rules of the Colombo Stock Exchange. Further, the financial statements provide the information required by the Companies Act and the listing rules of the Colombo Stock Exchange.

The Directors are of the opinion, based on their knowledge of the company, key operations and specific inquiries that adequate resources exist to support the Company on a going concern basis over the next year. These financial statements have been prepared on that basis.

The Directors have taken reasonable measures to safeguard the assets of the Group and, in that context, have instituted appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities.

As required by Section 56(2) of the Companies Act No. 7 of 2007, the Board of Directors authorized and paid a Dividend in February 2013. and Company satisfied the Solvency Test in accordance with Section 57 of the Companies Act and a Certificate of Solvency from its Auditors was obtained in respect of the dividend paid.

The external Auditors, Messrs Ernst & Young deemed re- appointed in terms of Section 158 of the Companies Act were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The report of the Auditors, shown on page 119 sets out their responsibilities in relation to the Financial Statements.

Compliance Report

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company and its Subsidiaries as at the Balance Sheet date have been paid or where relevant, provided for.

By order of the Board
HAYLEYS GROUP SERVICES (PVT) LTD
Secretaries

13th May 2013

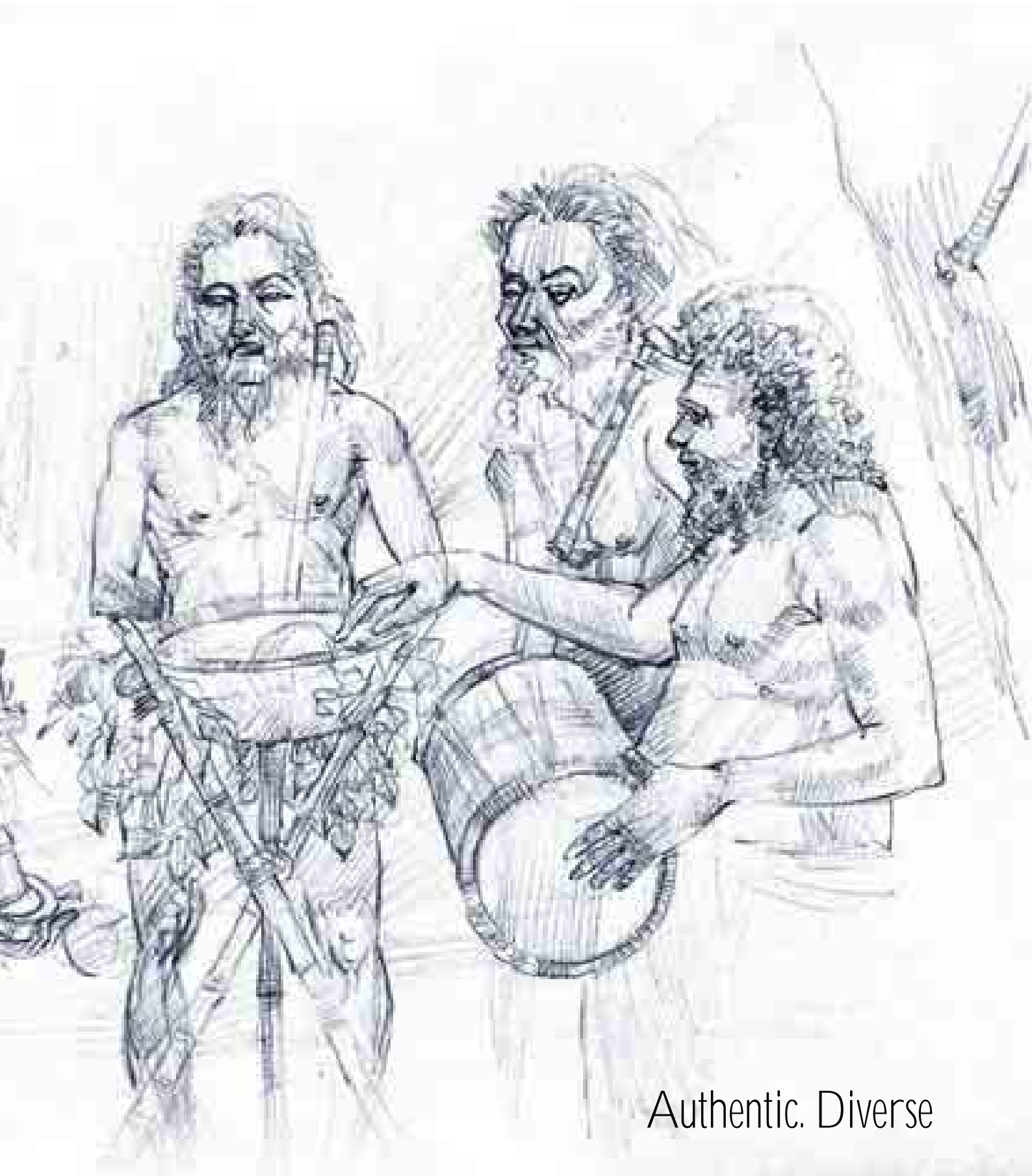


Dances of the Indigenous Peoples of Sri Lanka

These are dances performed by the indigenous people of Sri Lanka who have inhabited the island for centuries. They are performed at various events, occasions and during acts of worship and include dances such as the 'Kiri Koraha' and the 'Malwara Mangalya'. The Davula is the main percussion instrument used in these dances and this in itself is testament to the fact that they have been greatly influenced by other traditional Sri Lankan dance forms.

Amaya offers guests a truly authentic Sri Lankan experience that clearly reflects on the diverse cultures of this truly paradise island.





Authentic. Diverse



REPORT OF THE AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE

The Audit Committee comprises of three independent Directors and one Non-Independent Director.

The members of the Board appointed Audit Committee are;

Ms. D. S. N. Weerasooriya – Chairman
Mr. C. J. Wickramasinghe
Mr. S. H. Amarasekara
Ms. R. N. Ponnambalam

The Board Secretary functions as the Secretary to the Audit Committee.

The Audit Committee has a written Term of Reference, dealing clearly with its authority and duties. This is established for the purpose of assisting the Board in fulfilling their oversight responsibilities regarding the integrity of the financial statements, risk management, internal control, and compliance with legal and regulatory requirements, review of External Auditor's performances, Independence and the internal audit functions.

MEETINGS

The Audit Committee met four times during the year. The Managing Director, Chief Financial Officer, Finance Manager & Internal Auditor also attended these meetings by invitation. The other Executives do so as and when required.

FINANCIAL REPORTING

As part of its responsibility to oversee the Company's financial reporting process on behalf of the Board of Directors, the Committee has reviewed and discussed with the Management, the annual and the quarterly Financial Statements prior to their issuance, including the extent of compliance with the Sri Lanka Accounting Standards and the Companies Act No 7 of 2007. Matters of special interest in the current environment and the process that support certifications of the Financial Statements by the Company's Managing Director, and Finance Manager were also brought up for discussion.

RISK AND CONTROLS

During the year, the Committee assessed the major business and control risks and the control environment prevalent in the company and advised the Board an action to be taken in areas where weaknesses were observed. The Committee scrutinized the effectiveness of the Company's internal control system already in place and the processes for identification, evaluation and management of all significant risks including frauds and operational failures.

EXTERNAL AUDIT

The Committee met with the External Auditor during the year to discuss their audit approach and procedures, including matters relating to the scope of the audit. In addition, the annual evaluation of the independence and objectivity of the External Auditor and the effectiveness of the audit process was also undertaken. The Lead partner is required to be rotated every five years, in order to ensure the independence of the Auditor.

REPORT OF THE AUDIT COMMITTEE

The Non-Audit Services provided by the External Auditor was also reviewed and the committee was of the view that such services did not impair with their independence and were not within the category of services identified as restricted under the Guidelines for Listed Companies on Audit and Audit Committees issued by the Securities and Exchange Commission of Sri Lanka.

The re-appointment of the External Auditor, M/s Ernst & Young has been recommended to the Board of Directors and the Committee has also fixed the Auditor's remuneration, for approval by the shareholders at the Annual General Meeting.

INTERNAL AUDIT

During the year, the Audit Committee reviewed the performance of the internal audit function; the findings of the audits completed which covered the head office and all other 2 hotels. With special reference to the internal controls regarding hotel operations, and the department's resource requirements including succession planning and also approved the internal audit plan.

REGULATORY COMPLIANCE

The Finance Manager has submitted to the Audit Committee, a report on the extent to which the Company was in compliance with mandatory and statutory requirements. The Committee reviewed the procedures established by Management for compliance with the requirements of regulatory bodies and also ensured the full compliance to the Colombo Stock Exchange Rule No. 7.10 on Corporate Governance disclosure requirements, which is given on page 101.

COMMITTEE EVALUATION

The annual evaluation of the Committee was conducted by the Chairman, the Managing Director, Chief Financial Officer the Finance Manager Internal Auditor and the External Auditor in accordance with International best practices and was deemed to be satisfactory.

(sgd)

D.S.N. Weerasooriya

Chairman

Audit Committee

13 May 2013



**REPORT OF THE
REMUNERATION COMMITTEE**

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee, appointed by and responsible to the Board of Directors, comprises of three independent Directors and one Non-Independent Director.

Mr. C. J. Wickramasinghe – Chairman

Mr. S. H. Amarasekara

Ms. D. S. N. Weerasooriya

Ms. R. N. Ponnambalam

POLICY

The remuneration policy of the Company endeavors to attract, motivate and retain quality management in a competitive environment with the relevant expertise necessary to achieve the objectives of the Company. The Committee focuses and is responsible to ensure that the total package is competitive to attract the best talent for the benefit of the Company.

The remuneration framework of the Company for the Chairman, Managing Director and Corporate Management is designed to create and enhance value to all stakeholders of the Company and to ensure alignment qua the short and long-term interest of the Company and its Executives and in designing competitive compensation packages, the Committee consciously balances the short-term performance with medium to long-term goals of the Company.

SCOPE

The Committee reviews all significant changes in the corporate sector in determining salary structures and terms and conditions relating to staff at Senior Executive level. In this decision making process, necessary information and recommendations are obtained from the Managing Director. The Committee deliberates and recommends to the Board of Directors the remuneration packages and annual increments and bonuses of the Managing Director, members of the Corporate Management and Senior Executive staff and lays down guidelines for the compensation structure for all Executive staff and overviews the implementation thereof.

The Managing Director who is responsible for the overall management of the Company attends all meetings by invitation and participates in the deliberations except when his own performance and compensation package is discussed.

FEES

All Non-Executive Directors receive a fee for attendance at Board Meetings. They do not receive any performance or incentive payment. The total remuneration to Directors is shown in Note 28.2 in page 178.

MEETINGS

The Committee met during the financial year under review. A report of the decisions approved and recommended to the Board by the Board of Directors.

PROFESSIONAL ADVICE

The Committee has the authority to seek external professional advice on matters within its purview.

COMMITTEE EVALUATION

Self-Assessment by Committee members was complied with at the commencement.

(sgd)

C. J. Wickramasinghe

Chairman

Remuneration Committee

13 May 2013

AUDITOR'S REPORT



Chartered Accountants

201 De Saram Place
P.O. Box 101
Colombo 10
Sri Lanka

Telephone : (0) 11 2463500
Fax Gen : (0) 11 2697369
Tax : (0) 11 5578180
eysl@lk.ey.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMAYA LEISURE PLC AND ITS SUBSIDIARIES

Report on the Financial Statements

We have audited the accompanying Financial Statements of Amaya Leisure PLC ("the Company"), the Consolidated Financial Statements of the Company and its subsidiaries, which comprise the Consolidated Statement of Financial Position as at 31 March 2013, Consolidated Statement of Comprehensive Income, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31 March 2013 and the Financial Statements give a true and fair view of the Company's state of affairs as at 31 March 2013 and its performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

In our opinion, the Consolidated Financial Statements give a true and fair view of the state of affairs as at 31 March 2013 and the performance and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards, of the Company and its subsidiaries dealt with thereby, so far as concerns the shareholders of the Company.

Report on Other Legal and Regulatory Requirements

These Financial Statements also comply with the requirements of Sections 151(2) and 153(2) to 153(7) of the Companies Act No. 7 of 2007.

13 May 2013
Colombo.

Partners : A D B Talwatte FCA FCMA M P D Cooray FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva ACA Ms. Y A De Silva ACA W R H Fernando FCA FCMA W K B S P Fernando FCA FCMA A P A Gunasekara FCA FCMA A Herath FCA D K Hulangamuwa FCA FCMA LLB (Lond) H M A Jayasinghe FCA FCMA Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunga ACA N M Sulaiman ACA ACMA B E Wijesuriya ACA ACMA



FINANCIAL STATEMENT

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March	Note	Group		Company	
		2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Revenue	6	1,066,519,522	867,652,597	80,207,182	62,732,696
Cost of Sales		(225,187,857)	(213,794,747)	-	-
Gross Profit		841,331,665	653,857,850	80,207,182	62,732,696
Other Income	7	27,787,683	39,868,542	204,283,102	226,100,444
Selling and Marketing Expenses		(72,395,543)	(54,092,706)	(22,026,087)	(20,042,718)
Administrative Expenses		(382,505,806)	(310,130,938)	(84,537,942)	(64,567,226)
Finance Cost	8.1	(14,638,187)	(28,880,280)	(4,134,533)	(23,196,544)
Finance Income	8.2	8,944,859	8,325,372	7,345,132	4,910,400
Profit before Tax	9	408,524,672	308,947,839	181,136,854	185,937,052
Tax Expenses	10	(31,947,900)	(16,383,793)	(888,768)	(893,693)
Profit for the year		376,576,772	292,564,046	180,248,086	185,043,359
Other Comprehensive Income					
Loss on Available for Sale Financial Assets		(19,797,084)	(23,856,241)	(19,797,084)	(23,856,241)
Effect of Revaluation on Land		67,108,317	-	-	-
Other Comprehensive Income for the year, net of tax		47,311,233	(23,856,241)	(19,797,084)	(23,856,241)
Total Comprehensive Income for the year, net of tax		423,888,005	268,707,805	160,451,002	161,187,118
Attributable to:					
Equity Holders of the Parent		422,084,469	268,727,232	160,451,002	161,187,118
Non-Controlling Interest		1,803,536	(19,427)	-	-
		423,888,005	268,707,805	160,451,002	161,187,118
Basic Earnings per Share	11	7.84	6.09	3.75	3.85
Dividend per Share	12	4.00	4.00	4.00	4.00

The Accounting Policies and Notes on pages 128 through 181 form an integral part of these Financial Statements.

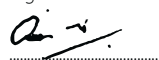
STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	Group			Company		
		2013	2012	As at 1 April 2011	2013	2012	As at 1 April 2011
ASSETS		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Non-Current Assets							
Property, Plant and Equipment	13	2,577,946,980	2,293,072,957	2,076,804,519	39,110,370	45,451,724	4,997,570
Prepayment on Leasehold Property	14	7,646,183	7,894,872	8,143,561	-	-	-
Other Non-Current Assets	15	24,000,000	24,000,000	-	24,000,000	24,000,000	-
Investments in Subsidiaries	16	-	-	-	934,926,965	934,926,965	934,926,965
Other Non-Current Financial Assets	17	99,096,710	59,984,010	3,391,210	99,096,710	59,984,010	3,391,210
		<u>2,708,689,873</u>	<u>2,384,951,839</u>	<u>2,088,339,290</u>	<u>1,097,134,045</u>	<u>1,064,362,699</u>	<u>943,315,745</u>
Current Assets							
Inventories	18	23,900,493	20,107,339	20,235,271	-	-	-
Trade and Other Receivables	19	180,109,417	144,479,064	141,997,845	15,061,240	6,444,693	7,919,958
Advance and Prepayment		28,653,253	17,761,443	6,772,355	2,013,261	590,704	1,081,981
Tax Receivables		4,428,686	1,196,240	6,203,844	80,865	-	-
Other Current Financial Assets	17	14,653,779	12,191,988	79,798,385	14,653,779	12,191,988	79,798,385
Short Term Deposits	20	-	-	124,894,300	-	-	59,894,300
Cash and Bank Balances	21	15,510,144	45,701,912	16,678,937	407,089	2,978,958	360,390
		<u>267,255,772</u>	<u>241,437,986</u>	<u>396,580,937</u>	<u>32,216,234</u>	<u>22,206,343</u>	<u>149,055,014</u>
Total Assets		<u>2,975,945,645</u>	<u>2,626,389,824</u>	<u>2,484,920,227</u>	<u>1,129,350,279</u>	<u>1,086,569,042</u>	<u>1,092,370,759</u>
EQUITY AND LIABILITIES							
Capital and Reserves							
Stated Capital	22	526,770,320	526,770,320	526,770,320	526,770,320	526,770,320	526,770,320
Revaluation Reserve	23	65,294,614	-	-	-	-	-
Available for Sale Reserve		(43,459,004)	(23,661,920)	194,321	(43,459,004)	(23,661,920)	194,321
Retained Earnings		1,923,536,983	1,739,086,996	1,638,640,475	181,125,496	193,014,362	200,107,955
		<u>2,472,142,913</u>	<u>2,242,195,396</u>	<u>2,165,605,116</u>	<u>664,436,812</u>	<u>696,122,762</u>	<u>727,072,596</u>
Non-Controlling Interest		29,300,179	27,496,643	27,516,070	-	-	-
Total Equity		<u>2,501,443,092</u>	<u>2,269,692,039</u>	<u>2,193,121,186</u>	<u>664,436,812</u>	<u>696,122,762</u>	<u>727,072,596</u>
Non-Current Liabilities							
Interest Bearing Loans and Borrowings	17	52,107,216	71,890,669	22,403,805	8,673,458	11,004,619	-
Deferred Tax Liabilities	10	78,443,596	68,505,706	68,901,617	-	-	-
Retirement Benefit Obligation	25	24,202,387	19,817,490	16,802,027	6,539,962	4,978,718	5,120,794
		<u>154,753,199</u>	<u>160,213,865</u>	<u>108,107,449</u>	<u>15,213,420</u>	<u>15,983,337</u>	<u>5,120,794</u>
Current Liabilities							
Trade and Other Payables	24	151,198,746	110,464,206	106,336,879	365,356,496	367,292,995	348,138,409
Other Current Non Financial Liabilities		22,437,057	28,411,191	26,022,919	3,953,985	3,316,733	2,558,687
Tax Payables		393,842	6,572,077	10,871,215	-	99,792	703,562
Interest Bearing Loans and Borrowings	17	145,719,708	51,036,446	40,460,579	80,389,566	3,753,423	8,776,711
		<u>319,749,353</u>	<u>196,483,920</u>	<u>183,691,592</u>	<u>449,700,047</u>	<u>374,462,943</u>	<u>360,177,369</u>
Total Equity and Liabilities		<u>2,975,945,645</u>	<u>2,626,389,824</u>	<u>2,484,920,227</u>	<u>1,129,350,279</u>	<u>1,086,569,042</u>	<u>1,092,370,759</u>

These Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007.


 Aruna Dikkumbura
 Finance Manager

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
 Signed for and on behalf of the Board by;


 A. M. Pandithage
 Chairman


 L. T. Samarawickrama
 Managing Director

The Accounting Policies and Notes on pages 128 through 181 form an integral part of these Financial Statements.

13 May 2013, Colombo

STATEMENT OF CHANGES IN EQUITY

Year Ended 31 March 2013

Group	Note	Stated Capital	Revaluation Reserve	Available for Sale Reserve	Retained Earnings	Total Non-Controlling Interest		Total Equity
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2011 - Prior to Re-measurement		526,770,320	674,639,534	-	392,337,452	1,593,747,306	11,443,210	1,605,190,516
Adjustments on the transition date	5	-	(674,639,534)	194,321	1,246,303,023	571,857,810	16,072,860	587,930,670
Balance as at 01 April 2011		526,770,320	-	194,321	1,638,640,475	2,165,605,116	27,516,070	2,193,121,186
Profit for the year		-	-	-	292,583,473	292,583,473	(19,427)	292,564,046
Other Comprehensive Income		-	-	(23,856,241)	-	(23,856,241)	-	(23,856,241)
Dividends Paid	12	-	-	-	(192,136,952)	(192,136,952)	-	(192,136,952)
Balance as at 31 March 2012		526,770,320	-	(23,661,920)	1,739,086,996	2,242,195,396	27,496,643	2,269,692,039
Profit for the year		-	-	-	376,586,939	376,586,939	(10,167)	376,576,772
Other Comprehensive Income		-	-	(19,797,084)	-	(19,797,084)	-	(19,797,084)
Effect of Revaluation on Land		-	65,294,614	-	-	65,294,614	1,813,703	67,108,317
Dividends Paid	12	-	-	-	(192,136,952)	(192,136,952)	-	(192,136,952)
Balance as at 31 March 2013		526,770,320	65,294,614	(43,459,004)	1,923,536,983	2,472,142,913	29,300,179	2,501,443,092

Company	Note	Stated Capital	Available for Sale Reserve	Retained Earnings	Total Equity
		Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2011 - Prior to Re-measurement		526,770,320	-	191,463,176	718,233,496
Adjustments on the transition date	5	-	194,321	8,644,779	8,839,100
Balance as at 01 April 2011		526,770,320	194,321	200,107,955	727,072,596
Profit for the year		-	-	185,043,359	185,043,359
Other Comprehensive Income		-	(23,856,241)	-	(23,856,241)
Dividends Paid	12	-	-	(192,136,952)	(192,136,952)
Balance as at 31 March 2012		526,770,320	(23,661,920)	193,014,362	696,122,762
Profit for the year		-	-	180,248,086	180,248,086
Other Comprehensive Income		-	(19,797,084)	-	(19,797,084)
Dividends Paid	12	-	-	(192,136,952)	(192,136,952)
Balance as at 31 March 2013		526,770,320	(43,459,004)	181,125,496	664,436,812

The Accounting Policies and Notes on pages 128 through 181 form an integral part of these Financial Statements.

CASH FLOW STATEMENT

Year ended 31 March	Note	Group		Company	
		2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Cash Flows from/(used in) Operating Activities					
Profit before Tax		408,524,672	308,947,839	181,136,854	185,937,052
Adjustment For					
Depreciation	13	83,624,730	71,212,942	7,248,271	4,815,331
Profit on Disposal of Property, Plant and Equipment	7.1	(4,597,823)	(12,500,000)	-	-
Gain on Retirement of Property, Plant and Equipment	7.1	-	(582,693)	-	-
Provision for Defined Benefit Obligation	25	5,680,246	9,346,468	1,561,244	5,090,541
Amortisation of Leasehold Property	14	248,689	248,689	-	-
Reversal of Impairment on Receivable		(1,175,800)	(1,223,502)	-	-
Dividend Income	7.1	(1,307,270)	(1,586,463)	(203,935,518)	(211,846,009)
Finance Income	8.2	(8,944,859)	(8,325,372)	(7,345,132)	(4,910,400)
Finance Cost	8.1	14,638,187	28,880,280	4,134,533	23,196,544
Profit on Disposal of Investments	7.1	-	(13,408,977)	-	(13,408,977)
Other Debtors written off		-	646,851	-	646,851
Unrecoverable Income Tax written off		48,542	481,988	-	54,880
Creditors written back	7.1	(8,477,308)	(3,895,504)	-	(719,001)
Operating Profit/(Loss) before Working Capital Changes		488,262,007	378,242,547	(17,199,749)	(11,143,188)
(Increase)/Decrease in Inventories		(3,793,154)	127,932	-	-
(Increase)/Decrease in Trade and Other Receivables		(34,454,554)	(1,904,568)	(8,616,547)	828,414
(Increase)/Decrease in Advance and Pre Payments		(10,891,810)	(10,989,088)	(1,422,557)	491,277
Increase/(Decrease) in Trade and Other Payables		49,211,848	5,936,095	(1,936,499)	16,873,587
Increase/(Decrease) in Other Current Non-Financial Liabilities		(5,974,134)	2,388,272	637,252	758,046
Cash Generated from/(used in) Operations		482,360,203	373,801,190	(28,538,100)	7,808,136
Finance Cost paid	8.1	(14,638,187)	(6,708,752)	(4,134,533)	(1,025,016)
Defined Benefit Obligation paid	25	(1,295,349)	(3,331,005)	-	(2,232,617)
Tax Refund		-	5,239,187	-	-
Tax paid		(31,469,225)	(21,792,413)	(1,069,420)	(1,552,343)
Net Cash from/(used in) Operating Activities		434,957,441	347,208,207	(33,742,053)	2,998,160
Cash Flows from/(used in) Investing Activities					
Acquisition of Property, Plant and Equipment	13	(301,149,755)	(246,310,344)	(906,917)	(31,769,485)
Finance Income received	8.2	6,483,068	8,325,372	4,883,341	4,910,400
Dividends received	7.1	1,307,270	1,586,463	203,935,518	211,846,009
Proceeds from Disposal of Property, Plant and Equipment		8,357,143	12,500,000	-	-
Acquisition of Non-current Assets	15	-	(24,000,000)	-	(24,000,000)
Acquisition of Investments	17	(58,909,784)	(101,657,019)	(58,909,784)	(101,657,019)
Proceeds from Disposal of Investments		-	80,051,824	-	80,051,824
Net Cash from/(used in) Investing Activities		(343,912,058)	(269,503,704)	149,002,158	139,381,729
Cash Flows from/(used in) Financing Activities					
Dividends paid	12	(192,136,952)	(192,136,952)	(192,136,952)	(192,136,952)
Repayment of Director's Loans		-	(3,000,000)	-	(3,000,000)
Proceeds from Bank Loans	17	75,000,000	33,130,700	75,000,000	-
Repayment of Bank Loans	17	(11,575,763)	(7,317,588)	-	-
Principal Payment under Finance Lease Liabilities	17	(8,103,453)	(8,417,689)	(2,028,260)	(1,823,940)
Net Cash from/(used in) Financing Activities		(136,816,168)	(177,741,529)	(119,165,212)	(196,960,892)
Net Increase/(Decrease) in Cash and Cash Equivalents		(45,770,785)	(100,037,026)	(3,905,107)	(54,581,003)
Cash and Cash Equivalents at the beginning of the year		17,029,856	117,066,882	2,978,421	57,559,424
Cash and Cash Equivalents at the end of the year	21	(28,740,929)	17,029,856	(926,686)	2,978,421

The Accounting Policies and Notes on pages 128 through 181 form an integral part of these Financial Statements.



ACCOUNTING POLICIES

ACCOUNTING POLICIES

1. CORPORATE INFORMATION

1.1 General

Amaya Leisure PLC ("the Company") is a Public Limited Liability Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka. The registered office of the Company and the principal place of business are situated at Level 27, East Tower, World Trade Center, Echelon Square, Colombo 01.

The Consolidated Financial Statements of the Company for the year ended 31 March 2013 comprise the Company and its subsidiaries (together referred to as "the Group").

The Consolidated Financial Statements of the Group for the year ended 31 March 2013 were authorized for issue in accordance with a resolution of the Board of Directors on 13 May 2013.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Group were as follows:

Amaya Leisure PLC

During the year, the principal activities of the Company were provision of management and marketing services to its subsidiaries and managing entities.

Culture Club Resorts (Private) Limited, Kandyan Resorts (Private) Limited and CDC Conventions (Private) Limited

The principal activities were provision of food, beverage, lodging and other hospitality industry related activities.

The Beach Resorts Limited, Connaissance Hotel Management (Private) Limited and Connaissance Air Travels (Private) Limited

Currently these Companies remain as dormant.

1.3 Parent Entity and Ultimate Parent Entity

The Company's parent undertaking is Hayleys PLC. In the opinion of the Directors, the Company's ultimate parent undertaking and controlling party is also Hayleys PLC, which is incorporated in Sri Lanka.

The Financial Statements of all companies in the Group are prepared for a common financial year, which ends on 31st March and are incorporated in Sri Lanka.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with Sri Lanka Accounting Standards (SLFRS's and LKAS's) promulgated by the Institute of Chartered Accountants of Sri Lanka (ICASL), and with the requirements of the Companies Act No. 7 of 2007.

For all periods up to and including the year ended 31 March 2012, the Group prepared its Financial Statements in accordance with Sri Lanka Accounting Standards (SLAS). These Financial Statements for the year ended 31 March 2013 are the first the Group has prepared in accordance with Sri Lanka Financial Reporting Standards (SLFRS) and Sri Lanka Accounting Standards (LKAS). Refer to Note 05 for information on how the Group adopted SLFRS and LKAS.

The financial statements were authorised for issue by the Directors on 13 May 2013.

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.

ACCOUNTING POLICIES

- Lands are measured at cost at the time of the acquisition and subsequently lands are revalued
- Financial instruments at fair value through profit or loss is measured at fair value.
- Available-for-sale financial assets are measured at fair value.

Where appropriate, the specific policies are explained in the succeeding Notes.

No adjustments have been made for inflationary factors in the Consolidated Financial Statements.

2.3 Functional and presentation currency

The Financial Statements are presented in Sri Lankan Rupees, which is the Group's functional currency.

2.4 Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading and operations.

2.5 Comparative Information

The accounting policies have been consistently applied by the Company and they are consistent with those used in the previous year except for the values described in Note 5.

2.6 Materiality and Aggregation

Each material class of similar items is presented separately in the Consolidated Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the Consolidated Financial Statements and in preparing the opening SLFRS

Statement of Financial Position at 1 April 2011 for the purpose of the transition to SLFRSs, unless otherwise indicated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Comparative information has where necessary been reclassified to confirm with the current year's presentation.

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

3.1 Basis of Consolidation

The Consolidated Financial Statements (referred to as the "Group") comprise the Financial Statements of the Company and its subsidiaries.

3.1.1 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities which is evident when the Group controls the composition of the Board of Directors of the entity or holds more than 50% of the issued shares of the entity or 50% of the voting rights of the entity or entitled to receive more than half of every dividend from shares carrying unlimited right to participate in distribution of profits or capital.

Entities that are subsidiaries of another entity which is a subsidiary of the Company are also treated as subsidiaries of the Company.

The subsidiaries and their controlling percentages of the Group, which have been consolidated, are as follows:

ACCOUNTING POLICIES

Subsidiary	2013	2012
Culture Club Resorts (Private) Limited	100%	100%
Kandyan Resorts (Private) Limited	100%	100%
The Beach Resorts Limited	84.3%	84.3%
Connaissance Hotel Management (Private) Limited	100%	100%
CDC Conventions (Private) Limited	100%	100%
Connaissance Air Travels (Private) Limited	100%	100%

The interest of outside shareholders in Group Companies is disclosed separately under the heading of "Non-controlling Interest".

The results of subsidiaries acquired or incorporated during the period have been consolidated from the date of acquisition or incorporation, while the results of subsidiaries disposed, have been accounted up to the date of disposal. Non-controlling Interest is measured at the proportionate share of the acquiree's identifiable net assets.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in statement of income
- Reclassifies the parent's share of components previously recognised in other comprehensive income to statement of income or retained earnings, as appropriate.

3.1.2 Business Combination and Goodwill.

Acquisitions prior to 1 April 2011

As part of the transition to SLRSs, the Group elected to restate only those business combinations that occurred

on or after 1 April 2011. In respect of acquisitions prior to 1st April 2011, goodwill represents the amount recognised under the previous Sri Lanka Accounting Standards (SLASs)

3.1.3 Transactions with non - controlling interests

The profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the parent, directly or indirectly through subsidiaries, is disclosed separately under the heading "Non- controlling Interest".

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

3.1.6 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements.

3.2 Foreign Currency Translations

The Group's Consolidated Financial Statements are presented in Sri Lanka Rupees, which is the functional and presentation currency of the Group. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction.

Transactions in foreign currencies are initially recorded by the Group at the functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the statement of income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated

ACCOUNTING POLICIES

using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognized in other comprehensive income or Statement of income is also recognized in other comprehensive income or Statement of income respectively).

3.3 Statement of Comprehensive Income

For the purpose of presentation of the Income Statement, the function of expenses method is adopted, as it represents fairly the elements of Group performance.

3.3.1 Turnover

Amaya Leisure PLC's gross turnover comprises dividends received from subsidiaries and provision of management and marketing services to its subsidiaries and managing entities. The Group's gross turnover comprises proceeds from provision of food, beverage, lodging and other hospitality industry related activities. The net group's turnover excludes turnover taxes and trade discounts. The gross turnover represents the invoiced value of services to customers outside the Group.

3.3.2 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

Room Revenue

Room revenue is recognized on the rooms occupied on a daily basis and food and beverage and other hotel related sales are accounted for at the point of sales.

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 income statement.

Dividend Income

Dividend income is recognised in Statement of income on the date the entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Rental income

Rental income is recognised in profit and loss as it accrues.

Gains and Losses on Disposal of Assets

Gains and losses on disposal of Assets are determined by comparing the net sales proceeds with the carrying amounts of the assets and are recognised net within "other operating income" in the Statement of Income. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

3.3.3 Expenses

All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year.

Repairs and renewals are charged to Statement of income in the year in which the expenditure is incurred.

ACCOUNTING POLICIES

3.3.4 Operating Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership over the lease term are classified as operating leases. Payments made under operating leases are recognised in Statement of income on a straight-line basis over the term of the lease.

3.3.5 Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalized as part of the cost of that asset.

3.3.6 Finance Income and Finance Costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in the Statement of Income.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in Statement of income using the effective interest method.

The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

3.3.7 Tax Expense

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Kandyan Resorts (Private) Limited

Pursuant to agreement dated 23 March 1994, entered into with Board of Investments of Sri Lanka under section 17 of the Board of Investment Law No. 04 of 1978, the provision of the Inland Revenue Act No. 10 of 2006 relating to the imposition, payment and recovery of income tax in respect of the profit and income of the Company shall not apply for a period of ten (10) years reckoned from the year of assessment as may be determined by the Board ("the tax exemption period").

For the above purpose the year of assessment shall be reckoned from the year in which the Company commences to make profits or any year of assessment not later than five (05) years reckoned from the date of commencement of commercial operations whichever comes first, as may be specified in a certificate issued by the Board. This exemption period commences from 01 April 2002 and expires on 31 March 2012.

After 01 April 2012 until a period of 15 years the Company will be taxed at the rate of 2% on Gross Revenue.

ACCOUNTING POLICIES

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be

utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed.

Tax withheld on dividend income from subsidiaries is recognised as an expense in the Consolidated Income Statement at the same time as the liability to pay the related dividend is recognised.

Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

ACCOUNTING POLICIES

3.4 Assets and bases of their valuation

3.4.1 Property, Plant and Equipment

3.4.1.1 Recognition and measurement

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any, whilst land is measured at fair value.

3.4.1.2 Owned assets

The cost of Property, Plant and Equipment includes expenditure that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets for which the commencement date for capitalisation is on or after 1 April 2011.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

Revaluation of land is done with sufficient frequency to ensure that the fair value of the land does not differ materially from its carrying amount, and is undertaken by professionally qualified valuers. Any revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case, the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.4.1.3 Lease assets

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

3.4.1.4 Group as a lessee

Finance leases that transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

3.4.1.5 Subsequent Costs

The cost of replacing a component of an item of Property, Plant & Equipment is recognised 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

ACCOUNTING POLICIES

cost can be measured reliably. The carrying amount of the replaced part is derecognised in accordance with the derecognition policy given below.

The costs of the day-to-day servicing of Property, Plant and Equipment are recognised in profit and loss as incurred.

3.4.1.6 Derecognition

The carrying amount of an item of Property, Plant & Equipment is derecognised on disposal; or when no future economic benefits are expected from its use. Gains and losses on derecognition are recognised in Statement of income and gains are not classified as revenue. When revalued assets are sold, any related amount included in the Revaluation Reserve is transferred to Retained Earnings.

3.4.1.7 Depreciation

Depreciation is recognised in Statement of income on a straight-line basis over the estimated useful lives of each part of an item of Property, Plant and Equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Group will have ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Roof	30 years
Bathroom and Toilets	10 years
Furniture and Fittings	15 years
Plant and Machinery	15 years
Air-conditioners	15 years
Kitchen Equipments	15 years
Office Equipments	15 years

Computer Equipments	05 years
Crockery of Cutlery	04 years
Linen	04 years
Fixtures and Fittings	15 years
Motor Vehicles	05 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognized.

3.4.2 Current Assets

Assets classified as current assets on the Balance Sheet are cash and bank balances and those which are expected to be realised in cash during the normal operating cycle or within one year from the reporting date, whichever is shorter.

3.4.2.1 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Food and Beverages	}	Weighted Average Basis
House Keeping and Maintenance		
Printing and Stationary		
Consumables and Other		

Net realisable value is the estimated selling price in the ordinary course of business less, the estimated cost of completion and the estimated costs necessary to make the sale.

3.4.2.2 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

ACCOUNTING POLICIES

3.4.3 Impairment of non-financial assets

The carrying amounts of the Group's non financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date or more frequently, if events or changes in circumstances indicate that they might be impaired.

3.4.3.1 Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, 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. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

3.4.3.2 Impairment/ Reversal of impairment

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit and loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does

not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Financial Instruments – Initial recognition and subsequent measurement

3.5.1 Non-derivative financial assets

3.5.1.1 Initial recognition and measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

3.5.1.2 Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include

ACCOUNTING POLICIES

financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by LKAS 39.

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value recognised in finance income or finance costs in the income statement.

Financial assets designated upon initial recognition at fair value through profit and loss are designated at their initial recognition date and only if the criteria under LKAS 39 are satisfied. The Group has not designated any financial assets at fair value through profit or loss.

The Group evaluates its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When in rare circumstances the Group is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, these instruments cannot be reclassified after initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into

account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs for loans and in other operating expenses for receivables.

Available-for-sale financial investments

Available-for-sale financial investments include equity investments and debt securities. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to the income statement in finance costs. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the effective interest rate method.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity. Reclassification to the held-to-maturity category is permitted only when the entity has the ability and intention to hold the financial

ACCOUNTING POLICIES

asset accordingly.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to Statement of income over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the Statement of income.

3.5.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the

Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

3.5.1.4 Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

ACCOUNTING POLICIES

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the Statement of income.

Available-for-sale financial investments

The Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition

cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from other comprehensive income and recognised in the Statement of income. Impairment losses on equity investments are not reversed through the Statement of income; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the Statement of income.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Statement of income, the impairment loss is reversed through the Statement of income.

3.5.2 Financial Liabilities

3.5.2.1 Initial recognition and measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

ACCOUNTING POLICIES

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts, and derivative financial instruments.

3.5.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by LKAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of income.

Financial liabilities designated upon initial recognition at fair value through profit and loss so designated at the initial date of recognition, and only if criteria of LKAS 39 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of income.

3.5.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of income.

3.5.3 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts
- And
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

3.5.4 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

ACCOUNTING POLICIES

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note.

3.5.5 Financial Risk Management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group also holds available-for-sale investments and enters into derivative transactions. Accordingly the Group has exposure to namely Credit Risk, Liquidity Risk, Currency Risk and Interest Rate Risk from its use of financial instruments:

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

3.5.5.1 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 arise principally from the Group's receivable from customers.

3.5.5.2 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 or risking damage to the Group's reputation.

3.5.5.3 Currency Risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the Group.

3.5.5.4 Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group has not engaged in any interest rate swap agreements.

3.6 Liabilities and Provisions

Liabilities classified as current liabilities on the Balance Sheet are those which fall due for payment on demand or within one year from the reporting date. Non-current liabilities are those balances that fall due for payment later than one year from the reporting date.

All known liabilities have been accounted for in preparing the financial statements. This should be come under the disclosure because it is not an accounting policy.

3.6.1 Employee Benefits

3.6.1.1 Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an employee benefit expense in Statement of income in the periods during which services are rendered by employees.

The Group contributes 12% and 3% of gross emoluments to employees as Provident Fund and Trust Fund contribution respectively.

ACCOUNTING POLICIES

3.6.1.2 Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries using Projected Unit Credit (PUC) method as recommended by LKAS 19 – “Employee benefits”. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in note 25. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 on employee benefit. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability is not externally funded. This liability is computed on the following basis:

Length of service (Years)	No. of months salary for each completed year of service
up to 20	1/2
20 up to 25	3/4
25 up to 30	1
30 up to 35	1 1/4
over 35	1 ½

3.6.1.3 Short term Benefits

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

3.6.2 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

3.6.3 Capital Commitments and Contingencies

Capital commitments and contingent liabilities of the Group are disclosed in the respective Note 26 to the Financial Statements.

3.6.4 Stated Capital

3.6.4.1 Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

3.7 General

3.7.1 Events Occurring after the Balance Sheet date

All material post Balance Sheet events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

3.7.2 Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average

ACCOUNTING POLICIES

number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.8 Cash Flow Statement

The Cash Flow Statement has been prepared using the "indirect method".

Interest paid is classified as an operating cash flow. Grants received, which are related to purchase and construction of Property, Plant & Equipment are classified as investing cash flows. Dividend and interest income are classified as cash flows from investing activities.

Dividends paid are classified as financing cash flows and Dividends received are classified as investing cash flows.

3.9 Use of Estimates and judgements

The preparation of Financial Statements in conformity with SLFRS's/LKAS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgements and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period and any future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. The group recognises liabilities for anticipated tax based on estimates of taxable income. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Measurement of the defined benefit obligations

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in note 25. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

3.9.1 Impairment of Property, Plant and Equipment

The impairment analysis is principally based upon discounted estimated cash flows from the use and eventual disposal of the assets. Factors like lower than anticipated sales and resulting decreases of net cash flows and changes in the discount rates could lead to impairment.

3.9.2 Revaluation of Land

The Group measures lands at revalued amount with change in value being recognised in the Statement of Other comprehensive income. The valuer has used valuation techniques such as open market value.

3.10 First time adoption of SLFRS

These financial statements, for the year ended 31 March 2013, are the first the Group has prepared in accordance with SLFRS. For periods up to and including the year ended 31 March 2011, the Group prepared its financial statements in accordance with Sri Lanka Accounting Standards (SLAS).

ACCOUNTING POLICIES

Accordingly, the Group has prepared financial statements which comply with SLFRS applicable for periods ending on or after 31 March 2013, together with the comparative period data as at and for the year ended 31 March 2012, as described in the accounting policies. In preparing these financial statements, the Group's opening statement of financial position was prepared as at 1 April 2011, the Group's date of transition to SLFRS. This note explains the principal adjustments made by the Group in restating its SLASs statement of financial position as at 1 April 2011 and its previously published SLASs financial statements as at and for the year ended 31st March 2012.

3.10.1 Exceptions Applied

SLFRS 1 First-Time Adoption of Sri Lanka Financial Reporting Framework and Statements of Recommended Practices allows first-time adopters certain exemptions from the retrospective application of certain SLFRS.

The group has applied the following exemptions:

- **Fair value or revaluation as deemed cost**
Certain items of Property, Plant and Equipments were carried in the statement of financial Position prepared in accordance with Previous SLAS on the basis of valuations performed on 31 March 2011. The Group has elected to regard those values as deemed cost at the date of the revaluation.
- **Designation of previously recognised financial instruments**
The Group has designated certain quoted and unquoted equity instruments held at 1 April 2011 as available-for-sale investments.
- **Estimates**
The estimates at 1 April 2011 and at March 31 2012 are consistent with those made for the same dates in accordance with SLAS (after adjustments to reflect any differences in accounting policies).

3.10.2 Withdrawal of UITF Rulings

The Urgent Issue Task Force (UITF) rulings issued prior to 1 January 2012 have been superseded by the Sri Lanka Accounting Framework with effect from 1st January 2012. Consequently it is now required to treat transactions in which any of UITF rulings applied, in accordance with Sri Lanka Accounting framework effective from 1 January 2012.

4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

- **SLFRS 9 Financial Instruments: Classification and Measurement**

SLFRS 9 replaces LKAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in LKAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. The adoption of the first phase of SLFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

- **SLFRS 10-Consolidated Financial Statements**

SLFRS 10 replaces the portion of LKAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in Standing Interpretations Committee - SIC-12 Consolidation - Special Purpose Entities.

SLFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by SLFRS 10 will require

ACCOUNTING POLICIES

management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in LKAS 27. This standard becomes effective for annual periods beginning on or after 1 January 2014.

- **SLFRS 12-Disclosure of Interests in other entities**

SLFRS 12 includes all of the disclosures that were previously in LKAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in LKAS 31 and LKAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after 1 January 2014.

- **SLFRS 13-Fair Value Measurement**

SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements. SLFRS 13 does not state when an entity is required to use fair value, but rather provides guidance on how to measure fair value under SLFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2014.

4.1 Explanations to the transition of SLFRS

To comply with the SLFRS 1, the Group provides explanations to the transition to SLFRS/LKAS from SLAS. The explanations includes a background and quantification of the change, This also includes reconciliation of Group's equity as at the date of transition 1st April 2011 and end of latest reporting period 31st March 2012. Reconciliation for total comprehensive income includes only for the latest financial year ended 31st March 2012.



NOTES TO THE FINANCIAL STATEMENT

NOTES TO THE FINANCIAL STATEMENT

5. FIRST-TIME ADOPTION OF SLFRS's

These financial statements, for the Year ended 31 March 2013, are the first the Group has prepared in accordance with SLFRS's. For periods up to and including the year ended 31 March 2012, the Group prepared its financial statements in accordance with Sri Lanka Accounting Standards (SLAS).

Accordingly, the Group has prepared financial statements which comply with SLFRS's applicable for periods beginning on or after 01 January 2012, together with the comparative period data as at and for the year ended 31 March 2012, as described in the accounting policies. In preparing these financial statements, the Group's opening statement of financial position was prepared as at 1 April 2011, the Group's date of transition to SLFRS's. This note explains the principal adjustments made by the Group in restating its Sri Lanka Accounting Standards (SLAS) Statement of Financial Position as at 1 April 2011 and the financial statements as at and for the year ended 31 March 2012.

Exceptions Applied

SLFRS 1 First-Time Adoption of Sri Lanka Accounting Standards (SLFRSs) allows first-time adopters certain exemptions from the retrospective application of certain SLFRS.

The Group has applied the following exemptions:

SLFRS 3 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses for SLFRS, that occurred before 1 April 2011. Use of this exemption means that the SLAS carrying amounts of assets and liabilities, which are required to be recognised under SLFRS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with SLFRS. Assets and liabilities that do not qualify for recognition under SLFRS are excluded from the opening SLFRS statement of financial position. The Group did not recognise or exclude any previously recognised amounts as a result of SLFRS recognition requirements.

The Group has designated unquoted equity instruments held at 1 April 2011 as available for sale investments.

NOTES TO THE FINANCIAL STATEMENT

5. FIRST-TIME ADOPTION OF SLFRS's (Contd.)

Reconciliation of equity as at 1 April 2011 (date of transition to SLFRS's)

	Note	Group			Company		
		SLAS	Remeasurements	SLFRS as at	SLAS	Remeasurements	SLFRS as at
		Rs.	Rs.	01 April 2011 Rs.	Rs.	Rs.	01 April 2011 Rs.
Assets							
Non-current assets							
Property, Plant and Equipment	A	1,497,140,497	579,664,022	2,076,804,519	5,062,930	(65,360)	4,997,570
Prepayment on Leasehold Property		8,143,561	-	8,143,561	-	-	-
Other Non Current Non Financial Assets	B	3,196,879	194,331	3,391,210	3,196,879	194,331	3,391,210
Investment in Subsidiaries		-	-	-	934,926,965	-	934,926,965
		<u>1,508,480,937</u>	<u>579,858,354</u>	<u>2,088,339,290</u>	<u>943,186,774</u>	<u>128,971</u>	<u>943,315,745</u>
Current assets							
Inventories		20,235,271	-	20,235,271	-	-	-
Trade and Other Receivables	C	148,770,199	(6,772,355)	141,997,845	7,708,346	211,612	7,919,958
Amount due from Related Parties	B	-	-	-	1,293,593	(1,293,593)	-
Income Tax Receivables		6,203,844	-	6,203,844	-	-	-
Advances and Prepayments	C	-	6,772,355	6,772,355	-	1,081,981	1,081,981
Other Current Financial Assets	B	71,088,256	8,710,129	79,798,385	71,088,256	8,710,129	79,798,385
Short Term Deposits		124,894,300	-	124,894,300	59,894,300	-	59,894,300
Cash and Bank Balances		16,678,937	-	16,678,937	360,390	-	360,390
		<u>387,870,807</u>	<u>8,710,129</u>	<u>396,580,937</u>	<u>140,344,885</u>	<u>8,710,129</u>	<u>149,055,014</u>
Total assets		<u>1,896,351,744</u>	<u>588,568,483</u>	<u>2,484,920,227</u>	<u>1,083,531,659</u>	<u>8,839,100</u>	<u>1,092,370,759</u>
Equity and liabilities							
Equity							
Stated Capital		526,770,320	-	526,770,320	526,770,320	-	526,770,320
Revaluation Reserve	D	674,639,534	(674,639,534)	-	-	-	-
Available for Sale Reserve	I	-	194,321	194,321	-	194,321	194,321
Retained Earnings	H	392,337,452	1,246,303,023	1,638,640,475	191,463,176	8,644,779	200,107,955
		<u>1,593,747,306</u>	<u>571,857,810</u>	<u>2,165,605,116</u>	<u>718,233,496</u>	<u>8,839,100</u>	<u>727,072,596</u>
Non - Controlling Interest		11,443,210	16,072,860	27,516,070	-	-	-
Total equity		<u>1,605,190,516</u>	<u>587,930,670</u>	<u>2,193,121,186</u>	<u>718,233,496</u>	<u>8,839,100</u>	<u>727,072,596</u>
Non-current liabilities							
Interest Bearing Loans and Borrowings		22,403,805	-	22,403,805	-	-	-
Retirement Benefit Obligations		16,802,027	-	16,802,027	5,120,794	-	5,120,794
Deferred Tax Liabilities	E	68,263,804	637,813	68,901,617	-	-	-
		<u>107,469,636</u>	<u>637,813</u>	<u>108,107,449</u>	<u>5,120,794</u>	<u>-</u>	<u>5,120,794</u>
Current liabilities							
Trade and Other Payables	F	129,753,017	(23,416,138)	106,336,879	31,047,603	317,090,806	348,138,409
Amount due to Related Parties	G	2,606,781	(2,606,781)	-	319,649,493	(319,649,493)	-
Income Tax Payables		10,871,215	-	10,871,215	703,562	-	703,562
Other Current Non Financial Liabilities	F	-	26,022,919	26,022,919	-	2,558,687	2,558,687
Interest Bearing Loans and Borrowings		40,460,579	-	40,460,579	8,776,711	-	8,776,711
		<u>183,691,592</u>	<u>-</u>	<u>183,691,592</u>	<u>360,177,369</u>	<u>-</u>	<u>360,177,369</u>
Total liabilities		<u>291,161,228</u>	<u>637,813</u>	<u>291,799,041</u>	<u>365,298,163</u>	<u>-</u>	<u>365,298,163</u>
Total equity and liabilities		<u>1,896,351,744</u>	<u>588,568,483</u>	<u>2,484,920,227</u>	<u>1,083,531,659</u>	<u>8,839,100</u>	<u>1,092,370,759</u>

NOTES TO THE FINANCIAL STATEMENT

5. FIRST-TIME ADOPTION OF SLFRS's (Contd.)

Reconciliation of equity as at 31 March 2012

Note	Group			Company			
	SLAS Rs.	Remeasurements Rs.	SLFRS as at 31 March 2012 Rs.	SLAS Rs.	Remeasurements Rs.	SLFRS as at 31 March 2012 Rs.	
Assets							
Non-current assets							
Property, Plant and Equipment	A	2,144,089,304	148,983,653	2,293,072,957	43,095,894	2,355,830	45,451,724
Prepayment on Leasehold Property		7,894,872	-	7,894,872	-	-	-
Other Non Current Non Financial Assets		24,000,000	-	24,000,000	24,000,000	-	24,000,000
Other Non Current Financial Assets	B	83,645,920	(23,661,910)	59,984,010	83,645,920	(23,661,910)	59,984,010
Investment in Subsidiaries		-	-	-	934,926,965	-	934,926,965
		<u>2,259,630,096</u>	<u>125,321,743</u>	<u>2,384,951,839</u>	<u>1,085,668,779</u>	<u>(21,306,080)</u>	<u>1,064,362,699</u>
Current assets							
Inventories		20,107,339	-	20,107,339	-	-	-
Trade and Other Receivables	C	160,292,357	(15,813,293)	144,479,064	3,982,427	2,462,266	6,444,693
Amount due from Related Parties	B	1,948,150	(1,948,150)	-	3,052,970	(3,052,970)	-
Income Tax Receivables		1,196,240	-	1,196,240	-	-	-
Advances and Prepayments	C	-	17,761,443	17,761,443	-	590,704	590,704
Other Current Financial Assets	B	11,289,056	902,932	12,191,988	11,289,056	902,932	12,191,988
Cash and Bank Balances		45,701,912	-	45,701,912	2,978,958	-	2,978,958
		<u>240,535,054</u>	<u>902,931</u>	<u>241,437,986</u>	<u>21,303,411</u>	<u>902,932</u>	<u>22,206,343</u>
Total assets		<u>2,500,165,150</u>	<u>126,224,673</u>	<u>2,626,389,824</u>	<u>1,106,972,190</u>	<u>(20,403,149)</u>	<u>1,086,569,042</u>
Equity and liabilities							
Equity							
Stated Capital		526,770,320	-	526,770,320	526,770,320	-	526,770,320
Revaluation Reserve	D	1,089,627,523	(1,089,627,523)	-	56,306	(56,306)	-
Available for Sale Reserve	I	-	(23,661,920)	(23,661,920)	-	(23,661,920)	(23,661,920)
Retained Earnings	H	496,284,906	1,242,802,090	1,739,086,996	189,699,285	3,315,077	193,014,362
		<u>2,112,682,749</u>	<u>129,512,647</u>	<u>2,242,195,396</u>	<u>716,525,911</u>	<u>(20,403,149)</u>	<u>696,122,762</u>
Non-Controlling Interest		27,072,821	423,822	27,496,643	-	-	-
Total equity		<u>2,139,755,570</u>	<u>129,936,469</u>	<u>2,269,692,039</u>	<u>716,525,911</u>	<u>(20,403,149)</u>	<u>696,122,762</u>
Non-current liabilities							
Interest Bearing Loans and Borrowings		71,890,669	-	71,890,669	11,004,619	-	11,004,619
Retirement Benefit Obligations		19,817,490	-	19,817,490	4,978,718	-	4,978,718
Deferred Tax Liabilities	E	72,217,502	(3,711,796)	68,505,706	-	-	-
		<u>163,925,661</u>	<u>(3,711,796)</u>	<u>160,213,865</u>	<u>15,983,337</u>	<u>-</u>	<u>15,983,337</u>
Current liabilities							
Trade and Other Payables	F	133,702,841	(23,238,635)	110,464,206	24,173,878	343,119,116	367,292,995
Amount due to Related Parties	G	5,172,555	(5,172,555)	-	346,435,849	(346,435,849)	-
Income Tax Payables		6,572,077	-	6,572,077	99,792	-	99,792
Other Current Non Financial Liabilities	F	-	28,411,191	28,411,191	-	3,316,733	3,316,733
Interest Bearing Loans and Borrowings		51,036,446	-	51,036,446	3,753,423	-	3,753,423
		<u>196,483,919</u>	<u>-</u>	<u>196,483,920</u>	<u>374,462,942</u>	<u>-</u>	<u>374,462,943</u>
Total liabilities		<u>360,409,580</u>	<u>(3,711,796)</u>	<u>356,697,785</u>	<u>390,446,279</u>	<u>-</u>	<u>390,446,280</u>
Total equity and liabilities		<u>2,500,165,150</u>	<u>126,224,673</u>	<u>2,626,389,824</u>	<u>1,106,972,190</u>	<u>(20,403,149)</u>	<u>1,086,569,042</u>

NOTES TO THE FINANCIAL STATEMENT

5. FIRST-TIME ADOPTION OF SLFRS's (Contd.)

Reconciliation of total comprehensive income for the year ended 31 March 2012

	Note	Group			Company		
		SLAS Remeasurements	SLFRS for the period	SLAS Remeasurements	SLFRS for the period	SLAS Remeasurements	SLFRS for the period
		Rs.	Rs.	31 March 2012 Rs.	Rs.	Rs.	31 March 2012 Rs.
Revenue	J	830,365,438	37,287,159	867,652,597	62,732,696	-	62,732,696
Cost of Sales	J	(205,118,860)	(8,675,887)	(213,794,747)	-	-	-
Gross Profit		625,246,578	28,611,272	653,857,850	62,732,696	-	62,732,696
Other Income and Gains	J	68,479,815	(28,611,272)	39,868,542	226,100,444	-	226,100,444
Selling and Distribution Costs		(54,092,706)	-	(54,092,706)	(20,042,718)	-	(20,042,718)
Administrative Expenses	K	(329,233,044)	19,102,106	(310,130,938)	(81,409,052)	16,841,826	(64,567,226)
Operating Profit		310,400,643	19,102,105	329,502,747	187,381,370	16,841,826	204,223,196
Finance Cost	L	(6,708,752)	(22,171,528)	(28,880,280)	(1,025,016)	(22,171,528)	(23,196,544)
Finance Income		8,325,372	-	8,325,372	4,910,400	-	4,910,400
Profit Before Tax		312,017,263	(3,069,423)	308,947,839	191,266,754	(5,329,702)	185,937,052
Income Tax Expenses		(15,952,284)	(431,509)	(16,383,793)	(893,693)	-	(893,693)
Net Profit for the Year		296,064,979	(3,500,932)	292,564,046	190,373,061	(5,329,702)	185,043,359
Other Comprehensive Income							
Loss on Available-for-sale Financial Assets	I	-	(23,856,241)	(23,856,241)	-	(23,856,241)	(23,856,241)
Other Comprehensive Income for the year, net of tax		-	(23,856,241)	(23,856,241)	-	(23,856,241)	(23,856,241)
Total Comprehensive Income for the year, net of tax		296,064,979	(27,357,173)	268,707,805	190,373,061	(29,185,943)	161,187,118

NOTES TO THE FINANCIAL STATEMENT

5. FIRST-TIME ADOPTION OF SLFRS's (Contd.)

Notes to the reconciliation of equity of the Group/Company as at 1 April 2011 and 31 March 2012 and total comprehensive income for the year ended 31 March 2012.

A Property, Plant and Equipment

The measurement changes for Property, Plant and Equipment are listed as follows;

Group	Freehold Land	Buildings	Plant and Machinery	Furniture and Fittings	Office Equipments	Computer Equipments	Air Conditioners	Kitchen Equipment	Motor Vehicles	Remeasurements to Property, Plant and Equipment
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Gross Carrying Amount										
Fair Value Adjustment	286,193,602	183,922,811	(52,083,662)	(15,670,209)	(1,980,362)	(20,548,347)	(11,352,830)	(5,586,937)	-	362,894,065
Total impact As at 01.04.2011	286,193,602	183,922,811	(52,083,662)	(15,670,209)	(1,980,362)	(20,548,347)	(11,352,830)	(5,586,937)	-	362,894,065
Reversal of Revaluation Impact 2011/12	(255,956,602)	(7,086,472)	33,391,111	3,468,880	157,713	9,973,614	(516,714)	1,548,034	-	(215,020,435)
Total impact As at 31.03.2012	30,237,000	176,836,339	(18,692,551)	(12,201,329)	(1,822,649)	(10,574,733)	(11,869,544)	(4,038,903)	-	147,873,630
Accumulated Depreciation										
Transfers on Fair Value Adjustment Impact to Depreciation on the Fair Valuation at Transition Date	-	(91,482,985)	(31,833,437)	(30,583,868)	(2,412,751)	(24,759,435)	(17,013,843)	(17,722,469)	-	(215,808,788)
Total impact As at 01.04.2011	-	(91,482,985)	(31,833,437)	(30,583,868)	(2,412,751)	(24,759,435)	(17,013,843)	(17,722,469)	(961,170)	(215,808,788)
Reversal of Revaluation Impact 2011/12 Impact to Depreciation on the Fair Valuation at Transition Date	101,419,856	36,823,794	24,599,826	854,363	17,917,327	18,883,912	19,748,724	-	-	220,247,802
Total impact As at 31.03.2012	17,909,335	278,644	(7,287,805)	(1,677,718)	(7,566,480)	2,103,634	374,861	(5,244,500)	-	(1,110,029)
Net effect to the net book value as at 01.04.2011	286,193,602	275,405,796	(20,250,225)	14,913,659	432,389	4,211,088	5,661,013	12,135,532	961,170	579,664,022
Net effect to the net book value as at 31.03.2012	30,237,000	158,927,004	(18,971,195)	(4,913,525)	(144,931)	(3,008,253)	(13,973,178)	(4,413,763)	5,244,500	148,983,653

Company	Furniture & Fittings	Office Equipments	Computer Equipments	Motor Vehicles	Remeasurements to Property, Plant, and Equipment
	Rs.	Rs.	Rs.	Rs.	Rs.
Gross Carrying Amount					
Fair Value Adjustment	(2,130,813)	(1,946,813)	(11,329,031)	-	(15,406,657)
Total impact As at 01.04.2011	(2,130,813)	(1,946,813)	(11,329,031)	-	(15,406,657)
Reversal of Revaluation Impact 2011/12	1,385,508	245,303	236,342	-	1,867,153
Total impact As at 31.03.2012	(745,305)	(1,701,510)	(11,092,689)	-	(13,539,504)
Accumulated Depreciation					
Transfers on Fair Value Adjustment Impact to Depreciation on the Fair Valuation at Transition Date	-	-	-	(961,170)	(961,170)
Total impact As at 01.04.2011	-	-	-	(961,170)	(961,170)
Reversal of Revaluation Impact 2011/12 Impact to Depreciation on the Fair Valuation at Transition Date	1,441,813	108,419	223,318	-	1,773,550
Total impact As at 31.03.2012	(29,303)	(1,697,876)	(11,056,988)	(3,111,166)	(15,895,333)
Net effect to the net book value as at 01.04.2011	(817,908)	(192,713)	(15,909)	961,170	(65,360)
Net effect to the net book value as at 31.03.2012	(716,002)	(3,634)	(35,701)	3,111,166	2,355,830

NOTES TO THE FINANCIAL STATEMENT

5. FIRST-TIME ADOPTION OF SLFRS's (Contd.)

Notes to the reconciliation of equity of the Group/Company as at 1 April 2011 and 31 March 2012 and total comprehensive income for the year ended 31 March 2012.

B Other Financial Assets

Under SLAS, the Group has categorised Investments in Quoted Shares as Other Investments at Cost plus Fall in Value Provision. However, under LKAS 39, The Group has designated the portion of strategic investment as Available For Sale investments and the portion of investment held for trading as investments at fair value through profit or loss and thereby, measured at Fair Value. Transaction costs to acquire investments designated as available for sale has not been capitalized at initial measurement since it is immaterial to the investment. The Fair Value changes at each reporting date has been accounted through an allowance account and those changes have been presented in the income statement for the investments designated as fair value though profit or loss and the same is presented in other comprehensive income and thereby in the changes in equity for the investments designated as available for sale.

C Advance and Prepayments

Under SLAS, the Group has categorized Receivables, Advances and Prepayments as "Trade and Other Receivables". Under SLFRS, Advances and Prepayments do not fall within the definition of Financial Assets as defined in LKAS 39. Advances and prepayments has therefore been disclosed separately in the Statement of Financial Position as such presentation would facilitate a better understanding of the entity's financial position.

D Revaluation Reserves

D1 Under SLFRS 01, the Group has used Revaluation as Deemed Cost of Property, Plant and Equipment based on the revaluation made on the date of transition to SLFRSs. Therefore, the Revaluation Reserve accumulated upto the date of transition has been shifted to Retained Earnings.

D2 Under SLFRS 01, the Group has used Revaluation as Deemed Cost of Property, Plant and Equipment based on the revaluation made on the date of transition to SLFRSs. Therefore, the revaluation made during the year 2011/12 has been reversed to accommodate the fair values as at the date of transition.

E Deferred Tax Liabilities

Under SLFRS 01, the Group has used Revaluation as Deemed Cost of Property, Plant and Equipment based on the revaluation made on the date of transition to SLFRSs. Thereby, the resulting impact on deferred tax liability has been quantified and recognised as appropriately.

	31.03.2012	01.04.2011
	Rs.	Rs.
Incorporation of deferred tax impact on the fair value adjustment at the date of transition	637,813	637,813
Reversal of Deferred Tax Effect on 2011/12 Revaluation	(4,781,118)	-
Deferred Tax Implication on change in Depreciation on Fair Valuation at the transition Date	431,509	-
	(3,711,796)	637,813

F Trade and Other Payables

Under SLAS, the Group has categorized Non-Financial Liabilities such as Reservation Advances, Gift Vouchers Sold etc.. as a part of "Trade and Other Payables". Under SLFRS, these Non-Financial Liabilities do not fall within the definition of Financial Liabilities as defined in LKAS 39. Non-Financial Liabilities has therefore been disclosed separately in the Statement of Financial Position as such presentation would facilitate a better understanding of the entity's financial position.

G Other Current Financial Liabilities

Under SLAS, the Group has categorised Amount Due to Related Parties separately on the face of Statement of Financial Position, Under SLFRS, Amount Due to Related Parties fall in the definition of LKAS 39. Therefore value of Amount Due to Related Parties has disclosed separately in the Statement of Financial Position under Trade and other Payables as such presentation would facilitate a better understanding of the entity's financial position.

NOTES TO THE FINANCIAL STATEMENT

5. FIRST-TIME ADOPTION OF SLFRS's (Contd.)

H Retained Earning

The change in Retained Earnings is as follows;

	Note	Group		Company	
		31.03.2012	01.04.2011	31.03.2012	01.04.2011
		Rs.	Rs.	Rs.	Rs.
Fair Valuation Effect of Property, Plant and Equipment at the date of transition	A	562,629,993	562,629,993	(1,026,530)	(1,026,530)
Transfer of Revaluation Reserve (net of deferred tax adjustment) up to the transition date		674,639,534	674,639,534	-	-
Incorporation of deferred tax impact on the fair value adjustment at the date of transition	E	(637,813)	(637,813)	-	-
Depreciation Effect of property, plant and equipment on Fair Valuation at Transition Date	A	5,549,035	961,170	3,288,749	961,170
Deferred Tax Implication on change in Depreciation	E	(431,509)	-	-	-
Reversal of Impairment on Property, Plant and Equipments	A	149,908	-	149,908	-
Gain/(Loss) from the Investments under Fair Value through Profit or Loss		902,942	8,710,139	902,942	8,710,139
		<u>1,242,802,090</u>	<u>1,246,303,023</u>	<u>3,315,077</u>	<u>8,644,779</u>

I Available for Sale Reserve

Under SLAS, the Group has categorised Investments in Quoted Shares as Other Investments at Cost plus Fall in Value Provision. However, under LKAS, the portion of strategic investment has been designated by the Management as Available For Sale investments and thereby, measured at Fair Value. The Fair Value changes at each reporting date has been presented in Other Comprehensive Income and there by in Other Components of Equity as prescribed in LKAS 39.

J Revenue

Under SLFRS the Group has taken all the income streams liable for Tourism Development Levy (TDL) as "Revenue" for the year ended 31 March 2012. Thereby, a portion of Other Income and Gains has been reclassified as a part of "Revenue".

K Administrative Expenses

Administrative Expenses has changed under SLFRS due to the following reason.

	Group	Company
	31.03.2012	31.03.2012
	Rs.	Rs.
Depreciation Effect of Property, Plant and Equipment on Fair Valuation at Transition Date	4,587,867	2,327,587
Reversal of Impairment on Revaluation of Property, Plant and Equipment	149,908	149,908
Transfer of Provision for fall in value of Investments to Finance Cost	14,364,331	14,364,331
	<u>19,102,106</u>	<u>16,841,826</u>

L Finance Cost

Under SLAS, the Group has presented Provision for fall in value of investment under Administrative Expenses. However under LKAS, these investments are designated as investments at fair value through profit or loss and loss on fair value changes as at 31 March 2012, has been removed from Administrative Expenses and taken the whole loss as a component in Finance Cost.

NOTES TO THE FINANCIAL STATEMENT

6. REVENUE	Group		Company	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Gross Revenue (Note 6.1)				
Tourism Development Levy	1,077,472,279	877,084,435	80,207,182	62,732,696
Turnover Tax	(10,556,261)	(9,063,022)	-	-
	(396,496)	(368,816)	-	-
	<u>1,066,519,522</u>	<u>867,652,597</u>	<u>80,207,182</u>	<u>62,732,696</u>
6.1 Gross Revenue				
Management Fee	8,834,246	4,613,820	11,234,246	7,013,820
Commission Income	6,487,637	4,264,873	68,972,936	55,718,876
Apartment Revenue	621,722,176	518,662,338	-	-
Restaurant Sales	283,091,857	226,735,553	-	-
Bar Sales	57,451,178	54,341,779	-	-
Banquet Sales	59,352,665	31,178,913	-	-
Other Income	40,532,520	37,287,159	-	-
	<u>1,077,472,279</u>	<u>877,084,435</u>	<u>80,207,182</u>	<u>62,732,696</u>
7. OTHER INCOME AND GAINS				
7.1 Other Income				
Profit on Disposal of Other Investments	-	13,408,977	-	13,408,977
Rent Income	4,627,200	4,838,797	-	-
Commission Income	23,468	126,457	23,468	126,457
Sundry Income	6,033,289	2,929,647	-	-
Reversal of Impairment on Trade Receivable	1,175,800	-	-	-
Gain on Retirement of Property, Plant and Equipment	-	582,693	-	-
Profit on Disposal of Property, Plant and Equipments	4,597,823	12,500,000	-	-
Creditors written back	8,477,308	3,895,508	324,116	719,001
Dividend Income	1,307,270	1,586,463	203,935,518	211,846,009
Gain on Foreign Currency Exchange	1,545,526	-	-	-
	<u>27,787,683</u>	<u>39,868,542</u>	<u>204,283,102</u>	<u>226,100,444</u>
8. FINANCE COSTS AND INCOME				
8.1 Finance Cost				
Interest Expenses on Bank Overdrafts	975,097	233,426	947,058	138,474
Interest Expenses on Finance Leases	5,051,196	2,911,072	1,931,645	464,230
Interest Expenses on Bank Loans	8,434,814	3,141,942	1,078,750	-
Interest Expenses on Director's Loans	177,080	422,312	177,080	422,312
Loss on Investments at Fair Value through Profit or Loss	-	22,171,528	-	22,171,528
	<u>14,638,187</u>	<u>28,880,280</u>	<u>4,134,533</u>	<u>23,196,544</u>
8.2 Finance Income				
Interest Income	6,483,068	8,325,372	4,883,341	4,910,400
Gain on Investments at Fair Value through Profit or Loss	2,461,791	-	2,461,791	-
	<u>8,944,859</u>	<u>8,325,372</u>	<u>7,345,132</u>	<u>4,910,400</u>

NOTES TO THE FINANCIAL STATEMENT

9. PROFIT BEFORE TAX	Group		Company	
	2013	2012	2013	2012
Stated after Charging	Rs.	Rs.	Rs.	Rs.
Included in Cost of Sales				
Employees Benefits including the following	42,748,136	42,482,289	-	-
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	2,216,052	2,168,153	-	-
- Defined Contribution Plan Costs - EPF and ETF (included in Employee Benefits)	4,424,930	3,704,674	-	-
Included in General and Administration Expenses				
Employees Benefits including the following	102,594,113	83,834,976	14,577,726	15,709,461
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	4,340,431	7,178,315	1,561,244	5,090,541
- Defined Contribution Plan Costs - EPF and ETF (included in Employee Benefits)	9,374,319	6,905,586	2,379,034	2,109,137
Depreciation	83,624,730	71,212,942	7,248,271	4,815,331
Amortisation of Prepaid Operating Lease	248,689	248,689	-	-
Director's Emoluments	29,625,213	17,950,059	29,625,213	17,950,059
Service Fees	11,066,216	5,779,060	11,066,216	5,779,060
Auditor's Remuneration	1,180,049	1,016,060	480,673	273,900
Professional Fees	679,749	961,912	658,391	961,912
Legal Fees	335,253	294,255	-	-
Charity and Donation	166,242	126,297	-	-
Included in Selling and Marketing Expenses				
Advertising Expenses	754,037	1,083,554	-	-
Sales Promotional Expenses	15,538,467	11,130,519	5,960,443	5,753,168
Impairment of Trade Receivable	-	3,365,339	-	-
10. INCOME TAX EXPENSE				
	Group		Company	
	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.
The major components of income tax expense for the year ended 31 March are as follows :				
Income Statement				
Current Income Tax				
Current Income Tax Charge (Note 10.1)	18,861,898	18,367,731	888,768	893,693
Under/(Over) Provision of Current Taxes in respect of prior years	(723,649)	(1,784,580)	-	-
Dividend Tax	3,871,761	196,553	-	-
	22,010,010	16,779,704	888,768	893,693
Deferred Income Tax				
Deferred Taxation Charge/(Reversal) (Note 10.3)	9,937,890	(395,911)	-	-
Income Tax Expense reported in the Income Statement	31,947,900	16,383,793	888,768	893,693

NOTES TO THE FINANCIAL STATEMENT

10.1 A reconciliation between income tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows;

	Group		Company		
	2013	2012	2013	2012	
	Rs.	Rs.	Rs.	Rs.	
Accounting Profit before Income Tax	408,524,672	308,947,839	181,136,854	185,937,052	
Disallowed Items	54,243,834	291,073,210	11,443,652	38,831,864	
Allowed Items	(294,960,387)	(465,446,142)	(205,402,275)	(228,188,272)	
Interest Income	(5,279,398)	(8,325,372)	(4,883,341)	(4,910,400)	
Tax Losses Related to Group Companies	-	8,329,756	-	-	
Taxable Profit/(Loss) from Business	162,528,720	134,579,292	(17,705,110)	(8,329,756)	
Other Sources of Income					
Interest Income	5,279,398	8,325,372	4,883,341	4,910,400	
Rental Income	-	-	-	-	
Taxable Other Income	5,279,398	8,325,372	4,883,341	4,910,400	
Tax Losses Brought Forward and Utilised	(1,709,169)	(1,718,640)	(1,709,169)	(1,718,640)	
Total Taxable Income	3,570,229	6,606,732	3,174,172	3,191,760	
Income Tax @ 2% on Turnover	12,747,561	-	-	-	
Income Tax @ 12% on Taxable Profits	4,603,712	16,517,846	-	-	
Income Tax @ 28% Taxable Profits	1,510,624	1,849,885	888,768	893,693	
Current Income Tax Charge	18,861,898	18,367,731	888,768	893,693	
10.2 Tax Losses					
Tax Losses Brought Forward	261,501,141	290,539,760	248,145,684	277,010,026	
Tax Losses Utilised during the year	(1,709,169)	(1,718,640)	(1,709,169)	(1,718,640)	
Adjustments on Finalization of Liability	(6,810,022)	(35,649,735)	(6,810,022)	(35,475,458)	
Loss incurred during the year	17,705,110	8,329,756	17,705,110	8,329,756	
Tax Losses Carried Forward	270,687,060	261,501,141	257,331,603	248,145,684	
Balance Sheet					
As at 1 April					
2011					
Income Statement					
2013					
2012					
Rs.					
10.3 Deferred Taxation					
Deferred Tax Liability	79,658,358	69,734,398	68,837,520	9,923,960	259,064
Capital Allowances for Tax purpose	-	-	637,813	-	-
Directly Charged to Equity	79,658,358	69,734,398	69,475,333	9,923,960	259,064
Deferred Tax Assets	(791,837)	(717,319)	(573,716)	(74,518)	(143,603)
Retirement Benefit Obligation	(422,924)	(511,372)	-	88,448	(511,372)
Trade and Other Receivables	(1,214,761)	(1,228,692)	(573,716)	13,930	(654,975)
Deferred Taxation Charge/(Reversal)				9,937,890	(395,911)
Net Deferred Tax Liability	78,443,596	68,505,706	68,901,617		

NOTES TO THE FINANCIAL STATEMENT

10.3.1 Amaya Leisure PLC

The Company has a carried forward tax loss amounting to Rs. 257,331,603/- (2012 - Rs. 248,145,684/-) that is available indefinitely for offset against future Statutory Income of the Company subject to limitation of 35% of Statutory Income in each year of assessment. A deferred tax asset amounting to Rs. 72,052,849/- (2012 - Rs. 69,480,791/-) has not been recognised in respect of this tax loss and other temporary differences which has resulted deferred tax assets as it is anticipated that the deferred tax asset will not realise in the foreseeable future.

10.3.2 Kandyan Resorts (Private) Limited

As per clause 10 (ii) of the BOI agreement dated 23 March 1994, the Company has granted to pay income tax at the rate of 2% of the turnover for a period of 15 years with effect from 01 April 2012. As the Inland Revenue Act does not apply during the said period, temporary differences do not exist. Therefore deferred tax does not apply.

11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic earnings per share computations.

	Group		Company	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
11.1 Amount used as the Numerator:				
Profit for the year	376,576,772	292,564,046	180,248,086	185,043,359
Loss attributable to Non-Controlling Shareholders	10,167	19,427	-	-
Profit attributable to Ordinary Shareholders of Parent Company for Basic Earnings per Share	<u>376,586,939</u>	<u>292,583,473</u>	<u>180,248,086</u>	<u>185,043,359</u>
11.2 Number of Ordinary Shares used as the Denominator				
Weighted Average Number of Ordinary Shares in issue applicable to Basic Earnings Per Share	<u>48,034,238</u>	<u>48,034,238</u>	<u>48,034,238</u>	<u>48,034,238</u>
12. DIVIDENDS PAID				
Declared and paid during the year				
Equity dividends on ordinary shares:				
Final dividend for the year ended 31 March 2013 : Rs. 4.00 per share (2012 : Rs. 4.00 per Share)	<u>192,136,952</u>	<u>192,136,952</u>	<u>192,136,952</u>	<u>192,136,952</u>

NOTES TO THE FINANCIAL STATEMENT

13. PROPERTY, PLANT AND EQUIPMENT

13.1 Group

13.1.1 Gross Carrying Amounts	Balance As at 01.04.2011 Rs.	Additions Rs.	Transfers/ Retirements Rs.	Balance As at 01.04.2012 Rs.	Additions Rs.	Transfers/ Retirements Rs.	Revaluation Rs.	Balance As at 31.03.2013 Rs.
At Cost/ Deemed Cost								
Freehold Land	452,851,500	49,147,683	-	501,999,183	-	-	67,108,317	569,107,500
Freehold Buildings	785,400,000	10,481,015	-	795,881,015	27,340,570	-	-	823,221,585
Building on Leasehold Land	578,000,000	22,286,181	-	600,286,181	218,911,516	-	-	819,197,697
Furniture and Fittings	46,841,996	9,812,959	-	56,654,955	34,121,050	-	-	90,776,005
Plant and Machinery	65,874,936	20,724,472	-	86,599,408	28,697,290	-	-	115,296,698
Air Conditioners	31,494,054	6,854,501	-	38,348,554	3,791,505	(3,220,384)	-	38,919,675
Kitchen Equipments	27,876,592	1,397,232	-	29,273,824	8,070,133	-	-	37,343,957
Office Equipments	1,235,867	6,730	-	1,242,597	937,922	-	-	2,180,519
Computer Equipments	9,691,095	2,068,249	-	11,759,344	8,297,028	-	-	20,056,372
Crockery and Cutlery	24,310,797	1,797,719	(8,610,941)	17,497,575	2,949,732	-	-	20,447,307
Linen	50,019,517	2,355,376	(17,893,594)	34,481,299	17,221,088	-	-	51,702,387
Fixtures and Fittings	18,991,647	1,452,184	-	20,443,831	523,576	-	-	20,967,407
Motor Vehicles	2,746,728	31,570,400	8,433,380	42,750,508	9,722,542	-	-	52,473,050
	<u>2,095,334,728</u>	<u>159,954,700</u>	<u>(18,071,155)</u>	<u>2,237,218,273</u>	<u>360,583,952</u>	<u>(3,220,384)</u>	<u>67,108,317</u>	<u>2,661,690,158</u>
Assets on Finance Leases								
Computer Equipments	3,539,987	-	(3,539,987)	-	-	-	-	-
Motor Vehicles	40,541,448	41,851,647	(32,512,673)	49,880,422	6,350,000	(4,340,000)	-	51,890,422
Generator	2,373,800	-	-	2,373,800	-	(2,373,800)	-	-
	<u>46,455,235</u>	<u>41,851,647</u>	<u>(36,052,660)</u>	<u>52,254,222</u>	<u>6,350,000</u>	<u>(6,713,800)</u>	<u>-</u>	<u>51,890,422</u>
	<u>2,141,789,963</u>	<u>201,806,347</u>	<u>(54,123,815)</u>	<u>2,289,472,495</u>	<u>366,933,952</u>	<u>(9,934,184)</u>	<u>67,108,317</u>	<u>2,713,580,580</u>
Building Work in Progress	27,470,397	86,005,602	-	113,475,999	140,321,397	(202,105,594)	-	51,691,802
	<u>27,470,397</u>	<u>86,005,602</u>	<u>-</u>	<u>113,475,999</u>	<u>140,321,397</u>	<u>(202,105,594)</u>	<u>-</u>	<u>51,691,802</u>
Total Gross Carrying Amount	<u><u>2,169,260,360</u></u>	<u><u>287,811,949</u></u>	<u><u>(54,123,815)</u></u>	<u><u>2,402,948,495</u></u>	<u><u>507,255,349</u></u>	<u><u>(212,039,778)</u></u>	<u><u>67,108,317</u></u>	<u><u>2,765,272,383</u></u>

NOTES TO THE FINANCIAL STATEMENT

13. PROPERTY, PLANT AND EQUIPMENT (Contd.)

	Balance	Charge for	Transfers/	Balance	Charge for	Transfers/	Revaluation	Balance
	As at 01.04.2011	the year	Retirements	As at 01.04.2012	the year	Retirements		As at 31.03.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
13.1.2 Depreciation								
At Cost/ Deemed Cost								
Freehold Buildings	-	18,434,667	-	18,434,667	18,869,595	-	-	37,304,262
Building on Leasehold Land	-	13,588,732	-	13,588,732	14,255,057	-	-	27,843,790
Furniture and Fittings	-	5,043,231	-	5,043,231	6,211,299	-	-	11,254,530
Plant and Machinery	-	6,177,257	-	6,177,257	7,192,322	-	-	13,369,579
Air Conditioners	-	5,035,920	-	5,035,920	4,659,977	(858,769)	-	8,837,128
Kitchen Equipments	-	3,057,699	-	3,057,699	3,400,475	-	-	6,458,174
Office Equipments	-	168,575	-	168,575	195,516	-	-	364,091
Computer Equipments	-	1,930,050	-	1,930,050	2,919,254	-	-	4,849,304
Crockery and Cutlery	17,946,466	2,119,371	(8,517,747)	11,548,090	3,700,801	-	-	15,248,891
Linen	36,319,872	4,118,812	(17,656,218)	22,782,466	7,193,523	-	-	29,975,989
Fixtures and Fittings	-	1,740,292	-	1,740,292	1,869,125	-	-	3,609,417
Motor Vehicles	2,178,670	4,913,086	5,231,559	12,323,315	6,625,301	-	-	18,948,616
	<u>56,445,008</u>	<u>66,327,692</u>	<u>(20,942,406)</u>	<u>101,830,294</u>	<u>77,092,247</u>	<u>(858,769)</u>	<u>-</u>	<u>178,063,771</u>
Assets on Finance Leases								
Computer Equipments	3,539,987	-	(3,539,987)	-	-	-	-	-
Motor Vehicles	31,699,362	4,647,870	(29,310,852)	7,036,380	6,492,918	(4,267,667)	-	9,261,631
Generator	771,484	237,380	-	1,008,864	39,565	(1,048,429)	-	-
	<u>36,010,833</u>	<u>4,885,250</u>	<u>(32,850,839)</u>	<u>8,045,244</u>	<u>6,532,483</u>	<u>(5,316,096)</u>	<u>-</u>	<u>9,261,631</u>
Total Depreciation	<u>92,455,841</u>	<u>71,212,942</u>	<u>(53,793,245)</u>	<u>109,875,538</u>	<u>83,624,730</u>	<u>(6,174,865)</u>	<u>-</u>	<u>187,325,403</u>

NOTES TO THE FINANCIAL STATEMENT

13. PROPERTY, PLANT AND EQUIPMENT (Contd.)

13.1.3 Net Book Value	2013	2012	As at 1 April 2011
At Cost/ Deemed Cost	Rs.	Rs.	Rs.
Freehold Land	569,107,500	501,999,183	452,851,500
Freehold Buildings	785,917,323	777,446,348	785,400,000
Building on Leasehold Land	791,353,907	586,697,449	578,000,000
Furniture and Fittings	79,521,474	51,611,724	46,841,996
Plant and Machinery	101,927,119	80,422,151	65,874,936
Air Conditioners	30,082,546	33,312,634	31,494,054
Kitchen Equipments	30,885,783	26,216,124	27,876,592
Office Equipments	1,816,428	1,074,022	1,235,867
Computer Equipments	15,207,068	9,829,294	9,691,095
Crockery and Cutlery	5,198,416	5,949,485	6,364,331
Linen	21,726,398	11,698,833	13,699,645
Fixtures and Fittings	17,357,990	18,703,539	18,991,647
Motor Vehicles	33,524,434	30,427,193	568,058
	<u>2,483,626,387</u>	<u>2,135,387,980</u>	<u>2,038,889,720</u>
Assets on Finance Leases			
Computer Equipments	-	-	-
Motor Vehicles	42,628,791	42,844,042	8,842,086
Generator	-	1,364,936	1,602,316
	<u>42,628,791</u>	<u>44,208,978</u>	<u>10,444,402</u>
In the Course of Construction			
Building Work in Progress	51,691,802	113,475,999	27,470,397
	<u>51,691,802</u>	<u>113,475,999</u>	<u>27,470,397</u>
Total Carrying Amount of Property, Plant and Equipment	<u>2,577,946,980</u>	<u>2,293,072,957</u>	<u>2,076,804,519</u>

13.1.4 The freehold land, building and certain other classes of Property, Plant and Equipment of the group were revalued by Messrs P. B. Kalugalagedera an independent valuer and consultant, in report dated 15 March 2011. The results of such revaluation were incorporated in these Financial Statements from its effective date which is 31 March 2011. Land was valued on an open market value for existing used basis and building and other certain classes of Property, Plant and Equipment were valued on depreciation replacement cost basis. The surplus arising from the revaluation was transferred to retained earnings on the treatment of valuation as deemed cost of Property, Plant and Equipments with the application of SLFRS 1 at the date of transition.

Further, freehold land of the Group were revalued by Messrs. P. B. Kalugalagedera an independent valuer and consultant, in report dated 31 March 2013. The results of such revaluation were incorporated in these Financial Statements from its effective date which is 31 March 2013. The said revaluation has been done to be in line with parent's policy on revaluation of lands.

The carrying amount of revalued assets that would have been included in the Financial Statements had the assets been carried at cost less depreciation is as follows:

NOTES TO THE FINANCIAL STATEMENT

13. PROPERTY, PLANT AND EQUIPMENT (Contd.)

Class of Asset	Cumulative Depreciation		Net Carrying Amount	Net Carrying Amount	Net Carrying Amount
	Cost	if Assets were Carried at Cost			
	2013	2013	2013	2012	2011
	Rs.	Rs.	Rs.	Rs.	Rs.
Land	169,775,866	-	169,775,866	120,628,183	120,628,183
Buildings	716,272,786	167,515,518	548,757,268	563,082,724	577,408,180
Furniture and Fittings	122,622,813	94,503,412	28,119,401	40,381,682	52,643,963
Plant and Equipments	153,281,770	153,281,770	-	5,100,769	19,623,558
Air Conditioners	33,533,853	33,533,853	-	-	1,123,620
Kitchen Equipments	5,916,182	3,624,410	2,291,772	3,902,548	5,513,324
Office Equipments	11,518,136	11,313,704	204,432	492,337	780,242
Computer Equipments	34,540,731	34,540,731	-	-	1,044,576
	1,247,462,137	498,313,398	749,148,739	733,588,243	778,765,646

13.1.5 During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs.305,149,755/- (2012 - Rs.287,811,951/-) including cost incurred on capital work in progress of which Rs.140,321,397/- (2012 - Rs.86,005,602/-). Cash payments amounted to Rs.301,149,755/- (2012 - Rs.246,310,344/-) were made during the year for purchase of Property, Plant and Equipment.

13.1.6 Property, Plant and Equipment of the Group includes fully depreciated assets having a gross carrying amounts of Rs. 44,610,032/- (2012 - Rs. 30,578,393/-).

13.1.7 Information on the Freehold Land, Freehold Buildings, Leasehold Land and Buildings on Leasehold Land of the Group is as follows;

Company	Location	Ownership	Extent	Lease Period	No of Buildings
Culture Club Resorts (Private) Limited	Dambulla	Leasehold	8.094 Hectares	50 years	72
Kandyan Resorts (Private) Limited	Kandy	Freehold	1508 Perches	-	10
The Beach Resorts Limited	Wadduwa	Freehold	2.2017 Hectares	-	-

NOTES TO THE FINANCIAL STATEMENT

13.2 Company

13.2.1 Gross Carrying Amounts

	Balance As at 01.04.2011 Rs.	Additions Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2012 Rs.	Additions Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2013 Rs.
At Cost/ Deemed Cost							
Motor Vehicles	55,800	31,070,000	4,995,000	36,120,800	-	-	36,120,800
Furniture and Fittings	935,473	251,105	-	1,186,578	100,840	-	1,287,418
Office Equipments	221,904	6,730	-	228,634	246,277	-	474,911
Computer Equipments	769,873	441,650	-	1,211,523	559,800	-	1,771,323
	1,983,050	31,769,485	4,995,000	38,747,535	906,917	-	39,654,452
Assets on Finance Lease							
Motor Vehicles	4,995,000	13,500,000	(4,995,000)	13,500,000	-	-	13,500,000
	4,995,000	13,500,000	(4,995,000)	13,500,000	-	-	13,500,000
Total Gross Carrying Amount	6,978,050	45,269,485	-	52,247,535	906,917	-	53,154,452

13.2.2 Depreciation

	Balance As at 01.04.2011 Rs.	Charge for the year Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2012 Rs.	Charge for the year Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2013 Rs.
At Cost/ Deemed Cost							
Motor Vehicles	33,480	3,522,827	2,596,000	6,152,307	4,874,160	-	11,026,467
Furniture and Fittings	-	81,266	-	81,266	92,345	-	173,612
Office Equipments	-	15,989	-	15,989	197,679	-	213,668
Computer Equipments	-	229,583	-	229,583	184,086	-	413,669
	33,480	3,849,665	2,596,000	6,479,145	5,348,271	-	11,827,416
Assets on Finance Lease							
Motor Vehicles	1,947,000	965,667	(2,596,000)	316,667	1,900,000	-	2,216,667
	1,947,000	965,667	(2,596,000)	316,667	1,900,000	-	2,216,667
Total Depreciation	1,980,480	4,815,331	-	6,795,810	7,248,271	-	14,044,082

13.2.3 Net Book Values

	As at 1 April		
	2013 Rs.	2012 Rs.	2011 Rs.
At Cost			
Motor Vehicles	25,094,333	29,968,493	22,320
Furniture and Fittings	1,113,806	1,105,312	935,473
Office Equipments	261,243	212,645	221,904
Computer Equipments	1,357,654	981,940	769,873
	27,827,036	32,268,390	1,949,570
Assets on Finance Lease			
Motor Vehicles	11,283,333	13,183,333	3,048,000
	11,283,333	13,183,333	3,048,000
Total Carrying Amount of Property, Plant and Equipment	39,110,370	45,451,724	4,997,570

NOTES TO THE FINANCIAL STATEMENT

- 13.2.4** Certain classes of Property, Plant and Equipment of the Company were revalued by Messers P. B. Kalugalagedera an independent valuer and consultant, in report dated 15 March 2011. The results of such revaluation were incorporated in these Financial Statements from its effective date which is 31 March 2011. Land was valued on an open market value for existing used basis and building and other certain classes of Property, Plant and Equipment were valued on depreciation replacement cost basis. The surplus arising from the revaluation was transferred to retained earnings on the treatment of Revaluation as deemed cost of Property, Plant and Equipment with the application of SLFRS 1 at the date of transition.

The carrying amount of revalued assets that would have been included in the Financial Statements had the assets been carried at cost less depreciation is as follows:

Class of Asset	Cumulative Depreciation if Assets were		Net Carrying	Net Carrying	Net Carrying
	Cost	Carried at Cost	Amount	Amount	Amount
	2013	2013	2013	2012	2011
	Rs.	Rs.	Rs.	Rs.	Rs.
Furniture and Fittings	3,163,893	1,842,246	1,321,647	1,537,514	1,753,381
Office Equipments	482,802	261,306	221,496	318,057	414,618
Computer Equipments	1,055,792	422,875	632,917	709,349	785,781
	<u>4,702,487</u>	<u>2,526,427</u>	<u>2,176,060</u>	<u>2,564,920</u>	<u>2,953,780</u>

- 13.2.5** During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs.906,917/- (2012 - Rs.45,269,485/-), of which none (2012 - Rs.13,500,000/-) was acquired by means of finance leases. Cash payments amounted to Rs.906,917/- (2012 - Rs.31,769,485/-) were made during the year for purchase of Property, Plant and Equipment.

14. PREPAYMENT ON LEASEHOLD PROPERTY	Group		As at 1 April
	2013	2012	2011
	Rs.	Rs.	Rs.
As at 1 April	7,894,872	8,143,561	8,392,250
Amortisation for the year	(248,689)	(248,689)	(248,689)
As at 31 March	<u>7,646,183</u>	<u>7,894,872</u>	<u>8,143,561</u>

Prepaid lease rentals paid to acquire the land use rights of Culture Club Resorts (Private) Limited which is situated at Dambulla, have been classified as Prepayment of leasehold property and this is amortised over the lease period.

15. OTHER NON-CURRENT ASSETS	Group / Company		As at 1 April
	2013	2012	2011
	Rs.	Rs.	Rs.
Lake Lodge Resorts (Private) Limited	24,000,000	24,000,000	-
	<u>24,000,000</u>	<u>24,000,000</u>	<u>-</u>

Amaya Leisure PLC has acquired 80% controlling interest in Lake Lodge Resorts (Private) Limited on 26 March 2012. However Lake Lodge Resorts (Private) Limited possesses neither the required inputs to create output or the processes to generate output. The objective of this acquisition is to secure the leasehold right to the property. Therefore, the Company has not accounted for said transaction in accordance with SLFRS 03 - "Business Combination".

NOTES TO THE FINANCIAL STATEMENT

16. INVESTMENT IN SUBSIDIARIES Company	Holdings			Cost	Directors'	Cost	Directors'	Cost	Directors'
	As at 1 April				Valuation		Valuation		Valuation
16.1 Non-Quoted Investment in Subsidiaries	2013	2012	2011	2013	2013	2012	2012	2011	2011
	%	%	%	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Kandyan Resorts (Private) Limited	100%	100%	100%	415,178,962	415,178,962	415,178,962	415,178,962	415,178,962	415,178,962
Culture Club Resorts (Private) Limited	100%	100%	100%	457,980,103	457,980,103	457,980,103	457,980,103	457,980,103	457,980,103
The Beach Resorts Limited	84.3%	84.3%	84.3%	61,767,900	61,767,900	61,767,900	61,767,900	61,767,900	61,767,900
Connaissance Hotel Management (Private) Limited	100%	100%	100%	-	-	-	-	-	-
CDC Conventions (Private) Limited	100%	100%	100%	-	-	-	-	-	-
Connaissance Air Travels (Private) Limited	100%	100%	100%	-	-	-	-	-	-
Total Non-Quoted Investment in Subsidiaries				934,926,965	934,926,965	934,926,965	934,926,965	934,926,965	934,926,965

17. OTHER FINANCIAL ASSETS AND LIABILITIES	Group/Company		
	2013	2012	As at 1 April 2011
17.1 Other Financial Assets	Rs.	Rs.	Rs.
Fair Value through profit or loss Investments			
Quoted Equity shares (Note 17.1.1.1)	14,653,779	12,191,988	79,798,385
Total Fair Value through profit or loss Investments	14,653,779	12,191,988	79,798,385
Available for sale Investments			
Quoted Equity shares (Note 17.1.2.1)	99,096,700	59,984,000	3,391,200
Non-Quoted Investment in Equity Securities (Note 17.1.2.2)	10	10	10
Total available for sale investments	99,096,710	59,984,010	3,391,210
Total other financial assets	113,750,489	72,175,988	83,189,595
Total current	14,653,779	12,191,988	79,798,385
Total non-current	99,096,710	59,984,010	3,391,210

17.1.1 Fair Value through Profit or Loss Group / Company	No. of Shares			Carrying	Market	Carrying	Market	Carrying	Market
17.1.1.1 Quoted Investment in Equity Securities	2013	2012	2011	2013	2013	2012	2012	2011	2011
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
The Fortress Resorts PLC	90,075	90,075	90,075	646,348	1,351,125	646,348	1,549,290	646,348	2,260,883
LB Finance PLC	20	20	300,020	3,029	2,654	3,029	2,698	45,437,898	52,533,502
Free Lanka Capital Holdings PLC	5,320,000	5,320,000	5,320,000	25,004,000	13,300,000	25,004,000	10,640,000	25,004,000	25,004,000
	5,410,095	5,410,095	5,710,095	25,653,377	14,653,779	25,653,377	12,191,988	71,088,246	79,798,385
Fair value adjustment of investments				(10,999,598)	-	(13,461,389)	-	8,710,139	-
Total Quoted Investments in Equity Securities				14,653,779	14,653,779	12,191,988	12,191,988	79,798,385	79,798,385

NOTES TO THE FINANCIAL STATEMENT

17.1.2 Available for sale Investments Group / Company	No. of Shares			Carrying	Market	Carrying	Market	Carrying	Market
	2013	2012	2011	Value	Value	Value	Value	Value	Value
17.1.2.1 Quoted Investment in Equity Securities	2013	2012	2011	2013	2013	2012	2012	2011	2011
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Royal Ceramics Lanka PLC	521,600	521,600	21,600	83,645,920	51,899,200	83,645,920	59,984,000	3,196,879	3,391,200
Hunas Falls Hotels PLC	899,000	-	-	58,909,784	47,197,500	-	-	-	-
	<u>1,420,600</u>	<u>521,600</u>	<u>21,600</u>	<u>142,555,704</u>	<u>99,096,700</u>	<u>83,645,920</u>	<u>59,984,000</u>	<u>3,196,879</u>	<u>3,391,200</u>
Fair value adjustment of investments				(43,459,004)	-	(23,661,920)	-	194,321	-
Total Quoted Investments in Equity Securities				<u>99,096,700</u>	<u>99,096,700</u>	<u>59,984,000</u>	<u>59,984,000</u>	<u>3,391,200</u>	<u>3,391,200</u>

17.1.2.2 Non-Quoted Investment in Equity Securities	No. of Shares			Carrying	Director's	Carrying	Director's	Carrying	Director's
	2013	2012	2011	Value	Valuation	Value	Valuation	Value	Valuation
	2013	2012	2011	2013	2013	2012	2012	2011	2011
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
La Forteresse (Private) Limited	1	1	1	10	10	10	10	10	10
Total Non-Quoted Investments in Equity Securities	<u>1</u>	<u>1</u>	<u>1</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

17.2 Other Financial Liabilities

17.2.1 Interest Bearing Loans and Borrowings

17.2.1.1 Group	2013	2013	2013	2012	2012	2012	2011	2011	2011
	Amount	Amount	Total	Amount	Amount	Total	Amount	Amount	Total
	Repayable	Repayable		Repayable	Repayable		Repayable	Repayable	
	Within 1 Year	After 1 Year		Within 1 Year	After 1 Year		Within 1 Year	After 1 Year	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bank Loans (Note 17.2.1.1.1)	90,900,763	24,159,410	115,060,173	12,704,307	38,931,629	51,635,936	6,698,652	19,124,172	25,822,824
Finance Leases (Note 17.2.1.1.2)	9,153,745	27,947,807	37,101,552	8,245,956	32,959,040	41,204,996	4,841,445	3,279,633	8,121,078
Loans from Director's (Note 17.2.1.1.3)	1,414,127	-	1,414,127	1,414,127	-	1,414,127	4,414,127	-	4,414,127
Bank Overdrafts (Note 21)	44,251,073	-	44,251,073	28,672,056	-	28,672,056	24,506,355	-	24,506,355
	<u>145,719,708</u>	<u>52,107,216</u>	<u>197,826,925</u>	<u>51,036,446</u>	<u>71,890,669</u>	<u>122,927,115</u>	<u>40,460,579</u>	<u>22,403,805</u>	<u>62,864,384</u>

NOTES TO THE FINANCIAL STATEMENT

17.2.1.1.1 Bank Loans

	Balance			Balance
	As at	Loans		As at
	01.04.2012	Obtained	Repayments	31.03.2013
	Rs.	Rs.	Rs.	Rs.
National Development Bank PLC	51,635,936	-	(11,575,763)	40,060,173
Hatton National Bank PLC	-	75,000,000	-	75,000,000
	51,635,936	75,000,000	(11,575,763)	115,060,173

Terms and Conditions of the Loans

The repayment terms of borrowing and the security offered to each loan (other than leases) are set out below;

Amaya Leisure PLC

Short Term Loan Facility of Rs. 75 Mn

- Rate of Interest	3 Months AWPLR+3% p.a.
- Repayment by	May 2013
- Security offered	Freehold land and Building belongs to Kandyan Resorts (Private) Limited

Kandyan Resorts (Private) Limited

	NDB 7.09 Mn	NDB 17.91 Mn
- Rate of Interest	AWPLR+2%	AWPLR+2%
- Term of Repayment (Rs.) - Equal installments	147,708 (Monthly- With Interest)	438,345 (Monthly- With Interest)
- No of Installments	48 Months	48 Months
- Repayment by	January 2017	February 2015
- Grace Period	February 2012 to January 2013	None
- Security offered	Freehold land and Building belongs to Kandyan Resorts (Private) Limited	Freehold land and Building belongs to Kandyan Resorts (Private) Limited

Culture Club Resorts (Private) Limited

	NDB 10 Mn	NDB 11.33 Mn	NDB 13.67 Mn
- Rate of Interest	AWPLR+2%	AWPLR+2%	AWPLR+2%
- Term of Repayment (Rs.) - Equal installments	206,777	247,442	284,792
- No. of Installments	48 Months (Monthly- With Interest)	48 Months (Monthly- With Interest)	48 Months (Monthly- With Interest)
- Repayment by	December 2014	February 2015	January 2017
- Grace Period	None	None	February 2012 to January 2013
- Security offered	Generator belongs to Culture Club Resorts (Private) Limited	Freehold land and Building belongs to Kandyan Resorts (Private) Limited	Freehold land and Building belongs to Kandyan Resorts (Private) Limited

NOTES TO THE FINANCIAL STATEMENT

17.2.1.1.2 Finance Leases

	Balance As at 01.04.2012 Rs.	New Leases Obtained Rs.	Repayments Rs.	Balance As at 31.03.2013 Rs.
Union Bank of Colombo PLC	580,115	-	(580,115)	-
Pan Asia Banking Corporation PLC	52,614,559	6,254,280	(11,995,787)	46,873,052
Gross Liability	53,194,674	6,254,280	(12,575,902)	46,873,052
Finance Charges allocated to Future Periods	(11,989,678)	(2,254,280)	4,472,458	(9,771,500)
Net Liability	<u>41,204,996</u>	<u>4,000,000</u>	<u>(8,103,444)</u>	<u>37,101,552</u>

17.2.1.1.3 Loans from Director's

	Balance As at 01.04.2012 Rs.	Loans Obtained Rs.	Transfer Rs.	Balance As at 31.03.2013 Rs.
Mr. K.D.D. Perera	1,414,127	-	-	1,414,127
	<u>1,414,127</u>	<u>-</u>	<u>-</u>	<u>1,414,127</u>

The Group has obtained above loan from Mr.K.D.D. Perera, Deputy Chairman of the Group, at AWPLR+2% interest per annum.

17.2.1.2 Company

	2013 Amount Repayable Within 1 Year Rs.	2013 Amount Repayable After 1 Year Rs.	2013 Total Rs.	2012 Amount Repayable Within 1 Year Rs.	2012 Amount Repayable After 1 Year Rs.	2012 Total Rs.	2011 Amount Repayable Within 1 Year Rs.	2011 Amount Repayable After 1 Year Rs.	2011 Total Rs.
Bank Loans (Note 17.2.1.2.1)	75,000,000	-	75,000,000	-	-	-	-	-	-
Finance Lease (Note 17.2.1.2.2)	2,641,664	8,673,458	11,315,122	2,338,759	11,004,619	13,343,378	1,667,318	-	1,667,318
Loans from Director's (Note 17.2.1.2.3)	1,414,127	-	1,414,127	1,414,127	-	1,414,127	4,414,127	-	4,414,127
Bank Overdrafts (Note 21)	1,333,775	-	1,333,775	537	-	537	2,695,266	-	2,695,266
	<u>80,389,566</u>	<u>8,673,458</u>	<u>89,063,024</u>	<u>3,753,423</u>	<u>11,004,619</u>	<u>14,758,042</u>	<u>8,776,711</u>	<u>-</u>	<u>8,776,711</u>

NOTES TO THE FINANCIAL STATEMENT

17.2.1.2.1 Bank Loans

	Balance As at 01.04.2012 Rs.	Loans Obtained Rs.	Repayments Rs.	Balance As at 31.03.2013 Rs.
Hatton National Bank PLC	-	75,000,000	-	75,000,000
	-	75,000,000	-	75,000,000

17.2.1.2.2 Finance Leases

	As at 01.04.2012 Rs.	New Leases Obtained Rs.	Repayments Rs.	As at 31.03.2013 Rs.
Pan Asia Banking Corporation PLC	18,319,441	-	(3,725,988)	14,593,453
Gross Liability	18,319,441	-	(3,725,988)	14,593,453
Finance Charges allocated to Future Periods	(4,976,063)	-	1,697,728	(3,278,335)
Net Liability	13,343,378	-	(2,028,260)	11,315,118

17.2.1.2.3 Loans from Director's

	Balance As at 01.04.2012 Rs.	Loans Obtained Rs.	Repayments Rs.	Balance As at 31.03.2013 Rs.
Mr. K.D.D. Perera	1,414,127	-	-	1,414,127
	4,414,127	-	-	1,414,127

The Company has obtained above loan from Mr.K.D.D. Perera, Deputy Chairman of the Company, at AWPLR+2% interest per annum.

NOTES TO THE FINANCIAL STATEMENT

17. OTHER FINANCIAL ASSETS AND LIABILITIES (Cont...)

17.3 Fair Values - Group

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements.

	Carrying Amount			Fair Value		
	2013	2012	As at 1	2013	2012	As at 1
	Rs.	Rs.	April 2011 Rs.	Rs.	Rs.	April 2011 Rs.
Financial assets						
Trade and Other Receivables	180,109,417	144,479,064	141,997,845	180,109,417	144,479,064	141,997,845
Other financial assets						
- Fair Value through profit or loss Investments	14,653,779	12,191,988	79,798,385	14,653,779	12,191,988	79,798,385
- Available for sale Investments	99,096,710	59,894,010	3,391,210	99,096,710	59,894,010	3,391,210
Short Term Deposits	-	-	124,894,300	-	-	124,894,300
Cash and Bank Balances	15,510,144	45,701,912	16,678,937	15,510,144	45,701,912	16,678,937
Total	309,370,050	262,266,974	366,760,677	309,370,050	262,266,974	366,760,677
Financial liabilities						
Interest-bearing loans and borrowings						
- Obligations under finance leases	37,101,552	41,204,996	8,121,078	37,101,552	41,204,996	8,121,078
- Other Borrowings*	116,474,300	53,050,063	30,236,951	116,474,300	53,050,063	30,236,951
Trade and Other Payables	151,198,746	110,464,206	106,336,879	151,198,746	110,464,206	106,336,879
Bank overdrafts	44,251,073	28,672,056	24,506,355	44,251,073	28,672,056	24,506,355
Total	349,025,671	233,391,321	169,201,263	349,025,671	233,391,321	169,201,263

* Other borrowings includes the loan taken from Mr. K. D. Perera, Deputy Chairman of the Group, and Loans taken from National Development Bank PLC at AWPLR+2% interest per annum and Hatton National Bank PLC at 3 Months AWPLR+3% Interest per annum and also carried at amortised cost.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 March 2013, the carrying amounts of such receivables, net of provision for impairment, are not materially different from their calculated fair values.

- Fair Value of quoted investments designated as available for sale and fair value through profit or loss is derived from quoted market price of Colombo Stock Exchange as at each reporting date.

NOTES TO THE FINANCIAL STATEMENT

18. INVENTORIES	Group		
	As at 1 April		
	2013	2012	2011
	Rs.	Rs.	Rs.
Food and Beverages	9,933,456	8,812,250	9,377,159
Housekeeping and Maintenance	7,878,810	7,712,936	7,366,498
Printing and Stationery	4,234,020	1,469,131	1,450,159
Consumable and Other	1,854,207	2,113,022	2,041,455
	<u>23,900,493</u>	<u>20,107,339</u>	<u>20,235,271</u>

19. TRADE AND OTHER RECEIVABLES	Group			Company		
	As at 1 April			As at 1 April		
	2013	2012	2011	2013	2012	2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trade Debtors	181,282,285	149,783,222	148,871,019	16,986,581	13,459,881	14,458,850
Less - Impairment made from Trade Debtors	(17,761,666)	(18,937,466)	(20,160,968)	(13,459,881)	(13,459,881)	(13,459,881)
	<u>163,520,619</u>	<u>130,845,756</u>	<u>128,710,051</u>	<u>3,526,700</u>	<u>-</u>	<u>998,969</u>
Other Debtors	19,143,567	19,685,579	21,852,012	10,983,650	12,582,609	13,328,276
Other Receivables from Related Parties (Note 19.1)	5,146,111	1,648,609	-	8,251,770	1,562,964	1,293,593
Provision for doubtful receivables	(7,700,880)	(7,700,880)	(8,564,218)	(7,700,880)	(7,700,880)	(7,700,880)
	<u>180,109,417</u>	<u>144,479,064</u>	<u>141,997,845</u>	<u>15,061,240</u>	<u>6,444,693</u>	<u>7,919,958</u>

19.1 Other Receivables from Related Parties

Relationship	Group			Company		
	As at 1 April			As at 1 April		
	2013	2012	2011	2013	2012	2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Connaissance Hotel Management (Pvt) Ltd. Subsidiary	-	-	-	1,593,187	1,593,187	1,593,187
CDC Conventions (Pvt) Ltd. Subsidiary	-	-	-	12,746,483	6,924,293	6,924,293
Connaissance Air Travels (Pvt) Ltd. Subsidiary	-	-	-	2,950,912	2,950,912	2,950,912
The Beach Resorts Ltd. Subsidiary	-	-	-	1,456,733	1,398,977	1,293,593
Hunas Falls Hotels PLC Affiliate	3,582,847	163,987	-	972,847	163,987	-
Lake Lodge Resorts (Pvt) Ltd. Affiliate	590,874	294,157	-	-	-	-
Hayleys Travels and Tours (Pvt) Ltd. Affiliate	972,390	1,190,465	-	-	-	-
(Less) Provision for Bad and Doubtful Receivables	-	-	-	(11,468,392)	(11,468,392)	(11,468,392)
	<u>5,146,111</u>	<u>1,648,609</u>	<u>-</u>	<u>8,251,770</u>	<u>1,562,964</u>	<u>1,293,593</u>

- Trade and Other Receivables are non interest bearing and generally on 30-90 day terms.

NOTES TO THE FINANCIAL STATEMENT

19.2 Impairment made from Trade Debtors

	Group			Company		
	2013	2012	As at 1 April 2011	2013	2012	As at 1 April 2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01 April	18,937,466	20,160,968	20,160,968	13,459,881	13,459,881	13,459,881
Provision made during the year	-	-	-	-	-	-
Less - Provision released during the year	(1,175,800)	(1,223,502)	-	-	-	-
	-	-	-	-	-	-
As at 31 March	<u>17,761,666</u>	<u>18,937,466</u>	<u>20,160,968</u>	<u>13,459,881</u>	<u>13,459,881</u>	<u>13,459,881</u>

- As at 31 March, the aging analysis of trade receivables is as follows;

	Total	Current	< 30 days	30-60 days	60-90 days	90-120 days	120-180 days
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2013	163,520,619	7,164,909	86,372,573	51,582,744	11,428,477	2,574,270	4,397,646
2012	130,845,756	5,733,209	69,113,514	41,275,426	9,144,827	2,059,877	3,518,904
2011	128,710,051	5,639,630	67,985,422	40,601,715	8,995,562	2,026,255	3,461,467
	<u>423,076,426</u>	<u>18,537,748</u>	<u>223,471,509</u>	<u>133,459,885</u>	<u>29,568,866</u>	<u>6,660,401</u>	<u>11,378,017</u>

20. SHORT TERM DEPOSIT	Group			Company		
	2013	2012	2011	2013	2012	2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Investments in Fixed Deposits	-	-	83,000,000	-	-	18,000,000
Investments in Call Deposits	-	-	41,894,300	-	-	41,894,300
	-	-	<u>124,894,300</u>	-	-	<u>59,894,300</u>

21. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT

Components of Cash and Cash Equivalents	Group			Company		
	2013	2012	As at 1 April 2011	2013	2012	As at 1 April 2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Favorable Cash and Cash Equivalent Balances						
Cash and Bank Balances	15,510,144	45,701,912	16,678,937	407,089	2,978,958	360,390
Short Term Deposits (Note 20)	-	-	124,894,300	-	-	59,894,300
Unfavorable Cash and Cash Equivalent Balances						
Bank Overdraft	(44,251,073)	(28,672,056)	(24,506,355)	(1,333,775)	(537)	(2,695,266)
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	<u>(28,740,929)</u>	<u>17,029,856</u>	<u>117,066,882</u>	<u>(926,686)</u>	<u>2,978,421</u>	<u>57,559,424</u>

NOTES TO THE FINANCIAL STATEMENT

22. STATED CAPITAL

	Group/Company					
	2013		2012		2011	
	Number	Rs.	Number	Rs.	Number	Rs.
Fully paid Ordinary Shares (Note 22.1)	48,034,238	526,770,320	48,034,238	526,770,320	48,034,238	526,770,320
	48,034,238	526,770,320	48,034,238	526,770,320	48,034,238	526,770,320
22.1 Fully Paid Ordinary Shares						
Balance at beginning of the year	48,034,238	526,770,320	48,034,238	526,770,320	42,029,959	466,727,530
Capitalization of Reserves	-	-	-	-	6,004,279	60,042,790
Balance at end of the year	48,034,238	526,770,320	48,034,238	526,770,320	48,034,238	526,770,320

23. REVALUATION RESERVE

	Group			Company		
	2013	2012	As at 1 April 2011	2013	2012	As at 1 April 2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
On Property, Plant and Equipment						
As at 01 April	-	-	736,959,074	-	-	-
Disposal of Subsidiary	-	-	(55,891,057)	-	-	-
Capitalization of Reserves	-	-	(5,472,805)	-	-	-
Transfer of Surplus on Revaluation of Derecognized Property, Plant and Equipment	-	-	(955,678)	-	-	-
Transfer of Revaluation Reserve to Retained Earnings at the Transition Date	-	-	(674,639,534)	-	-	-
Surplus on Revaluation of Property, Plant and Equipment	65,294,614	-	-	-	56,306	-
Reversal of Revaluation Surplus	-	-	-	-	(56,306)	-
As at 31 March	65,294,614	-	-	-	-	-

The above revaluation surplus consist of net surplus resulting from the revaluation of Property, Plant and Equipment. The unrealised amounts cannot be distributed to shareholders.

24. TRADE AND OTHER PAYABLES

	Group			Company		
	2013	2012	As at 1 April 2011	2013	2012	As at 1 April 2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trade Payables	38,510,097	19,914,504	20,051,764	2,218,627	375,294	1,215,766
Other Payable	26,408,504	16,963,252	17,764,876	-	-	-
Other Payables to Related Parties (Note 24.1)	11,035,652	4,543,106	2,606,781	340,820,838	346,435,849	319,649,493
Sundry Creditors including Accrued Expenses	75,244,493	69,043,344	65,913,458	22,317,031	20,481,852	27,273,150
	151,198,746	110,464,206	106,336,879	365,356,496	367,292,995	348,138,409

NOTES TO THE FINANCIAL STATEMENT

24.1 Other Payables to Related Parties

Relationship	Group			Company			
			As at 1 April			As at 1 April	
	2013	2012	2011	2013	2012	2011	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Hayleys PLC	Parent Company	11,035,652	4,543,106	-	11,035,652	4,543,106	-
Hayleys Consumer Products Ltd.	Affiliate Company	-	-	-	-	-	-
Kandyan Resorts (Pvt) Ltd.	Subsidiary Company	-	-	-	102,705,620	31,038,771	42,249,028
Culture Club Resorts (Pvt) Ltd.	Subsidiary Company	-	-	-	227,079,566	310,853,972	274,793,684
Royal Ceramics Lanka PLC	Affiliate Company	-	-	2,606,781	-	-	2,606,781
		<u>11,035,652</u>	<u>4,543,106</u>	<u>2,606,781</u>	<u>340,820,838</u>	<u>346,435,849</u>	<u>319,649,493</u>

25. RETIREMENT BENEFIT OBLIGATION

	Group			Company		
			As at 1 April			As at 1 April
	2013	2012	2011	2013	2012	2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Defined Benefit Obligation - Gratuity						
Defined Benefit Obligation as at the beginning of the year	19,817,490	16,802,027	17,723,230	4,978,718	5,120,794	3,857,093
Charge for the year	3,041,590	2,119,219	2,246,312	547,659	405,862	612,988
Interest Cost	2,762,796	1,797,015	1,533,955	527,565	512,079	385,709
Actuarial (Gain)/Loss	(124,139)	2,430,234	(1,076,913)	486,020	1,172,600	265,004
Benefit paid	(1,295,349)	(3,331,005)	(1,240,875)	-	(2,232,617)	-
Defined Benefit Obligation Related to Disposed Subsidiary	-	-	(2,383,682)	-	-	-
Defined Benefit Obligation as at the end of the year	<u>24,202,387</u>	<u>19,817,490</u>	<u>16,802,027</u>	<u>6,539,962</u>	<u>4,978,718</u>	<u>5,120,794</u>

The defined benefit obligation of the Group is based on the Messers. Actuarial and Management (Private) Limited, actuaries. Appropriate and compatible assumptions were used in determining the cost of defined benefits.

The principal assumptions used were as follows,

	2013	2012	2011
Discount Rate	11%	11%	10%
Future Salary Increment Rate	10%	10%	8%

NOTES TO THE FINANCIAL STATEMENT

26. COMMITMENTS AND CONTINGENCIES

26.1 Capital Expenditure Commitments

Culture Club Resorts (Private) Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Rs.150Mn (2012 - Rs.473Mn).

Kandyan Resorts (Private) Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Rs.76Mn (2012 - Rs.50Mn).

26.2 Operating Lease Commitments

Kandyan Resorts (Private) Limited

"Kandyan Resorts (Private) Limited has renewed the operating lease agreement with Mr. Johan Nihal Senarathna, with effect from 01.08.2011 for the land on which the hotel car park is situated. Future minimum lease rentals under non-cancellable operating lease as at 31 March are as follows:"

	2013 Rs.	2012 Rs.
Not later than one year	2,967,740	1,940,000
Later than one year and not later than 05 years	6,593,182	10,236,589
	9,560,922	12,176,589

26.3 Finance Lease and Hire Purchase Commitments

The Group has finance leases and hire purchase contracts for various items of plant and machinery. These leases have terms of renewal but no purchase options or escalation clauses. Renewals are at the option of the specific entity that holds the lease. Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are, as follows:

	2013		2012		As at 1st April 2011	
	Minimum payments	Present value of payments (Note 17)	Minimum payments	Present value of payments (Note 17)	Minimum payments	Present value of payments (Note 17)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Within one year	13,389,143	9,153,745	11,827,788	8,245,956	5,883,357	4,841,445
After one year but not more than five years	33,483,909	27,947,807	41,366,886	32,959,040	4,093,181	3,279,633
More than five years	-	-	-	-	-	-
Total minimum lease payments	46,873,052	37,101,552	53,194,674	41,204,996	9,976,538	8,121,078
Less amounts representing finance charges	(9,771,500)	-	(11,989,678)	-	(1,855,460)	-
Present value of minimum lease payments	37,101,552	37,101,552	41,204,996	41,204,996	8,121,078	8,121,078

NOTES TO THE FINANCIAL STATEMENT

26.4 Contingent Liabilities

Amaya Leisure PLC has given a corporate guarantees to National Development Bank PLC on behalf of Kandyan Resorts (Private) Limited for the term loan facility of Rs. 25 Mn.

Amaya Leisure PLC has given a corporate guarantees to National Development Bank PLC on behalf of Culture Club Resorts (Private) Limited for the term loan facility of Rs. 25 Mn.

27. ASSETS PLEDGED

The following assets have been pledged as securities as at Balance Sheet date.

Nature of Assets Pledged	Nature of Liability	Carrying Amount Pledged		Included Under
		2013 Rs.	2012 Rs.	
Freehold Land and Buildings belongs to Kandyan Resorts (Private) Limited	Rs.25Mn loan facility from National Development Bank PLC to Kandyan Resorts (Private) Limited	<u>1,110,065,006</u>	<u>1,101,594,031</u>	Property, Plant and Equipments
	Rs.25Mn loan facility from National Development Bank PLC to Culture Club Resorts (Private) Limited	<u>1,110,065,006</u>	<u>1,101,594,031</u>	Property, Plant and Equipments
Generator belongs to Culture Club Resorts (Private) Limited	Rs.10Mn loan facility from National Development Bank PLC to Culture Club Resorts (Private) Limited	<u>6,979,962</u>	<u>7,614,504</u>	Property, Plant and Equipments

NOTES TO THE FINANCIAL STATEMENT

28 RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

28.1 Transaction with the Related Entities	Parent Company		Subsidiary Companies		Other Companies		Total	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Nature of Transaction								
As at 1 April	(4,543,106)	-	(340,493,766)	(315,749,119)	163,987	-	(344,872,885)	(315,749,119)
Rendering/Obtaining Services	(32,797,890)	(5,779,060)	-	-	-	-	(32,797,890)	(5,779,060)
Management Fees	-	-	2,742,857	2,742,857	3,775,242	1,635,659	6,518,099	4,378,516
Commission Income	-	-	71,411,771	58,804,576	5,025,790	2,484,795	76,437,561	61,289,371
Expenses incurred by the Company on behalf of Others	-	-	-	-	842,124	-	842,124	-
Dividend	-	-	202,628,248	210,259,551	-	-	202,628,248	210,259,551
Settlement of Liabilities on behalf of the Company	(1,191,697)	(4,234,949)	(3,269,590)	(15,082,995)	-	(908,735)	(4,461,287)	(20,226,679)
Settlement of Liabilities by the Company on behalf of Others	-	-	36,214,429	41,454,661	6,977,136	146,792	43,191,565	41,601,453
Collections made by the Company on behalf of the Others	-	-	(8,175,765)	(5,549,887)	(2,238,141)	-	(10,413,907)	(5,549,887)
Fund Transfers	-	-	(285,810,000)	(319,210,000)	-	-	(285,810,000)	(319,210,000)
Payment Made	27,497,041	5,470,903	-	-	(13,573,280)	(3,194,524)	13,923,761	2,276,379
Receipt for Services	-	-	2,245,554	1,836,590	-	-	2,245,554	1,836,590
As at 31 March	(11,035,652)	(4,543,106)	(322,506,262)	(340,493,766)	972,858	163,987	(332,569,057)	(344,872,885)
Included in								
Amounts due from Related Parties	-	-	7,278,924	1,398,977	972,858	163,987	8,251,782	1,562,964
Amounts due to Related Parties	(11,035,652)	(4,543,106)	(329,785,186)	(341,892,743)	-	-	(340,820,839)	(346,435,849)
	(11,035,652)	(4,543,106)	(322,506,262)	(340,493,766)	972,858	163,987	(332,569,057)	(344,872,885)

Parent: Hayleys PLC

Subsidiaries: Culture Club Resorts (Private) Limited, Kandyan Resorts (Private) Limited, The Beach Resorts Limited, CDC Conventions (Private) Limited, Connaissance Air Travels (Private) Limited and Connaissance Hotel Management (Private) Limited

Other Companies: Hunas Falls Hotels PLC

NOTES TO THE FINANCIAL STATEMENT

28 RELATED PARTY DISCLOSURES (Cont...)

28.2 Transactions with Key Management Personnel of the Company

The Key Management Personnel of the Company are the members of its Board of Directors and that of its parent

a) Key Management Personnel Compensation	2013 Rs.	2012 Rs.
Short-term Employee Benefits - Executive	27,510,213	15,835,059
- Non-executive	2,115,000	2,115,000
Post-employment Benefits - Executive	2,547,570	2,071,617
	32,172,783	20,021,676

b) Other Transactions with Key Management Personnel	Capital		Interest	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Loans from Director's				
Mr. K. D. D. Perera	1,414,127	1,414,127	3,042,819	2,865,739
	1,414,127	1,414,127	3,042,819	2,865,739

The Company has obtained above loan from Mr. K. D. D. Perera, Deputy Chairman of the Group, at AWPLR+2% interest per annum.

c) Other Transactions

No material transactions have taken place during the year with the Key Management Personnel of the Company, which required to disclosure in these Financial Statements other than those disclosed above.

28.3 Other Related Parties Disclosures

Transactions with the parties/entities in which Key Management Personnel or their Close Family Members have control, joint control or significant influence.

Related Party	Description	2013 Rs.	2012 Rs.
LB Finance PLC	Lease Rental Paid	-	1,977,672
	Lease Payables as at 31 March	-	-
Pan Asia Banking Corporation PLC	New Lease Obtained	4,000,000	13,500,000
	Lease Rental paid	11,995,786	310,499
	Lease Payables as at 31 March	46,873,052	18,319,441

No material transactions have taken place during the year with the parties/entities in which Key Management Personnel or their Close Family Members have control, joint control or significant influence, which required to disclosure in these Financial Statements other than those disclosed above.

29. EVENT OCCURRING AFTER THE BALANCE SHEET DATE

There have been no material events occurring after the Balance Sheet date that require adjustment to or disclosure in the Financial Statements.

NOTES TO THE FINANCIAL STATEMENT

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise Interest Bearing loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has trade and other receivables, and cash and short-term deposits that arrive directly from its operations. The Group also holds available-for-sale investments and investments designated under fair value through profit or loss.

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk appetite.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2013 and 2012.

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. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's interest rate includes an fixed and variable element, which is AWPLR + 2%.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows:

	Increase/decrease in basis points	Effect on profit before tax
2013	+50	(575,301)
	-50	575,301
2012	+50	(258,180)
	-50	258,180

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

STATEMENT OF VALUE ADDED

30 Financial Risk Management Objectives and Policies (Contd...)

Foreign Currency 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 (when revenue or expense is denominated in a different currency from the Group's functional currency) and the borrowings.

Equity Price Risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was Rs.113,750,479/- An increase or decrease of 10% on the Colombo Stock Exchange (CSE) market index (ASPI) could have an impact of approximately Rs.17,726,691/- (16% on fair value of total investment in Quoted Shares) on the income and equity attributable to the Group, depending on whether or not the decline is significant or prolonged.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. As at 31 March 2013, the Group had 10 customers (2012: 10 customers) that owed the Group more than Rs. 2,000,000 each and accounted for approximately 60% (2012: 65%) of all receivables owing. There were four customers with balances greater than Rs. 15 million accounting for approximately 46% of the total amounts receivable. The requirement for an impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actually incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 17. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low based on the terms with which the long standing business relationship with the customer base.

Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Group's Finance department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2013 and 2012 is the carrying amounts as illustrated in Note 17.

Liquidity Risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, loans, and finance leases. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

NOTES TO THE FINANCIAL STATEMENT

30 Financial risk management objectives and policies (Contd....)

	On demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	Total Rs.
As at 31 March 2013					
Interest-bearing loans and borrowings	44,251,073	26,427,754	75,040,881	52,107,216	197,826,925
Trade and other payables	-	151,198,746	-	-	151,198,746
	<u>44,251,073</u>	<u>177,626,500</u>	<u>75,040,881</u>	<u>52,107,216</u>	<u>349,025,671</u>
As at 31 March 2012					
Interest-bearing loans and borrowings	28,672,056	6,651,693	15,712,697	71,890,669	122,927,115
Trade and other payables	-	110,464,206	-	-	110,464,206
	<u>28,672,056</u>	<u>117,115,899</u>	<u>15,712,697</u>	<u>71,890,669</u>	<u>233,391,321</u>
As at 1 April 2011					
Interest-bearing loans and borrowings	24,506,355	7,299,151	8,655,073	22,403,805	62,864,384
Trade and other payables	-	106,336,879	-	-	106,336,879
	<u>24,506,355</u>	<u>113,636,030</u>	<u>8,655,073</u>	<u>22,403,805</u>	<u>169,201,263</u>

Capital management

Capital includes the equity attributable to the equity holders.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2013 and 31 March 2012.

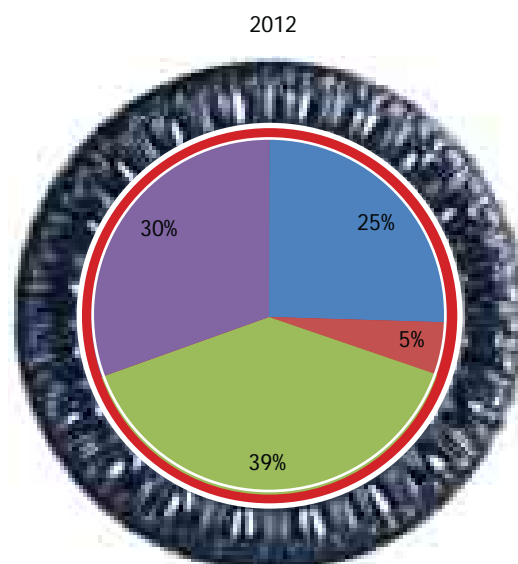
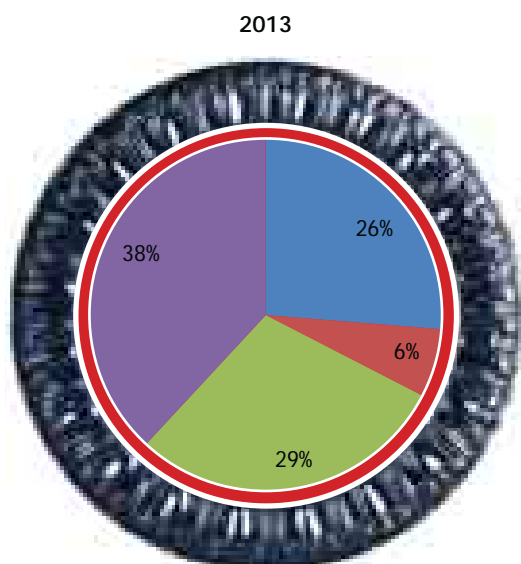
The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	2013 Rs.	2012 Rs.	2011 Rs.
Interest-bearing loans and borrowings (Note 17)	197,826,925	122,927,115	62,864,384
Trade and other payables (Note 23)	151,198,746	110,464,206	106,336,879
Less: cash and short-term deposits (Note 17 and Note 20)	(15,510,144)	(45,701,912)	(141,573,237)
Net debt	333,515,527	187,689,409	27,628,026
Equity	2,501,443,092	2,269,692,039	2,193,121,186
Total capital	2,501,443,092	2,269,692,039	2,193,121,186
Capital and net debt	2,834,958,620	2,457,381,448	2,220,749,212
Gearing ratio	12%	8%	1%

STATEMENT OF VALUE ADDED

Group Value Added Statement

	Group		Company	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Turnover	1,077,472,279	877,084,435	80,207,182	62,732,696
Other Income	36,732,542	48,193,914	211,628,234	231,010,844
	1,114,204,821	925,278,349	291,835,416	293,743,540
Less: Cost of Material & Services bought in	(411,601,014)	(363,297,126)	(50,507,820)	(46,894,093)
	702,603,807	561,981,223	241,327,596	246,849,447
Value Allocated to Employees				
Salaries & Wages and other benefits	184,863,461	143,508,324	48,807,939	32,900,520
To Government				
GST, NSL, VAT & TT & Income Tax	42,900,656	25,815,631	888,768	893,693
To Providers of Capital				
Non-Controlling Interest	(10,164)	(19,427)	-	-
Loan Interest & Dividend	206,775,138	221,017,232	196,271,485	215,333,496
To Expansion & Growth				
Depreciation & Retained in Business	268,074,716	171,659,464	(4,640,596)	(2,278,262)
	702,603,807	561,981,223	241,327,596	246,849,447



■ Value allocated to Employees ■ To Government
■ To Providers of Capital ■ To Expansion & Growth

SHARE AND INVESTOR INFORMATION

AMAYA LEISURE PLC

ORDINARY SHAREHOLDERS AS AT 31ST MARCH 2013

NUMBER OF SHARES HELD	RESIDENTS			NON RESIDENTS			TOTAL		
	No.of Share Holders	No.of Shares	%	No.of Share Holders	No.of Shares	%	No.of Share Holders	No. of Shares	%
1 _ 1,000	1,316	248,382	0.52	8	2,645	0.01	1,324	251,027	0.52
1,001 _ 10,000	185	562,848	1.17	5	26,965	0.06	190	589,813	1.23
10,001 _ 100,000	47	1,281,671	2.67	2	57,985	0.12	49	1,339,656	2.79
100,001 _ 1,000,000	11	5,000,275	10.41				11	5,000,275	10.41
OVER 1,000,000	8	40,853,467	85.05				8	40,853,467	85.05
Total	1,567	47,946,643	99.82	15	87,595	0.18	1,582	48,034,238	100.00

CATEGORY									
Individuals	1,491	5,313,180	11.06	14	78,035	0.16	1,505	5,391,215	11.22
Institutions	76	42,633,463	88.76	1	9,560	0.02	77	42,643,023	88.78
	1,567	47,946,643	99.82	15	87,595	0.18	1,582	48,034,238	100.00

MAJOR SHAREHOLDERS

Major Shareholders of the Company as at 31 March 2013

NAME OF SHAREHOLDER	2013	%	2012	%
1 HAYLEYS PLC	19,366,234	40.32	19,366,234	40.32
2 DEAN FOSTER (PVT) LTD	10,252,300	21.34	10,252,300	21.34
3 EMPLOYEE PROVIDENT FUND	4,620,739	9.62	4,274,969	8.90
4 WALDOCK MACKENZIE LIMITED/MR.L.T.SAMARAWICKRAMA	3,973,477	8.27	3,973,477	8.27
HSBC - MR. L. T. SAMARAWICKRAMA	429,740	0.89	429,740	0.89
MR. L. T. SAMARAWICKRAMA	60,000	0.12	60,000	0.12
5 MR. C. J. WICKRAMASINGHE	2,282,817	4.75	2,282,817	4.75
6 MR. S. SENARATNE	1,002,894	2.09	1,142,894	2.38
7 MERCANTILE INVESTMENTS AND FINANCE PLC	860,000	1.79	860,000	1.79
8 TOYO CUSHION LANKA (PVT) LTD	816,400	1.70	816,400	1.70
9 VOLANKA EXPORTS LIMITED	642,900	1.34	642,900	1.34
10 MR. K. D. D. PERERA	447,661	0.93	447,661	0.93
11 ELLES (PVT) LTD	439,272	0.91	439,272	0.91
12 ASSOCIATED ELECTRICAL CORPORATION LTD	301,138	0.63	226,700	0.47
13 BANK OF CEYLON A/C CEYBANK CENTURY GROWTH FUND	170,570	0.36	170,572	0.36
14 MR. G. L. A. ONDAATJIE	145,600	0.30	145,600	0.30
15 BANK OF CEYLON NO.1 ACCOUNT	102,000	0.21	102,000	0.21
16 DFCC VARDHANA BANK LTD/MR. B. A. D. H. C. MAHIPALA	80,000	0.17	80,000	0.17
17 MR. H. W. M. WOODWARD	76,028	0.16	76,028	0.16
18 EMPLOYEES TRUST FUND BOARD	75,635	0.16	75,635	0.16
19 SEYLAN BANK PLC./MR. B. M. AMARASEKARA	72,510	0.15	-	-
MR. B. M. AMARASEKARA	4,114	0.01	4,114	0.01
20 BANK OF CEYLON A/C CEYBANK UNIT TRUST	67,715	0.14	147,427	0.31

The percentage of shares held by public as at 31 March, 2013 was 17.23%

High Rs. 88.00

Low Rs. 56.00

Closing Rs. 76.50

GLOSSARY OF FINANCIAL TERMS

Accounting Policies

The specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

Accrual Basis

Recording revenues & expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

Capital Employed

Shareholders' funds plus Non-Controlling interest and debt.

Contingent Liabilities

Conditions or situations at the balance sheet date, the financial effect of which are to be determined by the future events which may or may not occur.

Current Ratio

Current assets divided by current liabilities.

Capital Reserves

Reserves identified for specific purposes and considered not available for distribution.

Capital Expenditure

The total additions to Property, Plant and Equipment.

Debt/Equity Ratio

Debt as a percentage of shareholders' funds and Non-Controlling interest.

Deferred Tax

Sum set aside in the financial statements for taxation that may become payable in a financial year other than the current financial year.

Earnings per Share (EPS)

Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period.

EBIT

Earnings before interest and tax (includes other operating income).

EBITDA

Earnings before interest, tax, depreciation and amortization

EPS Growth

Percentage of the increase in the EPS over the previous year.

Equity Method

The equity method is a method of accounting whereby the investment is initially recognized at cost and adjusted thereafter for the postacquisition changes in the investors' share of net assets of the investee. The profit or loss of the investor includes the investor's share of the profit or loss of the investee.

Fair Value

Fair value is the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

Impairment

This occurs when recoverable amount of an asset is less than its carrying amount.

Interest Cover

Consolidated profit before interest and tax over finance expenses.

Non-Controlling Interest

Part of net results of operations and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly through subsidiaries, by the Parent Company.

Market Value per Share

The price at which an ordinary share can be purchased in the stock market.

Market Capitalisation

Number of shares in issue at the end of period multiplied by the market price at end of period.

Net Assets

Total assets minus current liabilities minus long term liabilities minus Non-Controlling interest.

Net Assets per Share

Net Assets over weighted average number of Ordinary Shares in issue during the period.

Return on Capital Employed

Consolidated Profit before Interest and Tax as a percentage of average Capital employed at year end.

Price Earnings Ratio

Market price per share over Earnings per Share.

Return on Equity

Profit attributable to shareholders as a percentage of average shareholders' funds.

Segment

Constituent business units grouped in terms of similarity in operations and locations.

Shareholders' Funds

Shareholders' funds consist of stated capital plus capital and revenue reserves.

Total Debt

Long term loans plus short term loans and overdrafts.

Total Value Added

The difference between net revenue (including other income) and expenses, cost of materials and services purchased from external sources.

FIVE YEAR SUMMARY

Year ended 31 March 2013		2013	2012	2011	2010	2009
Operating Results						
Group Turnover	Rs. 000s	1,077,472	877,084	757,068	570,189	391,980
Profit before Taxation	Rs. 000s	408,525	308,948	472,523	71,087	(34,045)
Taxation	Rs. 000s	(31,948)	(16,384)	(5,095)	(1,171)	(2,433)
Profit after Taxation	Rs. 000s	376,577	292,564	467,428	69,916	(36,477)
Statement of Financial Position						
Share Capital	Rs. 000s	526,770	526,770	526,770	466,728	466,728
Capital Reserve	Rs. 000s	65,295	-	-	768,803	768,803
Available for Sale Reserve	Rs. 000s	(43,459)	(23,662)	194	-	-
Revenue Reserves	Rs. 000s	1,923,537	1,739,087	1,638,640	176,706	107,387
Shareholders' Fund	Rs. 000s	2,472,143	2,242,195	2,165,605	1,412,236	1,342,917
Non-Current Assets	Rs. 000s	2,708,690	2,384,952	2,088,339	1,759,766	1,802,563
Current Assets	Rs. 000s	267,256	241,438	396,581	165,603	115,511
Current Liabilities (Net of Borrowings)	Rs. 000s	(174,030)	(145,447)	(143,231)	(109,817)	(113,006)
Borrowings	Rs. 000s	(197,827)	(122,927)	(62,864)	(148,553)	(206,812)
Provisions	Rs. 000s	(102,646)	(88,323)	(85,704)	(121,163)	(122,335)
Non-Controlling Interest	Rs. 000s	(29,300)	(27,497)	(27,516)	(133,599)	(133,003)
Net Assets	Rs. 000s	2,472,143	2,242,195	2,165,605	1,412,236	1,342,917
Key Indicators						
Earning/(Loss) per Share	Rs.	7.84	6.09	9.78	1.44	(1.39)
Market price per 31st March	Rs.	76.50	76.70	120.10	73.00	23.00
Highest Market Price	Rs.	88.00	125.00	140.00	79.00	27.00
Lowest Market Price	Rs.	75.00	66.90	89.00	19.50	15.00
Return on Equity	%	15.79%	13.11%	25.00%	4.52	(4.66)
Return on Shareholder's Fund	%	15.98%	13.28%	26.26%	4.91	(4.97)
Price Earning Ratio	No. of Times	9.76	12.59	12.28	50.58	-
Interest Cover	No. of Times	28.91	47.05	(0.39)	3.41	(1.45)
Gearing Ratio	%	0.08	0.05	0.03	10.52	15.40
Current Ratio	No. of Times	0.84	1.23	2.16	0.67	0.39
Liquidity Ratio	No. of Times	0.05	0.23	0.77	0.58	0.32
Net Assets Per Share	Rs.	51.47	46.68	45.08	29.40	27.95

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Thirty First Annual General Meeting of Amaya Leisure PLC, will be held at the Conference Room of Hayleys PLC, No. 400, Deans Road, Colombo 10, Sri Lanka, on Monday, 24th June 2013 at 3.00 p.m. and the business to be brought before the meeting will be:

AGENDA

- 1) To consider and adopt the Annual Report of the Board of Directors and the Statements of Accounts for the year ended 31st March 2013.
- 2) To re-elect Mr. D. E. Silva, who retires by rotation at the Annual General Meeting a Director.
- 3) To authorise the Directors to determine contributions to Charities.
- 4) To authorise the Directors to determine the remuneration of the Auditors, M/s Ernst & Young, chartered accountants , who are deemed to have been reappointed as Auditors in terms of Section 158 of the Companies Act No. 7 of 2007.
- 5) To consider any other business of which due notice has been given.

Note :

- (1) A Shareholder is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a shareholder of the Company. A Form of Proxy is enclosed for this purpose. The instrument appointing a proxy must be deposited with Hayleys Group Services (Pvt) Ltd, Secretaries, No. 400, Deans Road, Colombo 10, Sri Lanka, by 3.00 p.m. on 22nd June 2013

By Order of the Board

AMAYA LEISURE PLC

Hayleys Group Services (Private) Limited

Secretaries

Colombo

27th May 2013

FORM OF PROXY

I/We*.....
of
being a shareholder/shareholders* of AMAYA LEISURE PLC hereby appoint,
1).....
ofor failing
him/them,*

2) ABEYAKUMAR MOHAN PANDITHAGE (Chairman of the Company) of Colombo, or failing him, one of the Directors of the Company as my/our* proxy to attend and vote as indicated hereunder for me/us* and on my/our* behalf at the Thirty First Annual General Meeting of the Company to be held on Monday, 24th June 2013 and at every poll which may be taken in consequence of the aforesaid meeting and at any adjournment thereof:

	FOR	AGAINST
1) To adopt the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2013 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2) To re-elect Mr. D. E. Silva, who retires by rotation at the Annual General Meeting a Director.	<input type="checkbox"/>	<input type="checkbox"/>
3) To authorise the Directors to determine contributions to Charities.	<input type="checkbox"/>	<input type="checkbox"/>
4) To authorise the Directors to determine the remuneration of the Auditors, M/s Ernst & Young, chartered accountants, who are deemed to have been reappointed as Auditors in terms of Section 158 of the Companies Act No.7 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>

(**) The proxy may vote as he thinks fit on any other resolution brought before the Meeting.

As witness my/our* hands thisday of2013

Witnesses

.....

.....

.....
Signature of Shareholder

* Please delete the inappropriate words.
NOTE: 1. A proxy need not be a member of the Company.
2. Instructions as to completion appear on the reverse.

INSTRUCTION AS TO COMPLETION

1. To be valid , this Form of Proxy must be deposited with Hayleys Group Services (Pvt) Ltd, Secretaries, No. 400, Deans Road, Colombo 10, by 3.00 p.m. on 22nd June, 2013.
2. In perfecting the Form of Proxy, please ensure that all details are legible.
3. If you wish to appoint a person other than the Chairman of the Company (or failing him, one of the Directors) as your proxy, please insert the relevant details at 1 overleaf and initial against this entry.
4. Please indicate with an X in the space provided how your proxy is to vote on each resolution. If no indication is given, the proxy in his discretion will vote as he thinks fit. Please also delete (**) if you do not wish your proxy to vote as he thinks fit on any other resolution brought before the Meeting.
5. In the case of a Company / Corporation, the proxy must be under its Common Seal which should be affixed and attested in the manner prescribed by its Articles of Association.
6. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy.



2010/2011 Annual Report

2011/2012 Annual Report

This concludes Amaya Leisure PLC's - Annual Report for 2012/13 providing you with a comprehensive insight to all the statutory, financial and corporate information about the Company, its operations and shareholders.

It was also our fervent desire to provide you with a brief insight in to the traditional dancing styles of Sri Lanka in keeping with our corporate theme 'Reflections of Sri Lanka'.

The theme for our 2010/11 Annual Report was 'Birds of Sri Lanka' offering a glimpse of species endemic to Sri Lanka while the theme for our 2011/2012 Annual Report was 'Carving Arts of Sri Lanka' offering an insight in to Sri Lanka's rich heritage.

Sri Lanka is an island blessed with an abundance of natural beauty and cultural heritage that can seldom be matched. We at Amaya are committed to go that extra step to help all our stakeholders understand how fortunate we as Sri Lankans are to inherit these priceless gifts that have been carefully passed on to us from generation to generation.

We hope to provide you with more stunning 'Reflections of Sri Lanka' in the coming years through our Annual Reports.

CORPORATE INFORMATION

NAME OF COMPANY	Amaya Leisure PLC
COMPANY REGISTRATION NO.	PQ 145 (Former PVS 8053/PBS)
LEGAL FORM	Quoted Public Company with limited liability originally incorporated in Sri Lanka as a Private Company and later converted to a Public Company
REGISTERED OFFICE	Level 27, East Tower, World Trade Center, Echelon Square, Colombo 01 Telephone : +94 11 4 767800 Fax : +94 11 4 767867 E-Mail : sales@amayaresorts.com Website : www.amayaresorts.com
BOARD OF DIRECTORS	Mr. A. M. Pandithage (Chairman) Mr. C. J. Wickramasinghe (Deputy Chairman) Mr. L. T. Samarawickrama (Managing Director) Mr. K. D. D. Perera Mr. W. D. N. H. Perera Mr. S. Senaratne Mr. S. H. Amarasekera Mr. D. E. Silva Ms. D. S. N. Weerasooriya Ms. R. N. Ponnambalam
SUBSIDIARY COMPANIES	
Unquoted	Culture Club Resorts (Private) Limited Kandyan Resorts (Private) Limited Connaissance Air Travels (Private) Limited Connaissance Hotel Management (Private) Limited CDC Conventions (Private) Limited The Beach Resorts Limited
SECRETARIES	Hayleys Group Services (Private) Limited No: 400, Deans Road Colombo 10
AUDITORS	Ernst & Young Chartered Accountants 201, De Saram Place Colombo 10
BANKERS	Hatton National Bank PLC National Development Bank PLC Pan Asia Banking Corporation PLC Commercial Bank of Ceylon PLC



AMAYA

Amaya Leisure PLC

Level 27, East Tower, World Trade Center,
Echelon Square, Colombo 01. Sri Lanka.