



AMAYA

Amaya Leisure PLC

Annual Report - 2013/2014



Reflections of Sri Lanka



“Amaya”
non-illusive – 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”





AMAYA
Amaya Leisure PLC

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Welcome!

நஸ்வரவு!





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Although it is virtually impossible to accurately trace the beginnings of Sri Lanka's Painting Art, one can safely assume that it dates way back to the hunting era or 'Dadayam Yugaya'. The ancient cave drawings of prehistoric Sri Lankans bear testimony to that fact. Although these drawings lack colour or any significant substance, it displays the ability of the prehistoric Sri Lankan to express his feelings through symbols. These cave drawings are still visible in places such as Kandurupokuna, Rajagal Kanda, Aandiyagala, Billawa, Thanthirimale, Gonagolla, Dorawaka, Pihillagoda and Kiripokuna.

The next significant era in Sri Lankan painting history is during the Anuradhapura era. From this era onwards, an art style based on Buddhism and Buddhist culture began its formation. This era can also be considered as a highly significant era for Sri Lankan art and painting. Paintings of this era date back from 200 BC to 1100 AD and the oldest of these is considered to be the 'Karambagala Drawings' dating back to 200 BC. Without a doubt, the most magnificent paintings created during the Anuradhapura era are located in Sigiriya. Archaeological experts estimate that these drawings were created between 500-700 AD. A creation of King Kasyapa, Sigiriya is today a World Heritage Site. The paintings or frescoes depict beautiful damsels with flowers engaged in some unknown activity. Only the upper torso is visible on these painting while the lower parts of their bodies are covered by clouds. There are various theories about these paintings, but one thing is certain, they are absolutely magnificent!

In addition to this, paintings considered to be created after 1200 AD are found in places such as Wessagiriya, Hindagala, Pulligoda, Gal Viharaya (Rock Temple), Mahiyanganaya, Mihinthala and Thiwanka Pilima Geya (Image House). Even though they were created during the subsequent Polonnaruwa era, these paintings are also considered to have followed the style used during the Anuradhapura era with many similarities between them.

After the Anuradhapura era, the most significant time period for Sri Lankan paintings and art in general was the Kandyan era. The paintings created during this era follow an unmistakable style known as the 'Kandyan Style' which is quite different to other painting and drawing styles. Although the styles are different, many of the basics used in Anuradhapura style paintings have been used as the base for these. The paintings at the Thiwanka Pilima Geya are a great example of this. The inside walls of the Thiwanka Pilima Geya consists of paintings from the Anuradhapura era while the walls of the entrance are adorned with paintings of the Kandyan era. According to experts, this is considered to be the 'Turning Point' of the two eras. Although the Kandyan styled paintings follow the Anuradhapura and Polonnaruwa style to some extent, there is a clear differentiation between the Kandyan Style paintings from paintings created during the Dambadeniya and other eras.

Keerthi Sri Rajasinghe who became King in 1800 AD belonged to the Nayakkar dynasty. He won over the hearts of the Sinhalese people living in the hill capital by dedicating his life towards the uplifting and growth of Buddhism. Under the guidance and patronage of the Ven. Welivita Saranankara Thero, King Keerthi Sri Rajasinghe built several temples and monasteries and adorned them with wall paintings. He also reconstructed old temples and created a renewed interest in Buddhism within the country. This is why paintings of that era are still well-preserved to this day.

Degaldoruwa, Hindagala, Medawala, Dambulla, the Dalada Maligawa, Lankathilaka Viharaya, Ridee Viharaya and Gangaramaya feature paintings created with the Kandyan Style. Only a handful of places and temples in the hill country feature the "Upcountry Style" or "Meda Mahanuwa Style", an art style which faced limited influence from overseas invasions. The Kandyan Style features 2 types of paintings, the aforementioned Upcountry style and the 'Pahatharata' or low-country style.

Due to the efforts of King Keerthi Sri Rajasinghe and the Ven. Welivita Saranankara Thero, Temples were built even in the western and low country areas of the country. However, these paintings do not follow the same styles as the Meda Mahanuwa style. Although in general the paintings look the same, the low country style paintings show a distinct western influence in them. The western types of angles and perspectives as well as the colour combinations and the physical attributes of the westerners who lived here are also depicted in these low country paintings. The main reason for this is the fact that the locals who lived on the coastal belt of Sri Lanka had to live and carry out their activities closely with westerners for many centuries. Some of the low country temples that feature the Kandyan style of painting includes the Kathaluwa Poorwaramaya, Dodamdoowa Shailabimbaaramaya, Thotagamuwa Viharaya, Karagampitiya Subhodhaaramaya, Kelaniya Raja Maha Viharaya, Mulkirigala, and the Welihinda Sudharshanaaramaya.

While the painting styles of the Anuradhapura, Polonnaruwa and Kandy eras remained, the situation dramatically changed during the 20th century. During colonial periods many local artists had the opportunity to conduct research and learn about western painting and art styles. This led to them overcoming the boundaries of tradition, exploring new avenues and creating masterpieces with unique styles during the 20th century.

Since state support for Buddhism reduced substantially during colonial periods, Buddhist scholars took over the responsibility of contributing towards the growth of Buddhism. This rejuvenation brought about the construction of several new temples as well as the creation of temple paintings. Some of the newly constructed temples of this era include the Kelani Viharaya, Gothami Viharaya, Weheragodalla Viharaya and the Bellanwila Viharaya.

These temples really revolutionised the art of Sri Lankan painting. The pioneer of this is the great M. Sarlis Master. He gained his inspiration from renowned international artist Richard Hendricus and created the paintings at the Maligakanda Viharaya in Colombo. This in turn provided the inspiration to other local artists to create an all new tradition and style of painting. These subsequent artists helped protect the unique Sri Lankan identity in their paintings. A great example of this is the paintings at the Kelani Viharaya created by Solias Mendis. In addition to this, the paintings at the Gothami Viharaya in Borella created by George Keyt, the Bellanwila Viharaya paintings by Somabandu Vidyapathi and the Weheragodalla Viharaya paintings by Albert Dharmasiri have each created a dissimilar yet uniquely Sri Lankan identity in their works of art.

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The fantastic history of Sri Lankan art dates back to prehistoric times. In fact many cave drawings of hieroglyphics/symbols have been found in Sri Lanka. Unlike the paintings of the Anuradhapura or Polonnaruwa era, these drawings are not based on religion but are symbols depicting various incidents of their hunting adventures.

Kadurupokuna and Thanthirimale are 2 of the most significant locations where these prehistoric cave drawings are found. The drawings found in both these caves include images of humans engaged in various activities, images of animals such as elephants, leopards, sambhur, deer and peacocks as well as other objects such as bows, arrows and the sun.

The honour of rediscovering the Kadurupokuna caves, which were lost to the jungle over time, belongs to Mr. P.E.P. Deraniyagala while the honour of rediscovering the Thanthirimale cave drawings belong to Mr. John Steele.



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Kadurupokuna Cave Arts



තන්තිරිමලේ ගුහා චිත්‍ර
Thanthirimale Cave Arts



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සීගිරි චිත්‍ර Sigiriya Paintings

The Sigiriya frescoes created during the Anuradhapura era are considered to be the most magnificent masterpieces in the history of Sri Lankan Art. The rock fortress of Sigiriya, also known as the Citadel in the Sky, was created by King Kashyapa during the period 477-495 AD. The fortress was built primarily to protect King Kashyapa, who after having murdered his father to ascend to the throne, moved the kingdom to Sigiriya to save himself from the wrath of his brother Prince Mugalan.

The most well-preserved of the Sigiriya frescoes are those of the cluster of maidens, painted on the walls of the rock. There are also a few traces of paintings within some caves located at the base of the giant rock. H .C.P Bell, after inspection of the paintings confirmed that these were indeed created using the typical style followed by frescoes. The paintings have been created by the free movement of lines and depict the upper torso of these maidens while the bottom part of their bodies is covered seemingly by clouds. The paintings which retain the traditional colour and three-dimensional effect are believed to bear a strong resemblance to the famous Ajantha frescoes of India.





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Karabagala Paintings

According to Mr. L.T.P. Manju Sri, the Karabagala Caves located in Ridiyagama, Ambalanthota features remnants of ancient Sri Lankan art. Other than the copies of the Karabagala Paintings taken by him during the early 19th century, almost nothing else remains at present. According to his theory, the art style as well as the plaster mixture proves that the drawings date back to the 2nd century BC.

Pictures of the Lord Buddha, part of a deity's image, a line of clouds and parts of a horse's foot print drawn with dark red lines on a thick plaster is all that remains of the Karabagala Paintings.

According to the Visuddhi Maargaya written by the Ven. Buddhagosha Thero during the 5th century AD, a cave called 'Kurandaka' which had drawings is mentioned. Some experts believe that this Kurandaka cave and the Karabagala cave are one and the same.

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

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A few remnants of paintings belonging to the Polonnaruwa era are still visible at the Pulligoda Caves. Although certain characteristics, such as the style of drawing and colour combinations of these paintings are quite similar to those of the Sigiriya frescoes, the level of artistry of these paintings is pretty low compared to the master pieces of Sigiriya. This actually is a common characteristic of paintings from the Polonnaruwa era.

The Pulligoda paintings are of 5 deities, line-drawn with a freehand. These deities are seated in one line on lotus flowers with their legs folded in the 'Lotus' pose ('Eraminiya' in Sinhalese). A few of them seem to be meditating while the others are holding Manel Flowers in their hands. The jewellery and decorations are similar to those of Sigiriya. The background is a golden yellow while the drawings have been done with dark brown lines.

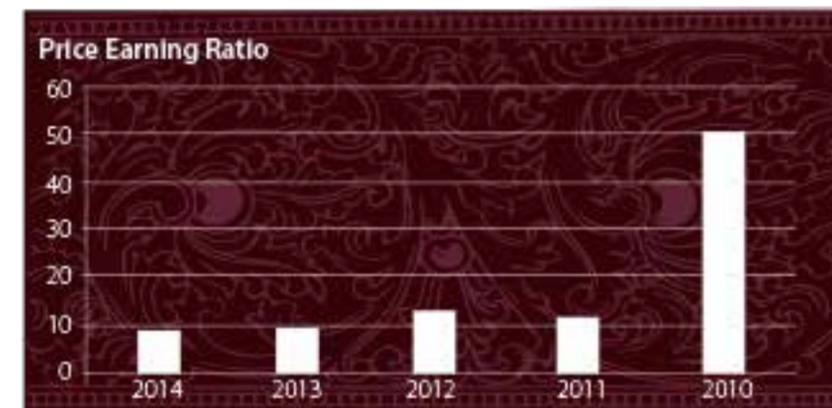
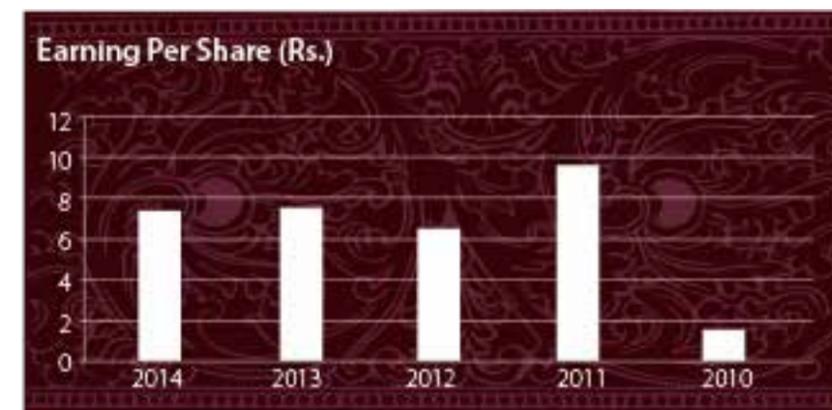




Financials at a Glance

Financials at a Glance

	2013/2014 Rs.,000	2012/2013 Rs.,000	Changes %
For the year			
Turnover-Gross	1,171,594	1,065,394	10%
Turnover-Net	1,159,802	1,054,441	10%
Profit before Tax	417,919	409,936	2%
Profit after Tax (Before Other Comprehensive Income)	376,162	378,042	-0.5%
At the year end			
Shareholder's Funds	2,617,721	2,472,143	6%
Total Assets	3,157,420	2,975,946	6%
Group Employment (No. of Persons)	526	444	18%
Per Share			
Earning (Rs.)	7.83	7.87	-0.5%
Dividend (Rs.)	4.50	4.00	13%
Net Assets (Rs.)	55.11	52.08	6%
Market Value (Rs.)	72.30	76.50	-5%
Ratio			
Gross Profit (%)	65.91	66.46	-1%
Interest Cover (Times)	26.52	28.39	-7%
Current Ratio (Times)	0.74	0.83	-11%



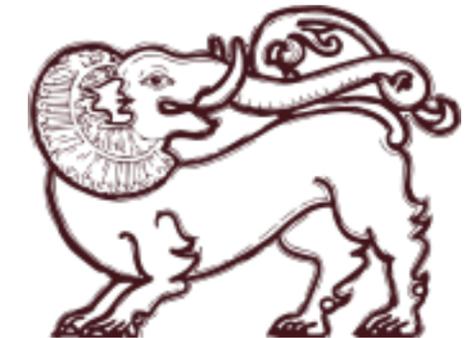
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Thiwanka Image House

The Thiwanka Image house was created by King Parakramabahu the Great (1153-1186 AD) and was renovated by King Parakramabahu II (1236-1270 AD). This is the only place where an entire cluster of Polonnaruwa era category paintings can be found. Many characteristics of Hinduism are prevalent in the architecture of the Thiwanka Image House.

The Thiwanka Image House holds a special place in the annals of Sri Lanka's painting history mainly because it consists of paintings from both the Polonnaruwa and Kandy era painting categories. The 3-dimensional statues in the Image House and the painting of the visit to SankhassaPura all belong to the Polonnaruwa era category while the paintings which have been divided in to two strips along the walls of the entrance to the Image House belong to the Kandy era category. According to experts, this is the exact location where the Polonnaruwa style was stopped and the Kandyan style of painting began.





Message from the
Chairman

Message from the Chairman

" Sri Lanka witnessed a 26.7% surge of tourist arrivals, from 1 Mn in year 2012, to 1.27 Mn in 2013. In the backdrop of peace and capitalizing on its natural beauty, Sri Lanka has been able to carve its name as a "must visit destination to travel"



Dear Shareholder,

I take pleasure in presenting to you the Annual Report and the Audited Financials of Amaya Leisure PLC for the year ended 31st March 2014.

Your Company for the second consecutive year was able to surpass the Rs. 1bn turnover milestone. The topline grew by 10%, reaching its all-time highest revenue of Rs. 1.15 bn.

However, with pressures on cost and reduction in interest income, profit before tax increased marginally to Rs. 418 Mn from Rs. 410 Mn of the corresponding year. Corporate Taxes increased to Rs. 42 Mn from Rs. 32 Mn in the corresponding year, mainly as a result from dividend taxes, which was previously exempt as Amaya Hills' BOI tax holiday ended in the FY 2011/12.

This resulted in a Profit after tax of Rs. 376 Mn for the year, a marginal decline from last year's profit of Rs. 378 Mn.

Industry Overview

Sri Lanka witnessed a 26.7% surge of tourist arrivals, from 1 Mn in year 2012, to 1.27 Mn in 2013. In the backdrop of peace and capitalizing on its natural beauty, Sri Lanka has been able to carve its name as a "must visit destination to travel".

Western Europe continued to be the dominant market with a 33% market share, a marginal decline. South Asia which is the second major market counts for a 25% market share, where India remained the leading tourist origin capturing 16% of the total tourist arrivals. Earnings from tourism in 2013 grossed US \$ 1.7 bn vis-à-vis US \$1bn in 2012.

In this backdrop of anticipation of higher tourist arrivals, your Company refurbished its properties in Dambulla and Kandy, investing over Rs. 270 Mn in Property, Plant & Equipment during the year under review. The refurbishment is continuing and it's expected to be finalized during the next FY 2014/15.

The Signature Wing of Amaya Lake and The Bungalow at Amaya Hills has been well received by our clients. We have also invested heavily in our brand "Amaya" in our marketing communications, which is now a well known name in the travel fraternity.

All these efforts, paved the way for your Company to be recognized from the pinnacle of Global Travel Awards "World Luxury Hotel Awards 2013". Amaya Hill, Kandy was the winner of The Luxury Hotel with the Best Scenic Environment in Sri Lanka award.

In addition to owning, Amaya has also steadfastly added value to the hotels/resorts it manages. Both "Langdale by Amaya" and "The Kingsbury" received top accolades during the year.

The "Langdale by Amaya" won the Continental Award for the Best Luxury Romantic Hotel in the Indian Ocean, and "The Kingsbury" which is the five-star city property, won the Best Luxury City Hotel in the Indian Ocean award in the World Luxury Awards 2013

Outlook

At the time this report is written, I am also pleased to inform that your Company invested in a controlling stake of 125 room beach resort in Passikudah. This filled a vacuum in our hotel portfolio as we lacked a beach resort beyond Colombo's outskirts.

We also plan to expand our footprint in the country by owning/managing properties in the next year. Two properties, at Nuwara-Eliya and Trincomalee have been earmarked for development, which are at preliminary stages.

We are confident that all these leisure related development would augur well for the Company.

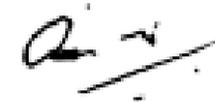
Directorate

There has been no change in the directorate during the year under review.

Conclusion

I wish to take this opportunity to place my sincere appreciation to the colleagues on the Board for their valuable input and strategic direction. The management and staff at all levels has been the strength behind Amaya's success, and I trust that they would serve the Company well.

A special thank you to our clients across the globe who patronized the "Amaya" chain of hotels and we look forward to welcome you in the years to come.



A. M. PANDITHAGE
CHAIRMAN
13th May 2014

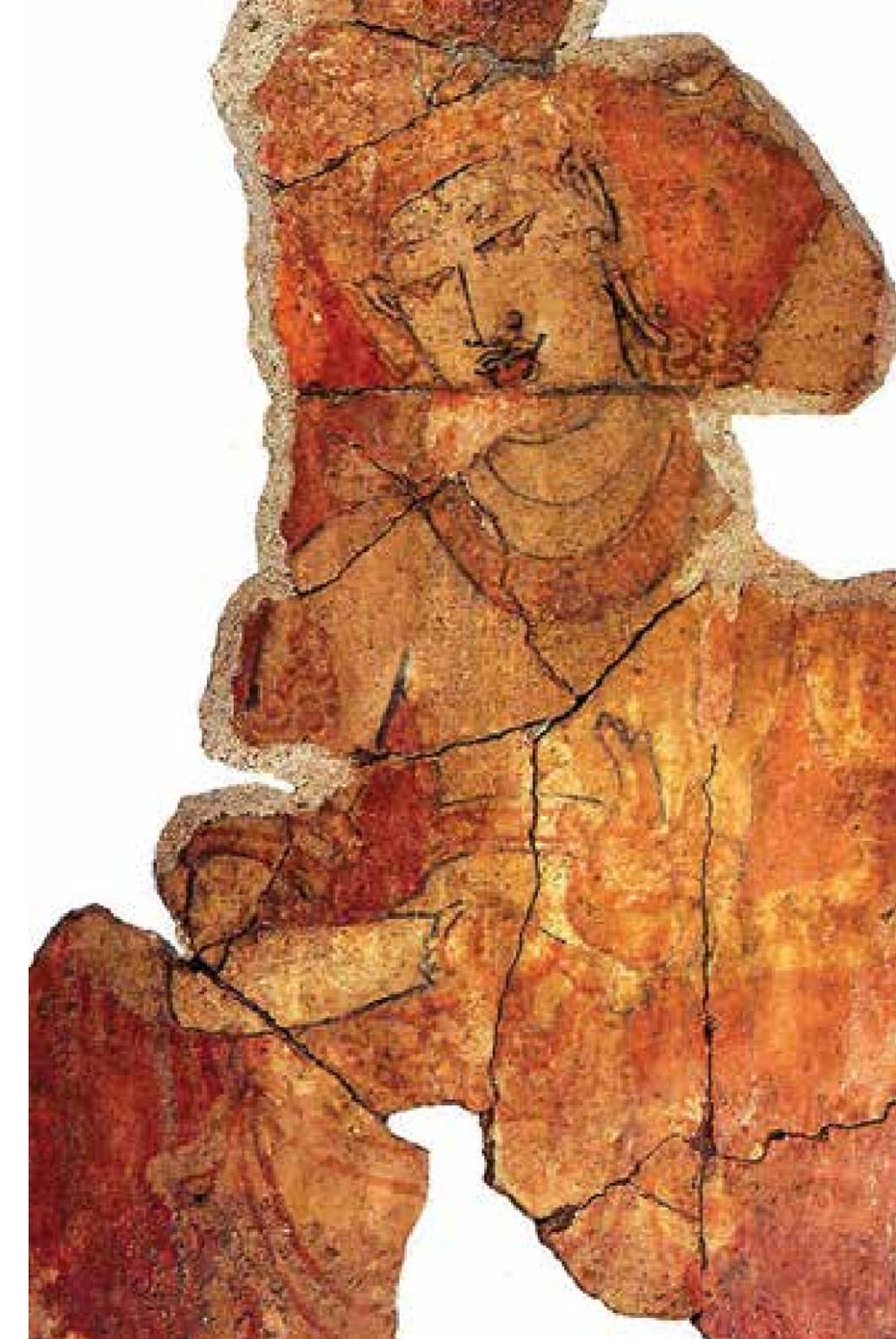
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Paintings at the Mahiyangana Dhaathu Chamber

The Mahiyangana Dagoba is believed to have been in existence even before Buddhism was officially brought in to the country. King Dutugemunu is said to have constructed a cover to protect the Dagoba while King Wijayabahu is said to have reconstructed it during the period of 1000-1100 AD after defeating the South Indian invaders.

The paintings which were originally created on the walls of the 'Dhaathu Garbhaya' or Relic Chamber, was found quite by accident as the plaster of the walls had come off over time. According to Prof. Paranavithana, these paintings belong to the early 11th century.

A common feature of paintings belonging to the Polonnaruwa era is the fact that they have rather similar characteristic to the Sigiriya paintings. These paintings belong to the Polonnaruwa category since the level of artistry is below the standards of the Sigiriya paintings and because they were created during the early stages of the Polonnaruwa era.



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Dambadeniya Rajamaha Viharaya

From the few archaeological ruins belonging to the Dambadeniya era (1220-1293 AD), the Dambadeniya Sri Vijaya Sundararamaya holds quite a significance. A Buddhist priest by the name of Sangharakkitha is believed to have founded this temple. The 2-storey chamber with paintings was created by King Vijayabahu IV.

The paintings of the Dambadeniya Viharaya were created during a period of war and belong to the Kandy era category of painting. The paintings that are currently at the temple are those that were renovated by Meegasthene Adhikaram. Dambadeniya can be considered as a location where the Kandyan Art style is featured during an 'interim period' when kingdoms were transitioning.





Managing Director's Review

Managing Director's Review

"Amaya Resorts with its inspiring tag line, "Reflections of Sri Lanka", performed exceptionally well to bring in the desired results during the financial year under consideration, whilst upgrading and refurbishing all our properties to compete with the line up of new resorts within Sri Lanka. "



It is with pleasure that I present to you the review of operations for the financial year 2013/2014. Amaya as part of the Hayleys Group has continued to make a significant contribution to the tourism industry as a whole.

Amidst global economic volatility, international tourism displayed great resilience. Due to the recession in Europe, tourists from traditional markets were much less than usual. However, traffic from emerging markets such as India, China, the Far East and the Middle East contributed heavily towards and beyond the one million tourists mark during the year ended 31st March, 2014.

Amaya Resorts with its inspiring tag line, "Reflections of Sri Lanka", performed exceptionally well to bring in the desired results during the financial year under consideration, whilst upgrading and refurbishing all our properties to compete with the line up of new resorts within Sri Lanka.

During the year, our product development included the addition of a Luxury "Signature Wing" at Amaya Lake comprising of 24 elegantly designed bedrooms with modern day state of the art facilities. The Bungalow concept at Amaya Hills has become extremely popular amongst the high end market segment, with our two bungalows being in great demand. The major refurbishment program which commenced during the year will be fully completed very soon. The public areas of all hotels are being tastefully refurbished and redecorated.

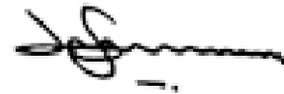
We received many accolades during the year including the most prestigious World Luxury Hotel Award for Amaya Hills.

The group IT system was enhanced in order to implement better management systems and controls. The Amaya website was upgraded to attract more clients.

Several overseas visits were made to attend various travel fairs by our Marketing and Sales team. This too has enabled Amaya to maintain its market share and it is envisaged that we will enter many more emerging market segments during the year ahead.

Your company is now ready to launch its next phase of activity and it will not be long before we venture into various other projects that will increase the number of bedrooms available within the entire Amaya group, thus contributing heavily towards the Sri Lankan Tourism Development Programme. In this context, we at Amaya are confident of achieving the highest possible revenue and profitability in the years to come.

Let me take this opportunity to thank the entire management team for their concerted effort towards offering both the best of services as well as contributing significantly towards the profitability of the group.



L. T. SAMARAWICKRAMA
MANAGING DIRECTOR
13th May, 2014



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Degaldoruwa Raja Maha Viharaya - Maara Parajaya

Work on the Degaldoruwa Viharaya which commenced under the patronage of King Keerthi Sri Rajasinghe was completed by King Rajaadhirajasinghe and presented to the Morathota Thero in 1786. Of the temples belonging to the Kandy era, Degaldoruwa is popular as a cave temple show casing paintings with unique features. The ViharaGeya has been created in two parts and the paintings have been created on it.

The Viharaya features paintings created in the typical Kandyan style of depicting Jaathaka Stories on narrow strips following the 'Akhandha Kathana' (Episodic Narration) style. The paintings are believed to have been created by Dewatagampola Silwath Thana and his assistants. The quality of the 'Maara Paraajaya' painting on the ceiling is considered to be on par with the 'Maara Paraajaya' at the Dambulla Temple. There are newer paintings created on top of the original wall paintings and these had to be carefully erased so that the high quality original paintings were revealed.

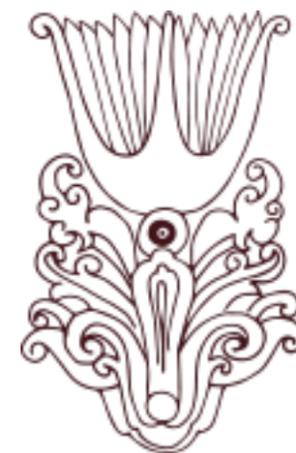
දඹුල්ල රජමහා විහාරය Dambulla Rajamaha Viharaya

This iconic temple located in close proximity to the historic city of Dambulla comprises a complex of rock caves. This rock cave temple was established by King Walagamba and received endorsements by Kings such as Vijayabahu I, Nissanka Malla, Narendrasinghe, Buwanekabahu V, Rajasinghe I and Wimaladharmasuriya II. The temple received special recognition and endorsement during the reign of King Keerthi Sri Rajasinghe.

The paintings in the caves of this temple belong to the Kandyan style and are featured on 5 caves that also feature a number of carvings. A common theme from the Kandyan style paintings is the presence of Jaathaka Stories. This however is displayed at a minimum level in the Dambulla paintings. Except for the Ummagga Jaathakaya, Wessanthara Jaathakaya and the Themiya Jaathakaya featured in the 2nd cave, the rest of the paintings depict Buddhist incidents.

'Maara Parajaya', 'Suvisi Viwaranaya' and the 'Devaaraadhanaya' are some of the more significant paintings here. Although there are some western aspects also persistent with these paintings, Dambulla boasts some of the best works of art belonging to the Kandyan style of painting.





Financial Calendar

1,171 Mn

Group Turnover for Year 2013/2014

10%

Revenue Growth Rate for Year 2013/2014

418 Mn

Profit before Tax 2013/2014

Financial Calendar

Audited Financial Statement Signed on 13 May 14
32nd Annual General Meeting 24 Jun 14

INTERIM FINANCIAL STATEMENTS

1st Quarter Interim Results released on 9 Aug 13
2nd Quarter Interim Results released on 1 Nov 13
3rd Quarter Interim Results released on 28 Jan 14

GROUP OPERATIONAL HIGHLIGHTS

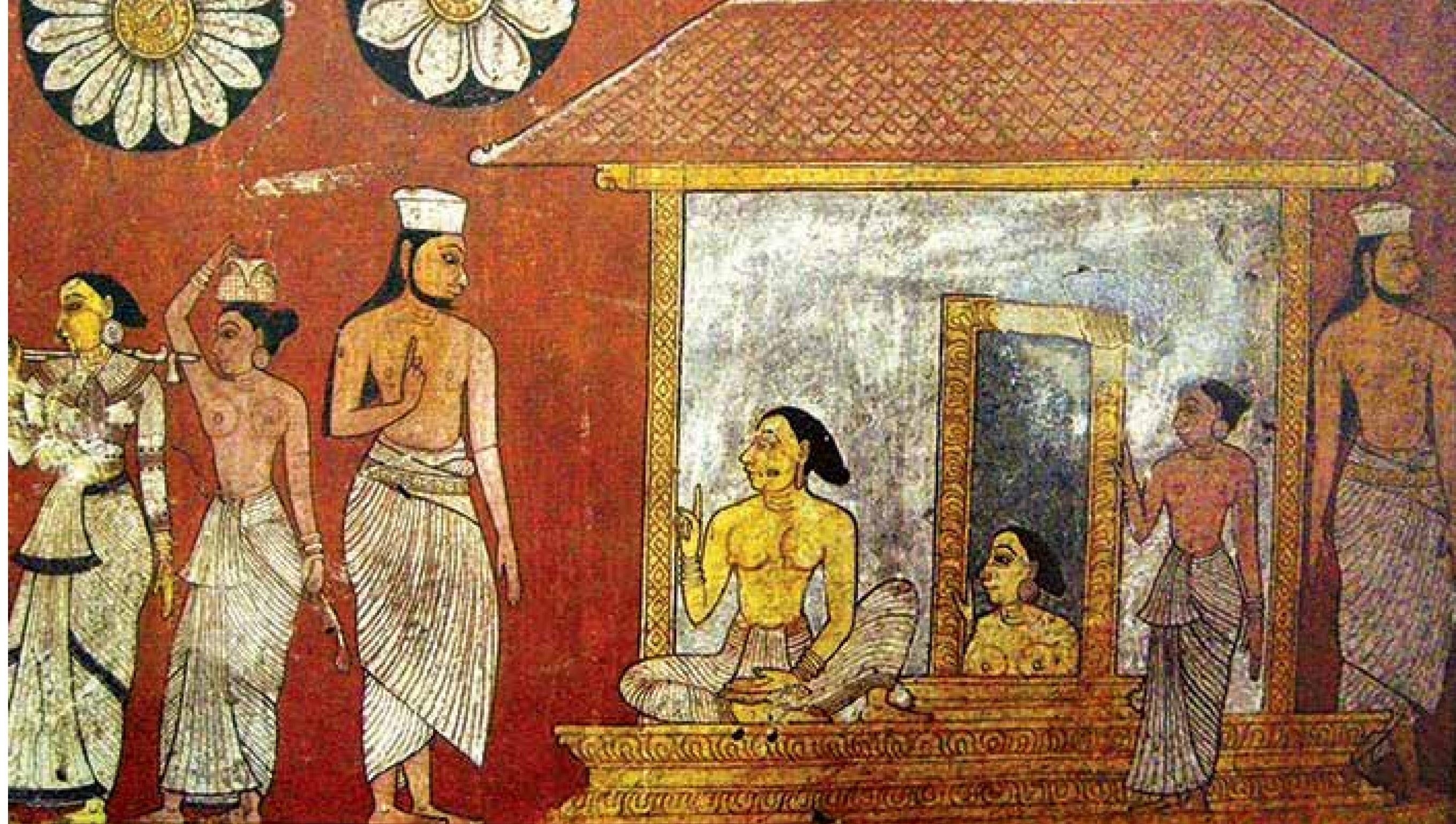
Year Ended 31st March

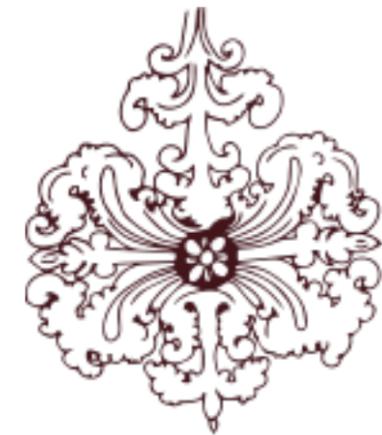
	2014	2013
Occupancy - Lake	68%	68%
Occupancy - Hills	80%	91%
Overall Occupancy	74%	80%
Guest Nights	123,278	110,166

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Medawala Rajamaha Viharaya

The Medawala Viharaya has been built in a uniquely Kandyan style supported by rock pillars. This method is known as the 'Tampita' method which has led to the temple being called the Medawala Tampita Viharaya. The temple has been constructed similar to an image house and is supported by rock pillars with solid wooden planks making up the floor. It also includes an entrance pavement known as the 'Pradhakshinaa Pathaya'.

The temple was built under the auspices of King Keerthi Sri Rajasinghe who ruled Kandy and features the paintings in its small image house. Although the Kandyan style of painting usually features paintings created in small narrow strips, these paintings have been created freely with plenty of space. Although they do not vary much from the typical Kandyan style of painting, the Medawala Viharaya paintings feature subtle variations that make them stand out from the others. The images are taller and flat colours are used with more prominence given to image outlines.





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. Fellow of the Chartered Institute of Logistics & Transport. Member of the Presidential Committee on Maritime Matters. Serves as Honorary Consul of United Mexican States (Mexico) to Sri Lanka. Committee Member of the Ceylon Chamber of Commerce. 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 35 years of experience in the leisure industry. He is the Founder Chairman of Connaissance de Ceylan (Pvt) Ltd, Maalu Maalu Resorts & Spa, Aliya Resort & Spa, Mountbatten Bungalow, Theme Resorts & Spas and CDC Events and Travels. He is a Director of The Fortress Resorts PLC and of Hunas Falls Hotels PLC.

Mr. Wickramasinghe is a Board Member of the Sri Lanka Tourism Development Authority (SLTDA) and is also the Founder President of Alliance Francaise de Kotte.

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 Sri Lanka Tourism Promotion Bureau (SLTPB).

Mr. Wickramasinghe was awarded Silver in the National Entrepreneurs category in 1999, organized 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 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, he 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 PLC, 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. He 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 a Director of The Fortress Resorts PLC, Maalu Maalu Resorts and Spa, Hunas Falls Hotels PLC, Delair Travels (Pvt) Ltd and The Kingsbury PLC and counts over 21 years of experience in the Hospitality Industry, specializing in Marketing and Sales.

Mr Silva currently functions as the Head of the Marketing Sub-Committee of The Hotels Association of Sri Lanka, and is the President of the Travel Trade Sports Club and is a Committee Member of the Pacific Asia Travel Association- Sri Lanka Chapter and a Member of SKAL. He is additionally an All- Island Justice of the Peace.



Mr. Dhammika Perera
Director

Mr. Dhammika Perera is the quintessential business leader, with interests in a variety of key industries including Hydropower generation, Manufacturing, Hospitality, Entertainment, Banking and Finance. He enriches the Board with over 25 years of experience in building formidable businesses through unmatched strategic foresight.

Recurrently holds the position of Secretary to the Ministry of Transport, Sri Lanka. He is also a member of the Board of Directors of Strategic Enterprise Management Agency (SEMA).

Mr. Perera is the Chairman of Sampath Bank PLC, Vallibel Finance PLC, Vallibel Power Erathna PLC, The Fortress Resorts PLC, The Queensbury Leisure Ltd and Delmege Limited. He is the Deputy Chairman of Hayleys PLC, Royal Ceramics Lanka PLC, Horana Plantations PLC, Lanka Ceramic PLC and LB Finance PLC. He also serves on the Boards of Haycarb PLC, Hayleys MGT Knitting Mills PLC, The Kingsbury PLC, Dipped Products PLC, Lanka Floortiles PLC and Orit Apparels Lanka (Pvt) Limited.



Mr. Nimal Perera
Director

In the Director panel since 2002, Mr. Nimal Perera also serves on boards of Pan Asia Banking Corporation PLC, Lanka Tiles PLC, Lanka Walltiles PLC, Lanka Ceramics PLC, Horana Plantations PLC, Swisstek Ceylon PLC, as the Chairman, Royal Ceramics Lanka PLC as the Managing Director, Vallibel One PLC as the Deputy Chairman, LB Finance PLC as the Executive Director, Vallibel Power Erathna PLC and The Fortress Resorts PLC as Alternate Directors.

Holds Directorships in Hayleys PLC, Kingsbury PLC, Haycarb PLC, Thalawakele Tea Estates PLC, and Vallibel Finance PLC.

He is a renowned business magnate, stock trader and shareholder of many companies in the country.



Mr. S. Senaratne
Director

Mr. Suranimala Senaratne counts over 38 years' experience in the tourism and leisure industry. He has a wealth of experience behind him having held the position of Managing Director of Connaissance Group of Companies from 1987 to 2008.

In 2008, he took over the management of Yathra Travels (Pvt) Ltd as the Chairman / Managing Director. He is also the Chairman of Blackpool Holdings (Pvt) Ltd and a Director of The Fortress Resorts PLC and Vallibel Finance PLC.



Mr. S. H. Amarasekera
Director

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

Mr. Amarasekera, President's 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 also serves as an Independent Director in several leading listed companies in the Colombo Stock Exchange including Vallibel One PLC, CIC Holdings PLC, Expo Lanka Holdings PLC, Chevron Lubricants Lanka PLC, Amana Bank PLC, Keells Food Products PLC & Vallibel Power Erathna PLC. He is also a Director of CIC Agri Business (Pvt) Ltd.



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 18 years of post qualified experience and counts over 12 years of working experience at the LB Finance PLC. She is the Chief Financial Officer of Vallibel One PLC and the Fortress Resorts PLC. She is an alternate Director to Mr. Dhammika Perera for Hayleys PLC, Hayleys MGT Knitting Mills PLC, Haycarb PLC, Dipped Products PLC, Delmege Limited and the Oritte group.



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 McLaren Holdings Ltd & GAC Shipping Ltd. She currently serves as a Director of The Kingsbury 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 & Local Business Development and negotiation.



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This historic temple is located in the village of Mulkirigala belonging to the Weeraketiya Divisional Secretariat in the Hambantota District. According to the Poojawaliya, this temple was created by King Kawantissa and was renovated by King Keerthi Sri Rajasinghe who had the temple which was in ruins cleared up and brought back to life. The King together with the Venerable Saranankara Thero initiated many projects to rejuvenate Buddhism in the country.

Having taken the Kandyan style of painting as its base, the paintings in the Mulkirigala Viharaya follow a style of its own and have occasionally been created on light coloured backgrounds. These are considered as paintings that fall in to the Kandyan era category of painting and its location out of Kandy in the Deep South of the country makes it especially significant. Wessanthara Jaathakaya, Thelapattha Jaathakaya and the Sathsathiya paintings take pride of place here.





Our Hotels



For a moment, the peace and solitude takes your breath away. On top of a lush mountain range Amaya Hills, Kandy fans out to meet the sky in an endless expanse. Your view is only fringed by the endless lush valleys and the captivating sun sets.

You observe that the resort's accommodations are thoughtfully designed reflecting the age old Kandyan architecture. Nature seems to be the only companion, her bounty fills all senses. Your room is a spacious haven, with luxurious living expressed through indigenous materials and magnificent views from your private balcony. You are close enough to hear the music of nature.

As the sun sets, Amaya Hills slowly becomes a golden panorama. The signature scene of fine dining or sipping a cocktail with your loved one comes to mind. With the night still young you can head over to the jewel of relaxation, the Ayurveda Spa at Amaya Hills or engage in a range of activities within the resort.

You were looking for an escape into paradise. And you found it at Amaya Hills, Kandy.





Set amidst 40 acres of lush greenery, Amaya Lake, Dambulla is a place like no other bordering the shores of the magnificent Kandalma Lake. Consistently voted as one of the best resorts, this is where the legendary Sri Lankan hospitality of Amaya began more than Twenty years ago. The story continues with you.

With lavish private villas and suites sprawling across the gardens this is where you will find your own Amaya

When you have taken in the myriad of explorations in the cultural triangle, from the enchanting rock fortress Sigirya and the quaint Dambulla cave temples to the preserved ruins of the UN ESCO world heritage Pollanaruwa, the splendid sanctuary of Amaya Lake will embrace you as you step onto its grounds.

We welcome you to luxuriate in the acres of wonderfully landscaped gardens, relax poolside or pamper yourself at the Ayurveda Spa. As night falls, find the evening you desire with dinner overlooking the lake, by the poolside or the Samara Restaurant. Then, relax in the Lobby Lounge with musical entertainment or unwind in the quiet gardens with enchanting views of the Kandalama Lake.





A Colonial Heritage

As you stroll along the resort the vast stretches of tea gardens stirs a sense of awe deep within you. Like a pearl in its oyster, you're embraced by the soothing ambience of Langdale by Amaya, Nuwara Eliya.

Relaxing in your room on a brilliant tropical afternoon, you can enjoy the stunning view where the earth meets the sapphire-colored skies.

Peals of laughter fill the air. For now, you long for the endless horizon views whilst dipping in the heated outdoor pool or play a game of tennis in the grass tennis courts. From somewhere, the rich aroma of tea wafts towards you. You soak in the local vibes over a delectable cuisine served at the restaurant, hoping the moment lasts forever.

Tomorrow, perhaps you can seek adventure with an expedition to the Tea Factory or a bicycle ride around the lush estates.

Take your time and have a relaxing vacation in Nuwara Eliya – the little England; you are in a luxurious sanctuary. You are at Langdale by Amaya.





MYSTERY OF NATURE UNFOLDS

As you step onto your private balcony, tropical sunlight washes over you and a soothing mountain breeze kisses your cheeks. Your holiday has begun at Hunas Falls by Amaya, Kandy.

Reluctantly, you leave the luxury of your room, but only to explore the pleasures within the resort. With clouds below your eye level you sprawl along the gardens before you go into Breakfast at the Falls Restaurant.

The lure of the resort's flora and fauna is not to be denied. With the cascades of waterfalls, forests and a man made lake bordering the resort, a short walk will lead you to an adventure where you encounter diverse species of birds, fishes and other wild life.

Play a quick game of golf or unwind with a book that takes you to faraway lands at our library overlooking the lake. Dining is the furthest thing on your mind but you will be unable to resist a sampling of our best chefs culinary.

Admire the sights, sounds and life all around you. Welcome to Hunas Falls by Amaya, Kandy. You have found a tropical paradise on earth.





SUNSHINE, SAND & SEA

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 N arigama 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.





As Kandy wakes to a new day, you gear up for a new adventure from the charming and enchanting Bungalow by Amaya, Kandy.

As the only true luxury bungalow in Kandy, the warm Sri Lankan hospitality embraces you as soon as you enter. The lush greenery and excellent weather promise exciting rounds on the sprawling gardens.

The bungalow is the place to spend time that matters. It is time together yet it is also time that can never be regained. Give meaning to time with someone or simply by yourself. Read, contemplate, recharge but whatever you do you will never forget or regret time spent at the Bungalow by Amaya.





AMAYA SIGNATURE

Dambulla • Sri Lanka

The golden rays of an equatorial morning are a comfort to wake up to. You cannot bear to rise from the solace of your bed, yet you cannot wait to soak up the sun. For beyond the view from your villa, you see the idyllic Kandalama Lake.

From the plush luxury rooms to the sprawling garden villas and infinity pool, the resort offers you superb accommodation rivaled by none. Lavishly decorated with exquisite furnishings, your villa will offer unsurpassed elegance with a spacious sitting area, plush bedroom and swaggering views of the Lake.

Our attentive staff is passionate in meeting your personal requests, whether you seek to book an excursion or in need of an extra blanket.

Simply unwind in this intimate setting. You're in Signature by Amaya, Dambulla, a magnificently luxurious lakefront resort in the cultural triangle.

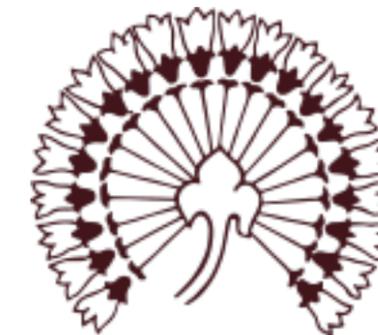


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Kathaluwa Poorvaramaya

The Kathaluwa Poorvaramaya features Kandyan Style paintings created using various southern characteristics and styles. The temple is located between Koggala and Ahangama in the Galle District. Although the paintings feature all characteristics typical to the Kandyan style of painting, a few western characteristics makes them stand out from the others.

Even the physical items depicted in the paintings portray a distinctive western flavour. Even the background colour and the decorations are also the same. Although many believe that the temple has a rich and ancient history, the Viharageya where the paintings are featured was constructed by the Kathaluwe Gunarathana Thero only in 1840.





Corporate Management

Corporate Management

A.M. Pandithage
Chairman

L.T. Samarawickrama
Managing Director

Denesh Silva
Director – Marketing & Sales

Aruna Dikkumbura
Finance Manager



කැලණිය රජමහා විහාරය Kelaniya Rajamaha Viharaya

The paintings at the New Kelani Viharaya were created by the celebrated artist Solias Mendis under the guidance of the great Sarlis Master, yet another renowned local artist. The Kelani Viharaya Paintings are considered by many to be all time masterpieces displaying a style that's uniquely Sri Lankan. This is considered to be a great example of how 20th century Art evolved in Sri Lanka.

Instead of the Kandy era style where stories were portrayed continuously on strips, these paintings portray incidents in a single frame. Long-limbed human forms, creative lines combining a fusion of Western, Anuradhapura and Polonnaruwa painting styles are featured on these paintings. Yellow, brown, red, blue and black colours have been created using natural material and have been used to add colour and darken the paintings. Instead of Jaathaka stories, important incidents relating to Buddhism in Sri Lanka have been depicted in these paintings. 'Daladaawa Wadama Kireema', 'Sri Maha Bodhiya Wadama Kireema', 'Yakun Palawaa H areema' are some of the most prominent paintings here. Experts believe that characteristics persistent with the Ajantha Frescoes are also prevalent in these paintings.





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Ashokaramaya - Thimbirigasyaya

The main reason why the paintings of the Ashokaramaya in Thimbirigasyaya, Colombo 5 are considered of great significance is the fact that they were created by M. Sarlis, the legendary artist who revolutionised the art of Sri Lankan temple paintings. M. Sarlis was the pioneer in moving away from the traditional Anuradhapura, Polonnaruwa and Kandy era styles of painting and using the more contemporary western style of painting.

Sarlis created a lasting impression in the history of local arts and was influential in the birthing of many local artists who subsequently painted newer temples using a variety of unique and contemporary styles of art. Sarlis' art was greatly influenced by the work of renowned western artist Richard Henricus.

Sarlis was apparently not the first choice artist for this particular job but having recognised his immense talent; those in charge of the project handed over this magnanimous task to him. The paintings were created during the 19th century and paintings such as 'Maha Abhinishkramanaya', 'Prathama Dharma Deshanaya' (the first sermon), 'Dushkarakriya Kireema' and 'Kesa Chedhanaya' (shaving of the head in order to become a monk) are considered to be significant paintings here.





Annual Report of the Board of
Directors on
the *A*ffairs 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 2014.

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 2014 and its future prospects.

PERFORMANCE AND APPROPRIATIONS

The Company's performance including that of its subsidiaries for the year ended 31st March 2014 is summarized as follows:

	Year Ended	
	31st March 2014 Rs. '000	31st March 2013 Rs. '000
Turnover	1,159,802	1,054,441
Profit before Tax	417,919	409,936
Taxation	(41,757)	(31,893)
Profit after Tax	376,162	378,043
Non-Controlling Interest	2	(10)
Net Profit for the Year attributable to the Group (Before other Comprehensive income)	376,160	378,053
Dividend Paid	216,154	192,137

STATED CAPITAL

In accordance with 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 2014 was Rs.526,770,320/- comprising 48,034,238 ordinary shares.

Annual Report of the Board of Directors on the Affairs of the Company

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. 271 Million (2013 - Rs. 305 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

Directors of the Company as at 31st March 2014

Mr. A. M. Pandithage
 Mr. C. J. Wickramasinghe *
 Mr. L. T. Samarawickrama
 Mr. S. Senaratne*
 Mr. Dhammika Perera*
 Mr. Nimal 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. Dhammika Perera)
 Mr. H. Somashantha (Alternate Director to Mr. Nimal Perera)

* Non – Executive Directors

** Independent Non – Executive Directors

Messrs. Nimal Perera, S. H. Amarasekera and C. J. Wickramasinghe were retired by rotation and being eligible offer them self for re-election in terms of Article No.29 of the Articles of Association of the Company.

DIRECTORS' SHAREHOLDING

Directors' interests in shares: Directors of the Company and its Subsidiaries who have relevant interests 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.

Annual Report of the Board of Directors on the Affairs of the Company

Details of Directors' shareholdings as follows:

Director	No. of Shares	
	31/03/2014	31/03/2013
Mr. A. M. Pandithage	NIL	NIL
Mr. C. J. Wickramasinghe	2,282,817	2,282,817
Mr. C.J. Wickramasinghe	- 644,994	
HNB/Mr. W. A. D. C. J. Wickramasinghe	- 1,626,738	
Mr. W. A. D. C. J. Wickramasinghe	- 11,085	
Mr. L. T. Samarawickrama*	4,463,217	4,463,217
Waldock Mackenzie Limited/Mr. L. T. Samarawickrama	-3,973,477	
HSBC / Mr. L. T. Samarawickrama	- 429,740	
Mr. L. T. Samarawickrama	- 60,000	
Mr. S. Senaratne**	602,894	1,002,894
Mr. Dhammika Perera***	447,661	447,661
Mr. Nimal Perera	96	96
Mr. S. H. Amarasekera (Jt.)	20,869	20,869
Mr. B. M. Amarasekera & Mr. S. H. Amarasekera	- 12,380	
HSBC / Mr. B. M. Amarasekera & Mr. S. H. Amarasekera	- 8,489	
Mr. D. E. Silva****	51,423	29,729
Ms. D. S. N. Weerasooriya	NIL	NIL
Ms. R. N. Ponnambalam	NIL	NIL

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

** Mr. S. Senaratne sold 400,000 ordinary shares held by him during the year.

*** Mr. Dhammika Perera holds directly and indirectly 48.38% of the total issued shares of Hayleys PLC which holds 19,366,234 (40.32%) shares in the Company.

**** Mr. D. E. Silva purchased 21,694 ordinary shares during the year.

Annual Report of the Board of Directors on the Affairs of the Company

SHAREHOLDERS DISTRIBUTION

The distribution of shareholders is indicated on pages 182 in the Annual Report. There were 1524 registered shareholders as at 31st March 2014.

DIVIDENDS

An Interim dividend of Rs. 4.50 per share was paid on 24th March 2014.

SHAREHOLDER'S INFORMATION

Information relating to major shareholders of the Company as at 31st March 2014 are given on page 183.

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 2014 was Rs. 72.30 compared to Rs. 76.50 as at 31st March 2013 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

Acquisition of Sun Tan Beach Resorts (Private) Limited

Amaya Leisure PLC has acquired 51% equity stake, which is denoted by 82,718,215 shares of Sun Tan Beach Resorts (Private) Limited on 30 April 2014 at a cost of Rs.563 Mn. The said four star beach resort is located at passikudah and is comprised of 125 rooms.

There have been no any other material events occurring after the reporting date that require adjustment to or disclosure in the 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 2014 are as follows:

Name of the Related party	Name of the Director	Relationship	Details	Balance outstanding as at 31/03/2014
Pan Asia Banking Corporation PLC	Nimal Perera	Director	A Sum of Rs. 3,725,984/- was paid as lease rental A Sum of Rs. 541,514/- was paid as Overdraft Interest	(10,867,469)
Culture Club Resorts (Pvt) Ltd	A. M. Pandithage Nimal Perera L. T. Samarawickrama C. J. Wickramasinghe S. Senaratne D. E. Silva S. J. Wijesinghe	Director Director Director Director Director Alt. Director	A sum of Rs. 1,200,000/- was charged as management fees. A sum of Rs. 28,774,202/- was charged as sales commission	(193,064,550)
Kandyan Resorts (Pvt) Ltd	A. M. Pandithage Nimal Perera L. T. Samarawickrama C. J. Wickramasinghe S. Senaratne D. E. Silva S. J. Wijesinghe	Director Director Director Director Director Alt. Director	A sum of Rs. 1,200,000/- was charged as management fees. A sum of Rs. 36,477,909/- was charged as sales commission	(101,672,422)
Hayleys PLC	A. M. Pandithage Dhammika Perera Nimal Perera L. T. Samarawickrama D. S. N. Weerasooriya	Director Director Director Director Director	A sum of Rs. 32,451,259/- was charged as services fees and other reimbursement expenses by Hayleys PLC	(8,871,460)
Hunas Falls Hotels PLC	A. M. Pandithage C. J. Wickramasinghe L. T. Samarawickrama D. E. Silva S. J. Wijesinghe	Director Director Director Director Alt. Director	A sum of Rs. 3,222,639/- was charged as management fees. A sum of Rs. 4,782,129/- was charged as sales commission	2,591,011
The Kingsbury PLC	A. M. Pandithage L. T. Samarawickrama Dhammika Perera Nimal Perera R. N. Ponnambalam D. E. Silva S. J. Wijesinghe	Director Director Director Director Director Director Alt. Director	A sum of Rs. 19,394,841/- was charged as management fees. A sum of Rs. 30,218,868/- was charged as sales commission	5,714,286

Annual Report of the Board of Directors on the Affairs of the Company

AUDITORS

The Auditors, Messrs Ernst & Young, Chartered Accountants, were paid Rs. 1,183,411/- as audit fees by the Group. In addition, they were paid Rs. 351,327/- 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 authorized 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 138 to 155 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 2014.

DIRECTORS' REMUNERATION

Directors' Remuneration in respect of the Company is disclosed under Note No. 28.2.

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 Tuesday, 24th June 2014 at 10.00 a.m. The Notice of the Annual General Meeting appears on page 188.

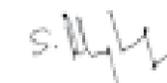
For and on behalf of the Board,



A. M. Pandithage
Chairman



L. T. Samarawickrama
Managing Director



Hayleys Group Services (Pvt) Ltd.
Secretaries

Colombo
13th May 2014

ගෝතමී විහාරය - බොරැල්ල
Gotami Viharaya - Borella

The Borella Gothami Viharaya is yet another instance of where 20th century temple paintings have taken a dramatic twist from the norm. The Viharaya was presented by Harold Peiris, a popular endorser and sponsor of art, in memory of his grandmother while the paintings were created by celebrated local artist George Keyt.

Most of these paintings have been drawn below eye-level along the entrance passage to the Image House of the Viharaya. Lines play a pivotal part in these drawings which were drawn with dark brown lines with the colours being added on subsequently upon the request of Thelwatte Amarawansa Thero. Light colours have been used and the lines have been drawn over them yet again. The way the different stories have been separated is also unique. The 'Devaaradhanaya', 'Shilpa Dakweema', 'Sathara Pera Nimithi', 'Abhinikmana' and 'Maara Yuddhaya' paintings take pride of place here.





Corporate Governance

Corporate Governance

- 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:

- 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

Corporate Governance

THE BOARD OF DIRECTORS

Board Composition

The Board of Amaya Leisure PLC, consisted of ten Directors as at 31 March 2014 and comprises of:

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

Independence of the Directors have been determined in accordance with the Listing Rules of the Colombo Stock Exchange (CSE) and all Three 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 48 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.

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. Dhammika Perera	No	No	No	No	No	Yes
Mr. Nimal Perera	No	No	No	No	No	Yes
Non-Executive/Independent						
Mr. S. H. Amarasekera	No	No	No	No	No	Yes
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.

The Board believes the Independency of Mr. S. H. Amarasekera is not compromised by being a Board member for more than nine years.

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.

Corporate Governance

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:

- 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
4. The Kingsbury PLC

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.

Corporate Governance

Name of Director	Meetings Attended
Mr. A. M. Pandithage	04/04
Mr. L. T. Samarawickrama	04/04
Mr. D. E. Silva	03/04
Mr. C. J. Wickramasinghe	03/04
Mr. S. Senaratne	02/04
Mr. Dhammika Perera	-
Mr. S. J. Wijesinghe (Alt to Mr. Dhammika Perera)	03/04
Mr. Nimal Perera	03/04
Mr. H. Somashantha (Alt to Mr. Nimal Perera)	-
Mr. S. H. Amarasekera	04/04
Ms. D. S. N. Weerasooriya	02/04
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

- 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.

Corporate Governance

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 82 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 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.

Corporate Governance

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 four occasions during the year. Attendance was as follows:

Name of Director	Meetings Attended
Ms. D. S. N. Weerasooriya - Chairman	02/04
Mr. C. J. Wickramasinghe	03/04
Mr. S. H. Amarasekera	04/04
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.

The audit fees paid by the Company and Group to Messrs. Ernst & Young are separately classified on page 159 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 129 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 the 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.

Corporate Governance

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 118 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.

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 2014 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/non-independence in the prescribed format	●	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 Executive Directors	●	Corporate Governance
7.10.5 (c)	Disclosure in the Annual Report relating to Remuneration Committee	The Annual Report should set out; <ul style="list-style-type: none"> Names of Directors comprising the RC Statement of Remuneration Policy Aggregate remuneration paid to Executive & Non-Executive 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 	● ● ● ●	Corporate Governance and the Audit Committee Reports
7.10.6 (b)	Audit Committee Functions	Functions shall include; <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 	● ● ● ● ●	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 	● ● ●	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	• 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	• 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	• Procedures to obtain independent professional advice	●	Corporate Governance
A.1.4	Company Secretary	• 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	• 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	• Directors should devote adequate time and effort to discharge their responsibilities to the Company satisfactorily	●	Corporate Governance
A.1.7	Training for Directors	• 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	• 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	• 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 to 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/ Articles of Association of the Company

Corporate Governance

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
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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

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

Corporate Governance

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
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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	<ul style="list-style-type: none"> Share options should not be offered at a discount 	N/A	
B.2.9	Remuneration packages for Non-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
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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

Corporate Governance

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
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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 annually. 	●	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 Shareholder's Funds 	N/A	

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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Corporate Governance

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
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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

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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Corporate Governance

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
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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

E. 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

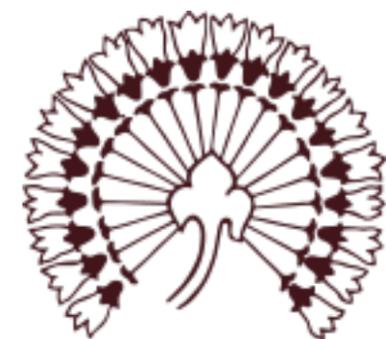
වෙහෙරගොඩුල්ල විහාරය
Veheragodella Viharaya

This temple is located in close proximity to Kelaniya and was presented as an offering by Wijayawardhane Muhandiram and Mrs. Helena Weerasinghe in 1979.

One of the latest instances of contemporary temple paintings these paintings were created by Prof. Albert Dharmasiri, one of Sri Lanka's most talented present-day artists. The use of contemporary colours and shapes are prevalent in these paintings which are considered to be on par with those at the Kelaniya and Bellanwila Temples.

The colour red has been used in almost all the paintings and the outlines have been used only where it has been deemed necessary. It is also evident that the artist had tried to bring out human emotions in these paintings. Yet another specialty with these paintings is the fact that they do not depict Jaathaka Stories and instead depict various incidents related to Buddhism. The Birth of the Buddha, the reasons which led Prince Siddhartha to leave worldly comforts, the 'Abhinishkramanaya', 'Dushkara Kriya' and the 'Maara Parajaya' are considered to be significant paintings here.





Corporate Social
Responsibility

Corporate Social Responsibility

The Bowalawatte Post Office-Making the Connection

“Amaya Hills is committed to protect the only colonial method of communication: The Post Office”.



The Post Office is an organisation like no other. Local Post Offices contribute enormously to the life and soul of their communities, are an essential vehicle for delivering public services, and provide the vital infrastructure that our businesses need to prosper. We at Amaya Hills perhaps unexpectedly, found that today’s economic, social and technological shifts towards the local may be renewing the relevance of Post Offices in people’s lives. Post offices are widely trusted, have a presence in nearly every community and a large percent of the population live within a mile of a Post Office – and have a resilience and continuity that few other institutions can match.

Amaya Hills therefore responded to the need to rebuild the Bowalawatte Post Office and give back to the community a place where one would go to still fulfil all its communication needs from posting, buying stamps to paying bills. The entire post office was constructed on Government approved land while labour, materials, expertise and know-how were provided by Amaya Hills. Once the structure was completed Amaya Hills furnished it with tables, chairs and other necessities.

Poshana project - Feeding a Future

“Amaya Hills is committed to Feed the Future”



An empty tummy will no longer stop the children of Bowalawatte Sithumina School in Kandy from playing and, more importantly, learning. This is thanks to the nutritional feeding programme launched in Bowalawatte by Amaya Hills. 150 children benefit from this monthly programme observed on the last Friday of each month. Lunch is served consisting of three curries and a dessert and is often offered by the Head Chef and a team who visit the School. This is a much looked forward to event and the children eagerly wait for their delicious ‘meal from the Hotel’.

Beginning from this year, Amaya Hills has dedicated themselves to feed 165 Bowalawatte Sithumina School children and their teachers to a lunch at the Hotel’s banquet hall and this is something which will be done on a yearly basis.

Corporate Social Responsibility

A Place to call Home

“Amaya Hills gives a home to Karunawathi”



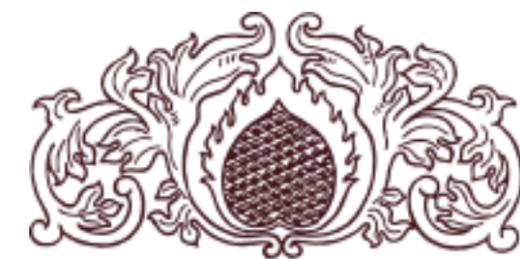
When an employee serves you diligently and faithfully over the years what can one give in return. A long cry of anguish from Mrs Karunawathi to the Management of Amaya Hills echoed. Her five children needed shelter, a place to live. Mrs. Karunawathi served as a casual labourer at the Hotel for many years. She was in charge of cleanliness of the guests washrooms at the hotel. However due to health and age, Mrs. Karunawathi had to discontinue work at the hotel. Her roof leaked when it rained rendering her home cold and wet. The floor was mud based and for five growing children this proved an impossible condition to live in. Amaya Hills wanted to give her something back and found the need to rebuild her home into an abode of liveable standards. Amaya Hills provided materials and labour to construct the house and placed new roofing sheets on the completed structure. With a new cement floor and some basic furniture, Mrs. Karunawathi and her family lived happily ever after.

Protecting the Happy Revellers

“The Watch - Out Plan”



The beautiful Kandalama Lake is breathtaking. The breeze gently sweeps through its waters giving a calm and serene outlook to its environs. Happy revellers to the Hotel like a boating ride and perhaps a swim. Yet those who venture out go encounter tragedy. With this in mind, the Mayor of Matale requested Amaya Lake to construct a Life Guard Station to protect all those entering the waters. The Police Life Guard Hut is in the process of being constructed which is funded by Amaya Lake. It will also supervise construction of the Guard Hut.



Statement of Directors' Responsibility

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 March 2014 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 129 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 2014

බෙල්ලන්විල විහාරය Bellanvila Viharaya

The Bellanvila Viharaya features some of the most significant and beautiful contemporary paintings displayed in a temple. The paintings of this temple were created by Somabandu Vidyapathi, a renowned scholar on art and painting. The actions of the people on the paintings are synonymous with the Kathakali dance moves and are a prime example of 20th century art.

Instead of Jaathaka Stories, these paintings depict incidents from the history of Buddhism. The different incidents have been separated similar to the manner featured at the Gothami Viharaya paintings and not in the typical Kandyan style of painting in strips. The elongated hands and feet, and the subtle mixture of light colours have created absolutely beautiful and eye-catching paintings here.





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 on 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.

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.

Report of the Audit Committee

INTERNAL AUDIT

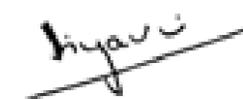
During the year, the Audit Committee reviewed the performance of the internal audit function; the findings of the audits completed which covered the head office and all other two hotels. With special reference to the internal controls regarding hotel operations, and the department's resource requirements 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 100.

COMMITTEE EVALUATION

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



D.S.N. Weerasooriya

Chairman

Audit Committee

13 May 2014



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 177.

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.



C. J. Wickramasinghe

Chairman

Remuneration Committee

13 May 2014

Auditor's Report



INDEPENDENT AUDITORS' 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 2014, and Consolidated Statements 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.

Ernst & Young
Chartered Accountants
201 De Saram Place
P.O. Box 101
Colombo 10
Sri Lanka

Tel : +94 11 2463500
Fax Gen : +94 11 2697369
Tax : +94 11 5578180
eysl@lk.ey.com
ey.com

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 2014 and the Financial Statements give a true and fair view of the financial position of the Company as at 31 March 2014 and its financial 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 financial position of the Group as at 31 March 2014 and financial 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 2014
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

A member firm of Ernst & Young Global Limited



Financial Statement

Statement of Comprehensive Income

Year Ended 31 March	Note	Group		Company	
		2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Revenue	6	1,159,801,842	1,054,441,268	134,605,273	80,207,182
Cost of Sales		(395,329,427)	(353,683,284)	-	-
Gross Profit		764,472,415	700,757,984	134,605,273	80,207,182
Other Income	7	31,635,357	39,865,939	193,985,375	204,283,102
Selling and Marketing Expenses		(74,594,039)	(67,697,544)	(25,199,043)	(22,026,087)
Administrative Expenses		(287,983,020)	(257,297,140)	(93,585,041)	(84,051,922)
Finance Cost	8.1	(16,347,024)	(14,638,187)	(8,780,056)	(4,134,533)
Finance Income	8.2	735,558	8,944,859	117,140	7,345,132
Profit before Tax	9	417,919,247	409,935,911	201,143,649	181,622,874
Tax Expenses	10	(41,756,757)	(31,893,381)	(2,127,823)	(888,768)
Profit for the year		376,162,490	378,042,530	199,015,826	180,734,106
Other Comprehensive Income					
Actuarial Gain/ (Loss) on Defined Benefit Plan		(33,129)	(1,411,237)	(202,647)	(486,020)
Income tax effect		96,517	(54,519)	-	-
		63,388	(1,465,756)	(202,647)	(486,020)
Loss on Available for Sale Financial Assets		(14,491,920)	(19,797,084)	(14,491,920)	(19,797,084)
Effect of Revaluation on Land		-	67,108,317	-	-
Other Comprehensive Income for the year, net of tax		(14,428,532)	45,845,477	(14,694,567)	(20,283,104)
Total Comprehensive Income for the year, net of tax		361,733,958	423,888,007	184,321,259	160,451,002
Profit Attributable to:					
Equity Holders of the Parent		376,160,189	378,052,697	199,015,826	180,734,106
Non Controlling Interest		2,301	(10,167)	-	-
		376,162,490	378,042,530	199,015,826	180,734,106
Total Comprehensive Income Attributable to:					
Equity Holders of the Parent		361,731,657	422,084,469	184,321,259	160,451,002
Non Controlling Interest		2,301	1,803,536	-	-
		361,733,958	423,888,005	184,321,259	160,451,002
Basic Earnings Per Share	11	7.83	7.87	4.14	3.75
Dividend Per Share	12	4.50	4.00	4.50	4.00

The Accounting Policies and Notes on pages 138 through 180 form an integral part of these Financial Statements.

Statement of Financial Position

As at 31 March	Note	Group		Company	
		2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	13	2,764,361,761	2,577,946,980	33,629,669	39,110,370
Prepayment on Leasehold Property	14	7,397,494	7,646,183	-	-
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
Other Non-Current Financial Assets	17	84,604,790	99,096,710	84,604,790	99,096,710
		2,880,364,045	2,708,689,873	1,077,161,424	1,097,134,045
Current Assets					
Inventories	18	24,799,346	23,900,493	-	-
Trade and Other Receivables	19	162,778,919	180,109,417	22,762,607	15,061,240
Advance and Prepayment		24,521,601	28,653,253	2,125,863	2,013,261
Tax Receivables		3,821,656	4,428,686	-	80,865
Other Current Financial Assets	17	12,372,000	14,653,779	12,372,000	14,653,779
Cash and Bank Balances	21	48,762,410	15,510,144	508,449	407,089
		277,055,932	267,255,772	37,768,919	32,216,234
Total Assets		3,157,419,977	2,975,945,645	1,114,930,343	1,129,350,279
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	22	526,770,320	526,770,320	526,770,320	526,770,320
Revaluation Reserve	23	65,294,614	65,294,614	-	-
Available for Sale Reserve		(57,950,924)	(43,459,004)	(57,950,924)	(43,459,004)
Retained Earnings		2,083,606,492	1,923,536,985	163,784,604	181,125,496
		2,617,720,502	2,472,142,915	632,604,000	664,436,812
Non Controlling Interest		29,302,480	29,300,179	-	-
Total Equity		2,647,022,982	2,501,443,094	632,604,000	664,436,812
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	17	26,380,056	52,107,216	6,304,652	8,673,458
Deferred Tax Liabilities	10	81,974,589	78,443,595	-	-
Retirement Benefit Obligation	25	28,035,750	24,202,387	8,121,438	6,539,962
		136,390,395	154,753,198	14,426,090	15,213,420
Current Liabilities					
Trade and Other Payables	24	137,824,261	151,198,746	327,181,282	365,356,496
Other Current Non Financial Liabilities		14,636,202	22,437,057	2,252,284	3,953,985
Tax Payables		4,504,857	393,842	2,038,059	-
Interest Bearing Loans and Borrowings	17	217,041,280	145,719,708	136,428,628	80,389,566
		374,006,600	319,749,353	467,900,253	449,700,047
Total Equity and Liabilities		3,157,419,977	2,975,945,645	1,114,930,343	1,129,350,279

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 138 through 180 form an integral part of these Financial Statements.
13 May 2014, Colombo

Statement of Changes In Equity

Year Ended 31 March 2014								
Group	Note	Stated	Revaluation	Available for	Retained	Total	Non Controlling	Total
		Capital	Reserve	Sale Reserve	Earnings		Interest	Equity
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 April 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		-	-	-	378,052,697	378,052,697	(10,167)	378,042,530
Other Comprehensive Income		-	-	(19,797,084)	(1,465,756)	(21,262,840)	-	(21,262,840)
Dividends Paid	12	-	-	-	(192,136,952)	(192,136,952)	-	(192,136,952)
Effect of Revaluation on Land		-	65,294,614	-	-	65,294,614	1,813,703	67,108,317
Balance as at 31 March 2013		526,770,320	65,294,614	(43,459,004)	1,923,536,985	2,472,142,915	29,300,179	2,501,443,094
Profit for the year		-	-	-	376,160,189	376,160,189	2,301	376,162,491
Other Comprehensive Income		-	-	(14,491,920)	63,388	(14,428,532)	-	(14,428,532)
Dividends Paid		-	-	-	(216,154,071)	(216,154,071)	-	(216,154,071)
Balance as at 31 March 2014		526,770,320	65,294,614	(57,950,924)	2,083,606,492	2,617,720,502	29,302,480	2,647,022,982

Year Ended 31 March 2014						
Company	Note	Stated	Available for	Retained	Total	
		Capital	Sale Reserve	Earnings	Equity	
		Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 April 2012		526,770,320	(23,661,920)	193,014,362	696,122,762	
Profit for the year		-	-	180,734,106	180,734,106	
Other Comprehensive Income		-	(19,797,084)	(486,020)	(20,283,104)	
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	
Profit for the year		-	-	199,015,826	199,015,826	
Other Comprehensive Income		-	(14,491,920)	(202,647)	(14,694,567)	
Dividends Paid		-	-	(216,154,071)	(216,154,071)	
Balance as at 31 March 2014		526,770,320	(57,950,924)	163,784,604	632,604,000	

The Accounting Policies and Notes on pages 138 through 180 form an integral part of these Financial Statements.

Cash Flow Statement

Year Ended 31 March	Note	Group		Company	
		2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Cash Flows from/(used in) Operating Activities					
Profit before Tax		417,919,247	409,935,911	201,143,649	181,622,874
Adjustment For					
Depreciation	13	85,143,991	83,624,730	6,713,914	7,248,271
Profit on Disposal of Property, Plant and Equipment	7.1	-	(4,597,823)	-	-
Provision for Defined Benefit Obligation	25	5,468,994	5,145,244	1,378,829	1,075,224
Amortisation of Leasehold Property	14	248,689	248,689	-	-
Provision/(Reversal) of Impairment on Receivable		950,986	(1,175,800)	-	-
Dividend Income	7.1	(1,572,050)	(1,307,270)	(187,408,722)	(203,935,518)
Finance Income	8.2	(735,558)	(6,483,068)	(117,140)	(7,345,132)
Finance Cost	8.1	14,065,243	14,638,187	6,498,275	4,134,533
Provision/(Reversal) of Falling Value of Investments	7.1	2,281,781	(2,461,791)	2,281,781	-
Unrecovered Income Tax written off		61,551	48,542	-	-
Creditors written back		(7,364,495)	(8,890,710)	(6,555,635)	-
Operating Profit/(Loss) before Working Capital Changes	7.1	516,468,379	488,724,842	23,934,950	(17,199,748)
(Increase)/Decrease in Inventories		(898,853)	(3,793,154)	-	-
(Increase)/Decrease in Trade and Other Receivables		16,379,512	(25,247,039)	(7,701,367)	(8,616,598)
(Increase)/Decrease in Advance and Prepayment		4,131,652	(14,100,236)	(112,602)	(1,422,557)
Increase/(Decrease) in Trade and Other Payables		(7,424,117)	46,868,380	(33,033,705)	(1,936,449)
Increase/(Decrease) in Other Current Non Financial Liabilities		(7,800,855)	(9,216,356)	(1,701,701)	637,252
Cash Generated from/(used in) Operations		520,855,718	483,236,437	(18,614,425)	(28,538,101)
Finance Cost paid		(14,065,243)	(14,638,187)	(6,498,275)	(4,134,533)
Defined Benefit Obligation paid	8.1	(1,668,761)	(2,171,584)	-	-
Tax paid		(33,472,751)	(31,469,225)	(8,904)	(1,069,420)
Net Cash from/(used in) Operating Activities		471,648,964	434,957,441	(25,121,604)	(33,742,053)
Cash Flows from/(used in) Investing Activities					
Acquisition of Property, Plant and Equipment	13	(271,558,772)	(301,149,755)	(1,233,214)	(906,917)
Finance Income received	7.1	735,558	6,483,068	117,140	4,883,341
Dividend received	22.1	1,572,050	1,307,270	187,408,722	203,935,518
Proceeds from Disposal of Property, Plant and Equipment		-	8,357,143	-	-
Acquisition of Investments	17	-	(58,909,784)	-	(58,909,784)
Net Cash from/(used in) Investing Activities		(269,251,165)	(343,912,058)	186,292,649	149,002,158
Cash Flows from/(used in) Financing Activities					
Dividends paid	12	(216,154,071)	(192,136,952)	(216,154,071)	(192,136,952)
Proceeds from Bank Loans	17	180,000,000	75,000,000	180,000,000	75,000,000
Repayment of Bank Loans	17	(140,885,779)	(11,575,763)	(125,000,000)	-
Principal Payment under Finance Lease Liabilities	17	(8,950,583)	(8,103,453)	(2,331,160)	(2,028,260)
Net Cash from/(used in) Financing Activities		(185,990,433)	(136,816,168)	(163,485,231)	(119,165,212)
Net Increase/(Decrease) in Cash and Cash Equivalents		16,407,366	(45,770,785)	(2,314,186)	(3,905,107)
Cash and Cash Equivalents at the beginning of the year		(28,740,929)	17,029,856	(926,686)	2,978,421
Cash and Cash Equivalents at the end of the year	21	(12,333,563)	(28,740,929)	(3,240,873)	(926,686)

The Accounting Policies and Notes on pages 138 through 180 form an integral part of these Financial Statements.



Accounting Policies

Accounting Policies

1. CORPORATE INFORMATION

1.1 Reporting Entity

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.

1.2 Consolidated Financial Statements

The Consolidated Financial Statements of the Company for the year ended 31 March 2014 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 2014 were authorized for issue in accordance with a resolution of the Board of Directors on 13 May 2014.

1.3 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.

1.4 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 31 March and are incorporated in Sri Lanka.

1.5 Responsibility for Financial Statements

The responsibility of the Directors in relation to the Financial Statements is set out in the Statement of Directors' Responsibility Report in the Annual Report.

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 promulgated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and with the requirements of the Companies Act No. 7 of 2007.

Accounting Policies

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.

- Lands are measured at cost at the time of the acquisition and subsequently lands are revalued
- Financial instruments 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 Rupee, 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 Group and, are consistent with those used in the previous year. Previous year's figures and phrases have been re-arranged whenever necessary to conform to current presentation.

The Group applied LKAS 19-Employee Benefits (Revised 2013) in the current period. Accordingly Actuarial Gain and Loss is recognized in full in other comprehensive income whereas it was previously recognized in full in the income statement. The Financial Statements for the previous year have been restated and actuarial loss of Rs. 1,411,237/- reclassified from the income statement to other comprehensive income.

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

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

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

Subsidiary	2014	2013
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%

Accounting Policies

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 the 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 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 profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate

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.

3.1.4 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 income statement.

Accounting Policies

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary 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 recognised 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 profit or loss 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 of fee received from 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.

Dividend Income

Dividend Income is recognised in the 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

Accounting Policies

“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 the Statement of Income in the year in which the expenditure is incurred.

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 the 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), gains on the disposal of available-for-sale financial assets,

changes in the fair value of financial assets at fair value through statement of income. 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 profit or loss 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.

Accounting Policies

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 commence from 01 April 2002 and expires on 31 March 2012.

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

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.

Accounting Policies

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.

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

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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 and 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 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 and 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 the 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
Road Network	20 years
Furniture and Fittings	15 years
Plant and Machinery	15 years
Air-conditioners	15 years
Kitchen Equipments	15 years
Office Equipments	15 years
Fixtures and Fittings	15 years
Bathroom and Toilets	10 years

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Computer Equipments	05 years
Motor Vehicles	05 years
Crockery and Cutlery	04 years
Linen	04 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.

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 statement of income. Impairment losses recognised in respect of cash-generating

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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 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

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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 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

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- 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.

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

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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 income statement; 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.

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

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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 income statement.

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.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 17.3.

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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.

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. Any actuarial gains or losses arising are recognized in other comprehensive income.

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 beginning 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 1/2

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.

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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 reporting date

All material events occurred after the reporting date 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 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 and 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/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.

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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.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following SLFRS have been issued by the Institute of Chartered Accountants of Sri Lanka that have an effective date in the future and have not been applied in preparing these financial statements. Those SLFRS will have an effect on the accounting policies currently adopted by the Group and may have an impact on the future financial statements.

(i) SLFRS 9 -Financial Instruments: Classification and Measurement

SLFRS 9, as issued reflects the first phase of work on replacement of LKAS 39 and applies to classification and measurement of financial assets and liabilities. This standard was originally effective for annual periods commencing on or after 01 January 2015. However, the original effective date has been deferred and revised effective date is yet to be announced.

(ii) SLFRS 13 -Fair Value Measurement

SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements. This standard will be effective for annual periods beginning on or after 01 January 2014. However use of fair value measurement principles contained in this standard are currently recommended.

In addition to the above, following standards will also be effective for annual periods commencing on or after 01 January 2014.

SLFRS 10 - Consolidated Financial Statements

SLFRS 11 - Joint Arrangements

SLFRS 12 - Disclosure of Interests in Other Entities

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The above package of three standards will impact the recognition, measurement and disclosures aspects currently contained in LKAS 27-Consolidated and separate financial statements, LKAS 28- Investments in associates ,LKAS 31-Interest in joint ventures and SIC-12 and SIC 13 which are on consolidation of special purpose entities(SPEs) and jointly controlled entities respectively.

Establishing a single control model that applies to all entities including SPEs and removal of the option to proportionate consolidate Jointly controlled entities are the significant changes introduced under SLFRS 10 and SLFRS 11 respectively.

SLFRS 12 establishes a single standard on disclosures related to interests in other entities. This incorporates new disclosures as well as disclosures currently required under (as per ones previously captured in earlier versions of) LKAS 27, LKAS 28 and LKAS 31.

The Group will adopt these standards when they become effective. Pending the completion of detailed review, the financial impact is not reasonably estimable as at the date of publication of these financial statements.



Notes to the
Financial Statement

Notes to the Financial Statement

6.	REVENUE	Group		Company	
		2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
	Gross Revenue (Note 6.1)	1,171,594,325	1,065,394,024	134,605,273	80,207,182
	Tourism Development Levy	(10,996,910)	(10,556,261)	-	-
	Turnover Tax	(795,572)	(396,496)	-	-
		1,159,801,842	1,054,441,268	134,605,273	80,207,182
6.1	Gross Revenue				
	Management Fee	26,673,882	8,834,246	29,073,882	11,234,246
	Commission Income	40,279,280	6,487,637	105,531,391	68,972,936
	Apartment Revenue	597,212,977	621,722,176	-	-
	Restaurant Sales	343,203,269	280,990,144	-	-
	Bar Sales	61,467,908	59,030,070	-	-
	Banquet Sales	73,310,863	60,063,613	-	-
	Club Sales	920,619	1,339,345	-	-
	Health Centre Sales	28,525,527	26,926,793	-	-
		1,171,594,325	1,065,394,024	134,605,273	80,207,182

7.	OTHER INCOME AND GAINS	Group		Company	
		2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
7.1	Other Income				
	Rent Income	6,200,189	4,627,200	-	-
	Commission Income	21,017	23,468	21,017	23,468
	Sundry Income	16,477,606	19,243,669	-	-
	Reversal of Impairment on Trade Receivables	-	1,175,800	-	-
	Profit on Disposal of Property, Plant and Equipments	-	4,597,823	-	-
	Creditors written back	7,364,495	8,890,710	6,555,635	324,116
	Dividend Income	1,572,050	1,307,270	187,408,722	203,935,518
		31,635,357	39,865,939	193,985,375	204,283,102

8.	FINANCE COSTS AND INCOME	Group		Company	
		2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
8.1	Finance Cost				
	Interest Expenses on Bank Overdrafts	760,836	975,097	541,514	947,058
	Interest Expenses on Finance Leases	4,238,855	5,051,196	1,398,277	1,931,645
	Interest Expenses on Bank Loans	9,065,552	8,434,814	4,558,484	1,078,750
	Interest Expenses on Director's Loans	-	177,080	-	177,080
	Loss on Investments at Fair Value through Profit or Loss	2,281,781	-	2,281,781	-
		16,347,024	14,638,187	8,780,056	4,134,533
8.2	Finance Income				
	Interest Income	735,558	6,483,068	117,140	4,883,341
	Gain on Investments at Fair Value through Profit or Loss	-	2,461,791	-	2,461,791
		735,558	8,944,859	117,140	7,345,132

Notes to the Financial Statement

9.	PROFIT BEFORE TAX Stated after Charging	Group		Company	
		2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
	Included in Cost of Sales				
	Employees Benefits including the following	76,987,637	65,534,130	-	-
	- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	3,067,549	3,052,516	-	-
	- Defined Contribution Plan Costs - EPF and ETF (included in Employee Benefits)	5,965,724	4,559,860	-	-
	Depreciation	46,442,713	47,417,819	-	-
	Included in General and Administration Expenses				
	Employees Benefits including the following	92,506,248	82,598,410	17,910,168	14,091,706
	- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	2,401,345	2,092,729	1,378,829	1,075,224
	- Defined Contribution Plan Costs - EPF and ETF (included in Employee Benefits)	9,484,434	9,374,319	2,740,698	2,379,034
	Depreciation	38,701,280	36,206,909	6,713,915	7,248,271
	Amortization of Prepaid Operating Lease	248,689	248,689	-	-
	Directors' Emoluments	31,265,547	29,625,213	31,265,547	29,625,213
	Service Fees	11,020,318	11,066,216	11,020,313	11,066,216
	Auditor's Remuneration	1,183,411	1,536,285	381,695	480,673
	Professional Fees	1,435,046	679,749	1,397,660	658,391
	Legal Fees	137,599	335,253	-	-
	Charity and Donation	372,443	166,242	-	-
	Included in Selling and Marketing Expenses				
	Advertising Expenses	6,498,394	7,658,840	-	-
	Sales Promotional Expenses	14,486,892	12,127,111	4,600,428	5,960,443
	Impairment of Trade Receivables	950,986	-	-	-

10.	INCOME TAX EXPENSE	Group		Company	
		2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
	The major components of income tax expense for the years ended 31 March are as follows :				
	Income Statement				
	Current Income Tax				
	Current Income Tax Charge (Note 10.1)	17,248,508	18,861,898	2,127,823	888,768
	Under/(Over) Provision of Current Taxes in respect of prior years	232,220	(723,649)	-	-
	Dividend Tax	20,648,519	3,871,761	-	-
		38,129,247	22,010,010	2,127,823	888,768
	Deferred Income Tax				
	Deferred Taxation Charge/(Reversal) (Note 10.3)	3,627,510	9,883,371	-	-
	Income Tax Expense reported in the Income Statement	41,756,757	31,893,381	2,127,823	888,768

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	
		2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
	Accounting Profit before Income Tax	417,919,247	409,935,911	201,143,649	181,622,874
	Disallowed Items	60,484,511	54,243,834	14,611,003	11,443,652
	Allowed Items	(356,133,166)	(294,960,387)	(188,474,868)	(205,402,275)
	Interest Income	(735,558)	(6,483,068)	(117,140)	(4,883,341)
	Tax Losses Related to Group Companies	(7,068,819)	-	-	-
	Taxable Profit/(Loss) from Business	114,466,215	162,736,290	27,162,644	(17,219,090)
	Other Sources of Income				
	Interest Income	735,558	6,483,068	117,140	4,883,341
	Taxable Other Income	735,558	6,483,068	117,140	4,883,341
	Total Statutory Income	115,201,773	169,219,357	27,279,784	4,883,341
	Tax Losses Brought Forward and Utilized	(9,547,924)	(1,709,169)	(9,547,924)	(1,709,169)
	Total Taxable Income	105,653,849	167,510,188	17,731,860	3,174,172
	Income Tax @ 2% on Turnover	12,398,837	12,747,561	-	-
	Income Tax @ 12% on Taxable Profits	4,802,432	4,603,712	2,127,823	-
	Income Tax @ 28% Taxable Profits	47,239	1,510,624	-	888,768
	Current Income Tax Charge	17,248,508	18,861,898	2,127,823	888,768
10.2	Tax Losses				
	Tax Losses Brought Forward	270,687,060	261,501,141	257,331,603	248,145,684
	Tax Losses Utilized during the year	(9,547,924)	(1,709,169)	(9,547,924)	(1,709,169)
	Adjustments on Finalization of Liability	-	(6,810,022)	-	(6,810,022)
	Loss incurred during the year	7,068,819	17,705,110	-	17,705,110
	Tax Losses Carried Forward	268,207,955	270,687,060	247,783,679	257,331,603
10.3	Deferred Taxation - Group	Statement of Financial Position		Income Statement	
		2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
	Deferred Tax Liability				
	Capital Allowances for Tax purpose	83,368,734	79,658,358	3,710,377	9,923,960
		83,368,734	79,658,358	3,710,377	9,923,960
	Deferred Tax Assets				
	Retirement Benefit Obligation - Through Income Statement	(929,223)	(846,356)	(82,867)	(129,037)
	Retirement Benefit Obligation - Through Other Comprehensive Income	(41,998)	54,519	-	-
	Trade and Other Receivables	(422,924)	(422,924)	-	88,448
		(1,394,145)	(1,214,762)	(82,867)	(40,589)
	Deferred Taxation Charge/(Reversal)			3,627,510	9,883,371
	Net Deferred Tax Liability	81,974,589	78,443,595		

Notes to the Financial Statement

10.3.1	Reconciliation of Deferred Tax Charge / (Reversal)	Income Statement			
		2014 Rs.	2013 Rs.		
	Deferred Tax Charge reported in the Income Statement	3,627,510	9,883,371		
	Deferred Tax Charge reported in Other Comprehensive Income	(96,517)	54,519		
		3,530,993	9,937,890		
10.3.2	Amaya Leisure PLC				
	The Company has a carried forward tax loss amounting to Rs. 247,783,679/- (2013 - Rs. 257,331,603/-) 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. 69,379,430/- (2013 - Rs. 72,052,849/-) 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.				
10.3.3	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.				
11.1	Amount used as the Numerator:	Group		Company	
		2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
	Profit for the year	376,162,490	378,042,530	199,015,826	180,734,106
	(Profit)/Loss attributable to Minority Shareholders	(2,301)	10,167	-	-
	Profit attributable to Ordinary Shareholders of Parent Company for Basic Earnings per Share	376,160,189	378,052,697	199,015,826	180,734,106
11.2	Number of Ordinary Shares used as the Denominator				
	Weighted Average Number of Ordinary Shares in issue applicable to Basic Earnings Per Share	48,034,238	48,034,238	48,034,238	48,034,238
12.	DIVIDENDS PAID				
	Declared and paid during the year				
	Equity dividends on ordinary shares:				
	Final dividend for the year ended 31 March 2014 : Rs. 4.50 per share (2013 : Rs. 4.00 per Share)	216,154,071	192,136,952	216,154,071	192,136,952

Notes to the Financial Statement

13. PROPERTY, PLANT AND EQUIPMENT

13.1	Group	Balance As at 01.04.2013 Rs.	Additions Rs.	Transfers/ Retirements Rs.	Balance As at 31.03.2014 Rs.
13.1.1	Gross Carrying Amounts				
	At Cost/ Deemed Cost				
	Freehold Land	569,107,500	-	-	569,107,500
	Freehold Buildings	814,421,585	15,825,445	-	830,247,030
	Road Network	8,600,000	15,097,420	-	23,697,420
	Building on Leasehold Land	819,197,697	39,671,288	-	858,868,985
	Furniture and Fittings	90,776,005	21,543,397	-	112,319,402
	Plant and Machinery	115,296,698	8,530,745	-	123,827,443
	Air Conditioners	38,919,675	2,714,171	-	41,633,845
	Kitchen Equipment	37,343,957	51,626,458	-	88,970,415
	Office Equipment	2,180,519	287,475	-	2,467,994
	Computer Equipment	20,056,372	4,844,919	-	24,901,291
	Crockery and Cutlery	20,447,307	1,648,714	-	22,096,021
	Linen	51,702,387	11,840,041	-	63,542,429
	Fixtures and Fittings	20,967,407	1,704,155	-	22,671,562
	Motor Vehicles	52,473,050	2,976,080	-	55,449,130
		2,661,490,158	178,310,308	-	2,839,800,466
	Assets on Finance Leases				
	Motor Vehicles	51,890,422	-	-	51,890,422
		51,890,422	-	-	51,890,422
		2,713,380,580	178,310,308	-	2,891,690,888
		Balance As at 01.04.2013 Rs.	Incurred during the year Rs.	Transfers/ Retirements Rs.	Balance As at 31.03.2014 Rs.
	In the Course of Construction				
	Building Work in Progress	51,691,802	124,992,018	(31,743,553)	144,940,267
		51,691,802	124,992,018	(31,743,553)	144,940,267
	Total Gross Carrying Amount	2,765,072,383	303,302,325	(31,743,553)	3,036,631,155

Notes to the Financial Statement

13.1.2 Depreciation

	Balance As at 01.04.2013 Rs.	Charge for the year Rs.	Transfers/ Retirements Rs.	Balance As at 31.03.2014 Rs.
At Cost/ Deemed Cost				
Freehold Buildings	37,104,262	16,783,736	-	53,887,997
Road Network	-	738,665	-	738,665
Building on Leasehold Land	27,843,790	16,796,395	-	44,640,184
Furniture and Fittings	11,254,530	7,340,195	-	18,594,726
Plant and Machinery	13,369,579	8,836,595	-	22,206,173
Air Conditioners	8,837,128	2,764,123	-	11,601,251
Kitchen Equipment	6,458,174	2,869,953	-	9,328,127
Office Equipment	364,091	162,618	-	526,710
Computer Equipment	4,849,304	4,133,557	-	8,982,861
Crockery and Cutlery	15,248,891	2,033,522	-	17,282,414
Linen	29,975,989	8,210,606	-	38,186,595
Fixtures and Fittings	3,609,417	1,286,628	-	4,896,044
Motor Vehicles	18,948,616	5,743,125	-	24,691,740
	177,863,771	77,699,717	-	255,563,488
Assets on Finance Leases				
Motor Vehicles	9,261,631	7,444,275	-	16,705,906
	9,261,631	7,444,275	-	16,705,906
Total Depreciation	187,125,403	85,143,991	-	272,269,394

13.1.3 Net Book Value

	2014 Rs.	2013 Rs.
At Cost/ Deemed Cost		
Freehold Land	569,107,500	569,107,500
Freehold Buildings	776,359,032	777,317,323
Road Network	22,958,755	8,600,000
Building on Leasehold Land	814,228,801	791,353,907
Furniture and Fittings	93,724,676	79,521,474
Plant and Machinery	101,621,270	101,927,119
Air Conditioners	30,032,595	30,082,546
Kitchen Equipment	79,642,287	30,885,783
Office Equipment	1,941,284	1,816,428
Computer Equipment	15,918,430	15,207,068
Crockery and Cutlery	4,813,607	5,198,416
Linen	25,355,833	21,726,398
Fixtures and Fittings	17,775,518	17,357,990
Motor Vehicles	30,757,389	33,524,434
	2,584,236,978	2,483,626,387
Assets on Finance Leases		
Motor Vehicles	35,184,516	42,628,791
	35,184,516	42,628,791
In the Course of Construction		
Building Work in Progress	144,940,267	51,691,802
	144,940,267	51,691,802
Total Carrying Amount of Property, Plant and Equipment	2,764,361,761	2,577,946,980

Notes to the Financial Statement

13.1.4 The freehold land, building and certain other classes of Property, Plant and Equipment of the Group were revalued by Messers. PB Kalugalagedera an independent Valuer and Consultant, in a 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 Messers. PB Kalugalagedera an independent Valuer and Consultant, in a 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:

Class of Asset	Cost	Cumulative Depreciation if Assets were Carried at Cost	Net Carrying Amount	Net Carrying Amount
	2014 Rs.	2014 Rs.	2014 Rs.	2013 Rs.
Land	166,934,225	-	166,934,225	166,934,225
Buildings	792,550,576	205,569,132	586,981,443	600,818,889
Furniture and Fittings	72,083,183	67,419,623	4,663,561	5,664,426
Plant and Equipment	139,163,796	112,097,327	27,066,469	31,986,530
Air Conditioners	33,621,354	32,267,558	1,353,796	1,616,526
Kitchen Equipment	5,916,182	2,920,224	2,995,958	3,587,576
Office Equipment	9,962,364	9,822,580	139,784	332,951
Computer Equipment	21,390,224	21,390,224	-	681,856
	1,241,621,904	451,486,668	790,135,236	811,622,979

13.1.5 During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 271,558,772/- (2013 - Rs.305,149,755/-) including cost incurred on capital work in progress of which Rs. 124,992,018/- (2013 - Rs. 140,321,397/-). Cash payments amounted to Rs. 271,558,772/- (2013 - Rs. 301,149,755/-) 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. 37,263,885/- (2013 - Rs. 30,390,713/-).

Notes to the Financial Statement

13.1. 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	1,508 Perches	-	10
The Beach Resorts Limited	Wadduwa	Freehold	2.2017 Hectares	-	-

13.2	Company	Balance As at 01.04.2013 Rs.	Additions Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2014 Rs.
13.2.1	Gross Carrying Amounts				
	At Cost				
	Motor Vehicles	36,120,800	-	-	36,120,800
	Furniture and Fittings	1,287,418	24,200	-	1,311,618
	Office Equipment	474,911	144,975	-	619,886
	Computer Equipment	1,771,323	1,064,039	-	2,835,362
		39,654,452	1,233,214	-	40,887,666
	Assets on Finance Lease				
	Motor Vehicles	13,500,000	-	-	13,500,000
		13,500,000	-	-	13,500,000
	Total Gross Carrying Amount	53,154,452	1,233,214	-	54,387,666

13.2.2	Depreciation	Balance As at 01.04.2013 Rs.	Charge for the year Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2014 Rs.
	At Cost/ Deemed Cost				
	Motor Vehicles	11,026,467	4,214,000	-	15,240,467
	Furniture and Fittings	173,612	95,934	-	269,546
	Office Equipment	213,668	44,454	-	258,122
	Computer Equipment	413,669	459,526	-	873,195
		11,827,416	4,813,914	-	16,641,330
	Assets on Finance Lease				
	Motor Vehicles	2,216,667	1,900,000	-	4,116,667
		2,216,667	1,900,000	-	4,116,667
	Total Depreciation	14,044,081	6,713,914	-	20,757,995

13.2.3	Net Book Values	2014 Rs.	2013 Rs.
	At Cost		
	Motor Vehicles	20,880,334	25,094,333
	Furniture and Fittings	1,042,072	1,113,806
	Office Equipment	361,764	261,243
	Computer Equipment	1,962,166	1,357,654
		24,246,336	27,827,036
	Assets on Finance Lease		
	Motor Vehicles	9,383,333	11,283,333
		9,383,333	11,283,333
	Total Carrying Amount of Property, Plant and Equipment	33,629,669	39,110,370

Notes to the Financial Statement

13.2.4 Certain classes of Property, Plant and Equipment of the Company were revalued by Messers. PB 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 follow:

Class of Asset	Cost	Cumulative Depreciation if Assets were Carried at Cost	Net Carrying Amount	Net Carrying Amount
	2014 Rs.	2014 Rs.	2014 Rs.	2013 Rs.
Furniture and Fittings	3,066,286	2,232,813	833,473	1,140,102
Office Equipment	482,802	357,866	124,936	221,496
Computer Equipment	927,542	698,267	229,275	414,784
	4,476,630	3,288,945	1,187,684	1,776,382

13.2.5 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 1,233,214/- (2013 - Rs. 906,917/-). Cash payments amounted to Rs. 1,233,214/- (2013 - Rs. 906,917/-) were made during the year for purchase of Property, Plant and Equipment.

14. PREPAYMENT ON LEASEHOLD PROPERTY

	Group	
	2014 Rs.	2013 Rs.
As at 1 April	7,646,183	7,894,872
Amortisation for the year	(248,689)	(248,689)
As at 31 March	7,397,494	7,646,183

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 on leasehold property and this is amortised over the lease period.

15. OTHER NON-CURRENT ASSETS

	Group/Company	
	2014 Rs.	2013 Rs.
Lake Lodge Resorts (Private) Limited	24,000,000	24,000,000
	24,000,000	24,000,000

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

16.1 Non-Quoted Investment in Subsidiaries

	Holding		Cost	Directors' Valuation	Cost	Directors' Valuation
	2014 %	2013 %	2014 Rs.	2014 Rs.	2013 Rs.	2013 Rs.
Kandyan Resorts (Private) Limited	100%	100%	415,178,962	415,178,962	415,178,962	415,178,962
Culture Club Resorts (Private) Limited	100%	100%	457,980,103	457,980,103	457,980,103	457,980,103
The Beach Resorts Limited	84.3%	84.3%	61,767,900	61,767,900	61,767,900	61,767,900
Connaissance Hotel Management (Private) Limited	100%	100%	-	-	-	-
CDC Conventions (Private) Limited	100%	100%	-	-	-	-
Connaissance Air Travels (Private) Limited	100%	100%	-	-	-	-
Total Non-Quoted Investment in Subsidiaries			934,926,965	934,926,965	934,926,965	934,926,965

17. OTHER FINANCIAL ASSETS AND LIABILITIES

17.1 Other Financial Assets

	Group/Company	
	2014 Rs.	2013 Rs.
Fair Value through Profit or Loss		
Quoted equity shares (Note 17.1.1.1)	12,372,000	14,653,779
	12,372,000	14,653,779
Available for Sale Investments		
Quoted equity shares (Note 17.1.2.1)	84,604,780	99,096,700
Non-Quoted Investment in Equity Securities (Note 17.1.2.2)	10	10
Total available for sale investments	84,604,790	99,096,710
Total other financial assets	96,976,790	113,750,489
Total current	12,372,000	14,653,779
Total non-current	84,604,790	99,096,710

Notes to the Financial Statement

17.1.1 Fair Value through Profit or Loss

Group / Company	No. of Shares		Carrying Value	Market Value	Carrying Value	Market Value
	2014	2013	2014 Rs.	2014 Rs.	2013 Rs.	2013 Rs.
Quoted Investment in Equity Securities						
The Fortress Resorts PLC	90,075	90,075	646,348	1,197,998	646,348	1,351,125
LB Finance PLC	20	20	3,029	2,002	3,029	2,654
Free Lanka Capital Holdings PLC	5,320,000	5,320,000	25,004,000	11,172,000	25,004,000	13,300,000
	5,410,095	5,410,095	25,653,377	12,372,000	25,653,377	14,653,779
Fair value adjustment of investments			(13,281,377)	-	(10,999,598)	-
Total Quoted Investments in Equity Securities			12,372,000	12,372,000	14,653,779	14,653,779

17.1.2 Available for Sale Investments

17.1.2.1 Quoted Investment in Equity Securities

Royal Ceramics Lanka PLC	521,600	521,600	83,645,919	41,362,880	83,645,920	51,899,200
Hunas Falls Hotels PLC	899,000	899,000	58,909,787	43,241,900	58,909,784	47,197,500
	1,420,600	1,420,600	142,555,706	84,604,780	142,555,704	99,096,700
Fair value adjustment of investments			(57,950,926)	-	(43,459,004)	-
Total Quoted Investments in Equity Securities			84,604,780	84,604,780	99,096,700	99,096,700

17.1.2.2 Non-Quoted Investment in Equity Securities

Group / Company	No. of Shares		Carrying Value	Directors' Valuation	Carrying Value	Directors' Valuation
	2014	2013	2014 Rs.	2014 Rs.	2013 Rs.	2013 Rs.
La Forteresse (Private) Limited	1	1	10	10	10	10
Total Non-Quoted Investments in Equity Securities	1	1	10	10	10	10

17.2 Other Financial Liabilities

17.2.1 Interest Bearing Loans and Borrowings

Group	2014	2014	2014	2013	2013	2013
	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	Total Rs.
Bank Loans (Note 17.2.1.1.1)	145,900,763	8,273,631	154,174,394	90,900,763	24,159,410	115,060,173
Finance Leases (Note 17.2.1.1.2)	10,044,544	18,106,425	28,150,969	9,153,745	27,947,806	37,101,552
Loans from Director's (Note 17.2.1.1.3)	-	-	-	1,414,127	-	1,414,127
Bank Overdrafts (Note 21)	61,095,973	-	61,095,973	44,251,073	-	44,251,073
	217,041,280	26,380,056	243,421,336	145,719,708	52,107,216	197,826,925

Notes to the Financial Statement

17.2.1.1.1 Bank Loans

	Balance As at 01.04.2013 Rs.	Loans Obtained Rs.	Repayments Rs.	Balance As at 31.03.2014 Rs.
Hatton National Bank PLC	75,000,000	-	(75,000,000)	-
National Development Bank PLC	40,060,173	-	(15,885,779)	24,174,394
Seylan Bank PLC	-	180,000,000	(50,000,000)	130,000,000
	115,060,173	180,000,000	(140,885,779)	154,174,394

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

1. Short Term Loan Facility of Rs. 75Mn - Hatton National Bank PLC

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

2. Short Term Loan Facility of Rs. 180Mn - Seylan Bank PLC

- Rate of Interest: Monthly AWPLR + 0.5% p.a.
- Security offered: Overdraft Agreement

Kandyan Resorts (Private) Limited

- Rate of Interest: AWPLR+2%
- Term of Repayment - Capital equal (Rs.): 147,708

- No of Installments: 48 Months
- Repayment by: January 2017
- Grace Period: February 2012 to January 2013
- Security offered: Freehold land and Building belongs to Kandyan Resorts (Private) Limited

NDB 7.09 Mn

- Rate of Interest: AWPLR+2%
- Term of Repayment - Capital equal (Rs.): 147,708
- No of Installments: 48 Months
- Repayment by: January 2017
- Grace Period: February 2012 to January 2013
- Security offered: Freehold land and Building belongs to Kandyan Resorts (Private) Limited

NDB 17.91 Mn

- Rate of Interest: AWPLR+2%
- Term of Repayment - Capital equal (Rs.): 438,345
- No of Installments: 48 Months
- Repayment by: February 2015
- Grace Period: None
- Security offered: Freehold land and Building belongs to Kandyan Resorts (Private) Limited

Culture Club Resorts (Private) Limited

- Rate of Interest: AWPLR+2%
- Term of Repayment - Capital equal (Rs.): 206,777
- No. of Installments: 48 Months
- Repayment by: January 2015
- Grace Period: None
- Security offered: Generator belongs to Culture Club Resorts (Private) Limited

NDB 10 Mn

- Rate of Interest: AWPLR+2%
- Term of Repayment - Capital equal (Rs.): 247,442
- No. of Installments: 48 Months
- Repayment by: February 2015
- Grace Period: None
- Security offered: Freehold land and Building belongs to Kandyan Resorts (Private) Limited

NDB 11.33 Mn

- Rate of Interest: AWPLR+2%
- Term of Repayment - Capital equal (Rs.): 284,792
- No. of Installments: 48 Months
- Repayment by: January 2017
- Grace Period: None
- Security offered: Freehold land and Building belongs to Kandyan Resorts (Private) Limited

NDB 13.67 Mn

- Rate of Interest: AWPLR+2%
- Term of Repayment - Capital equal (Rs.): 284,792
- No. of Installments: 48 Months
- Repayment by: January 2017
- Grace Period: None
- Security offered: 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 01.04.2013 Rs.	New Leases Obtained Rs.	Repayments Rs.	Balance As at 31.03.2014 Rs.
	Pan Asia Banking Corporation PLC	46,873,052	-	(13,185,925)	33,687,127
	Gross Liability	46,873,052	-	(13,185,925)	33,687,127
	Finance Charges allocated to Future Periods	(9,771,500)	-	4,235,342	(5,536,158)
	Net Liability	37,101,552	-	(8,950,583)	28,150,969
17.2.1.1.3	Loans from Directors	Balance As at 01.04.2013 Rs.	Loans Obtained Rs.	Repayments Rs.	Balance As at 31.03.2014 Rs.
	Mr. K.D.D. Perera	1,414,127	-	(1,414,127)	-
		1,414,127	-	(1,414,127)	-

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

17.2.1.2	Company	2014 Amount Repayable Within 1 Year Rs.	2014 Amount Repayable After 1 Year Rs.	2014 Total Rs.	2013 Amount Repayable Within 1 Year Rs.	2013 Amount Repayable After 1 Year Rs.	2013 Total Rs.
	Bank Loans (Note 17.2.1.2.1)	130,000,000	-	130,000,000	75,000,000	-	75,000,000
	Finance Lease (Note 17.2.1.2.2)	2,679,306	6,304,652	8,983,958	2,641,664	8,673,458	11,315,122
	Loans from Director's (Note 17.2.1.2.3)	-	-	-	1,414,127	-	1,414,127
	Bank Overdrafts (Note 21)	3,749,322	-	3,749,322	1,333,775	-	1,333,775
		136,428,628	6,304,652	142,733,280	80,389,566	8,673,458	89,063,024

17.2.1.2.1	Bank Loans	Balance As at 01.04.2013 Rs.	Loans Obtained Rs.	Repayments Rs.	Balance As at 31.03.2014 Rs.
	Hatton National Bank PLC	75,000,000	-	(75,000,000)	-
	Seylan Bank PLC	-	180,000,000	(50,000,000)	130,000,000
		75,000,000	180,000,000	(125,000,000)	130,000,000

Notes to the Financial Statement

17.2.1.2.2	Finance Leases	As at 01.04.2013 Rs.	Obtained Rs.	Repayments Rs.	As at 31.03.2014 Rs.
	Pan Asia Banking Corporation PLC	14,593,453	-	(3,725,984)	10,867,469
	Gross Liability	14,593,453	-	(3,725,984)	10,867,469
	Finance Charges allocated to Future Periods	(3,278,335)	-	1,394,824	(1,883,511)
	Net Liability	11,315,118	-	(2,331,160)	8,983,958

17.2.1.2.3	Loans from Directors	Balance As at 01.04.2013 Rs.	Loans Obtained Rs.	Repayments Rs.	Balance As at 31.03.2014 Rs.
	Mr. Dhammika Perera	1,414,127	-	(1,414,127)	-
		1,414,127	-	(1,414,127)	-

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

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.

Financial Assets	Carrying Amount		Fair Value	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Trade and Other Receivables	162,778,919	180,109,417	162,778,919	180,109,417
Other financial assets				
- Fair Value through profit or loss Investments	12,372,000	14,653,779	12,372,000	14,653,779
- Available for sale Investments	84,604,780	99,096,700	84,604,780	99,096,700
Short Term Deposits	-	-	-	-
Cash and Bank Balances	48,762,410	15,510,144	48,762,410	15,510,144
Total	308,518,109	309,370,040	308,518,109	309,370,040
Financial Liabilities				
Interest-bearing loans and borrowings				
- Obligations under finance leases	28,150,969	37,101,552	28,150,969	37,101,552
- Other Borrowings*	154,174,394	116,474,300	154,174,394	116,474,300
Trade and Other Payables	137,824,261	151,198,746	137,824,261	151,198,746
Bank Overdrafts	61,095,973	44,251,073	61,095,973	44,251,073
Total	381,245,597	349,025,671	381,245,597	349,025,671

* other borrowings includes the loan taken from Mr. Dhammika Perera, Director of the Company, and Loans taken from National Development Bank PLC at AWPLR+2% 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 2014, 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		2014 Rs.	2013 Rs.
	Food and Beverages		11,097,129	9,933,456
	Housekeeping and Maintenance		9,728,766	7,878,810
	Printing and Stationery		1,509,474	4,234,020
	Consumables and Other		2,463,977	1,854,207
			24,799,346	23,900,493
19.	TRADE AND OTHER RECEIVABLES		2014 Rs.	2013 Rs.
	Trade Receivables		148,614,240	167,822,404
	Less - Impairment made from Trade Receivables		(5,252,772)	(4,301,785)
			143,361,468	163,520,619
	Other Receivables		7,375,625	11,442,687
	Other Receivables from Related Parties (Note 19.1)		12,041,826	5,146,111
			162,778,919	180,109,417
19.1	Other Receivables from Related Parties	Relationship	2014 Rs.	2013 Rs.
	Connaissance Hotel Management (Private) Limited	Subsidiary	-	-
	CDC Conventions (Private) Limited	Subsidiary	-	-
	Connaissance Air Travels (Private) Limited	Subsidiary	-	-
	The Beach Resorts Limited	Subsidiary	-	-
	Hunas Falls Hotel PLC	Affiliate	4,297,329	3,582,847
	The Kingsbury PLC	Affiliate	5,714,286	-
	Lake Lodge Resorts (Private) Limited	Affiliate	660,077	590,874
	Hayleys Travels and Tours (Private) Limited	Affiliate	1,370,134	972,390
	(Less) Provision for Bad and Doubtful Receivables		-	-
			12,041,826	5,146,111
			19,455,406	8,251,770

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

20.	Impairment made from Trade Receivables		2014 Rs.	2013 Rs.
	As at 01 April		4,301,785	5,477,585
	Provision made during the year		950,986	-
	Less - Provision released during the year		-	(1,175,800)
	As at 31 March		5,252,771	4,301,785

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
2014	143,361,468	7,349,787	71,351,269	46,884,218	13,584,040	2,548,570	1,643,584
2013	163,520,619	7,164,909	86,372,573	51,582,744	11,428,477	2,574,270	4,397,646

Notes to the Financial Statement

21.	CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT	Group	Company
		2014 Rs.	2013 Rs.
	Components of Cash and Cash Equivalents		
	Favorable Cash and Cash Equivalent Balances		
	Cash and Bank Balances	48,762,410	15,510,144
			508,449
	Unfavorable Cash and Cash Equivalent Balances		
	Bank Overdraft	(61,095,973)	(44,251,073)
	Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	(12,333,563)	(28,740,929)
			(3,240,873)
			(926,686)

22.	STATED CAPITAL	Group/Company			
		2014		2013	
		Number	Rs.	Number	Rs.
	Fully Paid Ordinary Shares	48,034,238	526,770,320	48,034,238	526,770,320
		48,034,238	526,770,320	48,034,238	526,770,320

23.	REVALUATION RESERVE - GROUP	2014 Rs.	2013 Rs.
	On Property, Plant and Equipment		
	Surplus on Revaluation of Property, Plant and Equipment	65,294,614	65,294,614
		65,294,614	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
		2014 Rs.	2013 Rs.
	Trade Payables	33,387,656	42,019,929
	Other Payables to Related Parties (Note 24.1)	8,902,807	11,035,652
	Sundry Creditors including Accrued Expenses	95,533,798	98,143,165
		137,824,261	151,198,746
			2,218,627
			340,820,838
			22,317,031
			365,356,496

Notes to the Financial Statement

24.1	Other Payables to Related Parties	Group		Company	
		2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
	Relationship				
	Hayleys PLC	8,871,460	11,035,652	8,871,460	11,035,652
	Hayleys Consumer Products Limited	220	-	220	-
	Kandyan Resorts (Private) Limited	-	-	101,672,422	102,705,620
	Culture Club Resorts (Private) Limited	-	-	193,064,550	227,079,566
	Hayleys Travel & Tours (Private) Limited	12,270	-	12,270	-
	Hayleys Business Solutions (Private) Limited	18,857	-	18,857	-
		8,902,807	11,035,652	303,639,779	340,820,838

25. RETIREMENT BENEFIT OBLIGATION

Defined Benefit Obligation - Gratuity

	2014	2013	2014	2013
Defined Benefit Obligation as at the beginning of the year	24,202,387	19,817,490	6,539,962	4,978,718
Current Service Cost	2,806,732	2,382,449	659,433	547,659
Interest Cost	2,662,263	2,762,795	719,396	527,565
Actuarial (Gain)/Loss	33,129	1,411,237	202,647	486,020
Benefit paid	(1,668,761)	(2,171,584)	-	-
Defined Benefit Obligation as at the end of the year	28,035,750	24,202,387	8,121,438	6,539,962

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,

	2014	2013
Discount Rate	11%	11%
Future Salary Increment Rate	10%	10%

25.1 Sensitivity of the principal assumptions used

	Expected Future Salaries		Discount Rate	
	1% increase Rs.	1% decrease Rs.	1% increase Rs.	1% decrease Rs.
Company				
Change in Present value of Defined Benefit Obligation	415,492	(390,227)	(346,742)	374,611
Group				
Change in Present value of Defined Benefit Obligation	1,477,445	(1,373,837)	(1,228,545)	1,341,850

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. 137Mn (2013 - Rs. 150Mn).

Kandyan Resorts (Private) Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Rs. 186Mn (2013 - Rs. 76Mn).

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:

	2014 Rs.	2013 Rs.
Not later than one year	3,115,655	2,967,740
Later than one year and not later than 05 years	4,246,816	6,593,182
	7,362,471	9,560,922

26.3 Finance Lease commitments

The Group has finance leases 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 contracts together with the present value of the net minimum lease payments are, as follows:

	2014		2013	
	Minimum payments Rs.	Present value of payments (Note 17) Rs.	Minimum payments Rs.	Present value of payments (Note 17) Rs.
Within one year	12,444,158	10,044,544	13,389,143	9,153,745
After one year but not more than five years	21,242,969	18,106,425	33,483,909	27,947,807
Total minimum lease payments	33,687,127	28,150,969	46,873,052	37,101,552
Less amounts representing finance charges	(5,536,158)	-	(9,771,500)	-
Present value of minimum lease payments	28,150,969	28,150,969	37,101,552	37,101,552

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. 25Mn.

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. 25Mn.

Notes to the Financial Statement

27. ASSETS PLEDGED

The following assets have been pledged as securities as at reporting date.

Nature of Assets Pledged	Nature of Liability	Carrying Amount Pledged		Included Under
		2014 Rs.	2013 Rs.	
Freehold Land and Buildings belongs to Kandyan Resorts (Private) Limited	Rs. 25 Mn loan facility from National Development Bank PLC to Kandyan Resorts (Private) Limited	1,156,062,782	1,110,065,006	Property, Plant and Equipments
	Rs. 25 Mn loan facility from National Development Bank PLC to Culture Club Resorts (Private) Limited	1,156,062,782	1,110,065,006	Property, Plant and Equipments
Generator belongs to Culture Club Resorts (Private) Limited	Rs. 10 Mn loan facility from National Development Bank PLC to Culture Club Resorts (Private) Limited	5,684,485	6,979,962	Property, Plant and Equipments

28. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

28.1 Transaction with the Related Entities Nature of Transaction	Parent Company		Subsidiary Companies		Other Companies		Total	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
As at 1 April	(11,035,652)	(4,543,106)	(322,506,263)	(340,493,766)	972,847	163,987	(332,569,068)	(344,872,885)
Rendering/Obtaining Services	(31,562,093)	(32,797,890)	-	-	-	-	(31,562,093)	(32,797,890)
Management Fees	-	-	2,742,858	2,742,857	38,190,349	3,775,242	40,933,207	6,518,098
Commission Income	-	-	74,573,841	71,411,770	27,659,340	5,025,790	102,233,180	76,437,560
Dividend	-	-	185,836,673	202,628,248	-	-	185,836,673	202,628,248
Settlement of Liabilities on behalf of the Company	(889,166)	(1,191,697)	(310,543)	(3,269,590)	-	-	(1,199,708)	(4,461,287)
Settlement of Liabilities by the Company on behalf of Others	-	-	89,267,515	36,214,429	14,676,350	7,819,259	103,943,865	44,033,689
Collections made by the Company on behalf of the Others	-	-	(6,319,036)	(8,175,765)	(5,102,087)	(2,238,142)	(11,421,123)	(10,413,907)
Fund Transfers	-	-	(309,266,785)	(285,810,000)	-	-	(309,266,785)	(285,810,000)
Payment Made	34,615,451	27,497,041	-	-	(68,091,502)	(13,573,289)	(33,476,051)	13,923,752
Receipt for Services	-	-	2,394,877	2,245,554	-	-	2,394,877	2,245,554
As at 31 March	(8,871,460)	(11,035,652)	(283,586,863)	(322,506,263)	8,305,297	972,847	(284,153,026)	(332,569,068)
Included in								
Amount due from Related Party	-	-	11,150,109	7,278,923	8,305,297	972,847	19,455,406	8,251,770
Amount due to Related Party	(8,871,460)	(11,035,652)	(294,736,972)	(329,785,186)	-	-	(303,608,432)	(340,820,838)
	(8,871,460)	(11,035,652)	(283,586,863)	(322,506,263)	8,305,297	972,847	(284,153,026)	(332,569,068)

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 and The Kingsbury PLC

Notes to the Financial Statement

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	2014		2013	
	Rs.		Rs.	
Short-term Employee Benefits - Executive	27,791,147		27,510,213	
- Non-executive	3,474,400		2,115,000	
Post-employment Benefits - Executive	1,188,000		2,547,570	
	32,453,547		32,172,783	

b) Other Transactions with Key Management Personnel	Capital		Interest	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Loans from Directors				
Mr. Dhammika Perera	-	1,414,127	-	3,042,819
	-	1,414,127	-	3,042,819

The Company obtained the above loan from Mr. Dhammika Perera, Director of the Company, 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	2014 Rs.	2013 Rs.
Pan Asia Banking Corporation PLC	New Lease obtained	-	4,000,000
	Lease Rental paid	13,185,925	11,995,786
	Lease Payables as at 31 March	33,687,127	46,873,052

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 REPORTING DATE

Acquisition of Sun Tan Beach Resort (Private) Limited

Amaya Leisure PLC has acquired 51% equity stake, which is denoted by 82,718,215 shares of Sun Tan Beach Resorts (Private) Limited on 30 April 2014 at a cost of Rs.563 Mn. The said four star beach resort is located at passikudah and is comprised of 125 rooms.

There have been no any other material events occurring after the reporting 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 2014 and 2013.

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
2014		
	+50	(770,872)
	-50	770,872
2013		
	+50	(575,301)
	-50	575,301

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.

Notes to the Financial Statement

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. 96,976,790/- An increase or decrease of 10% on the Colombo Stock Exchange (CSE) market index (ASPI) could have an impact of approximately Rs. 9,877,667/- 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 2014, the Group had 10 customers (2013: 10 customers,) that owed the Group more than Rs. 2,000,000 each and accounted for approximately 60% (2013: 60%) 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 2014 and 2013 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.

Notes to the Financial Statement

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD..)

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

As at 31 March 2014	On demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	Total Rs.
Interest-bearing loans and borrowings	61,095,973	6,372,779	149,572,528	26,380,056	243,421,336
Trade and other payables	-	137,824,261	-	-	137,824,261
	61,095,973	144,197,040	149,572,528	26,380,056	381,245,597

As at 31 March 2013	On demand Rs.	Less than 3 months Rs.	3 to 12 months Rs.	1 to 5 years Rs.	Total Rs.
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
	44,251,073	177,626,500	75,040,881	52,107,216	349,025,671

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 2014 and 31 March 2013.

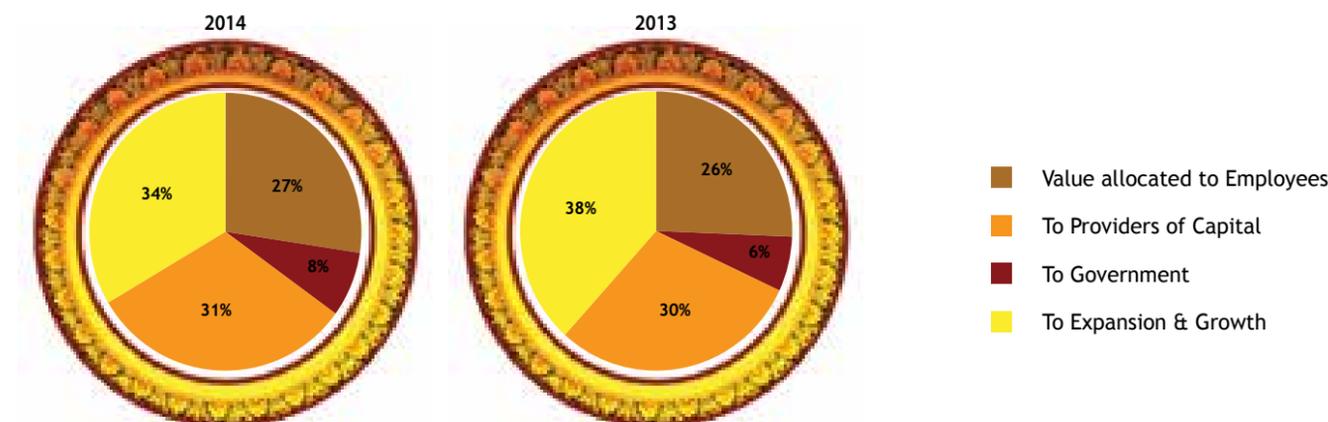
The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	2014 Rs.	2013 Rs.
Interest-bearing loans and borrowings (Note 17)	243,421,336	197,826,925
Trade and other payables (Note 23)	137,824,261	151,198,746
Less: cash and short-term deposits (Note 17 and Note 20)	(48,762,410)	(15,510,144)
Net debt	332,483,187	333,515,527
Equity	2,647,022,982	2,589,514,973
Total capital	2,647,022,982	2,589,514,973
Capital and net debt	2,979,506,169	2,923,030,500
Gearing ratio	11%	11%

Statement of Value Added

Group Value Added Statement	Group		Company	
	2014 Rs:	2013 Rs:	2014 Rs:	2013 Rs:
Turnover	1,171,594,325	1,065,394,024	134,605,273	80,207,182
Other Income	32,370,915	48,810,798	194,102,515	211,628,234
	1,203,965,240	1,114,204,822	328,707,788	291,835,416
Less: Cost of Material & Services brought in	(472,301,535)	(415,535,387)	(65,176,236)	(55,112,820)
	731,663,705	698,669,435	263,531,552	236,722,596
Value allocated to employees				
Salaries, wages and other benefits	200,742,560	179,168,990	49,378,362	44,202,939
To Government				
NBT, TT, TDL & Income Tax	55,486,023	44,660,759	2,127,823	888,768
To Providers of Capital				
Non-Controlling Interest	2,301	(10,167)	-	-
Loan interest & dividend	230,219,314	206,775,139	222,652,346	196,271,485
To Expansion & Growth				
Depreciation & Retained in Business	245,213,506	268,074,715	(10,626,979)	(4,640,596)
	731,663,705	698,669,435	263,531,552	236,722,596

Value allocated to employees	27%	26%	19%	19%
To Government	8%	6%	1%	0%
To Providers of Capital	31%	30%	84%	83%
To Expansion & Growth	34%	38%	(4%)	(2%)



Share and Investor Information

AMAYA LEISURE PLC

ORDINARY SHAREHOLDERS AS AT 31ST MARCH 2014

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	1,249	230,291	0.4794	18	6,451	0.0134	1,267	236,742	0.4929
1,001 _ 10,000	189	571,875	1.1906	6	26,842	0.0559	195	598,717	1.2464
10,001 _ 100,000	39	1,082,122	2.2528	4	110,156	0.2293	43	1,192,278	2.4821
100,001 _ 1,000,000	14	6,167,013	12.8388				14	6,167,013	12.8388
OVER 1,000,000	5	39,839,488	82.9398				5	39,839,488	82.9398
Total	1,496	47,890,789	99.7014	28	143,449	0.2986	1,524	48,034,238	100.0000

CATEGORY	No. of Share Holders	No. of Shares	%	No. of Share Holders	No. of Shares	%	No. of Share Holders	No. of Shares	%
Individuals	1,415	3,557,250	7.4057	28	143,449	0.2986	1,443	3,700,699	7.7043
Institutions	81	44,333,539	92.2957	-	-	-	81	44,333,539	92.2957
	1,496	47,890,789	99.7014	28	143,449	0.2986	1,524	48,034,238	100.0000

First Twenty Shareholders

FIRST TWENTY SHAREHOLDERS AS AT 31.03.2014

NAME OF SHAREHOLDER	"NO.OF SHARES AS AT 31.03.2014"	%	" NO.OF SHARES AS AT 31.03.2013 "	%
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 EMPLOYEES PROVIDENT FUND	4,620,739	9.62	4,620,739	9.62
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 HATTON NATIONAL BANK/MR. W. A. D. C. J. WICKRAMASINGHE	1,626,738	3.39	-	-
MR. C. J. WICKRAMASINGHE	644,994	1.34	2,282,817	4.75
MR. W. A. D. C. J. WICKRAMASINGHE	11,085	0.02	-	-
6 MERCANTILE INVESTMENTS AND FINANCE PLC	860,000	1.79	860,000	1.79
7 TOYO CUSHION LANKA (PVT) LTD	816,400	1.70	816,400	1.70
8 VOLANKA EXPORTS LIMITED	642,900	1.34	642,900	1.34
9 MR. S. SENARATNE	602,894	1.26	1,002,894	2.09
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 MR. H. A. VAN STARREX	437,784	0.91	2	0.00
13 ASSOCIATED ELECTRICAL CORPORATION LTD	301,138	0.63	301,138	0.63
14 BANK OF CEYLON A/C CEYBANK CENTURY GROWTH FUND	163,563	0.34	170,570	0.36
15 MR. G. L. A. ONDAATJIE	145,600	0.30	145,600	0.30
16 FREUDENBERG SHIPPING AGENCIES LIMITED	133,067	0.28	5,000	0.01
17 BANK OF CEYLON NO.1 ACCOUNT	102,000	0.21	102,000	0.21
18 DFCC VARDHANA BANK LTD/MR. B. A. D. H. C.MAHIPALA	80,000	0.17	80,000	0.17
19 SEYLAN BANK PLC/MR. B. M. AMARASEKARA	72,510	0.15	72,510	0.15
MR. B. M. AMARASEKARA	4,114	0.01	4,114	0.01
20 MR. H. W. M. WOODWARD	76,028	0.16	76,028	0.16
TOTAL	46,310,238	96.41	46,151,396	96.08

The percentage of shares held by public as at 31st March 2014 was 18% (2013 - 17.23%)

Share Trading Information

FOR THE 03 MONTHS ENDED 31.03.2014

Highest Price	76.60	12/03/2014
Lowest Price	68.30	06/02/2014
Closing Price	72.30	

No. of Transactions	342	
No. of shares traded	755,042	
Value of shares traded	Rs. 54,614,069.70	

FOR THE 12 MONTHS ENDED 31.03.2014

Highest Price	Rs. 84.90	02/05/2013
Lowest Price	Rs. 66.00	02/12/2013

No. of Transactions	895	
No. of shares traded	1,007,925	
Value of shares traded	Rs. 73,802,364.70	

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 Amortisation

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 post acquisition 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.

Glossary of Financial Terms

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

		2014	2013	2012	2011	2010
Operating Results						
Group Turnover	Rs. 000s	1,171,594	1,065,394	877,084	757,068	570,189
Profit before Taxation	Rs. 000s	417,919	409,936	308,948	472,523	71,087
Taxation	Rs. 000s	(41,757)	(31,893)	(16,384)	(5,095)	(1,171)
Profit after Taxation	Rs. 000s	376,162	378,043	292,564	467,428	69,916
Statement of Financial Position						
Share Capital	Rs. 000s	526,770	526,770	526,770	526,770	466,728
Capital Reserve	Rs. 000s	65,295	65,295	-	-	768,803
Available for Sale Reserve	Rs. 000s	(57,951)	(43,459)	(23,662)	194	-
Revenue Reserves	Rs. 000s	2,083,606	1,923,537	1,739,087	1,638,640	176,706
Shareholders' Fund	Rs. 000s	2,617,721	2,472,143	2,242,195	2,165,605	1,412,236
Key Indicators						
Earning/(Loss) per Share	Rs.	7.83	7.87	6.09	9.78	1.44
Market price per 31st March	Rs.	72.30	76.50	76.70	120.10	73.00
Highest Market Price	Rs.	84.90	88.00	125.00	140.00	79.00
Lowest Market Price	Rs.	66.00	75.00	66.90	89.00	19.50
Return on Equity	%	14.37	15.29	13.11	25.00	4.52
Return on Shareholder's Fund	%	14.21	15.11	13.28	26.26	4.91
Price Earning Ratio	No. of Times	9.23	9.72	12.59	12.28	50.58
Interest Cover	No. of Times	26.52	28.39	47.05	(0.39)	3.41
Gearing Ratio	%	9	8	5	3	10.52
Current Ratio	No. of Times	0.74	0.83	1.23	2.16	0.67
Net Assets Per Share	Rs.	55.11	52.08	46.68	45.08	29.40

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty Second 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 Tuesday, 24th June 2014 at 10.00 a.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 2014.
- 2) To re-elect Mr. Nimal Perera, who retires by rotation at the Annual General Meeting a Director.
- 3) To re-elect Mr. S. H. Amarasekera, who retires by rotation at the Annual General Meeting a Director.
- 4) To re-elect Mr. C. J. Wickramasinghe, who retires by rotation at the Annual General Meeting a Director.
- 5) To authorize the Directors to determine contributions to Charities.
- 6) 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.
- 7) 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 10.00 a.m. on 22nd June 2014

By Order of the Board
AMAYA LEISURE PLC
 Hayleys Group Services (Private) Limited
 Secretaries

Colombo
 20th May 2014

Form of Proxy

I/We*
 of

being a Shareholder/ Shareholders* of AMAYA LEISURE PLC hereby appoint,

1.
 Of

or 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 Second Annual General Meeting of the Company to be held on Tuesday, 24th June 2014 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 2014 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2) To re-elect Mr. Nimal Perera, who retires by rotation at the Annual General Meeting a Director.	<input type="checkbox"/>	<input type="checkbox"/>
3) To re-elect Mr. S. H. Amarasekera, who retires by rotation at the Annual General Meeting a Director.	<input type="checkbox"/>	<input type="checkbox"/>
4) To re-elect Mr. C. J. Wickramasinghe, who retires by rotation at the Annual General Meeting a Director.	<input type="checkbox"/>	<input type="checkbox"/>
5) To authorize the Directors to determine contributions to Charities.	<input type="checkbox"/>	<input type="checkbox"/>
6) 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 this day of2014

Witnesses

.....

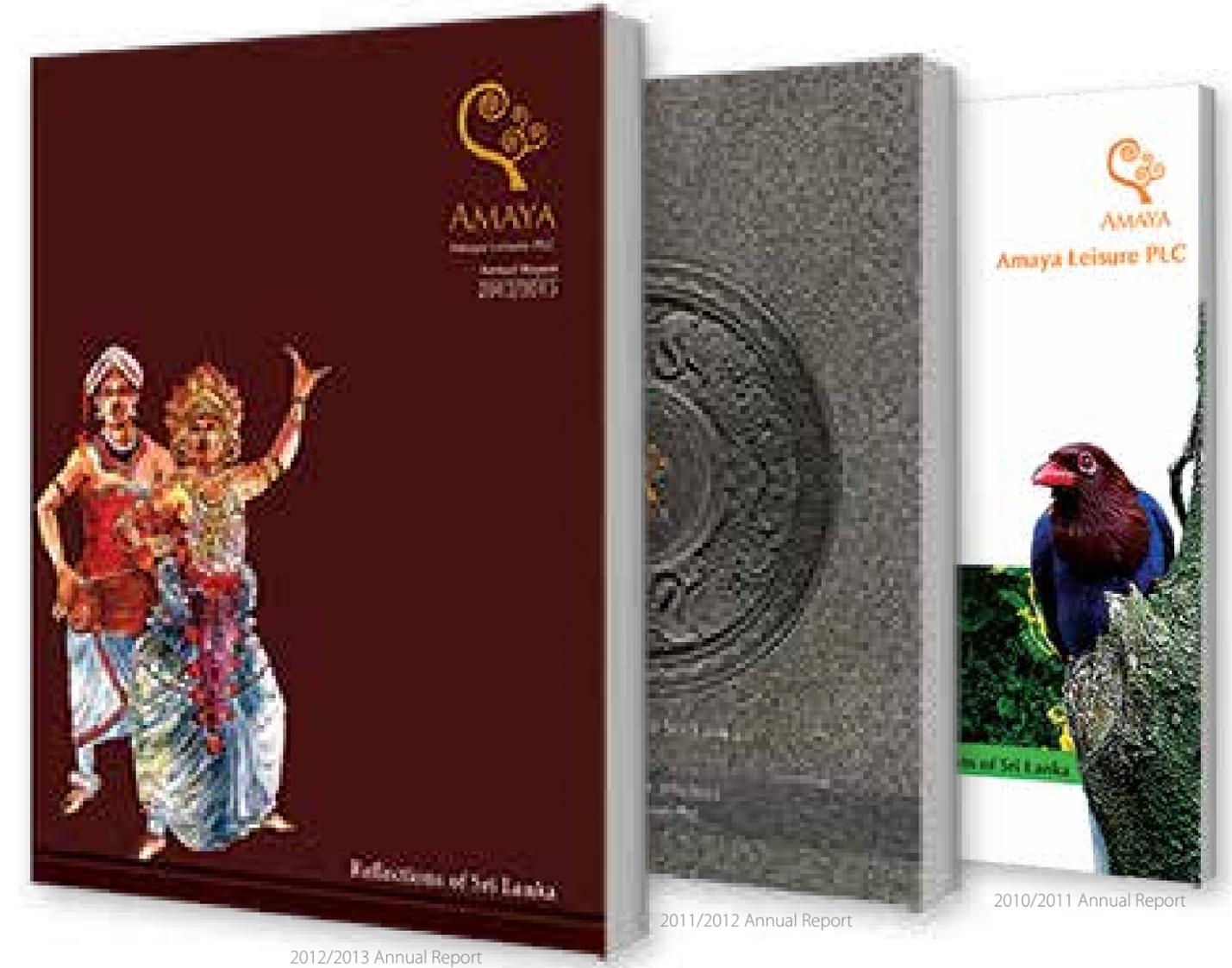
.....
 Signature of Shareholder

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

Instructions 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, Sri Lanka, by 10.00 a.m. on 22nd June 2014
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.

Amaya Leisure PLC's Annual Report Archive



This concludes Amaya Leisure PLC's Annual Report for 2013/14 providing you with a comprehensive insight to all the statutory, financial and corporate information about the Company, its operations as well as its Shareholders.

Sri Lanka is indeed blessed with an abundance of natural beauty and cultural heritage which can seldom be matched. We at Amaya are committed to go that extra step to help all our stakeholders understand how fortunate we are as Sri Lankans to inherit these priceless treasures carefully handed over to us from generation to generation - hence our corporate theme 'Reflections of Sri Lanka'

Even through our Annual Reports over the last few years, we have strived to provide you with some of the many reflections exclusive to 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 2011/12 Annual Report was 'Carving Arts of Sri Lanka' offering an insight in to these spectacular historic masterpieces. The 2012/13 Annual Report last year offered an insight in to the traditional dancing styles of Sri Lanka and how they evolved over the centuries.

This year the Amaya Leisure PLC Annual Report focused on the history of Sri Lanka's Painting Art, beginning from prehistoric cave drawings to the more contemporary works of art created at local temples. Hundreds of local artists have contributed to some of the most magnificent masterpieces the world has ever seen. Of course some of the examples given here are world renowned while some have seldom been heard of. Our desire was to provide you with an insight into the popular as well as the lesser-known sites in Sri Lanka featuring these paintings.

Thank you once again in making 2013/14 a successful year for us at Amaya Leisure PLC. Await more spectacular 'Reflections of Sri Lanka' in our Annual Reports over the years to come.

CORPORATE INFORMATION

NAME OF COMPANY	Amaya Leisure PLC
COMPANY REGISTRATION NO.	PQ 145 (Former PVS 8053/PBS)
LEGAL FORM	Public Quoted 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. Dhammika Perera Mr. Nimal 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 Seylan Bank PLC



Amaya Leisure PLC

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