



AMAYA

Amaya Leisure PLC

Annual Report
2014/2015

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

Reflections of Sri Lanka

ආයුබෝවන්!
Welcome!
நஸ்வரவு!



Our Vision

To be the Number One choice for holiday makers 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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Continuing on our 'Reflections of Sri Lanka' series, this year's Annual Report of the Amaya Group focuses on the traditional Kolam Masks of Sri Lanka.

"Kolam" is a dramatic and colorful performance considered to be a very popular traditional dance drama in the Southern and South Western parts of Sri Lanka. According to historical evidence, Kolam drama has existed from 15th century A.D. But according to some legends, it is said that this genre of drama has a history spanning more than 2500 years.

In the past, Kolam drama was performed in Sri Lanka at least once a year by troupes who lived in cities such as Mirissa, Ambalangoda, Maha Ambalangoda, Olaboduwa, Pokunuwita, Hokandara and Gampaha. Nevertheless, today such performances are conducted by one or two groups and are quite rare. As a result, it is considered to be one of the dying art forms in the country. Since this particular kind of dance drama cannot be found in any other part of the world, a few Sri Lankan artistes have taken steps to preserve this art form for posterity.

Regarding the definition of the term Kolam, some scholars have argued that the word has its origins in South India. M.D. Raghavan, a well-known Indian research scholar has mentioned that the word Kolam is epistemologically a Tamil word of wide significance meaning "representation" or "a figure very much out of the ordinary".

Another meaning given to the word is found in South India. For the Hindus, Kolam is a type of sand art that is drawn using white and coloured rice flour by the female members of the family. Every morning, millions of South Indian women draw Kolam on the courtyards of their residences using rice flour. The Hindu women in Sri Lanka also engage in this type of activity on Thai Pongal day. Moreover, Kolam Thullal, which is one of the ritual dance forms in Kerala, is performed in houses and temple festivals in order to exorcise evil spirits from "possessed" bodies.

Usage in day-to-day language

The word Kolam is also used quite liberally in Sri Lanka specifically among women. For instance, when they see a person wearing unconventional attire or behaving uncouthly they say "Mona Kolamak da?" ("What a Kolama this is?"). Also in instances where someone starts to make unnecessary jokes or does something to annoy them, they may say "Maath ekka kolam karanna enna epa!" ("Don't come to do Kolam with me!").

Distinguishing Features

The main distinguishing feature of the Kolam play is that the all performers wear masks, except for two of the characters: Kariyakarawanarala [Sabevidane] (the Chief Narrator) and Sabhpathi (actors who welcome the audience). Yet another notable factor is that all the characters in the plays including the female roles are performed by male actors. There are various kinds of masks that are compatible with the different types of character representations. The following is a list of different types of masks used in the Kolam plays: The Masks depict:

1. Gods
2. Raksha
3. Animals
4. Human beings
5. Yaksha
6. Mythological creatures and beings

Steps in Mask Carving

Since the Mask plays an absolutely crucial role in the Kolam, let's take a look at how a mask is prepared.

Step I

According to the tradition, the artistes uses the following dimensions in making the masks, First they prepare a log one 'Viyatha' in length (around 15cm), seven fingers in breadth and seven fingers in thickness. The surface of it is then divided into three equal parts. It is further divided into six equal parts by drawing a vertical line in the middle of the surface.

Step II

Next, they cut away the unnecessary portions of the log leaving the spaces for head, nose and mouth of the mask. Then they cut the round shape of the mask and show the carving of the details of the face and clearing the details respectively.

Step III

After carving the details of the mask, it is kept close to the fireplace to let it dry. Then the dried face of the mask is first smoothed with rough skins of sea fish called "Thalapath" and "Maduwa". It is further smoothed with Motadeliya and Delsavaran tree leaves and yellow as a basic colour is applied. Then the detailed painting is done.

Step IV

To protect the colours, a mixture called "Valichchiya" is applied on the surface of the mask. Valichchiya is prepared by boiling a mixture of resin powder and the oil of the "Dorana Tree" at a low temperature. To draw the lines of the face, colours are mixed in a soft form of Valichchiya made with more tree oil than resin.

Masks of Gods

Selection of the masks depends on the particular God in the story that is being represented. For example, there are masks ranging from that of God Sakkra to other less powerful or prominent gods.

Human Beings

There are various kinds of masks belonging to various categories that range from kings and queens to normal rural folk.

Raksha

There are many Raksha some of whom are known as Gurulu Naga, Kava, Ginijal, Kutaka, Maru, Gara etc.

Yaksha

Only a very limited number of Yaksha characters can be found in Kolam Drama. These include Mahasohon Yakshaya, Kalureeri Yakshaya and Abhimaana Yakshaya.

Animals

Animal characters are present in some of the stories. Each of these characters has its own features and costumes. Examples of some of these animals are the Lion, Tiger, Bull, Cock, Jackal, Dog, Bear etc.

Mythological Creatures and Beings

Among the Kolam masks, several masks denoting mythical creatures can also be found. Some of these have been derived from Indian as well as Sri Lankan myths i.e. Panchanari Gata, Narilatha, Naga Kanya, Surabhavalle, Narasinghe, Avathara, Ananga, Bahirava etc. Although these masks have set features, the dramatists’ varied movements reflect the subtle nuances of the characters. This mobility of expression manifested throughout the performance is testimony to the effective use of the Kolam masks. These masks are crafted using the bark of a particular tree which grows in river banks called Wel Kaduru (Stychnos nux vomica). This particular wood is used since it is light, easy to carve and durable.

Kolam Theatre

The Kolam drama is performed in the courtyard of a house or out in the open. This is called the Ranga Bhumiya or Sabe. The audience gathers around the circular shaped arena. The background of the arena consists of a structure that resembles a cyclorama in the present stage. It is made out of arecanut leaves and is referred to as Wesaththa; all the performers enter the open arena from behind the Wesaththa. At the centre, there is an aisle decorated with flower called the malyahana. This special structure which is created using coconut leaves and strips of banana bark is used to make offerings to Lord Buddha and the Deities.

Around the arena, a string of coconut leaves resembling a chain is used so as to separate the actors from the audience. The audience is seated on the floor beyond this demarcation. The arena is decorated with nuts and fruits such as king coconuts, young coconuts, arecanuts and bananas which are hung on both

sides of the wesaththa. Although presently electric lights are used, during ancient times, lights called Kitson lights illuminated the performance area. The aisle, a special structure is built on one side of the arena, is where the chief priest disguised as the Gara yaka (the demon who is supposedly able to ward off evil) performs his ritualistic dance.

Dance Sequences of the Kolam Plays

The play usually begins at about nine o'clock at night and lasts till dawn. A special drum part is played by two low-country drummers in order to notify the impending commencement of the performance to the villagers.

The Sabevidane, in other words, the narrator, enters the arena along with singers, dancers and drummers. Usually, two drummers and a horanaa player provide the music for some of the songs sung by the narrator and his chorus. Each time the narrator sings a line of verse and the chorus repeats it. These invocatory stanzas written in highly sanskritised diction are sung so as to pay homage to the Buddha, Dhamma, Sanga (the triple gem) and the gods. Next, the narrator describes how Kolam drama first originated.

With regard to the origin of the play, the conventional derivation of the art is traced to an ancient myth. The story is that King Mahasammatha's wife, once she became pregnant, had a longing to see a mask dance. Just as women may have various types of cravings while they are with child (which in Sinhalese is called dola dukha) the queen's desire was one that had to be met. Despite not having this kind of dance form in his kingdom, the king commanded his ministers to organize such a performance. While the ministers were trying desperately to find some way of staging such a show, God Sakra intervened and using his supernatural powers, he made masks appear from out of nowhere. Masked dancers followed and the queen's dola dukha was finally quenched.

Subsequent to the narration of this tale, two unmasked Sabapathi characters enter the scene. This is similar to the prologue found in modern plays. They sing an invocation to Buddha and the gods and also welcome the patron of the show. Afterwards, there is a dialogue between Kariyakarawanarala (the narrator) and the sabapathi with regard to the rest of the proceedings of the show. The Kolam play officially begins after the departure of these characters.

Paniwida Kolams or Messenger Kolam

Police Kolama

Vidane Arachchi Kolama

Anabera - Nonchi Kolama

Hewa Kolama

Jasa Kolama

Sinha Kolama (Lion Kolam) followed by Naga Kanya, Naga Raksha, Guru Raksha, Surambha Walli, Narilatha, Panchanarigata, Kava Raksha, Maru Raksha etc. After watching these performances, they leave the arena. Before the commencement of the main story,

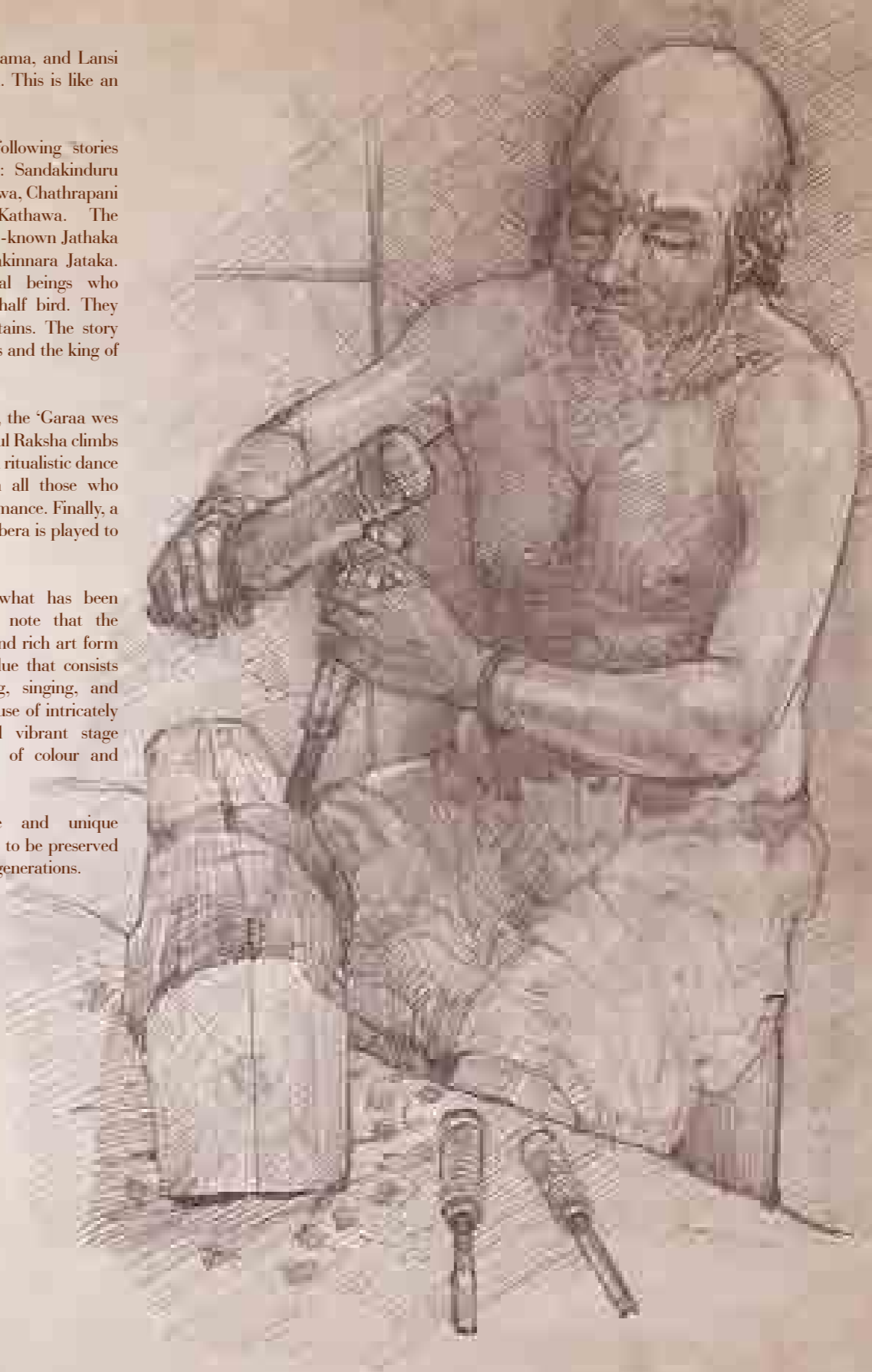
Karapita Kolama, Kapiri Kolama, and Lansi Kolama are generally played. This is like an interlude to the main event.

Consequently, one of the following stories will be performed on stage: Sandakinduru Kathawa, Gotaimbara Kathawa, Chathrapani Kathawa or Maname Kathawa. The Sandakinduru Story is a well-known Jathaka story known as the Channakinnara Jataka. The Kinduras are mythical beings who are half man/woman and half bird. They live in the Himalaya Mountains. The story revolves around two kinduras and the king of Bambadath.

Once the main story finishes, the ‘Garaa was paama’ takes place. A powerful Raksha climbs on to the aisle and performs a ritualistic dance that invokes blessings upon all those who have taken part in the performance. Finally, a special drum beat called pin bera is played to signal the end of the show.

Taking into consideration what has been mentioned above, we can note that the Kolam is a highly complex and rich art form of considerable historical value that consists of dancing, acting, miming, singing, and drumming. In addition, the use of intricately carved colorful masks and vibrant stage decorations also add a lot of colour and meaning to the performance.

Indeed, such a valuable and unique performing arts tradition has to be preserved and protected for our future generations.





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Firm Foundation...

ഘെല് കടുർ (ട്രൈ കടുർ)
Poison Nut
(*Cerbera manghas*)

These masks are crafted using the bark of a particular tree which grows in river banks called Wel Kaduru (*Cerbera manghas*). This particular wood is used since it is light, easy to carve and durable.

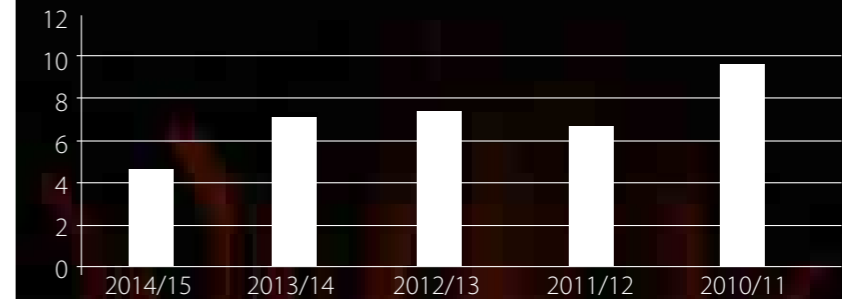
Financials at a Glance



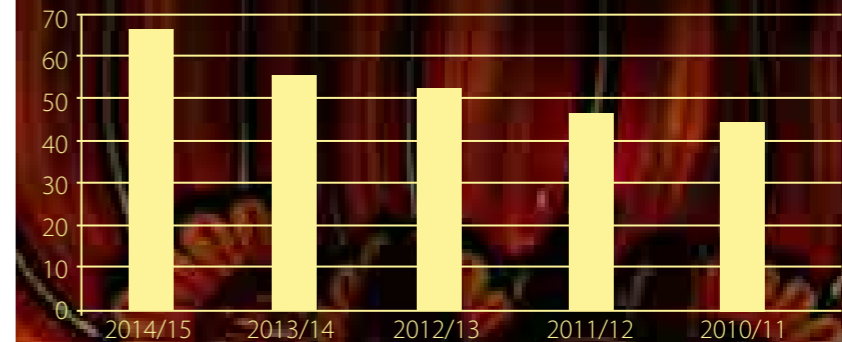
Financials at a Glance

	2014/2015	2013/2014	Changes
	Rs.'000	Rs.'000	%
For the year			
Turnover-Gross	1,413,338	1,171,594	21%
Turnover-Net	1,395,504	1,159,802	20%
Profit before Tax	223,489	417,919	-47%
Profit after Tax	180,822	376,162	-52%
Profit Attributable to the Parent	227,855	376,160	-39%
At the year end			
Shareholders Funds	3,172,027	2,617,721	21%
Total Assets	5,870,869	3,157,420	86%
Group Employment (No. of Persons)	648	526	23%
Per Share			
Earning (Rs.)	4.74	7.83	-39.5%
Dividend (Rs.)	5.00	4.50	11%
Net Assets (Rs.)	66.04	54.50	21%
Market Value (Rs.)	85.00	72.30	17%
Ratio			
Gross Profit (%)	58.62	65.91	-11%
Interest Cover (Times)	2.63	26.52	-90%
Current Ratio (Times)	0.34 : 1	0.74 : 1	-54%

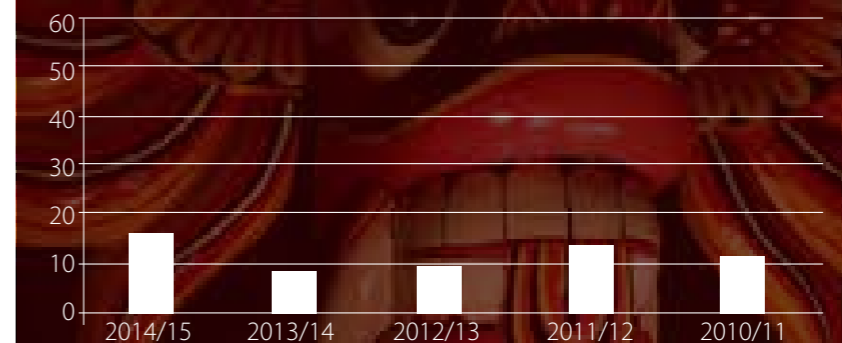
Earnings per Share (Rs.)



Net Assets per Share (Rs.)



Price Earning Ratio (Times)



Mythical Brilliance...



നാഗ രാക്ഷാ
Naga Raksha

Naga Raksha is also one of the mythical characters performed before the King and his consort.

**Message from the
Chairman**



Message from the Chairman

" Sri Lanka recorded the highest ever Tourist arrivals, reaching 1.52 Mn during the year 2014. Western Europe continues to be the largest origin accounting for 31% of the tourist arrivals, followed by India (16%) & China (8%). The highest growth market segment came from China, which increased by 136% to record 128,166 tourist arrivals. "



Message from the Chairman...

Dear Shareholder,

I take pleasure in presenting you with the Annual Report and the Audited Financials of Amaya Leisure PLC for the year ended 31st March 2015.

Amaya Group achieved its highest ever turnover of Rs. 1.4 Bn during the year under review. However, with pressures on the Average Room Rates (ARR's) due to intense competition, and rising overheads, the Amaya chain of hotels (excluding Amaya Beach) recorded a profit before tax of Rs. 373 Mn as against Rs. 418 Mn during the last year, a decline of 10.8%.

With the vision of increasing our presence in the country's strategic scenic locations, your company acquired a controlling stake of a 125 room beach property in Passikudah in May last year. The hotel which was formerly under the management of Centara, (a Thai hotel management chain) was taken over by Amaya, and was rebranded as 'Amaya Beach'. Amaya Beach filled the vacuum of a beach property in the Group, and now we are able to offer our clientele a round trip covering Sigiriya, Kandy Nuwara-Eliya and Passikudah.

For the year under review, Amaya Beach recorded a Rs. 95 Mn post-acquisition loss (of which

Rs. 81 Mn pertains to the high finance cost). As a result Amaya Leisure, the holding company incurred an additional finance cost of Rs. 51 Mn since the acquisition was funded via debt.

Industry Overview

Sri Lanka recorded the highest ever Tourist arrivals, reaching 1.52 Mn during the year 2014. Western Europe continues to be the largest origin accounting for 31% of the tourist arrivals, followed by India (16%) & China (8%). The highest growth market segment came from China, which increased by 136% to record 128,166 tourist arrivals.

Earnings from tourism grew by 41%, from US \$ 1,715 Mn in 2013 to US \$ 2,431 Mn in 2014. The increase from earning came in from both increase of tourist arrivals together with higher spending, on average US \$ 160 per day with 9.9 days average spend.

Sri Lanka continued to receive travel accolades for its scenic beauty, with the Forbes magazine listing Sri Lanka amongst the 'Top 10 Coolest Countries in the World to Visit in 2015'.

Way forward

Amaya Group continues to be a leading hotel operator owning and managing 600+ rooms.

All efforts would be taken to improve the profitability of Amaya Beach. We have urged the authorities to look into improve the facilities in the north and east and most importantly to operate and domestic service between the international airport and the eastern province.

Accolades

Amaya Group was recognised in the International Hotel Awards Ceremony, with Amaya Lake bagging the 5 Star Award in the category of 'Best Hotel Renovation/Refurbishment' and Hunas Falls winning the award for the 'Best Sustainable Hotel for Sri Lanka in the Asia Pacific Region'

Changes in Directorate

Ms. D.S.N. Weerasooriya resigned from the Board during the year under review. I take this opportunity to place our sincere appreciation to Ms. Weerasooriya's contributions to the Board's deliberations.

Ms. W. D. De Costa was appointed on 1st July 2014 to the Board.

Conclusion

I wish to take this opportunity to thank my fellow Board Members, Business Partners, Management Team and the staff at all levels of Amaya for their valued contribution. Last but not least, our client from across the globe, who continues to patronize the Amaya Chain, we hope to serve you better in the years to come.



A. M. PANDITHAGE
Chairman
16th May 2015

Royalty Personified...



මහා සමමත රජු
සහ බසව
King Mahasammatha
& Queen

According to legend of the Kolam Play, King Mahasammatha's wife became pregnant and had a longing to see a Mask dance. After it was organized and seeing such a significant performance, the Queen's Doladuka was satiated.

Managing Director's Review



Managing Director's Review

" We are positive that our strategic investment further into the hospitality industry will augur well in increasing our revenue and profitability and look forward to a promising year ahead."



Managing Director's Review

It is with pleasure that I present to you the review of operations for the financial year 2014/15.

The highlight of the year was Amaya's acquisition of the largest beach property on the East coast of the island, within the beautiful bay of Passikudah, formerly known as Centara, now Amaya Beach. This was an exciting event for the group - the purchase of the majority shareholding of this meticulously planned 125 bedroom, 5 star resort enabled the Amaya group to fulfill the need for the long awaited establishment of a beach resort in the East.

Although this medium to long term investment has temporarily hindered the profitability of the group, we are more than confident of the investment and signs are very much in favour of a "turnaround" in operational results within a very short period of time.

During the year under review the Company recorded a decline in profitability due to heavy market volatility caused by our dependence on emerging markets and the dip from traditional

markets such as Europe and the UK. Furthermore, euphoria has set in with more and more properties being built creating a mini price war, especially in resort areas within the Cultural Triangle.

Hotels within the group received many accolades during the year. Our Flagship Resort, Amaya Lake was awarded the "Best Refurbished Resort" at the International Hotel Awards ceremony held in London in late January. Hunas Falls, managed by Amaya was awarded "Best Sustainable Hotel" at the same event. Langdale by Amaya too succeeded in achieving the BID award for Best Service Excellence and continues to be extremely popular amongst visitors from UK and Europe.

I am pleased to inform you that most of our properties have gone through the entire refurbishment programme and are now geared up to face the competition during the year ahead. We are extremely proud to announce that "Signature by Amaya" in Kandalama is now fully complete and eagerly awaits the arrival of an upmarket clientele.

Amaya Hills and our Bungalows have been very well patronized during the year, bringing in the desired results. An additional block of land adjacent to these properties has been purchased to enhance the existing facilities, with a view to increasing our revenue.

Although there has been a decline in profitability due to our new acquisition, the company managed to increase its Net Asset Value and increase Stakeholder returns during the year under review.

With Sri Lanka being recognized as a country that is expected to face rapid development within a very short period of time, we are positive that our strategic investment further into the hospitality industry will augur well in increasing our revenue and profitability and look forward to a promising year ahead.

I wish to take this opportunity to thank my management team and all members of our staff for their commitment towards our sustainable operation and my fellow Board members for their unstinted advice and support.



L. T. SAMARAWICKRAMA
Managing Director
16th May, 2015

Perfect Synergy...



සඳු කිඳුරු කෝලම
Sandakinduru Kolama

The Sandakinduru story is a well-known Jathaka Story known as Channa Kinnara Jataka. The Kindurus are mythical beings who are half man/women and half bird. They live in the Himalaya Mountain Range. The Story revolves around two Kindurus and the King Bambadath.



Financial Calendar



1,413 Mn

Group Turnover for Year 2014/2015

21%

Revenue Growth Rate for Year 2014/2015

223 Mn

Profit before Tax 2014/2015

Financial Calendar

Audited Financial Statement Signed on	16 May 15
33rd Annual General Meeting	24 Jun 15

INTERIM FINANCIAL STATEMENTS

1 st Quarter Interim Results released on	28 Jul 14
2 nd Quarter Interim Results released on	03 Nov 14
3 rd Quarter Interim Results released on	06 Feb 15
4 th Quarter Interim Results released on	18 May 15

GROUP OPERATIONAL HIGHLIGHTS

Year Ended 31st March

	2015	2014
Occupancy - Lake	67%	68%
Occupancy - Hills	79%	80%
Occupancy - Beach	36%	-
Overall Occupancy	61%	74%

Strength & Power...



ഗര രാക്ഷി
Gara Raksha

According to the beliefs of the villagers, bad influences come from directly from demons as well and through an evil mouth, evil eye and/or evil thoughts. The Keela Gara is the most powerful Gara who is able to avoid and protect the people from these bad influences.

Profiles of the Board





Mr. A. M. Pandithage
Chairman

Chairman & Chief Executive of Hayleys PLC. Appointed as Chairman of Amaya Leisure PLC in December 2011. Fellow of the Chartered Institute of Logistics & Transport (UK). 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 Advisory Council of the Ceylon Association of Ships' Agents. Recipient of the Best Shipping Personality award by the Institute of Chartered Shipbrokers.

Corporate Excellence Leadership Recognition - Institute of Chartered Accountants of Sri Lanka.



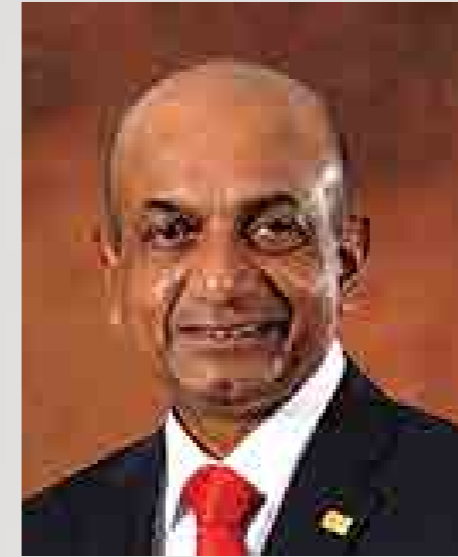
Mr. Chandra J. Wickramasinghe
Deputy Chairman

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 the Deputy Chairman of Amaya Leisure PLC and a Director of The Fortress Resorts PLC.

Mr. Wickramasinghe is a Board Member of The Sri Lanka Tourism Development Authority (SLTDA). He 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 The Sri Lanka Tourism Promotion Bureau (SLTPB).

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



Mr. L. T. Samarawickrama
Managing Director

An Internationally qualified Hotelier having gained most of his Management experience in 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, 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, Sun Tan Beach Resorts Ltd, Royal Porcelain (Private) Limited, Royal Ceramics Distributors (Pvt) Ltd, Rocell Bathware Limited, Culture Club Resorts (Pvt) Ltd, Kandyan Resorts (Pvt) Ltd and an Executive Director of Hayleys PLC.



Mr. Denesh Silva
Director - Marketing & Sales

Mr. Denesh Silva is a Fellow Graduate Member from the Ceylon Hotel School and the 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 Amaya Leisure PLC, The Kingsbury PLC, The Fortress Resorts PLC, Maalu Maalu Resorts & Spa, Hunas Falls Hotels PLC, Delair Travels (Pvt) Ltd and Sun Tan Beach Resorts Ltd. He counts over 23 years of experience in the Hospitality industry, specializing in Marketing and Sales.

Mr. Silva currently functions as the Head of the Marketing Sub-Committee and Managing Committee Partner of the Hotels Association of Sri Lanka, President of the Travel Trade Sports Club, Vice Chairman of the Pacific Asia Travel Association - Sri Lanka Chapter and an Active Member of SKAL International Colombo. 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 has over 25 years of experience in building formidable businesses through unmatched strategic foresight.

Mr. Perera is the Chairman of Sampath Bank PLC, Vallibel One PLC, Vallibel Power Erathna PLC, Royal Ceramics Lanka PLC, The Fortress Resorts PLC, Delmege Limited and Sun Tan Beach Resorts Ltd. He is the Co - Chairman of Hayleys PLC, Executive Deputy Chairman of LB Finance PLC and Deputy Chairman of Horana Plantations PLC, and Lanka Ceramics PLC. He is the Executive Director of Vallibel Finance PLC and also serves on the Boards of Amaya Leisure PLC, Lanka Tiles PLC, Haycarb PLC, Hayleys MGT Knitting Mills PLC, The Kingsbury PLC, Dipped Products PLC, & Hayleys Global Beverages (Pvt) Ltd.



Mr. Nimal Perera
Director

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

He also holds directorships in Hayleys PLC, The Kingsbury PLC, Haycarb PLC and Talawakelle Tea Estates 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 Vallible Finance PLC.

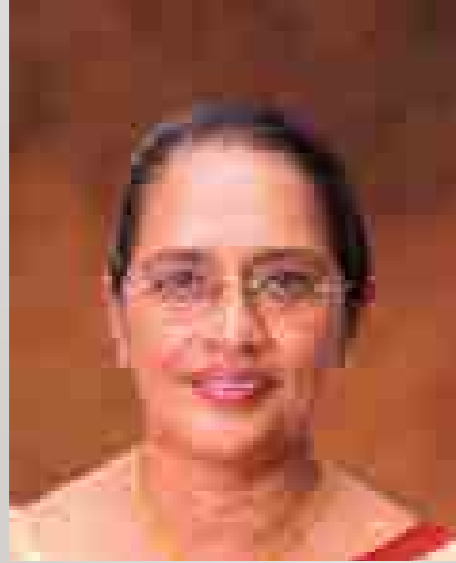


Mr. S. H. Amarasekera
Director

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

Mr. Amarasekera has a wide practice in the Original Courts as well as in the Appellate Courts. He specialises in Commercial Law, Business Law, Securities Law, Banking Law and Intellectual Property Law.

He serves as the Chairman of CIC Holdings PLC, Chemanex PLC and CIC Agri Business (Private) Limited and as an Independent Director in several leading listed Companies in the Colombo Stock Exchange including Vallibel One Ltd., Royal Ceramics Lanka PLC, Expo Lanka Holdings PLC, Chevron Lubricants Lanka PLC, Amana Bank PLC, Keells Food Products PLC & Vallibel Power Erathna PLC.



Ms. Warini De Costa
Director

Mrs. De Costa was appointed as a Non Executive Director and as the Chairman of the Board Audit Committee of Amaya Leisure PLC in July 2014. She counts over 30 years of experience in finance & management, 21 years of which has been with Glaxo Wellcome Ceylon Ltd. where she served as a Board Director and CFO. She also served as the Finance Director of Cinnamon Grand and Cinnamon Lakeside hotels.

Mrs. De Costa is a Fellow of the Institute of Chartered Accountants of Sri Lanka & the Society of Certified Management Accountants Sri Lanka and holds an MBA from the Postgraduate Institute of Management University of Sri Jayewardenepura.



Ms. R. N. Ponnambalam
Director

Mrs. Ponnambalam has held several senior management positions in large private sector entities. She has served as a Director of McLarens Holdings Ltd & GAC Shipping Ltd. She currently serves as a Director of 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.

සුරඹා වල්ලි Suramba Walli

Surabavalliya is the beautiful Consort of Suraba, who is one of the Gods in Heaven. Based on the mask that the performer wears and the verses which are sung during the dance, what is exemplified is her act of playing with balls.





Historic Significance...



ගුරුලු රක්ෂා
Gurulu Raksha

According to the myths and legends Yaksha, Raksas, Nagas and Garudas are mentioned as groups of early inhabitants of Sri Lanka. This is a mythological character and it gives feelings of both pleasure and terror to the spectator.

Our Hotels



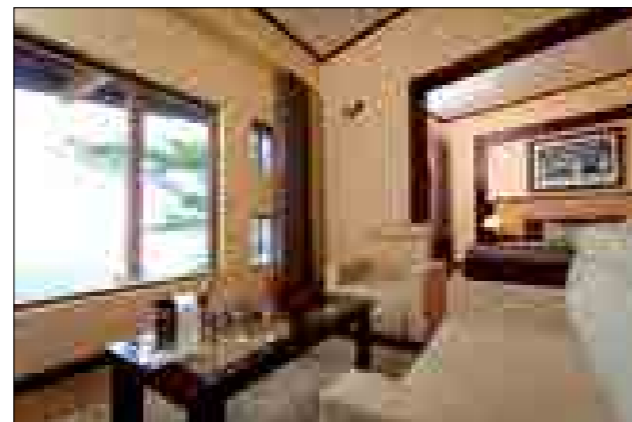


For a moment, the peace and solitude takes your breath away. On top of a lush mountain range Amaya Hills, Kandy fans out to meet the sky in an endless expanse. Your view is only fringed by the endless lush valleys and the captivating sun sets.

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 UNESCO world heritage Polonnaruwa, 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.

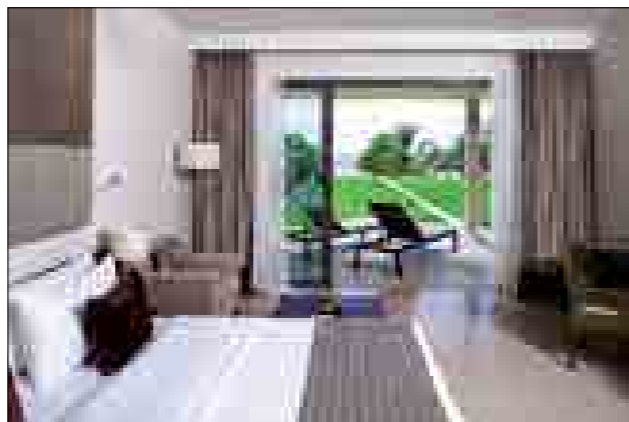
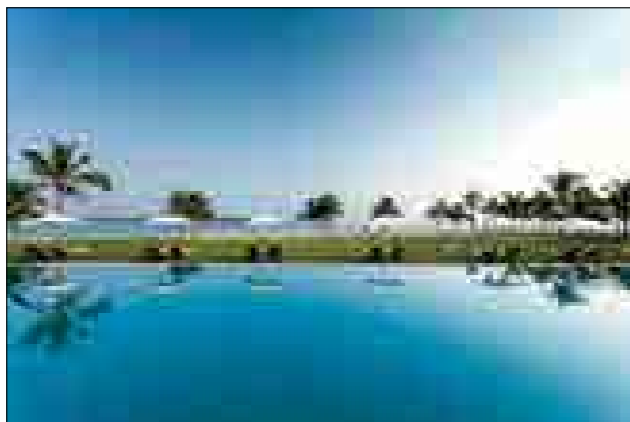




Known to have one of the longest stretches of shallow coastline in the world, the coastal community of Passikudah is about 35km Northwest of Batticaloa. The resort, which is on the east side of the island, is about five hours away from Colombo by road. But what draws tourists to this location is Passikudah's bay which is truly magnificent and is protected by a reef that runs across making it one of the safest and calmest stretches of coastline in the east. The reef is home to lovely coral formations and reef fish with dotted palmyrah trees with sand so soft it almost disappears in your hands.

Besides relaxing on the tranquil beach, you will enjoy a wide range of facilities and activities including a large swimming pool, water sports and Amaya Beach award-winning SPA, a venue of pampering excellence and well-being offering subtle holistic experiences including the ever popular Ayurvedic treatments and other therapeutic treatments for you to unwind or restore your inner balance.

The resort has 125 rooms and suites, most of which overlook the sandy beach, and are designed in a fresh décor with touches of vivid colours that echo the ambience and warmth of this inspiring island.

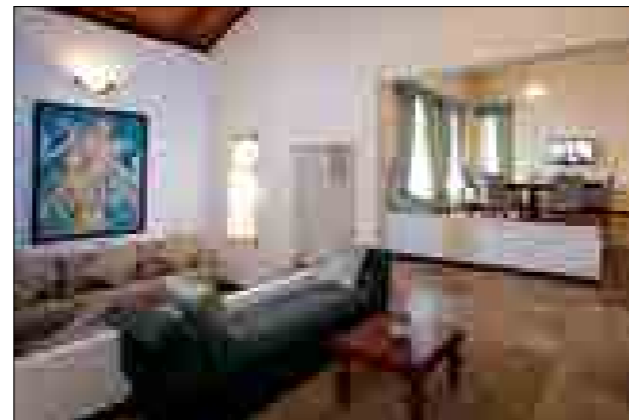




As Kandy wakes to a new day, you gear up for a new adventure from the charming and enchanting Bungalow by Amaya, Kandy.

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

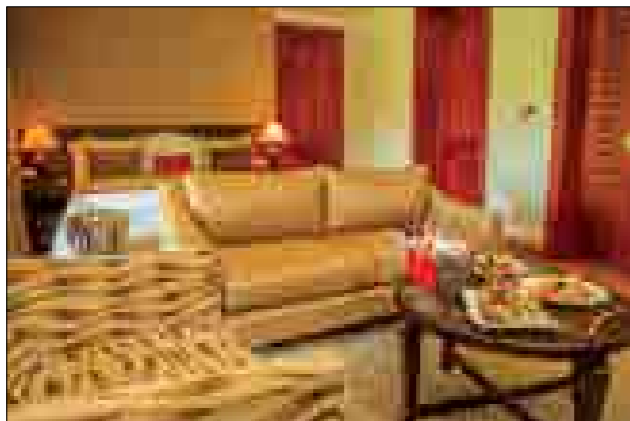
Dambulla • Sri Lanka

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.





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 chef's 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.





A Colonial Heritage

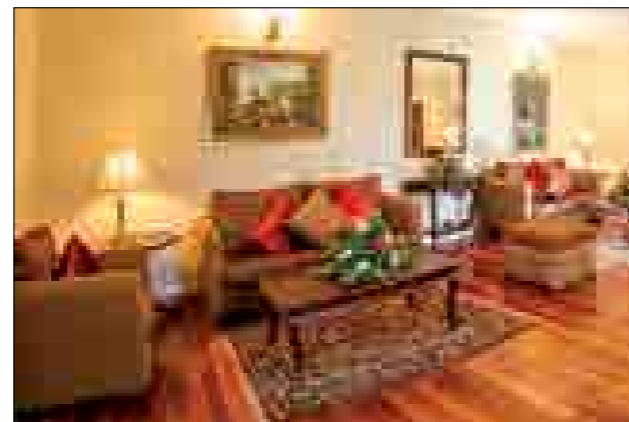
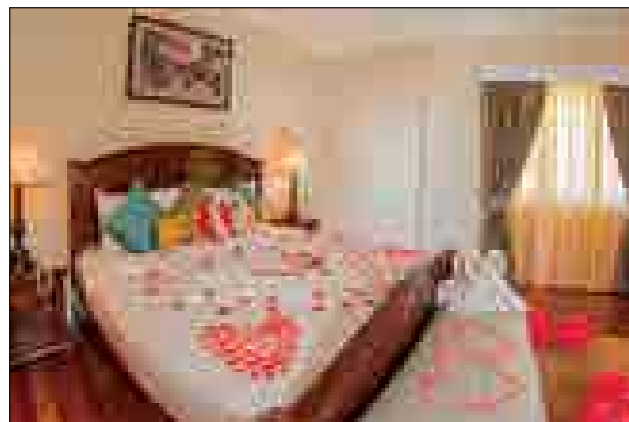
As you stroll along the resort the vast stretches of tea gardens stirs a sense of awe deep within you. Like a pearl in its oyster, you're embraced by the soothing ambience of Langdale by Amaya, Nuwara Eliya.

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.



Fiery Brilliance...



ଗିନି ଚକ୍ରଗୁଣ୍ଡିତ
Gini Jala Raksha

This mask symbolizes one of the manifestations of the God of Fire who is considered as being responsible for the continuity of nature.

Corporate Management



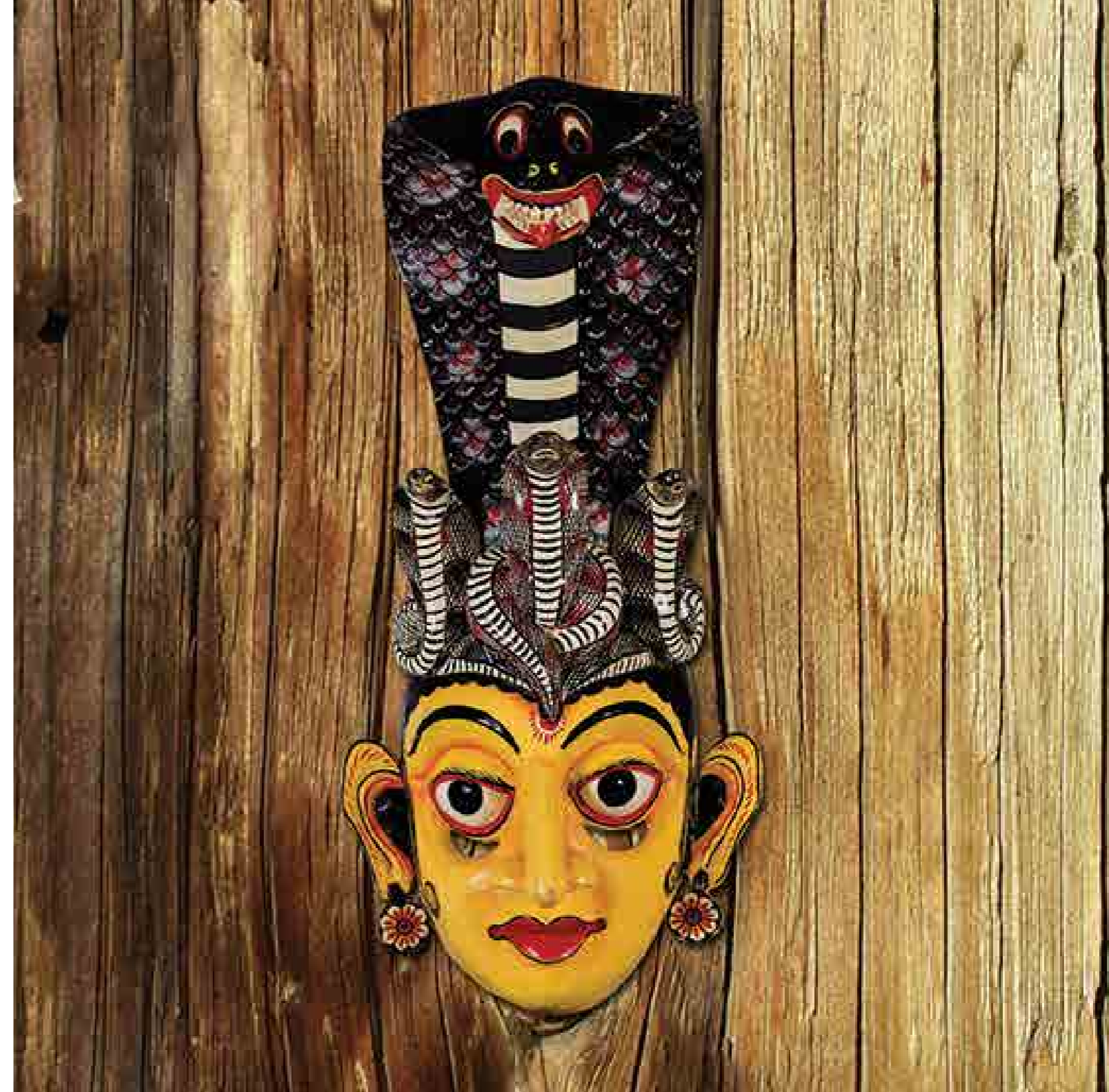
Corporate Management

A.M. Pandithage
Chairman

L.T. Samarawickrama
Managing Director

Denesh Silva
Director - Marketing & Sales

Aruna Dikkumbura
Chief Financial Officer



නාග කුණාස
Naga Kanya

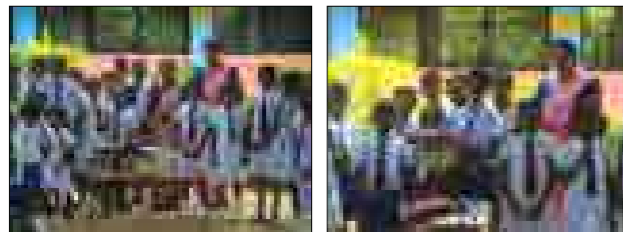
Naga Kanya is the female character of Naga Raksha. She appears in the arena with very tender feminine movements.

Corporate Social Responsibility



Corporate Social Responsibility

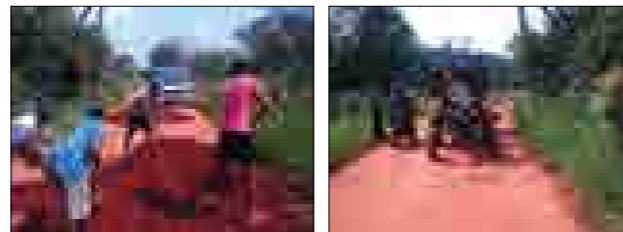
School Books Donation



Our children are the future of this land. We at Amaya Group, having recognised this, continuously contribute in every possible manner to help our children realise the value of a sound education.

Bellanoya Primary School in Innamaluwa is a school with children from under-privileged families. Staff of Amaya Lake recently donated books and other stationeries to the children of this school.

A Quarterly Shramadana

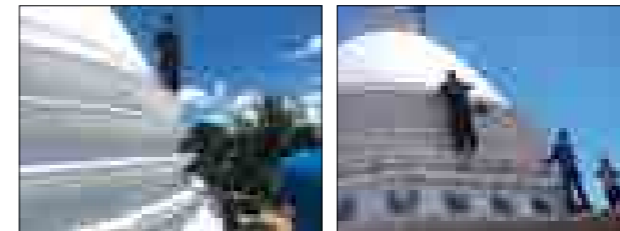


A Shramadana campaign takes place in the vicinity of the hotel.

The Amaya Lake staff regularly organize Shramadana campaigns with the villagers in the locality to help keep the environs clean and tidy.

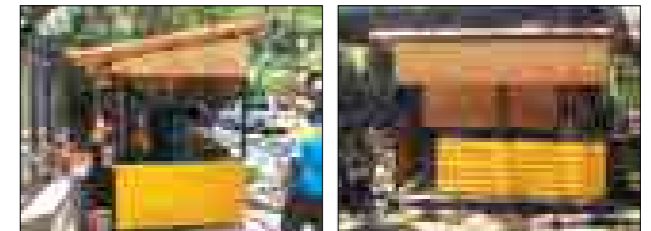
Corporate Social Responsibility...

Construction of Temple Facade



The Staff at Amaya Hills Staff Welfare Society recently helped to construct the new facade of the Augustawatta Sri Sugatharama Vihare Chaithiya.

Renovation of Bus Halt



The Gatambe Junction Bus Halt was repaired and painted by the Amaya Hills Staff Welfare Society Social & Development Committee to help the community of the area.

Amaya Staff Helping their Communities Grow



Staff of Amaya Beach donated dry goods to the most-deserving villages in the Passikudah and Kalkudah areas. 125 under-privileged families and around 40 students of this village were provided with dry rations and other food items during this project.



Power & Intensity...

കൂട്ടക രാക്ഷാ
Kutaka Raksha

There are many Rakshas in the story.
This Raksha presents itself at the arena
with making big noise.

Financial Information

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Resplendent Beauty ...



അൻറോ
Narilatha

There is a belief that the Narilatha is the very significant flower which grows in the Himalaya Mountain Range. It is supposed to be so beautiful that when it is seen in bloom even hermits lose their concentration and are unable to meditate.

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



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

The Directors of Amaya Leisure PLC have pleasure in presenting to the Shareholders their report together with the audited accounts of the Company for the year ended 31st March 2015.

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 2015 and its future prospects.

PERFORMANCE AND APPROPRIATIONS

The Company's performance including that of its subsidiaries for the year ended 31st March 2015 is summarized as follows:

	Year Ended	
	31st March 2015 Rs. '000	31st March 2014 Rs. '000
Turnover	1,413,338	1,171,594
Profit before Tax	223,489	417,919
Taxation	(42,667)	(41,757)
Profit after Tax	180,822	376,162
Non-Controlling Interest	(47,033)	2
Net Profit for the Year attributable to the Group (Before other Comprehensive income)	227,855	376,160
Dividend Paid	240,171	216,154

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 2015 was Rs.526,770,320.00 comprising 48,034,238 ordinary shares. Pending share allotment on proposed Scrip Dividend is 2,401,711. The stated capital after the Scrip Dividend will be Rs. 718,907,272.00 comprising 50,435,949 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 24 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. 358 Million (2014 - Rs. 271 Mn) details of which are given in Note 14.1 and 15 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Information relating to the movement in Property, Plant and Equipment is given in Note 14 to the financial statements.

DIRECTORATE

Directors of the Company as at 31st March 2015

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. R. N. Ponnambalam**
Mr. S. J. Wijesinghe (Alternate Director to Mr. Dhammika Perera)
Mr. H. Somashantha (Alternate Director to Mr. Nimal Perera)
Ms. W. D. De Costa **

* Non - Executive Directors

** Independent Non - Executive Directors

Ms. D. S. N. Weersooriya who served as a Director resigned on 31st May 2014.

Ms. W. D. De Costa was appointed to the Board as Director on 1st July 2014. In terms of the Articles 27(2) of the Articles of Association of the Company shareholders will be requested to re-elect her at the Annual General Meeting.

In terms of Article No. 29(1) of the Articles of Association of the Company, Mr. A. M. Pandithage and Ms. R.N.Ponnambalam retire by rotation and being eligible offer themselves for re-election.

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.

The Company maintains an interest register and the details of the entries with regard to the Director's shares are given under Directors Shareholding.

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

Details of Directors' shareholdings as follows:

Director	No. of Shares	
	31/03/2015	01/04/2014
Mr. A. M. Pandithage	NIL	NIL
Mr. W. A.D. C. J. Wickramasinghe *	1,431,293	11,085
HNB / Mr. W. A. D. C. J. Wickramasinghe		1,626,738
Mr. C. J. Wickramasinghe		644,994
Mr. L. T. Samarawickrama**	4,463,217	4,463,217
People's Leasing & Finance Plc / Mr. L.T. Samarawickrama (As at 01st April 2014 shares were held through Waldock Mackenzie Ltd. / Mr. L. T. Samarawickrama)		-3,973,477
HSBC / Mr. L.T. Samarawickrama		- 429,740
Mr. L.T. Samarawickrama		- 60,000
Mr. S. Senaratne***	372,894	602,894
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 / B. M. Amarasekera & S. H. Amarasekera		- 8,489
Mr. D. E. Silva	51,423	51,423
Ms. D. S. N. Weerasooriya (Resigned on 31.05.2014)	NIL	NIL
Ms. R. N. Ponnambalam	NIL	NIL
Ms.W. D. De Costa (Appointed on 01.07.2014)	NIL	NIL

* Mr. C.J. Wickramasinghe sold 851,524 ordinary shares held by him during the year.

** Mr. L.T. Samarawickrama has the controlling interest in Elles (Pvt) Ltd, which holds 339,272 (0.71%) shares in the Company. 100,000 Shares were disposed by Elles (Private) Limited during the year.

*** Mr. S. Senaratne sold 230,000 ordinary shares held by him during the year.

**** Mr. Dhammika Perera holds directly and indirectly 49.71% of the total issued shares of Hayleys PLC which holds 19,366,234 (40.32%) shares in the Company.

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

SHAREHOLDERS DISTRIBUTION

The distribution of shareholders is indicated on pages 190 in the Annual Report. There were 1477 registered shareholders as at 31st March 2015.

DIVIDENDS

An interim Dividend of Rs. 1.00 per share was paid as cash dividend and Rs. 4.00 per share by way of a Scrip Dividend on 23rd April 2015 making a total interim dividend of Rs. 5.00 per share. Such Scrip Dividend was in the ratio of 1 share for every 20 shares held.

The Directors have confirmed that the Company satisfied the Solvency Test Requirement under section 56 of the Companies Act No. 07 of 2007 and a Solvency Certificate was obtained from the Auditors in respect of the Interim Dividend paid.

SHAREHOLDER'S INFORMATION

Information relating to major shareholders of the Company as at 31st March 2015 are given on page 191.

CHANGES IN FIXED ASSETS

The movement in fixed assets during the year is set out in Note 14 to the Accounts.

MARKET VALUE OF THE COMPANY'S ORDINARY SHARES

The Market Value of the Company's Ordinary Share as at 31st March 2015 was Rs. 85.00 compared to Rs. 72.30 as at 31st March 2014 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 18 and 19 to the Financial Statements.

POST BALANCE SHEET EVENTS

There have been no any 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 29 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 2015 are as follows:

Name of the Related party	Name of the Director	Relationship	Details	Balance outstanding as at 31.03.2015
Pan Asia Banking Corporation PLC	Nimal Perera	Director	A Sum of Rs. 4,028,169 / - was paid as lease rental A Sum of Rs. 509,566 / - was paid as overdraft interest	(5,988,231)
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 Director Alt. Director	A Sum of Rs. 1,200,000 was charged as Management Fees A Sum of Rs. 29,155,430/- was charged as Sales Commission A Sum of Rs. 109,904,314/- was received as Dividend income A Sum of Rs. 73,914,183/- was incurred as settlement of liabilities by the company	(33,682,253)
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 Director Alt. Director	A Sum of Rs. 1,200,000 was charged as Management fees A Sum of Rs. 35,679,341/- was charged as Sales Commission A Sum of Rs. 127,505,628/- was received as Dividend Income A Sum of Rs. 74,687,915/- was incurred as settlement of liabilities by the company	(112,439,721)
Hayleys PLC	A. M. Pandithage Dhammika Perera Nimal Perera L. T. Samarawickrama	Director Director Director Director	A Sum of Rs. 38,716,657/- was charged as Service fee & other reimbursement of expenses by Hayleys PLC	(20,490,286)
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.2,724,589/- was charged as Management fees A Sum of Rs. 4,290,807/- was charged as Sales Commission A Sum of Rs. 26,823,429/- was incurred as settlement of liabilities by the company	880,507
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.26,410,958/- was charged as Management Fees A Sum of Rs. 34,444,818/- was charged as Sales Commission	10,877,232

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

AUDITORS

The Auditors, Messrs Ernst & Young, Chartered Accountants, were paid Rs. 2,049,900 as audit fees by the Group. In addition, they were paid Rs. 1,249,212 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 146 to 161 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 2015.

DIRECTORS' REMUNERATION

Directors' Remuneration in respect of the Company is disclosed under Note No. 29.2.

INSURANCE & INDEMNITY

The Company is covered by Directors and Officers (D & O) cover of the Parent Company, Hayleys PLC and a premium of Rs. 4.5 Mn and the limit on liability of the cover is US \$ 5 Mn.

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 Wednesday, 24th June 2015 at 10.00 a.m. The Notice of the Annual General Meeting appears on page 196.

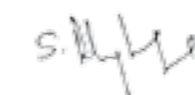
For and on behalf of the Board,



A. M. Pandithage
Chairman



L. T. Samarawickrama
Managing Director



Hayleys Group Services (Pvt) Ltd.
Secretaries

400, Deans Road,
Colombo 10
16th May 2015

Majestical Royalty...



සිංහ කෝලම
Singha Kolama

Singha Kolama in the first Animal Character
which presents itself to the arena or Ranga
Madala and performs in front of the King and
Queen.



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 2015 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 50 of this report.

Non-Executive/Independent Directors and Board Balance

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

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

Name of Director/Capacity	Share Holding	Management/ Director	Material Business Relationship	Employee of Company	Family Member a Director or CEO	Nine Years of Continuous Service
	1	2	3	4	5	6
Executive Director						
Mr. A .M. Pandithage	No	No	No	No	No	No
Mr. L. T. Samarawickrama	No	No	Yes	No	No	Yes
Mr. D. E. Silva	No	No	Yes	Yes	No	Yes
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. W. D. De Costa	No	No	No	No	No	No
Ms. R. N. Ponnambalam	No	No	No	No	No	No

Corporate Governance...

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.

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

Corporate Governance...

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
3. Sun Tan Beach Resort Ltd.

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. 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. Ad hoc meetings are held as and when necessary. The Director’s attendance is shown in the table below.

Name of Director	Meetings Attended
AM Pandithage	5/5
LT Samarawickrama	5/5
DE Silva	4/5
CJ Wickramasinghe	5/5
S Senaratne	2/5
Dhammika Perera	1/5
SJ Wijesinghe (Alternate to Mr. Dhammika Perera)	4/5
Nimal Perera	2/5
Hareesh Somashantha (Alternate to Mr. Nimal Perera)	-
SH Amarasekera	4/5
DSN Weerasooriya*	2/2
RN Ponnambalam	5/5
WD De Costa**	3/3

* Resigned on 31.05.2014

** Appointed on 01.07.2014

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

Corporate Governance...

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 and CFO.

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 (Resigned on 31.05.2014)
4. Ms. R. N. Ponnambalam

The Board identifies eligible candidates having regard to their professional competence, experience in commercial, management and personal qualities. Eligible candidates are recommended for appointment by the Nominations Committee of the Amaya Leisure PLC, in keeping with its norms.

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

Tenure, Retirement and Re-election

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

The tenure of office for Non Independent Directors is limited by their prescribed Company retirement age.

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

The proposal for the re-appointment of Directors is set out in the Annual Report of the Board of Directors on page 89 as well as the Notice of Meeting on page 196 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 (Resigned on 31.05.2014)
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.

Corporate Governance...

ACCOUNTABILITY AND AUDIT

Operations, Planning, Monitoring and Decision Rights

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

Monitoring of Financial Data

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

Investment Appraisal Process and Investment Decisions

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

Integrity of Systems, Processes and Internal Controls

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

Audit Committee

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

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

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

Name of Director	Meetings Attended
WD De Costa** - Chairperson	4/4
DSN Weerasooriya*	1/1
SH Amarasekera	4/5
RN Ponnambalam	5/5
CJ Wickramasinghe	5/5

* Resigned on 31.05.2014

** Appointed on 01.07.2014

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

Corporate Governance...

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 166 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.

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 122 of this Report. The Directors' interests in contracts of the Company are addressed on page 92 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.

Corporate Governance...

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 2015 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. On 30 April 2014, the Group acquired 51% of the voting shares of Sun Tan Beach Resort Limited, an unlisted company incorporated in Sri Lanka and engage in the hotel industry. The Group acquired Sun Tan Beach Resort Limited in order to enhance their hotel chain.

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

Corporate Governance...

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
A. 4 DIRECTORS - Financial Acumen				
A.4	Possession of adequate financial acumen	<ul style="list-style-type: none"> Board to ensure adequacy of financial acumen and knowledge within board 	●	Corporate Governance
A. 5 DIRECTORS - Board Balance				
A.5.1	Composition of Board	<ul style="list-style-type: none"> The Board should include a sufficient number of Non Executive, Independent Directors. At least two NED or 1/3 of total number of Directors which ever is higher should be NED 	●	Corporate Governance
A.5.2	Proportion of independent Directors	<ul style="list-style-type: none"> Two or one third of the Non-Executive Directors which ever is higher should be independent 	●	Corporate Governance
A.5.3	Test of independence	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Non-executive Directors should submit a signed and dated declaration annually of their independence/Non-Independence 	●	Available with Secretaries for review.
A.5.5	Annual determination of criteria of independence/ Non-Independence and declaration of same by the Board	<ul style="list-style-type: none"> The Board should annually determine and disclose the names of Directors deemed to be independent 	●	Corporate Governance
A.5.6	Appointment of Alternate Director by NED or by Independent Director	<ul style="list-style-type: none"> Such Alternate Director should not be an executive of the company and also need to meet the criteria of independence. 	N/A	
A.5.7	Appointment of SID	<ul style="list-style-type: none"> If the role of Chairman/CEO are combined, the board should appoint one of the independent NED as a Senior Independent Director. 	N/A	
A.5.8	Availability of Senior Independent Director to other Directors	<ul style="list-style-type: none"> If warranted, the SID should be available to the other Directors for confidential discussions. 	N/A	
A.5.9	Interaction between Chairman and Non-Executive, independent Directors	<ul style="list-style-type: none"> The Chairman should meet the Non-Executive, independent Directors at least once a year 	●	Corporate Governance
A.5.10	Directors' concerns to be recorded	<ul style="list-style-type: none"> 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
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 to re-election thereafter at intervals of no more than three years. 	●	Corporate Governance / Annual Report of the Board of Directors / Notice of Meeting / Articles of Association of the Company
A. 9 DIRECTORS – Appraisal of Board Performance				
A.9.1	Board should appraise itself	<ul style="list-style-type: none"> Board Should annually appraise itself on its performance. 	●	Corporate Governance / Annual Report of the Board of Directors
A.9.2	Annual Self Evaluation	<ul style="list-style-type: none"> Board Should undertake an annual self evaluation of its own performance. 	●	Corporate Governance / Annual Report of the Board of Directors
A.9.3	State the way of Evaluation	<ul style="list-style-type: none"> Board state how such performance evaluation have been conducted in the Annual Report. 	●	Corporate Governance / Annual Report of the Board of Directors

Corporate Governance...

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
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
A. 11 DIRECTORS - Appraisal of Chief Executive Officer (Managing Director)				
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 fiscal year 	●	Corporate Governance / Managing Directors Review
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 each fiscal 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
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"> Executive Share options should not be offered at a discount 	N/A	
B.2.6	Performance - Related remuneration schemes	<ul style="list-style-type: none"> In designing schemes of performance related remuneration should follow the guidelines 	N/A	
B.2.7	Compensation Commitments	<ul style="list-style-type: none"> Remuneration Committee Should consider what compensation commitments entitle in the event of early termination 	N/A	
B.2.8	Compensation Commitments	<ul style="list-style-type: none"> Remuneration Committee within legal constraints tailor their approach in early termination cases 	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 each Director, names of Directors of the Remuneration Committee 	●	Financial Statements/ Report of the Remuneration Committee

Corporate Governance...

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
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, against and with held in respect of each resolution 	●	Corporate Governance/ Notice of Meeting
C.1.2	Separate resolutions	<ul style="list-style-type: none"> Separate resolutions should be proposed for each substantially separate issues at the AGM 	●	Corporate Governance/ Notice of Meeting
C.1.3	Availability of Committee Chairmen at AGM	<ul style="list-style-type: none"> The Chairmen of Board committees should be available to answer any queries at AGM 	●	Corporate Governance
C.1.4	Notice of AGM	<ul style="list-style-type: none"> 15 working days notice to be given to shareholders 	●	Notice of Meeting
C.1.5	Procedure for voting at meetings	<ul style="list-style-type: none"> Company to circulate the procedure for voting with Notice of Meeting 	●	Notice of Meeting
C. 2 RELATIONS WITH SHAREHOLDERS - Communication with Shareholders				
C.2.1	Timely information shareholder	<ul style="list-style-type: none"> There should be a channel to reach an shareholder in order to disseminate timely information 	●	Corporate Governance
C.2.2	Policy & Methodology	<ul style="list-style-type: none"> The company should disclose the policy and the methodology for communication with shareholders 	●	Corporate Governance
C.2.3	Policy & Methodology	<ul style="list-style-type: none"> The company should disclose how they implemented the policy & Methodology 	●	Corporate Governance
C.2.4	Contact person	<ul style="list-style-type: none"> The company should disclose the contact person for such communication 	●	Corporate Governance
C.2.5	Major issues and concerns of shareholders	<ul style="list-style-type: none"> There should be a process to make all Directors aware of major issues & Concerns of shareholders 	●	Corporate Governance
C.2.6	Person to contact shareholder matters	<ul style="list-style-type: none"> Company should decide the person to contact in relation to shareholder matters 	●	Corporate Governance
C.2.7	Responding to shareholder matters	<ul style="list-style-type: none"> The process for responding Shareholder matters should be formulated by the board and disclosed 	●	Corporate Governance
C. 3 RELATIONS WITH SHAREHOLDERS - Major Transactions				
C.3.1	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 	●	Financial Statements

Corporate Governance...

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
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 - the business is a "going concern" - 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' 	●	Responsibility Report of the Auditors and Directors
D.1.4	Management Discussion & Analysis	<ul style="list-style-type: none"> Annual report should include management discussions and analysis 	○	
D.1.5	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.1.6	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.1.7	Disclose of Related Party Transactions	<ul style="list-style-type: none"> The annual report should adequately and accurately disclose related party transactions 	●	Annual report of the board / Financial Statements

Corporate Governance...

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
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
D.2.2	Internal audit function	<ul style="list-style-type: none"> The company should have an internal audit function 	●	Audit Committee Report/ Corporate Governance
D.2.3	Review of the audit committee	<ul style="list-style-type: none"> The Audit Committee to Carry out reviews of the process and effectiveness of risk management and internal controls 	●	Audit Committee Report/ Corporate Governance
D.2.4	Directors responsibility on system of internal controls	<ul style="list-style-type: none"> The director should follow the guidance 	●	Audit Committee Report/ Corporate Governance
D.3 ACCOUNTABILITY AND AUDIT - 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

Corporate Governance...

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
D.4 ACCOUNTABILITY AND AUDIT - 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 ACCOUNTABILITY AND AUDIT - 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
E.1 INSTITUTIONAL INVESTORS – Shareholders Voting				
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 INSTITUTIONAL INVESTORS – Evaluation of Governance Disclosures				
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

Corporate Governance...

● Compliant ○ Non-Compliant

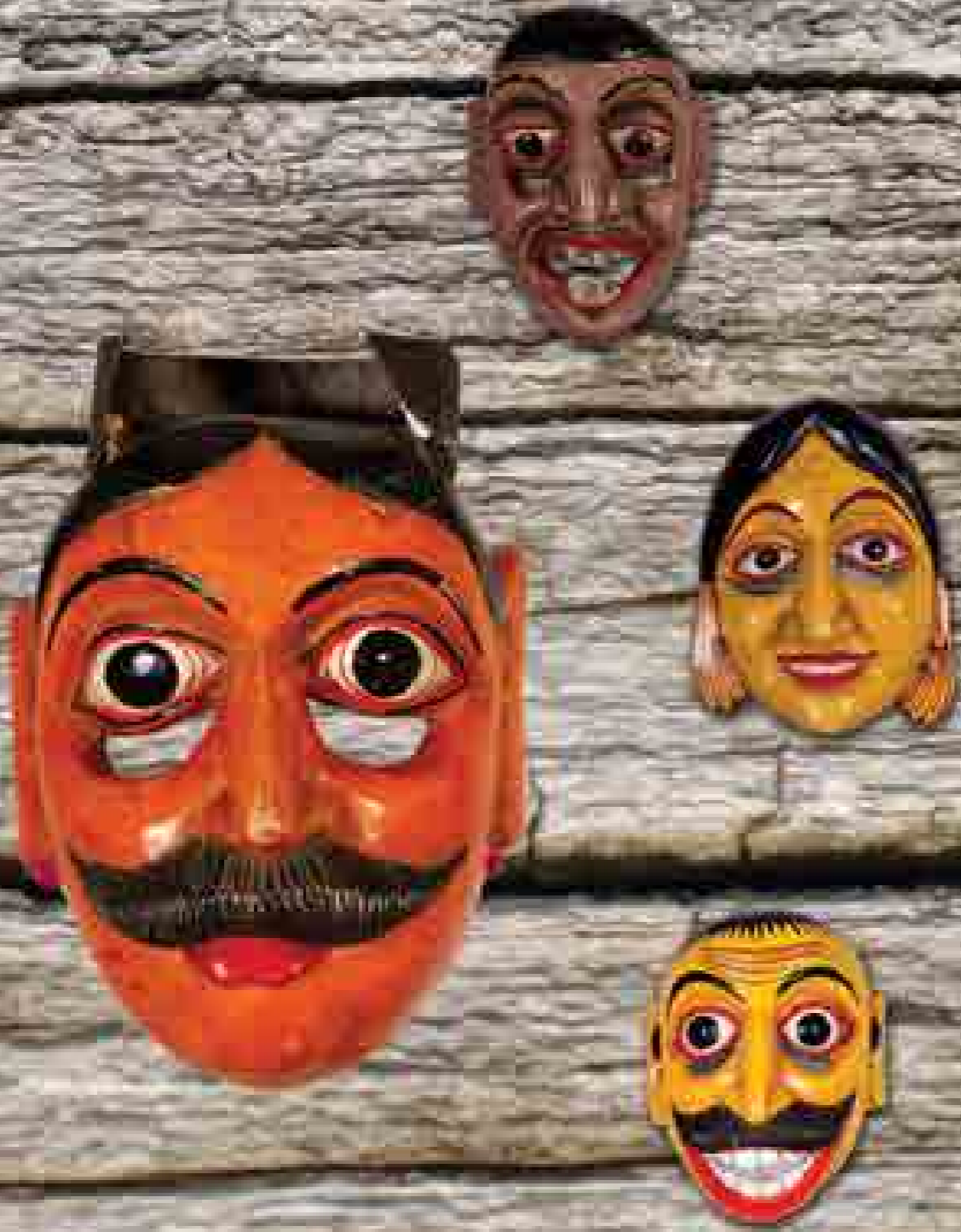
Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
F.1 OTHER INVESTORS – Investing / Divesting Decision				
F.1	Individual Shareholders	<ul style="list-style-type: none"> Individual shareholders should be encouraged to carry out adequate analysis and seek professional advice when making their investment/divestment decisions 	●	Corporate Governance
F.2 OTHER INVESTORS – Shareholders Voting				
F.2	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

Vivacious Beauty & Charm...



ଜାସା କୋଲା Jasa Kolama

Jasa Kolam, i.e. Laundry man. He tells the audience that he comes from the city of Kalinga (Orissa). He talks about his two wives who are very beautiful and helpful. Subsequently, he starts a fight with a villager named Appuhami who is having an affair with one of his wives, Lenchina. They quarrel with each other and the Mudliyar is summoned to solve this problem. Being a womanizer himself, he too starts to flirt with the woman in question. Nevertheless, the Mudliyar manages to solve this issue by advising everyone to sort things in a rational manner.



**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 April 2015 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.

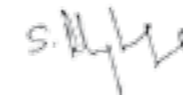
Statement of Directors' Responsibility...

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 135 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

16th May 2015



Matured to Perfection...



അമ്മി അമ്മി
Nonchi Akka

Anabera or Drum Beater falls to the ground in a drunken stupor. At this point his wife, Nonchi akka, enters the arena looking for her husband. She is a very old woman who does not like to be considered as old and ugly. When the narrator calls her a grandmother she scolds him and tries to hit him. When he calls her "sister", she is overwhelmed with joy and rushes to embrace him. She finds her husband lying on the ground and calls for her children. Finally, Panikkala is dragged out of the arena with the assistance of her children.

**Report of the
Audit Committee**



Report of the Audit Committee

Role of the Committee

The role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities for the integrity of financial statements of the company, the systems of internal controls, the audit process of the company and the company's process for monitoring compliance with laws and regulations.

Composition of the Committee and Meetings

The Audit Committee comprised of three Independent/ Non-Executive Directors and one Non-Independent/Non Executive Director. Ms. D.S.N. Weerasooriya, Independent/ Non Executive Director ceased to be a member of the Audit committee from June 2014 due to the resignation from the Amaya Leisure PLC Board on 31st May 2014. Ms. W.D. de Costa was appointed to the Board of Amaya Leisure PLC as an Independent Non executive Director and also as the Chairman of the Audit committee from 1st July 2014. The composition of the Audit Committee is in compliance with the requirement to have a minimum of two Independent Non Executive Directors in terms of the of the Rules on Corporate Governance for listed companies issued by the Colombo Stock Exchange. All Non-Executive Directors satisfy the criteria for independence as specified in the Standards on Corporate Governance for listed Companies issued by the Securities and Exchange Commission of Sri Lanka. The Audit Committee reports directly to the Board. The Individual and collective financial and hotel industry specific knowledge, business experience and independence of members are brought to bear on all matters, which fall within the committee's purview.

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

The Chairman of Amaya Leisure PLC, the Managing Director, Group and Company Chief Financial officers, and the Internal Auditor attend the Audit Committee meetings by invitation. Other officials were invited to attend on a need to basis.

Meetings of the Audit Committee

The Audit Committee held five (5) meetings during the financial year. Information on the attendance at these meetings was as follows.

Name of Director	Attendance	Eligibility to attend
*Ms. Weerasooriya	1	1
Mr. H. Amarasekera	4	5
Ms. R. Ponnambalam	5	5
Mr. C. J. Wickramasinghe	5	5
**Mrs. W. D. de Costa	4	4

*Resigned w.e.f. 31st May 2014

**Appointed w.e.f. 1st July 2014

The activities and views of the Committee have been communicated to the Board of Directors through verbal briefings and by tabling the minutes of the Committee's meetings.

Report of the Audit Committee...

Financial Reporting

The Audit Committee has reviewed and discussed the Company's quarterly and annual Financial Statements prior to publication with the management and external auditors, including the extent of compliance with International Financial Reporting Standards (IFRS) adopted locally as Sri Lanka Financial Reporting Standards (SLFRS), LKAS the adequacy of disclosures required by other applicable laws, rules and guidelines. The Committee has also regularly discussed the operations of the Company and its future prospects with management and is satisfied that all relevant matters have been taken into account in the preparation of the Financial Statements.

Internal Audit, Risks and Controls

Hayleys Group Management, Audit and System Review Department continued to serve as the Internal Auditors of the Company, and the audit plans and scope of work were formulated in consultation with the Managing Director, Group and company Chief Financial Officers, and the Chairman of the Audit Committee. The main focus of the Internal Audit was to provide independent assurance on the overall system of internal controls, risk management and governance, by evaluating the adequacy and effectiveness of internal controls, and compliance with laws and regulations and established policies and procedures of the company. During the year, reports were received by the Committee from the Internal Auditors, which were reviewed and discussed with management and the Internal Auditors. The recommendations of the Internal Auditors have been followed up and implemented.

External Audit

The External Auditors' letter of engagement, including the scope of the audit, was reviewed and discussed with the External Auditors prior to the commencement of the audit.

The External Auditors kept the Committee advised on an on-going basis regarding any unresolved matters of significance.

The External Auditors Management Letter together with Management responses was discussed with the management and the auditors. The Audit Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. Confirmation has been received from the External Auditors of their compliance with the independence criteria given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

The Committee has recommended to the Board that Ernst & Young be re-appointed as the External Auditors of Amaya Leisure PLC for the financial year ending 31st March 2016, subject to approval by the Shareholders at the Annual General Meeting.

Conclusion

Based on the reports submitted by the External Auditors and the Internal Auditors of the Company, the assurances and certifications provided by the senior management, and the discussions with management and the auditors both at formal meetings and informally, the Committee is of the view that the control environment within the Company is satisfactory and provides reasonable assurance that the financial position of the Company is adequately monitored and its assets are safeguarded.



W. D. de Costa
Chairperson
Audit Committee
16 May 2015



Imminent Royalty...



എൻവെർ കോളം Anabera Kolama

Andabera Kolam, the item of the village crier, Pannikkala.

He plays the role of a drunkard who announces the impending arrival of the king and the queen to the audience.

With walking stick in hand and the davula hanging over his shoulders he goes to different villagers announcing the arrival of the royal couple.

Report of the Remuneration Committee



Report of the Remuneration Committee...

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

Mr. C. J. Wickramasinghe – Chairman
Mr. S. H. Amarasekara
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 oversees 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 29.2 in page 185.

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
16 May 2015

Auditor's Report



Ernst & Young
Chartered Accountants
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Colombo 10
Sri Lanka

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eysl@lk.ey.com
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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 The Amaya Leisure PLC, ("the Company"), and the consolidated financial statements of the Company and its subsidiaries ("Group"), which comprise the statement of financial position as at March 31, 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (set out on pages 146 to 188)

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating

Partners : A D B Talwatte FCA FCMA M P D Cooray FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva FCA Ms. Y A De Silva FCA W R H Fernando FCA FCMA
W K B S P Fernando FCA FCMA Ms. L K H L Fonseka FCA 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 FCA N M Sulaiman ACA ACMA B E Wijesuriya FCA ACMA

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the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at March 31, 2015, and of its profits and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- The basis of opinion and scope and limitations of the audit are as stated above.
- In our opinion:
 - we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.
 - the financial statements of the Company give a true and fair view of its financial position as at 31 March 2015, and of its profits and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.
 - the financial statements of the Company, and the Group comply with the requirements of sections 151 and 153 of the Companies Act.



16 May 2015
Colombo

Financial Statements



Statement of Profit or Loss

Year Ended 31 March	Note	Group		Company	
		2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Revenue	6	1,395,504,009	1,159,801,842	141,129,927	134,605,273
Cost of Sales		(577,489,062)	(395,329,427)	-	-
Gross Profit		818,014,947	764,472,415	141,129,927	134,605,273
Other Income	7	72,707,869	31,635,357	240,563,180	193,985,375
Selling and Marketing Expenses		(86,592,454)	(74,594,039)	(26,823,771)	(25,199,043)
Administrative Expenses		(445,369,410)	(287,983,020)	(111,235,855)	(93,585,041)
Finance Cost	8.1	(137,418,734)	(16,347,024)	(53,997,351)	(8,780,056)
Finance Income	8.2	2,146,942	735,558	-	117,140
Profit before Tax	9	223,489,161	417,919,247	189,636,130	201,143,649
Tax Expenses	10	(42,666,906)	(41,756,757)	57,428	(2,127,823)
Profit for the year		180,822,254	376,162,490	189,693,558	199,015,826
Profit Attributable to:					
Equity Holders of the Parent		227,855,045	376,160,189	189,693,558	199,015,826
Non Controlling Interest		(47,032,790)	2,301	-	-
		180,822,254	376,162,490	189,693,558	199,015,826
Basic Earnings per Share	11	4.74	7.83	3.95	4.14
Dividend per Share	12	5.00	4.50	5.00	4.50

The Accounting Policies and Notes on pages 146 through 188 form an integral part of these Financial Statements.

Statement of Comprehensive Income

Year Ended 31 March	Note	Group		Company	
		2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Profit for the year		180,822,255	376,162,490	189,693,558	199,015,826
Other Comprehensive Income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Profit / (Loss) on Available for Sale Financial Assets		27,142,920	(14,491,920)	27,142,920	(14,491,920)
Net other comprehensive Income / (Expense) to be reclassified to profit or loss in subsequent periods		27,142,920	(14,491,920)	27,142,920	(14,491,920)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial Gain/ (Loss) on Defined Benefit Plan	26	2,333,518	(33,129)	1,365,499	(202,647)
Income tax effect	10	(42,102)	96,517	-	-
		2,291,416	63,388	1,365,499	(202,647)
Effect of Revaluation on Land	24	372,249,750	-	-	-
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		374,541,166	63,388	1,365,499	(202,647)
Other Comprehensive Income / (Expense) for the year, net of tax		401,684,086	(14,428,532)	28,508,419	(14,694,567)
Total Comprehensive Income for the year, net of tax		582,506,341	361,733,958	218,201,977	184,321,259
Total Comprehensive Income Attributable to:					
Equity Holders of the Parent		602,340,661	361,731,657	218,201,977	184,321,259
Non-Controlling Interest		(19,834,320)	2,301	-	-
		582,506,341	361,733,958	218,201,977	184,321,259

The Accounting Policies and Notes on pages 146 through 188 form an integral part of these Financial Statements.

Statement of Financial Position

As at 31 March	Note	Group		Company	
		2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	14	5,157,648,201	2,764,361,761	30,595,570	33,629,669
Prepayment on Leasehold Property	15	62,492,821	7,397,494	-	-
Other Non-Current Assets	16	24,000,000	24,000,000	24,000,000	24,000,000
Intangible Assets	17	137,863,688	-	-	-
Investments in Subsidiaries	18	-	-	1,503,238,009	934,926,965
Other Non-Current Financial Assets	19	111,747,712	84,604,790	111,747,712	84,604,790
		5,493,752,422	2,880,364,045	1,669,581,291	1,077,161,424
Current Assets					
Inventories	20	32,448,717	24,799,346	-	-
Trade and Other Receivables	21	222,181,275	162,778,919	114,216,464	22,762,607
Advance and Prepayment		50,713,927	24,521,601	3,388,672	2,125,863
Tax Receivables		219,369	3,821,656	219,369	-
Other Current Financial Assets	19	9,884,144	12,372,000	9,884,144	12,372,000
Cash and Bank Balances	22	61,669,431	48,762,410	742,990	508,449
		377,116,863	277,055,932	128,451,639	37,768,919
Total Assets		5,870,869,285	3,157,419,977	1,798,032,930	1,114,930,343
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	23	526,770,320	526,770,320	526,770,320	526,770,320
Pending Share Allotment	23.1	192,136,952	-	192,136,952	-
Revaluation Reserve	24	410,345,894	65,294,614	-	-
Available for Sale Reserve		(30,808,004)	(57,950,924)	(30,808,004)	(57,950,924)
Retained Earnings		2,073,581,763	2,083,606,492	114,672,471	163,784,604
		3,172,026,925	2,617,720,502	802,771,739	632,604,000
Non-Controlling Interest		423,035,227	29,302,480	-	-
Total Equity		3,595,062,152	2,647,022,982	802,771,739	632,604,000
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	19.2	1,065,524,673	26,380,056	310,849,993	6,304,652
Deferred Tax Liabilities	10.3	85,961,858	81,974,589	-	-
Retirement Benefit Obligation	26	30,853,116	28,035,750	8,316,280	8,121,438
		1,182,339,647	136,390,395	319,166,273	14,426,090
Current Liabilities					
Trade and Other Payables	25	283,225,332	137,824,261	238,018,114	327,181,282
Other Current Non-Financial Liabilities		13,949,726	14,636,202	3,036,884	2,252,284
Tax Payables		22,562,933	4,504,857	-	2,038,059
Interest Bearing Loans and Borrowings	19.2	773,729,495	217,041,280	435,039,920	136,428,628
		1,093,467,486	374,006,600	676,094,918	467,900,253
Total Equity and Liabilities		5,870,869,285	3,157,419,977	1,798,032,930	1,114,930,343

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



Aruna Dikkumbura - Chief Financial Officer

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 146 through 188 form an integral part of these Financial Statements.
16 May 2015, Colombo.

Statement of Changes in Equity

Year Ended 31 March 2015

Group	Note	Stated	Pending Share	Revaluation	Available for	Retained	Total	Non	Total
		Capital	Allotment	Reserve	Sale Reserve	Earnings		Controlling	Equity
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 April 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	376,162,490
Other Comprehensive Income / (Expense)		-	-	-	(14,491,920)	63,388	(14,428,532)	-	(14,428,532)
Dividends Paid	12	-	-	-	-	(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
Profit for the year		-	-	-	-	227,855,045	227,855,045	(47,032,790)	180,822,255
Acquisition of a Subsidiary	5	-	-	-	-	-	-	413,567,067	413,567,067
Other Comprehensive Income / (Expense)		-	-	345,051,280	27,142,920	2,291,416	374,485,616	27,198,470	401,684,086
Dividends Paid	12	-	-	-	-	(48,034,238)	(48,034,238)	-	(48,034,238)
Script Dividends	12	-	192,136,952	-	-	(192,136,952)	-	-	-
Balance as at 31 March 2015		526,770,320	192,136,952	410,345,894	(30,808,004)	2,073,581,763	3,172,026,925	423,035,227	3,595,062,152

Company	Note	Stated	Pending	Available	Retained	Total
		Capital	Share	for	Earnings	Equity
		Rs.	Rs.	Sale Reserve	Rs.	Rs.
Balance as at 1 April 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 / (Expense)		-	-	(14,491,920)	(202,647)	(14,694,567)
Dividends Paid	12	-	-	-	(216,154,071)	(216,154,071)
Balance as at 31 March 2014		526,770,320	-	(57,950,924)	163,784,604	632,604,000
Profit for the year		-	-	-	189,693,558	189,693,558
Other Comprehensive Income / (Expense)		-	-	27,142,920	1,365,499	28,508,419
Dividends Paid	12	-	-	-	(48,034,238)	(48,034,238)
Script Dividends	12	-	192,136,952	-	(192,136,952)	-
Balance as at 31 March 2015		526,770,320	192,136,952	(30,808,004)	114,672,471	802,771,739

The Accounting Policies and Notes on pages 146 through 188 form an integral part of these Financial Statements.

Cash Flow Statement

Year Ended 31 March	Note	Group		Company	
		2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Cash Flows from/(used in) Operating Activities					
Profit before Tax		223,489,161	417,919,247	189,636,130	201,143,649
Adjustment For					
Depreciation	14	160,206,827	85,143,991	7,485,888	6,713,914
Intangible Asset Write off		1,638,191	-	-	-
Loss on Disposal of Property, Plant and Equipment		161,914	-	-	-
Provision for Defined Benefit Obligation	26	6,418,507	5,468,994	1,621,941	1,378,829
Amortisation of Leasehold Property	15	813,423	248,689	-	-
Reversal of Impairment on Receivable		-	950,986	-	-
Dividend Income	7.1	(3,150,977)	(1,572,050)	(240,560,920)	(187,408,722)
Finance Income	8.2	(2,146,942)	(735,558)	-	(117,140)
Finance Cost	8.1	134,930,880	14,065,243	51,509,497	6,498,275
Provision / (Reversal) of Fallin Value of Investments	8.1	2,487,854	2,281,781	2,487,854	2,281,781
Unrecovered Income Tax written off		-	61,551	-	-
Creditors written back	7.1	(37,710,525)	(7,364,495)	-	(6,555,635)
Operating Profit/(Loss) before Working Capital Changes		487,138,312	516,468,379	12,180,390	23,934,950
(Increase)/Decrease in Inventories		1,863,073	(898,853)	-	-
(Increase)/Decrease in Trade and Other Receivables		485,407,192	16,379,512	(91,453,857)	(7,701,367)
(Increase)/Decrease in Advance and Prepayment		(22,484,684)	4,131,652	(1,262,809)	(112,602)
Increase/(Decrease) in Trade and Other Payables		(368,891,597)	(7,424,117)	(137,197,406)	(33,033,705)
Increase/(Decrease) in Other Current Non Financial Liabilities		(686,476)	(7,800,855)	784,600	(1,701,701)
Cash Generated from/(used in) Operations		582,345,821	520,855,718	(216,949,082)	(18,614,425)
Finance Cost paid	8.1	(134,930,880)	(14,065,243)	(51,509,497)	(6,498,275)
Defined Benefit Obligation paid	26	(1,915,952)	(1,668,761)	(61,600)	-
Tax paid		(16,903,773)	(33,472,751)	(2,200,000)	(8,904)
Net Cash from/(used in) Operating Activities		428,595,215	471,648,964	(270,720,179)	(25,121,604)
Cash Flows from/(used in) Investing Activities					
Acquisition of Property, Plant and Equipment	14	(358,429,016)	(271,558,772)	(4,451,789)	(1,233,214)
Finance Income received	8.2	2,146,942	735,558	-	117,140
Dividend received	7.1	3,150,977	1,572,050	240,560,920	187,408,722
Proceeds from Disposal of Property, Plant and Equipment		9,879,814	-	-	-
Acquisition of Subsidiary	5	(699,540,265)	-	(568,311,044)	-
Net Cash from/(used in) Investing Activities		(1,042,791,548)	(269,251,165)	(332,201,913)	186,292,649

Cash Flow Statement...

Year Ended 31 March	Note	Group		Company	
		2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Cash Flows from/(used in) Financing Activities					
Dividends paid	12	-	(216,154,071)	-	(216,154,071)
Proceeds from Bank Loans	19	671,512,052	180,000,000	671,512,052	180,000,000
Repayment of Bank Loans	19	(209,884,902)	(140,885,779)	(140,000,000)	(125,000,000)
Principal Payment under Finance Lease Liabilities	19	(10,308,228)	(8,950,583)	(2,995,727)	(2,331,160)
Net Cash from/(used in) Financing Activities		451,318,922	(185,990,433)	528,516,325	(163,485,231)
Net Increase/(Decrease) in Cash and Cash Equivalents		(162,877,409)	16,407,366	(74,405,767)	(2,314,186)
Cash and Cash Equivalents at the beginning of the year		(12,333,563)	(28,740,929)	(3,240,873)	(926,686)
Cash and Cash Equivalents at the end of the year	22	(175,210,973)	(12,333,563)	(77,646,640)	(3,240,873)

The Accounting Policies and Notes on pages 146 through 188 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 2015 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 2015 were authorized for issue in accordance with a resolution of the Board of Directors on 16 May 2015.

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.

1.3 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, Sun Tan Beach Resorts 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

In the opinion of the Directors, the Company’s parent and ultimate parent undertaking and controlling party is also Hayleys PLC, which is 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 (LKAS/SLFRS) 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.

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

Accounting Policies...

- 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 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.

2.4 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.

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, Liabilities, Income and Expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group Assets and Liabilities, Equity, Income, Expenses and Cash Flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3.1.1 Business Combination and Goodwill

Business Combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration

Accounting Policies...

transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combinations are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss recognised in Income Statement.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with LKAS 39 either in Income Statement or as a change to Other Comprehensive Income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of LKAS 39, it is measured in accordance with the appropriate LKAS/SLFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in Income Statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment. For the purpose of impairment testing, goodwill acquired in a business combination is, from

the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion the cash-generating unit retained.

3.1.2 Subsidiaries

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

Subsidiary	2015	2014
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%
Sun Tan Beach Resorts Limited	51%	-

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.

i) Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the statement of profit or loss.

Accounting Policies...

3.3 Current Versus Non-Current Classification

The Group presents assets and liabilities in Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.4 Fair Value Measurement

The Group measures investments in quoted equity securities, and lands, at fair value. Fair value related disclosures for financial and non-financial assets that are measured at fair value are summarised in the following notes:

- Quantitative disclosures of fair value measurement hierarchy - Note 13
- Lands under revaluation model - Note 14

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction

between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Accounting Policies...

The Group's Management determines the policies and procedures for recurring fair value measurement, such as land and unquoted AFS financial assets.

External valuers are involved for valuation of Lands. Involvement of external valuer is decided upon annually by the Management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.5 Statement of Profit or Loss and Other Comprehensive Income

For the purpose of presentation of the statement of profit or loss, the function of expenses method is adopted.

3.5.1 Revenue

Amaya Leisure PLC's gross revenue comprises 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.

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.

The specific recognition criteria described below must also be met before revenue is recognized.

Room Revenue

Room revenue is recognised on the rooms occupied on daily basis. Food and Beverage revenue is recognised at the time of sale.

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 profit or loss.

Dividend Income

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

Rental Income

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

Gains and Losses on Disposal of Assets

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

3.5.2 Expenses

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

Accounting Policies...

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

3.5.3 Operating Leases

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

3.5.4 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.

3.5.5 Finance Income and Finance Costs

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

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 statement of profit or loss.

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.

3.5.6 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

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.

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Pursuant to agreement 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 was 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:

Accounting Policies...

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates

that have been enacted or substantively enacted at the reporting date.

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

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

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

Sales Tax

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

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

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

3.6 Assets and Bases of their Valuation

3.6.1 Property, Plant and Equipment

The group applies the requirements of LKAS 16 on 'Property Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services and for administration purpose and are expected to be used for more than one year.

Accounting Policies...

3.6.1.1 Basis of Recognition

Property Plant and Equipment is recognised if it is probable that future economic benefit associated with the assets will flow to the Group and cost of the asset can be reliably measured.

3.6.1.2 Basis of Measurement

Items of property, plant & equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any, whilst land is measured at fair value.

3.6.1.3 Owned Assets

The cost of Property, Plant & Equipment includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the 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. Purchased software that is integral to the functionality of the related equipment is capitalised as a part of that equipment.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

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.

3.6.1.4 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.

3.6.1.5 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.

3.6.1.6 Depreciation

Depreciation is recognised in the statement of profit or loss 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.

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

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

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

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

The asset's residual values, useful lives are reviewed, and adjusted if appropriate, at each financial year end and adjusted prospectively, if appropriate.

3.6.1.7 Leased Assets

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

3.6.1.8 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 profit or loss.

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 statement of profit or loss on a straight-line basis over the lease term.

3.6.2 Intangible Assets

3.6.2.1 Basis of Recognition

An Intangible asset is recognised if it is probable that future economic benefit associated with the assets will flow to the Group and cost of the asset can be reliably measured.

3.6.2.2 Basis of Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination are their fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Income Statement in the year in which the expenditure is incurred.

3.6.2.3 Intangible Assets with Finite Lives and Amortisation

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Income Statement in the expense category consistent with the function of the intangible assets.

3.6.2.4 De-recognition of Intangible Assets

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its

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use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

3.6.3 Financial Instruments - Initial recognition and subsequent measurement

3.6.3.1 Non-derivative Financial Assets

3.6.3.1.1 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.

3.6.3.1.2 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.

The Group has investment in quoted equity securities which has classified as financial assets at fair value through profit or loss and that 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 statement of profit or loss.

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.

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 quoted equity investments. 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.

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

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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 Profit or Loss 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 profit or loss.

3.6.3.1.3 Derecognition

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

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through'

arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

3.6.3.1.4 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.

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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 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.

3.6.3.2 Financial Liabilities

3.6.3.2.1 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.

3.6.3.2.2 Subsequent Measurement

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

Accounting Policies...

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 profit or loss 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 profit or loss.

3.6.3.2.3 Derecognition

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

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

3.6.3.3 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
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

3.6.3.4 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 19.3.

3.6.3.5 Current Assets

Assets classified as current assets on the Statement of Financial Position 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.

3.6.3.5.1 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.

3.6.3.5.2 Cash and Cash Equivalents

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

Accounting Policies...

3.6.3.6 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.

3.6.3.6.1 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.

3.6.3.6.2 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 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.

3.7 Liabilities and Provisions

3.7.1 Employee Benefits

3.7.1.1 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.

3.7.1.2 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.

Current service cost interest cost are recognized in the statement of profit or loss while 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 26. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

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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 1/2 of the last salary drawn in to number of years completed.

3.7.1.3 Short Term Benefits

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

3.7.2 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 statement of profit or loss net of any reimbursement.

3.7.3 Capital Commitments and Contingencies

Capital commitments and contingent liabilities of the Group are disclosed in the respective Note 27 to the Financial Statements.

3.7.4 Stated Capital

3.7.4.1 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.

3.8 General

3.8.1 Events Occurring after the Reporting Date

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

3.8.2 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.

3.9 Use of Estimates and Judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period and any future periods. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes.

Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

Accounting Policies...

Income Taxes

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.

Deferred Tax

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on upon the likely timing and the level of future taxable profits together as with future tax planning strategies.

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 26. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

3.9.1 Impairment of Property, Plant and Equipment

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

3.9.2 Revaluation of Land

The Group measures lands which are recognised as Property, Plant & Equipment at revalued amount with change in value being recognised in the Statement of Other comprehensive income. The valuer has used valuation techniques such as open market value. Further details on Revaluation of land are disclosed in Note 14 to the Financial Statements.

4. Standards Issued but not yet Effective

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

Pending the completion of detailed review, the financial impact is reasonably estimatable at the date of the publication of these Financial Statements.

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 effective date has been deferred subsequently and the revised effective date is yet to be announced.

SLFRS 14 Regulatory Deferral Accounts

The scope of this standard is limited to first-time adopters of SLFRS that already recognise regulatory deferral account balances in their Financial Statements. Consequently, the Financial Statements of rate regulated entities that already apply SLFRS, or that do not otherwise recognise such balances, will not be affected by this standard.

SLFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is an existing SLFRS preparer, this standard would not apply.

SLFRS 15 - Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including LKAS 18 Revenue, LKAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. This standard is effective for the annual periods beginning on or after 01 January 2017.

Notes to the Financial Statements



Notes to the Financial Statements...

5. Business Combinations and Goodwill

5.1 Acquisitions in 2014

5.1.1 Acquisition of Sun Tan Beach Resorts Limited

On 30 April 2014, the Group acquired 51% of the voting shares of Sun Tan Beach Resorts Limited, an unlisted company incorporated in Sri Lanka and engage in the hotel industry. The Group acquired Sun Tan Beach Resorts Limited in order to enhance their hotel chain.

Assets acquired and liabilities assumed

The provisional fair values of the identifiable assets and liabilities of Sun Tan Beach Resorts Limited as at the date of acquisition were:

	Provisional Fair value recognised on acquisition Rs.
Assets	
Property, Plant & Equipment	1,890,403,173
Trade and Other Receivables	526,475,709
Inventories	9,512,443
Income Tax Recoverable	22,198,375
Cash and Bank Balances	7,657,817
	2,456,247,518
Liabilities	
Loans and Borrowings	999,359,616
Provision for Gratuity	648,330
Trade and Other Payables	473,338,112
Bank Overdraft	138,887,037
	1,612,233,096
Total identifiable net assets at provisional fair value	844,014,422
Non-controlling interest measured at fair value	(413,567,067)
Goodwill arising on acquisition	137,863,688
Purchase consideration transferred	568,311,044

5.1.2 Purchase consideration

The Company has settled the entire purchase consideration by cash on the date of acquisition.

5.1.3 Cash Flow on Acquisition

	Rs.
Net cash acquired with the subsidiary	(131,229,220)
Cash paid	(568,311,044)
Net cash flow on acquisition	(699,540,265)

5.1.4 The Net Assets recognised in the 31 March 2015 Financial Statements were based on a provisional assessment of their fair values.

5.1.5 The goodwill of Rs.137,863,688/- comprises the fair value of expected synergies arising from acquisition.

5.1.6 From the date of acquisition, Sun Tan Beach Resorts Limited contributed Rs.253,146,876/- of revenue and Rs.(95,598,345/-) to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been Rs.281,293,606/- and profit before tax from continuing operations for the Group would have been Rs.(159,293,953/-).

Notes to the Financial Statements...

6. Revenue	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Gross Revenue (Note 6.1)	1,413,337,843	1,171,594,325	141,129,927	134,605,273
Tourism Development Levy	(14,288,944)	(10,996,910)	-	-
Turnover Tax	(3,544,890)	(795,572)	-	-
	1,395,504,009	1,159,801,842	141,129,927	134,605,273

6.1 Gross Revenue	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Management Fee	32,984,360	26,673,882	35,384,360	29,073,882
Commission Income	40,910,795	40,279,280	105,745,567	105,531,391
Apartment Revenue	736,581,826	597,212,977	-	-
Restaurant Sales	436,598,581	343,203,269	-	-
Bar Sales	81,128,698	61,467,908	-	-
Banquet Sales	46,032,453	73,310,863	-	-
Club Sales	1,189,990	920,619	-	-
Health Centre sales	37,911,140	28,525,527	-	-
	1,413,337,843	1,171,594,325	141,129,927	134,605,273

7. Other Income and Gains	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
7.1 Other Income				
Rent Income	8,602,835	6,200,189	-	-
Commission Income	2,260	21,017	2,260	21,017
Sundry Income	23,241,272	16,477,606	-	-
Creditors written back	37,710,525	7,364,495	-	6,555,635
Dividend Income	3,150,977	1,572,050	240,560,920	187,408,722
	72,707,869	31,635,357	240,563,180	193,985,375

8. Finance Costs and Income	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
8.1 Finance Cost				
Interest Expenses on Bank Overdrafts	3,164,252	760,836	509,566	541,514
Interest Expenses on Finance Leases	3,073,513	4,238,855	1,032,442	1,398,277
Interest Expenses on Bank Loans	128,693,115	9,065,552	49,967,488	4,558,484
Loss on Investments at Fair Value through Profit or Loss	2,487,854	2,281,781	2,487,854	2,281,781
	137,418,734	16,347,024	53,997,351	8,780,056

8.2 Finance Income	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Interest Income	2,146,942	735,558	-	117,140
	2,146,942	735,558	-	117,140

Notes to the Financial Statements...

9. Profit Before Tax	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Stated after Charging				
Included in Cost of Sales				
Employees Benefits including the following	117,493,764	76,987,637	-	-
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	3,561,784	3,067,549	-	-
- Defined Contribution Plan Costs - EPF and ETF (included in Employee Benefits)	9,797,285	5,965,724	-	-
Depreciation	91,419,380	46,442,713	-	-
Included in General and Administration Expenses				
Employees Benefits including the following	113,229,631	92,506,248	20,908,084	17,910,168
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	2,856,723	2,401,345	1,621,941	1,378,829
- Defined Contribution Plan Costs - EPF and ETF (included in Employee Benefits)	11,994,426	9,484,434	1,963,302	2,740,698
Depreciation	70,915,125	38,701,280	7,485,889	6,713,915
Amortization of Prepaid Operating Lease	248,689	248,689	-	-
Directors' Emoluments	49,666,569	31,265,547	38,052,880	31,265,547
Service Fees	11,020,320	11,020,318	11,020,320	11,020,313
Auditor's Remuneration	2,049,900	1,199,500	326,000	302,000
Professional Fees	3,181,287	1,435,046	457,808	1,397,660
Legal Fees	-	137,599	-	-
Included in Selling and Marketing Expenses				
Advertising Expenses	9,784,732	6,498,394	-	-
Sales Promotional Expenses	21,830,875	14,486,892	2,918,294	4,600,428
Impairment of Trade Receivable	-	950,986	-	-
10. Income Tax Expense	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 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)	12,701,400	17,248,508	-	2,127,823
Under/(Over) Provision of Current Taxes in respect of prior years	(358,545)	232,220	(57,428)	-
Dividend Tax	26,378,883	20,648,519	-	-
	38,721,738	38,129,247	(57,428)	2,127,823
Deferred Income Tax				
Deferred Taxation Charge/(Reversal) (Note 10.3)	3,945,168	3,627,510	-	-
Income Tax Expense reported in the Statement of Profit or Loss	42,666,906	41,756,757	(57,428)	2,127,823

Notes to the Financial Statements...

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	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Accounting Profit before Income Tax	223,489,161	417,919,247	189,636,130	201,143,649
Disallowed Items	74,767,302	60,484,511	21,323,429	14,611,003
Allowed Items	(361,985,599)	(356,133,166)	(242,685,984)	(188,474,868)
Interest Income	(2,146,942)	(735,558)	-	(117,140)
Tax Relief on Capital Investments	(78,024,793)	-	-	-
Tax Losses Related to Group Companies	-	(7,068,819)	-	-
Taxable Profit/(Loss) from Business	(143,900,872)	114,466,215	(31,726,425)	27,162,644
Other Sources of Income				
Interest Income	2,146,942	735,558	-	117,140
Taxable Other Income	2,146,942	735,558	-	117,140
Total Statutory Income	2,146,942	115,201,773	(31,726,425)	27,279,784
Tax Losses Brought Forward and Utilized	-	(9,547,924)	-	(9,547,924)
Total Taxable Income	2,146,942	105,653,849	(31,726,425)	17,731,860
Income Tax @ 2% on Turnover	12,100,256	12,398,837	-	-
Income Tax @ 12% on Taxable Profits	-	4,802,432	-	2,127,823
Income Tax @ 28% Taxable Profits	601,144	47,239	-	-
Current Income Tax Charge	12,701,400	17,248,508	-	2,127,823
10.2 Tax Losses				
Tax Losses Brought Forward	268,207,955	270,687,060	247,783,679	257,331,603
Tax Losses Utilized during the year	-	(9,547,924)	-	(9,547,924)
Tax Loss incurred during the year	31,708,649	7,068,819	31,708,649	-
Tax Losses Carried Forward	299,916,604	268,207,955	279,492,328	247,783,679
10.3 Deferred Taxation - Group	Statement of Financial Position		Statement of profit or Loss	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Deferred Tax Liability				
Capital Allowances for Tax purpose	87,326,662	83,368,734	3,957,928	3,710,377
	87,326,662	83,368,734	3,957,928	3,710,377
Deferred Tax Assets				
Retirement Benefit Obligation - Through Statement of Profit or Loss	(941,983)	(929,223)	(12,759)	(82,867)
Retirement Benefit Obligation - Through Other Comprehensive Income	103	(41,998)	-	-
Trade and Other Receivables	(422,924)	(422,924)	-	-
	(1,364,803)	(1,394,145)	(12,759)	(82,867)
Deferred Taxation Charge/(Reversal)			3,945,168	3,627,510
Net Deferred Tax Liability	85,961,858	81,974,589		

Notes to the Financial Statements...

10.3.1 Reconciliation of Deferred Tax Charge / (Reversal)	2015 Rs.	2014 Rs.
Deferred Tax Charge reported in the Statement of Profit or Loss	3,945,168	3,627,510
Deferred Tax Charge reported in Other Comprehensive Income	42,102	(96,517)
	3,987,270	2,530,993

10.3.2 Amaya Leisure PLC

The Company has a carried forward tax loss amounting to Rs.279,492,328/- (2014 - Rs.247,783,679/-) 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.78,257,851/- (2014 - Rs.69,379,430/-) 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	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Profit for the year	180,822,255	376,162,490	189,693,558	199,015,826
(Profit)/Loss attributable to Minority Shareholders	47,032,790	(2,301)	-	-
Profit attributable to Ordinary Shareholders of Parent Company for Basic Earnings per Share	227,855,045	376,160,189	189,693,558	199,015,826

11.2 Number of Ordinary Shares used as the Denominator	2015	2014	2015	2014
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

Notes to the Financial Statements...

12. Dividends	Group / Company	
	2015 Rs.	2014 Rs.
Equity dividends on ordinary shares:		
Dividend for the year ended 31 March 2015 : Rs.5 per share (2014 : Rs.4.50 per Share)	240,171,190	216,154,071

12.1 Declared during the year

Cash Dividends (Rs.1.00 per Share)	48,034,238	216,154,071
Scrip Dividends* (Rs.4.00 per Share)	192,136,952	-
	240,171,190	216,154,071

* Scrip Dividends represents the value of additional shares to be issued as interim dividends for the year ended 31 March 2015. Accordingly the Company yet to issue 2,401,711 of share in the ratio of 1 share for every 20 shares held. Per share dividend of Rs. 4.00/- derived based on the market price of the shares of the company. Share allotment was pending as at 31 March 2015 and the allotment was completed on 23 April 2015.

13. Fair Value Measurement

13.1 The following table provides the fair value measurement hierarchy of the Group's Assets. Fair value measurement hierarchy for assets as at 31 March 2015 and 2014:

Date of valuation	Total Rs. '000	Fair value measurement using		
		Quoted prices in active markets (Level 1) Rs. '000	Significant observable inputs (Level 2) Rs. '000	Significant unobservable inputs (Level 3) Rs. '000
Assets measured at fair value:				
As at 31 March 2015				
Non Financial Assets				
Land (Note 14.1.1)	31 March 2015	941,357,250	-	-
Non Financial Assets as at 31 March 2015		941,357,250	-	-
Financial Assets				
Fair Value through profit or loss (Note 19.1.1.1)				
Quoted Investment in Equity Securities	31 March 2015	9,884,144	9,884,144	-
Total Fair Value through profit or loss		9,884,144	9,884,144	-
AFS financial assets (Note 19.1.2.1)				
Quoted Investment in Equity Securities	31 March 2015	111,747,702	111,747,702	-
AFS financial assets as at 31 March 2015		111,747,702	111,747,702	-
Total Financial Assets		121,631,846	121,631,846	-
As at 31 March 2014				
Non Financial Assets				
Land (Note 14.1.1)	31 March 2013	569,107,500	-	-
Non Financial Assets as at 31 March 2014		569,107,500	-	-
Financial Assets				
Fair Value through profit or loss (Note 19.1.1.1)				
Quoted Investment in Equity Securities	31 March 2014	12,372,000	12,372,000	-
Total Fair Value through profit or loss		12,372,000	12,372,000	-
AFS financial assets (Note 19.1.2.1)				
Quoted Investment in Equity Securities	31 March 2014	84,604,780	84,604,780	-
AFS financial assets as at 31 March 2014		84,604,780	84,604,780	-
Total Financial Assets		96,976,780	96,976,780	-

Notes to the Financial Statements...

13.2 The following table provides the fair value measurement hierarchy of the Company's assets.

Fair value measurement hierarchy for assets as at 31 March 2015 and 2014:

	Date of valuation	Total Rs. '000	Fair value measurement using		
			Quoted prices in active markets (Level 1) Rs. '000	Significant observable inputs (Level 2) Rs. '000	Significant unobservable inputs (Level 3) Rs. '000
Assets measured at fair value:					
As at 31 March 2015					
Financial Assets					
Fair Value through profit or loss (Note 19.1.1.1)					
Quoted Investment in Equity Securities	31 March 2015	9,884,144	9,884,144	-	-
Total Fair Value through profit or loss		9,884,144	9,884,144	-	-
AFS financial assets (Note 19.1.2.1)					
Quoted Investment in Equity Securities	31 March 2015	111,747,702	111,747,702	-	-
AFS financial assets as at 31 March 2015		111,747,702	111,747,702	-	-
Total Financial Assets		121,631,846	121,631,846	-	-
As at 31 March 2014					
Financial Assets					
Fair Value through profit or loss (Note 19.1.1.1)					
Quoted Investment in Equity Securities	31 March 2014	12,372,000	12,372,000	-	-
Total Fair Value through profit or loss		12,372,000	12,372,000	-	-
AFS financial assets (Note 19.1.2.1)					
Quoted Investment in Equity Securities	31 March 2014	84,604,780	84,604,780	-	-
AFS financial assets as at 31 March 2014		84,604,780	84,604,780	-	-
Total Financial Assets		96,976,780	96,976,780	-	-

Notes to the Financial Statements...

14. **Property, Plant and Equipment**

14.1 Group	Balance As at 01.04.2014 Rs.	Acquisition of a subsidiary Rs.	Additions Rs.	Revaluation adjustment Rs.	Disposals / Transfers Rs.	Balance As at 31.03.2015 Rs.
14.1.1 Gross Carrying Amounts						
At Cost or Valuation						
Freehold Land	569,107,500	-	-	372,249,750	-	941,357,250
Freehold Buildings	830,247,030	-	51,935,520	-	-	882,182,550
Road Network	23,697,420	-	1,039,500	-	-	24,736,920
Building on Leasehold Land	858,868,985	1,516,423,881	83,864,536	-	-	2,459,157,402
Furniture and Fittings	112,319,402	137,709,515	89,645,955	-	(5,928,146)	333,746,725
Plant and Machinery	123,827,443	84,030,341	63,764,431	-	(941,877)	270,680,339
Air Conditioners	41,633,845	108,811,598	620,481	-	-	151,065,924
Kitchen Equipment	88,970,415	37,527,617	5,190,262	-	(5,135,264)	126,553,029
Office Equipment	2,467,994	-	778,401	-	(650,995)	2,595,400
Computer Equipment	24,901,291	18,713,961	21,283,753	-	(2,100,691)	62,795,313
Crockery and Cutlery	22,096,021	48,117,936	7,953,181	-	(363,356)	77,803,783
Linen	63,542,429	-	10,423,303	-	(11,195)	73,954,536
Fixtures and Fittings	22,671,562	57,262,051	3,492,811	-	(80,888)	83,345,536
Motor Vehicles	55,449,130	-	-	-	-	55,449,130
	2,839,800,466	2,008,596,899	339,989,134	372,249,750	(15,212,411)	5,545,423,837
Assets on Finance Leases						
Motor Vehicles	51,890,422	-	-	-	-	51,890,422
	51,890,422	-	-	-	-	51,890,422
	2,891,690,888	2,008,596,899	339,989,134	372,249,750	(15,212,411)	5,597,314,259
In the Course of Construction						
	Balance As at 01.04.2014 Rs.	Acquisition of a subsidiary Rs.	Incurred during the year Rs.	Revaluation adjustment Rs.	Disposals / Transfers Rs.	Balance As at 31.03.2015 Rs.
Building Work in Progress	144,940,267	-	167,956,782	-	(205,425,651)	107,471,398
	144,940,267	-	167,956,782	-	(205,425,651)	107,471,398
Total Gross Carrying Amount	3,036,631,155	2,008,596,899	507,945,917	372,249,750	(220,638,062)	5,704,785,657

Notes to the Financial Statements...

14.1.2 Depreciation	Balance As at 01.04.2014 Rs.	Acquisition of a subsidiary Rs.	Charge for the year Rs.	Revaluation adjustment Rs.	Disposals / Transfers Rs.	Balance As at 31.03.2015 Rs.
At Cost or Valuation						
Freehold Buildings	53,887,997	-	16,630,965	-	-	70,518,962
Road Network	738,665	-	1,232,514	-	-	1,971,179
Building on Leasehold Land	44,640,184	31,038,322	43,991,851	-	-	119,670,357
Furniture and Fittings	18,594,726	14,561,023	20,374,050	-	(2,219,165)	51,310,634
Plant and Machinery	22,206,173	11,183,721	15,284,151	-	(226,316)	48,447,729
Air Conditioners	11,601,251	7,113,713	9,472,313	-	-	28,187,277
Kitchen Equipment	9,328,127	16,603,724	7,655,743	-	(624,421)	32,963,173
Office Equipment	526,710	-	404,946	-	(72,340)	859,316
Computer Equipment	8,982,861	1,504,635	10,960,525	-	(179,600)	21,268,421
Crockery and Cutlery	17,282,414	24,984,819	8,587,634	-	(178,233)	50,676,634
Linen	38,186,595	-	6,903,818	-	(4,665)	45,085,749
Fixtures and Fittings	4,896,044	11,203,769	4,976,507	-	(27,751)	21,048,569
Motor Vehicles	24,691,740	-	5,753,724	-	-	30,445,465
	255,563,488	118,193,726	152,228,742	-	(3,532,490)	522,453,466
Assets on Finance Leases						
Motor Vehicles	16,705,906	-	7,978,084	-	-	24,683,990
	16,705,906	-	7,978,084	-	-	24,683,990
Total Depreciation	272,269,394	118,193,726	160,206,826	-	(3,532,490)	547,137,456

14.1.3 Net Book Value	2015 Rs.	2014 Rs.
At Cost or Valuation		
Freehold Land	941,357,250	569,107,500
Freehold Buildings	811,663,588	776,359,032
Road Network	22,765,741	22,958,755
Building on Leasehold Land	2,339,487,045	814,228,801
Furniture and Fittings	282,436,091	93,724,676
Plant and Machinery	222,232,610	101,621,270
Air Conditioners	122,878,648	30,032,595
Kitchen Equipment	93,589,857	79,642,287
Office Equipment	1,736,083	1,941,284
Computer Equipment	41,526,892	15,918,430
Crockery and Cutlery	27,127,148	4,813,607
Linen	28,868,788	25,355,833
Fixtures and Fittings	62,296,967	17,775,518
Motor Vehicles	25,003,665	30,757,389
	5,022,970,371	2,584,236,978
Assets on Finance Leases		
Motor Vehicles	27,206,432	35,184,516
	27,206,432	35,184,516
In the Course of Construction		
Building Work in Progress	107,471,398	144,940,267
	107,471,398	144,940,267
Total Carrying Amount of Property, Plant and Equipment	5,157,648,201	2,764,361,761

Notes to the Financial Statements...

14.1.4 Revaluation of Land and Buildings

Freehold land of the Group (Kandyan Resorts (Private) Limited, Culture Club Resorts (Private) Limited and The Beach Resorts Limited) were revalued by Messers. P.B Kalugalagedera an independent valuer and consultant, in report dated 31 March 2015. Fair value of Lands were determined using the market comparable method. This means that valuations performed by the valuer are based on active market prices, adjusted for differences in the nature, location or condition of the specific property.

Fair value measurement disclosures for revalued land is provided in Note 13.

Significant unobservable valuation input: Range

Price per perch

-Kandyan Resorts (Private) Limited	Rs.175,000/ - - Rs.400,000/-
-The Beach Resorts Limited	Rs.350,000/ - - Rs.475,000/-
-Culture Club Resorts (Private) Limited	Rs. 7,000/ - - Rs. 10,000/-

Significant increases (decreases) in estimated price per perch in isolation would result in a significantly higher (lower) fair value.

If lands were measured using the cost model, the carrying amount would be Rs.89,554,077/-

14.1.5 During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 358,429,016/- (2014 - Rs.271,558,773/-) including cost incurred on capital work in progress of which Rs.167,956,782/- (2014 - Rs.124,992,018/-). Cash payments amounted to Rs. 358,429,016/- (2014 - Rs. 271,558,773/-) were made during the year for purchase of Property, Plant and Equipment.

14.1.6 Property, Plant and Equipment of the Group includes fully depreciated assets having a gross carrying amounts of Rs. 62,598,306/- (2014 - Rs. 44,610,032/-).

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

Company	Location	Ownership	Extent	Lease Period	No of Buildings
Culture Club Resorts (Private) Limited	Dambulla	Leasehold	8.094 Hectares	50 years	72
	Dambulla	Freehold	160 Perches	-	-
Kandyan Resorts (Private) Limited	Kandy	Freehold	2,275 Perches	-	10
The Beach Resorts Limited	Wadduwa	Freehold	2.2017 Hectares	-	-
Sun Tan Beach Resorts Limited	Passikudah	Leasehold	1,540 Perches	99 years	7

Notes to the Financial Statements...

14.2	Company	Balance As at 01.04.2014 Rs.	Additions Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2015 Rs.
14.2.1	Gross Carrying Amounts				
At Cost / Deemed Cost					
	Motor Vehicles	36,120,800	-	-	36,120,800
	Furniture and Fittings	1,311,618	87,900	-	1,399,518
	Office Equipment	619,886	583,762	-	1,203,648
	Computer Equipment	2,835,362	3,780,127	-	6,615,488
		40,887,666	4,451,789	-	45,339,454
Assets on Finance Lease					
	Motor Vehicles	13,500,000	-	-	13,500,000
		13,500,000	-	-	13,500,000
	Total Gross Carrying Amount	54,387,666	4,451,789	-	58,839,454

14.2.2	Depreciation	Balance As at 01.04.2014 Rs.	Charge for the year Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2015 Rs.
At Cost/ Deemed Cost					
	Motor Vehicles	15,240,466	4,214,000	-	19,454,467
	Furniture and Fittings	269,546	99,752	-	369,298
	Office Equipment	258,122	211,445	-	469,567
	Computer Equipment	873,195	1,060,692	-	1,933,887
		16,641,330	5,585,888	-	22,227,218
Assets on Finance Lease					
	Motor Vehicles	4,116,667	1,900,000	-	6,016,667
		4,116,667	1,900,000	-	6,016,667
	Total Depreciation	20,757,995	7,485,888	-	28,243,884

14.2.3	Net Book Values	2015 Rs.	2014 Rs.
At Cost / Deemed Cost			
	Motor Vehicles	16,666,333	20,880,334
	Furniture and Fittings	1,030,220	1,042,072
	Office Equipment	734,081	361,764
	Computer Equipment	4,681,601	1,962,166
		23,112,236	24,246,336
Assets on Finance Lease			
	Motor Vehicles	7,483,333	9,383,333
		7,483,333	9,383,333
	Total Carrying Amount of Property, Plant and Equipment	30,595,570	33,629,669

14.2.4 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 4,451,789/- (2014 - Rs. 1,233,214/-). Cash payments amounted to Rs. 4,451,789/- (2014 - Rs. 1,233,214/-) were made during the year for purchase of Property, Plant and Equipment.

Notes to the Financial Statements...

15.	Prepayment on Leasehold Property	Group	
		2015 Rs.	2014 Rs.
	As at 1 April 2014	7,397,494	7,646,183
	Acquisition	55,908,750	-
	Amortisation for the year	(813,423)	(248,689)
	As at 31 March 2015	62,492,821	7,397,494

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

16.	Other Non-Current Assets	Group/Company	
		2015 Rs.	2014 Rs.
	Lake Lodge Resorts (Private) Limited	24,000,000	24,000,000
		24,000,000	24,000,000

Amaya Leisure PLC holds 80% controlling interest in Lake Lodge Resorts (Private) Limited. However Lake Lodge Resorts (Private) Limited possesses neither the required inputs to create output or the processes to generate output. Therefore, the Company has not accounted for said transaction in accordance with SLFRS 03 - "Business Combination".

17.	Intangible Assets	Group	
	Goodwill on Business Combinations	2015 Rs.	2014 Rs.
	As at 01 April 2014	-	-
	Acquisition	137,863,688	-
	As at 31 March 2015	137,863,688	-

Intangible assets represents the goodwill recognized on acquisition of Sun Tan Beach Resorts Limited during the year.

18.	Investment in Subsidiaries	Company					
	18.1 Non-Quoted Investment in Subsidiaries	Holding		Cost	Directors' Valuation	Cost	Directors' Valuation
		2015 %	2014 %	2015 Rs.	2015 Rs.	2014 Rs.	2014 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%	-	-	-	-
	Sun Tan Beach Resorts Limited	51%	-	568,311,044	568,311,044	-	-
	Total Non-Quoted Investment in Subsidiaries			1,503,238,009	1,503,238,009	934,926,965	934,926,965

Notes to the Financial Statements...

19. Other Financial Assets and Liabilities	Group/Company	
	2015 Rs.	2014 Rs.
19.1 Other Financial Assets		
Fair Value through profit or loss		
Quoted equity shares (Note 19.1.1.1)	9,884,144	12,372,000
	9,884,144	12,372,000
Available for Sale Investments		
Quoted equity shares (Note 19.1.2.1)	111,747,702	84,604,780
Non-Quoted Investment in Equity Securities (Note 19.1.2.2)	10	10
	111,747,712	84,604,790
Total other financial assets	121,631,856	96,976,790
Total current	9,884,144	12,372,000
Total non-current	111,747,712	84,604,790

19.1.1 Fair Value through Profit or Loss

Group / Company	No. of Shares		Carrying Value	Market Value	Carrying Value	Market Value
	2015	2014				
19.1.1.1 Quoted Investment in Equity Securities						
			Rs.	Rs.	Rs.	Rs.
The Fortress Resorts PLC	90,075	90,075	646,348	1,369,140	646,348	1,197,998
LB Finance PLC	20	20	3,029	3,004	3,029	2,002
F L C Holdings PLC	5,320,000	5,320,000	25,004,000	8,512,000	25,004,000	11,172,000
	5,410,095	5,410,095	25,653,377	9,884,144	25,653,377	12,372,000
Fair value adjustment of investments			(15,769,233)	-	(13,281,377)	-
Total Quoted Investments in Equity Securities			9,884,144	9,884,144	12,372,000	12,372,000

19.1.2 Available for sale Investments	No. of Shares		Carrying Value	Market Value	Carrying Value	Market Value
	2015	2014				
19.1.2.1 Quoted Investment in Equity Securities			Rs.	Rs.	Rs.	Rs.

Royal Ceramics Lanka PLC	521,600	521,600	83,645,919	57,897,601	83,645,919	41,362,880
Hunas Falls Hotels PLC	899,000	899,000	58,909,787	53,850,101	58,909,787	43,241,900
	1,420,600	1,420,600	142,555,706	111,747,702	142,555,706	84,604,780
Fair value adjustment of investments			(30,808,004)	-	(57,950,926)	-
Total Quoted Investments in Equity Securities			111,747,702	111,747,702	84,604,780	84,604,780

Notes to the Financial Statements...

19.1.2.2 Non-Quoted Investment in Equity Securities	No. of Shares		Carrying Value	Directors' Valuation	Carrying Value	Directors' Valuation
	2015	2014				
			Rs.	Rs.	Rs.	Rs.
La Forteresse (Private) Limited	1	1	10	10	10	10
Total Non-Quoted Investments in Equity Securities	1	1	10	10	10	10

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.

19.2 Other Financial Liabilities

19.2.1 Interest Bearing Loans and Borrowings

19.2.1.1 Group	2015	2015	2015	2014	2014	2014
	Amount	Amount		Total	Amount	
	Repayable	Repayable		Repayable	Repayable	Total
	Within 1	After 1 Year		Within 1	After 1 Year	
	Year			Year		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.

Bank Loans (Note 19.2.1.1.1)	525,642,389	1,058,888,635	1,584,531,023	145,900,763	8,273,631	154,174,394
Finance Leases (Note 19.2.1.1.2)	11,206,703	6,636,038	17,842,741	10,044,544	18,106,425	28,150,969
Bank Overdrafts (Note 22)	236,880,404	-	236,880,404	61,095,973	-	61,095,973
	773,729,495	1,065,524,673	1,839,254,168	217,041,280	26,380,056	243,421,336

19.2.1.1.1 Bank Loans

	Balance	Loans	Acquisition	Repayments	Balance
	As at	Obtained	of		As at
	01.04.2014		Subsidiary		31.03.2015
	Rs.	Rs.	Rs.	Rs.	Rs.
National Development Bank PLC	24,174,394	-	-	(24,174,394)	-
DFCC Bank	-	-	406,279,116	(24,460,937)	381,818,179
Commercial Bank of Ceylon PLC	-	-	562,450,363	(21,249,570)	541,200,793
Seylan Bank PLC	130,000,000	671,512,052	-	(140,000,000)	661,512,052
	154,174,394	671,512,052	968,729,479	(209,884,902)	1,584,531,023

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;

1. Amaya Leisure PLC

Short Term Loan Facility of Rs. 300 Mn and Term Loan facility of Rs. 500 Mn - Seylan Bank PLC

-	Rate of Interest	
	Term Loan	3 Months AWPLR p.a.
	Short Term Loan	1 Month AWPLR+0.5% p.a.
-	Repayment by	
	Term Loan	March 2019
	Short Term Loan	On Demand
-	Security offered	None

Notes to the Financial Statements...

19.2.1.1.1 Bank Loans (Contd.)

2. Sun Tan Beach Resorts Ltd	DFCC - Rs. 400 Mn	Commercial - Rs. 150 Mn	Commercial - USD 3,120,605
- Rate of Interest	3 Months AWPLR+1.1%	1 Month AWPLR+2%	1 Month LIBOR + 4.5%
- Term of Repayment - Capital	Rs. 6,060,607 P.m	Rs. 2,500,000 P.m	USD 43,350 P.m
- No of Installments	66 Months	60 Months	72 Months
- Repayment by	June 2020	December 2019	December 2020
- Grace Period	September 2011 to December 2014	August 2012 to December 2014	August 2012 to December 2014
- Security offered	Leasehold Right of the land and Hotel building belongs to Sun Tan Beach Resorts Ltd	Leasehold Right of the land and Hotel building belongs to Sun Tan Beach Resorts Ltd	Leasehold Right of the land and Hotel building belongs to Sun Tan Beach Resorts Ltd

19.2.1.1.2 Finance Leases

	Balance As at 01.04.2014	New Leases Obtained	Repayments	Balance As at 31.03.2015
	Rs.	Rs.	Rs.	Rs.
Pan Asia Banking Corporation PLC	33,687,127	-	(13,381,741)	20,305,386
Gross Liability	33,687,127	-	(13,381,741)	20,305,386
Finance Charges allocated to Future Periods	(5,536,158)	-	3,073,513	(2,462,645)
Net Liability	28,150,969	-	(10,308,228)	17,842,741

19.2.1.2 Company

	2015 Amount Repayable Within 1 Year	2015 Amount Repayable After 1 Year	2015 Total	2014 Amount Repayable Within 1 Year	2014 Amount Repayable After 1 Year	2014 Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bank Loans (Note 19.2.1.2.1)	353,562,052	307,950,000	661,512,052	130,000,000	-	130,000,000
Finance Lease (Note 19.2.1.2.2)	3,088,238	2,899,993	5,988,231	2,679,306	6,304,652	8,983,958
Bank Overdrafts (Note 22)	78,389,630	-	78,389,630	3,749,322	-	3,749,322
	435,039,920	310,849,993	745,889,913	136,428,628	6,304,652	142,733,280

19.2.1.2.1 Bank Loans

	Balance As at 01.04.2014	Loans Obtained	Repayments	Balance As at 31.03.2015
	Rs.	Rs.	Rs.	Rs.
Seylan Bank PLC	130,000,000	671,512,052	(140,000,000)	661,512,052
	130,000,000	671,512,052	(140,000,000)	661,512,052

19.2.1.2.2 Finance Leases

	As at 01.04.2014	Obtained	Repayments	As at 31.03.2015
	Rs.	Rs.	Rs.	Rs.
Pan Asia Banking Corporation PLC	10,867,469	-	(4,028,169)	6,839,301
Gross Liability	10,867,469	-	(4,028,169)	6,839,301
Finance Charges allocated to Future Periods	(1,883,512)	-	1,032,442	(851,070)
Net Liability	8,983,958	-	(2,995,727)	5,988,231

Notes to the Financial Statements...

19.3 Fair Values - Group

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

	Carrying Amount		Fair Value	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Financial Assets				
Other Financial Assets				
- Fair Value through profit or loss Investments	25,653,377	25,653,377	9,884,144	12,372,000
- Available for Sale Investments	142,555,706	142,555,706	111,747,702	84,604,780
Total	168,209,083	168,209,083	121,631,846	96,976,780

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.

20. Inventories

	Group	
	2015	2014
	Rs.	Rs.
Food and Beverages	15,259,218	11,097,129
Housekeeping and Maintenance	12,983,265	9,728,766
Printing and Stationery	1,724,597	1,509,474
Consumable and Other	2,481,638	2,463,977
	32,448,717	24,799,346

21. Trade and Other Receivables

	Group		Company	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Trade Receivables	202,034,558	148,614,239	2,766,950	862,742
Less - Impairment made from Trade Receivables	(5,252,772)	(5,252,771)	-	-
	196,781,786	143,361,468	2,766,950	862,742
Other Receivables	16,481,700	15,076,505	9,864,146	10,145,339
Other Receivables from Related Parties (Note 21.1)	16,618,669	12,041,826	109,286,249	19,455,406
Provision for doubtful receivables	(7,700,880)	(7,700,880)	(7,700,880)	(7,700,880)
	222,181,275	162,778,919	114,216,464	22,762,607

21.1 Other Receivables from Related Parties

	Relationship	2015	2014	2015	2014
		Rs.	Rs.	Rs.	Rs.
Connaissence Hotel Management (Private) Limited	Subsidiary	-	-	1,593,187	1,593,187
CDC Conventions (Private) Limited	Subsidiary	-	-	6,924,293	16,638,032
Connaissence Air Travels (Private) Limited	Subsidiary	-	-	2,950,912	2,950,912
The Beach Resorts Limited	Subsidiary	-	-	1,471,965	1,436,370
Hunas Falls Hotels PLC	Affiliate	1,586,065	4,297,329	880,507	2,591,011
The Kingsbury PLC	Affiliate	10,877,231	5,714,286	10,877,231	5,714,286
Lake Lodge Resorts (Private) Limited	Affiliate	1,053,893	660,077	-	-
Hayleys Travels and Tours (Private) Limited	Affiliate	2,987,630	1,370,134	-	-
Sun Tan Beach Resorts Limited	Subsidiary	-	-	96,056,546	-
Hayleys Business Solution International (Private) Limited	Affiliate	21,850	-	-	-
Hayleys Industrial Solutions (Private) Limited	Affiliate	92,000	-	-	-
(Less) Provision for Bad and Doubtful Receivables		-	-	(11,468,393)	(11,468,392)
		16,618,669	12,041,826	109,286,249	19,455,406

Notes to the Financial Statements...

21.1 Other Receivables from Related Parties (Contd.)

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

As at 31 March, the ageing analysis of Trade Receivables is as follows;

	Total	Neither past due nor impaired	Past due but not impaired				
			< 30 days	30-60 days	60-90 days	90-120 days	120-180 days
2015	196,781,786	7,593,975	86,141,813	66,885,416	31,044,317	5,116,265	-
2014	143,361,468	7,349,787	71,351,269	46,884,218	13,584,040	2,548,570	1,643,584

22. Cash and Cash Equivalents in the Cash Flow Statement

Components of Cash and Cash Equivalents	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Favourable Cash and Cash Equivalent Balances				
Cash and Bank Balances	61,669,431	48,762,410	742,990	508,449
Unfavourable Cash and Cash Equivalent Balances				
Bank Overdraft	(236,880,404)	(61,095,973)	(78,389,630)	(3,749,322)
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	(175,210,973)	(12,333,563)	(77,646,640)	(3,240,873)

23 Stated Capital

	Group/Company			
	2015		2014	
	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

23.1 Pending Share Allotment

	Group/Company			
	2015		2014	
	Number	Rs.	Number	Rs.
Pending Share Allotment (Note 12.1)	2,401,711	192,136,952	-	-

Notes to the Financial Statements...

24. Revaluation Reserve

	Group	
	2015 Rs.	2014 Rs.
On Property, Plant and Equipment		
As at 01 April	65,294,614	65,294,614
Revaluations During the Year	372,249,750	-
Revaluation Reserve Attributable to non - controlling interest	(27,198,470)	-
As at 31 March 2015	410,345,894	65,294,614

The above revaluation surplus consist of net surplus resulting from the revaluation of Lands of the Group. The unrealised amounts cannot be distributed to shareholders.

25. Trade and Other Payables

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Trade Payables	45,411,495	33,387,656	1,666,563	2,710,429
Other Payables to Related Parties (Note 25.1)	39,557,914	8,902,807	166,923,722	303,639,779
Sundry Creditors including Accrued Expenses	198,255,923	95,533,798	69,427,829	20,831,074
	283,225,332	137,824,261	238,018,114	327,181,282

25.1 Other Payables to Related Parties

	Relationship	Group		Company	
		2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Hayleys PLC	Parent Company	20,490,279	8,871,460	20,490,279	8,871,460
Kandyan Resorts (Private) Limited	Subsidiary Company	-	-	112,439,721	101,672,422
Culture Club Resorts (Private) Limited	Subsidiary Company	-	-	33,682,253	193,064,550
Hayleys Consumer Products Limited	Affiliate Company	220	220	220	220
Hayleys Travel & Tours (Private) Limited	Affiliate Company	226,300	12,270	226,300	12,270
Hayleys Business Solutions International (Private) Limited	Affiliate Company	84,948	18,857	84,948	18,857
East India Holdings (Private) Limited	Affiliate Company	10,756,166	-	-	-
Mr. R. S. Thissanayagam	Director	8,000,000	-	-	-
		39,557,914	8,902,807	166,923,722	303,639,779

Notes to the Financial Statements...

26. Retirement Benefit Obligation	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
<i>Defined Benefit Obligation - Gratuity</i>				
Defined Benefit Obligation as at the beginning of the year	28,035,750	24,202,387	8,121,438	6,539,962
Acquisition of a Subsidiary	648,330	-	-	-
Current Service Cost	3,388,934	2,806,731	731,971	659,433
Interest Cost	3,029,573	2,662,263	889,970	719,396
Actuarial (Gain)/Loss	(2,333,518)	33,129	(1,365,499)	202,647
Benefit paid	(1,915,952)	(1,668,761)	(61,600)	-
Defined Benefit Obligation as at the end of the year	30,853,116	28,035,750	8,316,280	8,121,438

Messrs. NMG Consulting, an independent actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on March 31, 2015. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	2015	2014
Discount Rate	10%	11%
Future Salary Increment Rate	9%	10%

26.1 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	461,211	(431,798)	(434,559)	473,144
Group				
Change in Present value of Defined Benefit Obligation	2,525,779	(2,240,044)	(2,017,393)	2,545,091

27. Commitments and Contingencies

27.1 Contingent Liability

27.1.1 Super Gain Tax

As per Finance Bill issued on March 30, 2015, where the aggregate profits (as per audited financial statement) of Subsidiaries and the Holding Company, within a Group of Companies, exceed Rs. 2 Billion for the year of assessment 2013/14, each Company of such Group is liable to pay a levy known as Super Gains Tax which is 25% of the taxable income of such Company for the year of assessment 2013/14. The Bill is yet to be enacted.

The Company being a subsidiary of Hayleys Group would become liable to the said levy once the proposed Bill is legislated and the method of computation is established upon which the quantum of the levy will be ascertained.

Notes to the Financial Statements...

27.1.2 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.151 Mn (2014 - Rs. 455 Mn).

Kandyan Resorts (Private) Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Rs.93 Mn (2014 - Rs. 308 Mn).

Sun Tan Beach Resorts Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Rs. 203 Mn.

27.2 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:

	2015 Rs.	2014 Rs.
Not later than one year	3,599,176	3,115,655
Later than one year and not later than 05 years	1,136,023	4,246,816
	4,735,199	7,362,471

27.3 Finance lease commitments

The Group has finance leases contracts for vehicles. 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:

	2015		2014	
	Minimum payments Rs.	Present value of payments (Note 19) Rs.	Minimum payments Rs.	Present value of payments (Note 19) Rs.
Within one year	13,042,735	11,206,703	12,444,158	10,044,544
After one year but not more than five years	7,262,651	6,636,038	21,242,969	18,106,425
Total minimum lease payments	20,305,386	17,842,741	33,687,127	28,150,969
Less amounts representing finance charges	(2,462,645)	-	(5,536,158)	-
Present value of minimum lease payments	17,842,741	17,842,741	28,150,969	28,150,969

Notes to the Financial Statements...

28. 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
		2015 Rs.	2014 Rs.	
Leasehold Right of the land and Hotel building belongs to Sun Tan Beach Resorts Limited	Rs. 150 Mn Loan & USD 3,120,605 Loan Facility from Commercial Bank of Ceylon PLC and Rs. 400 Mn Loan Facility from DFCC Vardhana Bank	1,516,655,799	-	Property, Plant and Equipments
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	Property, Plant and Equipments
	Rs. 25 Mn loan facility from National Development Bank PLC to Culture Club Resorts (Private) Limited	-	1,156,062,782	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	Property, Plant and Equipments

Notes to the Financial Statements...

29. Related Party Disclosures

Details of significant related party disclosures are as follows:

29.1 Transaction with the Related Entities	Parent Company		Subsidiary Companies		Other Companies		Total	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Nature of Transaction								
As at 1 April	(8,871,460)	(11,035,652)	(283,586,863)	(322,506,263)	8,305,297	972,847	(284,153,026)	(332,569,068)
Rendering/Obtaining Services	(37,352,134)	(31,562,093)	-	-	-	-	(37,352,134)	(31,562,093)
Management Fees	-	-	2,736,735	2,742,858	33,222,975	38,190,349	35,959,710	40,933,207
Commission Income	-	-	73,898,591	74,573,841	44,168,088	27,659,340	118,066,679	102,233,180
Dividend	-	-	237,409,943	185,836,673	-	-	237,409,943	185,836,673
Settlement of Liabilities on behalf of the Company	(1,364,523)	(889,166)	-	(310,543)	-	-	(1,364,523)	(1,199,708)
Settlement of Liabilities by the Company on behalf of Others	-	-	220,125,477	89,267,515	26,823,429	14,676,350	246,948,906	103,943,865
Collections made by the Company on behalf of the Others	-	-	(25,317,356)	(6,319,036)	(5,844,135)	(5,102,087)	(31,161,491)	(11,421,123)
Fund Transfers	-	-	(276,408,362)	(309,266,785)	-	-	(276,408,362)	(309,266,785)
Payment Made	27,097,838	34,615,451	-	-	(94,917,915)	(68,091,502)	(67,820,077)	(33,476,051)
Receipt for Services	-	-	2,548,371	2,394,877	-	-	2,548,371	2,394,877
As at 31 March	(20,490,279)	(8,871,460)	(48,593,464)	(283,586,863)	11,757,739	8,305,297	(57,326,004)	(284,153,026)
Included in								
Amount due from Related Party	-	-	97,528,510	11,150,109	11,757,739	8,305,297	109,286,249	19,455,406
Amount due to Related Party	(20,490,279)	(8,871,460)	(146,121,974)	(294,736,972)	-	-	(166,612,253)	(303,608,432)
	(20,490,279)	(8,871,460)	(48,593,464)	(283,586,863)	11,757,739	8,305,297	(57,326,004)	(284,153,026)

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, Connaissance Hotel Management (Private) Limited and Sun Tan Beach Resorts Limited.

Other Companies: Hunas Falls Hotels PLC and The Kingsbury PLC

29.2 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	Group		
	2015 Rs.	2014 Rs.	
Short-term Employee Benefits	- Executive - Non-executive	45,464,769 2,895,000	27,791,147 3,474,400
Post-employment Benefits	- Executive	1,306,800	1,188,000
		49,666,569	32,453,547

b) 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.

Notes to the Financial Statements...

29.3 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	2015 Rs.	2014 Rs.
Pan Asia Banking Corporation PLC	Lease Rental paid	13,381,741	13,185,925
	Lease Payables as at 31 March	20,305,386	33,687,127

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.

30. Event Occuring after the Reporting Date

Other than the disclosures made under the Note 12.1 of these financial statements, there have been no any other material events occurring after the reporting date that require adjustment to or disclosure in the Financial Statements.

31. 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 derived directly from its operations. The Group also holds available-for-sale investments and investments designation 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 2015 and 2014.

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 a fixed and variable element, which is around AWPLR + 1%.

Notes to the Financial Statements...

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

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
2015	+50	(6,434,656)
	-50	6,434,656
2014	+50	(770,832)
	-50	770,832

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.

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. 121,631,846/- An increase or decrease of 10% on the Colombo Stock Exchange (CSE) market index (ASPI) could have an impact of approximately Rs. 12,163,184/- 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 2015, the Group had 10 customers (2014: 10 customers) that owed the Group more than Rs.2,000,000 each and accounted for approximately 60% (2014: 60%) of all receivables owing. There was four customer 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 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.

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 Statements...

31. 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 2015	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	236,880,404	323,603,018	213,246,074	-	773,729,496
Trade and other payables	-	297,175,058	-	-	297,175,058
	236,880,404	620,778,076	213,246,074	-	1,070,904,554

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

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 2015 and 31 March 2014.

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.

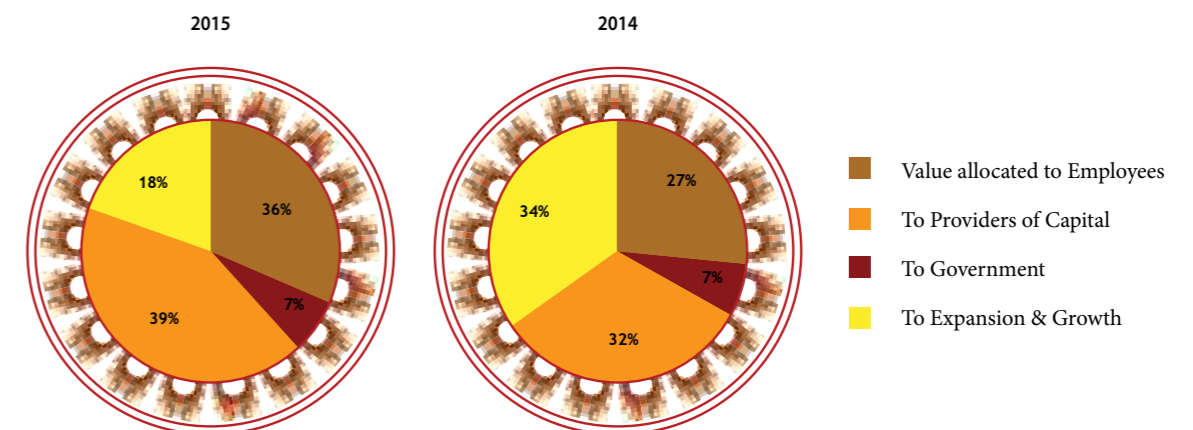
	2015 Rs.	2014 Rs.
Interest-bearing loans and borrowings (Note 19)	1,839,254,168	243,421,336
Trade and other payables (Note 25)	283,225,332	137,824,261
Less: cash and short-term deposits (Note 22)	(61,669,431)	(48,762,410)
Net debt	2,060,810,069	332,483,187
Equity	3,595,062,152	2,647,022,982
Total capital	3,595,062,152	2,647,022,982
Capital and net debt	5,655,872,221	2,979,506,169
Gearing ratio	36%	11%

Statement of Value Added

Group Value Added Statement

	Group		Company	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Turnover	1,413,337,843	1,171,594,325	141,129,927	134,605,273
Other Income	74,921,752	32,370,915	240,563,180	194,102,515
	1,488,259,596	1,203,965,240	381,693,107	328,707,788
Less: Cost of Material & Services brought in	(641,378,267)	(472,301,535)	(71,612,773)	(65,176,236)
	846,881,329	731,663,705	310,080,333	263,531,552
Value allocated to employees				
Salaries, wages and other benefits	305,804,981	200,742,560	58,960,964	49,378,362
To Government				
TT, TDL & Income Tax	60,500,740	55,486,023	-	2,127,823
To Providers of Capital				
Non-Controlling Interest	(47,032,790)	2,301	-	-
Loan Interest & Dividend	377,589,924	230,219,314	294,168,541	222,652,346
To Expansion & Growth				
Depreciation & Retained in Business	150,018,474	245,213,506	(43,049,172)	(10,626,979)
	846,881,329	731,663,705	310,080,333	263,531,552

Value allocated to employees	36%	27%	19%	17%
To Providers of Capital	39%	32%	95%	86%
To Government	7%	7%	0%	1%
To Expansion & Growth	18%	34%	-14%	-4%



Share and Investor Information

AMAYA LEISURE PLC

ORDINARY SHAREHOLDERS AS AT 31ST MARCH 2015

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	1,210	217,330	0.4524	14	5,284	0.0110	1,224	222,614	0.4634
1,001 - 10,000	182	552,830	1.1509	5	16,985	0.0354	187	569,815	1.1863
10,001 - 100,000	44	1,299,057	2.7044	3	118,056	0.2458	47	1,417,113	2.9502
100,001 - 1,000,000	11	4,987,076	10.3823				11	4,987,076	10.3823
OVER 1,000,000	8	40,837,620	85.0177				8	40,837,620	85.0177
Total	1,455	47,893,913	99.7079	22	140,325	0.2921	1,477	48,034,238	100.0000
CATEGORY									
Individuals	1,372	5,147,745	10.7168	21	110,797	0.2307	1,393	5,258,542	10.9475
Institutions	83	42,746,168	88.9910	1	29,528	0.0615	84	42,775,696	89.0525
	1,455	47,893,913	99.7079	22	140,325	0.2921	1,477	48,034,238	100.0000

First Twenty Shareholders

FIRST TWENTY SHAREHOLDERS AS AT 31.03.2015

NAME OF SHAREHOLDER		NO. OF SHARES AS AT 31.03.2015	%	NO. OF SHARES AS AT 31.03.2014	%
1	HAYLEYS PLC	19,366,234	40.32	19,366,234	40.32
2	DEAN FOSTER (PVT) LTD	10,252,300	21.34	10,252,300	21.34
3	EMPLOYEE PROVIDENT FUND	4,620,739	9.62	4,620,739	9.62
4	PEOPLE'S LEASING & FINANCE PLC/MR. L. T. SAMARAWICKRAMA	3,973,477	8.27	3,973,477	8.27
(As at 31.03.15 shares were held through Waldock Wackenzie Ltd/Mr.LTS)					
	HSBC - MR. L. T. SAMARAWICKRAMA	429,740	0.89	429,740	0.89
	MR. L. T. SAMARAWICKRAMA	60,000	0.12	60,000	0.12
5	MR. W. A. D. C. J. WICKRAMASINGHE	1,431,293	2.98	11,085	0.02
	HATTON NATIONAL BANK/MR. W. A. D. C. J. WICKRAMASINGHE	-	0.00	1,626,738	3.39
	MR. C. J. WICKRAMASINGHE	-	0.00	644,994	1.34
6	MR. H. A. VAN STARREX	1,193,577	2.48	437,784	0.91
7	MERCANTILE INVESTMENTS AND FINANCE PLC	860,000	1.79	860,000	1.79
8	TOYO CUSHION LANKA (PVT) LTD	816,400	1.70	816,400	1.70
9	VOLANKA EXPORTS LIMITED	642,900	1.34	642,900	1.34
10	BANK OF CEYLON NO.1 ACCOUNT	527,635	1.10	102,000	0.21
11	MR. K. D. D. PERERA	447,661	0.93	447,661	0.93
12	MR. S. SENARATNE	372,894	0.78	602,894	1.26
13	ELLES (PVT) LTD	339,272	0.71	439,272	0.91
14	ASSOCIATED ELECTRICAL CORPORATION LTD	302,000	0.63	301,138	0.63
15	BANK OF CEYLON A/C CEYBANK CENTURY GROWTH FUND	138,563	0.29	163,563	0.34
16	MR. H. A. M. P. ALGAMA	110,011	0.23	-	0.00
17	MR. D. J. DE SILVA WIJEYERATNE	96,460	0.20	26,460	0.06
18	MR. M. A. H. ESUFALLY	91,660	0.19	-	0.00
19	DFCC VARDHANA BANK LTD/MR. B.A.D.H.C. MAHIPALA	80,000	0.17	80,000	0.17
20	MR. H. W. M. WOODWARD	76,028	0.16	76,028	0.16
TOTAL		46,228,844	96.24	45,981,407	95.73

The percentage of shares held by public as at 31.03.2015 was 20.46% (2014 - 18%)

Total number of share holders represent in public holding - 1,461

Share Trading Information

FOR THE 03 MONTHS ENDED 31.03.2015

Highest Price	84.00	16.01.2015
Lowest Price	70.00	30.03.2015
Closing Price	71.50	
No. of Transactions	99	
No. of Shares Traded	44,122	
Value of Shares Traded	3,350,650.70	

FOR THE 12 MONTHS ENDED 31.03.2015

Highest Price	91.90	12.09.2014
Lowest Price	70.00	30.03.2015
Closing Price	85.00	
No. of Transactions	963	
No. of Shares Traded	2,107,278	
Value of Shares Traded	177,758,270.00	

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).

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.

Glossary of Financial Terms...

Impairment

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

Interest Cover

Consolidated profit before interest and tax over finance expenses.

Non-Controlling Interest

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

Market Value Per Share

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

Market Capitalisation

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

Net Assets

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

Net Assets Per Share

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

Return on Capital Employed

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

Price Earnings Ratio

Market price per share over Earnings Per Share.

Return on Equity

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

Segment

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

Shareholders' Funds

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

Total Debt

Long term loans plus short term loans and overdrafts.

Total Value Added

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

Five Year Summary

		2014/15	2013/14	2012/13	2011/12	2010/11
Operating Results						
Group Turnover	Rs. 000s	1,413,338	1,171,594	1,065,394	877,084	757,068
Profit before Taxation	Rs. 000s	223,489	417,919	409,936	308,948	472,523
Taxation	Rs. 000s	-42,667	-41,757	-31,893	-16,384	-5,095
Profit after Taxation	Rs. 000s	180,822	376,162	378,043	292,564	467,428
Statement of Financial Position						
Share Capital	Rs. 000s	526,770	526,770	526,770	526,770	526,770
Capital Reserve	Rs. 000s	410,346	65,295	65,295	-	-
Available for Sale Reserve	Rs. 000s	-30,808	-57,951	-43,459	-23,662	194
Revenue Reserves	Rs. 000s	2,073,582	2,083,606	1,923,537	1,739,087	1,638,640
Shareholders' Fund	Rs. 000s	3,172,027	2,617,721	2,472,143	2,242,195	2,165,605
Key Indicators						
Earning per Share	Rs.	4.74	7.83	7.87	6.09	9.78
Market price per 31st March	Rs.	85.00	72.30	76.50	76.70	120.10
Highest Market Price	Rs.	91.90	84.90	88.00	125.00	140.00
Lowest Market Price	Rs.	70.00	66.00	56.00	66.90	89.00
Return on Equity	%	5.03	14.21	15.11	12.89	21.31
Return on Shareholder's Fund	%	7.18	14.37	15.29	13.28	26.26
Price Earning Ratio	No. of Times	17.92	9.23	9.72	12.59	12.28
Interest Cover	No. of Times	2.62	26.56	29.00	47.05	(0.39)
Gearing Ratio	%	51.16	9.20	7.91	5.42	2.87
Current Ratio	No. of Times	0.34	0.74	0.83	1.23	2.16
Net Assets Per Share	Rs.	66.04	54.50	51.47	46.68	45.08

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty Third 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 Wednesday, 24th June 2015 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 2015
- 2) To re-elect, Ms.W.D. De Costa, who has been appointed to the Board since the last Annual General Meeting, a Director.
- 3) To re-elect Mr. A.M. Pandithage, who retires by rotation at the Annual General Meeting a Director.
- 4) To re-elect Ms. R.N. Ponnambalam, who retires by rotation at the Annual General Meeting a Director.
- 5) To authorize the Directors to determine contributions to Charities for the financial year 2015/16.
- 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 for the financial year 2015/16.
- 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 2015*

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

Colombo
 22nd May 2015

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 Third Annual General Meeting of the Company to be held on Wednesday, 24th June 2015 and at every poll which may be taken in consequence of the aforesaid meeting and at any adjournment thereof:

	For	Against
1) To consider and adopt the Annual Report of the Board of Directors and the Statements of Accounts for the year ended 31st March 2015	<input type="checkbox"/>	<input type="checkbox"/>
2) To re-elect, Ms.W.D. De Costa, who has been appointed to the Board since the last Annual General Meeting, a Director.	<input type="checkbox"/>	<input type="checkbox"/>
3) To re-elect Mr. A.M. Pandithage, who retires by rotation at the Annual General Meeting a Director.	<input type="checkbox"/>	<input type="checkbox"/>
4) To re-elect Ms. R.N. Ponnambalam, 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 for the financial year 2015/16.	<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 for the financial year 2015/16.	<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 of2015

Witnesses

.....

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

.....
 Signature of Shareholder



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 2015
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



2013/2014 Annual Report



2012/2013 Annual Report

2011/2012 Annual Report

2010/2011 Annual Report

This concludes Amaya Leisure PLC's Annual Report for 2014/15 providing you with a comprehensive insight to all the statutory, financial and corporate information about the Company, its operations as well as its Shareholders.

For the past few years, in keeping with our Group's tagline 'Reflections of Sri Lanka', we at Amaya have strived to present to you our stakeholders a glimpse of what this paradise has in abundance - an abundance of rich culture and 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 as Sri Lankans are to inherit these priceless treasures carefully handed over to us from generation to generation.

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 offered an insight in to the traditional dancing styles of Sri Lanka and how they evolved over the centuries while the 2013/14 Annual Report last year focused on the History of Sri Lanka's Painting Art.

This year, the Amaya Leisure PLC Annual Report focused on the traditional 'Kolam Masks' which still plays an important part in the rural Sri Lankan's life. These colourful Kolam Masks may seem amusing to a layperson or city-dweller, but the deeper meaning of each image, each ritual and each movement is enough to leave many of us spellbound. Although we cannot provide you with comprehensive and in-depth details on the subject, we fervently hope that this Annual Report would have ignited even a tiny spark of interest among you about this vast and colourful part of our culture and heritage. We would like to offer our heartfelt appreciation to Prof. Ariyaratne Kaluarachchi, Vice Chancellor of the University of Visual and Performing Arts for providing us with valuable insights in to this specialised subject area.

Thank you once again in making 2014/15 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
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, Sri Lanka 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 (Resigned w.e.f. 31.05.2014) Ms. R. N. Ponnambalam Ms. W. D. De Costa (Appointed w.e.f. 01.07.2014) Mr. S. J. Wijesinghe (Alternate Director to Mr. Dhammika Perera) Mr. H. Somashantha (Alternate Director to Mr. Nimal Perera)
SUBSIDIARY COMPANIES (Unquoted)	Culture Club Resorts (Private) Limited Kandyan Resorts (Private) Limited Sun Tan Beach Resorts 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, Sri Lanka
AUDITORS	Ernst & Young Chartered Accountants 201, De Saram Place, Colombo 10, Sri Lanka
BANKERS	Hatton National Bank PLC National Development Bank PLC Pan Asia Banking Corporation PLC Commercial Bank of Ceylon PLC DFCC Vardhana Bank PLC Nations Trust Bank PLC Seylan Bank PLC



Amaya Leisure PLC

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