



AMAYA

Amaya Leisure PLC

Annual Report  

---

2015/2016

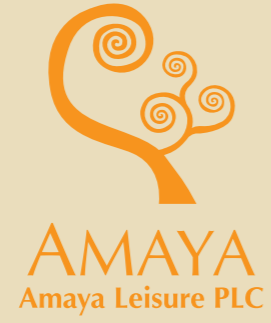
Reflections of Sri Lanka

# Amaya..

non-illusiv - 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”

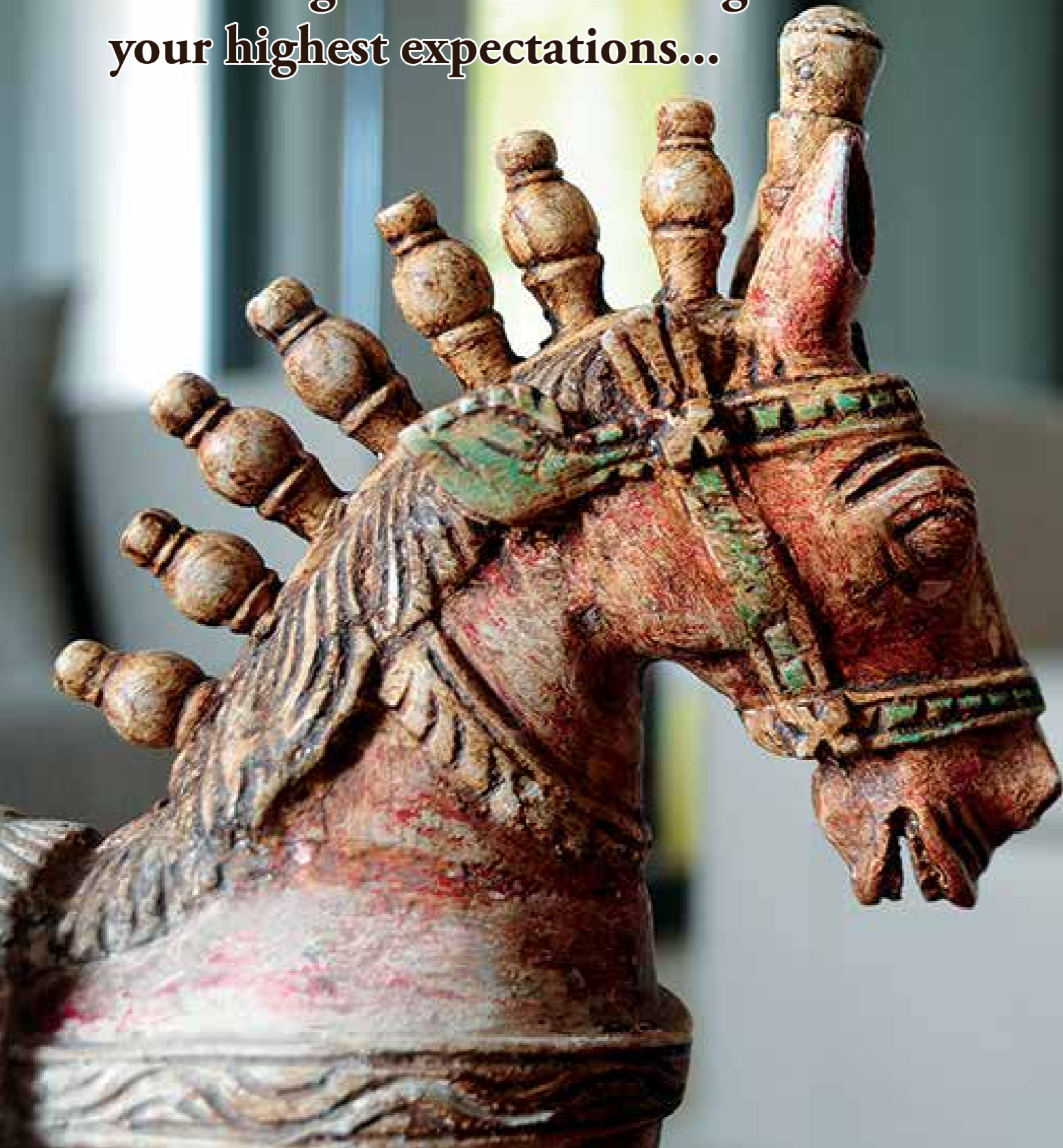




ආයුබෝ වේවා!  
Welcome! நல்வரவு!



Perfecting the art of meeting  
your highest expectations...



## The Icons Behind Amaya's Success Story



AMAYA LAKE  
Dambulla • Sri Lanka



AMAYA HILLS  
Kandy • Sri Lanka



AMAYA BEACH  
Passikudah • Sri Lanka



AMAYA SIGNATURE  
Dambulla • Sri Lanka

## Our Vision



To be the Number One choice for holidaymakers in Sri Lanka

## Our Mission



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

## Our Values



Amaya Hotels maintain the following values:

### Outstanding Service

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

### High Performance

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

### Perpetual Integrity

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

### Unflagging Passion

Doing things with zeal which sets us over and above all others - this is the "Amaya Way"

### Improvement

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



Simple indulgences for your mind,  
body and soul...

## CONTENTS

Financials at a Glance	12
Chairman's Message	18
Managing Director's Review	22
Financial Calendar	27
Profiles of the Board	30
Corporate Management	54

## FINANCIAL INFORMATION

Annual Report of the Board of Directors on the Affairs of the Company	64
Corporate Governance	72
Statement of Directors' Responsibility for the Financial Reporting	92
Report of Audit Committee	96
Related Party Transaction Review Committee Report	98
Auditor's Report	100
Statement of Profit or Loss	102
Statement of Other Comprehensive Income	103
Statement of Financial Position	104
Statement of Changes in Equity	105
Cash Flow Statement	106
Accounting Policies	110
Notes to the Financial Statements	128
Statement of Value Added	153
Share and Investor Information	154
First Twenty Share Holders	155
Share Trading Information	156
Five Year Summary	157
Glossary of Financial Terms	158
Notice of Meeting (AGM)	160
Form of Proxy (AGM)	161



Let's us take you on a  
voyage of discovery

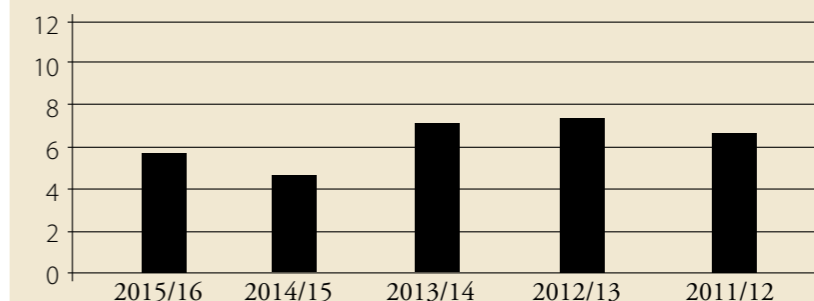
Our exquisite range of themed resorts present our guests  
with the opportunity to unravel many of Sri Lanka's most  
well-kept secrets.



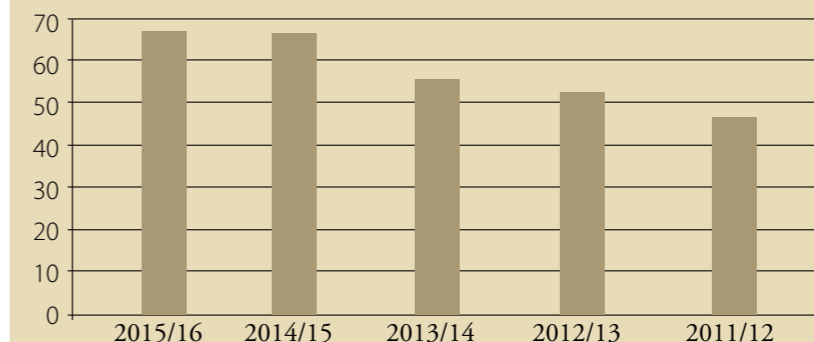
## Financials at a Glance

	2015/2016	2014/2015	Changes
	Rs.,000	Rs.,000	%
<b>For the year</b>			
Turnover-Gross	1,642,044	1,413,338	16%
Turnover-Net	1,623,312	1,395,504	16%
Profit Before Tax	301,625	223,489	35%
Profit After Tax	246,698	180,822	36%
Profit Attributable to the Parent	287,016	227,855	26%
<b>At the year end</b>			
Shareholders' Funds	3,350,876	3,172,027	6%
Total Assets	6,001,239	5,870,869	2%
Group Employment (No. of Persons)	655	648	1%
<b>Per Share</b>			
Earning (Rs.)	5.69	4.74	20%
Dividend (Rs.) (Proposed*)	4.00*	5.00	-20%
Net Assets (Rs.)	66.44	66.04	1%
Market Value (Rs.)	60.50	71.50	-15%
<b>Ratio</b>			
Gross Profit (%)	60.33	58.62	3%
Interest Cover (Times)	2.92	2.63	11%
Current Ratio (Times)	0.64 : 1	0.34 : 1	88%

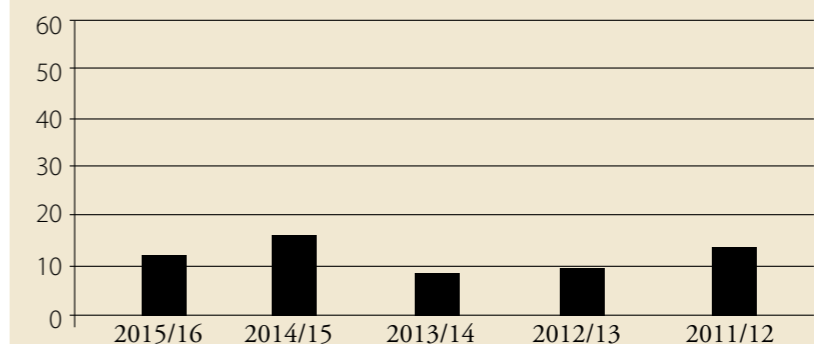
Earnings Per Share (Rs.)



Net Assets Per Share (Rs.)



Price Earning Ratio (Times)







Indulge in  
lavish comfort...

At Amaya, we bring chic sophistication to  
every facet of your stay with us.  
Come, Stay, Indulge...



## Message from the Chairman

"During the year under review, the Amaya Group achieved its highest ever turnover of Rs. 1.64 Bn with a Profit Before Tax of Rs. 301.6 Mn, a substantial increase of 34.9% compared to the previous year. Profit After Tax was recorded at Rs. 246.7 Mn an increase of 36.4% compared to the previous year."



**MOHAN PANDITHAGE**

*Chairman*

## Message from the Chairman

Dear Shareholder,

It is indeed my pleasure to present you with the Annual Report and the Audited Financials of Amaya Leisure PLC for the year ended 31st March 2016.

During the year under review, the Amaya Group achieved its highest ever turnover of Rs. 1.64 Bn with a Profit Before Tax of Rs. 301.6 Mn, a substantial increase of 34.9% compared to the previous year. Profit After Tax was recorded at Rs. 246.7 Mn an increase of 36.4% compared to the previous year.

All properties of the Group recorded healthy increases in all key financial ratios during the year under review.

Refurbishment is currently being carried out in all Group properties to enhance our service offering to our clientele. 12 new rooms with Ayurvedic Treatments/facilities are being added to the Eco-Wing of our signature property Amaya Lake. These rooms will be operational from August 2016, further enhancing the marketability of the resort.

"The Bungalow by Amaya", where Amaya Hills has carved a niche by creating luxurious four bedroomed bungalows targeting the guests who prefer privacy and family outings. We have got good reviews and it's our intention to expand this concept to the rest of our hotel chain.

First & Final dividend of Rs. 4/- per share is proposed by way of a cash dividend and scrip dividend.

### Industry Overview

Sri Lanka's tourist arrivals reached its highest ever 1,798,380 in 2015. This 17.8% increase in tourist arrivals compared to 1,527,153 in 2014 could be attributed to many factors including the increasing favourable perception of Sri Lanka amongst western countries. Western Europe continues to be the largest origin for tourists followed by India and China. Sri Lanka's informal tourism sector consumed almost half of the tourist arrivals.

The Sri Lankan government has developed a strategic Marketing plan for 2016 which will be backed by both private and public sector stakeholders, addressing long standing needs of the tourism industry to position Sri Lanka as a sustainable tourism destination. The focus needs to be on focusing on quality, period of stay and average spend rather than only focusing on tourist arrival numbers.

### Way Forward

Currently Amaya owns 3 main properties in Kandy, Dambulla and Passikudah. Our strategic direction is to own and manage more properties in Sri Lanka and Overseas, enhancing the brand value of Amaya along with generating higher returns to our stakeholders.

We are constantly looking at ways and means of enhancing the comfort and experience of the discerning traveller. We are continuing to invest heavily in the training and development of our people as they would be the brand ambassadors of Amaya.

## Message from the Chairman

### Awards and Accolades

This year too, Amaya properties received various international awards and recognitions. Amaya Group was recognised in the International Hotel Awards Ceremony held in Hong Kong with Amaya Lake winning the 5 Star Award in the category of 'Best Hotel Renovation/ Refurbishment for Sri Lanka in the Asia Pacific Region' and Hunas Falls, which was managed by Amaya winning the award for the 'Best Sustainable Hotel for Sri Lanka in the Asia Pacific Region'.

Amaya Beach and Hunas Falls received the Trip Advisor Certificate of Excellence for receiving the best guest reviews in 2015. This was the 5th consecutive year that Hunas Falls received this recognition, thus entering the 'Trip Advisor Hall of Fame'.

### Conclusion

There was no change in the composition of the Board during the year under review.

I wish to place on record my sincere gratitude to all my fellow board members for the guidance that helped us through yet another challenging year successfully. I would also like to take this opportunity to thank our business partners and suppliers for their loyalty, support and trust as well as our employees for their passion and commitment.

I would also like to express my sincere gratitude to the Managing Director Mr. L. T. Samarawickrama and the senior management team for their leadership and commitment. Last but not least, our clients from across the globe, who continue to patronize the Amaya Chain, we hope to serve you in the years to come.



MOHAN PANDITHAGE  
Chairman  
11th May 2016

## Managing Director's Review

"We are confident that with the tagline 'Reflections of Sri Lanka' behind it, Amaya will develop further and become one of the best hospitality brands in Sri Lanka."



**L.T. SAMARAWICKRAMA**  
*Managing Director*



## Managing Director's Review

It is with pleasure that I present to you the Review of Operations for the financial year 2015/2016.

Even though the beginning of the year, especially the first quarter was extremely bleak with negative results being registered, the Group made giant strides in achieving the highest ever turnover in the Group's history with positive levels being maintained through all key ratios and improved its profitability in comparison to last year. Amaya Hills performed exceptionally well whilst Amaya Lake's new Signature Wing enabled the resort to establish the best ever results since inception. This luxury wing has attracted many high end tourists and we are positive that the occupancies will improve from current levels and enhance Amaya Lake's profitability in the years to come.

The opening of the new Amaya Lake's Eco-complex with a fully fledged Ayurvedic and wellness facility will further enhance the true value of this beautifully set out environmentally friendly resort in Kandalama, Dambulla.

The recently introduced 'Bungalow Concept' in Kandy was well accepted by the high end market segment and continues to be popular with the rich middle eastern

clients. With the confidence building up, we may venture into more properties of this sort to add to our existing diversified portfolio of hotel accommodation.

Our latest acquisition, 'Amaya Beach' is performing satisfactorily and was successful in achieving operational profits during the year under review. We are hopeful that the Government's participation in the East Coast development programme which includes the introduction of a domestic airline operation to the resorts in Pasikudah and Tricomalee will certainly improve the tourist volumes to the beautiful beaches of the East coast, thus improving activity and occupancy levels in Hotels based in these areas and also increasing the season to a greater extent. Most issues that hindered a smooth operation of hotels in this region has been addressed. We are now hopeful that our medium to long term investment in Amaya Beach in Pasikudah will bring in the desired results very soon.

The properties managed by Amaya too performed exceptionally well, namely the Langdale in Nuwara Eliya and the honeymoon paradise at The Hunas Falls in Kandy. These properties too have seen ever increasing competition building up. We are confident that with the

## Managing Director's Review

tagline 'Reflections of Sri Lanka' behind it, Amaya will develop further and become one of the best hospitality brands in Sri Lanka.

We embarked on a well focussed Sales & Marketing Plan and improved our occupancies throughout the year and further emphasised the importance of our on-line tour operators and concentrated heavily on revenue and yield management.

The ever so important staff personnel were kept active throughout the year and many training programmes were carried out to improve the service standards of the entire group.

Programmes organised by our Hotel managers to activate Group Corporate Social Responsibility (CSR) too was extremely successful and sustainable development programmes and maintaining green practices to safe guard the local environment has brought in many accolades to the entire Amaya Group.

I wish to take this opportunity to thank the management team and all members of our staff for their unstinted support and my fellow Board members for their valuable advice and co-operation throughout the year.



L. T. SAMARAWICKRAMA  
Managing Director  
11th May, 2016



A sneak peak in to  
Paradise...

Delve in to the island's lush tropical greenery,  
abundant wildlife and so much more.  
Experience Sri Lanka first-hand at your own pace.



# 1,642 MN

Group Turnover for Year 2015/2016

# 16%

Revenue Growth Rate for Year 2015/2016

# 301 MN

Profit Before Tax 2015/2016

## Financial Calendar

Audited Financial Statements Signed on	11 May 16
34th Annual General Meeting	23 Jun 16

## Interim Financial Statements

1 <sup>st</sup> Quarter Interim Results released on	28 Jul 15
2 <sup>nd</sup> Quarter Interim Results released on	30 Oct 15
3 <sup>rd</sup> Quarter Interim Results released on	5 Feb 16
4 <sup>th</sup> Quarter Interim Results released on	12 May 16

## Group Operational Highlights

Year Ended 31 <sup>st</sup> March	Occupancy		ARR (Rs.)	
	2016	2015	2016	2015
Amaya Lake & Signature	70%	67%	10,955	9,500
Amaya Hills & Bungalow by Amaya	78%	78%	12,250	10,667
Amaya Beach	39%	32%	10,654	9,685
Group	62%	58%	11,400	10,024



**Refined elegance.  
Laid-back seclusion.**

At Amaya, we help you rediscover those forgotten rhythms  
of long days and easy nights imbued with  
contemporary accents...





## Profiles of the Board



**Mr. A. M. Pandithage**  
Chairman

Chairman and Chief Executive of Hayleys PLC. Appointed to the Board of Amaya Leisure PLC in 2011. Fellow of the Chartered Institute of Logistics and 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 Maritime Advisory Council of the Ministry of Ports & Shipping. Member of the Advisory Council of the Ceylon Association of Ships' Agents. Member of the National Steering Committee on Skills Sector Development of the Department of National Planning.

Corporate Excellence Leadership Recognition by the Institute of Chartered Accountants of Sri Lanka in 2015.



**Mr. Chandra J. Wickramasinghe**  
Deputy Chairman

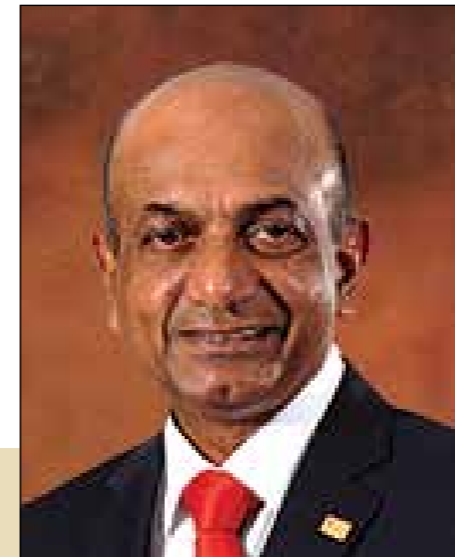
Mr. Chandra J. Wickramasinghe counts over 36 years of experience in the leisure industry. He is the Founder Chairman of Connaissance de Ceylan (Pvt) Ltd, Maalu Maalu Resorts & Spa, Aliya Resort & Spa, Mountbatten Bungalow, Theme Resorts & Spas and CDC Events and Travels. He is the Deputy Chairman of 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).

## Profiles of the Board



**Mr. L. T. Samarawickrama**  
Managing Director

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

Executive Director of Hayleys PLC and serves as the Managing Director of Amaya Leisure PLC, The Kingsbury PLC, Hunas Falls Hotels PLC, Sun Tan Beach Resorts Ltd, Culture Club Resorts (Pvt) Ltd, Kandyan Resorts (Pvt) Ltd, Luxury Resorts-Maldives and Hayleys Tours (Pvt) Ltd. He is a Director of Royal Ceramics Lanka PLC, The Fortress Resorts PLC, Kelani Valley Plantations PLC, Royal Porcelain (Pvt) Ltd, Royal Ceramics Distributors (Pvt) Ltd and Rocell Bathware Limited. He is also a Board Member of Sri Lanka Tourism Development Authority.



**Mr. Denesh Silva**  
Director - Marketing & Sales

A Fellow Graduate Member from the Ceylon Hotel School and School of Tourism (FCHSGA) in Hotel and Catering Operations with a specification in Front Office operations. He was awarded the Management Diploma in Hotel and Catering Operations with a Second Class Upper Division and is a Member of the Institute of Hospitality (UK).

He is a Director of Amaya Leisure PLC, The Kingsbury PLC, The Fortress Resorts PLC, Maalu Maalu Resorts and Spa, Hunas Falls Hotels PLC, Delair Travels (Pvt) Ltd, Sun Tan Beach Resorts Ltd, Culture Club Resorts (Pvt) Ltd and Kandyan Resorts (Pvt) Ltd.

Mr Silva currently functions as the Head of the Marketing Sub-Committee and Committee Partner of the Hotels Association of Sri Lanka. He is the immediate Past President and current Committee Member 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.

## Profiles of the Board



**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 is with over 27 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 and Delmege Limited. He is the Co-Chairman of Hayleys PLC, Executive Deputy Chairman of LB Finance PLC and Deputy Chairman of Horana Plantations PLC and Lanka Ceramic PLC. He is the Executive Director of Vallibel Finance PLC. He also serves on the Boards of Amaya Leisure PLC, Lanka Tiles PLC, Haycarb PLC, Hayleys Fabric PLC, The Kingsbury PLC, Dipped Products PLC, Sun Tan Beach Resorts Ltd & Hayleys Global Beverages (Pvt) Ltd.



**Mr. Nimal Perera**  
Director

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

He is a Director of Hayleys PLC, Haycarb PLC, Talawakelle Tea Estates PLC, The Kingsbury PLC & Tangalla Bay Hotels (Pvt) Ltd.

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

## Profiles of the Board



**Mr. S. Senaratne**  
Director

Mr. Suranimala Senaratne counts over 39 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 P.C.**  
Director

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

Mr. Harsha Amarasekera, President Counsel is a leading Lawyer in Sri Lanka having a wide practice in the Original Courts as well as in the Appellate Courts, specializing in Commercial Law, Business Law, Securities Law, Banking Law and Intellectual Property Law.

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

## Profiles of the Board



**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, Company Secretary and CFO. She also served as the Director Finance 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 McLaren Holdings Limited & GAC Shipping Ltd. She currently serves as a Director of The Kingsbury PLC, Alliance Finance Co. PLC, McBolon Polymer (Pvt) Ltd and Pidilite Lanka (Pvt) Ltd. She is presently the Managing Director of Macbertan (Pvt) Ltd. She has also been in roles of International and Local Business Development and negotiation.





Subtle | Sensuous | Classic Elegance

A classic fusion of subtle hues, tasteful furnishings and rich sensuous fabrics every nook and cranny at Amaya focuses on the many reflections of Sri Lanka.





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.

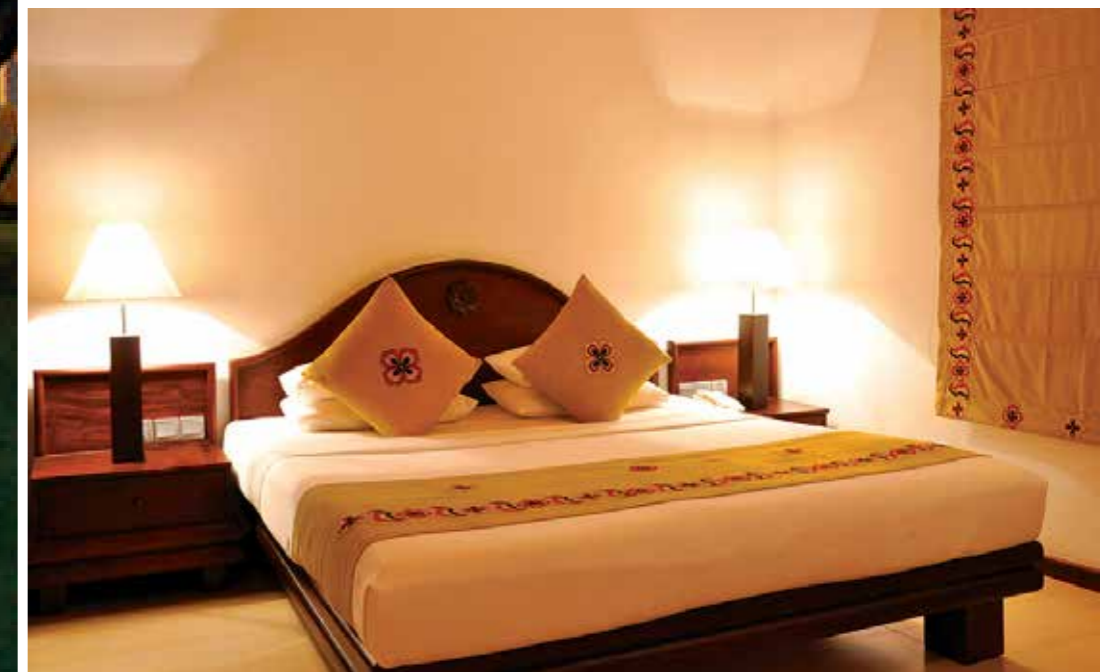
As the sun sets, Amaya Hills slowly becomes a golden panorama. The signature scene of fine dining or sipping a cocktail with your loved one comes to mind. With the night still young, you can head over to the jewel of relaxation, the Ayurveda Spa at Amaya Hills or engage in a range of activities within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



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.



Set amidst 50 acres of lush greenery, Amaya Lake, Dambulla is a place like no other bordering the shores of the magnificent Kandalama 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.





  
**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 swagging 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.





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.



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.



Natural hues,  
earthy tones...

Be at one with nature.  
Enjoy the comforts of  
paradise in absolute tranquility.



## Corporate Management

**A.M. Pandithage**

Chairman

**L.T. Samarawickrama**

Managing Director

**Denesh Silva**

Director - Marketing & Sales

**Aruna Dikkumbura**

Chief Financial Officer





Life redefined...

At Amaya we help you discover that lost vigour,  
the innermost energy that personifies exactly who you are and  
what you are capable of...



## Corporate Social Responsibility

### Providing Meals for Disabled War Veterans



They may be dramatically visible: a missing limb, a facial scar. They may also lurk beneath the skins surface: mental trauma that persists long after the events that provoked it. For disabled veterans, their wounds of war are daily facts of life. In treating these veterans and their families to a noon day meal brings joy. Its a meal out of the ordinary, something more than their families could afford. Often the families of the injured are at home tending to them and whatever income is probably through the selling of home garden produce or income from the fishing industry. Amaya Beach contributed 50 lunch packs and bottled water to these disabled veterans and their families at an event coordinated by the Kalkudah Police. 148 disabled veterans were given lunch on this day through the collective contributions of other Passikudah hotels and well wishes.

### Poson Alms-giving Programme



The 'Poson Danaya' was offered to the Maha Sangayawahanse and 150 Devotees who observed 'Ata Sil' at the Wewala Cave Temple Monastery for the 5th consecutive year. The devotees representing the many surrounding villages gathered at the monastery for this occasion. Daval Danaya marked an important partake of the noonday meal where Pirikaras were offered to all.

## Corporate Social Responsibility

### Facelift to Cancer Ward of Kandy General Hospital



Patients of Cancer Ward 33 of the Kandy General Hospital are enjoying a new facelift. The renovation of the Ward was inaugurated in accordance with the Hotel's strategy of improving the quality of lives of its communities. Beds, chairs and side cupboards were painted and primmed and the entire ward was cleaned out and painted. The ward which treats thousands of cancer patients from economically disadvantaged homes in the area received a much needed face-lift and now in contrast to its former state, offers an environment which is conducive to these cancer patients.

### School Nutrition Project



School feeding programs are targeted social safety nets that provide both educational and health benefits to the most vulnerable children, thereby increasing enrollment rates, reducing absenteeism, and improving food security at the household level. By supporting a monthly distribution of lunch to these vulnerable children living in highly food-insecure communities, the Poshana Project at Sithumina College Bowalawatta Kandy is a noteworthy cause. The Principal elaborates that on the day the lunch is to be served there is 100% attendance in the school. It is hoped that this Poshana project will be re-evaluated thereby offering the school not just a lunch for a day but a contribution of quarterly take home dry rations and a daily mid-day snack.

## Corporate Social Responsibility

### Donation of School Books to Children of Bowlawaththa Village

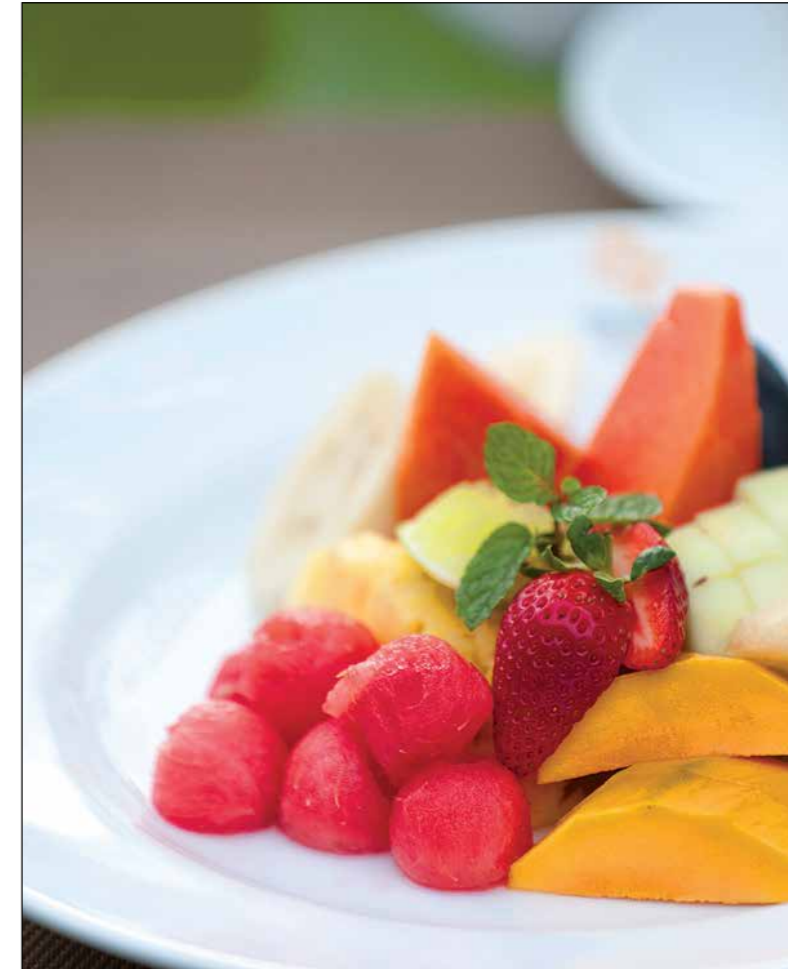


Amaya Hills Welfare Fund donated school books to 40 children of the Bowlawaththa Village. These children are the poorest of the poor, sometimes writing on bits of paper for want of books. Its happy to see their faces light up on receiving these books, simple things that we take for granted.

### Shramadana Campaign



Amaya Lake fully sponsored the 'Shramadana Campaign' arranged by villagers to clear the Innamaluwa-Dambulla Road. Hotel staff also participated in this campaign.







The epitome of  
contemporary luxury...

The seemingly endless spacious, dreamy,  
hallways at Amaya epitomises luxury and tranquility...



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

The Directors of Amaya Leisure PLC present their report together with the audited Financial Statements of the Company and of the Group for the year ended 31st March 2016.

The details set out herein provide the pertinent information required by the Companies Act No. 7 of 2007, the Colombo Stock Exchange Listing Rules and are guided by recommended best accounting practices.

## 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 2016 and its future prospects.

## PERFORMANCE AND APPROPRIATIONS

The Company's performance including that of its subsidiaries for the year ended 31st March 2016 is summarized as follows:

	Year Ended	
	31st March 2016 Rs. '000	31st March 2015 Rs. '000
Turnover	1,642,044	1,413,338
Profit Before Tax	301,625	223,489
Taxation	(54,927)	(42,667)
Profit After Tax	246,698	180,822
Non-Controlling Interest	(40,317)	(47,033)
Net Profit for the Year attributable to the Group (Before other Comprehensive income)	287,016	227,855
Dividend Paid (Proposed*)	201,744*	240,171

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

### 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 2016 was Rs. 718,907,272.00 comprising 50,435,949 Ordinary Shares (31.03.2015: Rs. 526,770,320.00 comprising 48,034,238 Ordinary shares) the number of shares in issue of the Company increased from 48,034,238 ordinary shares to 50,435,949 ordinary shares as a result of the payment of Interim Scrip Dividend for 2014/2015.

Pending share allotment on proposed Scrip Dividend is 1,441,027. The Stated Capital after the Scrip Dividend will be Rs. 819,779,170.00 comprising 51,876,976 Ordinary Shares.

### 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. 163 Mn (2015 - Rs. 358 Mn) details of which are given in Note 14.1 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 2016

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

\* Non – Executive Directors

\*\* Independent Non – Executive Directors

In terms of Article No. 29 (1) of the Articles of Association of the Company, Messrs. Dhammika Perera, S. Senaratne and D.E. Silva 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 acquisition/disposal to their Boards, in compliance with section 200 of the Companies Act.

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

Details of Directors' shareholdings as follows:

Director	No. of Shares	
	31/03/2016	01/04/2015
Mr. A. M. Pandithage	NIL	NIL
Mr. W. A. D. C. J. Wickramasinghe	1,500,456	1,431,293
Mr. L. T. Samarawickrama*	4,686,377	4,463,217
People's Leasing & Finance PLC/Mr. L. T. Samarawickrama	- 4,172,150	
HSBC / Mr. L. T. Samarawickrama	- 451,227	
Mr. L. T. Samarawickrama	- 63,000	
Mr. S. Senaratne	400,000	372,894
Mr. Dhammika Perera**	470,044	447,661
Mr. Nimal Perera	100	96
Mr. S. H. Amarasekera (JT.)	21,912	20,869
Mr. B. M. Amarasekera & Mr. S. H. Amarasekera	- 12,999	
HSBC / B. M. Amarasekera & S. H. Amarasekera	- 8,913	
Mr. D. E. Silva	55,358	51,423
Ms. R. N. Ponnambalam	NIL	NIL
Ms. W. D. de Costa	NIL	NIL

\* Mr. L. T. Samarawickrama has the controlling interest in Elles (Pvt) Ltd, which holds 356,235 (0.71%) shares in the Company.

\*\*Mr. Dhammika Perera holds directly and indirectly 50.44% of the total issued shares of Hayleys PLC which holds 20,334,545 (40.32%) shares in the Company.

The Company maintains an interest register and the details of the entries regard to the Directors shares are as follows:

- Mr. C. J. Wickramasinghe sold 2,401 ordinary shares held by him during the year.
- Mr. S. Senaratne purchased 8,462 ordinary shares during the year.
- Mr. D. E. Silva purchased 1,364 ordinary shares during the year.
- The Directors' shareholding increased as a result of Interim Scrip Dividend for the year 2014/2015 paid on 23rd April 2015 in the ratio of 1: 20 Ordinary shares held as at 9th April 2015.

**RELATED PARTY TRANSACTIONS**

The Board of Directors has given the following statement in respect of the related party transactions.

The related party transactions of the Company during the financial year have been re-viewed by the Related Party Transactions Re-view Committee of Hayleys PLC, the parent company of Amaya Leisure PLC and are in compliance with the Section 09 of the CSE Listing Rules.

The Committee met Two (02) times in the Financial year 2015/16.

Attendance

Meetings held on 22nd January 2016 and 23rd March 2016.

Dr. H Cabral**	2/2
Mr. M D S Goonatilleke**	2/2
Mr. S C Ganegoda*	2/2

\*\*Independent Non-executive

\*Executive

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

**SHAREHOLDERS' DISTRIBUTION**

The distribution of shareholders is indicated on pages 154 in the Annual Report. There were 1,485 registered shareholders as at 31st March 2016.

**DIVIDENDS**

The Board of Directors has recommended the payment of a First & Final dividend of Rs. 4.00 per share (2014/2015: Rs.5.00 per share) be paid for the financial year ended 31st March 2016 payable on 4th July 2016 to the shareholders of the issued ordinary shares of the Company as at close of business on 23rd June 2016. This will be paid by Rs. 2.00 in the form of cash dividend and balance Rs. 2.00 in the form of scrip dividend (2014/2015 : Re. 1.00 in the form of cash dividend and balance Rs. 4.00 in the form of scrip dividend) and such Scrip Dividend will be in the ratio of 1 share for every 35 shares held (2014/2015 : 1 share for every 20 shares held)

The proposed dividend is subject to shareholder approval at the forthcoming Annual General Meeting.

The Board of Directors has confirmed that the company satisfies the solvency test requirement under Section 56 of the Companies Act No. 7 of 2007 for the said First & Final dividend proposed. A solvency certificate by the Auditors has been sought in respect of the First & Final dividend proposed.

**SHAREHOLDING INFORMATION**

Information relating to major shareholders of the Company as at 31st March 2016 are given on page 155.

**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 2016 was Rs. 60.50 compared to Rs. 71.50 as at 31st March 2015 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 19.1 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 expect for proposed first and final dividend of Rs. 4.00 per share.

## 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 2016 are as follows:

Name of the Related party	Name of the Director	Relationship	Details	Balance outstanding as at 31.03.2016
Pan Asia Banking Corporation PLC	Nimal Perera	Director	A Sum of Rs. 3,692,719/- was paid as lease rental A Sum of Rs. 3,286,617/- was paid as overdraft interest	(3,146,581)
Culture Club Resorts (Pvt) Ltd	A. M. Pandithage L. T. Samarawickrama C. J. Wickramasinghe Nimal Perera 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. 33,972,709/- was charged as Sales Commission A Sum of Rs. 87,503,863/- was received as Dividend income A Sum of Rs. 59,387,033/- was incurred as settlement of liabilities by the company A Sum of Rs. 200,200,000/- made as fund transfers.	(47,152,881)
Kandyan Resorts (Pvt) Ltd	A. M. Pandithage L. T. Samarawickrama C. J. Wickramasinghe Nimal Perera 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. 38,888,152/- was charged as Sales Commission A Sum of Rs. 136,710,245/- was received as Dividend Income A Sum of Rs. 60,518,283/- was incurred as settlement of liabilities by the company A Sum of Rs. 275,700,000/- made as fund transfers.	(145,505,225)
Sun Tan Beach Resorts Ltd	A.M. Pandithage L.T. Samarawickrama D.E. Silva Dhammika Perera	Director Director Director Director	A Sum of Rs. 4,576,356/- was incurred as settlement of liabilities by the company A Sum of Rs. 41,448,650/- made as fund transfers	3,275,502
Hayleys PLC	A. M. Pandithage L. T. Samarawickrama Dhammika Perera Nimal Perera	Director Director Director Director	A Sum of Rs. 40,473,627/- was charged as Service fee & other reimbursement of expenses by Hayleys PLC A Sum of Rs. 49,841,281/- was paid as settlement of liabilities	(11,122,632)
Hunas Falls Hotels PLC	A. M. Pandithage L. T. Samarawickrama C. J. Wickramasinghe D. E. Silva S. J. Wijesinghe	Director Director Director Director Alt. Director	Sum of Rs. 3,198,733/- was charged as Management fees A Sum of Rs. 4,717,128/- was charged as Sales Commission A Sum of Rs. 28,006,591/- was incurred as settlement of liabilities by the company	8,029,196
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. 28,877,104/- was charged as Management Fees A Sum of Rs. 39,247,326/- was charged as Sales Commission	7,520,051

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

### AUDITORS

The Auditors, Messrs Ernst & Young, Chartered Accountants, were paid Rs. 2,134,880/- as audit fees by the Group. In addition, they were paid Rs. 657,366/- 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 110 to 125 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 31st March 2016.

### 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. 4.6 Mn and the limit on liability of the cover is US \$ 5 Mn.

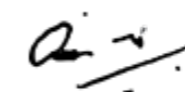
### GOING CONCERN

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.

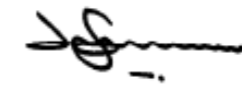
### ANNUAL GENERAL MEETING

The Annual General Meeting will be held at the Conference Room of Hayleys PLC, No. 400, Deans Road, Colombo 10, Sri Lanka, on Thursday, 23rd June 2016 at 10.00 a.m. The Notice of the Annual General Meeting appears on page 160.

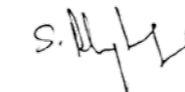
For and on behalf of the Board,



A. M. Pandithage  
Chairman



L. T. Samarawickrama  
Managing Director



Hayleys Group Services (Pvt) Ltd.  
Secretaries

400, Deans Road,  
Colombo 10  
11th May 2016



Experience the most dramatic  
backdrops on earth...

At Amaya we offer you a front row seat to enjoy and  
experience some of the mother nature's most spectacular  
displays.



## Corporate Governance

- Companies Act No. 7 of 2007
- The Listing Rules of the Colombo Stock Exchange (CSE)
- 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 2016 and comprises of:

- Three Executive Directors
- Four Non-Executive, Directors.
- Three Non-Executive, Independent Directors.

#### 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 30 to 34 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
<b>Executive Director</b>						
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
<b>Non-Executive/Non-Independent</b>						
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
<b>Non-Executive/Independent</b>						
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 Resorts (Pvt) Ltd - Owner of Amaya Hills at Kandy
2. Culture Club Resorts (Pvt) Ltd - Owner of Amaya Lake at Dambula
3. Sun Tan Beach Resort Ltd - Owner of Amaya Beach at Passikudah

### Managing Hotel

1. Hunas Falls Hotels PLC - Owner of Hunas Falls by Amaya at Elkaduwa
2. Langdale Resort and Spa (Pvt) Ltd - Owner of Langdale by Amaya at Nuwara Eliya
3. The Kingsbury PLC

The operations of these hotels are conducted by the Managing Agent 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 Agent.

### 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	4/4
LT Samarawickrama	4/4
DE Silva	4/4
CJ Wickramasinghe	2/4
S Senaratne	-
Dhammika Perera	-
SJ Wijesinghe (Alternate to Mr. Dhammika Perera)	4/4
Nimal Perera	1/4
Hareesh Somashantha (Alternate to Mr. Nimal Perera)	1/4
SH Amarasekera	2/4
RN Ponnambalam	4/4
WD De Costa	4/4

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

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

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

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

## Corporate Governance

### 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

Hayleys PLC, the parent company's Nominations Committee function as the Nominations Committee of the Company and makes recommendations to the Board on all new Board Appointments.

Nominations Committee comprise of following members:

Mr.A.M.Pandithage\* - Chairman  
Mr.Dhammika Perera \*\*  
Mr.Nimal Perera \*\*  
Dr.H.Cabral, PC \*\*\*

\* Executive Director

\*\* Non-Executive Director

\*\*\* Independent Non-Executive Director

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 in keeping with its norms.

Shareholders must formally approve all new appointments at the first opportunity after their appointment, as provided by Article 27(2) 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 29 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 Notice of Meeting on page 160 of this Report.

### REMUNERATION

Hayleys PLC, the parent company's Remuneration Committee function as the Remuneration Committee of the Company and recommends the remuneration payable to the Managing Director and Executive Director(s) and sets guidelines for the remuneration of management staff within the Company. The Board makes the final determination after considering such recommendation.

The Remuneration Committee comprise of following members:

Dr. H.Cabral, PC\*\* - Chairman

Mr. Dhammika Perera\*

Mr. Nimal Perera\*

Mr. M.D.S.Gonnatilleke\*\*(Resigned w.e.f 12.05.2016)

Mr. M.H.Jamaldeen\*\*

\* Non-Executive Director

\*\* Independent Non-Executive Director

The remuneration policy adopted by the Group as recommended by the Remuneration Committee of Hayleys PLC 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.

## Corporate Governance

### Board Remuneration

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

### ACCOUNTABILITY AND AUDIT

#### Operations, Planning, Monitoring and Decision Rights

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

#### Monitoring of Financial Data

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

#### Investment Appraisal Process and Investment Decisions

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

#### Integrity of Systems, Processes and Internal Controls

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

### Audit Committee

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

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

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

Name of Director	Meetings Attended
W D De Costa - Chairperson	4/4
S H Amarasekara	2/4
R N Ponnambalam	4/4
C J Wickramasinghe	2/4

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 130 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 100 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 92 of this Report. The Directors' interests in contracts of the Company are addressed on page 68 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 2016 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 assets base of the company are communicated to the shareholders. There were no Major Transactions as defined under section 185 by the Companies Act No. 7 of 2007 during the year under review.

### Conclusion

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

## Corporate Governance

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

● Compliant ○ Non-Compliant

Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in the Annual Report
7.10.1(a)	Non-Executive Directors (NED)	2 or at least 1/3 of the total number of Directors should be NEDs	●	Corporate Governance
7.10.2 (a)	Independent Directors (ID)	2 or 1/3 of NEDs, whichever is higher, should be independent	●	Corporate Governance
7.10.2 (b)	Independent Directors	Each NED should submit a declaration of independence/non-independence in the prescribed format	●	Corporate Governance
7.10.3 (a)	Disclosure relating to Directors	<ul style="list-style-type: none"> <li>The Board shall annually determine the independence or otherwise of the NEDs</li> <li>Names of IDs should be disclosed in the Annual Report (AR)</li> </ul>	●	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"> <li>Names of Directors comprising the RC</li> <li>Statement of Remuneration Policy</li> <li>Aggregate remuneration paid to Executive &amp; Non-Executive Directors</li> </ul>	●	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"> <li>Shall comprise of NEDs, a majority of whom will be Independent</li> <li>A NED shall be appointed as the Chairman of the Committee</li> <li>CEO and Chief Financial Officer (CFO) should attend AC meetings</li> <li>The Chairman of the AC or one member should be a member of a professional accounting body</li> </ul>	●	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"> <li>Preparation, presentation and adequacy of disclosures in the Financial Statements in accordance with Sri Lanka Accounting Standards</li> <li>Compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements</li> <li>Processes to ensure that the internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards</li> <li>Assessment of the independence and performance of the External Auditors</li> <li>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</li> </ul>	●	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"> <li>Names of Directors comprising the AC</li> <li>The AC shall make a determination of the independence of the Auditors and disclose the basis for such determination</li> <li>The AR shall contain a Report of the AC setting out the manner of compliance with their functions</li> </ul>	●	Corporate Governance and the Audit Committee Reports

## Corporate Governance

### Levels of compliance with the CSE's Listing Rules – Section 9 Rules on Related Party Transaction Review Committee

● Compliant ○ Non-Compliant

Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in the Annual Report
9.2	Related Party Transactions Re-view Committee Functions	<ul style="list-style-type: none"> <li>To review in advance all proposed related party transactions of the group either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.</li> <li>Seek any information the Committee requires from management, employees or external parties to with regard to any transaction entered into with a related party.</li> <li>Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary including obtaining appropriate professional and expert advice from suitably qualified persons.</li> <li>To recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.</li> <li>To monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.</li> <li>Meet with the management, Internal Auditors/ External Auditors as necessary to carry out the assigned duties.</li> <li>To review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.</li> <li>To review the economic and commercial substance of both recurrent/non recurrent related party transactions</li> <li>To monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining 'competent Independent advice from independent professional experts with regard to the value of the substantial asset of the related party transaction.</li> </ul>	●	The Committee of the Parent Company which was formed on 10th February 2015 functions as the committee of the Company.
9.2.2	Composition	<ul style="list-style-type: none"> <li>02 Independent Non-Executive Directors and 01 Executive Director</li> </ul>	●	Related Party Transactions Re-view Committee Report

Annual Report of the Board

## Corporate Governance

Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in the Annual Report
9.2.3	Related Party Transactions Re-view Committee	<ul style="list-style-type: none"> <li>As per the Listing Rules of the Colombo Stock Exchange Mandatory from 01/01/2016.</li> <li>If the parent Company and the subsidiary Company both are listed entities, the Related Party Transactions re-view Committee of the parent Company may be permitted to function as such committee of the subsidiary.</li> </ul>	●	Related Party Transactions Re-view Committee Report
9.3.2	Related Party Transactions Re-view Committee-Disclosure in the Annual Report	<ul style="list-style-type: none"> <li>Non-recurrent Related Party Transactions- If aggregate value exceeds 10% of the equity or 5% Total assets whichever is lower.</li> <li>Recurrent Related Party Transactions – If aggregate value exceeds 10% Gross revenue/ income as per the latest audited accounts</li> <li>Report by the Related Party Transactions re-view Committee</li> <li>A declaration by the Board of Directors</li> </ul>	N/A	Annual Report of the Board & Related Party Transactions Re-view Committee Report
9.2.4	Related Party Transactions Re-view Committee-Meetings	<ul style="list-style-type: none"> <li>Shall meet once a calendar quarter</li> </ul>	●	The Committee of the Parent Company which was formed on 10th February 2015 functions as the committee of the Company. Annual Report of the Board

## 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
<b>A. 1 DIRECTORS - The Board</b>				
A.1.1	Frequency of Board Meetings	• 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"> <li>• Ensuring the formulation and implementation of a sound Business strategy,</li> <li>• Skill adequacy of management and KMP succession strategy,</li> <li>• Ensuring the Integrity of information, internal controls, Business continuity and risk management</li> <li>• Compliance with laws, regulations and ethical standards</li> <li>• Code of conduct</li> <li>• Adoption of appropriate accounting policies and fostering compliance with Financial regulations</li> </ul>	● ● ● ● ●	Corporate Governance/ Annual Report of the Board of Directors  Directors responsibilities report
A.1.3	Board Access to Professional advice	• Procedures to obtain independent professional Advice where necessary	●	Corporate Governance
A.1.4	Company Secretary	<ul style="list-style-type: none"> <li>• Ensure adherence to board procedures and applicable rules and regulations</li> <li>• Procedure for Directors to access services of Company Secretary</li> </ul>	● ●	Corporate Governance
A.1.5	Independent judgment	• 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"> <li>• Dedicate adequate time &amp; effort to ensure the Duties and responsibilities are satisfactorily Discharged. Have to dedicate sufficient time Before a meeting to review board papers</li> <li>• The board should regularly review and agree the training and development needs.</li> </ul>	● ●	Corporate Governance
<b>A. 2 DIRECTORS - Chairman &amp; Chief Executive Officer (Managing Director)</b>				
A.2	Division of responsibilities to ensure no individual has unfettered powers of decision making	• A balance of power and authority to be maintained by separating responsibility for conducting board business from that of executive decision making	●	Corporate Governance
<b>A. 3 DIRECTORS - Role of Chairman</b>				
A.3	Ensure good corporate governance	• Chairman to preserve order and facilitate effective discharge of board functions by proper conduct of board meetings	●	Corporate Governance

## Corporate Governance

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
<b>A. 4 DIRECTORS - Financial Acumen</b>				
A.4	Possession of adequate financial acumen	• Board to ensure adequacy of financial acumen and knowledge within board	●	Corporate Governance / Audit Committee Report
<b>A. 5 DIRECTORS - Board Balance</b>				
A.5.1	Composition of Board	• 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	• Two or one third of the Non-Executive Directors which ever is higher should be independent	●	Corporate Governance
A.5.3	Test of independence	• Independent Directors should be independent of management and free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgment	●	Corporate Governance
A.5.4	Declaration of independence	• Non-executive Directors should submit a signed and dated declaration annually of their independence/Non-Independence	●	Corporate Governance
<b>A. 6 DIRECTORS - Supply of Information</b>				
A.6.1	Provision of adequate information to Board	• Management has obligation to produce the board with timely and appropriate information	●	Corporate Governance
A.6.2	Adequacy of Notice and formal agenda to be discussed at Board meetings	• Board minutes, agenda and papers should be circulated at least seven days before the Board meeting	●	Corporate Governance
<b>A. 10 DIRECTORS - Disclosure of Information in Respect of Directors</b>				
A.10.1	Biographical profiles and relevant details of Directors to be disclosed	• Annual Report should disclose the biographical details of Directors and attendance at Board/ Committee Meetings	●	Profiles of the board/ Corporate Governance

## Corporate Governance

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
<b>B. 2 DIRECTORS' REMUNERATION - Level and Make up of Remuneration</b>				
B.2.1	Remuneration packages for Executive Directors	<ul style="list-style-type: none"> <li>Packages should be structured to attract, retain and motivate Directors</li> </ul>	●	Corporate Governance/ Financial Statements
B.2.2	Remuneration packages to be appropriately positioned	<ul style="list-style-type: none"> <li>Packages should be comparable and relative to that of other companies as well as the relative performance of the Company</li> </ul>	●	Corporate Governance/ Financial Statements
B.2.3	Appropriateness of remuneration and conditions in relation to other Group companies	<ul style="list-style-type: none"> <li>When determining annual increases RC should be sensitive to that of other Group companies</li> </ul>	●	Corporate Governance
<b>B. 3 DIRECTORS' REMUNERATION - Disclosure of Remuneration</b>				
B.3.1	Disclosure of details of remuneration	<ul style="list-style-type: none"> <li>The Annual Report should disclose the remuneration paid to each Director</li> </ul>	●	Financial Statements
<b>C. 1 RELATIONS WITH SHAREHOLDERS - Constructive Use and Conduct of Annual General Meeting</b>				
C.1.1	Proxy votes to be counted	<ul style="list-style-type: none"> <li>The Company should count and indicate the level of proxies lodged for, against and with held in respect of each resolution</li> </ul>	●	Corporate Governance/ Notice of Meeting
C.1.2	Separate resolutions	<ul style="list-style-type: none"> <li>Separate resolutions should be proposed for each substantially separate issues at the AGM</li> </ul>	●	Corporate Governance/ Notice of Meeting
C.1.3	Availability of Committee Chairmen at AGM	<ul style="list-style-type: none"> <li>The Chairmen of Board committees should be available to answer any queries at AGM</li> </ul>	●	Corporate Governance
C.1.4	Notice of AGM	<ul style="list-style-type: none"> <li>15 working days notice to be given to shareholders</li> </ul>	●	Notice of Meeting
C.1.5	Procedure for voting at meetings	<ul style="list-style-type: none"> <li>Company to circulate the procedure for voting with Notice of Meeting</li> </ul>	●	Notice of Meeting
<b>C. 3 RELATIONS WITH SHAREHOLDERS - Major Transactions</b>				
C.3.1	Disclosure of Major Transactions	<ul style="list-style-type: none"> <li>Transactions that have a value which are greater than half of the net assets of the Company should be disclosed</li> </ul>	●	Financial Statements

## Corporate Governance

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
<b>D.1 ACCOUNTABILITY AND AUDIT - Financial Reporting</b>				
D.1.1	Presentation of public reports	<ul style="list-style-type: none"> <li>Should be balanced, understandable and comply with statutory and regulatory requirements</li> </ul>	●	Financial Statements
D.1.2	Directors' Report	<ul style="list-style-type: none"> <li>The Director's Report should be included in the Annual Report. The report should confirm that:                             <ul style="list-style-type: none"> <li>the Company has not contravened laws or regulations in conducting its activities</li> <li>Material interests in contracts have been declared by Directors</li> <li>the Company has endeavoured to ensure equitable treatment of shareholders</li> <li>the business is a "going concern"</li> <li>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.</li> </ul> </li> </ul>	●	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"> <li>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'</li> </ul>	●	Responsibility Report of the Auditors and Directors
D.1.5	Going Concern	<ul style="list-style-type: none"> <li>Directors to substantiate and report that the business is a going concern or qualify accordingly</li> </ul>	●	Annual Report of the Board of Directors
D.1.7	Disclose of Related Party Transactions	<ul style="list-style-type: none"> <li>The annual report should adequately and accurately disclose related party transactions</li> </ul>	●	Annual report of the board / Financial Statements  Related Party Transaction Review Committee Report

## Corporate Governance

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
<b>D.2 ACCOUNTABILITY AND AUDIT - Internal Control</b>				
D.2.2	Internal audit function	<ul style="list-style-type: none"> <li>The company should have an internal audit function</li> </ul>	●	Audit Committee Report/ Corporate Governance
D.2.3	Review of the audit committee	<ul style="list-style-type: none"> <li>The Audit Committee to Carry out reviews of the process and effectiveness of risk management and internal controls</li> </ul>	●	Audit Committee Report/ Corporate Governance
D.2.4	Directors' responsibility on system of internal controls	<ul style="list-style-type: none"> <li>The Director should follow the guidance</li> </ul>	●	Audit Committee Report/ Corporate Governance/ Statement of Directors Responsibility
<b>D.3 ACCOUNTABILITY AND AUDIT - Audit Committee</b>				
D.3.1	Chairman and Composition of Audit Committee	<ul style="list-style-type: none"> <li>Should comprise of a minimum of two Independent, Non-Executive Directors</li> <li>Audit Committee Chairman should be NED and Appointed by the Board.</li> </ul>	●	Audit Committee Report
D.3.2	Duties of Audit Committee	<ul style="list-style-type: none"> <li>Review of scope and results of audit and its effectiveness</li> <li>Independence and objectivity of the Auditors</li> </ul>	●	Audit Committee Report
D.3.4	Disclosures	<ul style="list-style-type: none"> <li>The Annual Report should disclose the names of Directors serving on the Audit Committee</li> <li>The Audit Committee should determine the independence of the Auditors and disclose the basis of such determination</li> <li>The Annual Report should contain a report by the Audit Committee setting out the manner of compliance of the Company in relation to above during the period to during the period which the annual Report relates</li> </ul>	●	Corporate Governance/ Audit Committee Report Corporate Governance/ Annual Report of the board Audit Committee Report
<b>D.5 ACCOUNTABILITY AND AUDIT - Corporate Governance Disclosures</b>				
D.5.1	Corporate Governance Report	<ul style="list-style-type: none"> <li>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</li> </ul>	●	Corporate Governance

## Corporate Governance

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
<b>E.1 INSTITUTIONAL INVESTORS – Shareholders Voting</b>				
E.1	Structured Dialogue with Shareholders	<ul style="list-style-type: none"> <li>A Listed company should conduct a regular and structured dialogue with its board on a mutual understanding and objectives</li> </ul>	●	Corporate Governance/ Notice of Meeting
<b>E.2 INSTITUTIONAL INVESTORS – Evaluation of Governance Disclosures</b>				
E.2	Evaluation of Governance Disclosures by Institutional Investors	<ul style="list-style-type: none"> <li>When evaluating company's governance managements particularly those relating to board structure and composition institutional investors should be encourage to give due weight to on relevant factors that come down to their attention</li> </ul>	●	Corporate Governance
<b>F.1 OTHER INVESTORS – Investing / Divesting Decision</b>				
F.1	Individual Shareholders	<ul style="list-style-type: none"> <li>Individual shareholders should be encouraged to carry out adequate analysis and seek professional advice when making their investment/divestment decisions</li> </ul>	●	Corporate Governance
<b>F.2 OTHER INVESTORS – Shareholders Voting</b>				
F.2	Shareholder Voting	<ul style="list-style-type: none"> <li>Individual shareholders should be encouraged to participate and exercise their voting rights</li> </ul>	●	Corporate Governance/ Form of Proxy



Watch the drama unfold..

At Amaya, all our guests are offered a bird's eye view of a tropical island paradise. Watch the drama unfold before your very eyes...



## 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 or 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 has authorized distribution of the dividends now proposed, being satisfied, based on information available to it, that the Company would satisfy the Solvency Test after such distributions, in accordance with section 57 of the Companies Act No.07 of 2007 and have sought in respect of the dividend now proposed, Certificate of Solvency from its Auditors.

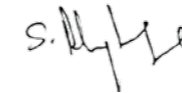
The external Auditors, Messrs Ernst & Young deemed re-appointed in terms of Section 158 of the Companies Act were provided with every opportunity to undertake the

## Statement of Directors' Responsibility

inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The report of the Auditors, shown on page 100 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

11th May 2016





Discover the essence  
of rustic living

While treating you like royalty, we at Amaya also offers you the opportunity to blend with the vibrant local culture and experience a lifestyle that's uniquely different.



## Report of the Audit Committee

### Role of the Committee

The primary role of the Audit Committee is to assist the Board in fulfilling its oversight responsibility with regard to ensuring the integrity of Financial Statements of the company through a process of independent and objective review.

The Audit Committee's responsibilities also include reviewing the adequacy & effectiveness of company's Internal Controls, monitoring the performance of the External & Internal Auditors and ensuring compliance with the applicable statutory and regulatory requirements.

### Composition of the Committee and Meetings

The Audit Committee comprised of three Independent/ Non-Executive Directors and one Non-Independent / Non-Executive Director. 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 Rules on Corporate Governance for listed companies issued by the Colombo Stock Exchange.

The Chairman of the Audit Committee is Mrs. W. D. De Costa, a Fellow member of the Institute of Chartered Accountants of Sri Lanka.

Name of Director	16.05.2015	24.07.2015	29.10.2015	03.02.2016	Total
Mr. S. H. Amarasekera	1	0	0	1	2/4
Ms. R. Ponnambalam	1	1	1	1	4/4
Mr. C.J. Wickramasinghe	1	1	0	0	2/4
Mrs. W. D. de Costa	1	1	1	1	4/4

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.

The names of the members of the committee are given below and a brief profile of each member is given in page 30.

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 Head – Group Management Audit & System Review 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 four (4) meetings during the financial year. Information on the attendance at these meetings is as follows.

## 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

The Hayleys PLCs Group Management, Audit and System Review Department serves as the Internal Auditors of the Company. The annual audit plan 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 the Internal Audit Reports received by the Committee were reviewed and discussed with management and the Internal Auditors. The recommendations of the Internal Auditors have been followed up and appropriate remedial action initiated.

### 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 Management Letter together with the management responses was discussed with the management and the auditors and follow up action was taken to ensure that the recommendations contained in the Management Letter was implemented by the management.

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 that the affairs of the company are managed in accordance with the Company's policies and its assets are safeguarded.

# Related Party Transactions Review Committee Report

Hayleys PLC, the parent Company established the Related Party Transaction Review Committee with effect from 10th February 2015 in terms of the Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange, which functions as the Committee of the Company.

## Composition of the Committee

The Related Party Transactions Review Committee comprises two Independent Non-Executive Directors and one Executive Director. The Committee comprised of the Following members;

Dr. H. Cabral, PC(IND/NED) - Chairman

Mr. M. D. S. Goonatilleke (IND/NED) - Resigned on 12/05/2016

Mr. S. C. Ganegoda (ED)

(ED- Executive Director, IND - Independent Director, NED - Non-Executive Director)

## The Duties of the Committee

- To review in advance all proposed related party transactions of the group either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- Seek any information the Committee requires from management, employees or external parties to with regard to any transaction entered into with a related party.

- Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary including obtaining appropriate professional and expert advice from suitably qualified persons.
- To recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
- To monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.
- Meet with the management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.
- To review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.
- To review the economic and commercial substance of both recurrent/non-recurrent related party transactions.
- To monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining 'competent independent advice' from independent professional experts with regard to the value of the substantial asset of the related party transaction.

## Related Party Transactions Review Committee Report

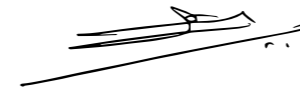
### Task of the Committee

The Committee re-viewed the related party transactions and their compliances of Amaya Leisure PLC and communicated the same to the Board.

The Committee in its re-view process recognized the adequate of the content and quality of the information forwarded to its members by the management.

### Meetings

The Committee held 2 times during the year under review. The attendance at the meetings given in table on page 66 of the Annual Report.



Dr. Harsha Cabral, PC.  
Chairman  
Related Party Transactions Review Committee of Hayleys PLC  
18 May 2016

# Auditor's Report



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

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

## 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, 2016, 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 102 to 152.

### 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

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, 2016, 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:

- a) The basis of opinion and scope and limitations of the audit are as stated above.
- b) 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 March 31, 2016, 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.

11 May 2016  
Colombo

**Partners :** W R H Fernando 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 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

A member firm of Ernst & Young Global Limited

# Financial Statements

## Statement of Profit or Loss

Year ended 31 March	Note	Group		Company	
		2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
Revenue	6	1,623,311,979	1,395,504,009	157,702,486	141,129,927
Cost of Sales		(643,943,453)	(577,489,062)	-	-
<b>Gross Profit</b>		<b>979,368,526</b>	<b>818,014,947</b>	<b>157,702,486</b>	<b>141,129,927</b>
Other Income	7	58,937,581	72,707,869	227,142,832	240,563,180
Selling and Marketing Expenses		(110,052,548)	(86,592,454)	(34,822,550)	(26,823,771)
Administrative Expenses		(471,755,413)	(445,369,410)	(122,115,038)	(111,235,855)
Finance Cost	8.1	(157,191,816)	(137,418,734)	(50,677,386)	(53,997,351)
Finance Income	8.2	2,318,779	2,146,942	-	-
<b>Profit Before Tax</b>	9	<b>301,625,109</b>	<b>223,489,161</b>	<b>177,230,345</b>	<b>189,636,130</b>
Tax Expenses	10	(54,926,683)	(42,666,906)	-	57,428
<b>Profit for the year</b>		<b>246,698,426</b>	<b>180,822,255</b>	<b>177,230,345</b>	<b>189,693,558</b>
<b>Profit Attributable to:</b>					
Equity Holders of the Parent		287,015,753	227,855,045	177,230,345	189,693,558
Non - Controlling Interest		(40,317,327)	(47,032,790)	-	-
		<b>246,698,426</b>	<b>180,822,255</b>	<b>177,230,345</b>	<b>189,693,558</b>
Basic Earnings per Share	11	5.69	4.74	3.51	3.95
Dividend per Share	12	4.00	5.00	4.00	5.00

The Accounting Policies and Notes on pages 110 through 152 form an integral part of these Financial Statements.

## Statement of Other Comprehensive Income

Year ended 31 March	Note	Group		Company	
		2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
<b>Profit for the year</b>		<b>246,698,426</b>	<b>180,822,255</b>	<b>177,230,345</b>	<b>189,693,558</b>
<b>Other Comprehensive Income/(Loss)</b>					
<b>Other Comprehensive Income/(Loss) to be reclassified to profit or loss in subsequent periods</b>					
Gain / (Loss) on Available for Sale Financial Assets		(14,046,140)	27,142,920	(14,046,140)	27,142,920
<b>Net other Comprehensive Income/(Loss) to be reclassified to profit or loss in subsequent periods</b>		<b>(14,046,140)</b>	<b>27,142,920</b>	<b>(14,046,140)</b>	<b>27,142,920</b>
<b>Other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods</b>					
Actuarial Gain/(Loss) on Defined Benefit Plan	26	(4,123,178)	2,333,518	(870,925)	1,365,499
Deferred Tax impact on actuarial gain/(Loss)	10.3.1	236,403	(42,102)	-	-
		(3,886,775)	2,291,416	(870,925)	1,365,499
Effect of Revaluation on Land	24	-	372,249,750	-	-
<b>Net other comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods</b>		<b>(3,886,775)</b>	<b>374,541,166</b>	<b>(870,925)</b>	<b>1,365,499</b>
<b>Other Comprehensive Income / (Loss) for the year, net of tax</b>		<b>(17,932,915)</b>	<b>401,684,086</b>	<b>(14,917,065)</b>	<b>28,508,419</b>
<b>Total Comprehensive Income / (Loss) for the year, net of tax</b>		<b>228,765,511</b>	<b>582,506,341</b>	<b>162,313,280</b>	<b>218,201,977</b>
<b>Total Comprehensive Income / (Loss) Attributable to:</b>					
Equity Holders of the Parent		269,082,838	602,340,661	162,313,280	218,201,977
Non - Controlling Interest		(40,317,327)	(19,834,320)	-	-
		<b>228,765,511</b>	<b>582,506,341</b>	<b>162,313,280</b>	<b>218,201,977</b>

The Accounting Policies and Notes on pages 110 through 152 form an integral part of these Financial Statements.

## Statement of Financial Position

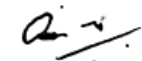
As at 31 March	Note	Group		Company	
		2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	14	5,115,553,670	5,157,648,201	24,248,937	30,595,570
Prepayment on Leasehold Property	15	61,679,397	62,492,821	-	-
Other Non-Current Assets	16	24,000,000	24,000,000	24,000,000	24,000,000
Intangible Assets	17	137,863,688	137,863,688	-	-
Investments in Subsidiaries	18	-	-	1,619,668,159	1,503,238,009
Other Non-Current Financial Assets	19.1	97,701,570	111,747,712	97,701,570	111,747,712
		5,436,798,326	5,493,752,422	1,765,618,666	1,669,581,291
<b>Current Assets</b>					
Inventories	20	37,360,279	32,448,717	-	-
Trade and Other Receivables	21	234,722,247	222,181,275	31,874,910	114,216,464
Advance and Prepayment		44,583,600	50,713,927	1,685,377	3,388,672
Tax Receivables		219,369	219,369	219,369	219,369
Other Current Financial Assets	19.1	7,559,219	9,884,144	7,559,219	9,884,144
Short Term Deposits		66,184,435	-	-	-
Cash and Bank Balances	22	173,811,335	61,669,431	1,429,907	742,990
		564,440,484	377,116,863	42,768,782	128,451,639
<b>Total Assets</b>		<b>6,001,238,809</b>	<b>5,870,869,285</b>	<b>1,808,387,447</b>	<b>1,798,032,930</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Stated Capital	23	718,907,272	526,770,320	718,907,272	526,770,320
Pending Share Allotment	23.1	-	192,136,952	-	192,136,952
Revaluation Reserve	24	410,345,894	410,345,894	-	-
Available for Sale Reserve	19.1	(44,854,144)	(30,808,004)	(44,854,144)	(30,808,004)
Retained Earnings		2,266,477,067	2,073,581,763	286,855,354	114,672,471
		3,350,876,089	3,172,026,925	960,908,482	802,771,739
Non - Controlling Interest		399,930,866	423,035,227	-	-
<b>Total Equity</b>		<b>3,750,806,955</b>	<b>3,595,062,152</b>	<b>960,908,482</b>	<b>802,771,739</b>
<b>Non-Current Liabilities</b>					
Interest Bearing Loans and Borrowings	19.2	1,231,690,085	1,065,524,673	207,750,000	310,849,993
Deferred Tax Liabilities	10.3	97,405,311	85,961,858	-	-
Retirement Benefit Obligation	26	37,626,138	30,853,116	9,612,559	8,316,280
		1,366,721,534	1,182,339,647	217,362,559	319,166,273
<b>Current Liabilities</b>					
Trade and Other Payables	25	285,872,305	283,225,332	234,661,871	238,018,114
Other Current Non - Financial Liabilities		12,272,545	13,949,726	2,993,320	3,036,884
Tax Payables		25,871,018	22,562,933	-	-
Interest Bearing Loans and Borrowings	19.2	559,694,452	773,729,495	392,461,216	435,039,920
		883,710,320	1,093,467,486	630,116,406	676,094,918
<b>Total Equity and Liabilities</b>		<b>6,001,238,809</b>	<b>5,870,869,285</b>	<b>1,808,387,447</b>	<b>1,798,032,930</b>

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

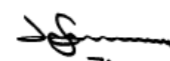


Aruna Dikkumbura - Chief Financial Officer

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

11 May 2016, Colombo.

The Accounting Policies and Notes on pages 110 through 152 form an integral part of these Financial Statements.

## Statement of Changes in Equity

Year ended 31 March 2016	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.
	<b>Balance as at 01 April 2014</b>		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		-	-	-	-	-	-	413,567,067	413,567,067
	Other Comprehensive Income / (Loss)		-	-	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)
	Scrip Dividends	12	-	192,136,952	-	-	(192,136,952)	-	-	-
	<b>Balance as at 31 March 2015</b>		<b>526,770,320</b>	<b>192,136,952</b>	<b>410,345,894</b>	<b>(30,808,004)</b>	<b>2,073,581,763</b>	<b>3,172,026,925</b>	<b>423,035,227</b>	<b>3,595,062,152</b>
	Super Gain Tax Charges*		-	-	-	-	(73,020,708)	(73,020,708)	-	(73,020,708)
	Share Allotment	12	192,136,952	(192,136,952)	-	-	-	-	-	-
	Profit for the year		-	-	-	-	287,015,753	287,015,753	(40,317,327)	246,698,426
	Other Comprehensive Income / (Loss)		-	-	-	(14,046,140)	(3,886,775)	(17,932,915)	-	(17,932,915)
	Acquisition of Non-Controlling Interest		-	-	-	-	(17,212,966)	(17,212,966)	17,212,966	-
	<b>Balance as at 31 March 2016</b>		<b>718,907,272</b>	<b>-</b>	<b>410,345,894</b>	<b>(44,854,144)</b>	<b>2,266,477,067</b>	<b>3,350,876,089</b>	<b>399,930,866</b>	<b>3,750,806,955</b>

Company	Note	Stated	Pending	Available	Retained	Total
		Capital	Share	for	Earnings	Equity
		Rs.	Rs.	Rs.	Rs.	Rs.
<b>Balance as at 01 April 2014</b>		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 / (Loss)		-	-	27,142,920	1,365,499	28,508,419
Dividends Paid	12	-	-	-	(48,034,238)	(48,034,238)
Scrip Dividends	12	-	192,136,952	-	(192,136,952)	-
<b>Balance as at 31 March 2015</b>		<b>526,770,320</b>	<b>192,136,952</b>	<b>(30,808,004)</b>	<b>114,672,471</b>	<b>802,771,739</b>
Super Gain Tax Charges*		-	-	-	(4,176,537)	(4,176,537)
Share Allotment	12	192,136,952	(192,136,952)	-	-	-
Profit for the year		-	-	-	177,230,345	177,230,345
Other Comprehensive Income / (Loss)		-	-	(14,046,140)	(870,925)	(14,917,065)
<b>Balance as at 31 March 2016</b>		<b>718,907,272</b>	<b>-</b>	<b>(44,854,144)</b>	<b>286,855,354</b>	<b>960,908,482</b>

\* Super gain tax

As per the provisions of part III of the Finance Act No.10 of 2015 which was certified on 30 October 2015, the Group and the Company are liable for Super Gain Tax of Rs. 73,020,708/- and Rs. 4,176,537/- respectively. According to the Act, the Super Gain Tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1 April 2013. The Act supersedes the requirements of the Sri Lanka Accounting Standards, hence the expense of Super Gain Tax is accounted in accordance with the requirements of the said Act as recommended by the Statement of Alternative Treatment (SoAT) on Accounting for Super Gain Tax issued by the Institute of Chartered Accountants of Sri Lanka, dated 24 November 2015.

The Accounting Policies and Notes on pages 110 through 152 form an integral part of these Financial Statements.

## Cash Flow Statement

Year ended 31 March	Note	Group		Company	
		2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
<b>Cash Flows from/(used in) Operating Activities</b>					
Profit Before Tax		301,625,109	223,489,161	177,230,345	189,636,130
Adjustment For					
Depreciation	14	201,757,788	160,206,827	7,757,824	7,485,888
Loss on Disposal of Property, Plant and Equipment		1,465,572	161,914	-	-
Intangible Assets Write off		-	1,638,191	-	-
Provision for Defined Benefit Obligation	26	5,000,253	6,418,507	1,125,354	1,621,941
Amortisation of Leasehold Property	15	813,424	813,424	-	-
Dividend Income	7	(2,176,655)	(3,150,977)	(226,390,762)	(240,560,920)
Finance Income	8.2	(2,318,779)	(2,146,942)	-	-
Finance Cost	8.1	154,866,890	134,930,880	48,352,460	51,509,497
Provision for Fallin Value of Investments	8.1	2,324,926	2,487,854	2,324,926	2,487,854
Creditors Written Back	7	(20,653,682)	(37,710,525)	(652,363)	-
Operating Profit before Working Capital Changes		642,704,846	487,138,314	9,747,786	12,180,390
(Increase)/Decrease in Inventories		(4,911,562)	1,863,073	-	-
(Increase)/Decrease in Trade and Other Receivables		(12,540,972)	485,407,192	82,341,553	(91,453,857)
(Increase)/Decrease in Advance and Prepayments		6,130,327	(22,484,684)	1,703,295	(1,262,809)
Increase/(Decrease) in Trade and Other Payables		72,140,396	(368,891,597)	45,330,357	(137,197,406)
Increase/(Decrease) in Other Current Non - Financial Liabilities		(1,677,181)	(686,476)	(43,564)	784,600
Cash Generated from/(used in) Operations		701,845,854	582,345,822	139,079,426	(216,949,082)
Finance Cost paid	8.1	(154,866,890)	(134,930,880)	(48,352,460)	(51,509,497)
Defined Benefit Obligation paid	26	(2,350,409)	(1,915,952)	(700,000)	(61,600)
Tax paid		(112,959,436)	(16,903,773)	(4,176,537)	(2,200,000)
Net Cash from/(used in) Operating Activities		431,669,119	428,595,217	85,850,430	(270,720,179)
<b>Cash Flows from/(used in) Investing Activities</b>					
Acquisition of Property, Plant and Equipment	14	(163,114,580)	(358,429,016)	(1,411,192)	(4,451,789)
Finance Income Received	8.2	2,318,779	2,146,942	-	-
Dividend Received	7	2,176,655	3,150,977	226,390,762	240,560,920
Proceeds from Disposal of Property, Plant and Equipment		1,180,238	9,879,814	-	-
Acquisition / Investment in Subsidiary		-	(699,540,265)	(116,430,150)	(568,311,044)
Net Cash from/(used in) Investing Activities		(157,438,908)	(1,042,791,548)	108,549,421	(332,201,913)

## Cash Flow Statement

Year ended 31 March	Note	Group		Company	
		2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
<b>Cash Flows from/(used in) Financing Activities</b>					
Dividends paid	12	(48,034,238)	-	(48,034,238)	-
Proceeds from Bank Loans	19.2	924,869,174	671,512,052	210,799,174	671,512,052
Repayment of Bank Loans	19.2	(816,200,793)	(209,884,902)	(275,000,000)	(140,000,000)
Principal Payment under Finance Lease Liabilities	19.2	(11,157,172)	(10,308,228)	(3,088,241)	(2,995,727)
Net Cash from/(used in) Financing Activities		49,476,971	451,318,922	(115,323,305)	528,516,325
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		323,707,181	(162,877,409)	79,076,547	(74,405,767)
<b>Cash and Cash Equivalents at the beginning of the year</b>		(175,210,973)	(12,333,563)	(77,646,640)	(3,240,873)
<b>Cash and Cash Equivalents at the end of the year</b>	22	148,496,207	(175,210,973)	1,429,907	(77,646,640)

The Accounting Policies and Notes on pages 110 through 152 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 as at and for the year ended 31 March 2016 encompasses the Company and its subsidiaries (together referred to as “the Group”).

The Consolidated Financial Statements of the Group as at and for the year ended 31 March 2016 were authorized for issue in accordance with a resolution of the Board of Directors on 11 May 2016.

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 and Sun Tan Beach Resorts 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, Connaissance Air Travels (Private) Limited and CDC Conventions (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 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 (SLFRSs/LKAS) 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

- Lands which are recognized as Property Plant and Equipment which are measured at cost at the time of the acquisition and subsequently carried at fair value
- Financial instruments reflected as fair value through profit or loss which are measured at fair value.
- Financial instruments designated as available-for-sale financial assets which are measured at fair value.

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

## Accounting Policies

### 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. Basis of Consolidation

### 3.1 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 when it 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 arrangements 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.

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 the Statement of Profit or Loss. Any investment retained is recognised at fair value.

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

Subsidiary	2016	2015
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	56.09%	51%

### 3.2 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 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

## Accounting Policies

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 Statement of Profit or Loss.

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 Statement of Profit or Loss or 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 SLFRSs/LKAS.

Goodwill is initially measured at cost, (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest) and any previous interest held over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

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 has been allocated to a cash-generating unit (CGU) 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. 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.

### 3.3 Non - Controlling Interests

Profit or loss and each component of OCI are attributed to 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.

### 3.4 Transactions Eliminated on Consolidation

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.

### 3.5 Functional and Presentation Currency

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

#### 3.5.1 Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates applicable on the dates of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Foreign currency differences arising on retranslation are recognised in the Statement of Profit or Loss. All differences arising on settlement or translation of monetary items are taken to Statement of Profit or Loss. Non-monetary assets and liabilities which are carried in terms of historical cost in a foreign currency are translated at the exchange rate that prevailed at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss) is recognised in Other Comprehensive Income or Statement of Profit or Loss.

## Accounting Policies

### 3.6 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.

### 3.7 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 14.1.4

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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 at a fair value 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 Available for Sale financial assets.

External valuers are involved for valuation of Lands. Involvement of external valuers 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.

### 3.8 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.

### 3.9 Revenue

Amaya Leisure PLC's gross revenue comprises provision of management and marketing services to its subsidiaries and managing entities and 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 received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to inventory and credit risks.

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.

#### Finance Income

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in Statement of Profit or Loss.

#### Dividend Income

Dividend income is recognised in Statement of Profit or Loss 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 Statement of 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.

### 3.10 Expenses

Expenses are recognized in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earnings of specific items of income. All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year.

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

## Accounting Policies

### 3.10.1 Operating Leases

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

### 3.10.2 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.

### 3.10.3 Finance Costs

Finance costs comprise interest expense on borrowings, exchange loss on foreign currency loans and changes in the fair value of financial assets at fair value through 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.

### 3.10.4 Tax Expense

Tax expense comprises current income tax, dividend tax and deferred tax. Current tax and deferred tax are recognised in the Statement of Profit or Loss 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 income tax assets or liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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

### Kandyan Resorts (Private) Limited

Pursuant to agreement 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 and other income.

#### Deferred Tax

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

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

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable

## Accounting Policies

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 the Statement of Profit or Loss is recognised outside the Statement of 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 Statement of Profit or Loss 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.

### 3.11 Assets and Bases of their Valuation

#### 3.11.1 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.

##### 3.11.1.1 Basis of Recognition

Property Plant & 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.

##### 3.11.1.2 Basis of Measurement

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

##### 3.11.1.3 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 includes the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on

## Accounting Policies

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 Statement of Profit or Loss, in which case, the increase is recognised in the Statement of Profit or Loss, 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.

##### 3.11.1.4 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 repair and maintenance of Property, Plant and Equipment are recognised in Statement of Profit or Loss as incurred.

##### 3.11.1.5 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. Any gains and losses on derecognition are recognised (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) in Statement of Profit or Loss 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.

##### 3.11.1.6 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, in reflecting 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 Equipments	15 years
Office Equipments	15 years
Fixtures and Fittings	15 years
Computer Equipments	05 years
Motor Vehicles	05 years
Crockery of Cutlery	04 years
Linen	04 years

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

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

##### 3.11.1.7 Leased Assets

The determination of whether an arrangement is, (or contains,) a lease is based on the substance of the arrangement at inception of the lease. The arrangement is, or contains, a lease if 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.

## Accounting Policies

### 3.11.1.8 Group as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a Finance Lease.

Finance leases 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.

### 3.11.2 Intangible Assets

#### 3.11.2.1 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.

#### 3.11.2.2 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 Statement of Profit or Loss in the year in which the expenditure is incurred.

### 3.11.2.3 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 Statement of Profit or Loss in the expense category consistent with the function of the intangible assets.

### 3.11.2.4 De-recognition of Intangible Assets

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

### 3.11.3 Leasehold Rights

In respect of operating leases acquired under a business combination where the Group is lessee, Group determines whether the terms of each operating lease are favourable or unfavourable relative to market terms. The Group recognises an intangible asset if the terms of an operating lease are favourable relative to market terms and a liability if the terms are unfavourable relative to market terms. Leasehold rights represent value of favourable lease terms.

### 3.11.4 Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit and loss as incurred.

## Accounting Policies

### 3.11.5 Amortisation

Amortisation is recognised in Statement of Profit or Loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill.

### 3.12 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

#### 3.12.1 Financial Assets

##### 3.12.1.1 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, that are attributable to the acquisition of finance asset 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.

##### 3.12.1.2 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.

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in finance income or finance costs in the Statement of Profit or Loss.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at their initial recognition date and only if the criteria under LKAS 39 are satisfied.

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

##### *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss in finance costs for loans and in other operating expenses for receivables.

##### *Available-for-sale Financial Assets*

Available-for-sale financial assets 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.

## Accounting Policies

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to the Statement of Profit or Loss in finance costs. Interest earned whilst holding available-for-sale financial assets 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 if the management has the ability and intention to hold these assets for the foreseeable future or until maturity.

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.

### 3.12.1.3 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
- Or
- 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.

### 3.12.1.4 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 since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are

## Accounting Policies

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 identified 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 Profit or Loss. 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 Statement of Profit or Loss. 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 Profit or Loss.

#### *Available-for-sale Financial Assets*

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 Statement of Profit or Loss, is removed from other comprehensive income and recognised in the Statement of Profit or Loss. Impairment losses on equity investments are not reversed through the Statement of Profit or Loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Group evaluates among other factors, the duration or extent to which the fair value of the investment is less than its cost.

### 3.12.2 Financial Liabilities

#### 3.12.2.1 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.

#### 3.12.2.2 Subsequent Measurement

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

#### *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

## Accounting Policies

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.

### 3.12.2.3 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.

### 3.12.3 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position if, and only if:

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

### 3.12.4 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.

### 3.13 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.

### 3.14 Impairment of Non-Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses

## Accounting Policies

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

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

### 3.15 Cash and Cash Equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

### 3.16 Liabilities and Provisions

#### 3.16.1 Employee Benefits

##### 3.16.1.1 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 Profit or Loss 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.

##### 3.16.1.2 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.

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.

##### 3.16.1.3 Short term benefits

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

## Accounting Policies

### 3.16.2 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.

### 3.16.3 Capital Commitments and Contingencies

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

### 3.17 Stated Capital

#### 3.17.1 Ordinary Shares

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

### 3.18 General

#### 3.18.1 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.

#### 3.18.2 Earnings Per Share

The Group presents basic 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.

### 3.18.3 Use of Estimates and Judgements

The preparation of Financial Statements in conformity with SLFRSs/LKAS 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.

#### 3.18.4 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.

#### 3.18.5 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 income tax assets or liabilities in the period in which such determination is made.

## Accounting Policies

### 3.18.6 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.

#### 3.18.7 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 14.1.4 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

SLFRS 9 replaces the existing guidance in LKAS 39 Financial Instruments: Recognition and Measurement. SLFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from LKAS 39.

SLFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

### 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.

SLFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.



**Notes to the  
Financial Statements**



## Notes to the Financial Statements

### 5. Business Combinations and Goodwill

#### 5.1 Acquisition of Sun Tan Beach Resorts Limited

Amaya Leisure PLC acquired 51% equity stake in Sun Tan Beach Resorts (Private) Limited on 30 April 2014 at a cost of Rs. 568,311,044/- and the Company has recognized Rs. 137,863,688/- as goodwill in the consolidated financial statements of the Group for the year ended 31 March 2016.

The goodwill of Rs. 137,863,688/- comprises the fair value of expected synergies arising from acquisition. The recoverable amount of all CGUs have been determined based on the fair value less cost to sell or the value in use (VIU) calculation.

#### 5.2 Impairment of Goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, are as follows;

#### 5.2.1 Accounting Judgements, Estimates and Assumptions

##### Gross Margins

The basis used to determine the value assigned to the budgeted gross margins is the gross margins achieved in the year preceding the budgeted year adjusted for projected market conditions.

##### Discount Rates

The discount rate used is the weighted average cost of capital of the company

##### Inflation

The basis used to determine the value assigned to the budgeted cost inflation, is the inflation rate, based on projected economic conditions.

##### Volume Growth

Volume growth has been budgeted on a reasonable and realistic basis by taking into account the growth rates of one to five years immediately subsequent to the budgeted year based on Industry growth rates. Cash flows beyond the five year period are extrapolated using 0% growth rate.

##### Occupancy

Occupancy to be increased from 45% to 65% by the end of 5 years.

## Notes to the Financial Statements

6.	Revenue	Group		Company	
		2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
	Gross Revenue (Note 6.1)	1,642,043,754	1,413,337,843	157,702,486	141,129,927
	Tourism Development Levy	(16,497,271)	(14,288,944)	-	-
	Turnover Tax	(2,234,504)	(3,544,890)	-	-
		1,623,311,979	1,395,504,009	157,702,486	141,129,927
6.1	<b>Gross Revenue</b>				
	Management Fee	35,879,571	32,984,360	38,279,571	35,384,360
	Sales Commission Income	46,562,054	40,910,795	119,422,915	105,745,567
	Apartment Revenue	909,566,349	736,581,826	-	-
	Restaurant Revenue	466,422,222	436,598,581	-	-
	Bar Revenue	97,215,599	81,128,698	-	-
	Banquet Revenue	44,753,570	46,032,453	-	-
	Club Revenue	1,594,864	1,189,990	-	-
	Health Centre Revenue	40,049,525	37,911,140	-	-
		1,642,043,754	1,413,337,843	157,702,486	141,129,927
7.	<b>Other Income and Gains</b>				
		2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
	Rent Income	7,360,904	8,602,835	-	-
	Commission Income	99,707	2,260	99,707	2,260
	Creditors written back	20,653,682	37,710,525	652,363	-
	Dividend Income	2,176,655	3,150,977	226,390,762	240,560,920
	Sundry Income	28,646,633	23,241,272	-	-
		58,937,581	72,707,869	227,142,832	240,563,180
8.	<b>Finance Cost and Income</b>				
8.1	<b>Finance Cost</b>	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
	Interest Expenses on Bank Overdrafts	6,550,392	3,164,252	3,379,967	509,566
	Interest Expenses on Finance Leases	1,735,245	3,073,513	604,479	1,032,442
	Exchange Loss on USD Loan	28,975,942	-	-	-
	Interest Expenses on Bank Loans	117,605,310	128,693,115	44,368,014	49,967,488
	Loss on Investments at Fair Value through Profit or Loss	2,324,926	2,487,854	2,324,926	2,487,854
		157,191,816	137,418,734	50,677,386	53,997,351
8.2	<b>Finance Income</b>				
	Interest Income	2,318,779	2,146,942	-	-
		2,318,779	2,146,942	-	-

## Notes to the Financial Statements

9. Profit Before Tax	Group		Company	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
Stated after Charging				
<b>Included in Cost of Sales</b>				
Employee Benefits including the following	119,920,058	117,493,764	-	-
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	2,972,674	3,561,784	-	-
- Defined Contribution Plan Costs - EPF and ETF (included in Employee Benefits)	9,966,893	9,797,285	-	-
Depreciation	113,207,522	91,419,380	-	-
<b>Included in Administrative Expenses</b>				
Employee Benefits including the following	152,834,475	148,612,809	28,990,777	20,908,084
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	2,104,578	2,856,723	1,125,354	1,621,941
- Defined Contribution Plan Costs - EPF and ETF (included in Employee Benefits)	13,530,900	11,994,426	2,723,825	1,963,302
Depreciation	89,115,002	70,915,125	7,757,824	7,485,889
Amortization of Prepaid Operating Lease	248,689	248,689	-	-
Directors' Emoluments	45,598,386	39,698,409	45,598,386	38,052,880
Service Fees	7,509,062	11,020,320	7,509,062	11,020,320
Auditor's Remuneration	2,134,880	2,049,902	492,000	457,000
Taxation Fee	657,366	1,249,212	220,799	216,075
Professional Fees	1,160,573	3,181,287	290,895	457,808
Legal Fees	3,000	-	-	-
<b>Included in Selling and Marketing Expenses</b>				
Advertising Expenses	16,851,532	9,784,732	7,613,937	2,918,294
Sales Promotional Expenses	26,820,333	21,830,875	-	-

10. Income Tax Expense	Group		Company	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
The major components of income tax expense for the years ended 31 March are as follows :				
<b>Income Statement</b>				
Current Income Tax				
Current Income Tax Charge (Note 10.1)	18,372,844	12,701,400	-	-
Under/(Over) Provision of Current Taxes in respect of prior years	(38,698)	(358,545)	-	(57,428)
Dividend Tax	24,912,679	26,378,883	-	-
	43,246,825	38,721,738	-	(57,428)
<b>Deferred Income Tax</b>				
Deferred Taxation Charge (Note 10.3)	11,679,857	3,945,168	-	-
<b>Income Tax Expense reported in the Statement of Profit or Loss</b>	<b>54,926,683</b>	<b>42,666,906</b>	<b>-</b>	<b>(57,428)</b>

## 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	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
Accounting Profit before Income Tax	301,625,109	223,489,161	177,230,345	189,636,130
Disallowed Items	84,946,032	75,974,783	15,219,043	21,341,205
Allowed Items	(306,365,186)	(262,222,455)	(230,215,734)	(242,685,984)
Interest Income	(2,318,779)	(2,146,942)	-	-
Tax Relief on Capital Investments	(78,024,793)	(78,024,793)	-	-
Tax Losses Related to Group Companies	37,329,271	31,708,649	-	-
<b>Taxable Profit/(Loss) from Business</b>	<b>37,191,654</b>	<b>(11,221,597)</b>	<b>(37,766,346)</b>	<b>(31,708,649)</b>
<b>Other Source of Income</b>				
Interest Income	2,318,779	2,146,942	-	-
Taxable Other Income	2,318,779	2,146,942	-	-
<b>Total Statutory Income</b>	<b>39,510,433</b>	<b>2,146,942</b>	<b>-</b>	<b>-</b>
<b>Total Taxable Income</b>	<b>39,510,433</b>	<b>2,146,942</b>	<b>-</b>	<b>-</b>
<b>Income Tax @ 2% on Turnover</b>	<b>13,260,588</b>	<b>12,100,256</b>	<b>-</b>	<b>-</b>
<b>Income Tax @ 12% on Taxable Profits</b>	<b>4,462,998</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income Tax @ 28% Taxable Profits</b>	<b>649,258</b>	<b>601,144</b>	<b>-</b>	<b>-</b>
<b>Current Income Tax Charge</b>	<b>18,372,844</b>	<b>12,701,400</b>	<b>-</b>	<b>-</b>
<b>10.2 Tax Losses</b>				
Tax Losses Brought Forward	299,916,604	268,207,955	279,492,328	247,783,679
Tax Losses Utilised during the year	-	-	-	-
Tax Loss incurred during the year	37,329,271	31,708,649	37,329,271	31,708,649
<b>Tax Losses Carried Forward</b>	<b>337,245,875</b>	<b>299,916,604</b>	<b>316,821,599</b>	<b>279,492,328</b>
<b>10.3 Deferred Taxation - Group</b>	Statement of Financial Position		Statement of Profit or Loss	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
<b>Deferred Tax Liability</b>				
Capital Allowances for Tax purpose	99,030,378	87,326,662	11,703,716	3,957,928
	99,030,378	87,326,662	11,703,716	3,957,928
<b>Deferred Tax Assets</b>				
Retirement Benefit Obligation - Through Statement of Profit or Loss	(965,842)	(941,983)	(23,860)	(12,759)
Retirement Benefit Obligation - Through Other Comprehensive Income	(236,300)	103	-	-
Trade and Other Receivables	(422,924)	(422,924)	-	-
	(1,625,067)	(1,364,803)	(23,860)	(12,759)
Deferred Taxation Charge			11,679,857	3,945,168
<b>Net Deferred Tax Liability</b>	<b>97,405,311</b>	<b>85,961,858</b>		

## Notes to the Financial Statements

10.3.1	Recconciliation of Deferred Tax Charge / (Reversal)	Group	
		2016 Rs.	2015 Rs.
	Deferred Tax Charge reported in the Statement of Profit or Loss	11,679,857	3,945,168
	Deferred Tax Charge reported in Other Comprehensive Income	(236,403)	42,102
		<b>11,443,454</b>	<b>3,987,270</b>

## 10.3.2 Amaya Leisure PLC

The Company has a carried forward tax loss amounting to Rs. 316,821,599/- (2015 - Rs.279,492,328/-) 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. 38,018,592/- (2015 - Rs. 33,539,079/-) 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 assets 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	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
Profit for the year	246,698,426	180,822,255	177,230,345	189,693,558
(Profit)/Loss attributable to Non-Controlling Interest	40,317,327	47,032,790	-	-
Profit attributable to Ordinary Shareholders of Parent Company for Basic Earnings per Share	<b>287,015,753</b>	<b>227,855,045</b>	<b>177,230,345</b>	<b>189,693,558</b>

## 11.2 Number of Ordinary Shares used as the Denominator :

Weighted Average Number of Ordinary Shares in issue applicable to Basic Earnings Per Share	<b>50,435,949</b>	<b>48,034,238</b>	<b>50,435,949</b>	<b>48,034,238</b>
--	-------------------	-------------------	-------------------	-------------------

## Notes to the Financial Statements

## 12. Dividends

	2016 Rs.	2015 Rs.
<b>Equity dividends on ordinary shares:</b>		
Dividend for the year ended 31 March 2016 : Rs. 4.00* per share (proposed*) (2015 : Rs.5.00 per share)	<b>201,743,796</b>	<b>240,171,190</b>
	<b>Proposed</b>	<b>Declared</b>
12.1 <b>Proposed / Declared during the year</b>		
Cash Dividends (Rs.2.00 per Share) (2015 - Rs. 1.00 per share)	<b>100,871,898</b>	<b>48,034,238</b>
Scrip Dividends* (Rs.2.00 per Share) (2015 - Rs. 4.00 per share)	<b>100,871,898</b>	<b>192,136,952</b>
	<b>201,743,796</b>	<b>240,171,190</b>

\* Scrip Dividends represents the value of additional shares to be issued as first and final dividends for the year ended 31 March 2016. Accordingly the Company proposed to issue 1,441,027 of share in the proportion of 1:35 Per Share dividend of Rs. 2.00/- derived based on the market price of the shares Company. Share allotment was pending as at 31 March 2016.

## 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 2016 and 2015:

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
<b>Assets measured at fair value:</b>				
<b>As at 31 March 2016</b>				
<b>Non Financial Assets</b>				
Land (Note 14.1.1)	31 March 2016	979,390,250	-	- 979,390,250
<b>Total Non Financial Assets as at 31 March 2016</b>		<b>979,390,250</b>	<b>-</b>	<b>- 979,390,250</b>
<b>Financial Assets</b>				
<b>Fair Value through profit or loss (Note 19.1.1)</b>				
Quoted Investment in Equity Securities	31 March 2016	7,559,219	7,559,219	- -
<b>Total Fair Value through profit or loss Financial Assets</b>		<b>7,559,219</b>	<b>7,559,219</b>	<b>- -</b>
<b>Available For Sale Financial Assets (Note 19.1.2)</b>				
Quoted Investment in Equity Securities	31 March 2016	97,701,560	97,701,560	- -
<b>Total Available For Sale Financial Assets</b>		<b>97,701,560</b>	<b>97,701,560</b>	<b>- -</b>
<b>Total Financial Assets as at 31 March 2016</b>		<b>105,260,779</b>	<b>105,260,779</b>	<b>- -</b>
<b>As at 31 March 2015</b>				
<b>Non Financial Assets</b>				
Land (Note 14.1.1)	31 March 2015	941,357,250	-	- 941,357,250
<b>Total Non Financial Assets as at 31 March 2015</b>		<b>941,357,250</b>	<b>-</b>	<b>- 941,357,250</b>
<b>Financial Assets</b>				
<b>Fair Value through Profit or Loss ( Note 19.1.1)</b>				
Quoted Investment in Equity Securities	31 March 2015	9,884,144	9,884,144	- -
<b>Total Fair Value through profit or loss Financial Assets</b>		<b>9,884,144</b>	<b>9,884,144</b>	<b>- -</b>
<b>Available For Sale Financial Assets (Note 19.1.2)</b>				
Quoted Investment in Equity Securities	31 March 2015	111,747,702	111,747,702	- -
<b>Total Available For Sale Financial Assets</b>		<b>111,747,702</b>	<b>111,747,702</b>	<b>- -</b>
<b>Total Financial Assets as at 31 March 2015</b>		<b>121,631,846</b>	<b>121,631,846</b>	<b>- -</b>

## 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 2016 and 2015:		Fair value measurement using			
Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Assets measured at fair value:</b>					
<b>As at 31 March 2016</b>					
<b>Financial Assets</b>					
<b>Fair Value through profit or loss (Note 19.1.1)</b>					
Quoted Investment in Equity Securities	31 March 2016	7,559,219	7,559,219	-	-
<b>Total Fair Value through profit or loss Financial Assets</b>		<b>7,559,219</b>	<b>7,559,219</b>	<b>-</b>	<b>-</b>
<b>Available For Sale Financial Assets (Note 19.1.2)</b>					
Quoted Investment in Equity Securities	31 March 2016	97,701,560	97,701,560	-	-
<b>Total Available For Sale Financial Assets</b>		<b>97,701,560</b>	<b>97,701,560</b>	<b>-</b>	<b>-</b>
<b>Total Financial Assets as at 31 March 2016</b>		<b>105,260,779</b>	<b>105,260,779</b>	<b>-</b>	<b>-</b>
<b>As at 31 March 2015</b>					
<b>Financial Assets</b>					
<b>Fair Value through profit or loss (Note 19.1.1)</b>					
Quoted Investment in Equity Securities	31 March 2015	9,884,144	9,884,144	-	-
<b>Total Fair Value through profit or loss Financial Assets</b>		<b>9,884,144</b>	<b>9,884,144</b>	<b>-</b>	<b>-</b>
<b>Available For Sale Financial Assets (Note 19.1.2)</b>					
Quoted Investment in Equity Securities	31 March 2015	111,747,702	111,747,702	-	-
<b>Total Available For Sale Financial Assets</b>		<b>111,747,702</b>	<b>111,747,702</b>	<b>-</b>	<b>-</b>
<b>Total Financial Assets as at 31 March 2015</b>		<b>121,631,846</b>	<b>121,631,846</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

14. Property, Plant and Equipment

14.1 Group	Balance As at 01.04.2015	Additions	Transfers/ Disposal	Balance As at 31.03.2016
14.1.1 Gross Carrying Amounts	Rs.	Rs.	Rs.	Rs.
<b>At Cost or Valuation</b>				
Freehold Land	941,357,250	38,033,000	-	979,390,250
Freehold Buildings	882,182,550	10,765,573	-	892,948,123
Road Network	24,736,920	5,894,918	-	30,631,838
Building on Leasehold Land	2,459,157,402	84,667,518	-	2,543,824,920
Furniture and Fittings	333,746,725	27,207,583	(3,211,417)	357,742,891
Plant and Machinery	270,680,339	8,629,251	(510,316)	278,999,273
Air Conditioners	151,065,924	2,170,075	-	153,235,999
Kitchen Equipments	126,553,029	4,976,927	-	131,529,956
Office Equipments	2,595,400	3,500	(94,450)	2,504,450
Computer Equipments	62,795,313	3,794,766	(47,328)	66,542,751
Crockery and Cutlery	77,803,783	5,082,438	-	82,886,221
Linen	73,954,536	12,223,017	(3,163,821)	83,013,732
Fixtures and Fittings	83,345,536	1,307,775	(2,630,475)	82,022,836
Motor Vehicles	55,449,130	-	-	55,449,130
	5,545,423,837	204,756,341	(9,657,807)	5,740,522,370
<b>Assets on Finance Leases</b>				
Motor Vehicles	51,890,422	-	-	51,890,422
	51,890,422	-	-	51,890,422
	5,597,314,259	204,756,341	(9,657,807)	5,792,412,792
<b>In the Course of Construction</b>				
	Balance As at 01.04.2015	Incurred during the year	Transfers/ Disposal	Balance As at 31.03.2016
	Rs.	Rs.	Rs.	Rs.
Building Work in Progress	107,471,398	45,040,259	(86,682,020)	65,829,638
	107,471,398	45,040,259	(86,682,020)	65,829,638
<b>Total Gross Carrying Amount</b>	<b>5,704,785,657</b>	<b>249,796,600</b>	<b>(96,339,827)</b>	<b>5,858,242,430</b>

## Notes to the Financial Statements

14.1.2 Depreciation	Balance	Charge for	Transfers/	Balance
	As at 01.04.2015	the year	Disposal	As at 31.03.2016
	Rs.	Rs.	Rs.	Rs.
<b>At Cost or Valuation</b>				
Freehold Buildings	70,518,962	17,771,973	-	88,290,935
Road Network	1,971,179	1,285,971	-	3,257,150
Building on Leasehold Land	119,670,357	48,462,674	-	168,133,031
Furniture and Fittings	51,310,634	25,212,413	(1,235,426)	75,287,621
Plant and Machinery	48,447,729	20,410,480	(333,100)	68,525,109
Air Conditioners	28,187,277	12,975,866	-	41,163,143
Kitchen Equipments	32,963,173	10,223,664	-	43,186,837
Office Equipments	859,316	344,907	(94,450)	1,109,773
Computer Equipments	21,268,421	13,597,301	(47,328)	34,818,394
Crockery and Cutlery	50,676,634	19,809,347	-	70,485,981
Linen	45,085,749	11,740,067	(3,163,821)	53,661,995
Fixtures and Fittings	21,048,569	6,191,313	(1,332,359)	25,907,523
Motor Vehicles	30,445,465	5,753,724	-	36,199,189
	522,453,466	193,779,700	(6,206,485)	710,026,683
<b>Assets on Finance Leases</b>				
Motor Vehicles	24,683,990	7,978,088	-	32,662,078
	24,683,990	7,978,088	-	32,662,078
<b>Total Depreciation</b>	<b>547,137,456</b>	<b>201,757,788</b>	<b>(6,206,485)</b>	<b>742,688,760</b>
<b>14.1.3 Net Book Value</b>				
			2016	2015
			Rs.	Rs.
<b>At Cost or Valuation</b>				
Freehold Land			979,390,250	941,357,250
Freehold Buildings			804,657,187	811,663,588
Road Network			27,374,688	22,765,741
Building on Leasehold Land			2,375,691,889	2,339,487,045
Furniture and Fittings			282,455,270	282,436,091
Plant and Machinery			210,274,165	222,232,610
Air Conditioners			112,072,855	122,878,648
Kitchen Equipments			88,343,119	93,589,857
Office Equipments			1,394,677	1,736,083
Computer Equipments			31,724,357	41,526,892
Crockery and Cutlery			12,400,241	27,127,148
Linen			29,351,737	28,868,788
Fixtures and Fittings			56,115,314	62,296,967
Motor Vehicles			19,249,941	25,003,665
			5,030,495,687	5,022,970,371
<b>Assets on Finance Leases</b>				
Motor Vehicles			19,228,344	27,206,432
			19,228,344	27,206,432
<b>In the Course of Construction</b>				
Building Work in Progress			65,829,638	107,471,398
			65,829,638	107,471,398
<b>Total Carrying Amount of Property, Plant and Equipment</b>			<b>5,115,553,670</b>	<b>5,157,648,201</b>

## Notes to the Financial Statements

14.1.4 Revaluation of land					
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 and buildings are provided in Note 13.					
<b>Significant unobservable valuation</b>		<b>Range</b>			
<i>Price per perch</i>					
-Kandyan Resorts (Private) Limited		Rs.175,000/	-	-	Rs.400,000/-
-The Beach Resorts Limited		Rs.350,000/	-	-	Rs.450,000/-
-Culture Club Resorts (Private) Limited		Rs. 15,000/	-	-	Rs. 20,000/-
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. 163,114,580/- (2015 - Rs.358,429,016/-) including cost incurred on capital work in progress of which Rs. 45,040,259/- (2015 - Rs.167,956,782/-). Cash payments amounted to Rs. 163,114,580/- (2015 - Rs.358,429,016/-) 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. 85,037,232/- (2015 - Rs.62,598,306/-).					
14.1.7 Information on the Freehold Land, Freehold Buildings, Leasehold Land and Buildings on Leasehold Land of the Group is as follows;					
<b>Company</b>	<b>Location</b>	<b>Ownership</b>	<b>Extent</b>	<b>Lease Period</b>	<b>No of Buildings</b>
Culture Club Resorts (Private) Limited	Dambulla	Leasehold	8.094 Hectares	50 years	72
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 01.04.2015 Rs.	Additions Rs.	Transfers/ Disposals Rs.	Balance As at 31.03.2016 Rs.
14.2.1	Gross Carrying Amounts				
	<b>At Cost</b>				
	Motor Vehicles	36,120,800	-	-	36,120,800
	Furniture and Fittings	1,399,518	278,802	-	1,678,320
	Office Equipments	1,203,648	-	-	1,203,648
	Computer Equipments	6,615,488	1,132,390	-	7,747,878
		45,339,454	1,411,192	-	46,750,646
	<b>Assets on Finance Lease</b>				
	Motor Vehicles	13,500,000	-	-	13,500,000
		13,500,000	-	-	13,500,000
	<b>Total Gross Carrying Amount</b>	58,839,454	1,411,192	-	60,250,646

14.2.2	Depreciation	Balance As at 01.04.2015 Rs.	Charge for the year Rs.	Transfers/ Disposals Rs.	Balance As at 31.03.2016 Rs.
	<b>At Cost/ Deemed Cost</b>				
	Motor Vehicles	19,454,467	4,214,000	-	23,668,467
	Furniture and Fittings	369,298	112,631	-	481,929
	Office Equipments	469,567	212,328	-	681,895
	Computer Equipments	1,933,887	1,318,865	-	3,252,752
		22,227,218	5,857,824	-	28,085,043
	<b>Assets on Finance Lease</b>				
	Motor Vehicles	6,016,667	1,900,000	-	7,916,667
		6,016,667	1,900,000	-	7,916,667
	<b>Total Depreciation</b>	28,243,884	7,757,824	-	36,001,709

14.2.3	Net Book Values	2016 Rs.	2015 Rs.
	<b>At Cost</b>		
	Motor Vehicles	12,452,333	16,666,333
	Furniture and Fittings	1,196,391	1,030,220
	Office Equipments	521,753	734,081
	Computer Equipments	4,495,126	4,681,601
		18,665,604	23,112,236
	<b>Assets on Finance Lease</b>		
	Motor Vehicles	5,583,333	7,483,333
		5,583,333	7,483,333
	<b>Total Carrying Amount of Property, Plant and Equipment</b>	24,248,937	30,595,570

14.2.4 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 1,411,192/- (2015 - Rs. 4,451,789/-). Cash payments amounted to Rs. 1,411,192/- (2015 - Rs. 4,451,789/-) were made during the year for purchase of Property, Plant and Equipment.

## Notes to the Financial Statements

15.	Prepayment on Leasehold Property	Group	
		2016 Rs.	2015 Rs.
	As at 1 April 2015	62,492,821	7,397,494
	Acquisition	-	55,908,750
	Amortisation for the year	(813,424)	(813,424)
	<b>As at 31 March 2016</b>	<b>61,679,397</b>	<b>62,492,821</b>

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 will be amortised over the lease period.

16.	Other Non-Current Assets	Group/Company	
		2016 Rs.	2015 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. The objective of this acquisition is to secure the leasehold right to the property. Therefore, the Company has not accounted for said transaction in accordance with SLFRS 03 - "Business Combination".

17.	Intangible Assets - Group	Goodwill on Business Combinations	
		2016 Rs.	2015 Rs.
	As at 01 April 2015	137,863,688	-
	Acquisition of a subsidiary	-	137,863,688
	<b>As at 31 March 2016</b>	<b>137,863,688</b>	<b>137,863,688</b>

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

18.	Investments in Subsidiaries	18.1 Non-Quoted Investments in Subsidiaries					
		Holding		Cost	Directors' Valuation	Cost	Directors' Valuation
	Company	2016 %	2015 %	2016 Rs.	2016 Rs.	2015 Rs.	2015 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	56.09%	51%	684,741,194	684,741,194	568,311,044	568,311,044
	<b>Total Non-Quoted Investments in Subsidiaries</b>			<b>1,619,668,159</b>	<b>1,619,668,159</b>	<b>1,503,238,009</b>	<b>1,503,238,009</b>

## Notes to the Financial Statements

19. Other Financial Assets and Liabilities	Group/Company	
	2016 Rs.	2015 Rs.
19.1 Other Financial Assets		
<b>Fair Value through Profit or Loss (Note 19.1.1)</b>		
Quoted Investments in Equity Securities (Note 19.1.1.1)	7,559,219	9,884,144
	7,559,219	9,884,144
<b>Available for Sale Investments (Note 19.1.2)</b>		
Quoted Investments in Equity Securities (Note 19.1.2.1)	97,701,560	111,747,702
Non-Quoted Investment in Equity Securities (Note 19.1.2.2)	10	10
Total Available For Sale Investments	97,701,570	111,747,712
<b>Total other Financial Assets</b>	<b>105,260,789</b>	<b>121,631,856</b>
<b>Total current</b>	<b>7,559,219</b>	<b>9,884,144</b>
<b>Total non-current</b>	<b>97,701,570</b>	<b>111,747,712</b>

### 19.1.1 Fair Value through Profit or Loss

Group/Company	No. of Shares		Cost 2016 Rs.	Market Value 2016 Rs.	Cost 2015 Rs.	Market Value 2015 Rs.
	2016	2015				
19.1.1.1 Quoted Investments in Equity Securities						
The Fortress Resorts PLC	90,075	90,075	646,349	1,170,975	646,349	1,369,140
LB Finance PLC	40	20	3,029	4,244	3,029	3,004
Browns Capital PLC	5,320,000	5,320,000	25,004,000	6,384,000	25,004,000	8,512,000
	5,410,115	5,410,095	25,653,378	7,559,219	25,653,378	9,884,144
Fair value adjustment of investments			(18,094,159)	-	(15,769,233)	-
<b>Total Quoted Investments in Equity Securities</b>			<b>7,559,219</b>	<b>7,559,219</b>	<b>9,884,144</b>	<b>9,884,144</b>

19.1.2 Available for sale Investments	No. of Shares		Carrying Value 2016 Rs.	Market Value 2016 Rs.	Carrying Value 2015 Rs.	Market Value 2015 Rs.
	2016	2015				
19.1.2.1 Quoted Investments in Equity Securities						

Royal Ceramics Lanka PLC	521,600	521,600	83,645,920	52,212,160	83,645,920	57,897,601
Hunnas Falls Hotels PLC	899,000	899,000	58,909,784	45,489,400	58,909,784	53,850,101
	1,420,600	1,420,600	142,555,704	97,701,560	142,555,704	111,747,702
Fair value adjustment of investments			(44,854,144)	-	(30,808,004)	-
<b>Total Quoted Investments in Equity Securities</b>			<b>97,701,560</b>	<b>97,701,560</b>	<b>111,747,702</b>	<b>111,747,702</b>

## Notes to the Financial Statements

19.1.2.2 Non-Quoted Investments in Equity Securities	No. of Shares		Carrying Value 2016 Rs.	Directors' Valuation 2016 Rs.	Carrying Value 2015 Rs.	Directors' Valuation 2015 Rs.
	2016	2015				
La Forteresse (Private) Limited	1	1	10	10	10	10
<b>Total Non-Quoted Investments in Equity Securities</b>	<b>1</b>	<b>1</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>

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	2016 Amount Repayable Within 1 Year Rs.	2016 Amount Repayable After 1 Year Rs.	2016 Total Rs.	2015 Amount Repayable Within 1 Year Rs.	2015 Amount Repayable After 1 Year Rs.	2015 Total Rs.
	Bank Loans (Note 19.2.1.1.1)	461,628,362	1,231,571,043	1,693,199,405	525,642,389	1,058,888,635
Finance Leases (Note 19.2.1.1.2)	6,566,527	119,042	6,685,569	11,206,703	6,636,038	17,842,741
Bank Overdrafts (Note 22)	91,499,563	-	91,499,563	236,880,404	-	236,880,404
	559,694,452	1,231,690,085	1,791,384,537	773,729,495	1,065,524,673	1,839,254,168

#### 19.2.1.1.1 Bank Loans

	Balance As at 01.04.2015 Rs.	Loans Obtained Rs.	Repayments Rs.	Balance As at 31.03.2016 Rs.
DFCC Bank PLC	381,818,179	-	-	381,818,179
Commercial Bank of Ceylon PLC	541,200,793	-	(541,200,793)	-
Hatton National Bank PLC	-	714,070,000	-	714,070,000
Seylan Bank PLC	661,512,052	210,799,174	(275,000,000)	597,311,226
	1,584,531,023	924,869,174	(816,200,793)	1,693,199,405

#### Terms and Conditions of the Loans

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

#### 1. Amaya Leisure PLC

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

-	<b>Rate of Interest</b>	
	Term Loan	1 Month AWPLR + 1% p.a.
	Short Term Loan	1 Month AWPLR + 1.5% p.a.
-	<b>Repayment by</b>	
	Term Loan	April 2019
	Short Term Loan	On Demand
-	<b>Security offered</b>	None



## Notes to the Financial Statements

### 19.2.1.1.1 Bank Loans (Contd.)

2. Sun Tan Beach Resorts Ltd	DFCC - Rs. 400 Mn	HNB- Rs. 280 Mn	HNB- USD 3 Mn
- Rate of Interest	3 Months AWPLR+1%	Weekly AWPLR+ 0.75%	3 Month LIBOR + 4%
- Term of Repayment - Capital	Rs. 6,060,607 P.m	Rs. 4,666,667 P.m	USD 50,000 P.m
- No of Installments	66 Months	60 Months	60 Months
- Repayment by	December 2021	December 2021	December 2021
- Grace Period	September 2011 to September 2016	July 2015 to December 2016	July 2015 to December 2016
- Security offered	Leasehold Right of the land and Hotel buildings belongs to Sun Tan Beach Resorts Ltd	Leasehold Right of the land and Hotel buildings belongs to Sun Tan Beach Resorts Ltd	Leasehold Right of the land and Hotel buildings belongs to Sun Tan Beach Resorts Ltd

### 19.2.1.1.2 Finance Leases

	Balance As at 01.04.2015	New Leases Obtained	Repayments	Balance As at 31.03.2016
	Rs.	Rs.	Rs.	Rs.
Pan Asia Banking Corporation PLC	20,305,386	-	(12,892,440)	7,412,946
Gross Liability	20,305,386	-	(12,892,440)	7,412,946
Finance Charges allocated to Future Periods	(2,462,645)	-	1,735,268	(727,377)
Net Liability	17,842,741	-	(11,157,172)	6,685,569

### 19.2.1.2 Company

	2016 Amount Repayable Within 1 Year	2016 Amount Repayable After 1 Year	2016 Total	2015 Amount Repayable Within 1 Year	2015 Amount Repayable After 1 Year	2015 Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bank Loans (Note 19.2.1.2.1)	389,561,226	207,750,000	597,311,226	353,562,052	307,950,000	661,512,052
Finance Leases (Note 19.2.1.2.2)	2,899,990	-	2,899,990	3,088,238	2,899,993	5,988,231
Bank Overdrafts (Note 22)	-	-	-	78,389,630	-	78,389,630
	392,461,216	207,750,000	600,211,216	435,039,920	310,849,993	745,889,913

### 19.2.1.2.1 Bank Loans

	Balance As at 01.04.2015	Loans Obtained	Repayments	Balance As at 31.03.2016
	Rs.	Rs.	Rs.	Rs.
Seylan Bank PLC	661,512,052	210,799,174	(275,000,000)	597,311,226
	661,512,052	210,799,174	(275,000,000)	597,311,226

### 19.2.1.2.2 Finance Leases

	As at 01.04.2015	New Leases Obtained	Repayments	As at 31.03.2016
	Rs.	Rs.	Rs.	Rs.
Pan Asia Banking Corporation PLC	6,839,301	-	(3,692,719)	3,146,582
Gross Liability	6,839,301	-	(3,692,719)	3,146,582
Finance Charges allocated to Future Periods	(851,070)	-	604,479	(246,591)
Net Liability	5,988,231	-	(3,088,241)	2,899,990

## 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	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
<b>Financial Assets</b>				
<b>Other Financial Assets</b>				
- Fair Value through Profit or Loss Investments	25,653,378	25,653,378	7,559,219	9,884,144
- Available for Sale Investments	142,555,704	142,555,704	97,701,560	111,747,702
<b>Total</b>	<b>168,209,082</b>	<b>168,209,082</b>	<b>105,260,779</b>	<b>121,631,846</b>

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.

	Group	
	2016	2015
	Rs.	Rs.
<b>20. Inventories</b>		
Foods and Beverages	20,074,021	15,259,218
Housekeeping and Maintenance	12,808,833	12,983,265
Printing and Stationery	2,257,120	1,724,597
Consumables and Other	2,220,306	2,481,638
	37,360,279	32,448,717

### 21. Trade and Other Receivables

	Group		Company	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
Trade Receivables	202,715,467	202,034,558	5,701,963	2,766,950
Less - Impairment made from Trade Receivables	(5,252,772)	(5,252,772)	-	-
	197,462,696	196,781,786	5,701,963	2,766,950
Other Receivables	19,141,110	16,481,700	13,458,214	9,864,146
Other Receivables from Related Parties (Note 21.1)	25,819,322	16,618,669	20,415,613	109,286,249
Provision for doubtful receivables	(7,700,880)	(7,700,880)	(7,700,880)	(7,700,880)
	234,722,247	222,181,275	31,874,910	114,216,464

### 21.1 Other Receivables from Related Parties

	Relationship	2016	2015	2016	2015
		Rs.	Rs.	Rs.	Rs.
Connaissance Hotel Management (Private) Limited	Subsidiary	-	-	1,593,187	1,593,187
CDC Conventions (Private) Limited	Subsidiary	-	-	6,924,293	6,924,293
Connaissance Air Travels (Private) Limited	Subsidiary	-	-	2,950,912	2,950,912
The Beach Resorts Limited	Subsidiary	-	-	1,590,865	1,471,965
Sun Tan Beach Resorts Limited	Subsidiary	-	-	3,275,502	96,056,546
Hunas Falls Hotel PLC	Affiliate	8,626,631	1,586,065	8,029,196	880,507
The Kingsbury PLC	Affiliate	7,520,051	10,877,231	7,520,051	10,877,231
Lake Lodge Resorts (Private) Limited	Affiliate	1,520,156	1,053,893	-	-
Hayleys Travels and Tours (Private) Limited	Affiliate	5,224,703	2,987,630	-	-
Eastern Hotels (Private) Limited	Affiliate	2,567,781	-	-	-
Hayleys Business Solution International (Private) Limited	Affiliate	-	21,850	-	-
Hayleys Industrial Solution (Private) Limited	Affiliate	-	92,000	-	-
Hayleys Agriculture Holdings Limited	Affiliate	360,000	-	-	-
(Less) Provision for Bad and Doubtful Receivables		-	-	(11,468,393)	(11,468,393)
		25,819,322	16,618,669	20,415,613	109,286,249

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

## Notes to the Financial Statements

### 21.1 Other Receivables from Related Parties (Contd.)

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	31-60 days	61-90 days	91-120 days	121-180 days
2016	197,462,696	12,177,535	85,599,948	67,726,084	18,960,078	6,376,905	6,622,147
2015	196,781,786	7,593,975	86,141,813	66,885,416	31,044,317	5,116,265	-

### 22. Cash and Cash Equivalents in the Cash Flow Statement

Components of Cash and Cash Equivalents	Group		Company	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
<b>Favourable Cash and Cash Equivalent Balances</b>				
Cash and Bank Balances	173,811,335	61,669,431	1,429,907	742,990
Short Term Deposits	66,184,435	-	-	-
<b>Unfavourable Cash and Cash Equivalent Balances</b>				
Bank Overdraft	(91,499,563)	(236,880,404)	-	(78,389,630)
<b>Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement</b>	<b>148,496,207</b>	<b>(175,210,973)</b>	<b>1,429,907</b>	<b>(77,646,640)</b>

### 23. Stated Capital

	Group/Company			
	2016		2015	
	Number	Rs.	Number	Rs.
As at 1st April	48,034,238	526,770,320	48,034,238	526,770,320
Capitalization of Reserves (Share Allotment)	2,401,711	192,136,952	-	-
As at 31st March	50,435,949	718,907,272	48,034,238	526,770,320

### 23.1 Pending Share Allotment

	Group/Company		Group/Company	
	2016 Number	2016 Rs.	2015 Number	2015 Rs.
As at 1st April	2,401,711	192,136,952	-	-
Pending Share Allotment	-	-	2,401,711	192,136,952
Share Allotment	(2,401,711)	(192,136,952)	-	-
As at 31st March	-	-	2,401,711	192,136,952

## Notes to the Financial Statements

### 24. Revaluation Reserve

	Group	
	2016 Rs.	2015 Rs.
<b>On Property, Plant and Equipment</b>		
As at 01 April	410,345,894	65,294,614
Revaluations During the Year	-	372,249,750
Revaluation Reserve Attributable to non - controlling interest	-	(27,198,470)
<b>As at 31 March</b>	<b>410,345,894</b>	<b>410,345,894</b>

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	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
Trade Payables	49,218,807	45,411,495	1,021,382	1,666,563
Other Payables to Related Parties (Note 25.1)	32,788,964	39,557,914	204,100,129	166,923,722
Sundry Creditors including Accrued Expenses	203,864,534	198,255,923	29,540,360	69,427,829
	285,872,305	283,225,332	234,661,871	238,018,114

### 25.1 Other Payables to Related Parties

	Relationship	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
Hayleys PLC	Parent Company	11,122,632	20,490,279	11,122,632	20,490,279
Kandyan Resorts (Private) Limited	Subsidiary Company	-	-	145,505,225	112,439,721
Culture Club Resorts (Private) Limited	Subsidiary Company	-	-	47,152,881	33,682,253
Hayleys Consumer Products Limited	Affiliate Company	21,907	220	1,090	220
Hayleys Travel & Tours (Private) Limited	Affiliate Company	318,300	226,300	318,300	226,300
Hayleys Business Solutions International (Private) Limited	Affiliate Company	-	84,948	-	84,948
East India Holdings (Private) Limited	Affiliate Company	13,326,125	10,756,166	-	-
Mr. Thissanayagam	Director	8,000,000	8,000,000	-	-
		32,788,964	39,557,914	204,100,129	166,923,722

## Notes to the Financial Statements

### 26. Retirement Benefit Obligation

	Group		Company	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
<b>Defined Benefit Obligation - Gratuity</b>				
Defined Benefit Obligation as at the beginning of the year	30,853,116	28,035,750	8,316,280	8,121,438
Acquisition of a Subsidiary	-	648,330	-	-
Current Service Cost	2,032,462	3,388,934	328,726	731,971
Interest Cost	2,967,791	3,029,573	796,628	889,970
Actuarial (Gain)/Loss	4,123,178	(2,333,518)	870,925	(1,365,499)
Benefit paid	(2,350,409)	(1,915,952)	(700,000)	(61,600)
Defined Benefit Obligation as at the end of the year	37,626,138	30,853,116	9,612,559	8,316,280

Messrs. NMG Consulting, an independent actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on March 31, 2016. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	2016	2015
Discount Rate	11%	10%
Future Salary Increment Rate	10%	9%

### 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.
<b>Company</b>				
Change in Present value of Defined Benefit Obligation	506,680	(477,410)	(482,645)	522,146
<b>Group</b>				
Change in Present value of Defined Benefit Obligation	2,987,851	(2,661,770)	(2,638,396)	3,014,239

### 27. Commitments and Contingencies

#### 27.1 Capital Expenditure Commitments

##### Culture Club Resorts (Private) Limited

A Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Rs. 286 Mn (2015/16 - Rs. 244 Mn).

##### Kandyan Resorts (Private) Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Rs. 374 Mn (2015/16 - Rs. 430 Mn).

##### Sun Tan Beach Resorts Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Rs. 68 Mn (2015/16 - Rs. 28 Mn).

## Notes to the Financial Statements

### 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:

	2016 Rs.	2015 Rs.
Not later than one year	1,284,600	3,599,176
Later than one year and not later than 05 years	-	1,136,023
	1,284,600	4,735,199

### 27.3 Finance Lease Commitments

The Group has finance leases contracts for motor vehicles. Future minimum lease payments under finance leases contracts together with the present value of the net minimum lease payments are, as follows:

	2016		2015	
	Minimum payments Rs.	Present value of payments (Note 19) Rs.	Minimum payments Rs.	Present value of payments (Note 19) Rs.
Within one year	7,262,651	6,566,527	13,042,735	11,206,703
After one year but not more than five years	150,295	119,042	7,262,651	6,636,038
Total minimum lease payments	7,412,946	6,685,569	20,305,386	17,842,741
Less amounts representing finance charges	(727,377)	-	(2,462,645)	-
Present value of minimum lease payments	6,685,569	6,685,569	17,842,741	17,842,741

### 27.4 Contingent Liabilities

There are no any contingent liabilities as at the reporting date.

## 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
		2016 Rs.	2015 Rs.	
Leasehold Right of the land and Hotel building belongs to Sun Tan Beach Resorts Ltd	Rs. 280 Mn Loan & USD 3 Mn Loan Facility from Hatton National Bank PLC and Rs. 400 Mn Loan Facility from DFCC Bank PLC	1,488,556,598	1,516,655,799	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	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
<b>Nature of Transaction</b>								
As at 1 April	(20,490,279)	(8,871,460)	(48,593,464)	(283,586,863)	11,672,791	8,305,297	(57,410,952)	(284,153,026)
Rendering/Obtaining Services	(35,725,310)	(37,352,134)	-	-	(311,477)	(84,948)	(36,036,787)	(37,437,082)
Purchase of Goods	-	-	-	-	(4,290,069)	-	(4,290,069)	-
Management Fees	-	-	2,718,361	2,736,735	36,556,541	33,222,975	39,274,902	35,959,710
Sales Commission Income	-	-	82,526,085	73,898,591	49,570,031	44,168,088	132,096,116	118,066,679
Expenses incurred by the Company on behalf of Others	-	-	8,793,406	-	3,349,144	-	12,142,550	-
Receipt for Services	-	-	3,106,714	2,548,371	-	-	3,106,714	2,548,371
Dividend Received	-	-	224,214,107	237,409,943	-	-	224,214,107	237,409,943
Settlement of Liabilities on behalf of the Company	(4,748,317)	(1,364,523)	-	-	-	-	(4,748,317)	(1,364,523)
Settlement of Liabilities by the Company on behalf of Others	-	-	74,879,174	220,125,477	26,834,883	26,823,429	101,714,057	246,948,906
Collections made by the Company on behalf of the Others	-	-	(18,087,472)	(25,317,356)	(1,323,037)	(5,844,135)	(19,410,509)	(31,161,491)
Fund Transfers	-	-	(517,348,650)	(276,408,362)	-	-	(517,348,650)	(276,408,362)
Payment Made	49,841,274	27,097,838	-	-	(106,828,949)	(94,917,915)	(56,987,675)	(67,820,077)
As at 31 March	(11,122,632)	(20,490,279)	(187,791,939)	(48,593,464)	15,229,857	11,672,791	(183,684,514)	(57,410,952)
<b>Included in</b>								
Amounts due from Related Parties	-	-	4,866,367	97,528,510	15,549,247	11,757,739	20,415,614	109,286,249
Amounts due to Related Parties	(11,122,632)	(20,490,279)	(192,658,106)	(146,121,974)	(319,390)	(84,948)	(204,100,128)	(166,697,201)
	(11,122,632)	(20,490,279)	(187,791,739)	(48,593,464)	15,229,857	11,672,791	(183,684,514)	(57,410,952)

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, The Kingsbury PLC, Lake Lodge Resorts (Private) Limited, Hayleys Travels and Tours (Private) Limited, Eastern Hotels (Private) Limited, Hayleys Business Solution International (Private) Limited, Hayleys Industrial Solution (Private) Limited, Hayleys Agriculture Holdings Limited, Hayleys Consumer Products Limited, East India Holdings (Private) Limited.

### 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	
		2016 Rs.	2015 Rs.
Short-term Employment Benefits	- Executive	41,532,786	35,496,609
	- Non-executive	2,625,600	2,895,000
Post-employment Benefits	- Executive	1,440,000	1,306,800
		45,598,386	39,698,409

### 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

### 30. Event Occurring 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 arrive directly from its operations. The Group also holds Available-For-Sale Investments and Investments designated under Fair Value through Profit or Loss.

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

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

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

#### Market Risk

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

The sensitivity analyses in the following sections relate to the position as at 31 March 2016 and 2015.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's interest rate includes an fixed and variable element, which is AWPLR + 0.75% - 1.5% and LIBOR + 4%.

## 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
2016	+50	(705,500)
	-50	705,500
2015	+50	(536,221)
	-50	536,221

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a slightly 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. 105,260,779/- An increase or decrease of 10% on the Colombo Stock Exchange (CSE) market index (ASPI) could have an impact of approximately Rs. 10,526,078/- 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 2016, the Group had 9 customers (2015: 15 customers) that owed the Group more than Rs. 2 million each and accounted for approximately 24% (2015: 26%) of all receivables owing. There was five customer with balances greater than Rs.10 million accounting for approximately 50% (2015: 45%) 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.

## Notes to the Financial Statements

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

#### Liquidity Risk

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

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

As at 31 March 2016	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	380,860,789	26,691,631	152,142,632	1,231,690,085	1,791,384,537
Trade and other payables	-	298,144,850	-	-	298,144,850
	380,860,789	324,836,481	152,142,632	1,231,690,085	2,089,529,387

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	1,065,524,673	1,839,254,168
Trade and other payables	-	297,175,058	-	-	297,175,058
	236,880,404	620,778,076	213,246,074	1,065,524,673	2,136,429,226

#### 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 on 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 2016 and 31 March 2015.

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.

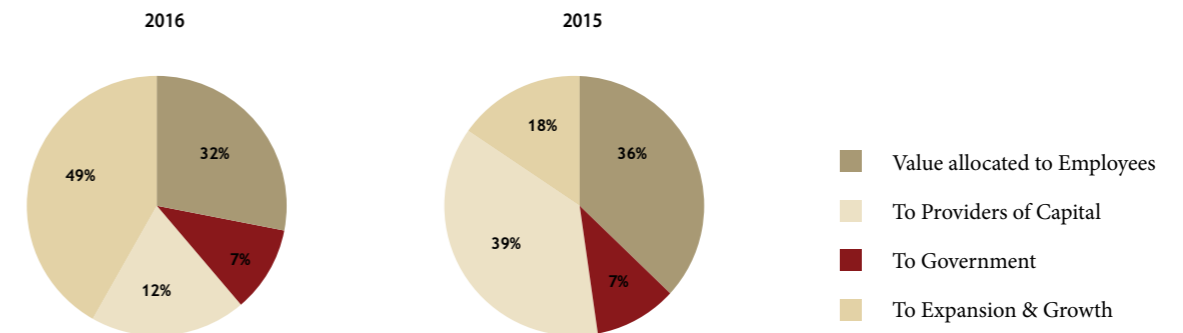
	2016 Rs.	2015 Rs.
Interest-bearing loans and borrowings (Note 19)	1,791,384,537	1,839,254,168
Trade and other payables (Note 25)	285,872,305	283,225,332
Less: cash and short-term deposits (Note 22)	(239,995,770)	(61,669,431)
Net debt	1,837,261,072	2,060,810,069
Equity	3,750,806,955	3,595,062,152
Total capital	3,750,806,955	3,595,062,152
Capital and net debt	5,588,068,027	5,655,872,221
Gearing ratio	33%	36%

## Statement of Value Added

### Group Value Added Statement

	Group		Company	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
Turnover	1,642,043,754	1,413,337,843	157,702,486	141,129,927
Other Income	61,256,360	74,854,811	227,142,832	240,563,180
	1,703,300,114	1,488,192,655	384,845,318	381,693,107
Less: Cost of Material & Services brought in	(705,075,973)	(641,378,267)	(74,590,601)	(71,612,773)
	998,224,141	846,814,388	310,254,717	310,080,333
<b>Value allocated to employees</b>				
Salaries, wages and other benefits	318,352,918	305,804,981	74,589,162	58,960,964
<b>To Government</b>				
TT, TDL & Income Tax	73,658,457	60,500,740	-	-
<b>To Providers of Capital</b>				
Non-Controlling Interest	(40,317,327)	(47,032,790)	-	-
Loan Interest & Dividend	157,191,816	377,589,924	50,677,386	294,168,541
<b>To Expansion &amp; Growth</b>				
Depreciation & Retained in Business	489,338,277	149,951,533	184,988,170	(43,049,172)
	998,224,141	846,814,388	310,254,717	310,080,333

	2016	2015	2016	2015
Value allocated to employees	32%	36%	24%	19%
To Government	7%	7%	-	-
To Providers of Capital	12%	39%	16%	95%
To Expansion & Growth	49%	18%	60%	-14%
	100%	100%	100%	100%



## Share and Investor Information

### AMAYA LEISURE PLC

#### ORDINARY SHAREHOLDERS AS AT 31<sup>ST</sup> MARCH 2016

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	1,197	189,410	0.3755	15	4,765	0.0094	1,212	194,175	0.3850
1,001 - 10,000	198	541,654	1.0739	5	17,834	0.0354	203	559,488	1.1093
10,001 - 100,000	50	1,414,163	2.8039	2	92,954	0.1843	52	1,507,117	2.9882
100,001 - 1,000,000	12	5,377,073	10.6612	-	-	-	12	5,377,073	10.6612
OVER 1,000,000	6	42,798,096	84.8563	-	-	-	6	42,798,096	84.8563
<b>Total</b>	<b>1,463</b>	<b>50,320,396</b>	<b>99.7709</b>	<b>22</b>	<b>115,553</b>	<b>0.2291</b>	<b>1,485</b>	<b>50,435,949</b>	<b>100.0000</b>
<b>CATEGORY</b>									
Individuals	1,378	5,270,799	5.9845	22	115,553	0.2291	1,400	5,386,352	6.2136
Institutions	85	45,049,597	93.7864	-	-	-	85	45,049,597	93.7864
<b>Total</b>	<b>1,463</b>	<b>50,320,396</b>	<b>99.7709</b>	<b>22</b>	<b>115,553</b>	<b>0.2291</b>	<b>1,485</b>	<b>50,435,949</b>	<b>100.0000</b>

## First Twenty Shareholders

#### FIRST TWENTY SHAREHOLDERS AS AT 31.03.2016

NAME OF SHAREHOLDER		NO. OF SHARES AS AT 31.03.2016	%	NO. OF SHARES AS AT 31.03.2015	%
1	HAYLEYS PLC	20,334,545	40.32	19,366,234	40.32
2	DEAN FOSTER (PVT) LTD	10,764,915	21.34	10,252,300	21.34
3	EMPLOYEE PROVIDENT FUND	4,851,775	9.62	4,620,739	9.62
4	PEOPLE'S LEASING & FINANCE PLC/ MR. L.T. SAMARAWICKRAMA	4,172,150	8.27	3,973,477	8.27
	HSBC - MR. L.T. SAMARAWICKRAMA	451,227	0.89	429,740	0.89
	MR. L.T. SAMARAWICKRAMA	63,000	0.12	60,000	0.12
5	MR. W.A.D.C.J. WICKRAMASINGHE	1,500,456	2.97	1,431,293	2.98
6	MR. H.A.VAN STARREX	1,174,255	2.33	1,193,577	2.48
7	MERCANTILE INVESTMENTS AND FINANCE PLC	903,000	1.79	860,000	1.79
8	TOYO CUSHION LANKA (PVT) LTD	857,220	1.70	816,400	1.70
9	VOLANKA EXPORTS LIMITED	675,045	1.34	642,900	1.34
10	BANK OF CEYLON NO.1 ACCOUNT	554,016	1.10	527,635	1.10
11	MR. K.D.D. PERERA	470,044	0.93	447,661	0.93
12	MR. S. SENARATNE	400,000	0.79	372,894	0.78
13	ASSOCIATED ELECTRICAL CORPORATION LTD	370,000	0.73	302,000	0.63
14	ELLES (PVT) LTD	356,235	0.71	339,272	0.71
15	BANK OF CEYLON A/C CEYBANK CENTURY GROWTH FUND	145,491	0.29	138,563	0.29
16	MR. H.A.M.P. ALGAMA	115,000	0.23	110,011	0.23
17	MR. D.J. DE SILVA WIJEYERATNE	101,282	0.20	96,460	0.20
18	MR. M.A.H. ESUFALLY	96,243	0.19	91,660	0.19
19	DFCC VARDHANA BANK LTD/MR. B.A.D.H.C. MAHIPALA	84,000	0.17	80,000	0.17
20	MR. H.W.M. WOODWARD	79,829	0.16	76,028	0.16
<b>TOTAL</b>		<b>48,519,728</b>	<b>96.20</b>	<b>46,228,844</b>	<b>96.24</b>

Percentage of Public Holding 20.45%

Total No. of Shareholders Represent in Public Holding 1,470

## Share Trading Information

### FOR THE 03 MONTHS ENDED 31.03.2016

Highest Price	68.50	13.01.2016
Lowest Price	52.00	18.02.2016
Closing Price	60.50	
No. of Transactions	162	
No. of Shares Traded	124,004	
Value of Shares Traded	7,561,365.90	

### FOR THE 12 MONTHS ENDED 31.03.2016

Highest Price	87.90	23.07.2015
Lowest Price	52.00	18.02.2016
Closing Price	60.50	
No. of Transactions	685	
No. of Shares Traded	374,735	
Value of Shares Traded	26,780,863.90	

## Five Year Summary

		2015/16	2014/15	2013/14	2012/13	2011/12
<b>Operating Results</b>						
Group Turnover	Rs. 000s	1,642,044	1,413,338	1,171,594	1,065,394	877,084
Profit Before Taxation	Rs. 000s	301,625	223,489	417,919	409,936	308,948
Taxation	Rs. 000s	-54,927	-42,667	-41,757	-31,893	-16,384
Profit After Taxation	Rs. 000s	246,698	180,822	376,162	378,043	292,564
<b>Statement of Financial Position</b>						
Share Capital	Rs. 000s	718,907	526,770	526,770	526,770	526,770
Pending Share allotment	Rs. 000s	-	192,137	-	-	-
Capital Reserve	Rs. 000s	410,346	410,346	65,295	65,295	-
Available for Sale Reserve	Rs. 000s	-44,854	-30,808	-57,951	-43,459	-23,662
Revenue Reserves	Rs. 000s	2,266,477	2,073,582	2,083,606	1,923,537	1,739,087
Shareholders' Fund	Rs. 000s	3,350,876	3,172,027	2,617,721	2,472,143	2,242,195
Non-Current Assets	Rs. 000s	5,436,798	5,493,752	2,880,364	2,708,690	2,384,952
Current Assets	Rs. 000s	564,440	377,117	277,056	267,256	241,438
Current Liabilities (Net of Borrowings)	Rs. 000s	-324,016	-319,738	-156,965	-174,030	-145,447
Borrowings	Rs. 000s	-1,791,385	-1,839,254	-243,421	-197,827	-122,927
Provisions	Rs. 000s	-135,031	-116,815	-110,010	-102,646	-88,323
Non-Controlling Interest	Rs. 000s	-399,931	-423,035	-29,302	-29,300	-27,497
Net Assets	Rs. 000s	3,750,807	3,595,062	2,647,023	2,501,443	2,269,692
<b>Key Indicators</b>						
Earning per Share	Rs.	5.69	4.74	7.83	7.87	6.09
Market price per 31st March	Rs.	60.50	71.50	72.30	76.50	76.70
Highest Market Price	Rs.	87.90	91.90	84.90	88.00	125.00
Lowest Market Price	Rs.	52.00	70.00	66.00	56.00	66.90
Return on Equity	%	6.58	5.03	14.21	15.11	12.89
Return on Shareholders Fund	%	8.56	7.18	14.37	15.29	13.28
Price Earning Ratio	No. of Times	10.63	15.08	9.23	9.72	12.59
Interest Cover	No. of Times	2.95	2.65	26.56	29.00	47.05
Gearing Ratio	%	33	36	9.20	7.91	5.42
Current Ratio	No. of Times	0.64	0.34	0.74	0.83	1.23
Net Assets Per Share	Rs.	66.44	66.04	54.50	51.47	46.68



## 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 net 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.

## Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty Fourth 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 Thursday, 23rd June 2016 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 2016.
- 2) To declare a First & Final dividend of Rs. 4.00 per share for the financial year 2015/2016 be payable as follows:
  - a. Cash Dividend of Rs. 2.00 per share; and
  - b. Scrip Dividend of Rs. 2.00 per share

And therefore to consider and if thought fit, to pass the following resolutions by way of Ordinary Resolutions.

(i) "it is hereby resolved that a First & Final dividend of Rs.4.00 per share for the financial year 2015/2016 be payable as follows:

- Rs.2.00 to be distributed in the form of a cash dividend amounting to a total payment of a sum of Rupees One Hundred Million Eight Hundred and Seventy One Thousand Eight Hundred and Ninety Eight only (Rs.100,871,898/-); and
- Rs.2.00 be distributed in the form of scrip dividend amounting to total sum of Rupees One Hundred Million Eight Hundred and Seventy One Thousand Eight Hundred and Ninety Eight only (Rs.100,871,898/-). The shares issued in the scrip dividend shall be valued at Rs. 70.0000056 per share which results in one (01) share being issued for each existing Thirty Five (35) shares held by the shareholders at the end of trading on the date of the Annual General Meeting. Consequently the total number of shares to be issued under the scrip dividend shall be One Million Four Hundred and Forty One Thousand Twenty Seven (1,441,027) Ordinary Shares and that the total cash and scrip dividend amounting to Rupees Two Hundred and One Million Seven Hundred and Forty Three Thousand Seven Hundred and Ninety Six (Rs.201,743,796/-) be distributed out of dividend received by the Company and will not be subject to a 10% dividend tax"

(ii) "it is further resolved that the shares issued for the scrip dividend be listed on the Colombo Stock Exchange:

(iii) "It is further resolved that the fractional shares arising from the allotment of shares consequent to the scrip dividend be allotted to the Trustee named Hayleys Group Services (Private) Limited to be held and disposed on the trading floor of the Colombo Stock Exchange and the net sales proceeds to be donated to an approved Charity which will be nominated by the Board of Directors subject to the approval by the shareholders"

- 3) To re-elect Mr. Dhammika Perera, who retires by rotation at the Annual General Meeting a Director.
- 4) To re-elect Mr. S.Senaratne, who retires by rotation at the Annual General Meeting a Director.
- 5) To re-elect Mr. D.E.Silva, who retires by rotation at the Annual General Meeting a Director.
- 6) To authorize the Directors to determine contributions to Charities for the financial year 2016/17.
- 7) 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 2016/17.
- 8) 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 21st June 2016.
- (2) It is proposed to post the ordinary dividend warrants on the 4th July 2016 and in accordance with the rules of the Colombo Stock Exchange the shares of the Company will be quoted ex-dividend with effect from 24th June 2016.

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

Colombo  
20th May 2016

## 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 Fourth Annual General Meeting of the Company to be held on Thursday, 23rd June 2016 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 2016	<input type="checkbox"/>	<input type="checkbox"/>
2) To declare the recommended Cash Dividend of Rs.2.00 per share and the Scrip Dividend of Rs.2.00 per share for the financial year 2015/2016 along with the Ordinary Resolutions set out in the Notice convening the Meeting.	<input type="checkbox"/>	<input type="checkbox"/>
3) To re-elect Mr. Dhammika Perera, who retires by rotation at the Annual General Meeting a Director.	<input type="checkbox"/>	<input type="checkbox"/>
4) To re-elect Mr. S. Senaratne, who retires by rotation at the Annual General Meeting a Director.	<input type="checkbox"/>	<input type="checkbox"/>
5) To re-elect Mr. D. E. Silva, who retires by rotation at the Annual General Meeting a Director.	<input type="checkbox"/>	<input type="checkbox"/>
6) To authorize the Directors to determine contributions to Charities for the financial year 2016/17.	<input type="checkbox"/>	<input type="checkbox"/>
7) 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 2016/17.	<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 of .....2016

Witnesses

.....  
.....  
.....

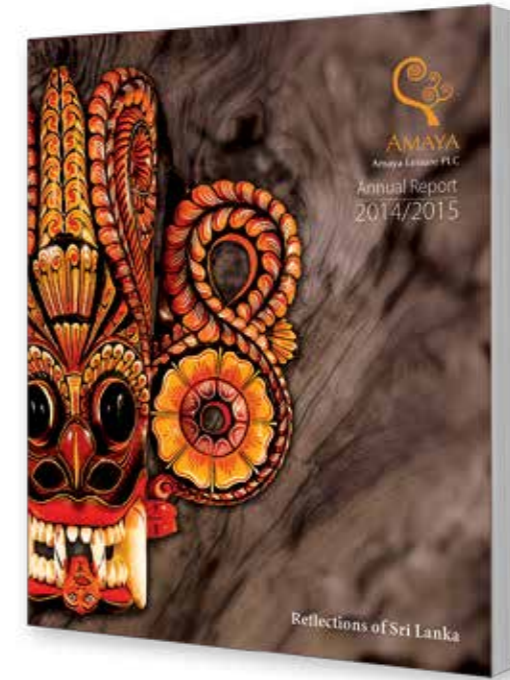
.....  
Signature of Shareholder

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

## Instructions as to Completion

1. To be valid, this Form of Proxy must be deposited with Hayleys Group Services (Pvt) Ltd, Secretaries, No. 400, Deans Road, Colombo 10, Sri Lanka, by 10.00 a.m. on 21st June 2016.
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



2014/2015 Annual Report



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 2015/16 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 focused on the History of Sri Lanka's Painting Art. Last year, our 2014/15 Annual Report focused on the traditional 'Kolam Masks' which still plays an important part in the rural Sri Lankan's life.

This year, we thought of offering you a glimpse of some of Amaya's best and most well-kept secrets. Our properties around the country are an absolute treasure trove for the traveller looking for a different view of this tropical paradise.

Thank you once again in making 2015/16 a successful year for us at Amaya Leisure PLC. Await more spectacular 'Reflections of Sri Lanka' in our Annual Reports in 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. R. N. Ponnambalam Ms. W. D. De Costa 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 The Beach Resorts Limited Connaissance Air Travels (Private) Limited Connaissance Hotel Management (Private) Limited CDC Conventions (Private) Limited
SECRETARIES	Hayleys Group Services (Private) Limited No: 400, Deans Road, Colombo 10, Sri Lanka
AUDITORS	Ernst & Young Chartered Accountants No: 201, De Saram Place, Colombo 10, Sri Lanka
BANKERS	Commercial Bank of Ceylon PLC National Development Bank PLC Hatton National Bank PLC Nations Trust Bank PLC Pan Asia Bank PLC Seylan Bank PLC DFCC Bank PLC





## Amaya Leisure PLC

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