

ANNUAL REPORT - 2016/2017



Reflections of Sri Lanka



Amaya..

non-illusive - a brand that highlights the true reflections of Sri Lanka - our hotels offer guests an authentic experience that reflects the culture and natural beauty of our truly diverse island - history in abundance, indigenous culture and ecological beauty, all this and more could be found at Amaya Resorts and Spas.

Our theme resorts open up the rich heritage of our ancient kingdoms and offers our clients the expected satisfaction and promotes a unique concept that is "Amaya"



අායුබෝ වේවා! Welcome! நல்வரவு!



THE ICONS BEHIND AMAYA'S SUCCESS STORY

































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



Auditor's Report

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Cash Flow Statement

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Statement of Changes in Equity

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DISCOVER SRI LANKA AT YOUR OWN PACE

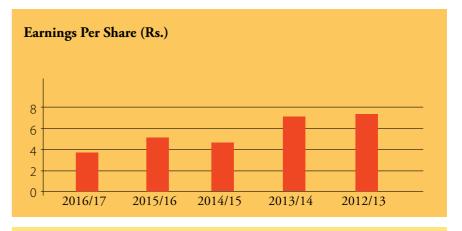
Amaya offers a remarkable fusion of resorts located in some of Sri Lanka's most popular destinations.

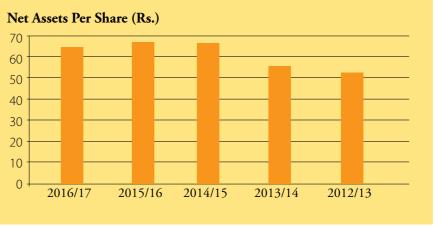


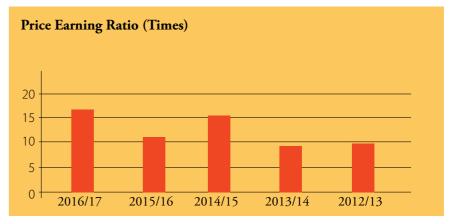
FINANCIALS AT A GLANCE

FINANCIALS AT A GLANCE

		Changes
Rs.,000	Rs.,000	%
1,592,920	1,642,044	-3%
1,575,332	1,623,312	-3%
188,261	301,625	-38%
148,823	246,698	-40%
206,443	287,016	-28%
3,395,727	3,350,876	1%
5,695,577	6,001,239	-5%
681	655	4%
3.98	5.53	-28%
2.00	4.00	-50%
65.46	66.44	-1%
63.80	60.50	5%
57.43	60.33	-5%
1.92	2.95	-35%
0.68:1		
	1,592,920 1,575,332 188,261 148,823 206,443 3,395,727 5,695,577 681 3.98 2.00 65.46 63.80	Rs.,000 1,592,920 1,642,044 1,575,332 1,623,312 188,261 301,625 148,823 246,698 206,443 287,016 3,395,727 3,350,876 5,695,577 6,001,239 681 655 3.98 5.53 2.00 4.00 65.46 66.44 63.80 60.50







A RENDEZVOUS IN PARADISE AWAITS YOU

Amaya's Kuda Rah Resort lets you indulge in the sun, the surf and the golden sands of Maldives pristine beaches.



MESSAGE FROM THE CHAIRMAN



MESSAGE FROM THE CHAIRMAN

Amaya ventured into managing its first overseas resort, Amaya KudaRah Maldives, a 51 villa resort which was acquired by the Hayleys Group in the second quarter of FY 16/17. This Maldivian resort has enhanced the portfolio of Amaya resorts, which was limited to Sri Lanka.



Mohan Pandithage
Chairman



MESSAGE FROM THE CHAIRMAN

Dear Shareholder.

It is indeed my pleasure to present the Annual Report and the Audited Financials of Amaya Leisure PLC for the year ended 31st March 2017.

During the year under review, the Amaya Group posted a revenue of Rs. 1.57 Bn, a marginal decline of 3% when compared to last year's revenue of Rs. 1.62 Bn. The Group recorded a Profit Before Tax of Rs. 188 Mn, a significant reduction of 37% from last year's Profit Before Tax of Rs. 301 Mn.

An Interim dividend of Rs. 2.00 per Share was paid to the shareholders on 31st March 2017.

Amidst intense competition with new properties opening up in Kandy and the Cultural Triangle, Amaya Hills and Amaya Lake was able to retain similar average occupancy levels of 78% and 68% respectively to last year. However, the Average Room Rates of Amaya Hills reduced by 6% in FY 16/17. In contrast, Amaya Lake and Amaya Beach was able to command slightly higher Average Room Rate. Also the increased administration overheads and rising interest rates had a negative impact on the Group's performance.

In spite of a challenging year, Amaya ventured into managing its first overseas resort, Amaya KudaRah Maldives, a 51 villa resort which was acquired by the Hayleys Group in the second quarter of FY 16/17. This Maldivian resort has enhanced the portfolio of Amaya resorts, which was limited to Sri Lanka.

Amaya Beach continued to incur losses. I urge the Government to look into the possibility of a Private Public Partnership to operate flights so that our clients could be whisked off straight from the Katunayake Airport to

the hotel within a duration of 45 minutes to 1 hour by extending them a shorter travel duration which will help in enhancing the occupancy rates. We're also encountering competition from new hotel operators in the Passikudah Bay .

Refurbishment activities were carried out in all Group properties to enhance our service offering to our clientele. Construction of 12 Eco lodges in Amaya Lake with traditional Ayurvedic Spa has now been completed and branded as "Amuna". The revenue from this is expected to come in during the first quarter of FY 17/18.

Amaya Leisure disposed its 85% equity stake in The Beach Resorts Limited which owned a beach property at Wadduwa for a consideration of Rs. 330 Mn.

Industry Overview

Sri Lanka's tourist arrivals crossed 2 Mn milestone for the first time, a 14% growth year on year. Western Europe continues to be the largest origin for tourists contributing to 31% followed by India and China. The share of tourist arrivals from East Asia has increased to 20.7% of total arrivals in 2016 vis-à-vis to 10.5% in 2010, mainly due to the influx of Chinese tourists. However, India remained the largest country of tourist origin with 356,729 arrivals in 2016, while China remained second, followed by the UK, Germany and France. These 5 largest tourist source destinations together accounts for 51% of tourist arrivals to Sri Lanka in 2016.

Earnings from tourism grew by 18% to US dollars 3,518 million in 2016, in comparison to US dollars 2,981 million in 2015.

MESSAGE FROM THE CHAIRMAN

Way Forward

The Board is cognizant of the fact that the traditional marketing landscape of the leisure sector is changing in a faster pace. The asset thin business ventures like Airbnb has disrupted the leisure industry, where alternate accommodations in the forms of homes, villas are taking away the market share of hotels.

We are currently exploring opportunities to exploit digital marketing, and optimizing our on-line booking platforms across all properties though a single window to reduce dependency on the traditional tour operator model.

Currently Amaya owns 3 main properties in Kandy, Dambulla and Passikudah and manages three Properties in Kandy, Nuwara Eliya and Maldives. 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 in order to go that extra mile. We are continuing to invest heavily in the training and development of our people, as they would be the first point of Contact of Amaya's brand promise.

Awards and Accolades

This year too, Amaya Lake received a prestigious accolade by securing the Leading Wellness & Spa Resort in Sri Lanka at the South Asian Travel Awards 2016.

Board Composition

Mr. Nimal Perera resigned from the Board during the year under review. We take this opportunity to thank Mr. Nimal Perera for his contribution to the Board's deliberations.

We welcome Mr. Johann Wijesinghe who joined the Board during the year under review. He has extensive experience in the travel and aviation industry and was the alternate director to Mr. Dhammika Perera. Ms. Kawshi Amarasinghe replaced Mr. Johann Wijesinghe as the alternate director to Mr. Dhammika Perera.

Conclusion

I wish to place on record my sincere gratitude to all my fellow board members for the guidance that helped us overcome 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 dedication and commitment.

Last but not least, our clients from across the globe, who continue to patronize the Amaya Chain, we look forward to serve you in the years to come.

2

MOHAN PANDITHAGE

Chairman 09th May 2017

REST, RELAX AND REJUVENATE

Amaya let's you enjoy all of live's simple pleasures in absolute style. At Amaya, luxury is indeed a lifestyle.



MANAGING DIRECTOR'S REVIEW



MANAGING DIRECTOR'S REVIEW

We extended Amaya's presence beyond Sri Lanka by Managing Hayley's owned "Amaya Kudah Rah" in the Maldives as well as developed Kelani Valley plantation bungalow "The Oliphant "and the traditional Ayurveda resort "The Amuna" in Dambulla.



L. T. Samarawickrama *Managing Director*



MANAGING DIRECTOR'S REVIEW

It is with pleasure that I present to you the review of operations for the year 2016/2017.

With adverse weather conditions throughout Sri Lanka, The beginning of the financial year did not augur well for Amaya. Heavy rain and landslides deterred our valuable guests to experience our traditional festive season at our resorts and the expected revenues did not materialize during the first quarter resulting in heavy losses.

Even though the group succeeded in wiping out the disastrous Q1 during the second quarter the rest of the year could not achieve the targeted revenue and profitability mainly due to certain policy decisions made by the authorities which burdened the entire industry during year under review.

However, with all odds against we did maintain our properties at its highest possible level and increased the Brand Value and was within the best one hundred Brands in Sri Lanka.

Furthermore, we extended Amaya's presence beyond Sri Lanka by Managing Hayley's owned "Amaya Kudah Rah" in the Maldives as well as developed Kelani Valley plantation bungalow "The Oliphant "and the traditional Ayurveda resort "The Amuna" in Dambulla.

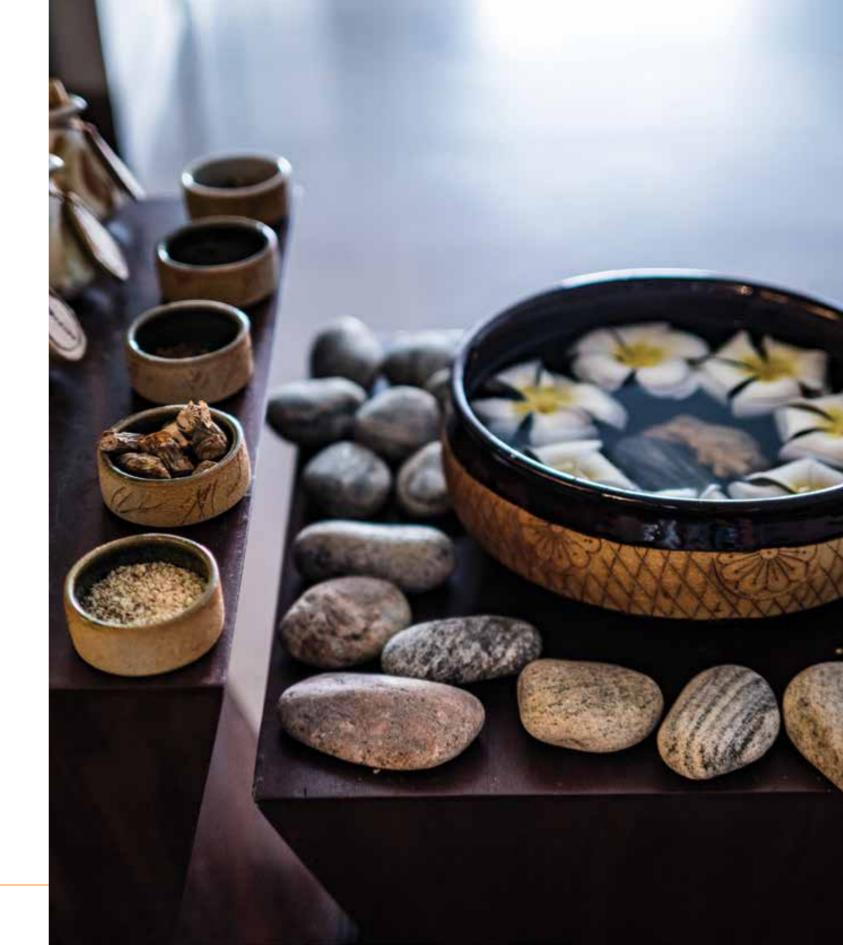
It is regrettable that our profits have declined during year under review mainly due to heavy losses incurred by our medium to long term investment of Amaya Beach in Passikudah but on a positive note it is evident that once the infrastructure development is complete and the connectivity to this national resort improves by various modes of transport the true potential of this investment will reap the desired results.

Amaya's expansion drive is very much intact and the possibilities of expanding its portfolio are imminent. This is bound to further enhance the Brand Value and increase its presence in Sri Lanka's ever growing hospitality industry.

With the re-branding of Amaya and revamped sales & marketing strategies we are confident that the group will achieve substantial growth in years to come.

7 Firm

L.T. SMARAWICKRAMA Managing Director 09th May, 2017



YOUR WISH IS OUR COMMAND

At Amaya, we will leave no stone unturned in our efforts to ensure that your stay is a truly unforgettable one.



FINANCIAL CALENDAR

1,593 MN

GROUP TURNOVER FOR YEAR 2016/2017

905 MN

GROSS PROFIT FOR YEAR 2016/17

188 MN

PROFIT BEFORE TAX FOR YEAR 2016/2017

FINANCIAL CALENDAR

Audited Financial Statements Signed on	09-May-17
35th Annual General Meeting	22-Jun-17

INTERIM FINANCIAL STATEMENTS

1st Quarter Interim Results released on	5-Aug-16
2 nd Quarter Interim Results released on	28-Oct-16
3 rd Quarter Interim Results released on	30-Jan-17
4th Quarter Interim Results released on	12-May-17

GROUP OPERATIONAL HIGHLIGHTS

Year Ended 31st March	Occupancy		ARR (Rs.)	
	2017	2016	2017	2016
Amaya Lake & Signature	68%	70%	11,136	10,955
Amaya Hills & Bungalow	78%	78%	11,517	12,250
Amaya Beach	31%	39%	12,200	10,654
Group	58%	62%	11,494	11,400

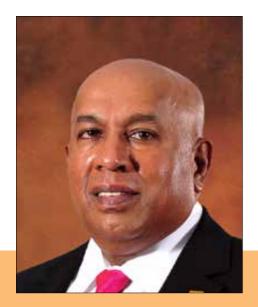
FROM SUNRISE TO SUNSET

From dawn to dusk, Amaya's themed resorts lets you unravel the very best of Sri Lanka's hidden treasures, but of course it doesn't need to stop at sunset!



PROFILES OF THE BOARD

PROFILES OF THE BOARD



Mr. A. M. Pandithage Chairman & Chief Executive

Joined Hayleys Group in 1969. Appointed to the Board in 2011. Chairman & Chief Executive of Hayleys PLC since July 2009. 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.



Mr. Chandra J. Wickramasinghe Deputy Chairman

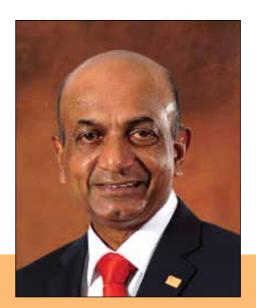
Mr. Chandra J. Wickramasinghe counts over 37 years of experience in the leisure industry. He is the Founder Chairman of Connaissance de Ceylan (Pvt) Ltd, Maalu Maalu Resorts & Spa, Aliya Resort & Spa, Mountbatten Bungalow, Theme Resorts & Spas and CDC Events and Travels and a Director of The Fortress Resorts PLC.

Mr. Wickramasinghe is a Board Member of The Sri Lanka Tourism Development Authority (SLTDA). He is also the Founder President of Alliance Française 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

Mr. Samarawickrama is 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 Hunas Falls, Sun Tan Beach Resorts, Luxury Resorts Maldives, Hayleys Tours (Pvt) Ltd, He is a Director of Royal Ceramics Lanka PLC, The Fortress Resorts PLC, Kelani Valley Plantations PLC, Royal Porcelain (Private) Limited, Royal Ceramics Distributors (Pvt) Ltd., Rocell Bathware Limited, Culture Club Resorts (Pvt) Ltd, Kandyan Resorts (Pvt) Ltd.



Mr. Denesh Eric Silva Director - Marketing & Sales

Mr. Silva is a Fellow Graduate Member from the Ceylon Hotel School and the School of Tourism (FCHSGA), in Hotel and catering operations with a specialization in Front Office Operations. He was awarded the Management Diploma in Hotel and Catering Operations with a second class Upper Division. He is a member of the Institute of Hospitality (UK), Director of The Kingsbury PLC, The Fortress Resorts PLC, Maalu Maalu Resorts & Spa, Hunas Falls Hotels PLC, The Sun Tan Beach Resorts Ltd and Delair Travel (Pvt) Ltd. Presently serves as Director Head of Marketing & Sales for Amaya Resorts & Spas and the Kingsbury Hotel Colombo. He counts over 22 years of experience in the Hospitality Industry, specializing in Marketing and Sales.

A Board Member of SLTPB (Sri Lanka Tourism Promotion Bureau), Vice President of THASL (The Hotel Association of Sri Lanka), Chairman Marketing Committee of the Conventions Bureau, The Vice Chairman of PATA (Pacific Asia Travel Association), and is the Immediate Past President of TTSC (Travel Trade Sports Club). Mr. Silva is an All Island Justice of 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 has over 27 years of experience in building formidable business through unmatched strategic foresight.

Mr. Perera is the Chairman of Vallibel One PLC, Royal Ceramics Lanka PLC, Lanka Ceramic PLC, Lanka Tiles PLC, Lanka Walltiles PLC, The Fortress Resorts PLC, Vallibel Power Erathna PLC and Delmege Limited. He is the Co-Chairman of Hayleys PLC, The Kingsbury PLC, Executive Deputy Chairman of L B Finance PLC and Deputy Chairman of Horana Plantations PLC. He is also the Executive Director of Vallibel Finance PLC and serves on the Boards of Haycarb PLC, Hayleys Fabric PLC, Dipped Products PLC, Sun Tan Beach Resorts Limited and Hayleys Global Beverages (Private) Limited.



Mr. Johann Wijesinghe Director

Joined the Hayleys Group in 2008 and was appointed to the Hayleys Group Management Committee in 2011. Currently serves as Managing Director of Aviation & Travels and Alufab PLC and Executive Director of S&T Interiors (Pvt) Ltd. He holds an MBA from the University of Leicester (UK) and is a Member of the Chartered Institute of Marketing (UK). Holds over 25 years' experience in the Aviation industry. Prior to joining Hayleys, held several senior positions at Sri Lankan Airlines including management positions in Europe, Middle East, the Far East and the Head Office in Colombo and was also a member of the Group Senior Management Team of the Airline. Possesses over 5 years' senior management experience in the Hotel industry. He is responsible for the Aviation sector, hotel development, construction management, aluminium fabrication and interior fit-out businesses of the Hayleys Group.

PROFILES OF THE BOARD



Mr. S. Senaratne Director

Mr. Suranimala Senaratne counts over 40 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. Harsha Amarasekera P.C. Non Exécutive, Director

Mr. Amarasekera, President Counsel was appointed to the Board of Amaya Leisure PLC from 28th February 2005. He has 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), Vallibel One PLC, Expo Lanka Holdings PLC, Royal Ceramics Lanka PLC, Amana Bank PLC, Chevron Lubricants Lanka PLC, Taprobane Holdings and 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.



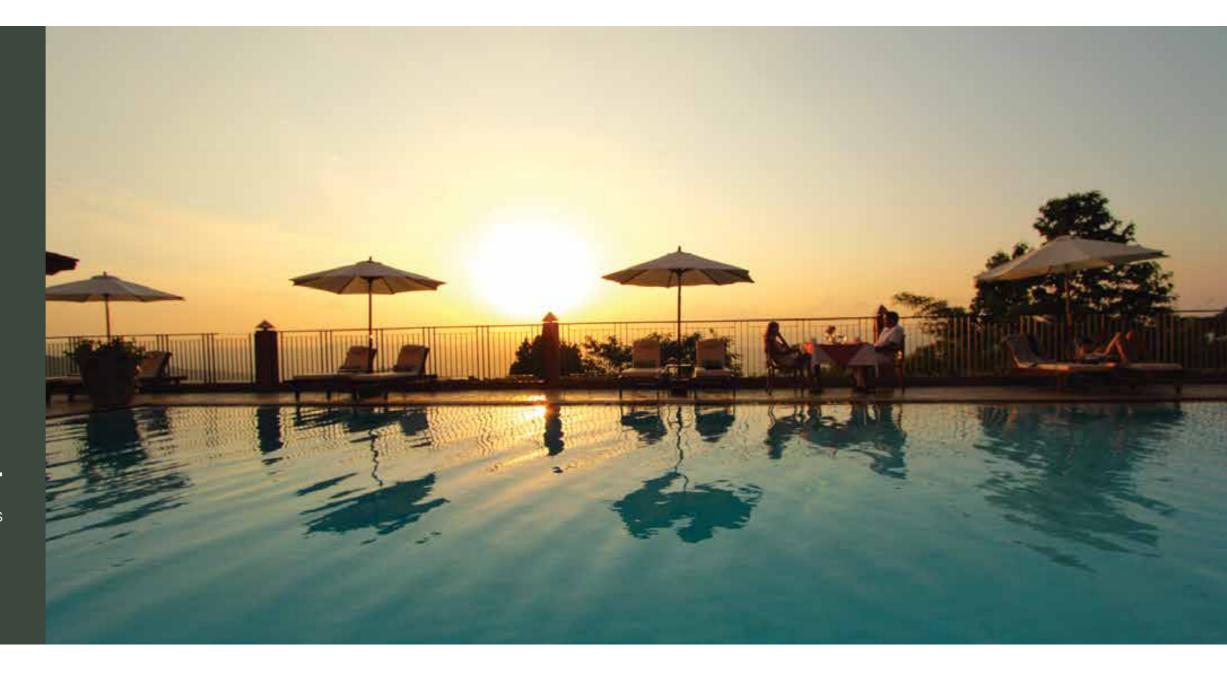
Ms. R. N. Ponnambalam Director

Mrs. Ponnambalam has held several Senior Management positions in large Private Sector entities. She has served as a Director of McLarens 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. She currently serves as a Board Member of Women's Chamber of Industry and Commerce.



A PROMISE WELL KEPT

As sure as the sun rises in the east and sets in the west, Amaya's promise of absolute comfort, unparalleled levels of service and unforgettable memories holds no bounds.













Set amidst 50 acres of lush greenery, Amaya Lake, Dambulla is a place like no other bordering the shores of the magnificent Kandalma Lake. Consistently voted as one of the best resorts, this is where the legendary Sri Lankan hospitality of Amaya began more than Twenty years ago. The story continues with you.

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

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

We welcome you to luxuriate in the acres of wonderfully landscaped gardens, relax poolside or pamper yourself at the Ayurevda 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.





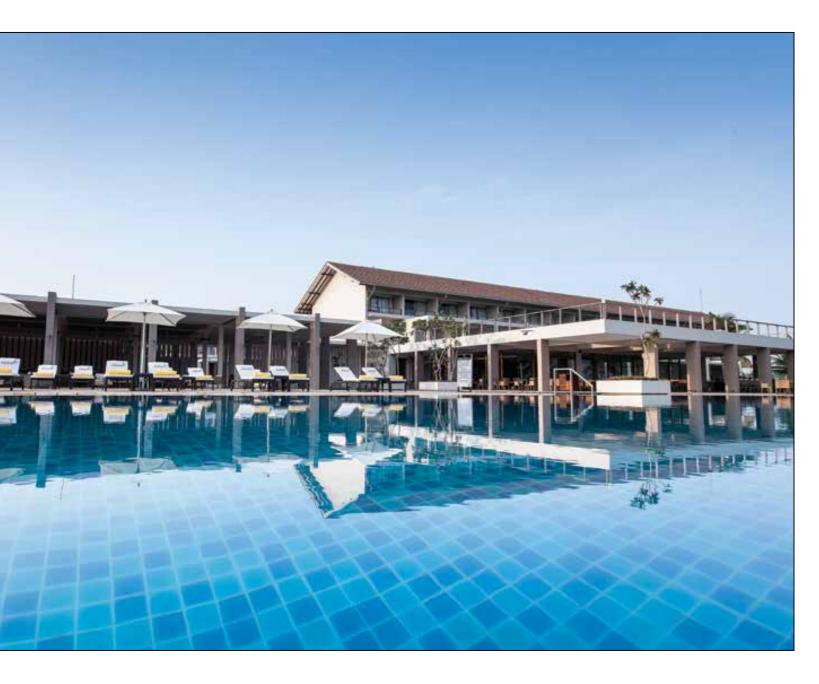






For a moment, the peace and solitude takes your breath away. On top of a lush mountain range Amaya Hills, Kandy fans out to meet the sky in an endless expanse. Your view is only fringed by the endless lush valleys and the captivating sun sets. You observe that the resort's accommodations are thoughtfully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







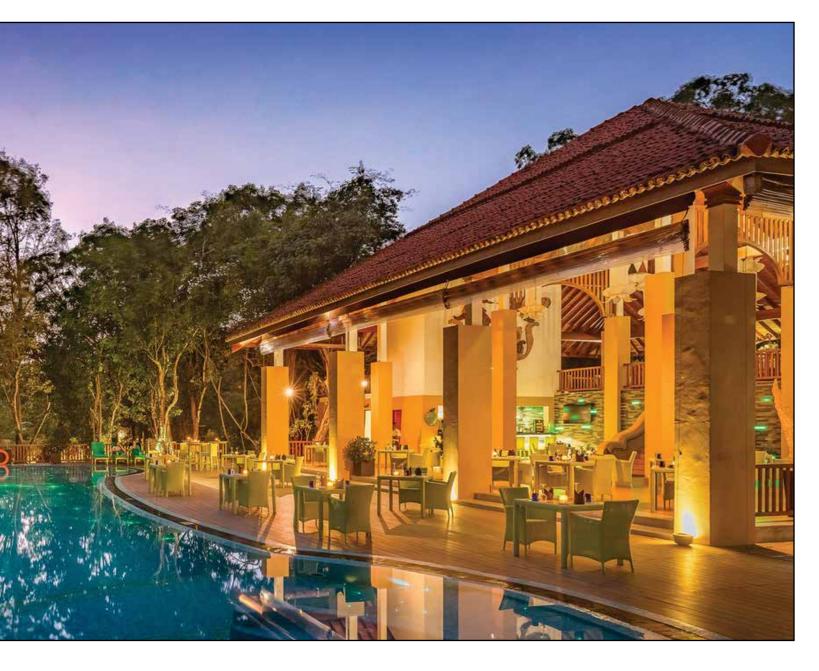




Known to have one of the longest stretches of shallow coastline in the world, the coastal community of Passikudah is about 35km Northwest of Batticaloa. The resort, which is on the east side of the island, is about five hours away from Colombo by road. But what draws tourists to this location is Passikudah's 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 awardwinning 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 ambiance and warmth of this inspiring island.







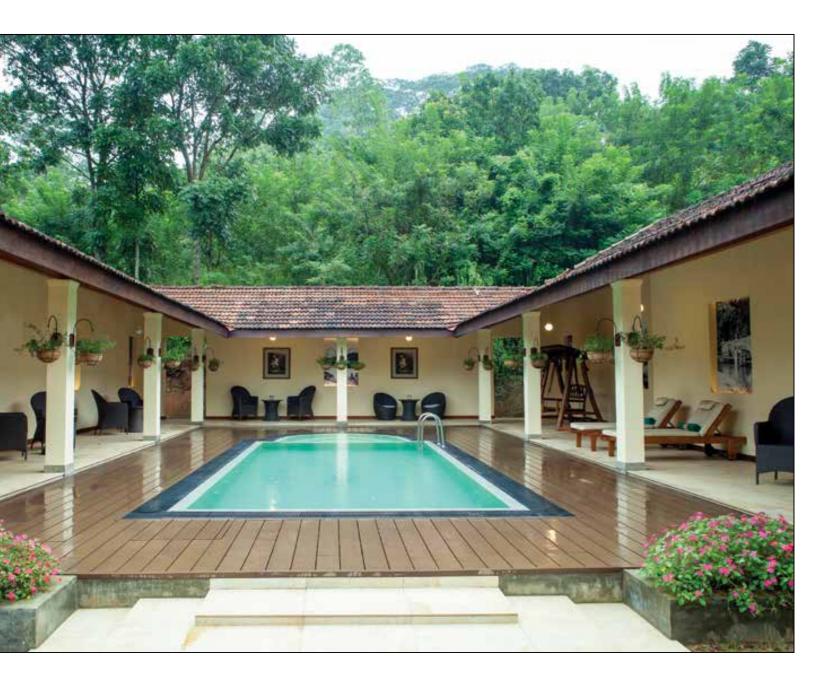




The golden rays of an equatorial morning are a comforite wake up to. You cannot bear to rise from the solace of your bed, yet you cannot wait to soak up the sun For beyond the view from your villa, you see the idyllic Kandalama I ake.

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

Our attentive staff is passionate in meeting your personal requests, whether you seek to book an excursion or in need of an extra blanket. Simply unwind in this intimate setting. You're in Signature by Amaya, Dambulla, a magnificently luxurious lakefront resort in the Cultural Triangle.











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.











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.











Embraced by the Indian Ocean, Amaya Kuda Rah is an enchanting island dream. This slice of paradise is a gateway to some of the Maldives' most extraordinary dive sites such as Kuda Rah Thila, home to grey reef sharks, Napoleon fish and sea turtles. At Amaya Kuda Rah, you can explore this underwater world and embark on inspiring natural journeys. This island resort has 51 villas including one Presidential Suite with a private pool.

The restaurants include the Sea Spray - serves freshly caught seafood and other international delights and Glow - the bar by the pool serving some creative cocktails and light snacks. Kuda Rah has a Spa and plenty of watersports activities including diving to nearby deserted islands.











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 ambiance 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.

BEAUTY THAT TRANSCENDS TIME

From time immemorial, Sri Lanka has captivated the hearts and mind of many a traveller. At Amaya, we are proud to be a partner of this timeless captivation.



CORPORATE MANAGEMENT

CORPORATE MANAGEMENT

A.M. Pandithage

Chairman

L.T. Samarawickrama

Managing Director

Denesh Silva

Director - Marketing & Sales

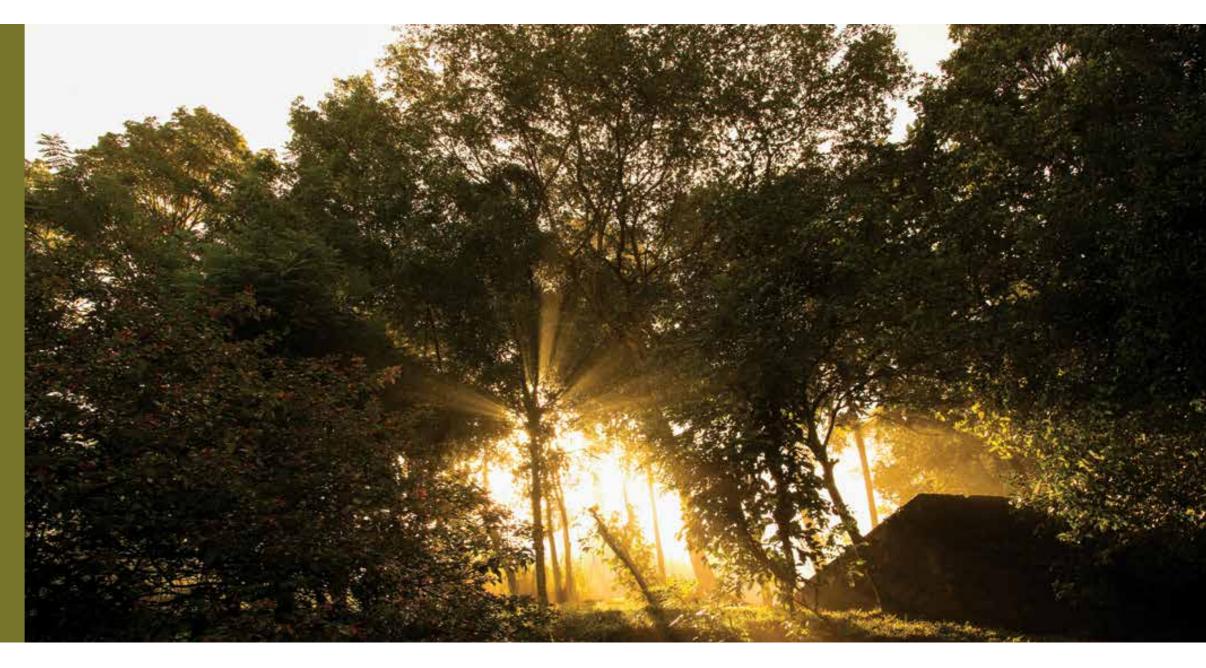
Aruna Dikkumbura

Chief Financial Officer



A GLIMMER OF HOPE, A BEACON OF LIGHT

Like a beacon of light shining through the unknown lighting up the path, Amaya provides travellers with that spark that ignites their passion to venture in to the unknown.



CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

Alms giving for 130 Devotees at Wewala Monastery on the Poson Poya Day



Amaya staff celebrated Poson full moon Poya Day by donating alms to devotees visiting the Wewala Monastery.

Sponserd for building The Dragons Arch to the Sri Bodhirukkah Ramaya, Block 25



Sponsored the building of The Dragons Arch at the Entrance to the Sri Bodhirukkah Ramaya, Block 25.

Construction of Budu Medura



Donations were made for the construction of a Budu Medura at the Thennakoon Maha Vidyalaya.

Distribution of Lunch



Amaya staff continued to provide their Monthly Distribution of lunch at the Sithumina College in Bowalawatta

CORPORATE SOCIAL RESPONSIBILITY

Funeral of the Bowalawatte Temple Maha Thero



Amaya staff provided meals for those who came to pay their last respects to the Mahanayaka of the Bowalawatte Temple.

Blood Donation Campaign



On the 8th of September 2016, the staff at Amaya Hills conducted a Blood Donation Campaign.

Wajirarama Aranya - Shramadana



Staff members joined hands to clean up the pathway leading to the Wajirarama Aranya.

Donation of a Base Drum



Recognising the need of a less-privileged school, Amaya staff generously donated a base drum to the Principal and Teacher in Charge.

CORPORATE SOCIAL RESPONSIBILITY

Amaya Hills Super Six



The Annual Amaya Hills Super Six Mercantile Cricket Tournament was worked off recently with the participation of many teams.

Helping Landslide Victim



Staff Members helped clean the rubble at the residence of one of our very own team member who was affected by a landslide.

Food Item Donation



Amaya staff doneted food items to people in need for an initiative organised by the Kalkudah Police

Cash Donation to Visually Handicapped



Amaya staff donated cash to the Uthayam Association of the Visually Handicapped .



A REMARKABLE FUSION INDEED

Amaya's unique blend of the contemporary with a dash of tradition makes our properties truly star class.



ANNUAL REPORT OF THE BOARD OF DIRECTORS' NO THE AFFAIRS OF THE COMPANY

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 2017.

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 2017 and its future prospects.

PERFORMANCE AND APPROPRIATIONS

The Company's performance including that of its subsidiaries for the year ended 31st March 2017 is summarized as follows:

Year Ended

	31st March	31st March
	2017	2016
	Rs. '000	Rs. '000
Turnover	1,592,920	1,642,044
Profit Before Tax	188,261	301,625
Taxation	(39,439)	(54,927)
Profit After Tax	148,823	246,698
Non-Controlling Interest	(57,620)	(40,317)
Net Profit for the Year	206,443	287,016
attributable to the Group		
(Before other Comprehensive Income)		
Dividend Paid	103,753	201,744

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 2017 was Rs. 819,779,170.00 comprising 51,876,976 Ordinary Shares (31.03.2016-Rs.718,907,272.00 comprising 50,435,949 Ordinary Shares) the number of shares in issue of the Company increased from 50,435,949 Ordinary Shares to 51,876,976 Ordinary Shares as a result of the payment of the Scrip Dividend for FY 2015/2016 made on 23rd June 2016.

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. 234 Mn (2016 - Rs. 163 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 2017

Mr. A M Pandithage

Mr. C J Wickramasinghe *

Mr. L T Samarawickrama

Mr. S Senaratne*

Mr. Dhammika Perera*

Mr. S H Amarasekera**

Mr. D E Silva

Ms. R N Ponnambalam**

Mr. S J Wijesinghe *

Ms. W D De Costa**

Ms. A A K Amarasinghe (Alternate Director to Mr. Dhammika Perera)

Mr. W.D.N.H.Perera who served as a Director resigned with effect from 8th March 2017 and Mr. H.Somashantha ceased to be the Alternate Director to Mr. W.D.N.H. Perera with effect from 8th March 2017.

Mr. S.J.Wijesinghe was appointed to the Board as a Director on 15th March 2017 and consequent to this appointment Mr.Wijesinghe ceased to be the Alternate Director to Mr. Dhammika Perera with effect from same date.

Ms.A.A.K.Amarasinghe was appointed as the Alternate Director to Mr. Dhammika Perera on 15th March 2017.

In terms of the Article No. 27(2) of the Articles of Association of the Company, shareholders will be requested to re-elect Mr. S.J.Wijesinghe at the Annual General Meeting.

In terms of Article No. 29(1) of the Articles of Association of the Company, Messrs. S. H. Amarasekera and C. J. Wickramasinghe retire by rotation and being eligible offer themselves for re-election.

DIRECTORS' SHAREHOLDING

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

^{*} Non - Executive Directors ** Independent Non - Executive Directors

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

Directors' shareholdings as follows:	No. of	Shares
Director	31/03/2017	01/04/2016
Mr. A M Pandithage	NIL	NIL
Mr. WADCJ Wickramasinghe	1,543,326	1,500,456
Mr. L T Samarawickrama* People's Leasing & Finance PLC/Mr. L T Samarawickrama –4,291,354 HSBC / Mr. L T Samarawickrama – 464,118 Mr. L T Samarawickrama – 64,800	4,820,272	4,686,377
Mr. S Senaratne	211,428	400,000
Mr. Dhammika Perera**	483,473	470,044
Mr. S H Amarasekera (Jt.) Mr. B M Amarasekera & Mr. S H Amarasekera – 13,370 HSBC / B M Amarasekara & S H Amarasekara – 9,167	22,537	21,912
Mr. D E Silva	56,939	55,358
Ms. R N Ponnambalam	NIL	NIL
Ms. W D De Costa	NIL	NIL
Mr. S J Wijesinghe	NIL	NIL
Mr. W D N H Perera (Resigned w.e.f. 08/03/2017)	102	100
Ms. A.A.K. Amarasinghe Alt to Mr. Dhammika Perera (Appointed w.e.f. 15.03.2017)	NIL	NIL

^{*} Mr. L.T. Samarawickrama has the controlling interest in Elles (Pvt) Ltd, which holds 366,413 (0.71%) shares in the Company.

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

- Mr. S.Senaratne sold 200,000 ordinary shares held by him during the year.
- The Directors' shareholding increased as a result of the Scrip Dividend for the year 2015/2016 made on 23rd June 2016 in the ration of 1: 35 Ordinary shares.

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 Review Committee of Hayleys PLC, the parent Company of Amaya Leisure PLC and are in compliance with Section 09 of the CSE Listing Rules.

The Committee met Four (04) times during the Financial year 2016/2017.

Attendance

Meetings held on 18th May 2016, 5th August 2016, 4th November 2016 and 9th February 2017.

Dr. H Cabral**	4/4
Mr. S C Ganegoda*	3/4
Mr. M Y A Perera**(Appointed w.e.f. 12/09/2016)	2/2

^{*} Executive ** Independent Non-Executive

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

SHAREHOLDERS' DISTRIBUTION

The distribution of shareholders is indicated on pages 160 in the Annual Report. There were 1,502 registered shareholders as at 31st March 2017.

DIVIDENDS

An Interim dividend of Rs. 2.00 per Ordinary Share was paid on 31st March 2017 to the shareholders of the issued ordinary shares of the Company as at close of business on 21st March 2017. (2015/2016: Rs. 4.00 per share paid as Rs. 2.00 in the form of cash Dividend and balance Rs. 2.00 in the form of Scrip Dividend in the ratio of 1 share for every 35 share held.)

The Board of Directors has confirmed that the company satisfied the solvency test requirement under Section 56 of the Companies Act No. 7 of 2007 and a solvency certificate was obtained from the Auditors in respect of the Interim Dividend paid.

SHAREHOLDING INFORMATION

Information relating to major shareholders of the Company as at 31st March 2017 are given on page 161.

CHANGES IN FIXED ASSETS

The movement in fixed assets during the year is set out in Note 14.1 to the Accounts.

MARKET VALUE OF THE COMPANY'S ORDINARY SHARES

The Market Value of the Company's Ordinary Share as at 31st March 2017 was Rs. 63.80 compared to Rs. 60.50 as at 31st March 2016 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 material events occurring after the reporting date that require adjustment to or disclosure in the Financial Statements.

^{**} Mr. Dhammika Perera holds directly and indirectly 50.44% of the total issued shares of Hayleys PLC which holds 20,915,531 (40.32%) shares in the Company.

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 2017 are as follows:

Name of the Related party	Name of the Director	Relationship	Details	Balance Outstanding as at 31.03.2017
Pan Asia Banking Corporation PLC	Nimal Perera*	Director	A Sum of Rs. 3,146,582/ - was paid as lease rental A Sum of Rs. 729,965/ - was paid as overdraft interest	-
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 Director	A Sum of Rs. 1,200,000/- was charged as Management Fees A Sum of Rs. 33,878,374/- was charged as Sales Commission A Sum of Rs. 37,501,655/- was received as Dividend income A Sum of Rs. 90,163,212/- was incurred as settlement of liabilities by the company A Sum of Rs. 260,000,000/- made as fund transfers.	(147,075,959)
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 Director	A Sum of Rs. 1,200,000/- was charged as Management fees A Sum of Rs. 37,712,127/- was charged as Sales Commission A Sum of Rs. 67,014,826/- was received as Dividend Income A Sum of Rs. 84,218,259/- was incurred as settlement of liabilities by the company A Sum of Rs. 341,900,000/- made as fund transfers.	(298,057,743)
Sun Tan Beach Resorts Ltd	A.M. Pandithage L.T. Samarawickrama D.E. Silva Dhammika Perera	Director Director Director Director	A Sum of Rs. 10,445,711/- was incurred as settlement of liabilities by the company	782,387
Hayleys PLC	A. M. Pandithage L. T. Samarawickrama Dhammika Perera Nimal Perera*	Director Director Director Director	A Sum of Rs. 57,852,925/- was charged as Service fee & other reimbursement of expenses by Hayleys PLC A Sum of Rs. 63,500,287/- was paid as settlement of liabilities by the company.	(5,475,271)
Hunas Falls Hotels PLC	A. M. Pandithage L. T. Samarawickrama C. J. Wickramasinghe D. E. Silva S. J. Wijesinghe**	Director Director Director Director Director	Sum of Rs. 2,816,514/- was charged as Management fees A Sum of Rs. 4,490,625/- was charged as Sales Commission A Sum of Rs. 24,631,503/- was incurred as settlement of liabilities by the company	1,430,780
The Kingsbury PLC	A. M. Pandithage L. T. Samarawickrama Dhammika Perera Nimal Perera* R. N. Ponnambalam D. E. Silva S. J. Wijesinghe** A. A. K. Amarasinghe**	Director Director Director Director Director Director Director Director Alt. Director	A Sum of Rs. 31,524,293/- was charged as Management Fees A Sum of Rs. 44,472,327/- was charged as Sales Commission	8,312,783
Luxury Resorts (Pvt) Ltd.	A. M. Pandithage L. T. Samarawickrama	Director Director	A Sum of Rs. 8,236,343/- was charged as Management Fees A Sum of Rs. Rs. 20,044,027/- was incurred as settlement of liabilities by the company	23,067,274

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

AUDITORS

The Auditors, Messrs Ernst & Young, Chartered Accountants, were paid Rs. 2,266,966/- (2015/2016: Rs.2,134,880/-) as audit fees by the Group, In addition, they were paid Rs. 472,172/- (2015/2016: 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 114 to 158 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 2017.

DIRECTORS' REMUNERATION

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

INSURANCE & INDEMNITY

The ultimate parent of the company Hayleys PLC has obtained a Directors & Officers liability insurance from Orient Insurance Ltd. Providing worldwide cover to indemnify all past, present and future Directors & Officers (D & O) of the Group.

The limit on liability of the cover is USD 5 Mn per annum at a Premium of Rs. 5.3 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, 22nd June 2017 at 10.00 a.m. The Notice of the Annual General Meeting appears on page 166.

L. T. Samarawickrama Managing Director

For and on behalf of the Board,

A. M. Pandithage Chairman

S. My Le

Hayleys Group Services (Pvt) Ltd. Secretaries

400, Deans Road,

Colombo 10 09th May 2017

GRAB A FRONT-ROW SEAT, SIT BACK AND ENJOY

Offering stunning views to which ever property you may go to, Amaya certainly offers you exclusivity beyond compare.



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 Corporate 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 2017 and comprises.

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

Directors (NED/ID)

The 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 32 to 36 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 1	Management/ Director 2	Material Business Relationship 3	Employee of Company 4	Family Member a Director or CEO 5	Nine Years of Continuous Service 6
Executive Director						
Mr. A. M. Pandithage	No	No	No	No	No	No
Mr. L. T. Samarawickrama	No	No	Yes	No	No	Yes
Mr. D. E. Silva	No	No	Yes	Yes	No	Yes
Non-Executive/Non-Independent	t					
Mr. C. J. Wickramasinghe	No	No	No	No	No	Yes
Mr. S. Senaratne	No	No	No	No	No	Yes
Mr. Dhammika Perera	Yes	No	No	No	No	Yes
Mr. S.J. Wijesinghe	No	No	No	No	No	No
Non-Executive/Independent						
Mr. S. H. Amarasekera	No	No	No	No	No	Yes
Ms. W. D. De Costa	No	No	No	No	No	No
Ms. R. N. Ponnambalam	No	No	No	No	No	No

- 1. Shareholding carrying not less than 10% of the voting rights of the Listed Entity.
- 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/she 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.

The board belives the independency of Ms. R.N. Ponnambalam is not compromised by being a board member of The Kingsbury PLC in which a majority of the other directors of the company are also Directors.

Each Director submits a General Disclosure in terms of the Companies Act 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

- Kandyan Resorts (Pvt) Ltd Owner of Amaya Hills at Kandy
- 2. Culture Club Resorts (Pvt) Ltd Owner of Amaya Lake at Dambula
- Sun Tan Beach Resorts Ltd Owner of Amaya Beach at Passikudah

Managing Hotel

- 1. Hunas Falls Hotels PLC Owner of Amaya Hunas Falls at Elkaduwa
- 2. Langdale Resort and Spa (Pvt) Ltd Owner of Amaya Langdale at Nuwara Eliya
- 3. The Kingsbury PLC
- 4. Luxury Resorts (Pvt) Ltd Owner of Amaya Kuda Rah Maldives

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	3/4
CJ Wickramasinghe	2/4
S Senaratne	2/4
Dhammika Perera	-
SJ Wijesinghe (resigned from Alt. to Dhammika Perera &	
appointed as a Director w.e.f. 15/03/2017)	4/4
Nimal Perera (resigned w.e.f. 08/03/2017)	4/4
H Somashantha - Alternate Director to Nimal Perera	-
(Ceased w.e.f. 08/03/2017)	
SH Amarasekera	2/4
RN Ponnambalam	3/4
WD De Costa	4/4
AAK Amarasinghe Alt to Dhammika Perera	
(Appointed w.e.f. 15.03.2017)	-

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

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

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

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

Board and CEO's Performance Appraisal

The Chairman evaluates the performance of the Board while the Independent, Non-Executive Chairman of the Audit Committee evaluates the effectiveness of the Audit Committee based on feedback from Committee Members and regular invitees to the Committee, which includes the MD 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 ** (Resigned w.e.f. 08.03.2017)

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 shall retire by rotation on the basis prescribed in Article 29 of the Articles of Association. Director retiring by rotation is eligible for re-election.

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

The proposal for the re-appointment of Directors is set out in the Notice of Meeting on page 166 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 comprises of the following members:

Dr. H. Cabral, PC** - Chairman

Mr. Dhammika Perera*

Mr. Nimal Perera* (Resigned w.e.f. 08.03.2017)

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

Mr. M.H. Jamaldeen**

Mr. M.Y.A. Perera **(Appointed w.e.f. 12.09.2016)

- * 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 fulfill 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**	3/4
C. J. Wickramasinghe*	2/4

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

- * Non-Executive Director
- ** Independent Non-Executive Director

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 133 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 104 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 96 of this Report. The Directors' interests in contracts of the Company are addressed on page 72 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 Chairman 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 2017 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 benefits of this trend

Compliance with the Listing Rules of the Colombo Stock Exchange

● 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	The Board shall annually determine the independence or otherwise of the NEDs Names of IDs should be disclosed in the Annual Report (AR)	•	Corporate Governance
7.10.3 (b)	Disclosure relating to Directors	The basis for the Board's determination of ID, if criteria specified for independence is not met	•	Corporate Governance
7.10.3 (c)	Disclosure relating to Directors	A brief resume of each Director should be included in the AR including the Director's areas of expertise	•	Profile of the Board 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 Profile of the Board 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	The Annual Report should set out; Names of Directors comprising the RC Statement of Remuneration Policy Aggregate remuneration paid to Executive &	•	Corporate Governance
	Committee	Non-Executive Directors		Annual Report of the Board
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	 Shall comprise of NEDs, a majority of whom will be Independent A NED shall be appointed as the Chairman of the Committee CEO and Chief Financial Officer (CFO) should attend AC meetings The Chairman of the AC or one member should be a member of a professional accounting body 	•	Corporate Governance and the Audit Committee Reports
7.10.6 (b)	Audit Committee Functions	Functions shall include; Overseeing of the - • Preparation, presentation and adequacy of disclosures in the Financial Statements in accordance with Sri Lanka Accounting Standards • Compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements • Processes to ensure that the internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards • Assessment of the independence and performance of the External Auditors • Make recommendations to the Board pertaining to appointment, re-appointment and removal of External Auditors, and approve the remuneration and terms of engagement of the External Auditor	•	Corporate Governance and the Audit Committee Reports
7.10.6 (c)	Disclosure in Annual Report relating to Audit Committee	 Names of Directors comprising the AC The AC shall make a determination of the independence of the Auditors and disclose the basis for such determination The AR shall contain a Report of the AC setting out the manner of compliance with their functions 	•	Corporate Governance and the Audit Committee Reports

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	 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.	•	
9.2.2	Composition	02 Independent Non-Executive Directors and 01 Executive Director	•	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 Review Committee	 As per the Listing Rules of the Colombo Stock Exchange Mandatory from 01/01/2016. If the parent Company and the subsidiary Company both are listed entities, the Related Party Transactions review Committee of the parent Company may be permitted to function as such committee of the subsidiary. 	•	Related Party Transactions Review Committee Report
9.2.4	Related Party Transactions Re-view Committee-Meetings	Shall meet once a calendar quarter	•	Annual Report of the Board
9.3.2	Related Party Transactions Review Committee-Disclosure in the Annual Report	 Non-recurrent Related Party Transactions- If aggregate value exceeds 10% of the equity or 5% Total assets whichever is lower. Recurrent Related Party Transactions – If aggregate value exceeds 10% Gross revenue/ income as per the latest audited accounts Report by the Related Party Transactions review Committee A declaration by the Board of Directors 	• N/A	Notes to the financial Statement Annual Report of the Board & Related Party Related Party Transaction Re-view Committee Report

Adoption of Joint Code of Best Practice Recommended by the Securities and Exchange Commission of Sri Lanka and Institute of Chartered Accountants of Sri Lanka

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
A. 1 DIR	ECTORS - The Board			
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	Ensuring the formulation and implementation of a sound Business strategy, Skill adequacy of management and KMP succession strategy, Ensuring the Integrity of information, internal controls, Business continuity and risk management Compliance with laws, regulations and ethical standards Code of conduct Adoption of appropriate accounting policies and fostering compliance with Financial regulations	•	Corporate Governance/ Annual Report of the Board of Directors 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	Ensure adherence to board procedures and applicable rules and regulations Procedure for Directors to access services of Company Secretary	•	Corporate Governance
A.1.5	Independent judgment	 Directors should exercise independent judgment on issues of strategy, resources, performance and standards of business conduct 	•	Corporate Governance
A.1.6	Dedication of adequate time and effort By Directors	 Dedicate adequate time & effort to ensure the Duties and responsibilities are satisfactorily Discharged. Have to dedicate sufficient time Before a meeting to review board papers The board should regularly review and agree the training and development needs. 	•	Corporate Governance
A. 2 DIR	ECTORS - Chairman 8	& Chief Executive Officer (Managing Director)		
A.2	Division of responsibilities to ensure no individual has unfettered powers of decision making	A balance of power and authority to be maintained by separating responsibility for conducting board business from that of executive decision making	•	Corporate Governance
A. 3 DIR	ECTORS - Role of Cha	nirman		
A.3	Ensure good corporate governance	Chairman to preserve order and facilitate effective discharge of board functions by proper conduct of board meetings	•	Corporate Governance

CORPORATE GOVERNANCE

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
A. 4 DIRI	ECTORS - Financial A	cumen		
A.4	Possession of adequate financial acumen	Board to ensure adequacy of financial acumen and knowledge within board	•	Corporate Governance / Audit Committee Report
A. 5 DIRI	ECTORS - Board Balaı	nce		
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
A. 6 DIRI	ECTORS - Supply of In	nformation		
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
A. 10 DIR	RECTORS - Disclosure	of Information in Respect of Directors		
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

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
B. 2 DIRE	ECTORS' REMUNERA	ATION - Level and Make up of Remuneration		
B.2.1	Remuneration packages for Executive Directors • Packages should be structured to attract, retain and motivate Directors		•	Corporate Governance/ Financial Statements
B.2.2	Remuneration packages to be appropriately positioned	Packages should be comparable and relative to that of other companies as well as the relative performance of the Company	•	Corporate Governance/ Financial Statements
B.2.3	Appropriateness of remuneration and conditions in relation to other Group companies	When determining annual increases RC should be sensitive to that of other Group companies	•	Corporate Governance
B. 3 DIRE	ECTORS' REMUNERA	ATION - Disclosure of Remuneration		
B.3.1	Disclosure of details of remuneration	The Annual Report should disclose the remuneration paid to each Director	•	Financial Statements
C. 1 REL	ATIONS WITH SHAR	REHOLDERS - Constructive Use and Conduct of	f Annual G	eneral Meeting
C.1.1	Proxy votes to be counted	The Company should count and indicate the level of proxies lodged for, against and with held in respect of each resolution	•	Corporate Governance/ Notice of Meeting
C.1.2	Separate resolutions	Separate resolutions should be proposed for each substantially separate issues at the AGM	•	Corporate Governance/ Notice of Meeting
C.1.3	Availability of Committee Chairman at AGM	The Chairman of Board committees should be available to answer any queries at AGM	•	Corporate Governance
C.1.4	Notice of AGM	• 15 working days notice to be given to shareholders	•	Notice of Meeting
C.1.5	Procedure for voting at meetings	Company to circulate the procedure for voting with Notice of Meeting	•	Notice of Meeting
C. 3 REL	ATIONS WITH SHAF	REHOLDERS - Major Transactions		
C.3.1	Disclosure of Major Transactions	Transactions that have a value which are greater than half of the net assets of the Company should be disclosed	•	Financial Statements

CORPORATE GOVERNANCE

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
D.1 ACC	OUNTABILITY AND	AUDIT - Financial Reporting		
D.1.1	Presentation of public reports	Should be balanced, understandable and comply with statutory and regulatory requirements	•	Financial Statements
D.1.2	Directors' Report	The Director's Report should be included in the Annual Report. The report should confirm that: the Company has not contravened laws or regulations in conducting its activities Material interests in contracts have been declared by Directors the Company has endeavoured to ensure equitable treatment of shareholders the business is a "going concern" there is reasonable assurance of the effectiveness of the existing business systems following a review of the internal controls covering financial, operational and compliance annually.	•	Report of the Board of Directors Audit Committee Report Annual Report of the Board of Directors/Financial Statements Corporate Governance Audit Committee Report
D.1.3	Respective Responsibilities of Directors and Auditors	The Annual Report should contain separate statements setting out the responsibilities of the Directors for the preparation and presentation of the financial statements and the reporting responsibilities of the Auditors'	•	Responsibility Report of the Auditors and Directors
D.1.5	Going Concern	Directors to substantiate and report that the business is a going concern or qualify accordingly	•	Annual Report of the Board of Directors
D.1.7	Disclose of Related Party Transactions	The annual report should adequately and accurately disclose related party transactions	•	Annual report of the board / Financial Statements
				Related Party Transaction Review Committee Report

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
D.2 ACC	OUNTABILITY AND	AUDIT - Internal Control		
D.2.2	Internal audit function	The company should have an internal audit function	•	Audit Committee Report/ Corporate Governance
D.2.3	Review of the audit committee	The Audit Committee to Carry out reviews of the process and effectiveness of risk management and internal controls	•	Audit Committee Report/ Corporate Governance
D.2.4	Directors' responsibility on system of internal controls	The Director should follow the guidance	•	Audit Committee Report/ Corporate Governance/ Statement of Directors Responsibility
D.3 ACC	OUNTABILITY AND	AUDIT - Audit Committee		
D.3.1	Chairman and Composition of Audit Committee	 Should comprise of a minimum of two Independent, Non-Executive Directors Audit Committee Chairman should be NED and Appointed by the Board. 	•	Audit Committee Report
D.3.2	Duties of Audit Committee	 Review of scope and results of audit and its effectiveness Independence and objectivity of the Auditors 	•	Audit Committee Report
D.3.4	Disclosures	 The Annual Report should disclose the names of Directors serving on the Audit Committee The Audit Committee should determine the independence of the Auditors and disclose the basis of such determination The Annual Report should contain a report by the Audit Committee setting out the manner of compliance of the Company in relation to above during the period to during the period which the annual Report relates 	•	Corporate Governance/ Audit Committee Report Corporate Governance/ Annual Report of the board Audit Committee Report
D.5 ACC	OUNTABILITY AND	AUDIT - Corporate Governance Disclosures		
D.5.1	Corporate Governance Report	The Annual Report should include a report setting out the manner and extent to which the Company has adopted the principles and provisions of the Code of Best Practice on Corporate Governance	•	Corporate Governance

CORPORATE GOVERNANCE

● Compliant ○ Non-Compliant

Code Ref.	Subject	Applicable Requirement	Adoption Status	Applicable Section in the Annual Report
E.1 INST	TITUTIONAL INVEST	ORS - Shareholders Voting		
E.1	Structured Dialogue with Shareholders	A Listed company should conduct a regular and structured dialogue with its board on a mutual understanding and objectives	•	Corporate Governance/ Notice of Meeting
E.2 INST	TITUTIONAL INVEST	ORS – Evaluation of Governance Disclosures		
E.2	Evaluation of Governance Disclosures by Institutional Investors	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	•	Corporate Governance
F.1 OTH	ER INVESTORS – Inv	esting / Divesting Decision		
F.1	Individual Shareholders	Individual shareholders should be encouraged to carry out adequate analysis and seek professional advice when making their investment/divestment decisions	•	Corporate Governance
F.2 OTH	ER INVESTORS – Sha	areholders Voting		
F.2	Shareholder Voting	Individual shareholders should be encouraged to participate and exercise their voting rights	•	Corporate Governance/ Form of Proxy

RELAX YOUR MIND, BODY AND SOUL

Put your heart, mind, and soul into even the most minute of details.
This is the secret of our success.



STATEMENT OF DIRECTORS' RESPONSIBILITY

STATEMENT OF DIRECTORS' RESPONSIBILITY

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

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

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

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

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

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

As required by Section 56 (2) of the Companies Act No. 7 of 2007, the Board of Directors authorized a payment of Dividend and paid in March 2017. Company satisfied the Solvency Test in accordance with Section 57 of the Companies Act No.07 of 2007 and a Certificate of Solvency from its Auditors was obtained in respect of the dividend paid.

The external Auditors, Messrs Ernst & Young deemed reappointed in terms of Section 158 of the Companies Act were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The report of the Auditors, shown on page 104 sets out their responsibilities in relation to the Financial Statements.

STATEMENT OF DIRECTORS' RESPONSIBILITY

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.

Silly

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

Secretaries

09th May 2017

AN ABSOLUTE KALEIDOSCOPE OF COLOUR

Vibrant, stunning and colourful.
This is what the Amaya
brand is all about!



REPORT OF THE AUDIT COMMITTEE >

REPORT OF THE AUDIT COMMITTEE

Role of the Committee

The primary role of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities with regards to ensuring the quality & integrity of financial statements of the company and that good financial reporting systems are in place and is managed to give accurate appropriate and timely information to the shareholders & public

The Audit Committee's responsibilities also include reviewing the adequacy & effectiveness of company's internal controls, monitoring the role & 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 three Independent/ Non-Executive Directors and one Non-Independent / Non Executive Director .

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

The names of the members of the committee are given in this report and a brief profile of each member is given on page 32

The Board Secretary functions as the secretary to the Audit Committee

The Chairman, Managing Director of Amaya Leisure PLC, Group and Company Chief Financial Officers and the Head - Group Management Audit & System Review Department of Hayley's PLC attend the Audit Committee meetings by invitation. Other Directors & Officers as well as the External Auditors were invited to attend the meetings as required.

Meetings of the Audit Committee

The Audit Committee held four (4) meetings during the financial year. Information on the Attendance of the committee members at these meetings is as follows.

Name of Director	11.05.2016	04.08.2016	27.10.16	27.01.17	Total
Mr. S. H. Amarasekera	1	0	1	0	2/4
Ms. R. N. Ponnambalam	0	1	1	1	3/4
Mr. C.J. Wickramasinghe	0	1	0	1	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.

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 the Sri Lanka Accounting Standards and 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 and Internal 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, Chief Financial Officer 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

A meeting was held with the External Auditors to review and discuss the nature, approach and the scope of the audit, prior to the commencement of the audit. At the conclusion of annual audit the Audit Committee met with External Auditors to discuss all audit issues and agree on their treatment.

The 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 Report 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.

Conclusion

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

Lace Costa

Mrs. W. D. de Costa Chairperson Audit Committee 09th May 2017

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related Party Transactions Review Committee of Hayleys PLC, the Parent Company functions as the committee of the Company in terms of the code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and the Section 9 of the Listing Rules of the Colombo Stock Exchange.

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. Y. A. Perera (IND/NED) - Appointed w.e.f. 12/09/2016

Mr. S. C. Ganegoda (ED)

Mr.M. D. S. Goonatilleke (IND/NED) Resigned w.e.f.12/05/2016

(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 reviewed the related party transactions and their compliances of Amaya Leisure PLC and communicated the same to the Board.

The Committee in its review process recognized the adequacy of the content and quality of the information forwarded to its members by the management.

Meetings

The Committee met 4 times during the year under review. The attendance at the meetings given in table on page 70 of the Annual Report.

Disclosures

A detailed disclosure of all the related party transactions including Recurrent and Non Recurrent related Party transactions which are required to be disclosed under section 9.3.2 of the listing rules 29.2 (b) of the Colombo Stock Exchange has been made in Note 29 to the financial statements given in page 154 to this report.

Dr. Harsha Cabral, PC.Chairman
Related Party Transactions Review Committee of Hayleys PLC
17th May 2017

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, 2017, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity and, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information set out on pages 106 to 158

$Board's \ Responsibility \ for \ the \ Financial \ Statements$

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.

Opinio

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at March 31, 2017, and of its financial performance 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, 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, 2017, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards, and
 - -the financial statements of the Company, and the Group comply with the requirements of sections 151 and 153 of the Companies Act No. 07 of 2007.

Partners: WR H Fernando FCA FCMA MP D Cooray FCA FCMA RN de Saram ACA FCMA Ms. N A De Silva FCA Ms. Y A De Silva FCA WK BS P Fernando FCA FCMA Ms. K R M Fernando FCA ACMA 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

Jayesinghe FCA FCMA Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunga FCA N M Sulaiman ACA ACMA B E Wijesuriya FCA ACMA

Principal TPM Ruberu FCMA FCCA

A member firm of Ernst & Young Global Limited

STATEMENT OF PROFIT OR LOSS

Year ended 31 March	Note	Group		Company		
		2017	2016	2017	2016	
		Rs.	Rs.	Rs.	Rs.	
Revenue	6	1,575,331,768	1,623,311,979	170,983,876	157,702,486	
Cost of Sales		(670,656,161)	(643,943,453)	-	-	
Gross Profit		904,675,607	979,368,526	170,983,876	157,702,486	
Other Income	7.1	66,759,733	58,937,581	110,520,351	227,142,832	
Profit on Disposal of Subsidiary	7.2	25,299,664	-	268,343,293	-	
Selling and Marketing Expenses		(105,626,663)	(110,052,548)	(23,985,697)	(34,822,550)	
Administrative Expenses		(506,133,559)	(471,755,413)	(130,651,156)	(122,115,038)	
Finance Cost	8.1	(205,466,981)	(157,191,816)	(82,152,922)	(50,677,386)	
Finance Income	8.2	8,753,532	2,318,779	669,706	-	
Profit Before Tax	9	188,261,333	301,625,109	313,727,451	177,230,345	
Tax Expenses	10	(39,438,516)	(54,926,683)	(2,751)	-	
Profit for the year		148,822,817	246,698,426	313,724,700	177,230,345	
Profit Attributable to:						
Equity Holders of the Parent		206,443,265	287,015,753	313,724,700	177,230,345	
Non - Controlling Interest		(57,620,448)	(40,317,327)	-	-	
		148,822,817	246,698,426	313,724,700	177,230,345	
Basic Earnings Per Share	11	3.98	5.53	6.05	3.42	
Dividend Per Share	12	2.00	4.00	2.00	4.00	

The Accounting Policies and Notes on pages 114 through 158 form an integral part of these Financial Statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME

Year ended 31 March	Note	Gi	roup	•	npany	
		2017	2016	2017	2016	
		Rs.	Rs.	Rs.	Rs	
Profit for the year		148,822,817	246,698,426	313,724,700	177,230,345	
Other Comprehensive Income						
Other comprehensive income to be reclassified to profit or loss in subsequent periods						
Gain / (Loss) on Available for Sale Financial Assets		5,992,540	(14,046,140)	5,992,540	(14,046,140	
Impairment of AFS reclassified to Profit or Loss		21,575,520	-	21,575,520		
Net other comprehensive Income/(Expenses) to be reclassified to profit or loss in subsequent periods		27,568,060	(14,046,140)	27,568,060	(14,046,140)	
Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
Actuarial Gain/ (Loss) on Defined Benefit Plan	26	(4,694,737)	(4,123,178)	(2,111,335)	(870,925	
Deffered Tax impact on Actuarial Gain / (Loss)	10	(17,621)	236,403	-		
		(4,712,358)	(3,886,775)	(2,111,335)	(870,925)	
Effect of Revaluation on Land	24	20,177,250	-	-		
Net other comprehensive Income/(Expenses) not to be reclassified to profit or loss in subsequent periods		15,464,892	(3,886,775)	(2,111,335)	(870,925)	
Other Comprehensive Income / (Expenses) for the year, net of tax		43,032,952	(17,932,915)	25,456,725	(14,917,065)	
Total Comprehensive Income/ (Expenses) for the year, net of tax		191,855,769	228,765,511	339,181,425	162,313,280	
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent		249,476,447	269,082,838	339,181,425	162,313,280	
Non - Controlling Interest		(57,620,448)	(40,317,327)	-	,	
		191,855,769	228,765,511	339,181,425	162,313,280	

The Accounting Policies and Notes on pages 114 through 158 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March			Group	C	Company		
	Note	2017	2016	2017	2016		
		Rs.	Rs.	Rs.	Rs.		
ASSETS							
Non-Current Assets							
Property, Plant and Equipment	14	4,815,019,513	5,115,553,670	23,593,799	24,248,938		
Prepayment on Leasehold Property	15	60,865,976	61,679,400	-	-		
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	-	-	1,557,900,259	1,619,668,159		
Other Non-Current Financial Assets	19.1	103,694,110	97,701,570	103,694,110	97,701,570		
		5,141,443,287	5,436,798,328	1,709,188,168	1,765,618,666		
Current Assets							
Inventories	20	38,161,541	37,360,278	_	-		
Trade and Other Receivables	21	227,085,155	234,722,247	41,914,045	31,874,910		
Advance and Prepayment		31,547,587	44,583,600	8,092,590	1,685,377		
Tax Receivables		419,125	219,369	344,944	219,369		
Other Current Financial Assets	19	9,029,606	7,559,219	9,029,606	7,559,219		
Short Term Deposits	22	104,933,276	66,184,435	-	-		
Cash and Bank Balances	22	142,957,571	173,811,335	27,635,420	1,429,907		
		554,133,861	564,440,484	87,016,605	42,768,782		
Total Assets		5,695,577,148	6,001,238,809	1,796,204,773	1,808,387,447		
EQUITY AND LIABILITIES							
Capital and Reserves							
Stated Capital	23	819,779,170	718,907,272	819,779,170	718,907,272		
Revaluation Reserve	24	274,699,317	410,345,894	012,772,170	710,707,272		
Available for Sale Reserve	24.2	(17,286,084)	(44,854,144)	(17,286,084)	(44,854,144)		
Retained Earnings	21.2	2,318,535,124	2,266,477,067	292,972,041	286,855,354		
returned Editings		3,395,727,527	3,350,876,089	1,095,465,127	960,908,482		
Non - Controlling Interest		285,554,445	399,930,866	-	-		
Total Equity		3,681,281,972	3,750,806,955	1,095,465,127	960,908,482		
		-,,,	.,,,	,,			
Non-Current Liabilities							
Interest Bearing Loans and Borrowings	19.2	1,048,857,189	1,231,690,085	107,550,000	207,750,000		
Deferred Tax Liabilities	10.3	101,675,473	97,405,311	-	-		
Retirement Benefit Obligation	26	45,121,143	37,626,138	12,729,615	9,612,559		
		1,195,653,805	1,366,721,534	120,279,615	217,362,559		
Current Liabilities							
Trade and Other Payables	25	307,993,672	285,872,305	474,051,045	234,661,871		
Other Current Non - Financial Liabilities		36,509,293	12,272,545	6,208,986	2,993,320		
Tax Payables		4,459,631	25,871,018	-	-		
Interest Bearing Loans and Borrowings	19.2	469,678,775	559,694,451	100,200,000	392,461,217		
		818,641,371	883,710,320	580,460,031	630,116,407		
Total Equity and Liabilities		5,695,577,148	6,001,238,809	1,796,204,773	1,808,387,447		

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

09 May 2017, Colombo.

The Accounting Policies and Notes on pages 114 through 158 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March

Group	Stated Capital	Pending Share Allotment		Available for Sale Reserve	Retained Earnings	Total	Non Controlling Interest	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2015	526,770,320	192,136,952	410,345,894	(30,808,004)	2,073,581,763	3,172,026,925	423,035,227	3,595,062,152
Super Gain Tax Charges	-	-	-	-	(73,020,708)	(73,020,708)	-	(73,020,708)
Pending Share Allotment	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/(Expense)	-	-	-	(14,046,140)	-	(14,046,140)	-	(14,046,140)
Actuarial gain / (loss)	-	-	-	-	(4,123,178)	(4,123,178)	-	(4,123,178)
Differed Tax impact on actuarial gain / (Loss)	-	-	-	-	236,403	236,403	-	236,403
Acquisition of Non Controlling Interest	-	-	-	-	(17,212,966)	(17,212,966)	17,212,966	-
Balance as at 31 March 2016	718,907,272	-	410,345,894	(44,854,144)	2,266,477,067	3,350,876,089	399,930,866	3,750,806,955
Profit for the year	-	-	-	-	206,443,265	206,443,265	(57,620,448)	148,822,817
Disposal of a Subsidiary	-	-	(155,823,827)	-	155,823,827	-	(56,755,973)	(56,755,973)
Other Comprehensive Income/(Expense)	-	-	-	27,568,060	-	27,568,060	-	27,568,060
Dividends Paid	-	-	-	-	(204,624,780)	(204,624,780)	-	(204,624,780)
Scrip Dividends	100,871,898	-	-	-	(100,871,898)	-	-	-
Actuarial gain / (loss)	-	-	-	-	(4,694,737)	(4,694,737)	-	(4,694,737)
Differed Tax impact on actuarial gain / (Loss)	-	-	-	-	(17,621)	(17,621)	-	(17,621)
Surplus on Revaluation of Freehold Land	-	-	20,177,250	-	-	20,177,250	-	20,177,250
Balance as at 31 March 2017	819,779,170	-	274,699,317	(17,286,084)	2,318,535,124	3,395,727,527	285,554,445	3,681,281,972
								<u> </u>

Company	Capital	Share	for	Earnings	Equity	
	Rs.	Allotment Rs.	Sale Reserve Rs.	Rs.	Rs.	
Balance as at 01 April 2015	526,770,320	192,136,952	(30,808,004)	114,672,471	802,771,739	
Super Gain Tax Charges	-	-	-	(4,176,537)	(4,176,537)	
Pending Share Allotment	192,136,952	(192,136,952)	-	-	-	
Profit for the year	-	-	-	177,230,345	177,230,345	
Other Comprehensive Income/(Expense)	-	-	(14,046,140)	-	(14,046,140)	
Actuarial gain / (loss)	-	-	-	(870,925)	(870,925)	
Balance as at 31 March 2016	718,907,272	-	(44,854,144)	286,855,354	960,908,482	
Profit for the year	-	-	-	313,724,700	313,724,700	
Other Comprehensive Income/(Expense)	-	-	27,568,060	-	27,568,060	
Dividends Paid	-	-	-	(204,624,780)	(204,624,780)	
Scrip Dividends	100,871,898	-	-	(100,871,898)	-	
Actuarial gain / (loss)	-	-	-	(2,111,335)	(2,111,335)	
Balance as at 31 March 2017	819,779,170	-	(17,286,084)	292,972,041	1,095,465,127	

The Accounting Policies and Notes on pages 114 through 158 form an integral part of these Financial Statements.

Available

CASH FLOW STATEMENT

Year ended 31 March Group Company Note 2017 2016 2017 2016 Rs. Rs. Rs. Rs. Cash Flows from/(used in) Operating Activities Profit Before Tax 188,261,333 301,625,110 313,727,451 177,230,345 Adjustment For Depreciation 14 188,053,214 201,757,788 4,320,022 7,757,824 Loss on Disposal of Property, Plant and Equipment 7.1 1,465,572 7.1 Impairment of Work In Progress 5,307,758 Provision for Defined Benefit Obligation 26 6,737,042 5,000,253 1,385,071 1,125,354 Amortisation of Leasehold Property 15 813,424 813,424 Impairment of AFS Reclassification to Profit or Loss 24.2 21,575,520 21,575,520 Dividend Income 7.1 (6,003,870)(2,176,655)(110,520,351) (226,390,762) 8.2 Finance Income (8,753,532)(2,318,779)(669,706)8.1 48,352,460 Finance Cost 185,361,848 154,866,890 62,047,789 Provision / (Reversal) of Falling Value of Investments 8.1 (1,470,387)2,324,926 (1,470,387)2,324,926 Profit on disposal of Subsidiary 7.2 (25,299,664) (268, 343, 293) Creditors written back 7.1 (20,653,682) (652,363) (23,019,940)Operating Profit before Working Capital Changes 531,562,747 642,704,846 22,052,118 9,747,786 (Increase)/Decrease in Inventories (801,262) (4,911,562) (Increase)/Decrease in Trade and Other Receivables (12,540,972) 7,637,093 (10,039,135)82,341,553 (Increase)/Decrease in Advance and Prepayment 13,036,014 6,130,327 (6,407,214)1,703,295 Increase/(Decrease) in Trade and Other Payables 45,141,307 72,140,396 239,389,174 45,330,357 Increase/(Decrease) in Other Current Non Financial Liabilities 24,236,750 (1,677,181)3,215,667 (43,564)Cash Generated from Operations 620,812,649 701,845,854 248,210,609 139,079,426 Finance Cost paid 8.1 (185,361,848) (154,866,890) (62,047,789)(48,352,460) Defined Benefit Obligation paid 26 (3,222,659) (2,350,409) (379,350) (700,000) Release in Gratuity Due to Employee Transfer 26 (714,116) Tax paid (56,797,118) (112,959,436) (128,324) (4,176,537) Net Cash from Operating Activities 374,716,909 431,669,119 185,655,147 85,850,430 Cash Flows from/(used in) Investing Activities Acquisition of Property, Plant and Equipment 14 (234,217,068) (163,114,580) (3,664,885)(1,411,192)Finance Income received 7.1 8,753,532 2,318,779 669,706 7.1 Dividend received 6,003,870 2,176,655 110,520,351 226,390,762 Proceeds from Disposal of Property, Plant and Equipment 1,180,238 Proceeds from Disposal of Subsidiary 330,111,191 330,111,191 (116,430,150) Net Cash from/(used in) Investing Activities 110,651,525 437,636,363 108,549,421 (157,438,908)

CASH FLOW STATEMENT

Year ended 31 March			Group	Company		
	Note	2017	2016	2017	2016	
		Rs.	Rs.	Rs.	Rs.	
Cash Flows from/(used in) Financing Activities						
Dividends paid	12	(204,624,780)	(48,034,238)	(204,624,780)	(48,034,238)	
Proceeds from Bank Loans	19.2	557,994,272	924,869,174	293,698,272	210,799,174	
Repayment of Bank Loans	19.2	(872,902,140)	(816,200,793)	(683,259,498)	(275,000,000)	
Principal Payment under Finance Lease Liabilities	19.2	(5,813,772)	(11,157,172)	(2,899,991)	(3,088,241)	
Net Cash from/(used in) Financing Activities		(525,346,420)	49,476,971	(597,085,996)	(115,323,305)	
Net Increase/(Decrease) in Cash and Cash Equivalents		(39,977,988)	323,707,181	26,205,514	79,076,547	
Cash and Cash Equivalents at the beginning of the year		148,496,207	(175,210,973)	1,429,907	(77,646,640)	
Cash and Cash Equivalents at the end of the year	22	108,518,217	148,496,207	27,635,420	1,429,907	

The Accounting Policies and Notes on pages 114 through 158 form an integral part of these Financial Statements.



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 2017 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 2017 were authorized for issue by the Board of Directors on 09 May 2017.

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 (Divested on 23rd December 2016), 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.

.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.

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

ACCOUNTING POLICIES

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

2.3 Functional and Presentation Currency

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

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.

2.5 Comparative Information

The accounting policies have been consistently applied by the Group and, are consistent with those used in the previous year. Previous year's figures and phrases have been re-arranged whenever necessary to conform to current presentation.

Basis of Consolidation

Subsidiaries are disclosed in Note 3.1 to the Financial Statements.

3.1 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or 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.

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting right.

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	2017	2016
Culture Club Resorts (Private) Limited	100%	100%
Kandyan Resorts (Private) Limited	100%	100%
The Beach Resorts Limited (Divested on 23rd December 2010	5) -	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%	56.09%

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies

3.1.1 Business Combination and Goodwill

Business Combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group

elects whether to measures the non-controlling interest in the acquire either at fair value or at the proportionate share of the acquiree's identifiable net assets.

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

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

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss recognised in 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 disposed operation within that unit is disposed of, the goodwill associated with the disposed operation 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 disposed operation and the portion the cash-generating unit retained.

Non - Controlling Interests

Profit or loss and each component of other compersive income 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.

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.

3.1.4 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

ACCOUNTING POLICIES

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).

Current Versus Non-Current Classification

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

- · Expected to be realised or intended to sold or consumed in a 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 a 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 noncurrent assets and liabilities.

3.1.6 Fair Value Measurement

The Group measures financial instruments such as investments which are designated available for sale and designated at fair value through profit or loss, nonfinancial asset such as owner occupied land at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following notes:

• Disclosures for valuation methods, significant estimates and assumptions

Note 13 & 19

- Quantitative disclosures of fair value measurement hierarchy
- Note 13 & 19 • Property (land) under revaluation model Note 14

• Financial instruments (including those

carried at amortised cost)

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:

Note 19

- 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.

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.

Assets and Bases of their Valuation

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 or for administration purpose and are expected to be used for more than one year.

3.2.1.1 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.

3.2.1.2 Basis of Measurement

Items of Property, Plant & Equipment including construction in progress are measured at cost net of accumulated depreciation and accumulated impairment losses, if any, except for land which is measured at fair value.

3.2.1.3 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 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, however, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the Statement of Profit or Loss, the increase is recognised in the Statement of Profit or Loss. A revaluation deficit 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.

3.2.1.4 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.

3.2.1.5 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. Gains are not classified as

3.2.1.6 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.

ACCOUNTING POLICIES

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

Lease hold right to land	over the lease period
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
Air-conditioners Kitchen Equipments Office Equipments Fixtures and Fittings Computer Equipments Motor Vehicles Crockery of Cutlery	15 years 15 years 15 years 15 years 05 years 05 years 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.

3.2.1.7 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 fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

3.2.1.8 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 straightline basis over the lease term.

3.2.2 Intangible Assets

3.2.2.1 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.

3.2.2.2 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.

3.2.2.3 Useful economic lives and Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite.

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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

3.2.2.4 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.

3.2.2.5 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.

3.2.2.6 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.

3.2.2.7 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.

3.3 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.

3.3.1 Financial Assets

3.3.1.1 Initial Recognition and Measurement

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

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of finance asset.

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, amounts due from subsidiaries, quoted and unquoted financial instruments.

3.3.1.2 Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories;

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- Available for sale financial assets

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.

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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 expenses for receivables.

Available-for-sale Financial Assets

Available-for-sale financial assets include equity investments. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial 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 investments is reported as interest income using the effective interest rate method.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets 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-forsale category, the fair value 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.

3.3.1.3 Derecognition

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

- The rights to receive cash flows from the asset have expired 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.

3.3.1.4 Impairment of Financial Assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists is 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 observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

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

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment 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 availablefor-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.

ACCOUNTING POLICIES

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.

3.3.2 Financial Liabilities

3.3.2.1 Initial Recognition and Measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings and payables as appropriate.

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

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

3.3.2.2 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 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.

3.3.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are

substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

3.3.3 Offsetting of Financial Instruments

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

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

3.3.4 Fair Value of Financial Instruments

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

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

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

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 19

3.4 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 House Keeping and Maintenance Printing and Stationary Consumables and Other

Weighted Average Basis

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.

3.5 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.

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to Other Comprehensive Income. For such properties, the impairment is recognised in Other Comprehensive Income up to the amount of any previous revaluation.

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

3.6 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.

3.7 Liabilities and Provisions

3.7.1 Employee Benefits

3.7.1.1 Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering

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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.

3.7.1.2 Defined Benefit Plans

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

Current service cost interest cost are recognized in the statement of profit or loss while any actuarial gains or losses arising are recognized in other comprehensive income.

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in note 26. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

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

The liability is not externally funded. This liability is computed on the 1/2 of the last salary drawn in to number of years completed.

3.7.1.3 Recognition of Actuarial gains or loss

Actuarial gains or losses are recognised in full in the Other Comprehensive Income.

3.7.1.4 Short term benefits

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

3.7.2 Provisions

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

3.7.3 Capital Commitments and Contingencies

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

3.8 Stated Capital

3.8.1 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.

3.9 Statement of Profit or Loss

For the purpose of presentation of the Statement of Profit or Loss, the function of expenses method is adopted.

3.9.1 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, Food & Beverage 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 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

Gains and losses on disposal of an item of property, plant & equipment are determined by comparing the net sales proceeds with the carrying amounts of property, plant & equipment and are recognised net within "other income" in profit or loss.

Other income

Other income is recognized on an accrual basis.

3.9.2 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.

3.9.3 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.

3.9.4 Borrowing Costs

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

3.9.5 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.

3.9.6 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.

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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.

Deferred Tax

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

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

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

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

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

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

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

Deferred tax relating to items recognised outside 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. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in the Statement of Profit or Loss.

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.

4 General

4.1 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.

4.2 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.

4.3 Use of Estimates and Judgements

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 of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF 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 CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group.

The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in Note 17.

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.

4.4 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.

4.5 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.

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4.6 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.

4.7 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.

5 Standards Issued But Not Yet Effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

None of these new standards and interpretations is expected to have a material effect on the Financial Statements of the Group. Pending the detailed review of such standards and interpretations, the extent of the impact has not been determined by the management.

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.

SLFRS 16 Leases

SLFRS 16 provides a single lessee accounting model, requiring leasses to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value even though lessor accounting remains similar to current practice. This supersedes: LKAS 17 Leases, IFRIC 4 determining whether an arragement contains a Lease, SIC 15 Operating Leases- Incentives; and SIC 27 Evaluating the substance of Transactions Invoving the Legal form of a Lease. Earlier application is permitted for entities that apply SLFRS 15 Revenue from Contracts with customers.

SLFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019.

The following amendments and improvements are not expected to have a significant impact on the Company's/ Group's Financial Statements.

- Amendments to SLFRS 10 and LKAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
- LKAS 7 Disclosure Initiative Amendments to LKAS 7.
- LKAS 12 Recognition of Deferred Tax Assets for Unrealised Losses Amendments to LKAS 12.
- SLFRS 2 Classification and Measurement of Share-based Payment Transactions - Amendments to SLFRS 2.
- Applying SLFRS 9 Financial Instruments with SLFRS 4 Insurance Contracts Amendments to SLFRS 4.



Revenue

	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.
Gross Revenue (Note 6.1)	1,592,920,245	1,642,043,754	170,983,876	157,702,486
Tourism Development Levy	(15,220,695)	(16,497,271)	-	-
Turnover Tax	(2,367,782)	(2,234,504)	-	-
	1,575,331,768	1,623,311,979	170,983,876	157,702,486
Gross Revenue				
Management Fee	45,545,850	35,879,571	47,945,850	38,279,571
Commission Income	51,447,526	46,562,054	123,038,026	119,422,915
Apartment Revenue	864,462,282	909,566,349	-	-
Restaurant Sales	460,928,155	466,422,222	-	-
Bar Sales	93,073,052	97,215,599	-	-
Banquet Sales	39,270,086	44,753,570	-	-
Club Sales	2,039,689	1,594,864	-	-
Health Centre sales	36,153,605	40,049,525	-	_
	1,592,920,245	1,642,043,754	170,983,876	157,702,486
				,,
Other Income and Gains	G	roup	Con	npany
Other Income and Gains	G 2017	roup 2016	Con 2017	
Other Income and Gains Other Income		-		npany
	2017	2016	2017	npany 2016
Other Income	2017 Rs.	2016 Rs.	2017	npany 2016
Other Income Rent Income	2017 Rs.	2016 Rs. 7,360,904	2017	npany 2016 Rs.
Other Income Rent Income Commission Income	2017 Rs. 6,954,009	2016 Rs. 7,360,904 99,707	2017	npany 2016 Rs.
Other Income Rent Income Commission Income Sundry Income	2017 Rs. 6,954,009 - 30,781,915	2016 Rs. 7,360,904 99,707 28,646,633	2017	2016 Rs. - 99,707
Other Income Rent Income Commission Income Sundry Income Creditors written back	2017 Rs. 6,954,009 - 30,781,915 23,019,940	7,360,904 99,707 28,646,633 20,653,682	2017 Rs.	2016 Rs. - 99,707 - 652,363 226,390,762
Other Income Rent Income Commission Income Sundry Income Creditors written back	2017 Rs. 6,954,009 	7,360,904 99,707 28,646,633 20,653,682 2,176,655	2017 Rs.	2016 Rs. - 99,707 - 652,363

Group

Company

7.2.1 Profit on Disposal of Subsidiary

The Company divested its entire share holding constituting 84.30% of the equity stake in its subsidiary, The Beach Resorts Ltd on 23rd December 2016 amounting to 6,176,790 shares for a sale proceed of Rs. 330,111,191/-, resultant profit to the group and the company was Rs. 25,299,664/- and Rs. 268,343,291/- respectively.

	Group	
Property, Plant and Equipment	361,567,500	
Total Net Assets	361,567,500	
Non-Controlling Interest	(56,755,973)	
Value of Net Assets disposed	304,811,527	
Cash Consideration Received on Disposal of Subsidiary	330,111,191	
Profit on Disposal of Subsidiary	25,299,664	
		Company
Disposal of Subsidiary Investment		61,767,900
Cash Consideration Received on Disposal of Subsidiary		330,111,191
Profit on Disposal of Subsidiary		268,343,291

NOTES TO THE FINANCIAL STATEMENTS

Finance Cost and Income		Group		Comp	any
	20	17	2016	2017	2010
Finance Cost	F	Rs.	Rs.	Rs.	Rs
Interest Expenses on Bank Overdrafts	6,081,1	55 6,	550,392	729,965	3,379,96
Interest Expenses on Finance Leases	620,5	32 1,	735,245	246,590	604,47
Exchange Loss on USD Loan	17,320,20		975,942	-	
Interest Expenses on Bank Loans	161,339,89		605,310	61,071,234	44,368,01
(Gain)/Loss on Investments at Fair Value through Profit or Loss	(1,470,38		324,926	(1,470,387)	2,324,92
Written off the Impairment of AFS investments	21,575,52		- 191,816	21,575,520 82,152,922	50,677,38
Finance Income	203,100,70	01 137,	171,010	02,132,722	30,077,30
Interest Income	8,653,50	07 2,	318,779	569,681	
Exchange Gain on USD Savings	100,02		-	100,025	
	8,753,53	32 2,	318,779	669,706	
Profit Before Tax			Group	C	Company
Stated after Charging		2017	201	6 2017	201
Stated after Charging		Rs			Rs
Included in Cost of Sales					
Employee Benefits including the following		121,312,437	119,920,05	8 -	
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits		4,013,978	2,972,67	4 -	
- Defined Contribution Plan Costs - EPF and ETF (included in Employ	yee Benefits)	10,316,534	9,966,89	3 -	
Depreciation		109,413,497	113,207,52	2 -	
Included in Administrative Expenses					
Employees Benefits including the following		172,874,735	152,834,47	5 35,723,910	28,990,77
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits))	2,723,064			1,125,35
- Defined Contribution Plan Costs - EPF and ETF (included in Employe	ree Benefits)	15,394,148			2,723,82
Depreciation		78,639,717			7,757,82
Amortization of Prepaid Operating Lease		813,424	813,42	4 -	
Directors' Emoluments		46,092,637	45,598,38	6 46,092,637	45,598,38
Service Fees		9,128,131	7,509,06	2 9,128,131	7,509,06
Auditor's Remuneration		2,739,138	2,792,24	6 680,000	358,60
Professional Fees		1,402,609	1,160,57	3 778,512	290,89
Legal Fees		350,115	3,00	0 -	
Charity and Donation		365,423	252,63	8 -	
Included in Selling and Marketing Expenses					
Advertising Expenses		19,865,169	16,851,53	2 8,060,671	7,613,93
0 0 1		19,865,169 31,726,476			7,613,93

	(Group		
Income Tax Expense	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.
The major components of income tax expense for the year ended 31 March are as follows :				
Statement of Profit or Loss				
Current Income Tax				
Current Income Tax Charge (Note 10.1)	24,002,853	18,372,844	2,751	-
Under/(Over) Provision of Current Taxes in respect of prior year	(429,821)	(38,699)	-	-
Dividend Tax	11,612,943	24,912,679	-	-
	35,185,975	43,246,824	2,751	
Deferred Income Tax				
Deferred Taxation Charge (Note 10.3)	4,252,541	11,679,857	-	-
Income Tax Expense reported in the Statement of Profit or Loss	39,438,516	54,926,681	2,751	

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

	Group		C	Company	
	2017	2016	2017	2016	
	Rs.	Rs.	Rs.	Rs	
Accounting Profit before Income Tax	188,261,333	301,625,110	313,727,451	177,230,345	
Disallowed Items	51,023,006	84,508,956	30,236,449	15,219,043	
Allowed Items	(178,987,202)	(306,365,186)	(383,119,084)	(230,215,734)	
Interest Income	(8,098,939)	(2,318,779)	(569,680)		
Interest Income (Tax exempted under section 13 (t))	(554,568)	-	(554,568)	-	
Tax Relief on Capital Investments	(18,205,392)	(78,024,793)	-	-	
Tax Losses Related to Group Companies	40,279,432	37,766,346	-	-	
Taxable Profit/(Loss) from Business	73,717,670	37,191,654	(40,279,432)	(37,766,346)	
Other Sources of Income Interest Income Taxable Other Income	8,098,939 8,098,939	2,318,779 2,318,779	15,113 15,113		
Total Statutory Income	81,816,609	39,510,433	15,113	(37,766,346)	
Tax Losses Brought Forward and Utilized	(5,290)	-	(5,290)		
Total Taxable Income	81,811,319	39,510,433	9,823	(37,766,346)	
Income Tax @ 2% on Turnover	12,889,030	13,260,588	-		
Income Tax @ 12% on Taxable Profits	8,846,120	4,462,998	-		
Income Tax @ 28% Taxable Profits	2,267,703	649,258	2,751		
Current Income Tax Charge	24,002,853	18,372,844	2,751		
Tax Losses					
Tax Losses Brought Forward	337,682,950	299,916,604	317,258,674	279,492,32	
Tax Losses Utilised during the year	(5,290)	-	(5,290)		
Tax Loss incurred during the year	40,279,432	37,766,346	40,279,432	37,766,346	
Tax Losses Carried Forward	377,957,092	337,682,950	357,532,816	317,258,674	

NOTES TO THE FINANCIAL STATEMENTS

10.3	Deferred Taxation - Group	Statement of Fina	ancial Position	Statement of Profit or Loss		
		2017	2016	2017	2016	
		Rs.	Rs.	Rs.	Rs.	
	Deferred Tax Liability					
	Capital Allowances for Tax purpose	103,749,983	99,030,378	4,719,605	11,703,716	
		103,749,983	99,030,378	4,719,605	11,703,716	
	Deferred Tax Assets					
	Retirement Benefit Obligation - Through Statement of Profit or Loss	(1,432,907)	(965,842)	(467,064)	(23,860)	
	Retirement Benefit Obligation - Through Other Comprehensive Income	(218,679)	(236,300)	-	-	
	Trade and Other Receivables	(422,924)	(422,924)	-	-	
		(2,074,510)	(1,625,067)	(467,064)	(23,860)	
	Deferred Taxation Charge			4,252,541	11,679,857	
	Net Deferred Tax Liability	101,675,473	97,405,311			
10.3.1	Reconciliation of Deferred Tax Charge / (Reversal)					
	Deferred Tax Charge reported in the Statement of Profit or Loss			4,252,541	11,679,857	
	Deferred Tax Charge reported in Other Comprehensive Income			17,621	(236,403)	
				4,270,162	11,443,454	

10.3.2 Amaya Leisure PLC has a carried forward tax loss amounting to Rs. 357,532,816/- (2016 - Rs. 317,258,674/-) 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. 38,103,938/- (2016 - Rs. 38,071,040/-) has not been recognised in respect of this tax loss and other temporary differences which has resulted deferred tax assets as it is anticipated that the deferred tax asset will not realise in the foreseeable future.

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

11. Basic Earnings Per Share

11.1

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.

mount used as the Numerator :	•	Company		
	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.
Profit for the year	148,822,817	246,698,426	313,724,700	177,230,345
(Profit)/Loss attributable to Non-Controlling Interest	57,620,448	40,317,327	-	-
Profit attributable to Ordinary Shareholders of Parent Company for Basic Earnings Per Share	206,443,265	287,015,753	313,724,700	177,230,345

11.2 Number of Ordinary Shares used as the Denominator Weighted Average Number of Ordinary Shares in issue applicable to

Basic Earnings Per Share 51,876,976 50,435,949* 51,876,976 50,435,949*

10.2

^{*} The number of Ordinary Shares used to calculate Basic Earning Per Share is 51,876,976 effective with the scrip dividend of 1,441,027 Shares to conform the comparatives with the FY 2016/17.

12.	Dividends	2017 Rs.	2016 Rs.
	Equity dividends on ordinary shares: Dividend for the year ended 31 March 2017 : Rs. 2 per share (2016 : Rs.4 per Share)	103,752,882	201,743,796
12.1	Declared / Proposed* Cash Dividends (Rs.2.00 per Share) Scrip Dividends** (Rs.2.00 per Share)	103,752,882	100,871,898* 100,871,898*
		103,752,882	201,743,796

^{**} Scrip Dividends represents the value of additional shares issued as interim dividends for the year ended 31 March 2016. Accordingly the Company has issued 1,441,027 of share in the proportion of 1:35.Per Share dividend of Rs.2.00/- on 23rd June 2016 derived based on the market price of the Company Shares.

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 2017 and 2016:

			Fair value	using	
Assets measured at fair value:	Date of valuation	Total Rs. '000	Quoted prices in active markets (Level 1) Rs. '000	Significant observable inputs (Level 2) Rs. '000	Significant unobservable inputs (Level 3) Rs. '000
As at 31 March 2017					
Non Financial Assets					
Land (Note 14.1.1)	31 March 2017		-		638,000,000
Non Financial Assets as at 31 March 2017		638,000,000	-	-	638,000,000
Financial Assets					
Fair Value through profit or loss (Note 19.1.1.1) Ouoted Investment in Equity Securities	31 March 2017	9,029,606	9,029,606	_	_
Total Fair Value through profit or loss	011/141011 201/	9,029,606	9,029,606	-	-
Available for Sale financial assets (Note 19.1.2.1) Quoted Investment in Equity Securities Available for Sale financial assets as at 31 March 2017	31 March 2017	103,694,100 103,694,100	103,694,100 103,694,100	<u>-</u>	-
Total Financial Assets		112,723,706	112,723,706	-	-
As at 31 March 2016					
Non Financial Assets					
Land (Note 14.1.1)	31 March 2016	979,390,250	-	_	979,390,250
Non Financial Assets as at 31 March 2016		979,390,250	-	-	979,390,250
Financial Assets					
Fair Value through profit or loss (Note 19.1.1.1) Ouoted Investment in Equity Securities	31 March 2016	7,559,219	7,559,219		
Total Fair Value through profit or loss	31 March 2010	7,559,219	7,559,219		
0 1					
Available for Sale financial assets (Note 19.1.2.1) Quoted Investment in Equity Securities	31 March 2016	97,701,560	97,701,560	_	
Available for Sale financial assets as at 31 March 2016		97,701,560	97,701,560	-	
Total Financial Assets		105,260,779	105,260,779	-	

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 2017 and 2016:

			Fair va	Fair value measureme		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value:		Rs. '000	Rs. '000	Rs. '000	Rs. '000	
As at 31 March 2017						
Financial Assets						
Fair Value through profit or loss (Note 19.1.1.1)						
Quoted Investment in Equity Securities	31 March 2017	9,029,606	9,029,606	-	_	
Total Fair Value through profit or loss		9,029,606	9,029,606	-	-	
Available for Sale financial assets (Note 19.1.2.1)						
Quoted Investment in Equity Securities	31 March 2017	103,694,100	103,694,100	-	-	
Available for Sale financial assets as at 31 March 2017		103,694,100	103,694,100	-	-	
Total Financial Assets		112,723,706	112,723,706	-	-	
As at 31 March 2016						
Financial Assets						
Fair Value through profit or loss (Note 19.1.1.1)						
Quoted Investment in Equity Securities	31 March 2016	7,559,219	7,559,219	-	_	
Total Fair Value through profit or loss		7,559,219	7,559,219	-	-	
Available for Sale financial assets (Note 19.1.2.1)						
Quoted Investment in Equity Securities	31 March 2016	97,701,560	97,701,560	-	-	
Available for Sale financial assets as at 31 March 2016		97,701,560	97,701,560	-	-	
Total Financial Assets		105,260,779	105,260,779	-		

14. PROPERTY, PLANT AND EQUIPMENT

14.1 14.1.1

Group	Balance			Impairment/	Balance
	As at		Revaluation	Transfers/	As at
Gross Carrying Amounts	01.04.2016	Additions	adjustment	Disposals	31.03.2017
	Rs.	Rs.	Rs.	Rs.	Rs.
At Cost or Valuation					
Freehold Land	979,390,250	-	20,177,250	(361,567,500)	638,000,000
Freehold Buildings	892,948,123	400,500	-	-	893,348,623
Road Network	30,631,838	1,866,744	-	-	32,498,582
Building on Leasehold Land	2,543,824,920	229,182,312	-	-	2,773,007,232
Furniture and Fittings	357,742,891	18,296,251	-	-	376,039,142
Plant and Machinery	278,799,273	10,280,807	-	-	289,080,080
Air Conditioners	153,235,999	1,883,925	-	-	155,119,924
Kitchen Equipments	131,529,956	6,269,082	-	-	137,799,038
Office Equipments	2,504,450	1,159,267	-	-	3,663,716
Computer Equipments	66,542,751	6,143,990	-	-	72,686,741
Crockery and Cutlery	82,886,221	3,042,175	-	-	85,928,397
Linen	83,013,732	3,130,059	-	-	86,143,791
Fixtures and Fittings	82,022,836	4,059,752	-	-	86,082,588
Motor Vehicles	55,449,130	45,540,422	-	-	100,989,552
	5,740,522,370	331,255,286	20,177,250	(361,567,500)	5,730,387,406
Assets on Finance Leases					
Motor Vehicles	51,890,422	-	-	(45,540,422)	6,350,000
	51,890,422	-	-	(45,540,422)	6,350,000
	5,792,412,792	331,255,286	20,177,250	(407,107,922)	5,736,737,406
In the Course of Construction	Balance	Incurred		Impairment/	Balance
	As at	during the		Transfers/	As at
	01.04.2016	vear		Disposals	31.03.2017
	Rs.	Rs.		Rs.	Rs.
Building Work in Progress	65,829,638	41,701,662		(98,507,217)	9,024,084
	65,829,638	41,701,662	-	(98,507,217)	9,024,084
Total Gross Carrying Amount	5,858,242,430	372,956,949	20,177,250	(505,615,139)	5,745,761,490

NOTES TO THE FINANCIAL STATEMENTS

2	Depreciation	Balance As at 01.04.2016	Charge for the year	Transfers/ Disposals	Balanc As a 31.03.201
		Rs.	Rs.	Rs.	R
	At Cost or Valuation				
	Freehold Buildings	88,290,935	17,864,184	-	106,155,11
	Road Network	3,257,150	1,552,213	-	4,809,36
	Building on Leasehold Land	168,133,031	49,864,922	-	217,997,95
	Furniture and Fittings	75,287,621	27,867,832	-	103,155,45
	Plant and Machinery	68,525,109	29,406,103	-	97,931,2
	Air Conditioners	41,163,143	2,880,452	-	44,043,5
	Kitchen Equipments	43,186,837	8,724,565	-	51,911,4
	Office Equipments	1,109,773	473,412	-	1,583,1
	Computer Equipments	34,818,394	16,549,885	-	51,368,2
	Crockery and Cutlery	70,485,981	5,570,304	-	76,056,2
	Linen	53,661,995	12,806,333	-	66,468,3
	Fixtures and Fittings	25,907,523	5,010,206	-	30,917,7
	Motor Vehicles	36,199,189	38,294,880	-	74,494,0
		710,026,681	216,865,291	-	926,891,9
	Assets on Finance Leases				
	Motor Vehicles	32,662,078	7,228,344	(36,040,422)	3,850,0
		32,662,078	7,228,344	(36,040,422)	3,850,0
	Total Depreciation	742,688,759	224,093,636	(36,040,422)	930,741,9
3	Net Book Value			2017	2
3	Net Book Value			2017 Rs.	
3	Net Book Value At Cost or Valuation				
3				Rs.	1
3	At Cost or Valuation Freehold Land				979,390,2
3	At Cost or Valuation Freehold Land Freehold Buildings			Rs. 638,000,000 787,193,503	979,390,2 804,657,1
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network			Rs. 638,000,000 787,193,503 27,689,218	979,390,2 804,657,1 27,374,6
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277	979,390,2 804,657,1 27,374,6 2,375,691,8
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land Furniture and Fittings			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277 268,414,092	979,390,2 804,657,1 27,374,6 2,375,691,8 282,455,2
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277 268,414,092 191,148,868	979,390,2 804,657,1 27,374,6 2,375,691,8 282,455,2 210,274,1
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land Furniture and Fittings Plant and Machinery Air Conditioners			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277 268,414,092 191,148,868 111,076,330	979,390,2 804,657,1 27,374,6 2,375,691,8 282,455,2 210,274,1 112,072,8
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land Furniture and Fittings Plant and Machinery Air Conditioners Kitchen Equipment			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277 268,414,092 191,148,868 111,076,330 85,887,637	979,390,2 804,657,1 27,374,6 2,375,691,8 282,455,2 210,274,1 112,072,8 88,343,1
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land Furniture and Fittings Plant and Machinery Air Conditioners Kitchen Equipment Office Equipment			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277 268,414,092 191,148,868 111,076,330 85,887,637 2,080,531	979,390,2 804,657,1 27,374,6 2,375,691,8 282,455,2 210,274,1 112,072,8 88,343,1 1,394,6
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land Furniture and Fittings Plant and Machinery Air Conditioners Kitchen Equipment Office Equipment Computer Equipment			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277 268,414,092 191,148,868 111,076,330 85,887,637 2,080,531 21,318,462	979,390,2 804,657,1 27,374,6 2,375,691,8 282,455,2 210,274,1 112,072,8 88,343,1 1,394,6 31,724,3
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land Furniture and Fittings Plant and Machinery Air Conditioners Kitchen Equipment Office Equipment Computer Equipment Crockery and Cutlery			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277 268,414,092 191,148,868 111,076,330 85,887,637 2,080,531 21,318,462 9,872,111	979,390,2 804,657,1 27,374,6 2,375,691,8 282,455,2 210,274,1 112,072,8 88,343,1 1,394,6 31,724,3 12,400,2
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land Furniture and Fittings Plant and Machinery Air Conditioners Kitchen Equipment Office Equipment Computer Equipment Crockery and Cutlery Linen			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277 268,414,092 191,148,868 111,076,330 85,887,637 2,080,531 21,318,462 9,872,111 19,675,463	979,390,2 804,657,1 27,374,6 2,375,691,8 282,455,2 210,274,1 112,072,8 88,343,1 1,394,6 31,724,3 12,400,2 29,351,7
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land Furniture and Fittings Plant and Machinery Air Conditioners Kitchen Equipment Office Equipment Computer Equipment Crockery and Cutlery Linen Fixtures and Fittings			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277 268,414,092 191,148,868 111,076,330 85,887,637 2,080,531 21,318,462 9,872,111 19,675,463 59,634,456	979,390,2 804,657,1 27,374,6 2,375,691,8 282,455,2 210,274,1 112,072,8 88,343,1 1,394,6 31,724,3 12,400,2 29,351,7 56,115,3
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land Furniture and Fittings Plant and Machinery Air Conditioners Kitchen Equipment Office Equipment Computer Equipment Crockery and Cutlery Linen			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277 268,414,092 191,148,868 111,076,330 85,887,637 2,080,531 21,318,462 9,872,111 19,675,463	979,390,2 804,657,1 27,374,6 2,375,691,8 282,455,2 210,274,1 112,072,8 88,343,1 1,394,6 31,724,3 12,400,2 29,351,7 56,115,3 19,249,9
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land Furniture and Fittings Plant and Machinery Air Conditioners Kitchen Equipment Office Equipment Computer Equipment Crockery and Cutlery Linen Fixtures and Fittings			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277 268,414,092 191,148,868 111,076,330 85,887,637 2,080,531 21,318,462 9,872,111 19,675,463 59,634,456 26,495,483	979,390,2 804,657,1 27,374,6 2,375,691,8 282,455,2 210,274,1 112,072,8 88,343,1 1,394,6 31,724,3 12,400,2 29,351,7 56,115,3 19,249,9
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land Furniture and Fittings Plant and Machinery Air Conditioners Kitchen Equipment Office Equipment Computer Equipment Crockery and Cutlery Linen Fixtures and Fittings Motor Vehicles Assets on Finance Leases			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277 268,414,092 191,148,868 111,076,330 85,887,637 2,080,531 21,318,462 9,872,111 19,675,463 59,634,456 26,495,483 4,803,495,429	979,390,2 804,657,1 27,374,6 2,375,691,8 282,455,2 210,274,1 112,072,8 88,343,1 1,394,6 31,724,3 12,400,2 29,351,7 56,115,3 19,249,9 5,030,495,6
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land Furniture and Fittings Plant and Machinery Air Conditioners Kitchen Equipment Office Equipment Computer Equipment Crockery and Cutlery Linen Fixtures and Fittings Motor Vehicles			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277 268,414,092 191,148,868 111,076,330 85,887,637 2,080,531 21,318,462 9,872,111 19,675,463 59,634,456 26,495,483 4,803,495,429 2,500,000	979,390,2 804,657,1 27,374,6 2,375,691,8 282,455,2 210,274,1 112,072,8 88,343,1 1,394,6 31,724,3 12,400,2 29,351,7 56,115,3 19,249,9 5,030,495,6
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land Furniture and Fittings Plant and Machinery Air Conditioners Kitchen Equipment Office Equipment Computer Equipment Crockery and Cutlery Linen Fixtures and Fittings Motor Vehicles Assets on Finance Leases Motor Vehicles			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277 268,414,092 191,148,868 111,076,330 85,887,637 2,080,531 21,318,462 9,872,111 19,675,463 59,634,456 26,495,483 4,803,495,429	979,390,2 804,657,1 27,374,6 2,375,691,8 282,455,2 210,274,1 112,072,8 88,343,1 1,394,6 31,724,3 12,400,2 29,351,7 56,115,3 19,249,9 5,030,495,6
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land Furniture and Fittings Plant and Machinery Air Conditioners Kitchen Equipment Office Equipment Computer Equipment Crockery and Cutlery Linen Fixtures and Fittings Motor Vehicles Assets on Finance Leases Motor Vehicles In the Course of Construction			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277 268,414,092 191,148,868 111,076,330 85,887,637 2,080,531 21,318,462 9,872,111 19,675,463 59,634,456 26,495,483 4,803,495,429 2,500,000 2,500,000	979,390,2 804,657,1 27,374,6 2,375,691,8 282,455,2 210,274,1 112,072,8 88,343,1 1,394,6 31,724,3 12,400,2 29,351,7 56,115,3 19,249,9 5,030,495,6
3	At Cost or Valuation Freehold Land Freehold Buildings Road Network Building on Leasehold Land Furniture and Fittings Plant and Machinery Air Conditioners Kitchen Equipment Office Equipment Computer Equipment Crockery and Cutlery Linen Fixtures and Fittings Motor Vehicles Assets on Finance Leases Motor Vehicles			Rs. 638,000,000 787,193,503 27,689,218 2,555,009,277 268,414,092 191,148,868 111,076,330 85,887,637 2,080,531 21,318,462 9,872,111 19,675,463 59,634,456 26,495,483 4,803,495,429 2,500,000	20 979,390,2 804,657,1 27,374,6 2,375,691,8 282,455,2 210,274,1 112,072,8 88,343,1 1,394,6 31,724,3 12,400,2 29,351,7 56,115,3 19,249,9 5,030,495,6 19,228,3 19,228,3 65,829,6 65,829,6

14.1.4 Revaluation of land

Freehold land of the Group (Kandyan Resorts (Private) Limited, Culture Club Resorts (Private) Limited were revalued by Messers. P.B. Kalugalagedera an independent valuer and consultant, in report dated 31 March 2017. 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.

Significant unobservable valuation Range

Price per perch

-Kandyan Resorts (Private) Limited Rs.200,000/- - Rs.500,000/- -Culture Club Resorts (Private) Limited Rs. 10,000/- - Rs. 12,500/-

If lands were measured using the cost model, the carrying amount would be Rs.127,587,077/-

- 14.1.5 During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 234,217,068/-(2016 Rs.163,114,580/-) including cost incurred on capital work in progress of which Rs. 41,701,662/- (2016 Rs.45,040,259/-). Cash payments amounted to Rs. 234,217,068/- (2016 Rs.163,114,580/-) 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. 209,116,290/- (2016 Rs. 85,037,232/-).
- 14.1.7 Information on the Freehold Land, Freehold Buildings, Leasehold Land and Buildings on Leasehold Land of the Group is as follows;

Company	Location	Ownership	Extent	Lease Period	No of Buildings
Culture Club Resorts (Private) Limited	Dambulla Dambulla	Leasehold Freehold	8.094 Hectares 0.406 Hectares	50 years	105
Kandyan Resorts (Private) Limited	Kandy	Freehold	4.82 Hectares	-	10
Sun Tan Beach Resorts Limited	Passikudah	Leasehold	3.90 Hectares	99 years	7

NOTES TO THE FINANCIAL STATEMENTS

14.2	Company	Balance As at	Additions	Transfers/ Disposals	Balance As at
14.2.1	Gross Carrying Amounts	01.04.2016		•	31.03.2017
		Rs.	Rs.	Rs.	Rs.
	At Cost				
	Motor Vehicles	36,120,800	13,500,000	-	49,620,800
	Furniture and Fittings	1,678,320	342,559	-	2,020,879
	Office Equipments	1,203,648	1,109,767	-	2,313,415
	Computer Equipments	7,747,878	2,212,559	-	9,960,437
		46,750,646	17,164,885	-	63,915,531
	Assets on Finance Lease				
	Motor Vehicles	13,500,000	-	(13,500,000)	
		13,500,000		(13,500,000)	
	Total Gross Carrying Amount	60,250,646	17,164,885	(13,500,000)	63,915,531
1422	Demodation	D.1	Character.	D:l-/	D.1
14.2.2	Depreciation	Balance	Charge for	Disposals/	Balance
		As at	the year	Transfers	As at
		01.04.2016	D	D.	31.03.2017
	At Cost/ Deemed Cost	Rs.	Rs.	Rs.	Rs.
	Motor Vehicles	23,668,467	10,202,333	-	33,870,800
	Furniture and Fittings	481,929	128,151	-	610,080
	Office Equipments	681,895	296,814	-	978,709
	Computer Equipments	3,252,752	1,609,391	-	4,862,143
		28,085,042	12,236,689	-	40,321,732
	Assets on Finance Lease			(0.=00.000)	
	Motor Vehicles	7,916,667	1,583,333	(9,500,000)	
	m. In	7,916,667	1,583,333	(9,500,000)	
	Total Depreciation	36,001,708	13,820,022	(9,500,000)	40,321,732
14.2.3	Net Book Values				
				2017	2016
				Rs.	Rs.
	At Cost				
	Motor Vehicles			15,750,000	12,452,333
	Furniture and Fittings			1,410,799	1,196,391
	Office Equipments			1,334,706	521,753
	Computer Equipments			5,098,294	4,495,126
				23,593,799	18,665,604
	Assets on Finance Lease				
	Motor Vehicles				5,583,333
				-	5,583,333
	Total Carrying Amount of Property, Plant and Equipment			23,593,799	24,248,938

- 14.2.4 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 3,664.885/- (2016 Rs.1,411,192/-) were made during the year for purchase of Property, Plant and Equipment.
- 14.2.5 Property, Plant and Equipment of the Company includes fully depreciated assets having a gross carrying amounts of Rs. 1,282,753/(2016 Rs. 742,987/-)

15. Prepayment on Leasehold Property

G	roup
2017	2016
Rs.	Rs.
61,679,400	62,492,824
(813,424)	(813,424)
60,865,976	61,679,400

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

Other Non-Current Assets

As at 1 April

Amortisation for the year As at 31 March

Group/Company

	2017 Rs.	2016 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	2017 Rs.	2016 Rs.
As at 01 April	137,863,688	137,863,688
As at 31 March	137,863,688	137,863,688

Intangible assets represents the goodwill recognized on acquisition of Sun Tan Beach Resorts Limited in the Financial Year 2014/15.

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;

The key assumptions used to determine the recoverable amount for the different cash generating units.

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

Occupance

Occupancy to be increased from 45% to 60% by the end of 5 years.

18. Investments in Subsidiaries

18.1 Non-Quoted Investments in Subsidiaries

Company	Hold	ling	Cost	Cost	
	2017	2017 2016		2016	
	%	%	Rs.	Rs.	
Kandyan Resorts (Private) Limited	100%	100%	415,178,962	415,178,962	
Culture Club Resorts (Private) Limited	100%	100%	457,980,103	457,980,103	
The Beach Resorts Limited	-	84.3%	-	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%	56.09%	684,741,194	684,741,194	
Total Non-Quoted Investment in Subsidiaries			1,557,900,259	1,619,668,159	

18.1.1 Material Partly-Owned Subsidiary

Financial information of the subsidiaries that have material Non-Controlling interest is provided below.

Proportion of equity interest held by Non-Controlling interests:

Company Name	Incorporation	2017	2016
Sun Tan Beach Resorts Limited	Sri Lanka	43.91%	43.91%
Accumulated Balances of Material Non-Controlling Interest		2017	2016
Sun Tan Beach Resorts Limited		285,554,445	343,442,079
		285,554,445	343,442,079
Profit allocated to Material Non-Controlling Interest		2017	2016
Sun Tan Beach Resorts Limited		(57,887,634)	(40,298,664)
		(57,887,634)	(40,298,664)

The Summarized financial information of the subsidiary is provided below

Summarized Statement of Financial Position	2017	2016
Current Assets	169,194,329	233,723,765
Non Current Assets	1,893,438,055	1,838,784,266
Current Liabilities	468,279,403	264,434,53
Non Current Liabilities	943,646,280	1,025,833,794
Total Equity	650,706,701	782,239,706
Attributable to:		
Equity holders of the parent	364,981,389	438,758,251
Non-Controlling interest	285,725,313	343,481,455
Danama	2017	2016
Revenue	298,781,879	
Cost of Sales	(202,133,142)	
Administrative expenses	(130,592,506)	(129,583,664)
Finance costs	(122,908,090)	(105,346,763)
Profit before tax	(129,727,295)	
Income tax	(2,105,167)	, ,
Profit for the year	(131,832,463)	
Total comprehensive income	(131,533,005)	
Attributable to Non-Controlling interests	(57,887,634)	(40,298,664)
Dividends paid to Non-Controlling interests		
Summarized cash flow information for the year is provided below,		201
	2017	2016
Cash flow from Operating activities	(41,843,068)	(29,170,994)
Cash flow from Investing activities	(121,660,138)	(8,102,793)
Cash flow from Financing activities	57,333,094	
Net increase/(decrease) in cash and cash equivalents	(106,170,112)	223,049,629

NOTES TO THE FINANCIAL STATEMENTS

19 Other Financial Assets and Liabilities

(Other Financial Assets	Group	o/Company
		2017	2016
		Rs.	Rs
j	Fair Value through profit or loss		
(Quoted Investments in Equity Securities (Note 19.1.1.1)	9,029,606	7,559,219
-		9,029,606	7,559,219
1	Available for sale Investments		
(Quoted Investments in Equity Securities (Note 19.1.2.1)	103,694,100	97,701,560
ï	Non-Quoted Investment in Equity Securities (Note 19.1.2.2)	10	10
-	Total Available for sale Investments	103,694,110	97,701,570
7	Total other financial assets	112,723,716	105,260,789
7	Total current	9,029,606	7,559,219
7	Total non-current	103,694,110	97,701,570

19.1.1.1 Quoted Investments in Equity Securities

Group / Company No. of Shares		Cost	Market Value	Cost	Market Value	
	2017	2016	2017 Rs.	2017 Rs.	2016 Rs.	2016 Rs.
The Fortress Resorts PLC	90,075	90,075	646,349	1,044,870	646,349	1,170,975
LB Finance PLC	40	40	3,029	4,736	3,029	4,244
Browns Capital PLC	5,320,000	5,320,000	25,004,000	7,980,000	25,004,000	6,384,000
	5,410,115	5,410,115	25,653,378	9,029,606	25,653,378	7,559,219
Fair value adjustment of investments			(16,623,772)	-	(18,094,159)	-
Total Quoted Investments in Equity Securities			9,029,606	9,029,606	7,559,219	7,559,219

19.1.2 Available for sale Investments

19.1.2.1 Quoted Investment in Equity Securities

24000	No.	No. of Shares		Market Value	Carrying Value	Market Value
	2017	2016	Value 2017 Rs.	2017 Rs.	2016 Rs.	2016 Rs.
Royal Ceramics Lanka PLC	521,600	521,600	83,645,920	62,070,400	83,645,920	52,212,160
Hunas Falls Hotels PLC	899,000	899,000	58,909,784	41,623,700	58,909,784	45,489,400
	1,420,600	1,420,600	142,555,704	103,694,100	142,555,704	97,701,560
Fair value adjustment of investments			(38,861,604)	-	(44,854,144)	-
Total Quoted Investments in Equity Securities			103,694,100	103,694,100	97,701,560	97,701,560

19.1.2.2 Non-Quoted Investments in Equity Securities	No. o	Carrying Value	Carrying Value	
	2017	2016	2017 Rs.	2016 Rs.
La Forteresse (Private) Limited Total Non-Quoted Investments in Equity Securities	1	1	10 10	10 10

Fair Value of quoted investments designated as Available For Sale and Fair Value through Profit or Loss is derived from quoted market price of Colombo Stock Exchange as at each reporting date.

19.2 Other Financial Liabilities

19.2.1 Interest Bearing Loans and Borrowings

		2017	2017	2017	2016	2016	2016
19.2.1.1	Group	Amount	Amount	Total	Amount	Amount	Total
	-	Repayable	Repayable		Repayable	Repayable	
		Within 1	After 1 Year		Within 1	After 1 Year	
		Year	Rs.	Rs.	Year	Rs.	Rs.
		Rs.			Rs.		
	Bank Loans (Note 19.2.1.1.1)	329,434,348	1,048,857,189	1,378,291,537	461,628,362	1,231,571,043	1,693,199,404
	Finance Leases (Note 19.2.1.1.2)	871,797	-	871,797	6,566,527	119,042	6,685,569
	Bank Overdrafts (Note 22)	139,372,630	-	139,372,630	91,499,563	-	91,499,563
		469,678,775	1,048,857,189	1,518,535,964	559,694,451	1,231,690,085	1,791,384,536

19.2.1.1.1 Bank Loans	Balance As at 01.04.2016		Repayments	Balance As at 31.03.2017	
	Rs.	Rs.	Rs.	Rs.	
DFCC Bank	381,818,179	-	(36,363,642)	345,454,537	
Hatton National Bank PLC	714,070,000	264,296,000	(153,279,000)	825,087,000	
Seylan Bank PLC	597,311,226	293,698,272	(683,259,498)	207,750,000	
	1,693,199,404	557,994,272	(872,902,140)	1,378,291,537	

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

Term Loan facility of Rs. 500 Mn - Seylan Bank PLC

- Rate of Interest

Term Loan 1 Month AWPLR + 1% p.a.

- Repayment by

Term Loan April 2019

- Security offered None

NOTES TO THE FINANCIAL STATEMENTS

19.2.1.1.1 Bank Loans (Contd.)

	k Loans (Conta.)							
2. Su	ın Tan Beach Resorts Ltd	DFCC - Rs. 400 Mn			HNB- Rs. 280	Mn	HNB- US	D 3 Mn
- Rat	te of Interest	3 Months AWPLR+1%	6		Weekly AWPLR+	0.75%	3 Month LII	3OR + 4%
- Ter	rm of Repayment - Capital	Rs. 6,060,607 P.m			Rs. 4,666,667	?.m	USD 50,0	000 P.m
- No	of Installments	66 Months			60 Months		60 Mo	nths
- Rer	payment by	December 2021			December 20	21	Decembe	er 2021
-	ace Period	September 2011 to September	er 2016	Ju	ly 2015 to Decem	ber 2016	July 2015 to De	ecember 2016
- Sec	curity offered	Leasehold Right of the land an buildings belongs to Sun Tar Resorts Ltd		Hotel	chold Right of the buildings belong n Resorts Ltd	s to Sun Tan	Leasehold Right Hotel buildings Tan Beach Resort	belongs to Sun
19.2.1.1.2 Fina	ance Leases				Balance As at 01.04.2016 Rs.	New Leases Obtained Rs.	Repayments Rs.	Balance As at 31.03.2017 Rs.
Gros Fina	Asia Banking Corporation PLC ss Liability nce Charges allocated to Future Po Liability	eriods			7,412,946 7,412,946 (727,377) 6,685,569	- - - -	(6,434,304) (6,434,304) 620,532 (5,813,772)	978,642 978,642 (106,845) 871,797
19.2.1.2 Com	npany	2017 Amount Repayable Within 1 Year Rs.		2017 nount ayable 1 Year Rs.	2017 Total Rs.	2016 Amount Repayable Within 1 Year Rs.	2016 Amount Repayable After 1 Year Rs.	2016 Total Rs.
	k Loans (Note 19.2.1.2.1) nce Leases (Note 19.2.1.2.2)	100,200,000	107,55 107,55	-	207,750,000	389,561,226 2,899,991 392,461,217	207,750,000	597,311,226 2,899,991 600,211,217
9.2.1.2.1 Ban	ak Loans				Balance As at 01.04.2016 Rs.	Loans Obtained Rs.	Repayments	Balance As at 31.03.2017 Rs.
Seyla	nn Bank PLC				597,311,226 597,311,226		(683,259,498) (683,259,498)	207,750,000
 19.2.1.2.2 Fina	ance Leases				Balance As at 01.04.2016 Rs.	New Lease Obtained	, , , , ,	Balance As at 31.03.2017 Rs.
Gross Finan	Asia Banking Corporation PLC s Liability nce Charges allocated to Future Period Liability	ls			3,146,582 3,146,582 (246,591) 2,899,991	- - -	(3,146,582) (3,146,582) 246,591 (2,899,991)	- - - -

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.

statements.	Carryir	Fair Value		
	2017	2016	2017	2016
Financial Assets	Rs.	Rs.	Rs.	Rs.
Other Financial Assets				
- Fair Value through profit or loss Investments	25,653,377	25,653,377	9,029,606	7,559,219
- Available for Sale Investments	142,555,706	142,555,706	103,694,100	97,701,560
Total	168,209,083	168,209,083	112,723,706	105,260,779

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.

2016

37,360,278

38,161,541

20. Rs. Rs. Inventories Food and Beverages 19,329,324 20,074,021 Housekeeping and Maintenance 14,007,469 12,808,833 Printing and Stationery 2,294,312 2,257,120 Consumable and Other 2,530,436 2,220,306

Trade and Other Receivables	G	Group		Group		
	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.		
Trade Receivables	167,327,160	197,462,696	3,120,365	5,701,963		
Other Receivables	28,054,167	19,141,110	12,901,337	13,458,214		
Other Receivables from Related Parties (Note 21.1)	39,404,708	25,819,322	33,593,223	20,415,613		
Provision for doubtful receivables	(7,700,880)	(7,700,880)	(7,700,880)	(7,700,880)		
	227.085.155	234.722.247	41.914.045	31 874 910		

21.1 Other Receivables from Related Parties

	Relationship				
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
Sun Tan Beach Resorts Limited	Subsidiary	-	-	782,387	3,275,502
Hunas Falls Hotel PLC	Affiliate	1,373,619	8,626,631	1,430,780	8,029,196
The Kingsbury PLC	Affiliate	8,312,783	7,520,051	8,312,783	7,520,051
Lake Lodge Resorts (Private) Limited	Affiliate	2,378,292	1,520,156	-	-
Eastern Hotels (Private) Limited	Affiliate	2,969,224	2,567,781	-	-
Hayleys Tours (Private) Limited	Affiliate	670,567	5,224,703	-	-
Hayleys Consumer Products Limited	Affiliate	182,950	-	-	-
Hayleys Agriculture Holdings Limited	Affiliate	450,000	360,000	-	-
Luxury Resorts (Private) Limited	Affiliate	23,067,274	-	23,067,274	-
(Less) Provision for Doubtful Receivables		-	-	(11,468,393)	(11,468,393)
		39,404,708	25,819,322	33,593,223	20,415,613

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

NOTES TO THE FINANCIAL STATEMENTS

21.2 Other Receivables from Related Parties (Contd.)

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

		Neither past		Past	due but not im	paired	
	Total	due nor impaired	< 30 days	31-60 days	61-90 days	91-120 days	121-180 days
2017	167,327,160	6,211,305	71,752,286	58,511,411	17,798,516	6,549,425	6,504,217
2016	197,462,696	7,593,975	86,141,813	67,726,084	18,960,078	6,376,905	6,622,147

22. Cash and Cash Equivalents in the Cash Flow Statement

		Group	Company		
Components of Cash and Cash Equivalents	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	
Favourable Cash and Cash Equivalent Balances					
Cash and Bank Balances	142,957,571	173,811,335	27,635,420	1,429,907	
Short Term Deposits	104,933,276	66,184,435	-	-	
Unfavourable Cash and Cash Equivalent Balances					
Bank Overdraft	(139, 372, 630)	(91,499,563)	-	_	
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	108,518,217	148,496,207	27,635,420	1,429,907	

. Stated Capital Group/Company

		2017		2016	
	Number	Rs.	Number	Rs.	
Fully paid Ordinary Shares (Note 23.1)	51,876,976	819,779,170	50,435,949	718,907,272	
	51,876,976	819,779,170	50,435,949	718,907,272	

23.1 Fully paid Ordinary Shares 2017 2016 Number Rs. Number F

As at 1st April	50,435,949	718,907,272	48,034,238	526,770,320
Scrip Dividends (Note 12)	1,441,027	100,871,898	2,401,711	192,136,952
As at 31st March	51,876,976	819,779,170	50,435,949	718,907,272

24 Reserves

24.1	Revaluation Reserve		Group		
		2017	2016		
		Rs.	Rs.		
	As at 01 April	410,345,894	410,345,894		
	Revaluation During the Year		-		
	Disposal of Land	(155,823,827)	-		
	As at 31 March 2017	274,699,317	410,345,894		

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.

Disposal of Land is the transfer of revaluation surplus held in The Beach Resorts Limited to Retained Earnings on Disposal of the Subsidiary.

24.2	Available for Sale Reserve	2017 Rs.	2016 Rs.
	As at 1st April	(44,854,144)	(30,808,004)
	Net Change in Fair Value (Note 24.2.1)	5,992,540	(14,046,140)
	Re-classified to Profit or Loss during the year (Note 24.2.2)	21,575,520	_
	As at 31st March	(17,286,084)	(44,854,144)

- 24.2.1 Available for sale reserve represents the cumulative changes in fair values recognised by the Company on the financial assets classified as available for sale less the provision for impairment of available for investments.
- 24.2.2 The Company recognised the provision for impairment of available for sale investments of Rs. 21,575,520/-in the profit or loss during the year ended 31st March 2017 due to significant and prolong decline in market value below the cost.

			Group		
25.	Trade and Other Payables	2017	2016	2017	2016
	·	Rs.	Rs.	Rs.	Rs.
	Trade Payables	118,562,052	49,218,807	4,489,842	1,021,382
	Other Payables to Related Parties (Note 25.1)	6,449,164	32,788,964	451,342,034	204,100,128
	Sundry Creditors including Accrued Expenses	182,982,456	203,864,534	18,219,169	29,540,361
		307,993,672	285,872,305	474,051,045	234,661,871

Other Payables to Related Parties	Relationship				
Hayleys PLC	Parent Company	5,473,281	11,122,632	5,475,271	11,122,632
Kandyan Resorts (Pvt) Ltd	Subsidiary Company	-	-	298,057,743	145,505,225
Culture Club Resorts (Pvt) Ltd	Subsidiary Company	-	-	147,075,959	47,152,881
Hayleys Consumer Products Limited	Affiliate Company	1,435	21,907	1,435	1,090
Hayleys Travels (Pvt) Ltd	Affiliate Company	661,032	318,300	661,032	318,300
Hayleys Business Solutions (Pvt) Ltd	Affiliate Company	95,361	-	62,035	-
East India Holdings (Pvt) Ltd	Affiliate Company	-	13,326,125	-	-
Mabroc Teas (Pvt) Ltd	Affiliate Company	167,602	-	1,097	-
Logiwiz Limited	Affiliate Company	7,463	-	7,463	-
Hayleys Electronics Lighting (Pvt) Ltd	Affiliate Company	42,990	-	-	-
Mr.Thissanayagam	Director	-	8,000,000	-	-
		6,449,164	32,788,964	451,342,034	204,100,128

NOTES TO THE FINANCIAL STATEMENTS

26.	Retirement Benefit Obligation		Group	up Compa	
	· ·	2017	2016	2017	2016
		Rs.	Rs.	Rs.	Rs.
	Defined Benefit Obligation - Gratuity				
	Defined Benefit Obligation as at the beginning of the year	37,626,138	30,853,116	9,612,559	8,316,280
	Employee Transfer	(714,116)	-	-	-
	Current Service Cost	2,698,781	2,032,462	348,554	328,726
	Interest Cost	4,038,261	2,967,791	1,036,517	796,628
	Actuarial (Gain)/Loss	4,694,737	4,123,178	2,111,335	870,925
	Benefit paid	(3,222,659)	(2,350,409)	(379,350)	(700,000)
	Defined Benefit Obligation as at the end of the year	45,121,143	37,626,138	12,729,615	9,612,559

Messrs. NMG Consulting, an independent actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on March 31, 2017. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	2017	2010
Discount Rate	12%	11%
Future Salary Increment Rate	11%	10%

Sensitivity of the principal assumptions used	Expected Fu	ture Salaries	Discount Rate		
,	1% increase Rs.	1% decrease Rs.	1% increase Rs.	1% decrease Rs.	
Company Change in Present value of Defined Benefit Obligation	562,793	(531,034)	(537,000)	579,623	
Group Change in Present value of Defined Benefit Obligation	2,993,000	(2,712,000)	(2,691,000)	3,022,000	

The demographic assumption underlying the valuation is the retirement age of 55 years and average duration of the defined benefit obligation as at the end of the reporting period is 7.9 years (2016- 9.8 years).

27. Commitments and Contingencies

26.1

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. 236 Mn (2016 - Rs. 286 Mn).

Kandyan Resorts (Private) Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Rs. 162 Mn (2016 - Rs. 374 Mn).

Sun Tan Beach Resorts Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Rs. 25 Mn (2016 - Rs. 68 Mn).

25.1

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 01.08.2016 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:

	2017	2016
	Rs.	Rs.
Not later than one year	3,925,000	1,284,600
Later than one year and not later than 05 years	15,140,271	-
	19,065,271	1,284,600

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:

	2	2017		2016	
		Present value of payments (Note 19)		Present value of payments (Note 19) Rs.	
	Rs.	Rs.	Rs.		
Within one year	978,642	871,797	7,262,651	6,566,827	
After one year but not more than five years	-	-	150,295	119,042	
Total minimum lease payments	978,642	871,797	7,412,946	6,685,569	
Less amounts representing finance charges	(106,845)	-	(727,377)	-	
Present value of minimum lease payments	871,797	871,797	6,685,569	6,685,569	

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 A	Included Under		
		Rs. 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	1,459,248,496	1,488,557,731	Property, Plant and Equipments	

29. Related Party Disclosures

Details of significant related party disclosures are as follows:

		Parei	it Company	Subsid	iary Companies	Othe	er Companies		Total
1	Transaction with the Related Entities	2017	2016	2017	2016	2017	2016	2017	2016
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Nature of Transaction								
	As at 1 April	(11,122,632)	(20,490,279)	(187,791,739)	(48,593,464)	15,229,857	11,672,791	(183,684,514)	(57,410,952)
	Rendering/Obtaining Services	(40,903,296)	(35,725,310)	-	-	(9,655,053)	(4,601,546)	(50,558,348)	(40,326,856)
	Management Fees		-	2,775,510	2,718,361	43,092,749	36,556,541	45,868,259	39,274,902
	Commission Income			82,786,654	82,526,085	61,478,123	49,570,031	144,264,777	132,096,116
	Expenses incurred by the Company on								
	behalf of Others	-	-	5,124,585	8,793,406	27,562,672	3,349,144	32,687,257	12,142,550
	Dividend	-	-	104,516,481	224,214,107	-	-	104,516,481	224,214,107
	Settlement of Liabilities on behalf of the Company	(16,949,628)	(4,748,317)	-	-	-	-	(16,949,628)	(4,748,317)
	Settlement of Liabilities by the Company on								
	behalf of Others	-	-	179,912,342	74,879,174	25,482,853	26,834,883	205,395,195	101,714,057
	Collections made by the Company on								
	behalf of the Others	-	-	(28,035,145)		(7,601,025)	(1,323,037)	(35,636,170)	(19,410,509)
	Fund Transfers		49,841,274	(601,900,000)	(517,348,650)	-	-	(601,900,000)	(517,348,650)
	Payment Made	63,500,285	_	_	_	(123,512,402)	(106,828,950)	(60,012,117)	(56,987,676)
	Receipt for Services	-	-	-	3,106,714	-	-	-	3,106,714
	Intercompany Write off	_	-	(1,740,002)	_	-	_	(1,740,002)	_
	As at 31 March	(5,475,271)	(11,122,632)	(444,351,314)	(187,791,739)	32,077,774	15,229,857	(417,748,810)	(183,684,514)
				-					
	Included in								
	Amount due from Related Party	-	-	782,387	4,866,367	32,810,836	15,549,247	33,593,224	20,415,614
	Amount due to Related Party			(445,133,702)		(733,062)	(319,390)	, , ,	(204,100,128)
		(5,475,271)	(11,122,632)	(444,351,314)	(187,791,739)	32,077,774	15,229,857	(417,748,810)	(183,684,514)

Cubaidiama Cammaniaa

Other Commenter

All the above related party transactions have been conducted on agreed commercial terms with the respective parties on an arm's length basis

Parent: Hayleys PLC

Subsidiaries: Culture Club Resorts (Private) Limited, Kandyan Resorts (Private) Limited, The Beach Resorts Limited (Divested on 23rd Dec. 2016), 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, Luxury Resorts (Pvt) Ltd, Hayleys Consumer Products Limited, Hayleys Business Solutions International (Pvt) Ltd, Hayleys Tours (Pvt) Ltd.

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.		Group			
a)	Key Management Personnel Compensation		2017 Rs.	2016 Rs.		
Sho	Short-term Employment Benefits - Executive		41,902,637	41,532,786		
	- Non-executive		2,570,000	2,625,600		
Post	ost-employment Benefits - Executive		1,620,000	1,440,000		
			46,092,637	45,598,386		

NOTES TO THE FINANCIAL STATEMENTS

b) Disposal of Subsidiary

The details of Announcement made to Colombo Stock Exchange for the Related Party Transaction during the year are as follows:

The related Party Transaction

Sale of the entire shareholding of 6,176,790 shares (84.30% of the equity stake of The Beach Resorts Limited) held by Amaya Leisure PLC in The Beach Resorts Ltd, a subsidiary of the Company.

Name of the Related Party	Relationship	Value of the Related Party Transactions entered into during the financial year	Value of Related Party Transactions as a % of Equity and as a % of Total Assets	Terms and Conditions of the Related Party Transactions	The rationale for entering into the transactions
Purchaser Mr. Dhammika Perera	Mr.Dhammika Perera is a Common Director of Amaya Leisure PLC and the Beach Resorts Limited	Rs.330,111,191/=	5.63% of Total Assets	Normal Commercial Terms. A Valuation of the property has been carried out by an independent valuer to ascertain the Fair Value.	To rationalize the investment portfolio of the Company.

c) Other Transactions

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

29.3 Other Related Parties Disclosures

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

Related Party	Description	2017 Rs.	2016 Rs.
Pan Asia Banking Corporation PLC	Lease Rental paid	6,434,304	12,892,440
	Lease Payables as at 31 March	978,642	7,412,946

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

Event Occurring after the Reporting Date

There have been no any 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 desinated 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 2017 and 2016.

NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management Objectives and Policies (Contd..)

Interest Rate Sensitivity

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 + 1%.

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:

	in basis points	before tax
2017	+50	(5,056,267)
	-50	5,056,267
2016	+50	(8,465,997)
	-50	8,465,997

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

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency) and the borrowings.

Equity price risk

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

At the reporting date, the exposure to listed equity securities at fair value was Rs. 112,723,706/- An increase or decrease of 10% on the Colombo Stock Exchange (CSE) market index (ASPI) could have an impact of approximately Rs. 11,272,370/- 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 2017, the Group had 9 customers (2016: 9 customers) that owed the Group more than Rs.2,000,000 each and accounted for approximately 35% (2016: 24%) of all receivables owing. There was one customer with balances greater than Rs.15 million accounting for approximately 21% 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.

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 2017	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	139,372,630	83,230,384	247,075,761	1,048,857,189	1,518,535,964
Trade and other payables	-	307,993,672	-	-	307,993,672
	139,372,630	391,224,057	247,075,761	1,048,857,189	1,826,529,636
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	1,791,385,137
Trade and other payables	-	298,144,850	-	-	298,144,850

380,860,789 324,836,481 152,142,632 1,231,690,085 2,089,529,987

2016

Capital management

Capital includes the equity attributable to the equity holders.

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

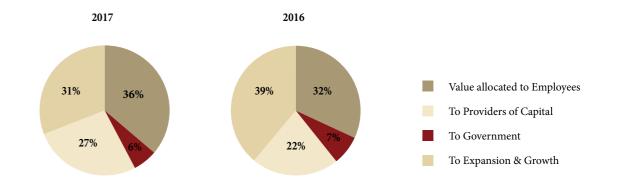
No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

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.

	2017 Rs.	2016 Rs.
Interest-bearing loans and borrowings (Note 19)	1,518,535,964	1,791,384,537
Trade and other payables (Note 25)	344,502,967	298,144,850
Less: cash and short-term deposits (Note 17 and Note 20)	(247,890,847)	(239,995,770)
Net debt	1,615,148,084	1,849,533,617
Equity	3,681,281,972	3,750,806,955
Total capital	3,681,281,972	3,750,806,955
Capital and net debt	5,296,430,056	5,600,340,572
Gearing ratio	30%	33%

STATEMENT OF VALUE ADDED

Group Value Added Statement	G	Group		
	2017 Rs:	2016 Rs.	2017 Rs.	2016 Rs
Turnover	1,592,920,245	1,642,043,754	170,983,876	157,702,486
Other Income	100,812,930 1,693,733,174	61,256,360 1,703,300,114	379,533,350 550,517,226	227,142,832 384,845,318
Less: Cost of Material & Services brought in	(754,083,360)	(705,075,973)	(68,500,285)	(74,590,601
2000 300 31 11410141 60 30 1140 31 31 31 31	939,649,814	998,224,141	482,016,941	310,254,717
Value allocated to employees Salaries, wages and other benefits	340,279,809	318,352,918	81,816,547	74,589,162
To Government TT, TDL & Income Tax	57,026,993	73,658,457	2,751	
To Providers of Capital	(55 (20 440)	(40.215.225)		
Non-Controlling Interest Loan Interest & Dividend	(57,620,448) 309,219,863	(40,317,327) 258,063,714	185,905,804	151,549,284
To Expansion & Growth				
Depreciation & Retained in Business	290,743,598 939,649,814	388,466,379 998,224,141	214,291,839 482,016,941	84,116,272 310,254,717
Value allocated to employees	36%	32%	17%	24%
To Government To Providers of Capital	6% 27%	7% 22%	0% 39%	49%
To Expansion & Growth	31%	39%	44%	27%
	100%	100%	100%	100%



SHARE AND INVESTOR INFORMATION

AMAYA LEISURE PLC

ORDINARY SHAREHOLDERS AS AT 31ST MARCH 2017

NUMBER OF SHARES HELD	1	RESIDENTS		NON	RESIDEN	ITS		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	1,222	194,032	0.3740	14	4,779	0.0092	1,236	198,811	0.3832
1,001 - 10,000	190	510,794	0.9846	5	18,342	0.0354	195	529,136	1.0200
10,001 - 100,000	50	1,424,364	2.7457	2	95,609	0.1843	52	1,519,973	2.9300
100,001 - 1,000,000	14	6,815,964	13.1387				14	6,815,964	13.1387
OVER 1,000,000	5	42,813,092	82.5281				5	42,813,092	82.5281
Total	1,481	51,758,246	99.7711	21	118,730	0.2289	1,502	51,876,976	100.0000
CATEGORY									
Individuals	1,393	4,597,425	1.5895	21	118,730	0.2289	1,414	4,716,155	1.8183
Institutions	88	47,160,821	98.1817	-	_	-	88	47,160,821	98.1817
	1,481	51,758,246	99.7711	21	118,730	0.2289	1,502	51,876,976	100.0000

FIRST TWENTY SHAREHOLDERS

FIRST TWENTY SHAREHOLDERS AS AT 31.03.2017

	NAME OF SHAREHOLDER	NO. OF SHARES AS AT 31.03.2017	%	NO. OF SHARES AS AT 31.03.2016	%
1	HAYLEYS PLC	20,915,531	40.32	20,334,545	40.32
2	DEAN FOSTER (PVT) LTD	11,072,484	21.34	10,764,915	21.34
3	EMPLOYEE PROVIDENT FUND	4,990,397	9.62	4,851,775	9.62
4	PEOPLE'S LEASING & FINANCE PLC/MR.L.T.SAMARAWICKRAMA	4,291,354	8.27	4,172,150	8.27
	HSBC - MR.L.T.SAMARAWICKRAMA	464,118	0.89	451,227	0.89
	MR.L.T.SAMARAWICKRAMA	64,800	0.12	63,000	0.12
5	MR. W.A.D.C.J. WICKRAMASINGHE	1,543,326	2.97	1,500,456	2.97
6	MERCANTILE INVESTMENTS AND FINANCE PLC	928,800	1.79	903,000	1.79
7	TOYO CUSHION LANKA (PVT) LTD	881,712	1.70	857,220	1.70
8	AIA INSURANCE LANKA PLC A/C NO.07	796,571	1.54	-	0.00
9	VOLANKA EXPORTS LIMITED	694,332	1.34	675,045	1.34
10	BANK OF CEYLON NO.1 ACCOUNT	569,845	1.10	554,016	1.10
11	MR.H.A.VAN STARREX	541,469	1.04	1,174,255	2.33
12	MR.K.D.D.PERERA	483,473	0.93	470,044	0.93
13	ASSOCIATED ELECTRICAL CORPORATION LTD	380,571	0.73	370,000	0.73
14	ELLES (PVT) LTD	366,413	0.71	356,235	0.71
15	MR.S.SENARATNE	211,428	0.41	400,000	0.79
16	MR.H.A.M.P.ALGAMA	181,593	0.35	115,000	0.23
17	MR.D.J.DE SILVA WIJEYERATNE	165,889	0.32	101,282	0.20
18	BANK OF CEYLON A/C CEYBANK CENTURY GROWTH FUND	149,750	0.29	145,491	0.29
19	MR.M.A.H.ESUFALLY	98,992	0.19	96,243	0.19
20	DFCC VARDHANA BANK LTD/MR.B.A.D.H.C.MAHIPALA	86,400	0.17	84,000	0.17
		49,879,248	96.15	48,439,899	96.04

Percentage of Public Holding As At 31.03.2017 20.83% Total No. of Shareholders Represent in Public Holding 1,489

SHARE TRADING INFORMATION

FOR THE 03 MONTHS ENDED 31.03.2017

Highest Price	69.00	20/01/2017
Lowest Price	55.30	24/03/2017
Closing Price	63.80	
No. of Transactions	108	
No. of Shares Traded	34,536	
Value of Shares Traded	2,207,979.30	
FOR THE 12 MONTHS ENDED 31.03.2017		
FOR THE 12 MONTHS ENDED 31.03.2017		
FOR THE 12 MONTHS ENDED 31.03.2017 Highest Price	73.50	16/05/2016
	73.50 55.30	16/05/2016 24/03/2017
Highest Price		
Highest Price Lowest Price	55.30	
Highest Price Lowest Price Closing Price	55.30 63.80	

FIVE YEAR SUMMARY

		2016/17	2015/16	2014/15	2013/14	2012/13
Operating Results						
Group Turnover	Rs. 000s	1,592,920	1,642,044	1,413,338	1,171,594	1,065,394
Profit Before Taxation	Rs. 000s	188,261	301,625	223,489	417,919	409,936
Taxation	Rs. 000s	-39,438	-54,927	-42,667	-41,757	-31,893
Profit After Taxation	Rs. 000s	148,823	246,698	180,822	376,162	378,043
0						
Statement of Financial Position	D 000	010 ==0	510.005	526 550	526 550	526 550
Share Capital	Rs. 000s	819,770	718,907	526,770	526,770	526,770
Pending Share allotment	Rs. 000s	-	-	192,137	-	-
Capital Reserve	Rs. 000s	274,699	410,346	410,346	65,295	65,295
Available for Sale Reserve	Rs. 000s	-17,286	-44,854	-30,808	-57,951	-43,459
Revenue Reserves	Rs. 000s	2,318,535	2,266,477	2,073,582	2,083,606	1,923,537
Shareholders' Fund	Rs. 000s	3,395,727	3,350,876	3,172,027	2,617,721	2,472,143
Non-Current Assets Current Assets Current Liabilities (Net of Borrowings) Borrowings	Rs. 000s Rs. 000s Rs. 000s Rs. 000s	5,141,443 554,134 -348,962 -1,518,536	5,436,798 564,440 -324,016 -1,791,385	5,493,752 377,117 -319,738 -1,839,254	2,880,364 277,056 -156,965 -243,421	2,708,690 267,256 -174,030 -197,827
Provisions	Rs. 000s	-146,797	-135,031	-116,815	-110,010	-102,646
Non-Controlling Interest	Rs. 000s	-285,554	-399,931	-423,035	-29,302	-29,300
Net Assets	Rs. 000s	3,681,282	3,750,807	3,595,062	2,647,023	2,501,443
Key Indicators						
Earning per Share	Rs.	3.98	5.53	4.74	7.83	7.87
Market price per 31st March	Rs.	63.80	60.50	71.50	72.30	76.50
Highest Market Price	Rs.	73.50	87.90	91.90	84.90	88.00
Lowest Market Price	Rs.	55.30	52.00	70.00	66.00	56.00
Return on Equity	%	4.04	6.58	5.03	14.21	15.11
Return on Shareholders Fund	%	6.08	8.56	7.18	14.37	15.29
Price Earning Ratio	No. of Times	16.03	10.94	15.08	9.23	9.72
Interest Cover	No. of Times	1.92	2.95	2.65	26.56	29.00
Gearing Ratio	%	30	33	36	9.20	7.91
Current Ratio	No. of Times	0.68	0.64	0.34	0.74	0.83
Net Assets Per Share	Rs.	65.46	66.44	66.04	54.50	51.47

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-Controling 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-Controling 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.

Fair Value

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

Impairment

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

Interest Cover

Consolidated profit before interest and tax over net finance expenses.

GLOSSARY OF FINANCIAL TERMS

Non-Controlling Interest

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

Market Value Per Share

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

Market Capitalisation

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

Net Assets

Total assets minus current liabilities minus long term liabilities minus Non-Controling 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 Fifth 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, 22nd June 2017 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 2017.
- 2) To re-elect, Mr.S.J.Wijesinghe, who has been appointed to the Board since the last Annual General Meeting, a Director.
- 3) To re-elect Mr.S.H.Amarasekera, who retires by rotation at the Annual General Meeting a Director.
- 4) To re-elect Mr.C.J.Wickramasinghe, who retires by rotation at the Annual General Meeting a Director.
- 5) To authorize the Directors to determine contributions to Charities for the financial year 2017/18.
- 6) To authorise the Directors to determine the remuneration of the Auditors, M/s Ernst & Young, chartered accountants, who are deemed to have been reappointed as Auditors in terms of Section 158 of the Companies Act No.7 of 2007 for the financial year 2017/18.
- 7) To consider any other business of which due notice has been given.

Note:

(1) A Shareholder is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a shareholder of the Company. A Form of Proxy is enclosed for this purpose. The instrument appointing a proxy must be deposited with Hayleys Group Services (Pvt) Ltd, Secretaries, No. 400, Deans Road, Colombo 10, Sri Lanka, by 10.00 a.m. on 20th June 2017.

by Order of the Board Amaya Leisure PLC Hayleys Group Services (Pvt) Ltd. Secretaries

Colombo 22nd May 2017

FORM OF PROXY

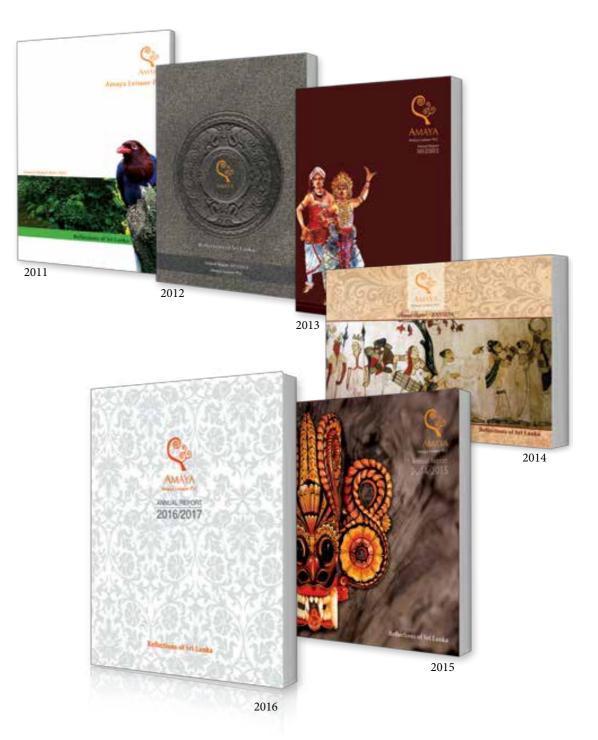
I/We*			(full name of sl	nareholder**)
NIC No.	/Reg	No. of Shareholder (**)		
being Sh	areh	older/Shareholders* of AMAYA LEISURE PLC hereby appoint:		
(1)			(full name of pro	oxyholder**)
NIC No.	of P	oxyholder (**)		
of				or,
failing h	im/th	em		
2.	Co Ge	EYAKUMAR MOHAN PANDITHAGE (Chairman of the Company) of Colombo, of mpany as my/our * proxy to attend and vote as indicated hereunder for me/us* and on neral Meeting of the Company to be held on Thursday, 22nd of June 2017 and at every aforesaid meeting and at any adjournment thereof.	my/our* behalf at the Thirty	Fifth Annual
			For	Against
	1.	To adopt the Annual Report of the Directors and the Statements of Accounts for the year ended 31st March 2017 with the Report of the Auditors thereon.		
	2.	To re-elect Mr.S.J.Wijesinghe who has been appointed to the Board since the last Annual General Meeting, a Director.		
	3.	To re-elect, Mr.S.H.Amarasekera, who retires by rotation at the Annual General Meeting, a Director.		
	4.	To re-elect, Mr.C.J.Wickramasinghe, who retires by rotation at the Annual General Meeting, a Director.		
	5.	To authorise the Directors to determine contributions to charities for the financial Year 2017/18.		
	6.	To authorise the Directors to determine the remuneration of the Auditors, Messrs. Ernst & Young, Chartered Accountants, who are deemed to have been re-appointed as Auditors in terms of Section 158 of the Companies Act No.7 of 2007 for the financial year 2017/18		
) The proxy may vote as he thinks fit on any other resolution brought before the Meeting witness my/our hands this	_	en.
Witness				
Withess		ame :	Signature of Shareholder	•••
		ddress :	8	
	N	IC No :		
Notes:	(b)	* Please delete the inappropriate words. A shareholder entitled to attend and vote at the Annual General meeting of the Compand vote instead of him/her and the proxy need not be a shareholder of the company. ** Full name of shareholder/proxy holder and their NIC Nos and Witness are mandat these details are not completed. A shareholder is not entitled to appoint more than one proxy to attend on the same o	tory. Your Proxy Form will be	•

- (d) Instructions are noted on the reverse hereof.
- (e) This Form of Proxy is in terms of the Articles of Association of the Company.

INSTRUCTIONS AS TO COMPLETION

- 1. To be valid, the completed Form of Proxy must be deposited with the Company Secretaries, Hayleys Group Services (Pvt) Ltd at No.400, Deans Road, Colombo 10, Sri Lanka not less than 48 hours before the starts of the Meeting.
- 2. In perfecting the Form of Proxy, please ensure that all requested details are filled in legibly including mandatory details. Kindly Sign and fill in the date of signing.
- 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. The proxy need not be a member of the Company.
- 4. Please indicate with an X in the space provided how your proxy is to vote on the resolutions. 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 resulution 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.
 - In the case of the individual shareholders, the signature of the shareholder should be witnessed by any person over 18 years of age.
- 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.
- 7. In case of Marginal Trading Accounts (slash accounts), the form of Proxy should be signed by the respective authorised Fund Manager/Banker with whom the account is maintained.

AMAYA LEISURE PLC'S ANNUAL REPORT ARCHIVE





NOTES

CORPORATE INFORMATION

NAME OF COMPANY Amaya Leisure PLC

COMPANY REGISTRATION NO; PQ 145

LEGAL FORM Quoted Public Company with limited liability originally incorporated

in Sri Lanka as a Private Company and later converted to a

Public Company.

REGISTERED OFFICE Level 27, East Tower, World Trade Center

Echelon Square, Colombo - 01 Telephone: 011 - 4767800 Fax: 011 - 4767832

Website: www.amayaresorts.com

BOARD OF DIRECTORS Mr. A.M. Pandithage (Chairman)

Mr. L.T. Samarawickrama (Managing Director) Mr. C.J. Wickramasinghe (Deputy Chairman)

Mr. Dhammika Perera

Mr. Nimal Perera (Resigned w.e.f. 08.03.2017)

Mr. S. Senaratne Mr. S.H. Amarasekera Mr. D.E. Silva

Ms. R.N. Ponnambalam Ms. W.D. De. Costa

Mr. S.J. Wijesinghe (Resigned from Alt. to Mr. Dhammika Perera &

appointed as a Director w.e.f. 15.03.2017)

Mr. H. Somashantha - Alternate Director to Mr. Nimal Perera

(Ceased w.e.f. 08.03.2017)

Ms. A.A.K. Amarasinghe - Alternate Director to Mr. Dhammika Perera

(Appointed w.e.f. 15.03.2017)

SUBSIDIARY COMPANIES

Unquoted Culture Club Resorts (Private) Limited.

Kandyan Resorts (Private) Limited. Sun Tan Beach Resorts Limited.

Connaissance Air Travels (Private) Limited.

Connaissance Hotel Management (Private) Limited.

CDC Convention (Private) Limited.

The Beach Resorts Limited. (Divested on 23rd December 2016)

SECRETARIES Hayleys Group Services (Private) Limited.

No: 400, Deans Road

Colombo-10

AUDITORS Ernst & Young

Chartered Accountants 201, De Saram Place

Colombo - 10.

BANKERS Hatton National Bank PLC

National Development Bank PLC Commercial Bank of Ceylon PLC

Pan Asia Bank PLC

DFCC Bank

Nations Trust Bank PLC Seylan Bank PLC

