



AMAYA
LEISURE PLC



POETIC JOURNEYS

ANNUAL REPORT - 2017/2018



AMAYA RESORTS & SPAS POETIC JOURNEYS

At Amaya Resorts and Spas, discover ancient charms, rich cultures, and warm hospitality, be it in the blue azure waters of the Maldives Islands or in the beautiful island paradise of Sri Lanka.

Our theme Resorts, scattered in the most scenic and historic locations provide you with a chance to fall in love while enjoying an unforgettable experience and promotes the unique concept of

“Amaya”

Non-Illusive

a brand that highlights the true reflections of Sri Lanka.



AMAYA
LEISURE PLC

ഘൃഷ്ണരോ വേലാ!
Welcome!
നൾവരവു!



Group Structure



The Icons Behind Amaya's Success Story




AMAYA
LAKE • KANDALAMA • DAMBULLA
SRI LANKA




AMAYA
HILLS • KANDY
SRI LANKA




AMAYA
BEACH • PASIKUDAH
SRI LANKA




AMAYA
SIGNATURE • KANDALAMA • DAMBULLA
SRI LANKA




AMAYA
BUNGALOW • KANDY
SRI LANKA




AMAYA
HUNAS FALLS • KANDY
SRI LANKA




AMAYA
KUDA RAH
MALDIVES




AMAYA
LANGDALE • NUWARA ELIYA
SRI LANKA




Nuwara Eliya
SRI LANKA
EST. 1988




The Villas
WADDUWA • SRI LANKA

Our Vision

To be the Number One choice for holidaymakers in Sri Lanka

Our Mission

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

Our Values

Amaya Hotels maintain the following values:

Outstanding Service

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

High Performance

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

Perpetual Integrity

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

Unflagging Passion

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

Improvement

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

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



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Fall in love while enjoying
an unforgettable experience...

Discover ancient charms, rich cultures, and
warm hospitality in this beautiful island paradise.

Financials at a Glance

A Snapshot of Our Business

Rs.1.4 BN
Revenue

Rs. 195 MN
Operating Profit



71,868

No. of Room Nights Served



136,706

No. of Guests Served



655

No. of Employees



Rs. 350 MN

Payments to Employees



Rs. 300 MN +

Contribution to Government Revenue
(Direct & Indirect taxes)

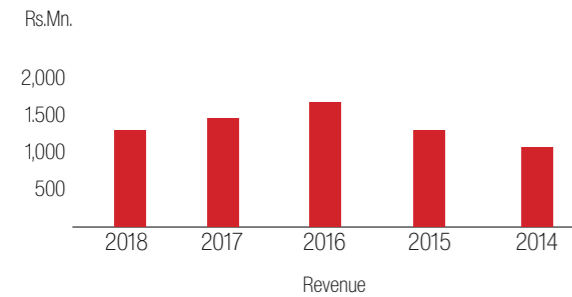
Group Financial and Operational Highlights 2017/2018

		2018	2017	Change %
Earnings Highlights and Ratios				
Revenue	Rs. 000	1,442,894	1,575,332	(8.41)
Results from operating activities	Rs. 000	195,723	384,975	(49.16)
Profit before tax	Rs. 000	50,051	188,261	(73.41)
Profit after tax	Rs. 000	8,038	148,823	(94.60)
Profit attributable to owners of the parent	Rs. 000	93,267	206,443	(54.82)
Dividends	Rs. 000	-	103,753	(100)
Gross profit margin	%	54.99	57.43	(4.24)
Operating profit margin	%	13.56	24.44	(44.49)
Net profit margin	%	0.56	9.45	(94.10)
Earnings per share (basic)	Rs.	1.80	3.98	(54.82)
Return on Assets (ROA)	%	0.14	2.61	(94.54)
Return on Capital Employed (ROCE)	%	3.81	7.40	(48.59)
Interest cover	No. of Times	1.34	1.96	(31.35)
Financial Position Highlights and Ratios				
Total Assets	Rs. 000	5,634,949	5,695,577	(1.06)
Total Debts	Rs. 000	1,447,915	1,518,536	(4.65)
Equity attributable to equity holders of the parent	Rs. 000	3,487,773	3,395,728	2.71
Gearing	%	28.16	29.20	(3.58)
Debt/Equity	%	39.19	41.25	(4.99)
Equity Asset Ratio	%	65.56	64.63	1.44
Net Assets per share	Rs.	67.23	65.46	2.71
Current ratio	No. of Times	0.69	0.68	1.46
Quick asset ratio	No. of Times	0.64	0.63	2.33
No. of shares in issue	No.	51,876,976	51,876,976	-
Market/Shareholders information				
Market value per share	Rs.	52.80	63.80	(17.24)
Dividend per share	Rs.	-	2.00	(100)
Market Capitalisation	Rs. 000	2,739,104	3,309,751	(17.24)
Price earning ratio	No. of Times	29.33	16.03	83.18
Dividend yield ratio	%	-	3.13	(100)
Dividend payout ratio	%	-	50.26	(100)
Dividend Cover	No. of Times	-	1.99	(100)
Others				
Economic Value Generated	Rs. 000	771,782	939,650	(17.86)
Economic Value Distributed	Rs. 000	483,501	648,906	(25.49)
Government	Rs. 000	59,223	57,027	3.85
Employees	Rs. 000	346,460	340,280	1.82
Shareholders	Rs. 000	-	103,753	(100)
To Lenders of Capital	Rs. 000	77,817	147,847	(47.37)
Employees on payroll	No.	655	681	(3.82)
Value added per employee	Rs. 000	1,178	1,380	(14.60)
Average revenue per employee	Rs. 000	2,203	2,313	(4.77)

Financial Highlights Graphical Analysis

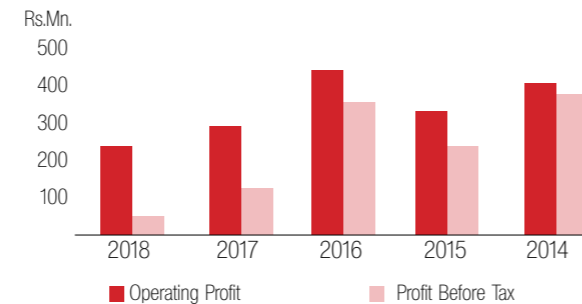
Revenue

The group achieved Rs. 1.4 Billion revenue for the year under review with 8% lower than year before mainly due to the adverse impact to the industry in the Q 1. (Refer the Message from the Chairman's Review)



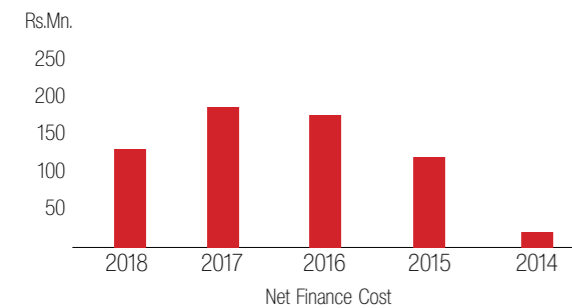
Operating Profit

Impact to the revenue for the year was directly affected to the group profit largely due loss of considerable net margin on the less achievement of room revenue. (Refer the note no: 6.1 in notes to the Financial Statements)



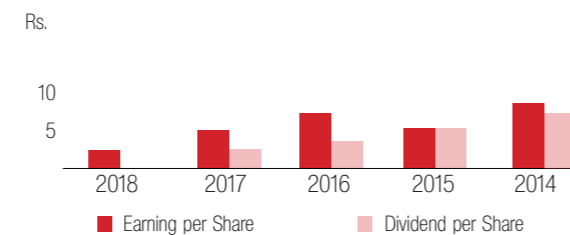
Net Finance Cost

Net finance cost was reduced by 25% compared to year 2017 contributing favourable capital market condition lead to make fair value gain on short term investments as well as with the proper cashflow management procedure.



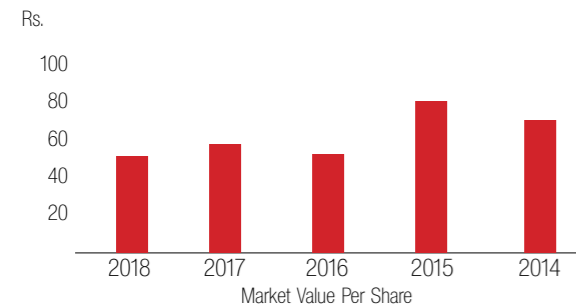
Earnings Per Share / Dividend Per Share

Lower performance of the top line in the operation was lead to reduce EPS by 55% compared to year 2017.



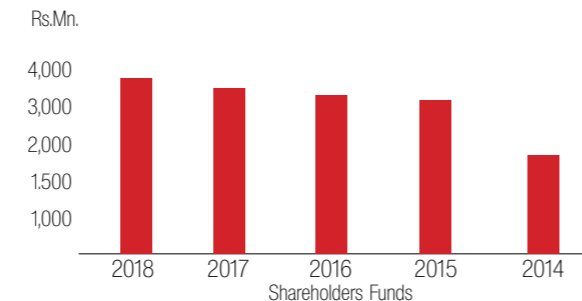
Market Value Per Share

Amaya's Market value per share as of 31.03.2018 was Rs. 52.80 compared to the last year Rs . 63.80



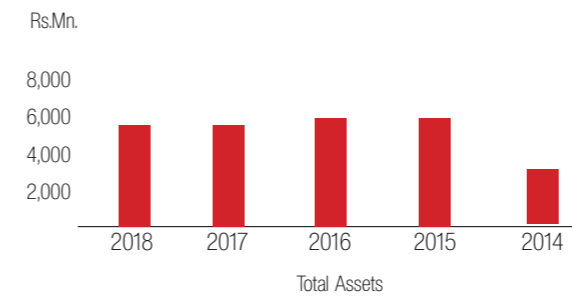
Shareholders' Funds

Group has continuously increased the equity attributable to the shareholders to Rs. 3.5 Billion (Refer the 10 year summary in the page no: 152)

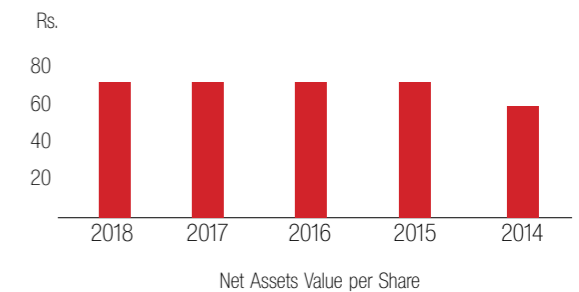


Value of the group assets at the year end was Rs. 5.6 Billion and the net asset value per share was Rs. 67.23, 20% above the market value per share.

Total Assets

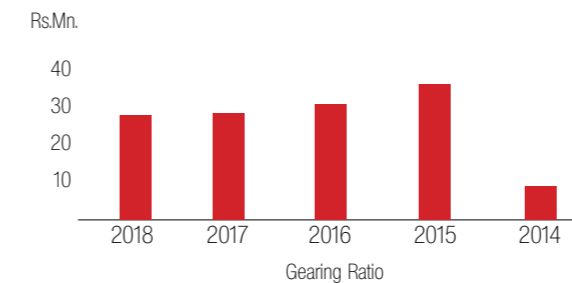


Net Assets Value Per Share



Gearing Ratio

Group gearing position was continuously reducing and is currently positioned at 28% with the proper working capital and cashflow management process.





Caught in an island spell...

Be captivated by the allure and warmth of a tropical island paradise.

Message from the Chairman



The management is acutely aware of the fact that the traditional marketing landscape of the leisure sector is changing at a rapid 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.

MOHAN PANDITHAGE
Chairman

Message from the Chairman

Dear Shareholder,

I am pleased to present you the Annual Report and the Audited Financials of Amaya Leisure PLC for the year ended 31st March 2018. The year under review was one of the most challenging periods for the company.

The Group posted a revenue of Rs. 1.44 Bn, a decline of 8.4% from the comparative period of Rs. 1.57 Bn. Rising costs impacted the Group's profit margins with Operating profits (before net finance cost) declining to Rs. 195 Mn from Rs. 385 Mn in the previous period. Due to tight financial controls, The Group was able to reduce its Net Finance cost from Rs. 196.7 Mn in FY 2016/17 to Rs. 145.7 Mn. Overall, the company posted a Profit before tax of Rs. 50 Mn, a lowest in the recent years, when compared to the Profit before tax of Rs. 188 Mn in the previous year. The tax charge for the year was Rs. 42 Mn, resulting in a Profit after tax of Rs. 8 Mn for the year under review.

The financial year 2017/18 was disappointing as amidst several setbacks in terms of spread of dengue epidemic, cancellation of direct flights of the national airline carrier to Europe, adverse travel advisories resulting for environmental calamities such as floods, intense competition in the Cultural triangle with proliferation of boutique and non-graded accommodations, and e-commerce sites such as Airbnb disrupting the traditional marketing of hotel rooms. In this context of we witnessed both a decline in Occupancy of around 2% and Average Room Rates by 10% in our hotel portfolio eroding the Group's revenue base.

Amaya Hills continues to be the most promising hotel of Amaya contributing to a net profit of Rs. 178 Mn, followed by Amaya Lake posting a profit of Rs. 51 Mn.

The East coast hotel of the Group, Amaya Beach Passikudah is yet to untap its true potential, as this beautiful destination is affected by lack of air connectivity. Our repeated appeals to the Government to look into a possibility of operating domestic flights by way of a Private Public Partnership has not been heard. The long 6 hour travel by road has been the main hurdle to drive occupancies, which fell to 26% from 31% in the comparative period. The losses of Amaya Beach of Rs. 204 Mn, impacted adversely to the Group's overall profitability.

During the year Amaya was able to complete a vacuum in its hotel portfolio, a beach property in the West Coast. The "Villas" comprises of 32 luxury

beach villas was launched in the latter part of the year 2017, and is expected to fare well with its unique cosy offering of private villas departing from the traditional hotels.

Oliphant Bungalow in Nuwara Eliya was another property that under the management of Amaya, thus expanding its footprint of managing two plantation bungalows in Nuwara Eliya. Plans are laid out to expand the offering of plantation bungalows showcasing the scenic spots of our country's hillside.

The Maldivian resort Amaya Kuda Rah owned by Hayleys Group became the first overseas resort managed by Amaya, was refurbished relaunched in the latter part of the year 2017. The prospects of the hotel has shown promise with good travel reviews, and increasing ARR's.

Industry Overview

Sri Lanka's tourist arrivals had a modest growth of 3.2% reaching 2.1 Mn tourist arrivals during the year 2017. Western Europe continues to be the largest origin for tourists contributing to 32% followed by South Asia and East Asia. India remained the largest country of tourist origin with 384,628 arrivals in 2017, 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 2017.

The tourism industry, remained the third largest foreign exchange earner to the country.

Earnings from tourism grew by 11.6% to US dollars 3,925million in 2017, in comparison to US dollars 3,518 million in 2016.

Way Forward

Currently Amaya owns 3 key properties in Kandy, Dambulla and Passikudah and manages five Properties in Wadduwa, Kandy, Nuwara Eliya and one overseas resort in Maldives accounting for over 500 room keys. Our strategic direction is to harness our expertise of providing a truly Sri Lankan authentic experience to our guests by managing more properties in Sri Lanka and Overseas. Our medium term target is to increase the room keys to 1000, thus enhancing the brand equity of Amaya as a leading hotel management chain in the South Asian region.

The management is a cutely aware of the fact that the traditional marketing landscape of the leisure sector is changing at a rapid 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 have invested resources to exploit digital marketing, and optimizing our on-line booking platforms across all properties through a single window, thereby reducing dependency on the traditional tour operators. Another strategy that is pursued is to seek new markets. During the year, we participated in Travel Exhibitions in Australia, promoting Sri Lanka as a travel destination to the Australian market segment which also has a large Sri Lankan diaspora base.

We are constantly looking at ways and means of enhancing the comfort and experience of the discerning traveller. Inspire of a challenging year, we continue to invest in training and development of our people, as they would be the first point of contact of "Amaya's" brand promise.

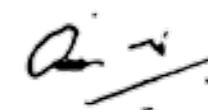
Awards and Accolades

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 2017.

Conclusion

I wish to place on record my sincere gratitude to all my fellow board members for the guidance during a very challenging year. 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.



MOHAN PANDITHAGE

Chairman

08th May 2018



Rustic grandeur.
Luxury living...

Enjoy the grandeurs of a by-gone era combined with the contemporary luxuries you'd expect in paradise.

Managing Director's Review



“Every effort is being made to establish new businesses whilst securing the existing volumes, and I am positive that with a vibrant team of new Sales & Marketing personnel and also concentrating on the digital platform we are bound to improve our results during the new financial year.”

L.T. SAMARAWICKRAMA
Managing Director

Managing Director's Review

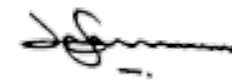
It is with pleasure that I present to you the review of operations for the year 2017/2018.

The year under review experienced many a obstacle throughout the year. The effects of last quarter of 2016/2017 did leave a considerable impact on Q1 of this financial year too with the stoppage of direct flights from Europe especially the Paris / Colombo sectors and of course the flights from Frankfurt by the national carrier. This inconvenienced immensely the group travelers from Europe. This segment generated a colossal sum of revenue to the industry. Furthermore unusual weather patterns and health hazards such as Dengue did not auger well for Sri Lanka. The additional inventories that emerged mostly from the informal sector flooded the market and decreased the average room rates to extremely low levels. Hotel Occupancy levels were lower than the previous and due to lack of accommodation revenue the profitability was affected.

However, we did ensure that all Amaya properties were maintained at its highest level in terms of service & maintenance and general upkeep. This enabled our brand value to improve and in return the entire property value of Amaya to increase tremendously, ensuring the security of your investment.

Every effort is being made to establish new businesses whilst securing the existing volumes, and I am positive that with a vibrant team of new Sales & Marketing personnel and also concentrating on the digital platform we are bound to improve our results during the new financial year.

Let me take this opportunity to thank the dedicated board of directors for their unstinted support during extremely difficult conditions and the entire Amaya Management and staff for their concerted effort in maintaining the "Amaya Brand" value.



L T SAMARAWICKRAMA
Managing Director
08th May 2018

Awards and Accolades





Relax, rejuvenate
and indulge...

Let us pamper you with exotic delights and lavish comforts.

Financial Calendar

The Creation and Sharing of Holistic Value

Financial Calendar

27th July 2017
1st Quarter Interim Report

30th October 2017
2nd Quarter Interim Report

30th January 2018
3rd Quarter Interim Report

11th May 2018
4th Quarter Interim Report

23rd May 2018
Annual Report 2017/18

19th June 2018
36th Annual General Meeting

Interim Financial Highlights

Financial Highlights	Quarter 01 Rs. 000	Quarter 02 Rs. 000	Quarter 03 Rs. 000	Quarter 04 Rs. 000
Revenue	281,441	425,765	332,709	402,979
Profit / (Loss) before tax	(61,368)	51,919	(8,773)	68,272
Tax expense	(2,603)	(4,161)	(4,358)	(30,891)
Profit / (Loss) after tax	(63,971)	47,759	(13,131)	37,381
Profit / (Loss) attributable to owners of the parent	(39,043)	48,958	16,667	66,686
Profit / (Loss) attributable to non-controlling interest	(24,928)	(1,199)	(29,798)	(29,305)
Non current assets (end of the quarter)	5,118,774	5,079,986	5,043,992	5,027,507
Current assets (end of the quarter)	432,998	460,155	493,009	607,443
Shareholders' fund (end of the quarter)	3,362,847	3,410,726	3,425,086	3,487,785
Non-current liabilities (end of the quarter)	1,318,816	1,180,753	1,230,222	1,056,105
Current liabilities (end of the quarter)	609,482	689,235	652,064	884,463
Market value of shares	Rs.	Rs.	Rs.	Rs.
Highest share price	69.90	60.00	59.80	56.00
Lowest share price	56.50	50.10	48.00	47.10
Closing share price	59.20	52.00	51.30	52.80
Basic earning / (Loss) per share	(0.75)	0.94	0.32	1.29
Market capitalisation (Rs. Mn)	3,071	2,698	2,661	2,739
Share Trading information				
No. of transactions	206	133	147	162
No. of share traded	82,691	36,887	25,707	67,747
Value of share traded (Rs.)	5,394,645.80	1,997,507.30	1,332,674.70	3,438,532.00



Indulge in lavish comforts...

Refreshment to your mind, body and soul the Amaya way.

Profiles of the Board

Profiles of the Board



Mohan 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 Advisory Council of the Ceylon Association of Ships' Agents.



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, Ayurvie Weligama, Mountbatten Bungalow, Scottish Planter Glendevon Bungalow, Theme Resorts & Spas and CDC Events and Travels and a Director of The Fortress Resorts PLC.

He is also the Founder President of Alliance Francaise de Kotte.

He is a Past President of the Travel Agents Association of Sri Lanka (TAASL) and a Past President of the Sri Lanka Association of Inbound Tour Operators (SLAITO). He is a former Board Member of The Sri Lanka Tourism Promotion Bureau (SLTPB) & The Sri Lanka Tourism Development Authority (SLTDA).

Mr. Wickramasinghe has been given the Honorary distinction of Officier de l'Ordre National du Mérite, by the French Government for his dedication, expertise and commitment in developing the strong relationship between France and Sri Lanka in the year 2017.

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

He is a Past President of the Travel Agents Association of Sri Lanka (TAASL) and a Past President of the Sri Lanka Association of Inbound Tour Operators (SLAITO). He is a former Board Member of The Sri Lanka Tourism Promotion Bureau (SLTPB).

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



Mr. L. T. Samarawickrama
Managing Director

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 Hotels PLC, Sun Tan Beach Resorts Ltd, Luxury Resorts (Pvt) Ltd. Maldives, Hayleys Tours (Pvt) Ltd, He is also the Deputy Chairman of The Fortress Resorts PLC, a Director of Royal Ceramics Lanka PLC, Kelani Valley Plantations PLC, Royal Porcelain (Pvt) Ltd, Royal Ceramics Distributors (Pvt) Ltd., Rocell Bathware Limited, Culture Club Resorts (Pvt) Ltd, Kandyan Resorts (Pvt) Ltd.



Mr. Denesh 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 23 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 Chairman of PATA (Pacific Asia Travel Association - Sri Lanka chapter), 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. Dammika Perera is the quintessential strategist and business specialist with interests in a variety of key industries including Manufacturing, Banking and Finance, Hospitality and Hydropower generation. He has nearly thirty 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, Delmege Limited, and LB Microfinance Myanmar Company Limited. He is the Co-Chairman of Hayleys PLC, The Kingsbury PLC, Singer (Sri Lanka) PLC, Executive Deputy Chairman of LB 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, and Hayleys Global Beverages (Pvt) 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). Holdsover 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.



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.



Mr. Harsha Amarasekera P.C.
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), 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 (Pvt) 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.





Mesmerizing beauty lurks
in every corner...

Serene environs that let you escape from all the
hustle and bustle of life.

Our Hotels



AMAYA

LAKE • KANDALAMA • DAMBULLA
SRI LANKA



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 Sigiriya and the quaint Dambulla cave temples to the preserved ruins of the UNESCO world heritage Polonnaruwa, the splendid sanctuary of Amaya Lake will embrace you as you step onto its grounds.

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



AMAYA

HILLS • KANDY
SRI LANKA



For a moment, the peace and solitude takes your breath away. On top of a lush mountain range Amaya Hills, Kandy fans out to meet the sky in an endless expanse. Your view is only fringed by the endless lush valleys and the captivating sun sets. You observe that the resort's accommodations are thoughtfully designed reflecting the age old Kandyan architecture. Nature seems to be the only companion, her bounty fills all senses. Your room is a spacious haven, with luxurious living expressed through indigenous materials and magnificent views from your private balcony. You are close enough to hear the music of nature.

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



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

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

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



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

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

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



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.

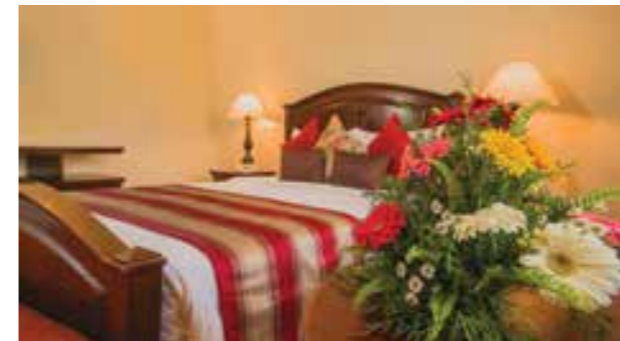
Play a quick game of golf or unwind with a book that takes you to faraway lands at our library overlooking the lake. Dining is the furthest thing on your mind but you will be unable to resist a sampling of our best chef's culinary.

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.



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



Spectacularly placed within tea gardens and mountains, The Oliphant Nuwara Eliya details the impressive features of a rustic English bungalow whilst catering to the needs of the modern travellers. Nestled in Sri Lanka's highest elevated village, Shanthipura, the bungalow is your home in the countryside.

Spend your days at The Oliphant tucked away in your own luxurious colonial-style living space resembling the resplendent chambers of a sprawling country manor. Our seven well-appointed Luxury Rooms not only feature spacious king size four-poster beds and large windows overlooking scenic landscapes but also modern amenities including cable television and Wi-Fi. Emanating the splendour of an age gone by, our elegant guestrooms are tailor-made for a relaxing vacation in the hills.

Holidaymakers based at The Oliphant have a plethora of engaging and interesting ways to enjoy their vacation time in Sri Lanka's tea capital. From discovering the true meaning of leisure with our on-site activities to exploring the many recreational highlights surrounding your countryside abode, there's never a dull moment when you stay with us. Whether it's tea factory tours or popular outbound excursions, try something new and exciting on your holiday in the hills.

Catering to a variety of tastes, the fusion menu at our restaurant lets you experience a contemporary take on traditional colonial cuisine. Vacationers dining at The Oliphant can not only wine and dine in an indoor setting but in our picturesque garden as well. Select your mealtime preferences from the set menu or the a la carte options and savour a plethora of culinary wonders prepared by our talented chefs.



Retrace the values of Sinhalese nobility and partake in a mesmerizing journey through expansive spaces which epitomise the essence of a tranquil beachside stay, here at The Villas Wadduwa. Savour world class luxuries, signature cuisine & a stunning location, shrouded by coconut trees swaying to and fro.

Retire to the peace and quiet of your very own abode and to a state of seclusion that you would dearly fall in love with. Comprising 32 expertly crafted luxury villas which showcase the union of contemporary styles and earthy hues, each facility is positioned as a welcome escape, complete with every amenity imaginable. Choose a beautiful garden or pool view or opt for the majestic Indian Ocean as a backdrop to a truly enticing journey with us.

Delight in a plethora of leisure activities at The Villas Wadduwa which affords a complete break and a refreshing getaway from mundane routines. Begin your day by lazing around our expansive outdoor pool before setting your sights on embarking upon a truly riveting expedition to nearby towns and cultural landmarks, each detailing a unique depiction of Sri Lanka's southwest coast.

Our dining venues are ideal for every occasion. Head over to our Main Restaurant for quality Sri Lankan cuisine from our à la carte menu. Savour exquisite dishes at our Fine Dining Restaurant which is ideal for intimate dinners with family and friends. Take in the beauty of a tropical sunset as you unwind at the bar with a choice of our special blended mocktails & fresh juices or just cool off with some revitalizing king coconut water from our pool bar.



Timeless beauty...

Classical elegance combined with the warmth of a tropical paradise.

Corporate Social Responsibility

Corporate Social Responsibility

An alms giving was offered for 135 Devotees on Poson Poya Day at the Wewala Historical Monastery.



We assisted 3 school-going children from an under-privileged family living in GP SAT Road, Pattiadichchani, Kalkudah with basic schooling needs. The father of this family (which has 5 kids) suffers from a kidney disease while the mother is also unemployed.



School shoes were distributed to students of Sithumina College Bowalawaththa.



Organized by the Amaya Hills Staff Welfare Society, the monthly distribution of lunch to 170 students of Sithumina College.



A donation was offered for the Temple Rehabilitation Project of the Dhammaramaya Temple, Kep-Ela.





Infinite possibilities...

Offering limitless possibilities to indulge - this has to be paradise

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

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

The Directors of Amaya Leisure PLC present their report together with the audited financial statements of the Company and of the Group for the year ended 31st March 2018.

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 2018 and its future prospects.

PERFORMANCE AND APPROPRIATIONS

The Company's performance including that of its subsidiaries for the year ended 31st March 2018 is summarized as follows:

	Year Ended	
	31st March 2018	31st March 2017
	Rs. '000	Rs. '000
Turnover	1,442,894	1,575,332
Profit Before Tax	50,051	188,261
Taxation	(42,012)	(39,439)
Profit After Tax	8,038	148,822
Non-Controlling Interest	(85,229)	(5,762)
Net Profit attributable to owners of the parent	93,267	206,443
Dividend Paid	-	103,753

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 2018 was Rs.819,779,170.00 comprising 51,876,976 Ordinary Shares (31.03.2017 : Rs.819,779,170.00 comprising 51,876,976 Ordinary Shares).

RESERVES

Details of reserves of the company are shown in Note 26 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. 101 Mn and out of which actual cash payment was Rs. 71 Mn (2017 - Rs. 234 Mn) details of which are given in Note 15.1 to the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

Information relating to the movement in Property, Plant and Equipment is given in Note 15 to the Financial Statements.

DIRECTORATE

Directors of the Company as at 31st March 2018

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)

* Non – Executive Directors
 ** Independent Non – Executive Directors

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

Notice has been given pursuant to section 211 of the Companies Act No.07 of 2007 of the intention to propose as an ordinary resolution the reappointment of Mr.S.Senaratne notwithstanding the age limit of seventy years stipulated by section 210 of the Companies Act.

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.

Details of Directors' shareholdings as follows:

Director	No of Shares	
	31/03/2018	01/04/2017
Mr. A.M. Pandithage	NIL	NIL
Mr. W.A.D.C.J. Wickramasinghe	1,543,326	1,543,326
Mr. L.T. Samarawickrama* People's Leasing & Finance PLC/ Mr. L.T. Samarawickrama – 4,291,354 HSBC / Mr. L.T. Samarawickrama – 429,740 Mr. L.T. Samarawickrama – 117,450	4,838,544	4,820,272
Mr. S. Senaratne	195,778	211,428
Mr. Dhammika Perera**	483,473	483,473
Mr. S. H. Amarasekera (Jt) Mr. B.M. Amarasekera & Mr. S H Amarasekera – 13,370 HSBC / B M Amarasekera & S H Amarasekera – 9,167	22,537	22,537
Mr. D. E. Silva	68,932	56,939
Ms. R. N. Ponnambalam	NIL	NIL
Ms. W. D. de Costa	NIL	NIL
Mr. S. J. Wijesinghe	NIL	NIL

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

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

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

- Mr. S.Senaratne sold 15,650 ordinary shares held by him during the year.
- Mr. L .T.Samarawickrama purchased 18,272 ordinary shares during the year.
- Mr. D.E.Silva purchased 11,993 ordinary shares during the year.

Related Party Transactions

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

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

The Committee met Four (04) times during the Financial year 2017/2018.

Attendance

Meetings held on 17th May 2017, 4th August 2017, 2nd November 2017 and 7th February 2018.

Dr H Cabral** 4/4
 Mr S C Ganegoda* 1/4
 Mr.M.Y.A.Perera** 4/4

* Executive

** Independent Non-Executive

SHAREHOLDERS DISTRIBUTION

The distribution of shareholders is indicated on pages 149 in the Annual Report. There were 1,498 registered shareholders as at 31st March 2018.

SHAREHOLDING INFORMATION

Information relating to major shareholders of the Company as at 31st March 2018 are given on page 150.

CHANGES IN FIXED ASSETS

The movement in fixed assets during the year is set out in Note 15.1 to the Accounts.

MARKET VALUE OF THE COMPANY'S ORDINARY SHARES

The Market Value of the Company's Ordinary Share as at 31st March 2018 was Rs. 52.80 compared to Rs. 63.80 as at 31st March 2017 as per official valuation of the Colombo Stock Exchange.

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

INVESTMENTS

Details of investments held by the Company and by the Group are given in Note 19 and 20.1 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.

DIRECTORS' INTERESTS 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.

AUDITORS

The Auditors, Messrs Ernst & Young, Chartered Accountants, were paid Rs. 2,657,228/- (2016/2017: 2,266,966/-) as audit fees by the Group. In addition, they were paid Rs 907,660/- (2016/2017: 472,172/-) 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.

Name of the Related Party	Name of the Director	Relationship	Details	Balance Outstanding as at 31.03.2018
Culture Club Resorts (Pvt) Ltd	A. M. Pandithage	Director	A Sum of Rs. 1,200,000/- was charged as Management Fees	(17,384,573)
	L. T. Samarawickrama	Director	A Sum of Rs. 30,598,856/- was charged as Sales Commission	
	C. J. Wickramasinghe	Director	A Sum of Rs. 92,334,288/- was incurred as settlement of liabilities by the company	
	S. Senaratne	Director	A Sum of Rs. 196,616,000/- made as fund transfers.	
	D. E. Silva	Director	A transaction of re-purchase of shares effected for a sum of Rs. 211,012,220/-	
	S. J. Wijesinghe	Director		
Kandyan Resorts (Pvt) Ltd	A. M. Pandithage	Director	A Sum of Rs. 1,200,000/- was charged as Management fees	(10,684,210)
	L. T. Samarawickrama	Director	A Sum of Rs. 36,168,115/- was charged as Sales Commission	
	C. J. Wickramasinghe	Director	A Sum of Rs. 77,863,505/- was incurred as settlement of liabilities by the company	
	S. Senaratne	Director	A Sum of Rs. 284,180,000/- made as fund transfers.	
	D. E. Silva	Director	A transaction of re-purchase of shares effected for a sum of Rs. 460,120,776/-	
	S. J. Wijesinghe	Director		
Sun Tan Beach Resorts Ltd	A.M. Pandithage	Director	A Sum of Rs. 17,273,785/- was incurred as settlement of liabilities by the company	478,757
	L.T. Samarawickrama	Director		
	D.E. Silva	Director		
Hayleys PLC	A. M. Pandithage	Director	A Sum of Rs. 51,808,552/- was charged as Service fee & other reimbursement of expenses by Hayleys PLC	(690,669)
	L. T. Samarawickrama	Director		
	Dhammika Perera	Director		

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

Name of the Related Party	Name of the Director	Relationship	Details	Balance Outstanding as at 31.03.2018
Hunas Falls Hotels PLC	A. M. Pandithage	Director	Sum of Rs. 3,597,554/- was charged as Management fees	2,080,703
	L. T. Samarawickrama	Director	A Sum of Rs. 3,909,602/- was charged as Sales Commission	
	C. J. Wickramasinghe	Director	A Sum of Rs. 19,735,936/- was incurred as settlement of liabilities by the company	
	D. E. Silva	Director		
	S. J. Wijesinghe	Director		
The Kingsbury PLC	A. M. Pandithage	Director	A Sum of Rs. 22,369,880/- was charged as Management Fees	8,697,822
	L. T. Samarawickrama	Director	A Sum of Rs. 44,767,374/- was charged as Sales Commission	
	Dhammika Perera	Director		
	R. N. Ponnambalam	Director		
	D. E. Silva	Director		
	S. J. Wijesinghe	Director		
Luxury Resorts (Pvt) Ltd	A. A. K. Amarasinghe	Alt. Director		98,346,833
	A. M. Pandithage	Director	Sum of Rs. 4,102,695/- was charged as Management fees	
	L. T. Samarawickrama	Director	A Sum of Rs. 12,632,555/- was charged as Sales Commission	
			A Sum of Rs. 12,399,942/- was incurred as settlement of liabilities by the company	

ACCOUNTING POLICIES

The Accounting policies adopted by the Company in the preparation of Financial Statements are given on pages 101 to 116 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 2018.

DIRECTORS' REMUNERATION

Directors' Remuneration in respect of the Company is disclosed under Note No. 31

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 million per annum at a premium of Rs 5.5 million.

GOING CONCERN

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

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at the Conference Room of Hayleys PLC, No.400, Deans Road, Colombo 10, Sri Lanka, on Tuesday, 19th June 2018 at 10.00 a.m. The Notice of the Annual General Meeting appears on page 156.

For and on behalf of the Board,



A M Pandithage
Chairman



L T Samarawickrama
Managing Director



Hayleys Group Services (Private) Limited
Secretaries

400, Deans Road,
Colombo 10
8th May 2018

Corporate Governance

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

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

This philosophy has been ingrained at all levels in the Hotels of the 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.

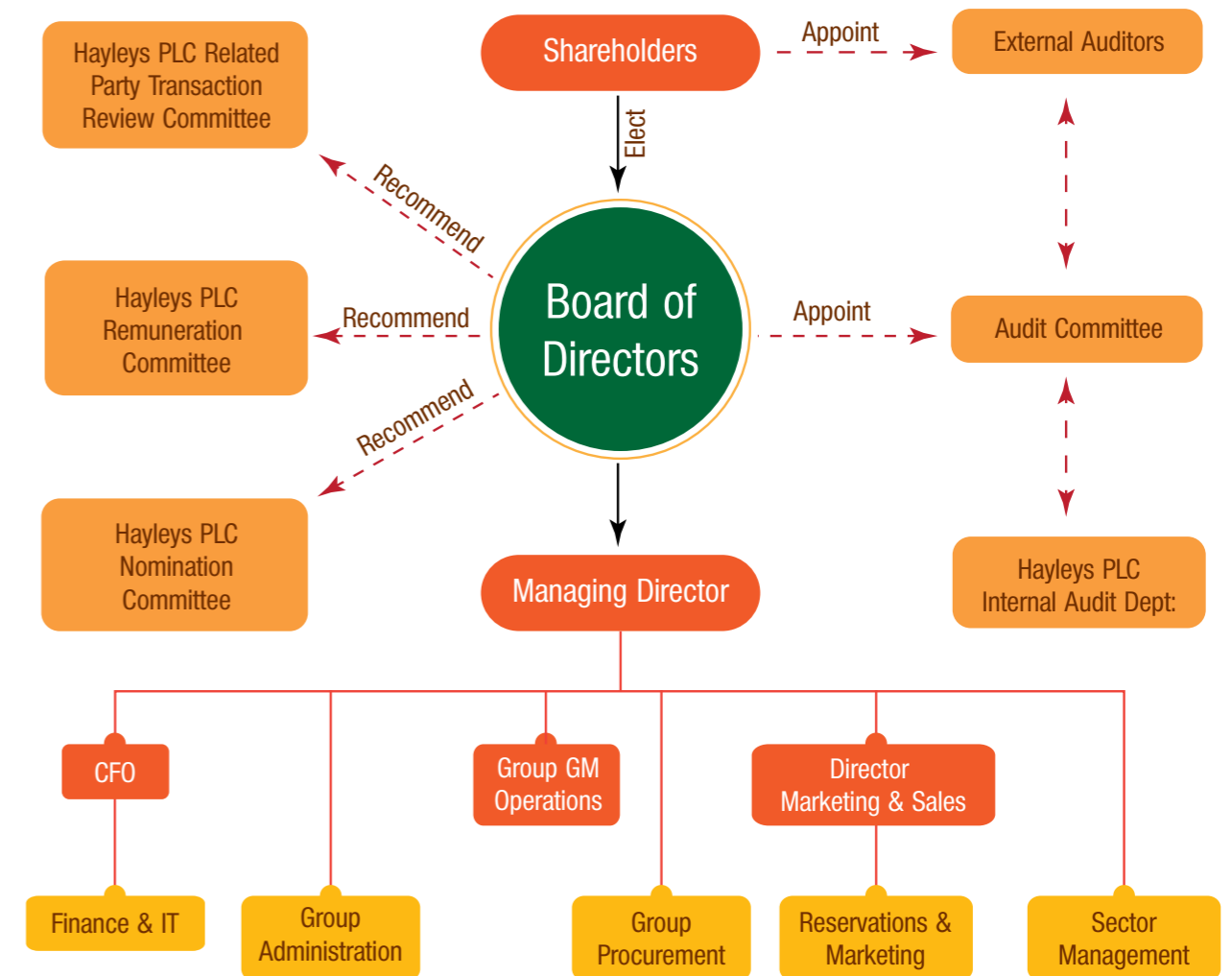
The Chairman of the Board affirms that there has not been any material violation of any of the provisions of the code of conduct. In instances where violations did take place, they were investigated and handled through well established procedures.

Board Meetings 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	-
S Senaratne	1/4
Dhammika Perera	-
SJ Wijesinghe	2/4
A A K Amarasinghe (Alternate to Mr. Dhammika Perera)	4/4
SH Amarasekera	1/4
RN Ponnambalam	4/4
WD De Costa	4/4

Governance Structure



Corporate Governance

SECTION 1: CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA (SEC) AND THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA (CASL)

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2017/18	
A. DIRECTORS				
A.1 THE BOARD				
The Company is headed by an effective Board of Directors with local and international experience. The Board of Directors of the Company consists of professionals in the fields of Accounting, Management, Law, Economics, Marketing and Business Leaders. All Directors possess the skills and experience and knowledge complemented with a high sense of integrity and independent judgment. The Board gives leadership in setting the strategic direction and establishing a sound control framework for the successful functioning of the Company. The Board's composition reflects a sound balance of independence and anchors shareholder commitment. Profiles of Directors are given on pages 35 to 40.				
1.	Board Meetings	A.1.1	Complied	The Board usually meets at quarterly intervals, but also meets more frequently when needed. The Board met 4 times during the year under review. Scheduled Board meetings were arranged well in advance, and all Directors were expected to attend each meeting. Any instances of non-attendance of Board meetings were generally related to prior business, personal commitments or illness. The attendance at Board meetings held is set out on page 126.
2.	Board Responsibilities	A.1.2	Complied	The Board is responsible to the shareholders for creating and delivering long-term sustainable shareholder value through the business. The Board ensures the formulation and implementation of a sound business strategy. The Board has put in place a Corporate Management team led by the Managing Director with the required skills, experience and knowledge necessary to implement the business strategy of the Company. The Board also ensures effective systems are in place to secure integrity of information, internal controls and risk management. The Board ensures that the Company's values and standards are set with an emphasis on adopting appropriate accounting policies and fostering compliance with financial regulation.
3.	Compliance with Laws and access to independent professional advice	A.1.3	Complied	The Board collectively, and Directors individually must act in accordance with the laws as applicable to the Company. The Company had complied with all applicable laws and regulations during the year. A procedure has been put in place for Directors to seek independent professional advice in furtherance of their duties, at the Company's expense. This will be coordinated through the Company or the Board Secretary when requested.
4.	Company Board	A.1.4	Complied	All Directors have access to the advice and services of the Company Secretary as required. The Company Secretary keeps the Board informed of new laws and revisions, and regulations and requirements coming into effect which are relevant to them as individual Directors and collectively to the Board.
5.	Independent judgment	A.1.5	Complied	All Directors exercise independent judgment in decisions made by the Board on issues of strategy, performance, resource allocation and the conduct of business.
6.	Dedication of adequate time and effort by the Board and Board Committees	A.1.6	Complied	All Directors of the Company dedicate adequate time and effort to fulfill their duties as Directors of the Company (both before and after the Board Meetings), in order to ensure that the duties and responsibilities owed to the Company are satisfactorily discharged.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2017/18	
A.2 CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)				
There should be a clear division of responsibilities between the Chairman and Chief Executive Officer in order to ensure a balance of power and authority, in such a way that any individual has no unfettered powers of decision-making. The roles of the Chairman and Chief Executive Officer function separately in the Company. The Chairman's main responsibility is to lead, direct and manage the work of the Board in order to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Managing Director, who performs the role of the Chief Executive Officer, is responsible for the day- to-day operations of the Company.				
7.	Division of responsibilities of the Chairman and Managing Director (CEO)	A.2	Complied	The positions and functions of the Chairman and the Managing Director have been separated; the role of the Managing Director is to manage the day-to-day running of the Company. The Board has delegated this responsibility to the Managing Director and he then leads the Corporate Management team in making and executing operational decisions. The Managing Director is also responsible for recommending strategy to the Board.
A.3 CHAIRMAN'S ROLE				
The Chairman leads and manages the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully preserves order and facilitates the effective discharge of the Board functions. The profile of the Chairman is given on page 36.				
8.	Role of the Chairman	A.3.1	Complied	The Chairman is as an outstanding business leader, provides leadership to the Board, controls and preserves order at Board meeting and provides the Board with strategic direction and guidance in managing the affairs of the Company. The Chairman is also responsible for: <ul style="list-style-type: none"> Ensuring the new Board members are given an appropriate induction, covering terms of appointment, The effective participation of both Executive and Non- Executive Directors; All Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the Company; A balance of power between Executive and Non-Executive Directors is maintained; The views of Directors on issues under consideration are ascertained;
A.4 FINANCIAL ACUMEN				
The Code requires that the Board comprises of members with sufficient financial acumen and knowledge in order to offer guidance on matters on finance. The Board of the Company has met the above requirement as as the chairperson of the audit committee is a qualified Accountant having professional qualifications and equipped with sufficient financial acumen and knowledge to offer guidance on matters of finance.				
9.	Financial acumen and knowledge	A.4	Complied	The Board comprises one Chartered Accountant (CA Sri Lanka) who serves as Chairperson of the Audit Committee. These Directors add substantial value and independent judgment on the decision-making of the Board on matters concerning finance and investment.
A.5 BOARD BALANCE				
The Code requires that a balance is maintained between the Executive and Non- Executive Directors (NEDs) so that no individual or a small group of individual Directors are able to dominate the Board's decision-making. The Board consists of Three (03) Executive Directors and Seven (7) Non-Executive Directors. Each of them brings to the Board, wide experience and the ability to exercise independence and judgment when taking informed decisions.				
10.	Presence of Non- Executive Directors	A.5.1	Complied	Seven (7) of the Ten (10) Directors are Non-Executive Directors, which is well above the minimum number prescribed by this Code.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2017/18
11. Criteria to evaluate Independence of Non-Executive Directors	A.5.3	Complied	Refer Section A 5.5 below. The Board considers Non- Executive Director's independence on an annual basis. For a Director to be deemed 'independent', such a Director should be independent of management and free of any business or any other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.
12. Signed declaration of independence by the Non-Executive Directors	A.5.4	Complied	Every Non-Executive Director of the Company has made a written submission as to their independence against the specified criteria.
13. Determination of independence of the Board	A.5.5	Complied	The Board has determined the independence of Directors based on the declarations submitted by the Non-Executive Directors, as to their independence as a fair representation and will continue to evaluate their independence on this basis annually. No circumstances have arisen for the determination of independence by the Board, beyond the criteria set out in the Code. Independent Non-Executive Directors are: <ul style="list-style-type: none"> Mr. S. H. Amarasekara Ms. R. N. Ponnambalam Ms. W. De Costa 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 believes 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.
14. Alternate Directors	A.5.6	Complied	One alternate Directors has been appointed by one non- executive Directors and she is not an executive of the Company. <ul style="list-style-type: none"> Ms. A. A. K. Amarasinghe
A.6 SUPPLY OF INFORMATION			
Management should provide time-bound information in a format that is appropriate and enables the Board to discharge its duties. Financial and non-financial information is analysed and presented to the Board to make informed and accurate decisions.			
15. Obligation of the Management to provide appropriate and timely information to the Board	A.6.1	Complied	The Board was provided with timely and appropriate information by the management by way of Board papers and proposals. The Board sought additional information as and when necessary. The Chairman also ensured all Directors were properly briefed on issues arising at Board meetings.
16. Adequate time for effective Board meetings	A.6.2	Complied	The minutes, agenda and papers required for Board meeting are provided in advance to facilitate its effective conduct.
A.7 APPOINTMENTS TO THE BOARD			
The Code requires having a formal and transparent procedure in place for the appointment of new Directors to the Board.			
17. Nomination Committee	A.7.1	Complied	The Nomination Committee of the parent Company, Hayleys PLC, acts as the Nomination Committee for the Company and makes recommendations to the Board on all new Board appointments. The Nomination committee of Hayleys PLC consists of following members: <ul style="list-style-type: none"> A.M. Pandithage - Chairman* Dhammika Perera** Dr. H. Cabral, PC*** * Executive Director ** Non-Executive Director *** Independent Non-Executive Director

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2017/18
A.9 APPRAISAL OF BOARD PERFORMANCE			
The Board should periodically appraise its own performance against the present targets in order to ensure that the Board responsibilities are satisfactorily discharged.			
18. Annual performance evaluation of the Board and its Committees	A.9.1 & 9.2	Complied	The Chairman and Remuneration Committee evaluate the performance of the Executive Directors Periodically. The Board undertakes an annual self-evaluation of its own performance and of its Committees. The Board evaluated its performance and effectiveness in the current year.
A.10 DISCLOSURE OF INFORMATION IN RESPECT OF DIRECTORS			
Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders.			
19. Details in respect of Directors	A.10.1	Complied	The following details pertaining to each Director are disclosed as follows: (a) Brief profile with expertise and experience – page 35 to 40 (b) Directors' Interest in Contracts - Page 62 - 63 (c) Detail of Board Meetings held during the year page 64
A.11 APPRAISAL OF CHIEF EXECUTIVE OFFICER			
The Board of Directors should annually assess the performance of the Managing Director who performs the role of the Chief Executive Officer.			
20. Targets for Managing Director	A.11.1	Complied	Prior to the commencement of each financial year, the board sets reasonable financial and non-financial targets which are in line with short, medium and long-term objectives of the Company, achievement of which should be ensured by the Managing Director.
21. Evaluation of the performance of the Managing Director	A.11.2	Complied	The performance is evaluated by the Board at each board meeting and the overall evaluation at the end of each fiscal year in order to ascertain whether the targets set by the Board have been achieved and if not, whether the failure to meet such targets was reasonable in the circumstances.
B. DIRECTORS' REMUNERATION			
B.1 REMUNERATION PROCEDURE			
This principle ensures that the Company has a well-established, formal and transparent procedure in place for developing an effective remuneration policy for both Executive and Non-Executive Directors where no Director is involved in deciding his/her own remuneration in order to avoid potential conflict of interest.			
22. Establishment of remuneration committee	B.1.1, B.1.2, B.1.3, B.1.4 & B.1.5	Complied	Hayleys PLC, the parent company's Remuneration Committee function as the Remuneration Committee of the Company and recommends the remuneration payable to the Managing Director and Executive Director(s) and sets guidelines for the remuneration of management staff within the Company. The Board makes the final determination after considering such recommendation. The Remuneration Committee comprise of following members: Dr. H Cabral, PC** - Chairman Dhammika Perera* M H Jamaldeen** M Y A Perera ** * Non-Executive Director ** Independent Non-Executive Director Payment of remuneration to directors is disclosed in page 144 of this report. No director is involved in deciding his own remuneration.

Corporate Governance

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2017/18	
B.2 THE LEVEL AND MAKE UP OF REMUNERATION				
The level of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to the corporate and individual performance.				
23.	Level of remuneration	B.2.1, B.2.2, B.2.3 & B.2.4	Complied	The Remuneration Committee structures the remuneration package to attract, retain and motivate the directors needed to run the company successfully but avoid paying more than is necessary for this purpose. The remuneration levels relative to other companies and performance of the directors are taken in to account when considering the remuneration levels of the directors.
24.	Levels of Remuneration of Non- Executive Directors	B.2.10	Complied	Remuneration for Non-Executive Directors reflects the time commitment and responsibilities of their role, taking into consideration market practices.
B.3 DISCLOSURE OF REMUNERATION				
The Code requires the Company to disclose in its Annual Report the details of the remuneration paid and the Remuneration Policy.				
25.	Disclosure of Remuneration	B.3.1	Complied	Please refer page 144 for the total Directors' remuneration
C. RELATIONS WITH SHAREHOLDERS				
C.1 CONSTRUCTIVE USE OF THE ANNUAL GENERAL MEETING (AGM) AND CONDUCT OF GENERAL MEETINGS				
The Code requires the Board to use the AGM which is a major event in the Company's calendar to communicate with shareholders and encourage their active participation. In this regard, all shareholders of the Company receive the Notice of Meeting within the statutory due dates.				
26.	Use of proxy votes	C.1.1	Complied	The Company has in place an effective mechanism to count all proxies lodged on each resolution, and the balance for and against the resolution, after it has been dealt with on a show of hands, except where a poll is called.
C.2 COMMUNICATION WITH SHAREHOLDERS				
The Code Requires the board should implement effective communication with shareholders.				
27.	Channel to reach all shareholders	C.2.1	Complied	The main mode of communication between the Company and the shareholders is the Annual General Meeting. Shareholders are provided with the information prior to the AGM. Further, financial and other announcements are promptly submitted to CSE to publish in the CSE website.
28.	Policy methodology for communication with shareholders.	C.2.2.	Complied	An open door policy is in place, which enables shareholders to keep in constant touch, visit and obtain information from the Company Secretary and engage in dialogue. Contact details are published in all annual and quarterly financial reporting.
29.	Implementation of the policy and methodology for communication with shareholders.*	C.2.3 C.2.7	Complied	Please refer C.2.4 and C.2.5 for the implementation of the policy and methodology
30.	Contact person for communication	C.2.4 & C.2.6	Complied	Details of contact persons are disclosed in the back inner cover of the Annual Report and Quarterly Financial Statements.
31.	Process to make directors aware of major issues and concerns of shareholders	C.2.5	Complied	The company secretary maintain a record of all correspondence about all major issues and concerns of the shareholders.
32.	Process for responding shareholder matters	C.2.7	Complied	Covered under the section C.2

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2017/18	
D. ACCOUNTABILITY AND AUDIT				
D.1 FINANCIAL AND BUSINESS REPORTING (THE ANNUAL REPORT)				
The Board should present a balanced and understandable assessment of the company's financial position, performance and prospects.				
33.	Board's responsibility for Statutory and Regulatory Reporting	D.1.1	Complied	The Board has recognized the responsibility to present regulatory and statutory reporting in a balanced and understandable manner. When preparing Quarterly and Annual Financial Statements, the Company complied with the requirements of the Companies Act No. 07 of 2007 and prepared and presented them in accordance with Sri Lanka Accounting Standards. The Company has complied with the reporting requirements prescribed by the Colombo Stock Exchange.
34.	Declaration by Chairman, Managing Director and CFO	D.1.3	Complied	Please refer the "Statement of Chairman, Managing Director and Chief Financial Officer on page 81
35.	Declaration by Directors' report in the Annual Report	D.1.4	Complied	The Directors have made all required declarations in the 'Annual Report of the Board of Directors and appears on pages 60 to 63.
36.	Statement of Directors' and Auditor's responsibility for Financial Reporting	D.1.5	Complied	The 'Statement of Directors' Responsibility' is given on page 80 See the 'Auditors' Report' on page 90 for the reporting responsibility of Auditors.
37.	Management Discussion and Analysis	D.1.6	Complied	Refer the 'Management Discussion and Analysis' report on pages 82 to 85.
38.	Disclosure of related party transactions	D.1.8	Compliant	Refer the Related Party transaction Review committee report on page 88.
D.2 RISK MANAGEMENT AND INTERNAL CONTROL				
The Board should have a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.				
39.	Annual evaluation of the internal controls system and Risk Management	D.2.1	Complied	The Board is responsible for the Group's internal control and its effectiveness. Internal control is established with emphasis placed on safeguarding assets, making available accurate and timely information and imposing greater discipline on decision-making. It covers all controls, including financial, operational and compliance controls and risk management. It is important to state, however, that any system can ensure only reasonable, and not absolute, assurance that errors and irregularities are prevented or detected within a reasonable time. The Hayleys Management Audit & System Review Department (MA & SRD) plays a significant role in assessing the effectiveness and successful implementation of existing controls and strengthening these and establishing new controls where necessary. The MA & SRD's reports are made available to the Chairman and Managing Director and the Chairman of the Audit Committee. The Board has reviewed the effectiveness of the system of financial controls for the period up to the date of signing the accounts. There is a direct channel of communication between the Head of MA & SRD and the Chairman of the Audit Committee without the interference of any Directors or Executives.
40.	Availability of internal audit function and disclosure in annual report	D.2.2 & D.2.3	Complied	Please refer Internal Control and Risk Management Report.
41.	Review of the process and effectiveness of risk management and internal controls.	D.2.4	Complied	The Audit Committee reviews internal control issues and risk management measures and evaluates the adequacy and effectiveness of the risk management and internal control systems including financial reporting.

Corporate Governance

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2017/18
D.3 AUDIT COMMITTEE			
The Board should have formal and transparent arrangements in selecting and applying the accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the Company's External Auditor.			
42.	Composition of the Audit Committee	D.3.1	Complied Audit Committee consists of Three independent Non-Executive Directors and one Non-Executive Director W. D. De. Costa - Chairperson H. Amarasekara - Member R. Ponnambalam - Member C.J. Wickramasinghe - Member The Company Secretary Serves as its Secretary. The Chairman, Managing Director, Head of Internal Audit and the Chief Financial Officer (CFO) and Hayleys Group CFO are invited to attend meetings as required. The input of the statutory Auditors will be obtained where necessary. The Audit Committee is required to assist the Company to achieve a balance between conformance and performance.
43.	Terms of reference of the Audit Committee	D.3.2	Complied Terms of Reference of the Board Audit Committee is clearly defined in the Charter of the Audit Committee approved by the Board of Directors. This clearly explains the purpose of the Committee, its duties and responsibilities together with the scope and functions of the Committee. The Committee is required mainly to deal with the matters pertaining to statutory and regulatory compliance in financial reporting, matters with regard to the External Auditors, Internal Audit and Risk Management procedures of the Company. Refer audit committee report on page 86.
44.	Disclosures of the Audit Committee	D.3.3	Complied The names of the members of the Audit Committee are given under section D.3.1 of this Code. Refer the Audit Committee report on page 86.
D.4 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE			
The Board should establish a procedure to ensure that the Company does not engage in transactions with "related parties" in a manner that would grant such parties "more favourable treatment" than that accorded to third parties in the normal course of business.			
45.	A related party and related party transactions will be as defined in LKAS 24.	D.4.1	Complied Please refer Related Party Transaction review Committee Report
46.	Establishment of related party transaction review committee and composition.	D.4.2	Complied Please refer Related Party Transaction review Committee Report
47.	Written terms of reference of related party transaction review committee.	D.4.3	Complied Please refer Related Party Transaction review Committee Report

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2017/18
D.5 CODE OF BUSINESS CONDUCTED AND ETHICS			
The Company should develop a Code of Business Conduct and Ethics for Directors and members of the Senior Management team and must promptly disclose any waivers of the Code for Directors or others.			
48.	Code of Business Conduct and Ethics	D.5.1	Complied The Company has developed a Code of Conduct for its employees. This Code addresses conflict of interest, corporate opportunities, confidentiality of information, fair dealing, protection and proper use of the Company's assets, compliance with laws and regulations and encouraging the reporting of any illegal or unethical behaviour, etc.
D.6 CORPORATE GOVERNANCE DISCLOSURE			
Directors of the Company disclose annually the Company's adherence to the Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka and The Securities and Exchange Commission of Sri Lanka.			
49.	Disclosure of corporate governance	D.6.1	Complied This requirement is met through the presentation of this report.
E. INSTITUTIONAL INVESTORS			
E.1 SHAREHOLDERS' VOTING			
Institutional shareholders are required to make considered use of their votes and are encouraged to ensure their voting intentions are translated into practice.			
50.	Communication with shareholders	E.1.1	Complied In order to avoid conflicts of interest by nurturing the mutual understanding, the Board carries out dialogues with its shareholders at general meetings. In this regard, the AGM of the Company plays a critical role. Voting by the shareholders is crucial in carrying a resolution at the AGM. The Chairman, who plays the role of the agent, communicates the views and queries of the shareholders to the Board and the senior management, in order to ensure that the views are properly communicated to the Company.

Corporate Governance

SECTION 2 : COLOMBO STOCK EXCHANGE LISTING RULES

Statement of Compliance

This section covers Amaya Leisure PLC's extent of adherence to the requirements of the Continuing Listing Requirements of Section 7.10 on Corporate Governance Rules for Listed Companies issued by the Colombo Stock Exchange.

Rule No.	Subject	Amaya Extent of Adoption	Compliance Status	Reference in this Report
7.10.1(a)	Non-Executive Directors (NED)	Seven (7) of the Ten (10) Directors were Non-Executive Directors as at 31st March 2018	Complied	Corporate Governance
7.10.1(b)	Basis of Calculation of Total Number of Non-Executive Directors	Based on the number as at the conclusion of the immediately preceding AGM	Complied	Corporate Governance
7.10.2 (a)	Independent Directors (ID)	Three (3) of the Seven (7) Non-Executive Directors were Independent as at 31st March 2018	Complied	Corporate Governance
7.10.2 (b)	Independent Directors	All Non-Executive Directors have submitted their confirmation of independence as per the criteria set by the CSE rules, which is in line with the regulatory requirements.	Complied	Corporate Governance
7.10.3 (a)	Disclosure relating to Directors	The Board assessed the independence declared by the Directors and determined the Directors who are independent and disclosed same in item A.5.5 of the CASL Code table.)	Complied	Corporate Governance
7.10.3 (b)	Disclosure relating to Directors	The Board has determined that Three (3) Non-Executive Directors satisfy the criteria for "independence" set in the Listing Rules as in item A.5.5 of the CASL code table.	Complied	Corporate Governance
7.10.3 (c)	Disclosure relating to Directors	A brief resume of each Director should be included in the Annual Report including the Director's areas of expertise.	Complied	Profile of the Board in the Annual Report
7.10.3 (d)	Disclosure relating to Directors	No any new director appointments during the year.	Complied	Corporate Governance and Profile of the Board in the Annual Report
7.10.5	Remuneration Committee	A listed company shall have a Remuneration Committee	Complied	Corporate Governance
7.10.5 (a)	Composition of Remuneration Committee	The Remuneration Committee comprised of Two (2) Independent Non-Executive Directors as at 31st March 2018.	Complied	Corporate Governance
7.10.5 (b)	Functions of Remuneration Committee	The Remuneration Committee shall recommend the remuneration of the Managing Director and the Executive Directors.	Complied	Corporate Governance
7.10.5 (c)	Disclosure in the Annual Report relating to Remuneration Committee	Names of Remuneration Committee members are given in section B.1.3 of the CASL code on page 69. The disclosure of the Remuneration Committee is given on page 119 and the Remuneration paid to Directors is given in the Note 10 to the Financial Statement on page 119.	Complied	Corporate Governance and Annual Report of the Board
7.10.6 (a)	Composition of Audit Committee	Shall comprise of NEDs, a majority of whom will be independent.	Complied	Corporate Governance and the Audit Committee Reports
7.10.6 (b)	Audit Committee Functions	Audit Committee functions are stated in the Audit Committee Report – Page 86.	Complied	Corporate Governance and the Audit Committee Reports
7.10.6 (c)	Disclosure in Annual Report relating to Audit Committee	The names of the Audit Committee members given on page 86. The basis of determination of the independence of the Auditor is also given in section D.3.4 of the CASL code.	Complied	Corporate Governance and the Audit Committee Reports
7.13.1	Minimum Public Holding	As a listed company in the main board, the company maintained the minimum public holding under specified criteria.	Complied	Share and Investor Information

This section covers Amaya Leisure PLC's extent of adherence to the requirements of the Code of Best practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and Section 9 of the Listing Rules of the Colombo Stock Exchange.

Rule No.	Subject	Amaya Extent of Adoption	Compliance Status	Reference in this Report
9.2.1 & 9.2.3	Related Party Transactions Review Committee (RPTRC)	The RPTRC of the parent Company, Hayleys PLC, a listed entity, functions as the RPTR Committee for the Company The functions of the committee are stated in Related Party Transactions re-view Committee report in page 88.	Complied	Annual report of Board of Directors Related Party Transactions Review Committee Report
9.2.2	Composition of the Related Party Transactions Review Committee	The RPTRC consists of following directors: <ul style="list-style-type: none"> • Dr. H. Cabral PC - Chairman (Independent non-executive Director - Hayleys PLC) • Mr. M. Y. A. Perera - (Independent Non-Executive Director - Hayleys PLC) • Mr. S. C. Ganegoda - (Executive Director - Hayleys PLC) 	Complied	Annual report of Board of Directors Related Party Transactions Review Committee Report
9.2.4	Related Party Transactions Re-view Committee-Meetings	The committee met 04 times during the financial year of 2017/2018	Complied	Annual Report of the Board
9.3.2 (a)	Disclosure - Non-recurrent Related Party Transactions	Company has not involved with an Non recurrent related party transactions with aggregate value exceeds 10% of the equity or 5% Total assets whichever is lower. No disclosures required.	Complied	Notes to the financial Statement

Internal Control and Risk Management

Group Internal control procedure

The Board is responsible for the formulation of appropriate systems of internal controls for the Company and ensuring its effectiveness. The Board acknowledges its responsibilities for the system of internal control to facilitate the identification, assessment and management of risk, the protection of shareholders' investments and the Group's assets. The Directors recognize that they are responsible for providing return to shareholders, which is consistent with the responsible assessment and mitigation of risk. The Board is aware that any internal control systems contains inherent limitations and therefore, the Board takes appropriate action to minimize such situations. There is an on-going process for identifying, evaluating and managing the significant risks faced by the Company which has been in place during the financial year and up to the date of approval of the Annual Report. The Board regularly reviews this process supported by Hayleys Group Management Audit & System Review Department (MASRD).

The three main objectives of Internal Controls of the company are,

1. Ensuring the reliability of Financial Reporting .
2. Improving the effectiveness and the efficiency of hotel operations.
3. Compliance with the laws and regulations.

In achieving the above objectives Company has organized its Internal Controls system as follows,

1. Control Environment

Management, with the oversight of the Board, has created and maintained a "culture of honesty" and promotes ethical behavior, that provides the foundation for the other components of the Internal Control system.

2. Risk Assessment

Company regularly assesses the risk associated with the business and a detailed explanation of the risk assessment has been provided under the Risk Management section of this report .

3. Control Activities

Control Activities consists of the set of Internal Controls designed and implemented by the Company to manage risk associated with the business, including;

- a. Segregation of duties
- b. Authorizations
- c. Performance review
- d. IT general controls and application controls
- e. Other physical controls

4. Information System

Information System consist of the infrastructure, software, people, procedures and data that facilitates financial reporting and other hotel operations such as front office reservation system.

5. Monitoring and Review

This aspect of the Internal Control system involves in evaluating whether the Internal Controls which have been designed and implemented are operating effectively, taking corrective action whenever there are inefficiencies and ensuring that the Internal Control system is sound and effective to minimize the risks faced by the Company.

Departments / Business Units

Internal Controls are designed and implemented over different departments/units of the Company, such as the finance, hotel operations, head office functions, outlet operations, gift boutique operations, farm operations and other operations in achieving the three main objectives aforementioned.

The Company may be exposed to certain external and internal risks and recognizes the importance of controlling these risks and minimizing the possibility of any adverse impact to the Company. The control systems are designed to safeguard the Company's assets and maintain proper accounting records. Further Internal Audit Reports are reviewed and discussed at management level and thereafter forwarded to the Audit committee. Internal Audit Reports are structured in a way that it facilitates the resolution of the concerns highlighted and follow up action is monitored by the Board on an ongoing basis.

Risk Management

Amaya has a proactive stance towards the risks it might have to face. The identification, prioritization of identified risks, development of risk management measures and implementation of such measures and continuous monitoring of the implemented measures are well planned and carried out by Amaya.

Amaya is committed towards improving and strengthening the risk management process in order to respond to the various challenges arising from the ever-changing operating environment and the dynamics of the economy, while keeping its vision at the center of every decision it makes.

Governance

The ultimate responsibility of the risk management and internal control processes lies in the hands of the Board of Directors of Amaya Leisure PLC. While they oversee the process, the Audit Committee assists them through monitoring the risk management and internal controls. The Risk Management team consists of The Managing Director, Chief Financial Officer supported by Hayleys Group Management Audit & System Review Department (MASRD) along with the Operational Managers. The team implements and carries out the risk management policies recommended and approved by the Board supported by the Audit Committee. The financial risk committee, focusing solely on financial risks of the group, 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 Process

Amaya understands the importance of having a formal risk management process. This helps the Company and the Group as a whole to identify significant risks and device methods to mitigate the risks as they arise.



Risk Identification

Potential risks are identified at individual hotel level and group level.

Analysis

The identified risks are analyzed based on their potential impact and probability of occurrence, and are mapped on a Risk Assessment Matrix as shown below,

		Severity of impact		
		Minor	Moderate	Major
Probability of Occurrence	Almost Certain	Medium	High	High
	Possible	Low	Medium	High
	Rare	Insignificant	Low	Medium

Risk prioritisation

After conducting a thorough analysis, the risks are prioritized from the most probable and most impactful, to the least probable and least impactful.

Developing risk management measures

After prioritizing the risks, Amaya develops measures to address those risks either by accepting it as it is, controlling or transferring it, or avoiding it.

It is ensured that these measures are in line with the internal controls and strategic priorities of the company.

Implementation

The well-devised risk measure is then implemented by the responsible management.

Risk Reporting

All risk related information are formally recorded by the company.

Continuous monitoring

The whole risk management process is continuously monitored by the Board and the Management.

Key Risks, their potential impact and Mitigation measures

The Group's key risk exposures and mitigating strategies that are in place are summarized below;

Competitive Pressures

Capacity expansions within Sri Lanka as well as the emergence of alternative hospitality models (such as home-stay and apartments) have resulted in a significant increase in the inventory of rooms over the last few years. The impacts of this were felt pronouncedly during 2017/18, which saw a step-up in industry capacity. This risk exposure underscored the importance of proactively managing our pricing strategy as intensified price competition (particularly during the off-season) could potentially have a significant impact on the Average Room Rate (ARR) and resultantly affect profitability margins. The increased capacity levels have also led to more intense competition for industry talent with employee retention emerging as a key risk during the year.

We effectively managed this risk exposure through continuously and proactively monitoring our capacity utilisation and adopting targeted marketing initiatives to optimise occupancy and profitability. We also pursued multi-channel distribution, with increased focus on online channels. The Group developed new relationships with travel agents and strengthened existing relationships through a high level of engagement and support. We also sought to optimize off-peak capacity through guaranteed inventory agreements with direct operators. We continue to pursue opportunities to expand our room portfolio while maintaining strategic focus on enhancing our product offering and service delivery.

Macro-economic Risks

Economic growth, income distribution, as well as fluctuations in interest rates, exchange rates, and inflation have a direct impact on the Group's revenue generation and profitability. Adverse weather conditions and the ripple effects of global economic woes resulted in the country's GDP growth slowing in 2017. That said, we remain positive about the growth potential of Sri Lanka's economy as well as the country's tourism industry which remained resilient to global pressures during the year. Group has taken steps to mitigate the financial risk arising from the foreign exchange valuation loss on USD loans by pricing our services in foreign currency and maintaining foreign currency cashflows within the group.

Economic trends and outlook are monitored by the Board on an ongoing basis and are given due consideration when formulating Strategic and Annual Corporate plans. There is also periodical review of changes in cost and expenditure by operational and financial staff to determine appropriate review of rates and tariffs.

Talent Attraction and Retention

The shortage of skilled hospitality industry personnel in the country continues to be a key risk factor for leisure sector operators, and it was felt more pronouncedly following the step-up in industry room capacity during the year. Employees are a vital aspect of our service offering and the inability to attract and retain skilled talent can potentially have a significant impact on our competitiveness.

Internal Control and Risk Management

During the year we strengthened our recruitment and talent attraction processes with specific focus on online and social media platforms. We also provided opportunities for competency and multi-skilled development which has contributed towards increasing employee efficiency and productivity. Overall, the Group will place ongoing emphasis on further enhancing its employee value proposition through providing opportunities for career progression, strengthening rewards and benefit schemes and maintaining a high level of employee engagement.

Shifts in Source Markets

Arrivals from emerging markets, particularly China and India are increasingly accounting for a higher proportion of tourists into the country. This reflects global economic factors and shifts in wealth profiles; for instance geo political tensions in the Middle Eastern region and prolonged economic woes in the European region continued to impact arrivals from these traditional markets during the year. Inability to effectively respond to these market dynamics and customer needs presented by the shift in source markets could result in a decline in competitiveness and overall market share.

The Group continued to adopt focused marketing strategies to pursue growth in non-traditional markets, particularly China and India. All our properties also engage in customizing service levels and the product offering to cater to emerging market customer expectations.

Changing needs of Travelers

Shifts in the demographic profiles of travellers have led to rapidly evolving guest expectations and emphasis on the experiential value created by the offering. Proactively responding to changing customer preferences through innovation and enhanced service delivery is essential in increasing customer satisfaction and growing market share.

All our resorts maintain a high level of guest engagement, which is facilitated through satisfaction surveys, social media platforms and face-to-face interactions which includes positioning staff with multilingual skills in guest interface areas. Feedback obtained from such interactions is used to further enhance our product and service offering. We also continue to reinforce our brand promise with focus on inspiring guests and enhancing their experience. Ongoing focus is also placed on reviewing and innovating food and beverage offerings to cater to evolving customer expectations.

Maintaining Service Quality and Operational Efficiency

Increasing competition for skilled labour has compelled the Group to seek ways of enhancing the productivity and efficiency of our employees in order to ensure superior service quality for our customers. Inadequacies in operational efficiency can potentially affect overall profitability while below par service quality will have a direct impact on guest satisfaction, competitiveness and market share.

We ensure continued compliance to several national and international accreditations and certifications, thereby compelling our properties to maintain the highest standards in quality and efficiency. Meanwhile, implementation of a robust Property Management System has facilitated the tracking and analysis of each aspect of our hotel operations and allows us to benchmark our operational efficiency against global best practices. Strategic emphasis has also been placed on continually investing in training and developing our people.

Government Policy

Ad hoc changes to existing local statutes and lack of predictability in enforcement timelines can result in numerous financial and operational challenges. This can lead to ambiguity of interpretation and difficulties in planning and budgeting, resulting in financial as well as reputational losses.

The Group manages this risk exposure through consistently monitoring and reviewing legal requirements and statutory returns. Compliance audits are also conducted regularly by the Internal Audit function. We are an active contributor to industry advisory and policy making bodies and regularly make representations to these bodies upon invitation. The Group also continuously reviews and upgrades its information systems to detect and report deviations.

Technology

Rapid growth in the use of online and mobile connectivity platforms have transformed the way customers interact with us, paving the way for new methods of engagement and communication. Inability to respond to opportunities presented by rapidly evolving dynamics in the technology landscape can have a significant impact on our competitive position. Furthermore, the failure and breakdown of IT systems and processes can cause disruption to operations and lead to financial loss.

The Group has in place a formalized and comprehensive IT policy which is clearly articulated to all employees. During the year, we enhanced social media presence, with focus towards increasing bookings from online channels as well as attracting potential employees. We also continuously review the network protection processes at all operational locations to ensure integrity and security of data.

Safeguarding Physical Assets

Natural disasters, fire, accidents, crime and unethical behavior in and around the resorts can result in destruction and/or loss to our assets and infrastructure leading to disruptions to operations as well as financial loss.

This risk exposure is mitigated through documented business continuity and disaster recovery plans, 24-hour security on premises, signage in appropriate locations to increase staff and guest awareness and insurance coverage for physical damage of properties.

Raw Materials and Supply Chain Risks

The Group's key raw materials comprise of food inputs which are sourced from multiple suppliers. Inadequate supply of raw materials and/or procurement of inferior quality raw materials can lead to financial losses, disruptions to operations and reputational losses.

The Group's supply chain and material management processes are well established and we have nurtured relationships with a diverse pool of suppliers thereby limiting exposure to a single party. We also rotate supply contracts on a regular basis to ensure strong relationships with all suppliers.

Energy

An uninterrupted energy supply is critical for the functioning of our properties, with energy costs accounting for approximately 8% of our total cost base. Interruptions to the power supply can cause disruption to operations and adversely impact the customer experience. Energy consumption also has a direct impact on our carbon footprint.

The Group continues to focus on improving energy efficiency through investments in alternative energy, energy efficient lighting and cooling solutions and other equipment. We continue to monitor property-wise energy consumption and intensity ratios to drive energy efficiency.

Impacts on Local Communities

Our operations impact the communities around our properties through employment generation, environmental impacts and cultural factors among others. Inadequate engagement and inability to fully fulfil the expectations of the surrounding communities can lead to reputational losses, community unrest and ultimately impact our social license to operate.

In order to mitigate this risk, we maintain a high level of engagement with neighbouring communities which includes a community and environmental grievance handling mechanism. The Group also provides job opportunities for youth in the local communities and contributes towards empowering and uplifting their livelihoods. We continuously engage in sponsorships and donations for cultural, religious and other projects in the communities.

Climate Change

Implications of climate change, such as decline of the eco-system, increases in temperature, decline in bio-diversity and increased natural disasters can potentially have a significant impact on all industries, including leisure. Irregular weather patterns over the longer term can have an impact on tourist arrivals while the decline in bio-diversity could impact the attractiveness of Sri Lanka as a destination.

As a responsible corporate citizen, we are committed to preserving our natural environment. We continue to monitor a range of environmental indicators including our carbon footprint and engage guests in raising awareness on the impacts of climate change through notices, leaflets, and annual earth hour observance at all properties.

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.

The external Auditors, Messrs Ernst & Young deemed re- appointed in terms of Section 158 of the Companies Act were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The report of the Auditors, shown on page 94 sets out their responsibilities in relation to the Financial Statements.

Compliance Report

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



By order of the Board
Hayleys Group Services (Pvt) Ltd.
Secretaries
08th May 2018

Responsibility Statement of Chairman, Managing Director and Chief Financial Officer

The financial statements of Amaya Leisure PLC and the consolidated financial statements of the Group, as at 31st March 2018, are prepared and presented in conformity with the requirements of the following:

1. Sri Lanka Accounting Standards, issued by the Institute of Chartered Accountants of Sri Lanka
2. The Companies Act No. 07 of 2007
3. The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
4. Listing Rules of the Colombo Stock Exchange
5. The Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accounts of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

We confirm that the significant accounting policies used in the preparation of the financial statements are appropriate, and are consistently applied, unless otherwise stated in the notes to the financial statements. The significant accounting policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit Committee and our external auditors.

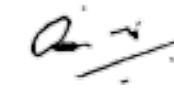
We have also taken proper and sufficient care in installing systems of internal control and accounting records to safeguard assets and to prevent and detect fraud as well as other irregularities. These have been reviewed, evaluated and updated on an ongoing basis. Reasonable assurances that the established policies and procedures of the company have been consistently followed were provided by periodic audits conducted by the Group's internal auditors. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls and accounting.

The Audit Committee of the Company meets periodically with the internal auditors and the independent auditors to review the effectiveness of audits, and to discuss auditing, internal control and financial reporting issues. The independent auditors and the internal auditors have full and free access to the Audit Committee to discuss any matter of substance.

The financial statements were audited by the independent external auditors, Messrs Ernst & Young, Chartered Accountants. The Audit Committee approves the audit and non-audit services provided by the external auditor, in order to ensure that the provision of such services do not impair their independence.

We confirm that

- the company and its subsidiaries have complied with all applicable laws, regulations and prudential requirements;
- there are no material non compliances; and
- there are no material litigations that are pending against the group



A. M. Pandithage
Chairman



L. T. Samarawickrama
Managing Director



A. S. Dikkumbura
Chief Financial Officer

Management Discussion and Analysis

Amaya Way

With some of the most renowned hotels in the island under its wings, Amaya Leisure PLC has been in operation over two decades, catering to the varying needs of local and foreign tourists alike. The resorts under Amaya span across the country, situated at various locations in the central hills, in the eastern beach, and at Dambulla. The most recent addition to Amaya Leisure PLC is Amaya Kuda Rah- Maldives, which expanded the presence of Amaya beyond Sri Lanka.

The resorts, either owned or managed by Amaya Leisure PLC, are known for their exceptional hospitality, international-level standards, and superior service. With years of experience in the local hospitality industry, Amaya Leisure PLC has taken a challenging road, to make its presence felt, not only locally, but also internationally.

Amaya Leisure PLC is a subsidiary of Hayleys PLC, a renowned Sri Lankan multinational conglomerate has a much felt presence in the agriculture sector, plantations, transportation and logistics, aviation and the leisure sector, among others.

Global economy

It is estimated that global economic growth reached 3% in 2017, the highest after 2011. Through 2018 and 2019, it is expected to remain at 3%. The real GDP growth rate in Developed economies is estimated to be 2.2 percent since the previous year, while the expectations for 2018 and 2019 are 2 per cent and 1.9 per cent respectively. While the real GDP growth rate in the economies in transition is estimated to be 2.2 percent since the previous year, the expectations for 2018 and 2019 are 2.3 per cent and 2.4 per cent respectively. Developing economies are estimated to have had a real GDP growth rate of 4.3 per cent in 2017, and the expectations are 4.6 per cent for 2018, and 4.7 per cent for 2019.

The global inflation was recorded at 3.15 per cent in 2017, and the expectations for the next two years, 2018 and 2019 are 3.31 per cent and 3.29 per cent respectively.

Investment conditions in general have improved, more so due to reduced financial volatility and banking sector fragilities, and favourable macroeconomic outlook. Financing costs are low, which has supported increased capital flows to emerging markets, and credit growth in developed as well as developing economies.

World trade expanded at an estimated pace of 3.7 per cent during 2017, and is expected to grow at 3.5 per cent in 2018 and 3.6 per cent in 2019.

South Asian economy

Due to vigorous private consumption and favourable macroeconomic policies, the economic outlook for the South Asian region is by large, favourable.

The regional GDP growth expansion is estimated to be 6.3 per cent in 2017, which is expected to strengthen to 6.5 per cent in 2018 and 7.0 per cent in 2019.

Though the outlook is generally favourable, South Asian economies face several adverse risks and uncertainties that could significantly affect the projected growth.

Geopolitical tensions in the region may adversely affect investment projects in the near future, while private investments are below the expected levels. Gross fixed capital formation as a share of GDP has declined from about 40 per cent in 2010 to less than 30 per cent in 2017, while credit growth is slowed, and banks and corporate sectors are facing balance sheet problems. Hence public investment in infrastructure has been critical in investment growth during the period.

Inflation conditions remained amiable during 2017, due to low commodity prices and diminishing depreciation pressures among other reasons. Consumer price inflation fell to a record low of 4.9 per cent.

Sri Lankan economy

2017 has been a challenging year for Sri Lanka due to the drought, and floods that hit many districts of the country in May, as well as the complications in the political environment. The country slowed in GDP growth and recorded a 16-year low of 3.1 per cent growth. Growth in Sri Lanka is forecast to average 5.1 percent a year over 2018-2020, mainly due to strong private consumption and investment growth. The expectations for the next two years 2018 and 2019, are 5 per cent and 4.7 per cent respectively.

Inflation in Sri Lanka tended to increase throughout 2017, pushed by depreciation pressures, relatively high credit expansion and the drought's impact on food prices. The annual average inflation based on CCPI reached 6.6 per cent by the end of 2017, compared to that of 4 per cent by the end of 2016. The expectations for 2018 and 2019 are 5.2 per cent and 5 per cent respectively.

Global tourism industry

According to United Nations World Tourism Organization (UNWTO), Tourism is one of the fastest growing economic sectors in the world, and is a key driver of socio-economic progress providing increased employment opportunities, and driving agricultural development and infrastructure development. Business volume of tourism is equal or more than those of oil exports, food or automobile. It is one of the main sources of income for some developing countries. Among the world's top five tourism spenders are China, USA, Germany, UK and France in 2016. It accounts for 10% of world's GDP, 7% of world's exports and 30% of world's service exports

International tourist arrivals grew from 1235 million in 2016 to 1322 million in 2017 in the world, which is a remarkable 7 per cent increase. It is expected that this will rise up to 1.8 billion by 2030. Europe recorded the highest number of international tourist arrivals, amounting to 617 million. Arrivals grew by 6 per cent in Asia Pacific region, amounting to 324 million international tourist arrivals. Within the Asia Pacific region, tourist arrivals to South Asia grew by 10 per cent, South-East Asia grew by 8 per cent and Oceania by 7 per cent, while North-East Asia grew by 3 per cent. South Asia holds only 2 to 3 per cent share in the world market. UNWTO projects that international tourist arrivals will grow at 4-5 per cent throughout 2018.

The world's top tourism spender in 2017 was China, followed by USA, Germany, UK, and France. China spent 258 USD billion, while USA, placed second, spent barely more than half of it. The top tourism earner is USA, earning 206 USD billion. USA is followed by Spain, Thailand, China, and France.

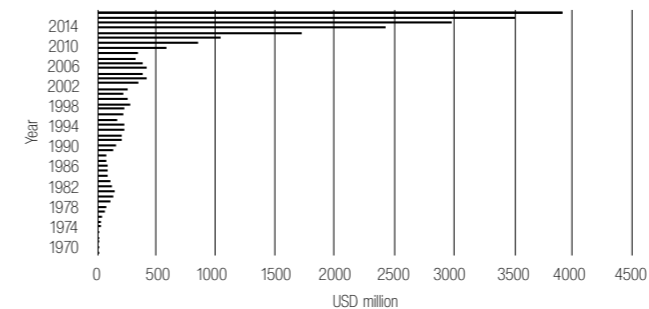
The purpose of visit of more than 50% of the tourists are for Leisure, while 27% are for visiting friends and relations, and 13% are for professional and business purposes.

Sri Lankan Tourism

The tourism sector is the third largest export earner in the Sri Lankan economy contributing to an average of 3.7% of GDP in 2010-2016 period. According to Sri Lanka Tourism Development Authority's (SLTDA) Tourism strategic plan 2017-2020, after remittances and textile exports, tourism is the third largest export earner in the economy. There is a surge in tourist arrivals after the end of the 30-year war in 2009. Tourist arrivals have grown from 654,000 in 2010 to over 2 million in 2016, and recorded the highest annual arrivals in 2017 amounting to 2,116,407. However, due to flight cancellations at the Bandaranaike International Airport on repairs, and the Dengue epidemic, arrivals were observed to be rather slow in the first few months of 2017.

Receipts, as depicted in Figure 1 have grown by 11.6 per cent from 2016 (3518 USD million) to 2017 (3925 USD million), and the receipt per tourist per day has grown from 168.2 USD per day to 170.1 USD per day. The trend of receipt per tourist per day can be observed in Figure 2. The average stay has increased to 10.9 days in 2017, from 10.2 days in 2016. The varying trend in average stay is depicted in Figure 3.

Figure 1: Official Receipts From Tourism

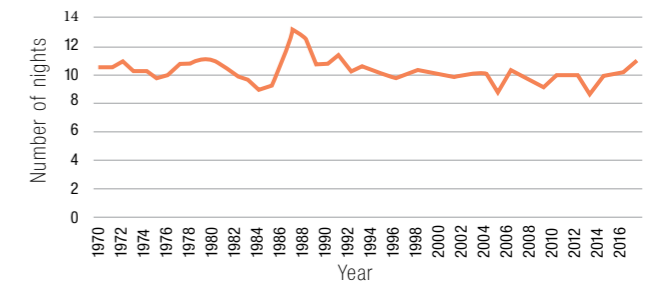


Source: Tourism Growth Trends 1970 to 2016, SLTDA

Figure 2: Receipt Per Tourist Per Day



Figure 3: Average duration of stay (nights) 1970-2017



The major regions tourism is concentrated around are Colombo, the southern beaches, Yala national park, tea estates and forests in the hill country, and the cultural triangle. The main experiential categories that attract tourists to Sri Lanka are Sun and Beach, Historical and Cultural sites, and Wildlife viewing.

Most tourists visit Sri Lanka for personal purposes, out of which most visits are for leisure, holiday and recreational purposes. The trend over the years 2012 to 2016 can be observed in Figure 4. The top source market of international tourists to Sri Lanka is India, amounting to 384,628 in 2017. China came in second with 268,952 tourist arrivals, with the UK in third 201,879 arrivals. The fourth and fifth places are occupied by Germany and France. The share tourists from each of the top 5 countries occupied in 2017 is depicted in Figure 5.

Figure 4: Tourist Arrivals To Sri Lanka By Purpose (2012-2016)

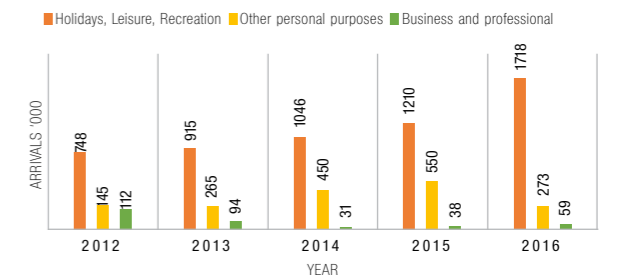
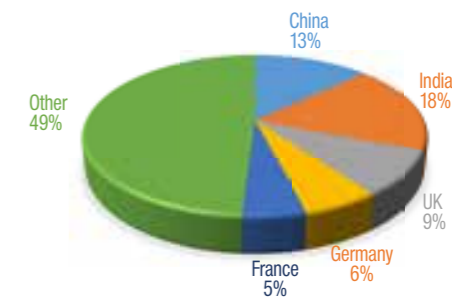


Figure 5: Tourist Arrivals To Sri Lanka By Country 2017



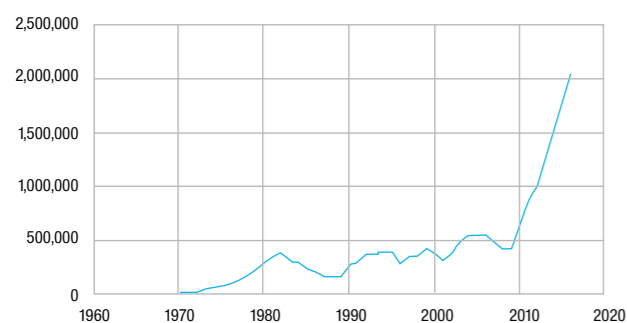
Management Discussion and Analysis

A Slow growth in the sector is expected in the near to medium term due to increase in room inventory. Around 6,500 rooms are in the pipeline to enter the market from 2017 to 2020, out of which around 4,000 are located in Colombo.

An Increased competition to formal sector from informal sector in the last three years is observed, as Informal sector saw a Strong growth over the past few years with the government encouraging home stay units and guesthouses, which grew by 19% during 2011-2016 period. The informal market is increasing in size and eating into the share held by established players, particularly in Western and Southern coasts. The Number of backpackers to Sri Lanka has increased and these travellers are not willing to spend premium rates for their hotel stays. This has led to a fall in the proportion of tourist nights spent at tourist hotels. Contribution from the informal sector towards tourist sector receipts, has increased markedly during the last few years, thereby reducing the growth in receipts per tourist per day numbers due to the unwillingness to spend premium rates.

Change in geographic mix towards the Asian markets is expected to facilitate growth in the sector. The mix of tourists arriving in the country has changed. Arrivals from traditional markets such as Western Europe are growing at a slower pace than that of South and East Asia, particularly India and China. Chinese and Indian tourists tend to stay a day or two at city hotels, while those from traditional markets go for beaches, hill country or ancient cities. The Chinese arrivals have grown by far, from 12,234 in 2010 to 280,687 in 2016. The shift towards the non-traditional markets is expected to have a positive impact on Sri Lankan tourism industry.

Figure 6: Tourist Arrivals in Sri Lanka (1970-2016)



Maldivian tourism sector :

Currently the Maldivian tourism industry consists of 87 resorts in 9 atolls with around 16,000 beds in total. The speciality is, in the Maldives each resort is an independent island, where only the tourists and resort staff reside. The total tourist arrivals in 2017 amounted to 1,389,542. A tourist stays in the Maldives between 7 to 10 days on average.

China is the largest source market for tourists to the Maldives, with a share of 22.1 per cent. However, Russian and Chinese arrivals are falling in the Maldivian region since 2014. While other similar destinations saw growth from the Chinese market. Chinese arrivals in the Maldives decreased from 360,000 on 2015 to 325,000 in 2016. The variation of the share of Chinese tourist arrivals out of the total can be observed in figure. The reasons behind this situation might be the political unrest coupled with the price and offerings of Maldivian holidays compared to other destinations, the growth of experiential tourism which make countries like Sri Lanka,

Thailand and Indonesia more attractive, or travel agents finding selling other destinations more profitable, to name a few. Germany and Italy provide nearly 40 percent of tourist arrivals to the Maldives.

Maldivian tourism sector is recovering after a period of political unrest. With the New airport terminal coming to operation, rapid arrival growth is expected. It is expected that the Maldivian Tourism industry would require an additional 1.8mn in room nights per annum to accommodate the increased traffic.

Amaya's stance

Amaya keeps constant track and is well-aware of these global and regional economic trends as well as the trends in the tourism industry. Hence the group formulates its strategies taking all the important factors into consideration, to be exceptional, proactive and provide more than what the guest expects from the Group's hotels.

Stakeholder Relationships

Investors

Investors supply the life blood of the firm: the financial resources. Hence Amaya is constantly keeping investors informed and engaged in the decisions and actions carried out by the company.

Stake holders and the management meet through the Annual General Meeting, and Annual as well as interim financial reports play a major role in maintaining investor relationships.

Amaya considers it one of their primary duties to constantly improve the company performance so that the return to its investors through dividends and capital gains are always satisfactory. Most importantly, Amaya has a long term sight, to keep improving while being sustainable.

Guests

Guests are the most important for Amaya, and are held in the heart of everything Amaya does, since they are the people who help Amaya keep going. Exceeding the guests' expectations in the service provided, the hospitality, and the experiences are the primary interests of Amaya. Hence, there is continuous effort to improve and maintain an above-the-industry standard in everything Amaya does.

Amaya is dedicated to providing value for the money the guests spend on their leisure and recreational activities. An enjoyable, memorable and secure experience with the highest levels of quality and services are the promises that are definitely kept at Amaya for the ever-valued guests, which is why there are a high number of returning guests every year, as found through formal and informal surveys by the hotel staff.

Employees

Employees play a critical role in keeping Amaya going towards its goals. It is them that carry out all the operations and help Amaya grow. Amaya values each one of its employees, and works to facilitate employees' development along with the growth of the company. Periodical performance appraisals motivates and help the employees improve in areas that the management considers important. Above-the-industry remuneration, training and development programmes, personal

development and career progression opportunities, staff entertainment programmes and numerous other things have helped Amaya attract and retain the best people in the industry.

Regulatory authorities

Compliance to regulations set out by the relevant authorities is important to keep the company going. Amaya is always updated about the existing and new regulations and guidelines given by the authorities, and ready to implement them as necessary. Amaya issues its annual and interim financial reports on time, and participates in events organized to inform companies of new developments in regulations and compliance requirements. Constant communication is maintained with the regulatory authorities regarding the current and future developments in relation to regulatory and compliance requirements.

Industry peers

Amaya considers it a duty to contribute to the tourism and hospitality industry in the country, and is aware that this should be a collective effort of all players in the industry. Hence Amaya practices fair competition, takes active part in the organizations and associations in the industry, and keeps up with the industry standards and norms, while helping the country achieve its goals in tourism and hospitality, within the limits of its capabilities.

Suppliers

Whatever material the hotels provides for its guests, it comes from an outside supplier. Amaya maintains long-lasting relationships with its trusted supplier base, who gives Amaya nothing but the best. Every supplier is chosen through a proper standard process after appraising several potential suppliers based on the quality of products, service provided, and prices offered. Supplier relationships are of immense importance to Amaya, and maintains sound communication, favourable contracts and constant surveillance on the products and material supplied by the numerous suppliers.

Opportunities Threats and Future Prosepects

United Nations World Tourism Organization (UNWTO) has stated that Tourism is one of the fastest growing economic sectors in the world, creating employment opportunities, agricultural development and infrastructure development. International tourist arrivals keep growing each year according to formal statistics. This itself creates a massive opportunity for Sri Lanka, to attract more tourists by providing diversified experiences to tourists. As a strong player in the market, Amaya should also grab this opportunity to grow and expand its boundaries across the world.

It is expected that international tourist arrivals in Sri Lanka will remain growing in the long run. This could be considered as an opportunity for Amaya, to attract more international tourists to its hotels through well-planned and focussed promotion strategies.

A slow growth is expected in the hospitality sector in the near to medium term due to increase in room inventory, with nearly 6,500 rooms are in the pipeline to enter the market from 2017 to 2020. However, out of the 6,500, around 4,000 are located in Colombo, posing a lower threat to Amaya, as its hotels and resorts are situated away from the city of Colombo.

Competition to formal sector from informal sector is expected to increase, more so with the government encouraging homestay programs. A Strong growth was observed in the Informal sector over the past few years with the government encouraging home stay units and guesthouses, which grew by 19% during the 2011-2016 period. This was particularly evident in Western and Southern coasts. A fall in the proportion of tourist nights spent at tourist hotels is observed due to this trend. The government is looking to improve business and hospitality standards of the informal sector. The number of backpackers to Sri Lanka has increased and these travellers are not willing to spend premium rates for their hotel stays.

Due to the increasing demand for skilled labour with the establishment of new property in the sector, a skilled labour shortage is expected to increase operating costs. The Sri Lankan hospitality industry is estimated to require about 150,000 new employees by 2020. While new entrants to the industry are head hunting trained staff from already established players in the local industry, international hotel chains seek to import labour at premium rates. This poses a threat to Amaya, as its well trained staff might be sought out by the new hotels. It could be overcome by providing the employees with the satisfaction they might be offered elsewhere.

Tourists observe that Sri Lankan resorts are competitively priced compared to other countries in the region, apparently across 5-star, 4-star and 3-star hotels. The Pricing is in line with those of Malaysia, Thailand and Vietnam, and lower than the Singapore and Maldivian markets. This provides opportunities for Amaya to promote as a star-class service provider, at a price lower than its competing markets.

Energy prices are expected to increase due to the Government agreeing on a transparent energy pricing model as per a revised deal with the IMF. This might affect profitability in the short term and the long run as well, posing a threat to increase the operating costs of not only Amaya, but all other hoteliers as well.

As such, Amaya sees many opportunities it could grab in the future, and some challenges it would have to face as well. It is Amaya's aim to be well-prepared to exploit the opportunities, while minimizing the adverse effects from threats it identifies, with the unflagging passion of 'Amaya way'

Report of the Audit Committee

Role of the Committee

The primary role of the Audit Committee is to oversee the Company's financial reporting process on behalf of the Board of Directors with regards to ensuring the quality and integrity and satisfying itself that any significant financial judgements by the management are sound.

The Audit Committee's responsibilities also include monitoring the adequacy & effectiveness of company's internal controls, monitoring the activities & performance of the External & Internal Auditors including monitoring their independence & objectivity and monitoring & reviewing the compliance with laws & regulations which are fundamental to the company's operation & continued business.

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 35.

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

The Chairman, Managing Director, 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 met four (4) times during the financial year. The Attendance of the committee members at these meetings is as follows.

Name of Director	Meetings Attended
Mrs. W. D. de Costa	4/4
Mr. H. Amarasekera	1/4
Ms. R. Ponnambalam	4/4
Mr. C.J. Wickramasinghe	1/4

Any individual member of the Committee had the opportunity to raise specific issues at the meetings. The undersigned was in regular contact with the management including the Chief Financial Officer and Chief Internal Auditor during the year on matters coming under the purview of the Committee. 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.

Financial Reporting

The Audit Committee has reviewed and discussed the Company's quarterly financial statements with the management 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 also reviewed the effectiveness the Financial Reporting Systems in place to ensure the reliability of the information provided and whether the disclosures made under the financial reporting is appropriate. 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 the 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.

The Management Letter together with the management responses was discussed with the management and the auditors. Action taken by the management in response to the issues raised was discussed 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.



Mrs. W. D. de Costa

Chairperson
Audit Committee
08 May 2018

Related Party Transactions Review Committee Report

The Related Party Transaction 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 comprises the Following members.

Dr. H. Cabral, PC - Chairman**
Mr. M. Y. A. Perera**
Mr. S. C. Ganegoda*

** Independent Non-Executive
*Executive

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.

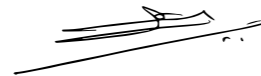
Task of the Committee

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

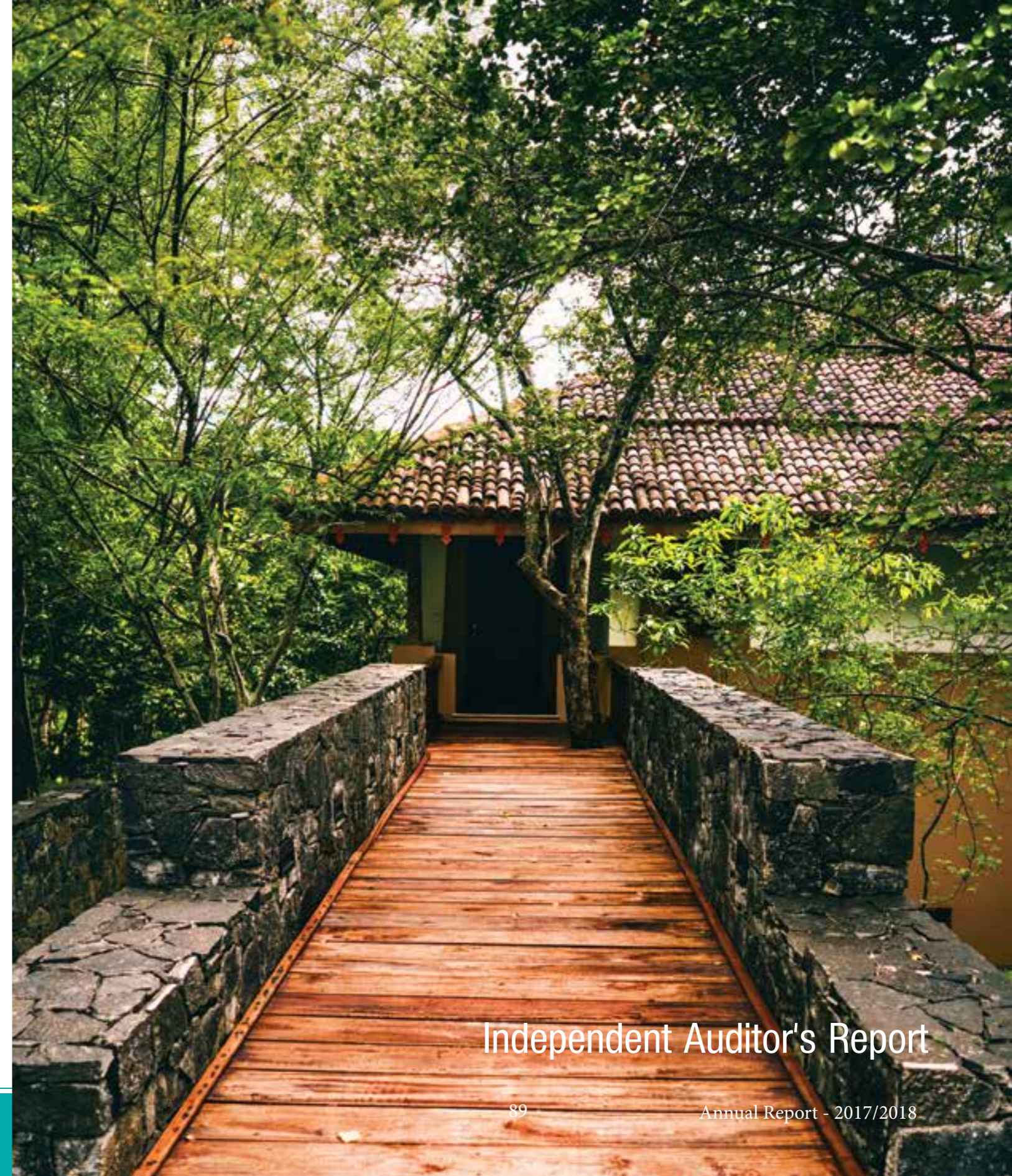
The Committee in its re-view process recognized the adequate of the content and quality of the information forwarded to its members by the management.

MEETINGS

The Committee met 4 times during the year under review. The attendance at the meetings given in table on page 61 of the Annual Report



Dr. Harsha Cabral, PC.
Chairman
Related Party Transactions Review Committee of Hayleys PLC
16th May 2018



Independent Auditor's Report

Independent Auditor's Report



Ernst & Young
Chartered Accountants
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TO THE SHAREHOLDERS OF AMAYA LEISURE PLC
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Amaya Leisure PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2018, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Annual Impairment Test of Goodwill</p> <p>The goodwill on the statement of financial position of the Group amounts to Rs. 1378Mn which has been derived entirely from the group's investment in Sun Tan Beach Resorts Limited</p> <p>Management has performed the annual impairment test on Goodwill based on the CGU's fair value less cost to sell, where the management's approach, and assumptions applied have been disclosed in Note 18 to the financial statements.</p> <p>Given the high level of management judgement in the impairment assessment and the significance of the goodwill balance in the financial statements, we considered this area to be important for our audit.</p>	<p>We evaluated the management's determination of the CGU's fair value less cost to sell by firstly assessing the competence, capabilities and objectivity of the external appraisers appointed by the directors. We checked the condition of the property described in the valuation reports by visiting the property and obtained the assistance of internal specialists in determining that the valuation methods applied by external appraisers are acceptable for the purpose of determining the fair value of the CGU. We also assessed whether the disclosures made by management in Note 18 to the financial statements fairly reflect the management's approach and assumptions applied in relation to the fair value determined by management.</p>

Other Information included in the 2018 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 1420.

Colombo
08 May 2018

Partners : W R H Fernando FCA FCMA M P D Cooray FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva FCA Ms. Y A De Silva FCA W K B S P Fernando FCA FCMA Ms. 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 Jayasinghe FCA FCMA Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunga FCA, Ms. P V K N Sajeewani FCA N M Sulaiman ACA ACMA B E Wijesuriya FCA ACMA

Principal T P M Ruberu FCMA FCCA
A member firm of Ernst & Young Global Limited

Financial Statements

Statement of Profit or Loss

YEAR ENDED 31 MARCH	Note	Group		Company	
		2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Revenue	6	1,442,893,672	1,575,331,768	164,748,239	170,983,876
Cost of Sales		(649,427,668)	(670,656,161)	-	-
Gross Profit		793,466,003	904,675,607	164,748,239	170,983,876
Other Income	7	36,653,709	66,759,733	6,624,968	110,520,351
Net Gains/(Losses) relating to Investments in Subsidiaries	8	-	25,299,664	404,714,505	268,343,293
Selling and Marketing Expenses		(94,746,359)	(105,626,663)	(31,357,201)	(23,985,697)
Administrative Expenses		(539,650,202)	(506,133,559)	(160,191,178)	(130,651,156)
Finance Cost	9.1	(163,046,072)	(206,937,368)	(21,303,415)	(83,623,309)
Finance Income	9.2	17,373,421	10,223,919	14,944,989	2,140,093
Profit Before Tax	10	50,050,500	188,261,333	378,180,907	313,727,451
Tax Expenses	11	(42,012,206)	(39,438,516)	(400,531)	(2,751)
Profit for the year		8,038,295	148,822,817	377,780,375	313,724,700
Profit Attributable to:					
Equity Holders of the Parent		93,267,101	206,443,265	377,780,375	313,724,700
Non-Controlling Interest		(85,228,806)	(57,620,448)	-	-
		8,038,295	148,822,817	377,780,375	313,724,700
Basic Earnings per Share	12	1.80	3.98	7.28	6.05
Dividend per Share	13	-	2.00	-	2.00

The Accounting Policies and Notes on pages 101 through 146 form an integral part of these Financial Statements.

Statement of Other Comprehensive Income

YEAR ENDED 31 MARCH	Note	Group		Company	
		2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Profit for the year		8,038,295	148,822,817	377,780,375	313,724,700
Other Comprehensive Income / (Expense)					
Other Comprehensive Income to be reclassified to profit or loss in subsequent periods					
Gain on Available-for-Sale Financial Assets	26.2	9,717,540	5,992,540	9,717,540	5,992,540
Impairment of AFS reclassified to Profit or Loss		-	21,575,520	-	21,575,520
Net Other Comprehensive Income to be reclassified to profit or loss in subsequent periods		9,717,540	27,568,060	9,717,540	27,568,060
Other Comprehensive Income/ (Expense) not to be reclassified to profit or loss in subsequent periods					
Actuarial Gain/ (Loss) on Defined Benefit Plan	28	(5,449,569)	(4,694,737)	(1,714,777)	(2,111,335)
Deferred tax impact on Actuarial Gain / (Loss)		381,140	(17,621)	-	-
Effect of revaluation of land	26.1	-	20,177,250	-	-
Deferred tax impact on revaluation of land	26.1	(5,599,586)	-	-	-
Net other Comprehensive Income / (Expense) not to be reclassified to profit or loss in subsequent periods		(10,668,015)	15,464,892	(1,714,777)	(2,111,335)
Total Other Comprehensive Income/(Expense) for the year, net of tax		(950,475)	43,032,952	8,002,763	25,456,725
Total Comprehensive Income for the year, net of tax		7,087,820	191,855,769	385,783,138	339,181,425
Total Comprehensive Income attributable to:					
Equity Holders of the Parent		92,045,164	249,476,447	385,783,138	339,181,425
Non-Controlling Interest		(84,957,343)	(57,620,448)	-	-
		7,087,820	191,855,769	385,783,138	339,181,425

The Accounting Policies and Notes on pages 101 through 146 form an integral part of these Financial Statements.

Statement of Financial Position

AS AT 31 MARCH	Notes	2018 Rs.	Group 2017 Rs.	2018 Rs.	Company 2017 Rs.
Non-Current Assets					
Property, Plant and Equipment	15	4,716,178,000	4,815,019,513	18,499,204	23,593,799
Prepayment on Leasehold Property	16	60,052,548	60,865,976	-	-
Other Non-Current Assets	17	-	24,000,000	-	24,000,000
Intangible Assets	18	137,863,688	137,863,688	-	-
Investments in Subsidiaries	19	-	-	1,315,481,768	1,557,900,259
Other Non-Current Financial Assets	20.2	113,411,650	103,694,110	113,411,650	103,694,110
		5,027,505,886	5,141,443,287	1,447,392,622	1,709,188,168
Current Assets					
Inventories	22	36,988,185	38,161,541	-	-
Trade and Other Receivables	23	343,584,115	227,085,155	124,208,282	41,914,045
Advances and Prepayments		33,600,346	31,547,587	259,408	8,092,590
Tax Recoverable		1,620,530	419,125	738,763	344,944
Other Current Financial Assets	20	20,102,548	9,029,606	20,102,548	9,029,606
Short Term Deposits	24	68,250,313	104,933,276	52,690,313	-
Cash and Bank Balances	24	103,297,327	142,957,571	29,578,067	27,635,420
		607,443,364	554,133,861	227,577,381	87,016,605
Total Assets		5,634,949,250	5,695,577,148	1,674,970,003	1,796,204,773
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	25	819,779,170	819,779,170	819,779,170	819,779,170
Revaluation Reserve	26.1	269,099,731	274,699,317	-	-
Available-for-Sale Reserve	26.2	(7,568,544)	(17,286,084)	(7,568,544)	(17,286,084)
Retained Earnings		2,406,462,333	2,318,535,124	669,037,641	292,972,041
		3,487,772,690	3,395,727,527	1,481,248,267	1,095,465,127
Non-Controlling Interest		206,597,102	285,554,445	-	-
Total Equity		3,694,369,792	3,681,281,972	1,481,248,267	1,095,465,127
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	21	872,824,308	1,048,857,189	7,350,000	107,550,000
Deferred Tax Liabilities	11.3	128,040,710	101,675,473	-	-
Retirement Benefit Obligation	28	55,239,619	45,121,143	15,757,294	12,729,615
		1,056,104,637	1,195,653,805	23,107,294	120,279,615
Current Liabilities					
Trade and Other Payables	27	251,190,931	307,993,672	45,857,385	474,051,045
Other Current Non-Financial Liabilities		55,391,530	36,509,295	24,557,057	6,208,986
Tax Payables		2,801,192	4,459,631	-	-
Interest Bearing Loans and Borrowings	21	575,091,168	469,678,775	100,200,000	100,200,000
		884,474,821	818,641,371	170,614,442	580,460,031
Total Equity and Liabilities		5,634,949,250	5,695,577,148	1,674,970,003	1,796,204,773

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

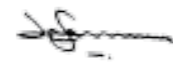


Aruna Dikkumbura - Chief Financial Officer

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



A. M. Pandithage - Chairman



L. T. Samarawickrama - Managing Director

08 May 2018, Colombo.

The Accounting Policies and Notes on pages 101 through 146 form an integral part of these Financial Statements.

Statement of Changes in Equity

YEAR ENDED 31 MARCH	Stated Capital Rs.	Revaluation Reserve Rs.	Available for Sale Reserve Rs.	Retained Earnings Rs.	Total Rs.	Non Controlling Interest Rs.	Total Equity Rs.
Balance as at 01 April 2016	718,907,272	410,345,894	(44,854,144)	2,266,477,068	3,350,876,090	399,930,866	3,750,806,956
Profit/(Loss) for the year	-	-	-	206,443,265	206,443,265	(57,620,448)	148,822,817
Disposal of Subsidiary	-	(155,823,827)	-	155,823,827	-	(56,755,973)	(56,755,973)
Gain on Available-for-Sale Financial Assets	-	-	5,992,540	-	5,992,540	-	5,992,540
Impairment of AFS Financial Assets	-	-	21,575,520	-	21,575,520	-	21,575,520
Scrip Dividend	100,871,898	-	-	(100,871,898)	-	-	-
Dividends Paid	-	-	-	(204,624,780)	(204,624,780)	-	(204,624,780)
Actuarial Gain/(Loss)	-	-	-	(4,694,737)	(4,694,737)	-	(4,694,737)
Deferred 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
Profit / (Loss) for the Year	-	-	-	93,267,101	93,267,101	(85,228,806)	8,038,295
Gain on Available for Sale Financial Assets	-	-	9,717,540	-	9,717,540	-	9,717,540
Recognition of Non-Controlling Interest in Lake Lodge Resorts (Pvt) Ltd	-	-	-	-	-	6,000,000	6,000,000
Actuarial Gain/(Loss)	-	-	-	(5,721,032)	(5,721,032)	271,463	(5,449,569)
Deferred Tax impact on Actuarial Gain / (Loss)	-	-	-	381,140	381,140	-	381,140
Income Tax Effect on revaluation of freehold land	-	(5,599,586)	-	-	(5,599,586)	-	(5,599,586)
Balance as at 31 March 2018	819,779,170	269,099,731	(7,568,544)	2,406,462,333	3,487,772,690	206,597,102	3,694,369,792

Company	Stated Capital Rs.	Available for Sale Reserve Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 01 April 2016	718,907,272	(44,854,144)	286,855,354	960,908,482
Profit for the year	-	-	313,724,700	313,724,700
Gain on Available for Sale Financial Assets	-	5,992,540	-	5,992,540
Impairment of AFS Financial Assets	-	21,575,520	-	21,575,520
Scrip Dividend	100,871,898	-	(100,871,898)	-
Dividends Paid	-	-	(204,624,780)	(204,624,780)
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
Profit for the year	-	-	377,780,376	377,780,376
Gain on Available for Sale Financial Assets	-	9,717,540	-	9,717,540
Actuarial Gain / (Loss)	-	-	(1,714,777)	(1,714,777)
Balance as at 31 March 2018	819,779,170	(7,568,544)	669,037,641	1,481,248,267

The Accounting Policies and Notes on pages 101 through 146 form an integral part of these Financial Statements.

Cash Flow Statement

YEAR ENDED 31 MARCH	Note	Group		Company	
		2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Cash Flows from/(used in) Operating Activities					
Profit Before Tax		50,050,500	188,261,333	378,180,907	313,727,451
Adjustment For					
Depreciation	15	194,449,189	188,053,214	18,628,445	4,320,022
Gain on Disposal of Property, Plant and Equipment	7	(6,957)	-	(6,957)	-
Impairment of Work in progress	10	5,307,759	5,307,758	-	-
Provision for Defined Benefit Obligation	28	10,643,509	6,737,042	2,554,602	1,385,071
Amortisation of Leasehold Property	16	813,428	813,424	-	-
Impairment of AFS Reclassified to Profit or Loss	9.1	-	21,575,520	-	21,575,520
Dividend Income	7	(6,618,012)	(6,003,870)	(6,618,012)	(110,520,351)
Finance Income	9.2	(6,300,479)	(8,753,532)	(3,872,047)	(669,706)
Finance Cost	9.1	163,046,072	185,361,848	21,303,415	62,047,789
Provision / (Reversal) of Fall-in Value of Investments	9.2	(11,072,942)	(1,470,387)	(11,072,942)	(1,470,387)
Net Gains / (Losses) relating to Investments in Subsidiaries	8	-	(25,299,664)	(404,714,505)	(268,343,293)
Payables written back / (Loss)	7	(2,044,568)	(23,019,940)	-	-
Operating Profit before Working Capital Changes		398,267,498	531,562,747	(5,617,092)	22,052,118
(Increase) / Decrease in Inventories		1,173,356	(801,262)	-	-
(Increase) / Decrease in Trade and Other Receivables		(116,498,961)	7,637,093	(82,294,237)	(10,039,135)
(Increase) / Decrease in Advance and Prepayment		(2,052,759)	13,036,014	7,833,183	(6,407,214)
Increase / (Decrease) in Trade and Other Payables		(54,770,571)	45,141,307	242,939,337	239,389,174
Increase / (Decrease) in Other Current Non-Financial Liabilities		18,882,235	24,236,750	18,348,070	3,215,667
Cash Generated from Operations		245,000,799	620,812,649	181,209,258	248,210,609
Finance Cost paid	9.1	(163,046,072)	(185,361,848)	(21,303,415)	(62,047,789)
Defined Benefit Obligation paid	28	(5,234,394)	(3,222,659)	(1,406,700)	(379,350)
Gratuity Compensation received/(paid) on Employee Transfer	28	(740,207)	(714,116)	165,000	-
Tax paid		(23,725,258)	(56,797,118)	(794,350)	(128,324)
Net Cash from Operating Activities		52,254,868	374,716,909	157,869,795	185,655,147
Cash Flows from/(used in) Investing Activities					
Acquisition of Property, Plant and Equipment	15	(70,903,034)	(234,217,068)	(13,533,849)	(3,664,885)
Finance Income received	9.2	6,300,479	8,753,532	3,872,047	669,706
Dividend received	7	6,618,012	6,003,870	6,618,012	110,520,351
Proceeds from Disposal of Property, Plant and Equipment		6,957	-	6,957	-
Proceeds from Disposal of Subsidiary	8.3	-	330,111,191	-	330,111,191
Net Cash from/(used in) Investing Activities		(57,977,587)	110,651,525	(3,036,833)	437,636,363

YEAR ENDED 31 MARCH	Note	Group		Company	
		2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Cash Flows from/(used in) Financing Activities					
Dividends paid	13	-	(204,624,780)	-	(204,624,780)
Proceeds from Bank Loans	21.1.1	550,681,254	55,994,272	-	293,698,272
Repayment of Bank Loans	21.1.1	(600,264,364)	(872,902,140)	(100,200,000)	(683,259,498)
Principal Payment under Finance Lease Liabilities	21.1.2	(871,797)	(5,813,772)	-	(2,899,991)
Net Cash from/(used in) Financing Activities		(50,454,908)	(525,346,420)	(100,200,001)	(597,085,998)
Net Increase/(Decrease) in Cash and Cash Equivalents					
		(56,177,627)	(39,977,988)	54,632,960	26,205,514
Cash and Cash Equivalents at the beginning of the year	24	108,518,217	148,496,207	27,635,420	1,429,907
Cash and Cash Equivalents at the end of the year	24	52,340,591	108,518,217	82,268,380	27,635,420

Accounting Policies

Accounting Policies

1. CORPORATE INFORMATION

1.1 Reporting Entity

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

1.2 Consolidated Financial Statements

The Consolidated Financial Statements of the Company for the year ended 31 March 2018 encompasses the Company and its subsidiaries (together referred to as "the Group").

1.3 Nature of Operations and Principal Activities of the Company and the Group

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.

Connaissance Hotel Management (Private) Limited, Connaissance Air Travels (Private) Limited, CDC Conventions (Private) Limited, Lake Lodge (Private) Limited.

Currently these Companies remain as dormant.

Parent Entity and Ultimate Parent Entity

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

1.4 Approval of Financial Statements

The Consolidated Financial Statements of Amaya Leisure PLC and its subsidiaries (collectively, the Group) for the year ended 31st March 2018 were authorised for issue by the Directors on 08th May 2018.

1.5 Responsibility for Financial Statements

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with Sri Lanka Accounting Standards (SLFRSs/LAKS) 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 are measured at fair value.

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

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

2.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees (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 Consolidated Financial Statements provide comparative information in respect of the previous period.

3. BASIS OF CONSOLIDATION

Subsidiaries are disclosed in Note 19 to the Financial Statements.

3.1 Subsidiaries

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

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

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

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

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the

consolidated financial statements from the date the group gains control until the date the group ceases to control the subsidiary.

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3.1.1 Business Combination and Goodwill

Business Combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

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

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

If the business combination is achieved in stages, any previously held equity interest is re-measured 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 as a change to Other Comprehensive Income. If the contingent consideration is classified as equity, it will not be re-measured. 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.

Accounting Policies

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 the statement of 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 operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion the cash-generating unit retained.

3.1.2 Non - controlling interests

Profit or loss and each component of Other Comprehensive 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.

3.1.3 Transaction eliminations 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.

3.2 Foreign Currency Transactions

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

Monetary assets and liabilities denominated in foreign currencies 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 linewith the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit or Loss).

3.3 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in 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 non-current assets and liabilities.

3.4 Fair value measurement

The Group measures financial instruments such as investments which are designated as available-for-sale and designated at fair value through profit or loss and non financial assets 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 15, 20 & 21
- Quantitative disclosures of fair value measurement hierarchy Note 14
- Property(land) under revaluation model Note 15
- Financial instruments (including those carried at amortised cost) Note 20 & 21

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

3.5 Statement of Profit or Loss

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

3.5.1 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 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 a daily basis. Food and beverage revenue is recognised at the time of related sale.

Finance income

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

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

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.

Accounting Policies

Rental income	Rental income is recognised in Statement 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.
3.5.2 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 the Statement of profit or loss in the year in which the expenditure is incurred.
3.5.3 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.
3.5.4 Borrowing costs	Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalized as part of the cost of that asset.
3.5.5 Finance 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.

3.5.6 Tax expense	Tax expense comprises current income tax, dividend tax and deferred tax. Current tax and deferred tax are recognised in statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. Current Tax Current income tax assets or liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current tax relating to items recognised directly in Other Comprehensive Income is recognised in Other Comprehensive Income and not in the statement of profit or loss. 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: <ul style="list-style-type: none"> • 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:
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<ul style="list-style-type: none"> • 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 re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. 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. Dividend Tax Tax on dividend income from subsidiaries is recognised as an expense in the consolidated statement of profit or loss at the same time as the liability to pay the related dividend is recognised.	Sales tax Revenues, expenses and assets are recognised net of the amount of sales tax, except: When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Receivables and payables that are stated with the amount of sales tax included The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.
3.6 Assets	3.6 Assets
3.6.1 Property, Plant and Equipment	3.6.1 Property, Plant and Equipment
The group applies the requirements of LKAS 16 on 'Property Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services and for administration purpose and are expected to be used for more than one year.	The group applies the requirements of LKAS 16 on 'Property Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services and for administration purpose and are expected to be used for more than one year.
3.6.1.1 Basis of Recognition	3.6.1.1 Basis of Recognition
Property, Plant and Equipment is recognised if it is probable that future economic benefit associated with the assets will flow to the Group and cost of the asset can be reliably measured.	Property, Plant and Equipment is recognised if it is probable that future economic benefit associated with the assets will flow to the Group and cost of the asset can be reliably measured.
3.6.1.2 Basis of measurement	3.6.1.2 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.	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.
3.6.1.3 Owned assets	3.6.1.3 Owned assets
The cost of Property, Plant & Equipment includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and 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.	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.

Accounting Policies

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.

3.6.14 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 & maintenance of Property, Plant and Equipment are recognised in statement of profit or loss as incurred.

3.6.15 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 recognized (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) in statement of profit or loss and gains are not classified as revenue.

3.6.16 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.

Description	Period
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
Computer Equipments	05 years
Linen, Crockery and Cutlery	04 years
Fixtures and Fittings	15 years
Motor Vehicles	05 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognized. The asset's residual values, useful lives are reviewed, and adjusted if appropriate, at each financial year end and adjusted prospectively, if appropriate.

3.6.17 Leased assets

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

3.6.18 Group as a lessee

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

Finance leases are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

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

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

3.6.2 Intangible assets

3.6.2.1 Basis of Recognition

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

3.6.2.2 Basis of measurement

Intangible assets acquired separately are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination are their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit or loss in the year in which the expenditure is incurred.

3.6.2.3 Usefull 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.

3.6.2.4 De-recognition of Intangible Assets

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

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.

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 the statement of profit or loss as incurred

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 from the date on which they are available for use.

3.6.3 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.

3.6.4 Financial assets

3.6.4.1 Initial recognition and measurement

Financial assets are classified, at initial recognition 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.

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

Accounting Policies

(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 related parties quoted and unquoted financial instruments.

3.6.4.2 Subsequent measurement

For purpose of subsequent measurement of financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- AFS 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.

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 in statement of profit or loss in finance costs for loans and in other operating expenses for receivables.

Available-for-sale financial investments

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

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses

recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be 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-for-sale 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.

3.6.4.3 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.

3.6.4.4 Impairment of financial assets

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

Financial assets carried at amortised cost

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

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.

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 costs in the statement of profit or loss.

Available-for-sale financial investments

For available-for-sale financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss is removed from other comprehensive income and recognised in the statement of Profit or Loss. Impairment losses on equity investments are not reversed through the statement of profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

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

3.6.5 Financial Liabilities

3.6.5.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

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3.6.5.2 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.

3.6.5.3 Derecognition

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

3.6.6 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

3.6.7 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 14.2.

3.6.8 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

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

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

3.6.9 Cash and cash equivalents

Cash in hand and at bank 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.

3.6.10 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 or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU 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.

3.7 Liabilities and Provisions

3.7.1 Employee Benefits

3.7.1.1 Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no

legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an employee benefit expense in statement of 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. 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 28. 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. The 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 recognized in full in 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

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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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.7.3 Ordinary Shares

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

3.8 General

3.8.1 Events occurring after the reporting date

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

3.8.2 Earnings Per Share

The Group presents basic for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

3.8.3 Statement of Cash Flows

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

Interest paid is classified as a financing cash flow. Dividend and interest income are classified as cash flows from investing activities.

Dividends paid are classified as financing cash flows.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

There were no significant changes in accounting policies and the accounting policies adopted are consistent with those of the previous financial year. Amendments to existing accounting standards effective from 01st January 2017 are stated below:

LKAS 7 - Statement of Cash Flows

The amendment requires an entity to disclose information that enables users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Accordingly an entity shall disclose the following changes in liabilities arising from financing activities:

- Changes from financing cash flows
- changes arising from obtaining or losing control of subsidiaries or other businesses the effect of changes in foreign exchange rates
- Changes in fair values and
- Other changes

LKAS 12 - Income Taxes

When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, the entity shall consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference.

If tax law imposes no such restrictions, entity may assess the deductible temporary difference in combination with all of its other deductible temporary differences. However, if tax law restricts the utilisation of losses to deduction against income of a specific type, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type.

Further the amendment requires an entity to compare the deductible temporary differences with future taxable profit that excludes tax deductions resulting from the reversal of those deductible temporary differences, when evaluating whether the entity will have sufficient taxable profit in future periods. This comparison shows the extent to which the future taxable profit is sufficient for the entity to deduct the amounts resulting from the reversal of those deductible temporary differences.

According to the amendment introduced, the estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this. For example, when an asset is measured at fair value, the entity shall consider whether there is sufficient evidence to conclude that it is probable that the entity will recover the asset for more than its carrying amount.

The Group did not have a material impact from the above amendment during the year ended 31st March 2018.

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.

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 periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date and will not restate comparative information. During 2017/18, the Group has performed a preliminary impact assessment of all three aspects of SLFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2018/19 when the Group will adopt SLFRS 9. Overall, the Group expects no significant impact on its statement of financial position and equity except for the effect of applying the impairment requirements of SLFRS 9. In addition, the Group will implement changes in classification of certain financial instruments.

SLFRS 15 - Revenue from Contracts with Customers

SLFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under SLFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group plans to adopt the new standard on the required effective date using the full retrospective method.

SLFRS 16 Leases

SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('Lessee') and the supplier ('Lessor'). SLFRS 16 will replace Sri Lanka Accounting Standard – LKAS 17 (Leases) and related interpretations.

SLFRS 16 introduces a single accounting model for the lessee, eliminating the present classification of leases in LKAS 17 as either operating leases or finance leases.

The new standard requires a lessee to:

- recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
- present depreciation of lease assets separately, from interest on lease liabilities in the income statement.

SLFRS – 16 substantially carries forward the lessor accounting requirement in LKAS – 17. Accordingly, a lessor continues to classify its leases as operating lease or finance lease, and to account for those two types of leases differently.

SLFRS -16 will become effective on 1st January 2019. The impact on the implementation of the above Standard has not been quantified yet.

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

- Amendments to LKAS 28 Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures
- 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
- Amendments to SLFRS 9 - Prepayment Features with Negative Compensation
- IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Financial Statements in conformity with SLFRS/LKAS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgements and estimates are based on historical experience and other factors, including expectations

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that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgements and estimates.

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

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

Going Concern

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

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 good will recognised by the Group.

The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in Note 18.

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

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

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

The group recognizes liability for anticipated tax based on estimation of the 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.

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

Measurement of the Employee 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 28. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

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 15.1.4 to the Financial Statement.

Notes to the Financial Statements

6. REVENUE	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Gross Revenue (Note 6.1)	1,460,104,431	1,592,920,245	164,748,239	170,983,876
Tourism Development Levy	(14,646,211)	(15,220,695)	-	-
Turnover Tax	(2,564,548)	(2,367,782)	-	-
	1,442,893,672	1,575,331,768	164,748,239	170,983,876

6.1 Gross Revenue

Management Fee	32,172,268	45,545,850	34,572,268	47,945,850
Commission Income	63,409,000	51,447,526	130,175,971	123,038,026
Room Revenue	729,767,101	864,462,282	-	-
Food Revenue	444,338,128	460,928,155	-	-
Beverage Revenue	85,766,720	93,073,052	-	-
Banquet Revenue	55,783,604	39,270,086	-	-
Health Centre Revenue	46,763,296	36,153,605	-	-
Club Revenue	2,104,312	2,039,689	-	-
	1,460,104,431	1,592,920,245	164,748,239	170,983,876

7. OTHER INCOME

7. OTHER INCOME	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Rent Income	6,328,410	6,954,009	-	-
Creditors written back	2,044,568	23,019,940	-	-
Profit on Disposal of Property, Plant and Equipments	6,957	-	6,957	-
Dividend Income	6,618,012	6,003,870	6,618,012	110,520,351
Sundry Income	21,655,764	30,781,915	-	-
	36,653,709	66,759,733	6,624,968	110,520,351

8. NET GAINS/(LOSSES) RELATING TO INVESTMENTS IN SUBSIDIARIES

8. NET GAINS/(LOSSES) RELATING TO INVESTMENTS IN SUBSIDIARIES	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Gain on repurchase of shares by subsidiaries (Note 8.1)	-	-	514,336,157	-
Impairment of Investment in Subsidiary (Note 8.2)	-	-	(109,621,652)	-
Profit on disposal of subsidiaries (Note 8.3)	-	25,299,664	-	268,343,293
	-	25,299,664	404,714,505	268,343,293

Notes to the Financial Statements

8.1 On 31st March 2018 Amaya Leisure PLC entered to a Share Repurchase Transaction with its fully owned subsidiaries, Kandyan Resorts (Pvt) Ltd and Culture Club Resorts (Pvt) Ltd. The transaction resulted in Amaya Leisure PLC buying back 6,568,818 shares of Kandyan Resorts (Pvt) Ltd for a consideration of Rs. 460,120,776/- and 3,956,609 shares of Culture Club Resorts (Pvt) Ltd for a consideration of Rs. 211,012,220/-. The consideration was determined based on the Net Assets Value per share of Kandyan Resorts (Pvt) Ltd and Culture Club Resorts (Pvt) Ltd as at 28.02.2018 which amounted to Rs. 70.05 and Rs. 53.33 respectively.

Accordingly, the total reduction in the investment made in subsidiaries by Amaya Leisure PLC reduced by Rs. 156,796,839/- and a gain of Rs. 514,336,157/- was recorded in the statement of profit or loss.

8.2 Amaya Leisure PLC recorded an impairment of Rs. 109,621,652/- in relation to the investment made in Sun Tan Beach Resorts Ltd. The impairment was recorded in consideration of the losses recorded by Sun Tan Beach Resorts Ltd. upto 31 March 2018.

8.3 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 sales proceed of Rs. 330,111,191/-. Resultant profit to the group and the company was Rs. 25,299,664/- and Rs. 268,343,293/- respectively.

9. FINANCE COST AND INCOME

9.1 Finance Cost	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Interest Expenses on Bank Overdrafts	17,077,706	6,081,155	308,779	729,965
Interest Expenses on Finance Leases	106,844	620,532	-	246,590
Exchange Loss on USD Loan	7,656,846	17,320,264	-	-
Interest Expenses on Bank Loans	138,204,675	161,339,897	20,994,636	61,071,234
Impairment of AFS investments	-	21,575,520	-	21,575,520
	163,046,072	206,937,368	21,303,415	83,623,309

9.2 Finance Income	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Interest Income	5,610,175	8,653,507	3,181,743	569,681
Gain on Investments at Fair Value through Profit or Loss	11,072,942	1,470,387	11,072,942	1,470,387
Exchange Gain on USD savings	690,304	100,025	690,304	100,025
	17,373,421	10,223,919	14,944,989	2,140,093

10. PROFIT BEFORE TAX

Stated after Charging	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Included in Cost of Sales				
Employees Benefits including the following	118,853,142	121,312,437	-	-
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	4,611,167	4,013,978	-	-
- Defined Contribution Plan Costs - EPF and ETF (included in Employee Benefits)	11,340,774	10,316,534	-	-
Depreciation	109,658,310	109,413,497	-	-
Included in General and Administration Expenses				
Employees Benefits including the following	176,549,450	172,874,735	32,419,357	35,723,910
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	4,256,658	2,723,064	2,719,602	1,385,071
- Defined Contribution Plan Costs - EPF and ETF (included in Employee Benefits)	17,067,248	15,394,148	3,735,972	3,233,705
Depreciation	85,355,614	78,639,717	18,628,445	4,320,022
Amortization of Prepaid Operating Lease	248,689	813,424	-	-
Directors' Emoluments	52,857,707	46,092,637	52,857,707	46,092,637
Service Fees	13,028,847	9,128,131	13,028,847	9,128,131
Auditor's Remuneration - Audit	2,657,229	2,266,966	695,687	522,000
Non-Audit	907,660	318,172	304,630	158,000
Professional Fees	1,535,344	1,402,609	392,676	778,512
Legal Fees	11,122	350,115	-	-
Charity and Donation	372,484	365,423	10,000	-
Impairment of Capital WIP	5,307,759	5,307,759	-	-
Included in Selling and Marketing Expenses				
Advertising Expenses	16,940,629	19,865,169	10,412,063	8,060,671
Sales Promotional Expenses	24,197,119	31,726,476	-	-
Rebranding Cost	5,814,037	1,234,411	5,814,037	1,234,411

Notes to the Financial Statements

11. TAX EXPENSES

	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
The major components of income tax expense for the years ended 31 March are as follows :				
Statement of Profit or Loss				
Current Income Tax				
Current Income Tax Charge (Note 11.1)	20,134,223	24,002,853	-	2,751
Under/(Over) Provision of Current Taxes in respect of prior years	150,660	(429,821)	-	-
Unrecovered ESC write off	400,531	-	400,531	-
Dividend Tax	-	11,612,943	-	-
	20,868,415	35,185,975	-	-
Deferred Income Tax				
Deferred Taxation Charge/(Reversal) (Note 11.3)	21,146,792	4,252,541	-	-
Income Tax Expense reported in the Profit or Loss	42,012,206	39,438,516	400,531	2,751

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

Accounting Profit before Income Tax	50,050,500	188,261,333	378,180,907	313,727,451
Disallowed Items	99,404,165	51,023,006	22,464,193	30,236,449
Allowed Items	(115,938,047)	(178,987,202)	(431,140,962)	(383,119,084)
Interest Income	(2,428,432)	(8,098,939)	-	(569,680)
Interest Income (Tax exempted under section 13 (t))	(3,872,047)	(554,568)	(3,872,047)	(554,568)
Tax Relief on Capital Investments	-	(18,205,392)	-	-
Tax Losses Related to Group Companies	34,367,909	40,279,432	-	-
Taxable Profit/(Loss) from Business	61,584,050	73,717,670	(34,367,909)	(40,279,432)
Other Sources of Income				
Interest Income	2,428,432	8,098,939	-	15,113
Taxable Other Income	2,428,432	8,098,939	-	15,113
Total Statutory Income	64,012,482	81,816,609	-	15,113
Tax Losses Brought Forward and Utilized	-	(5,290)	-	(5,290)
Total Taxable Income	64,012,482	81,811,319	-	9,824
Income Tax @ 2% on Turnover	12,244,176	12,889,030	-	-
Income Tax @ 12% on Taxable Profits	7,390,087	8,846,120	-	-
Income Tax @ 28% Taxable Profits	679,961	2,267,703	-	2,751
Current Income Tax Charge	20,314,223	24,002,853	-	2,751

11.2 INCOME TAX EXPENSE (Contd..)

Finance Cost	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Tax Losses				
Tax Losses brought forward	377,957,092	337,682,950	357,532,816	317,258,674
Tax Losses utilised during the year	-	(5,290)	-	(5,290)
Loss incurred during the year	34,367,909	40,279,432	34,367,909	40,279,432
Tax Losses carried forward	412,325,001	377,957,092	391,900,725	357,532,816

11.3 Deferred Taxation - Group

Deferred Taxation - Group	Statement of Financial Position		Statement of Profit or Loss	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Deferred Tax Liability				
Accelerated depreciation on Property, plant and equipment	125,466,916	103,749,983	21,716,933	4,719,605
Revaluation surplus on land	5,599,586	-	-	-
	131,066,502	103,749,983	21,716,933	4,719,605
Deferred Tax Assets				
Retirement Benefit Obligation - Through Statement of Profit or Loss	(1,932,560)	(1,432,907)	(499,653)	(467,064)
Retirement Benefit Obligation - Through Other Comprehensive Income	(599,820)	(218,679)	-	-
Trade and Other Receivables	(493,412)	(422,924)	(70,488)	-
	(3,025,792)	(2,074,510)	(570,141)	(467,064)
Deferred Taxation Charge	-	-	21,146,792	4,252,541
Net Deferred Tax Liability	128,040,710	101,675,473		

11.3.1 Reconciliation of Deferred Tax Charge / (Reversal)

Deferred Tax charge reported in the Profit or Loss	21,146,792	4,252,541
Deferred Tax charge reported in Other Comprehensive Income	5,218,445	17621
	26,365,237	4,270,162

11.3.2 Amaya Leisure PLC

The Company has a carried forward tax loss amounting to Rs. 391,900,725/- (2017 - Rs. 357,532,816/-) that is available for offset against future statutory income in each year of assessment under the new inland revenue act no 24 of 2017 for period of Six (6) years. A deferred tax asset amounting to Rs. 54,866,102/- (2017 - Rs.42,903,938/-) 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.

Notes to the Financial Statements

11.3.3 Kandyan Resorts (Private) Limited

As per clause 10 (ii) of the BOI agreement dated 23 March 1994, the company is liable to pay income tax at the rate of 2% of the turnover for a period of 15 years with effect from 01 April 2012.

12. BASIC EARNINGS PER SHARE

Basic Earnings Per Share is calculated by dividing the net profit for the year attributable to Ordinary Shareholders by the weighted average number of Ordinary Shares outstanding during the year.

The following reflects the income and share data used in the Basic Earnings Per Share computations.

12.1 Amount used as the Numerator:	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Profit for the year	8,038,295	148,822,817	377,780,375	313,724,700
(Profit)/Loss attributable to Non-Controlling Interest	85,228,806	57,620,448	-	-
Profit attributable to Ordinary Shareholders of Parent Company for Basic Earnings per Share	93,267,101	206,443,265	377,780,375	313,724,700

12.2 Number of Ordinary Shares used as the Denominator	Weighted Average Number of Ordinary Shares in issue applicable to Basic Earnings Per Share			
	2018	2017	2018	2017
	51,876,976	51,876,976	51,876,976	51,876,976

13. DIVIDENDS

Equity dividends on ordinary shares:	Group / Company	
	2018 Rs.	2017 Rs.
Dividend for the year ended 31 March 2018 - (2017 : Rs. 2.00 per Share)	-	103,752,882

14. FAIR VALUE MEASUREMENT

14.1 The following table provides the fair value measurement hierarchy of the Group's assets.

Fair value measurement hierarchy for assets as at 31 March 2018 and 2017:

Date of valuation	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets measured at fair value:				
As at 31 March 2018				
Non-Financial Assets				
Land (Note 15)	31 March 2017	638,000,000	-	- 638,000,000
Total Non-Financial Assets		638,000,000	-	- 638,000,000
Financial Assets				
Fair Value through profit or loss financial assets				
Quoted Investment in Equity Securities (Note 20.1)	31 March 2018	20,102,548	20,102,548	- -
Total Fair Value through profit or loss financial assets		20,102,548	20,102,548	- -
AFS financial assets				
Quoted Investment in Equity Securities (Note 20.2)	31 March 2018	113,411,640	113,411,640	- -
Total AFS financial assets		113,411,640	113,411,640	- -
Non-Quoted Investment in Equity Shares				
Non-Quoted Investment in Equity Shares (Note 20.2.2)	31 March 2018	-	-	- 10
Total Non-Quoted financial assets		-	-	- 10
Total Financial Assets		133,514,198	133,514,188	- 10
As at 31 March 2017				
Non-Financial Assets				
Land (Note 15)	31 March 2017	638,000,000	-	- 638,000,000
Total Non-Financial Assets		638,000,000	-	- 638,000,000
Financial Assets				
Fair Value through Profit or Loss				
Quoted Investment in Equity Securities (Note 20)	31 March 2017	9,029,606	9,029,606	- -
Total Fair Value through profit or loss		9,029,606	9,029,606	- -
AFS financial assets				
Quoted Investment in Equity Securities (Note 20.2)	31 March 2017	103,694,100	103,694,100	- -
Total AFS financial assets		103,694,100	103,694,100	- -
Non-Quoted Investment in Equity Shares				
Non-Quoted Investment in Equity Shares (Note 20.2.2)	31 March 2017	-	-	- 10
Total Non-Quoted financial assets		-	-	- 10
Total Financial Assets		112,723,716	112,723,706	- 10

Notes to the Financial Statements

14. FAIR VALUE MEASUREMENT (Contd.)

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. The Management also assessed that the fair value of long term variable rate borrowings approximate their carrying amounts largely due to the market base interest rates charged.

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

Fair value measurement hierarchy for assets as at 31 March 2018 and 2017:

Date of valuation	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets measured at fair value:				
As at 31 March 2018				
Financial Assets				
Fair Value through profit or loss				
Quoted Investment in Equity Securities (Note 20.1)	31 March 2018	20,102,548	20,102,548	-
Total Fair Value through profit or loss		20,102,548	20,102,548	-
AFS financial assets				
Quoted Investment in Equity Securities (Note 20.2)	31 March 2018	113,411,640	113,411,640	-
Total AFS financial assets		113,411,640	113,411,640	-
Non-Quoted Investment in Equity Shares				
Non-Quoted Investment in Equity Shares (Note 20.2.2)	31 March 2018	-	-	10
Total Non-Quoted financial assets		-	-	10
Total Financial Assets		133,514,198	133,514,188	-
Fair Value through Profit or Loss				
Quoted Investment in Equity Securities (Note 20.1)	31 March 2017	9,029,606	9,029,606	-
Total Fair Value through profit or loss		9,029,606	9,029,606	-
AFS financial assets				
Quoted Investment in Equity Securities (Note 20.2)	31 March 2017	103,694,100	103,694,100	-
AFS financial assets		103,694,100	103,694,100	-
Non-Quoted Investment in Equity Shares				
Non-Quoted Investment in Equity Shares (Note 20.2.2)	31 March 2017	-	-	10
Non-Quoted financial assets		-	-	10
Total Financial Assets		112,723,716	112,723,706	-

15. PROPERTY, PLANT AND EQUIPMENT

15.1	Group	Balance As at 01.04.2017	Transfers/Additions	Transfers/Impairment Disposal	Balance As at 31.03.2018
15.1.1	Gross carrying amounts	Rs.	Rs.	Rs.	Rs.
At Cost or Valuation					
	Freehold Land	638,000,000	-	-	638,000,000
	Freehold Buildings	893,348,623	-	-	893,348,623
	Road Network	32,498,582	-	-	32,498,582
	Building on Leasehold Land	2,773,007,232	5,975,901	-	2,778,983,133
	Furniture and Fittings	376,039,142	18,287,640	-	394,326,782
	Plant and Machinery	289,080,080	14,406,079	-	303,486,159
	Air Conditioners	155,119,924	2,714,002	-	157,833,927
	Kitchen Equipments	137,799,038	7,260,423	-	145,059,461
	Office Equipments	3,663,716	3,113,944	-	6,777,660
	Computer Equipments	72,686,741	3,834,141	-	86,274,379
	Linen, Crockery and Cutlery	172,072,188	7,196,727	-	179,268,914
	Fixtures and Fittings	86,082,588	5,321,496	-	91,404,084
	Motor Vehicles	100,989,552	6,350,000	(55,800)	107,283,752
		5,730,387,406	74,460,353	(55,800)	5,814,545,456
Assets on Finance Leases					
	Motor Vehicles	6,350,000	-	(6,350,000)	-
		6,350,000	-	(6,350,000)	-
		5,736,737,406	74,460,353	(6,405,800)	5,814,545,456
In the course of construction					
		Balance As at 01.04.2017	Incurred during the year	Transfers/ Impairment Disposal	Balance As at 31.03.2018
		Rs.	Rs.	Rs.	Rs.
	Building Work in Progress	9,024,084	38,375,351	(10,890,429)	36,509,005
		9,024,084	38,375,351	(10,890,429)	36,509,005
	Total Gross Carrying Amount	5,745,761,489	112,835,704	(17,296,229)	5,851,054,460

Notes to the Financial Statements

15.1.2	Depreciation	Balance As at 01.04.2017 Rs.	Charge for the year Rs.	Transfers/ Impairment Disposal Rs.	Balance As at 31.03.2018 Rs.
At Cost or Valuation					
	Freehold Buildings	106,155,119	17,866,972	-	124,022,092
	Road Network	4,809,363	1,624,930	-	6,434,293
	Building on Leasehold Land	217,997,953	55,444,997	-	273,442,950
	Furniture and Fittings	103,155,453	26,898,607	-	130,054,060
	Plant and Machinery	97,931,212	21,785,023	-	119,716,235
	Air Conditioners	44,043,595	6,360,244	-	50,403,839
	Kitchen Equipments	51,911,402	9,883,265	-	61,794,666
	Office Equipments	1,583,185	802,969	-	2,386,154
	Computer Equipments	51,368,279	9,156,341	-	60,524,620
	Linen, Crockery and Cutlery	142,524,613	12,540,855	-	155,065,467
	Fixtures and Fittings	30,917,729	6,795,261	-	37,712,990
	Motor Vehicles	74,494,069	25,289,724	3,794,200	103,577,993
		926,891,974	194,449,189	3,794,200	1,125,135,360
Assets on Finance Leases					
	Motor Vehicles	3,850,000	-	(3,850,000)	-
		3,850,000	-	(3,850,000)	-
	Total Depreciation	930,741,974	194,449,189	(55,800)	1,125,135,360

15.1.3	Net Book Value	2018 Rs.	2017 Rs.
At Cost or Valuation			
	Freehold Land	638,000,000	638,000,000
	Freehold Buildings	769,326,531	787,193,503
	Road Network	26,064,288	27,689,218
	Building on Leasehold Land	2,505,540,180	2,555,009,277
	Furniture and Fittings	259,803,125	268,414,092
	Plant and Machinery	185,275,367	191,148,868
	Air Conditioners	107,430,088	111,076,330
	Kitchen Equipments	83,264,795	85,887,637
	Office Equipments	4,391,506	2,080,531
	Computer Equipments	14,490,819	21,318,462
	Linen, Crockery and Cutlery	24,203,446	29,547,574
	Fixtures and Fittings	58,160,691	59,634,456
	Motor Vehicles	3,718,158	26,495,483
		4,679,668,993	4,803,495,429
Assets on Finance Leases			
	Motor Vehicles	-	2,500,000
		-	2,500,000
In the course of construction			
	Building Work in Progress	36,509,005	9,024,083
		36,509,005	9,024,083
	Total Carrying Amount of Property, Plant and Equipment	4,716,178,000	4,815,019,513

Notes to the Financial Statements

15.14 Revaluation of land

Freehold land of the Group (Kandyan Resorts (Private) Limited and Culture Club Resorts (Private) Limited) were revalued by Messers. P. B Kalugalagedera an independent valuer and consultant, in a 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 14.

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/-

15.15 During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 100,903,034/- (2017 - Rs. 234,217,068/-) including cost incurred on capital work in progress of which Rs. 38,375,351/- (2017 Rs. 41,701,662/-). Cash payments amounted to Rs. 70,903,034/- (2017 - Rs.234,217,068/-) were made during the year for purchase of Property, Plant and Equipment.

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

Company	Location	Ownership	Extent	Lease Period	No of Buildings
Culture Club Resorts (Private) Limited	Dambulla	Leasehold	8.094 Hectares	50 years	105
Culture Club Resorts (Private) Limited	Dambulla	Freehold	0.406 Hectares	-	-
Kandyan Resorts (Private) Limited	Kandy	Freehold	4.82 Hectares	-	10
Sun Tan Beach Resorts Limited	Passikudah	Leasehold	3.9 Hectares	99 years	7

15.2 Company	Balance As at 01.04.2017 Rs.	Additions Rs.	Transfers/ Disposal Rs.	Balance As at 31.03.2018 Rs.
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At Cost

Motor Vehicles	49,620,800	-	(55,800)	49,565,000
Furniture and Fittings	2,020,879	8,672,940	-	10,693,819
Office Equipments	2,313,415	3,113,944	-	5,427,359
Computer Equipments	9,960,437	1,746,965	-	11,707,402
Total Gross carrying amount	63,915,532	13,533,849	(55,800)	77,393,581

15.2.2 Depreciation	Balance As at 01.04.2017 Rs.	Charge for the year Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2018 Rs.
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At Cost/ Deemed Cost

Motor Vehicles	33,870,800	15,750,000	(55,800)	49,565,000
Furniture and Fittings	610,080	325,772	-	935,852
Office Equipments	978,709	699,893	-	1,678,602
Computer Equipments	4,862,143	1,852,781	-	6,714,924
	40,321,732	18,628,445	(55,800)	58,894,377

15.2.3 Net Book Values	2018 Rs.	2017 Rs.
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At Cost

Motor Vehicles	-	15,750,000
Furniture and Fittings	9,757,967	1,410,799
Office Equipments	3,748,757	1,334,706
Computer Equipments	4,992,479	5,098,294
Total Carrying Amount of Property, Plant and Equipment	18,499,204	23,593,799

Notes to the Financial Statements

15.2.4 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 13,533,849/- (2017 - Rs. 3,664,885/-). Cash payments amounted to Rs.13,533,849/- (2017 - Rs.3,664,885/-) were made during the year for purchase of Property, Plant and Equipment.

16. PREPAYMENT ON LEASEHOLD PROPERTY

	Group	
	2018 Rs.	2017 Rs.
As at 1 April	60,865,976	61,679,400
Amortisation for the year	(813,428)	(813,424)
As at 31 March	60,052,548	60,865,976

Prepaid lease rentals paid to acquire the land use rights of Culture Club Resorts (Private) Limited which is situated in Dambulla, and 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.

17. OTHER NON-CURRENT ASSETS

	Group	
	2018 Rs.	2017 Rs.
Lake Lodge Resorts (Private) Limited	-	24,000,000
	-	24,000,000

Amaya Leisure PLC's 80% controlling interest in Lake Lodge (Private) Limited was transferred to investments in subsidiary during the financial year 2017/18.

18. INTANGIBLE ASSETS - GROUP

	Group	
	2018 Rs.	2017 Rs.
<i>Goodwill on Business Combinations</i>		
As at 01 April	137,863,688	137,863,688
As at 31 March	137,863,688	137,863,688

Impairment of Goodwill

Intangible Assets represent the goodwill recognized on acquisition of Sun Tan Beach Resorts Limited during the financial year 2014/15. The Group performed its annual impairment test in March 2018 and 2017. The recoverable amount of CGU identified in relation to Sun Tan Beach Resorts Limited has been determined based on a fair value less cost to sell.

For this purpose, management has considered the fair value of the hotel property belonging to Sun Tan Beach Resorts Limited which represents its sole revenue generating asset. The valuation was carried out by Messers. PB Kalugalagedara an independent valuer and a consultant in a report dated 31 March 2017.

The key assumptions used to determine the fair value of the property of Sun Tan Beach Resorts Limited is as follows;

Valuation Methodology Applied - Direct Capital Comparison Method

Estimated Valuation per square foot

Hotel - Ground Floor, First Floor and Second Floor	-	Rs. 12,000
Laundry	-	Rs. 5,000
Administrative Building	-	Rs. 6,000
Other Developed Areas	-	Rs. 1,000

Notes to the Financial Statements

19. INVESTMENT IN SUBSIDIARIES	Holding		Cost	
	2018 %	2017 %	2018 Rs.	2017 Rs.
19.1 Non-Quoted Investment in Subsidiaries				
Company				
Kandyan Resorts (Private) Limited	100%	100%	323,612,971	415,178,962
Culture Club Resorts (Private) Limited	100%	100%	392,749,255	457,980,103
Sun Tan Beach Resorts Limited	56.09%	56.09%	575,119,542	684,741,194
Lake Lodge (Private) Limited	80%	-	24,000,000	-
Connaissance Hotel Management (Private) Limited	100%	100%	-	-
CDC Conventions (Private) Limited	100%	100%	-	-
Connaissance Air Travels (Private) Limited	100%	100%	-	-
Total Non-Quoted Investment in Subsidiaries			1,315,481,768	1,557,900,259

19.1.1 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	2018	2017
Sun Tan Beach Resorts Limited	Sri Lanka	43.91%	43.91%
Lake Lodge (Pvt) Ltd	Sri Lanka	20%	-

Accumulated balances of Material Non-Controlling Interest

	2018 Rs.	2017 Rs.
Sun Tan Beach Resorts Limited	200,597,103	285,554,445
	200,597,103	285,554,445

Total Comprehensive Income / (Expense) allocated to Material Non-Controlling Interest

	2018 Rs.	2017 Rs.
Sun Tan Beach Resorts Limited		
Profit / (Loss) for the year	(85,228,806)	(57,620,448)
Other Comprehensive income / (Expense)	271,463	-
	(84,957,343)	(57,620,448)

The Summarised financial information of Sun Tan Beach Resorts Limited are provided below

Summarised Statement of Financial Position	2018 Rs.	2017 Rs.
Current Assets	51,644,884	169,194,329
Non-Current Assets	1,836,365,098	1,893,438,055
Current Liabilities	562,438,194	468,279,403
Non-Current Liabilities	868,345,726	943,646,280
Total Equity	457,226,075	650,706,701
Attributable to:		
Equity holders of the parent	256,628,972	365,152,256
Non-controlling interest	200,597,103	285,554,445

Statement of Profit or Loss for year ended,

	2018 Rs.	2017 Rs.
Revenue	248,706,710	298,781,879
Cost of Sales	(195,978,518)	(202,133,142)
Administrative expenses	(119,850,654)	(130,592,506)
Finance costs	(141,635,813)	(122,908,090)
Profit before tax	(204,483,226)	(129,727,295)
Income tax	(680,713)	(2,105,167)
Profit for the year	(205,163,939)	(131,832,463)
Total comprehensive income	(205,163,939)	(131,533,005)
Attributable to non-controlling interests	(85,228,806)	(57,620,448)

Summarized cash flow information for the year is provided below,

	Rs.	Rs.
Cash flow from Operating activities	(137,536,725)	(41,843,068)
Cash flow from Investing activities	(5,318,292)	(121,660,138)
Cash flow from Financing activities	42,960,045	57,333,094
Net increase/(decrease) in cash and cash equivalents	(99,894,973)	(106,170,112)

Notes to the Financial Statements

20. OTHER FINANCIAL ASSETS

	Group/Company	
	2018 Rs.	2017 Rs.
Current		
Fair Value through profit or loss		
Quoted investments in Equity Shares (Note 20.1)	20,102,548	9,029,606
	20,102,548	9,029,606
Non-Current		
Available for sale Investments		
Quoted Investments in Equity Shares (Note 20.2.1)	113,411,640	103,694,100
Non-Quoted Investment in Equity Securities (Note 20.2.2)	10	10
Total available for sale investments	133,411,650	103,694,110

20.1 Fair Value through profit or loss

Group / Company	No. of Shares		Cost		Market Value	
	2018	2017	2018	Market	2017	2017
			Rs.	Value	Rs.	Value
The Fortress Resorts PLC	90,075	90,075	646,349	945,788	646,349	1,044,870
LB Finance PLC	40	40	3,029	4,760	3,029	4,736
Browns Capital PLC	5,320,000	5,320,000	25,004,000	19,152,000	25,004,000	7,980,000
	5,410,115	5,410,115	25,653,378	20,102,548	25,653,378	9,029,606
Fair value adjustment of investments			(5,550,830)	-	(16,623,772)	-
Total Quoted Investments in Equity Securities			20,102,548	20,102,548	9,029,606	9,029,606

20.2 Available-For-Sale Investments

20.2.1 Quoted Investment in Equity Securities

Group / Company	No. of Shares		Carrying Value 2018 Rs.	Market Value 2018 Rs.	Carrying Value 2017 Rs.	Market Value 2017 Rs.
	2018	2017				
Royal Ceramics Lanka PLC	521,600	521,600	62,070,400	54,976,640	83,645,920	62,070,400
Hunas Falls Hotels PLC	899,000	899,000	58,909,784	58,435,000	58,909,784	41,623,700
	1,420,600	1,420,600	120,980,184	113,411,640	142,555,704	103,694,100
Fair value adjustment of investments			(7,568,544)	-	(38,861,604)	-
Total Quoted Investments in Equity Securities			113,411,640	113,411,640	103,694,100	103,694,100

20.2.2 Non-Quoted Investment in Equity Securities

	No. of Shares		Carrying Value 2018 Rs.	Carrying Value 2017 Rs.
	2018	2017		
La Forteresse (Private) Limited	1	1	10	10
Total Non-Quoted Investments in Equity Securities	1	1	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.

21. INTEREST BEARING LOANS AND BORROWINGS

Group	2018	2018	2018 Total Rs.	2017	2017	2017 Total Rs.
	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.		Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	
Bank Loans (Note 21.1.1)	455,884,119	872,824,308	1,328,708,427	329,434,348	1,048,857,189	1,378,291,537
Finance Leases (Note 21.1.2)	-	-	-	871,797	-	871,797
Bank Overdrafts (Note 24)	119,207,049	-	119,207,049	139,372,630	-	139,372,630
	575,091,168	872,824,308	1,447,915,476	469,678,775	1,048,857,189	1,518,535,964

Notes to the Financial Statements

21.1.1 Bank Loans - Group

	Balance As at 01.04.2017 Rs.	Loans Obtained Rs.	Repayments Rs.	Balance As at 31.03.2018 Rs.
Hatton National Bank PLC	825,087,000	550,681,254	(427,337,080)	948,431,174
Seylan Bank PLC	207,750,000	-	(100,200,000)	107,550,000
DFCC Bank	345,454,537	-	(72,727,284)	272,727,253
	1,378,291,537	550,681,254	(600,264,364)	1,328,708,427

Terms and Conditions of the Loans

The repayment terms of bank loans and the security offered to each loan are set out below;

Amaya Leisure PLC

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

- Rate of Interest	1 Months AWPLR + 1.5% p.a.
- Repayment by	April 2019
- Security offered	None

Sun Tan Beach Resorts Limited

	DFCC - Rs. 400 Mn	HNB - Rs. 280 Mn	HNB - Rs. 125 Mn	HNB - USD 3 Mn
- Rate of Interest	3 Months AWPLR+1% p.a	Weekly AWPLR+0.75% p.a	Monthly AWPLR+1.5% p.a	3 Months LIBOR + 4% p.a
- Term of Repayment - Capital	Rs. 6,060,607 p.m	Rs. 4,666,667 p.m	Rs. 2,605,000 p.m	USD 57,692 p.m
- No of Installments	66 Months	60 Months	60 Months	60 Months
- Repayment by	December 2021	December 2022	May 2023	December 2021
- Grace Period	September 2011 to September 2016	July 2015 to December 2016 & June 2017 to April 2018	May 2017 to April 2018	July 2015 to December 2016 & August 2017 to October 2018
- Security offered	Leashold Right of the land and Hotel building belongs to Sun Tan Beach Resorts Ltd	Leashold Right of the land and Hotel building belongs to Sun Tan Beach Resorts Ltd	Leashold Right of the land and Hotel building belongs to Sun Tan Beach Resorts Ltd	Leashold Right of the land and Hotel building belongs to Sun Tan Beach Resorts Ltd

21.1.2 Finance Leases

	Balance As at 01.04.2017 Rs.	New Leases Obtained Rs.	Repayments Rs.	Balance As at 31.03.2018 Rs.
Pan Asia Banking Corporation PLC	978,642	-	(978,642)	-
Gross Liability	978,642	-	(978,642)	-
Finance Charges allocated to Future Periods	(106,845)	-	106,845	-
Net Liability	871,797	-	(871,797)	-

21.2 Company

	2018 Amount Repayable Within 1 Year Rs.	2018 Amount Repayable After 1 Year Rs.	2018 Total Rs.	2017 Amount Repayable Within 1 Year Rs.	2017 Amount Repayable After 1 Year Rs.	2017 Total Rs.
Bank Loans (Note 21.2.1)	100,200,000	7,350,000	107,550,000	100,200,000	107,550,000	207,750,000
	100,200,000	7,350,000	107,550,000	100,200,000	107,550,000	207,750,000

21.2.1 Bank Loans

	Balance As at 01.04.2017 Rs.	Loans Obtained Rs.	Repayments Rs.	Balance As at 31.03.2018 Rs.
Seylan Bank PLC	207,750,000	-	(100,200,000)	107,550,000
	207,750,000	-	(100,200,000)	107,550,000

22. INVENTORIES

	Group	
	2018 Rs.	2017 Rs.
Food and Beverages	17,529,374	19,329,324
Housekeeping and Maintenance	14,623,680	14,007,469
Printing and Stationery	2,226,121	2,294,312
Consumable and Other	2,609,010	2,530,436
	36,988,185	38,161,541

Notes to the Financial Statements

23. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Trade Receivables	204,201,891	172,579,932	2,690,755	3,120,365
Less - Impairment made from Trade Receivables	(5,252,772)	(5,252,772)	-	-
	198,949,120	167,327,160	2,690,755	3,120,365
Other Receivables	32,535,759	28,054,167	19,614,292	12,901,337
Other Receivables from related parties (Note 23.2)	119,800,117	39,404,708	109,604,115	33,593,223
Provision for doubtful receivables	(7,700,880)	(7,700,880)	(7,700,880)	(7,700,880)
	343,584,115	227,085,155	124,208,282	41,914,045

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

	Total	Neither past due nor impaired	Past due but not impaired				
			0-60 days	61-120 days	121-180 days	181-365 days	>365 days
2018	198,949,120	79,928,612	84,832,125	24,819,697	3,095,498	6,048,297	224,891
2017	167,327,160	77,963,591	58,511,411	17,798,516	6,549,425	6,504,217	-

23.2 Other Receivables from Related Parties

	Relationship	Group		Company	
		2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Hayleys PLC	UltimateParent	14,250	-	-	-
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
Lake Lodge Resorts (Private) Limited	Subsidiary	-	2,378,292	-	-
Sun Tan Beach Resorts Limited	Subsidiary	-	-	478,757	782,387
Hunas Falls Hotel PLC	Affiliate	2,125,051	1,373,619	2,080,703	1,430,780
The Kingsbury PLC	Affiliate	8,697,822	8,312,783	8,697,822	8,312,783
Kelani Valley Resort (Private) Limited (The Oliphant Bungalow)	Affiliate	2,118,002	-	-	-
Hayleys Tours (Private) Limited	Affiliate	4,619,098	670,567	-	-
Eastern Hotels (Private) Limited	Affiliate	3,387,811	2,969,224	-	-
Luxury Resorts (Private) Limited	Affiliate	98,346,833	23,067,274	98,346,833	23,067,274
Fentons Limited	Affiliate	41,250	-	-	-
Hayleys Consumer Products Limited	Affiliate	-	182,950	-	-
Hayleys Agriculture Holdings Limited	Affiliate	450,000	450,000	-	-
(Less) Impairment of Doubtful Receivables		-	-	(11,468,393)	(11,468,393)
		119,800,117	39,404,708	109,604,115	33,593,223

24. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT

Components of Cash and Cash Equivalents	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Favorable Cash and Cash Equivalent Balances				
Cash and Bank Balances	103,297,327	142,957,571	29,578,067	27,635,420
Short Term Deposits	68,250,313	104,933,276	52,690,313	-
Unfavorable Cash and Cash Equivalent Balances				
Bank Overdraft	(119,207,049)	(139,372,630)	-	-
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	52,340,591	108,518,217	82,268,380	27,635,420

25. STATED CAPITAL

	Group/Company			
	2018		2017	
	Number	Rs.	Number	Rs.
Fully paid Ordinary Shares	51,876,976	819,779,170	51,876,976	819,779,170
	51,876,976	819,779,170	51,876,976	819,779,170

Notes to the Financial Statements

26. RESERVES

26.1 REVALUATION RESERVE

	2018 Rs.	2017 Rs.
On Property, Plant and Equipment		
As at 01 April	274,699,317	410,345,894
Revaluation During the Year	-	20,177,250
Disposal of Land	-	(155,823,827)
Differed Tax	(5,599,586)	-
As at 31 March	269,099,731	274,699,317

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.

26.2 AVAILABLE-FOR-SALE RESERVE

	2018 Rs.	2017 Rs.
As at 1st April	(17,286,084)	(44,854,144)
Net Change in Fair Value	9,717,540	5,992,540
Re-classified to Profit or Loss during the year	-	21,575,520
As at 31st March	(7,568,544)	(17,286,084)

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Trade Payables	94,336,997	118,562,052	5,531,151	4,489,842
Other Payables to Related Parties (Note 27.1)	1,741,137	6,449,164	28,826,255	451,342,034
Sundry Creditors including accrued expenses	155,112,797	182,982,456	11,499,979	18,219,169
	251,190,931	307,993,672	45,857,385	474,051,045

27.1 Other Payables to Related Parties

Relationship	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Hayleys PLC	690,669	5,473,281	690,669	5,475,271
Kandyan Resorts (Private) Limited	-	-	10,684,210	298,057,743
Culture Club Resorts (Private) Limited	-	-	17,384,573	147,075,959
Hayleys Consumer Products Limited	23,455	1,435	2,815	1,435
Hayleys Tours (Private) Limited	-	661,032	-	661,032
Mabroc Teas (Private) Limited	286,480	167,602	-	1,097
Hayleys Business Solutions (Private) Limited	62,035	95,361	62,035	62,035
Hayleys Electronics Lighting (Private) Limited	34,155	42,990	-	-
Singer (Sri Lanka) PLC	538,200	-	-	-
Logiwiz Limited	1,953	7,463	1,953	7,463
Fentons Limited	104,190	-	-	-
	1,741,137	6,449,164	28,826,255	451,342,034

28. RETIREMENT BENEFIT OBLIGATION

	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
<i>Defined Benefit Obligation - Gratuity</i>				
Defined Benefit Obligation as at the beginning of the year	45,121,143	37,626,138	12,729,615	9,612,559
Employee Transfer	(740,207)	(714,116)	165,000	-
Current Service Cost	8,740,306	2,698,781	2,554,602	348,554
Interest Cost	1,903,203	4,038,261	-	1,036,517
Actuarial (Gain)/Loss	5,449,569	4,694,737	1,714,777	2,111,335
Benefit paid	(5,234,394)	(3,222,659)	(1,406,700)	(379,350)
Defined Benefit Obligation as at the end of the year	55,239,619	45,121,143	15,757,294	12,729,615

Messrs. Actuarial & Management Consultants (Pvt) Ltd an independent actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on March 31, 2018. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	2018	2017
Discount Rate	11%	12%
Future Salary Increment Rate	10%	11%
Average remaining working life (years)	5.04	7.05

Notes to the Financial Statements

28.1 Sensitivity of the principal assumptions used

Components of Cash and Cash Equivalents	Expected Future Salaries		Discount Rate	
	1% increase Rs.	1% decrease Rs.	1% increase Rs.	1% decrease Rs.
Company				
Change in Present value of Defined Benefit Obligation	16,534,472	15,026,734	15,118,333	16,447,262
Group				
Change in Present value of Defined Benefit Obligation	58,253,609	52,441,989	52,725,368	57,990,787

29. COMMITMENTS AND CONTINGENCIES

Capital Expenditure Commitments

Culture Club Resorts (Private) Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounted to Rs. 207Mn (2017 - Rs.236 Mn).

Kandyan Resorts (Private) Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounted to Rs. 139Mn (2017 - Rs. 162 Mn).

Sun Tan Beach Resorts Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounted to Rs. 18Mn (2017 - Rs. 25 Mn)

30. ASSETS PLEDGED

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

Nature of Assets Pledged	Nature of Liability	Carrying Amount Pledged		Included Under
		2018 Rs.	2017 Rs.	
Leashold 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	1,467,058,889	1,459,248,496	Property, Plant and Equipments

31. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

31.1 Transaction with the Related Entities	Parent Company		Subsidiary Companies		Other Companies		Total	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
As at 1 April	(5,475,271)	(11,122,632)	(444,351,314)	(187,791,739)	32,077,774	15,229,857	(417,748,811)	(183,684,514)
Rendering/Obtaining Services	(55,965,159)	(40,903,296)	-	-	(14,564,867)	(9,655,053)	(70,530,026)	(50,558,349)
Management Fees	-	-	2,816,327	2,775,510	4,102,695	43,092,749	6,919,021	45,868,259
Commission Income	-	-	78,345,997	82,786,654	100,259,558	61,478,123	178,605,555	144,264,777
Expenses incurred by the Company on behalf of Others	-	-	1,504,736	5,124,585	2,368,797	27,562,672	3,873,532	32,687,257
Dividend	-	-	-	104,516,481	-	-	-	104,516,481
Settlement of Liabilities on behalf of the Company	(4,830,591)	(16,949,628)	-	-	-	-	(4,830,591)	(16,949,628)
Settlement of Liabilities by the Company on behalf of Others	-	-	185,975,842	179,912,342	29,767,081	25,482,853	215,742,923	205,395,195
Collections made by the Company on behalf of the Others	-	-	(37,607,415)	(28,035,145)	(11,109,371)	(7,601,025)	(48,716,786)	(35,636,170)
Fund Transfers	-	-	(480,796,000)	(601,900,000)	-	-	(480,796,000)	(601,900,000)
Payment Made	-	63,500,285	-	-	-	(123,512,402)	-	(60,012,117)
Settlements by the Company	-	-	-	-	61,501,858	-	61,501,858	-
Settlements to the Company	65,580,350	-	(4,611,193)	-	(95,341,062)	-	(34,371,904)	-
Re-Purchase of Shares	-	-	671,132,996	-	-	-	671,132,996	-
Intercompany Write off	-	-	-	(1,740,002)	-	-	-	(1,740,002)
As at 31 March	(690,669)	(5,475,271)	(27,590,025)	(444,351,314)	109,062,462	32,077,774	80,781,767	(417,748,810)
Included in:								
Amount due from Related Parties	-	-	478,757	782,387	109,125,358	32,810,836	109,604,115	33,593,224
Amount due to Related Parties	(690,669)	(5,475,271)	(28,068,782)	(445,133,702)	(62,897)	(733,062)	(28,822,348)	(451,342,034)
	(690,669)	(5,475,271)	(27,590,025)	(444,351,314)	109,062,461	32,077,774	80,781,767	(417,748,810)

31.2 Transactions carried out by Subsidiaries with Other Related Parties

	2018 Rs.	2017 Rs.
As at 1 April	4,272,741	5,584,703
Expenses incurred by Group on behalf of others	2,536,589	401,443
Goods/Services Obtained	3,948,531	272,950
Settlements made	(141,700)	(1,986,355)
As at 31 March	10,616,161	4,272,741

Parent: Hayleys PLC

Subsidiaries: Culture Club Resorts (Private) Limited, Kandyan Resorts (Private) Limited, The Beach Resorts Limited (Divested on 23rd December 2016), CDC Conventions (Private) Limited, Connaissance Air Travels (Private) Limited, Connaissance Hotel Management (Private) Limited and Sun Tan Beach Resorts Limited, Lake Lodge (Private) Limited.

Other Companies: Hunas Falls Hotels PLC, The Kingsbury PLC, Luxury Resorts (Private) Limited, Hayleys Consumer Products Limited, Hayleys Business Solutions International (Private) Limited, Hayleys Tours (Private) Limited.

Notes to the Financial Statements

31. RELATED PARTY DISCLOSURES (Contd...)

Transactions with Key Management Personnel of the Company

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

a) Key Management Personnel Compensation	2018 Rs.	2017 Rs.
Short-term Employee Benefits - Executive	48,185,780	41,902,637
- Non-executive	2,871,927	2,570,000
Post-employment Benefits - Executive	1,800,000	1,620,000
	52,857,707	46,092,637

b) Other Transactions

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

32. EVENT OCCURRING AFTER THE REPORTING DATE

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

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

Market risk

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

The sensitivity analyses in the following sections relate to the position as at 31 March 2018 and 2017.

Interest rate risk

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

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

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd..)

Interest rate sensitivity

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

	Increase/decrease in basis points	Effect on profit before tax
2018	+50	(5,601,145)
	-50	5,601,145
2017	+50	(5,056,267)
	-50	5,056,267

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.133,514,188/- An increase or decrease of 10% on the Colombo Stock Exchange (CSE) market index (ASPI) could have an impact of approximately Rs.13,351,419/- 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 2018, the Group had 15 customers (2017: 9 customers) that owed the Group more than Rs.2,000,000 each and accounted for approximately 35% (2016: 35%) of all receivables owing. There was one customer with balances greater than Rs.15 million accounting for approximately 14% of the total amounts receivable. The requirement for an impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actually incurred historical data. The Group evaluates the concentration of risk with respect to trade receivables as low based on the terms with which the long standing business relationship with the customer base.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's Finance department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

Notes to the Financial Statements

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 2018	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	119,207,049	85,976,655	369,907,464	872,824,308	1,447,915,476
Trade and other payables	-	251,190,931	-	-	251,190,931
	119,207,049	337,167,586	369,907,464	872,824,308	1,699,106,407

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

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 2018 and 31 March 2017.

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.

	2018 Rs.	2017 Rs.
Interest-bearing loans and borrowings (Note 19)	1,447,915,476	1,518,535,964
Trade and other payables (Note 25)	306,582,461	344,502,967
Less: cash and short-term deposits (Note 17 & Note 20)	(171,547,640)	(247,890,847)
Net debt	1,582,950,297	1,615,148,084
Equity	3,694,369,792	3,681,281,972
Total capital	3,694,369,792	3,681,281,972
Capital and net debt	5,277,320,089	5,296,430,056
Gearing ratio	30%	30%

Sector Review

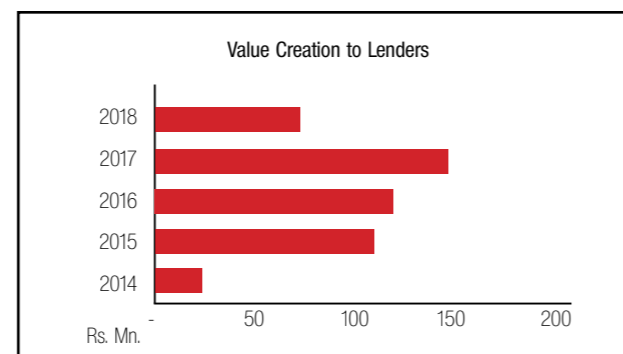
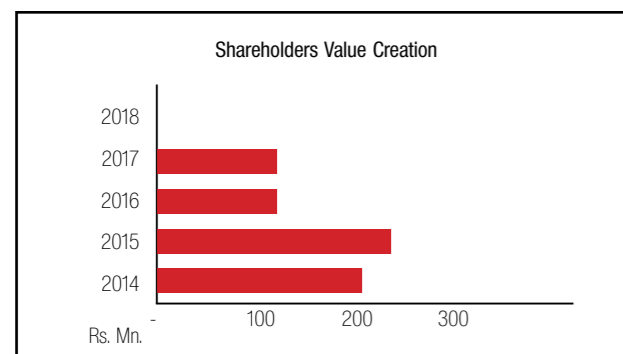
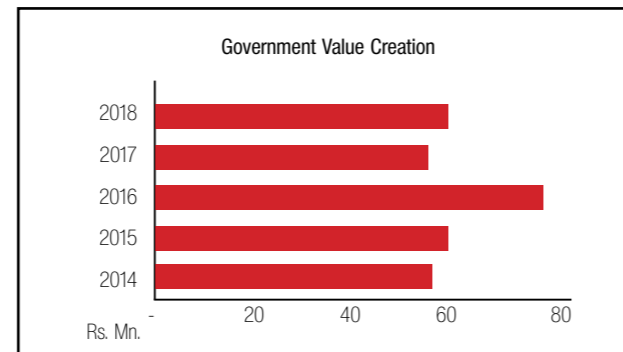
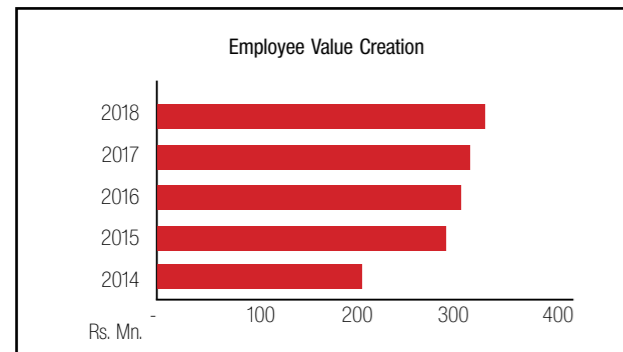
Performance Highlights of Subsidiaries

Summarised financial information in respect of Amaya Leisure PLC subsidiaries, reflecting amounts before inter-company eliminations, is set out below

	Kandyan Resorts (Pvt) Ltd Rs. 000	Culture Club Resorts (Pvt) Ltd Rs. 000	Sun Tan Beach Resorts Ltd Rs. 000	Lake Lodge Resorts (Pvt) Ltd Rs. 000
Non-current assets	1,601,878	1,289,488	2,404,350	30,000
Current assets	166,702	190,064	51,645	-
Total assets	1,768,580	1,479,553	2,455,995	30,000
Non-current liabilities	23,999	140,653	868,346	-
Current liabilities	101,410	78,545	562,438	-
Total liabilities	125,409	219,198	1,430,784	-
Equity attributable to owners of the parent	1,643,172	1,260,355	575,041	24,000
Equity attributable to the non-controlling interests	-	-	450,170	6,000
Revenue	595,581	503,025	248,707	-
Operating profit	190,386	79,616	(64,758)	-
Net Finance cost	-	-	(139,725)	-
Profit before tax	190,386	79,616	(204,483)	-
Tax expense	(12,349)	(28,582)	(681)	-
Profit after tax	178,037	51,034	(205,164)	-
Profit / (Loss) attributable to owners of the parent	178,037	51,034	(115,076)	-
Profit / (Loss) attributable to the non-controlling interests	-	-	(90,087)	-
Net cashflow from operating activities	14,726	24,853	(137,537)	-
Net cashflow from investing activities	(27,174)	(22,448)	(5,318)	-
Net cashflow from financing activities	-	(872)	42,960	-
No. of Rooms (No.)	118	124	125	-
No. of Room nights occupied (No.)	29,946	29,996	11,926	-
Revenue Occupancy (%)	73	69	26	-
Average Room Rate (USD)	68	61	75	-
Revenue per available Room per annum	5,047,294	4,056,653	1,989,654	-

Statement of Value Creation

	2018 Rs. 000	2017 Rs. 000	2016 Rs. 000	2015 Rs. 000	2014 Rs. 000
Revenue	1,460,104	1,592,920	1,642,044	1,413,338	1,171,594
Other income	54,027	100,813	61,256	74,922	32,371
VALUE DISTRIBUTED					
To Employees	346,460	340,280	318,353	305,805	200,743
To Government Revenue	59,223	57,027	73,658	60,501	55,486
To Shareholders as Dividends	-	103,753	100,872	240,171	216,154
To Lenders of Capital					
- Interest on Borrowings	163,046	205,467	157,192	137,419	16,347
- Non-Controlling Interest	(85,229)	(57,620)	(40,317)	(47,033)	2
VALUE RETAINED FOR EXPANSION AND GROWTH					
Depreciation	195,014	188,053	201,758	160,207	85,144
Profit retained	93,267	102,690	186,144	-	160,006



Share and Investor Information

AMAYA LEISURE PLC ORDINARY SHAREHOLDERS AS AT 31ST MARCH 2018

NUMBER OF SHARES HELD	RESIDENTS			NON-RESIDENTS			TOTAL		
	No. of Share Holders	No. of Shares	%	No. of Share Holders	No. of Shares	%	No. of Share Holders	No. of Shares	%
1 - 1,000	1,223	191,746	0.37	14	4,134	0.01	1,237	195,880	0.38
1,001 - 10,000	187	493,451	0.95	3	12,635	0.02	190	506,086	0.98
10,001 - 100,000	49	1,428,548	2.75	2	95,609	0.18	51	1,524,157	2.94
100,001 - 1,000,000	15	6,837,761	13.18	-	-	-	15	6,837,761	13.18
OVER 1,000,000	5	42,813,092	82.53	-	-	-	5	42,813,092	82.53
Total	1,479	51,764,598	99.78	19	112,378	0.22	1,498	51,876,976	100.00
CATEGORY									
Individuals	1,402	4,644,921	1.69	19	112,378	0.22	1,421	4,757,299	1.90
Institutions	77	47,119,677	98.10	-	-	0.00	77	47,119,677	98.10
Total	1,479	51,764,598	99.78	19	112,378	0.22	1,498	51,876,976	100.00

PERCENTAGE OF PUBLIC HOLDING:- 20.81%

TOTAL NO. OF SHAREHOLDERS REPRESENT IN PUBLIC HOLDING 1,485

Flot - Adjusted Market Capitalization as at 31.03.2018

Rs. 570,007,611.70

The Company complies with option 5 of the Listing Rules 7.13.1 (a) - Less than Rs.2.5Bn Float Adjusted Market Capitalization which requires 20% minimum Public Holding.

First Twenty Shareholders

FIRST TWENTY SHAREHOLDERS AS AT 31ST MARCH 2018 WITH COMPARATIVES

NAME OF SHAREHOLDER	NO.OF SHARES AS AT 31.03.2018	%	NO.OF SHARES AS AT 31.03.2017	%
1 HAYLEYS PLC	20,915,531	40.32	20,915,531	41.47
2 DEAN FOSTER (PVT) LTD	11,072,484	21.34	11,072,484	21.95
3 EMPLOYEE PROVIDENT FUND	4,990,397	9.62	4,990,397	9.89
4 PEOPLE'S LEASING & FINANCE PLC/MRL.T.SAMARAWICKRAMA	4,291,354	8.27	4,291,354	8.51
HSBC - MRL.T.SAMARAWICKRAMA	429,740	0.83	464,118	0.92
MRL.T.SAMARAWICKRAMA	117,450	0.23	64,800	0.13
5 MR. W.A.D.C.J. WICKRAMASINGHE	1,543,326	2.97	1,543,326	3.06
6 MERCANTILE INVESTMENTS AND FINANCE PLC	928,800	1.79	928,800	1.84
7 TOYO CUSHION LANKA (PVT) LTD	881,712	1.70	881,712	1.75
8 AIA INSURANCE LANKA PLC A/C NO.07	796,687	1.54	796,571	1.58
9 VOLANKA EXPORTS LIMITED	694,332	1.34	694,332	1.38
10 BANK OF CEYLON NO.1 ACCOUNT	569,845	1.10	569,845	1.13
11 MR.H.A.VAN STARREX	521,479	1.01	541,469	1.07
12 MR.K.D.D.PERERA	483,473	0.93	483,473	0.96
13 ASSOCIATED ELECTRICAL CORPORATION LTD	380,571	0.73	380,571	0.75
14 ELLES (PVT) LTD	366,413	0.71	366,413	0.73
15 MRS.SENARATNE	195,778	0.38	211,428	0.42
16 MR.D.J.DE SILVA WIJEYERATNE	165,889	0.32	165,889	0.33
17 MR.H.A.M.PALGAMA	153,574	0.30	181,593	0.36
18 BANK OF CEYLON A/C CEYBANK CENTURY GROWTH FUND	152,018	0.29	149,750	0.30
19 MR.M.A.HESUFALLY	98,992	0.19	98,992	0.20
20 DFCC VARDHANA BANK LTD/MR.B.A.D.H.C.MAHIPALA	86,400	0.17	86,400	0.17
TOTAL	49,836,245	96.07	49,879,248	98.90

Share Trading Information

FOR THE 03 MONTHS ENDED 31.03.2018

	Rs.	
Highest Price	56.00	06/03/2018
Lowest Price	47.10	20/02/2018
Closing Price	52.80	
No. of Transactions	162	
No. of shares traded	67,747	
Value of shares traded Rs.	3,438,532.00	

SHARE TRADING INFORMATION

FOR THE 12 MONTHS ENDED 31.03.2018

	Rs.	
Highest Price	69.90	08/05/2017
Lowest Price	47.10	20/02/2018
Closing Price	52.80	
No. of Transactions	648	
No. of shares traded	213,032	
Value of shares traded Rs.	12,163,359.80	

Ten Year Summery

Year ended 31st March	2018 Rs. 000	2017 Rs. 000	2016 Rs. 000
Results			
Revenue	1,442,894	1,575,332	1,623,312
Profit before tax	50,051	188,261	301,625
Taxation	(42,012)	(39,439)	(54,927)
Profit after tax	8,038	148,823	246,698
Profit / (Loss) attributable to owners of the parent	93,267	206,443	287,016
Non-controlling interest	(85,229)	(57,620)	(40,317)
Funds employed			
Stated capital *	819,779	819,779	718,907
Capital Reserves	269,100	274,699	410,346
Other component of equity	(7,569)	(17,286)	(44,854)
Revenue reserves	2,406,462	2,318,535	2,266,477
Equity attributable to equity holders of the parent	3,487,773	3,395,728	3,350,876
Non-controlling interest	206,597	285,554	399,931
Borrowings	1,447,915	1,518,536	1,791,385
Assets Employed			
Non-current assets	5,027,506	5,141,443	5,436,798
Current assets	607,443	554,134	564,440
Current Liabilities net of borrowings	309,371	348,963	324,016
Provisions	183,280	146,797	135,031
Capital Employed	5,142,298	5,199,818	5,542,191
Cashflow			
Net cash inflow/(outflow) from operating activities	52,255	374,717	431,669
Net cash inflow/(outflow) from investing activities	(57,978)	110,652	(157,439)
Net cash inflow/(outflow) from financing activities	(50,455)	(525,346)	49,477
Increase / (decrease) in cash and cash equivalents	(56,178)	(39,978)	323,707
Key Indicators			
Earnings / (Loss) per share (basic) (Rs.)	1.80	3.98	5.69
Dividend per share (Rs.)	-	2.00	4.00
Net Assets per share (Rs.)	67.23	65.46	66.44
Market price per share (Rs.)	52.80	63.80	60.50
Return on shareholders funds (%)	2.67	6.08	8.57
Return on capital employed (%)	4.14	7.40	8.24
Price earnings ratio (times)	29.37	16.03	10.63
Interest cover (times)	1.34	1.96	2.95
Dividend payout ratio (%)	-	50.26	70.30

* Share capital and share premium previously reported have been reclassified to reflect stated capital as define in the Companies Act No. 07 of 2007.

2015 Rs. 000	2014 Rs. 000	2013 Rs. 000	2012 Rs. 000	2011 Rs. 000	2010 Rs. 000	2009 Rs. 000
1,395,504	1,159,802	1,066,520	867,653	667,709	503,144	391,980
223,489	417,919	408,525	308,948	472,523	71,087	(66,394)
(42,667)	(41,757)	(31,948)	(16,384)	(5,095)	(1,171)	(2,433)
180,822	376,162	376,577	292,564	467,428	69,916	(68,827)
227,855	376,160	376,587	292,583	469,717	69,319	(66,719)
(47,033)	2,301	(10)	(19)	(2,288)	596	(2,108)
718,907	526,770	526,770	526,770	526,770	466,728	466,728
410,346	65,295	65,295	-	-	768,803	768,803
(30,808)	(57,951)	(43,459)	(23,662)	194	-	-
2,073,582	2,083,606	1,923,537	1,739,087	1,638,640	176,706	107,387
3,172,027	2,617,721	2,472,143	2,242,195	2,165,605	1,412,236	1,342,917
423,035	29,302	29,300	27,497	27,516	133,599	133,003
1,839,254	243,421	197,827	122,927	62,864	148,553	206,812
5,493,752	2,880,364	2,708,690	2,384,952	2,088,339	1,759,766	1,802,563
377,117	277,056	267,256	241,438	396,581	165,603	115,511
319,738	156,965	174,030	145,447	143,231	109,817	113,006
116,815	110,010	102,646	88,323	85,704	121,163	122,335
5,434,316	2,890,444	2,699,270	2,392,619	2,255,986	1,694,388	1,682,732
428,595	471,649	434,957	347,208	232,628	68,395	(24,324)
(1,042,792)	(269,251)	(343,912)	(269,504)	261,271	(5)	(17,841)
451,319	(185,990)	(136,816)	(177,742)	(268,658)	(22,730)	(30,034)
(162,877)	16,407	(45,771)	(100,037)	225,241	45,659	(72,199)
4.74	7.83	7.84	6.09	9.78	1.65	(1.59)
5.00	4.50	4.00	4.00	6.00	-	-
66.04	54.50	51.47	46.68	45.08	29.40	27.96
85.00	72.30	76.50	76.70	120.10	73.00	23.00
7.18	14.37	15.23	13.05	21.69	4.91	(4.97)
6.60	15.00	15.35	13.77	20.18	5.93	(2.34)
17.93	9.23	9.76	12.59	12.28	44.24	(14.47)
2.65	2.777	72.75	16.03	64.09	3.41	-
105.49	57.47	51.02	65.68	61.35	-	-

Glossary of Financial Terms

Accounting Policies

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

Actuarial Gains and Losses

Gain or loss arising from the difference between estimates and actual experience in a company's pension plan.

Amortisation

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

Available for Sale

Non derivative financial assets that are designated as available for sale or are not classified as loans and receivable, held to maturity investment or financial assets at fair value through profit and loss.

Capital Employed

Shareholders' funds plus non-controlling interests and interest bearing borrowings.

Capital Reserves

Reserves identified for specific purposes and considered not of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity available for distribution.

Cash Equivalents

Liquid investments with original maturity periods of three months or less.

Contingent Liability

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Current Ratio

Current assets divided by current liabilities. A measure of liquidity.

Current Service Cost

Is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Debt/Equity Ratio

Debt as a percentage of total equity plus total debts at the reporting date

Deferred Taxation

The tax effect of timing differences deferred to/ from other periods, which would only qualify for inclusion on a tax return at a future date.

Dividend Cover

Profit attributable to ordinary shareholders divided by dividend. Measures the number of times dividend is covered by distributable profit.

Dividend Payout

Dividend per share as a percentage of the earnings per share.

Dividend Yield

Dividend per share as a percentage of the market price. A measure of return on investment.

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.

Effective Tax Rate

Income tax expense divided by profit before tax.

Equity

The value of an asset after all the liabilities or debts have been paid.

Equity Asset Ratio

Total Equity divided by total assets at the reporting date.

Fair Value

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.

Fair Value Through Profit and Loss

A financial asset/liability acquired/incurred principally for the purpose of selling or repurchasing it in the near term.

Financial Asset

Any asset that is cash, an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity.

Financial Instrument

Any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity.

Financial Liability

Any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

Gearing

Proportion of total interest bearing borrowings to capital employed.

Impairment

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

Interest Cover

Profit before tax and net finance cost divided by net finance cost. Measure of an entity's debt service ability.

Key Management Personnel (KMP)

KMP are those persons having authority and responsibility for planning directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

Market Capitalisation

Number of shares in issue multiplied by the market value of a share at the reported date.

Market Value Per Share

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

Net Assets Per Share

Total equity attributable to equity holders divided by the weighted average number of ordinary shares in issue. A basis of share valuation.

Non-controlling Interest

Equity in subsidiary not attributable, directly or indirectly, to a parent.

Other comprehensive income

An entry that is generally found in the shareholders' equity section of the statement of financial position.

Price Earnings Ratio

Market price of a share divided by earnings per share as reported at that date.

Quick assets Ratio

Current assets excluding inventories divided by current liabilities. A measure of liquidity.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty Sixth Annual General Meeting of Amaya Leisure PLC, will be held at the Conference Room of Hayleys PLC, No.400, Deans Road, Colombo 10, Sri Lanka, on Tuesday, 19th June 2018 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 2018.
- 2) To re-elect Ms.W.D.De Costa, who retires by rotation at the Annual General Meeting a Director.
- 3) To re-elect Mr.AM.Pandithage, who retires by rotation at the Annual General Meeting a Director.
- 4) To re-appoint Mr.S.Senaratne, who retires having attained the age of Seventy years and the Company having received special notice of the undemoted Ordinary Resolution in compliance with Section 211 of the Companies Act No.07 of 2007 in relation to his re-appointment.

Ordinary Resolution

' That Mr. Suranimala Senaratne, retiring Director, who has attained the age of Seventy years be and is hereby re-appointed a Director for a further period of one year or till the next Annual General Meeting of the company and it is hereby declared that the age limit of Seventy years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to the appointment of the said Director'.

- 5) To authorize the Directors to determine contributions to Charities for the financial year 2018/19.
- 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 2018/19.
- 7) To consider any other business of which due notice has been given.

Note :

- (i). 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 at the Registered Office, No.400, Deans Road, Colombo 10, Sri Lanka by 10.00 A.m. on 17th June 2018.

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

Colombo
18th May 2018
Secretaries

Form of Proxy

I/We*

of

being a shareholder/ shareholders* of AMAYA LEISURE PLC hereby appoint,

1.

Of

or failing him/them,*

2. ABEYAKUMAR MOHAN PANDITHAGE (Chairman of the Company) of Colombo, or failing him, one of the Directors of the Company as my/our* proxy to attend and vote as indicated hereunder for me/us* and on my/our* behalf at the Thirty Sixth Annual General Meeting of the Company to be held on Tuesday, 19th June 2018 and at every poll which may be taken in consequence of the aforesaid meeting and at any adjournment thereof:

	For	Against
1. To adopt the Annual Report of the Directors and the Statements of Accounts for the year ended 31st March 2018 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Ms.W.D.De Costa, who retires by rotation at the Annual General Meeting a Director.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr.AM.Pandithage, who retires by rotation at the Annual General Meeting a Director.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-appoint Mr.S.Senaratne, who retires having attained the age of Seventy years, a Director by passing the Ordinary Resolution set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
5. To authorise the Directors to determine contributions to charities for the financial Year 2018/19.	<input type="checkbox"/>	<input type="checkbox"/>
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 2018/19	<input type="checkbox"/>	<input type="checkbox"/>

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

As witness my/our* hands this day of2018

Witnesses	Signature : Signature of Shareholder
	Name :	
	Address :	
	NIC No :	

- Notes:
- (a) * Please delete the inappropriate words.
 - (b) A shareholder entitled to attend and vote at the Annual General meeting of the Company, is entitled to appoint a proxy to attend and 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 mandatory. Your Proxy Form will be rejected if these details are not completed.
 - (c) A shareholder is not entitled to appoint more than one proxy to attend on the same occasion.
 - (d) Instructions are noted on the reverse hereof.
 - (e) This Form of Proxy is in terms of the Articles of Association of the Company.

CORPORATE INFORMATION

NAME OF COMPANY	Amaya Leisure PLC
COMPANY REGISTRATION NO ;	PQ 145
LEGAL FORM	Public Quoted Company with limited liability originally incorporated in Sri Lanka as a Private Company and later converted to a Public Company.
REGISTERED OFFICE	Level 27, East Tower, World Trade Center Echelon Square, Colombo - 01, Sri Lanka Telephone +94 11 - 4767800 Fax +94 11 - 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. S. Senarathne Mr. S.H. Amarasekera Mr. D.E. Silva Ms. R.N. Ponnambalam Ms. W.D. De. Costa Mr.S.J. Wijesinghe Ms. A.A.K. Amarasinghe - Alternate Director to Mr. Dhammika Perera
SUBSIDIARY COMPANIES	
Unquoted	Culture Club Resorts (Private) Limited. Kandyan Resorts (Private) Limited. Sun Tan Beach Resorts Limited Lake Lodge (Private) Limited Connaissance Air Travels (Private) Limited. Connaissance Hotel Management (Private) Limited. CDC Conventions (Private) Limited.
SECRETARIES	Hayleys Group Services (Private) Limited No: 400, Deans Road Colombo-10, Sri Lanka
AUDITORS	Ernst & Young Chartered Accountants 201, De Saram Place Colombo - 10, Sri Lanka
BANKERS	Hatton National Bank PLC Pan Asia Banking Corporation PLC Seylan Bank PLC DFCC Bank Commercial Bank of Ceylon PLC National Development Bank PLC Nations Trust Bank PLC



AMAYA LEISURE PLC

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