



AMAYA
LEISURE PLC

POETIC JOURNEYS

Annual Report 2018/2019



AMAYA
LEISURE PLC

ආයුබෝ වේවා!
WELCOME!
நல்வரவு!



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.



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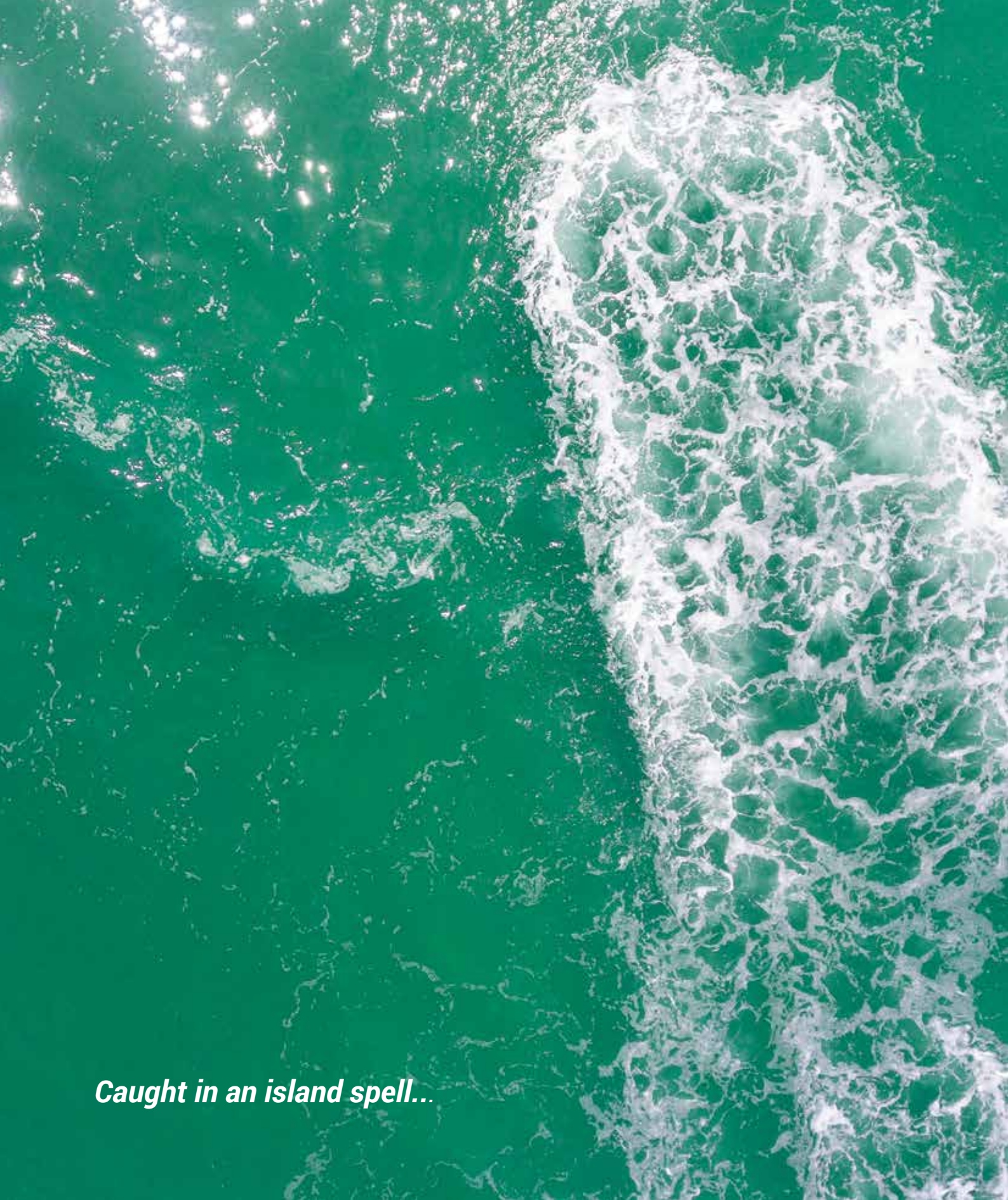
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Caught in an island spell...

Vision

To be the number one choice for holidaymakers in Sri Lanka

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

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

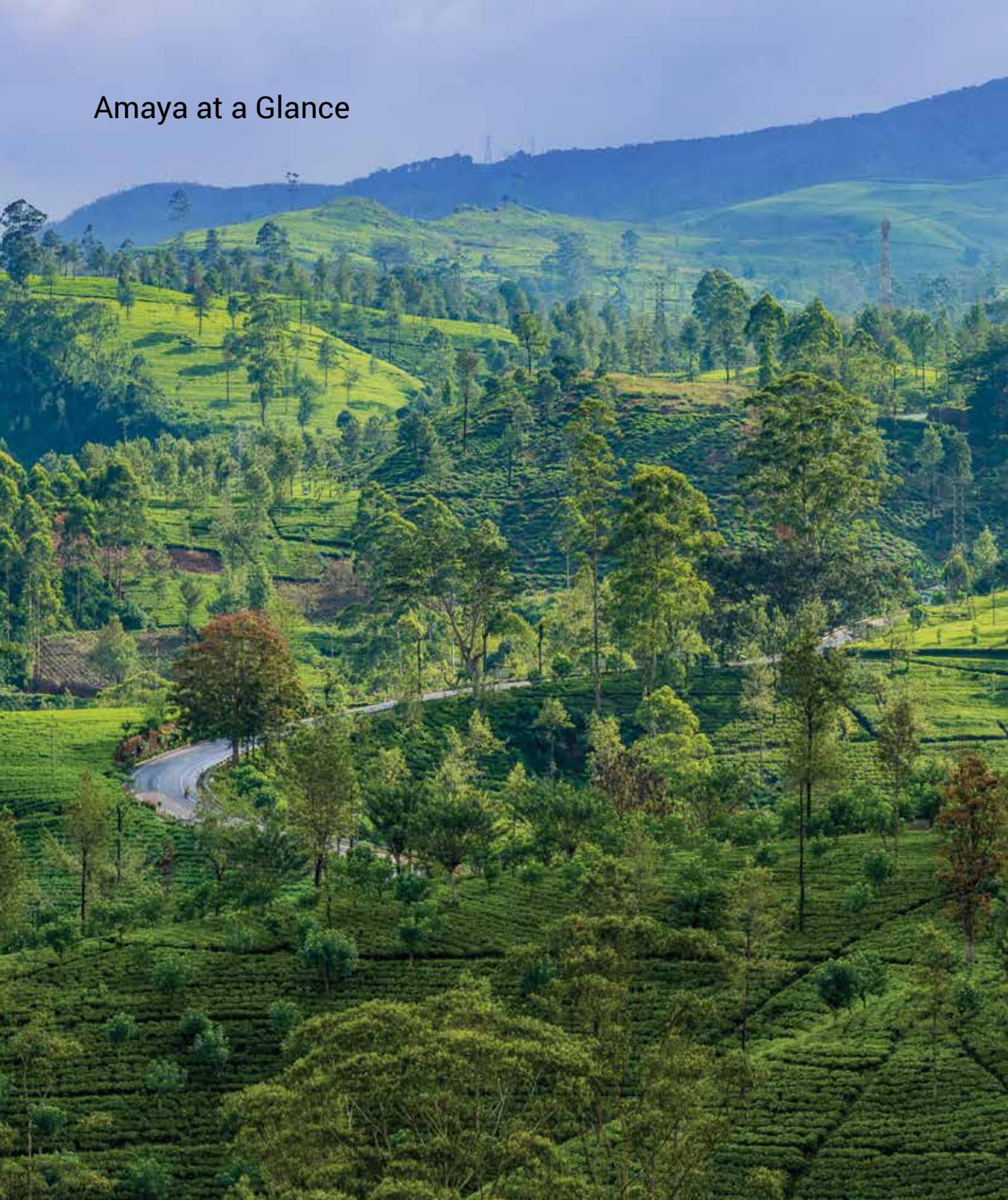
Unflagging Passion

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

Amaya at a Glance





Wrapped in a strange enchantment...

A Snapshot of Our Operations

Total Revenue

LKR 1,644 m (+13.9%)

2018 : LKR 1,443 m

Profit Before Interest and Taxes

LKR 442 m (+107.5%)

2018 : LKR 213 m

Profit Before Tax

LKR 270 m (+440%)

2018 : LKR 50 m

Total Room Revenue of the Group

LKR 840 m (+15%)

2018 : LKR 730 m

Underlying Average Room Rate

LKR 11,059

2018 : LKR 10,717

Room Revenue per Available Room (RevPAR)

LKR 6,150 (+15%)

2018 : LKR 5,350

Scope of Our Business

We are widely focusing on our brand while operating our own hotels and managing hotels on behalf of third-party hotel owners

Total Hotel Rooms in the pipeline

711

Total Hotel Rooms owned by Amaya Leisure PLC

374

Managing Hotel Rooms

337

Number of branded Icons

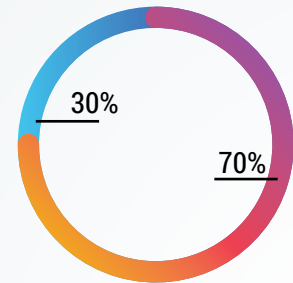
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Owned Icons by Amaya Leisure PLC

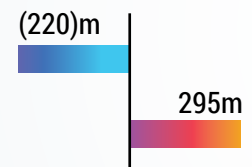
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Where Amaya Operates

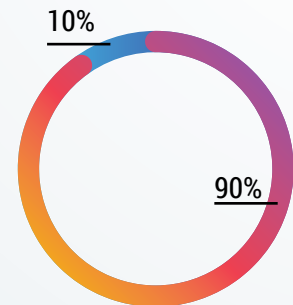
Brand's Revenue over Geography



Brand's Profit / (Loss) before Tax



Number of Room Nights



■ Sri Lanka ■ Maldives

Group Structure



HAYLEYS PLC
(Ultimate Parent Company)



AMAYA
Amaya Leisure PLC
64.70%

Subsidiary Companies

Culture Club Resorts (Pvt) Ltd

Amaya Lake - Dambulla
Amaya Signature - Dambulla
Amuna Ayurveda Retreat - Dambulla

100%

Kandyan Resorts (Pvt) Ltd

Amaya Hills - Kandy
Amaya Bungalow - Kandy

100%

Sun Tan Beach Resorts Limited

Amaya Beach - Passikudah

56.09%

Lake Lodge (Pvt) Ltd

80%

**Connaissance
Hotel Management
(Pvt) Ltd**

100%

**Connaissance Air Travels
(Pvt) Ltd**

100%

CDC Conventions (Pvt) Ltd

100%

Managing Companies

Hunas Falls Hotels PLC

Amaya Hunas Falls - Kandy

Langdale Resort & Spa (Pvt) Ltd

Amaya Langdale - N'Eliya

Kelanivalley Resorts (Pvt) Ltd

Oliphant Bungalow - N'Eliya

Luxury Resorts (Pvt) Ltd

Amaya Kuda Rah - Maldives

The Kingsbury PLC

The Kingsbury - Colombo



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
KUDA RAH
MALDIVES

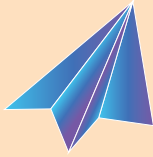


AMAYA
HUNAS FALLS • KANDY
SRI LANKA



AMAYA
LANGDALE • NUWARA ELIYA
SRI LANKA





Rs.1.6 BN
Revenue



Rs. 318 MN
Operating Profit



76K
No. of Room Nights Served



143K
No. of Guests Served



746
No. of Employees



Rs. 392 MN
Payments to Employees



Rs. 300 MN +
Contribution to Government Revenue
(Direct & Indirect taxes)

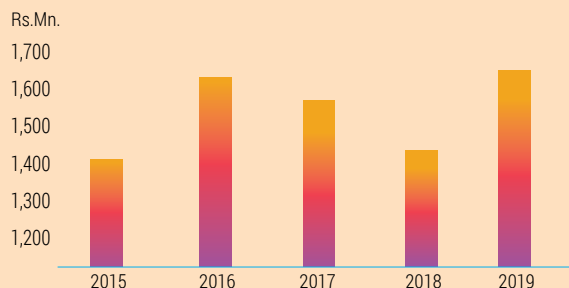
Group Financial and Operational Highlights 2018/2019

		2019	2018	Change %
Earnings Highlights and Ratios				
Revenue from contract with customers	Rs. 000	1,643,863	1,442,894	13.93
Results from operating activities	Rs. 000	317,516	195,723	62.23
Profit before tax	Rs. 000	270,449	50,051	>100
Profit after tax	Rs. 000	235,232	8,038	>100
Profit attributable to owners of the parent	Rs. 000	299,697	93,267	>100
Dividends	Rs. 000	290,625	-	>100
Gross profit margin	%	56.55	54.99	2.83
Net profit margin	%	14.31	0.56	>100
Earnings per share (Basic/Diluted)	Rs.	5.55	1.73	>100
Return on Assets (ROA)	%	4.03	0.14	>100
Return on Equity (ROE)	%	6.15	2.18	>100
Return on Capital Employed (ROCE)	%	8.53	4.14	>100
Interest cover	No. of Times	2.58	1.31	96.95
Financial Position Highlights and Ratios				
Total Assets	Rs. 000	5,830,305	5,634,949	3.47
Total Equity	Rs.000	3,826,633	3,694,370	3.58
Total Debts	Rs. 000	1,354,460	1,447,915	(6.45)
Equity attributable to equity holders of the parent	Rs. 000	3,698,380	3,487,773	6.04
Gearing	%	26.14	28.16	(7.16)
Debt/Equity	%	35.40	39.19	(9.69)
Equity Asset Ratio	%	65.63	65.56	0.11
Net Assets value per share	Rs.	68.49	67.23	1.88
Current ratio	No. of Times	0.71	0.69	2.70
Quick asset ratio	No. of Times	0.67	0.64	3.80
No. of shares in issue	No.	53,994,979	51,876,976	4.08
Market/Shareholders information				
Market value per share (Closing)	Rs.	37.20	52.80	(29.55)
Dividend per share	Rs.	5.50	-	100
Market Capitalisation	Rs. 000	2,008,613	2,739,104	(26.67)
Price earning ratio	No. of Times	6.70	30.52	(78.05)
Dividend yield ratio	%	14.78	-	100
Dividend payout ratio	%	99.09	-	100
Dividend Cover	No. of Times	1.01	-	100
Others				
Economic Value Generated	Rs. 000	1,034,972	773,829	33.75
Economic Value Distributed	Rs. 000	847,930	485,300	74.72
Government	Rs. 000	56,432	59,223	(4.71)
Employees	Rs. 000	393,640	348,260	13.03
Shareholders	Rs. 000	290,625	-	100
To Lenders of Capital	Rs. 000	107,232	77,817	37.80
Employees on payroll	No.	746	708	5.37
Value added per employee	Rs. 000	1,387	1,093	26.90
Average revenue per employee	Rs. 000	2,204	2,038	8.14

Financial Highlights Graphical Analysis

Revenue

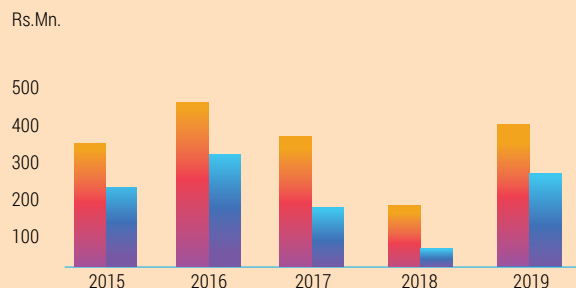
The group achieved Rs. 1.6 Billion revenue for the year under review with a slender increase compared to year 2017/2018 mainly due to several improved strategies used in sales & Marketing . (Refer the Managing Director's review)



Revenue

Operating Profit

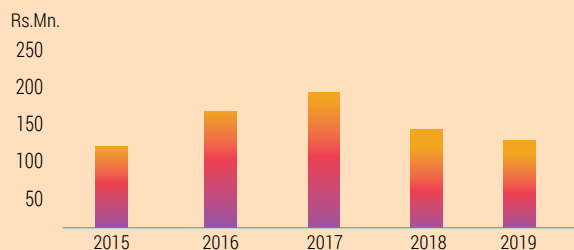
Increased revenue for the year was directly impressed the group's profit together with capital gain from disposal of equity investment held by the company.



Operating Profit Profit Before Tax

Net Finance Cost

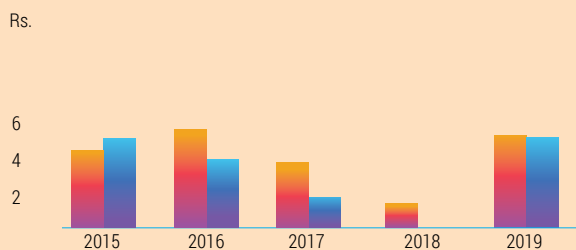
Net finance cost was reduced by 6% compared to year 2018 mainly due to supportive interest income generated with proper cash flow management procedures.



Net Finance Cost

Earnings Per Share / Dividend Per Share

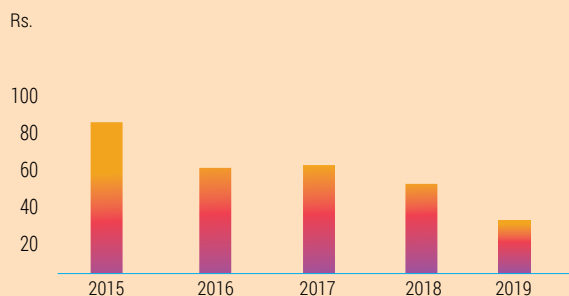
The better impact to the top line of the operation was lead to raise EPS by >100% compared to year 2018. Company has paid a cash and scrip dividend of Rs. 5.50 per share



Earnings Per Share Dividend per share

Market Value Per Share

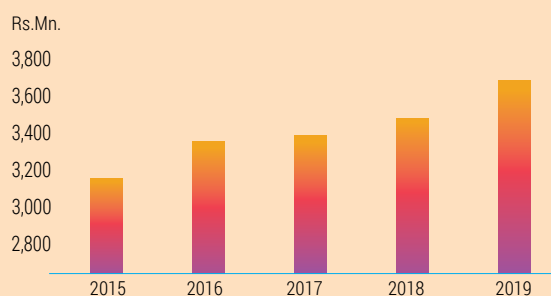
Amaya's Market value per share as of 31.03.2019 was Rs. 37.20 compared to the last year Rs . 52.80



Market Value Per Share

Shareholders' Funds

Group has continuously heightened the equity attributable to the shareholders to Rs. 3.8 Billion at the end of Financial year.

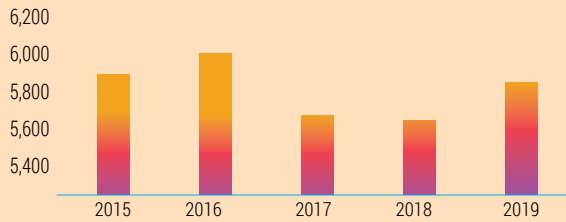


Shareholders' funds

Value of the group assets at the year end was Rs. 5.8 Billion and the net asset value per share was Rs. 68.49, 84% above the market value per share.

Total Assets

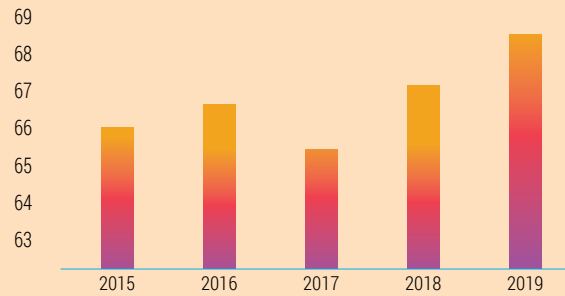
Rs.Mn.



Total Assets

Net Assets Value Per Share

Rs.

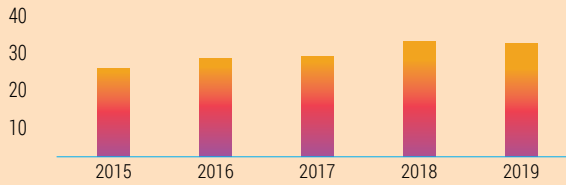


Net Asset Value per Share

Gearing Ratio

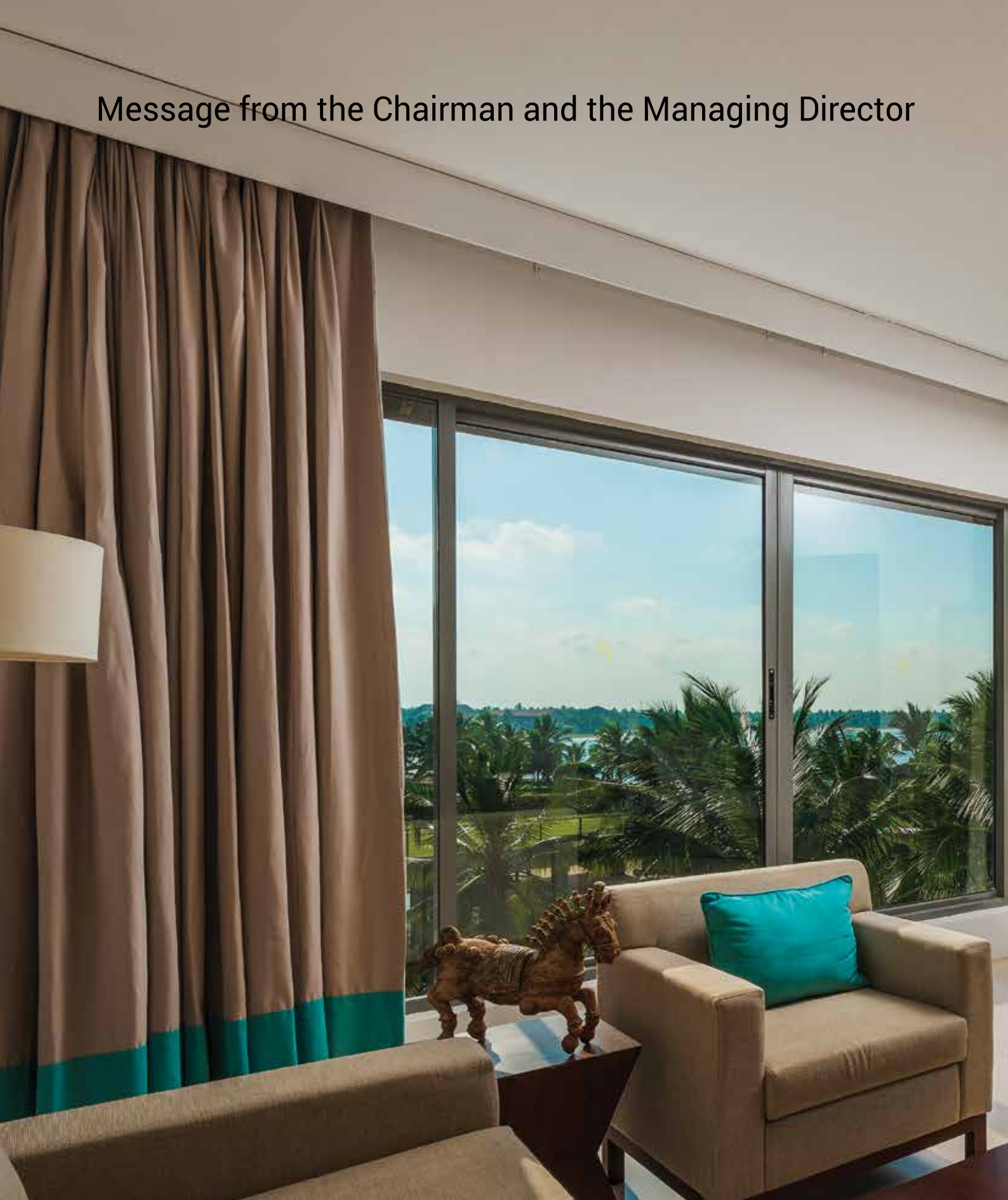
Group gearing position was continuously reducing and presently positioned at 26% with a proper working capital and cash flow management procedures.

%



Gearing ratio

Message from the Chairman and the Managing Director





Chairman's Message



"During the year under review, the Amaya Group posted a revenue of Rs. 1.64 Bn, a significant increase from Rs. 1.44 Bn achieved during the previous financial year. The Group recorded a Profit before Tax of Rs. 271 Mn, a significant improvement from Rs. 50 Mn achieved during the previous year."

Mohan Pandithage

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 2019.

During the year under review, the Amaya Group posted a revenue of Rs. 1.64 Bn, a significant increase from Rs. 1.44 Bn achieved during the previous financial year. The Group recorded a Profit before Tax of Rs. 271 Mn, a significant improvement from Rs. 50 Mn achieved during the previous year.

Overall profitability of the Group was satisfactory with Amaya Hills and Amaya Lake once again being the best performing properties of the Group. The year was comparatively better than the previous year with a marked increase in tourist arrivals to the country. The floods experienced during the year had some impact whilst the political uncertainty that prevailed in the country during the latter part of 2018 also had a negative impact to the overall profitability of the Group.

Industry Overview

Sri Lanka was ranked as the world's #1 travel destination 2019 by Lonely Planet, one of the world's largest and most popular travel guides, in its "Best in Travel 2019" while Sri Lankan cuisine topped the BBC Good Food "15 food trends for 2019" list. These accolades and recognitions no doubt helped put Sri Lanka further on the travelers' map and help our tourism industry thrive during last year.

Tourist arrivals in 2018 grew at a faster pace, despite missing the ambitious 2.5 Mn target set by Sri Lanka Tourism. Sri Lanka ended 2018 with 2.33 Mn tourists, up by 10.3% over 2017. This figure was bolstered by the record 253,169 tourists that arrived in December, up 3.5% from the previous year. In the first four months of the year 2019, the number of tourist arrivals rose 2.2% to 907,575, a promising start in achieving the 3 Mn tourist mark for 2019.

Ecommerce websites promoting home stays continue to pose a challenge for hoteliers in the industry with travelers looking to book cheaper options and opting to create their own travel itineraries.

The Way Forward

With tourist arrivals showing a 5% growth over last year in the first 3 calendar months, we are confident that our three properties strategically located in the tourists hot spots; namely Kandy, Dambulla and Pasikudah, will enjoy success this financial year.

Due to the unfortunate incidents that occurred on Easter Sunday, the tourism industry and Sri Lanka as a whole will have to brace for a tough few months, due to various travel advisories. However, I have utmost faith that the Amaya team will successfully overcome whatever difficulties we may face over the coming months.

I am also quite positive on the prospects of the Company and that this downturn would only be a temporary setback. I am confident that Sri Lanka and the tourism industry in general will bounce back to its old glory by the winter season of FY 2019/2020 with better arrivals.

Awards and Accolades

Our property Amaya Lake added to its ever-growing list of accolades by winning at the Sri Lanka Tourism Awards 2018.

Amaya Kuda Rah Maldives was recognized for its excellence in the tourism industry at the International Travel Awards 2018 under the categories of Asia's Best Luxury Pool Villa Resort and Maldives' Leading Boutique Resort 2018.

Dividends

Given the results achieved this year while keeping a view on the future, the Board of Directors has proposed and paid Rs. 3.50 per share dividend and Rs. 2.00 per share scrip dividend for the year under review.

Directorate

I welcome on to the Board Mr. Darell De Cruz who counts over 28 years of work experience in the Leisure Industry.

Conclusion

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

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



Mohan Pandithage

Chairman

08th May 2019

Managing Director's Message



"All Amaya properties were maintained at the highest possible levels thus increasing positive guest comments and reducing complaints enormously. Valuable training programs carried out throughout the year did help the staff to address the guests' needs in a more professional manner and gained many an accolade."

L. T. Samarawickrama

Managing Director

Dear Shareholder,

It is with pleasure that I present to you the review on operations for the year 2018/2019.

The year under review was rather turbulent during the first quarter mainly due to the civil disturbances in certain parts of Sri Lanka that occurred during the month of March 2018. However, Sri Lanka's tourism reached greater heights thereafter with guest arrivals increasing beyond the expected numbers during the year ending 31st March 2019. Excellent publicity the world over made Sri Lanka a must visit destination during the year under review and both formal and informal sectors capitalized tremendously in luring the numbers towards their respective hotels and resorts offering a true Sri Lankan experience.

In order to cater to different segments of tourism, Amaya too meticulously strategized and restructured its operations to gain the maximum with changes in our sales and marketing team and progressed towards creating a representative network in major countries such as UK, Germany, Italy, France and Russia as well as in India and China. We simultaneously concentrated on Yield Management for better Gross Profit margins and net profitability. Amaya's group purchasing plan helped immensely to cut costs due to heavy negotiations that took place with nominated suppliers.

All Amaya properties were maintained at the highest possible levels thus increasing positive guest comments and reducing complaints enormously. Valuable training programs carried out throughout the year did help the staff to address the guests' needs in a more professional manner and gained many an accolade.

Overall, Amaya's year end performance was noteworthy and we are proud to announce that the Brand value of Amaya has reached a high level of recognition and increased its shareholder value and based on the Company's performance the Board recently declared an interim dividend as well.

Let me take this opportunity to congratulate the entire Amaya team for a job well done and thank the Chairman and the Board of Directors for their unstinted support during numerous Board meetings.



L T Samarawickrama

Managing Director

08th May 2019

Awards and Accolades

Supported by our people and strategic initiatives, we were recognized both locally and globally

AMAYA KUDA RAH

Asia's Best Luxury Pool Villa Resort 2018
International Travel Awards

AMUNA AYURVEDA RETREAT

Sri Lanka's Best Wellness Retreat 2018
World Spa Awards

AMAYA LAKE

The Best Four Star (Resort) Hotel
Sri Lanka Tourism Awards - 2018

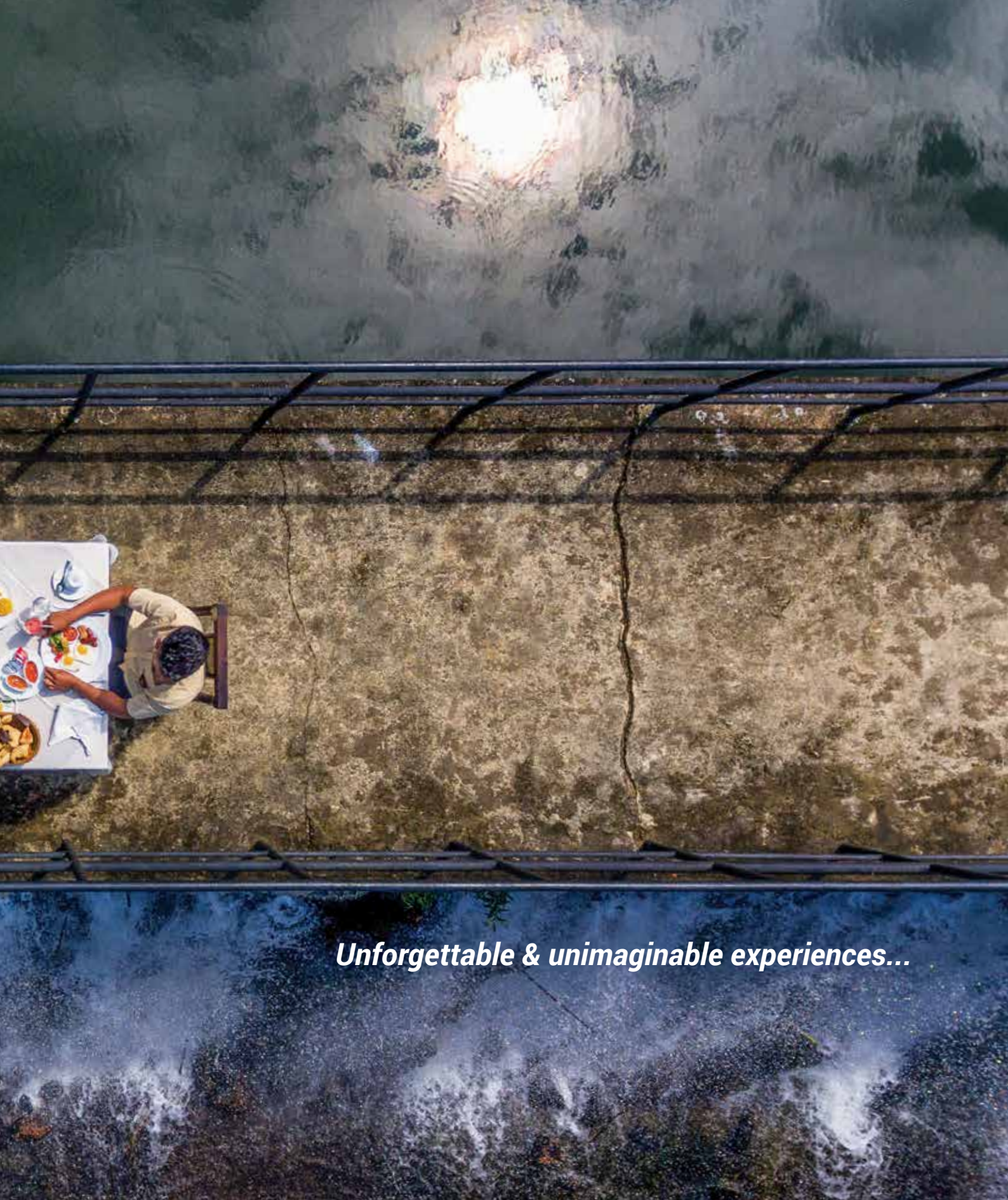
AMAYA HILLS

Champion in SMART Chemicals Management Practices
SAICM Smart Chemicals



Board of Directors





Unforgettable & unimaginable experiences...

Board of Directors



Mr. A. M. Pandithage
Chairman

Joined the Hayleys Group in 1969. Appointed to the Board in 2011. Chairman and Chief Executive of Hayleys PLC since July 2009. Fellow of the Chartered Institute of Logistics & Transport (UK). Honorary Consul of the United Mexican States (Mexico), to Sri Lanka. Council Member of the Employers' Federation of Ceylon. Member of the Advisory Council of the Ceylon Association of Ship's Agents. Recipient of the Best Shipping Personality award by the Institute of Chartered Shipbrokers; Excellence Leadership Recognition – Institute of Chartered Accountants of Sri Lanka; Honored with lifetime achievement award at Seatrade – Sri Lanka Ports, Trade and Logistics; Life time award for most outstanding Logistics and Transport personality of the year – Chartered Institute of Logistics & Transport.



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.

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) & in 2018 he was awarded the Tourism Legend Award at the 6th Sri Lanka Tourism Awards.



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.

Serves as the Managing Director of The Kingsbury PLC, Sun Tan Beach Resorts Ltd and Luxury Resorts (Pvt) Ltd. Maldives, Hayleys Tours (Pvt) Ltd, He is also the Deputy Chairman of The Fortress Resorts PLC, a Director of 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 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 24 years of experience in the Hospitality Industry, specializing in Marketing and Sales and is an all Island Justice of the Peace.

Board of Directors *Contd...*



Mr. Dhammika Perera
Director

Mr. Dhammika Perera is the quintessential strategist and business specialist with interests in a variety of key industries including manufacturing, banking & finance, leisure, aluminum extrusion, packaging, plantations, lifestyle, healthcare, consumer and hydro power generation.

He has over 30 years of experience in building formidable businesses through unmatched strategic foresight and extensive governance experience gained through membership of the Boards of quoted and un-quoted companies.

Mr. Perera is the Chairman of Vallibel One PLC, Royal Ceramics Lanka PLC, Lanka Tiles PLC, Lanka Walltiles PLC, The Fortress Resorts PLC, Vallibel Power Erathna PLC, Greener Water Ltd, Unidil Packaging Ltd, Delmege Ltd, and LB Microfinance Myanmar Company Ltd. He is the Co- Chairman of Hayleys PLC, The Kingsbury PLC and Singer (Sri Lanka) PLC. Executive Deputy Chairman of LB Finance PLC, Deputy Chairman of Horana Plantations PLC. He is also an Executive Director of Vallibel Finance PLC and serves on the Boards of Haycarb PLC, Hayleys Fabric PLC & Dipped Products PLC.



Mr. Johann Wijesinghe
Director

Mr. Wijesinghe joined the Group in 2008 and was appointed to the Group Management Committee in 2011. Currently serves as Managing Director of Travels, Aviation & Projects and Unisyst Engineering PLC and Executive Director of S&T Interiors (Pvt) Ltd. He is also on the Board of The Kingsbury PLC and also serves as a Director of SriLankan Airlines Limited and SriLankan Catering Limited. He holds an MBA from the University of Leicester (UK) and is a Member of the Chartered Institute of Marketing (UK). Holds over 30 years' experience in the Aviation industry. Prior to joining Hayleys, held several senior positions at SriLankan 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 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 (Private) Limited.

Board of Directors *Contd...*



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

Ms. 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, McBolon Polymer (Pvt) Ltd, Macbertan Holdings (Pvt) Ltd and Pidilite Lanka (Pvt) Ltd.

She is presently the Chairperson of Alliance Finance Co. PLC and 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.



Mr. Darell Joseph De Cruz
Director

Mr. Darell De Cruz counts over 28 years of work experience in the Leisure Industry holding several senior positions in operations and sales & marketing. Has extensive experience in Destination Marketing including countries such as Australia, Russia and CIS, Middle East and other emerging markets to Sri Lanka and the Maldives.

He holds a Bachelors Degree in Management with First Class Honours from the Open University of Sri Lanka, MBA from the Commonwealth of Learning / OUSL specialising in Marketing and an MA in International Relations from the University of Colombo. Also a fellow of the Australian Institute of Management (AIM).

Our Hotels



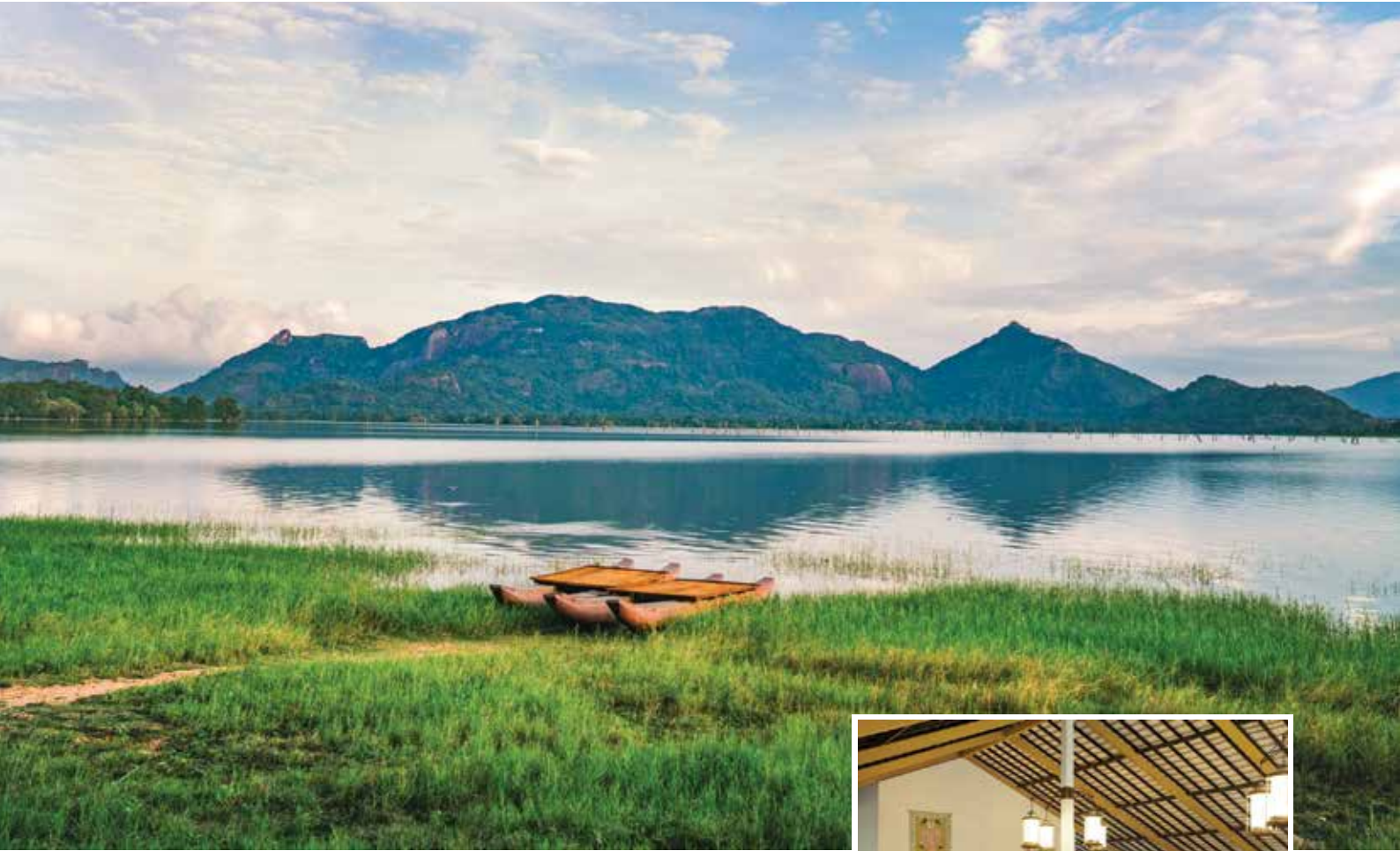


Vibrant & dazzling...



AMAYA

LAKE ◦ KANDALAMA ◦ DAMBULLA
SRI LANKA



Amaya Lake Dambulla welcomes you to a stay in the heart of Sri Lanka's Cultural Triangle. Cycle through quaint villages, climb up the stone steps of Dambulla Cave Temple or stroll along the pathway bordering the Kandalama Reservoir before feasting on an authentic Sri Lankan meal at one of the most unique Dambulla hotels.

Here, we take you to a glorious haven of tranquility to immerse in the surreal beauty of nature at Amaya Lake, a stunning hotel in Sigiriya Sri Lanka. Let the fragrant breeze that sweeps across Kandalama Lake lull you to perfect relaxation at our beautifully designed rooms and luxuriously appointed suite. As the birds sing melodiously in the softly rustling trees and lavish hospitality gently warms your heart, you will discover that this place is truly your very own home away from home!





AMAYA
HILLS • KANDY
SRI LANKA



Drawing regal splendour and monarchical charms from an era of kings and queens, Amaya Hills Kandy, sets the benchmark for stunning hotels in Kandy with breathtaking, verdant views of the surrounding mountains and the city. Experience a unique, royal treatment only at Amaya Hills.

Come home to luxurious and lavish spaces where modern décor complement the unique features of the Kandyan culture. Surround yourself with sweeping views of the Heerassagala Hills while observing exquisite wood carvings; elements that are part and parcel of each of our 100 rooms. Enjoy luxurious living at one of the most sought-after Kandy hotels where stays are meant to be intimate yet inspiring.





AMAYA

BEACH • PASIKUDAH
SRI LANKA



Bordering the Indian Ocean, Amaya Beach Resort & Spa sets the standard for Pasikudah hotels located near the iconic bay. Sink your toes into the bed of golden sands or wade into the shallow, tranquil waters to escape the island's heat. Explore the Dutch Fort in Batticaloa or soak up the luxuries of our beach haven

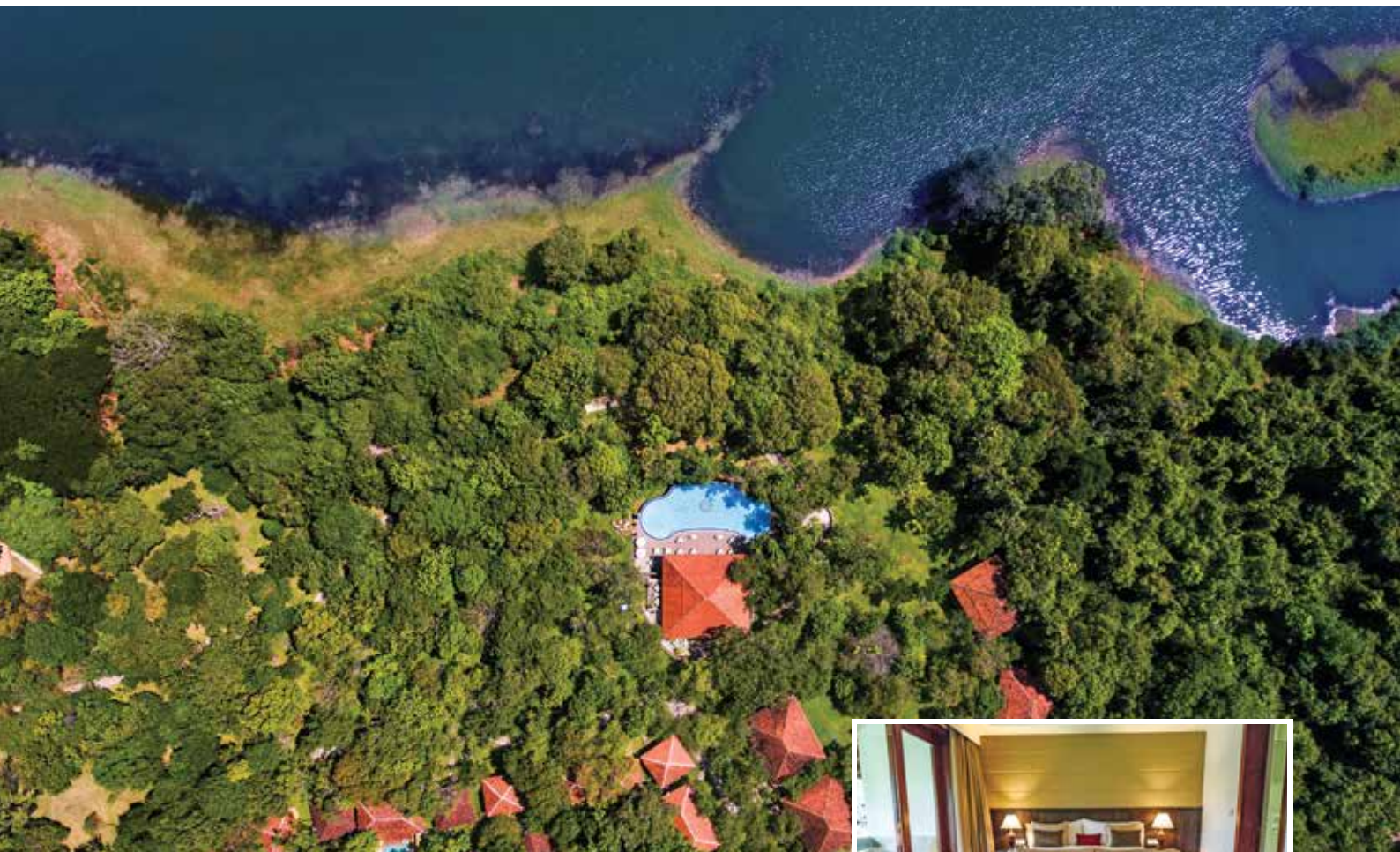
Welcome to your own beachside oasis at one of the most picturesque beach hotels in Pasikudah. Amaya Beach gives you the choice of selecting your room to suit your needs – be it with your loved one, family or friends. Choose your room with a view of the crystal blue Pasikudah Bay or under the shade of coconut trees, giving you complete privacy and seclusion. Each room, suite and residence offer premium amenities and an array of services for guests in search of a luxurious getaway.





AMAYA

SIGNATURE ◦ KANDALAMA ◦ DAMBULLA
SRI LANKA



A holiday haven nestled under the shade of towering trees and located on the edge of Kandalama Lake awaits you. Offering you a unique experience of solitude and surreal serenity, that stands out amongst other hotels in Dambulla, Sri Lanka, while being shrouded in nature's warmth; welcome to Amaya Signature

Step into a world of paradisiacal wonder. Bask in rustic elegance as birdsong drifts through a wide open balcony. Enjoy a warm cup of aromatic tea as the soft evening sun winks through a gently swaying forest canopy. Let velvet moonlight tuck you in as your plush bedroom brings you untroubled sleep and sweet dreams. Learn the true meaning of tranquility and unity with nature, during your stay with us at our Kandalama hotel in Dambulla.





AMAYA

BUNGALOW • KANDY
SRI LANKA



Escape to the mountains of Kandy and retreat to the comfortable, private spaces of Amaya Bungalow. Cuddle up in nature's warm embrace while our attentive staff pamper you with riches from the ancient kingdom. Offering magnificent views of the hills, welcome to one of the most scenic bungalows in Sri Lanka.

Residing on a hill wrapped in a blanket of trees, The Bungalow's luxury rooms blend in perfect harmony with its undisturbed environment. The chaos and noise of the rest of the world doesn't reach you here in this blissful hillside sanctuary. The only sounds you hear are from leaves rustling in reply to the wind's whispered secrets and birds singing to each other about the day's adventures. Our Kandy bungalows are the quintessence of freedom and tranquil country living; in short, utopia





AMAYA
KUDA RAH
MALDIVES



Enter an island sanctuary where the ocean beckons you to come live & love at one of the finest Maldives luxury resorts. Dive into an underwater world at the nearby Kuda Rah Thila, celebrate romance on a sunset cruise & find inner bliss at our spa; come experience a genuine heartfelt welcome at Amaya Kuda Rah, Maldives.

Surrounded by turquoise waters, feel the beauty of Maldives seep through every inch of our accommodation, as you unwind in surreal tranquillity at Amaya Kuda Rah, one of the stunning Maldives 5-star resorts on the Indian Ocean. Our spacious villas and suites are thoughtfully designed to offer you sublime delight throughout your stay. Sunbathe on wooden decks; luxuriate in your private plunge pool or retreat to the comforts of your room for some well-deserved rest.





AMAYA

HUNAS FALLS ◦ KANDY
SRI LANKA



Be welcomed to paradise by the hypnotising hum of birds singing under the shaded leaves of towering trees and the tranquil hum of the nearby Hunas Falls. Escape to one of the most scenic honeymoon hotels in Sri Lanka to celebrate your love as you trek through the stunning landscapes surrounding Amaya Hunas Falls.

Peacefully seated at the foot of the glorious Hunasgiriya Mountain, The Amaya Hunas Falls is ideal for romantic getaways as you surrender to comfort in our well-appointed rooms at one of the best honeymoon hotels in Sri Lanka, completed with all modern amenities designed to offer you peace, relaxation and comfort.

Being situated in the midst of beautiful landscapes, you will be spoiled with loveliness of a natural waterfall while being encircled by the silhouette of mountains. Welcome to a sanctuary of surreal bliss, your slice of heaven on earth. Fall in love with the island





AMAYA

LANGDALE • NUWARA ELIYA
SRI LANKA



Surrounded by beautiful green fields of tea, Amaya Langdale, Nuwara Eliya offers an opportunity to experience the finest brew of the world's famous Ceylon tea. Hike through strawberry fields or sample a flavourful variety of rich infusions fresh from the land as you relax in the cosy comforts of one of the most charming Nuwara Eliya bungalows

Breathe in the grandeur and glory of the gorgeous colonial era at Amaya Langdale, one of the most luxury holiday bungalows in Nuwara Eliya. Let the stunning views of sloping mountain ranges, nestled together amidst the silver mist greet you through your windows every morning. Feast your eyes on the timeless charm of old colonial furnishings as they proudly adorn your gorgeous abode. Give yourself time to rest and relax in the blissful wonder of a place where time itself stands still.





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.





Immerse yourself in traditional and ancient ayurveda treatment in Sri Lanka that will revitalize your mind, body and soul. Embark on your wellness journey with traditional Ayurvedic treatments from ancient Sri Lanka at Amuna Ayurveda Retreat Sri Lanka.

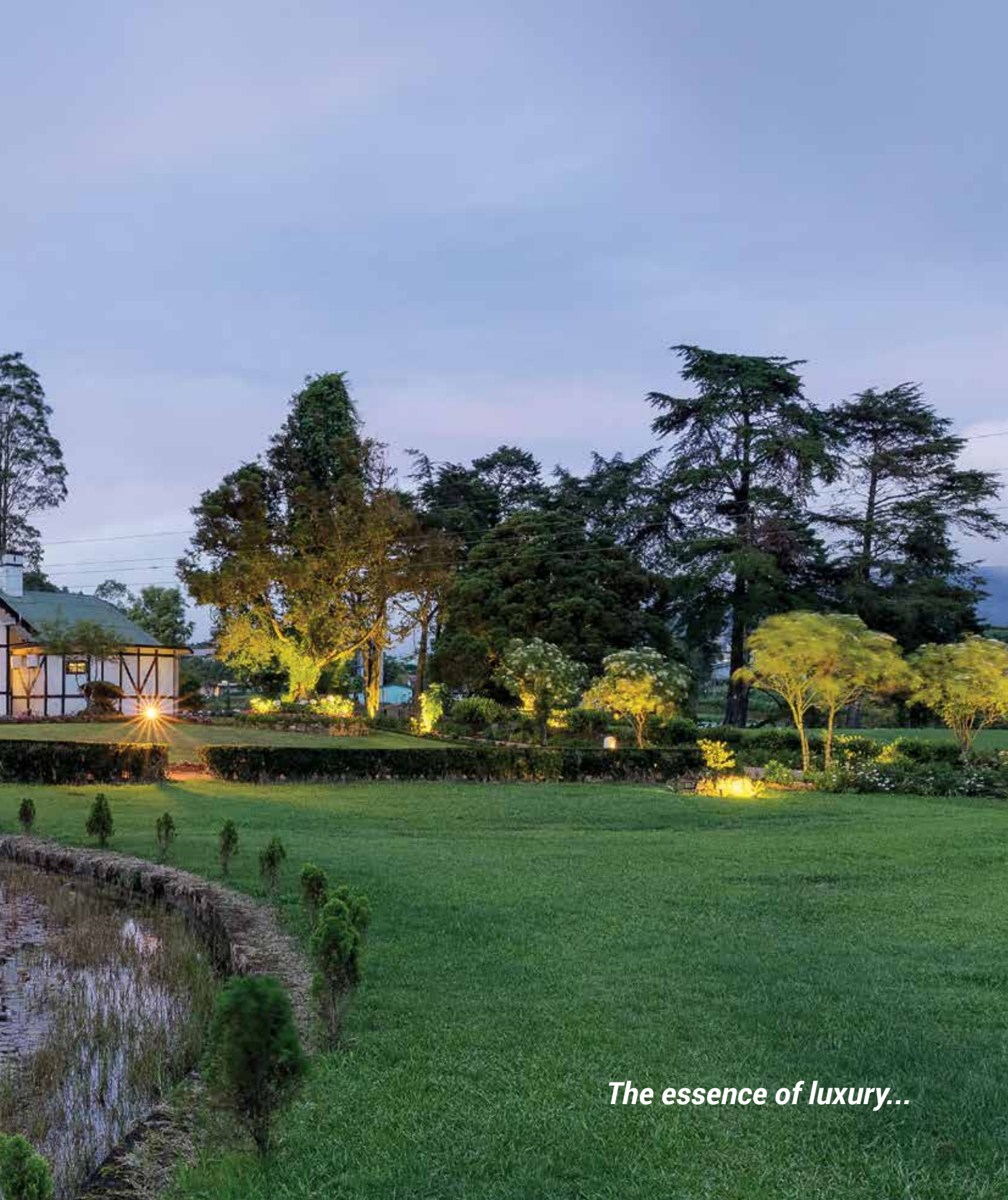
"AMUNA" carries the concept of providing a holistic and authentic Sri Lankan traditional herbal experience to ensure a relaxed and unforgettable healthy holiday. Ayurvedic traditional medicine is a major part of Sri Lankan culture.

"AMUNA" is well-equipped and all therapies are conducted by experienced therapists under the supervision of professional Ayurvedic Doctors and Physicians. We offer many different types of traditional ayurveda treatments and therapies ("karma") along with yoga and meditation, and a strict in-house diet coupled with rest and relaxation. You will discover your own personal sanctuary at AMUNA.



Corporate Social Responsibility





The essence of luxury...

Corporate Social Responsibility

Each resort under the Amaya Resorts & Spas brand has its own CSR Projects that it takes care of. From weekly alms givings to the temples and Sunday schools, to giving essential school needs to help families who cannot afford to send their children to school and look after their daily needs to helping out hospitals with donations whenever needed to improving the living standards of surrounding areas and much more. Each project is thought of carefully and each team member is given a great responsibility to make sure everything is done smoothly and fulfills the needs of the community.

A summary of Core CSR activities carried out by the group during the year is given below;

Resort	Category	Program Name	No of beneficiaries
Amaya Lake Dambulla	Religious	Donation for Temple Rehabilitation	1 area
	Religious	Meal provision to Monastery for Poson Festival	125 people
	Educational	Book Donation for Children	180 students
	Women & Children	Sponsorships on education for needy children	15 students
	Society	Breakfast treat to Elder's home	40 people
Amaya Beach Pasikudah	Children & women	Donation of Schooling Needs	3 schools
	Culture & Other	Donation for Temple Rehabilitation	1 area
	Culture & Other	Meal provision to Temple for festivals	100 people
Amaya Hills Kandy	Environmental Culture	Environmental Cleaning Program at Hanthana Range	1 Km ²
	Health & Safety	Blood Donation Camp	90 donors
	Health & Safety	Medical Camp targeting villagers	200 residents
	Children & women	Donation of Schooling Needs	150 students

"Our staff works on a regular basis to keep the ongoing CSR projects active and make sure that the needs of the families and communities that they are helping are looked after on a regular basis."



900+ Volunteer Hours



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





A warm hospitality...

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 2019.

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 Message 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 2019 and its future prospects.

PERFORMANCE AND APPROPRIATIONS

The Company's performance and financial position including that of its subsidiaries for the year ended 31st March 2019 is summarized in the Statements of group financial and operational highlights 2018/2019 on page 13

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 2019 was Rs. 909,370,707/55 comprising 53,994,979 Ordinary Shares (31.03.2018: Rs. 819,779,170/- comprising 51,876,976 Ordinary Shares). The number of shares in issue of the Company increased from 51,876,976 Ordinary Shares to 53,994,979 Ordinary Shares as a result of Scrip Dividend for the year 2018/2019 made on 21st August 2018.

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.75 Mn (2018 - Rs. 71 Mn) details of which are given in Note 16 to the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

Information relating to the movement in Property, Plant and Equipment is given in Note 16 to the Financial Statements.

DIRECTORATE

Directors of the Company as at 31st March 2019

Mr. A.M. Pandithage
Mr. C.J. Wickramasinghe *
Mr. L.T. Samarawickrama
Mr. D.E. Silva
Mr. D.J. De Cruz
Mr. S. Senaratne *
Mr. Dhammika Perera *
Mr. S.H. Amarasekera **
Mr. S.J. Wijesinghe *
Ms. R.N. Ponnambalam **
Ms. W.D. De Costa **
Ms. A.A.K. Amarasinghe (Alternate Director to Mr. Dhammika Perera)

* Non-Executive Directors

** Independent Non- Executive Directors

Mr. D.J. De Cruz was appointed to the Board as a Director on 10th October 2018. In terms of Article No. 29(2) of the Articles of Association of the Company, Shareholders will be requested to re-elect Mr. D.J. De Cruz at the Annual General Meeting.

In terms of Article No. 29(1) of the Articles of Association of the Company, Ms. R.N. Ponnambalam and Mr. Dhammika Perera 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 for the re-appointment 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	
	31.03.2019	01.04.2018
Mr. A.M. Pandithage	NIL	NIL
Mr. C.J. Wickramasinghe	1,606,336	1,543,326
Mr. L. T. Samarawickrama* People's Leasing & Finance PLC/Mr. L.T. Samarawickrama -4,968,643 Mr. L.T. Samarawickrama - 67,445	5,036,088	4,838,544
Mr. D.E. Silva	93,538	68,932
Mr. S. Senaratne	203,771	195,778
Mr. Dhammika Perera**	503,211	483,473
Mr. S.H. Amarasekera (JT.) Mr. B.M. Amarasekera & Mr. S.H. Amarasekera - 13,915 HSBC/B.M. Amarasekera & S.H. Amarasekera - 9,541	23,456	22,537
Mr. S.J. Wijesinghe	NIL	NIL
Mr. D.J. De Cruz	NIL	NIL
Ms. R.N. Ponnambalam	NIL	NIL
Ms. W.D. De Costa	NIL	NIL

* Mr. L.T. Samarawickrama has the controlling interest in Elles (Pvt) Ltd., which holds 381,372 (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 21,769,457 (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:

- The Directors' shareholding increased as a result of Scrip Dividend for the year 2018/2019 made on 21st August 2018 in the ratio of 1:2449334397 Ordinary Shares held as at 10th August 2018.
- In addition, Mr. D.E. Silva purchased 20,937 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 2018/2019.

ATTENDANCE

Meetings held on 16th May 2018, 06th August 2018, 08th November 2018, and 06th February 2019.

Dr. H. Cabral**	4/4
Mr. S.C. Ganegoda*	2/4
Mr. M.Y.A. Perera**	4/4

* Executive ** Independent Non-Executive

SHAREHOLDERS DISTRIBUTION

The distribution of Shareholders is indicated on page 143 in the Annual Report. There were 1,588 registered shareholders as at 31st March 2019.

DIVIDENDS

First interim Dividend of Rs. 1/- per share as a Cash Dividend and Rs. 2/- per share as a Scrip Dividend was paid on 21st August 2018.

Second Interim Dividend of Rs. 2.50 per share was paid on 13th March 2019.

The Board of Directors obtained solvency certificates from the Auditors for the above dividends.

SHAREHOLDING INFORMATION

Information relating to major shareholders of the Company as at 31st March 2019 are given on page 144.

CHANGES IN FIXED ASSETS

The movement in fixed assets during the year is set out in Note 16 to the Accounts.

MARKET VALUE OF THE COMPANY'S ORDINARY SHARES

The Market Value of the Company's Ordinary Share as at 31st March 2019 was Rs. 37.20 compared to Rs. 52.80 as at 31st March 2018 as per official valuation of the Colombo Stock Exchange.

INVESTMENTS

Details of investments held by the Company and by the Group are given in Note 19 and 20 to the Financial Statements

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

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 32 to the Financial Statements dealing with related party disclosures includes details of their interests in transactions.

Name of the Related Party	Name of the Director	Relationship	Details	Balance Outstanding as at 31.03.2019
Culture Club Resorts (Pvt) Ltd	A. M. Pandithage	Director	A Sum of Rs. 1,200,000/- was charged as Management Fees	(167,905,779)
	L. T. Samarawickrama	Director	A Sum of Rs. 34,831,861/- was charged as Sales Commission	
	C. J. Wickramasinghe	Director	A Sum of Rs. 9,508,536/- was incurred as settlement of liabilities by the company	
	S. Senaratne	Director	A Sum of Rs. 168,583,327/- made as fund transfers.	
	D. E. Silva	Director		
	S. J. Wijesinghe	Director		
Kandyan Resorts (Pvt) Ltd	A. M. Pandithage	Director	A Sum of Rs. 1,200,000/- was charged as Management fees	(211,137,112)
	L. T. Samarawickrama	Director	A Sum of Rs. 38,497,690/- was charged as Sales Commission	
	C. J. Wickramasinghe	Director	A Sum of Rs. 7,842,880/- was incurred as settlement of liabilities by the company	
	S. Senaratne	Director	A Sum of Rs. 235,488,225/- made as fund transfers.	
	D. E. Silva	Director	A Sum of Rs. 998,269/- paid as interim dividend	
	S. J. Wijesinghe	Director		
Sun Tan Beach Resorts Ltd	A.M. Pandithage	Director	A Sum of Rs. 8,921,434/- was incurred as settlement of liabilities by the company	121,857,113
	L.T. Samarawickrama	Director	A Sum of Rs. 140,273,173/- made as fund trasfers	
	D.E. Silva	Director		
Hayleys PLC	A. M. Pandithage	Director	A Sum of Rs. 59,322,284/- was charged as Service fee & other reimbursement of	(12,107,628)
	Dhammika Perera	Director	expenses by Hayleys PLC	
	L.T. Samarawickrama	Director	A Sum of Rs. 47,905,325/- was paid as settlement of liabilities	
The Kingsbury PLC	A. M. Pandithage	Director	A Sum of Rs. 20,592,515/- was charged as Management Fees	8,980,250
	L. T. Samarawickrama	Director	A Sum of Rs. 43,228,133/- was charged as Sales Commission	
	Dhammika Perera	Director	A Sum of Rs. 10,104,989/- was charged on purchase of goods	
	R. N. Ponnambalam	Director	A Sum of Rs. 2,575,465/- was incurred as settlement of liabilities by the company	
	D. E. Silva	Director	A Net Sum of Rs. 67,079,026/- was received as settlement of liabilities	
	S. J. Wijesinghe	Director		
	A. A. K. Amarasinghe	Alt. Director		
Luxury Resorts (Pvt) Ltd	A. M. Pandithage	Director	Sum of Rs. 8,503,578/- was charged as Management fees	171,268,756
	L. T. Samarawickrama	Director	A Sum of Rs. 9,628,531/- was charged as Sales Commission	
			A Sum of Rs. 7,583,220/- was incurred as settlement of liabilities by the company	
			A Sum of Rs. 50,753,937/- made as fund trasfers	

DIRECTORS' REMUNERATION

Directors' Remuneration in respect of the Company is disclosed under Note No. 32

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 5.0 million per annum at a premium of Rs. 8.3 million.

AUDITORS

The Auditors, Messrs Ernst & Young, Chartered Accountants, were paid Rs. 2,869,560/- (2017/2018: 2,657,228/-) as audit fees by the Group. In addition, they were paid Rs1,499,094/- (2017/2018: 907,660/-) by the Group for non-audit related work.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The Auditors also do not have any interest with the Company.

Messrs Ernst & Young, Chartered Accountants, are deemed re-appointed, in terms of Section 158 of the Companies Act No. 7 of 2007, as Auditors of the Company.

A Resolution proposing the Directors be authorized to determine their remuneration will be submitted at the Annual General Meeting.

ACCOUNTING POLICIES

The Accounting policies adopted by the Company in the preparation of Financial Statements are given on pages 95 to 109 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 2019.

GOING CONCERN

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

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at the Conference Room of Hayleys PLC, No.400, Deans Road, Colombo 10, Sri Lanka, on Thursday, 20th June 2019 at 3.00 p.m. The Notice of the Annual General Meeting appears on page 150.

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.

08th May 2019.

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.

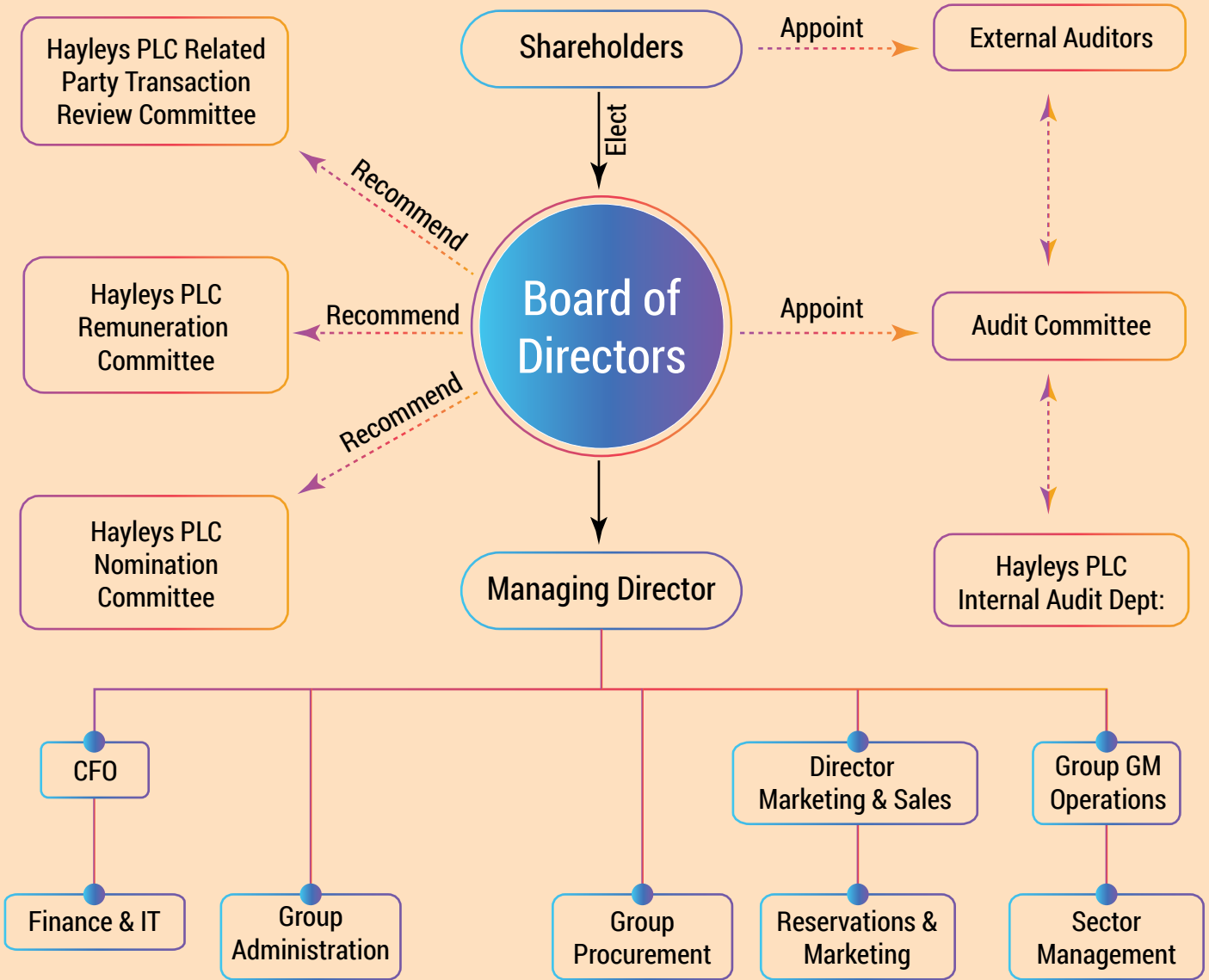
The Chairman of the Board affirms that there has not been any material violation of any of the provisions of the code of conduct. In instances where violations did take place, they were investigated and handled through well established procedures.

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
A. M. Pandithage	4/4
L. T. Samarawickrama	4/4
D. E. Silva	3/4
C. J. Wickramasinghe	3/4
S. Senaratne	2/4
Dhammika Perera	-
S. J. Wijesinghe	3/4
S. H. Amarasekera	3/4
R. N. Ponnambalam	4/4
W. D De Costa	4/4
D. J. De Cruz	2/2
A. A. K. Amarasinghe (Alternate to Mr. Dhammika Perera)	2/4

Governance Structure



Corporate Governance *Contd...*

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 2018/19
A. DIRECTORS			
A.1 THE BOARD			
<p>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 28 to 33.</p>			
1.	Board Meetings	A.1.1	Complied
			<p>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.</p> <p>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 56.</p>
2.	Board Responsibilities	A.1.2	Complied
			<p>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.</p> <p>The Board has put in place a Corporate Management team with the required skills, experience and knowledge necessary to implement the business strategy of the Company.</p> <p>The Board also ensures effective systems are in place to secure integrity of information, internal controls and risk management.</p> <p>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.</p>
3.	Compliance with Laws and access to independent professional advice	A.1.3	Complied
			<p>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.</p>
4.	Company Board	A.1.4	Complied
			<p>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.</p>
5.	Independent judgment	A.1.5	Complied
			<p>All Directors exercise independent judgment in decisions made by the Board on issues of strategy, performance, resource allocation and the conduct of business.</p>
6.	Dedication of adequate time and effort by the Board and Board Committees	A.1.6	Complied
			<p>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.</p>

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2018/19
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 28.			
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 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. This Director 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 Four (04) 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 Eleven (11) Directors are Non-Executive Directors, which is well above the minimum number prescribed by this Code.

Corporate Governance *Contd...*

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2018/19
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 Director has been appointed by one non- executive Director 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 A.7.2	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 The Board annually assesses the Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company.

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2018/19
18.	Disclosure of New appointments	A.7.3	Complied	A brief resume of the Directors, Nature of his/her experience and names of the companies he/she holds the directorship and the independency is informed to the Colombo Stock Exchange and disclose in the Annual Report on Pages 28 to 33.
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.				
19.	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.				
20.	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 28 to 33 (b) Directors' Interest in Contracts - Page 54 (c) Detail of Board Meetings held during the year page 56
A.11 APPRAISAL OF MANAGING DIRECTOR (CEO)				
The Board of Directors should annually assess the performance of the Managing Director who performs the role of the Chief Executive Officer.				
21.	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.
22.	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.				
23.	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 137 of this report. No Director is involved in deciding his own remuneration.

Corporate Governance *Contd...*

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2018/19	
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.				
24.	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.
25.	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.				
26.	Disclosure of Remuneration	B.3.1	Complied	Please refer page 137 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.				
27.	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.				
28.	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.
29.	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.
30.	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
31.	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.
32.	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.
33.	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 2018/19
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.				
34.	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.
35.	Declaration by Chairman, Managing Director and CFO	D.1.3	Complied	Please refer the "Statement of Chairperson, Managing Director and Chief Financial Officer on page 79
36.	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 52 to 55.
37.	Statement of Directors' and Auditor's responsibility for Financial Reporting	D.1.5	Complied	The 'Statement of Directors' Responsibility' is given on page 78 See the 'Auditors' Report' on page 84 for the reporting responsibility of Auditors.
38.	Management Discussion and Analysis	D.1.6	Complied	Refer the 'Management Discussion and Analysis' report on pages 70 to 73.
39.	Disclosure of related party transactions	D.1.8	Compliant	Refer the Related Party transaction Review committee report on page 82.
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.				
40.	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.
41.	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.
42.	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 *Contd...*

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2018/19
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.			
43.	Composition of the Audit Committee	D.3.1	Complied
			<p>Audit Committee consists of Three independent Non-Executive Directors and one Non-Executive Director</p> <p>W. D. De. Costa - Chairperson H. Amarasekara - Member R. Ponnambalam - Member C.J. Wickramasinghe - Member</p> <p>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.</p> <p>The Audit Committee is required to assist the Company to achieve a balance between conformance and performance.</p>
44.	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 80.
45.	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 80.
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.			
46.	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
47.	Establishment of Related Party Transaction Review Committee and composition.	D.4.2	Complied
			Please refer Related Party Transaction Review Committee Report
48.	Written terms of reference of Related Party Transaction Review Committee.	D.4.3	Complied
			Please refer Related Party Transaction Review Committee Report

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.				
49.	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.				
50.	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.				
51.	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 *Contd...*

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 Eleven (11) Directors were Non-Executive Directors as at 31st March 2019	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 2019	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	Forthwith provide a brief profile of new Director appointed to the Board with details specified in 7.10.3 (a), (b) and (c) to the Exchange.	Complied	Corporate Governance
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 2019.	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 table on page 61. The disclosure of the Remuneration Committee is given on page 112 and the remuneration paid to Directors is given in the Note 10 to the Financial Statement on page 112.	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 80.	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 80. The basis of determination of the independence of the Auditor is also given in section D.3.4 of the CASL code table	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 Review Committee report in page 82.	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 Review Committee-Meetings	The committee met 04 times during the financial year of 2018/2019	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 Framework

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 Framework

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.

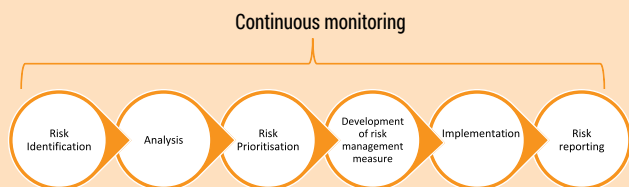
Amaya is committed towards improving and strengthening the risk management process in order to respond to the various challenges arising from the ever-changing operating environment and the dynamics of the economy, while keeping its vision at the center of every decision it makes.

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.

Management Discussion and Analysis

Amaya Resorts & Spas - Where serenity & adventure meet

With some of the most renowned hotels in the island under its wings, Amaya Leisure PLC has been in operation over two decade, 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 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

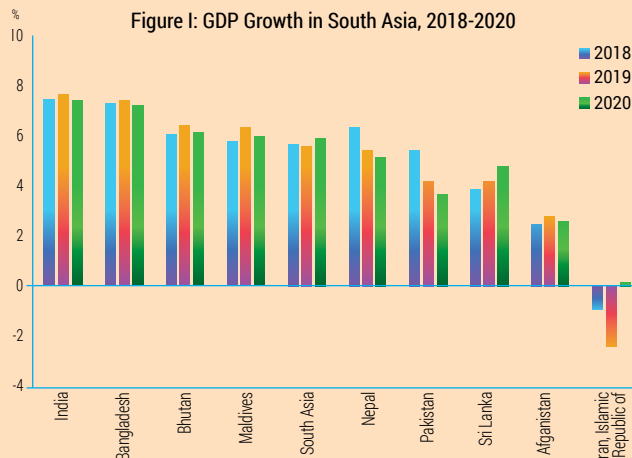
According to the World Economic Situation and Prospects 2019 global growth is expected to remain at 3.0 per cent in 2019 and 2020, however, the steady pace of expansion in the global economy masks an increase in downside risks that could potentially exacerbate development challenges in many parts of the world. The global economy is facing a confluence of risks, which could severely disrupt economic activity and inflict significant damage on longer-term development prospects. These risks include an escalation of trade disputes, an abrupt tightening of global financial conditions, and intensifying climate risks.

In many developed countries, growth rates have risen close to their potential, while unemployment rates have dropped to historical lows. Among the developing economies, the East and South Asia regions remain on a relatively strong growth trajectory, amid robust domestic demand conditions. Beneath the strong global headline figures, however, economic progress has been highly uneven across regions. Despite an improvement in growth prospects at the global level, several large developing countries saw a decline in per capita income in 2018. Even among the economies that are experiencing strong per capita income growth, economic activity is often driven by core industrial and urban regions, leaving peripheral and rural areas behind. While economic activity in the commodity-exporting countries, notably fuel exporters, is gradually recovering, growth remains susceptible to volatile commodity prices. For these economies, the sharp drop in global commodity prices in 2014/15 has continued to weigh on fiscal and external balances, while leaving a legacy of higher levels of debt.

South Asian Economy

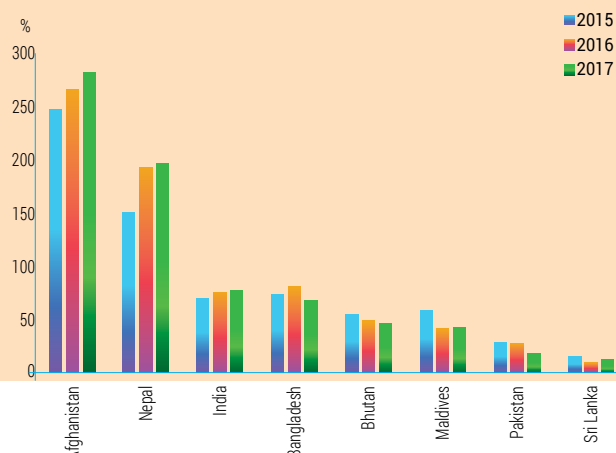
The economic outlook for South Asia is highly divergent across countries. There are some economies, including Bangladesh, Bhutan and India, where economic conditions are largely positive, with GDP growth projected to remain robust in the near term. In contrast, the outlook in the Islamic Republic of Iran and Pakistan has visibly deteriorated. Consequently, regional GDP growth slowed down markedly in 2018. Yet, given the large size of the Indian economy, on the aggregate, the regional outlook is still moderately favourable, especially in comparison to other developing regions. Regional GDP is expected to expand by 5.4 per cent 2019 and 5.9 per cent in 2020, after an estimated expansion of 5.6 per cent in 2018 (figure I). Economic growth is expected to be supported by private consumption and, in some cases, investment demand, even as monetary policy stances tighten in some economies. Despite the increase observed

for inflation figures throughout 2018 due to the depreciation of domestic currencies and higher oil prices, inflation is expected to accelerate only moderately or to remain stable in most economies in the near term, with the notable exception of the Islamic Republic of Iran.



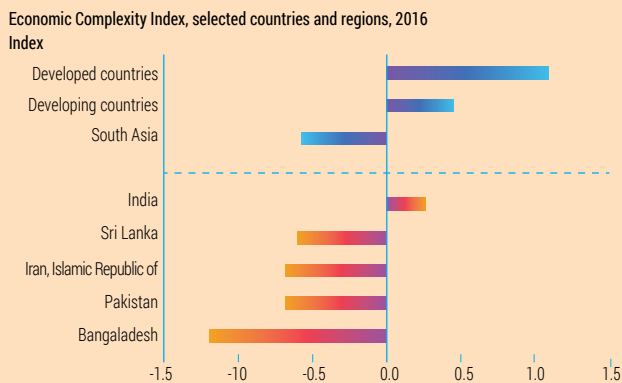
The downside risks to the projections have recently increased across the region, because of domestic and external factors. On the domestic side, political uncertainties, setbacks in the implementation of reforms and, in some countries, security problems can affect investment prospects. This is a crucial issue, as the region needs to tackle the infrastructure bottlenecks for promoting productivity growth, encouraging further poverty reductions and adjusting to climate change. Also, natural disasters, including those associated with climate change, constitute a major source of risk to economic activity. On the external side, an abrupt tightening of global financial conditions, coupled with a further escalation of the ongoing trade disputes, is also a significant downside risk to the outlook. For example, more challenging external conditions can further expose macroeconomic imbalances and financial vulnerabilities associated with rising fiscal and current account deficits and elevated levels of debt in some economies. Notably, most economies have insufficient foreign-exchange reserves to face severe external shocks (figure II). In addition, given that South Asia is a net oil importer, a significant rise in oil prices could raise inflationary pressures and constrain economic activity in several economies.

Figure II: South Asia- Total Reserves Over External Debts, 2015-2017



Beyond the short-term outlook, South Asia—which accounts for 25 per cent of the world population but only for 5 per cent of the world GDP—also needs to tackle medium-term challenges and structural constraints to unleash its enormous growth potential. A crucial challenge is the strengthening of its productive and international competitiveness, as the region is lagging in several competitiveness indicators, like attracting foreign investments, penetrating new markets, and diversifying and upgrading its export products. Also, the region shows a disappointing performance regarding technological capabilities, even in comparison to other developing regions, as measured, for example, by R&D investments, innovation activities, and other indicators, such as the Economic Complexity Index (figure III).

Figure III: Economic Complexity Index, selected countries and regions, 2016



Sri Lankan Economy

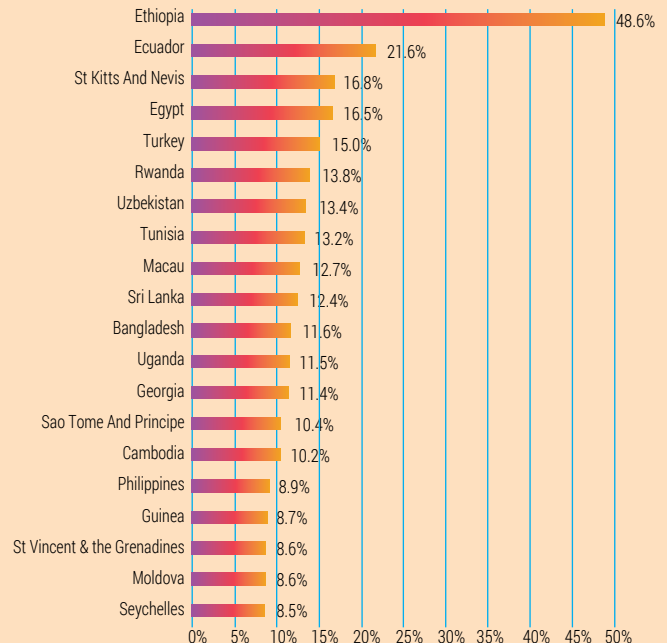
Sri Lanka's economy growth is expected to have declined to 3.2 % in 2018, down from 3.3 percent in 2017. While agriculture made a positive contribution, thanks to clement weather, a deceleration in construction depressed the contribution from industry, and services expanded at a modest rate. Inflation declined to 4.3 percent by end 2018, with the moderation brought about by lower food prices, despite currency depreciation and high oil prices in the first half of the year. Monetary policy, which remained broadly tight in response to external pressures, also helped maintain inflation low.

Global Tourism Industry

According to the World Travel and Tourism Council, in its annual analysis quantifying the global economic and employment impact of Travel & Tourism in 185 countries and 25 regions reveals that the sector accounted for 10.4% of global GDP and 319 million jobs, or 10% of total employment in 2018. The division of overall spend is firmly weighted towards the leisure market, which represented 78.5% of the total compared with 21.5% for business spend, and the sector accounted for 6.5% of total global exports and 27.2% of total global service exports. Domestic tourism, which represented 71.2% of all tourism spending in 2018 and had the strongest growth in developing nations, continues to support opportunities by spreading development and regional economic benefits and building national pride.

In most of the fastest growing countries, strong Travel & Tourism GDP growth has been driven by international visitor spending and comes on the back of particular factors that are often influenced by government decisions that recognise the importance of the sector mainly improved connectivity and infrastructure (figure IV).

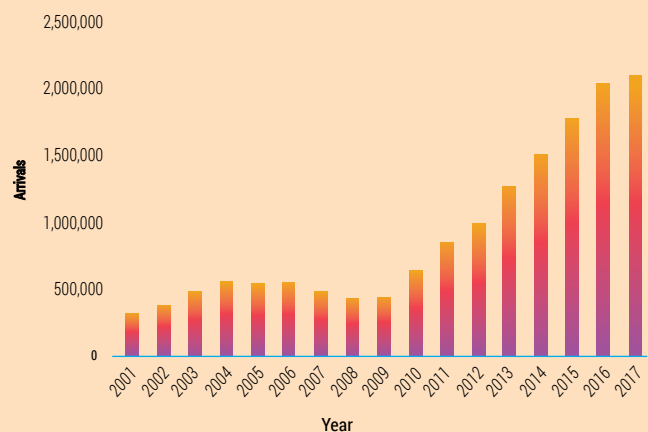
Figure IV : Top 20 Countries - Travel & Tourism GDP Growth, 2018



Sri Lanka's Tourism Industry

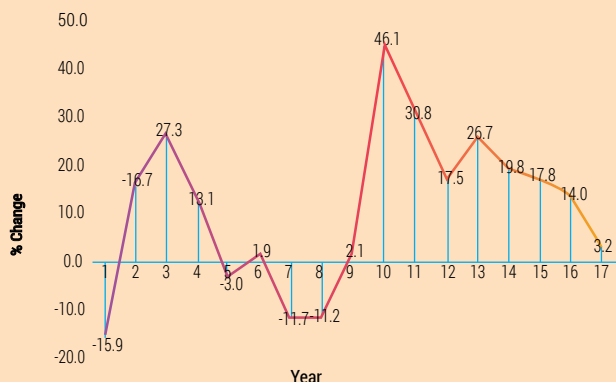
As per the record of Sri Lanka Tourism Development Authority, Tourist arrivals to Sri Lanka during the year 2017 amounted to 2 Mn+, registering a 3.2% increase since 2016. Reported number of nights spent in 2017 by international tourists was 23 Mn+, showing an increase of 10.27%, with an average duration of 10.9 nights (figure V and VI).

Figure V : Tourists Arrivals 2001 to 2017



Management Discussion and Analysis *Contd...*

Figure VI: Tourists Arrivals Growth Change - 2001 to 2017



Tourism was the third largest foreign exchange earner for the country in 2017, preceded by Worker's Remittance and Textiles & Garments, significantly contributing to the Sri Lankan economy. Foreign exchange earnings from the tourism sector increased to 14.8% of the total foreign exchange earnings, compared to 14.2% recorded in the previous year.

When considering tourist arrival from different regional markets, it is noteworthy that all regions showed significant growth in the number of tourist arrivals, except the Middle East region (figure VII). Even though Europe West held the major market share in 2017, there was only a slight increase to 32.2% in 2017 from 31.4% in 2016. An analysis of the ten major source markets done by Sri Lanka Tourism Development Authority revealed that tourists from India represented the largest number of international arrivals. (figure VIII).

As per the Civil Aviation Authority, during the year 2017, there were 30 scheduled airlines operating flights to Sri Lanka including National Carrier, Sri Lankan Airlines. As a whole, the two-way passenger traffic into and out of the country amounted to Rs. 7 Mn for the year, through the main access point (BIA- Katunayake). An analysis of the passenger traffic composition revealed that almost half of these passengers (59.9 percent) were tourists.

Figure VII : Distribution of Market Areas (Percentage) - 2017

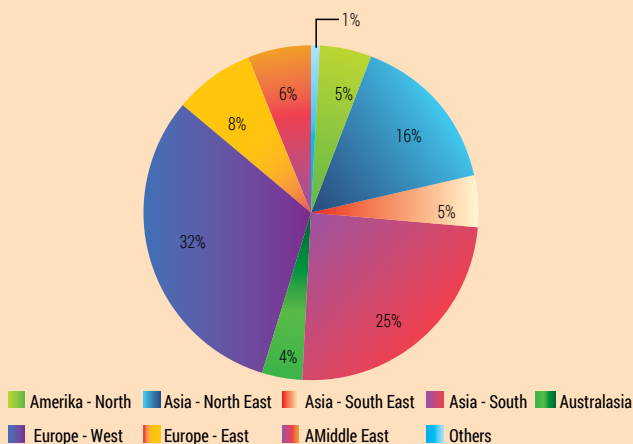
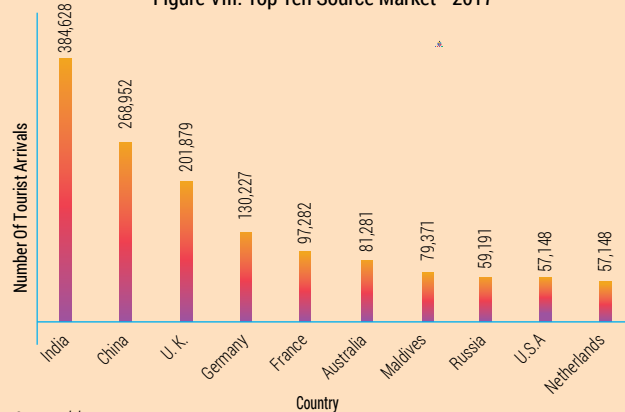


Figure VIII: Top Ten Source Market - 2017



Competition

The establishments which provide accommodation for international visitors to Sri Lanka could be divided into three broad categories: tourist hotels, supplementary establishments such as Boutique Villas, Guest Houses, Rest Houses, Home Stay Units, Tourist Bungalows, Rented Tourist Homes, Rented Tourist Apartments, Heritage Bungalows etc and other establishments who are not formally registered with the Sri Lanka Tourism Development Authority.

Compared with 2016, the accommodation capacity of tourist hotels increased by 4.97% from 382 to 401 units, while the number of rooms increased by 6.1% from 22 K to 23 K rooms in 2017. Colombo City (Colombo 1-14) had 22.62% of the capacity on offer, while Greater Colombo (extending from Moratuwa to Colombo and Negambo to Colombo) had 13.74%, bringing the total capacity in Colombo and surrounding areas to 36.36%. The South Coast region had 35.23% of the total capacity. Ancient Cities region, Hills Country and East Coast, Where Amaya is strong at, had 17.11%, 5.78%, and 4.82% respectively.

Employment

According to the Labour Demand Survey by the Department of Census & Statistics, a total of 6 K occupations were in demand in 2017 while there was a large demand for service providers in the food & beverage industry for waiters and waitresses, cooks, chefs, bartenders and kitchen helpers. Furthermore, higher labour participation was needed to fill vacancies under cleaning and housekeeping services in tourism-based establishments. There were also vacancies reported for accounting associates, stall and market salespersons and drivers.

Revenue to the Government

In 2017, the total revenue collected by the government from the listed sources amounted to Rs. 11,768 Mn, compared to Rs. 10,631 Mn collected in the previous year from namely the Tourism Development Levy, Embarkation Tax, Income of Sri Lanka Tourism Development Authority, and entrance fees. Out of the total revenue collected in 2017, the top three contributors were Cultural Triangle Entrance Fees Embarkation Taxes and the Wildlife Parks.

Maldivian Tourism Sector

Maldives expects to have a record-breaking performance in the tourism industry in 2019, according to the government's new strategies. During the first ever Maldives

Guesthouse Symposium held in the country, tourism minister told journalists that the government in the process of drafting a new tourism development masterplan to implement in the very near future. The said symposium has recognised the need for sustainable development of the rapidly growing guesthouse sector of the Maldives, as well as the government's commitment to identify and address issues and challenges faced by guesthouse operators and island communities.

Over the past few years, dozens of uninhabited islands have been leased to local and foreign resort developers. Along with the new resort openings, came the challenge of increasing demand from budget travellers who choose guesthouses over luxury resorts that the Maldives is known for and what Amaya is good at.

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 motivate 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 provide 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 maintain sound communication, favourable contracts and constant surveillance on the products and material supplied by the numerous suppliers.

Opportunities, Threats and Future Prospects

The events of Easter Sunday have precipitated a series of crises for Sri Lanka. Beyond the immediate loss of life and emotional distress, Sri Lanka is facing a devastating shock and the community that had become reliant on tourism will experience significant socio-economic effects such as unemployment, business closures and depression. On the group's level, short-term loss of confidence and decline in economic growth cannot be avoided merely by marketing strategies following such an attack.

Until the government finds a way to re-assure the global community that safety of tourists is paramount, negative images and growing concerns regarding safety will continue to undermine the tourism industry for a long time.

Heavy discounting will hurt profitability in the group, but Amaya should prepare to grab government fiscal policy offers that we can expect, such as lower airfares of domestic airlines, reducing landing charges for foreign airlines and waiving the tourist visa fees in every way possible as a way of alleviating the pain.

As such, Amaya sees a silver line in this dark cloud to overcome this unexpected existing situation with the humongous challenge that it would have to face in the forthcoming financial year. It is Amaya's aim to be well-prepared to exploit possible opportunities, while curtailing the certain adverse effects of the threat discussed, with the passion of Amaya Resorts & Spas - Where serenity & adventure meet.

Sources: United Nations, The World Bank, World Travel & Tourism Council, Sri Lanka Tourism Development Authority, MOT - Maldives, Miscellaneous media articles.

Financial Reports





Inviting spaces...

The Creation and Sharing of Holistic Value

Financial Calendar

02nd August 2018
1st Quarter Interim Report

26th October 2018
2nd Quarter Interim Report

30th January 2019
3rd Quarter Interim Report

10th May 2019
4th Quarter Interim Report

28th May 2019
Annual Report 2018/19

20th June 2019
37th 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 from contract with customers	293,089	494,565	403,126	453,083
Profit / (Loss) before tax	(56,796)	93,628	41,462	192,154
Tax Expense	(3,453)	(8,167)	(7,766)	(15,831)
Profit / (Loss) After Tax	(60,249)	85,461	33,696	176,323
Profit / (Loss) Attributable to Owners' of the Parent	(34,213)	79,450	50,002	204,457
Profit / (Loss) Attributable to Non-Controlling Interest	(26,036)	6,011	(16,306)	(28,134)
Non-Current Assets (end of the quarter)	5,016,964	4,962,490	4,936,592	4,999,758
Current Assets (end of the quarter)	628,328	769,389	867,512	830,549
Shareholder's Fund (end of the quarter)	3,469,387	3,458,767	3,487,421	3,698,373
Non-Current Liabilities (end of the quarter)	980,693	932,309	886,762	826,090
Current Liabilities (end of the quarter)	1,014,638	1,154,231	1,280,066	1,177,590
Market Value of Shares	Rs.	Rs.	Rs.	Rs.
Highest Share Price	52.00	49.90	49.80	60.00
Lowest Share Price	45.20	39.90	36.20	35.00
Closing Share Price	49.00	44.90	40.00	37.20
Basic Earning / (Loss) per share	(0.66)	1.47	0.93	3.79
Market Capitalization (Rs. Mn)	2,542	2,424	2,160	2,009
Share Trading Information				
No. of Transactions	105	94	104	1,377
No. of Shares Traded	41,188	11,368	8,254	480,573
Value of Shares Traded (Rs.)	1,972,044.40	497,369.50	325,212.90	23,360,048.60

Statement of Directors' Responsibilities

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.

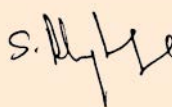
The Directors have confirmed that the Company satisfied the solvency test requirement under Section 56 of the Companies Act No. 07 of 2007 for the first and second interim dividends paid. Solvency certificates were obtained from the Auditors in respect of the first and second interim dividends paid.

The external Auditors, Messrs Ernst & Young deemed re- appointed in terms of Section 158 of the Companies Act were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the financial statements. The report of the Auditors, shown on page 84 to 87 sets out their responsibilities in relation to the financial statements.

Compliance Report

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

By order of the Board



HAYLEYS GROUP SERVICES (PVT) LTD
Secretaries

08th May 2019.

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 2019, 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 Accountants 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

8th May 2019

Report of the Audit Committee

Role of the Committee

The role of the Audit Committee is to assist the Board in fulfilling its responsibility with regard to ensuring the quality and integrity of the financial statements.

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

Composition of the Committee and Meetings

The Audit Committee comprised the following Non- Executive Directors who conduct Committee proceedings in accordance with the terms of reference set out in the Audit Committee Charter.

Mrs. W.D. De Costa	- Independent/ Non-Executive Director
Mr. H. Amarasekera	- Independent / Non- Executive Director
Ms. R. Ponnambalam	- Independent / Non-Executive Director
Mr. C.J. Wickramasinghe	- Non Independent/ Non-Executive Director

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

A brief profile of each member is given on page 28 to 33

The Board Secretary functions as the Secretary to the Audit Committee

The Audit Committee reports directly to the Board. The individual and collective financial, legal, hotel industry specific knowledge and business experience are brought to bear on all matters which fall within the purview of the Committee.

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

Meetings of the Audit Committee

The Audit Committee held five (5) meetings during the financial year 2018/19. The attendance of the Committee members at these meetings is as follows.

Name of Director

Total

Mrs. W. D. De Costa	5/5
Mr. H. Amarasekera	4/5
Ms. R. Ponnambalam	5/5
Mr. C.J. Wickramasinghe	3/5

Any individual member of the Committee had the opportunity to raise specific issues at the meetings. The Committee was in regular contact with the management including the Chief Financial Officer and Chief Internal Auditor as necessary to strengthen guidance and oversight relating to 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 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 of 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 PLC's Group Management, Audit and System Review Department serves as the Internal Auditors of the Company. The internal 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

The Financial Statement Audit Plan including the scope of the audit, was presented to the Audit Committee by the External Auditors and was reviewed and discussed by the Committee and Management prior to the commencement of the audit.

Before the conclusion of the audit the Committee met with the External Auditors to discuss the interim audit issues, management responses and to effect any corrective action where necessary.

The External Auditor's Final Management Report on the audit of the Company and the Group Financial Statements for the year together with management responses were 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 were 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

08th May 2019

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 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 same to the Board.

The Committee in its re-view process recognized the adequacy of the content and quality of the information forwarded to its Members by the Management.

MEETINGS

The Committee met four (04) times during the year under review. The attendance at the meetings given in table on page 53 of the Annual Report.



Dr. Harsha Cabral, PC.
Chairman
Related Party Transactions Review Committee of Hayleys PLC
15th May 2019.

Financial Statements

Independent Auditor's Report



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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 2019, and the statement of profit or loss, 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 2019, 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. 137,863,688 which has been derived entirely from its investment in Sun Tan Beach Resorts Limited. Under Sri Lanka Accounting Standards, the Group is required to annually test the amount of goodwill for impairment.</p> <p>The management's impairment assessment process is complex and judgmental and is based on assumptions as disclosed in Note 18, which are affected by economic and geopolitical factors.</p> <p>In consideration of the significance of the balance and the level of judgment involved, the impairment assessment of goodwill has been considered as a key audit matter.</p>	<p>Our procedures included among other, involving internal experts to assist us in evaluating the assumptions and methodology used by the Group, in particular those relating to the forecasted revenue growth and profit margins of Sun Tan Beach Resorts Limited.</p> <p>We also assessed the adequacy of the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill.</p>
<p>Adoption of SLFRS 15- Revenue from Contracts with Customers</p> <p>The group adopted SLFRS 15 Revenue from Contracts with Customers (New Revenue Standard) with effect from 1 April 2018 and management was required to evaluate compliance of existing revenue recognition policies with the new Revenue Standard.</p> <p>As the determination of the appropriate accounting policy required significant judgement by management and in consideration of the various revenue arrangements that the Group has in place, we considered the application of SLFRS 15 as a key audit matter.</p>	<p>Among other audit procedures focused on the New Revenue Standard, we performed following specific procedures.</p> <ul style="list-style-type: none"> • We assessed the Group's implementation process of SLFRS 15 including changes in disclosures and systems to support the revenue recognition. • We obtained management's impact assessment and examined a sample of customer contracts to assess whether relevant contractual terms are considered in full and whether conclusions reached are in line with SLFRS 15. <p>We also assessed the adequacy of disclosures made in the financial statements in Notes 4.4.2 and 6.</p>

Other Information included in the 2018/19 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.

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.

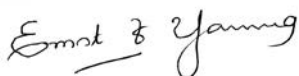
We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and 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 2965.



Colombo
08 May 2019

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 FCMA

Principal T P M Ruberu FCMA FCCA

A member firm of Ernst & Young Global Limited

Statement of Profit or Loss

YEAR ENDED 31 MARCH	Note	Group		Company	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Revenue from Contracts with Customers	6	1,643,863,373	1,442,893,672	172,326,103	164,748,239
Cost of Sales		(714,287,562)	(649,427,668)	-	-
Gross Profit		929,575,810	793,466,003	172,326,103	164,748,239
Other Income	7	46,676,459	36,653,709	2,131,681	6,624,968
Gain on realization of Financial Assets	8	90,556,525	-	90,556,525	514,336,157
Impairment of Investment in Subsidiary	9	-	-	(151,309,478)	(109,621,652)
Selling and Marketing Expenses		(103,841,244)	(94,746,359)	(39,044,368)	(31,357,201)
Administrative Expenses		(554,895,468)	(539,650,202)	(168,800,740)	(160,191,178)
Finance Cost	10.1	(171,697,914)	(163,046,072)	(8,212,085)	(21,303,415)
Finance Income	10.2	34,074,614	17,373,421	31,387,991	14,944,989
Profit /(Loss) before Tax	11	270,448,782	50,050,500	(70,964,371)	378,180,907
Tax Expenses	12	(35,216,993)	(42,012,206)	(1,417,792)	(400,531)
Profit /(Loss) for the year		235,231,789	8,038,295	(72,382,163)	377,780,375
Profit /(Loss) Attributable to:					
Equity Holders of the Parent		299,697,222	93,267,101	(72,382,163)	377,780,375
Non-Controlling Interest		(64,465,433)	(85,228,806)	-	-
		235,231,789	8,038,295	(72,382,163)	377,780,375
Basic / Diluted Earnings / (Loss) Per Share	13	5.55	1.73	(1.34)	6.99
Dividend Per Share	14	5.50	-	5.50	-

The Accounting Policies and Notes on pages 96 through 140 form an integral part of these Financial Statements.

Statement of Comprehensive Income


YEAR ENDED 31 MARCH	Note	Group		Company	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Profit/(Loss) for the year		235,231,789	8,038,295	(72,382,163)	377,780,375
Other Comprehensive Income					
Other Comprehensive Income / (Expense) to be reclassified to profit or loss in subsequent periods					
Gain / (Loss) on Available for Sale Financial Assets		-	9,717,540	-	9,717,540
Net Other Comprehensive Income / (Expense) to be reclassified to profit or loss in subsequent periods		-	9,717,540	-	9,717,540
Other Comprehensive Income / (Expense) not to be reclassified to profit or loss in subsequent periods					
Gain / (Loss) on Equity Instruments designated at FV through OCI	26.2	(24,202,240)	-	(24,202,240)	-
Actuarial Loss on Defined Benefit Plan	28	(670,819)	(5,449,569)	(78,634)	(1,714,777)
Deferred tax impact		(11,263)	381,140	-	-
		(24,884,322)	(5,068,429)	(24,280,874)	(1,714,777)
Effect of Revaluation on Land	26.1	157,900,000	-	-	-
Deferred tax impact	26.1	(3,206,000)	(5,599,586)	-	-
Net Gain / (Loss) on Cash Flow Hedge		(31,751,501)	-	-	-
		122,942,499	(5,599,586)	-	-
Net Other Comprehensive Income / (Expense) not to be reclassified to profit or loss in subsequent periods		98,058,177	(10,668,015)	(24,280,874)	(1,714,777)
Other Comprehensive Income/(Expense) for the year, net of tax		98,058,177	(950,475)	(24,280,874)	8,002,763
Total Comprehensive Income for the year, net of tax		333,289,966	7,087,820	(96,663,037)	385,783,138
Total Comprehensive Income Attributable to:					
Equity Holders of the Parent		411,634,197	92,045,164	(96,663,037)	385,783,138
Non-Controlling Interest		(78,344,231)	(84,957,343)	-	-
		333,289,966	7,087,820	(96,663,037)	385,783,138

The Accounting Policies and Notes on pages 96 through 140 form an integral part of these Financial Statements.


Statement of Financial Position


AS AT 31 MARCH	Note	Group		Company	
		2019	2018	2019	2018
Assets		Rs.	Rs.	Rs.	Rs.
Non-Current Assets					
Property, Plant and Equipment	16	4,771,881,087	4,716,178,000	17,518,475	18,499,204
Prepayment on Leasehold Property	17	59,239,123	60,052,548	-	-
Intangible Assets	18	137,863,688	137,863,688	-	-
Investments in Subsidiaries	19	-	-	1,164,172,290	1,315,481,768
Other Non-Current Financial Assets	20.1	30,774,410	113,411,650	30,774,410	113,411,650
		4,999,758,308	5,027,505,886	1,212,465,175	1,447,392,622
Current Assets					
Inventories	22	42,184,734	36,988,185	-	-
Trade and Other Receivables	23	425,549,265	343,584,115	324,082,371	124,208,282
Advances and Prepayments		27,475,322	33,600,346	554,668	259,408
Tax Receivables		2,831,062	1,620,530	768,465	738,763
Other Current Financial Assets	20.1	18,993,554	20,102,548	18,993,554	20,102,548
Short Term Deposits	24	155,240,884	68,250,313	111,218,384	52,690,313
Cash and Bank Balances	24	158,272,295	103,297,327	41,162,378	29,578,067
		830,547,116	607,443,364	496,779,820	227,577,381
Total Assets		5,830,305,424	5,634,949,250	1,709,244,995	1,674,970,003
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	25	909,370,708	819,779,170	909,370,708	819,779,170
Revaluation Reserve	26.1	423,793,731	269,099,731	-	-
Fair Value Reserve of Financial Assets	26.2	(31,296,000)	(7,568,544)	(31,296,000)	(7,568,544)
Cash Flow Hedge Reserve	26.3	(17,809,418)	-	-	-
Retained Earnings		2,414,321,027	2,406,462,333	305,483,683	669,037,641
		3,698,380,048	3,487,772,690	1,183,558,391	1,481,248,267
Non-Controlling Interest		128,252,871	206,597,102	-	-
Total Equity		3,826,632,919	3,694,369,792	1,183,558,391	1,481,248,267
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	20.2	628,746,010	872,824,308	-	7,350,000
Deferred Tax Liabilities	12.3	134,285,551	128,040,710	-	-
Retirement Benefit Obligation	28	63,058,279	55,239,619	17,795,202	15,757,294
		826,089,840	1,056,104,637	17,795,202	23,107,294
Current Liabilities					
Interest Bearing Loans and Borrowings	20.2	725,713,695	575,091,168	-	100,200,000
Trade and Other Payables	27	338,642,376	251,190,931	441,753,313	45,857,385
Other Current Non Financial Liabilities	29	98,980,170	55,391,530	66,138,089	24,557,057
Tax Payable		14,246,424	2,801,192	-	-
		1,177,582,665	884,474,821	507,891,402	170,614,442
Total Equity and Liabilities		5,830,305,424	5,634,949,250	1,709,244,995	1,674,970,003

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

The Accounting Policies and Notes on pages 96 through 140 form an integral part of these Financial Statements.

Statement of Changes In Equity

AS AT 31 MARCH	Stated Capital	Revaluation Reserve	Fair value reserve of Financial assets at FVOCI/ Available for Sale Reserve	Cash Flow Hedge Reserve	Retained Earnings	Total	Non Controlling Interest	Total Equity
Group	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 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 (Private) Limited	-	-	-	-	-	-	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
Deferred 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
Reclassification of AFS Reserve on adoption of SLFRS 9	-	-	474,784	-	(474,784)	-	-	-
Profit / (Loss) for the Year	-	-	-	-	299,697,223	299,697,223	(64,465,433)	235,231,789
Scrip Dividend	89,591,538	-	-	-	(103,753,952)	(14,162,414)	-	(14,162,414)
Dividends Paid	-	-	-	-	(186,864,423)	(186,864,423)	-	(186,864,423)
Revaluation of Freehold Land	-	157,900,000	-	-	-	157,900,000	-	157,900,000
Deferred Tax Effect	-	(3,206,000)	-	-	-	(3,206,000)	-	(3,206,000)
Loss on Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)	-	-	(24,202,240)	-	-	(24,202,240)	-	(24,202,240)
Actuarial gain / (loss)	-	-	-	-	(734,106)	(734,106)	63,286	(670,819)
Deferred Tax impact on actuarial gain / (loss)	-	-	-	-	(11,263)	(11,263)	-	(11,263)
Net gain / (loss) on Cash Flow Hedge	-	-	-	(19,137,877)	-	(19,137,877)	(14,982,067)	(34,119,944)
Transfer of Cash Flow Hedge Reserve to Revenue	-	-	-	1,328,459	-	1,328,459	1,039,983	2,368,442
Balance as at 31 March 2019	909,370,708	423,793,731	(31,296,000)	(17,809,418)	2,414,321,027	3,698,380,048	128,252,871	3,826,632,919

The Accounting Policies and Notes on pages 96 through 140 form an integral part of these Financial Statements.

Statement of Changes In Equity *Contd...*

AS AT 31 MARCH	Stated Capital	Fair value reserve of Financial assets at FVOCI/ Available for Sale Reserve	Retained Earnings	Total Equity
Company				
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 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
Acturial 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
Reclassification of AFS Reserve on adoption of SLFRS 9	-	474,784	(474,784)	-
Loss for the year	-	-	(72,382,163)	(72,382,163)
Scrip Dividend	89,591,538	-	(103,753,952)	(14,162,414)
Dividend Paid	-	-	(186,864,423)	(186,864,423)
Loss on Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)	-	(24,202,240)	-	(24,202,240)
Acturial gain / (loss)	-	-	(78,634)	(78,634)
Balance as at 31 March 2019	909,370,708	(31,296,000)	305,483,683	1,183,558,391

The Accounting Policies and Notes on pages 96 through 140 form an integral part of these Financial Statements.

Cash Flow Statement

YEAR ENDED 31 MARCH	Note	Group		Company	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Cash Flows from/(used in) Operating Activities					
Profit / (loss) before Tax		270,448,782	50,050,500	(70,964,371)	378,180,907
Adjustment For					
Depreciation	16	177,156,743	194,449,189	3,984,919	18,628,445
Gain on Disposal of Property, Plant and Equipment	7	-	(6,957)	-	(6,957)
Impairment of work in progress		-	5,307,759	-	-
Provision for Defined Benefit Obligation	28	11,936,091	10,643,509	2,973,294	2,554,602
Amortisation of Leasehold Property	17	813,425	813,428	-	-
Impairment in Investment of Subsidiary	9	-	-	151,309,478	109,621,652
Gain on Sale of Financial Assets at FVTPL	8	(90,556,525)	-	(90,556,525)	(514,336,157)
Dividend Income	7	(1,133,412)	(6,618,012)	(2,131,681)	(6,618,012)
Finance Income	10.2	(22,597,608)	(6,300,479)	(19,910,985)	(3,872,047)
Finance Cost	10.1	171,697,914	163,046,072	8,212,085	21,303,415
Gain on Financial Assets at FVTPL	10.2	(11,477,006)	(11,072,942)	(11,477,006)	(11,072,942)
Effect of Cash Flow Hedge on Revenue		2,368,442	-	-	-
Creditors written back	7	(10,942,240)	(2,044,568)	-	-
Operating Profit / (Loss) before Working Capital Changes		497,714,606	398,267,498	(28,560,792)	(5,617,093)
(Increase)/Decrease in Inventories		(5,196,550)	1,173,356	-	-
(Increase) in Trade and Other Receivables		(81,965,150)	(116,498,961)	(199,874,089)	(82,294,237)
(Increase)/Decrease in Advance and Prepayment		6,112,629	(2,052,759)	(295,260)	7,833,183
Increase/(Decrease) in Trade and Other Payables		98,406,084	(54,770,571)	395,895,927	242,939,337
Increase in Other Current Non Financial Liabilities		43,601,037	18,882,235	41,581,035	18,348,070
Cash Generated from Operations		558,672,656	245,000,799	208,746,821	181,209,258
Finance Cost paid	10.1	(159,724,852)	(163,046,072)	(8,212,085)	(21,303,415)
Defined Benefit Obligation paid	28	(4,986,830)	(5,234,394)	(1,451,520)	(1,406,700)
Release in Gratuity Due to Employee Transfer	28	198,580	(740,207)	437,500	165,000
Tax paid		(21,954,717)	(23,725,258)	(1,447,496)	(794,350)
Net Cash from Operating Activities		372,204,837	52,254,868	198,073,220	157,869,795
Cash Flows from/(used in) Investing Activities					
Acquisition of Property, Plant and Equipment	16	(74,972,228)	(70,903,034)	(3,004,190)	(13,533,849)
Finance Income received	10.2	22,597,608	6,300,479	19,910,985	3,872,047
Dividend received	7	1,133,413	6,618,012	2,131,681	6,618,012
Proceeds from Disposal of Property, Plant and Equipment		-	6,957	-	6,957
Proceeds from Disposal of FVTPL Financial Assets		161,577,525	-	161,577,525	-
Net Cash from/(used in) Investing Activities		110,336,318	(57,977,587)	180,616,001	(3,036,833)

Cash Flow Statement *Contd...*

YEAR ENDED 31 MARCH	Note	Group		Company	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Cash Flows used in Financing Activities					
Dividends paid	14	(201,026,838)	-	(201,026,838)	-
Proceeds from Bank Loans	20.2	819,500,000	550,681,254	-	-
Repayment of Bank Loans	20.2	(1,023,156,365)	(600,264,364)	(107,550,000)	(100,200,000)
Principal Payment under Finance Lease Liabilities		-	(871,797)	-	-
Net Cash used in Financing Activities		(404,683,203)	(50,454,908)	(308,576,839)	(100,200,000)
Net Increase/(Decrease) in Cash and Cash Equivalents		77,857,951	(56,177,627)	70,112,382	54,632,960
Cash and Cash Equivalents at the beginning of the year	24	52,340,591	108,518,217	82,268,380	27,635,420
Cash and Cash Equivalents at the end of the year	24	130,198,542	52,340,591	152,380,762	82,268,380

The Accounting Policies and Notes on pages 96 through 140 form an integral part of these Financial Statements.

Accounting Policies

Accounting Policies

1. CORPORATE INFORMATION

1.1 Reporting Entity

Amaya Leisure PLC ("the Company") is a Public Limited Liability Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka. The 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. Corporate information is presented in the inner back cover of this Annual Report.

1.2 Consolidated Financial Statements

The Financial Statements for the year ended 31 March 2019 comprise "the Company" referring to Amaya Leisure PLC as the holding Company and the "Group" referring to companies that have been consolidated therein (Subsidiaries).

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 2019 were authorized for issue by the Directors on 08th May 2019.

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 (FVTPL) which are measured at fair value.
- Financial instruments designated as fair value through Other Comprehensive Income (OCI) which are measured at fair value.

Where appropriate, 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

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements.

No reclassifications have been made on the Group's adoption of SLFRS 9 and SLFRS 15 as disclosed in notes 4.4.2 and 4.4.3

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Consolidation

The consolidated Financial Statements encompass the Company, its Subsidiaries (together referred to as the "Group")

Subsidiaries are disclosed in Note 19 to the Financial Statements.

3.1.1 Subsidiaries

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

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, 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, if acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the group gains control until the date the group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income 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. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash

flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

3.2 Business Combination and Goodwill

Business Combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the group elects whether to measure 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 recognized in Statement of profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the Statement of Profit or Loss in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in the Statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) 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

Accounting Policies *Contd...*

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

3.3 Foreign Currency Transactions

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates prevailing at the date of the transaction first qualifying for recognition.

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

3.4 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 realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading

- Expected to be realized 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
- It does not have a right at the reporting date 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.

3.5 Fair value measurement

The Group measures financial instruments such as investments which are designated as fair value through Other Comprehensive Income (OCI) and 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.

3.6 Income and Gains

3.6.1 Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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.

Management and Commission Income

Management and Commission Income is recognized based on the terms in the related contracts and is recognized as the services are performed.

Room Revenue

Room revenue is recognised on rooms occupied on daily basis.

Sale of Food and Beverages

Revenue from sale of food and beverages is recognised at the point in time when control is transferred to the customer, generally on delivery of the goods.

Other Hospitality related Services

Other hospitality related services are recognized as the services are performed.

3.6.2 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.

3.6.3 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.

3.6.4 Rental income

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

3.6.5 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.

3.6.6 Other Income

Other income is recognized on an accrual basis.

Accounting Policies *Contd...*

3.7 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.

3.7.1 Operating leases

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

3.7.2 Borrowing costs

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

3.7.3 Finance costs

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

The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.7.4 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:

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

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

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

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

3.8 Property, Plant and Equipment

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

3.8.1 Basis of Recognition

Property, Plant and Equipment is recognized 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.

3.8.2 Basis of measurement

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

3.8.3 Owned assets

The cost of Property, Plant & Equipment includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and includes the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. Purchased software that is integral to the functionality of the related equipment is capitalised as a part of that equipment.

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

Revaluation of land is done with sufficient frequency to ensure that the fair value of the land does not differ materially from its carrying amount, and is undertaken by professionally qualified valuers.

Any revaluation surplus is recorded in Other Comprehensive Income and credited to the asset revaluation reserve in equity, however, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the statement of profit or loss, the increase is recognised in the statement of profit or loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

3.8.4 Subsequent Costs

The cost of replacing a component of an item of Property, Plant and Equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised in accordance with the derecognition policy given below.

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

Accounting Policies *Contd...*

3.8.5 Derecognition

The carrying amount of an item of Property, Plant and Equipment is derecognised on disposal; or when no future economic benefits are expected from its use. Any gains and losses on derecognition are 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.

3.8.6 Depreciation

Depreciation is recognised in the statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of Property, Plant and Equipment, in reflecting the expected pattern of consumption of the future economic benefits embodied in the asset.

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.

3.8.7 Leased assets

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

3.8.8 Group as a lessee

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

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

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

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

3.9 Intangible assets

3.9.1 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.

3.9.2 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.

3.9.3 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.

3.9.4 De-recognition of Intangible Assets

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

3.10 Leasehold Rights

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

3.10.1 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.

3.10.2 Amortisation

Amortisation is recognised in the 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.

3.11 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.

3.11.1 Financial assets

3.11.1.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and

the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

3.11.1.2 Subsequent measurement

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

- Financial Assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Accounting Policies *Contd..*

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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.

3.11.1.3 Derecognition

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

- The rights to receive cash flows from the asset have expired. Or:
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the

asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

3.11.1.4 Impairment of financial assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.11.2 Financial Liabilities

3.11.2.1 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.

3.11.2.2 Subsequent measurement

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

Loans and borrowings

After initial recognition, 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.

3.11.2.3 Derecognition

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

3.11.3 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if:

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

3.11.4 Cash Flow Hedges

For the purpose of hedge accounting, hedges are classified as Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

For cash flow hedges, designated and qualified the effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. When the hedge cashflow affect the income statement, the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the income statement. When a hedging instrument expires, or is sold, terminated, exercised or when a hedge no longer meet the criteria for hedge accounting, any cumulative gains/losses existing in other comprehensive no longer expected to occur, the cumulative gains/loss was reported in other comprehensive income is immediately transferred to the income statement.

3.11.5 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.

3.12 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.

3.13 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.

Accounting Policies *Contd...*

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.

3.14 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's 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 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 recognised in the statement of profit or

loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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

3.15 Employee Benefits

3.15.1 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.

3.15.2 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 settlement of the liability would be made based on the half of the last month salary drawn in to number of years completed.

3.15.3 Recognition of Actuarial gains or loss

Actuarial gains or losses are recognized in full in Other Comprehensive Income.

3.15.4 Short term benefits

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

3.16 Provisions

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

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.

3.17 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.

4 GENERAL**4.1 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.

4.2 Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.3 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.

4.4 Changes in Accounting policies and disclosures**4.4.1 New and amended standards and interpretations**

The Group applied SLFRS 15 and SLFRS 9 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2018/19, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

4.4.2 SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 supersedes LKAS 11 Construction Contracts, LKAS 18 Revenue and related Interpretations. It applies with limited exceptions, to all revenue arising from contracts with its customers. SLFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be 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.

SLFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The group adopted SLFRS 15 using the modified retrospective method of adoption. Based on the assessment performed, the Company concluded that SLFRS 15 does not have a material impact on the Company's Consolidated Financial Statements.

4.4.3 SLFRS 9 Financial Instruments

SLFRS 9 Financial Instruments replaces LKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

Accounting Policies *Contd...*

The nature of adjustments on the adoption of the standard are as follows:

Classification and measurement

Under SLFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the group's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Equity investments in Listed companies and non-listed companies previously classified as AFS financial assets. On the adoption of SLFRS 9, the Group elected to designate identified Investments which were previously classified as AFS financial assets at fair value through OCI and others at fair value through profit or loss. Further details pertaining to the classification of financial assets are provided in Note 20. In relation to financial assets designated at fair value through OCI, the Group elected to classify irrevocably these listed and non-listed equity investments under this category as it intends to hold these investments for the foreseeable future.

Trade receivables and Cash and Cash equivalents previously classified as Loans and Receivables are now classified as debt instruments at amortised cost.

Impairment

The adoption of SLFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing LKAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. SLFRS 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets. No significant effect was identified in relation to the impairment recognized by the Group on adoption of SLFRS 9.

4.5 Standards Issued but not yet Effective

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

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 implementation of the above standard will effect the treatment of properties obtained on long term lease, but the impact of such has not been quantified yet.

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 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.

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 FROM CONTRACTS WITH CUSTOMERS	Group		Company	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
	Gross Revenue (Note 6.1)	1,667,446,897	1,460,104,431	172,326,103	164,748,239
	Tourism Development Levy	(16,451,587)	(14,646,211)	-	-
	Turnover Tax	(4,763,494)	(2,564,548)	-	-
	Effect of Cash Flow Hedge	(2,368,442)	-	-	-
		1,643,863,373	1,442,893,672	172,326,103	164,748,239

6.1 Disaggregation of Revenue

Management Fee	34,824,306	32,172,268	37,224,306	34,572,268
Commission Income	61,772,245	63,409,000	135,101,797	130,175,971
Room Revenue	839,511,159	729,767,101	-	-
Food Revenue	507,067,373	444,338,128	-	-
Beverage Revenue	102,568,634	85,766,720	-	-
Banquet Revenue	60,130,079	55,783,604	-	-
Health Centre Revenue	59,517,173	46,763,296	-	-
Club Revenue	2,055,928	2,104,312	-	-
	1,667,446,897	1,460,104,431	172,326,103	164,748,239

6.2 Contract Balances

Contract liabilities relating to reservation advances received from customers amounting to Rs. 86,478,954 Mn has been reflected within Other Current Non-Financial Liabilities in Note 29 (2018 - Rs. 49,568,178)

7.	OTHER INCOME AND GAINS	Group		Company	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
	Rent Income	4,924,742	6,328,410	-	-
	Payable written back	10,942,240	2,044,568	-	-
	Dividend Income	1,133,413	6,618,012	2,131,681	6,618,012
	Profit on Disposal of Property, Plant and Equipments	-	6,957	-	6,957
	Other Operating Income	29,676,064	21,655,764	-	-
		46,676,459	36,653,709	2,131,681	6,624,968

8.	GAIN ON REALIZATION OF FINANCIAL ASSETS	Group		Company	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
	Profit on disposal of Investment at Fair Value Through Profit or Loss (Note 8.1)	90,556,525	-	90,556,525	-
	Gain on re-purchase of shares by subsidiaries (Note 8.2)	-	-	-	514,336,157
		90,556,525	-	90,556,525	514,336,157

- 8.1 On 14th January 2019, Amaya Leisure PLC sold 899,000 (15.98%) Ordinary Shares of Hunas Falls Hotels PLC to Serenity Lake Leisure (Private) Limited at Rs.187/- per share. The resulting gain on the disposal of shares amounted to Rs 90.5 mn.
- 8.2 On 31st March 2018 Amaya Leisure PLC entered to a Share Re-purchase transaction with its fully owned subsidiaries, Kandyan Resorts (Private) Limited and Culture Club Resorts (Private) Limited. The transaction resulted in Amaya Leisure PLC selling back 6,568,818 shares of Kandyan Resorts (Private) Limited for a consideration of Rs. 460,120,776 and 3,956,609 shares of Culture Club Resorts for a consideration of Rs. 211,012,220/-. The consideration was determined based on the Net Asset Value per share of Kandyan Resorts (Private) Limited and Culture Club Resorts (Private) Limited 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.

9. IMPAIRMENT OF INVESTMENT IN SUBSIDIARY	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Sun Tan Beach Resorts Limited (Note 9.1)	-	-	151,309,478	109,621,652
	-	-	151,309,478	109,621,652

- 9.1 Amaya Leisure PLC recorded an impairment of Rs. 151,309,478/- (2018 - 109,621,652/-) in relation to the investment made in Sun Tan Beach Resorts Limited. The impairment was recorded based on an impairment test carried out by the company which is described in note 18.

10. FINANCE COST AND INCOME

10.1 Finance Cost	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Interest Expenses on Bank Overdrafts	20,380,857	17,077,706	222,549	308,779
Interest Expenses on Finance Leases	-	106,844	-	-
Interest Expenses on Bank Loans	145,805,641	138,204,675	7,989,536	20,994,636
Net Loss on Foreign Currency Conversions	5,511,416	7,656,846	-	-
	171,697,914	163,046,072	8,212,085	21,303,415

10.2 Finance Income

Interest Income	19,849,428	5,610,175	17,162,805	3,181,743
Gain on Financial Assets at Fair Value through Profit or Loss	11,477,006	11,072,942	11,477,006	11,072,942
Exchange Gain on USD deposits	2,748,180	690,304	2,748,180	690,304
	34,074,614	17,373,421	31,387,991	14,944,989

Notes to the Financial Statements *Contd...*

11. PROFIT BEFORE TAX	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Stated after Charging				
<i>Included in Cost of Sales</i>				
Employees Benefits including the following	138,186,941	118,853,142	-	-
- Defined Benefit Plan Costs - Gratuity	6,723,448	4,611,167	-	-
- Defined Contribution Plan Costs - EPF and ETF	12,115,337	11,340,774	-	-
Depreciation	112,728,847	109,658,310	-	-
<i>Included in Administrative Expenses</i>				
Employees Benefits including the following	206,290,501	176,549,450	48,614,360	32,419,357
- Defined Benefit Plan Costs - Gratuity	5,049,443	4,256,658	2,808,294	2,719,602
- Defined Contribution Plan Costs - EPF and ETF	18,627,641	17,067,248	4,685,401	3,735,972
Depreciation	64,427,896	84,790,879	3,984,919	18,628,445
Amortization of Prepaid Operating Lease	813,425	813,428	-	-
Directors' Emoluments	49,163,384	52,857,708	49,163,384	52,857,708
Service Fees	11,098,328	13,028,847	11,098,328	13,028,847
Auditor's Remuneration	2,869,560	2,657,228	403,853	522,000
Professional Service Fees	2,137,170	2,443,004	305,865	392,676
Legal Fees	-	11,122	-	-
Impairment of Capital WIP	-	5,307,759	-	-
<i>Included in Selling and Marketing Expenses</i>				
Advertising Expenses	8,391,745	16,940,629	4,433,705	10,412,064
Sales Promotional Expenses	19,934,576	24,196,419	-	-
Rebranding Cost	-	5,814,037	-	5,814,037

12. INCOME TAX EXPENSE	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 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 12.1)	30,546,768	20,134,223	-	-
Under Provision of Current Taxes in respect of prior years	151,786	330,660	89,440	-
Irrecoverable ESC Written Off	1,328,352	400,531	1,328,352	400,531
Dividend Tax	162,509	-	-	-
	32,189,415	20,865,414	1,417,792	400,531

Deferred Income Tax

Deferred Taxation Charge (Note 12.3)	3,027,578	21,146,792	-	-
Income Tax Expense reported in the Statement of Profit or Loss	35,216,993	42,012,206	1,417,792	400,531

12.1 A reconciliation between income tax expense and the product of accounting profit multiplied by the statutory tax rates are as follows

Accounting Profit before Income Tax	270,448,782	50,050,500	(70,964,371)	378,180,907
Disallowed Items	241,111,450	99,404,165	184,244,956	22,464,193
Allowed Items	(231,554,778)	(115,938,047)	(149,996,307)	(431,140,962)
Interest Income	(2,438,227)	(2,428,432)	-	-
Interest Income (Tax exempted under section 13 (t))	-	(3,872,047)	(17,162,805)	(3,872,047)
Tax Losses Related to Group Companies	53,878,527	34,367,909	-	-
Taxable Profit/(Loss) from Business	331,445,755	61,584,050	(53,878,527)	(34,367,909)

Other Sources of Income

Interest Income	2,438,227	2,428,432	-	-
Taxable Other Income	2,438,227	2,428,432	-	-
Total Statutory Income	333,883,982	64,012,482	-	-
Tax Losses Brought Forward and Utilized	(17,162,805)	-	-	-
Total Taxable Income	316,721,177	64,012,482	-	-

Income Tax @ 2% on Turnover (Note 12.3.3)	13,126,904	12,244,176	-	-
Income Tax @ 12% on Taxable Profits	-	7,390,087	-	-
Income Tax @ 14% on Taxable Profits	16,737,160	-	-	-
Income Tax @ 28% Taxable Profits	682,704	679,961	-	-
Current Income Tax Charge	30,546,768	20,314,223	-	-

Notes to the Financial Statements *Contd...*

12.	Income Tax Expense (Contd...)	Group		Company	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
12.2	Tax Losses				
	Tax Losses Brought Forward	412,325,001	377,957,092	391,900,725	357,532,816
	Tax Losses Utilised during the year	17,162,805	-	(17,162,805)	-
	Tax Loss incurred during the year	53,878,527	34,367,909	53,878,527	34,367,909
	Tax Losses Carried Forward	483,366,333	412,325,001	428,616,447	391,900,725

12.3	Deferred Taxation - Group	Statement of Financial Position		Statement of Profit or Loss	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
	Deferred Tax Liability				
	Accelerated depreciation on Property, Plant and Equipment	128,516,078	125,466,916	3,049,161	21,716,933
	Revaluation surplus on land	8,805,586	5,599,586	-	-
		137,321,664	131,066,502	3,049,161	21,716,933
	Deferred Tax Assets				
	Retirement Benefit Obligation - Through Statement of Profit or Loss	(2,208,880)	(1,932,560)	(276,320)	(499,653)
	Retirement Benefit Obligation - Through Other Comprehensive Income	(588,557)	(599,820)	-	-
	Trade and Other Receivables	(238,676)	(493,412)	254,736	(70,488)
		(3,036,113)	(3,025,792)	(21,584)	(570,141)
	Deferred Taxation Charge	-	-	3,027,578	21,146,792
	Net Deferred Tax Liability	134,285,551	128,040,710		

12.3.1 Reconciliation of Deferred Tax Charge

Deferred Tax Charge reported in the Profit or Loss	3,027,578	21,146,792
Deferred Tax Charge reported in Other Comprehensive Income	3,217,263	5,218,445
	6,244,841	26,365,237

12.3.2 Amaya Leisure PLC

The Company has a carried forward tax loss amounting to Rs. 428,616,447/- (2018 - Rs. 391,900,725/-) that is available for offset against future Statutory Income of the Company, within a period of six years of incurring such loss. A deferred tax asset amounting to Rs. 60,006,303/- (2018 - Rs.47,028,087/-) 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.

12.3.3 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. As the Inland Revenue Act does not apply during the said period, temporary differences do not exist. Therefore deferred tax does not apply.

13. EARNINGS PER SHARE

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 Earnings Per Share computations.

13.1 Amount used as the Numerator:	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
(Profit)/Loss for the year	235,231,789	8,038,295	(72,382,163)	377,780,375
(Profit)/Loss attributable to Non-Controlling Interest	64,465,433	85,228,806	-	-
Profit/(Loss) attributable to Ordinary Shareholders of Parent Company for Basic / Diluted Earnings per Share	299,697,222	93,267,101	(72,382,163)	377,780,375

13.2 Number of Ordinary Shares used as the Denominator

Weighted Average Number of Ordinary Shares in issue applicable to Basic / Diluted Earnings Per Share	53,994,979	53,994,979	53,994,979	53,994,979
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14. DIVIDENDS	Group / Company	
	2019 Rs.	2018 Rs.
Equity dividends on ordinary shares:		
Cash Dividend Rs.1.00 & 2.50 Per Share - (2018 - -) (Gross)	186,864,423	-
Scrip Dividend Rs.2.00 Per Share - (2018 - -) (Gross)*	103,753,952	-

* Scrip Dividends represents the value of additional shares issued as interim dividends for the year ended 31 March 2019. Accordingly the Company has issued 2,118,003 of share in the proportion of 1:25. The dividend of Rs.2.00/- is based on the market price of the Company Shares, on 21st August 2018.

Notes to the Financial Statements *Contd...*

15. FAIR VALUE MEASUREMENT

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

Fair value measurement hierarchy for assets as at 31 March 2019 and 2018:

	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.	Rs.	Rs.	Rs.
Assets measured at fair value:					
As at 31 March 2019					
Non-Financial Assets					
Land (Note 16.1.1)	31 March 2019	795,900,000	-	-	795,900,000
Total Non-Financial Assets		795,900,000	-	-	795,900,000
Financial Assets					
Fair Value Through Profit or Loss (Note 20.1.1)					
Quoted Investment in Equity Securities	31 March 2019	18,993,554	18,993,554	-	-
Total Fair Value Through Profit or Loss		18,993,554	18,993,554	-	-
Fair Value Through OCI (Note 20.1.2)					
Quoted Investment in Equity Securities	31 March 2019	30,774,400	30,774,400	-	-
Total Fair Value Through OCI		30,774,400	30,774,400	-	-
Total Financial Assets		49,767,954	49,767,954	-	-
As at 31 March 2018					
Non-Financial Assets					
Land (Note 16.1.1)	31 March 2018	638,000,000	-	-	638,000,000
Total Non-Financial Assets		638,000,000	-	-	638,000,000
Financial Assets					
Fair Value Through Profit or Loss (Note 20.1.1)					
Quoted Investment in Equity Securities	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 (Note 20.1.2)					
Quoted Investment in Equity Securities	31 March 2018	113,411,640	113,411,640	-	-
Total AFS Financial Assets		113,411,640	113,411,640	-	-
Total Financial Assets		133,514,188	133,514,188	-	-

15. Fair value measurement - (Contd...)

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

Fair value measurement hierarchy for assets as at 31 March 2019 and 2018:

	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.	Rs.	Rs.	Rs.

Assets measured at fair value:

As at 31 March 2019

Financial Assets

Fair Value Through Profit or Loss (Note 20.1.1)

Quoted Investment in Equity Securities	31 March 2019	18,993,554	18,993,554	-	-
Total Fair Value Through Profit or Loss		18,993,554	18,993,554	-	-

Fair Value through OCI (Note 20.1.2)

Quoted Investment in Equity Securities	31 March 2019	30,774,400	30,774,400	-	-
Total Fair Value through OCI		30,774,400	30,774,400	-	-
Total Financial Assets		49,767,954	49,767,954	-	-

As at 31 March 2018

Financial Assets

Fair Value Through Profit or Loss (Note 20.1.1)

Quoted Investment in Equity Securities	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 (Note 20.1.2)

Quoted Investment in Equity Securities	31 March 2018	113,411,640	113,411,640	-	-
Total Available for Sale		113,411,640	113,411,640	-	-
Total Financial Assets		133,514,188	133,514,188	-	-

Notes to the Financial Statements *Contd...*

16. PROPERTY, PLANT AND EQUIPMENT

16.1	Group	Balance As at 01.04.2018 Rs.	Additions/ Transfers Rs.	Revaluation adjustment Rs.	Disposal Rs.	Balance As at 31.03.2019 Rs.
16.1.1	Gross carrying amounts					
	At Cost or Valuation					
	Freehold Land	638,000,000	-	157,900,000	-	795,900,000
	Freehold Buildings	893,348,623	157,965	-	-	893,506,588
	Road Network	32,498,582	-	-	-	32,498,582
	Building on Leasehold Land	2,778,983,133	5,377,798	-	-	2,784,360,931
	Furniture and Fittings	389,662,763	3,239,140	-	-	392,901,903
	Plant and Machinery	304,991,602	17,716,539	-	-	322,708,141
	Air Conditioners	157,833,927	1,408,779	-	-	159,242,706
	Kitchen Equipments	145,059,461	4,537,310	-	-	149,596,771
	Office Equipments	6,777,660	625,657	-	-	7,403,317
	Computer Equipments	71,899,987	3,878,759	-	-	75,778,746
	Crockery and Cutlery	91,217,118	3,729,060	-	-	94,946,178
	Linen	88,051,796	13,016,428	-	-	101,068,224
	Fixtures and Fittings	96,068,103	1,036,332	-	-	97,104,435
	Motor Vehicles	107,283,752	-	-	(31,070,000)	76,213,752
		5,801,676,507	54,723,768	157,900,000	(31,070,000)	5,983,230,276
	In the course of construction					
		Balance As at 01.04.2018 Rs.	Incurred during the year Rs.		Transfers ¹ Rs.	Balance As at 31.03.2019 Rs.
	Building Work in Progress	36,509,005	25,457,908	-	(5,209,448)	56,757,465
		36,509,005	25,457,908	-	(5,209,448)	56,757,465
	Total Gross Carrying Amount	5,838,185,511	80,181,677	157,900,000	(36,279,448)	6,039,987,741

16.1.2 Depreciation	Balance As at 01.04.2018 Rs.	Charge for the year Rs.	Transfers/ Disposal Rs.	Balance As at 31.03.2019 Rs.
At Cost or Valuation				
Freehold Buildings	124,022,092	19,051,782	-	143,073,874
Road Network	6,434,294	1,624,930	-	8,059,224
Building on Leasehold Land	273,442,952	56,006,835	-	329,449,787
Furniture and Fittings	129,859,638	27,855,157	-	157,714,795
Plant and Machinery	119,716,235	22,793,619	-	142,509,854
Air Conditioners	50,403,839	6,471,292	-	56,875,131
Kitchen Equipments	61,794,666	10,643,405	-	72,438,071
Office Equipments	2,386,154	1,151,709	-	3,537,863
Computer Equipments	57,409,168	7,753,261	-	65,162,429
Crockery and Cutlery	80,881,920	5,101,401	-	85,983,321
Linen	74,183,547	7,804,250	-	81,987,797
Fixtures and Fittings	37,907,412	7,193,343	-	45,100,755
Motor Vehicles	103,577,993	3,705,759	(31,070,000)	76,213,752
Total Depreciation	1,122,019,910	177,156,743	(31,070,000)	1,268,106,653

Notes to the Financial Statements *Contd...*

16. Property, Plant and Equipment (Contd...)

16.1.3 Net Book Value	2019 Rs .	2018 Rs.
At Cost or Valuation		
Freehold Land	795,900,000	638,000,000
Freehold Buildings	750,432,714	769,326,531
Road Network	24,439,358	26,064,288
Building on Leasehold Land	2,454,911,144	2,505,540,180
Furniture and Fittings	235,187,109	259,803,125
Plant and Machinery	180,198,288	185,275,367
Air Conditioners	102,367,575	107,430,088
Kitchen Equipment	77,158,700	83,264,795
Office Equipment	3,865,454	4,391,506
Computer Equipment	10,616,317	14,490,819
Crockery and Cutlery	8,962,857	10,335,198
Linen	19,080,427	13,868,248
Fixtures and Fittings	52,003,680	58,160,691
Motor Vehicles	-	3,718,158
	4,715,123,620	4,679,668,993
In the Course of Construction		
Building Work in Progress	56,757,465	36,509,005
	56,757,465	36,509,005
Total Carrying Amount of Property, Plant and Equipment	4,771,881,087	4,716,178,000

16.1.4 Revaluation of land

Freehold land of the Group (Kandyana Resorts (Private) Limited and Culture Club Resorts (Private) Limited) were revalued by Messers. P.B Kalugalagedera an independent valuer and consultant, in report dated 31 March 2019. 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 15.

Significant unobservable valuation

Range

Price per perch

- Kandyana Resorts (Private) Limited	Rs.500,000/- - Rs.625,000/- (2018 - Rs. 200,000 to Rs. 500,000)
- Culture Club Resorts (Private) Limited	Rs. 12,500/- - Rs.15,000/- (2018 - Rs. 10,000 to Rs. 12,500)

If lands were measured using the cost model, the carrying amount would be Rs. 127,587,077/- (2018 - 127,587,077/-)

16.1.5 During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 74,972,228/- (2018 - Rs. 100,903,034/-) including cost incurred on capital work in progress of which Rs. 25,457,908/- (2018 Rs. 38,375,350/-). Cash payments amounted to Rs. 74,972,228/- (2018 - Rs.70,903,034/-) were made during the year for purchase of Property, Plant and Equipment.

16.1.6 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	Remaining Period	No of Buildings
Culture Club Resorts (Private) Limited	Dambulla	Leasehold	8.094 Hectares	50 years	24 years	105
	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	89 years	7

16.2	Company	Balance As at 01.04.2018 Rs.	Additions Rs.	Transfers/ Disposals Rs.	Balance As at 31.03.2019 Rs.
16.2.1	Gross carrying amounts				
	At Cost				
	Furniture and Fittings	10,693,819	513,693	-	11,207,512
	Office Equipment	5,427,359	559,000	-	5,986,359
	Computer Equipment	11,707,402	1,931,498	-	13,638,900
	Motor Vehicles	49,565,000	-	(31,070,000)	18,495,000
	Total Gross Carrying Amount	77,393,581	3,004,190	(31,070,000)	49,327,771

16.2.2	Depreciation	Balance As at 01.04.2018 Rs.	Charge for the year Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2019 Rs.
	At Cost/ Deemed Cost				
	Furniture and Fittings	935,851	755,762	-	1,691,613
	Office Equipment	1,678,602	871,060	-	2,549,662
	Computer Equipment	6,714,924	2,358,097	-	9,073,021
	Motor Vehicles	49,565,000	-	(31,070,000)	18,495,000
	Total Depreciation	58,894,377	3,984,919	(31,070,000)	31,809,296

Notes to the Financial Statements *Contd...*

16.2.3	Net Book Values	2019 Rs.	2018 Rs.
	At Cost		
	Furniture and Fittings	9,515,899	9,757,967
	Office Equipment	3,436,697	3,748,757
	Computer Equipment	4,565,879	4,992,479
	Motor Vehicles	-	-
	Total Carrying Amount of Property, Plant and Equipment	17,518,475	18,499,204

- 16.2.4 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 3,004,190/- (2018 - Rs.13,533,849/-). Cash payments amounted to Rs.3,004,190/- (2018 - Rs.13,533,849/-) were made during the year for purchase of Property, Plant and Equipment.

17.	PREPAYMENT ON LEASEHOLD PROPERTY	Group	
		2019 Rs.	2018 Rs.
	As at 1 April	60,052,548	60,865,974
	Amortisation for the year	(813,425)	(813,425)
	As at 31 March	59,239,123	60,052,548

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

18. INTANGIBLE ASSETS

Goodwill on Business Combination	Group	
	2019 Rs.	2018 Rs.
As at 01 April	137,863,688	137,863,688
As at 31 March	137,863,688	137,863,688

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

Impairment Assessment of Goodwill

The Group has performed the Impairment Assessment of Goodwill considering the Value in Use of Sun Tan Beach Resorts Limited. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the cash generating units, are as follows;

Gross Margins

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

Discount Rates

The discount rate used is the weighted average cost of capital of the CGU, and is at 13%.

Inflation

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

Volume Growth

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

Occupancy

Occupancy to be increased from 36% to 55% by the end of 5 years.

Impairment of Investment in Subsidiary

While no impairment has identified based on the impairment test carried out, an amount of Rs. 151,309,478 was recognized in relation to the investment in Sun Tan Beach Resorts in the Company's financial statements of Amaya Leisure PLC. The recoverable value of the CGU as determined through the Value in Use Model amounts to Rs. 423,810,064 as reflected in Note 19.

Notes to the Financial Statements *Contd...*

19.	INVESTMENT IN SUBSIDIARIES	Holding		Cost	
		2019 %	2018 %	2019 Rs.	2018 Rs.
19.1	Non-Quoted Investment in Subsidiaries				
	Kandyan Resorts (Private) Limited	100%	100%	323,612,971	323,612,971
	Culture Club Resorts (Private) Limited	100%	100%	392,749,255	392,749,255
	Sun Tan Beach Resorts Limited	56.09%	56.09%	423,810,064	575,119,542
	Lake Lodge (Private) Limited	80%	80%	24,000,000	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			1,164,172,290	1,315,481,768

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	2019	2018
Sun Tan Beach Resorts Limited	Sri Lanka	43.91%	43.91%
Lake Lodge (Private) Limited	Sri Lanka	20%	20%

Accumulated balances of Material Non-Controlling Interests

	2019 Rs.	2018 Rs.
Sun Tan Beach Resorts Limited	122,252,871	200,597,102
	122,252,871	200,597,102

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

Sun Tan Beach Resorts Limited	2019 Rs.	2018 Rs.
Loss for the year	(64,465,433)	(85,228,806)
Other Comprehensive income / (Expense)	(13,878,798)	271,463
	(78,344,231)	(84,957,343)

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

	2019 Rs.	2018 Rs.
Summarised Statement of Financial Position		
Current Assets	95,082,293	51,644,884
Non-Current Assets	1,774,429,930	1,836,365,098
Current Liabilities	958,051,159	562,438,194
Non-Current Liabilities	632,655,024	868,345,726
Total Equity	278,806,041	457,226,075
Attributable to:		
Equity holders of the parent	156,553,170	256,628,972
Non-controlling interest	122,252,871	200,597,103

Statement of Profit or Loss for year ended,	2019 Rs.	2018 Rs.
Revenue from contract with customers	342,161,396	248,706,710
Cost of Sales	(224,594,004)	(195,978,518)
Administrative expenses	(121,978,687)	(119,850,654)
Finance costs	(163,485,224)	(141,635,813)
Loss before tax	(157,488,101)	(204,483,226)
Income tax	(389,633)	(680,713)
Loss for the year	(157,877,734)	(205,163,939)
Total comprehensive Expense	(189,485,108)	(205,163,939)
Attributable to Non-Controlling Interests	(64,465,433)	(85,228,806)

Summarized cash flow information for the year is provided below,	2019 Rs.	2018 Rs.
Cash flow from / (Used in) Operating activities	54,855,662	(137,536,725)
Cash flow Used in Investing activities	(448,035)	(5,318,292)
Cash flow from / (Used in) Financing activities	(89,644,719)	42,960,045
Net decrease in cash and cash equivalents	(35,237,092)	(99,894,973)

Notes to the Financial Statements *Contd...*

20.	OTHER FINANCIAL ASSETS AND LIABILITIES		
20.1	Other Financial Assets	Group/Company	
		2019	2018
		Rs.	Rs.
	Current		
	Fair Value Through Profit or Loss		
	Quoted Investments in Equity Shares (Note 20.1.1.1)	18,993,554	20,102,548
		18,993,554	20,102,548
	Non-Current		
	Fair Value Through Other Comprehensive Income/Available for Sale financial Assets		
	Quoted Investments in Equity Shares (Note 20.1.2.1)	30,774,400	113,411,640
	Non-Quoted Investment in Equity Securities (Note 20.1.2.3)	10	10
	Total FVTOCI / AFS Financial Assets	30,774,410	113,411,650
	Total other Financial Assets	49,767,964	133,514,198
	Total current	18,993,554	20,102,548
	Total non-current	30,774,410	113,411,650

20.1.1 Fair Value Through Profit or Loss

20.1.1.1	Quoted Investment in Equity Securities				
	Group / Company	No. of Shares		Fair Value	Market Value
		2019	2018	2019	2018
				Rs.	Rs.
	The Fortress Resorts PLC	90,075	90,075	900,750	945,788
	LB Finance PLC	40	40	4,804	4,760
	Browns Capital PLC	5,320,000	5,320,000	18,088,000	19,152,000
	Total Quoted Investments in Equity Securities	5,410,115	5,410,115	18,993,554	20,102,548

20.1.2 Fair Value Through Other Comprehensive Income / Available for Sale Financial Assets

20.1.2.1 Quoted Investment in Equity Securities

Group / Company	No. of Shares		Fair Value	Market Value
	2019	2018	2019	2018
			Rs.	Rs.
Royal Ceramics Lanka PLC	521,600	521,600	30,774,400	54,976,640
Hunas Falls Hotels PLC (Note 20.1.2.2)	-	899,000	-	58,435,000
	521,600	1,420,600	30,774,400	113,411,640
Total Quoted Investments in Equity Securities			30,774,400	113,411,640

20.1.2.2 The investment made in Hunas Falls Hotels PLC was recognized at Fair Value Through Profit or Loss on the adoption of SLFRS 9. The investment was sold there on during the year as described in Note 8.1. The accumulated AFS reserve amounting to Rs. 474,784 relating to the said investment was transferred to retained earnings on the date of adoption.

20.1.2.3 Non-Quoted Investment in Equity Securities

Group / Company	No. of Shares		Carrying Value	Carrying Value
	2019	2018	2019	2018
			Rs.	Rs.
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 / Fair Value Through Other Comprehensive Income and Fair Value Through Profit or Loss is derived from quoted market price of Colombo Stock Exchange as at each reporting date.

20.2 Other Financial Liabilities

Interest Bearing Loans and Borrowings

Group	2019	2019	2019	2018	2018	2018
	Amount	Amount		Amount	Amount	
	Repayable	Repayable	Total	Repayable	Repayable	Total
	Within 1 Year	After 1 Year		Within 1 Year	After 1 Year	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bank Loans (Note 20.2.1.1)	542,399,058	628,746,010	1,171,145,068	455,884,119	872,824,308	1,328,708,427
Bank Overdrafts (Note 24)	183,314,636	-	183,314,636	119,207,049	-	119,207,049
	725,713,695	628,746,010	1,354,459,704	575,091,168	872,824,308	1,447,915,476

Notes to the Financial Statements *Contd...*

20.2.1.1 Bank Loans - Group

	Balance As at 01.04.2018 Rs.	Loans Obtained Rs.	Foreign Currency Conversion Rs.	Repayments Rs.	Balance As at 31.03.2019 Rs.
DFCC Bank PLC	272,727,253	-	-	(66,457,156)	206,270,097
Hatton National Bank PLC	948,431,174	819,500,000	46,093,006	(849,149,209)	964,874,971
Seylan Bank PLC	107,550,000	-	-	(107,550,000)	-
	1,328,708,427	819,500,000	46,093,006	(1,023,156,365)	1,171,145,068

Terms and Conditions of the Loans

	DFCC - Rs. 400 Mn	HNB - Rs. 280 Mn	HNB - Rs. 125 Mn	HNB - Rs. 300 Mn	HNB - USD 3 Mn	Seylan - Rs. 500 Mn
Rate of Interest	3 Months AWPLR+1%	Weekly AWPLR+0.75%	Monthly AWPLR+1.5%	Monthly AWPLR+0.5%	3 Months LIBOR + 4%	Monthly AWPLR+1.5%
Term of Repayment (Capital) P.M.	Rs. 6,060,607	Rs. 4,666,667	Rs. 2,605,000	Quarterly	USD 57,692	Rs. 8,350,000
No of Installments	60 Months	60 Months	48 Months	-	60 Months	60 Months
Repayment by	December 2021	January 2023	October 2022	90 days renewable	April 2022	March 2019
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	Leashold Right of the land and Hotel building belongs to Sun Tan Beach Resorts Ltd	None

20.2.2

Company	2019 Amount Repayable Within 1 Year Rs.	2019 Amount Repayable After 1 Year Rs.	2019 Total Rs.	2018 Amount Repayable Within 1 Year Rs.	2018 Amount Repayable After 1 Year Rs.	2018 Total Rs.
Bank Loans (Note 20.2.2.1)	-	-	-	100,200,000	7,350,000	107,550,000
	-	-	-	100,200,000	7,350,000	107,550,000

20.2.2.1 Bank Loans

	Balance As at 01.04.2018 Rs.	Loans Obtained Rs.	Repayments Rs.	Balance As at 31.03.2019 Rs.
Seylan Bank PLC	107,550,000	-	(107,550,000)	-
	107,550,000	-	(107,550,000)	-

21. FAIR VALUES

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

Financial assets	Carrying Amount		Fair Value	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Other financial assets				
- Fair Value through profit or loss	25,653,378	25,653,378	18,993,554	20,102,548
- Fair Value through other comprehensive income / Available for Sale	62,070,400	120,980,184	30,774,400	113,411,650
Total	87,723,777	146,633,562	49,767,954	133,514,198

- 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.

22. INVENTORIES

	Group	
	2019 Rs.	2018 Rs.
Food and Beverages	20,714,143	17,529,374
Housekeeping and Maintenance	16,140,520	14,623,680
Printing and Stationery	2,450,606	2,226,121
Consumable and Other	2,879,466	2,609,010
	42,184,734	36,988,185

23. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Trade Receivables	219,374,255	204,201,891	9,477,475	2,690,755
Less - Impairment made from trade receivables	(3,618,618)	(5,252,772)	-	-
	215,755,637	198,949,120	9,477,475	2,690,755
Other Receivables	22,879,332	24,834,879	12,498,778	11,913,412
Other Receivables from Related Parties (Note 23.1)	186,914,295	119,800,117	302,106,119	109,604,115
	425,549,265	343,584,115	324,082,371	124,208,282

Notes to the Financial Statements *Contd...*

23.1	Other Receivables from Related Parties	Relationship	Group		Company	
			2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
	Hayleys PLC	Parent	-	14,250	-	-
	Sun Tan Beach Resorts Limited	Subsidiary	-	-	121,857,113	478,757
	Hunas Falls Hotel PLC	Fellow Subsidiary	-	2,125,051	-	2,080,703
	Fentons Limited	Fellow Subsidiary	-	41,250	-	-
	The Kingsbury PLC	Fellow Subsidiary	9,008,650	8,697,822	8,980,250	8,697,822
	Kelani Valley Resorts (Private) Limited	Fellow Subsidiary	2,189,302	2,118,002	-	-
	Hayleys Tours (Private) Limited	Fellow Subsidiary	4,205,073	4,619,098	-	-
	Hayleys Aventura (Private) Limited	Fellow Subsidiary	22,500	-	-	-
	Eastern Hotels (Private) Limited	Fellow Subsidiary	220,014	3,387,811	-	-
	Luxury Resorts (Private) Limited	Fellow Subsidiary	171,268,756	98,346,833	171,268,756	98,346,833
	Hayleys Agriculture Holdings Limited	Fellow Subsidiary	-	450,000	-	-
			186,914,295	119,800,117	302,106,119	109,604,115

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

23.2. As at 31 March, the aging analysis of trade receivables is as follows;

Group

	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
2019	215,755,637	114,086,630	66,167,986	24,086,719	9,245,838	2,100,592	67,872
2018	198,949,120	79,928,612	84,832,125	24,819,697	3,095,498	6,048,297	224,891

24. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT

Components of Cash and Cash Equivalents	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Favorable Cash and Cash Equivalent Balances				
Cash and Bank Balances	158,272,295	103,297,327	41,162,378	29,578,067
Short Term Deposits	155,240,884	68,250,313	111,218,384	52,690,313
Unfavorable Cash and Cash Equivalent Balances				
Bank Overdraft	(183,314,636)	(119,207,049)	-	-
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	130,198,542	52,340,591	152,380,762	82,268,380

25. STATED CAPITAL

	Group/Company			
	2019		2018	
	Number	Rs.	Number	Rs.
Fully paid Ordinary Shares (25.1)	53,994,979	909,370,708	51,876,976	819,779,170
	53,994,979	909,370,708	51,876,976	819,779,170

25.1 Fully paid Ordinary Shares

	Group/Company			
	2019		2018	
	Number	Rs.	Number	Rs.
As at 1st April	51,876,976	819,779,170	51,876,976	819,779,170
Scrip Dividends (Note 14)	2,118,003	89,591,538	-	-
As at 31st March	53,994,979	909,370,708	51,876,976	819,779,170

Notes to the Financial Statements *Contd...*

26. RESERVES		
26.1 Revaluation Reserve	2019 Rs.	2018 Rs.
On Property, Plant and Equipment		
As at 01 April	269,099,731	274,699,317
Revaluation During the Year	157,900,000	-
Deferred Tax	(3,206,000)	(5,599,586)
As at 31 March	423,793,731	269,099,731

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.

26.2 Fair Value Reserve of Financial Assets At Fair Value Through Other Comprehensive Income/ Available For Sale Reserve		
	2019 Rs.	2018 Rs.
As at 1st April	(7,568,544)	(17,286,084)
Net Change in Fair Value	(24,202,240)	9,717,540
Re-classified to Profit or Loss during the year	474,784	-
As at 31st March	(31,296,000)	(7,568,544)

26.3 Cash Flow Hedge Reserve		
	2019 Rs.	2018 Rs.
As at 1st April	-	-
Net Gain / (Loss) on Cash Flow Hedge reecognized during the year	(19,137,877)	-
Transfer of Cash Flow Hedge Reserve to Revenue	1,328,459	-
As at 31st March	(17,809,418)	-

27.	TRADE AND OTHER PAYABLES	Group		Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
	Trade Payables	158,350,539	94,336,997	23,365,701	5,531,151
	Sundry Creditors including Accrued Expenses	163,696,001	155,112,797	26,228,284	11,499,979
	Other Payables to Related Parties (Note 27.1)	16,595,836	1,741,137	392,159,328	28,826,255
		338,642,376	251,190,931	441,753,313	45,857,385

27.1	Other Payables to Related Parties	Relationship	Group		Company	
			2019	2018	2019	2018
			Rs.	Rs.	Rs.	Rs.
	Hayleys PLC	Parent	12,557,527	690,669	12,107,628	690,669
	Kandyan Resorts (Private) Limited	Subsidiary	-	-	211,137,112	10,684,210
	Culture Club Resorts (Private) Limited	Subsidiary	-	-	167,905,779	17,384,573
	Hayleys Consumer Products Limited	Fellow Subsidiary	2,815	23,455	2,815	2,815
	Hayleys Travels (Private) Limited	Fellow Subsidiary	321,082	-	246,082	-
	Hayleys Tours (Private) Limited	Fellow Subsidiary	126,850	-	126,850	-
	Hayleys Business Solutions (Private) Limited	Fellow Subsidiary	293,969	62,035	62,035	62,035
	Hayleys Agriculture Holdings Limited	Fellow Subsidiary	369,644	-	-	-
	Mabroc Teas (Private) Limited	Fellow Subsidiary	344,352	286,480	-	-
	Logiwiz Limited	Fellow Subsidiary	7,463	1,953	7,463	1,953
	Hayleys Electronics Lighting (Private) Limited	Fellow Subsidiary	60,221	34,155	-	-
	Kelanivalley Resorts (Private) Limited	Fellow Subsidiary	417,817	-	417,817	-
	Singer (Sri Lanka) PLC	Fellow Subsidiary	963,736	538,200	145,747	-
	Fentons Ltd	Fellow Subsidiary	1,130,360	104,190	-	-
			16,595,836	1,741,137	392,159,328	28,826,255

Notes to the Financial Statements *Contd...*

28. RETIREMENT BENEFIT OBLIGATION	Group		Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Defined Benefit Obligation - Gratuity				
As at 1st April	55,239,619	45,121,142	15,757,294	12,729,615
Employee Transfer	198,580	(740,207)	437,500	165,000
Current Service Cost	6,123,086	8,740,306	1,295,762	2,554,602
Interest Cost	5,813,005	1,903,203	1,677,531	-
Actuarial Loss	670,819	5,449,569	78,634	1,714,777
Benefit paid	(4,986,830)	(5,234,394)	(1,451,520)	(1,406,700)
As at 31st March	63,058,279	55,239,619	17,795,202	15,757,294

Messrs. Actuarial & Management Consultants (Pvt) Ltd an independent actuary, carried out an actuarial valuation of the defined benefit plan gratuity on March 31, 2019. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	2019	2018
Discount Rate	11%	11%
Future Salary Increment Rate	10%	10%
Average remaining working life (years)	5.00	5.04

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	781,992	(737,555)	(633,570)	682,373
Group				
Change in Present value of Defined Benefit Obligation	3,820,124	(3,049,950)	(2,730,081)	2,982,697

29.	OTHER CURRENT NON-FINANCIAL LIABILITIES	Group		Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
	Reservation Advances	86,478,954	49,568,178	62,814,709	24,247,357
	Other Deposits	12,501,216	5,823,352	3,323,380	309,700
		98,980,170	55,391,530	66,138,089	24,557,057

30. COMMITMENTS AND CONTINGENCIES

30.1 Capital Expenditure Commitments

Culture Club Resorts (Private) Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Rs.28 Mn (2018 - Rs.207 Mn).

Kandyan Resorts (Private) Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Rs. 26 Mn (2018 - Rs. 139 Mn).

Sun Tan Beach Resorts Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Rs. 11 Mn. (2018 - Rs. 18 Mn).

31. 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
		2019 Rs.	2018 Rs.	
Leashold Right of the land and Hotel building belongs to Sun Tan Beach Resorts Ltd.	Rs. 280 Mn, Rs. 125 Mn Loan, Rs. 300 Mn Short Term Loan & USD 3 Mn Loan Facility from Hatton National Bank PLC and Rs. 400 Mn Loan Facility from DFCC Bank PLC.	1,427,667,876	1,467,058,889	Property, Plant and Equipments

Notes to the Financial Statements *Contd...*

32. RELATED PARTY DISCLOSURES

32.1 Transactions carried out by Amaya Leisure PLC

Transaction with the Related Entities Nature of Transaction	Parent Company		Subsidiary Companies		Other Companies		Total	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
As at 1 April	(690,669)	(5,475,271)	(27,590,025)	(444,351,314)	106,972,342	32,077,774	78,691,647	(417,748,811)
Rendering/Obtaining Services	(59,322,284)	(55,965,159)	-	-	(19,823,419)	(14,564,867)	(79,145,703)	(70,530,026)
Management Fees	-	-	2,816,327	2,816,327	-	4,102,695	2,816,327	6,919,021
Commission Income	-	-	86,049,984	78,345,997	93,023,087	100,259,558	179,073,071	178,605,555
Expenses incurred by the Company on behalf of Others	-	-	5,260,966	1,504,736	-	2,368,797	5,260,966	3,873,532
Dividend	-	-	998,269	-	-	-	998,269	-
Settlement of Liabilities by the Company on behalf of Others	-	-	33,925,334	185,975,842	10,158,685	29,767,081	44,084,018	215,742,923
Collections made by the Company on behalf of the Others	-	-	(94,640,038)	(37,607,415)	(3,547,342)	(11,109,371)	(98,187,380)	(48,716,786)
Fund Transfers	-	-	(264,006,594)	(480,796,000)	50,753,937	-	(213,252,657)	(480,796,000)
Settlements by the Company	47,905,325	60,749,759	-	-	22,926,184	61,501,856	70,831,509	127,082,207
Settlements to the Company	-	-	-	(4,611,193)	(80,532,862)	(95,341,062)	(80,532,862)	(99,952,255)
Re-Purchase of Shares	-	-	-	671,132,996	-	-	-	671,132,996
As at 31 March	(12,107,628)	(690,669)	(257,185,778)	(27,590,025)	179,930,611	109,062,461	(89,362,795)	80,781,767
Included in								
Amount due from Related Party	-	-	121,857,113	478,757	180,249,006	109,125,358	302,106,119	109,604,115
Amount due to Related Party	(12,107,628)	(690,669)	(379,042,891)	(28,068,782)	(318,395)	(62,897)	(391,468,914)	(28,822,348)
	(12,107,628)	(690,669)	(257,185,778)	(27,590,025)	179,930,611	109,062,461	(89,362,795)	80,781,767

32.2 Transactions Carried out by Subsidiaries with other Related Parties

	2019 Rs.	2018 Rs.
As at 1st April	10,616,161	4,272,741
Expenses incurred by group on behalf of others	-	2,536,589
Goods / Services obtained	4,468,643	3,948,531
Settlements made	(11,498,914)	(141,700)
As at 31st March	3,185,890	10,616,161

Parent: Hayleys PLC

Subsidiaries: Culture Club Resorts (Private) Limited, Kandyan Resorts (Private) Limited, Sun Tan Beach Resorts Limited, CDC Conventions (Private) Limited, Connaissance Air Travels (Private) Limited and Connaissance Hotel Management (Private) Limited.

Other Companies: The Kingsbury PLC, Luxury Resorts (Private) Limited, Hayleys Consumer Products Limited, Hayleys Business Solutions International (Private) Limited, Hayleys Travels (Private) Limited, Hayleys Tours (Private) Limited, Singer (Sri Lanka) PLC, Kelanivalley Resorts (Private) Limited, & Logiwiz Limited.

32. Related Party Disclosures (Contd...)

32.3 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	2019 Rs.	2018 Rs.
Short-term Employee Benefits - Executive	44,381,384	48,185,780
- Non-executive	2,838,000	2,871,928
Post-employment Benefits - Executive	1,944,000	1,800,000
	49,163,384	52,857,708

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.

33. EVENTS OCCURRING AFTER THE REPORTING DATE

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

34. 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 and investments desinated under Fair Value Through Profit or Loss.

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

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

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

Notes to the Financial Statements *Contd...*

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, financial assets at FVTOCI and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2019 and 2018.

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 + 0.5% - 1.5%

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
2019	+50	(5,825,040)
	-50	5,825,040
2018	+50	(5,601,145)
	-50	5,601,145

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 Exchange Risk

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

Equity price risk

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

At the reporting date, the exposure to listed equity securities at fair value was Rs. 49,039,595/- An increase or decrease of 10% on the Colombo Stock Exchange (CSE) market index (ASPI) could have an impact of approximately Rs.4,903,960/- 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 2019, the group had 10 customers (2018: 15 customers) that owed the Group more than Rs.2,000,000 each and accounted for approximately 34% (2018: 35%) of all receivables owing. There was three customers with balances greater than Rs.15 million accounting for approximately 25% of the total amounts receivable. The requirement for an impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actually incurred historical data. The group evaluates the concentration of risk with respect to trade receivables as low based on the terms with which the long standing business relationship with the customer base.

Financial instruments and cash deposits

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

Liquidity risk

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

As at 31 March 2019	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	260,500,000	70,474,765	211,424,294	812,060,646	1,354,459,705
Trade and other payables	-	338,642,376	-	-	338,642,376
	260,500,000	409,117,141	211,424,294	812,060,646	1,693,102,081
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

Notes to the Financial Statements *Contd...*

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 2019 and 31 March 2018.

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.

	2019 Rs.	2018 Rs.
Interest-bearing loans and borrowings (Note 20)	1,354,459,705	1,447,915,476
Trade and other payables (Note 27 & 29)	437,629,982	306,582,461
Less: cash and short-term deposits (Note 24)	(313,513,179)	(171,547,640)
Net debt	1,478,576,508	1,582,950,297
Equity	3,826,625,483	3,694,369,792
Total capital	3,826,625,483	3,694,369,792
Capital and net debt	5,305,201,991	5,277,320,089
Gearing ratio	26%	28%

Sector Review

Performance Highlights of Subsidiaries

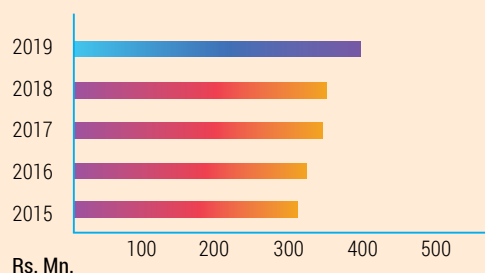
Summarised financial information in respect of Amaya Leisure PLC subsidiaries, reflecting amounts before inter-company eliminations, is set out below

	Kandyan Resorts (Pvt) Ltd Rs. 000	Culture Club Resorts (Pvt) Ltd Rs. 000	Sun Tan Beach Resorts Ltd Rs. 000	Lake Lodge (Pvt) Ltd Rs. 000
Non-Current Assets	1,742,970	1,266,202	1,774,430	30,000
Current Assets	396,061	343,562	95,082	-
Total Assets	2,139,031	1,609,763	2,426,432	30,000
Non-Current Liabilities	29,999	145,641	632,655	-
Current Liabilities	122,262	90,302	958,051	-
Total Liabilities	152,261	235,943	1,590,706	-
Equity attributable to owners of the parent	1,986,770	1,373,820	485,586	24,000
Equity attributable to Non-Controlling Interests	-	-	122,253	6,000
Revenue	633,532	571,574	342,161	-
Operating Profit	204,514	133,011	4,132	-
Net Finance Cost	-	-	(161,620)	-
Profit / (Loss) Before Tax	204,514	133,011	(157,488)	-
Tax Expense	(13,288)	(19,959)	(390)	-
Profit After Tax	191,226	113,052	(157,878)	-
Profit / (Loss) attributable to owners of the parent	191,226	113,052	(93,413)	-
Profit / (Loss) attributable to Non-Controlling Interests	-	-	(64,465)	-
Net Cashflow from operating activities	60,360	52,617	54,856	-
Net Cashflow from investing activities	(30,084)	(38,749)	(448)	-
Net Cashflow from financing activities	(1,161)	-	(89,645)	-
No: of Rooms (No.)	112	119	125	-
No: of Room nights occupied (No.)	30,219	29,244	16,448	-
Revenue Occupancy (%)	74%	67%	36%	-
Average Room Rate (USD)	63	62	65	-
Revenue per available room per annum (Rs.)	5,656,535	4,803,139	2,737,291	-

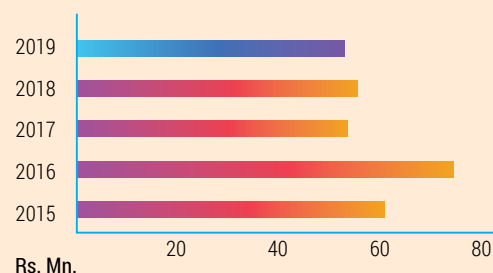
Statement of Value Creation

	2019 Rs. 000	2018 Rs. 000	2017 Rs. 000	2016 Rs. 000	2015 Rs. 000
Revenue	1,667,447	1,460,104	1,592,920	1,642,044	1,413,338
Other income	171,308	54,027	100,813	61,256	74,922
VALUE DISTRIBUTED					
To Employees	393,640	348,260	340,280	318,353	305,805
To Government Revenue	56,432	59,223	57,027	73,658	60,501
To Shareholders as Dividends	290,625	-	103,753	100,872	240,171
To Lenders of Capital					
- Interest on Borrowings	177,970	163,046	205,467	157,192	137,419
- Non-Controlling Interest	(64,465)	(85,229)	(57,620)	(40,317)	(47,033)
VALUE RETAINED FOR EXPANSION AND GROWTH					
Depreciation	177,970	195,262	188,053	201,758	160,207
Profit retained	-	93,267	102,690	186,144	-

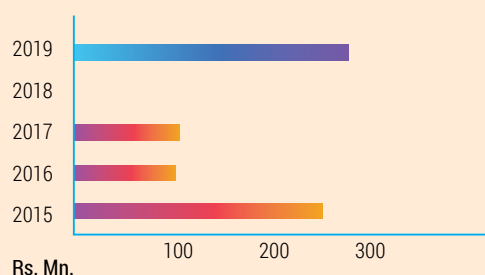
Employee Value Creation



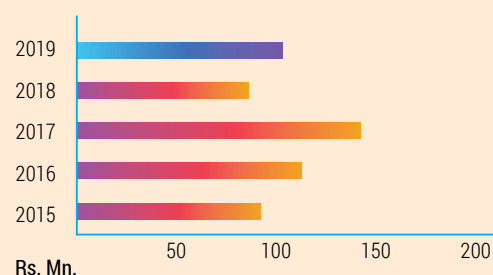
Government Value Creation



Shareholders Value Creation



Value Creation to Lenders



Share and Investor Information

Amaya Leisure PLC Ordinary Shareholders as at 31st March 2019

No. of shares held	Residents			Non Residents			Total				
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%		
1	-	1,000	1,294	212,980	0.39	12	3,782	0.01	1,306	216,762	0.40
1,001	-	10,000	209	597,648	1.10	3	4,356	0.01	212	602,004	1.11
10,001	-	100,000	48	1,355,282	2.51	3	106,467	0.20	51	1,461,749	2.71
100,001	-	1,000,000	14	6,651,342	12.32	-	-	-	14	6,651,342	12.32
OVER 1,000,000			5	45,063,122	83.46	-	-	-	5	45,063,122	83.46
			1,570	53,880,374	99.78	18	114,605	0.22	1,588	53,994,979	100.00
Category											
Individuals			1,485	4,908,684	9.08	18	114,605	0.22	1,503	5,023,289	9.30
Institutions			85	48,971,690	90.70	-	-	0.00	85	48,971,690	90.70
			1,570	53,880,374	99.78	18	114,605	0.22	1,588	53,994,979	100.00

Percentage of public holding:- - 20.77%

Total No. of Shareholders Represent in Public Holding - 1,576

Float - Adjusted Market Capitalization As At 31.03.2019 - Rs. 417,188,965.59

The company complies with option 5 of the Listing Rules 7.13.1 (a) - 20% minimum Public Holding is required if the Company has less than Rs. 2.5 Bn Float Adjusted Market Capitalization.

First Twenty Shareholders

First Twenty Shareholders as at 31st March 2019 With Comparatives

	Name Of Shareholder	No.of Shares As At 31.03.2019	%	No.of Shares As At 31.03.2018	%
1	HAYLEYS PLC	21,769,457	40.32	20,915,531	40.32
2	DEAN FOSTER (PVT) LTD	11,524,544	21.34	11,072,484	21.34
3	EMPLOYEE PROVIDENT FUND	5,194,142	9.62	4,990,397	9.62
4	PEOPLE'S LEASING & FINANCE PLC/MR.L.T.SAMARAWICKRAMA	4,968,643	9.20	4,291,354	8.27
	MR.L.T.SAMARAWICKRAMA	67,445	0.12	117,450	0.23
5	MR. W.A.D.C.J. WICKRAMASINGHE	1,606,336	2.97	1,543,326	2.97
6	MERCANTILE INVESTMENTS AND FINANCE PLC	966,720	1.79	928,800	1.79
7	TOYO CUSHION LANKA (PVT) LTD	917,710	1.70	881,712	1.70
8	AIA INSURANCE LANKA PLC A/C NO.07	829,213	1.54	796,687	1.54
9	VOLANKA EXPORTS LIMITED	722,679	1.34	694,332	1.34
10	BANK OF CEYLON NO.1 ACCOUNT	593,120	1.10	569,845	1.10
11	MR.H.A.VAN STARREX	546,269	1.01	521,479	1.01
12	MR.K.D.D.PERERA	503,211	0.93	483,473	0.93
13	ASSOCIATED ELECTRICAL CORPORATION LTD	396,108	0.73	380,571	0.73
14	ELLES (PVT) LTD	381,372	0.71	366,413	0.71
15	MR.S.SENARATNE	203,771	0.38	195,778	0.38
16	MR.D.J.DE SILVA WIJEYERATNE	172,660	0.32	165,889	0.32
17	BANK OF CEYLON A/C CEYBANK CENTURY GROWTH FUND	158,224	0.29	152,018	0.29
18	MR.H.A.M.PALGAMA	157,252	0.29	153,574	0.30
19	MR.M.A.H.ESUFALLY	103,033	0.19	98,992	0.19
20	MR. D.E. SILVA	93,538	0.17	68,932	0.13
	TOTAL	51,875,447	96.07	49,389,037	95.20

Share Trading Information

For the 03 Months Ended 31.03.2019		
	Rs.	
Highest Price	60.00	10/01/2019
Lowest Price	35.00	06/03/2019
Closing Price	37.20	
No. of Transactions	1,377	
No. of shares traded	480,573	
Value of shares traded Rs.	23,360,048.60	

For the 12 Months Ended 31.03.2019		
	Rs.	
Highest Price	60.00	10/01/2019
Lowest Price	35.00	06/03/2019
Closing Price	37.20	
No. of Transactions	1,680	
No. of shares traded	541,383	
Value of shares traded Rs.	26,154,675.40	

Ten Year Summary

Year ended 31st March	2019	2018	2017
	Rs. 000	Rs. 000	Rs. 000
Results			
Revenue	1,643,863	1,442,894	1,575,332
Profit before tax	270,449	50,051	188,261
Taxation	(35,217)	(42,012)	(39,439)
Profit after tax	235,232	8,038	148,823
Profit / (Loss) attributable to owners of the parent	299,697	93,267	206,443
Non-Controlling Interest	(64,465)	(85,229)	(57,620)
Funds employed			
Stated capital *	909,371	819,779	819,779
Capital Reserves	423,794	269,100	274,699
Other component of equity	(49,105)	(7,569)	(17,286)
Revenue reserves	2,414,321	2,406,462	2,318,535
Equity attributable to equity holders of the parent	3,698,380	3,487,773	3,395,728
Non-Controlling Interest	128,253	206,597	285,554
Borrowings	1,354,460	1,447,915	1,518,536
Assets Employed			
Non-current assets	4,999,758	5,027,506	5,141,443
Current assets	830,547	607,443	554,134
Current Liabilities net of borrowings	451,869	309,371	348,963
Provisions	197,344	183,280	146,797
Capital Employed	5,181,085	5,142,298	5,199,818
Cashflow			
Net cash inflow/(outflow) from operating activities	372,205	52,255	374,717
Net cash inflow/(outflow) from investing activities	110,336	(57,978)	110,652
Net cash inflow/(outflow) from financing activities	(404,683)	(50,455)	(525,346)
Increase / (decrease) in cash and cash equivalents	77,858	(56,178)	(39,978)
Key Indicators			
Earnings / (Loss) per share (basic) (Rs.)	5.55	1.73	3.98
Dividend per share (Rs.)	5.50	-	2.00
Net Assets Value per share (Rs.)	68.49	67.23	65.46
Market price per share (Rs.)	37.20	52.80	63.80
Return on shareholders funds (%)	8.10	2.67	6.08
Return on capital employed (%)	8.53	4.14	7.40
Price earnings ratio (times)	6.70	30.52	16.03
Interest cover (times)	2.58	1.31	1.96
Dividend payout ratio (%)	99.09	-	50.26

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

2016 Rs. 000	2015 Rs. 000	2014 Rs. 000	2013 Rs. 000	2012 Rs. 000	2011 Rs. 000	2010 Rs. 000
1,623,312	1,395,504	1,159,802	1,066,520	867,653	667,709	503,144
301,625	223,489	417,919	408,525	308,948	472,523	71,087
(54,927)	(42,667)	(41,757)	(31,948)	(16,384)	(5,095)	(1,171)
246,698	180,822	376,162	376,577	292,564	467,428	69,916
287,016	227,855	376,160	376,587	292,583	469,717	69,319
(40,317)	(47,033)	2,301	(10)	(19)	(2,288)	596
718,907	718,907	526,770	526,770	526,770	526,770	466,728
410,346	410,346	65,295	65,295	-	-	768,803
(44,854)	(30,808)	(57,951)	(43,459)	(23,662)	194	-
2,266,477	2,073,582	2,083,606	1,923,537	1,739,087	1,638,640	176,706
3,350,876	3,172,027	2,617,721	2,472,143	2,242,195	2,165,605	1,412,236
399,931	423,035	29,302	29,300	27,497	27,516	133,599
1,791,385	1,839,254	243,421	197,827	122,927	62,864	148,553
5,436,798	5,493,752	2,880,364	2,708,690	2,384,952	2,088,339	1,759,766
564,440	377,117	277,056	267,256	241,438	396,581	165,603
324,016	319,738	156,965	174,030	145,447	143,231	109,817
135,031	116,815	110,010	102,646	88,323	85,704	121,163
5,542,191	5,434,316	2,890,444	2,699,270	2,392,619	2,255,986	1,694,388
431,669	428,595	471,649	434,957	347,208	232,628	68,395
(157,439)	(1,042,792)	(269,251)	(343,912)	(269,504)	261,271	(5)
49,477	451,319	(185,990)	(136,816)	(177,742)	(268,658)	(22,730)
323,707	(162,877)	16,407	(45,771)	(100,037)	225,241	45,659
5.69	4.74	7.83	7.84	6.09	9.78	1.65
4.00	5.00	4.50	4.00	4.00	6.00	-
66.44	66.04	54.50	51.47	46.68	45.08	29.40
60.50	85.00	72.30	76.50	76.70	120.10	73.00
8.57	7.18	14.37	15.23	13.05	21.69	4.91
8.24	6.60	15.00	15.35	13.77	20.18	5.93
10.63	17.93	9.23	9.76	12.59	12.28	44.24
2.95	2.65	27.77	72.75	16.03	64.09	3.41
70.30	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.

FVOCI

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 or 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 Value 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 Seventh Annual General Meeting of Amaya Leisure PLC, will be held at the Conference Room of Hayleys PLC, No. 400, Deans Road, Colombo 10, Sri Lanka, on Thursday, 20th June 2019 at 3.00 p.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 2019.
- 2) To elect Mr. D.J. De Cruz, who has been appointed to the Board since the last Annual General Meeting, a Director.
- 3) To elect Mr. Rohan J. Karunaratna as a Director of the Company with effect from 01st June 2019 as recommended by the Board.
- 4) To re-elect Ms. R.N. Ponnambalam, who retires by rotation at the Annual General Meeting, a Director.
- 5) To re-elect Mr. Dhammika Perera, who retires by rotation at the Annual General Meeting, a Director.
- 6) To re-appoint Mr. S. Senaratne, who retires having attained the age of seventy one years and the Company having received special notice of the undernoted 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 one 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'.

- 7) To authorize the Directors to determine contributions to Charities for the financial year 2019/2020.
- 8) To authorize 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. 07 of 2007 for the financial year 2019/2020.
- 9) To consider any other business of which due notice has been given.

NOTE :

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 3.00 p.m. on 18th June 2019.

By Order of the Board
AMAYA LEISURE PLC
HAYLEYS GROUP SERVICES (PRIVATE) LIMITED
Secretaries

Colombo
24th May 2019.
Secretaries

Form of Proxy - Amaya Leisure PLC - Company Number PQ 145

I/We*.....
 (Full name of Shareholders**) NIC No./Reg No. of Shareholder (**)
 of.....
 being a shareholder/ shareholders* of AMAYA LEISURE PLC hereby appoint,
 1.
 (full name of Proxyholder**) NIC No. of Proxyholder (**).....
 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 Seventh Annual General Meeting of the Company to be held on Thursday, 20th June 2019 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 2019 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To elect Mr. D.J. De Cruz, who has been appointed to the Board since the last Annual General Meeting, a Director.	<input type="checkbox"/>	<input type="checkbox"/>
3. To elect Mr. Rohan J. Karunarahaj as a Director of the Company with effect from 01st June 2019 as recommended by the Board.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Ms. R.N. Ponnambalam, who retires by rotation at the Annual General Meeting a Director.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-elect Mr. Dhammika Perera, who retires by rotation at the Annual General Meeting a Director.	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-appoint Mr. S. Senaratne, who retires having attained the age of seventy one years, a Director by passing the Ordinary Resolution as set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
7. To authorise the Directors to determine contributions to Charities for the financial year 2019/2020.	<input type="checkbox"/>	<input type="checkbox"/>
8. 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 2019/2020	<input type="checkbox"/>	<input type="checkbox"/>

(**) The proxy may vote as he thinks fit on any other resolution brought before the Meeting which due notice has been given.

As witness my/our* hands this day of2019

Witnesses Signature :
 Name :
 Address :
 NIC No :

.....
 Signature of Shareholder

- 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.

Instructions as to Completion

1. To be valid, the completed Form of Proxy must be deposited with the Company Secretaries, Hayleys Group Services (Pvt) Ltd. at No. 400, Deans Road, Colombo 10, Sri Lanka not less than 48 hours before the starts of the Meeting.
2. In perfecting the Form of Proxy, please ensure that all requested details are filled in legibly including mandatory details. Kindly sign and fill in the date of signing.
3. If you wish to appoint a person other than the Chairman of the Company (or failing him, one of the Directors) as your Proxy, please insert the relevant details at (1) overleaf. The Proxy need not be a Member of the Company.
4. Please indicate with an X in the space provided how your Proxy is to vote on the resolutions. If no indication is given, the Proxy in his discretion will vote as he thinks fit. Please also delete (***) if you do not wish your Proxy to vote as he thinks fit on any other resolution brought before the meeting.
5. In the case of a Company/Corporation the Proxy must be under its common seal which should be affixed and attested in the manner prescribed by its Articles of Association.

In the case of the individual Shareholders, the signature of the Shareholder should be witnessed by any person over 18 years of age.
6. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy.
7. In case of Marginal Trading Accounts (slash accounts), the Form of Proxy should be signed by the respective authorized Fund Manager/Banker with whom the account is maintained.



AMAYA
LEISURE PLC

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

