AMAYA
LEISURE PLC

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

With properties in some of the most scenic and historic locations, Amaya Resorts & Spas has delighted thousands of guests across Sri Lanka and the Maldives. Each of our hotels exude a unique personality, redefining Sri Lankan hospitality even amid the debilitating global impact on the tourism industry.

Despite journeying through a constantly challenging terrain, adversity and change geared us to venture into the unknown with hopes for a positive future. Responsiveness remained as a core strength which fuelled our determination to offer memorable experiences and heart-warming hospitality to all those we serve.

Today we believe that we are wired for change through remarkable responsiveness and care, positioning us to face any eventuality as we welcome a future of endless possibilities.

AMAYA
LEISURE PLC

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Group Financial and Operational Highlights 2020/21

Earnings Highlights and Ratios		2021	2020	Change %
Revenue	Rs.'000	362,362	1,225,951	(70)
Results from operating activities	Rs.'000	(582,714)	(114,279)	410
Profit/(Loss) before tax	Rs.'000	(784,638)	(252,362)	211
Profit/(Loss) after tax	Rs.'000	(789,719)	(266,361)	196
Profit/(Loss) attributable to owners of the parent	Rs.'000	(723,771)	(168,578)	329
Gross profit margin	%	(22.91)	42.88	(153)
Operating profit margin	%	(160.81)	(9.32)	1,625
Net profit margin	%	(217.94)	(21.73)	903
Earnings per share (basic)*	Rs.	(6.70)	(1.56)	329
Return on Assets (ROA)	%	(14.39)	(4.70)	206
Return on Capital Employed (ROCE)	%	(11.84)	(2.24)	428
Interest cover	No. of Times	2.52	0.68	271
Financial Position Highlights and Ratios				
Total Assets	Rs.'000	5,489,824	5,668,512	(3)
Total Debts	Rs.'000	2,023,826	1,568,828	29
Equity attributable to equity holders of the parent	Rs.'000	2,874,212	3,508,764	(18)
Gearing	%	41.11	30.76	34
Debt/Equity	%	69.79	44.43	57
Equity Asset Ratio	%	52.82	62.29	(15)
Net Assets per share*	Rs.	26.85	32.70	(18)
Current ratio	No. of Times	0.29	0.58	(50)
Quick asset ratio	No. of Times	0.26	0.55	(52)
Shares in issue	No.	107,989,958	53,994,979	100
Market/Shareholders information				
Market value per share	Rs.	17.80	25.00	(29)
Market Capitalisation	Rs.'000	1,922,221	1,349,874	42
Price earning ratio	No. of Times	(2.66)	(8.01)	(83)
Others				
Economic Value Generated	Rs.'000	(3,477)	590,422	(101)
Economic Value Distributed as follows;				
Government	Rs.'000	10,852	33,119	(67)
Employees	Rs.'000	371,608	484,045	(23)
Others	Rs.'000	(385,938)	73,257	(627)
Number of Employees		461	709	(35)
Economic Value added per employee	Rs.'000	(8)	833	(101)
Average revenue per employee	Rs.'000	786	1,729	(55)

*Earnings per share and Net Asset per share in all reporting periods were adjusted based on post sub division of two shares for every one ordinary share held.

Chairman's Message

Dear Shareholder

I am pleased to present to you the Annual Report and the Audited Financial Statements of Amaya Leisure PLC for the year ended 31st March 2021.

Overview of the Financial Year

The year under review faced the reverberations of the COVID-19 global pandemic which began from the fourth quarter of the previous financial year. Global travel and tourism continued to be among the hardest hit industries. However, we remained positive about domestic tourism in the pandemic era, determined to emerge stronger as a true Sri Lankan hospitality brand.

Performance

Similar to its peers, the Amaya Group saw a negative impact on overall profitability. The volatile operating environment of the year saw the Amaya Group recording a significant decline in revenue to Rs. 362Mn from Rs. 1,226Mn achieved during the previous financial year. The Group recorded a loss of Rs. 790Mn compared to the loss of Rs. 266Mn reported in the previous financial year.

A noteworthy achievement during the year under review is Amaya Kuda Rah in the Maldives being awarded the Best Luxury Lifestyle Award ‘Best Luxury Beach Resort in Maldives’.

The Way Forward

Global tourism has been harder hit than envisioned at the start of the COVID-19 pandemic during the last financial year. Governments around the world have been forced to keep borders closed for extensive periods to curb the spread.

Amaya Resorts & Spas responded admirably to this fluctuating environment through the adoption of best practices. The health and safety of our guests and employees has always been a key priority. We continue to further strengthen our processes in line with recommendations made by local and international bodies such as The World Health Organisation (WHO), The Ministry of Health Sri Lanka and the Sri Lanka Tourism Development Authority (SLTDA).

Keeping true to our brand values, we focused on a local market strategy to generate revenue during the lean period. Likewise, we will keep the local market in mind in our plans for 2021/22, even as we envisage welcoming the international market in the near future.

The Group’s Resorts experienced financial strain in the year under review and we have taken steps to implement cost rationalisation strategies in order to sustain our business, while providing value to the industry and our stakeholders.

I am optimistic about the prospects of Amaya Leisure PLC and strongly believe that our responsive and positive attitude to adversity will help us overcome all challenges.

Acknowledgements

I take this opportunity to thank Mr. Rohan Karr, Managing Director, Hayleys Leisure Sector and my colleagues on the Board of Directors for their support during these challenging times.

My heartfelt appreciation goes to the staff for their unwavering dedication to the Amaya family as it withstood a challenging year. We await a better future and look forward to welcoming our guests once again to our distinctive properties.

Mohan Pandithage
Chairman

Managing Director's Review

The year under review, 2020/21 was a challenging one for Amaya Leisure PLC; a year in which the entire global tourism industry continued to reel from the fallout of the COVID-19 pandemic. Despite the uncertainty, I am proud to note that our collective efforts have ensured that the Amaya brand has continued to prevail, overcoming the challenges. The virtual standstill of global tourism affected both the informal and formal sectors of the industry which continued to face low occupancy and depressed room revenues. As a chain of resorts, Amaya faced significant competition during the brief interludes when domestic tourism was revived.

Growth Strategy

Sensible cost management measures were put in place by taking stock of our cost profile and making necessary adjustments to improve our financial situation. The resorts increased seasonal occupancy levels by offering a number of guest benefits through credit card promotions and delivering on our promise of exemplary service. By adhering to COVID-19 precautionary guidelines, we were able to assure our guests of safe and secure holidays. As a group, we used the industry slowdown during the year to strengthen ourselves internally by investing in the training and development of our staff in order to upgrade their skills to face the ‘New Tourism’. This has included in-depth training in customer service, leadership and teamwork, grooming and etiquette, and food preparation and presentation. We also initiated refurbishments at several properties.

Staff welfare was keenly looked into with no pay cuts during the lean period and the introduction of a hardship allowance.

The Way Forward

The year under review bore the brunt of the wide ranging socioeconomic impacts of COVID-19. At the time of writing this review, Sri Lanka is in the midst of its third wave, making the trajectory of the pandemic difficult to predict and its impact difficult to determine.

Ensuring the health and safety of our employees and guests is of paramount importance. Reinventing our offerings so that guests may continue to enjoy the signature Amaya hospitality in a safe and secure manner, your Group has drawn up a well-considered set of strategies to help us embrace the New Normal. Brand repositioning with the introduction of new tiers and more value added services are among the other changes taking place.

Our Resorts have already implemented a series of measures to counter the spread of COVID-19, which are continuously reviewed and updated. These procedures are in line with the recommendations of The World Health Organisation (WHO), The Ministry of Health Sri Lanka, The Sri Lanka Tourism Development Authority (SLTDA) and industry best practices. Enhanced sanitisation, social distancing, use of Personal Protective Equipment (PPE), heightened food safety measures and regular staff training are part of this multi-pronged approach to protect guests and ensure peace of mind for all stakeholders.

Acknowledgements

I would like to note and commend the leadership and staff at Amaya Resorts & Spas, who have worked tirelessly, facing the numerous challenges with resilience of spirit and exemplary dedication. It gives me great pleasure to head an organisation with a capable and willing team that will go the extra mile.

My sincere appreciation to the Chairman and Board of Directors for their valuable guidance and support at all times.

I would also like to extend a heartfelt thank you to our stakeholders for their vote of confidence and trust placed in us.

Rohan Karr
Managing Director

Board of Directors

Mr. Mohan Pandithage
Chairman

Joined the Hayleys Group in 1969. Appointed to the Hayleys PLC Board in 1998. 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 Shipping Agents. Recipient of the Best Shipping Personality Award by the Institute of Chartered Shipbrokers; Leadership Excellence Recognition – Institute of Chartered Accountants of Sri Lanka; Honoured with Lifetime Achievement Award at the Seatrade – Sri Lanka Ports, Trade and Logistics; Lifetime Award for the Most Outstanding Logistics and Transport Personality of the Year – Chartered Institute of Logistics & Transport. Member of the Advisory Council, Ministry of Ports and Shipping.

Mr. Chandra J. Wickramasinghe
Deputy Chairman, Non-Executive Director

Mr. Chandra J. Wickramasinghe counts over 40 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, Ayurvie Sigiriya, Tea & Experience Factory, Mountbatten Bungalow, Scottish Planter Glendevon Bungalow, Wild Glamping Knuckles, 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) and 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 and Industry (FCCISL) and in 2018 he was awarded the Tourism Legend Award at the 06th Sri Lanka Tourism Awards.

Mr. Rohan J. Karunarajah (Rohan Karr)
Managing Director

Joined the Board and Group Management Committee of Hayleys PLC on 01st June 2019. Mr. Karr holds a Masters in Hospitality and Business Studies from the United Kingdom, and is a veteran in the hospitality industry with 37 years' experience in Executive Vice President/General Manager Positions in leading hotels in Sri Lanka and the United Kingdom. He has served as Regional Director of Revenue Management of Marriott Hotels for Whitbread Hotel Company, England, as General Manager of Bristol Marriott Hotel, England and Marriott Marble Arch, London before his return to Sri Lanka. He was instrumental in revitalising standards for the entire domestic hospitality sector through his ground-breaking work as Executive Vice President of John Keells Holdings overlooking the Cinnamon City Hotels and Resorts chain and as Head of Brand Development. He also serves as Managing Director of the Hayleys Leisure sector including The Kingsbury PLC.

Mr. Dhammika Perera
Non-Executive Director

Mr. Dhammika Perera is a quintessential strategist and a business leader with interests in a variety of key industries including manufacturing, banking and finance, leisure, plantations, and hydropower 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 unquoted companies.

Mr. Perera is the Chairman of Vallibel One PLC, Royal Ceramics Lanka PLC, Lanka Tiles PLC, Lanka Walltiles PLC, The Fortress Resort PLC, Vallibel Power Erathna PLC, Greener Water Limited, Delmege Limited, and LB Microfinance Myanmar Company Limited. 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 and Dipped Products PLC. Also, a Director of Dhammika and Priscilla Perera Foundation.

Mr. S. Senaratne
Non-Executive 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.

Mr. Shiran Harsha Amarasekera, PC
Independent, Non-Executive Director

Mr. Harsha Amarasekera, President's Counsel was appointed to the Board of Amaya Leisure PLC on 28th February 2005. He is a leading luminary in the legal profession in Sri Lanka having a wide practice in the Original Courts as well as in the Appellate Courts. His fields of expertise include Commercial Law, Business Law, Securities Law, Banking Law and Intellectual Property Law.

He also serves as an Independent Director in several listed companies in the Colombo Stock Exchange including Sampath Bank PLC, CIC Holdings PLC, Swisstek (Ceylon) PLC and Swisstek Aluminium Ltd as Chairman and Vallibel Power Erathna PLC as Deputy Chairman.

He is also an Independent Non-Executive Director of Vallibel One PLC, Expolanka Holdings PLC, Royal Ceramics PLC, Chevron Lubricants Lanka PLC and Ambeon Capital PLC. He is also the Chairman of CIC Agri Businesses (Private) Ltd.

Ms. R. N. Ponnambalam
Independent, Non-Executive Director

Ms. Ponnambalam has held several senior management positions in large private sector entities.

Ms. Ponnambalam has served as a Director of McLarens Holdings Limited & GAC Shipping Limited. She currently serves as Director of The Kingsbury PLC, Macbertan Holdings (Pvt) Ltd, Mcbolon Polymer (Pvt) Ltd and Pidilite Lanka (Pvt) Ltd.

She is presently the Managing Director of Macbertan (Pvt) Ltd. She has also been in roles of international and local business development and negotiation.

Mr. S. J. Wijesinghe
Non-Executive Director

Mr. Wijesinghe was employed at Hayleys PLC from 2008 to 2019, during which time he served as a member of the Group Management Committee and as the Managing Director of Hayleys Aviation & Projects (Private) Limited, as well as of Unisyst Engineering PLC.

He currently serves as a Non-Executive Director on the Boards of Hayleys Aviation & Projects (Private) Limited, Unisyst Engineering PLC, The Kingsbury PLC, S&T Interiors (Private) Limited, Summer Seasons Limited and Greener Water Limited.

Mr. Wijesinghe formerly served as a Non-Executive Director on the Board of Sri Lankan Airlines Limited, as well as on the Board of Sri Lankan Catering Limited. Prior to joining Hayleys, Mr. Wijesinghe held several senior positions at Sri Lankan Airlines, including management positions in Europe, the Middle East, the Far East, as well as in the Head Office in Colombo, Sri Lanka. During his tenure at the airline, Mr. Wijesinghe was a member of its Group Senior Management Team. He also served as a Committee Member on the Pacific Asia Travel Association's (PATA) Education Authority. Overall, Mr. Wijesinghe holds over 35 years of experience in the aviation industry.

Mr. Wijesinghe holds an MBA from the University of Leicester (UK) and is a Member of the Chartered Institute of Marketing (UK).

Additionally, Mr. Wijesinghe has served as the Chairman of Litro Gas Lanka Limited. He also has in excess of 05 years of senior management experience in the hospitality industry.

Ms. Ponnambalam was appointed as a Founder Member of the Commonwealth Business Women's Leadership Group (Sri Lanka) on 13th November 2013. She also currently serves as 02nd Vice Chairperson of Women's Chamber of Industry & Commerce.

Board of Directors

Ms. Warini De Costa
Independent, Non-Executive Director

Ms. 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. Ms. 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.

Mr. S. C. Ganegoda
Non-Executive Director

Rejoined Hayleys in March 2007. Appointed to the Group Management Committee in July 2007. Appointed to the Board in April 2021. Fellow Member of CA Sri Lanka and Member of Institute of Certified Management Accountants of Australia. Holds an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura. Worked for Hayleys Group between 1987 and 2002, ultimately as an Executive Director. Subsequently, held several senior management positions in large private sector entities in Sri Lanka and overseas. Has responsibility for the Strategic Business Development Unit, Group Information Technology of Hayleys PLC and appointed as the Deputy Chairman of Alumex PLC in October 2020. He serves on the Boards of Hayleys PLC, Unisyst Engineering PLC, Dipped Products PLC, Haycarb PLC, Hayleys Fibre PLC, Hayleys Fibre PLC, Kelani Valley Plantations PLC, Regnis (Lanka) PLC, Singer (Sri Lanka) PLC, Singer Industries (Ceylon) PLC, The Kingsbury PLC, Horana Plantations PLC.

Ms. Kawshi Amarasinghe
Alternate Director to Mr. Dhammika Perera

Appointed as Alternate Director to Mr. Dhammika Perera on 15th March 2017. Ms. Amarasinghe currently serves as Group Director, International Business Development & CSR at Vallibel One PLC.

Prior to joining Vallibel One, Ms. Amarasinghe served as an intern at Strategic Policy Division at Department of Community Safety in Queensland, Australia.

Ms. Amarasinghe earned a Bachelor's degree in International Studies from University of Queensland in Brisbane, Australia and a specialisation in French Studies at University of Lausanne, Switzerland.

In addition, she holds a certificate in Management Acceleration from INSEAD Business School in Fontainebleau, France and a certificate in Hotel Revenue Management from Cornell University, USA.

Corporate Governance

- Companies Act No. 07 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 modelled 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

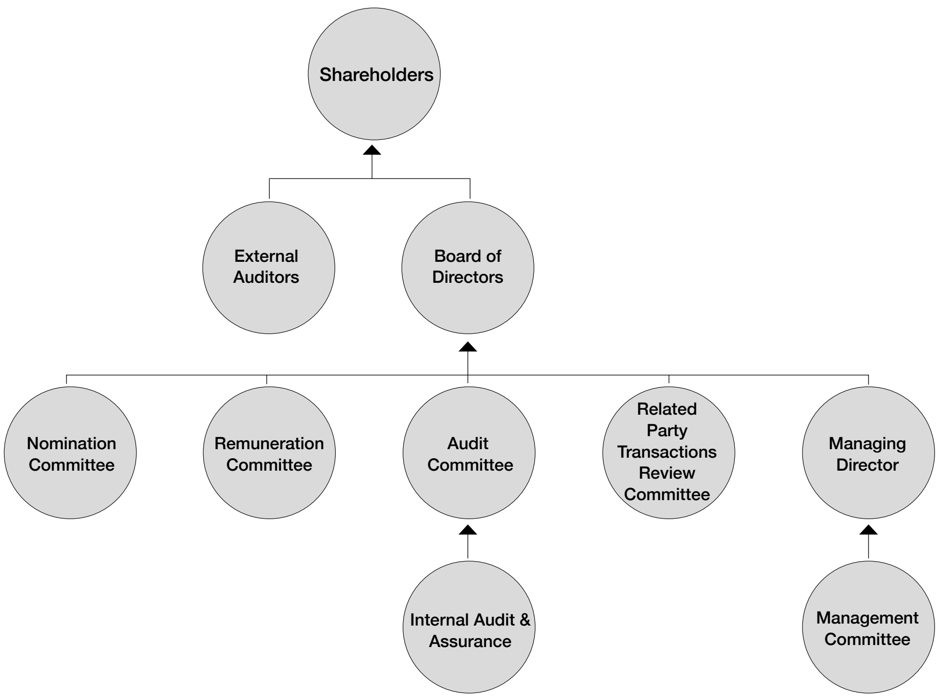
The Group believes that the core values that underlie its corporate activities are the main source of its competitive advantage which is rewarded by the trust placed in it by stakeholders.

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. The Directors' attendance during the financial year is shown in the table below.

Name of Director	Meetings Attended
Mr. A. M. Pandithage	4/4
Mr. C. J. Wickramasinghe	3/4
Mr. R. J. Karunarajah	4/4
Mr. Dhammika Perera	-
Mr. L. T. Samarawickrama (Resigned w.e.f. 18th January 2021)	3/3
Mr. S. Senaratne	4/4
Mr. S. H. Amarasekera	2/4
Ms. R. N. Ponnambalam	4/4
Mr. S. J. Wijesinghe	3/4
Ms. W. D. De Costa	4/4
Ms. A. A. K. Amarasinghe (Alternate Director to Mr. Dhammika Perera)	3/4



Corporate Governance

SECTION 1: CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE

Code of Best Practice 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 2020/21
A. DIRECTORS				
A.1 THE BOARD				
The Company is headed by an effective Board of Directors with local and international experience. The Board of Directors of the Company consists of professionals in the fields of Accounting, Management, Law, Economics, Marketing and Business Leaders. All Directors possess the skills and experience and knowledge complemented with a high sense of integrity and independent judgment. The Board gives leadership in setting the strategic direction and establishing a sound control framework for the successful functioning of the Company. The Board's composition reflects a sound balance of independence and anchors Shareholder commitment. Profiles of Directors are given on pages 06 to 08.				
1.	Board Meetings	A.1.1	Compliant	The Board usually meets at quarterly intervals, but also meets more frequently when needed. The Board met four (04) times during the year under review. Scheduled Board meetings were arranged well in advance, and all Directors were expected to attend each meeting. Any instances of non-attendance of Board meetings were generally related to prior business, personal commitments or illness. The attendance at Board meetings held is set out on page 09.
2.	Board Responsibilities	A.1.2	Compliant	The Board is responsible to the Shareholders for creating and delivering long-term sustainable Shareholder value through the business. The Board ensures the formulation and implementation of a sound business strategy. The Board has put in place a Corporate Management team with the required skills, experience and knowledge necessary to implement the business strategy of the Company. The Board also ensures effective systems are in place to secure integrity of information, internal controls and risk management. The Board ensures that the Company's values and standards are set with an emphasis on adopting appropriate accounting policies and fostering compliance with financial regulation.
3.	Compliance with Laws and access to independent professional advice	A.1.3	Compliant	The Board collectively, and Directors individually must act in accordance with the laws as applicable to the Company. The Company had complied with all applicable laws and regulations during the year. A procedure has been put in place for Directors to seek independent professional advice in furtherance of their duties, at the Company's expense. This will be coordinated through the Company or the Board Secretary when requested.
4.	Company Board	A.1.4	Compliant	All Directors have access to the advice and services of the Company Secretary as required. The Company Secretary keeps the Board informed of new laws and revisions, and regulations and requirements coming into effect which are relevant to them as individual Directors and collectively to the Board.
5.	Independent judgment	A.1.5	Compliant	All Directors exercise independent judgment in decisions made by the Board on issues of strategy, performance, resource allocation and the conduct of business.
6.	Dedication of adequate time and effort by the Board and Board Committees	A.1.6	Compliant	All Directors of the Company dedicate adequate time and effort to fulfil their duties as Directors of the Company (both before and after the Board Meetings), in order to ensure that the duties and responsibilities owed to the Company are satisfactorily discharged.

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2020/21
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	Compliant	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 06.				
8.	Role of the Chairman	A.3.1	Compliant	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: • 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	Compliant	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.

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2020/21
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 Two (02) Executive Directors and Eight (08) 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	Compliant	Eight (08) of the Ten (10) Directors are Non-Executive Directors, which is well above the minimum number prescribed by this Code.
11.	Criteria to evaluate Independence of Non-Executive Directors	A.5.3	Compliant	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	Compliant	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	Compliant	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: • Mr. S. H. Amarasekara • Ms. R. N. Ponnambalam • Ms. W. D. De Costa The Board believes the independency of Mr. S. H. Amarasekara and Ms. R. N. Ponnambalam are not compromised by being members for more than 9 years and also Ms. Ponnambalam being a Board Member of The Kingsbury PLC in which the majority of the other Directors of the Company are also Directors.
14.	Alternate Directors	A.5.6	Compliant	One alternate Director has been appointed by one Non-Executive Director and she is not an Executive of the Company. • Ms. A. A. K. Amarasinghe

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2020/21
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	Compliant	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	Compliant	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	Compliant	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: • Mr. A. M. Pandithage - Chairman* • Mr. 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.
18.	Disclosure of New appointments	A.7.3	Compliant	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 disclosed in the Annual Report on pages 06 to 08.
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 & A.9.2	Compliant	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.

<table>
<tr><th colspan="2">Corporate Governance Principles</th><th>Reference of Code</th><th>Compliance</th><th>The Company’s Extent of Compliance in 2020/21</th></tr>
<tr><td colspan="5">A.10 DISCLOSURE OF INFORMATION IN RESPECT OF DIRECTORS</td></tr>
<tr><td colspan="5">Details in respect of each Director should be disclosed in the Annual Report for the benefit of the Shareholders.</td></tr>
<tr><td>20.</td><td>Details in respect of Directors</td><td>A.10.1</td><td>Compliant</td><td>The following details pertaining to each Director are disclosed as follows:
(a) Brief profile with expertise and experience - pages 06 to 08
(b) Directors’ Interest in Contracts - page 26
(c) Detail of Board Meetings held during the year - page 09</td></tr>
<tr><td colspan="5">A.11 APPRAISAL OF MANAGING DIRECTOR (CEO)</td></tr>
<tr><td colspan="5">The Board of Directors should annually assess the performance of the Managing Director who performs the role of the Chief Executive Officer.</td></tr>
<tr><td>21.</td><td>Targets for Managing Director</td><td>A.11.1</td><td>Compliant</td><td>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.</td></tr>
<tr><td>22.</td><td>Evaluation of the performance of the Managing Director</td><td>A.11.2</td><td>Compliant</td><td>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.</td></tr>
<tr><td colspan="5">B. DIRECTORS’ REMUNERATION</td></tr>
<tr><td colspan="5">B.1 REMUNERATION PROCEDURE</td></tr>
<tr><td colspan="5">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.</td></tr>
<tr><td>23.</td><td>Establishment of remuneration committee</td><td>B.1.1, B.1.2, B.1.3, B.1.4 & B.1.5</td><td>Compliant</td><td>Hayleys PLC, the parent Company’s Remuneration Committee function as the Remuneration Committee of the Company and recommends the remuneration payable to the Managing Director and Executive Director(s) and sets guidelines for the remuneration of management staff within the Company. The Board makes the final determination after considering such recommendation. The Remuneration Committee comprise of following members:
Dr. H. Cabral, PC** - Chairman
Mr. Dhammika Perera*
Mr. M. H. Jamaldeen**
Mr. Y. A. Perera**
* Non-Executive Director
** Independent Non-Executive Director
Payment of remuneration to Directors is disclosed in page 84 of this report.</td></tr>
</table>

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2020/21
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	Compliant	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	Compliant	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	Compliant	Please refer page 84 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	Compliant	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.

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2020/21
C.2 COMMUNICATION WITH SHAREHOLDERS				
The Code requires that the Board should implement effective communication with Shareholders.				
28.	Channel to reach all Shareholders	C.2.1	Compliant	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.	Compliant	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	Compliant	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	Compliant	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	Compliant	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	Compliant	Covered under the Section C.2
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	Compliant	The Board has recognised 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 Directors' report in the Annual Report	D.1.4	Compliant	The Directors have made all required declarations in the "Annual Report of the Board of Directors" and appears on pages 25 to 27.
36.	Statement of Directors' and Auditor's responsibility for Financial Reporting	D.1.5	Compliant	The "Statement of Directors' Responsibilities" is given on page 28. See the "Auditors' Report" on page 33 to 35 for the reporting Responsibility of Auditors.
37.	Disclosure of related party transactions	D.1.8	Compliant	Refer the "Related Party Transaction Review Committee" report on page 29.

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2020/21
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.				
38.	Annual evaluation of the internal controls system and Risk Management	D.2.1	Compliant	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 (MASRD) plays a significant role in assessing the effectiveness and successful implementation of existing controls and strengthening these and establishing new controls where necessary. The MASRD'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 MASRD and the Chairman of the Audit Committee without the interference of any Directors or Executives.
39.	Availability of internal audit function and disclosure in annual report.	D.2.2 & D.2.3	Compliant	Please refer Internal Control and Risk Management Report.
40.	Review of the process and effectiveness of risk management and internal controls.	D.2.4	Compliant	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 Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2020/21
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.				
41.	Composition of the Audit Committee	D.3.1	Compliant	Audit Committee consists of Three (03) Independent Non-Executive Directors and one Non-Executive Director Ms. W. D. De Costa - Chairperson Mr. S. H. Amarasekara - Member Ms. R. N. Ponnambalam - Member Mr. C. J. Wickramasinghe - Member The Company Secretary serves as its Secretary. The Chairman, Managing Director, Head of Internal Audit and the Head of Finance and Hayleys Group CFO are invited to attend meetings as required. The input of the statutory Auditors will be obtained where necessary. The Audit Committee is required to assist the Company to achieve a balance between conformance and performance.
42.	Terms of reference of the Audit Committee	D.3.2	Compliant	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 pages 30 to 31.
43.	Disclosures of the Audit Committee	D.3.3	Compliant	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 30 to 31.
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.				
44.	A related party and related party transactions will be as defined in LKAS 24.	D.4.1	Compliant	Please refer Related Party Transaction Review Committee Report on page 29.
45.	Establishment of Related Party Transaction Review Committee and composition.	D.4.1	Compliant	Please refer Related Party Transaction Review Committee Report on page 29.
46.	Written terms of reference of Related Party Transaction Review Committee.	D.4.3	Compliant	Please refer Related Party Transaction Review Committee Report on page 29.

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2020/21
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.				
47.	Code of Business Conduct and Ethics	D.5.1	Compliant	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.				
48.	Disclosure of corporate governance	D.6.1	Compliant	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.				
49.	Communication with Shareholders	E.1.1	Compliant	In order to avoid conflicts of interest by nurturing the mutual understanding, the Board carries out dialogues with its Shareholders at general meetings. In this regard, the AGM of the Company plays a critical role. Voting by the Shareholders is crucial in carrying a resolution at the AGM. The Chairman, who plays the role of the agent, communicates the views and queries of the Shareholders to the Board and the senior management, in order to ensure that the views are properly communicated to the Company.

Corporate Governance

SECTION 2 : COLOMBO STOCK EXCHANGE LISTING RULES

Statement of Compliance

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

Rule No.	Subject	Extent of Adoption	Compliance Status	Reference in this Report
7.10.1(a)	Non-Executive Directors (NED)	Eight (08) of the Ten (10) Directors were Non-Executive Directors.	Compliant	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.	Compliant	Corporate Governance
7.10.2 (a)	Independent Directors (ID)	Three (03) of the Eight (08) Non-Executive Directors were Independent.	Compliant	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.	Compliant	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.	Compliant	Corporate Governance
7.10.3 (b)	Disclosure relating to Directors	The Board has determined that Three (03) Non-Executive Directors satisfy the criteria for "independence" set in the Listing Rules as in item A.5.5 of the CASL code table.	Compliant	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.	Compliant	Profiles of the Board of Directors
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.	Compliant	Corporate Governance
7.10.5	Remuneration Committee	A listed company shall have a Remuneration Committee	Compliant	Corporate Governance
7.10.5 (a)	Composition of Remuneration Committee	The Remuneration Committee comprised of Two (02) Independent Non-Executive Directors as at 31st March 2021.	Compliant	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.	Compliant	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 of the CASL code table on page 14. The disclosure of the Remuneration Committee is given on page 14 and the remuneration paid to Directors is given in the Note 33.3 to the Financial Statement on page 84.	Compliant	Corporate Governance and Notes to the Financial Statements

Rule No.	Subject	Extent of Adoption	Compliance Status	Reference in this Report
7.10.6 (a)	Composition of Audit Committee	Shall comprise of NEDs, a majority of whom will be independent.	Compliant	Report of the Audit Committee
7.10.6 (b)	Audit Committee Functions	Audit Committee functions are stated in the Audit Committee Report page 30 to 31.	Compliant	Corporate Governance and Report of the Audit Committee
7.10.6 (c)	Disclosure in Annual Report relating to Audit Committee	The names of the Audit Committee members given on page 30 to 31. The basis of determination of the independence of the Auditor is also given on page 30 to 31.	Compliant	Corporate Governance and Report of the Audit Committee
7.13.1	Minimum Public Holding	As a listed company in the Main Board, the Company maintained the minimum public holding under specified criteria.	Compliant	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	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 on page 29.	Compliant	Related Party Transactions Review Committee Report
9.2.2	Composition of the Related Party Transactions Review Committee	The RPTRC consists of following Directors: • 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)	Compliant	Annual Report of Board of Directors and Related Party Transactions Review Committee Report
9.2.4	Related Party Transactions Review Committee-Meetings	The committee met four (04) times during the financial year of 2020/21	Compliant	Annual Report of Board of Directors
9.3.2 (a)	Disclosure - Non-recurrent Related Party Transactions	Company has not involved with any Non-recurrent related party transactions with aggregate value exceeds 10% of the equity or 5% total assets whichever is lower. No disclosures required.	Compliant	Related Party Transactions Review Committee Report

Internal Control and Risk Management Framework

RISK MANAGEMENT

The Financial year under review was deeply impacted by the COVID-19 Global Pandemic, where the first quarter was almost at a standstill with the first wave of the pandemic and the third quarter was effected with the second wave and lastly the fourth quarter once again with the third wave of the pandemic, which to this date is far from over.

The recurring effects have resulted in serious loss of business and the third wave of the pandemic has proved the magnitude of the devastation it can cause to both human lives and economies of the world.

With this report we aim to highlight the risks involved and the mitigations taken to lessen the impact of the risks whilst staying true to the core business acumen.

Risk Governance

The risk function comes under the overall supervision of the Amaya Leisure PLC's Board of Directors, who recognise 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 minimise such situations

The Company under the guidance of the Hayleys Group's Management Audit & System Review Department (MASRD) maintains a comprehensive system to identify, measure and mitigate risks.

Both risk and internal control function work in sync to ensure that the risks are identified timely and necessary mitigatory steps are taken immediately.

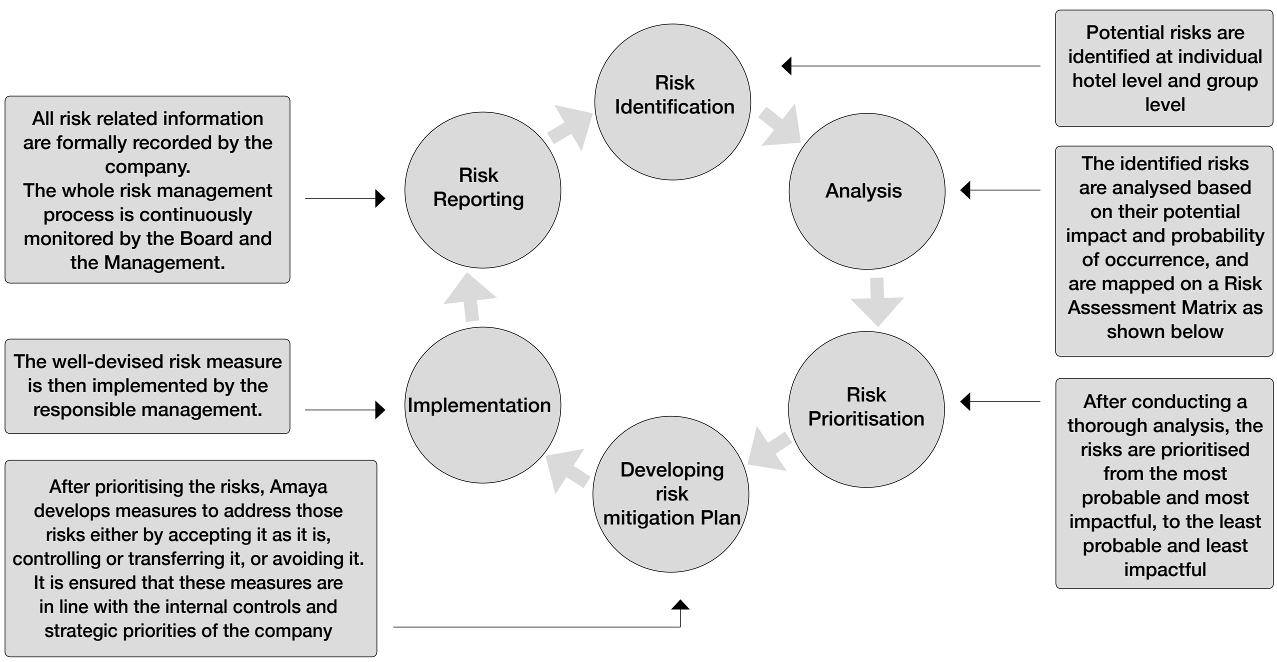
The three main objectives of Internal Controls of the Company are;

1. Ensuring the reliability of Financial Reporting.
2. Improving the effectiveness and the efficiency of Hotel Operations.
3. Compliance with the Laws and Regulations.

Management, with the oversight of the Board, has created and maintained a "culture of honesty" and promotes ethical behaviour, which provides the foundation for the other components of the Internal Control system. Increasing competition for skilled labour has compelled the Group to seek ways of enhancing the productivity and efficiency of our employees in order to ensure superior service quality for our customers. Inadequacies in operational efficiency can potentially affect overall profitability while below par service quality will have a direct impact on guest satisfaction, competitiveness and market share.

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

Risk Management Process



Managing Risks in an Ever Changing Environment

Today's, businesses work in an increasing dynamic yet challenging environment and are influenced by many external factors, some of which are not controllable. These different spheres include governmental, financial, social, technological, industrial, legal and environmental etc.

The following aspects are perceived as the most dynamic risks and therefore proactively managed and monitored by the senior management.

<table>
<tr><th>Risk factor and risk rating</th><th>Potential Impact</th><th>Mitigation Strategies</th></tr>
<tr><td colspan="3">Health & Safety Risk</td></tr>
<tr><td>COVID-19 Global Pandemic
Risk assessment<table><tr><td>Severity</td><td>High</td></tr><tr><td>Probability of Occurrence</td><td>High</td></tr><tr><td>Risk Level</td><td>High</td></tr></table></td><td>Vulnerable business climate may affect the system which can cause severe challenges on revenue segments.</td><td>a) Follow the guidelines issued by the World Health Organisation (WHO), Health Authorities and Sri Lanka Tourism Development Authority (SLTDA) on the pandemic to safeguard staff and guests.
b) Rigorous cost management techniques have been introduced to minimise the losses.
c) Business Continuity Plan (BCP) is in place.</td></tr>
<tr><td colspan="3">Liquidity and Financial Stability</td></tr>
<tr><td>Prevailing uncertainty on the business activities and risk of the Sector/Group not being able to meet its financial obligations as they fall due.
Risk assessment<table><tr><td>Severity</td><td>High</td></tr><tr><td>Probability of Occurrence</td><td>High</td></tr><tr><td>Risk Level</td><td>High</td></tr></table></td><td>Poor cash flow position leads to not being able to meet financial obligations.</td><td>a) Utilisation of Government debt moratorium at lower interest rates.
b) Introduced rigorous cost management initiatives.
c) Funding has been sourced in advance to support the business.</td></tr>
<tr><td colspan="3">Market Risk</td></tr>
<tr><td>a) Raw Materials and Supply Chain Constraints
Risk assessment<table><tr><td>Severity</td><td>High</td></tr><tr><td>Probability of Occurrence</td><td>High</td></tr><tr><td>Risk Level</td><td>High</td></tr></table></td><td>Due to the pandemic and enforcement of import restrictions, the supply chain has been affected with item shortages and unusual price hikes.</td><td>The Group's supply chain and material management processes are well established and we have nurtured relationships with a diverse pool of suppliers thereby limiting exposure to a single party.
We also rotate supply contracts on a regular basis to ensure strong relationships with all suppliers.</td></tr>
<tr><td>b) Competition Risk
Risk assessment<table><tr><td>Severity</td><td>High</td></tr><tr><td>Probability of Occurrence</td><td>High</td></tr><tr><td>Risk Level</td><td>High</td></tr></table></td><td>a) Pressure on disposable income of customers' which can hamper the business volumes.
b) Revenue reduction in Rooms, Food & Beverage Outlets and Banquet categories, due to limitation of number of pax gathered at a single location enforced by the Government and Regulatory bodies from time to time
c) Entering of new brands for food delivery segment.</td><td>a) Discounted offers are floated to keep the cash flow moving.
b) Proactive measures have been taken maintaining brand standards, health and safety standards and ensuring high levels of customer satisfaction.
c) Closely monitors industry trends and competitors' activities and strategies by reviewing respective market share and performance on daily basis.</td></tr>
</table>

Internal Control and Risk Management Framework

Risk factor and risk rating	Potential Impact	Mitigation Strategies
Technology and Data Safeguard Risk		
Cyber Security/Information Technology Systems. Risk assessment Severity: High Probability of Occurrence: Medium Risk Level: Medium	Threat of losing information of the Group and compromising guest privacy.	a) Group level initiatives to increase the awareness among the staff members. b) E-mails are protected through duel factor authentication. c) Providing secured VPN connections for remote working environments.
Credit Risk		
Financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Risk assessment Severity: High Probability of Occurrence: Low Risk Level: Medium	a) Risk of defaults with possible losses. b) Negative cash flows impact operational working capital.	a) Credit facility for customers is subject to regular review, to ensure it remains consistent with the customer's credit worthiness in relation to the anticipated volume of business.
Threat from Terrorist Activities & Security		
Attacks on economic nerve centres & civilians may disrupt the peace and tranquillity. Imposition of Travel advisories against Sri Lanka. Risk assessment Severity: High Probability of Occurrence: High Risk Level: Medium	a) Loss of lives and property damages. b) Additional expenditure on surveillance and Insurance. c) Lower guest arrivals.	a) Investments in state of the art screening equipment. b) Increased security checks on vehicles and guests. c) Increased insurance coverage on business interruptions in Domestic and International context. d) Business Continuity Plan in place.
Retention of Employees		
Ongoing challenges in the industry has resulted in employees looking for alternatives, locally and internationally. Risk assessment Severity: High Probability of Occurrence: High Risk Level: High	a) Service/Brand standards are affected. b) Cost of recruitment and training & development is increased. c) Industry benchmarking is required to retain the talents.	a) Associate development programmes are in place. b) Benchmarking is performed against market pay levels. c) No pay cuts during the adverse period and supported with a hardship allowance.
Exchange Rate Risk		
Profitability and Cash Flow impact on negative Exchange Rate fluctuations. Risk assessment Severity: High Probability of Occurrence: High Risk Level: High	a) Currency Loans cannot be serviced due to non availability foreign remittances. b) Negative impact on imported food and beverage items which impact the Cost of Sales.	a) Negotiating with banks on converting foreign currency loans to local currencies at lower interest rates. b) Bulk purchase agreements on imported items.

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 2021.

The details set out herein provide the pertinent information required by the Companies Act No. 07 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 2021 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 2021 is summarised in the Statements of group financial and operational highlights 2020/21 on page 03.

STATED CAPITAL

In accordance with Section 58 of the Companies Act No. 07 of 2007, Share Capital and Share Premium were classified as Stated Capital. The Stated Capital of the Company as at 31st March 2021 was Rs. 909,370,708/- comprising 107,989,958 Ordinary Shares (31st March 2020: Rs. 909,370,708/- comprising 53,994,979 Ordinary Shares).

The ordinary shares of the company were subdivided by splitting each issued ordinary share into two (02) ordinary shares from 10th February 2021. Consequently, the total number of existing issued Ordinary Shares were increased from 53,994,979 to 107,989,958 without changing the Stated Capital of the Company which will remain at Rs. 909,370,708/-.

RESERVES

Details of reserves of the Company are shown in Note 27 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. 20Mn (2020 - Rs. 117Mn) 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

Mr. A. M. Pandithage

Mr. C. J. Wickramasinghe *

Mr. R. J. Karunarajah

Mr. Dhammika Perera *

Mr. S. Senaratne *

Mr. S. H. Amarasekera **

Ms. R. N. Ponnambalam **

Mr. S. J. Wijesinghe *

Ms. W. D. De Costa **

Mr. S. C. Ganegoda *

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

* Non-Executive Directors

** Independent Non-Executive Directors

Mr. Lalin Tusith Samarawickrama who served as a Non-Executive Director resigned with effect from 18th January 2021.

Mr. S. C. Ganegoda was appointed to the Board as a Director on 01st April 2021. In terms of Article No. 29 (2) of the Articles of Association of the Company, Shareholders will be requested to elect Mr. S. C. Ganegoda at the Annual General Meeting.

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

In terms of Article No. 29 (1) of the Articles of Association of the Company, Mr. C. J. Wickramasinghe and Mr. S. H. Amarasekera 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 an ordinary resolution for re-election Mr. A. M. Pandithage, who has attained 70 years of age notwithstanding the age limit of 70 years stipulated by Section 210 of the Companies Act No. 07 of 2007.

Notice has been given pursuant to Section 211 of the Companies Act No. 07 of 2007, of the intention to propose an ordinary resolution for the re-election of Mr. S. Senarathne, who has attained 73 years of age notwithstanding the age limit of 70 years stipulated by Section 210 of the Companies Act No. 07 of 2007.

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	
	31.03.2021	01.04.2020
Mr. A. M. Pandithage	NIL	NIL
Mr. W. A. D. C. J. Wickramasinghe	3,212,672	1,606,336
Mr. R. J. Karunarajah	NIL	NIL
Mr. Dhammika Perera*	1,006,422	503,211
Mr. L. T. Samarawickrama (Resigned w. e. f. 18th January 2021)	134,890	5,036,088
Mr. S. Senaratne	407,542	203,771
Mr. S. H. Amarasekera (JT.) Mr. B. M. Amarasekera & Mr. S. H. Amarasekera – 27,830 HSBC/B. M. Amarasekara & S. H. Amarasekara – 19,082	46,912	23,456
Mr. S. J. Wijesinghe	NIL	NIL
Ms. R. N. Ponnambalam	NIL	NIL
Ms. W. D. De Costa	NIL	NIL

*Mr. Dhammika Perera holds directly 51.01% of the total issued shares of Hayleys PLC which holds 43,538,914 (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:

4,968,643 shares were disposed by Mr. L. T. Samarawickrama, a Non-Executive Director (resigned w.e.f. 18th January 2021) of Amaya Leisure PLC during the period from 01st April 2020 to 18th January 2021.

Mr. L. T. Samarawickrama, a Non-Executive Director of the Company (resigned w.e.f. 18th January 2021) has the controlling interest in Elles (Pvt) Ltd, which disposed 363,606 ordinary shares of the Company during the period from 01st April 2020 to 18th January 2021.

The Directors' shareholding increased consequent to the subdivision of shares on 10th February 2021 by splitting each ordinary share into two (02) ordinary shares.

RELATED PARTY TRANSACTIONS

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

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

The Committee met four (04) times during the financial year 2020/21.

ATTENDANCE

Meetings held on 15th June 2020, 11th August 2020, 06th November 2020 and 10th February 2021.

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

* Executive

** Independent Non-Executive

SHAREHOLDERS' DISTRIBUTION

The distribution of Shareholders is indicated on page 90 in the Annual Report. There were 1,863 registered Shareholders as at 31st March 2021.

SHAREHOLDING INFORMATION

Information relating to major shareholders of the Company as at 31st March 2021 are given on page 91.

CHANGES IN FIXED ASSETS
The movement in fixed assets during the year is set out in Note 16 to the Financial Statement.

MARKET VALUE OF THE COMPANY'S ORDINARY SHARES
The Market Value of the Company's Ordinary Share as at 31st March 2021 was Rs. 17.80 compared to Rs. 25.00 as at 31st March 2020 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 20 and 21 to the Financial Statements.

POST BALANCE SHEET EVENTS
Events occurring after the reporting date are given in the Note 34 to 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. 07 of 2007. Note 33 to the Financial Statements dealing with related party disclosures includes details of their interests in transactions.

DIRECTORS' REMUNERATION
Directors' Remuneration in respect of the Company is disclosed under Note 33.

INSURANCE & INDEMNITY
The ultimate parent of the Company, Hayleys PLC has obtained a Directors' and Officers' Liability insurance from a reputed insurance company in Sri Lanka providing worldwide cover to indemnify all past, present and future Directors and Officers of the Group.

DONATIONS
No donations were made for the year ended 31st March 2021.

ACCOUNTING POLICIES
The Accounting policies adopted by the Company in the preparation of Financial Statements are given on pages 43 to 57 in the Annual Report. The Accounting Policies adopted are consistent with those of the previous Financial Year.

AUDITORS
The Auditors, Messrs. Ernst & Young, Chartered Accountants, were paid Rs. 2,338,000/- (2019/20: Rs. 2,950,000/-) as audit fees by the Group. In addition, they were paid Rs. 645,268/- (2019/20: 1,170,459/-) 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. 07 of 2007, as Auditors of the Company.

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

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

ANNUAL GENERAL MEETING
The Annual General Meeting will be held at the Conference Room of Hayleys PLC, No. 400, Deans Road, Colombo 10, Sri Lanka, on Tuesday, 29th June 2021 at 10.30 a.m. The Notice of the Annual General Meeting appears on page 94.

For and on behalf of the Board

Mohan Pandithage Chairman	Rohan Karr Managing Director

Hayleys Group Services (Private) Limited
Secretaries

10th May 2021

Statement of Directors' Responsibilities

The Directors are responsible under sections 150 (1), 151, 152 (1) & 153 of the Companies Act No. 07 of 2007, to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit & loss of the Company and the Group for the financial year.

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

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

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

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

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

The external Auditors, Messrs Ernst & Young deemed re-appointed in terms of Section 158 of the Companies Act were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The report of the Auditors, shown on page 33 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

S.

Hayleys Group Services (Pvt) Ltd
Secretaries

10th May 2021

Related Party Transactions Review Committee Report

The Related Party Transaction Review Committee (RPTRC) of Hayleys PLC, the parent Company functions as the RPTRC Committee of the Company in terms of 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 and the members are as follows:

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

**Independent Non-Executive
*Executive

THE DUTIES OF THE COMMITTEE

- To review in advance all proposed related party transactions of the group either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.

- Seek any information the Committee requires from management, employees or external parties to with regard to any transaction entered into with a related party.

- Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary including obtaining appropriate professional and expert advice from suitably qualified persons.

- To recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.

- To monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.

- Meet with the management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.

- To review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.

- To review the economic and commercial substance of both recurrent/non-recurrent related party transactions.

- To monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining 'competent independent advice' from independent professional experts with regard to the value of the substantial asset of the related party transaction.

TASK OF THE COMMITTEE

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

The Committee in its review process recognised the adequate 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 page 26 of the Annual Report.

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

17th May 2021

Report of the Audit Committee

ROLE OF THE COMMITTEE

The role of the Audit Committee is to assist the board in fulfilling its oversight responsibilities

Key responsibilities include;

- Ensuring the quality and integrity of the Financial Statements of the Company and that a sound financial reporting system is in place to provide accurate, appropriate and timely information to the management, regulatory authorities and shareholders in compliance with Sri Lanka Accounting Standards, Companies Act, Listing Rules of CSE and other financial reporting related regulations and requirements.

- Monitoring and review of the adequacy and effectiveness of the Company's internal control system and risk management function.

- Assessing the independence and effectiveness of both the Internal and External Audit functions.

- Reviewing the Company's compliance with relevant legal and regulatory requirements which are fundamental to the company's operations and continued business.

COMPOSITION OF THE COMMITTEE AND MEETINGS

The Audit Committee comprised three Independent Non-Executive Directors and one Non Independent Non-Executive Director as follows;

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

The Chairman of the Audit Committee is Ms. 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 pages 06 to 08.

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 Officer of the Hayley's Group, Head of Finance of the Amaya Leisure PLC and the Head of 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 are invited to attend the meetings as required.

MEETINGS OF THE AUDIT COMMITTEE

The Audit Committee held four (4) meetings during the financial year 2020/21. The Attendance at the Audit Committee meetings held during the year under review is as follows.

Name of Director	Total
Ms. W. D. De Costa (Chairman)	4/4
Mr. S. H. Amarasekera	2/4
Ms. R. N. Ponnambalam	4/4
Mr. C. J. Wickramasinghe	3/4

Any individual member of the Committee has the opportunity to raise specific issues at the meetings. The Committee was in regular contact with the management including the Head of Finance and Chief Internal Auditor as necessary to strengthen guidance and oversight relating to matters coming under the purview of the Committee.

Proceedings of Audit Committee meetings are reported to the Board through verbal briefings and by tabling the minutes of the Committee's meetings.

FINANCIAL REPORTING

The Committee reviewed the effectiveness of the Financial Reporting process to ensure the reliability of the information provided which included obtaining Statement of Compliance from the Head of Finance and the Director in charge of the operations. The Committee 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.

Audit Committee reviewed and recommended to the Board for approval the Company's quarterly and annual Financial Statements prior to their release taking into account the adequacy of disclosures, uniformity and appropriateness of the accounting policies adopted, major judgemental areas, changes in accounting policies and practices if any, significant adjustments arising from the External Audit and compliance with the applicable Sri Lanka Accounting Standards and other applicable laws, rules and guidelines.

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, Head of Finance 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 together with management responses were reviewed and discussed with management and the Internal Auditors. The committee ensured that the recommendations of the Internal Auditors have been followed up and appropriate remedial action initiated.

EXTERNAL AUDIT

The committee held meetings with the External Auditors to review the audit plan, scope and the methodology proposed in conducting the audit prior to the commencement of the statutory audit.

The Audit Management Letter on the audit of the Company together with actions taken by the management in response to the issues raised were discussed with the management and the auditors and remedial action recommended wherever necessary.

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 satisfied that internal controls have been operating as designed and provides reasonable assurance that the financial position of the company is adequately monitored and its assets are safeguarded.

Ms. W. D. De Costa
Chairperson
Audit Committee
10th May 2021

Financial Statements

Financial Calendar

Interim Financial Statement - Quarter 1	15 June 2020
Interim Financial Statement - Quarter 2	29 October 2020
Interim Financial Statement - Quarter 3	26 January 2021
Interim Financial Statement - Quarter 4	10 May 2021
Annual General Meeting	29 June 2021

Independent Auditor's Report

Ernst & Young
Chartered Accountants
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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 profit or loss, the statement of other comprehensive income, the statement of financial position as at 31 March 2021, statement of changes in equity, 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 2021, 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
Impairment testing of significant Non – Current assets including goodwill As at 31 March 2021, the Group reported the following significant Non-Current Assets including Goodwill which accounted for 85% of the total assets of the Group. • Property, Plant & Equipment which included Land and Buildings amounting to Rs. 4,528Mn • Right of Use Assets amounting to Rs. 28Mn • Goodwill amounting to Rs. 138Mn	Our audit procedures included the following; • We gained an understanding of how Management has forecast its future discounted cash flows which included consideration of the impacts of the continuing COVID-19 pandemic on the operations of the respective hotels of the Group. • We checked the calculations of the future discounted cash flows and traced the data to underlying accounting records, to evaluate their reasonableness.

Key audit matter	How our audit addressed the key audit matter
The continuing impacts of COVID-19 on the Group's results, have been considered a trigger for impairment testing of Non-Current Assets. The Group tested significant Non-Current Assets including Goodwill for impairment based on the recoverable amount determined using fair value less cost to sell and value in use computations (VIU). Such VIU calculations are based on the discounted cash-flow models of each Cash Generating Unit (CGU) being each Hotel of the Group to which such Non-Current Assets including Goodwill has been allocated. Impairment testing of significant non-current assets including goodwill was a key audit matter due to: • the degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land including the impacts of COVID-19. The fair valuation this year contains higher estimation uncertainties as there were fewer market transactions which are ordinarily a strong source of evidence regarding fair value. • the degree of underlying assumptions coupled with inherent estimation uncertainties that arise when deriving the estimated future cashflows used for value in use calculations. Key areas of significant judgements, estimates and assumptions included the following: • estimate of per perch value of the land • key inputs and assumptions related to the value in use computations of future cash flows, growth rates used for extrapolation purposes, discount rates and terminal yield rates including the potential impact of the prevailing COVID-19 pandemic.	• We engaged our internal specialised resources to assist us in: - assessing the reasonableness of significant assumptions used such as expected period of time for gradual recovery, anticipated occupancy and average room rates. This included comparing used assumptions with other entities in the industry and market conditions with available data, and; - evaluating the sensitivity of the projected cashflows considering possible changes in key assumptions. • We discussed with the external valuer and those charged with governance, the external valuer's judgments, assumptions and estimates used by the external valuer and compared the same with relevant published data • We assessed the adequacy of the disclosures made in Notes 5, 16 and 19 in the consolidated financial statements.

Other information included in the 2021 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.

Ernst & Young

24th May 2021
Colombo

Statement of Profit or Loss

Year ended 31 March	Note	Group		Company	
		2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Revenue	7	362,362,419	1,225,951,422	35,546,848	107,063,286
Cost of sales		(445,369,995)	(700,281,180)	-	-
Gross Profit/(Loss)		(83,007,576)	525,670,242	35,546,848	107,063,286
Other income	8	5,245,274	30,730,548	4,435,672	4,263,889
Gain on realisation of investments	9	14,929,606	-	14,929,606	-
Impairment of investment in subsidiary	10	-	-	(49,295,901)	(130,303,452)
Selling and marketing expenses		(28,429,208)	(69,528,166)	(1,974,168)	(6,888,553)
Administrative expenses		(491,452,485)	(601,151,975)	(168,466,264)	(221,841,238)
Finance cost	11.1	(231,073,209)	(168,224,405)	(4,824,044)	(3,128,763)
Finance income	11.2	29,149,421	30,141,869	24,097,265	24,217,484
Loss before tax	12	(784,638,177)	(252,361,887)	(145,550,986)	(226,617,347)
Tax expense	13	(5,080,825)	(13,999,202)	-	-
Loss for the year		(789,719,002)	(266,361,089)	(145,550,986)	(226,617,347)
Loss attributable to:					
Equity holders of the parent		(723,771,211)	(168,578,384)	(145,550,986)	(226,617,347)
Non-Controlling Interest		(65,947,791)	(97,782,705)	-	-
		(789,719,002)	(266,361,089)	(145,550,986)	(226,617,347)
Earnings/Loss per share (Basic)	14.1	(6.70)	(1.56)	(1.35)	(2.10)

The Accounting Policies and Notes on pages 43 through 88 form an integral part of these Financial Statements.

Statement of Comprehensive Income

Year ended 31 March	Note	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Loss for the year		(789,719,002)	(266,361,089)	(145,550,986)	(226,617,347)
Other Comprehensive income/(loss)					
Other Comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods					
Profit/(Loss) on fair value through OCI financial assets		104,893,760	(1,616,960)	104,893,760	(1,616,960)
		104,893,760	(1,616,960)	104,893,760	(1,616,960)
Actuarial gain/(loss) on defined benefit plan	29	4,452,300	(5,039,373)	748,038	(3,316,746)
Deferred tax impact on Actuarial gain/(loss)		(119,910)	174,911	-	-
		4,332,390	(4,864,462)	748,038	(3,316,746)
Net loss on cash flow hedge		-	(17,409,306)	-	-
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		109,226,150	(23,890,728)	105,641,798	(4,933,706)
Other Comprehensive income/(loss) for the year, net of tax		109,226,150	(23,890,728)	105,641,798	(4,933,706)
Total Comprehensive loss for the year, net of tax		(680,492,852)	(290,251,817)	(39,909,188)	(231,551,053)
Total Comprehensive loss attributable to:					
Equity holders of the parent		(623,274,879)	(184,805,370)	(39,909,188)	(231,551,053)
Non-Controlling Interest	20.2.1	(57,217,973)	(105,446,447)	-	-
		(680,492,852)	(290,251,817)	(39,909,188)	(231,551,053)

The Accounting Policies and Notes on pages 43 through 88 form an integral part of these Financial Statements.

Statement of Financial Position

As at 31 March	Note	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
ASSETS					
Non-Current Assets					
Property, plant and equipment	16	4,527,946,324	4,688,071,704	32,401,511	39,766,432
Right-of-use assets	17	27,695,766	23,351,449	-	5,209,375
Intangible assets	19	137,863,688	137,863,688	-	-
Investments in subsidiaries	20	-	-	1,384,952,564	1,033,868,838
Other non current financial assets	21	399,928,481	124,110,301	399,928,481	124,110,301
		5,093,434,259	4,973,397,142	1,817,282,556	1,202,954,946
Current Assets					
Inventories	23	41,592,155	45,996,480	-	-
Trade and other receivables	24	76,227,799	290,414,119	61,634,967	333,166,286
Advances and prepayments		56,651,057	29,115,643	11,632,070	5,780,441
Tax receivables		7,339,459	7,760,107	2,016,750	2,016,750
Other current financial assets	21	1,016,424	20,923,403	1,016,424	20,923,403
Short term deposits	25	1,630,766	128,843,111	1,630,766	128,843,111
Cash and bank balances	25	211,932,233	172,061,929	87,039,326	66,155,974
		396,389,893	695,114,792	164,970,303	556,885,965
Total Assets		5,489,824,152	5,668,511,934	1,982,252,859	1,759,840,911
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated capital	26	909,370,708	909,370,708	909,370,708	909,370,708
Revaluation reserve	27.1	423,793,731	423,793,731	-	-
Fair value reserve of financial assets at FVOCI	27.2	71,980,800	(32,912,960)	71,980,800	(32,912,960)
Hedge reserve	27.3	-	(27,574,298)	-	-
Retained earnings		1,469,067,044	2,236,086,743	(73,371,666)	71,431,282
		2,874,212,283	3,508,763,924	907,979,842	947,889,030
Non-Controlling Interest	20.2	25,491,385	22,271,787	-	-
Total Equity		2,899,703,668	3,531,035,711	907,979,842	947,889,030
Non-Current Liabilities					
Interest bearing loans and borrowings	22	1,049,379,566	754,200,319	29,166,667	-
Deferred tax liabilities	13.3	139,454,015	137,469,251	-	-
Retirement benefit obligation	29	46,676,237	56,016,414	7,408,551	7,232,657
		1,235,509,818	947,685,984	36,575,218	7,232,657
Current Liabilities					
Interest bearing loans and borrowings	22	974,446,684	814,628,174	139,939,587	23,808,474
Trade and other payables	28	285,822,053	313,464,262	831,447,842	777,918,570
Other current non-financial liabilities	30	92,613,356	58,609,822	66,310,370	2,992,180
Tax payable		1,728,573	3,087,981	-	-
		1,354,610,666	1,189,790,239	1,037,697,799	804,719,224
Total Equity and Liabilities		5,489,824,152	5,668,511,934	1,982,252,859	1,759,840,911

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

Ravindra Dissanayake - Head of Finance

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

Mohan Pandithage - Chairman

Rohan Karr - Managing Director

The Accounting Policies and Notes on pages 43 through 88 form an integral part of these Financial Statements.

10 May 2021

Colombo

Statement of Changes in Equity

Group	Attributable to owners of the Parent							
	Stated Capital	Revaluation Reserve	Fair value Reserve of Financial Assets at FVOCI	Retained Earnings	Cash Flow Hedge Reserve	Total	Non Controlling Interest	Total Equity
	Note 26	Note 27.1	Note 27.2		Note 27.3		Note 20.2	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2019	909,370,708	423,793,731	(31,296,000)	2,409,514,449	(17,809,418)	3,693,573,470	127,714,059	3,821,287,530
Loss for the year	-	-	-	(168,578,384)	-	(168,578,384)	(97,782,705)	(266,361,089)
Loss on fair value through OCI financial assets	-	-	(1,616,960)	-	-	(1,616,960)	-	(1,616,960)
Actuarial loss (net of tax)	-	-	-	(4,849,322)	-	(4,849,322)	(15,140)	(4,864,462)
Effect of exchange loss hedge	-	-	-	-	(10,790,093)	(10,790,093)	(8,447,013)	(19,237,106)
Reclassification to the revenue	-	-	-	-	1,025,213	1,025,213	802,587	1,827,799
Balance as at 31 March 2020	909,370,708	423,793,731	(32,912,960)	2,236,086,743	(27,574,298)	3,508,763,924	22,271,788	3,531,035,712
Loss for the year	-	-	-	(723,771,211)	-	(723,771,211)	(65,947,791)	(789,719,002)
Loss on fair value through OCI financial assets	-	-	104,893,760	-	-	104,893,760	-	104,893,760
Actuarial loss (net of tax)	-	-	-	4,236,686	-	4,236,686	95,704	4,332,390
Effect of exchange loss hedge	-	-	-	-	27,574,298	27,574,298	21,586,510	49,160,808
Acquisition of NCI	-	-	-	(47,485,174)	-	(47,485,174)	47,485,174	-
Balance as at 31 March 2021	909,370,708	423,793,731	71,980,800	1,469,067,044	-	2,874,212,283	25,491,385	2,899,703,668

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

The Accounting Policies and Notes on pages 43 through 88 form an integral part of these Financial Statements.

Statement of Changes In Equity

Company	Attributable to owners of the Parent Stated Capital Note 26 Rs.	Fair value Reserve of Financial Assets at FVOCI Note 27.2 Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 01 April 2019	909,370,708	(31,296,000)	301,365,375	1,179,440,084
Loss for the year	-	-	(226,617,347)	(226,617,347)
Loss on fair value through OCI financial assets	-	(1,616,960)	-	(1,616,960)
Actuarial loss	-	-	(3,316,746)	(3,316,746)
Balance as at 31 March 2020	909,370,708	(32,912,960)	71,431,282	947,889,031
Loss for the year	-	-	(145,550,986)	(145,550,986)
Profit on fair value through OCI financial assets	-	104,893,760	-	104,893,760
Actuarial gain	-	-	748,038	748,038
Balance as at 31 March 2021	909,370,708	71,980,800	(73,371,666)	907,979,842

The Accounting Policies and Notes on pages 43 through 88 form an integral part of these Financial Statements.

Statement of Cash Flow

Year ended 31 March	Note	Group		Company	
		2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Cash flows from/(used in) Operating Activities					
Loss before tax		(784,638,177)	(252,361,887)	(145,550,986)	(226,617,347)
Adjustment for					
Depreciation	16	172,708,083	171,356,632	8,813,568	7,569,485
Provision for defined benefit obligation	29	7,311,095	11,334,240	923,932	2,007,756
Amortisation of Right of use assets	17.2	4,066,696	16,426,364	-	15,628,124
Impairment of investment in subsidiary		-	-	49,295,901	130,303,452
Profit on disposal of Investment at FVTPL	9	(14,929,606)	-	(14,929,606)	-
(Gain)/Loss on disposal of property, plant and equipment		637,875	(2,086,957)	(590,020)	(2,086,957)
Dividend income	8	-	(2,176,933)	(1,411,138)	(2,176,933)
Finance income	11.2	(24,052,402)	(30,141,869)	(19,000,246)	(24,464,565)
Finance cost	11.1	231,073,209	168,224,405	4,824,044	3,128,763
Reversal of fall in value of investments		-	(1,929,851)	-	(1,929,851)
(Gain)/Loss on Financial Assets at FVTPL		(5,097,019)	3,045,355	(5,097,019)	-
Impairment of trade and other receivables	24	11,625,931	14,414,063	-	-
Creditors written back		(1,872,572)	(3,051,754)	(2,434,514)	-
Operating Profit/(Loss) before working capital changes		(403,166,887)	93,051,808	(125,156,084)	(98,638,073)
(Increase)/Decrease in Inventories		4,404,325	(3,811,746)	-	-
(Increase)/Decrease in Trade and Other Receivables		36,650,515	25,768,233	(287,321,851)	(222,834,868)
Increase in Advance and Prepayment		(27,535,414)	(1,640,321)	(5,851,629)	(5,218,343)
Increase/(Decrease) in Trade and Other Payables		(132,137,664)	30,958,715	13,403,775	306,428,877
Increase/(Decrease) in Other Current Non Financial Liabilities		34,003,534	(40,370,348)	63,318,190	85,381,145
Cash generated from/(used in) Operations		(487,781,591)	103,956,341	(341,607,599)	65,118,738
Finance cost paid		(118,158,252)	(168,224,405)	(4,824,044)	(3,128,763)
Defined benefit obligation paid	29	(12,198,973)	(23,415,478)	-	(15,887,048)
Tax paid		(6,019,585)	(26,728,077)	-	(1,248,284)
Net cash from/(used in) Operating Activities		(624,158,401)	(114,411,619)	(346,431,643)	44,854,643

Statement of Cash Flow (Contd.)

Year ended 31 March	Note	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Cash flows from/(used in) Investing Activities					
Acquisition of property, plant and equipment	16	(15,192,662)	(87,547,251)	(1,448,647)	(29,817,441)
Finance income received		19,037,833	30,141,869	4,210,357	24,464,565
Dividend received		-	2,176,933	1,411,138	2,176,933
Proceeds from disposal of property, plant and equipment		2,405,619	2,086,957	590,020	2,086,957
Proceeds from disposal of FVTPL Investments		82,493,606	-	82,493,606	-
Net Cash from/(used in) Investing Activities		88,744,396	(53,141,492)	87,256,474	(1,088,986)
Cash flows from/(used in) Financing Activities					
Proceeds from interest bearing loans and borrowings	22	348,126,141	228,980,369	50,000,000	-
Repayment of interest bearing loans and borrowings	22	(3,366,182)	(101,856,248)	-	-
Principal payment under finance lease liabilities	22.1.2	(2,970,200)	(18,703,303)	-	(17,407,412)
Net cash from/(used in) Financing Activities		341,789,759	108,420,818	50,000,000	(17,407,412)
Net Increase/(Decrease) in Cash and Cash Equivalents		(193,624,246)	(59,132,294)	(209,175,169)	26,358,245
Cash and Cash Equivalents at the beginning of the year		71,066,248	130,198,542	178,739,007	152,380,762
Cash and Cash Equivalents at the end of the year	25	(122,557,998)	71,066,248	(30,436,162)	178,739,007

The Accounting Policies and Notes on pages 43 through 88 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 Reporting Entity

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

1.2 Consolidated Financial Statements

The Financial Statements for the year ended 31 March 2021 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:

A. 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.

B. 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.

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

Currently these Companies remain as dormant.

1.4 Parent Entity and Ultimate Parent Entity

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

1.5 Approval of Financial Statements

The Financial Statements for the year ended 31 March 2021 were authorised for issue by the Directors on 10 May 2021.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with Sri Lanka Accounting Standards (SLFRSs/LKAS) promulgated by the Institute of chartered Accountants of Sri Lanka (CA Sri Lanka), and with the requirements of the Companies Act No. 07 of 2007.

2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis, except for

- Lands which are recognised 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 Financial Statements.

2.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lanka 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 Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.5 Comparative Information

The Financial Statements provide comparative information in respect of the previous year. The accounting policies other than for leases have been consistently applied by the Group and, are consistent with those used in the previous year. Previous year’s figures and phrases have been re-arranged whenever necessary to conform to current presentation.

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 20 to the Financial Statements. Investment subsidiaries are carried at cost less impairments (refer Note 20) in the separate Financial Statements.

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

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

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

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

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. 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 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. Other contingent consideration that is not within the scope of SLFRS is measured at fair value at each reporting date with changes in fair value recognised 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 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 recognised 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.

3.4 Functional and Presentation Currency

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

Transactions and balances

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

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

Foreign currency differences arising on retranslation are recognised in the Statement of Profit or Loss other than for cash flow hedges described in Note 4.2.5.4 and Note 27.3. All other differences arising on settlement or translation of monetary items are taken to statement of profit or loss.

3.5 Current versus non-current classification

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

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

All other assets are classified as non–current.

A liability is current when:

- It is expected to be settled in a normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- 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.

3.6 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, 16 & 21

- Quantitative disclosures of fair value measurement hierarchy - Note 15

- Property(land) under revaluation model - Note 16

- Financial instruments (including those carried at amortised cost) - Note 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements 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.

4 STATEMENT OF PROFIT OR LOSS AND STATEMENT OF FINANCIAL POSITION

4.1 Statement of Profit or Loss

Income and Gains

4.1.1 Revenue from Contracts with Customers

Revenue from contracts with customers is recognised 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 recognised based on the terms in the related contracts and is recognised 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 recognised as the services are performed.

4.1.2 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 recognised as it accrues in Statement of Profit or Loss.

Foreign currency gains and losses are reported on a net basis other than for exchange loss recognised based on the ineffective portion of the cash flow hedge.

4.1.3 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.

4.1.4 Rental income

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

4.1.5 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.

4.1.6 Other Income

Other income is recognised on an accrual basis.

4.1.7 Expenses

Expenses are recognised 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.

4.1.8 Borrowing costs

Borrowing costs are recognised 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 capitalised as part of the cost of that asset.

4.1.9 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.

4.1.10 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.

4.2 Statement of Financial Position

4.2.1 Property, Plant and Equipment

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

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

Items of Property, Plant & Equipment excluding construction in progress and land are measured at cost net of accumulated depreciation and accumulated impairment losses, if any. Construction in progress is stated at cost, net of accumulated impairment losses, if any, and Lands are measured at fair value less impairment charged subsequent to the date of revaluation.

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 it 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.

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.

The carrying amount of an item of Property, Plant and Equipment is derecognised on disposal¡ or when no future economic benefits are expected from its use. Any gains and losses on derecognition are recognised (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) in statement of profit or loss and gains are not classified as revenue.

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 Equipment's	15 years
Office Equipment's	15 years
Computer Equipment's	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 derecognised. The asset's residual values, useful lives are reviewed, and adjusted if appropriate, at each financial year end and adjusted prospectively, if appropriate.

4.2.2 Leased assets

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings.

iii) Short-term leases and leases of low-value assets

The Group does not apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions during the year for any lease contracts.

4.2.3 Intangible assets

4.2.3.1 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.

4.2.3.2 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.

4.2.3.3 Useful economic lives and amortisation

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

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

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

4.2.3.4 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.

4.2.4 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.

4.2.4.1 Subsequent expenditure

Subsequent expenditure is capitalise 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.

4.2.4.2 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.

4.2.5 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.

4.2.5.1 Financial assets

4.2.5.1.1 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.

4.2.5.1.2 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.

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.

4.2.5.1.3 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.

4.2.5.1.4 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.

4.2.5.2 Financial Liabilities

4.2.5.2.1 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.

4.2.5.2.2 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.

4.2.5.2.3 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.

4.2.5.3 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

4.2.5.4 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 cash flow 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.

4.2.5.5 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 15.

4.3 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 Housekeeping and Maintenance Printing and Stationary Consumables and Other	$\}$ Weighted Average Basis

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

4.4 Cash and cash equivalents

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

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

4.5 Impairment of non-financial assets

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

4.6 Employee Benefits

4.6.1 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.

4.6.2 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 29. 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.

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

4.6.3 Short term benefits

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

4.7 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.

4.8 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.

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.

Management's assessment of the probable impacts of the COVID-19 pandemic on the operations of the Group

The directors have made an assessment of the Group's ability to continue as a going concern considering all the current internal and external environmental factors including the business impact of the overall tourism industry decline due to the impact of current pandemic and they do not intend either to liquidate or to cease trading.

However, the Group has incurred loss of Rs. 789,719,002/- during the year and the current liabilities of the Group exceed currents assets by Rs. 958,220,773/- as at the reporting date. The outbreak of COVID-19 pandemic resulted into cancellation of bookings and lower guest arrivals which has led to above situation. Further, the government of Sri Lanka has imposed various travel restrictions and guidelines for the tourism sector and imposed partial lockdowns in the country time to time. Due to these factors, the management expects significant drop of occupancy for the ensuing year and to pick up business in the later part of the year through the local customers.

In response to the current pandemic, the Management is being negotiated with travel agents to commence the business once the pandemic gets managed.

The Board believes that Group's resources including cash and short-term deposits, unutilised borrowing facilities and working capital loans granted under COVID-19 relief measures proposed by Central Bank of Sri Lanka are adequate to carry out the operations for foreseeable future and to serve the debts of the Group. The parent company, Hayleys PLC has agreed to extend financial support relating to loan repayments and operational requirements of the Group and provided letter of comfort in this regard. Further, cancellations and postponements were made for non-essential capital expenditure. Based on the cash flow evaluations carried out by the Management, the Board of Directors are of the view there is no material uncertainty about the Group's ability to continue as going concern.

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 19.

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 29. 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 and 16 to the consolidated financial statements.

Carrying value of property, plant and equipment and ROU assets
The carrying value of property and equipment and ROU assets were evaluated by comparing the expected discounted future cash flows of the hotel property and ROU assets to the net book value of the assets when there are indicators of potential impairment such as probable implications of COVID-19 pandemic.

Judgements and assumptions were applied when assessing the overall effect of trends in the hospitality industry and the general economy, historical experience, capital costs and other asset-specific information.

Assumptions used in the discounted cash flow models include estimating cash flows, which may require us to adjust for specific market conditions, as well as capitalisation rates, which are based on location, property or asset type, market-specific dynamics and overall economic performance.

Provision for expected credit losses (ECLs) of trade receivables
The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. Management considered 100% ECL for debtors aged more than 365 days in determining the provision matrix for ECL.

The provision matrix is initially based on the Group's historical observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The Group has considered the current decline in the tourism industry due to the impact of COVID-19 pandemic in determining the provisioning under ECL. The Management has monitored the effect of the global economic downturn to its travel agents through frequent discussion with them and based on the financial strength and negotiated the payment terms and future arrangements accordingly.

Leases - Estimating the incremental borrowing rate for discounting lease commitments

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and making certain entity-specific adjustments based on the type, terms and conditions of the lease.

6 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The new and amended 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 new and amended standards and interpretations, if applicable, when they become effective.

SLFRS 17 Insurance Contracts

SLFRS 17 Insurance Contracts, is issued by the CA Sri Lanka and up to the date of issuance of the Group financial statements that standard is not effective. SLFRS 17 is effective from 01 January 2021. However, the adoption of SLFRS 17 does not expecting to have an impact on the Group financial statements.

Amendments to IFRS 16 COVID-19 Related Rent Concessions

On May 2020, The Institute of Chartered Accountants of Sri Lanka issued COVID-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying SLFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under SLFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 01 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to LKAS 16

In May 2020, The Institute of Chartered Accountants of Sri Lanka issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 01 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Reference to the Conceptual Framework – Amendments to SLFRS 3

In May 2020, The Institute of Chartered Accountants of Sri Lanka issued Amendments to SLFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, with a reference to the Conceptual Framework without significantly changing its requirements.

The Board also added an exception to the recognition principle of SLFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of LKAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in SLFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 01 January 2022 and apply Prospectively.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to LKAS 37

In May 2020, The Institute of Chartered Accountants of Sri Lanka issued amendments to LKAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 01 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

7 REVENUE

	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Revenue from contracts with customers (Note 7.1)	368,133,897	1,246,899,513	35,546,848	107,063,286
Tourism Development Levy	(3,557,277)	(12,554,740)	-	-
Turnover tax	(2,214,201)	(6,565,552)	-	-
Effect of Cash Flow Hedge	-	(1,827,799)	-	-
	362,362,419	1,225,951,422	35,546,848	107,063,286

7.1 Revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time/the period of stay and at a point in time in the following major categories

Over time/period of stay				
Management fee	-	-	2,400,000	2,400,000
Commission income	16,530,898	48,425,648	33,146,848	104,663,286
Apartment revenue	222,674,404	571,521,697	-	-
At a point in time				
Food and Beverage revenue	128,306,913	576,144,109	-	-
Health centre revenue	621,682	50,808,059	-	-
	368,133,897	1,246,899,513	35,546,848	107,063,286

Contract liabilities and its movement is disclosed in Note 30.1 to the financial statements.

8 OTHER INCOME

	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Rent income	92,500	4,441,404	-	-
Vehicle hiring and other hotel operating income	-	18,973,500	-	-
Payable written back	1,872,572	3,051,754	2,434,514	-
Profit on disposal of property, plant and equipment	-	2,086,957	590,020	2,086,957
Sundry income	3,280,202	-	-	-
Dividend income	-	2,176,933	1,411,138	2,176,933
	5,245,274	30,730,548	4,435,672	4,263,889

9 GAIN ON REALISATION OF INVESTMENTS

	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Profit on disposal of Investment at Fair Value Through Profit or Loss	14,929,606	-	14,929,606	-
	14,929,606	-	14,929,606	-

On 16th September 2020, Amaya Leisure PLC sold 31,920,000 ordinary shares of Browns Investments PLC. The resulting gain on the disposal of shares amounting to Rs. 14,929,606/- is recognised in the Statement of Profit or Loss.

10 IMPAIRMENT OF INVESTMENT IN SUBSIDIARY

	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
On Sun Tan Beach Resorts Limited	-	-	49,295,901	130,303,452
	-	-	49,295,901	130,303,452

Amaya Leisure PLC recorded an impairment of Rs. 49,295,901/- (2020 - Rs. 130,303,452/-) in relation to the investment made in Sun Tan Beach Resorts Limited. The impairment was recorded considering the losses recorded by Sun Tan Beach Resorts Limited up to 31 March 2021 based on the discounted cash flow model (further details provided on Note 19).

11 FINANCE COST AND INCOME

		Group		Company	
		2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
11.1	**Finance Cost**				
	Interest expenses on bank overdrafts	19,792,702	21,670,979	3,529,964	9,287
	Interest expenses on lease liabilities	2,924,379	3,945,605	-	3,119,476
	Exchange loss	64,567,208	3,045,355	-	-
	Interest expenses on bank loans	143,788,920	139,562,466	1,294,080	-
		231,073,209	168,224,405	4,824,044	3,128,763
11.2	**Finance Income**				
	Interest income	19,226,637	24,061,927	16,923,986	19,333,553
	Gain on investments at Fair Value through Profit or Loss	5,097,019	1,104,736	5,097,019	1,929,851
	Exchange gains	4,825,765	4,975,206	2,076,260	2,954,080
		29,149,421	30,141,869	24,097,265	24,217,484

12 PROFIT/(LOSS) BEFORE TAX

	Group		Company	
Stated after Charging	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Employees Benefits including the following	296,539,827	381,601,600	67,453,859	65,368,114
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	7,311,095	11,334,240	923,932	2,007,756
- Defined Contribution Plan Costs - EPF and ETF (included in Employee Benefits)	31,499,688	36,061,799	8,364,531	8,290,671
Depreciation	172,708,083	171,356,632	8,813,568	7,569,485
Directors' Emoluments	51,366,082	49,163,384	51,366,082	49,163,384
Auditor's Remuneration	2,041,500	2,950,000	400,500	400,000
Fees for Professional Services	19,153,652	27,066,504	14,962,042	22,775,491
Advertising Expenses	3,881,001	6,112,579	2,563,400	2,059,592
Sales Promotional Expenses	1,899,484	20,064,567	-	-

13 INCOME TAX EXPENSE

	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
The major components of income tax expense for the years ended 31 March are as follows:				
Current Income Tax				
Current Income Tax Charge (Note 13.1)	3,191,945	10,640,592	-	-
Under Provision of Current Taxes in respect of prior years	24,025	-	-	-
	3,215,970	10,640,592	-	-
Deferred Income Tax				
Deferred Taxation Charge (Note 13.3)	1,864,855	3,358,610	-	-
Income Tax Expense reported in the statement of Profit or Loss	5,080,825	13,999,202	-	-

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

	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Accounting Loss before Income Tax	(784,638,177)	(252,361,887)	(145,550,986)	(226,617,347)
Disallowed items	79,653,269	77,876,537	16,418,648	32,935,478
Allowed items	(208,778,917)	(116,791,288)	(3,717,957)	(149,996,307)
Interest income	(18,222,727)	(24,061,927)	(17,617,801)	-
Interest income (Tax exempted under section 13 (t))	(17,339,206)	-	(15,646,930)	-
Tax Losses Related to Group Companies	-	160,760,843	-	-
Taxable Profit/(Loss) from Business	(949,325,758)	(154,577,722)	(166,115,026)	(343,678,176)
Other Sources of Income				
Interest income	22,719,672	24,061,927	16,206,663	-
Rental income	92,500	-	-	-
Dividend income	-	-	1,411,138	-
Taxable Other Income	22,812,172	24,061,927	17,617,801	-
Total Statutory Income	(926,513,586)	(130,515,795)	(148,497,225)	(121,549,359)
Tax Losses Brought Forward and utilised	(17,617,801)	(20,860,517)	(17,617,801)	(19,333,553)
Total Taxable Income	(944,131,387)	(151,376,312)	(166,115,026)	(140,882,912)
Income Tax @ 2% on Turnover	3,046,763	10,079,349	-	-
Income Tax @ 14% on Taxable Profits	-	289,933	-	-
Income Tax @ 24% Interest income	145,182	271,310	-	-
Current Income Tax Charge	3,191,945	10,640,592	-	-

		Group		Company	
		2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
13.2	Tax Losses				
	Tax Losses Brought Forward	428,180,205	449,040,723	409,282,894	428,616,447
	Tax Losses Utilised during the year	(17,617,801)	(20,860,517)	(17,617,801)	(19,333,553)
	Loss incurred during the year	166,115,026	-	166,115,026	-
	Tax Losses Carried Forward	576,677,430	428,180,205	557,780,119	409,282,894

		Statement of Financial Position		Statement of Profit or Loss	
13.3	**Deferred Taxation - Group**	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
	Deferred Tax Liability				
	Accelerated depreciation on property, plant and equipment	133,506,010	131,519,177	1,986,834	3,003,099
	Revaluation surplus on land	8,805,586	8,805,586	-	-
		142,311,596	140,324,763	1,986,833	3,003,099
	Deferred Tax Assets				
	Retirement Benefit Obligation - Through Statement of Profit or Loss	(1,662,162)	(1,853,369)	191,207	355,511
	Retirement Benefit Obligation - Through Other Comprehensive Income	(643,557)	(763,467)	-	-
	Trade and Other Receivables	(551,862)	(238,676)	(313,186)	-
		(2,857,581)	(2,855,512)	(121,979)	355,511
	Deferred Taxation Charge	-	-	1,864,855	3,358,610
	Net Deferred Tax Liability	139,454,015	137,469,251	-	-

13.3.1	Reconciliation of Deferred Tax Charge				
	Deferred Tax Charge reported in the Profit or Loss	-	-	1,864,855	3,358,610
	Deferred Tax Charge reported in Other Comprehensive Income	-	-	(119,910)	(174,910)
		-	-	1,744,945	3,183,700

13 INCOME TAX EXPENSE (CONTD.)

13.4 Amaya Leisure PLC

The Company has a carried forward tax loss amounting to Rs. 557,780,119/- (2020 - Rs. 409,282,894/-) that is available for six years to offset against future statutory income of the company. A deferred tax asset amounting to Rs. 156,178,433/- (2020 - Rs.114,599,210/-) 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.

13.5 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.

14 EARNINGS/(LOSS) PER SHARE AND DIVIDEND PER SHARE

14.1 Earnings/(loss) Per Share

Earnings/(loss) Per Share is calculated by dividing the net profit/(loss) 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/(loss) per share computations.

14.1.1

Amount used as the Numerator:	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Loss for the year	(789,719,002)	(266,361,089)	(145,550,986)	(226,617,347)
Loss attributable to Non-Controlling Interest	(65,947,791)	(97,782,705)	-	-
Loss attributable to Ordinary Shareholders of Parent Company for Basic/Diluted Earnings per Share	(723,771,211)	(168,578,384)	(145,550,986)	(226,617,347)

14.1.2

Number of Ordinary Shares used as the Denominator				
Weighted Average Number of Ordinary Shares in issue applicable to Basic/Diluted Earnings or loss per share	107,989,958	107,989,958	107,989,958	107,989,958

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 2021 and 2020:

	Date of valuation		Fair value measurement using		
		Total Rs. '000	Quoted prices in active markets (Level 1) Rs. '000	Significant observable inputs (Level 2) Rs. '000	Significant unobservable inputs (Level 3) Rs. '000
Assets measured at fair value:					
As at 31 March 2021					
Non-Financial Assets					
Land (Note 16)	31 March 2019	795,900,000	-	-	795,900,000
Non-Financial Assets as at 31 March 2021		795,900,000	-	-	795,900,000
Financial Assets					
Fair value through profit or loss (Note 21.1)					
Quoted Investment in Equity Securities	31 March 2021	1,016,424	1,016,424	-	-
Total Fair Value through profit or loss financial assets		1,016,424	1,016,424	-	-
Fair value through OCI financial assets (Note 21.2)					
Quoted Investment in Equity Securities	31 March 2021	134,051,200	134,051,200	-	-
Total Fair Value through OCI financial assets		134,051,200	134,051,200	-	-
Total Financial Assets		135,067,624	135,067,624	-	-
As at 31 March 2020					
Non-Financial Assets					
Land (Note 16)	31 March 2019	795,900,000	-	-	795,900,000
Non-Financial Assets as at 31 March 2020		795,900,000	-	-	795,900,000
Financial Assets					
Fair value through profit or loss (Note 21.1)					
Quoted Investment in Equity Securities	31 March 2020	20,923,403	20,923,403	-	-
Total Fair Value through profit or loss financial assets		20,923,403	20,923,403	-	-
Fair value through OCI financial assets (Note 21.2)					
Quoted Investment in Equity Securities	31 March 2020	29,157,441	29,157,441	-	-
Total Fair Value through OCI financial assets		29,157,441	29,157,441	-	-
Total Financial Assets		50,080,844	50,080,844	-	-

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 2021 and 2020:

	Date of valuation	Fair value measurement using			
		Total Rs. '000	Quoted prices in active markets (Level 1) Rs. '000	Significant observable inputs (Level 2) Rs. '000	Significant unobservable inputs (Level 3) Rs. '000
Assets measured at fair value:					
As at 31 March 2021					
Financial Assets					
Fair Value through profit or loss (Note 21.1)					
Quoted Investment in Equity Securities	31 March 2021	1,016,424	1,016,424		
Total Fair Value through profit or loss financial assets		1,016,424	1,016,424	-	-
Fair value through OCI financial assets (Note 21.2)					
Quoted Investment in Equity Securities	31 March 2021	134,051,200	134,051,200		
Total Fair Value through OCI financial assets		134,051,200	134,051,200	-	-
Total Financial Assets		135,067,624	135,067,624	-	-
As at 31 March 2020					
Financial Assets					
Fair Value through profit or loss (Note 21.1)					
Quoted Investment in Equity Securities	31 March 2020	20,923,403	20,923,403	-	-
Total Fair Value through profit or loss financial assets		20,923,403	20,923,403	-	-
Fair value through OCI financial assets (Note 21.2)					
Quoted Investment in Equity Securities	31 March 2020	29,157,441	29,157,441	-	-
Total Fair Value through OCI financial assets		29,157,441	29,157,441	-	-
Total Financial Assets		50,080,844	50,080,844	-	-

15.3 Fair Value of Financial Assets

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

	Carrying Amount		Fair Value	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Financial assets				
Other financial assets				
- Fair Value through profit or loss Investments	649,378	25,653,378	1,016,424	20,923,403
- Fair Value through other comprehensive income Investments	62,070,400	62,070,400	134,051,200	29,157,441
Total	62,719,778	87,723,778	135,067,624	50,080,844

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.

16 PROPERTY, PLANT AND EQUIPMENT

16.1 Group

Gross Carrying Amounts	Balance as at 01 April 2020 Rs.	Additions Rs.	Transfers/ Disposal Rs.	Balance As at 31 March 2021 Rs.
At Cost or Valuation				
Freehold Land	795,900,000	-	-	**795,900,000**
Freehold Buildings	923,079,194	3,759,766	-	**926,838,960**
Building on Leasehold Land	2,784,360,931	5,673,361	-	**2,790,034,292**
Road Network	32,498,582	-	-	**32,498,582**
Furniture and Fittings	406,583,867	2,300,950	-	**408,884,817**
Plant and Machinery	332,729,837	2,284,158	-	**335,013,995**
Air Conditioners	164,415,204	73,609	-	**164,488,813**
Kitchen Equipment	152,970,772	648,010	(415,220)	**153,203,562**
Office Equipment	7,403,317	-	-	**7,403,317**
Computer Equipment	81,072,803	1,746,000	-	**82,818,803**
Crockery and Cutlery	42,635,967	447,902	-	**43,083,869**
Linen	37,483,054	47,313	-	**37,530,367**
Fixtures and Fittings	97,104,435	897,100	(1,922,715)	**96,078,820**
Motor Vehicles	88,768,752	-	-	**88,768,752**
	5,947,006,715	17,878,169	(2,337,935)	**5,962,546,949**

In the Course of Construction	Balance As at 01 April 2020 Rs.	Additions Rs.	Transfers/ Disposal Rs.	Balance As at 31 March 2021 Rs.
Building Work in Progress	35,102,709	2,295,507	(5,973,756)	31,424,460
Total Gross Carrying Amount	5,982,109,424	20,173,676	(8,311,691)	5,993,971,409

16 PROPERTY, PLANT AND EQUIPMENT - (CONTD.)

Depreciation	Balance As at 01 April 2020 Rs.	Charge for the Year Rs.	Transfers/ Disposal Rs.	Balance As at 31 March 2021 Rs.
At Cost or Valuation				
Freehold Buildings	162,175,655	11,947,331	-	174,122,986
Building on Leasehold Land	387,231,056	65,664,599	-	452,895,655
Road Network	9,684,185	1,625,290	-	11,309,475
Furniture and Fittings	183,975,776	25,769,189	(616,823)	209,128,144
Plant and Machinery	164,266,078	26,066,852	-	190,332,929
Air Conditioners	63,299,004	6,594,021	-	69,893,025
Kitchen Equipment	82,663,339	10,504,971	(103,895)	93,064,415
Office Equipment	4,619,077	1,263,345	-	5,882,422
Computer Equipment	69,491,464	3,583,144	-	73,074,608
Crockery and Cutlery	30,234,413	5,930,903	-	36,165,316
Linen	16,840,890	7,407,252	-	24,248,142
Fixtures and Fittings	51,103,031	1,571,186	-	52,674,217
Motor Vehicles	68,453,752	4,780,000	-	73,233,752
Total Depreciation	1,294,037,720	172,708,083	(720,718)	1,466,025,085

16 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Net Book Value	2021 Rs.	2020 Rs.
At Cost or Valuation		
Freehold Land	795,900,000	795,900,000
Freehold Buildings	752,715,974	760,903,539
Building on Leasehold Land	2,337,138,637	2,397,129,875
Road Network	21,189,108	22,814,398
Furniture and Fittings	199,756,673	222,608,089
Plant and Machinery	144,681,066	168,463,760
Air Conditioners	94,595,788	101,116,200
Kitchen Equipment	60,139,147	70,307,433
Office Equipment	1,520,895	2,784,240
Computer Equipment	9,744,195	11,581,339
Crockery and Cutlery	6,918,553	12,401,554
Linen	13,282,225	20,642,164
Fixtures and Fittings	43,404,603	46,001,404
Motor Vehicles	15,535,000	20,315,000
	4,496,521,864	4,652,968,995
In the Course of Construction		
Building Work in Progress	31,424,460	35,102,709
Total Carrying Amount of Property, Plant and Equipment	4,527,946,324	4,688,071,704

16.1.1 During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 20,173,676/- (2020 - Rs. 117,368,544/-) including cost incurred on capital work in progress of which Rs. 2,295,507/- (2020 Rs. 8,166,536/-). Cash payments amounted to Rs. 15,192,662/- (2020 - Rs. 87,547,251/-) were made during the year for purchase of Property, Plant and Equipment.

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

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

16.1.3 Revaluation of land

Freehold lands of the Group were revalued by Messers. P. B. Kalugalagedara, an independent valuer and consultant in report dated 31 March 2019. Fair value of lands were determined using the market comparable method. This refers to the valuations performed by the valuer are based on active market prices, adjusted for differences in the nature, location or condition of the specific property.

Impact of COVID-19

On 11 March 2020, World Health Organisation declared the COVID-19 as a global pandemic and as at 31 March 2020, the pandemic condition was at its initial stage and considered too premature to reasonably assess its impact on the market prices of the properties at the reporting date. Therefore, the Management has determined that the carrying value of the land approximate the fair value as at 31 March 2021 based on the Desktop valuation report dated 31 March 2021 by Messers. P. B. Kalugalagedara. Further, according to the cash flow projections and desktop valuation made, no provision for impairment losses is considered necessary after reviewing the impairment assessment.

Fair Value Measurement disclosures for revalued lands are provided in Note 15.

Significant unobservable inputs

Company	No. of perches	Value per perch 2021 Rs.	Sensitivity of fair value to unobservable inputs
- Kandyan Resorts (Pvt) Ltd	1,904	315,000 to 625,000	Positively correlated
- Culture Club Resorts (Pvt) Ltd	160	16,000	Positively correlated

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

16.1.4 Property, Plant and Equipment recognised above include fully depreciated assets having a gross carrying amount of Rs. 216,910,963/- (2020- Rs. 223,742,999/-).

16.2 Company

Gross Carrying Amounts	Balance As at 01 April 2020 Rs.	Additions Rs.	Transfers/ Disposal Rs.	Balance As at 31 March 2021 Rs.
At Cost				
Motor vehicles	37,400,000	-	-	37,400,000
Furniture and fittings	14,394,966	510,200	-	14,905,166
Office equipment	8,716,346	-	-	8,716,346
Computer equipment	13,638,900	938,447	-	14,577,347
Total Gross Carrying Amount	74,150,212	1,448,647	-	75,598,859

Depreciation	Balance As at 01 April 2020 Rs.	Additions Rs.	Transfers/ Disposal Rs.	Balance As at 31 March 2021 Rs.
At Cost				
Motor vehicles	17,085,000	4,780,000	-	21,865,000
Furniture and fittings	3,599,666	918,429	-	4,518,095
Office equipment	3,359,266	1,222,644	-	4,581,910
Computer equipment	10,339,849	1,892,494	-	12,232,343
Total Depreciation	34,383,781	8,813,567	-	43,197,348

Net Book Values	2021 Rs.	2020 Rs.
At Cost		
Motor vehicles	15,535,001	20,315,001
Furniture and fittings	10,387,070	10,795,300
Office equipment	4,134,436	5,357,080
Computer equipment	2,345,004	3,299,051
Total Carrying Amount of Property, Plant and Equipment	32,401,511	39,766,432

16.2.1 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 1,448,647/- (2020 - Rs. 29,817,441/-). Cash payments amounted to Rs. 1,448,647/- (2020 - Rs. 29,817,441/-) were made during the year for purchase of Property, Plant and Equipment.

16.2.2 Property, Plant and Equipment recognised above include fully depreciated assets having a gross carrying amount of Rs.21,943,020/- (2020- Rs. 17,725,314/-).

17 RIGHT OF USE ASSETS

	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Leasehold Lands	8,728,417	9,152,074	-	-
Leasehold Buildings	-	5,209,375	-	5,209,375
Leasehold Motor vehicles	7,130,000	8,990,000	-	-
Leasehold Office equipment (CCTV)	11,837,349	-	-	-
	27,695,766	23,351,449	-	5,209,375

Note 3 and Note 31.2 provides the further details of the lease contracts.

17.1 Nature of the leasehold properties

	Lessor	Lease Term	Annual Rental 2021	Annual Rental 2020
Lands	SLTDA/BOI	1992 - 2042	639,600	639,600
Building	Overseas Reality (Ceylon) PLC	2018 - 2020	-	20,526,888
Motor vehicles	HNB	2020 - 2022	551,820	551,820
Office equipment- CCTV	Singer Finance (Lanka) PLC	2020 - 2025	1,292,280	-

17.2 Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year

	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
As at 01 April	23,351,449	83,562,889	5,209,375	20,837,499
Additions during the year	13,620,388	9,300,000	-	-
Derecognitions (Note 17.4)	(5,209,375)	(53,085,075)	(5,209,375)	-
Amortisation expenses	(4,066,696)	(16,426,365)	-	(15,628,124)
As at 31 March	27,695,766	23,351,449	-	5,209,375

	Lands	Buildings	Motor Vehicles	CCTV	Total
As at 01 April 2020	9,152,074	5,209,375	8,990,000	-	23,351,449
Additions during the year	-	-	-	13,620,388	13,620,388
Amortisation expenses	(423,657)	-	(1,860,000)	(1,783,039)	(4,066,696)
Derecognitions (Note 17.4)	-	(5,209,375)	-	-	(5,209,375)
As at 31 March 2021	8,728,417	-	7,130,000	11,837,349	27,695,766

17.3 The following are the amounts recognised in profit or loss in respect of ROU Assets and related Lease liabilities:

	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Amortisation expense of right-of-use assets	4,066,696	16,426,364	-	15,628,124
Interest expense on lease liabilities	2,924,379	3,945,605	-	3,119,476
Total amount recognised in profit or loss	6,991,075	20,371,969	-	18,747,600

17.4 Derecognitions

In relation to the building lease agreement of Amaya Leisure PLC, the Company has requested for assistance on rental payments from Overseas Reality (Ceylon) PLC, the lessor. As a result, the lessor has agreed to suspend the rent payable from 01 April 2020. Accordingly, ROU asset and related liability has been derecognised during the year.

18 PREPAYMENT ON LEASEHOLD PROPERTY

	2021 Rs.	2020 Rs.
As at 01 April	-	59,239,123
Transferred to ROU assets	-	(59,239,123)
As at 31 March	-	-

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 in the prior year. On the date of transition to SLFRS 16, the Group has transferred the prepayments made on leasehold properties to measurement of ROU assets.

19 INTANGIBLE ASSETS - GROUP

	2021 Rs.	2020 Rs.
Goodwill on Business Combinations	137,863,688	137,863,688
	137,863,688	137,863,688

The Goodwill recognised on acquisition of Sun Tan Beach Resorts Limited in year ended 31 March 2015 has classified as intangible assets.

Impairment assessment of Goodwill

The impairment test has been performed for the financial year 2020/21 & 2019/20. Impairment test was based on the Value in use calculation of Sun Tan Beach Resort Limited. The value in use calculation is based on a discounted cash flow model.

The cash flows are derived from the most recent projections which do not include any restructuring activities that the group has not committed or significant future investments that will enhance the asset's performance of the cash generated unit being tested. In addition, the overall decline in the tourism industry due to the current pandemic also considered in developing budget as the tourism industry may take reasonable time to be recovered. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

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

Gross Margins

When determining the gross margins for value in use computation, future business plans for the Company was considered. Accordingly, 50%-75% gross margin were used. Gross margins were calculated after deducting direct costs only.

Discount Rates

The discount rate used is the weighted average cost of capital of the CGU which is at 10%.

19 INTANGIBLE ASSETS - GROUP (CONTD.)

Inflation

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

Occupancy

Occupancy reduction of 15% was considered when arriving at the forecast for the financial year 2021/22, where the impact from COVID-19 pandemic was adjusted. With committed future business plans 10%-20% growth in occupancy is expected after the year 2023.

Average Room Rates (ARR)

ARR growth by 8%-10% was considered for VIU computation. Depreciation of rupee values against USD is also considered in determining ARR.

Sensitivity to changes in Key Assumptions

The implication of the key assumption for the recoverable amount are discussed below;

- A decrease in the occupancy and average room rate separately by more than 5% & 6% respectively would result in impairment in goodwill.
- Further an increase of discount rate by 2% would also create a goodwill impairment.

Impairment of Investment in Subsidiary

While no impairment has identified based on the impairment test carried out as described above, an amount of Rs. 49,295,901/- was recognised in relation to the investment in Sun Tan Beach Resorts Limited in the separate financial statements.

20 INVESTMENT IN SUBSIDIARIES

Company	Holding		Carrying Amount	
	2021 %	2020 %	2021 Rs.	2020 Rs.
20.1 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 (Note 20.1.1)	82.44%	56.09%	644,590,338	293,506,612
Lake Lodge (Private) Limited	80%	80%	24,000,000	24,000,000
Total Non-Quoted Investment in Subsidiaries			1,384,952,564	1,033,868,838

20.1.1 Reconciliation of cost of investment of Sun Tan Beach Resorts Limited.

	2021 Rs.	2020 Rs.
Balance 01 April	568,311,044	568,311,044
Rights issue	400,379,628	-
Balance 31 March	968,690,672	568,311,044

20.1.2 Accumulated impairment on investment of Sun Tan Beach Resorts Limited.

Balance 01 April	274,804,432	144,500,980
Impairment charge for the year	49,295,901	130,303,452
Balance 31 March	324,100,333	274,804,432
Carrying amount of investment in Sun Tan Beach Resorts Limited	644,590,339	293,506,612

20.2 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	2021	2020
Sun Tan Beach Resorts Limited	Sri Lanka	17.56%	43.91%
Lake Lodge (Private) Limited	Sri Lanka	20%	20%

Accumulated balances of material Non-Controlling Interest

Company Name	2021	2020
Sun Tan Beach Resorts Limited	19,491,385	16,271,787
Lake Lodge (Private) Limited	6,000,000	6,000,000
	25,491,385	22,271,787

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

Summarised Statement of Financial Position	2021	2020
Current Assets	265,299,086	124,146,596
Non Current Assets	1,609,406,401	1,667,199,951
Current Liabilities	816,451,492	1,002,196,180
Non Current Liabilities	947,273,451	752,102,743
Total Equity	110,980,544	37,047,624
Attributable to:		
Equity holders of the parent	91,489,159	20,775,837
Non-controlling interest	19,491,385	16,271,787

Summarised Statement of Profit or Loss	2021	2020
Revenue	73,336,042	256,349,819
Cost of Sales	(140,122,538)	(214,137,772)
Administrative expenses	(94,759,491)	(100,900,141)
Finance costs	(219,533,224)	(164,761,551)
Loss before tax	(385,042,959)	(231,966,573)
Income tax	(19,366)	(301,452)
Loss for the year	(385,062,325)	(232,268,025)
Total comprehensive loss	(325,787,014)	(240,142,245)
Attributable to Non-Controlling Interest	(57,217,973)	(105,446,447)

Summarised Statement of Cash Flows	2021	2020
Cash flows used in Operating activities	(16,125,132)	51,480,138
Cash flows from/(used in) Investing activities	457,404	(5,612,137)
Cash flows from Financing activities	38,760,629	(11,460,348)
Net increase in cash and cash equivalents	23,092,901	(34,407,653)

21 OTHER FINANCIAL ASSETS

	2021 Rs.	2020 Rs.
Current		
Financial assets at fair value through profit or loss		
Quoted investments in equity shares (Note 21.1)	1,016,424	20,923,403
	1,016,424	20,923,403
Non-Current		
Equity instruments designated at fair value through OCI		
Quoted investments in equity shares (Note 21.2)	134,051,200	29,157,441
Non-Quoted investments in equity securities (Note 21.3)	10	10
	134,051,210	29,157,451
Debt instruments at amortised cost		
Related party receivables (Note 21.4)	265,877,271	94,952,850
	265,877,271	94,952,850
Total other financial assets	400,944,905	145,033,704
Total current	1,016,424	20,923,403
Total non-current	399,928,481	124,110,301

21.1 Fair Value through Profit or Loss

Quoted investments in equity securities Group/Company	No. of Shares 2021	No. of Shares 2020	Cost 2021 Rs.	Market Value 2021 Rs.	Cost 2020 Rs.	Market Value 2020 Rs.
The Fortress Resorts PLC	90,075	90,075	646,349	1,008,840	646,349	702,583
LB Finance PLC	40	40	3,029	7,584	3,029	4,820
Browns Investments PLC	-	5,320,000	-	-	25,004,000	20,216,000
	90,115	5,410,115	649,378	1,016,424	25,653,378	20,923,403
Fair value adjustment of investments			367,046	-	(4,729,975)	-
Total Quoted investments in equity securities			1,016,424	1,016,424	20,923,403	20,923,403

21.2 Fair Value through OCI

Quoted investments in equity securities Group/Company	No. of Shares 2021	No. of Shares 2020	Cost 2021 Rs.	Market Value 2021 Rs.	Cost 2020 Rs.	Market Value 2020 Rs.
Royal Ceramics Lanka PLC	521,600	521,600	62,070,400	134,051,200	62,070,400	29,157,441
	521,600	521,600	62,070,400	134,051,200	62,070,400	29,157,441
Fair value adjustment of investments			71,980,800	-	(32,912,959)	-
Total Quoted Investments in Equity Securities			134,051,200	134,051,200	29,157,441	29,157,441

Fair Value of quoted investments designated as fair value through other comprehensive income and fair value through profit or loss are derived from quoted market price of Colombo Stock Exchange (CSE) as at each reporting date. Valuation of current year was based on the CSE closing prices of 31 March 2021.

21.3 Non- quoted investments in equity securities	No. of Shares 2021	No. of Shares 2020	Carrying Value 2021 Rs.	Carrying Value 2020 Rs.
La Forteresse (Private) Limited	1	1	10	10
Total non-quoted Investments in equity securities	1	1	10	10

Based on the Management's valuation, the fair value changes are immaterial to the financial statements and no adjustments made to the financial statements.

21.4 Debt instruments at amortised cost

	2021 Rs.	2020 Rs.
Luxury Resort (Private) Limited	265,877,271	94,952,850

The group has decided to transfer the current portion of amount receivable from Luxury Resort (Private) Limited to non current financial assets. Accordingly, total amount receivable of USD 847,569/- has been transferred and it was agreed to charge an interest based on the market rates.

Terms of repayment

Interest rate	LIBOR+Premium	On outstanding loan balance p.m.
Tenure	60 months from April 2022	

22 OTHER FINANCIAL LIABILITIES

22.1 Interest Bearing Loans and Borrowings - Group

	2021 Amount Repayable Within 1 Year Rs.	2021 Amount Repayable After 1 Year Rs.	2021 Total Rs.	2020 Amount Repayable Within 1 Year Rs.	2020 Amount Repayable After 1 Year Rs.	2020 Total Rs.
Bank Loans (Note 22.1.1)	630,399,692	1,033,084,116	1,663,483,808	575,245,143	743,478,707	1,318,723,850
Lease Liability (Note 22.1.2)	7,925,995	16,295,450	24,221,445	9,544,240	10,721,612	20,265,852
Bank Overdrafts (Note 25)	336,120,997	-	336,120,997	229,838,791	-	229,838,791
	974,446,684	1,049,379,566	2,023,826,250	814,628,174	754,200,319	1,568,828,493

22.2 Interest Bearing Loans and Borrowings - Company

	2021 Amount Repayable Within 1 Year Rs.	2021 Amount Repayable After 1 Year Rs.	2021 Total Rs.	2020 Amount Repayable Within 1 Year Rs.	2020 Amount Repayable After 1 Year Rs.	2020 Total Rs.
Bank Loans (Note 22.1.1)	20,833,333	29,166,667	50,000,000	-	-	-
Lease Liability (Note 22.1.2)	-	-	-	7,548,395	-	7,548,395
Bank Overdrafts (Note 25)	119,106,254	-	119,106,254	16,260,079	-	16,260,079
	139,939,587	29,166,667	169,106,254	23,808,474	-	23,808,474

22.1.1 Bank Loans - Group

Bank Loans - Group	Balance As at 01 April 2020 Rs.	Loans Obtained/ Interest Capitalised Rs.	Foreign Currency Conversion Rs.	Repayments Rs.	Balance As at 31 March 2021 Rs.
DFCC Bank	221,935,043	32,458,511	-	(3,366,182)	**251,027,372**
Hatton National Bank PLC	1,096,788,807	128,978,573	17,789,056	-	**1,243,556,436**
Pan Asia Banking Corporation PLC	-	93,900,000	-	-	**93,900,000**
Bank of Ceylon	-	75,000,000	-	-	**75,000,000**
	1,318,723,850	330,337,084	17,789,056	(3,366,182)	**1,663,483,808**

Terms and Conditions of the Loans

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

Interest Bearing Loans and Borrowings - Group

	PABC - Rs. 25 Mn	BOC - Rs. 25 Mn	DFCC - Rs. 400 Mn	HNB - Rs. 280 Mn	HNB - Rs. 125 Mn	HNB - USD 3 Mn	HNB - Rs. 300 Mn
Rate of Interest	Fixed	Fixed	Monthly AWPLR +Premium	Weekly AWPLR +Premium	Monthly AWPLR +Premium	3 Months LIBOR +Premium	Weekly AWPLR +Premium
Term of Repayment Capital	Rs. 1,388,889/- p.m	Rs. 1,388,889/- p.m	Rs. 6,666,667/- p.m	Rs. 4,772,000/- p.m	Rs. 2,668,000/- p.m	USD 57,750 p.m	Rs.12,905,491/- p.m
No of Instalments	18 months	18 months	30 Months	44 Months	41 Months	35 Months	Revolving
Repayment by	October 2021	July 2021	September 2022	November 2023	August 2023	February 2023	90 Days renewable
Security offered	Letter of comfort from Hayleys PLC		Leasehold Right of the land and Hotel building belongs to Sun Tan Beach Resorts Ltd				

*p.m - Per Month

22.1.2 Lease Liability

Lease Liability	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Balance 01 April	**20,265,851**	-	**7,548,395**	-
On Recognition of Right of Use Assets	**-**	83,562,889	**-**	24,955,807
Additions	**13,248,253**	9,300,000	**-**	-
Derecognition	**(7,548,395)**	(53,893,734)	**(7,548,395)**	-
Gross payments	**(2,970,200)**	(22,648,908)	**-**	(20,526,888)
Interest accrued on lease liabilities	**1,225,936**	3,945,605	**-**	3,119,476
Balance 31 March	**24,221,445**	20,265,852	**-**	7,548,395
Current	**7,925,995**	9,544,240	**-**	7,548,395
Non-Current	**16,295,450**	10,721,612	**-**	-

22.2.1

Bank Loans -Company	Balance As at 01 April 2020	Loans Obtained/ Interest Capitalised	Foreign Currency Conversion	Repayments	Balance As at 31 March 2021
	Rs.	Rs.	Rs.	Rs.	Rs.
Pan Asia Banking Corporation PLC	-	25,000,000	-	-	25,000,000
Bank of Ceylon	-	25,000,000	-	-	25,000,000
	-	50,000,000	-	-	50,000,000

Terms and Conditions of the Loans

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

	PABC - Rs. 25 Mn	BOC - Rs. 25 Mn
Rate of Interest	Fixed	Fixed
Term of Repayment - Capital	Rs. 1,388,889/- p.m	Rs. 1,388,889/- p.m
No of Instalments	18 months	18 months
Repayment by	October 2021	July 2021
Security offered	Letter of comfort from Hayleys PLC	

*p.m - Per Month

23 INVENTORIES

	Group	
	2021	2020
	Rs.	Rs.
Food and beverages	17,830,279	19,636,542
Housekeeping and maintenance	16,919,067	20,971,472
Printing and stationery	2,546,979	2,864,282
Consumable and others	4,295,830	2,524,184
	41,592,155	45,996,480

24 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Trade Receivables	65,059,938	143,501,926	45,198,336	11,322,962
Less - Impairment made from trade receivables	(15,244,548)	(18,032,681)	-	-
	49,815,390	125,469,245	45,198,336	11,322,962
Other Receivables	25,181,054	22,900,381	16,436,636	15,761,463
Other receivables from related parties (Note 24.1)	1,231,355	142,044,493	11,468,392	317,550,253
Provision for doubtful receivables	-	-	(11,468,398)	(11,468,392)
	76,227,799	290,414,119	61,634,967	333,166,286

24.1

Other receivables from related parties	Relationship	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Hayleys PLC	Ultimate Parent	-	48,603	-	-
Connaissance Hotel Management (Private) Limited	Subsidiary	-	-	1,593,187	1,593,187
CDC Conventions (Private) Limited	Subsidiary	-	-	6,924,293	6,924,293
Sun Tan Beach Resorts Limited	Subsidiary	-	-	-	173,333,087
Connaissance Air Travels (Private) Limited	Subsidiary	-	-	2,950,912	2,950,912
Fentons Limited	Affiliate	-	4,060	-	-
The Kingsbury PLC	Affiliate	-	32,617,646	-	32,617,646
Kelani Valley Resorts (Private) Limited	Affiliate	-	4,580,627	-	2,324,800
Hayleys Tours (Private) Limited	Affiliate	-	6,136,544	-	-
Hayleys Aventura (Private) Limited	Affiliate	-	16,800	-	-
Eastern Hotels (Private) Limited	Affiliate	1,165,824	710,885	-	-
Luxury Resorts (Private) Limited	Affiliate	-	97,806,328	-	97,806,328
Singer Sri Lanka PLC	Affiliate	-	123,000	-	-
Lake Lodge (Pvt) Ltd	Affiliate	65,531	-	-	
		1,231,355	142,044,493	11,468,392	317,550,253

- Trade and Other Receivables are non interest bearing and generally on 30-120 day terms.

24.2 **As at 31 March, the aging analysis of trade receivables of group is as follows,**

	Total	Neither past due nor impaired	Past due but not impaired > 60 days	61-120 days	121-180 days	181-365 days	>365 days
2021	49,815,390	7,498,027	5,109,024	1,706,914	103,030	35,398,395	-
2020	125,469,245	20,843,964	61,137,792	32,443,938	8,839,368	2,018,881	185,302

Provision matrix and impairment of debtors

- Management has carried out an impairment provision based on the simplified approach of Expected Credit Loss (ECL) method and no any impairment provision has been accounted for trade debtors as the ECL is insignificant. Management considered 100% ECL for debtors aged more than 365 days in determining the provision matrix for ECL.

- The Group has considered the current decline in the tourism industry due to the impact of the COVID-19 Pandemic. The Management has monitored the effect of the global economic downturn to its travel agents through frequent discussions with them and based on the financial strength and negotiated the payment terms and future arrangements accordingly. All above receivables are due from well established travel agents and the dues are still within the credit period. The Management has considered the subsequent settlements of receivables and results of negotiations with travel agents on arriving at the default rates.

25 CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOW

	Group		Company	
Components of Cash and Cash Equivalents	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Favourable Cash and Cash Equivalent Balances				
Cash and Bank Balances	211,932,233	172,061,929	87,039,326	66,155,974
Short Term Deposits	1,630,766	128,843,111	1,630,766	128,843,111
Unfavourable Cash and Cash Equivalent Balances				
Bank Overdraft	(336,120,997)	(229,838,791)	(119,106,254)	(16,260,079)
Total Cash and Cash Equivalents for the Purpose Statement of Cash Flow	(122,557,998)	71,066,248	(30,436,162)	178,739,007

The bank overdrafts are secured by the leasehold property of the Sun Tan Beach Resort Limited. Interest rate on bank overdrafts is AWPLR + Premium.

Short Term Deposits are held with registered financial institutions and have a less than 3 months maturity period.

26 STATED CAPITAL

	Group/Company			
	2021		2020	
	Number	Rs.	Number	Rs.
Fully Paid Ordinary Shares	107,989,958	909,370,708	53,994,979	909,370,708
	107,989,958	909,370,708	53,994,979	909,370,708

26.1 Fully Paid Ordinary Shares

	Group/Company			
	2021		2020	
	Number	Rs.	Number	Rs.
As at 01 April	53,994,979	909,370,708	53,994,979	909,370,708
Effect of share split	53,994,979	-	-	-
As at 31 March	107,989,958	909,370,708	53,994,979	909,370,708

27 RESERVES

27.1 Revaluation Reserve

	Group	
	2021 Rs.	2020 Rs.
On Property, Plant and Equipment		
As at 01 April	423,793,731	423,793,731
As at 31 March	423,793,731	423,793,731

27.2 Fair Value Reserve of Financial Assets At FVOCI

	Group/Company	
	2021 Rs.	2020 Rs.
As at 01 April	(32,912,960)	(31,296,000)
Net Change in Fair Value	104,893,760	(1,616,960)
As at 31 March	71,980,800	(32,912,960)

27.3 Cash Flow Hedge Reserve

	2021 Rs.	2020 Rs.
As at 01 April	(27,574,298)	(17,809,418)
Net Gain/(Loss) on Cash Flow Hedge recognised during the year	-	(19,237,106)
Transfer to non-controlling interests	-	7,644,426
Transfer of Cash Flow Hedge Reserve to Revenue	-	1,827,800
Reversal of Cash Flow Hedge	27,574,298	-
As at 31 March	-	(27,574,298)

27.4 Nature and Purpose of Reserves

The property, plant and equipment revaluation surplus is used to record increases and decreases on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings. The unrealised amounts cannot be distributed to shareholders.

The Group has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the FVOCI reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

The cash flow hedge reserve is used to recognise the effective portion of gains or losses on cash flow hedges. Amounts are subsequently either transferred or reclassified to profit or loss as appropriate. Due to the current pandemic, the Group considered the prospective effectiveness of the Cash flow hedge and hence the ineffectiveness noted, cash flow hedge was reversed and transferred the ineffective portion to profit or loss during the year.

28 TRADE AND OTHER PAYABLES

	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Trade Payables	200,485,442	119,921,793	121,251,575	33,757,390
Other Payables to Related Parties (Note 28.1)	8,070,003	105,019,215	693,915,291	731,026,479
Sundry Creditors including Accrued Expenses	77,266,608	88,523,254	16,280,976	13,134,701
	285,822,053	313,464,262	831,447,842	777,918,570

28.1

Other Payables to Related Parties	Relationship	Group 2021 Rs.	Group 2020 Rs.	Company 2021 Rs.	Company 2020 Rs.
Hayleys PLC	Ultimate Parent	918,601	90,532,732	918,601	89,935,599
Kandyan Resorts (Private) Limited	Subsidiary	-	-	316,885,807	363,019,759
Culture Club Resorts (Private) Limited	Subsidiary	-	-	236,081,256	270,966,742
Sun Tan Beach Resorts Limited	Subsidiary	-	-	132,878,225	-
The Kingsbury PLC	Affiliate	-	180,739	-	180,739
Hayleys Consumer Products Limited	Affiliate	-	2,815	-	2,815
Hayleys Travels (Private) Limited	Affiliate	-	195,500	-	195,500
Hayleys Business Solutions (Private) Limited	Affiliate	-	187,585	-	62,035
Hayleys Agriculture Holdings Limited	Affiliate	-	98,366	-	-
Hayleys Aventura (Private) Limited	Affiliate	-	572,671	-	-
Mabroc Teas (Private) Limited	Affiliate	-	166,925	-	-
Logiwiz Limited	Affiliate	-	7,776	-	7,776
Kelani Valley Resorts (Private) Limited	Affiliate	7,151,402	6,913,088	7,151,402	6,655,514
Singer (Sri Lanka) PLC	Affiliate	-	3,997,771	-	-
Toyo Cushion Lanka (Private) Limited	Affiliate	-	760,725	-	-
Delmege Forsyth & Company Limited	Affiliate	-	102,730	-	-
Creative Polymats (Private) Limited	Affiliate	-	159,221	-	-
Quality Seeds Co. (Private) Limited	Affiliate	-	225,965	-	-
Fentons Limited	Affiliate	-	914,606	-	-
		8,070,003	105,019,215	693,915,291	731,026,479

29 RETIREMENT BENEFIT OBLIGATION

	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Defined Benefit Obligation - Gratuity				
Defined Benefit Obligation as at 01 April	56,016,414	63,058,279	7,232,657	17,795,202
Employee Transfer	(113,650)	(228,690)	-	(228,690)
Current Service Cost	2,579,373	6,108,957	248,791	1,018,150
Interest Cost	4,845,373	5,453,973	675,141	989,607
Actuarial (Gain)/Loss	(4,452,300)	5,039,373	(748,038)	3,316,746
Benefit paid	(12,198,973)	(23,415,478)	-	(15,658,358)
Defined Benefit Obligation as at 31 March	46,676,237	56,016,414	7,408,551	7,232,657

Following expenses are recognised in the statement of profit and loss and other comprehensive income.

	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Statement of profit and loss	7,311,055	11,334,240	923,932	2,007,756
Other Comprehensive Income	(4,452,300)	5,039,373	(748,038)	3,316,746
	2,956,949	16,602,303	160,395	5,324,503

Messrs. Actuarial & Management Consultants (Private) Limited, an independent actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on 31 March 2021. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	2021	2020
Discount Rate	8%	10%
Future Salary Increment Rate	7%	9%
Weighted average duration of the defined benefit plan obligation (years)	5	5

29.1 Sensitivity of the principal assumptions used

	Expected Future Salaries		Discount Rate	
	1% increase Rs.	1% decrease Rs.	1% increase Rs.	1% decrease Rs.
Company				
Change in Present value of Defined Benefit Obligation	520,055	(473,644)	(433,039)	482,624
Group				
Change in Present value of Defined Benefit Obligation	2,797,507	(2,575,809)	(2,327,447)	2,568,386

29.2 Maturity analysis of the payments

	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Within the next 12 months	7,452,867	8,500,256	978,106	1,075,425
Between 1 to 5 years	21,567,088	24,516,235	2,942,282	3,015,241
Between 5 to 10 years	10,993,177	12,852,456	1,545,282	1,445,825
More than 10 years	6,663,105	10,147,467	1,942,881	1,696,166
	46,676,237	56,016,414	7,408,551	7,232,657

30 OTHER CURRENT NON-FINANCIAL LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Contract liabilities (Note 30.1)	92,613,356	50,084,582	66,310,370	-
Other Deposits	-	8,525,240	-	2,992,180
	92,613,356	58,609,822	66,310,370	2,992,180

30.1 Contract liabilities

Balance 01 April	50,084,582	86,478,954	-	-
Advance received during the year	106,527,263	125,826,511	66,310,370	-
Refunds due to cancellation of bookings	-	(6,048,986)	-	-
Set-off against the receivables	(63,998,489)	(156,171,897)	-	-
Balance 31 March	92,613,356	50,084,582	66,310,370	-

31 COMMITMENTS AND CONTINGENCIES

31.1 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 Nil (2020 - Nil).

Kandyan Resorts (Private) Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Nil (2020 - Nil).

Sun Tan Beach Resorts Limited

Future capital expenditure approved by the Board but, not provided for in the Financial Statements amounting to Nil (2020 - Nil).

31.2 Lease Commitments

The Group has entered in to lease contracts for lands, buildings, motor vehicles and office equipment. Future minimum lease payments under leases contracts together with the present value of the net minimum lease payments are, as follows:

	Group		Company	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
	Rs.	Rs.	Rs.	Rs.
Within one year	6,910,656	4,964,046	-	-
After one year but not more than five years	23,543,071	16,980,654	-	-
More than five years	14,540,400	2,276,745	-	-
Total minimum lease payments	44,994,127	24,221,445	-	-
Less- Amounts representing finance charges	(20,772,682)	-	-	-
Present value of minimum lease payments	24,221,445	24,221,445	-	-

31.3 Contingent Liabilities

There are no contingent liabilities as at the reporting date.

32 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
		2021	2020	
		Rs.	Rs.	
Leasehold Right of the land and Hotel building belongs to Sun Tan Beach Resorts Limited	Refer Note 22 and 25	1,352,121,818	1,391,217,167	Property, Plant and Equipment and ROU Assets

33 RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

33.1

Transaction with the Related Entities	Parent Company		Subsidiary Companies		Other Companies		Total	
Nature of Transaction	2021	2020	2021	2020	2021	2020	2021	2020
Recurring related party transactions	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01 April	(89,935,599)	(12,107,628)	(460,653,414)	(257,185,778)	220,597,245	179,930,611	(329,991,768)	(89,362,795)
Rendering/obtaining services	(197,884,569)	(121,616,420)	-	-	(2,395,824)	(10,052,035)	(200,280,393)	(131,668,455)
Management fees	-	-	2,592,000	2,693,551	-	-	2,592,000	2,693,551
Commission income	-	-	17,848,675	61,651,277	16,948,666	48,473,497	34,797,341	110,124,775
Expenses incurred by the company on behalf of others	-	-	13,639,743	6,903,060	17,307,771	15,841,554	30,947,514	22,744,613
Dividend	-	-	-	-	-	-	-	-
Settlement of liabilities by the company on behalf of others	-	-	44,251,511	46,860,244	17,890,741	3,550,479	62,142,252	50,410,723
Collection made on behalf of the company	-	-	(92,644,375)	2,400,000	-	-	(92,644,375)	2,400,000
Collections made by the company on behalf of others	-	-	-	(163,809,194)	(1,685,327)	(129,410,392)	(1,685,327)	(293,219,587)
Net fund transfers	-	-	189,500,200	(160,166,574)	22,103,050	109,687,999	211,603,250	(50,478,574)
Settlements by the company	146,432,626	43,788,449	-	-	2,050,958	7,292,784	148,483,584	51,081,233
Settlements to the company	-	-	-	-	(14,422,492)	(4,717,252)	(14,422,492)	(4,717,252)
Rights issue	-	-	(400,379,628)	-	-	-	(400,379,629)	-
As at 31 March	(141,387,542)	(89,935,599)	(685,845,288)	(460,653,414)	278,394,787	220,597,245	(548,838,043)	(329,991,768)
Included in								
Amounts due from related parties	-	-	-	173,333,087	191,620,398	132,748,774	191,620,398	306,081,862
Amounts due to related parties	(141,387,542)	(89,935,599)	(685,845,288)	(633,986,501)	(8,178,461)	(7,104,379)	(835,411,291)	(731,026,479)
Other non current financial assets	-	-	-	-	94,952,850	94,952,850	94,952,850	94,952,850
	(141,387,542)	(89,935,599)	(685,845,288)	(460,653,414)	278,394,787	220,597,245	(548,838,043)	(329,991,768)

33.2 **Transactions Carried out by Subsidiaries with other Related Parties**

	2021 Rs.	2020 Rs.
As at 01 April	1,316,482	3,185,890
Goods/Services obtained	2,458,964	1,612,196
Settlements made	(6,975,820)	(3,481,604)
As at 31 March	(3,200,374)	1,316,482

Parent: Hayleys PLC

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

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

33.2.1 Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 05% of the total assets whichever is lower of the Group as per 31 March 2021 audited financial statements, which required additional disclosures in the 2020/21 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13(c) of the Security Exchange Commission Act.

33.2.2 Recurrent related party transactions:

Except for the below, there were no recurrent related party transactions which in aggregate value exceeds 10% of the revenue of the Group as per 31 March 2021 audited financial statements, which required additional disclosures in the 2020/21 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13(c) of the Security Exchange Commission Act.

Name of company		2021 Rs.
Hayleys PLC	Aggregate value of transaction during the year (Rs. '000)	197,885
	Aggregate value of transactions as a percentage of net revenue	55%

33.3 **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**

	2021 Rs.	2020 Rs.
Short-term Employee Benefits	31,134,020	33,919,745
Directors Emoluments	1,020,000	2,796,000

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.

34 EVENT OCCURRING AFTER THE REPORTING DATE

There have been no events subsequent to the reporting date, which require disclosure in the financial statements, but the Group has been closely monitoring the impact of the development of COVID-19 on the Group's business operations. The Group has taken numerous measures for the safety of staff employed, adhering to all Government and Health Authority rules and guidelines and also closely monitoring the liquidity positions and has been serving the existing debt requirements while managing the working capital requirements.

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise interest bearing loans and borrowings and 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 financial assets includes trade and other receivables, and cash and short-term deposits that arrive directly from its operations. The Group also holds Fair value through OCI investments and equity investments designated under fair value through profit or loss.

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

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

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

Market risk

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

The sensitivity analyses in the following sections are related to the position as at 31 March 2021 and 2020.

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 manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

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:

a)

Key Management Personnel Compensation	Increase/ decrease in basis points Rs.	Effect on profit/ (loss) before tax Rs.
2021	+50	(14,242,042)
	-50	14,242,042
2020	+50	(7,844,142)
	-50	7,844,142

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.

Foreign currency sensitivity
The following table demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate	Effect on profit before tax Rs.
2021	+5%	39,231,909
	-5%	(39,231,909)
2020	+5%	12,618,094
	-5%	(12,618,094)

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. 135,067,624/- (2020- Rs. 50,084,854/-). An increase or decrease of 10% on the Colombo Stock Exchange (CSE) market index (ASPI) could have an impact of approximately Rs.13,506,762/- (2020- Rs. 5,008,485/-) on the income and equity attributable to the Group.

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 term deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables
The Group has established policies, procedures and controls to manage the credit risk of Travel Agents of the Group. The Group carefully evaluating travel agents credentials and credit worthiness prior to contracting with them and as at reporting date more than 95% of the trade receivables are due from well established travel agents and risk exposure to receivables from individuals and entities are minimal as it represents less than 5% from the total receivables as at reporting date.

The Group has considered the current decline in the tourism industry due to the impact of COVID-19 Pandemic evaluating the credit risk of trade receivables. The Management has monitored the effect of the global economic downturn to its travel agents through frequent discussion with them and based on the financial strength and negotiated the payment terms and future arrangements accordingly. Dues from travel agents are still within the credit period and those travel agents have agreed to release the payments on due dates.

An impairment analysis is performed at each reporting date using a provision matrix (simplified approach) to measure expected credit losses. The Group has received all the dues within agreed credit period in the past without any delays. The management also considered the local and global economic indicators and the results of negotiations and subsequent cash receipts in determining the provision for impairment.

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 audit committee. The Group's evaluating the banks and financial institutions based on respective credit ratings.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

COVID-19 pandemic has impacted on overall tourism industry which affected the operational cash flows of the Group as well. In order to maintain a sufficient variety of sources of funding The Group has negotiated with its key suppliers to extend the credit terms and obtained bank loans and overdraft facilities to maintain the cash requirements.

The Group has Rs. 1,630,766/- of short term deposits, Rs. 211,932,233/- of cash balance and Rs. 400,000,000/- of undrawn banking facilities as at the reporting date and the Group assessed these funds are sufficient to meet the obligations when due.

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

As at 31 March 2021	On demand Rs.	Less than 3 Months Rs.	3 to 12 Months Rs.	1 to 5 Years Rs.	More than 5 Years Rs.	Total Rs.
Interest-bearing loans and borrowings	336,120,997	-	638,325,687	1,049,379,566	-	2,023,826,250
Trade and other payables	-	277,752,050	8,070,003	-	-	285,822,053
	336,120,997	277,752,050	646,395,690	1,049,379,566	-	2,309,648,303

As at 31 March 2020	On demand Rs.	Less than 3 Months Rs.	3 to 12 Months Rs.	1 to 5 Years Rs.	More than 5 Years Rs.	Total Rs.
Interest-bearing loans and borrowings	229,838,791	-	295,454,071	1,043,535,631	-	1,568,828,493
Trade and other payables	-	208,445,047	105,019,215	-	-	313,464,262
	229,838,791	208,445,047	400,473,286	1,043,535,631	-	1,882,292,755

Capital management

Capital includes only the equity attributable to the equity holders of the parent.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence to sustain future development of the business. The Group's objectives when managing capital are to;

i. Safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders, and

ii. Maintain an optimal capital structure to reduce the cost of capital.

Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group's policy is to keep the gearing ratio at minimum level. The Group includes within net debt, bank overdraft, trade and other payables, less cash and cash equivalents.

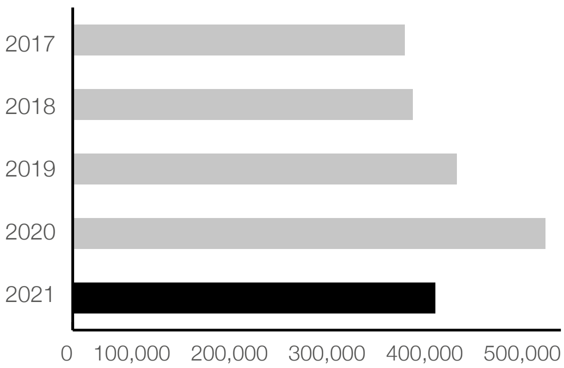
	2021 Rs.	2020 Rs.
Interest-bearing loans and borrowings (Note 22)	2,023,826,250	1,568,828,493
Trade and other payables (Note 28)	285,822,053	313,464,262
Less: Cash and short term deposits (Note 25)	(213,562,999)	(300,905,040)
Net debt	2,096,085,304	1,581,387,715
Equity	2,899,703,668	3,531,035,711
Total capital	2,899,703,668	3,531,035,711
Capital and net debt	4,995,788,972	5,112,423,426
Gearing ratio	41.11%	30.76%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 2020.

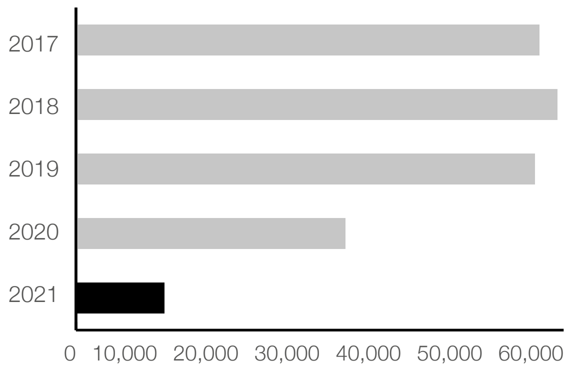
Statement of Value Creation

	2021 Rs.'000	2020 Rs.'000	2019 Rs.'000	2018 Rs.'000	2017 Rs.'000
Revenue	368,134	1,245,072	1,667,447	1,460,104	1,592,920
Other income	49,324	60,872	171,308	54,027	100,813
VALUE DISTRIBUTED					
To Employees	371,608	484,045	393,640	348,260	340,280
To Government Revenue	10,852	33,119	56,432	59,223	57,027
To Shareholders as Dividends	-	-	290,625	-	103,753
To Lenders of Capital					
- Interest on Borrowings	231,073	168,224	177,970	163,046	205,467
- Non-Controlling Interest	(65,948)	(97,783)	(64,465)	(85,229)	(57,620)
VALUE RETAINED FOR EXPANSION AND GROWTH					
Depreciation	172,708	177,734	177,970	195,262	188,053
Profit retained	-	-	-	93,267	102,690

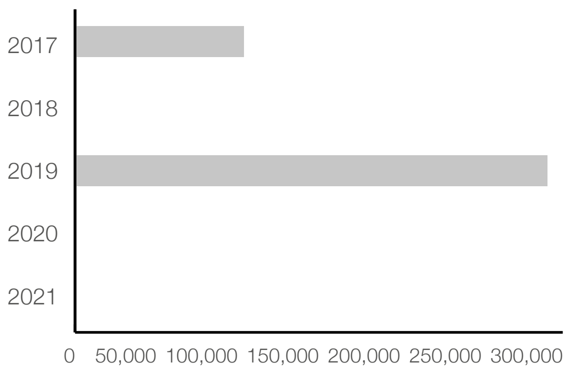
Employee Value Creation



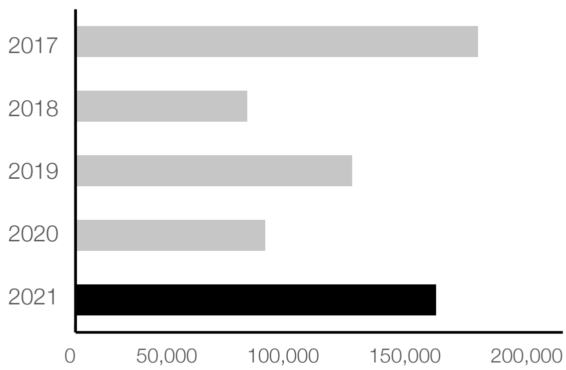
Government Value Creation



Value Creation to Shareholders



Value Creation to Lenders



Share and Investor Information

AMAYA LEISURE PLC
ORDINARY SHAREHOLDERS AS AT 31ST MARCH 2021

No. of shareholders as at 31st March 2021 -1,863 (as at 31st March 2020 - 1,618)

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	1,360	330,766	0.31	8	3,026	0.00	1,368	333,792	0.31
1,001 - 10,000	354	1,093,760	1.01	5	9,832	0.01	359	1,103,592	1.02
10,001 - 100,000	106	2,691,576	2.49	1	20,412	0.02	107	2,711,988	2.51
100,001 - 1,000,000	14	3,250,004	3.01	1	170,922	0.16	15	3,420,926	3.17
Over 1,000,000	14	100,419,660	92.99	0	0	0.00	14	100,419,660	92.99
	1,848	107,785,766	99.81	15	204,192	0.19	1,863	107,989,958	100.00
Category									
Individuals	1,770	10,442,019	9.67	15	204,192	0.19	1,785	10,646,211	9.86
Institutions	78	97,343,747	90.14	-	-	0.00	78	97,343,747	90.14
	1,848	107,785,766	99.81	15	204,192	0.19	1,863	107,989,958	100.00

Market Capitalisation as at 31st March 2021	1,922,221,252.40
Float Adjusted Market Capitalisation as at 31st March 2021	595,367,814.00
Minimum Public Holding requirement as at 31st March 2021	20%

Percentage of Public Holding	30.97
Total No. of Shareholders Represent In Public Holding	1,852
Float Adjusted Market Capitalisation as at 31st March 2021	595,367,814.00

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. 2.5Bn. Float Adjusted Market Capitalisation.

First Twenty Shareholders

First Twenty Shareholders As at 31St March 2021 With Comparatives

	Name of Shareholder	No. of Shares as at 31st March 2021	%	No. of Shares as at 31st March 2020	%
1	Hayleys PLC	43,538,914	40.32	21,769,457	40.32
2	Dean Foster (Pvt) Limited	23,049,088	21.34	11,524,544	21.34
3	Sri Lanka Insurance Corporation Ltd-Life Fund	10,604,160	9.82	-	-
4	Employee's Provident Fund	10,388,284	9.62	5,194,142	9.62
5	Mr. Wickramasinghe Arachchige Don Chandrasiri Jayalath Wickramasinghe	3,212,672	2.97	1,606,336	2.97
6	Mercantile Investments And Finance PLC	1,933,440	1.79	966,720	1.79
7	Toyo Cushion Lanka (Pvt) Ltd	1,835,420	1.70	917,710	1.70
8	Volanka Exports Limited	1,445,358	1.34	722,679	1.34
9	Bank of Ceylon No. 1 Account	1,186,240	1.10	593,120	1.10
10	Associated Electrical Corporation Ltd	1,134,942	1.05	467,471	0.87
11	Mr. Hans Anton Van Starrex	1,084,720	1.00	542,360	1.00
12	Mr. Kulappuarachchige Don Dammika Perera	1,006,422	0.93	503,211	0.93
13	Little Smile Organic (Pvt) Ltd	470,320	0.44	-	-
14	Mr. Suranimala Senaratne	407,542	0.38	203,771	0.38
15	Mr. Derek Joseph De Silva Wijeyeratne	320,088	0.30	160,044	0.30
16	Bank of Ceylon A/C Ceybank Century Growth Fund	316,448	0.29	158,224	0.29
17	Mr. Hitbandara Atapattu Mudiyanselage Premaratne Algama	314,504	0.29	157,252	0.29
18	Mr. Kulappu Arachchige Don Anurada Perera	250,000	0.23	-	-
19	Commercial Bank of Ceylon PLC/Andaradeniya Estate (Pvt) Ltd	209,538	0.19	-	-
20	Hatton National Bank PLC/Kandaiah Kanapathipillai Shujeevan	184,838	0.17	-	-
	Total	102,892,938	95.28	45,487,041	84.24

Share Trading Information

For The Three Months Ended 31st March 2021		Rs.	
Highest Price		52.00	21.01.2021
Lowest Price		17.00	19.03.2021
Closing Price		17.80	
Transactions	No.	1,512	
Shares traded	No.	6,498,746	
Value of shares traded	Rs.	275,241,316.70	

For The Twelve Months Ended 31st March 2021		Rs.	
Highest Price		52.00	21.01.2021
Lowest Price		17.00	19.03.2021
Closing Price		17.80	
Transactions	No.	3,570	
Shares traded	No.	8,502,573	
Value of shares traded	Rs.	341,238,261.10	

Ten Year Summary

Year ended 31st March		2021 Rs. 000	2020 Rs. 000	2019 Rs. 000	2018 Rs. 000	2017 Rs. 000	2016 Rs. 000	2015 Rs. 000	2014 Rs. 000	2013 Rs. 000	2012 Rs. 000
Revenue		362,362	1,225,951	1,643,863	1,442,894	1,575,332	1,623,312	1,395,504	1,159,802	1,066,520	867,653
Profit before tax		(784,638)	(252,362)	270,449	50,051	188,261	301,625	223,489	417,919	408,525	308,948
Taxation		(5,081)	(13,999)	(35,217)	(42,012)	(39,439)	(54,927)	(42,667)	(41,757)	(31,948)	(16,384)
Profit after tax		(789,719)	(266,361)	235,232	8,038	148,823	246,698	180,822	376,162	376,577	292,564
Profit/(Loss) attributable to owners of the parent		(723,771)	(168,578)	299,697	93,267	206,443	287,016	227,855	376,160	376,587	292,583
Non-Controlling Interest		(65,948)	(97,783)	(64,465)	(85,229)	(57,620)	(40,317)	(47,033)	2,301	(10)	(19)
Funds employed											
Stated capital *		909,371	909,371	909,371	819,779	819,779	718,907	718,907	526,770	526,770	526,770
Capital Reserves		423,794	423,794	423,794	269,100	274,699	410,346	410,346	65,295	65,295	-
Other component of equity		71,981	(60,487)	(49,105)	(7,569)	(17,286)	(44,854)	(30,808)	(57,951)	(43,459)	(23,662)
Revenue reserves		1,469,067	2,236,086	2,414,321	2,406,462	2,318,535	2,266,477	2,073,582	2,083,606	1,923,537	1,739,087
Equity attributable to equity holders of the parent		2,874,212	3,508,763	3,698,380	3,487,773	3,395,728	3,350,876	3,172,027	2,617,721	2,472,143	2,242,195
Non-Controlling Interest		25,491	22,272	128,253	206,597	285,554	399,931	423,035	29,302	29,300	27,497
Borrowings		2,023,826	1,568,828	1,354,460	1,447,915	1,518,536	1,791,385	1,839,254	243,421	197,827	122,927
Assets Employed											
Non-current assets		5,093,434	4,973,397	4,999,758	5,027,506	5,141,443	5,436,798	5,493,752	2,880,364	2,708,690	2,384,952
Current assets		396,390	695,115	830,547	607,443	554,134	564,440	377,117	277,056	267,256	241,438
Current Liabilities net of borrowings		380,164	375,162	451,869	309,371	348,963	324,016	319,738	156,965	174,030	145,447
Provisions		186,130	193,486	197,344	183,280	146,797	135,031	116,815	110,010	102,646	88,323
Capital Employed		4,923,529	5,099,863	5,181,085	5,142,298	5,199,818	5,542,191	5,434,316	2,890,444	2,699,270	2,392,619
Cash flow											
Net cash inflow/(outflow) from operating activities		(624,158)	(114,412)	372,205	52,255	374,717	431,669	428,595	471,649	434,957	347,208
Net cash inflow/(outflow) from investing activities		88,744	(53,141)	110,336	(57,978)	110,652	(157,439)	(1,042,792)	(269,251)	(343,912)	(269,504)
Net cash inflow/(outflow) from financing activities		341,790	108,421	(404,683)	(50,455)	(525,346)	49,477	451,319	(185,990)	(136,816)	(177,742)
Increase/(decrease) in cash and cash equivalents		(193,624)	(59,132)	77,858	(56,178)	(39,978)	323,707	(162,877)	16,407	(45,771)	(100,037)
Key Indicators											
Earnings/(Loss) per share (basic)**	(Rs.)	(6.70)	(1.56)	5.55	1.73	3.98	5.69	4.74	7.83	7.84	6.09
Dividend per share	(Rs.)	-	-	5.50	-	2.00	4.00	5.00	4.50	4.00	4.00
Net Assets Value per share**	(Rs.)	26.85	32.70	68.49	67.23	65.46	66.44	66.04	54.50	51.47	46.68
Market price per share	(Rs.)	17.80	25.00	37.20	52.80	63.80	60.50	85.00	72.30	76.50	76.70
Return on shareholders funds	(%)	(27.23)	(7.54)	8.10	2.67	6.08	8.57	7.18	14.37	15.23	13.05
Return on capital employed	(%)	(11.84)	(2.24)	8.53	4.14	7.40	8.24	6.60	15.00	15.35	13.77
Price earnings ratio	(times)	(2.66)	(8.01)	6.70	30.52	16.03	10.63	17.93	9.23	9.76	12.59
Interest cover	(times)	2.52	0.68	2.58	1.31	1.96	2.95	2.65	27.77	72.75	16.03
Dividend payout ratio	(%)	-	-	99.09	-	50.26	70.30	105.49	57.47	51.02	65.68

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

**Earnings per share and Net Asset per share in all reporting periods were adjusted based on post sub division of two shares for every one ordinary share held.

Notice of Meeting
Amaya Leisure PLC
Company No. PQ 145

NOTICE IS HEREBY GIVEN that the Thirty Ninth Annual General Meeting of Amaya Leisure PLC, will be held on Tuesday, 29th June 2021 at 10.30 a.m. via online meeting platform.

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 2021.

2) To re-elect Mr. C. J. Wickramasinghe, who retires by rotation at the Annual General Meeting, a Director.

3) To re-elect Mr. S. H. Amarasekera, who retires by rotation at the Annual General Meeting, a Director.

4) To elect Mr. S. C. Ganegoda as a Director of the Company with effect from 01st April 2021 as recommended by the Board.

5) To propose the following resolution as an ordinary resolution for the re-appointment of Mr. A. M. Pandithage, in terms of Section 211 of the Companies Act No. 07 of 2007,who retires having attained the age of seventy years.

ORDINARY RESOLUTION

"That Mr. Abeyakumar Mohan Pandithage, who has attained the age of Seventy years be and is hereby re-appointed a Director for a further period of one year 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".

6) To propose the following resolution as an ordinary resolution for the re-appointment of Mr. S. Senaratne, in terms of Section 211 of the Companies Act No. 07 of 2007,who retires having attained the age of seventy three years.

ORDINARY RESOLUTION

"That Mr. Suranimala Senaratne, who has attained the age of Seventy Three years be and is hereby re-appointed a Director for a further period of one year 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 authorise the Directors to determine contributions to Charities for the financial year 2021/22.

8) To authorise the Directors to determine the remuneration of the Auditors, M/s Ernst & Young, Chartered Accountants, who are deemed to have been reappointed as Auditors in terms of Section 158 of the Companies Act No. 07 of 2007 for the financial year 2021/22.

9) To consider any other business of which due notice has been given.

By Order of the Board
Amaya Leisure PLC
Hayleys Group Services (Private) Limited
Secretaries

Colombo
28th May 2021
Secretaries

NOTES :

1. A Shareholder is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Shareholder of the Company. A Form of Proxy is enclosed for this purpose. The instrument appointing a proxy must be deposited at No. 400, Deans Road, Colombo 10, Sri Lanka or must be e-mailed to amayaagm@secretarial.hayleys.com not less than forty eight (48) hours before the time fixed for the Meeting.

2. Please refer the Circular to shareholders dated 28th May 2021 and follow the instructions to join the meeting virtually.

Form of Proxy
Amaya Leisure PLC
Company No. PQ 145

I/We* ....

(full name of Shareholder**) NIC No./Reg. No. of Shareholder (**) ....

of ....

being Shareholder/Shareholders* of AMAYA LEISURE PLC hereby appoint:

(1) ....

(full name of Proxy holder**) NIC No. of Proxy holder (**) ....

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 Ninth Annual General Meeting of the Company to be held on Tuesday, 29th June 2021 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 2021 with the Report of the Auditors thereon.		
2. To re-elect Mr. C. J. Wickramasinghe, who retires by rotation at the Annual General Meeting, a Director.		
3. To re-elect Mr. S. H. Amarasekera, who retires by rotation at the Annual General Meeting, a Director.		
4. To elect Mr. S. C. Ganegoda as a Director of the Company with effect from 01st April 2021 as recommended by the Board.		
5. To propose the Ordinary Resolution as set out in the Notice for the re-appointment of Mr. A. M. Pandithage as a Director, in terms of Section 211 of the Companies Act No.07 of 2007, who retires having attained the age of seventy years.		
6. To propose the Ordinary Resolution as set out in the Notice for the re-appointment of Mr. S. Senaratne, as a Director in terms of Section 211 of the Companies Act No.07 of 2007, who retires having attained the age of seventy three years.		
7. To authorise the Directors to determine contributions to Charities for the financial year 2021/22.		
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 2021/2022.		

(***) 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 of …………………………….2021.

Witness: 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.
(f) Please refer the 'Circular to Shareholders' dated 28th May 2021 and follow the instructions to join the meeting virtually

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 or must be e-mailed to amayaagm@secretarial.hayleys.com not less than forty eight (48) hours before the start 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 authorised Fund Manager/Banker with whom the account is maintained.

responsive

AMAYA
LEISURE PLC

Amaya Leisure PLC
Annual Report 2020/21

Corporate Information

NAME OF COMPANY	Amaya Leisure PLC
COMPANY REGISTRATION NO.	PQ 145
LEGAL FORM	Public Quoted Company with limited liability originally incorporated in Sri Lanka as a Private Company and later converted to a Public Company.
REGISTERED OFFICE	Level 27, East Tower, World Trade Center, Echelon Square, Colombo 01, Sri Lanka Telephone + 94 11 - 4767800 Fax + 94 11 - 4767832 Website www.amayaresorts.com
BOARD OF DIRECTORS	Mr. A. M. Pandithage (Chairman) Mr. C. J. Wickramasinghe (Deputy Chairman) Mr. R. J. Karunarajah (Managing Director) Mr. Dhammika Perera Mr. L. T. Samarawickrama (Resigned w.e.f. 18th January 2021) Mr. S. Senaratne Mr. S. H. Amarasekera Ms. R. N. Ponnambalam Mr. S. J. Wijesinghe Ms. W. D. De. Costa Ms. A. A. K. Amarasinghe - Alternate Director to Mr. Dhammika Perera
SUBSIDIARY COMPANIES Unquoted	Culture Club Resorts (Private) Limited Kandyan Resorts (Private) Limited Sun Tan Beach Resorts Limited Lake Lodge (Private) Limited Connaissance Air Travels (Private) Limited Connaissance Hotel Management (Private) Limited CDC Convention (Private) Limited
SECRETARIES	Hayleys Group Services (Private) Limited No. 400, Deans Road Colombo 10, Sri Lanka
AUDITORS	Ernst & Young Chartered Accountants 201, De Saram Place Colombo 10, Sri Lanka
BANKERS	Hatton National Bank PLC National Development Bank PLC Commercial Bank of Ceylon PLC Pan Asia Bank PLC DFCC Bank PLC Nations Trust Bank PLC Seylan Bank PLC