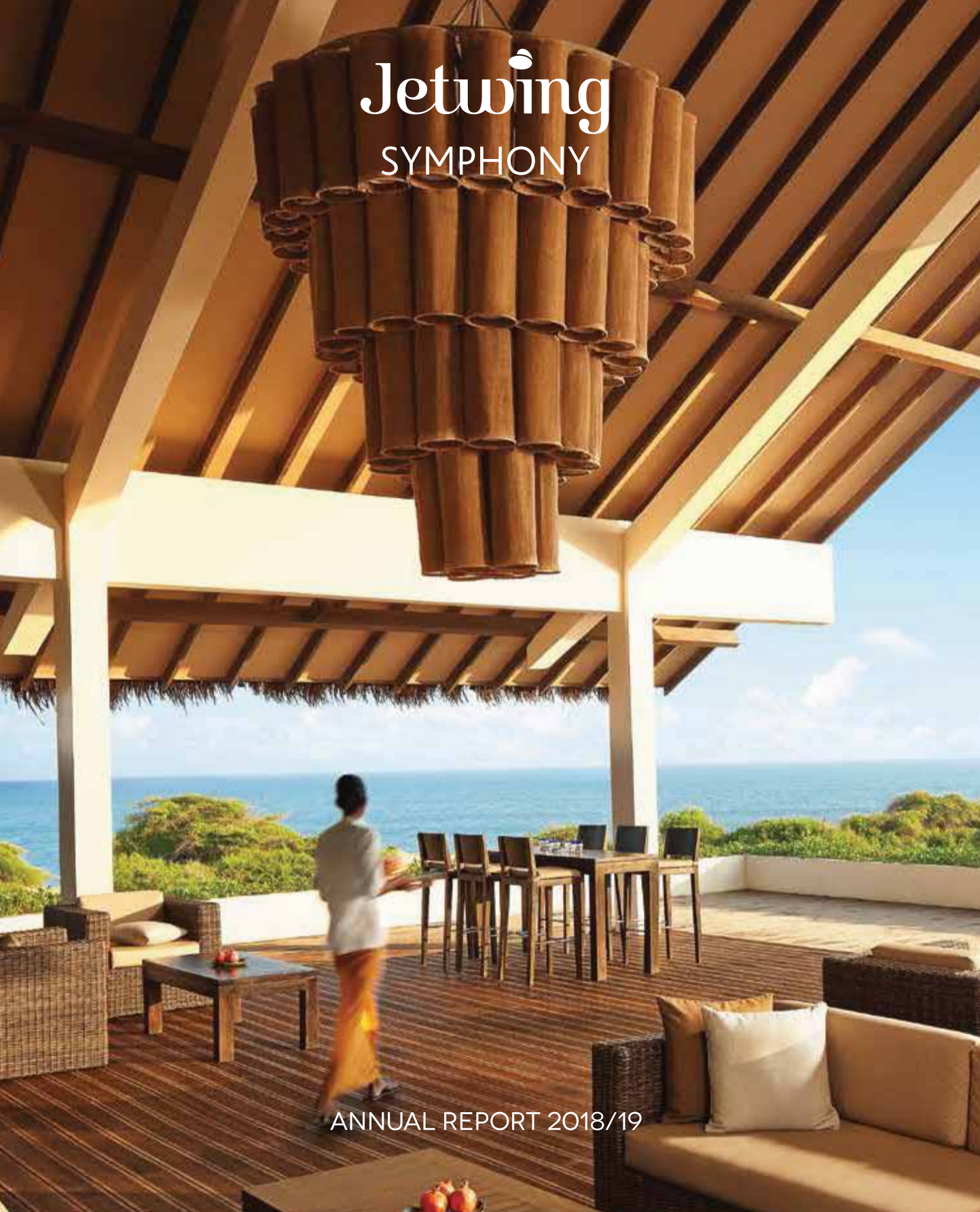


Jetwing SYMPHONY

ANNUAL REPORT 2018/19

"A collection of resorts combining tradition and innovation, local architecture and timeless elegance in unique and beautiful locations across the island. At every Symphony resort, we welcome the world as part of our family, and treat its people as our own. Each associate is trained in the art of traditional Sri Lankan hospitality and is committed to offering an inimitably warm and personalized experience from the moment you step through our doors, ensuring the journey is filled with the most unforgettable memories."

Index

About Us

Jetwing Symphony comes under the umbrella of the Jetwing group, renowned for being the true home of Sri Lankan hospitality, and is the investment and growth engine that will be the future of Sri Lankan hospitality. Jetwing Symphony is building a sustainable foundation for a much larger tourism ecosystem in Sri Lanka through innovative resorts in key destinations, backed up by over four decades of experience in a dynamic and booming tourism industry. Currently, Jetwing Yala (Yala), Jetwing Kaduruketha (Wellawaya), Jetwing Lake (Dambulla), Jetwing Colombo Seven (Colombo) and Jetwing Surf (Pottuvil Point), make up the current portfolio of resorts, with construction for Jetwing Kandy Gallery (Kandy) already underway and Jetwing Reef (Uppuveli) to be launched in the future.

Jetwing YALA

YALA • SRI LANKA

Located a few metres away from the Yala National Park and by the magnificent Indian Ocean, Jetwing Yala and Jetwing Safari Camp are the ideal getaways to soak in the surrounding wilderness in luxury. 80 modern rooms have been decorated with earthy tones to accentuate the colours of the wild, featuring three bars - in the lobby, by the pool and by the sea - alongside one international dining and one fusion dining restaurant, Jetwing Yala spoils its guests with world-class wining and dining opportunities, featuring dishes created with care by expert chefs. Adding another dimension to the resort is the minimalist architecture providing breathtaking views of the ocean.

tripadvisor

Jetwing Yala

4.5 #3 of 6 Hotels in Palatupana

INCREDIBLE EXPERIENCE

BY NIELS S

From the moment we arrived, to the moment we left (5 nights), we had the most amazing experience. Jetwing Yala has incredible staff, friendly, welcoming and helpful, especially Sajeevu. Hosting the Jetwing Youth Development Center, training young locals key working skills and providing opportunities to gain experience, adds massive value to the sustainability vision the hotel has. We are eager to plan our next visit here!

Reviewed: April, 2019
Stayed: April, 2019

Booking.com

Jetwing Yala

Excellent **8.9**

EXCEPTIONAL

BY NATALIE, AUSTRALIA

Everything was amazing! You won't find a better resort!! The staff were so lovely and it's great that they do a training program to help young people learn about the industry!! The food, the rooms, the location, everything was so good! Loved everything!

Reviewed: January, 2019
Stayed: January, 2019

Jetwing

SAFARI CAMP

YALA • SRI LANKA

Jetwing Safari Camp promises wildlife enthusiasts a camping experience like no other. Guests can revel in the serenity of nature with bespoke safaris curated by our experienced team of rangers and unwind in ultimate luxury in our 10 jungle tents, complemented by the warm hospitality of our team of butlers and delectable dishes and beverages served at our restaurant and rooftop bar. The property also has access to one of the finest and widest beach stretches in the area along with professionally trained lifeguards and plenty of water activities.

tripadvisor

Jetwing Safari Camp

4.0 #6 of 11 Specialty Lodging in Palatupana

GLAMPING, BUSH AND BEACH

BY TRAVELLER KATE, GOLD COAST, AUSTRALIA

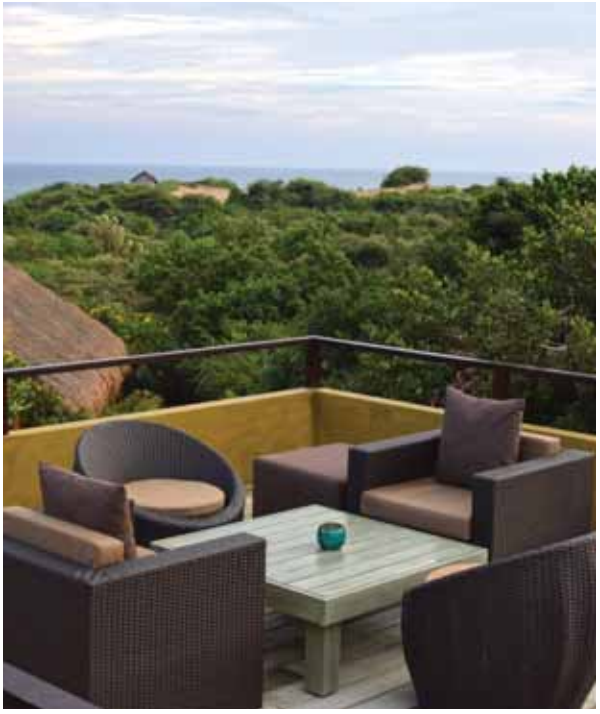
What more can you want than a glamping experience, surrounded by bush that borders the beach. These fixed tents are better than some hotel rooms I have stayed. The decor and furnishings in the tent are a perfect balance and luxury meets canvas camping. I love the fact that the toiletries even are eco-friendly, a big bonus. Add to this a butler service where you can have the most amazing dining experience on your deck brought to you, and you have an amazing bush experience in Yala, Sri Lanka.

Reviewed: February, 2019
Stayed: February, 2019

Booking.com

Jetwing Safari Camp

Very Good **8.5**



EXCEPTIONAL

BY ALEX, UNITED KINGDOM

From the outset the staff were fantastic, they made us feel special and helped organise a really romantic dinner for a special occasion. The location is great - easy access to Yala National Park - and walkable to the Yala Jetwing hotel that has fantastic facilities - pool, gym, beach, spa - all can be accessed for free! The game drive itself was perfect - very experienced guide with good drivers that knew lots about every animal and where best to find them. I highly recommend staying here. I wish I could have spent more time here

Reviewed: January, 2019
Stayed: January, 2019

Jetwing
KADURUKETHA
WELLAWAYA • SRI LANKA

Drawing inspiration from the surroundings of Wellawaya, Jetwing Kaduruketha with its style, simplicity and character blends elements of nature and luxury in perfect harmony. The 25 dwellings with stellar views of lush green paddy fields and the Poonagala Mountain range is perfect for that holiday in secluded privacy. Similar to a traditional village, guests can indulge in the best of ingredients as fresh produce makes its way into the resort kitchen from the onsite garden. A pool fit for royalty, bar and library with excursions aplenty including soaring waterfalls to explore, the wilderness awaits those seeking adventure and discovery.

tripadvisor

Jetwing Kaduruketha

4.5 #1 of 2 Hotels in Wellawaya

SECLUDED LUXURY

BY FORTONBEAR, STROUD, UNITED KINGDOM

Absolutely beautiful and luxurious accommodation, nestled on the edge of a peaceful rice field. Friendly and helpful staff, especially Chataranga. Delicious food, including a vegan dinner and breakfast menu. Accommodation was a detached villa, with beautiful veranda and so peaceful. Lovely outside shower/ bathroom too. The pool, and views from the pool, was amazing. We really enjoyed the evening guided nature walk.

Reviewed: February, 2019
Stayed: February, 2019

Booking.com

Jetwing Kaduruketha

Wonderful 9.0

PARADISE

BY NADIA, UNITED KINGDOM

From the moment we stepped out of our taxi the hospitality and professionalism of the staff was impeccable. If you are a nature lover this hotel has it in abundance! Our room was spacious with spectacular Views of the paddy fields. The food was some of the best we've had so far on our trip. The hotel organised a fantastic trip with a guide of a beautiful waterfall where we were able to bathe in complete privacy. I cannot recommend this hotel enough. It was paradise!

Reviewed: April, 2019
Stayed: April, 2019

Jetwing LAKE

DAMBULLA • SRI LANKA

Spread over 17 acres, Jetwing Lake has a peaceful and relaxing atmosphere with a scenic backdrop of the mountains and Siyambalaweva water tank. The property and its 94 contemporary and stylish rooms clad in earthen hues represent the beauty of the natural habitat and ever changing colours of the sky with sustainability being a key focus. Guests are made to feel like royalty with luxurious spa treatments, a specialty Chinese restaurant, events under the stars and personalised excursions to the many historical sites in the cultural triangle.

tripadvisor

Jetwing Lake

4.5 #3 of 25 Hotels in Dambulla

ONE OF THE BEST

BY 471HONEY, WEST SUSSEX, UNITED KINGDOM

Excellent stay in this eco friendly hotel. From check in to departure everything was perfect. Had second floor room with amazing views across lake to mountains beyond. Swimming in the incredibly long but not deep pool at dusk was an unforgettable experience. Although a big hotel it was so well designed that it never seemed crowded and would definitly recommend to anyone looking for a little luxury and peace in this part of wonderful Sri Lanka.

Reviewed: April, 2019
Stayed: March, 2019

Booking.com

Jetwing Lake

Wonderful

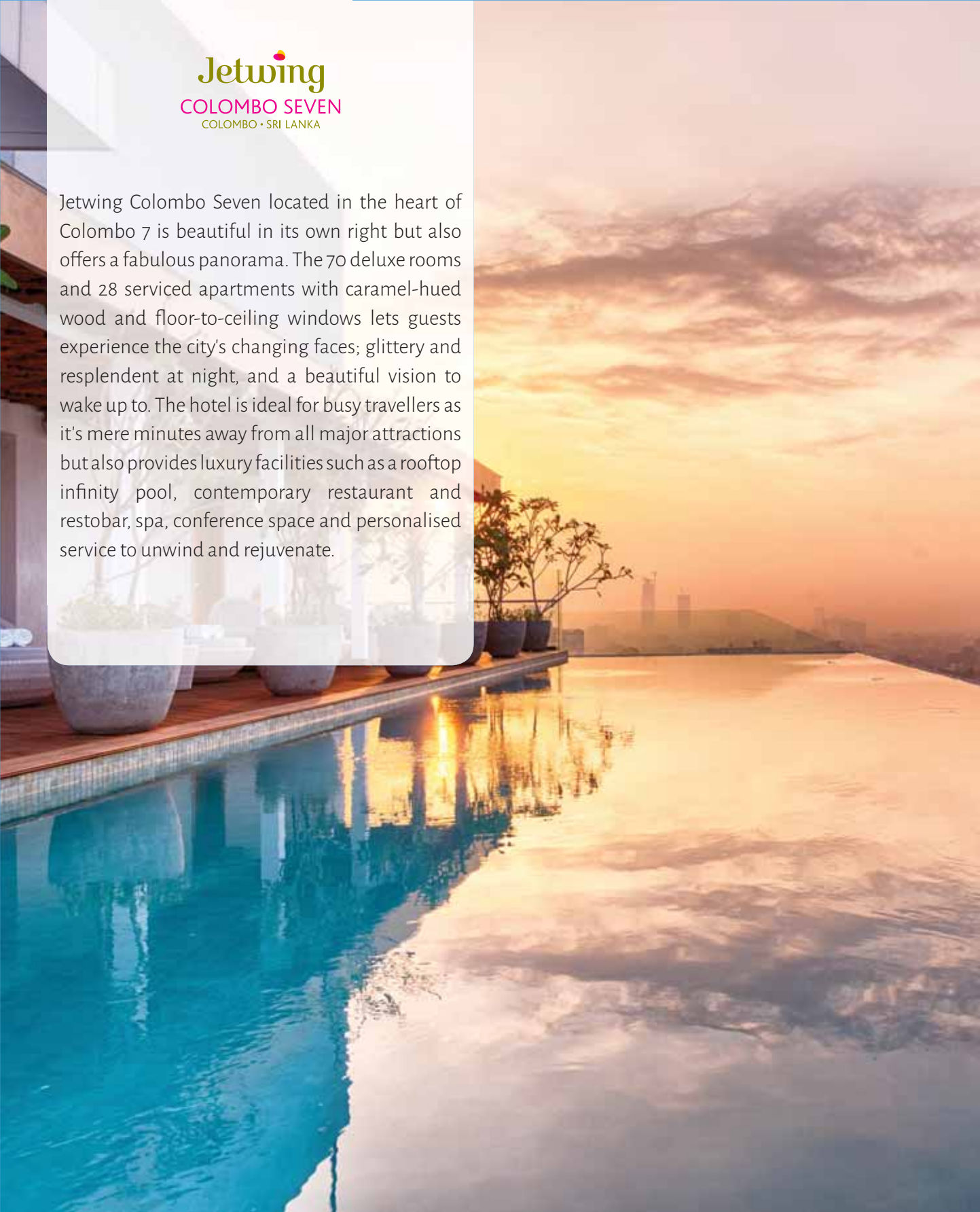
9.2

EXCEPTIONAL

BY JOHANNE, CANADA

Beautiful lake front location with panoramic view of the mountains, incredible swimming pool, spacious and confortable room with large balcony and bathroom complete with shower and bath, great buffet that varies daily and very friendly and helpful staff. Naturalist on site that offers a série of short walks including a short hike up a small mountain to see the sunset. On our fifth night, the staff surprised us by serving a complementary private dinner at the lake site.

Reviewed: January, 2019
Stayed: January, 2019



Jetwing
COLOMBO SEVEN
COLOMBO • SRI LANKA

Jetwing Colombo Seven located in the heart of Colombo 7 is beautiful in its own right but also offers a fabulous panorama. The 70 deluxe rooms and 28 serviced apartments with caramel-hued wood and floor-to-ceiling windows lets guests experience the city's changing faces; glittery and resplendent at night, and a beautiful vision to wake up to. The hotel is ideal for busy travellers as it's mere minutes away from all major attractions but also provides luxury facilities such as a rooftop infinity pool, contemporary restaurant and restobar, spa, conference space and personalised service to unwind and rejuvenate.

tripadvisor

Jetwing Colombo Seven

4.5 #10 of 77 Hotels in Colombo

THE BEST HOTEL EXPERIENCE IN COLOMBO!

BY DAWSON, VANCOUVER, CANADA

Wow, out of all the places we stayed in Sri Lanka, Jetwing Colombo was a highlight for us! We experienced the best hospitality, amazing staff, delicious food and the most Incredible views from the rooftop pool. Great location, just 10 minutes from the train station or Galle Face Green. Whether you are flying into or out of Colombo, make sure this is part of your stay! We can't wait to come back. Thank you Jetwing!

Reviewed: April, 2019
Stayed: March, 2019

Booking.com

Jetwing Colombo Seven

Excellent **8.8**

ONE OF A KIND STAY WITH A COSMOPOLITAN LOOK AND FEEL!

BY THEA, VIETNAM

The staff was exceptionally helpful and sincerely friendly. We really felt at home even though we just stayed for one evening! The look and feel of the hotel is fantastic, the food was amazing and one you swim at the infinity pool at the rooftop, you feel on top of the world witnessing a beautiful skyline! The spa is definitely worth the visit as well!

Reviewed: October, 2018
Stayed: October, 2018

Jetwing SURF

POTTUVIL POINT • SRI LANKA

Nestled in the pristine unchartered coasts of Pottuvil Point, Jetwing Surf blends eco-tourism and luxury. The design of the property and 20 cabanas have been inspired by intricate sea shells and are built using raw material naturally found in Sri Lanka. The open architecture provides perfect settings to unwind and relax in complete privacy with breathtaking views of the Indian Ocean. Unique dining at our restaurant or personalized experiences such as beach dining are a true testament to our legendary hospitality. While the stunning Pottuvil Point is the closest surfing base, Arugam Bay one of the world's finest surfing destinations is only 10 minutes away making it the ideal eco-luxury surf resort.

tripadvisor

Jetwing Surf

4.5 #1 of 36 Specialty Lodging in Pottuvil

AMAZING STAY ON THE EAST COAST!

BY SHANNONMACE, TEL AVIV, ISRAEL

Jetwing Surf is in a fairly isolated area in Pottuvil, a 10 minute tuk tuk ride from the busier Arugam Bay. The beach huts are incredible with lots of space, high ceilings, a comfortable bed, and a huge outdoor bathroom with two showers. Request a hut facing the beach. The restaurant and chefs are amazing- at each meal they offered us extras and even gave us a box of sweets to take with us on the road. The people of the village of Pottuvil are also incredibly welcoming.

Reviewed: April, 2019
Stayed: March, 2019

Booking.com

Jetwing Surf

Excellent **8.7**

EXCEPTIONAL

BY MARC, SPAIN

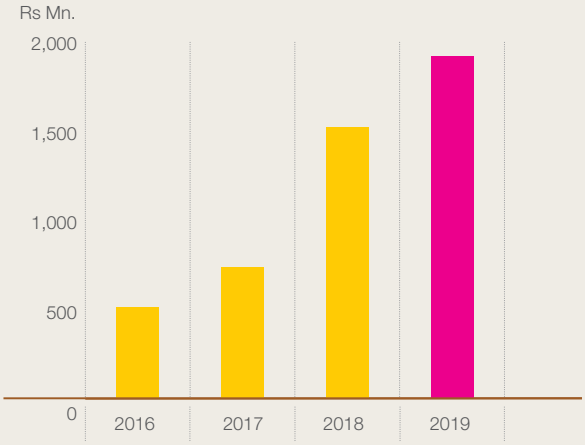
The hotel was absolutely stunning, the service was amazing and the food was one of the best in Sri Lanka. The hotel is eco-friendly, which is something we truly appreciate and value. We will have great memories of Jetwing surf and the staff. Staying there is a must!

Reviewed: October, 2018
Stayed: October, 2018

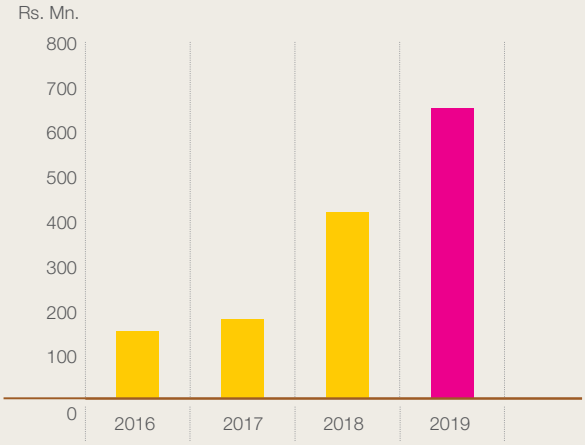
Financial Highlights

		2019	2018
Performance for the year ended 31 March			
Revenue	Rs.'000	1,911,321	1,515,032
Earnings before interest, tax , depreciation & amortisation (EBITDA)	Rs.'000	648,430	417,496
Profit/(Loss) before tax (PBT)	Rs.'000	(271,250)	(347,000)
Profit/(Loss) after tax (PAT)	Rs.'000	(280,587)	(348,618)
Earnings/(Loss) per share	Rs.	(0.56)	(0.74)
Financial Position as at 31 March			
Total Assets	Rs.'000	10,167,560	10,168,506
Total Debt	Rs.'000	4,277,341	4,260,981
Total Equity	Rs.'000	5,340,496	5,396,003
No of Shares in Issue	Nos.'000	502,189	502,189
Net Assets per Share	Rs.	10.59	10.70
Gearing Ratio	%	44	44
Debt/Total Assets	%	42	42
Current Ratio		0.24:1	0.39:1
Quick Asset Ratio		0.21:1	0.36:1
Market/Shareholder information			
Market price per share as at 31 March	Rs	9.70	13.50
Market Capitalisation	Rs '000	4,871,229	6,779,552

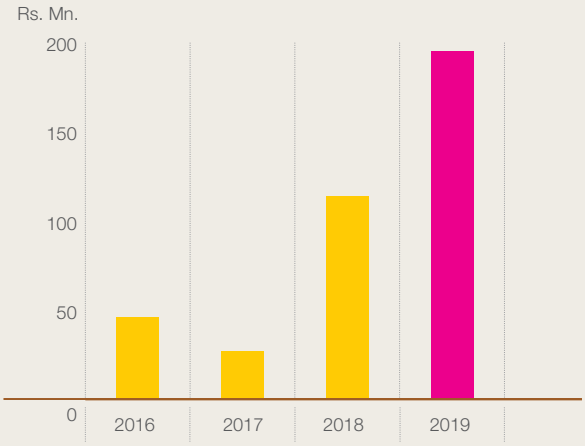
Revenue



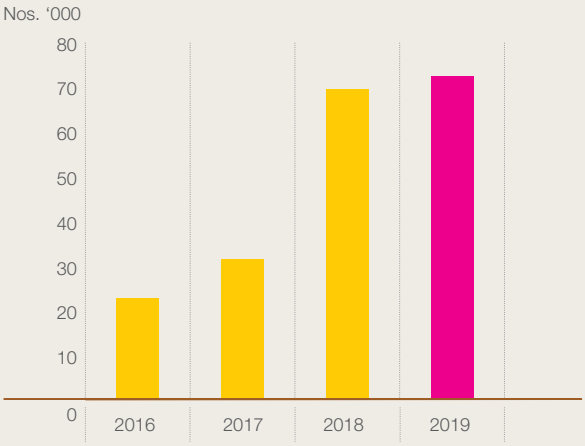
EBITDA



EBIT



Rooms Nights Occupied




Eco-luxury living by the magnificent Eastern waves

Chairman's Letter

Ayubowan!

To the Shareholders and Well-wishers of Jetwing Symphony PLC,

It is with a heavy heart that I write to you. Not in our wildest dreams did we expect such a catastrophe to strike our island paradise, especially after a decade of peace, prosperity and development that followed the end of a 26-year long war. The inhumane nature of the attacks on the 21st of April (Easter Sunday) has had a tumultuous impact on the people and the economic outlook of the country which was, not long ago, designated as Lonely Planet's top country to travel to in 2019.

It is important that Sri Lanka develops her own tools to counter future possible threats drawing from similar incidents that have happened in places such as Paris and Bali. We have every faith in our armed forces, faith that they will once again pull us out of this dark abyss.

As I write this message, the travel advisories of Sri Lanka's major source markets still stand, with a warning against all travel that is not essential. This led to all major tour operators and travel agents cancelling bookings in the immediate months following the incident and certain operators have closed sales for future bookings as well. Cancellations have also been made by independent travellers booking directly with the hotel or through online travel agents, and there has not been a significant pick-up in future bookings yet.

It can certainly be disheartening that the positive momentum of a recently listed company will now have to be re-looked at after the incident. Although the expected positioning of the company will now take a longer period to achieve, we are determined to move forward with a positive outlook.

Looking at the key financials of the past year, I am pleased to note that group revenue rose to Rs. 1.9 Bn – a 26% growth from the previous year. Group operational profit increased by 56% YoY to Rs. 645Mn. The loss before tax prior to exchange losses amounted to Rs. 116 Mn, vis-à-vis the Rs. 78 Mn estimated at the time we did the IPO.

Considering the individual hotel performances, Jetwing Yala (Yala Properties (Pvt) Ltd.) exceeded expectations with a very successful year both in terms of financial performance and overall service delivery. Jetwing Safari Camp (Yala Properties (Pvt) Ltd.) was still taking shape with its new concept and will take some more time to position itself among similar product offerings. Jetwing Lake (Cultural Heritage (Pvt) Ltd) and Jetwing Kaduruketha (Jetwing Kaduruketha (Pvt) Ltd) were both starting to settle down very well with an increased awareness of the properties. Jetwing Colombo Seven (Jetwing City (Pvt) Ltd.) faced the challenge of an extremely competitive market in the capital city, but still showed signs of improvement and went up to 10th best hotel in Colombo on Trip Advisor – I am confident our team will bring it up further in the next year. Jetwing Surf (Pottuvil Point (Pvt) Ltd) performed below expectations, due to the seasonality of the East Coast. With the island requiring a strategic marketing program in the coming months, we hope they will focus on the eastern coasts as well for the traditional west and south coast season, considering the expansion of the highway to Hambantota and the increase in domestic air travel.

The urgent need now is for the country and its people to return to normalcy and live together as one Sri Lankan family. Apart from the obvious benefits this will bring to the country, the key for Tourism is for the travel advisories to be lifted. Once this is done, and assuming no further incidents occur in the country, we will gradually see a pick-up in tourist arrivals. The recovery period following the lifting of the travel advisories could take a few months, since most travellers will want to assess the situation for a longer period and the tour operators will need to re-start their promotions for the destination. Your company's managing agent, Jetwing Hotels Ltd., is confident that if the above assumptions are in place by June (or latest July), your company should begin earning its projected figures from the next financial year onwards.

The international community – agents, operators, travel journalists, friends, and well-wishers, have been so supportive and gave us the confidence and reassurance that they will stand with us and help us in our hour of need. This battle we face today is not within the borders of our little island, but it is a global threat that has risen out of hatred, anger, and malice towards humanity. The world is with us, the people of our country stand strong and united – together, we will overcome this depressed situation and build up the tourism industry and the economy at large. We have undergone many hardships over the relatively short history of our industry and I am certain we will bounce back, as we have before. We will be stronger and more determined to offer the best of Sri Lankan hospitality to not only Sri Lankans but also visitors from around the world.

May God Bless You all,

Hiran Cooray
Chairman
10 May 2019


Simple pleasures of agro-luxury

Operating Environment

The Global Economy

Global economic growth remained steady at 3.2% in 2018, as a fiscally made acceleration in the United States of America offset slower growth in some other large economies. Economic activity at the global level is expected to expand at a solid pace of 3% in 2019 according to World Economic Situation and prospects published by United Nations. Meanwhile, emerging market and developing economies continued to grow strongly, although at a slower pace than in the previous year,

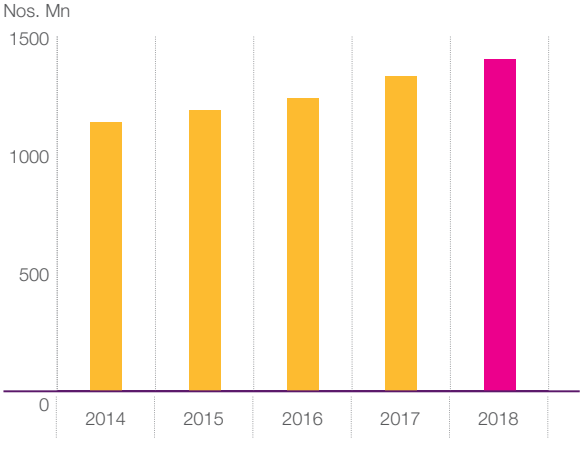
Further, the uncertainty surrounding the Brexit and mounting tensions from the Sino-American trade war led to a moderation in global trade during 2018. Meanwhile, oil prices, which were on an increasing trend during the first nine months of 2018, caused some acceleration in inflation in both advanced economies and emerging market and developing economies during the year.

Global Tourism

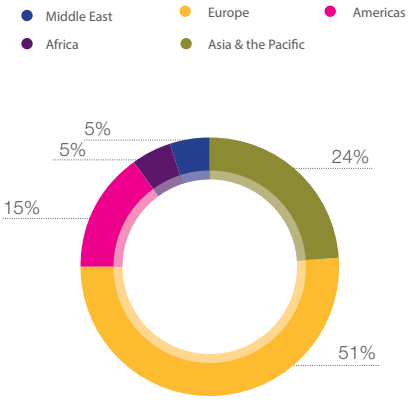
In 2018, Travel & Tourism supported 319 million jobs across the world. The global Travel & Tourism sector grew at 3.9% to contribute a record US dollars 8.8 trillion to the world economy. Further, it also generated 10.4% of all global economic activity.

International tourist arrivals worldwide have increased by 6% to 1,403 million according to the World Tourism Organization. All regions recorded a growth in international arrivals, led by Middle East (+10%), Africa (+7%), both Asia and the Pacific and Europe (+6%) and Americas (+3%).

International Tourist Arrivals



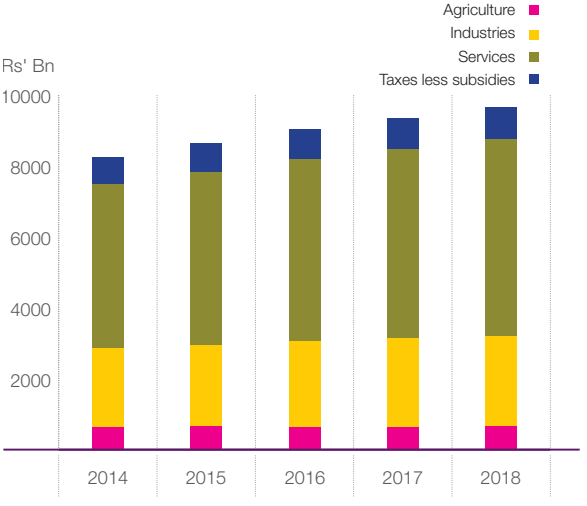
International Tourist Arrivals



The Sri Lankan Economy

The Sri Lankan Economy continued to record a modest growth of 3.2% in 2018 in real terms, compared to the growth of 3.4% in 2017. This growth is mainly due to services activities that expanded by 4.7% and the agriculture activities that expanded by 4.8%. Industry activities slowed down significantly to 0.9% during the year, mainly as a result of the decline in construction. According to the Central Bank of Sri Lanka the total size of the Sri Lankan economy was estimated at US dollars 88.9 billion, while the per capita GDP was recorded at US dollars 4,102 in 2018, which was marginally lower than in the previous year.

GDP



Operating Environment Contd.

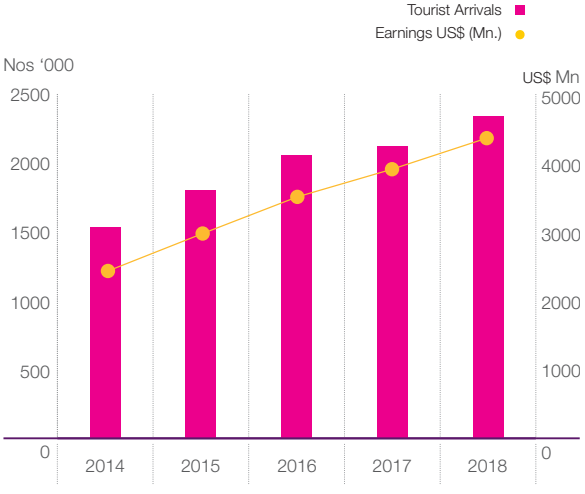
The year-on-year headline inflation based on CCPI declined to 2.8% by end 2018 from 7.1% at end 2017. The decline in inflation is mainly due to low food prices, the reduction of the Special Commodity Levy and Telecommunication Levy despite to the upward adjustments in domestic petroleum prices in mid-2018.

Market lending and deposit interest rates of commercial banks remained high in both nominal and real terms during 2018 despite to tight liquidity conditions and the tight monetary policy stance that was maintained until April 2018. Accordingly, the Average Weighted Lending Rate (AWLR), which is based on interest rates of all outstanding loans and advances extended by commercial banks, increased to 14.40% by end 2018 from 13.88% at end 2017.

The Sri Lankan Tourism Industry

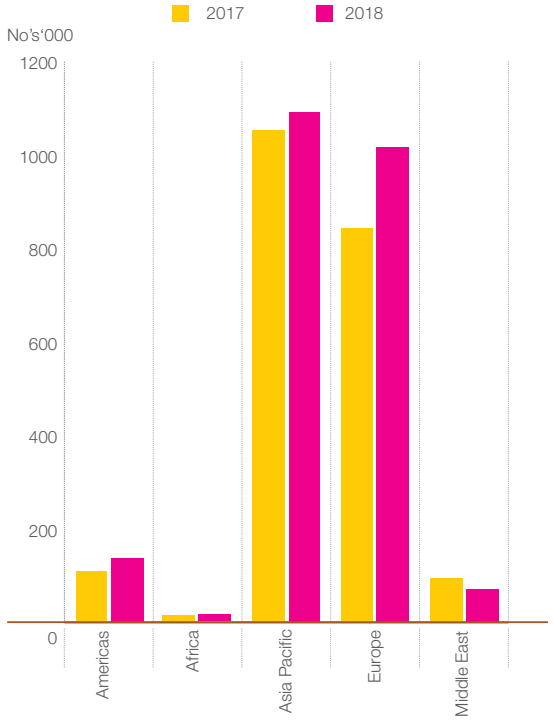
Tourist arrivals grew by 10.3% to 2,333,796 in 2018, recording the highest annual tourist arrivals during a year. Further, earnings from tourism increased by 11.6% to US dollars 4,381 million in 2018, in comparison to US dollars 3,925 million in 2017. This is mainly due to the record high tourist arrivals and increased average spending by tourists.

Annual Tourist Arrivals/Tourism Earnings



Tourist arrivals from all major regions, except East Asia and the Middle East, increased in 2018. Western Europe was the largest tourist origin region for Sri Lanka, which grew at 23% to 840,956 arrivals, with a share of 36% of total tourist arrivals. The top five countries in 2018 were India (424,887), China (265,965), United Kingdom (254,176), Germany (156,888) and Australia (110,928).

Tourist Arrival by Country of Residence 2018



In 2018 several promotional campaigns were implemented to strengthen the potential of Sri Lanka's tourism industry. One of the highlights of the year was that Sri Lanka launched a new brand identity "So Sri Lanka" in November.

The acts of terror that took place on 21st April 2019, an unexpected catastrophe, especially after a decade of peace, prosperity and development that followed the end of a 26-year long war have deeply shocked and saddened Sri Lanka. The inhumane nature of this attack has had a tumultuous impact on the people, the economic and tourism outlook of the country which was, not long ago, designated as Lonely Planet's top country to travel to in 2019.

As at 10th May 2019, the travel advisories of Sri Lanka's major source markets still stand, with a warning against all travel that is not essential. This led to all major tour operators and travel agents cancelling bookings in the immediate months following the incident and certain operators have closed sales for future bookings as well. Cancellations have also been made by free independent travelers' bookings directly with the hotel or through online travel agents, and there has not been a significant pick-up in future bookings yet.

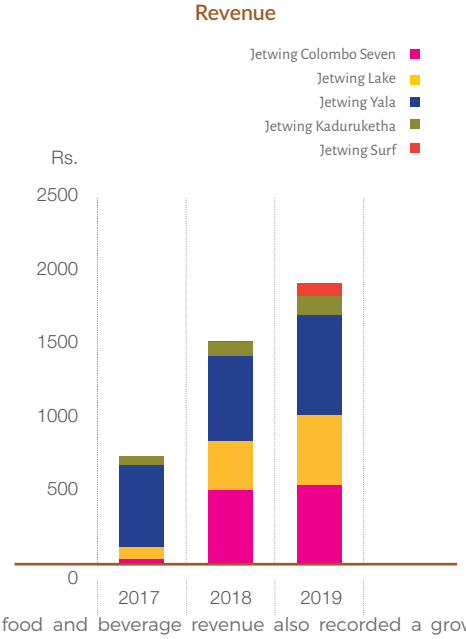

Escape to the heartlands of our history

Group Financial Review

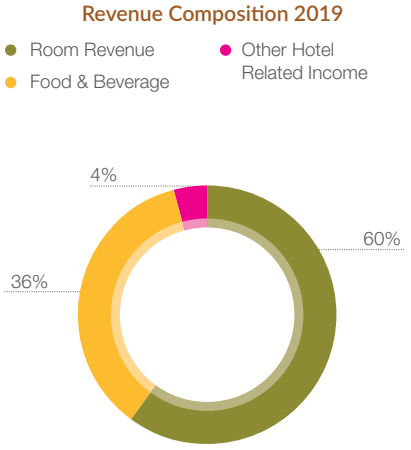
The group financial statements for the financial year 2018/19 includes the financial statements of Jetwing Symphony PLC and all its subsidiaries mentioned in page 113. During the year under review Jetwing Yala, Jetwing Lake, Jetwing Colombo Seven, Jetwing Kaduruketha and Jetwing Surf operated for the full financial year. In the last financial year except for Jetwing Surf which operated for four months (commenced operations in December 2017) rest of the hotels operated for the full financial year.

Revenue

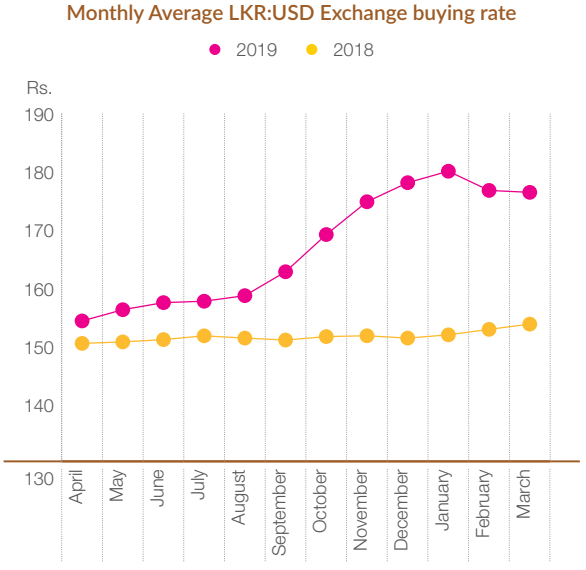
Jetwing Symphony group recorded revenue of Rs. 1.9 billion for the financial year ended 31 March 2019, an increase of 26% compared to last financial year. Jetwing Yala, Jetwing Colombo Seven and Jetwing Lake contributed 36%, 28% and 25% respectively to the group revenue. Notably, room revenue grew at a rate of 34% as compared to previous financial year. This growth was primarily driven by an increase in the ARR across all operating hotels



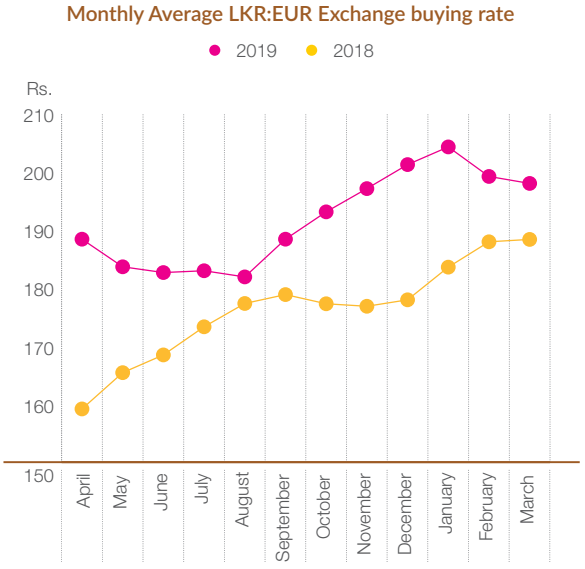
Total food and beverage revenue also recorded a growth of 14% compared to last financial year.



Foreign exchange rate fluctuations during the year provided a favourable impact to the group's results. With the Sri Lankan Rupee depreciating against both the US Dollar and the Euro the group's revenue figures continued to further reflect a positive figure.

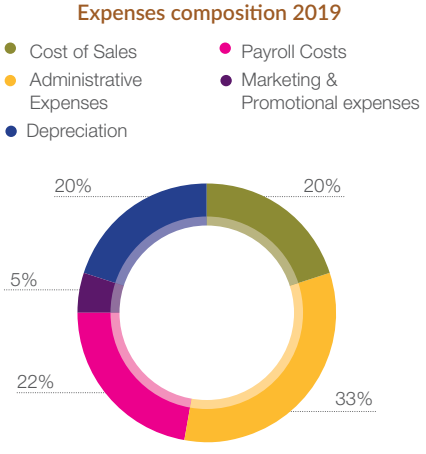


Group Financial Review Contd.



Expenses

Group expenses amounted to of Rs.1,607 million compared to Rs. 1,420 million last year excluding exchange loss on foreign currency loan amounting to Rs. 156 million. The increase in expenses is mainly due to full year of operations for Jetwing Surf, which had operations for 4 months in FY 17/18, salary revision to both executive and non-executive staff and increase in maintenance expenses. However, it is noted that total expenses composition has not changed significantly compared to last year.



Depreciation for the year was reported at Rs. 325 million which is an increase of Rs. 19 million compared to the previous year. This is mainly due to additional depreciation charge from the capitalization of fixed assets of Jetwing Surf, which had operations for 4 months in FY 17/18

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

EBITDA for the year under review was reported as Rs. 645 million compared to Rs. 414 million achieved in the previous year. All operating hotels of the group recorded positive EBITDA figures during the year under review.

Profitability

Operational efficiencies and resulting cost savings helped achieve an operational profit before depreciation and finance costs of Rs. 645 million. The group recorded a loss after tax of Rs. 281 mn compared to previous year's loss after tax of Rs 349 million.

The group recorded a loss before tax of Rs. 271 million compared to previous accounting year's loss before tax of Rs. 347 million. The loss includes exchange loss on foreign currency loan amounting to Rs. 156 million.

During the financial year Jetwing Yala recorded a profit after tax (excluding exchange loss on USD loans) amounting to Rs. 96 million, showcasing an immense growth of 84% compared to the previous financial year. Jetwing Kaduruketha too achieved profit after tax of Rs 1 million. Although the other three operational properties are yet to break even, they have recorded substantial growth with Jetwing Colombo Seven and Jetwing Lake being profitable at EBIT level.

Statement of Financial Position

The Group reported a financial position as at 31st March, 2019 with Total Assets amounting to Rs. 10,168 million unchanged compared to the previous period. During the year under review, Property, Plant and Equipment additions amounted to Rs. 211 million.

During the year non-current liabilities reduced to Rs. 2,512 million compared to Rs. 3,028 million of previous year. As at 31 March 2019 the gearing level of the group stood at 44%.

Shareholders fund

Shareholders' funds as at 31 March 2019 decreased to Rs. 5,340 million from Rs. 5,396 million in the previous period. During the year, the revaluation surplus of land amounting to Rs. 261 million was offset with the deferred tax on the revaluation surplus and the loss after tax. The group's net asset per share as at 31 March 2019 stood at Rs.10.59 per share.

Statement of Cash Flow

Cash position of the group, as at 31st March 2019 decreased to negative Rs 1,207 million, compared to negative Rs. 723 million last financial year. This is mainly due to acquisition of property plant and equipment amounting to Rs. 211 million and repayment of bank loans amounting to Rs 706 million. However, cash flow from operations and investing activities shows a significant increase compared to last financial year.

Project Review

The following is a status update of Jetwing Kandy Gallery:

Project	Location	No. of Rooms	Status
Jetwing Kandy Gallery	Kandy	26	Planning to commence commercial operations in January 2020

Ultimate serenity, sweeping views of the Mahaweli river and the enchanting sounds of the water flowing just beyond. Weaving together the rich heritage of the Kandyan era and the modernity of the present times, Jetwing Kandy Gallery has an unrivalled setting to immerse yourself in all that the historic city of Kandy has to offer. January 2020, be pampered like royalty in our plush suites, indulge in exquisite cuisine, revel in the breathtaking views of the hill country and delve into the vibrant culture of the last Sinhalese kingdom.

Project Review Contd.

SITE WORK

Sustainability Review

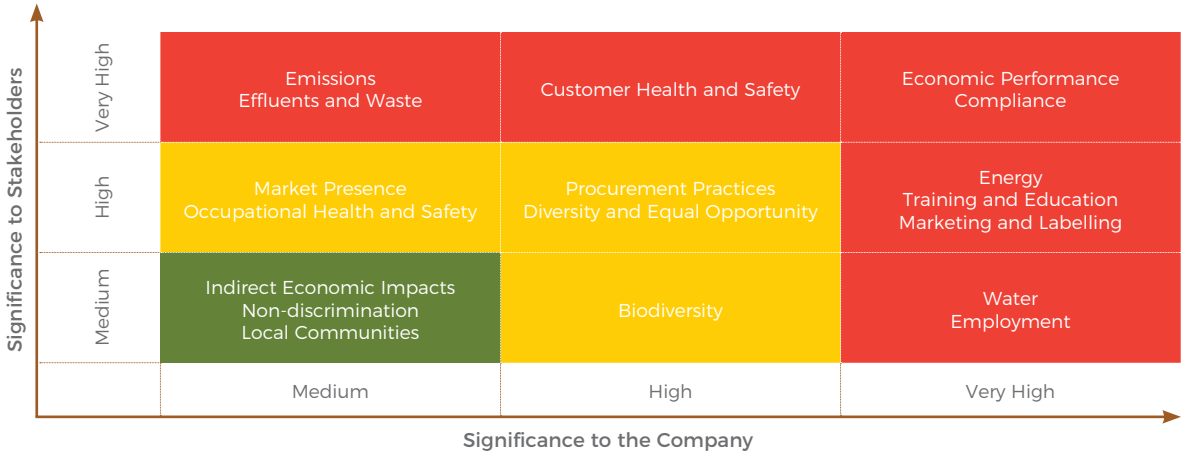
MATERIALITY

We regard a topic as material, if it substantively affects the Company's ability to create value over short, medium and long term. Through an identification process and a materiality analysis we have determined certain topics which are material to Jetwing Symphony PLC and our stakeholders. With a review of the social, environmental and economic issues associated with our operations, identification of material topics was based on the Company's governance, operations and considered input from our primary stakeholders – employees, guests, suppliers and industry associations.

The following steps summarize the process we adopt to determine the material topics:

- We analysed current and potential social, environmental and economic issues associated with our operations
- Impacts of key issues are identified based on the consequences to our stakeholders (using the feedback from both internal and external) and to the business
- A 'Significance to the Company vs Significance on the Stakeholders' matrix is plotted to identify topics of high materiality. These topics could have negative or positive impacts on the business and its stakeholders
- Management team conducted a review to prioritize the high materiality topics in terms of business focus, geographical spread and the profiles of our key stakeholders

This process leads to a materiality matrix (see below) in respect of risks that should be mitigated and opportunities that may be exploited. Our corporate responsibility programs, as well as our reporting, is based on this understanding of the most important issues for our Company and our stakeholders. The topics disclosed on are given with respect to the principles for defining report content advised by the Global Reporting Initiative Standard.



Sustainability Review Contd.

STAKEHOLDERS

Jetwing Symphony does not journey singly. Ours is an enterprise undertaken in step with our stakeholders. Stakeholders are groups that have a significant impact on the Company and those with a vested interest in our operations. Understanding the needs of our diverse stakeholders is critical, as it underscores our capacity to mobilize resources effectively and deliver value more effectively.

Engagement with various stakeholders is integrated to our business plan. We recognize that stakeholder engagement is a broader, more inclusive, continuous process that encompasses a range of activities and approaches which enable improvement and innovation. Through the various engagement platforms that we have established, we seek to understand our stakeholders' views, communicate effectively with them and respond to their concerns.

Stakeholder	Means of Engagement	Key Concerns
Investors / Shareholders	Our pivotal meeting point would be the Annual General Meeting, which provides an opportunity to review the past year's performance and engage in discussion with the Management. Regular communications such as quarterly financial reports, media releases and more reach investors in timely fashion. We also engage with our investors through social media and our regularly updated website; and encourage our investors to communicate with us through a designated email address where a response team stands ready to provide necessary feedback.	• Business performance results & long-term direction • Management of financial and non-financial risks • Competitive scenario, regulatory/ technical changes and other industry updates
Customers	We maintain a guest satisfaction data capture card system to measure customer satisfaction. Regular customer reviews are conducted to help build and maintain healthy rapport. Each review is treated as important and noteworthy and is distributed to relevant departments to ensure follow through. Our customers also engage with the hotel through our website. Our TripAdvisor page is updated daily and immediate feedback is given to queries. We maintain a Green Directory, and environmental messages are displayed in each room to reinforce to our guests the hotels' commitment to sustainability.	• Customer satisfaction in quality and value of service • Provision of accurate product information • Appropriate protection of customer privacy and personal information • Management of environmental risk and social/cultural impacts on communities

Sustainability Review Contd.

Stakeholder	Means of Engagement	Key Concerns
Associates	The management conducts a comprehensive biannual appraisal system which facilitates transparent evaluation and dialogue, leading to performance-based remuneration and rewards. Other methods of engagement include departmental meetings/ briefings, welfare society meetings and staff get-togethers. A full calendar of training programmes is conducted based on career development and career progression needs. Social events during the year include "Jetwing Sports Day" and "Jetwing Prathiba" (our employee talent show) – ideal forums for team building and self-development.	• Value-led organisational culture • Career development opportunities • Personal development opportunities • Safe work environment • Major incident prevention and response
Local Community and Environment	The company is involved in ongoing community outreach initiatives as well as humanitarian projects of a one-off nature which are undertaken regularly to assist the surrounding communities. We strive to minimize our environmental impact and are committed to the continual development of our environmental platform. Jetwing has in-house nature conservation and education programmes that also invite guests to join.	• Local employment opportunities • Support to local businesses and economic benefits • Social and cultural impacts on communities • Environmental conservation
Government and Regulatory Bodies	Jetwing Symphony PLC engages with various regulatory bodies to ensure compliance with statutory requirements of the Government. We participate in relevant associations and provide periodic disclosures. The company addresses concerns such as taxation, legal compliance, infrastructure and social development by participating in annual budgetary discussions and complying with all necessary regulatory and legal requirements.	• Regulatory compliance • Transparency • Fiscal, environmental, social performance • Local employment opportunities • Responsible resource development

Sustainability Review Contd.

ORGANIZATION

Corporate Culture and Values

The values, principles and norms of behaviour of Jetwing Symphony PLC is rooted in Sri Lanka and the ideals and qualities that Sri Lanka represents as well as family and family values. The properties and how they operate is a reflection of Sri Lanka and all it stands for. Values and principles revolve around the Jetwing Family with four qualities that form the base for Jetwing; passion, humility, integrity and tenacity. This goes hand in hand with commitment to legendary and innovative service, as the brand tagline dictates - the home of Sri Lankan hospitality - a mission that the company is committed to, has brought these properties to the forefront of the industry as some of Sri Lanka's iconic hotels. The properties also implement an open-door policy, whereby any associate can converse and voice opinions to senior management and ensure open communication both ways in the organization.

Brand and its Development

The properties are operated by a company that has spent 46 years in the tourism and hospitality industry. Jetwing is a member of several local and international groups and organizations over the years that have expanded on the expertise and knowledge the company upholds and develops. The Hotel Association of Sri Lanka (THASL) is one such organization that has a wide-ranging and diverse membership within the hotel industry in Sri Lanka, and by sharing information it has become an organization for learning and idea sharing. Jetwing Hotels also has this relationship with several international organizations such as PATA, in so doing the company has expanded on global ideas and information. The company also gained valuable expertise from being a member of global alliances such as Great Hotels of the World, adding a great deal of international exposure to organizational knowledge and expertise and the development of the properties.

Jetwing is signatory to and is in compliance with the UNWTO Global Code of Ethics for Tourism – a comprehensive set of principles designed to guide key-players in tourism development, to help maximise the sector's benefits while minimising its potentially negative impact on the environment, cultural heritage and societies across the globe. In 2018, Jetwing Hotels also became a member of the IFC–led *SheWorks* – a Sri Lankan private sector partnership to advance women's employment opportunities in the country, through the identification and implementation of 'gender-smart' solutions that are good for the business, associates and the communities.

Marketing Communications

Jetwing as a company is guided by the expertise of an international advertising agency, namely Leo Burnett, to conform and adhere to the laws, standards and voluntary practices of marketing and advertising such as the International Code of Advertising Practice and the Guidelines for Multinational Enterprises. The company has also undertaken the responsibility of creating a Corporate Identity Manual, that ensure all entities under the umbrella of Jetwing conform to a set of strict guidelines and remain consistent across all platforms. This document acts as the voluntary standards undertaken by the company. These ensure that the company does not infringe on any privacy laws, uphold ethical and culturally accepted standards and are always respectful of religion, gender and ethnicity. In order to ensure this is carried out on a continuous basis, marketing material, advertising and promotional material are checked by several members of the team and a consensus is reached before releasing artwork. This prohibits the release of any offensive collateral. Thus, there have been no incidents of non-compliance.

Safety on Holiday, On the Job

Keeping everyone – guests, associates and other visitors – safe and well is of paramount importance to us. Every facet of our operation undergoes scrutiny and often external verification where applicable.

To ensure the safety of the "product" and identify areas for improvement, general operations of the hotel and food handling is routinely assessed by third parties. For example, Jetwing Yala is HACCP certified and Jetwing Lake is ISO 22000 certified in food safety standards. Under this protocol, surveillance audits are conducted each year. Fire drills and awareness programmes on fire safety are conducted annually, regulated by the Fire Department. Key tour operators routinely evaluate the hotel's facilities/ operations against their own health and safety checklists. At the properties every room, hall, corridor and public space has signs about safety procedure at the property, with clear instructions on the protocol to follow in an emergency. As the properties are open tropical resorts, these indicators are easily understood and the hotel staff ensures that guests know the safety basics when they check into the property.

Effective implementation of the Jetwing Health and Safety policy by our associates helps maintain a safe environment for all.

Sustainability Review Contd.

ENVIRONMENT

Environmental awareness and responsibility lie at the core of the Jetwing ethos. Most importantly, we have taken this from statement to fact across every aspect of business throughout our family of companies. Across all strategy and action, respect for eco-systems around our locations, environmentally friendly processes and care for natural resources are fundamental to Jetwing Hotels.

Our commitment to continuous improvement in key impact areas is outlined in Jetwing Hotels' Sustainability Strategy, with specific measures for maintaining a clean and healthy environment highlighted in the Jetwing Environmental Policy. Diligently tracking the impact our operations have on the environment, we are fully-committed to mitigating any adverse effects that arise. Mindful of the fact that the long term viability of our business depends on the sustainability of the environment, we continuously review and proactively manage the use of resources through innovative measures and green features such as energy and water conservation, reduction in carbon emissions, efficient effluent and waste management, biodiversity conservation as well as sustainable procurement practices, and compliance with environmental regulations.

Environmental Grievance Handling

The company is always aware that disputes and concerns could arise over the environmental impacts of the organisation's activities and its relationships with others. Should such grievances/complaints be brought forward, the hotels are ready to handle them efficiently at source, through dialogue and mediation. We are geared to investigate and address such issues via a clear and transparent process. We maintain a positive outlook viewing any issues that crop up as opportunities to improve and better manage our environmental performance.

Compliance

Compliance with regulatory and voluntary standards demonstrates our commitment to always operating in an environmentally responsible manner. During the year under review, no fines or sanctions were imposed due to noncompliance with environmental laws and regulations. The management systems introduced adhere to all relevant local laws and comply with a range of Jetwing's own internally developed policies including the Jetwing Sustainability Policy, Environmental Policy, Energy Management Policy and Health & Safety Policy. In addition, the hotels are currently in the process of obtaining external verification for their environment and energy management systems under ISO 14001:2015 and ISO 50001:2011 standards respectively.

It is our belief that protecting the environment isn't just a legal or social obligation but is integral to our strategy to run our business in a way that is ethical and aims to create long-term value for all our stakeholders.

Energy and Carbon Footprint

We at Jetwing understand and believe that energy is a valuable commodity and conservation of energy is the need of the hour. In this endeavour, our commitment to continually improve our energy performance via efficient and innovative strategies is outlined in our Energy Management Policy.

As fossil fuel combustion in energy generation is considered to be the largest single source of greenhouse gas (GHG) emissions, in order to reduce the GHG emissions and carbon footprint associated with our operations, the hotels have actively reduced its national grid electricity consumption by both reducing its energy demand via energy conservation and efficiency improvements and promoting non-fossil fuel based (renewable) energy generation.

Initiatives to improve energy efficiency undertaken across the hotels include:

- Entire artificial illumination achieved through energy efficient LED lights
- Dual set point thermostats fitted in each guest room, sets the air conditioner to an energy saving, set back temperature once the key card is removed
- Variable Frequency Drives (VFD) used to control the speed of motors according to the load requirement or climate conditions, have been introduced for pumps and motors where the installed electrical load is high

Sustainability Review Contd.

Improving energy efficiency of the hotel buildings was considered at the concept stage of the properties itself and have they been designed to minimize the need of artificial illumination and mechanical ventilation. This is particularly evident at Jetwing Kaduruketha and Jetwing Surf – where guest rooms do not feature air conditioners and provide ventilation entirely through natural means. Natural cooling is supported mainly through the use of traditional steep-pitched roof designs and by wall constructions which allow for the easy flow of fresh air. Heat gain into indoor spaces has also been minimized by the use of the natural material such as clay tiled roofs at Jetwing Kaduruketha and illuk (grass) covered roofs at Jetwing Surf.

Located in the tropics, Sri Lanka is ideally positioned to expand the use of renewable energy - clean power sources which reduce the strain on exhaustive resources while reducing operational expenses. Maximizing its benefits, Jetwing Hotels has made significant strides in transitioning to renewable energy.

At Jetwing Yala:

- 300 kW_p solar PV (electric) installation, generates approximately 35% of the daily electricity demand of the hotel
- 100% hot water requirement is generated via renewable energy sources - solar hot water panels during day time and a biomass boiler fuelled by cinnamon wood, during night time
- Vapour Absorption Chiller, run sustainably via steam generated from a biomass boiler, caters the hotel's entire air conditioning requirement
- Cooking in the staff cafeteria is entirely fuelled through sustainable means; this includes the use of industrial biomass stoves, cooking stoves fuelled by biogas and a rice steamer driven by the steam produced by the biomass boiler
- A separate biogas digester introduced at Jetwing Safari Camp premises to cater the unit's cooking fuel requirement

At Jetwing Kaduruketha:

- Solar hot water panels cater the entire hot water requirement - excessive heat absorbed during the day is stored in a calorifier and used during night time
- Cooking in the staff cafeteria is entirely fuelled through sustainable means; this includes the use of cooking stoves fuelled by biogas (generated from the onsite biogas digester); and an industrial biomass stove

At Jetwing Colombo Seven:

- A 25kW rooftop solar PV system supplements the grid electricity supply during day time
- Water-to-water heat pumps - where ambient heat (generated from body heat, electronic equipment etc.) within the guest rooms, is used to generate hot water

At Jetwing Lake:

- 300 kW_p solar PV (electric) installation, generates approximately 40% of the daily electricity demand of the hotel.
- 100% hot water requirement is generated via renewable energy sources - solar hot water panels during day time and a biomass boiler fuelled by cinnamon wood, during night time
- Vapour Absorption Chiller, run sustainably via steam generated from a biomass boiler, caters the hotel's entire air conditioning requirement
- Cooking in the staff cafeteria is entirely fuelled through sustainable means; this includes the use of cooking stoves fuelled by biogas (generated from the onsite biogas digester); and industrial biomass stoves

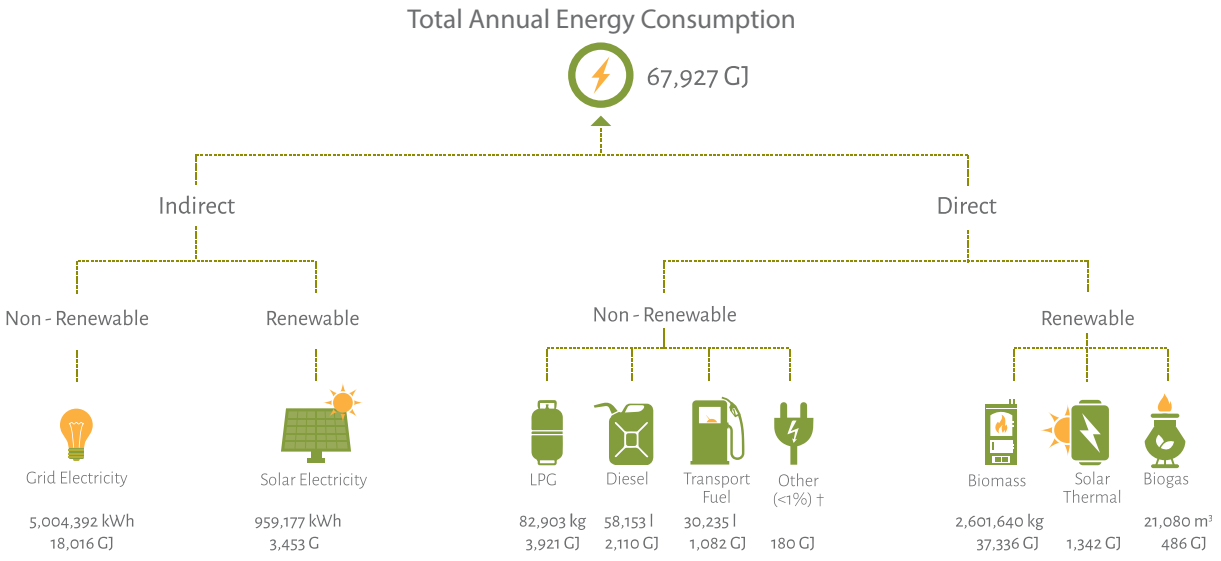
At Jetwing Surf:

- Hot water requirement of the hotel's kitchen & restaurant and staff accommodation premises is generated via a solar hot water system

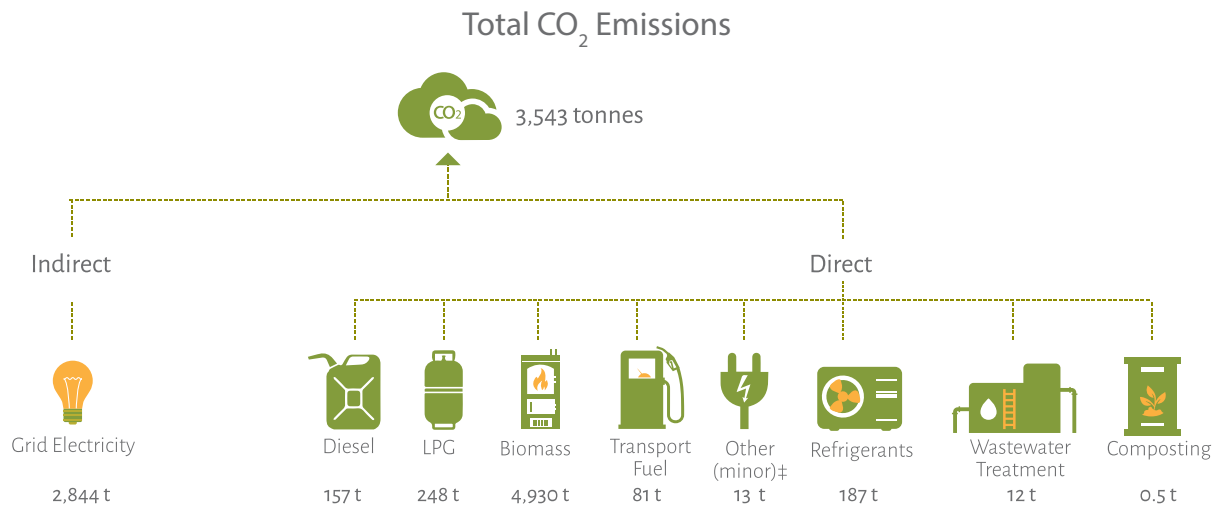
In an effort for continuous improvement, further investments have been proposed for the next financial year; with the complete operational integration of the two biogas digestors constructed at Jetwing Yala and, the installation of net-metered solar PV systems at Jetwing Kaduruketha and Jetwing Surf to offset the hotels' total day-time electricity requirement.

Sustainability Review Contd.

The hotels' current energy profile and greenhouse gas emissions from operations is presented in Figures below. Aggregate energy and GHG emissions intensity ratios for the year 2018/19 are 501.5 MJ/guest night and 26.2 kg CO_2/guest night respectively.



* Energy use data obtained from utility bills or purchase records
† Other (minor) energy sources include: kerosene oil, charcoal and chafing fuel



* Direct and Energy-Indirect emissions calculated according to standard guidelines of ISO 14064 - 1:2006
† Emissions from biogenic sources (biomass) is reported on, but not included to total direct emissions
‡ Other (minor) types of fuel combusted include: kerosene oil, charcoal and chafing fuel

Sustainability Review Contd.

The hotels systematically track its energy usage levels and the savings it achieves through various conservation efforts. Estimated savings from key energy efficiency improvements and renewable energy applications compared to conventional technologies used, is summarized below.

Initiative	Savings		CO_2 not released (kg)
Energy efficient lighting [1]	452,039	kWh	256,939
Solar powered electrical system	959,177	kWh	545,196
Card key (room lighting) [2]	47,759	kWh	27,146
Dual set point thermostat on A/C	25,273	kWh [3]	14,365
	419,717	kg [4]	-
LED televisions [5]	23,872	kWh	13,569
Solar hot water system [6]	36,992	Ltrs	100,057
Biomass boiler for hot water / steam [6]	256,215	Ltrs	693,009
Biomass cooking stoves [7]	13,735	kg	41,101
Vapour Absorption Chiller [8]	1,119,893	kWh	636,547
Biogas digestor [7]	9,165	kg	27,427

1. *Calculated on 70% of bulbs being used for 6 hours per day and in comparison to incandescent/CFL bulbs*
2. *Calculated on 70% of bulbs being used for 6 hours per day*
3. *Calculated for 4 hours per day on un-occupied mode*
4. *Calculated for 4 hours per day on un-occupied mode, savings compared to biomass use (steam generation for VAC)*
5. *Calculated for use of 3 hours per day*
6. *Calculated compared to Diesel fuel*
7. *Calculated compared to LP Gas*
8. *Associated 'Net' financial savings*

Savings acquired from measures detailed above are not only beneficial for the environment in terms of reduced use of fossil fuels and reduced greenhouse gas emissions but incur direct benefits to the hotel(s) in the long run as energy savings go hand in hand with cost savings.

Water Conservation and Wastewater Management

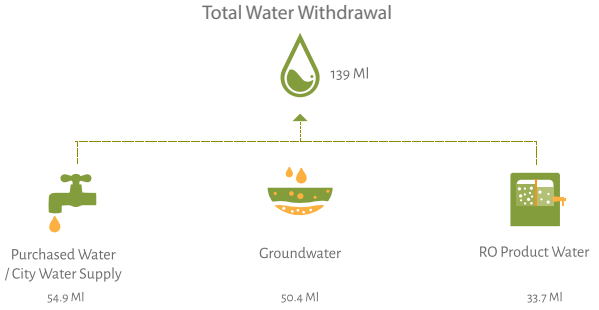
Sri Lanka knows full well the impact of water scarcity through ever more frequently occurring droughts. Thus, we all have a moral and commercial responsibility to conserve this precious freshwater resource that is not only getting scarcer, but its sources are increasingly being polluted by sewage, fertilisers, pesticides and industrial effluents.

Recognizing the importance of water conservation, initiatives are taken during the inception of the hotel projects and their operation phase to minimize water consumption, reduce wastages and reuse wherever possible. Throughout the hotels, separate water meters have been installed in different departments, allowing for daily monitoring of use and highlighting any abnormal use. While fixtures in use, such as taps, shower heads and toilet cisterns were specifically chosen during design stage to prevent wastage, introduction of flow restrictors/water savers with faucets have further improved the efficiency in water usage.

Located in the remote dry zone, with no city water supply and scarce fresh water sources, the water requirement of Jetwing Yala, is produced via the Reverse Osmosis (RO) plant onsite. The plant with an installed maximum production capacity of 200m^3 per day, is used to desalinate and purify seawater to fresh water. With no access to the city water supply, Jetwing Kaduruketha is entirely dependent on groundwater sources which are filtered before use. With a restricted city water supply in the region, the water requirement of Jetwing Surf too, is met via groundwater sources. At Jetwing Lake, the city water supply is supplemented by groundwater extracted onsite to meet the hotel's fresh water requirement. Situated in an urban area, the water supply of Jetwing Colombo Seven is met entirely by the city water supply.

Sustainability Review Contd.

Further investments are proposed for Jetwing Surf next financial year to reduce the hotel's freshwater requirement via use of untreated groundwater and grey (waste)water from guest room showers for garden irrigation purposes.



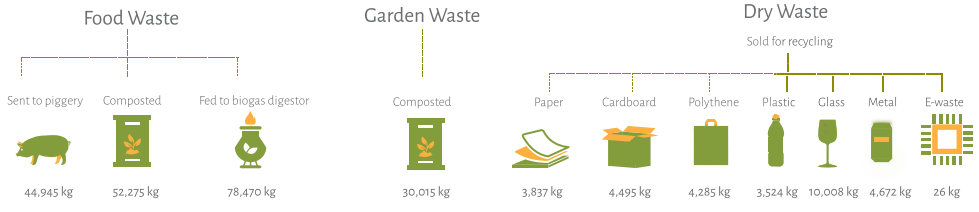
100% of the wastewater generated at Jetwing Yala and Jetwing Lake is treated onsite and reused; from the design stage of the hotels itself, black and grey waste water is separated at source and treated separately, in order to improve the efficiency of the treatment system. Quality of the discharged water is routinely checked by an accredited external company to ensure it meets the required standards of the Central Environmental Authority (Tolerance limits for the discharge of effluents into Inland surface waters, Gazetted under the National Environmental Act). All grey water collected is treated and reused for the cooling towers and cisterns; and all black water collected is treated and reused for garden watering throughout the properties. Sludge collected from the wastewater treatment plant is sundried and used as a nutrient rich soil enhancer.

While, wastewater generated at Jetwing Kaduruketha and Jetwing Surf is responsibly discharged to the environment following pretreatment (anaerobically) in septic tanks; all wastewater generated at Jetwing Colombo Seven is discharged to the city's public sewer system.

Solid Waste Management

By the very nature of business, hotels generate considerable quantities of waste from their diverse areas of operation. Through our comprehensive waste management system practiced, solid waste generated is separated at their sources of origin – in all departments such as the kitchen, restaurant and bar, maintenance, stores and guest rooms – stored safely and hygienically and disposed in the most environmentally-sound manner available. Dry solid waste collected (such as cardboard, plastic, glass bottles and metal) is inventoried and sold to external parties for recycling or reuse.

At Jetwing Yala, Jetwing Kaduruketha and Jetwing Lake, all organic waste generated from hotel operations is treated and reused onsite. While a process enhanced composting machine is used at Jetwing Yala to produce compost from all food waste and off-cuts; food waste generated at Jetwing Kaduruketha and Jetwing Lake is fed to an onsite biogas digester - the product (bio)gas is used for stoves in the staff cafeteria. All garden sweepings and other tree clippings collected from the hotels' premises, is composted onsite. The product compost is used as a nutrient rich soil enhancer in the hotel gardens. At Jetwing Colombo Seven, all food waste generated is sent to a local piggery to be used at animal feed. In order to effectively treat and recycle organic waste at Jetwing Surf, a windrow composting unit is proposed to be introduced onsite within the next financial year. Minimal quantities of mixed waste items which can neither be recycled nor biodegraded, are collected by local authorities for disposal.



(Plastic) bottled water use remains a concern because of both the cost and emission of transporting from source to end user as well as the waste disposal (Plastic) bottled water use remains a concern because of both the cost and emission of transporting from source to end user as well as the waste disposal problem that it creates in due course. To replace the use of the plastic bottled water with reusable glass water bottles, potable-water bottling plants have been commissioned at Jetwing Yala, Jetwing Kaduruketha and Jetwing Lake.

Biodiversity Conservation and Education

Although Jetwing Symphony PLC does not operate any sites within formerly protected areas; located in scenic natural locations, such areas may hold high biodiversity values. Thus, we have a distinct responsibility in ensuring that activities carried out do not have an appreciable adverse effects on the local flora and fauna. We are committed to proactively protecting the environment where we operate and conducting our operations in a way that minimizes our disturbance of the rich ecosystems that provide essential environmental and social benefits.

We continue to review our impact and work towards reducing energy, water and material usage and generation of emissions, effluents and solid waste; while also enhancing habitats through increasing the green cover with native flora, control of invasive alien species etc. - which have an ongoing positive effect on biodiversity in the areas in which we operate. Further, we provide environmental education support with a particular focus on future generations – local students – to share best practices and awareness on the importance of biodiversity and nature conservation.

Sweepings and clippings from the hotel gardens are added to an onsite composting unit. The moisture content and temperature in the compost is carefully maintained to ensure an efficient composting process. The product compost is added to the hotel garden.

Sustainability Review Contd.

COMMUNITY

At Jetwing we have always believed that tourism cannot exist in isolation and only works well when an intimate and close relationship with local communities is fostered. We are mindful of what it means to be a hotelier located within this wider community with its interactions and impact on each other. We feel great empathy and identity with the wider community and gladly embrace the responsibilities of being a responsible citizen and a good neighbour to all. This is why we promote community building through a sustainable strategy as one of the key focuses of the hotel.

We encourage an interdependent partnership between Hotel and community to uplift and benefit people of the area. We implement and sustain community outreach programmes, youth development projects and programmes aimed at caring for the less fortunate. These initiatives are highly valued by our stakeholders.

Sustainable Procurement Practices

Reflecting our belief in more efficient use of resources, Jetwing Symphony PLC recognises the significance of linking our supply chain to operate and produce in a socially and environmentally responsible manner. As a business with an intricate supply chain, we are aware that our procurement decisions have a direct impact on the environment and the communities where our products originate. Our diverse supplier base comprises hundreds of registered suppliers who maintain a complex inflow of diverse goods and services required to serve our guests, and over the years we have developed well-functioning relationships with our suppliers and are committed to ensure that our suppliers practices align with our values.

We have simplified and streamlined our procurement policy to increase visibility in the way we purchase goods and who our suppliers are. Whilst ensuring our financial and quality requirements are met, we strive to be mindful of the local community and preferentially source from the vicinity and from sustainable sources, in order to support local communities and in the process, reduce our carbon and water footprints. Thus, the shared value system of both hotel and supply chain actors strengthens the brand bringing us customer preference and loyalty.

Jetwing Symphony PLC recognizes that local economic participation contributes to the long-term development of the community. Incorporating local suppliers to the procurement process stimulates local enterprises which also lead to lower logistics and labour costs. In addition, our engagement with local community suppliers also allows us to address gaps in local capabilities and capacities, whilst building supplier competitiveness and improving standards to global levels. Thus, building local economic capacity is embedded in our procurement strategy, and a massive 79% of our procurement budget is spent on transactions with local suppliers.

Indirect Economic Impacts

We have contributed directly to the improvement of the local economy in various ways; through providing prime employment opportunities to the local community and our local procurement preferences. Our presence in the region and our harmonious relationship with the community have also stimulated indirect benefits. Infrastructure development of peripheral services and retail establishments and, other tourism-related businesses have added more value to the local tourism business and improved the quality of life of the citizens in the surrounding community. Over the years, we have implemented a number of initiatives to further this positive influence and we will continue to develop strategic partnerships that leverage our resources and expertise to address local needs and to empower the local community in the future.

Jetwing Kaduruketha - Association with the Farmers

50 of the 60 acres of land belonging to Jetwing Kaduruketha is traditional paddy land. To provide a lasting solution to the difficulties faced by the farming community and to uplift their lives, a partnership was formed with the local farmer families when Jetwing Kaduruketha was envisioned. Currently, the hotel involves 31 farmer families for the farming activities of its paddy acreage. At the onset of the cultivation season these farmers are given provisions for farming expenses such as purchase of seeds, fertilizers, labour and harvesting machinery; and at the end of the season, the total harvest is split equally between the farmers and the hotel. As there are no 'middle men' involved the farmers are free to sell their half as they see fit. This initiative gives an opportunity to the local farming community to build up resources, break away from the circle of debt and see their hard labour bring in some reward.

Sustainability Review Contd.

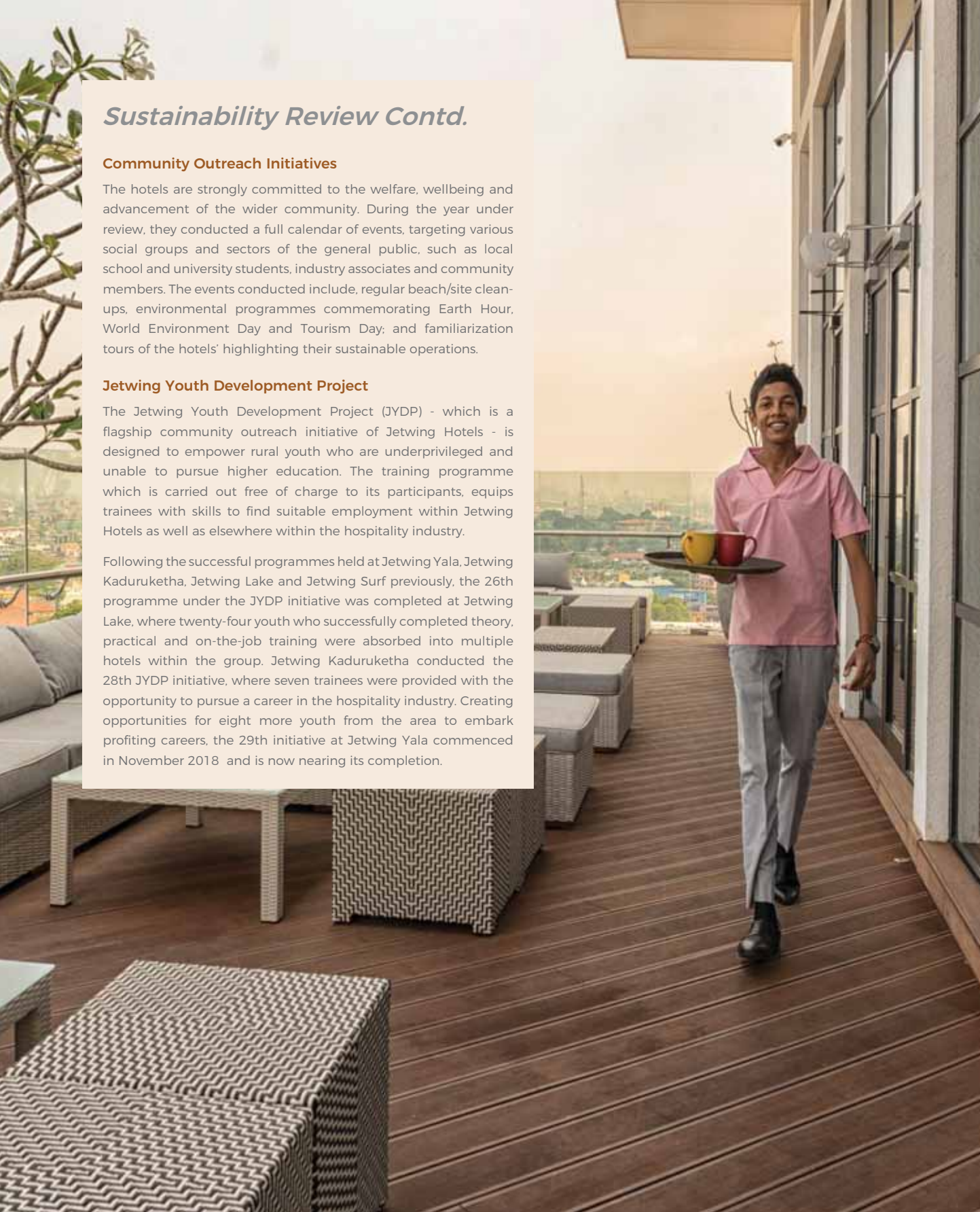
Community Outreach Initiatives

The hotels are strongly committed to the welfare, wellbeing and advancement of the wider community. During the year under review, they conducted a full calendar of events, targeting various social groups and sectors of the general public, such as local school and university students, industry associates and community members. The events conducted include, regular beach/site clean-ups, environmental programmes commemorating Earth Hour, World Environment Day and Tourism Day; and familiarization tours of the hotels' highlighting their sustainable operations.

Jetwing Youth Development Project

The Jetwing Youth Development Project (JYDP) - which is a flagship community outreach initiative of Jetwing Hotels - is designed to empower rural youth who are underprivileged and unable to pursue higher education. The training programme which is carried out free of charge to its participants, equips trainees with skills to find suitable employment within Jetwing Hotels as well as elsewhere within the hospitality industry.

Following the successful programmes held at Jetwing Yala, Jetwing Kaduruketha, Jetwing Lake and Jetwing Surf previously, the 26th programme under the JYDP initiative was completed at Jetwing Lake, where twenty-four youth who successfully completed theory, practical and on-the-job training were absorbed into multiple hotels within the group. Jetwing Kaduruketha conducted the 28th JYDP initiative, where seven trainees were provided with the opportunity to pursue a career in the hospitality industry. Creating opportunities for eight more youth from the area to embark profiting careers, the 29th initiative at Jetwing Yala commenced in November 2018 and is now nearing its completion.



Sustainability Review Contd.

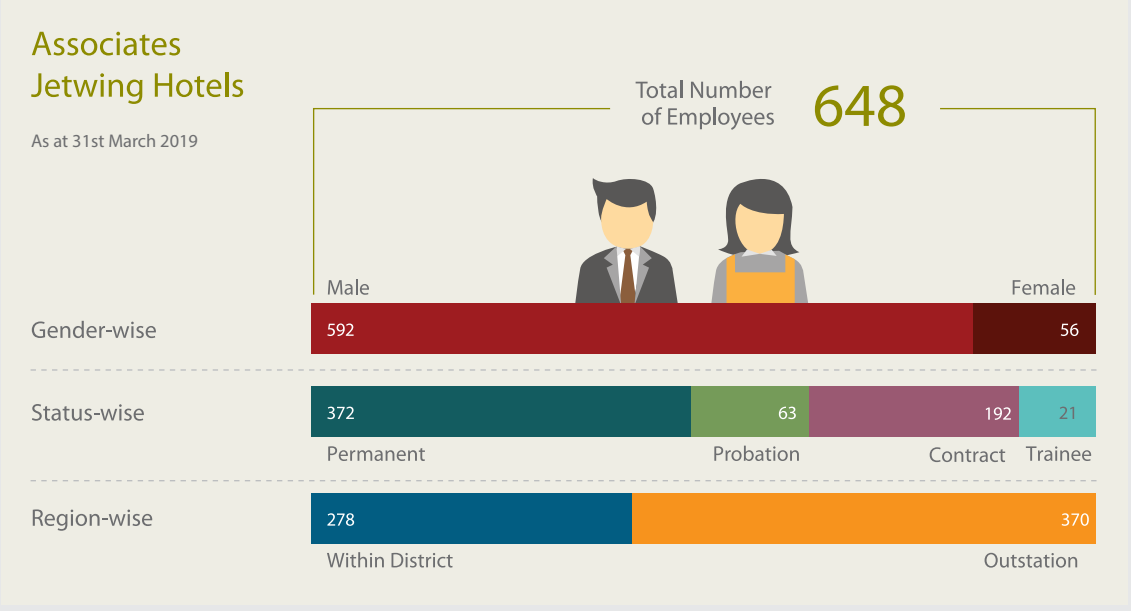
EMPLOYEES

In our Jetwing family, we are blessed with the best of associates, who are both humble and skilled. Our associates strive to deliver the best possible service and to assist their earnest efforts to deliver world class service, we provide them with the necessary training to sharpen their skills.

Instilled with the four simple values of passion, humility, tenacity and integrity, we consider our associates to be the most valuable asset. We are proud of the level of service that we have been able to deliver with our friendly and highly skilled associates. We are committed to providing them with the necessary training and development opportunities, whenever and wherever necessary, to help them deliver world-class service through local hospitableness which is the hallmark of Jetwing.

In return as a responsible, ethical organization, we are committed to providing all our associates equitably and impartially through our comprehensive compensation schemes, and policies and procedures that are laid down. We repudiate discrimination and injustice of any form, be it on the grounds of gender, race, ethnicity, sex, religion or disability. We adhere to all labour rules and regulations as stipulated in the Constitution of Sri Lanka, advocating against child abuse and revoking all forms of forced labour.

Associate Demographics



Benefits Enjoyed by Associates

There is no clear-cut distinction between benefits given to full-time, temporary or seasonal employees. All employees are provided with meals at the staff cafeteria, clean drinking water, sanitary facilities, changing rooms and accommodation.

Jetwing Yala, Jetwing Kaduruketha, Jetwing Lake, Jetwing Colombo Seven and Jetwing Surf also collectively extend welfare services such as death donations, loan facilities, welfare shop facilities, wedding gifts, gifts for the newborn of staff members, grade 5 scholarships etc., depending on each hotel's welfare constitution.

Sustainability Review Contd.

Maternity leave is made available for mothers-to-be amongst the associates. During the year in review 01 associate availed herself of maternity leave and has returned to work upon completion of leave. Although not mandated, at Jetwing Hotels we provide 02 days of paternity leave for our associates. 06 associates have utilized this benefit within the said period.

Bonus is paid to permanent cadres dependent on the financial performance of each hotel.

The Jetwing Family

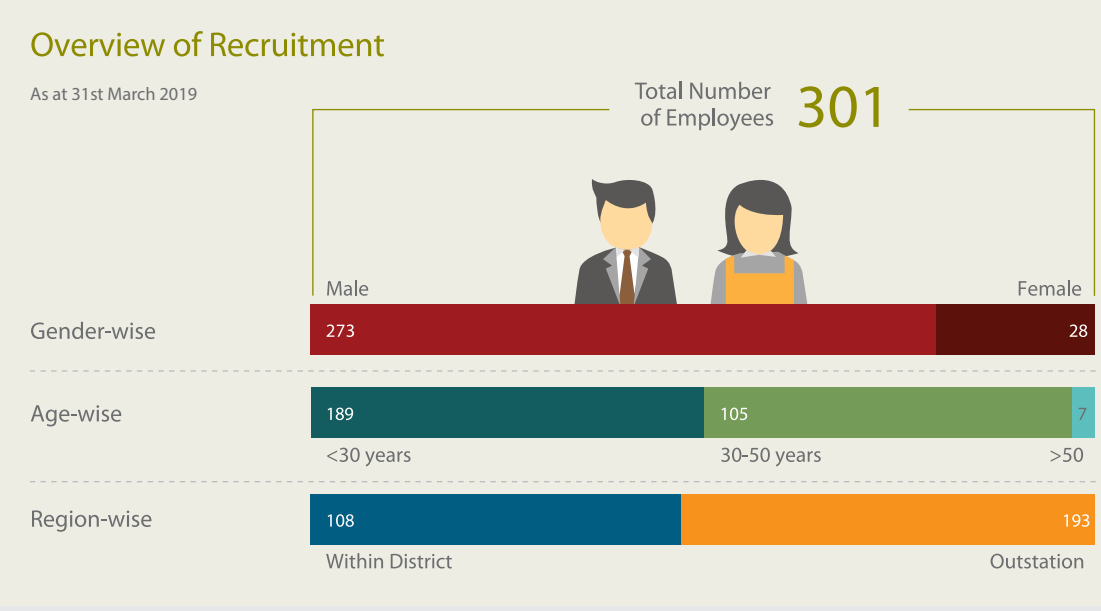
The identity that Jetwing Hotels embodies is a result of our unique team – their skills, attitudes, experience and knowledge and more importantly, the identity and personality that they walk into our Jetwing family with.

To ensure legendary service, it is vital that we find the people with the correct mix of the right skill set and mindset, whom we feel we can recruit and groom into fully fledged Jetwing associates. This is a crucial aspect of our business to which we pay meticulous attention.

We have designed our own Recruitment Policy which comprises of recruitment strategies and a comprehensive succession plan. This is a comprehensive policy that runs the gamut of assessment, evaluation, identifying needs and canvassing for applicants. It then follows through with a detailed interview and assessment process.

We understand that integrating employees into our unique work culture cannot be achieved by merely hiring them. Thus, all our new recruits undergo an induction/ orientation programme which allows them to familiarise themselves with our working culture and ethos. Our induction programme is carefully formulated to show our new recruits that they are valued, whilst also helping them to get on-the-job experience more quickly and to increase productivity and retention. Furthermore, our Recruitment Policy commits to hiring locally wherever possible.

Overview of Recruitment



Sustainability Review Contd.

A considerable number of the new recruits have come from the Hambanthota, Moneragala, Matale, Colombo and Ampara Districts; in accordance with our HR recruitment policy of hiring within the locality wherever applicable.

We ensure that all candidates have a fair and equal chance of being employed given that their skills, experience and competencies are in-line with the position.

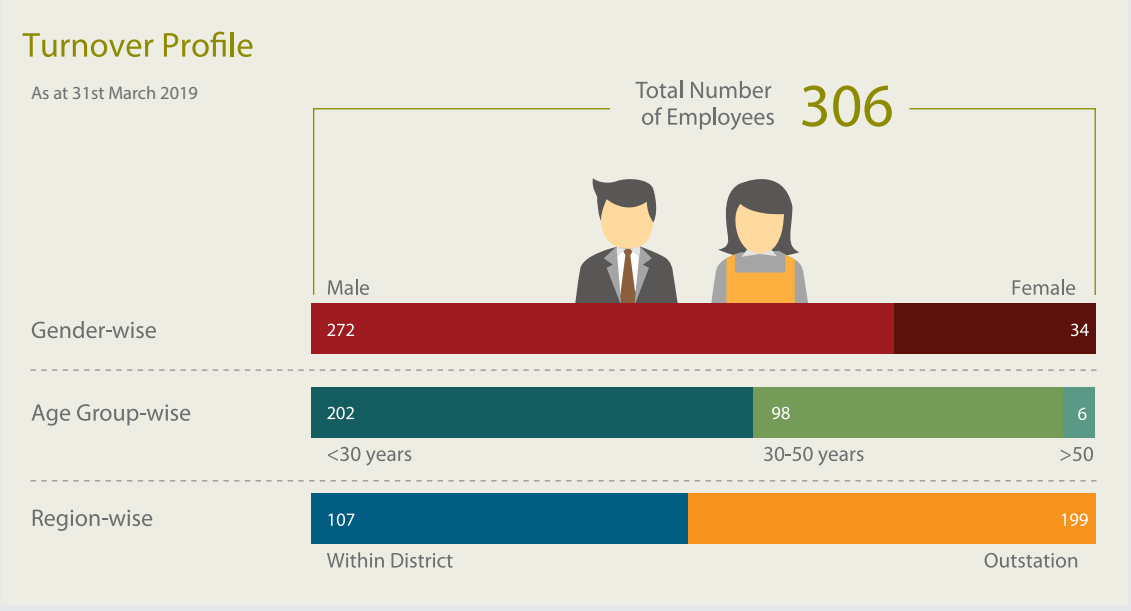
Senior Management Hired Locally

The Senior Management cadres of the Jetwing Yala, Jetwing Kaduruketha, Jetwing Lake, Jetwing Colombo Seven and Jetwing Surf collectively is comprised of 68 senior executives and executives as at time of reporting.

We try our best to hire locally wherever possible, in support of the local communities in which we operate. During the year of reporting, 7 senior management personnel (3 Senior Executives and 4 Executives) were recruited locally.

In general, local recruitment is a challenge in certain areas, as it is not always possible to source persons with the required mix of skill, knowledge and educational standards, we require as a basis for us to work on further grooming and induction.

Turnover Profile



Sharpening Skills

To keep the unique ethos of the collection of innovative resorts, we require an exemplary team to maintain the finest of standards throughout all aspects of operations. Therefore, to keep buoyant the most intrinsic essence of delivering impeccable service, we invest in the training and development of our teams, to help them sharpen their skills.

Sustainability Review Contd.

Overview of Training

The hotels' training and development apparatus comprises of capacity building, focused training, development initiatives, induction and orientation training. Through several forums involving HR, key departments as well as 'one on ones', we assess the need for training and areas of improvement. Training is then conducted at an individual level as well as at departmental-level by fully qualified resource personnel both in-house and externally sourced. We also provide cross training and cross exposure across departments and other hotels of the Jetwing Group.

As part of our continuous training, there are regular performance appraisals and reviews conducted across all departments. All our senior, middle and junior level associates are subjected to biannual performance reviews and career development assessments. These reviews are made and assessed by the Heads of Departments and given necessary recommendations in respect of training needs. These are then taken into account, in order to provide comprehensive training and development programmes to retain and develop the talent within the business.

Specifics of Training 2018/19

Sustainability Review Contd.

During the year under review the following training programmes were conducted:

- Awareness programmes on sexual harassment
  A series of awareness programmes were conducted for all associates of the hotels, where the objectives were to make associates aware of the different elements of sexual harassment, its implications and legal framework as well as best practices in handling sexual harassment at the work place.
- Leadership development programme for non-supervisors
  A special development programme was designed and conducted for the senior level associates who are in non-supervisory grades, to develop their leadership skills to support in achieving the departmental goals of their respective hotels.
- Cocktail Wiz 2018
  A three-day training programme was conducted for the participants of the Cocktail Wiz 2018 competition, where the participants were trained on the finer points and techniques of bartending, spirits and cocktails as well as on showmanship. The trainings were conducted in an interactive manner with theoretical, practical and demonstration-based sessions.
- Introduction of butler service at Jetwing Safari Camp
  A specially designed training programme was conducted for the associates of Jetwing Safari Camp, with the objective of introducing the butler service concept at the property. The trainings were conducted through role plays, practical demonstrations and training on technical aspects as well.

Safety and Well-being

Fostering and promoting the safety and health of our associates is a high priority at our resorts. We have a comprehensive Health and Safety Policy in place supported by drills and programmes that reinforce the prevalence of an optimal climate of well-being.

An Overview

We assure that all our hotels adhere to the prescribed health and safety measures that are required under HACCP/ ISO 22000. We also conduct regular risk assessments which involves identifying potential hazards that may affect the associates or members of the public.

Our associates are also provided with fire and first-aid training. Our induction programmes make awareness among all employees about the health and safety measures that need to be adhered, for the purpose of ensuring safety.

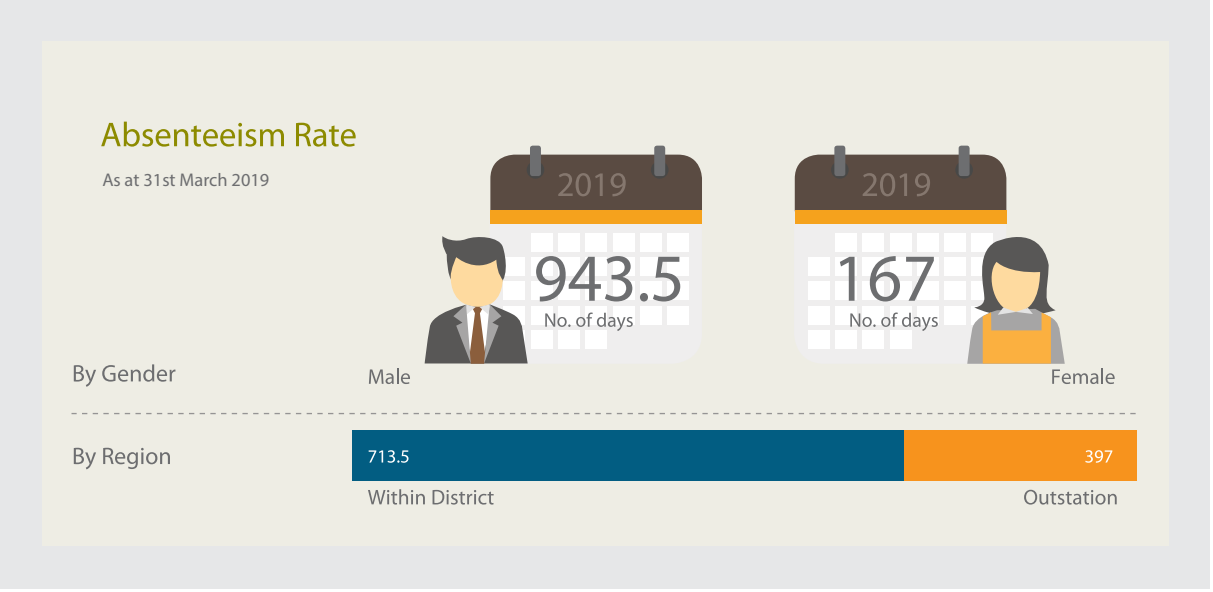
During the reporting period only minor injuries like sprains, cuts, minor burns, slippage, and wildlife threats were recorded. 103 days were lost due to injuries. There were zero occupational diseases reported.

Jetwing Yala, Jetwing Kaduruketha, Jetwing Lake, Jetwing Colombo Seven and Jetwing Surf employ independent contractors for certain work. No incidents were reported during the period. Our reporting system is in accordance with the Sri Lanka Labour Department, stipulated by the Labour Code of Sri Lanka.

Absenteeism Rate

Absenteeism rate is calculated based on the scheduled work days for the reporting period. This concluding figure was arrived at by considering the average number of employees (648) and scheduled work days per year per employee (22 days* 12 months = 171,072). The absenteeism rate is 1% with 1,110.5 days within the reporting period

Sustainability Review Contd.



Grievance Handling

Empathy and speed are two key characteristics of a good grievance handling mechanism. At Jetwing Hotels, we have a formal grievance policy and procedure in place. Our open-door policy is a great facilitator when it comes to supporting aggrieved parties to file their grievances without hesitation or fear. Our grievance policy is a step by step process which addresses the grievance and moves on to implementing a solution within a specific period of time.

Four grievances were reported during the financial year related to incidents involving natural causes. Zero incidents or violations involving the rights of people, or any other form of discrimination, were reported over the same period.

Collective Bargaining

Although none of Jetwing Yala, Jetwing Kaduruketha, Jetwing Lake, Jetwing Colombo Seven and Jetwing Surf have any employees covered by collective bargaining agreements, we encourage an open door policy and has in place many mechanisms to encourage employees to discuss their grievances.

General Statement of Human Rights Protection

Jetwing acknowledges and respects the principles contained in the Universal Declaration of Human Rights and The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

The Jetwing Human Rights Policy reflects our commitment to conduct the business in a manner consistent with these principles and to protect human rights in all spheres of the enterprise. We are committed to upholding principles of non-discrimination and equality, protecting the rights of a child, refraining from forced labour, ensuring health and safety of our associates and guests, setting fair working conditions including working hours, providing fair wages and compensation and refraining from harsh or degrading treatment/harassment.

The Jetwing Human Rights Policy is inculcated into our associates and is an essential component of our orientation programme.

During the year under review, there were no material issues pertaining to employees and industrial relations.

Sustainability Review Contd.

Jetwing Zero Tolerance Policy on Child Abuse in Sri Lanka

Jetwing Hotels, as a responsible tourism entity, has a zero tolerance policy on the exploitation and/or abuse of the young. Indeed, we are committed to highlighting the problem and raising awareness wherever and whenever pertinent as our contribution to eradicating this menace. We encourage our guests and associates to be vigilant at all times, particularly in relation to the presence of paedophiles and to report any suspicious activities to either the hotel reception directly or contact Child Line Sri Lanka or the nearest branch of the Sri Lanka Tourist Police.

We Embrace Diversity as an Equal Opportunity Employer

Jetwing Hotels is an equal opportunity employer. Thus, in our recruitment process we do not discriminate – employment is offered based on the agreement of the candidate's skills set and mindset with the position. Our remuneration packages do not make any distinctions according to gender. Adhering to Jetwing's Human Rights Policy, we do not discriminate along the lines of gender, race, colour, religion, ethnicity, sexual orientation, disability or social and economic background.

We subscribe to the view that diversity strengthens us and we embrace it fully in all its forms. Jetwing is thus committed to creating and maintaining a work environment of inclusiveness. We strive to foster an open and inclusive workplace environment and strongly support the principle that all individuals should have an equal opportunity to participate in our company and achieve their full potential.


Jotwing

Risk Management

The risk management system of Jetwing Symphony PLC, is structured to identify and control the risks specific to the industry in which it operates as well as general risks applicable to all entities. Therefore, appropriate systems, policies and procedures are in place in all areas of management and they are periodically reviewed to ensure adequacy and adherence. In the current business environment, change has become the norm rather than the exception. By managing threats to the business, in a changing environment effectively, particularly the major threats that may affect our business plans and strategic objectives, we are able to protect or enhance our key assets appropriately. The Risk Management Model of Jetwing Symphony is shown below:

The Jetwing Symphony Group identifies three main categories of risk:	
1. Strategic and Market Risks	Risks that threaten the Group's high-level strategic objectives or risks from the external environment.
2. Operational Risks	Risks that arise from day-to-day operations of the Hotels.
3. Financial Risks	Risks of losses arising from the adverse movements in market prices, risks that may threaten the Group's ability to have sufficient funds to meet financial obligations and the failure of a customer to meet its contractual obligations.

The main threats to the business are identified.

Thereafter, each threat is assessed for potential impact and likelihood of occurring to quantify the associated risk. A risk Heat Map is then used to plot the risk associated with each threat based on the above. The horizontal axis shows the likelihood of a given threat occurring, that is, the likelihood that the threat will materialise and become an issue. The vertical axis shows the potential impact that the threat will have on the objective or goal not being achieved should it materialise. The associated risks are then quantified and the colours are risk areas (eg, green boxes are in the low area; yellow boxes are in the medium area; orange boxes are in the high area, red boxes are in the very high area)

Jetwing Symphony Risk Heat Map

		Likelihood				
		1 Unlikely 0% to 10%	2 Possible 10% to 40%	3 Likely 40% to 70%	4 Probable 70% to 90%	5 Almost Certain
Impact	5 Catastrophic		2.5			
	4 Major		1.1, 1.2, 2.1	1.3, 3.2, 3.3, 3.4		
	3 Moderate		2.2, 2.6	2.3, 2.4		
	2 Tolerable		3.1	2.7		
	1 Insignificant					

Risk Management

Risk Factors

In this section, we describe the foreseeable risks that could have a material effect on the Group's business operations, cash flow, financial condition, turnover, profits, asset Integrity, liquidity and capital reserves. We provide information on the nature of the risk, an indication of the potential impact and actions taken to mitigate risk exposure. Some risks may not yet be known to Jetwing Symphony and some that Jetwing Symphony does not currently believe to be material, could later turn out to be material.

1. Strategic and Market Risks

1.1. Business Risk	Risk Rating	Medium
	Potential Impact	**Actions Taken to Mitigate Risk**
• The inability of the Group to achieve its business objectives	• Reduced revenue, cash flow and profitability • Hinder future growth	• Detailed operational and capital expenditure budgets are formulated on an annual basis and formally approved by the Board. These plans are thereafter monitored and reviewed by the Board to assess actual performance against those planned and take remedial action wherever necessary. • Project feasibility studies are conducted for all major investments • Implementation of cost control procedures and innovative cost saving initiatives particularly with regard to energy costs • Performing Competitor analyses

1.2. Political, Economic and Environmental Risks	Risk Rating	Medium
	Potential Impact	**Actions Taken to Mitigate Risk**
• Major events affecting either economic or political stability on a global and local level represent a threat to the Group	• Reduced revenue, increased operating costs resulting in reduced profitability and cash flows • Control over the ownership of assets	• Management regularly reviews political and economic developments and seeks to identify emerging risks at the earliest opportunity. • Being a member of Tourist Hotels Association of Sri Lanka, and working closely with them and other various trade associations, relevant authorities and lobby groups to create a better economic environment at all times.

• Events that adversely impact domestic or international travel	• Occupancy and room rates can be adversely affected by events that reduce domestic or international travel. Such events may include acts of terrorism, war or perceived increased risk of armed conflicts, epidemics, natural disasters, increased cost of travel and industrial action. Reduced demand will impact on revenues and operational profitability	• The Group has in place contingency and recovery plans to enable it to respond to major incidents or crises.
• Risks from natural or man-created disasters	• Loss of assets	• Transferring risks to third parties through insurance policies. The adequacy of insurance covers is regularly reviewed and adjusted when necessary.

1.3. Competitive Risk	Risk Rating	**High**
	Potential Impact	**Actions Taken to Mitigate Risk**
• Group is exposed to the risks of the hotel industry supply and demand cycle such as competitive actions from existing hotels and new entrants increasing room supply	• Future operating results could be adversely affected by industry over-capacity of rooms • Reduction in market share (lower occupancies) and rates resulting in reduced revenues, increase in marketing expenses reduced cash flows and profitability	• Providing a unique service quality associated with Jetwing brand only • Consistently delivering service quality to influence consumer preference and creating and maintaining value perception • Make timely investments to upgrade the facilities • Maintain the long term relationships with major tour operators

2. Operational Risks

2.1. Reputation and Intellectual Property Rights Risk	Risk Rating	Medium
	Potential Impact	**Actions Taken to Mitigate Risk**
• Group is reliant on the reputation of its brand and the protection of its intellectual property rights	• Service quality may not be delivered in accordance with the Jetwing standards • Reduced brand value, market share, revenues, profitability and cash flows • Increase Group's exposure to litigation	• Continuous monitoring and review of online customer reviews and ratings • Investments made in protecting the Group's brand from misuse and infringement, by way of trade mark registration and domain name protection • Monitoring adherence to Group safety, operating and quality standards or the significant regulations applicable to hotel operations • Provide regular training to associates to educate on the quality standards and new developments in the hospitality industry

2.2. Demand	Risk Rating	Medium
	Potential Impact	**Actions Taken to Mitigate Risk**
• Adverse impact on group turnover due to shift in demand from traditional source markets to new emerging markets	• Reduce room nights, revenue • Lower room rates due to lower occupancy	• The Group and hotels are well represented at international trade fairs • Increase registration with Online Travel Agents • Increase presence in social media channels • Maintain the long term relationships with major tour operators

2.3. Employee Risk	Risk Rating	Medium
	Potential Impact	**Actions Taken to Mitigate Risk**
• Failure to attract and retain skilled employees may threaten the success of the group's operations	• Inability to achieve planned business objectives • Reduced quality of standards resulting in reduced guest satisfaction	• Development and maintenance of a Group culture, compensation and benefits arrangements, training and development are key activities carried out • Initiate Jetwing Youth Development Project

2.4. Technology Risk		**Risk Rating**	**Medium**
	Potential Impact		**Actions Taken to Mitigate Risk**
• Failure to embrace emerging technology or implement existing technology correctly.	• Inaccurate information • Reputation and performance of the group will be adversely affected • Worsening efficiency, loss of competitive advantage		• Regular review of systems and upgrades where appropriate • Introduction of new technology where possible and appropriate.

2.5.Project Implementation Risk		**Risk Rating**	**High**
	Potential Impact		**Actions Taken to Mitigate Risk**
• Inaccurate assessments of project cost and time.	• Cost overruns • Delays in project implementation may cause loss of earnings		• Establish project cost and timelines in consultation with stakeholders • Monitor project progress with budgeted cost and time

2.6. Statutory and Legal Risk		**Risk Rating**	**Medium**
	Potential Impact		**Actions Taken to Mitigate Risk**
• Threat of litigation due to legal and statutory requirements not being fulfilled	• Legal fees and penalties resulting in reduced profitability • Adverse impact on reputation • Loss arising from defective contracts		• Group continues to monitor changes in the regulatory environment in which it operates • Statutory declaration is made to Board each quarter • Compliance audits are included in the scope of the internal audit programme • Engage professional consultants to review contracts

2.7. Internal Operational Processes		**Risk Rating**	**Medium**
	Potential Impact		**Actions Taken to Mitigate Risk**
• Threat of financial loss due to breakdown in internal controls	• Internal process failures • Fraud • Loss of data		• Outsource internal audits to reputed Audit Firms to review and report on the adequacy of the financial and operational controls • Defined systems and procedures are in place to ensure compliance with internal controls • Adequate fidelity covers are obtained

3. Financial Risks		
3.1. Credit Risk	Risk Rating	Low
	Potential Impact	**Actions Taken to Mitigate Risk**
• Threat arising due to default of payment	• Reduce profitability • Increase working capital	• Credit is provided only for credit approved agents. Credit approval is granted by the Credit Committee at "Jetwing House" and credit approved list has been prepared • Actively monitor and review debtors
3.2. Exchange Rate Risk	Risk Rating	High
	Potential Impact	**Actions Taken to Mitigate Risk**
• Threat arising due to the volatility in foreign currency exchange rates	• Impact on profitability on translation of foreign currency transactions	• As far as possible, enter into sales contracts with tour operators/agents in USD • Monitor the exchange rates on a daily basis
3.3. Interest Rate Risk	Risk Rating	High
	Potential Impact	**Actions Taken to Mitigate Risk**
• Threat arising from the volatility of fair value or future cash flows of a financial instrument fluctuating because of changes in market interest rates	• Reduced profitability • Reduced cash flows	• Negotiate favourable terms and conditions with banks for loan facilities obtained
3.4. Liquidity Risk	Risk Rating	High
	Potential Impact	**Actions Taken to Mitigate Risk**
• Risk that the group will not be able to meet its financial obligations as they fall due.	• Reduced cash flows • Reduced profitability	• Preparation of regular cashflow forecasts in line with projected occupancy fluctuations in order to assess the liquidity position of the group in the short term • Monitor and review bank balances regularly • Preparation and review of actual performance against the budget monthly.

Precautionary Approach

The Jetwing Symphony PLC applies a precautionary principle across all its businesses and we advocate a risk-based approach to our operations through our management systems.

Corporate Governance

The Jetwing Symphony PLC (the "Company") continues to be committed to conducting the group's business ethically and in accordance with high standards of good corporate governance.

The Board of Directors of the Company (the "Board") has appointed Jetwing Hotels Ltd. as the managing agents of the Hotels in the Group.

We set out below the corporate governance practices adopted and practiced by and compliance with the Rules set out in Section 7 of the Listing Rules of the Colombo Stock Exchange (the "Listing Rules")

Board of Directors

Executive Directors
Mr. N.J.H.M. Cooray (Chairman)
Ms. N.T.M.S. Cooray

Non-Executive Directors
Mr. G. Rocchi

Non-Executive Independent Directors
Mr. N. Wadugodapitiya, Ms. K. Reddy, Mr. L. K. Porter,
Dr. V. J. Kannangara, Ms. Y Fernando, Mr. S. D Amalean

The Board meets regularly and adhoc meetings are held as and when necessary. During the year under review, the Board met on five occasions. The attendance at these meetings was:

Name of the Director		Attendance
Mr. N. J. H. M. Cooray	Executive Director	5/5
Ms. N. T. M. S. Cooray	Executive Director	4/5
Mr. N. Wadugodapitiya	Non-Executive Independent Director	5/5
Dr. V.J. Kannangara	Non-Executive Independent Director	5/5
Mr. L.K. Porter	Non-Executive Independent Director	5/5
Ms. K.K. Reddy	Non-Executive Independent Director	4/5
Mr. G. Rocchi	Non-Executive Director	4/5
Ms. T.M.J.Y.P. Fernando	Non-Executive Independent Director	5/5
Mr. S.D. Amalean	Non-Executive Independent Director	1/5

Responsibilities

The Directors of the Company are responsible for formulation of group policy and overall business strategy. The implementation of policy and strategy is done in a framework that requires compliance with applicable laws and regulations as well as establishing best practices in dealing with employees, customers, suppliers and the community at large.

The annual capital expenditure budgets, non-budgeted capital expenditure and the annual budgeted operating statements require Board approval. The Board meets regularly to review performance and forecasts against budgets so as to take decisions in the best interest of the Company. The managing agents are represented at these meetings and are responsible for follow-up action. Directors' interests in contracts are regularly disclosed and such disclosures pertaining to year ended 31st March, 2019 can be seen on page 72 in the Directors' Report.

The Board is responsible to ensure that adequate systems of internal controls to safeguard the assets of the group are in place and proper records are maintained. However, any system can ensure only reasonable but not absolute assurance that errors and irregularities are prevented or detected within a reasonable time frame.

Chairman's Role

The Chairman is responsible for the efficient conduct of Board meetings. The Chairman maintains close contact with all Directors and holds informal meetings with Non-Executive Directors as and when necessary.

Board Balance

The composition of the Executive and Non-Executive Directors (the latter are over one-third of the total number of Directors satisfies the requirements laid down in the Listing Rules. The Board has determined that six Non-Executive Directors satisfy the criteria for 'independence' set out in the Listing Rules.

Non-Executive Directors' profiles reflect their calibre and the weight their views carry in Board deliberations.

Company Secretary

The services and advice of the Company Secretary are made available to Directors as necessary. The Company Secretary keeps the Board informed of new laws, regulations and requirements coming into effect which are relevant to them as individual Directors and collectively to the Board.

Corporate Governance

Financial Acumen

The Board, includes one Chartered Accountant and two Chartered Management Accountants who possess the necessary knowledge and competence to offer the Board guidance on matters of finance.

Supply of Information

Directors are provided with quarterly reports on performance and such other reports and documents as necessary. The Chairman ensures all Directors are adequately briefed on issues arising at meetings.

Appointments to the Board

The Board as a whole decides on the appointment of Directors, in terms of the Articles of Association of the Company.

Constructive Use of the Annual General Meeting

The active participation of shareholders at the Annual General Meeting (AGM) is encouraged. The Board believes, the AGM is a means of continuing effective dialogue with shareholders.

The Board offers clarifications and responds to concerns shareholders have over the content of the Annual Report as well as other matters which are important to them. The AGM is also used to adopt the Financial Statements for the year.

Communication with Shareholders

Shareholders are provided with Quarterly Financial Statements and the Annual Report, which the Company considers as its principal communication with them and other stakeholders. These reports are also provided to the Colombo Stock Exchange.

Shareholders may bring up concerns they have, either with the Chairman or the Secretaries of the Company as appropriate. The Company maintains an appropriate dialogue with them.

Accountability and Audit

Financial Reporting

The Board places great emphasis on complete disclosure of financial and non-financial information within the bounds of commercial reality and on the adoption of sound reporting practices. Financial information is disclosed in accordance with the Sri Lanka Accounting Standards comprising SLFRS and LKAS. Revisions to existing accounting standards and adoption of new standards are carefully monitored.

The Statement of Directors' Responsibilities for the Financial Statements is given in page 75 of this Report.

Going Concern

The Directors, after making necessary inquiries and reviews including reviews of the Company 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.

Audit Committee

The Company constituted its own Audit Committee on 1st August, 2014. The Audit Committee consists of two Independent Non-Executive Directors of the Company. The meetings of the Audit Committee were attended by the Chairman, Managing Director, Executive Director, General Manager, Chief Accountant and the Financial Controller by invitation when matters relating to the group were taken up for discussion. The External Auditor/Internal Auditor attended the meetings when his presence was deemed necessary.

The Audit Committee has written terms of reference and is empowered to examine any matters relating to the financial affairs of the group and its internal and external audits.

The Audit Committee reviewed the Financial Statements, internal control procedures and risk management, accounting policies, compliance with accounting standards, emerging accounting issues and other related functions that the Board required. It also reviews the adequacy of systems for compliance with the relevant legal, regulatory and ethical requirements. Significant issues discussed by the Committee at the reviews were communicated by the Managing Director to the Board of Directors for their consideration and action.

The Audit Committee helps the Company to achieve a balance between conformance and performance.

Members of the Audit Committee		Attendance at the Meeting
Mr. N. Wadugodapitiya (Chairman)	Non-Executive Independent	5/5
Ms. K.K. Reddy	Non-Executive Independent	5/5

The Audit Committee recommends the appointment and fees of the External Auditors, having considered their independence and performance.

The Audit Committee Report appears on page 69 of this Report.

Corporate Governance Contd.

Remuneration Committee

The Company constituted its own Remuneration Committee on 8th May, 2017. The Remuneration Committee consists of three Independent Non-Executive Directors

During the year under review, the Remuneration Committee met on one occasion. The attendance at this meeting was:

Members of the Remuneration Committee Review Committee		Attendance at the Meeting
Dr. V.J. Kannangara (Chairman)	Non-Executive Independent	1/1
Mr. L.K. Porter	Non-Executive Independent	1/1
Ms. K.K. Reddy	Non-Executive Independent	1/1

The Remuneration Committee Report appears on pages 71 in this Report.

Related Party Transactions Review Committee

The Company has its own Related Party Transactions Review Committee which consists of three Independent Non-Executive Directors and one Executive Director. During the year under review, the Related Party Transactions Review Committee met on four occasions. The attendance at these meetings was:

Members of the Related Party Transactions Review Committee		Attendance at the Meeting
Mr. N. Wadugodapitiya (Chairman)	Non-Executive Independent	4/4
Ms. T.M.J.Y.P. Fernando	Non-Executive Independent	4/4
Dr. V.J. Kannangara	Non-Executive Independent	3/4

The Related Party Transactions Review Committee Report appears on page 70 in this Report

Level of Compliance with the Listing Rules of the Colombo Stock Exchange

Level of compliance with the Listing Rules of the CSE Section 7, on Corporate Governance are given in the following table:

Rule No.	Subject	Applicable requirement	Level of compliance	Compliance details
7.10.1	Non-Executive Directors	At least one-third of the total number of Directors should be Non-Executive Directors	Complied	Seven out of Nine Directors are Non-Executive Directors
7.10.2 (a)	Independent Directors	Two or one-third of Non-Executive Directors, whichever is higher should be Independent	Complied	Six of the Seven Non-Executive Directors are Independent
7.10.2 (b)	Independent Directors	Each Non-Executive Director should submit a declaration of his independence/non-independence in the prescribed format.	Complied	Non-Executive Directors have submitted the declaration
7.10.3 (a)	Disclosure relating to Directors	Names of Independent Directors should be disclosed in the Annual Report	Complied	Please refer page 61
7.10.3 (b)	Disclosure relating to Directors	The basis for Board to determine a Director as independent, if specified criteria for independence is not met	Complied	Please refer page 61
7.10.3 (c)	Disclosure relating to Directors	A brief rèsumè of each Director should be included in the Annual Report including the areas of Expertise	Complied	Please refer pages 66 to 68

Corporate Governance Contd.

Rule No.	Subject	Applicable Requirement	Level of compliance	Level of Compliance
7.10.3 (d)	Disclosure relating to Directors	Forthwith provide a brief rèsumè of new Directors appointed to the Board with details specified in 7.10.3 (d) to the CSE	Complied	A brief résumé provided to the CSE
7.10.5	Remuneration Committee	A listed company shall have a Remuneration Committee	Complied	Company has formed a Remuneration Committee
7.10.5 (a)	Composition of Remuneration Committee	Shall comprise of Non-Executive Directors a majority of whom will be independent	Complied	Remuneration Committee consists three Independent Non-Executive Directors
7.10.5 (b)	Functions of Remuneration Committee	The Remuneration Committee shall recommend the remuneration of Chief Executive Officer and Executive Directors	Complied	Please refer Remuneration Committee Report on page 71
7.10.5 (c)	Disclosure in the Annual Report relating to Remuneration Committee	The Annual Report should set out: Names of Directors comprising the Remuneration Committee	Complied	Names of the members of the Remuneration Committee are stated in this report under the heading of Remuneration Committee on page 157
		Statement of Remuneration Policy	Complied	Please refer Remuneration Committee Report on page 71
		Aggregated remuneration paid to Executive Directors and Non-Executive Directors	Complied	Given in this Report under the heading of Directors' Remuneration on page 72
7.10.6	Audit Committee	The Company shall have an Audit Committee	Complied	Company has formed an Audit Committee

Rule No.	Subject	Applicable Requirement	Level of compliance	Level of Compliance
7.10.6 (a)	Composition of Audit Committee	Shall comprise of Non-Executive Directors, a majority of whom will be independent	Complied	Audit Committee consists of two Independent Non-Executive Directors
		Non-Executive Director shall be appointed as the Chairman of the Committee	Complied	Chairman of the Audit Committee is an Independent Non-Executive Director
		Chief Executive Officer and the Chief Financial Officer shall attend Audit Committee meetings unless otherwise determined	Complied	Chairman, Managing Director, Executive Director, General Manager and Chief Financial Officer attend meetings by invitation
		The Chairman of the Audit Committee or one member should be a member of a professional accounting body	Complied	Chairman of the Audit Committee is a Fellow Member of the Chartered Institute of Management Accountants – UK
7.10.6 (b)	Audit Committee Functions	Should be as outlined in the Section 7 of the Listing Rules of the Colombo Stock Exchange	Complied	The terms of reference of the Audit Committee adopted by the Board is listed on page 62
7.10.6 (c)	Disclosure in the Annual Report relating to the Audit Committee	Names of Directors comprising the Audit Committee	Complied	Names of the members of the Audit Committee are stated in this Report under the heading of Audit Committee on page 157
		The Audit Committee shall make a determination of the independence of the Auditors and disclose such determination	Complied	Please refer Audit Committee Report on page 69
		The Annual Report shall contain a Report of the Audit Committee setting out the manner of Compliance of the functions	Complied	Please refer Audit Committee Report on page 69

Board of Directors and their Profiles

N. J. H. M. Cooray
(Chairman)
Executive Director

Hiran Cooray has over 30 years of experience in the hospitality industry. He has represented Sri Lanka on the Board of the Pacific Asia Travel Association (PATA) since 1996 and had the honour of being the organization's Chairman from 2010 to 2012. In addition to his degree from the University of North Carolina in Business Administration/Marketing, he successfully completed a senior management course in Hotel Management at Cornell University, Ithaca, New York. Whilst holding over 50 directorships in various Hotels and related companies, he has also held the positions of President of the Tourist Hotels Association of Sri Lanka (2005-2008 and 2014-2016), and Chairman of PATA Sri Lanka Chapter (2003-04). Hiran has also served as a board member of the Sri Lanka Tourism Promotions Bureau (SLTPB) having already served as a board Director of the Sri Lanka Tourism Development Authority (SLTDA) from 2007-2015. He also serves as a board member of the Ceylon Chamber of Commerce (2016-2019). In addition, Hiran has also been a Member of the Board of Small Luxury Hotels, from 2007-2014. He regularly represents Sri Lanka and the Asia Pacific at tourism related international forums as a speaker/panelist. Recently, Hiran's expertise and reputation in tourism was recognized globally by his appointment as an Alternate Member of the UNWTO (United Nations World Tourism Organization) – World Committee on Tourism Ethics at the UNWTO General Assembly held in Zambia/Zimbabwe in August 2013. He is passionate about his country's potential to be a leading tourism destination and continues working tirelessly in order to make his dreams a reality.

N T M S Cooray (Ms.)
Executive Director

Shiromal Cooray is the Chairman and Managing Director of Jetwing Travels (Private) Limited, one of the leading destination management companies in Sri Lanka. She is also the Chairman of Jetwing Hotels Limited, the premier hospitality brand of Sri Lanka, effective October 2018. With diverse experience in a number of industries, Shiromal also holds 19 other directorates in hotels, finance, investment banking, Commodity brokering and advertising and PR agencies.

Hailing from a background in finance and management, Shiromal holds an MBA from the University of Colombo, is a Fellow of the Chartered Institute of Management Accountants UK, and a former Finance Director of J. Walter Thompson Ltd (Colombo) along with work experience in the UK and Hong Kong. She is past Chairman of the Sri Lanka Institute of Directors (SLID), and past President of the Sri Lanka Association of Inbound Tour Operators. Shiromal is an Independent Non-Executive Director of Commercial Bank of Ceylon PLC.

K.K. Reddy (Ms.)
Non-Executive Independent Director

Ms. Kamini Reddy is a Director of Reddy Group. Reddy Group is a private family business with investments in hotels, real estate, construction, financial services, engineering equipment and education. Tanoa Hotel Group is the hospitality arm of Reddy Group and presently has 9 South Pacific hotel properties covering Fiji, Samoa, Tonga and New Zealand, offering 876 rooms and employing over 800 staff. Kamini oversees the group's finance, corporate affairs and strategy functions. Kamini has significant global experience having past roles as Regional Finance Director, Hilton Worldwide (Asia) and Group Planning and Regional Finance roles for Fonterra (New Zealand and Asia). She has also worked for Ernst & Young in Auckland, New York and London. Kamini graduated from the University of Auckland in New Zealand with a Bachelor of Commerce and a Bachelor of Arts (Accounting and Japanese double major). She has also completed the Owner/President Management Program at Harvard Business School. Kamini is a member of Chartered Accountants Australia and New Zealand, Institute of Internal Auditors and the Australian Institute of Company Directors. Kamini is also a director of Bank of Baroda (New Zealand) Limited.

Board of Directors and their Profiles Contd.

Nihal Wadugodapitiya
Non-Executive Independent Director

Is a Fellow member of the Chartered Institute of Management Accountants, UK. His business experience spans over 40 years in senior management positions both in private and public sector institutions in Sri Lanka and in Abu Dhabi, UAE, of which 20 + years has been in the position of Chief Executive of private companies. He has served in organizations involved in manufacturing, light engineering, FMCG marketing and distribution, private equity fund management, air lines and services sectors. He has served on several boards of Directors including companies engaged in financial services, venture capital / private equity fund management, fabric manufacturing, thermal power generation, plantation management, marketing and distribution and flexible packaging and light engineering. At present he is a Business Development Consultant providing strategic guidance to small and medium scale enterprises.

Len Porter
Non-Executive Independent Director

With over 40 years of overseas exposure and international business experience, Len specializes in building stakeholder relationships and anticipating threats and opportunities to longer term business growth. He is a "systems" thinker and has a leading edge understanding of risk and knowledge based decision making. Len last served as the Chief Executive of the Rail Safety and Standards Board UK in a term that lasted 11 years. Earlier in his career he founded his own successful international business which he took to sale in the mid 1990's. Len is also an independent Non Executive Director of LPA Group Ltd and Angel Trains Group Ltd. He has a passion for sustainable development and as chair of the Sustainable Rail Programme was responsible for getting SD principles embedded in government specification and subsequent industry business planning. Len holds a BSc (Hons) in Metallurgy, is a past member of the Institute of Asset Management and as a former professionally qualified commercial diver has a particular interest in the marine environment. A self-proclaimed Lanka-phile, Len counts Sri Lanka as his second home and is driven by a passion to promote the country as a leading edge tourism destination.

Dr. V. Kannangara
Non-Executive Independent Director

Dr. Vijith Kannangara is the Founder and Executive Chairman of Smart Media The Annual Report Company. He is also co-founder and Chairman of the software company, Affno and the independent marketing communications company, Q&E. He serves on the board of The Children's Heart Project of Sri Lanka and on the Council of The National Stroke Association, Sri Lanka. Vijith is a medical doctor turned entrepreneur. In 2006, The Chartered Institute of Marketing in UK conferred an Honorary Fellowship on him. His interests include the future of education, global citizenship, environment, natural health and regenerative agriculture.

Board of Directors and their Profiles Contd.

G. Rocchi Non-Executive Director	Giuseppe Rocchi, an Italian national, has over 36 years' experience in the running of family owned businesses ranging from garments production, Italian restaurants, and home-made ice cream production and hospitality. Giuseppe Rocchi has been in Sri Lanka since 1994 and has set up a number of businesses. Giuseppe Rocchi is the Managing Director of Textile International Colombo (Pvt) Limited-BOI Project, Ceccato Colombo (Pvt) Limited-BOI Project, Value Maker Holdings (Pvt) Limited and LUPA Investments (Pvt) Limited-BOI Project. These entities' carry the business of production of garments and homemade ice cream, operators of Italian restaurants, doing trading of Italian products, Illy coffee, San Pellegrino table water, and "Camagni" Luxury Kitchen Furniture. LUPA Investments is to carry out a real estate project consisting of commercial and residential properties. Giuseppe Rocchi is also a director and a shareholder of Infondi Sps, an Italian registered entity that acts as Holding company of a number of family owned entities, which possess various hotels, immovable properties, as well as, an Italian garment manufacturing company.
T. M. J. Y. P. Fernando (Ms.) Non-Executive Independent Director	Yvette Fernando currently serves as an Assistant Governor of the Central Bank of Sri Lanka in charge of the departments of Bank Supervision, Foreign Exchange, Employees' Provident Fund and Currency. She possesses over 25 years of experience in operational and policy matters relating to implementing regulatory and supervisory framework for banks. She joined the Central Bank of Sri Lanka in 1990 and worked in the departments of Banking Development and Bank Supervision. She was appointed as the Director of Bank Supervision in August, 2009 and was responsible for overall regulation and supervision of licensed banks in Sri Lanka and administering the Deposit Insurance Scheme operated by the Central Bank. Mrs. Fernando was appointed as the Controller of Exchange since September 2015 to head the Exchange Control Department, which was assigned with the task of discharging the statutory responsibilities under the Exchange Control Act. In August 2017, she was promoted as an Assistant Governor. She has participated in several local and international training programmes, seminars and other forums to enhance and update the knowledge on different aspects of bank supervision and regulation, general banking operations, good governance practices, resolutions of weak banks and leadership skills. She has been a resource person in several training programmes and panel discussions on work related subjects, both local and overseas. She holds a B. Com (Special) Degree from the University of Sri Jayawardenapura, Sri Lanka and Master of Financial Economics from the University of Colombo, Sri Lanka.
Sharad Amalean Non-Executive Independent Director	Deputy Chairman • Co–Founder and CEO – MAS • Board Member – Rainforest Eco Lodge (Private) Limited A former student of Royal College Colombo, Sharad went on to complete his Executive Education at the Wharton School of the University of Pennsylvania. He is a Co-Founder and Deputy Chairman of MAS, and currently serves as the Chairman of the Joint Apparel Association Forum. Sharad is instrumental in formulating and implementing MAS' strategy and plays a key role in developing partnerships with global industry leaders. His commitment and leadership has ensured that MAS continues to grow as one of Sri Lanka's leading corporate entities. Sharad's background in finance makes him a formidable negotiator, strategizer and holistic thinker. A disruptor and an advocate of change, Sharad excels at managing people and resources, and is known for his unique style of coaching and listening. He believes in making informed decisions, is action oriented and excels at follow through. His persistence, attention to detail and ability to foresee opportunity makes him a key driving force in the Sri Lankan Apparel & Textile Industry.

Audit Committee Report

The Audit Committee, comprises two Non-Executive Independent Directors (as shown on page 157 of the Annual Report). The Chairman of the Audit Committee is a Fellow Member of the Chartered Institute of Management Accountants, UK. The Audit Committee met on five occasions during the financial year.

The Chairman, General Managers of Hotels, Chief Accountants of Hotels, Managing Director, Executive Director and the Financial Controller of the managing agents attend meetings of the Audit Committee by invitation. The Committee is empowered to examine any matter relating to the financial reporting systems and its internal and external audits. Its duties include detailed reviews of Financial Statements of the Company and its subsidiary, internal control procedures, accounting policies and compliance with accounting standards. It also reviews the adequacy of systems for compliance with the relevant legal, regulatory and ethical requirements and company policies.

The Committee endeavours to assist the Directors to discharge their duties and responsibilities in respect of regulatory compliance and risk management.

The following activities were carried out by the Committee:

- The Committee reviewed the interim and annual financial statements of the Group and has recommended same to the Board for approval and publication.
- The Committee reviewed and made recommendation to the board about the policy decisions relating to adoption of new and revised Sri Lanka Accounting Standards (SLFRS/LKAS) applicable to the Group including adoption of SLFRS 9 and SLFRS 15 during the financial year under review. The Committee would continue to monitor the compliance with relevant Accounting Standards and keep the Board informed at regular intervals.
- The Committee held meetings with the External Auditors to review their report on audit results and the preparation of the Annual Report to ensure the reliability of the process, consistency of the Accounting policies and methods and compliance with Sri Lanka Accounting Standards.
- Recommendations made by the External Auditors were also discussed with the Board and implementation recommended to Management by the Committee.
- The Audit Committee also monitors the effectiveness of the Internal and Financial Control procedures on the basis of the reports and findings submitted by the Internal Auditors, Messrs PricewaterhouseCoopers (Jetwing City (Pvt) Ltd and Cultural Heritage (Pvt) Ltd) and Messrs KPMG (Yala Properties (Pvt) Ltd and Jetwing Kaduruketha (Pvt) Ltd).
- The Audit Committee also monitors the timely payments of all statutory obligations.
- The Company's budget proposals are also reviewed by the Audit Committee.
- The Audit Committee has reviewed the other services provided by the External Auditors to the Company to ensure their independence as Auditors has not been compromised

The Audit Committee is satisfied that the control environment prevailing in the organization provides reasonable, but not absolute assurance that the financial position of the Group is adequately monitored and that the systems are in place to minimize the impact of identifiable risks.

As far as the Directors are aware, the Auditor does 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 in the Group. For the said reasons that the Committee determined that Auditors are independent.

The Audit Committee has recommended to the Board of Directors that Messrs Ernst & Young may continue as Auditors for the financial year ending 31st March, 2020

N. Wadugodapitiya
Chairman - Audit Committee

10 May, 2019

Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee was formed by the Board of Directors with effect from 8th May, 2017 in compliance with the Section 9 of the Continuing listing rules of the Colombo Stock Exchange (CSE). As at 31st March, 2019 it comprised three Non-Executive Independent Directors (as shown on page 157 of the Annual Report). Chairman of the Committee is a Non-Executive Independent Director.

Scope of the Committee

Developing and recommending for adoption by the Board of Directors of the Company, a Related Party Transactions Policies and Procedures.

Updating the Board of Directors on the related party transactions of the Group on a quarterly basis.

Making immediate market disclosures on applicable related party transactions as required by Section 9 of the Continuing Listing Rules of CSE.

Making appropriate disclosures on related party transactions in the Annual Report as required by Section 9 of the Continuing Listing rules of CSE.

Policies and Procedures adopted by the Committee

The Company has in place a Related Party Transaction identification and disclosure procedure whereby the categories of persons who shall be considered as 'related parties' has been identified. In accordance with the above procedure, self-declarations are obtained from each Director/Key Management Personnel of the Company for the purpose of identifying parties related to them. The Committee endeavours to meet at least quarterly, review and report to the Board on matters involving related party transactions falling under its scope.

Committee Meetings

The Committee met on four occasions during the financial year. The activities and observations of the Committee have been communicated to the Board of Directors, quarterly, through verbal briefings, and by tabling the minutes of the Committee's meetings.

Related Party Transactions during the Year

The committee reviewed the related party transactions during the year under review. Further, there were no non-recurrent nor recurrent related party transactions that exceeded the threshold mentioned in the continuing listing rules of the CSE other than those disclosed in page 150.

Details of other related party transactions entered into by the Company and its subsidiaries during the above period is disclosed in Note 22 in pages 128 to 130 and pages 136 to 142 in the Annual Report.

N. Wadugodapitiya
Chairman
Related Party Transactions Review Committee
10th May, 2019

Remuneration Committee Report

The objectives of the Remuneration Committee are to review and approve overall remuneration philosophy strategy policies and practices including performance pay schemes and benefits. The policy is to prepare the compensation packages to attract and retain highly qualified experienced workforce and reward performance, bearing in mind the business performance and long-term shareholder returns. The Committee comprises three Non-Executive Independent Directors, whose names are disclosed on page 157 of the Annual Report. The members of the Committee met once in the year under review. The aggregate remuneration paid to Directors is set out in page 72.

Dr. V. Kannangara
Chairman – Remuneration Committee

10th May, 2019

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

The Directors of Jetwing Symphony PLC (the "Company") present their Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2019.

The details set out herein provide the pertinent information required by the Companies Act No. 07 of 2007 (the "Companies Act") Listing Rules of the Colombo Stock Exchange (the "Listing Rules") and are guided by recommended best accounting practices.

Review of the Year

The Chairman's Letter and the Management Discussion and Analysis describe the year's operations, financial performance, sustainability review and details of the future development of the Company.

The Principal Activity of the Company

The Company is an investment holding company.
The principal activity of the companies in the Group is hoteliering and there has been no change in the nature of such activity during the year.

Financial Statements

The Financial Statements of the Company and the group duly signed by Directors are given on pages 79 to 135 in this Annual Report.

Auditor's Report

The Auditors' Report on the Financial Statements is given on pages 76 to 78.

Accounting Policies

The accounting policies adopted by the group in the preparation of Financial Statements are given on pages 85 to 103 in this Annual Report.
The accounting policies adopted are consistent with these of the previous financial year except for the adoption of new accounting standards, SLFRS 9 – Financial Instruments and SLFRS 15 – Revenue from Contacts with Customers as detailed in Note 2.3.1 in page 85 to the financial statements.

Related Party Transactions

The Company has complied with the rules set out in Section 9 of the Listing Rules pertaining to Related Party Transactions.

Interests Register Directors' Interests in Transactions

The Directors of the Company have made the general disclosures provided for in Section 192 (2) of the Companies Act. The related party disclosures and the Directors of each of those related parties are given on pages 136 and 145 respectively.

Directors' Interests in Shares

There were no changes in the Directors' direct shareholdings during the year.

Directors' Shareholding

	Directors' Direct Shareholding	
	As at 31st March, 2019	As at 1st April, 2018
Mr. N.J.H.M. Cooray	21,060,311	21,060,311
Ms. N.T.M.S. Cooray	19,179,297	19,179,297
Mr. N. Wadugodapitiya	25,000	25,000

Directors' Remuneration

The aggregate emoluments paid to the Non-Executive Directors during the year, amounting to Rs.1,814,400/- is reflected on page 129 in Note 22.3 to the Financial Statements.

Insurance and Indemnity

The Company has obtained a Corporate Guard insurance policy from Allianz Insurance Lanka Ltd to indemnify Directors and Officers (D&O) of the Company. The policy is extended worldwide including USA and Canada with a total cover of Rs. 50,000,000/-. The premium is Rs. 375,000/- +Taxes.

Directorate

Names of the Directors who held office during the financial year are given below:

Executive Directors

Mr. N.J.H.M. Cooray (Chairman), Ms. N.T.M.S. Cooray

Non-Executive Directors

Mr. G. Rocchi

Non-Executive Independent Directors

Mr. N. Wadugodapitiya, Ms. K. Reddy, Mr. L. K. Porter,
Dr. V. J. Kannangara, Ms. Y. Fernando, Mr. S.D. Amalean

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

Subsidiaries Board of Directors

The names of Directors of the subsidiary companies who held office as at 31 March 2019 are set out on page 143 in this Annual report.

Donations

At the last Annual General Meeting shareholders authorised Directors to determine contributions to donations. The donations given during the year amounted to Rs.441,201/-.

Taxation

A detailed statement of the income tax rates applicable to the subsidiary companies in the group and a reconciliation of the accounting profits with the taxable profits are given in Note 2.7.9 and Note 18 respectively to the financial statements.

Auditors

Messrs Ernst & Young, Chartered Accountants are deemed reappointed, in terms of Section 158 of the Companies Act as Auditors of the Company.

A resolution proposing the Directors be authorized to determine the remuneration of the Auditors will be submitted to the Annual General Meeting.

Auditors' Remuneration

Messrs Ernst & Young were paid Rs. 270,480/- as audit fees and expenses by the Company. In addition, they were paid Rs. 49,051/- by the Company for non-audit related work, which consisted mainly of tax consultancy and advisory.

Messrs Ernst & Young, Chartered Accountants the auditors of the Company are also the auditors of subsidiaries of the Group. The amount paid by the group to Messrs Ernst & Young as audit fees and expenses was Rs. 1,514,450/-. In addition, they were paid Rs. 625,793/- by the Group for non-audit related services, which consisted mainly of tax consultancy and advisory.

As far as the Directors are aware, the Auditor does not have any relationship (other than that of an Auditor) with the Company nor any of its subsidiaries other than those disclosed above. The Auditors also do not have any interests in the Group.

Turnover

The turnover for the year was Rs. 1,911,321,371/- (2017/18 - Rs. 1,515,032,435 /-).

	2019 Rs.	2018 Rs.
Profit/(Loss)		
Net Profit/(Loss) for the year after providing for all expenses, known liabilities and depreciation of fixed assets was	(279,455,485)	(341,859,583)
Effect of adoption of SLFRS 9 - Financial Instruments	(819,289)	-
Other Comprehensive Income	1,029,241	(615,697)
Cost of share issue	-	(16,846,779)
Prior Year Retained Profit/(Loss)	(845,143,659)	(485,821,600)
Retained Profit/(Loss) at the End of the Year	(1,124,389,192)	(845,143,659)
Revaluation Reserve		
As at the beginning of the year	709,822,315	741,339,434
Revaluation surplus	260,875,000	179,350,000
Deferred Tax on Revaluation Surplus	(36,522,500)	(210,867,119)
As at 31st March,	934,174,815	709,822,315

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

Property, Plant and Equipment

The total expenditure on acquisition of Property, Plant and Equipment during the year amounted to Rs 210,698,049/- (2018 - Rs. 323,363,888/-) details of which are given in Note 4.1 to the Financial Statements on page 104.

Market value of the land including the valuation method and the effective date of the valuation are provided in Note 4.4 to the Financial Statements on page 108.

Stated Capital

There were no changes in the Company's Stated Capital during the year under review. In terms of the Companies Act, the Stated Capital of the Company was Rs. 5,509,276,455 /- as at 31st March, 2019 (Comprising 502,188,559 ordinary shares).

Events Occurring after the Reporting Date

There have been no material events occurring after the Reporting date, that require adjustments to or disclosures in the Financial Statements.

Statutory Payments

The Directors confirm that to the best of their knowledge all taxes and dues payable by the Company and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and all other known statutory dues as were due as at the Reporting date have been paid or provided.

Public Shareholding

18.43% of the issued capital of the company was held by the public, comprising of 594 shareholders and a float adjusted market capitalisation of LKR 897,767,509 as at 31st March 2019. In terms of Rule 7.13.1.(b) of the Listing Rules. The Company qualifies under option 1 of the minimum public holding requirement.

Going Concern

The Directors, after making necessary inquiries and reviews including reviews of the Hotel budgets for the ensuing year, capital expenditure requirements, future prospects and risks, cash flows and borrowing facilities have a reasonable expectation that the Company and the Group 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.

For and on behalf of the Board,

For and on behalf of the Board,

N.T.M.S Cooray
Director

N. Wadugodapitiya
Director

Corporate Services (Pvt) Ltd.
Secretaries

Jetwing Symphony PLC

10th May 2019

Statement of Directors' Responsibilities

The Directors are responsible, under Sections 150 (1) and 151, of the Companies Act No. 07 of 2007, to ensure compliance with the requirements set out there into prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and the Income Statement of the financial year-end. The Directors are also responsible, under Section 148 for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the Financial Statements.

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 (SLFRS & LKAS). The Financial Statements provide the information required by the Companies Act.

The Directors have taken reasonable measures to safeguard the assets of the Company 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, are reappointed in terms of Section 158 of the Companies Act No. 07 of 2007 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 76 to 78 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 as at the Reporting date have been paid or where relevant, provided for.

By Order of the Board,

Jetwing Symphony PLC

Corporate Services (Pvt) Ltd.
Secretaries

216, De Saram Place,
Colombo 10.

10th May, 2019

Independent Auditor's Report

TO THE SHAREHOLDERS OF JETWING SYMPHONY PLC

EY
Building a better working world

Ernst & Young
Chartered Accountants
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Sri Lanka

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eysl@lk.ey.com
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Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Jetwing Symphony PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2019 and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2019, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

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

Key audit matters

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

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

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Key audit matters common to the Group

Key audit matter	How our audit addressed the key audit matter
Free-hold land revaluation.	
As of 31 March 2019, the Group carried free-hold land at fair value amounting to Rs. 2,384,275,000 which represents 23% of the total assets of the Group and recorded a revaluation gain of Rs. 260,875,000 for the year, as further disclosed in note no: 4 to the financial statements. Fair value was determined by an external valuer engaged by the Group. The valuation is subjective to the assumptions such as price range per perch and judgements used by the valuer. Due to the significant proportion which free-hold land represents in relation to the total assets and given the significance of assumptions associated with the valuation, we have considered the revaluation of free-hold land as a key audit matter.	• Our audit procedures focused on the valuation performed by the external valuer, which included among others, the following procedures. • We evaluated the competence, capabilities and objectivity of the external valuer appointed by the management. We read the engagement letter issued by the management and the valuation report signed by the valuer to obtain an understanding of the work of the valuer and evaluated the appropriateness as audit evidence for the recorded valuation of free - hold land in the financial statement. • We engaged internal specialist to assist us in evaluating the appropriateness of the valuation method and price range per perch used in the valuation with market data and other key assumptions applied by the external valuer in appraising the year end values. • In addition, we evaluated the overall appropriateness of the related financial statement disclosers in note no: 4.
Adoption of new accounting standard SLFRS 15 – Revenue from Contracts with Customers.	
The Group has adopted SLFRS 15 from 1 April 2018 as explained in note 2.3.1 to the financial statements. Due to the significance of the activities explained in note 2.3.1.(A) which the Group adopted in determining the impact of SLFRS 15, specially the application of principal versus agent consideration in the contracts related to revenue, resulted in us considering such, as a key audit matter.	Among other audit procedures in adoption of new revenue accounting standard, we performed following specific procedures. • We assessed the Group's implementation process of SLFRS 15, to support revenue recognition according to new revenue accounting standard. • We examined a sample of contracts to assess whether method for recognition of revenue was relevant and consistent with SLFRS 15 and applied consistently. • In addition, we assessed the adequacy of the related financial statement disclosures in note no 2.3.1, note no 2.7.3 and note no.3.

Other Information included in the 2019 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 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 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.

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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 1697.

10 May 2019
Colombo

Statement of Financial Position

As at 31st March	Note	Group 2019 Rs.	Group 2018 Rs.	Company 2019 Rs.	Company 2018 Rs.
ASSETS					
Non-current Assets					
Property, Plant and Equipment	4	8,987,612,134	8,846,778,117	-	-
Prepaid Lease Rent	5	47,049,269	49,009,655	-	-
Other Investments	7	884,865	3,065,499	-	-
Investment in Subsidiaries	7	-	-	5,419,233,010	5,119,233,010
Intangible Assets	6	582,926,224	583,576,335	-	-
		9,618,472,492	9,482,429,606	5,419,233,010	5,119,233,010
Current Assets					
Inventories	8	59,498,762	50,935,217	-	-
Trade and Other Receivables	9	257,213,091	207,884,161	61,811,343	257,748
Income Tax Receivables		536,307	385,733	-	-
Other Current Financial Assets	7	182,309,862	352,973,296	5,000,000	344,083,503
Cash at Bank and in Hand	16	49,529,504	73,898,051	664,567	781,696
		549,087,526	686,076,458	67,475,910	345,122,947
Total Assets		10,167,560,018	10,168,506,064	5,486,708,920	5,464,355,957
EQUITY & LIABILITIES					
Equity Attributable to Equity Holders of the Parent					
Stated Capital	10	5,509,276,455	5,509,276,455	5,509,276,455	5,509,276,455
Available-for-Sale Reserve	10	-	(495,447)	-	318,191
Fair value Reserve	10	-	-	-	-
Revaluation Reserve	10	934,174,815	709,822,315	-	-
Retained Earnings/(Losses)		(1,124,389,192)	(845,143,659)	(32,551,929)	(47,494,145)
		5,319,062,078	5,373,459,664	5,476,724,526	5,462,100,501
Non Controlling Interest		21,433,560	22,543,363	-	-
Total Equity		5,340,495,638	5,396,003,027	5,476,724,526	5,462,100,501
Non Current Liabilities					
Interest Bearing Loans and Borrowings	11	2,233,774,652	2,793,046,873	-	-
Post Employment Benefit Liabilities	12	30,516,433	23,879,596	-	-
Deferred Tax liability	18	247,389,619	210,867,119	-	-
		2,511,680,704	3,027,793,588	-	-
Current Liabilities					
Current Portion of Interest Bearing Loans and Borrowings	11	2,043,566,384	1,467,933,792	-	-
Trade and Other Payables	13	263,228,894	276,567,150	2,284,476	2,046,949
Income Tax Payable		8,588,398	208,507	7,699,918	208,507
		2,315,383,676	1,744,709,449	9,984,394	2,255,456
Total Equity and Liabilities		10,167,560,018	10,168,506,064	5,486,708,920	5,464,355,957

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No : 07 of 2007.

C.S.R.S. Anthony
Director - Jetwing Hotels Ltd, Managing Agents

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

N.T.M.S. Cooray
Director

N. Wadugodapitiya
Director

The accounting policies and notes on pages 85 through 135 form an integral part of the Financial Statements.

10 May 2019
Colombo

Statement of Profit or Loss

Year ended 31 March	Note	Group 2019 Rs.	Group 2018 Rs.	Company 2019 Rs.	Company 2018 Rs.
Revenue	3	1,911,321,371	1,515,032,435	-	-
Cost of Sales		(315,997,860)	(275,005,290)	-	-
Gross Profit		1,595,323,511	1,240,027,145	-	-
Other Income	15	15,456,955	12,885,237	10,726,827	10,840,927
Administrative Expenses		(891,705,563)	(771,549,420)	(6,550,987)	(10,770,193)
Marketing & Promotional Expenses		(73,788,714)	(66,925,999)	-	-
Profit from operations		645,286,189	414,436,963	4,175,840	70,734
Depreciation		(324,735,122)	(305,678,721)	-	-
Finance Income	14.1	21,460,163	1,091,696	19,135,413	4,904,248
Finance Cost	14.2	(457,605,462)	(427,076,004)	(7,610)	(17,905)
Exchange Gain/(Loss) on Foreign Currency Loan Conversion	11.3	(155,655,832)	(29,774,159)	-	-
Profit/(Loss) Before Tax	17	(271,250,064)	(347,000,225)	23,303,643	4,957,077
Income Tax Expenses	18	(9,337,215)	(1,618,141)	(8,361,427)	(1,394,993)
Profit/(Loss) for the Year		(280,587,279)	(348,618,366)	14,942,216	3,562,084
Attributable to:					
Equity holders of the parent		(279,455,485)	(341,859,583)		
Non controlling interests		(1,131,794)	(6,758,783)		
		(280,587,279)	(348,618,366)		
Earnings/(Loss) Per Share - Basic	19	(0.56)	(0.74)	0.03	0.01

The accounting policies and notes on pages 85 through 135 form an integral part of the Financial Statements.

Statement of Comprehensive Income

Year ended 31 March	Note	Group 2019 Rs.	Group 2018 Rs.	Company 2019 Rs.	Company 2018 Rs.
Profit/(Loss) for the Year		(280,587,279)	(348,618,366)	14,942,216	3,562,084
Other Comprehensive Income					
Other comprehensive income to be reclassified to statement of profit or loss in subsequent period					
Gain on Available-for-Sale Financial Instruments	10.2.1	-	12,005,976	-	11,151,006
Gain on FVTOCI Financial Instruments	10.2.1	10,686,902	-	10,408,636	-
Reclassification adjustment for gains included in the Statement of Profit or Loss	10.2.1	(11,010,744)	(11,446,276)	(10,726,827)	(10,840,927)
Other comprehensive income not to be reclassified to statement of profit or loss in subsequent period					
Actuarial Gains/ (Losses) on Post Employment Benefit Liability	12.1	1,051,232	(618,414)	-	-
Revaluation Surplus of Freehold Land	10.2.2	260,875,000	179,350,000	-	-
Deferred Tax on Revaluation Surplus	18.2	(36,522,500)	(210,867,119)	-	-
Other Comprehensive Income/(Loss) for the Year		225,079,890	(31,575,833)	(318,191)	310,079
Total Comprehensive Income/(Loss) for the Year		(55,507,389)	(380,194,199)	14,624,025	3,872,163
Attributable to:					
Equity holders of the parent		(54,397,586)	(373,432,699)		
Non controlling interests		(1,109,803)	(6,761,500)		
		(55,507,389)	(380,194,199)		

The accounting policies and notes on pages 85 through 135 form an integral part of the Financial Statements.

Statement of Changes in Equity - Group

	Attributable to Equity Holders of the Parent							
	Stated Capital	Fair Value Reserve	Available for Sale Reserve	Revaluation Reserve	Retained Earnings	Total	Non Controlling Interest	Total
	Rs. (Note 10.1)	Rs. (Note 10.2.1.b)	Rs. (Note 10.2.1.a)	Rs. (Note 10.2.2)	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2017	4,755,993,591	-	(1,055,147)	741,339,434	(485,821,600)	5,010,456,278	29,304,863	5,039,761,141
Loss for the Year	-	-	-	-	(341,859,583)	(341,859,583)	(6,758,783)	(348,618,366)
Other Comprehensive Income/(Loss) for the year	-	-	559,700	(31,517,119)	(615,697)	(31,573,116)	(2,717)	(31,575,833)
Total Comprehensive Income for the year	-	-	559,700	(31,517,119)	(342,475,280)	(373,432,699)	(6,761,500)	(380,194,199)
Issue of Shares	753,282,840	-	-	-	-	753,282,840	-	753,282,840
Cost of Issue of Shares	-	-	-	-	(16,846,779)	(16,846,779)	-	(16,846,779)
Reconciliation Adjustment	24	-	-	-	-	24	-	24
Balance as at 31 March 2018	5,509,276,455	-	(495,447)	709,822,315	(845,143,659)	5,373,459,664	22,543,363	5,396,003,027
Reclassification Adjustment Due to Adoption of SLFRS 9	-	323,842	495,447	-	(819,289)	-	-	-
Balance as at 1 April 2018 (Restated)	5,509,276,455	323,842	-	709,822,315	(845,962,948)	5,373,459,664	22,543,363	5,396,003,027
Loss for the Year	-	-	-	-	(279,455,485)	(279,455,485)	(1,131,794)	(280,587,279)
Other Comprehensive Income /(Loss) for the year	-	(323,842)	-	224,352,500	1,029,241	225,057,899	21,991	225,079,890
Total Comprehensive Income for the year	-	(323,842)	-	224,352,500	(278,426,244)	(54,397,586)	(1,109,803)	(55,507,389)
Balance as at 31 March 2019	5,509,276,455	-	-	934,174,815	(1,124,389,192)	5,319,062,078	21,433,560	5,340,495,638

The accounting policies and notes on pages 85 through 135 form an integral part of the Financial Statements.

Statement of Changes in Equity - Company

	Stated Capital Rs. (Note 10.1)	Fair Value Reserve Rs. (Note 10.2.1.b)	Available for Sale Reserve Rs. (Note 10.2.1.a)	Retained Earnings Rs.	Total Rs.
Balance as at 01 April 2017	4,755,993,591	-	8,112	(34,209,450)	4,721,792,253
Profit for the Year	-	-	-	3,562,084	3,562,084
Other Comprehensive Income for the year	-	-	310,079	-	310,079
Total Comprehensive Income for the year	-	-	310,079	3,562,084	3,872,163
Issue of Shares	753,282,840	-	-	-	753,282,840
Reconciliation Adjustment (Note 10.1.1)	24	-	-	-	24
Share Issue Expenses	-	-	-	(16,846,779)	(16,846,779)
Balance as at 31 March 2018	5,509,276,455	-	318,191	(47,494,145)	5,462,100,501
Reclassification adjustment due to adoption of SLFRS 9	-	318,191	(318,191)	-	-
Balance as at 1 April 2018 (Restated)	5,509,276,455	318,191	-	(47,494,145)	5,462,100,501
Profit for the Year	-	-	-	14,942,216	14,942,216
Other Comprehensive Income /(Loss) for the year	-	(318,191)	-	-	(318,191)
Total Comprehensive Income for the year	-	(318,191)	-	14,942,216	14,624,025
Balance as at 31 March 2019	5,509,276,455	-	-	(32,551,929)	5,476,724,526

The accounting policies and notes on pages 85 through 135 form an integral part of the Financial Statements.

Statement of Cash Flows

Year ended 31 March	Note	Group 2019 Rs.	Group 2018 Rs.	Company 2019 Rs.	Company 2018 Rs.
Cash Flows From /(Used in) Operating Activities					
Net Profit / (Loss) before Income Tax Expenses		(271,250,064)	(347,000,225)	23,303,643	4,957,077
Adjustments for:					
Dividend Income	14.1	(13,898)	(12,082)	-	(54,000)
Interest Received	14.1	(21,446,265)	(1,079,614)	(19,135,413)	(4,850,248)
Depreciation & Amortization	17	327,879,117	308,737,642	-	-
Finance Costs	14.2	457,605,462	427,076,004	7,610	17,905
(Profit)/Loss on Disposal of Property, Plant and Equipment	17	(50,307)	2,104,301	-	-
Capital Gain on Sale of Investments	7.4.2	(11,010,744)	(11,446,276)	(10,726,827)	(10,840,927)
Exchange (Gain)/Loss on Foreign Currency Loan Conversion	11.3	155,655,832	29,774,159	-	-
Fair value (Gain)/Loss from other investments	15	164,464	-	-	-
(Profit)/Loss on disposal of other investments	15	(3,719,232)	-	-	-
Provision for Defined Benefit Obligation	12.1	8,406,047	6,297,963	-	-
Operating Profit / (Loss) before Working Capital Changes		642,220,412	414,451,872	(6,550,987)	(10,770,193)
(Increase) / Decrease in Inventories		(8,563,545)	(10,047,374)	-	-
(Increase) / Decrease in Trade and Other Receivables		(48,360,521)	(46,235,715)	(1,553,595)	3,376,779
Increase / (Decrease) in Trade and Other Payables		(13,279,583)	(289,147,675)	296,200	1,247,945
Cash Generated from/(Used in) Operations		572,130,763	69,021,108	(7,808,382)	(6,145,469)
Finance Costs Paid	14.2	(457,605,462)	(427,076,004)	(7,610)	(17,905)
Income Tax Paid		(1,107,899)	(3,486,983)	(870,016)	(3,236,640)
Defined Benefit Plan Cost Paid Net of Transfers	12	(717,978)	6,913,144	-	-
Net Cash Flows From/(Used in) Operating Activities		112,585,424	(354,628,735)	(8,686,008)	(9,400,014)
Cash Flows From/(Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	4.6	(210,698,049)	(323,363,888)	-	-
Acquisition of Intangible Assets	6.1	(533,498)	(1,426,542)	-	-
Investment in Fixed deposits		(175,000,000)	-	-	-
Proceeds from Sale of Property, Plant and Equipment		4,885,808	628,982	-	-
Investment in Unit Trust	7.4	(93,500,000)	(837,870,662)	(61,500,000)	(831,765,313)
Proceeds form Redemption of Units	7.4	454,381,405	513,546,278	415,992,139	506,340,929
roceeds from Sale of investments		5,735,402	-	-	-
Short Term Loans (Grant)/ Settled		-	-	(60,000,000)	40,000,000
Interest Received	14.1	21,446,265	1,079,614	19,135,413	4,850,248
Dividends Received	14.1	13,898	12,082	-	54,000
Investment in Subsidiaries	7.2	-	-	(300,000,000)	(446,603,600)
Net Cash Flows From / (Used in) Investing Activities		6,731,231	(647,394,136)	13,627,552	(727,123,736)
Cash Flows From/(Used in) Financing Activities					
Share Issues	10.1	-	753,282,840	-	753,282,840
Repayment of Finance Lease	11.2	(896,124)	(839,293)	-	-
Proceeds from Bank Loans	11.3	103,850,000	496,870,000	-	-
Repayment of Bank Loans	11.3	(706,303,049)	(380,585,023)	-	-
Proceeds Received from Grants	4.8	200,000	1,800,000	-	-
Cost of Issuing Shares		(58,673)	(16,788,106)	(58,673)	(16,788,106)
		(603,207,846)	853,740,418	(58,673)	736,494,734
Net Increase /(Decrease) in Cash and Cash Equivalents		(483,891,191)	(148,282,453)	4,882,871	(29,016)
Cash and Cash Equivalents at the beginning of the Year	16	(722,832,227)	(574,549,774)	781,696	810,712
Cash and Cash Equivalents at the end of the Year	16	(1,206,723,418)	(722,832,227)	5,664,567	781,696

The accounting policies and notes on pages 85 through 135 form an integral part of the Financial Statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General

Jetwing Symphony PLC, formerly Jetwing Symphony Limited ("the Company"), is a limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the Company and principal place of business is located at 46/26, Nawam Mawatha, Colombo 02.

1.2 Principal Activities and Nature of Operations

Jetwing Symphony PLC is the holding Company that owns, directly and indirectly, investments in a number of subsidiary companies which are involved in hospitality business.

The names of companies within the Group, of all which are incorporated in Sri Lanka, are shown in the Note 7.2.

1.3 Parent Entity and Ultimate Parent Entity

The Company does not have an identifiable parent on its own.

1.4 Date of Authorization for Issue

The Financial Statements of Jetwing Symphony PLC and its Subsidiaries for the year ended 31 March 2019 were authorized for issue by the Board of directors on 10 May 2019.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Consolidated Financial Statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and in compliance with the Companies Act No. 7 of 2007.

2.2 Basis of measurement

The Consolidated Financial Statements have been prepared on a historical cost basis except for:

- Freehold Land measured at fair value
- Financial assets classified as fair value through other comprehensive income (FVOCI). (Up to 31.03.2018 they were classified as available for sale investments)
- Financial assets measured at fair value through Profit or Loss
- The liability for Defined Benefit Obligations are actuarially valued and recognized at the present value.

2.3 Changes in accounting policies

The accounting policies adopted by the Group are consistent with those of the previous financial year except for the following;

2.3.1 New and amended standards and interpretations

The following are the new significant accounting policies applied by the Group in preparing its Financial Statements. Several other amendments and interpretations apply for the first time in financial year 2018/19, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

Notes to the Financial Statements Contd.

A. SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 replaced LKAS 18 Revenue and related Interpretations. SLFRS 15 established a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. SLFRS 15 required the Group to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Group adopted SLFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to all contracts as at 1 April 2018. The cumulative effect of initially applying SLFRS 15 is recognized at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated as permitted, and continues to be reported under LKAS 18 and related Interpretations.

The Group carried out an impact analysis of the possible impact from adoption of the SLFRS 15 across all the services offered by each Hotel in the Group. The key aspects covered are as follows.

- Identified all the goods or services, or contract deliverables, which have been promised within usual course of carrying out services of the Hotels. In determining this, the management looked at implicitly or explicitly promised services including customary business practices or policies of the hotel. Having considered the same, each hotel then determined that in all principle services rendered, there was one distinct performance obligation rather than many.
- In connection with contracts with travel agents, tour operators, on-line travel agents, corporate customers and free-individual-travelers, the group identified certain principal vs agent considerations. In recognising revenue from these transactions, the Group considered whether the nature of its promise is a performance obligation to provide the hotel services itself (acting as a principal) or to arrange for the other party to provide those such services (acting as an agent). In particular, certain on-line travel agent agreements had terms indicative that the Hotels were in fact the principal, while in certain other circumstances, considerations that were suggestive of agency considerations were present. However, the accounting treatments that were adopted by the Group under the previous accounting standards were the same even prior to the application of SLFRS 15. In addition, currently the Group does not have any outsourced other hotel related services. Accordingly, this aspect of principal versus agent did not result in material changes to the reported figures, despite the analysis and effort carried out by the Group.

After a detailed impact analysis, the Group concluded that the adoption of SLFRS 15 as at 1 April 2018 did not have a significant financial impact to the balances as at 1 April 2018.

B. SLFRS 9 Financial Instruments

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

The Group applied SLFRS 9 retrospective method of adoption with the date of initial application of 1 April 2018. The Group has not restated the comparative information, which continues to be reported under LKAS 39. Differences arising from the adoption of SLFRS 9 have been recognised directly in retained earnings and other components of equity.

The effect of adopting SLFRS 09 as at 1 April 2018 did not have a significant financial impact to the balances as at 1 April 2018.

Notes to the Financial Statements Contd.

The nature of significant changes were described below:

a. Classification and Measurement Under SLFRS 9

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

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

The following are the changes in classification of the Group's financial assets:

The Group continued measuring at fair value all financial assets previously held at fair value under LKAS 39.

Trade receivables and Other non-current financial assets classified as Loans and receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost, beginning from 1 April 2018.

Equity investments in non-listed companies classified as AFS financial assets as at 31 March 2018 are classified and measured as Equity instruments designated at fair value through OCI, beginning from 1 April 2018. The Group elected to classify irrevocably its non-listed equity investments under this category at the date of initial application as equity instrument fair value through OCI, since it intends to hold these investments for the foreseeable future. Rest of the equity investments are classified as fair value through profit or loss. There were no impairment losses recognised in profit or loss for these investments in prior periods.

The Group has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

b. Impairment

The adoption of SLFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing LKAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. SLFRS 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets. Upon adoption of SLFRS 9 the group has the following types of financial assets which are subject to SLFRS 9's expected credit loss (ECL) model:

Trade receivables : The adoption of SLFRS 9 has fundamentally changed the company's accounting for impairment losses for financial assets replacing the LKAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. Further company applied the simplified approach in calculating the expected credit loss of the trade receivables & prepayments. The group was required to revise its impairment methodology under SLFRS 9 for each of these classes of assets. The adoption of the ECL requirements of SLFRS 9 did not result in any material increases in impairment allowances of the company's debt financial assets.

No other significant changes in classification and measurement of financial assets and liabilities were resulted due to this adoption.

2.4 Comparative Information

From 1 April 2018 group has adopted SLFRS 15 and SLFRS 9. The Group has not restated comparative information for 2018 on financial instruments in the scope of SLFRS 9. Therefore, the comparative information for 2018 is reported under LKAS 39 and LKAS 18 which is not comparable to the information presented for 2019. Differences arising from the adoption of SLFRS 9 and SLFRS 15 have been recognized directly in retained earnings as of 1 April 2018 and are disclosed in Note 7.

Notes to the Financial Statements Contd.

2.5. Basis of Consolidation

The Consolidated Financial Statements of Jetwing Symphony PLC and its subsidiaries (referred to as the 'Group') comprise the Financial Statements of the Group as at 31 March 2019

Subsidiaries are disclosed in note 7.2 to the Financial Statements.

Control over an investee is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and 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.

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; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income (OCI) are attributed to the 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.

The Financial Statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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

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

The total profits and losses for the year of the Company and of its subsidiaries included in consolidation are shown in the Consolidated Statement of Profit or Loss and Consolidated Statement of other Comprehensive Income and all assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the Consolidated Statement of Financial Position. Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the Consolidated Statement of Profit or Loss and Statement of other Comprehensive Income and as a component of equity in the Consolidated Statement of Financial Position, separately from equity attributable to the shareholders of the parent. The Consolidated Statement of Cash Flows includes the cash flows of the Company and its Subsidiaries.

Notes to the Financial Statements Contd.

2.6 Significant Accounting Judgements, Estimates And Assumptions

The preparation of the Consolidated 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.

a. Revaluation of Freehold Land

The Land of the group are reflected at fair value. Freehold Land valued by reference to market based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of Freehold Land, with the assistance of an independent professional valuer.
Further information including key inputs used to determine the fair value of the freehold land and sensitivity analysis are provided in Note 4.

b. Components of Buildings:

In determining the depreciation expense, the Group with the assistance of an independent professional valuer determined the components of buildings that have varying useful lives. Approximation techniques and appropriate groupings were used in such determination as well as in the assessment of the useful lives of each component. Further information is given in Note 4.

c. Defined Benefit Plans:

The Defined Benefit Obligation and the related charge for the year are determined using actuarial valuations. The actuarial valuations involve making assumptions about discount rates, future salary increases, mortality rates etc. Due to the long term nature of such obligations these estimates are subject to significant uncertainty. Further information is given in Note 12.

d. Going concern

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

e. Impairment of Trade Debtors:

The Group reviews at each reporting date all receivables to assess whether an allowance should be recorded in the statement of Profit or Loss. The Management uses judgement in estimating such amounts in the light of the duration of outstanding and any other factors management is aware of, that indicate uncertainty in recovery. Further information is given in Note 9.

f. Transfer pricing regulation:

The Group is subject to income taxes and other taxes including transfer pricing regulations. Prevailing uncertainties with respect to the interpretation of respective transfer pricing regulations, necessitated using management judgment to determine the impact of transfer pricing regulations. Accordingly critical judgments and estimates were used in applying the regulations in aspects including but not limited to identifying associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism. The current tax charge is subject to such judgments. Differences between estimated income tax charge and actual payable may arise as a result of management's interpretation and application of transfer pricing regulation.

Notes to the Financial Statements Contd.

2.7 Summary Of Significant Accounting Policies

The following are the significant accounting policies applied by the Group in preparing its Consolidated Financial Statements

2.7.1 Foreign Currency Translation

The Financial Statements are presented in Sri Lanka Rupees, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.7.2 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree at the fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

If the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in 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 remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest 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 gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination transferred; the gain is recognised in profit or loss.

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

Notes to the Financial Statements Contd.

2.7.3 Revenue Recognition

2.7.3.1 Revenue from contracts with Customers

SLFRS 15 "Revenue from Contracts with Customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within SLFRS. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer that is distinct.

Step 3: Determine the transaction price: Transaction price is the amount of consideration to which the entity expects to be entitled to in exchange for transferring the promised goods and services to a customer, excluding amounts collected from third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Accordingly, the revenue from contract with customers of the company are accounted as follows.

a. Room Revenue

Revenue is recognized on the rooms occupied on daily basis and after completing all other obligation related to the Room.

b. Food and Beverage Revenue

Food & Beverage Revenue is accounted at the time of sale.

c. Other Hotel Related Revenue

Other Hotel Related Revenue is accounted when such service is rendered.

Up to 31 March 2018, revenue from hotel related income sources has been recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

However, no changes to the revenue recognition point and the measurement bases are occurred due to the adoption of SLFRS 15.

2.7.3.2 Other income sources

(a) Dividend and interest income

Dividend income from investments is recognised when the Group's right to receive payment has been established. Interest income is accrued on a time basis with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimates future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Notes to the Financial Statements Contd.

(b) Others

Other income is recognised on an accrual basis.

Net gains and losses of a revenue nature on the disposal of Property, Plant & Equipment has been accounted for in the Statement of Profit or Loss, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

2.7.3.3 Contract liabilities

A contract liability is recognised when the customer pays consideration before the group recognises the related revenue. Refundable guest deposits are recognised as contract liabilities in the group's financial statements. Non-refundable gym, bottle bank membership deposits are amortised as revenue in equal installments over the duration of the membership.

2.7.4 Financial Instruments

Accounting Policy applied after 1 April 2018

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

Initial Recognition and Subsequent 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 do not contain a significant financing component.

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.

Subsequent Measurement

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

- Financial assets at amortised cost (debt instruments)
- 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)

Notes to the Financial Statements Contd.

- Financial assets at fair value through profit or loss
- Financial Assets at Amortised Cost (Debt Instruments)
- 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 cash and short-term deposits, trade and other receivables and other financial assets.

Financial Assets at Fair Value Through OCI (Debt Instruments)

Group measures debt instruments at fair value through OCI if both of the following conditions are met:

The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling

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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

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, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Notes to the Financial Statements Contd.

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 the statement of profit or loss. This category includes short term investments which the Group had not irrevocably elected to classify at fair value through OCI. Income from these investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) 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 passthrough 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 Group continues to recognise the transferred asset to the extent of its continuing involvement. 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.

Impairment of Financial Assets

- Trade receivables,

  The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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 considers a financial asset in default when contractual payments are 365 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.

Notes to the Financial Statements Contd.

Financial Liabilities
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 and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent Measurement

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

Loans and Borrowings (Financial liabilities at amortised cost)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in 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 as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 11.

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.

Fair Value Measurement

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.

Notes to the Financial Statements Contd.

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 categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Accounting Policy applied up to 31 March 2018

i. Financial Assets

The Group's Financial Assets include cash and short term deposits, trade and other receivables, quoted and unquoted equity instruments and other financial instruments.

Initial Recognition and Measurement

Financial assets within the scope of LKAS 39 are classified as Financial Assets at Fair Value through Profit or Loss, Loans and Receivables, Held-to-Maturity investments, or Available-for-Sale financial assets, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets except for those that are at fair value through profit or loss are recognised initially at fair value plus transaction costs. Those that are at fair value through profit or loss, are initially measured at fair value.

Subsequent Measurement

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

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held-for-trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance costs in the Statement of Profit or Loss.

Loans and Receivables

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

Notes to the Financial Statements Contd.

Held-to-Maturity Financial Instruments

Non derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Company has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss in finance costs.

Available-for-Sale Financial Instruments

Available-for-Sale financial instruments held at the reporting date consists of equity securities. Equity instruments classified as available-for-sale are those, neither classified as held-for-trading nor designated at fair value through profit or loss. After initial measurement, available-for-sale financial instruments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time, the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is reclassified to the Statement of Profit or Loss in finance costs and removed from the available-for-sale reserve.

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.

ii. Impairment of Financial Assets

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

Financial Assets Carried at Amortised Cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows(excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write off is later recovered, the recovery is credited to finance costs in Profit or Loss statement.

Notes to the Financial Statements Contd.

Available-for-Sale Financial Instruments

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

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

iii. Financial Liabilities

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

Initial recognition and measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognised as well as through the effective interest rate method (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.

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 Comprehensive Income.

iv. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the 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

Notes to the Financial Statements Contd.

2.7.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, except capitalised development costs, are not capitalised and expenditure is recognised in the Statement of profit or Loss when it is incurred.

Intangible assets with finite lives are amortised over their useful economic lives 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.

Gains or losses arising from derecognition 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.

2.7.6 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, where 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.

2.7.7 Post Employment Benefit - Retirement Benefit Obligations

a) Defined Benefit Plan – Gratuity

The Group measures the present value of the promised retirement benefits of gratuity, which is a defined benefit plan with the advice of an independent professional actuary each year using the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income.

This item is stated under Post Employee Benefit Liability in the Statement of Financial Position. The gratuity liability is not externally funded.

b) Defined Contribution Plans– Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The Group contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.7.8 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 such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an

Notes to the Financial Statements Contd.

asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot 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 Income Statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value maybe impaired:

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

2.7.9 Taxation

(a) Current Income Taxes

Current income tax assets and liabilities for the current and prior periods 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 by the reporting date. Companies which undertake promotion of tourism in Sri Lanka are liable to tax at the rate of 14% of taxable income. Accordingly Jetwing Kaduruketha (Pvt) Ltd and Pottuvil Point (Pvt) Ltd are taxed at the rate of 14 % of taxable income. Other income is taxed at the rate of 28%.

The following companies enjoy Tax Holiday under the law of board of investment in line with Inland Revenue Act.

Yala Properties (Pvt) Ltd (Subsidiary of Subsidiary) has entered in to an agreement, dated 22 November 2011 with Board of Investment under section 17 of the Board of Investment Law. For the business of leisure travelers, Inland Revenue Act relating to the imposition, payment and recovery of income tax shall not apply for a period of seven years from the company commences to make profits or any year of assessment not later than two years reckoned form the date of commencement of commercial operations whichever year is earlier. Accordingly the company enjoys a tax holiday up to the year of assessment 2021/22.

Cultural Heritage (Pvt) Ltd also entered in to an agreement with Board of Investment of Sri Lanka under section 17 of BOI Law No. 4 of 1978 on 3rd April 2014 to set up a hotel on the premises at Siyambalawewa Village, Dambulla. According to the said agreement the company shall be entitled for a tax exemption period of Ten (10) years in the terms of the Inland Revenue Act No. 10 of 2006 as amended. For the above purpose the year of assessment shall be reckoned from the year in which the company commences to make profits or any year of assessment not later than two (02) years reckoned from the date of commencement of commercial operations, which year is earlier. Accordingly the company enjoys a tax holiday up to the year of assessment 2027/28.

Notes to the Financial Statements Contd.

Jetwing City (Pvt) Ltd - Pursuant to the agreement dated 29th November 2012 entered into with Board of Investment under section 17 of the Board of Investment Law, income tax shall not apply for the a period of Ten (10) years from the year of assessment company commences to make profits or any year of assessment not later than two (2) years reckoned from the date of commencement of commercial operations whichever year is earlier. Accordingly the company enjoys a tax holiday up to the year of assessment 2028/29.Further Kaduruketha Farmers (Pvt) Ltd is taxed at 14% & all other subsidiaries which are not mentioned above are taxed at 28%.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the relevant tax legislations

(b) Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authorities in which case the sales tax is recognised as a part of the cost of the asset or as a part of the expense items as applicable and receivables and payables 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.

(c) Deferred Taxation

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

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability 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.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, 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 assets and unused tax losses can be utilised except where the deferred income 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.

The carrying amount of deferred income 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 income tax asset to be utilised.

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

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

2.7.10 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.7.11 Inventories

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. The cost incurred in bringing inventories to its present location and condition is accounted using the weighted average cost formulae, for all inventories.

Notes to the Financial Statements Contd.

2.7.12 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities (i.e. three months or less from the date of acquisition) are also treated as cash equivalents.

2.7.13 Property, Plant and Equipment

Property, Plant and Equipment (except for land) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the Property, Plant and Equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, Plant and Equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major refurbishment is performed, its cost is recognised in the carrying amount of the Property, Plant and Equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Land is measured at fair value, less impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying am ount.

A revaluation surplus is recognised in other comprehensive income and credited to the 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, in which case the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in 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.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Profit or Loss when the asset is derecognised.

Group provides depreciation from the date the assets are available for use up to the date of disposal, on a straight line basis over the periods appropriate to the estimated useful lives based on the pattern in which the asset's future economic benefits are expected to be consumed by the Group of the different types of assets, except for which are disclosed separately. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognized. Depreciation does not cease when the assets become idle or is retired from active use unless the asset is fully depreciated.

The useful life and residual value of assets are reviewed, and adjusted if required, at the end of each financial year.

2.7.14 Grants and Subsidies

Grants are recognised at their fair value where there is a reasonable assurance the grant / subsidy will be received and all attaching conditions, if any, will be complied with.

Government grants related to assets are presented in financial position by deducting the grant value from the carrying value of the asset. Accordingly government grant is recognised in profit or loss over the life of the depreciable asset as a reduced depreciation expense.

2.7.15 Leases

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

Notes to the Financial Statements Contd.

Group as a lessee:

Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of profit or loss.

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

Operating leases, where the lessor effectively retains substantially all of the risk and benefits of ownership over the term of the lease are classified as operating leases. Operating lease payments are recognised as an operating expense in the Profit or Loss statement on a straight-line basis over the lease term.

2.7.16 Investments in Subsidiaries

Investments in subsidiaries in the financial statements of the parent are stated initially at cost and subsequently at cost less accumulated impairment losses any. Carrying amount are subject to impairment as described in Note 2.7.8.

2.8 Effect of Sri Lanka Accounting Standards Issued But Not Yet Effective:

A number of new standards and amendments to standards, which have been issued but not yet effective as at the reporting date, have not been applied in preparing these Consolidated Financial Statements. Accordingly, the following Accounting Standards have not been applied in preparing these Financial Statements and the Group plans to apply these standards on the respective effective dates:

SLFRS 16 Leases

SLFRS 16 provides a single lessee accounting model, requiring leases to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value even though lessor accounting remains similar to current practice. This supersedes: LKAS 17 Leases, IFRIC 4 determining whether an arrangement contains a Lease, SIC 15 Operating Leases- Incentives; and SIC 27. Evaluating the substance of Transactions Involving the Legal form of a Lease. Earlier application is permitted. SLFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. The Group is currently in the process of evaluating the accounting impact and the current systems and processes will be modified when necessary.

Notes to the Financial Statements Contd.

3. REVENUE

3.1 Type of Services

The business activities of the Group are only oraganized as a single reportable segment, where the management of the hotels monitors the revenue per available room as a key performance indicator. Revenue consists of the following type and nature of services:

Year ended 31 March	Group		Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Room Revenue	1,153,888,490	862,013,322	-	-
Food & Beverage Revenue	685,130,176	602,128,832	-	-
Other Hotel Related Revenue	72,302,705	50,890,281	-	-
Total Revenue	1,911,321,371	1,515,032,435	-	-

4. PROPERTY, PLANT & EQUIPMENT

4.1 Gross Carrying Amounts

Group	Balance as at 01.04.2018	Additions	Revaluation	Transfers in/(out)	Disposals	Other Adjustment (Note 4.8)	Balance as at 31.03.2019
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At Cost							
Building and Building Integrals	5,564,449,931	2,092,075	-	11,501,524	(5,369,182)	-	5,572,674,348
Plant & Equipment	303,441,742	6,725,528	-	317,957	(384,723)	(200,000)	309,900,504
Solar Electrical System	127,584,828	-	-	-	-	-	127,584,828
Sewage Treatment Plant	24,194,932	427,500	-	-	-	-	24,622,432
Kitchen Equipment	191,776,655	3,244,012	-	2,058,058	(80,440)	-	196,998,285
Electrical Equipment	148,263,183	3,680,540	-	(1,409,454)	(1,706,994)	-	148,827,275
Office Equipment	18,743,635	233,069	-	-	(242,153)	-	18,734,551
Sport Equipment	14,805,662	476,220	-	-	-	-	15,281,882
Furniture & Fittings	435,687,296	6,758,263	-	2,072,178	-	-	444,517,737
Swimming Pool Equipment	7,604,777	-	-	-	-	-	7,604,777
Motor Vehicles	64,052,868	6,486,542	-	-	(6,792,500)	-	63,746,910
Cutlery, Crockery & Glassware	27,453,755	1,460,818	-	2,740	(2,778,074)	-	26,139,239
Linen	33,300,007	6,962,796	-	956,164	(11,653,126)	-	29,565,841
Hot Water System	57,953,758	33,150	-	-	-	-	57,986,908
Laundry Equipment	40,636,079	-	-	-	-	-	40,636,079
Telephone System	21,067,069	128,315	-	(1,676,882)	-	(968,408)	18,550,094
Elevator	46,588,063	-	-	-	-	-	46,588,063
Television Systems	35,920,489	641,328	-	-	(421,040)	-	36,140,777
Maintenance Equipment	1,374,233	164,733	-	-	(103,830)	-	1,435,136
Furnishing, Bar, Room & Misc. Equ.	58,466,181	4,700,417	-	1,069,950	(1,159,280)	-	63,077,268
Computers	28,169,343	1,298,954	-	1,058,740	(439,300)	-	30,087,737
Motor Boats	4,298,231	-	-	-	-	-	4,298,231
Bicycles	979,500	85,900	-	-	-	-	1,065,400
Housekeeping Equipment	20,330,321	339,162	-	-	-	-	20,669,483
Generators	67,126,867	-	-	85,400	-	-	67,212,267
	7,344,269,406	45,939,322	-	16,036,375	(31,130,642)	(1,168,408)	7,373,946,052

Notes to the Financial Statements Contd.

4.1 Gross Carrying Amounts (Contd,)

Group	Balance as at 01.04.2018	Additions	Revaluation	Transfers in/(out)	Disposals	Other Adjustment (Note 4.8)	Balance as at 31.03.2019
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At Fair Value							
Freehold Land	2,123,400,000	-	260,875,000	-	-	-	2,384,275,000
	2,123,400,000	-	260,875,000	-	-	-	2,384,275,000
On Finance Lease							
Motor Vehicle	5,285,000	-	-	-	-	-	5,285,000
	5,285,000	-	-	-	-	-	5,285,000
In the Course of Construction							
Capital work-in-progress	11,716,214	164,758,727	-	(16,036,375)	-	-	160,438,567
	11,716,214	164,758,727	-	(16,036,375)	-	-	160,438,567
Total Gross Carrying Amount	9,484,670,621	210,698,049	260,875,000	-	(31,130,642)	(1,168,408)	9,923,944,619

Notes to the Financial Statements Contd.

4.2 Depreciation

Group	Balance as at 01.04.2018	Charge for the Year	Transfers in/(out)	Disposals	Balance as at 31.03.2019
	Rs.	Rs.	Rs.	Rs.	Rs.
At Cost					
Building and Building Integrals	255,100,016	133,935,566	(118,981)	(5,369,182)	383,547,419
Plant & Equipment	62,951,838	26,923,019	3,062	(114,591)	89,763,328
Solar Electrical System	15,826,836	7,372,792	-	-	23,199,630
Sewage Treatment Plant	1,073,355	1,217,751	-	-	2,291,106
Kitchen Equipment	34,918,407	19,240,683	68,373	(42,658)	54,184,805
Electrical Equipment	30,454,977	15,789,468	(40,872)	(1,676,352)	44,527,221
Office Equipment	3,038,465	1,826,410	-	(82,215)	4,782,660
Sport Equipment	3,290,807	1,528,306	-	-	4,819,113
Furniture & Fittings	91,723,568	44,772,216	85,338	-	136,581,122
Swimming Pool Equipment	1,609,870	652,516	-	-	2,262,386
Motor Vehicles	25,602,693	7,466,866	-	(2,742,588)	30,326,971
Cutlery, Crockery & Glassware	11,137,413	8,856,679	453	(2,778,074)	17,216,471
Linen	16,921,277	15,383,582	27,723	(11,653,125)	20,679,457
Hot Water System	11,628,891	5,163,251	-	-	16,792,142
Laundry Equipment	8,886,534	3,778,842	-	-	12,665,376
Telephone System	3,212,533	1,755,975	(191,876)	-	4,776,632
Elevator	3,426,112	2,328,549	-	-	5,754,661
Television Systems	6,610,572	3,612,914	-	(227,938)	9,995,548
Maintenance Equipment	238,920	145,697	-	(34,590)	350,027
Furnishing, Bar, Room & Misc. Equipment	22,005,217	7,900,167	865	(1,159,280)	28,746,969
Computers	12,437,064	5,933,529	164,161	(414,546)	18,120,208
Motor Boats	2,506,106	859,646	-	-	3,365,752
Bicycles	438,420	201,042	-	-	639,462
Housekeeping Equipment	2,104,246	2,035,741	-	-	4,139,987
Generators	8,269,440	4,996,911	1,754	-	13,268,105
	635,413,576	323,678,122	-	(26,295,139)	932,796,558
On Finance Lease					
Motor Vehicle	2,478,927	1,057,000	-	-	3,535,927
	2,478,927	1,057,000	-	-	3,535,927
Total Depreciation	637,892,503	324,735,122	-	(26,295,139)	936,332,485

Notes to the Financial Statements Contd.

4.3 Net Book Value

Year ended 31 March **Group**	**2019** **Rs.**	**2018** **Rs.**
At Cost		
Building and Building Integrals	5,189,126,929	5,309,349,915
Plant & Equipment	220,137,175	240,489,904
Solar Electrical System	104,385,199	111,757,992
Sewage Treatment Plant	22,331,326	23,121,577
Kitchen Equipment	142,813,480	156,858,249
Electrical Equipment	104,300,053	117,808,205
Office Equipment	13,951,891	15,705,170
Sport Equipment	10,462,769	11,514,855
Furniture & Fittings	307,936,615	343,963,728
Swimming Pool Equipment	5,342,391	5,994,907
Motor Vehicles	33,419,939	38,450,175
Cutlery, Crockery & Glassware	8,922,768	16,316,342
Linen	8,886,384	16,378,730
Hot Water System	41,194,766	46,324,867
Laundry Equipment	27,970,703	31,749,545
Telephone System	13,773,462	17,854,536
Elevator	40,833,402	43,161,951
Television Systems	26,145,229	29,309,917
Maintenance Equipment	1,085,109	1,135,313
Furnishing, Bar, Room & Misc. Equipment	34,330,299	36,460,964
Computers	11,967,529	15,732,279
Motor Boats	932,479	1,792,125
Bicycles	425,938	541,080
Housekeeping Equipment	16,529,497	18,226,075
Generators	53,944,162	58,857,429
	6,441,149,494	6,708,855,830
At Fair Value		
Freehold Land	2,384,275,000	2,123,400,000
	2,384,275,000	2,123,400,000
On Finance Lease		
Motor Vehicles	1,749,073	2,806,073
	1,749,073	2,806,073
In the Course of Construction		
Capital work-in-progress	160,438,567	11,716,214
	160,438,567	11,716,214
	8,987,612,134	8,846,778,117

Notes to the Financial Statements Contd.

4.4 The freehold Lands have been revalued by independent qualified valuer, Messrs. K. Arthur Perera & Company (AMIV- Sri Lanka) on the basis of current market value. The details are tabulated below:

Company	Location	Revaluation Date	No of Perches	Price Range Rs.	Carrying Amount as at 31.03.2019 Rs.'000	Carrying Amount as at 31.03.2018 Rs.'000
Pottuvil Point (pvt) Ltd	Hidayapuram,Pottuvil	31.03.2018	1166	170,000	198,200	198,200
The Riverbank (Pvt) Ltd	Maligathenna ,Kandy	31.03.2018	305	190,000	58,000	58,000
Cultural Heritage (Pvt) Ltd	Dambulla	31.03.2019	2,749	150,000 to 175,000	465,475	396,750
Uppuveli Beach (Pvt) Ltd	Sampalthevu, Trincomalee	31.03.2019	2,242	110,000 to 137,500	275,500	237,500
Jetwing City (Pvt) Ltd	Ward Place, Colombo 07	31.03.2019	70	18,000,000	1,257,500	1,117,750
Uppuveli Villas (Pvt) Ltd	Sampalthevu, Trincomalee	31.03.2019	960	135,000	129,600	115,200

Valuation Process of the Group:

On a once in three year basis, the Group usually engages an external independent and qualified valuer to determine the fair value of land. When significant changes in fair value are expected between two valuations, that necessitates a more regular basis of valuation adopted, the Board based on its judgment as appropriately advised by the valuer, obtains a further valuation to ensure that the carrying amounts do not differ materially with fair value at the end of the reporting period.

Increase or decrease in estimated price per perch in isolation would result in a higher or lower fair value measurement. Accordingly, a change of 10% estimated price per perch will cause a Rs. 238,427,500/- change in the fair value of freehold land, directionally.

The following table analyses the non financial assets carried at fair value, by valuation method. The different levels have been defined in Note 24.1

	Fair Value measurment as at 31 march 2019			
	Level 01 Rs.	Level 02 Rs.	Level 03 Rs.	Total Rs.
Freehold land	-	-	2,384,275,000	2,384,275,000

4.5 The carrying amount of revalued land that would have been included in the financial statements had the asset been carried at cost is as follows.

	2019 Rs.	2018 Rs.
Class of Asset		
Freehold land	1,202,710,566	1,202,710,566

4.6 The Group acquired property plant and equipment to the aggregate value of Rs. 210,698,049/- (2018- Rs. 323,363,888/-) during the financial year. Cash payments amounting to Rs. 210,698,049/- (2018- Rs. 323,363,888/-) were made during the year for purchase of property plant and equipment.

Notes to the Financial Statements Contd.

4.7 During the year, bank loan interest expense amounting to Rs. 22,321/- (2018 - Rs.12,995,258/-) that was incurred in connection with the borrowing of funds for the building construction have been capitalized as a part of the Building and Building Integrals.

4.8 During the year Group Received a Government grant of Rs. 200,000/- & it has been presented as a other adjustment in note 4.1.Further Rs. 968,408/- has been transferred to VAT receivable account during the year

4.9 The useful lives of the assets are estimated as follows;

Year ended 31 March	2019 Years	2018 Years
Building and Building Integrals	02-60	02-60
Plant and Equipment	10-20	10-20
Solar Electrical System	10-20	10-20
Sewage Treatment Plant	20	20
Kitchen Equipment	10	10
Electrical Equipment	10	10
Office Equipment	10	10
Sport Equipment	10	10
Furniture and Fittings	10	10
Swimming Pool Equipment	10	10
Motor Vehicles	5	5
Cutlery, Crockery and Glassware	3	3
Linen	2	2
Hot Water System	10	10
Laundry Equipment	13.33	13.33
Telephone System	10	10
Elevator	20	20
Television Systems	10	10
Maintenance Equipment	10	10
Furnishing, Bar, Room and Music Equipment	03-10	03-10
Computers	4	4
Motor Boat	5	5
Bicycles	5	5
Housekeeping Equipment	10	10
Generators	13.33	13.33
4.10 Components included in Building and Building Integrals:		
Building Structure	60	60
Roof, Railing and Ceiling work	15	15
Wood, Aluminium and Glass work	15	15
Bathroom Fittings	15	15
Manila Rope	10	10
Roof-Elluk	3	3
Cabana-Cadjan	2	2

4.11 Property, Plant and Equipment recognized above include fully depreciated assets having a gross carrying amount of Rs.57,022,265/- (2018- Rs. 15,204,485/-).

Notes to the Financial Statements Contd.

5. PREPAID LEASE RENT

5.1 Prepaid Lease Rent on Leasehold Land

Year ended 31 March Group	2019 Rs.	2018 Rs.
Cost		
As at beginning of the year	52,941,170	52,941,170
Incurred during the year	-	-
As at end of the year	52,941,170	52,941,170
Amortization		
As at beginning of the year	3,931,515	1,971,129
Charged during the year	1,960,386	1,960,386
As at end of the year	5,891,901	3,931,515
Net Book Value		
As at beginning of the year	49,009,655	50,970,041
As at end of the year	47,049,269	49,009,655

5.2 Prepaid lease rental represents the lease rental paid by Jetwing Kaduruketha (Pvt) Ltd to acquire the leaseholds rights of land situated in Weliara, Wellawaya, by the agreement dated on 1 April 2013. The amount paid upfront is being amortized over the lease period of 30 years. Further upon expiry, the lease term can be renewed at prevailing market rates upon fresh terms and conditions to be mutually agreed between the parties.

6. INTANGIBLE ASSETS

6.1 Computer Software

Year ended 31 March Group	2019 Rs.	2018 Rs.
Cost		
As at beginning of the year	6,208,733	4,782,191
Incurred during the year	533,498	1,426,542
As at end of the year	6,742,231	6,208,733
Amortisation		
As at beginning of the year	2,949,939	1,851,404
Charged during the year	1,183,609	1,098,535
As at end of the year	4,133,548	2,949,939
Net Book Value		
As at beginning of the year	3,258,794	2,930,787
As at end of the year	2,608,683	3,258,794

Computer Software includes an Enterprise Resource Planning System consisting of an application software. The Group has determined the useful life of above the software as four (4) years and amortisation has been made on a straight line basis in the Statement of Profit or Loss.

Notes to the Financial Statements Contd.

6.2 Goodwill

Year ended 31 March Group	2019 Rs.	2018 Rs.
Balance at begning of the Year	580,317,541	580,317,541
Balance at end of the Year	580,317,541	580,317,541
Total Intangible Assets (Note 6.1, 6.2)	582,926,224	583,576,335

6.2.1 Accounting judgements, estimates and assumptions

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

Gross Margins

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

Inflation

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

Discount Rate

The discount rate used is the risk free pre-tax discount rate, adjusted by the addition of an appropriate risk premium.

Occupancy and Growth

Occupancy and growth have been forecasted on a reasonable basis by taking into account the growth rates of the two years immediately preceding the budgeted year and future industry growth rates.

Cash flows beyond the five year period has been extrapolated based on terminal growth rate.

Notes to the Financial Statements Contd.

7. INVESTMENTS

Summary

	Year ended 31 March	Group		Company	
		2019	2018	2018	2018
		Rs.	Rs.	Rs.	Rs.
a)	**Non- Current**				
	Investment in Subsidiaries (Note 7.2)	-	-	5,419,233,010	5,119,233,010
	Investment in Equity Securities (Note 7.1)	884,865	3,065,499	-	-
		884,865	3,065,499	5,419,233,010	5,119,233,010
b)	**Current**				
	Investment in Fixed Deposits (Note 7.3)	177,309,862	2,778,793	-	-
	Investment in Repo (Note 7.3)	5,000,000	-	5,000,000	-
	Investment in Units (Note 7.4)	-	350,194,503	-	344,083,503
		182,309,862	352,973,296	5,000,000	344,083,503
7.1	**Quoted Equity Securities - Fair value through Profit or Loss (FVTPL)** **(Prior to 01 April 2018 classified as "Available- for- Sale")**				
	Hunas Falls Hotel PLC	-	2,016,170	-	-
	Tangerine Beach Hotel PLC	884,865	1,049,329	-	-
	Net Carrying Value of Investment in Equity Securities (Note 7.1.1 & Note 7.1.2)	884,865	3,065,499	-	-
7.1.1	**Movement in Available for Sale Financial Instruments**				
	As at 1 April	3,065,499	2,814,391	-	-
	Reclassification adjustment due to adoption of SLFRS 9	(3,065,499)	-	-	-
	As at 1 April-(Restated)	-	2,814,391	-	-
	Purchases made during the Financial Year	-	-	-	-
	Sales made during the year	-	-	-	-
	Net gain transferred from Available for Sale Reserve	-	-	-	-
	Cost of Shares Disposed during the Year	-	-	-	-
	Gain/(Loss) on Available for Sale Financial Instruments	-	251,108	-	-
	As at 31 March	-	3,065,499	-	-
7.1.2	**Movement in FVTPL Financial instruments**				
	As at 1 April	-	-	-	-
	Reclassification adjustment due to adoption of SLFRS 9	3,065,499	-	-	-
	As at 1 April-(Restated)	3,065,499	-	-	-
	Purchases made during the Financial Year		-	-	-
	Disposals during the year	(2,016,170)	-	-	-
	Fair value gain from other investments	(164,464)	-	-	-
	As at 31 March	884,865	-	-	-

Notes to the Financial Statements Contd.

7.2 Investment in Subsidiaries

	Year ended 31 March	Company			
		Holding %	2019 Rs.	Holding %	2018 Rs.
7.2.a	**Ordinary Shares**				
	Uppuveli Beach (Pvt) Ltd	100	200,100,000	100	200,100,000
	Cultural Heritage (Pvt) Ltd	100	1,184,750,000	100	1,184,750,000
	Yala Safari Beach Hotel (Pvt) Ltd	100	1,368,400,000	100	1,368,400,000
	Jetwing City (Pvt) Ltd	100	1,695,853,600	100	1,695,853,600
	Uppuveli Villas (Pvt) Ltd	100	78,000,000	100	78,000,000
	The Riverbank (Pvt) Ltd	100	330,000,000	100	30,000,000
	Pottuvil Point (Pvt) Ltd	100	288,600,000	100	288,600,000
	Jetwing Kaduruketha (Pvt) Ltd	70	123,529,410	70	123,529,410
			5,269,233,010		4,969,233,010

		2019		2018	
		No. of shares	Rs.	No. of shares	Rs.
7.2.b	**Investments in Preference Shares:**				
	Jetwing Kaduruketha (Pvt) Ltd - Preference Shares	15,000,000	150,000,000	15,000,000	150,000,000
	(Note 7.2.5)		150,000,000		150,000,000
	Total Investment in Subsidiaries		5,419,233,010		5,119,233,010

7.2.3 Yala Properties (Pvt) Ltd is a fully owned subsidiary of Yala Safari Beach Hotel (Pvt) Ltd, whose cost of investment is Rs. 799,712,270/-.

Kaduruketha Farmers (Pvt) Ltd is a 100% owned subsidiary of Jetwing Kaduruketha (Pvt) Ltd (2018-50%). The balance 50% of shares were transferred to Jetwing kaduruketha (pvt) Ltd during the year. Cost of the investment is Rs 10/-.

7.2.4 All Subsidiaries are incorporated in Sri Lanka.

7.2.5 During the year 2017/18, Jetwing Symphony PLC (JSPLC) subscribed to fifteeen Million fully paid non convertible, non cumulative and non- voting preference shares in Jetwing Kaduruketha (Pvt) Ltd at a consideration of Rs 10/- per share. JSPLC will be entitled to receive an annual non-cumulative preferential dividend (subject to meeting solvency test and compliance with requirements of applicable law) on each preference share, until the redemption of such preference share, at the rate of eighteen percent (18%) of the subscription price per annum. Further The preference shares are redeemable at the option of Jetwing Kaduruketha (Pvt) Limited at the subscription price.

7.2.6 Partly owned subsidiaries

The group has concluded that non-controlling interest is not material in aggregate and individually for disclosure purpose.

Notes to the Financial Statements Contd.

7.3 Debt Instruments -Amortised cost

(Prior to 01 April 2018 classified as "Held to Maturity")

Year ended 31 March	Group 2019 Rs.	Group 2018 Rs.	Company 2019 Rs.	Company 2018 Rs.
Investment in Fixed Deposits	177,309,862	2,778,793	-	-
Investment in REPO	5,000,000	-	5,000,000	-
	182,309,862	2,778,793	5,000,000	-
7.4 Financial Instruments - Fair value Through other comprehensive income				
(Prior to 01 April 2018 classified as "Available- for- sale")				
Investments in Units - Related Party (Note 7.4.1 & 7.4.2)	-	350,194,503	-	344,083,503
	-	350,194,503	-	344,083,503

Year ended 31 March	Group 2019 Rs.	Group 2018 Rs.	Company 2019 Rs.	Company 2018 Rs.
7.4.1 Movement in Available for Sale Financial Instruments				
As at 1 April	350,194,503	14,115,251	344,083,503	7,508,113
Reclassification adjustment due to adoption of SLFRS 9 (Note 7.5.1)	(350,194,503)	-	(344,083,503)	-
As at 1 April-(Restated)	-	14,115,251	-	7,508,113
Purchases made during the Financial Year	-	837,870,662	-	831,765,313
Sales made during the year				
Net gain transferred from Available for Sale Reserve (Note 10.2.1)	-	(11,446,276)	-	(10,840,927)
Cost of Units Disposed during the Year	-	(502,100,002)	-	(495,500,002)
Gain/(Loss) on Available for Sale Financial Instruments	-	11,754,868	-	11,151,006
As at 31 March	-	350,194,503	-	344,083,503
7.4.2 Movement in FVOCI Financial instruments				
As at 1 April	-	-	-	-
Reclassification adjustment due to adoption of SLFRS 9 (Note 7.5.1)	350,194,503	-	344,083,503	-
As at 1 April-(Restated)	350,194,503	-	344,083,503	-
Purchases made during the Financial Year	93,500,000	-	61,500,000	-
Sales made during the year				
Net gain transferred from fair value Reserve (Note 10.2.1)	(11,010,744)	-	(10,726,827)	-
Cost of Units Disposed during the Year	(443,370,660)	-	(405,265,312)	-
Gain/(Loss) on FVTOCI Financial Instruments	10,686,902	-	10,408,636	-
As at 31 March	-	-	-	-

Notes to the Financial Statements Contd.

7.5 Transition Disclosures

7.5.1 Reconciliation between the carrying amounts under LKAS 39 to the balances reported under SLFRS 09 as at April 01,2018.

	Financial Assets	LKAS 39 Measurement as at 31.03.2018		Reclassification	SLFRS 9 measurement as at 01 April 2019	
		Category	Rs	Rs	Category	Rs
a.	**Group**					
	Financial Instruments -Held to maturity (Note i)	Held to Maturity	2,778,793	(2,778,793)	N/A	-
	To:financial assets at amortised cost					
	Available for sale financial instruments	Available for sale	353,260,002	(353,260,002)	N/A	-
	To: Financial assets measured at FVTOCI (Note ii)		350,194,503			
	To: Financial assets measured at FVTPL (Note iii)		3,065,499			
	To: financial assets at amortised cost (Note i)	-	-	2,778,793	Amortised cost	2,778,793
	From-Financial Instruments -Held to maturity					
	To: Financial assets measured at FVTOCI (Note ii)	-	-	350,194,503	FVTOCI	350,194,503
	From: Available for sale financial instruments					
	To: Financial assets measured at FVTPL (Note iii)	-	-	3,065,499	FVTPL	3,065,499
	From: Available for sale financial instruments					
			356,038,795			356,038,795
b.	**Company**					
	To: Available for sale financial instruments	Available for sale	344,083,503	(344,083,503)	N/A	-
	From: Financial assets measured at FVTOCI					
	To: Financial assets measured at FVTOCI		-	344,083,503	FVTOCI	344,083,503
	From: Available for sale financial instruments					
			344,083,503			344,083,503

Note i

As at 01 April 2018, the group has classified financial investments -Held to maturity in to amortised cost since these assets are managed within a business model of collecting contractual cashflows.

Note ii

As at 01 April 2018, the group has assessed its investment in units (CAL) held for liquidity purposes under AFS amounting to Rs. 350Mn and classified in to financial instruments measured at FVOCI as these are managed within a business model of collecting contractual cashflows and selling.

Note iii

As at 1 April 2018,The group has classified its investments detailed in note 7.1.1 to FVTPL from AFS, as they are neither held for trading nor designated as FVOCI.

Notes to the Financial Statements Contd.

7.5.2 Impact of transition to SLFRS 9 on reserves and retained earnings-Group

Year ended 31 March	2019 Rs.
Available for sale reserve	
Closing Balance under LKAS 39 as at March 31, 2018	(495,447)
Transfer from AFS Reserve to Fair value reserve (Note 10.2.1.a)	(323,842)
Transfer from AFS Reserve to Retained earnings (Note 10.2.1.a)	819,289
Opening balance under SLFRS 9 as at 01 April 2018	-
Fair value reserve	
Closing Balance under LKAS 39 as at March 31, 2018	-
Transfer From AFS Reserve to Fair value reserve (Note 10.2.1.a)	323,842
Opening balance under SLFRS 9 as at 01 April 2018	323,842
Retained earnings	
Closing Balance under LKAS 39 as at March 31, 2018	(845,143,659)
Transfer from AFS Reserve to Retained earnings	(819,289)
Opening balance under SLFRS 9 as at 01 April 2018	(845,962,948)
Impact of transition to SLFRS 9 on reserves and retained earnings-Company	
Available for sale reserve	
Closing Balance under LKAS 39 as at March 31, 2018	318,191
Transfer from AFS Reserve to Fair value reserve (Note 10.2.1.b)	(318,191)
Opening balance under SLFRS 9 as at 01 April 2018	-
Fair value reserve	
Closing Balance under LKAS 39 as at March 31, 2018	-
Transfer from AFS Reserve to FVOCI Reserve (Note 10.2.1.a)	318,191
Opening balance under SLFRS 9 as at 01 April 2018	318,191

Notes to the Financial Statements Contd.

Year ended 31 March	Group 2019 Rs.	Group 2018 Rs.	Company 2019 Rs.	Company 2018 Rs.
8. INVENTORIES				
Food & Beverage Inventories	34,767,861	28,627,582	-	-
General, Housekeeping &Maintenance Inventories	6,867,065	19,074,678	-	-
Other Inventories	17,863,836	3,232,957	-	-
	59,498,762	50,935,217	-	-

Year ended 31 March	Group 2019 Rs.	Group 2018 Rs.	Company 2019 Rs.	Company 2018 Rs.
9. TRADE AND OTHER RECEIVABLES				
Trade Debtors - Related Party (Note 9.1)	34,807,909	39,383,517	-	-
- Other	159,698,534	122,944,419	-	-
Less: Impairment of Trade Debtors (Note 9.1.1)	(1,347,338)	(761,269)	-	-
	193,159,105	161,566,667	-	-
Loans and Other Receivables - Related Party (Note 9.2)	947,337	342,005	60,682,799	-
- Other	9,093,887	10,136,633	-	257,748
	203,200,329	172,045,305	60,682,799	257,748
Prepayments	25,196,497	15,764,618	258,067	-
Statutory Receivables	28,816,265	20,074,238	870,477	-
	257,213,091	207,884,161	61,811,343	257,748

Trade Receivables are non interest bearing and and are generally on terms of 30 days. See note 23.1 on credit risk of trade receivables, which discusses how the group manages and measures credit quality of trade receivables that are neither past due nor impaired.

Year ended 31 March	Relationship	Group 2019 Rs.	Group 2018 Rs.	Company 2019 Rs.	Company 2018 Rs.
9.1 Trade Debtors-Related Party					
Jetwing Eco Holidays (Pvt) Ltd	Other Related Party	944,308	1,952,353	-	-
Jetwing Events (Pvt) Ltd	Other Related Party	388,344	-	-	-
Negombo Hotels Ltd	Other Related Party	1,613,262	-	-	-
Jetwing Journeys (Pvt) Ltd	Other Related Party	42,689	-	-	-
The Lighthouse Hotels PLC	Other Related Party	33,495	59,490	-	-
Jetwing Hotels Ltd	Other Related Party	60,400	350,690	-	-
Jetwing Air (Pvt) Ltd	Other Related Party	43,090	-	-	-
Go Vacation Sri Lanka	Other Related Party	3,237,661	7,182,034	-	-
Jetwing Events (Pvt) Ltd	Other Related Party	625,323	957,775	-	-
Total Holiday Options (Pvt) Ltd	Other Related Party	251,181			
Jetwing Adventure (Pvt) Ltd	Other Related Party	200,550			
		7,440,303	10,502,343	-	-
Jetwing Travels (Pvt) Ltd	Significant Investor	27,367,606	28,881,175	-	-
		27,367,606	28,881,175		
		34,807,909	39,383,517	-	-

Notes to the Financial Statements Contd.

Year ended 31 March	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
9.1.1 Impairment of Trade Debtors				
Balance as at 1 April	761,269	325,974	-	-
Recognized during the year	620,232	435,295	-	-
Recovered during the year	(34,163)	-	-	-
Written off during the year	-	-	-	-
Balance as at 31 March	1,347,338	761,269	-	-

Year ended 31 March	Relationship	Group		Company	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
9.2 Loans and Other Receivables - Related Party					
Yala Properties (Pvt) Ltd	subsidiary	-	-	50,551,205	-
Cultural Heritage (Pvt) Ltd	subsidiary	-	-	10,131,594	-
Thirteen Development (Pvt) Ltd	Other Related Party	312,360	311,980	-	-
Jetwing Hotels Ltd	Other Related Party	634,977	30,025	-	-
		947,337	342,005	60,682,799	-

During the year Jetwing Symphony PLC has granted short term loans to Yala Properties (Pvt) Ltd. and Cultural Heritage (Pvt) Ltd. amounting to Rs 67,000,000 & 30,000,000 respectively. The loans were provided at the interest rate of AWPLR + Premium p.a

10. CAPITAL AND RESERVES

10.1 Stated Capital

Year ended 31 March	2019		2018	
	Number	Rs.	Number	Rs.
Balance at the Beginning of the year	502,188,559	5,509,276,455	451,969,704	4,755,993,591
Reconciliation Adjustment(Note 10.1.1)	-	-	(1)	24
Fully Paid Ordinary Shares issued during the year(Note 10.1.2)	-	-	50,218,856	753,282,840
Balance at the End of the year	502,188,559	5,509,276,455	502,188,559	5,509,276,455

10.1.1 A reconciliation adjustment of Rs. 24/- has been made to the stated capital of the Company during the last year to be in line with the share register. Further, the number of shares of the Company has also been amended by reducing one share to be in line with the share register.

Notes to the Financial Statements Contd.

10.1.2 The Company raised Rs. 753 Mn through an Initial Public Offer for subscription of 50.2 Mn ordinary shares at an issue price of Rs. 15/- per share in 2017/18. The Company listed its shares on the Diri Savi Board of the Colombo Stock Exchange on 05 January 2018.

10.2 Reserves

Year ended 31 March	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
10.2.1.a Available-for-Sale Reserve				
As at 1 April	(495,447)	(1,055,147)	318,191	8,112
Reclassification adjustment due to adoption of SLFRS 9	495,447	-	(318,191)	-
As at 1 April-(Restated)	-	-	-	-
Arising from - Quoted Equity Securities (Note 7.1.1)	-	251,108	-	-
- Investment in Units (Note 7.4.1)	-	11,754,868	-	11,151,006
Net Gain/(Loss) on Available-for-Sale Financial Instruments	-	12,005,976	-	11,151,006
Available-for-Sale Financial Instruments Reclassified to Statement of Profit or Loss	-	(11,446,276)	-	(10,840,927)
As at 31 March	-	(495,447)	-	318,191
10.2.1.b Fair value Reserve				
As at 1 April	-	-	-	-
Reclassification adjustment due to adoption of SLFRS 9 (Note 7.5.2)	323,842	-	318,191	-
As at 1 April-(Restated)	323,842	-	318,191	-
Gain on FVTOCI instruments	10,686,902	-	10,408,636	-
Reclassification adjustment for gains included in the Statement of Profit or Loss	(11,010,744)	-	(10,726,827)	-
As at 31 March	-	-	-	-

Year ended 31 March	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
10.2.2 Revaluation Reserve				
On: Property Plant & Equipment				
As at 1 April	709,822,315	741,339,434	-	-
Effect of revaluation during the year (Note 4)	260,875,000	179,350,000	-	-
Deferred Tax on Revaluation of Land (Note 18.2)	(36,522,500)	(210,867,119)	-	-
As at 31 March	934,174,815	709,822,315	-	-

Notes to the Financial Statements Contd.

11. INTEREST BEARING BORROWINGS

Group

Year ended 31 March	2019 Current Rs.	2019 Non Current Rs.	2019 Total Rs.	2018 Current Rs.	2018 Non Current Rs.	2018 Total Rs.
11.1						
Long Term Loans (Note 11.3)	778,980,040	2,232,059,879	3,011,039,919	667,528,595	2,790,308,541	3,457,837,135
Finance Lease (Note 11.2)	1,023,560	1,714,773	2,738,333	896,126	2,738,332	3,634,458
Bank Overdraft (Note 16.2)	1,263,562,784	-	1,263,562,784	799,509,071	-	799,509,071
	2,043,566,384	2,233,774,652	4,277,341,036	1,467,933,792	2,793,046,873	4,260,980,664

11.2 Finance Lease Liability

	Balance as at 01.04.2018 Rs.	Lease Obtained Rs.	Repayment Rs.	Balance as at 31.03.2019 Rs.
Finance Lease	4,533,985	-	1,327,020	3,206,965
Finance Charge Allocated to future periods	(899,527)			(468,632)
Net Liability	3,634,458	-	-	2,738,333

11.3 Long Term Loans

		Balance as at 01.04.2018 Rs.	Loan Obtained Rs.	Repayment Rs.	Exchange Difference Rs.	Balance as at 31.03.2019 Rs.
Commercial Bank of Ceylon PLC (USD)	(a)	333,625,177	-	252,599,122	35,043,614	116,069,669
Commercial Bank of Ceylon PLC (LKR)	(b)	64,800,000	-	37,640,000	-	27,160,000
Commercial Bank of Ceylon PLC (LKR)	(c)	855,000,000	-	111,000,000	-	744,000,000
Commercial Bank of Ceylon PLC (LKR)	(d)	1,072,701,429	-	211,661,429	-	861,040,000
Nation Trust Bank PLC (USD)	(e)	47,478,029	-	7,726,478	5,830,893	45,582,444
Nation Trust Bank PLC (LKR)	(f)	113,250,000	-	28,000,000	-	85,250,000
Commercial Bank of Ceylon PLC (USD)	(g)	155,972,500	-	12,548,640	20,024,780	163,448,640
Commercial Bank of Ceylon PLC (USD)	(h)	623,890,000	78,850,000	41,227,380	90,650,545	752,163,165
Commercial Bank of Ceylon PLC (USD)	(i)	31,120,000	-	-	4,106,000	35,226,000
Commercial Bank of Ceylon PLC(LKR)	(j)	160,000,000	25,000,000	3,900,000	-	181,100,000
		3,457,837,135	103,850,000	706,303,049	155,655,832	3,011,039,919

Notes to the Financial Statements Contd.

11.3.1

a. Secured term loan of USD 5.3 Mn repayable in 60 monthly installments commencing from September 2014 and interest of LIBOR + Premium
b. Secured term loan of LKR 350 Mn repayable in 60 monthly installments commencing from October 2014 and interest of AWPLR+Premium
c. Secured term loan of LKR 900 Mn repayable in 60 monthly installments commencing from October 2017 & Interest at AWPLR+Premium
d. Secured term loan of LKR 1,145Mn repayable in 60 monthly installments commencing from December 2017 and 1month AWPLR +Premium.
e. Secured term loan of USD 350,000 repayable in 60 monthly installments commencing from April 2017 and 3 months LIBOR +Premium.
f. Secured term loan of LKR 131.25 Mn repayable in 60 monthly installments commencing from April 2017 and 1 month AWPLR
g. Secured term loan of USD 1 Mn repayable in 60 monthly installments commencing from July 2018 & 1 month LIBOR+Premium
h. Secured term loan of USD 4.5 Mn repayable in 60 monthly installments commencing from January 2019 and 1month LIBOR + Premium
i. Secured term loan of USD 200,000 repayable in 60 monthly installments commencing from September 2019 and 1 month LIBOR + premium
j. Secured term loan of LKR 185 Mn repayable in 60 monthly installments commencing from February 2019 and interest of 1 month AWPLR + premium

12. EMPLOYEE BENEFIT LIABILITIES

	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Balance as at 01 April	23,879,596	10,050,075	-	-
Charge for the year	7,354,815	6,916,377	-	-
Payments made during the year	(1,092,868)	(1,063,605)	-	-
Effects of transfers of staff among related parties during the year	374,890	7,976,749	-	-
Balance as at 31 March	30,516,433	23,879,596	-	-

12.1 Defined Benefit Plan Cost

	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Current Service Cost	5,659,895	5,142,203	-	-
Interest cost on Benefit Obligation	2,746,152	1,155,760	-	-
Cost recognized in the Statement of Profit or Loss	8,406,047	6,297,963	-	-
Actuarial (gain)/Loss for the year recognized in Other Comprehensive Income	(1,051,232)	618,414	-	-
Balance as at 31 March	7,354,815	6,916,377	-	-

Notes to the Financial Statements Contd.

12.2 As at 31 March 2019, the gratuity liability was actuarially valued by Messrs. K.A.Pandit, an independent firm of actuaries.

Principal Actuarial Assumptions

The principal financial assumptions underlying the valuation are as follows:

	2019	2018
Discount Rate	11.50%	11.50%
Salary Increase	10%	10%
Staff Turnover	5% at each age	5% at each age
Remaining Working Life	14 Years	14 Years

The principal demographic assumption underlying the valuation is the retirement age of 60 years, applied consistently for both years.

12.3 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in the most significant key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year 2018/19. The sensitivity of the Income Statement and Statement of Financial Position are the effect of the assumed changes in discount rate and salary increase rate on the profit or loss and post employment benefit liability for the year.

	Effect on Total Comprehensive Income - (Reduction)/Increase in LKR	Pro Forma Post Employee Benefit Liability LKR
Change in Assumptions		
+1% Change in Discount Rate	2,128,722	28,387,711
-1% Change in Discount Rate	(2,496,628)	33,013,061
+1% Change in rate of Salary Increase	(2,508,835)	33,025,268
-1% Change in rate of Salary Increase	2,173,788	28,342,645
+1% Change in rate of Staff turn over	146,543	30,369,890
-1% Change in rate of Staff turn over	(186,658)	30,703,091

12.4 Distribution of Post Employment Benefit Obligation Over Future Lifetime

The following table demonstrates distribution of future working lifetime of the Post Employment Benefit Obligation (Undiscounted) as at the reporting date.

Year ended 31 March	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Less than or equal 1 year	1,678,595	1,270,423	-	-
Over 1 year and less than or equal 5 years	17,308,633	16,182,401	-	-
Over 5 year and less than or equal 10 years	9,089,812	6,411,842	-	-
Total	28,077,040	23,864,666	-	-

Notes to the Financial Statements Contd.

13. TRADE AND OTHER PAYABLES

Year ended 31 March	Group		Company	
	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.
Trade Payables	49,323,483	29,100,712	-	-
Other Payables - Related Parties (Note 13.1)	18,765,242	17,540,182	-	-
- Others	83,819,201	109,298,495	-	-
Guest Refundable deposits (Note 13.2)	27,142,047	14,915,115	-	-
Sundry Creditors including Accrued Expenses	40,190,508	62,577,993	2,284,476	2,046,949
	219,240,481	233,432,498	2,284,476	2,046,949
Statutory Payables	43,988,413	43,134,650	-	-
	263,228,894	276,567,150	2,284,476	2,046,949

13.1 Other Payables - Related Parties

Year ended 31 March	Relationship	Group		Company	
		2019	2018	2019	2018
		Rs.	Rs.	Rs.	Rs.
Ceccato Colombo (Pvt) Ltd	Other Related Party	300,852	-	-	-
Jetwing Hotels Ltd	Other Related Party	16,404,696	16,317,674	-	-
Jetwing Hotels Management Services (Pvt) Ltd	Other Related Party	1,051,128	971,233	-	-
Jet Enterprises (Pvt) Ltd	Other Related Party	580,645	-	-	-
		18,337,321	17,288,907	-	-
Jetwing Travels Ltd	Significant Investor	408,442	-	-	
Blue Oceanic Beach Hotel (Pvt) Ltd	Significant Investor	19,479	251,275	-	-
		427,921	251,275	-	-
		18,765,242	17,540,182	-	-

13.2 During the financial year after adopting to SLFRS 15, the Group have reclassified all the refundable deposits shown under other creditors to guest refundable deposits.

Notes to the Financial Statements Contd.

14. FINANCE COST & FINANCE INCOME

14.1 Finance Income

Year ended 31 March	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Interest Income	21,446,265	1,079,614	19,135,413	4,850,248
Dividend Income	13,898	12,082	-	54,000
	21,460,163	1,091,696	19,135,413	4,904,248

14.2 Finance Cost

Year ended 31 March	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Interest on Overdraft	79,122,413	84,798,585	7,610	17,905
Lease Interest	430,895	529,611	-	-
Bank Loan Interest	378,052,154	341,747,808	-	-
	457,605,462	427,076,004	7,610	17,905

15. OTHER INCOME

Capital Gain on sale of Units	11,010,744	11,446,276	10,726,827	10,840,927
Fair Value Loss from other investments	(164,464)			
Profit on Disposal of other investments	3, 719,232	-	-	-
Profit on disposal of Property Plant and Equipment	50,307	-	-	-
Vehicle Hire Income	415,133	480,377	-	-
Insurance claim Received	-	682,720	-	-
Miscellaneous Income	426,003	275,864	-	-
	15,456,955	12,885,237	10,726,827	10,840,927

Notes to the Financial Statements Contd.

16. CASH AND CASH EQUIVALENTS IN CASH FLOW STATEMENT

Components of Cash and Cash Equivalents

16.1 Favourable Cash and Cash Equivalent Balances

Year ended 31 March	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Cash at Bank and in Hand	49,529,504	73,898,051	664,567	781,696
Other Current Financial Assets (Note 7.3)	7,309,862	2,778,793	5,000,000	-
	56,839,366	76,676,844	5,664,567	781,696
16.2 Unfavourable Cash & Cash Equivalent Balances				
Bank Overdrafts (Note 11.1)	(1,263,562,784)	(799,509,071)	-	-
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	(1,206,723,418)	(722,832,227)	5,664,567	781,696

17. PROFIT STATED AFTER CHARGING (CREDITING)

Employees benefits including the following	356,070,290	310,448,589	-	-
- Defined Benefits plan costs - Gratuity (included in employee benefits)	8,560,213	6,297,963	-	-
- Defined Contribution Plan Cost- EPF & ETF	31,944,472	28,523,940	-	-
Depreciation (Note 4.2)	324,735,122	305,678,721	-	-
Amortization (Note 5 and 6)	3,143,995	3,058,921	-	-
Donation	441,201	198,518	-	-
Hotel Operation & Marketing fees - Related Party	109,865,618	80,917,706	-	-
Non Executive Directors fee	1,814,400	1,800,000	1,814,400	1,800,000
Profit /(Loss) on disposal of Property Plant & Equipment	50,307	(2,104,301)	-	-

Notes to the Financial Statements Contd.

Year ended 31 March	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
18. INCOME TAX EXPENSES				
Current Income Tax				
Income Tax Expenses for the Year (Note 18.1)	9,384,089	1,574,217	8,361,427	1,358,069
Under/(Over) Provision of current taxes in respect of prior years	(46,874)	36,924	-	36,924
10% Dividend Tax on Intercompany Dividends	-	7,000	-	-
	9,337,215	1,618,141	8,361,427	1,394,993
18.1 Income Tax				
The major components of income tax expense are as follows :				
Profit /(Loss) Before Income Tax	(271,250,064)	(347,000,225)	23,303,643	4,957,077
Other Sources of Income	(33,989,648)	(4,831,778)	(29,862,240)	(4,850,248)
Aggregate disallowable Items	370,141,422	255,509,376	-	-
Aggregate Allowable Items	(631,261,479)	(667,282,138)	-	(10,894,927)
Business Losses (Note 18.2 b)	(566,359,769)	(763,604,765)	(6,558,596)	(10,788,098)
Business Profit	1,078,052	84,254	-	
Other Sources of Income	-	-	-	
Statutory Income from Interest	32,975,578	4,916,032	29,862,240	4,850,248
Tax Losses Utilized	(2,829)	(29,489)	-	
Taxable Income	32,972,749	4,970,797	29,862,240	4,850,248
Tax Rate	28% & 14%	28% & 10%	28%	28%
Income Tax Expenses for the Year	9,384,089	1,574,217	8,361,427	1,358,069

18.2 Deferred Tax Assets, Liabilities and Income Tax Relates to the following

	Statement of Financial Position		Income Statement		Other Comprehensive income/ Directly through Equity	
	2019 LKR	2018 LKR	2019 LKR	2018 LKR	2019 LKR	2018 LKR
Deferred Tax Lability						
On Land revaluation surplus	247,389,619	210,867,119	-	-	36,522,500	210,867,119
	247,389,619	210,867,119	-	-	36,522,500	210,867,119
Deferred Income Tax Charge recognised in OCI					36,522,500	210,867,119

a) Deferred income taxes are calculated at the rate of 14%, which is the tax rate effective from 1 April 2018 as per Inland Revenue Act No 24 of 2017.

b) Tax losses incurred during tax holidays are not entitled to be carried forward after respective tax holidays.

c) No material temporary differences exists other than for land, as at the reporting date.

Notes to the Financial Statements Contd.

19. EARNINGS PER SHARE

19.1 Basic Earnings Per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

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

Year ended 31 March	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Net Profit Attributable to Ordinary Shareholders for Basic Earnings Per Share	(279,455,485)	(341,859,583)	14,942,216	3,562,084
Number of Ordinary Shares Used as Denominator:				
Weighted Average number of Ordinary Shares in issue	502,188,559	464,524,419	502,188,559	464,524,419
Applicable to Basic Earnings Per Share (LKR)	(0.56)	(0.74)	0.03	0.01

20. COMMITMENTS AND CONTINGENCIES

a) Capital Expenditure Commitments

The Group has commitments on Property, Plant and Equipment incidental to the ordinary course of business as at 31 March , as follows,

	Group	
	2019 Rs.	2018 Rs.
Authorized by the Board, but not Contracted for	404,606,481	495,733,033
Contracted, but not provided	208,216,033	-
	612,822,514	495,733,033

b) Operating Lease Commitments

Group lease rental commitment represents the lease rental payable to Sri Lanka Tourist Development Authority by Yala Properties (Pvt) Ltd to acquire the lease hold rights of land on which a hotel has been constructed.

	Group	
	2019 Rs.	2018 Rs.
Lease rentals payable within one year	1,162,794	1,162,794
Lease rentals payable within one to five years	4,651,176	4,651,176
Lease rentals payable after five years	19,186,099	20,348,893
	25,000,069	26,162,863

Notes to the Financial Statements Contd.

c) Contingent Liabilities

There are no significant contingent liabilities as at 31st March 2019, other than the following

Local authorities have claimed a fee amounting to 1% of turnover for the issuance of trade license for the year 2017 & 2018. The Group does not agree with such claim. The estimated contingent liability as at 31 March 2019 is Rs 16.9 Mn.

21. ASSETS PLEDGED

Nature of Assets	Nature of Liability	Group	
		Carrying Amount of the Assets Pledged	
		2019 Rs.	2018 Rs.
Land and Buildings	Primary mortgage over loans and borrowings	7,086,249,597	7,003,682,266

22. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

Year ended 31 March	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
22.1 Transactions with Subsidiaries				
Amount Receivable as at 31 March (Note 9.2)	-	-	60,682,799	-
Nature of Transactions				
Investment made in Subsidiaries	-	-	300,000,000	446,603,600
Dividend Received	-	-	-	54,000
Short-term Loans granted/(settled)	-	-	(60,000,000)	(40,000,000)
Interest Received	-	-	1,700,699	4,604,624
Reimbursement of expenses	-	-	24,100	-

Notes to the Financial Statements Contd.

22.2 Transactions with Other Related Parties

Some Key Management Personnel of the Group/Company and their close members of the families, collectively have control directly or indirectly in certain entities with which the Group entered into the transactions, summarised as follows:`

Year ended 31 March	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Amount receivable as at 31 March (Note 9.1 & 9.2)	8,387,641	10,844,347		-
Amount payable as at 31 March (Note 13.1)	18,337,321	17,288,907		-
Nature of Transactions				
Transportation Charges	528,382	957,944	-	-
Hotel Development Fee	2,203,217	2,714,893	-	-
Purchases of Beverage & Others	31,499,964	24,133,970	-	-
Sale of Accommodation	52,921,769	62,557,513	-	-
Gratuity Transfer (Net)	374,890	8,277,308	-	-
Hotel Operation and Marketing Fee	109,865,618	80,917,705	-	-
Advertising/Other Expenses and Reimbursements	30,710,482	45,134,929	29,967	2,925,797
Sale of Assets	159,938	3,888,090	-	-
Laundry Charges	11,731,195	9,493,122	-	-
Sale of other items	1,890,620	1,325,464	-	-
Support Services	15,471,785	13,848,821	-	-
Vehicle Hire Income	409,013	459,851	-	-
Brokerage Charges	-	16,915,893	-	16,915,893
Investor relations Expenses	2,116,958	-	2,116,958	-
Net Investment/(Redemption) in Units (Note 7.4.1)	360,881,405	324,324,384	354,492,139	325,424,384
Capital Gain from FVTOCI Investment (Note 7.4.1)	11,010,744	11,446,276	10,726,827	10,840,927

Year ended 31 March	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
22.3 Transactions with Key Management Personnel of the Company or its Parent				
The key management personnel of the Company are the members of its Board of Directors.				
Key Management Personnel Compensation				
Non Executive Directors Fee	1,814,400	1,800,000	1,814,400	1,800,000

Notes to the Financial Statements Contd.

22.4 Transaction with Significant Investors

Year ended 31 March	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Amount receivable as at 31 March (Note 9.1 & 9.2)	27,367,606	28,881,175	-	-
Amount payable as at 31 March (Note 13.1)	427,921	251,275	-	-
Sale of Goods	484,061	-	-	-
Transportation Charges	1,364,487	5,135,218	-	-
Purchase of Goods	411,693	320,009	-	-
Gratuity Transfers	-	140,054	-	-
Advertising/Other Expenses and Reimbursements	2,486,549	2,244,185	-	77,177
Sale of Accommodation	239,103,144	227,367,749	-	-
Vehicle Hire Income	6,121	20,528	-	-
Other Income	-	185,500	-	-

All related party transactions have been conducted on relevant commercial terms with the respective parties. All related party outstanding balances at the year end are unscured, interest free other than in the case of funding arrangements disclosed in Note 9.2 and are to be settled in cash or its equivalents.

23. RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Management

The Group has exposure to the following risks from its use of financial instruments:

» Credit Risk
» Liquidity Risk
» Market Risk

Group's exposure to each of the above risks, and the Group's policies and procedures for measuring and managing risks are detailed below:

23.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments. The maximum exposure will be equal to the carrying amount of these instruments.

Exposure to credit risk is monitored on an ongoing basis, and the Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and approval by credit committee. A credit approved customer list has been prepared by the credit committee and credit is only granted to these customers. Further, credit granted is subject to regular review during monthly meetings of the credit committee, to ensure it remains consistent with the customer's current credit worthiness and appropriate to the anticipated volume of business. Currently, certain free independent travelers' settlements are received at the time of departure and this is monitored by the General Managers of each hotel.

Short term Investments are made only in liquid short-term instruments in licensed commercial banks. Long term investments are made with the board approval.

Notes to the Financial Statements Contd.

a. The maximum exposure to credit risk at the reporting date was as follows:

	Group		Company	
	Carrying Value		Carrying Value	
	31.03.2019 Rs.	31.03.2018 Rs.	31.03.2019 Rs.	31.03.2018 Rs.
Cash at Bank and in Hand (Note 23 (d))	49,529,504	73,898,051	664,567	781,696
Other current Financial Assets (Note 23 (b))	182,309,862	352,973,296	5,000,000	344,083,503
Trade Receivables (Note 23 (c))	193,159,105	161,566,667	-	-
Other Receivables	10,041,224	10,478,637	60,682,799	257,748

b. Deposits with institutions and their credit rating details are as follows.

The Group held current financial assets other than cash, in various financial and related institutions.

Group	Instrument	Credit Rating for 2019	Investment 2019 RS.	Credit Rating for 2019	Investment 2018 RS.
Hatton National Bank	Fixed Deposit	AA-	177,309,862	AA-	2,778,793
Commercial Bank of ceylon	REPO investment	AA-	5,000,000	AA-	-
Capital Alliance Investment Ltd ("CAL")	CAL Corporate Treasury Fund	(Note I)	-	(Note I)	350,194,503
			182,309,862		352,973,296

Company	Instrument	Credit Rating for 2019	Investment 2019 RS.	Credit Rating for 2019	Investment 2018 RS.
Capital Alliance Investment Ltd ("CAL")	CAL Corporate Treasury Fund		-	(Note I)	344,083,503
Commercial Bank of ceylon	REPO investment	AA-	5,000,000		-
			5,000,000		344,083,503

Note I

The CAL Corporate Treasury Fund invests in Banks, Corporate Debt and Government Securities. All corporate debt invested by the fund have a Fitch Rating higher or equal to "A-".

Notes to the Financial Statements Contd.

c. The ageing of trade receivable at the end of the reporting period was as follows:

Group	2019		
	Gross Carrying amount Rs.	Impairment allowance Rs,	Net Carrying amount Rs.
As at 31.03.2019			
Neither past due, nor impaired	125,092,390	-	125.092.390
Past due 31-60	49,978,464	-	49,978,464
Past due 61-180	17,453,277	-	17,453,277
Past due more than 180 days	1,982,312	(1,347,338)	634,974
	194,506,443	(1,347,338)	193,159,105
As at 31.03.2018	162,327,936	(761,269)	161,566,667

d. Cash at bank comprises balances in banks amounting to Rs. 49,529,504/- with banks which have a Fitch Rating Higher or equal to "A-".

23.2 Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. At the year end, the Group has long term loans in both USD and LKR.

The following are the undiscounted contractual cash flows of financial liabilities as at 31 March.

Group	2019 Rs.	2018 Rs.
Secured Loans (Note 11.3)	3,011,039,919	3,457,837,135
Finance Lease (Note 11.2)	2,738,333	3,634,458
Bank Overdrafts (Note 16.1)	1,263,562,784	799,509,071
Trade and Other Payables (Note 13)	219,240,481	233,432,498
	4,496,581,517	4,494,413,162

Below table illustrates the maturity periods of financial liabilities .

Group	1 - 6 Months Rs.	7 - 12 Months Rs.	1 - 5 Years Rs.	Total Rs.
Borrowings-LKR	225,820,000	232,530,000	1,294,326,000	1,752,676,000
Borrowings-USD	199,162,772	99,624,158	959,576,989	1,258,363,919
Finance Lease	494,775	528,785	1,714,773	2,738,333
Bank Overdrafts	1,263,562,784	-	-	1,263,562,784
Trade and Other Payables	219,240,481	-	-	219,240,481
Total 2019	1,908,280,812	332,682,943	2,255,617,762	4,496,581,517
Total 2018	1,306,316,366	395,049,924	2,793,046,873	4,494,413,162

Notes to the Financial Statements Contd.

23.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

a. Foreign currency 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 has exposure to foreign currency risk where it has foreign currency transactions which are affected by foreign exchange movements.

An analysis of the carrying amount of financial instruments based on the currency they are denominated as at 31 March 2019 are as follows:

Group	In USD	In EURO
Cash at Bank and in Hand	201,082	22,674
Trade Receivables	154,648	24,600
Secured Loans	(6,316,300)	
Net Aggregate Carrying Value in respective currencies	(5,960,570)	47,274
Net aggregate carrying value in Rs. -2019	(1,049,835,127)	9,350,839
Net aggregate carrying value in Rs. -2018	(1,150,275,950)	10,162,208

Foreign Currency Sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant in effect to the aggregate value of interest bearing loan obtained from USD.

Year	Change in USD Rate	Effect on Profit Before Tax
2019	(+1%)	(11,124,899)
	(-1%)	11,124,899
2018	(+1%)	(11,920,771)
	(-1%)	11,920,771

The Group invoices tour operators and travel agents based on the contracted foreign currency. Tour operators and certain key travel agents make settlements in foreign currency.

b. 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.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit before tax as affected through an impact on floating rate borrowings.

Notes to the Financial Statements Contd.

Group	Assumed impact due to Increase/(decrease) in basis points	Effect on Profit Before Tax 31.03.2019 Rs.
Borrowings-LKR	+ 100 basis points	(20,467,524)
Borrowings-LKR	- 100 basis points	20,467,524
Borrowings-USD	+ 25 basis points *	(2,822,850)
Borrowings-USD	- 25 basis points *	2,822,850

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment changes to base rate of LIBOR and AWPLR.

* Excluding exchange rate transaction fluctuations and their effects

23.4 Capital Management

The Board's intention is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's objective for managing its capital is to ensure that Group will be able to continue as a going concern while maximizing the return to shareholders, as well as sustaining the future development of its business. In order to maintain or adjust the capital structure, the Company may alter the total amount of dividends paid to shareholders, issue new shares, and draw down additional debt. Further information of capital and reserves and their external borrowings are included in Note 10 and 11.

24. FAIR VALUE

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

A. Cash at bank and in hand, trade and other receivables, short term deposits and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

B. Long-term variable-rate borrowings are evaluated by the Group based on parameters such as interest rates, risk characteristics of the financed project etc. As at the reporting date, the carrying amounts of such borrowings are not materially different from their calculated fair values.

Notes to the Financial Statements Contd.

24.1 Fair Value Hierarchy

As at 31 March 2019, the Group held the following financial instruments carried at fair value on the Statement of Financial Position.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instrument by valuation technique:

Assets Measured at Fair Value	Group			
	Total	Level 1	Level 2	Level 3
	Rs.	Rs.	Rs.	Rs.
Financial assets				
2019				
Quoted Equity Investments (Note 7.1)	884,865	884,865	-	-
Total	884,865	884,865	-	-
2018				
Quoted Equity Investments (Note 7.1)	3,065,499	3,065,499	-	-
Non Quoted Equity Investments (Note 7.4)	350,194,503	-	350,194,503	-
Total	353,260,002	3,065,499	350,194,503	-

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

Level 2 : Other valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

25. EVENTS OCCURRING AFTER THE REPORTING DATE

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

Related Companies which had Transactions with the Group/Company

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Jetwing Hotels Ltd	Hotel Operation and Marketing Fee	109,865,618	80,917,705	-	-
	Advertising Expenses and Other Reimbursements	25,456,799	34,073,473	-	-
	Hotel Development Fee	2,203,217	2,714,893	-	-
	Gratuity Transfer	-	154,167	-	-
	Other Expenses	1,448,126	5,500	-	-
	Sale of Accommodation	4,703,041		-	-
	Vehicle Hire income	9,734		-	-
Jetwing Travels (Pvt) Ltd	Transportation Charges	1,364,487	5,058,169	-	-
	Sale of Accommodation	236,282,567	226,771,700	-	-
	Advertising Expenses and Other Reimbursements	89,616	1,540,109	-	-
	Other Expenses	1,665,510	447,241	-	-
	Vehicle Hire Income	3,316	14,450	-	-
	Purchase of food & beverege	57,217	-	-	-
Capital Alliance Investments Ltd	Sale of Accomodation	-	166,071	-	-
	Capital gain from AFS investment	11,010,744	10,840,927	10,726,827	-
	Net Investment in Corporate Treasury Fund	360,881,405	325,424,384	354,492,139	-
Negombo Hotels Ltd	Sale of Accommodation	2,609,480	99,265	-	-
	Reimbursement of Expenses	98,683	9,304	-	-
	Gratuity Transfer	20,000	74,507	-	-
	Sale of Rice	-	14,000	-	-
Jetwing Hotels Management Services (Pvt) Ltd					
	Laundry Charges	11,731,195	9,493,122	-	-
	Advertising Expenses and Other Reimbursements	-	636,604	-	-
	Vehicle Hire Income	17,561	19,764	-	-
	Other Expenses	495,925	-	-	-

Related Companies which had Transactions with the Group/Company Contd.

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Seashells Hotel (Pvt) Ltd	Advertising Expenses and Other Reimbursements	-	154,281	-	-
	Sale of Accommodation	1,989,781	13,155,896	-	-
	Other Expenses	817,293	4,997,346	-	-
	Gratuity Transfer	63,220	7,577,451	-	-
	Purchase of Goods	-	825	-	-
	Vehicle hire income	-	3,443	-	-
	Sale of Rice	322,000	138,250	-	-
Blue Oceanic Beach Hotel (Pvt) Ltd	Purchases of Beverage & Others	50,086	118,309	-	-
	Advertising Expenses and Other Reimbursements	-	42,060	-	-
	Sale of Accommodation	2,858,317	596,050	-	-
	Gratuity Transfer	-	140,054	-	-
	Purchase of Foods & Beverege	304,389	201,700	-	-
	Other Expenses	731,423	218,500	-	-
	Vehicle Hire Income	2,805	6,078	-	-
	IPO Expenses	-	73,324	-	-
	Sale of Rice	442,750	185,500	-	-
	Sale of Goods	41,311	-	-	-
Villa Properties (Pvt) Ltd	Support Services	15,471,785	13,848,821	-	-
Jet Enterprises (Pvt) Ltd	Purchases of Beverage & Others	23,895,042	18,513,863	-	-
	Purchase of Goods	3,469,385	3,509,707	-	-
	Purchase of Assets	-	3,246,272	-	-
	Other Expenses	1,339,495	583,001	-	-
	Vehicle hire income	-	8,415	-	-
Jetwing Events (Pvt) Ltd	Sale of Accommodation	4,904,309	10,656,795	-	-
Total Holiday Options Lanka (pvt) Ltd	Sale of Accommodation	1,314,857	-	-	-
The Herbert Cooray Trust	Reimbursement of Expenses	571,394	-	-	-
Jetwing Journeys (Pvt) Ltd	Sale of Accommodation	37,121	-	-	-

Related Companies which had Transactions with the Group/Company Contd.

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
The Lighthouse Hotel PLC	Sale of Accommodation	508,796	646,982	-	-
	Gratuity Transfer (Net)	66,722	94,846	-	-
	Goods Transfer	-	7,143	-	-
	Puchase of Food & Beverege	1,862	-	-	-
	Purchase of Goods	-	11,675	-	-
	Other Expenses	54,296	5,148	5,867	-
	Vehicle Hire Income	77,606	42,075	-	-
	Sale of Rice	257,250	119,000	-	-
St. Andrews Hotel (Pvt) Ltd	Other Expenses	27,642	93,010	-	-
	Sale of Accomodation	24,691	426,078	-	-
	Transportation Charges	463,319	827,551	-	-
	Gratuity Transfer (Net)	245,085	10,036	-	-
	Vehicle Hire Income	-	14,663	-	-
	Purchases of goods	-	2,100	-	-
	Sale of Rice	124,250	3,500	-	-
Atlas Investments (Pvt) Ltd	Sale of Accomodation	-	18,295	-	-
Yarl Hotels (Pvt) Ltd	Sale of Accomodation	47,346	40,447	-	-
	Vehicle hire income	124,172	166,430	-	-
	Purchases of goods	-	3,500	-	-
	Sale of Rice	94,500	42,000	-	-
	Other Expenses	634	-	-	-
Thalahena Beach Houses (Pvt) Ltd	Sale of Accomodation	46,647	10,452	-	-
	Gratuity Transfer	-	106,083	-	-
	Reimbursement of Expenses	18,102	-	-	-
Go Vacation Lanka Company (Pvt) Ltd	Sale of Accommodation	24,991,606	22,029,806	-	-

Related Companies which had Transactions with the Group/Company Contd.

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
The Royal Heritage (Pvt) Ltd	Sale of Accomodation	229,215	522,605	-	-
	Purchases	-	36,309	-	-
	Advertising Expenses & Other Reimbursements	127,567	84,796	-	-
	Sale of Assets	159,938	309,448	-	-
	Gratuity Transfer	-	395,313	-	-
	Transportation Charges	-	20,130	-	-
	Goods Transfer	-	70,087	-	-
	Other Expenses	17,363	59,059	-	-
	Vehicle Hire Income	45,026	27,838	-	-
	Sale of Rice	150,500	55,000	-	-
	Purchase of Goods	12,500	-	-	-
	Sale of Goods	406,754	-	-	-
Negombo Properties (Pvt) Ltd	Sale of Accomodation	86,245	144,041	-	-
	Advertising Expenses & Other Reimbursements	-	36,203	-	-
	Reimbursement of Expenses	88,541	-	-	-
Jetwing Eco Holidays (Pvt) Ltd	Sale of Accomodation	8,153,781	7,941,948	-	-
Fortune Premier (Pvt) Ltd	Advertising Expenses & Other Reimbursements	45,737	5,850	-	-
	Vehicle Hire Income	-	33,830	-	-
	Sale of Accomodation	155,893	31,794		
	Gratuity Transfer	75,879	-		
	Sale of Goods	1,616	-	-	-
	Sale of Rice	117,250	-	-	-
Unawatuna Properties (Pvt) Ltd	Sale of Accomodation	-	21,085	-	-
	Gratuity Tranmsfer	-	85,037	-	-
	Other Expenses	-	551,726	-	-
	Sale of Other Items	-	539,928	-	-
	Vehicle Hire Income	-	96,603	-	-

Related Companies which had Transactions with the Group/Company Contd.

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Ahangama Properties (Pvt) Ltd	Other Expenses	-	103,255	-	-
	Vehicle Hire Income	-	468	-	-
Thirteen Development Lanka (Pvt) Ltd					
	Sale of Assets	-	332,370	-	-
	Sale of Other Items	-	271,287	-	-
	Other Expenses	-	88,628	-	-
	Sale of Accommodation	1,235,869	6,118,394	-	-
	Goods Transfer	1,742,317	463,937	-	-
	Transportation Charges	65,063	34,638	-	-
	Purchase of goods	40,856	-	-	-
	Purchase of Food & Beverege	166,797	-	-	-
Jetwing Air (Pvt) Ltd	Sale of Accommodation and Transfers	209,449	102,904	-	-
Jie Shong Jie Lanka Development Construction And Engineering (Pvt) Ltd.					
	Gratuity Transfer (Net)	-	113,694	-	-
	Other Expenses	44,686	1,402		
	Sale of Rice	129,500	-		
	Sale of Accomodation	50,000	-		
	Purchase of Goods	9,982	-	-	-
The First Resort (Pvt) Ltd	Sale of Accomodation	1,134,290	142,096	-	-
	Gratuity Transfer	9,365	85,250	-	-
	Other Expenses	32,335	1,223	-	-
	Vehicle Hire Income	7,602	6,120	-	-
	Sale of Rice	182,000	128,500		
Jetwing Ayurveda (Pvt) Ltd	Advertising Expenses & Other Reimbursements	-	12,826	-	-
	Vehicle Hire Income	3,008	3,570	-	-
	Other Expenses	16,174	-	-	-
	Sale of Accomodation	100,866	-	-	-
Lanka Dhiviya (Pvt) Ltd	Sale of Accomodation	-	51,375	-	-

Related Companies which had Transactions with the Group/Company Contd.

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Jetwing Adventure (Pvt) Ltd	Sale of Accomodation	350,746	26,261	-	-
CECCATO Colombo (Pvt) Ltd	Purchased of Goods	2,161,224	931,824	-	-
Q & E Advertising (Pvt) Ltd	Advertising Expenses	-	4,128,145	-	-
Three Seas (Pvt) Ltd	Gratuity Transfer	-	63,590	-	-
Hotel North Gate (Pvt) Ltd	Gratuty Transfer	45,936	-	-	-
	Reimbursement of Expenses	8,421	-		
	Vehicle Hire Income	124,304	33,023		
	Sale of Rice	105,000	14,000	-	-
Jetwing Real Estate (Pvt) Ltd	Reimbursement of Expenses	1,269	-	-	-
Capital Alliance Partners Ltd	IPO Issue Manager Fee	-	13,284,749	-	-
	Sale of Accomodation	-	204,921	-	-
	Investor Relations Expenses	2,116,958	-	2,116,958	-
Capital Alliance Securities (Pvt) Ltd	Brokerage Fees	-	3,631,144	-	-
Jetwing City (Pvt) Ltd	Investments in Subsidiary	-	-	-	24,753,600
	Reimbursement of Expenses	-	-	24,100	-
Cultural Heritage (Pvt) Ltd	Temporary Loan	-	-	30,000,000	-
	Temporary Loan Settlement	-	-	20,000,000	-
	Temporary Loan Interest	-	-	465,915	-
	Investments in Subsidiary	-	-	-	200,000,000
Yala Properties (Pvt) Ltd	Temporary Loan	-	-	67,000,000	-
	Temporary Loan Settlement	-	-	17,000,000	-
	Temporary Loan Interest	-	-	1,234,784	-
Uppuveli Beach (Pvt) Ltd	Investments in Subsidiaries	-	-	-	2,000,000

Related Companies which had Transactions with the Group/Company Contd.

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Uppuveli villas (Pvt) Ltd	Investments in Subsidiaries	-	-	-	1,000,000
The Riverbank (Pvt) Ltd	Investment in Subsidiaries	-	-	300,000,000	-
	Temporary Loan	-	-	5,500,000	-
	Temporary Loan settlement	-	-	5,500,000	-
	Dividend Received	-	-		54,000
Jetwing Kaduruketha (Pvt) Ltd	Loans Settled	-	-	-	40,000,000
	Investments in Subsidiaries	-	-	-	150,000,000
	Loan Interest	-	-	-	4,604,624
Pottuvil point (Pvt) Ltd	Investments in Subsidiaries	-	-	-	68,850,000

Names of the Directors of the Related Companies which had Transactions with the Group

DIRECTORS OF SUBSIDIARIES

- **Cultural Heritage (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe

- **Uppuveli Beach (Pvt) Ltd -**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe

- **Jetwing Kaduruketha (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr R.A.E. Samarasinghe
  Mr. L.R.M.G.L. Kadurugamuwa
  Mr. U.L. Kadurugamuwa
  Mr. C.S.R.S. Anthony

- **Kaduruketha Farmers (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray,
  Mr. R.A.E. Samarasinghe
  Mr. L.R.M.G.L. Kadurugamuwa

- **Yala Properties (Pvt) Ltd -**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe
  Mr. N.H.V. Perera

- **Uppuveli Villas (Pvt) Ltd -**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe

- **Pottuvil Point (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe

- **Yala Safari Beach Hotel (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe
  Mr. N.H.V. Perera

- **The Riverbank (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe

- **Jetwing City (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe
  Mrs. A.M.J. Cooray

DIRECTORS OF OTHER RELATED COMPANIES

- **Jetwing Travels (Pvt) Ltd**
  Directors
  Ms. N.T.M.S. Cooray,
  Mr. N.J.H.M. Cooray,
  Mr. R.A.E. Samarasinghe
  Mr. R.J. Arasaratnam

- **Blue Oceanic Beach Hotel (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mrs. A.M.J. Cooray
  Mr. R.A.E. Samarasinghe
  Mr. N.H.V. Perera
  Ms. M.D.H. Gunawardena

- **Villa Properties (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe

- **St. Andrew's Hotel (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe

- **Negombo Hotels Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Ms. N.T.M.S. Cooray
  Mrs. A.M.J. Cooray
  Mr. R.A.E. Samarasinghe

- **Yarl Hotels (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe
  Ms. N.T.M.S. Cooray
  Mr. R.N. Asirwathan
  Mr. B.A.B. Goonetilleke
  Mr. K. Balasundaram
  Mr. H.D.A.D. Perera
  Mr. W.L.P. Wijewardena
  Mr. T.E.W. Hansen
  Mrs. J. Moragoda

Names of the Directors of the Related Companies which had Transactions with the Group Contd.

- **Capital Alliance Investment Ltd**
  Directors
  Mr. W.A.T Fernando
  Ms H.M.S. Perera
  Mr E.R.G.C.G. Hemachandra
  Mr A.D. Pushparajah
  Mr K.D. Bernard
  Mr S.A.N.T.I. Subasinghe

- **Jetwing Hotels Management Services (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Ms. N.T.M.S. Cooray
  Mrs. A.M.J. Cooray

- **Seashells Hotel (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe
  Mr. B.K. Chaudhary
  Mr. R.K. Chaudhary

- **Unawatuna Properties (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe

- **Ahangama Properties (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe

- **Thirteen Developments Lanka (Pvt) Ltd**
  Directors
  Mr. L.K. Porter
  Ms. V.L. Porter

- **Jetwing Air (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Ms. N.T.M.S. Cooray
  Mr. R.J. Arasaratnam
  Mr. Y.S. Peiris

- **Jet Enterprises (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe
  Ms. N.T.M.S. Cooray
  Mr. C.S.RS. Anthony
  Mr. J.S.W. Kasturi Arachchi

- **Jetwing Events (Pvt) Ltd**
  Directors
  Ms. N.T.M.S. Cooray
  Mr. R.J. Arasaratnam

- **Go Vacation Lanka Co (Pvt) Ltd**
  Directors
  Ms. N.T.M.S. Cooray
  Mr. R.J. Arasaratnam
  Mr. R.V.G.G.G. Honings
  Mr. C.C.E.J. Mueller

- **Jetwing Hotels Limited**
  Directors
  Mr. N.J.H.M. Cooray
  Ms. N.T.M.S. Cooray
  Mr. R.A.E. Samarasinghe
  Mr. C.S.R.S. Anthony
  Mr. J.S.W. Kasturi Arachchi

- **The Lighthouse Hotel PLC**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe
  Ms. N.T.M.S. Cooray
  Mr. N. Wadugodapitiya
  Mr. C.S.R.S. Anthony
  Mr. Ranil de Silva
  Mr. E.P.A. Cooray
  Ms. A.M. Ondaatjie
  Dr. C. Pathiraja
  Mr. T. Nadesan
  Mr. A.T.P. Edirisinghe

- **Q&E Advertising (Pvt) Ltd**
  Directors
  V. J. Kannangara
  M.R.S. Kannangara
  S.M. Kannangara
  R.P. Kannangara
  A.E.W. Abhayarathne
  Samitha Dias

- **Three Seas (Pvt) Ltd**
  Directors
  Ms. E.A.F. Robijus
  Mr. C.H.M. Cadell
  Ms. P.M.J. Cohennec
  Mr. G.M. Chautard
  Mr Ranil de Silva

- **Thalahena Beach Houses (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe

- **The Royal Heritage Hotel (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe
  Mr. B.K. Chaudhary
  Mr. R.K. Chaudhary

Names of the Directors of the Related Companies which had Transactions with the Group Contd.

- **Negombo Properties (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe

- **Jetwing Eco Holidays (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe
  Mr. RJ. Arasaratnam
  Mr. R.M.N. Lokuge
  Mr. C.S.R.S. Anthony

- **Fortune Premier (Pvt) Ltd**
  Directors
  Mr. T. Nadesan
  Ms. C.Y. Gunawardena
  Mr. C.N. Sanjay

- **Jetwing Real Estate (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Ms. N.T.M.S. Cooray
  Mrs. A.M.J. Cooray

- **Hotel North Gate (Pvt) Ltd**
  Directors
  Mr. S.. Yasotharan
  Mrs. S. Sinthusa
  Mr. T. Jegaseelan
  Mrs. J. Pathmaveni

- **Capital Alliance Partners Ltd**
  Directors
  Mr. A. Fernando
  Mr. D.de Zoysa
  Ms .N.T.M.S. Cooray
  Mr. J. William
  Mr V Govindasamy

- **Jie Zhong Jie Lanka Developing Construction & Engineering (Pvt) Ltd**
  Directors
  Mr. J. Liango
  Mr. S.S. Silva
  Mr. S.G. Lian
  Mr. F.A. Long
  Mr. S.G. Min
  Mr. S.G. Qing

- **Jetwing Ayurveda (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe

- **Capital Alliance Securities (Pvt) Ltd**
  Directors
  Mr. W.A.T Fernando
  Mr. H.G.A. Aturupane
  Ms H.M.S. Perera

- **Jetwing Adventure (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.J. Arasartnam

- **The First Resort (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Mrs. A.M.J. Cooray
  Mr. R.A.E. Samarasinghe
  Mr. C.S.R.S. Anthony

- **Lanka Dhiviya (Pvt) Ltd**
  Directors
  Mr. N.J.H.M. Cooray
  Ms. D.J. Cooray
  Mr. N.J.D.M. Cooray
  Mr N.J.H. Cooray

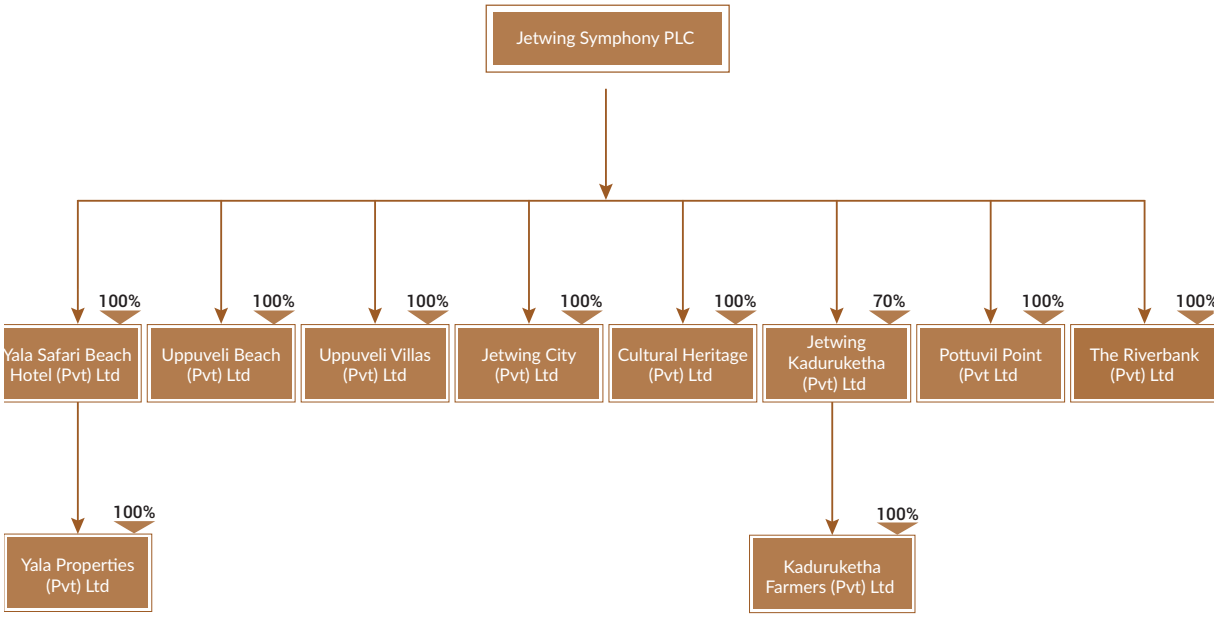
- **Ceccato Colombo (Pvt) Ltd**
  Directors
  Mr. G. Rocchi

- **The Herbert Coorey Trust**
  Director
  Mr. N.J.H.M. Cooray
  Ms. N.T.M.S. Cooray

- **Total Holiday Options Lanka (Pvt) Ltd.**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.J. Arasaratnam
  Mr. F.A. Khan
  Ms. A. Thomas

- **Jetwing Journeys (Pvt) Ltd.**
  Directors
  Mr. N.J.H.M. Cooray
  Mr. R.A.E. Samarasinghe
  Mr. R.J. Arasaratnam

Group Structure



Information to Shareholders and Investors

We realize that we are accountable to our dear investors. At Jetwing Symphony we strive to keep our investors well-informed. To strengthen investor confidence we have ensured transparency and openness in all our business operations. Our valued institutional and individual investors who provide financial capital expect satisfactory returns.

The Number of Shareholders as at 31st March 2019

Number of Shares held	Residents			Non - Residents			Total		
	No of Share holders	No. of Shares	%	No of Share holders	No.of Shares	%	No.of Shares	No.of Shares	%
1 - 1,000	384	101,395	0.02	2	101	0.00	386	101,496	0.02
1,001 - 5,000	98	255,078	0.05	2	4,000	0.00	100	259,078	0.05
5,001 - 10,000	23	190,374	0.04	0	-	0.00	23	190,374	0.04
10,001 - 50,000	37	881,690	0.18	1	33,300	0.01	38	914,990	0.18
50,001 - 100,000	11	743,388	0.15	0	-	0.00	11	743,388	0.15
100,001 - 500,000	14	3,305,408	0.66	3	639,286	0.13	17	3,944,694	0.79
500,001 - 1,000,000	6	4,683,703	0.93	4	3,529,918	0.70	10	8,213,621	1.64
Over 1,000,000	25	382,756,151	76.22	4	105,064,767	20.92	29	487,820,918	97.14
Total	**598**	**392,917,187**	**78.24**	**16**	**109,271,372**	**21.76**	**614**	**502,188,559**	**100.00**

Categories of Shareholders	Total		
	No.of Shareholders	No.of shares	%
Individuals	580	119,623,007	23.82
Institutions	34	382,565,552	76.18
Total	**614**	**502,188,559**	**100.00**

There were no non - voting shares as at 31st March 2019

The Company raised LKR 753,282,840 through an IPO offer for subscription of 50,218,856 ordinary shares at a issue price of LKR 15/- per share for the objectives as setout in page 151 during the last financial year. There were no material change in the use of funds. Company listed its shares on the Diri Savi Board of the Colombo Stock Exchange on 5th January 2018.

18.43% of the issued capital of the company was held by the public, comprising of 594 shareholders and a float adjusted market capitalisation of LKR 897,767,509 as at 31st march 2019.In terms of Rule 7.13.1.(b) of the Listing Rules of the Colombo Stock Exchange,the Company qualifies under option 1 of the minimum public holding requirement.

Information to Shareholders and Investors
20 Largest Shareholders as at 31st March 2019

Name of Shareholder	No of Shares	%
JETWING TRAVELS (PVT) LTD	93,767,471	18.67
R.O.K. INTERNATIONAL HOLDINGS LTD	90,909,091	18.10
BLUE OCEANIC BEACH HOTEL (PVT) LTD	66,214,150	13.19
EMPLOYEES PROVIDENT FUND	35,454,545	7.06
N.J. COORAY BUILDERS (PVT) LTD	29,088,096	5.79
MRS. A.M.J. COORAY	27,374,055	5.45
AMALIYA PRIVATE LIMITED	25,109,400	5.00
MR L.WEINMAN	22,727,273	4.53
MR. N.J.H.M. COORAY	21,060,311	4.19
MS. N.T.M.S. COORAY	19,179,297	3.82
RMP PARTNERS LTD	11,505,676	2.29
JETWING HOTELS MANAGEMENT SERVICES (PVT) LTD	5,562,059	1.11
ST. ANDREW'S HOTEL (PVT) LTD	5,100,000	1.02
SEYLAN BANK PLC. - A/C NO. 3	3,328,749	0.66
MR. N.J.D.M. COORAY	3,286,997	0.65
MR. N.H.V. PERERA	3,186,609	0.63
NILAVELI BEACH HOTELS (PVT) LIMITED	3,102,755	0.62
MR. N.J.H.COORAY	2,861,439	0.57
MR. N.A.H.COORAY	2,861,439	0.57
MR. G.R.COORAY ARASARATNAM	2,861,439	0.57
TOTAL	**474,540,851**	**94.49**

Market Value and Trading of Shares

	31st March 2019
Market Value per share as at (Rs.)	9.70
Highest Market Value per share - During the Period (Rs.)	15
Lowest Market Value per share - During the Period (Rs.)	9.50

Share Trading during the period

	31st March 2019
Number of transactions	442
Number of shares Traded	23,080,813
Value of Shares Traded (Rs)	267,828,257

Real Estate Holdings of the Group

Description of the Property	Location	Building in Sq. Ft	No. of Buildings	Land Extent Acres		Net Book Value as at 31/03/2019 (Rs.'000')
				Freehold	Leasehold	
Yala Properties (Pvt) Ltd						
Jetwing Yala	Yala	243,657	21	-	54.00	964,264
Jetwing Kaduruketha (Pvt) Ltd						
Jetwing Kaduruketha	Wellawaya	30,513	24	-	63.00	302,634
Culturala Heritage (Pvt) Ltd						
Jetwing Lake	Dambulla	146,236	8	17.18	-	1,821,829
Jetwing City (Pvt) Ltd						
Jetwing Colombo Seven	Colombo	163,468	3	0.44	-	3,566,223
Uppuveli Beach (Pvt) Ltd	Uppuveli	-	-	14.01	-	275,500
The Riverbank (Pvt) Ltd	Kandy	-	-	1.91	-	58,000
Uppuveli Villas (Pvt) Ltd	Uppuveli	-	-	6.00	-	129,600
Pottuvil Point (Pvt) Ltd			-			
Jetwing Surf	Pottuvil	43,546	25	7.29	-	485,405

Recurrent Related Party Transactions

Name of the Related Party	Relationship	Nature of the Transactions	Aggregate Value of Related Party Transactions Entered into during the Financial Year (Rs)	Aggregate Value of Related Party Transactions as a % of Net Revenue	Terms and Conditions of the Related Party Transactions
Jetwing Travels (Pvt) Ltd.	Significant Investor	Sale of Accom modation	236,244,828/-	12%	· Credit Period of 30 days · Normal Trade Discounts
Capital Alliance Investments Ltd (Note 1)	Other Related Party	Investment in Units of Corporate Treasury Fund	93,500,000/- (Note 2)	5%	· Prevailing Market prices for the units
		Redemption of units of Corporate Treasury Fund	454,381,405/- (Note 2)	24%	
		Capital Gain from redemption of units	11,010,744	1%	

Note 1 - Capital Alliance Investments Ltd ("CAL") is a firm licensed by the Securities Exchange Commission. CAL Corporate Treasury Fund invests in Banks, Corporate Debt and Government Securities. All corporate debt invested by the fund have a Fitch Rating higher or equal to "A-".

Note 2 - Jetwing Symphony PLC have invested the unutilised IPO funds in CAL Corporate Treasury Fund. Further, units amounting to Rs. 343,765,313/- was redeemed and reinvested in March 2018.

Status of the Utilization of IPO Funds

The Company has collected IPO funds LKR 753,282,840/ - for the said objectives of the prospectus. Current status of the utilization of the said objectives are listed below:

Objective number	Objective as per Prospectus	Amount allocated as per Prospectus in (LKR Mn)	Proposed date of utilization as per Prospectus	Amount allocated in LKR Mn (A)	% of total proceeds	Amount utilized in LKR Mn (B)	% of utilized against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg: whether lent to related party/s etc)
01.	Investment in The Riverbank (Private) Limited for project completion	300	January 2018 to July 2019	300	39.8%	300	100%	-
02.	Investment in Pottuvil Point (Private) Limited for project completion	50	4th quarter FY18	50	6.6%	50	100%	-
03.	Investment in Cultural Heritage (Private Limited) for the settlement of debt	200	4th quarter FY18	200	26.6%	200	100%	-
04.	Investment in Jetwing Kaduruketha (Private Limited) for the settlement of debt	150	4th quarter FY18	150	19.9%	150	100%	-
05.	Financing future investments and working capital requirements	15	January 2018 to March 2019	15	2.0%	-	-	Unutilized funds have been temporarily granted to wholly owned subsidiary Yala Properties (Pvt) Ltd (Jetwing Yala) at an Interest rate of AWPLR + 0.75%
06.	Settlement of IPO costs	38	January 2018 to March 2018	38	5.1%	24	63%	The Company has saved LKR 14 Mn from the initial estimate for IPO costs. The remaining funds would be utilized for further investment in Jetwing Kandy Gallery or other future projects if required. The unutilized funds have been temporarily granted to wholly owned subsidiary Yala Properties (Pvt) Ltd (Jetwing Yala) at an Interest rate of AWPLR + 0.75%
	Total	**753**		**753**		**724**	**96%**	

Five Year Summary

GROUP Year ended 31st March,	2019 Rs.'000	2018 Rs.'000	2017 Rs.'000	2016 Rs.'000	2015 Rs.'000
OPERATING RESULTS					
Revenue	1,911,321	1,515,032	734,742	508,470	345,083
Profit/(Loss) Before Taxation	(271,250)	(347,000)	(146,739)	(80,408)	(120,791)
Taxation	(9,337)	(1,618)	(2,885)	(50)	(596)
Profit/(Loss) After Taxation	(280,587)	(348,618)	(149,624)	(80,458)	(121,387)
SHAREHOLDERS' FUNDS					
Stated Capital	5,509,276	5,509,276	4,755,994	3,755,994	3,139,994
Reserves	934,175	709,327	740,284	453,761	541,862
Retained Earnings	(1,124,389)	(845,144)	(485,822)	(352,375)	(274,975)
	5,319,062	5,373,460	5,010,456	3,857,379	3,406,880
Non Controlling Interest	21,434	22,543	29,305	45,034	(567)
Shareholders' Funds	5,340,496	5,396,003	5,039,761	3,902,413	3,406,313
LIABILITIES					
Interest Bearing Loans & Borrowings	4,277,341	4,260,981	3,946,826	2,044,582	1,166,684
Current Liabilities	271,817	276,776	567,716	227,821	107,166
Other Liabilities	30,516	23,880	10,050	5,661	2,506
Deferred Tax liabilities	247,390	210,867	-	-	-
TOTAL EQUITY AND LIABILITIES	10,167,560	10,168,506	9,564,353	6,180,477	4,682,669
ASSETS					
Property, Plant & Equipment	8,987,612	8,846,778	8,656,161	5,237,172	3,832,192
Leasehold Property/Prepaid Lease Rent	47,049	49,010	50,970	52,930	-
Intangible Assets	582,926	583,576	583,248	582,169	581,473
Investments/Other Non-Current Financial Assets	885	3,065	2,814	3,115	3,688
Current Assets	549,088	686,076	271,159	305,091	265,316
TOTAL ASSETS	10,167,560	10,168,506	9,564,353	6,180,477	4,682,669
CASH FLOW					
From Operating Activities	112,585	(354,629)	406,989	18,972	(162,920)
From Investing Activities	6,731	(647,394)	(3,241,086)	(916,242)	(826,896)
From Financing Activities	(603,208)	853,740	2,528,693	724,865	938,764
Net Cash Inflow/(Outflow)	(483,891)	(148,282)	(305,404)	(172,405)	(51,052)
Cash & Cash Equivalents as at 31 March	(1,206,723)	(722,832)	(574,549)	(269,145)	(96,740)
KEY INDICATORS					
Earnings/(Loss) per Ordinary Share (Rs.)	(0.56)	(0.74)	(0.32)	(0.22)	(0.43)
Net Assets per Ordinary Share (Rs.)	10.59	10.70	11.09	10.68	11.17
Market Value per Share (Rs.)	9.70	13.50	N/A	N/A	N/A
No. of Operating Hotels	05	05	04	02	01

About This Report

Report Structure

This Annual Report documents a detailed account of economic, environmental and social performance of Jetwing Symphony PLC for the year 2018/19. The Report includes financial and non-financial information related to the Company's main businesses, key functions and strategic investments. It also provides material information which relates to the Company's strategy, governance, performance and sustainability in the context of creating value over time in a more effective and coherent manner.

Report Boundary and Materiality

Material contained in this Report pertains to properties of The Jetwing Symphony PLC - Jetwing Yala, Jetwing Kaduruketha, Jetwing Colombo Seven, Jetwing Lake, Jetwing Surf and Jetwing Kandy Gallery (under construction). However, non-financial information included, are only for commercially operational properties of the Company.

As the hotels operate within the Jetwing Brand, many of its practices and processes and its statutory orientation is defined by standard practices observed across the Jetwing Family of Hotels. Hence, the reader will find phraseology such as "Jetwing Family of Hotels"; "Jetwing Hotels"; "Associates" and the like interspersed in our narrative.

Our Report focuses on aspects that are material and relevant; and the materiality determination process is discussed in detail under Sustainability Review. It is an assessment based on the extent to which topics may substantively affect the Company's ability to create value over the short, medium and long term. External assurance has been obtained from Messrs Ernst & Young only for the Financial Statements.

Compliance

This Annual Report covers the 12-month period from 1 April 2018 to 31 March 2019. Jetwing Symphony PLC maintains an annual cycle for financial and sustainability reporting. There are no significant changes from previous reporting periods in the scope and aspect boundaries. The last published report covered the 12-month period ended 31 March 2018. There were no restatements of information provided in previous Reports. However, updates on progress of continuing activities and initiatives are provided within; and references may be done to past information for clarity.

The information contained in this Report, as in the past, is in compliance with all applicable laws, regulations and standards. The report has been prepared consciously keeping in view the need to adhere to and comply with relevant standards about information disclosure of our sustainability initiatives. Thus, the report was compiled with reference to the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

Contact

We welcome your comments, queries and suggestions.
Please channel these to –

Group Accountant,
Jetwing Hotels Ltd.,
Jetwing House,
46/26, Nawam Mawatha, Colombo 02.
Tel: +94 112 345 700 Ext. 1315 or 2259
Email: accounts@jetwinghotels.com

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Corporate Information

NAME OF COMPANY

Jetwing Symphony PLC

Company Number PV/PB 13254 PQ

LEGAL FORM

Public Quoted Company

BOARD OF DIRECTORS

N.J.H.M.Cooray - Chairman
N.T.M.S.Cooray (Ms)
N.Wadugodapitiya
K.K.Reddy (Ms)
V.J.Kannagara (Dr)
L.K.Porter
G. Rocchi
T.M.J.Y.P. Fernando (Ms)
S.D. Amalean

AUDIT COMMITTEE

N. Wadugodapitiya - Chairman
K.K. Reddy (Ms)

REMUNERATION COMMITTEE

V.J. Kannangara (Dr) - Chairman
L.K. Porter
K.K. Reddy (Ms)

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

N. Wadugodapitiya - Chairman
Y. Fernando (Ms)
V.J. Kannangara (Dr)

SECRETARIES

Corporate Services (Pvt) Ltd.
216, De Saram Place
Colombo 10.
Phone : 4718200

AUDITORS

Messrs Ernst & Young
Chartered Accountants
201, De Saram Place
Colombo 10.

HOTEL OPERATION & MARKETING

Jetwing Hotels Ltd.
"Jetwing House"
46/26, Nawam Mawatha
Colombo 2.
Phone : 2345700

REGISTERED OFFICE

"Jetwing House"
46/26, Nawam Mawatha
Colombo 2.

BANKERS

Commercial Bank of Ceylon PLC
Hatton National Bank PLC

Jetwing Symphony Timeline

Jetwing Yala commenced operations in November 2013

Jetwing Kaduruketha commenced operations in December 2015

Jetwing Colombo Seven commenced operations in February 2017

Jetwing Lake commenced operations in December 2016

Jetwing Surf commenced operations in December 2017

2013/14

Jetwing Yala
5 months

Group Occupancy
50%

2014/15

Jetwing Yala
Full year

Group Occupancy
50%

2015/16

Jetwing Yala
Full year

Jetwing Kaduruketha
4 months

Group Occupancy
63%

2016/17

Jetwing Yala
Full year

Jetwing Kaduruketha
Full year

Jetwing Lake
3 ½ months

Jetwing Colombo Seven
2 months

Group Occupancy
54%

2017/18

Jetwing Yala
Full year

Jetwing Kaduruketha
Full year

Jetwing Lake
Full Year

Jetwing Colombo Seven
Full Year

Jetwing Surf
4 months

Group Occupancy
59%

2018/19

Jetwing Yala
Full year

Jetwing Kaduruketha
Full year

Jetwing Lake
Full Year

Jetwing Colombo Seven
Full Year

Jetwing Surf
Full Year

Group Occupancy
59%

Notes

Notice of Meeting

Notice is hereby given that the Annual General Meeting ("AGM") of Jetwing Symphony PLC (the "Company") will be held on Friday, 28th June 2019 at 10.00 a.m. at Jetwing House II, 7th Floor, 46/26, Navam Mawatha, Colombo 02 for the following purposes

1. To receive and consider the Annual Report of the Board of Directors together with the financial statements of the Company for the year ended 31st March 2019 and the report of the Auditors thereon.
2. To re-appoint Ernst & Young, who are deemed to be re-appointed as Auditors of the Company until the conclusion of the next AGM of the Company in terms of section 158 (1) of the Companies Act No. 07 of 2007, to audit the financial statements of the Company for the financial year ending 31st March 2020 and to authorise the Directors to determine their remuneration therefor.
3. To authorise the Directors to determine contributions to charities for the ensuing year.

By order of the Board
Corporate Services (Private) Limited
Secretaries

JETWING SYMPHONY PLC

Colombo, on this 31st day of May 2019.

Note:

Any shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote/speak in his/her stead and a form of proxy is sent herewith for this purpose. A proxy need not be a member of the Company.

A completed form of proxy must be deposited at 216, de Saram Place, Colombo 10, the Secretaries of the Company not less than 48 hours before the time appointed for the holding of the meeting.

Form of Proxy

I/We.....

of ..... being *a shareholder/shareholders of JETWING SYMPHONY PLC do hereby appoint

1.	Mr. Nawalage Joseph Hiran Mahinda Cooray	or failing him,
2.	Ms. Nawalage Therese Manouri Shiromal Cooray	or failing her,
3.	Mr. Nihal Wadugodapitiya	or failing him,
4.	Ms. Kamini Kirthi Reddy	or failing her,
5.	Dr. Vijith Julian Kannangara	or failing him,
6.	Mr. Leonard Keith Porter	or failing him,
7.	Mr. Giuseppe Rocchi	or failing him,
8.	Ms. Thusecooray Mohottigurunnanselage Jeanne Yvette Priyanganie Fernando	or failing her,
9.	Mr. Sharad Dayalal Amalean	or failing him,

.....

.....of .....as my/our proxy to attend and vote at the Annual General Meeting to be held on the 28th day of June 2019 and at any adjournment thereof.

		For	Against
1	To receive and consider the Annual Report of the board of Directors together with the financial statements of the Company for the year ended 31st March 2019 and the report of the Auditors thereon.	☐	☐
2	To re-appoint Ernst & Young, who are deemed to be re-appointed as Auditors of the Company until the conclusion of the next AGM of the Company in terms of section 158 (1) of the Companies Act No. 07 of 2007, to audit the financial statements for the Company for the financial year ending 31st March 2020 and to authorise the Directors to determine their remuneration therefor.	☐	☐
3	To authorise the Directors to determine contributions to charities for the ensuing year.	☐	☐

Signed this.....day of.....Two Thousand and Nineteen.

.....

*Signature/s of the shareholder(s)

Note:

Please delete the inappropriate words
Instructions as to completion are noted on the reverse hereof.

INSTRUCTIONS AS TO COMPLETION

1. The instrument appointing a proxy may be in writing under the hands of the appointor or of its attorney duly authorised in writing or if such appointor is a corporation under its common seal or the hand of its attorney or duly authorised person.

2. The instrument appointing a proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that Power of Attorney or other authority will have to be deposited at the registered office of the Company, at 216, de Saram Place, Colombo 10, the Secretaries of the Company not less than 48 hours before the time appointed for the holding of the meeting,

Jetwing
SYMPHONY

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