

# JETWING SYMPHONY PLC

Annual Report 2021

1. [Annual Report 2021](#)
2. [AGM notice and other forms](#)

# Jetwing

SYMPHONY



ANNUAL REPORT 2020/21

With Jetwing Symphony PLC, you will find properties that are unique, elegant, hospitable, and most of all, quintessentially Sri Lankan. The company's portfolio encompasses the very best of Sri Lanka's tourism sector, as we merge traditions with innovation, design local architecture to go hand in hand with sustainable technology and initiatives, and curate experiences to leave you with memories that will last a lifetime.

From the moment you step through our doors and are greeted with a warm smile and the traditional "Ayubowan!" you will know that you are really at the home of authentic Sri Lankan hospitality.





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## About Us

Jetwing Symphony PLC is poised to become the growth engine of the Jetwing group, driving the future of Sri Lankan hospitality. With resorts spread across key destinations in Sri Lanka, Jetwing Symphony PLC is laying a sustainable foundation for the country's tourism ecosystem, building on experience of almost five decades in the ever-changing hospitality industry. In the portfolio currently are Jetwing Yala and Jetwing Safari Camp (Yala), Jetwing Kaduruketha (Wellawaya), Jetwing Lake (Dambulla), Jetwing Colombo Seven (Colombo), Jetwing Surf (Pottuvil Point), and Jetwing Kandy Gallery (Kandy).

# Jetwing Symphony Properties



Jetwing  
YALA  
YALA • SRI LANKA

Sprawled over 38 acres of uncharted coastal wilderness, close to the Yala National Park, Jetwing Yala is the quintessence of blending wildlife with refined luxury. Featuring 80 rooms, world-class restaurants, bars, and an infinity pool overlooking magnificent greenery, coupled with the legendary hospitality offered by our dedicated team makes Jetwing Yala the picture-perfect escape to soak in the wilderness.



Jetwing  
SAFARI CAMP  
YALA • SRI LANKA

Nestled at the edge of wilderness that is the Yala National Park, Jetwing Safari Camp is every wildlife enthusiast's ideal getaway. A stay in one of our 10 jungle tents offers an immersive experience of the surrounding nature, made more memorable by our team of dedicated butlers and rangers ready to curate personalized experiences.



Jetwing  
KADURUKETHA  
WELLAWAYA • SRI LANKA

Located in the breathtaking village of Wellawaya, at the foothills of the magnificent Poonagala mountains, is Jetwing Kaduruketha – the island's first agro eco-luxury resort. Modeled after a traditional village home, Jetwing Kaduruketha offers a tranquil respite complemented by 25 rustic dwellings, butler service curated to perfection, stunning views and a wealth of unique experiences.



Jetwing  
LAKE  
DAMBULLA • SRI LANKA



With a deep commitment to sustainability, Jetwing Lake blends history and nature into one seamless experience in the heart of our island's famed cultural triangle. Featuring 94 spacious rooms, a wide array of dining outlets, a tranquil spa and a pool overlooking the breathtaking Siyambalawewa Tank and lush lands, Jetwing Lake offers a luxury getaway complemented by legendary hospitality.



Jetwing  
COLOMBO SEVEN  
COLOMBO • SRI LANKA



Offering modern, contemporary accommodation surrounded by Colombo's vibrant city life, Jetwing Colombo Seven is conveniently located in the heart of the island's commercial capital. Featuring 70 deluxe rooms, 28 serviced apartments, multiple dining outlets, a rooftop infinity pool and state-of-the-art conference facilities, Jetwing Colombo Seven is the perfect urban resort for leisure and business alike.



Jetwing  
SURF  
POTTUVIL POINT • SRI LANKA



Designed by the renowned architect John Balmond, Jetwing Surf – the island's first eco-luxury surf resort, is nestled in the pristine coast of Pottuvil Point. Seamlessly entwining luxury with sustainability, Jetwing Surf offers the ideal tropical respite for the discerning traveler, replete with cozy living in 20 lavish cabanas, exotic culture and food, an endless expanse of tranquil beaches and an abundance of adventures.



Jetwing  
KANDY GALLERY  
KANDY • SRI LANKA

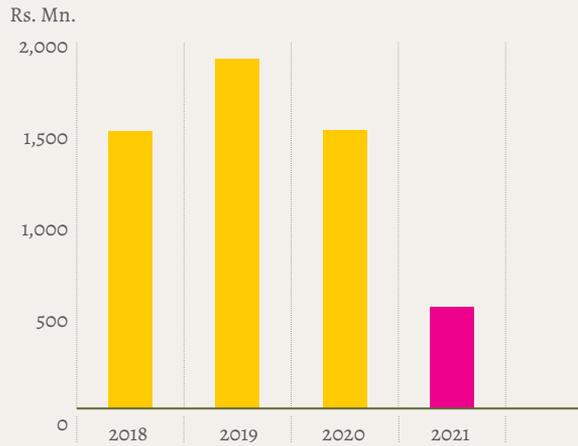


Drawing inspiration from the timeless traditions and magnificent landscapes of Kandy, Jetwing Kandy Gallery offers the warmest hospitality, along with novel experiences centered around art, culture, and adventure. Blissfully located away from the city, Jetwing Kandy Gallery boasts 26 luxurious rooms with panoramic views, world-class fusion cuisine and a tranquil pool overlooking the majestic Mahaweli River.

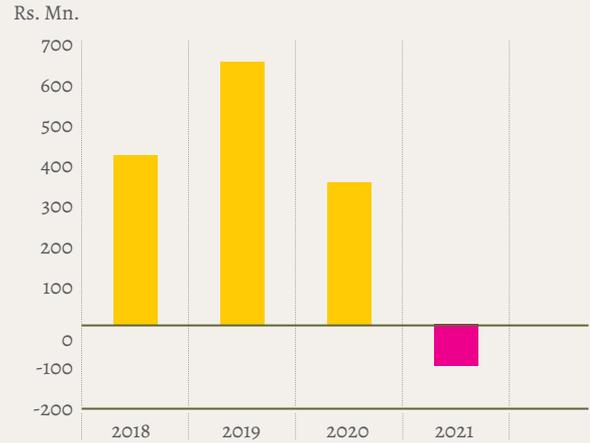
## Financial Highlights

		2021	2020
Performance for the year ended 31 March			
Revenue	Rs.'000	556,856	1,525,016
Earnings before interest, tax, depreciation & amortisation (EBITDA)	Rs.'000	(103,635)	350,569
Profit/(Loss) before tax (PBT)	Rs.'000	(828,504)	(463,929)
Profit/(Loss) after tax (PAT)	Rs.'000	(830,090)	(459,791)
Earnings/(Loss) per share	Rs.	(1.63)	(0.90)
Financial Position as at 31 March			
Total Assets	Rs.'000	9,932,545	10,364,552
Total Debt	Rs.'000	5,304,709	4,811,633
Total Equity	Rs.'000	4,124,127	4,942,033
No of Shares in Issue	No.'000s	502,189	502,189
Net Assets per Share	Rs.	8.20	9.81
Gearing Ratio	%	56	49
Debt/Total Assets	%	53	46
Current Ratio		0.11:1	0.17:1
Quick Asset Ratio		0.09:1	0.14:1
Market/Shareholder information			
Market price per share as at 31 March	Rs	9.00	8.50
Market Capitalisation	Rs '000	4,519,697	4,268,603

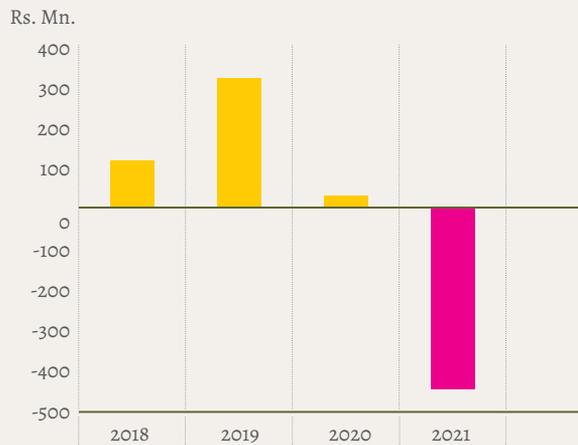
## Revenue



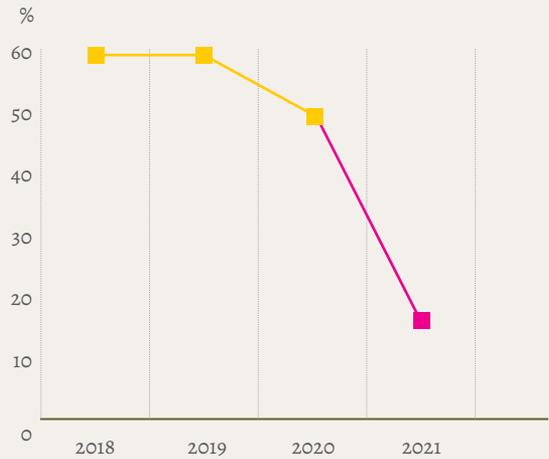
## EBITDA



## EBIT



## Occupancy







*Spaces with untold beauty and experiences*

## Chairman's Letter

Ayubowan!

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

As I sit down to write this letter, we are once again faced with travel restrictions and sporadic lockdowns around the Island due to the fast-spreading 3rd wave of the pandemic. Tourism continues to be the most affected Industry since the onset of the Virus in early 2020. Having suffered a tremendous loss of business after the Easter Sunday attacks in April 2019, the Industry continues in its downward trend with seemingly endless uncertainty.

We had an extremely difficult year, the most alarming period financially for us in tourism, and a tormenting period for all citizens of the world. When the situation appears to improve and we plan ahead with optimism, disaster unfolds once again, and we are compelled to revert to survival mode. August 2020 and April 2021 were promising months for domestic tourism during this volatile period; however, they were immediately followed by worrisome months with new waves of the virus, travel restrictions, and lockdowns.

This roller coaster ride resulted in your company's group revenue and net loss plummeting by 63% and 81%, respectively, over the previous year. Thus, group revenue for the reporting period was LKR 557 Mn and the net result was a loss of LKR 830 Mn.

After months of discussions with all relevant authorities, Sri Lanka re-opened its borders for international travellers on the 21st of January 2021. This gave renewed hope to the Industry, as we started seeing a few tourists flying to the country following

the safe and secure guidelines issued by the Ministry of Health. As mentioned earlier, we planned optimistically and worked towards a slight recovery in July. But with the current situation in South Asia, even with borders open, travellers will refrain from entering the Region in the short term. Based on the measures that the authorities in Sri Lanka and in the neighbouring countries are taking to control the infection, and the heartening progress in returning to normalcy seen in some of our important generating markets like the United Kingdom, we are now aiming for a notable recovery towards the end of 2021 and early 2022.

The Government has helped cushion the blow to the Industry by offering low interest working capital loans and moratoriums on interest and capital payments until September 2021. Although the current relief gives us a chance of survival, private sector tourism bodies are lobbying the Government to receive a waiver of interest for the period of the moratorium in order to combat the immense global competition that we will face in the near future. If this is granted, it will enable us to play on the front-foot once the world reopens and invest in necessary property renovations and upgrades as well as the marketing required to achieve the government's target of USD 10 Billion in revenue from tourism by 2025. Amidst all the problems the Industry is facing, there have been heated debates over changing the Tourism Act, which has strained the relationship between the leading private sector associations and the Tourism Regulator. It is my

firm belief that now is not the time for conflicts between private and public sector bodies. The need of the hour is for everyone to work together and get out of this crisis. Once the world is in a better place and travel resumes, private and public sector officials can work amicably to create a new governing structure that will guide us in the future.

Our dear managers and associates, who continue to stay positive, deserve a special mention and a note of gratitude. I am truly inspired by our managers' commitment to their properties and our company at large. As a prominent lawyer once told me, we are truly blessed to have managers that have a proprietary interest in the business and run their establishments with the love and dedication of a sole proprietor. I thank God every day for this divine blessing that has helped Jetwing remain in tourism through countless hardships over the last 48 years.

I would also like to thank our managing agents – Jetwing Hotels Ltd. – and its directors and associates in Colombo who have played a pivotal role in guiding your company through these challenging times. My gratitude must also be expressed to all our partners – tour operators, travel agencies, corporates, banks, suppliers, etc. – for their constant support in both good times and bad. Finally, I wholeheartedly thank our board members for their strategic direction and shareholders for being patient and understanding during this period of uncertainty.

Our Sri Lankan travellers helped keep the hotels running, which kept us periodically busy over the financial year. As always, they showed the resilience of our people and played a huge part in keeping the Industry alive. I thank all of them for choosing Jetwing and I hope they continue to be lifelong members of our extended family.

We have faced many challenges in the past; however, what we are facing now is having the worst impact on tourism since the inception of the Industry globally. I remain optimistic for the long-term potential of tourism and the positive impact it will have on local communities and the environment. We should all act responsibly and wait patiently for good times to come yet again. We are resilient. We are patient. And we will bounce back soon!

Stay Safe!

Blessings,

Hiran Cooray  
Chairman  
Jetwing Symphony PLC

12th May 2021

## Operating Environment

### The Global Economy

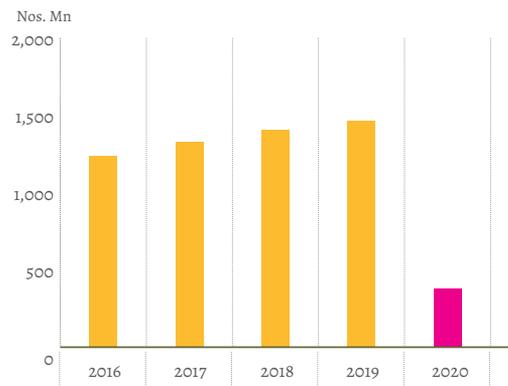
The global economy is estimated to have contracted by 4.3% in 2020 - the sharpest contraction of global output since the Great Depression according to the World Bank. This is due to the COVID 19 pandemic which brought economic activities to a grinding halt during the second quarter and fourth quarter of 2020. Governments around the world introduced social distancing, lockdown and quarantine measures and restricted a wide range of economic activities to cut the spread of the virus. The impact of the shock has been less pronounced than predicted during the second quarter of the year mainly due to massive fiscal stimulus measures worldwide as large as 14% as consistency of world output in 2020. Output losses have been particularly large for countries that rely on tourism and commodity exports and for those with limited policy space to respond.

According to IMF, future developments will depend on the path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic; the effectiveness of policy actions to limit persistent economic damage (scarring); the evolution of financial conditions and commodity prices; and the adjustment capacity of the economy. Prospects for the global economy are uncertain, and several growth outcomes are possible as per the Global Economic Prospects of the World Bank group released in January 2021. Accordingly, in the baseline forecast, global GDP is expected to expand by 4% in 2021 and 3.8% in 2022. This is based on proper pandemic management and effective vaccination limiting the community spread of COVID 19 in many countries, as well as continued monetary policy accommodation accompanied by diminishing fiscal support.

### Global Tourism

Global tourism suffered its worst year on record in 2020, with international arrivals dropping by 74% according to the latest data from the World Tourism Organization (UNWTO). This is due to an unprecedented fall in demand and widespread travel restrictions. International tourist arrivals recorded 381 million from destinations worldwide compared to 1,461 million in 2019.

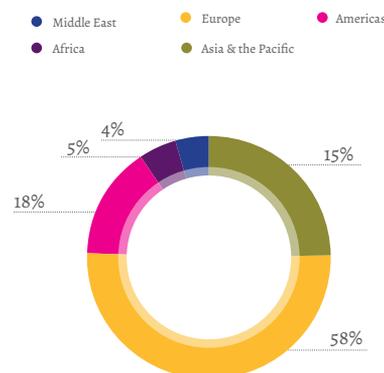
International Tourist Arrivals



According to the latest UNWTO World Tourism Barometer, the collapse in international travel represents an estimated loss of USD 1.3 trillion in export revenues - more than 11 times the loss recorded during the 2009 global economic crisis. The crisis has put between 100 and 120 million direct tourism jobs at risk, many of them in small and medium - sized enterprises.

Asia and the Pacific (-84%) - the first region to suffer the impact of the pandemic and the one with the highest level of travel restrictions currently in place - recorded the largest decrease in arrivals in 2020 (300 million fewer). The Middle East and Africa both recorded a 75% decline. Europe recorded a 70% decrease in arrivals, despite a small and short-lived revival in the summer of 2020. The region suffered the largest drop in absolute terms, with over 500 million fewer international tourists in 2020. The Americas saw a 69% decrease in international arrivals, following somewhat better results in the last quarter of the year according to the UNWTO World Tourism Barometer.

International Tourist Arrivals



## Operating Environment Contd.

According to UNWTO Panel of Experts survey in January 2021, 50% of respondents now expect a rebound to occur only in 2022 and the remaining half of respondents still see a potential rebound in 2021. The main factors weighing on the recovery of international tourism are travel restrictions, slow virus containment and economic environment.

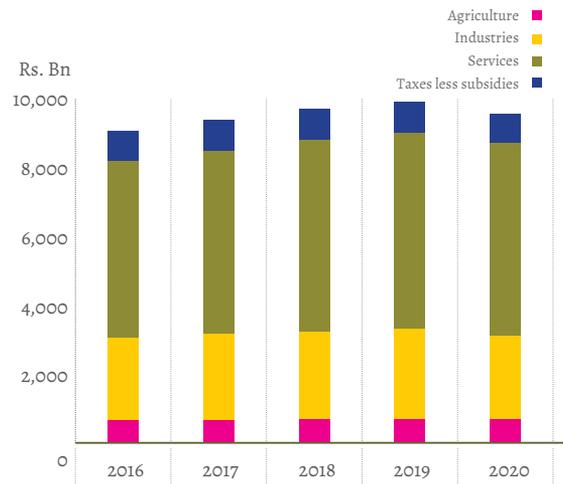
### The Sri Lankan Economy

The Sri Lankan economy contracted by 3.6% in real terms in 2020, reflecting the effects of the COVID-19 pandemic, recording the deepest recession since independence. Mobility restrictions and other containment measures imposed locally and internationally, with a view to preventing the spread of COVID-19, hampered real economic activity across all sectors according to Central Bank of Sri Lanka. The complex challenges encountered by the Sri Lankan economy in 2020 were efficaciously addressed through extraordinary policy interventions by the Government and the Central Bank.

The Gross Domestic Product (GDP) at current market prices of Sri Lankan economy was estimated at US dollars 80.7 billion in 2020 compared to US dollars 84 billion in 2019. The per capita GDP was recorded at USD 3,682 in 2020 compared to USD 3,852 in the previous year. The decline in per capita GDP is mainly due to contraction in Gross Domestic Product (GDP) at current market prices and the depreciation of the Sri Lankan rupee against the USD.

All sectors of the economy contracted during 2020 (agriculture, forestry and fishing by 2.4%, industry by 6.9%, and services by 1.5%), compared to the previous year. Out of the services sector, the contraction of subsectors of transportation of goods and passengers, including warehousing, other personal services, and accommodation, food and beverage service activities, which were affected by mobility restrictions, social distancing measures and border closures during 2020.

### GDP



The year-on-year headline inflation based on CCPI decelerated to 4.2 % by end 2020 from 4.8 % at end 2019.

Market interest rates declined during 2020. The Average Weighted Lending Rate (AWLR), which is based on interest rates of all outstanding loans and advances extended by LCBs, declined by 330 basis points to 10.29% during 2020. This is mainly due to The Central Bank continued to relax the monetary policy stance during 2020 with a view to supporting the economy to recover from the effects of the COVID-19 pandemic and to regain the growth momentum, given the subdued inflation conditions. The Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) stood at their historically lowest levels of 4.50% and 5.50% as at end 2020. Meanwhile, the Central Bank implemented concessional loan schemes under the Saubagya COVID-19 Renaissance Facility, enabling licensed banks to grant working capital loans at a concessional rate of 4% to businesses affected by the pandemic.

According to the Central Bank, the Sri Lankan economy is expected to rebound strongly in 2021 and sustain the high growth momentum over the medium term, buoyed by growth-oriented policy support.

Operating Environment Contd.

**The Sri Lankan Tourism**

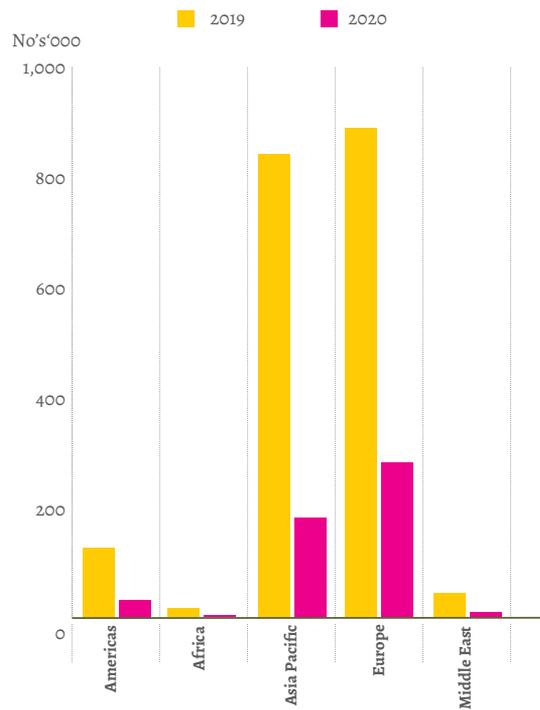
The tourism sector was drastically affected by the global isolation measures and the closure of borders of the country for tourists since 18th March 2020. Sri Lanka opened its borders to tourist from January 2021. Tourist arrivals recorded an overall decline of 73.5% to 507,704 arrivals in 2020 which comprised 507,311 tourists that arrived during the first three months of 2020, and a group of 393 tourists from Ukraine, who arrived under a pilot project based on the ‘bio bubbles’ concept in December 2020, in comparison to 1,913,702 arrivals recorded in 2019. Earnings from tourism declined by 81.1% to USD 682 million in 2020, in comparison to USD 3,607 million in 2019.

**Annual Tourist Arrivals/Tourism Earnings**



India (18%), United Kingdom (11%), Russia (10%), Germany (7%) and China (5%) were Sri Lanka’s top five international tourist generating markets for the year 2020. Further, Tourist arrivals from all major regions, declined in 2020. Europe was the largest tourist origin recording 55.4% of total tourist arrivals.

**Tourist Arrival by Country of Residence**



Several measures were taken by the Government and the Central Bank to support the stakeholders in the tourism sector who were affected by the COVID-19 pandemic, including measures to extend relief granted following the Easter Sunday attacks in 2019. The debt moratoria granted on account of the Easter Sunday attacks, which were initially effective until 31 March 2020, were extended until 31 March 2021 in view of the adverse effects on the sector from the pandemic. These moratoria were extended again by another six months from 01 April 2021.

Following the issuance of tourism safety protocols by the Ministry of Tourism with the help of the Ministry of Health and the World Health Organisation (WHO), Sri Lanka was able to obtain the “Safe Travel Stamp” from the World Travel and Tourism Council in August 2020.

The gradual roll out of the COVID-19 vaccine locally and in main source markets is expected to help restore consumer confidence, contribute to the easing travel restrictions and slowly normalize travel during the year ahead. According to Central Bank, earnings from tourism are expected to gradually normalize in 2021 and pick up substantially thereafter.



*Redefining the hospitality*

## Group Financial Review

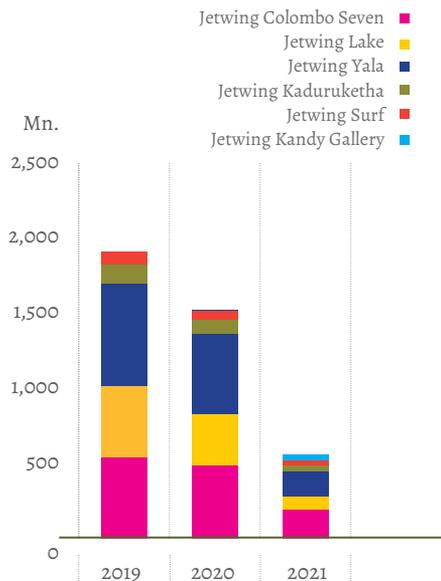
The group financial statements for the financial year 2020/21 includes the financial statements of Jetwing Symphony PLC and all its subsidiaries mentioned in page 87. During the year under review Jetwing Yala, Jetwing Lake, Jetwing Colombo Seven, Jetwing Kaduruketha, Jetwing Surf and Jetwing Kandy Gallery operated for the full financial year.

### Revenue

Jetwing Symphony group recorded revenue of Rs. 557 million for the financial year ended 31 March 2021, a decrease of 63% compared to last financial year. The drop in revenue is primarily due to the COVID 19 pandemic which witnessed an unprecedented fall in demand and widespread travel restrictions. Sri Lanka closed its borders for tourists from March 2020 to January 2021. After the initial lockdown in April, May 2020 the local travelers began to patronage our Hotels in the months of July to September 2020. The second wave disrupted the renewed confidence in our local travelers during the months of October 2020 to January 2021. However, the Group did not close any of the properties during the multiple lockdown periods.

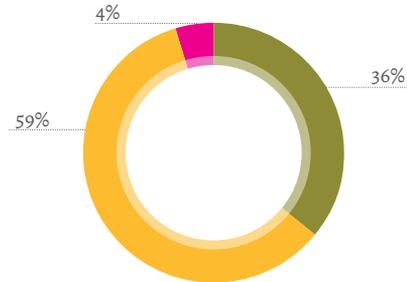
Jetwing Colombo Seven, Jetwing Yala and Jetwing Lake contributed 34%, 31% and 15% respectively to the group revenue.

### Revenue



### Revenue Composition 2021

- Room Revenue
- Food & Beverage
- Other Hotel Related Income



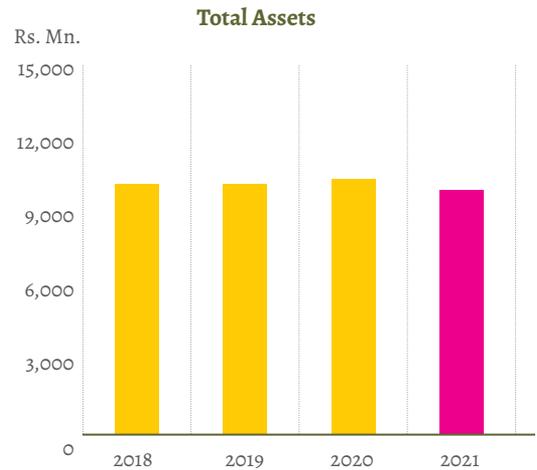
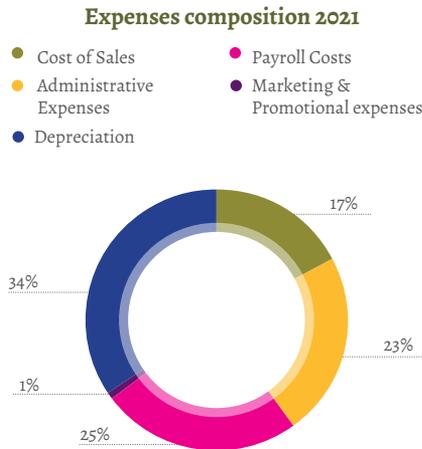
### Expenses

Group expenses excluding exchange loss on foreign currency loans and finance cost amounted to Rs. 1,010 million compared to Rs. 1,508 million last year. The reduction in expenses is primarily due to lower administrative costs (-51%) and payroll cost (-32%) due to our cost reduction measures. Group also reduced the marketing activities during the year under review thereby reducing the cost by 88%. Cost of sales have reduced mainly due to lower business volume. Further, the exchange loss on conversion of foreign currency loans amounted to Rs. 62 Mn during the period under review.

Finance cost for the year amounted to Rs. 318 million which is a decrease of Rs. 105 million compared to the previous year. The decrease is mainly due to the reduction in monthly AWPLR during the year from 9.35% in April 2020 to 5.67% in March 2021.

Depreciation for the year was reported at Rs. 348 million which is an increase of Rs. 24 million compared to the previous year. The increase is due to the depreciation charge of Jetwing Kandy Gallery being recorded for all 12 months this year compared to only 3 months last year.

## Group Financial Review Contd.



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

EBITDA for the year under review was reported as negative Rs. 104 million compared to Rs. 351 million achieved in the previous year. The decrease in EBITDA is primarily due to the impact of COVID 19.

### Profitability

The Group recorded a loss before tax of Rs. 829 million compared to previous accounting year's loss before tax of Rs. 464 million. The loss includes exchange loss on foreign currency loan amounting to Rs. 62 million. The increase in Loss before tax is primarily due to the impact of COVID 19.

Loss after tax of the Group amounted Rs. 830 million compared to previous year's loss after tax of Rs. 460 million.

### Statement of Financial Position

The Group reported a financial position as at 31st March, 2021 with Total Assets amounting to Rs. 9,933 million compared to Rs. 10,365 million for the previous period. During the year under review, Property, Plant and Equipment additions amounted to Rs. 29 million.

During the year, Group debt increased to Rs.5,305 million compared to Rs. 4,812 million of previous year. As at 31 March 2021 the gearing level of the group stood at 56%.

### Shareholders fund

Shareholders' funds as at 31 March 2021 decreased to Rs. 4,119 million from Rs. 4,928 million in the previous period. During the year, the revaluation surplus of land amounted to Rs. 12 million. The group's net assets per share as at 31 March 2021 stood at Rs. 8.2 per share.

### Statement of Cash Flow

Cash position of the Group, as at 31st March 2021 increased to negative Rs. 1,186 million, compared to negative Rs. 1,050 million last financial year. Operational cash flows recorded negative Rs. 196 million primarily due to impact of COVID 19. Cash flows used in investing activities amounted to Rs. 85 million. Investing activities included an investment in USD fixed deposit amounting to Rs. 59 million. The Group obtained a concessional loan at 4% interest amounting to Rs. 47 million during the year. The net cash flows from financing activities amounted to Rs. 145 million. Group obtained the debt moratorium granted by the Central Bank for all term loans except for the USD loan of Jetwing Yala.





*Traditional grandeur with modern comforts*

## Sustainability Review

### 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 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. Mindful of the fact that the long-term viability of our business depends on the sustainability of the environment, we are fully-committed to mitigating any adverse effects that arise, diligently tracking the impact our operations have on the environment.

The management systems introduced adhere to all relevant local laws and comply with a range of Jetwing's own internally developed policies. In addition, Jetwing Yala, Jetwing Lake and Jetwing Kaduruketha have implemented environmental management systems, in line with the requirements of 14001:2015 standard.

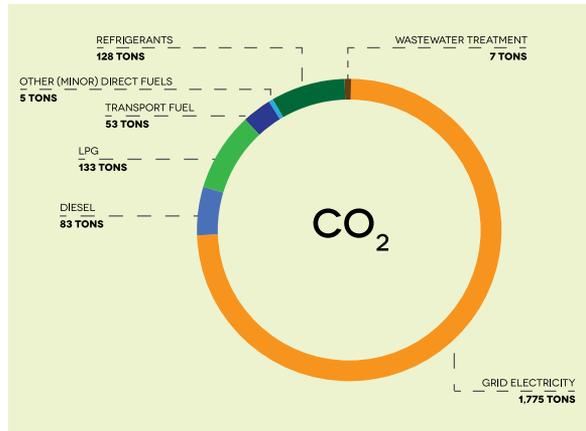
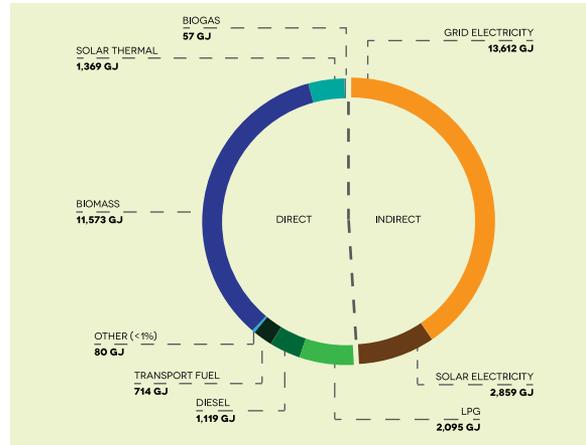
#### Energy and Carbon Footprint

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 improvement measures and promoting non-fossil fuel based (renewable) energy generation.

Maximizing benefits of the abundantly available renewable energy sources, Jetwing Hotels has made significant strides in transitioning to clean power. Further, improving energy efficiency of the hotel buildings is considered at the concept stage of the properties itself and they have been designed to minimize the need of the artificial illumination and mechanical ventilation.

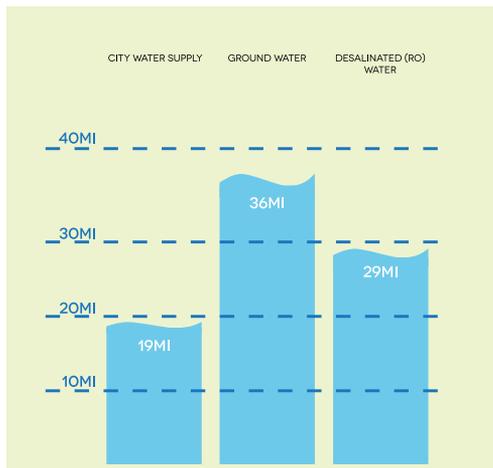
The hotels' current energy profile and greenhouse gas emissions from operations is presented in the figures below. Aggregate energy and GHG emissions intensity ratios for the year 2020/21 are 740.6 MJ/guest night and 48.3 kg CO<sub>2</sub>/guest night, respectively.



#### Water Conservation and Wastewater Management

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 water-saving fixtures were specifically chosen during design stage to minimize wastage, introduction of flow restrictors/water savers with faucets have further improved the efficiency in water usage.

## Sustainability Review Contd.



100% of the black and grey wastewater generated at Jetwing Yala, Jetwing Lake and Jetwing Kandy Gallery is recycled via separate treatment pathways, and reused onsite for cooling towers, cistern flushing, and garden irrigation. Quality of the discharged water is routinely checked by an accredited external company to ensure it meets the required national standards. While wastewater generated at Jetwing Kaduruketha and Jetwing Surf is responsibly discharged to the environment following separate, clustered treatment 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, stored safely and hygienically, and disposed in the most environmentally-sound manner available. Dry solid waste collected (such as cardboard, plastic, glass and metal) is inventoried and sold to external parties for recycling or reuse.

At Jetwing Yala, Jetwing Kaduruketha, Jetwing Lake and Jetwing Kandy Gallery, all organic waste generated from hotel operations is treated and reused onsite. All food waste generated is fed to onsite biogas digesters - with the product (bio)gas used for cooking stoves; all garden sweepings and other tree clippings collected from the hotels' premises, is composted onsite, with the product compost used as a nutrient rich soil enhancer in the hotel gardens. At Jetwing Colombo Seven, food waste generated is sent to a local piggery to be used as animal feed. Minimal quantities of mixed waste items which can neither be recycled nor biodegraded, are collected by local authorities for disposal.

### Biodiversity Conservation

Located in scenic natural locations which may hold high biodiversity values, 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.

For instance, as a result of the in-situ conservation of turtle nesting sites along Jetwing Yala's beach-front and the ex-situ conservation of turtle eggs at the adjacent turtle hatchery operated in partnership with the Department of Wildlife Conservation, over 1,000 hatchlings from 11 nests of endangered marine turtles have been safely released to sea, during this year's nesting season.

### EMPLOYEES

#### Our Family

Our homes across Sri Lanka are filled with warmth all thanks to our associates whom we call the Jetwing family. We pride ourselves for extending such warm hospitality to all those who walk into our homes across the island. These exceptional standards of service along with our ethos instilled with the four simple values of passion, humility, tenacity, and integrity has guaranteed Jetwing Hotels the well-deserved reputation as a brand synonymous with the home of traditional Sri Lankan hospitality. The heartfelt hospitality we deliver is a combination of knowledge, skills, attitudes, experience, and most importantly, the identity and personality of our associates which delight our guests with memorable interactions. As our associates strive to deliver the best possible service they could offer, we too are committed to assisting their earnest efforts and enthusiasm to deliver world class services through opportunities for training and development.

We treat all our associates equitably and impartially through our comprehensive compensation schemes and policies and procedures which are in place. Wherever possible, we try our best to hire locally, supporting the local communities as we include them as stakeholders of the business. Following the Jetwing Human Rights Policy, we repudiate and refrain from discrimination and injustice of any form, be it on the basis of gender, race, ethnicity, sexual orientation, religion, or disability.

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

Sustainability Review Contd.

The below is a depiction of the overview of the demographics during the year under review.



Training and Development

The promise of delivering world-class service is fulfilled by our dedicated associates. Blessed with associates with the right mindset, as a responsible organization we are committed to providing our associates with the relevant skillset through ample opportunities for personal and professional growth, to complement their enthusiasm and motivation.

The Jetwing Hotels’ Training and Development team strives to create an enabling environment to readily nurture the attributes of exemplary service needed to delight our guests as well as nurturing individual potential through an array of programmes which include capacity building, focused training, career development programmes, induction, and orientation training. Apart from the formal training sessions, we also provide cross training and cross exposure across departments and other hotels within the Jetwing Group. Especially during the year under review, our associates have received additional training

on health and safety guidelines and safety measures, needed to adapt to the new normal.

Training needs and areas of improvement are identified through several forums involving HR, primarily through the regular performance appraisals and reviews conducted across all departments, where reviews are made and assessed by the Heads of Departments, giving necessary recommendations upon the assessment of training needs. All Senior, Middle and Junior level associates are subjected to biannual performance reviews and career development assessments. To retain and develop the talent within the business, these assessments are reviewed to design and deliver the comprehensive training and development programmes.

During the year under review, an average of 3.83 hours of training were provided per employee. The following infographic details the training hours provided to associates categorised by gender.



## Sustainability Review Contd.

### COMMUNITY

Jetwing Hotels strongly commit to the uplifting of local communities around us, wherever we are in operation, through opportunities for advancement, as we involve the local communities as stakeholders of the industry. However, due to the disruption caused by the COVID-19 pandemic, many initiatives were confined to the pipeline. Below are programmes conducted by the hotels targeting various community members, during the year under review.

#### Jetwing Youth Development Project

Jetwing Youth Development Project (JYDP), the signature youth empowerment initiative of Jetwing Hotels is designed to empower rural youth, both men and women from economically challenged backgrounds, through the provision of quality vocational training, offered entirely free-of-charge. Conducted by qualified in-house trainers, and external resource persons, this programme equips trainees with employable skills to secure entry level jobs within Jetwing Hotels as well as elsewhere within the hospitality industry, through the provision of technical knowledge in the basics of hospitality management and English language skills through classroom and on-the-job training.

Despite the impact of the pandemic on the industry, the 33rd JYDP programme was conducted in Haragama, Kandy, while the 34th JYDP was inaugurated in Pottuvil in March 2021. Upon completion of the 33rd programme, 6 successful graduates joined Jetwing Kandy Gallery in February 2021.

#### Jetwing Kaduruketha - Association with the Farmers

50 of the 60 acres of land at Jetwing Kaduruketha is traditional paddy land. The hotel currently involves 31 farmer families for the farming activities of its paddy acreage. To provide a lasting solution to the difficulties faced by the farming community each season and to uplift their lives, a partnership was formed with the local farmer families when Jetwing Kaduruketha was envisioned. At the onset of the cultivation season these farmers are given provisions for farming expenses such as purchase of seeds, fertilizer, labour and harvesting machinery; and at the end of the season, the total harvest is split equally between the farmers and the hotel. Due to the absence of 'middlemen' involved, the farmers are free to sell their half as they see fit.

Through this partnership, the hotel has been successful in converting these conventional farmers utilizing pesticides and chemicals, towards becoming conscious agrarians using environmentally sound organic farming techniques. Taking a step further, these farmers were encouraged to cultivate traditional rice varieties rich in nutrients such as Suwandel, Pachchaperumal, etc. organically. Involving industry experts

in the process, these farmers were assisted with the required technical knowledge through Thrive, Jetwing's micro-scale supplier sustenance programme. As a result of these efforts, Jetwing Kaduruketha has created a steady demand for these organic certified rice varieties among sister properties at which they are offered for guest consumption. The farmers' association has granted an opportunity to the local farming community to build up resources, break away from the cycle of debt and see their hard labour bring in some reward.

#### Thrive

Extending opportunities to the local communities we work with, Thrive- a programme offering capacity building and financial assistance to micro-scale enterprises was conducted with the intention of up-scaling them to become lucrative enterprises.

During the year under review, Jetwing Kaduruketha completed two agricultural seasons in partnership with the 31 farmer families in Wellawaya, assisting them with traditional agricultural knowledge through the involvement of experts in the process. Further, a mini project titled 'Help Them Thrive' was initiated to assist the spice suppliers in Wellawaya reach new markets among the urban crowd of Colombo, as immediate response to the pandemic's impact on micro-scale businesses.

#### Awareness Programmes on Best Practices Against COVID-19

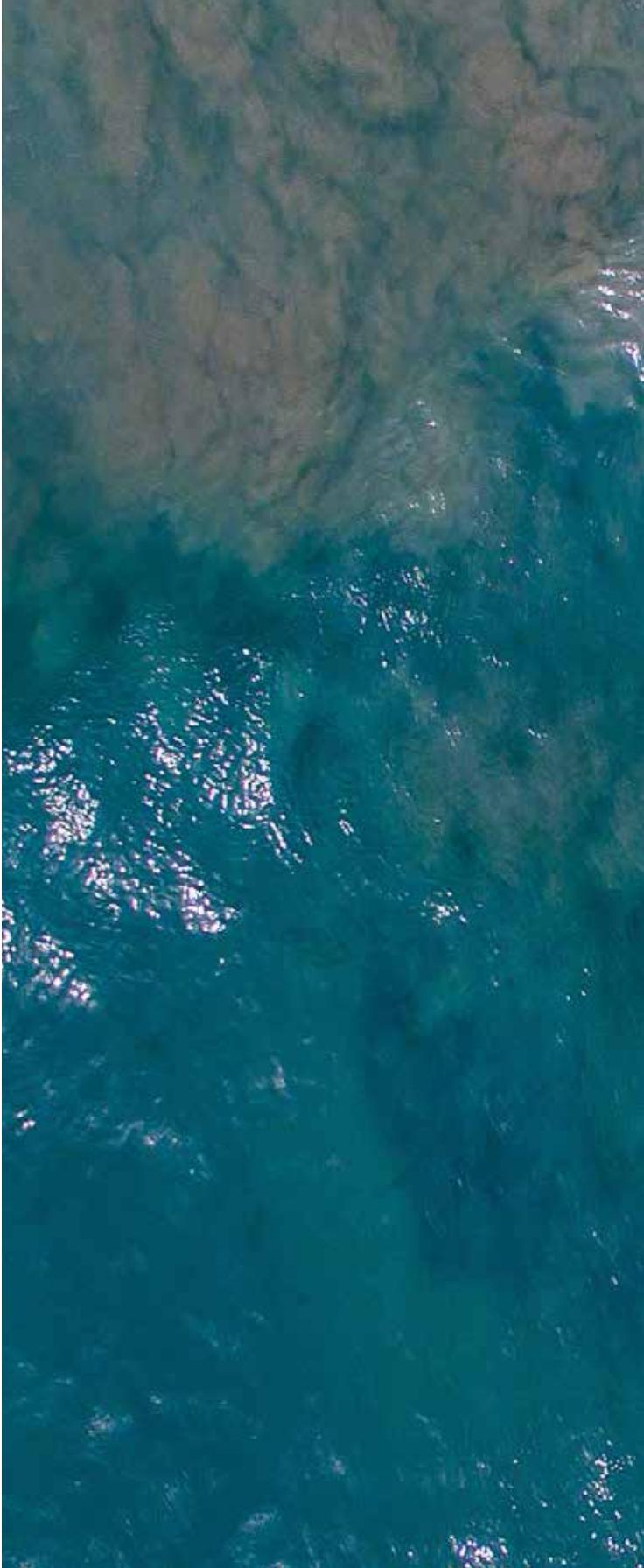
Over time, our family has built relationships and fostered strong bonds with communities in regions where our hotels are in operation. As immediate response to the COVID-19 pandemic, Jetwing Kaduruketha and Jetwing Yala conducted awareness programmes on health and safety guidelines to be followed among the local communities that are an extension of our business. As such, to mainstream safety guidelines among the grassroots, the local farmers of Wellawaya as well as the Yala safari jeep drivers were educated on best practices to gear up against community level spread of COVID-19.

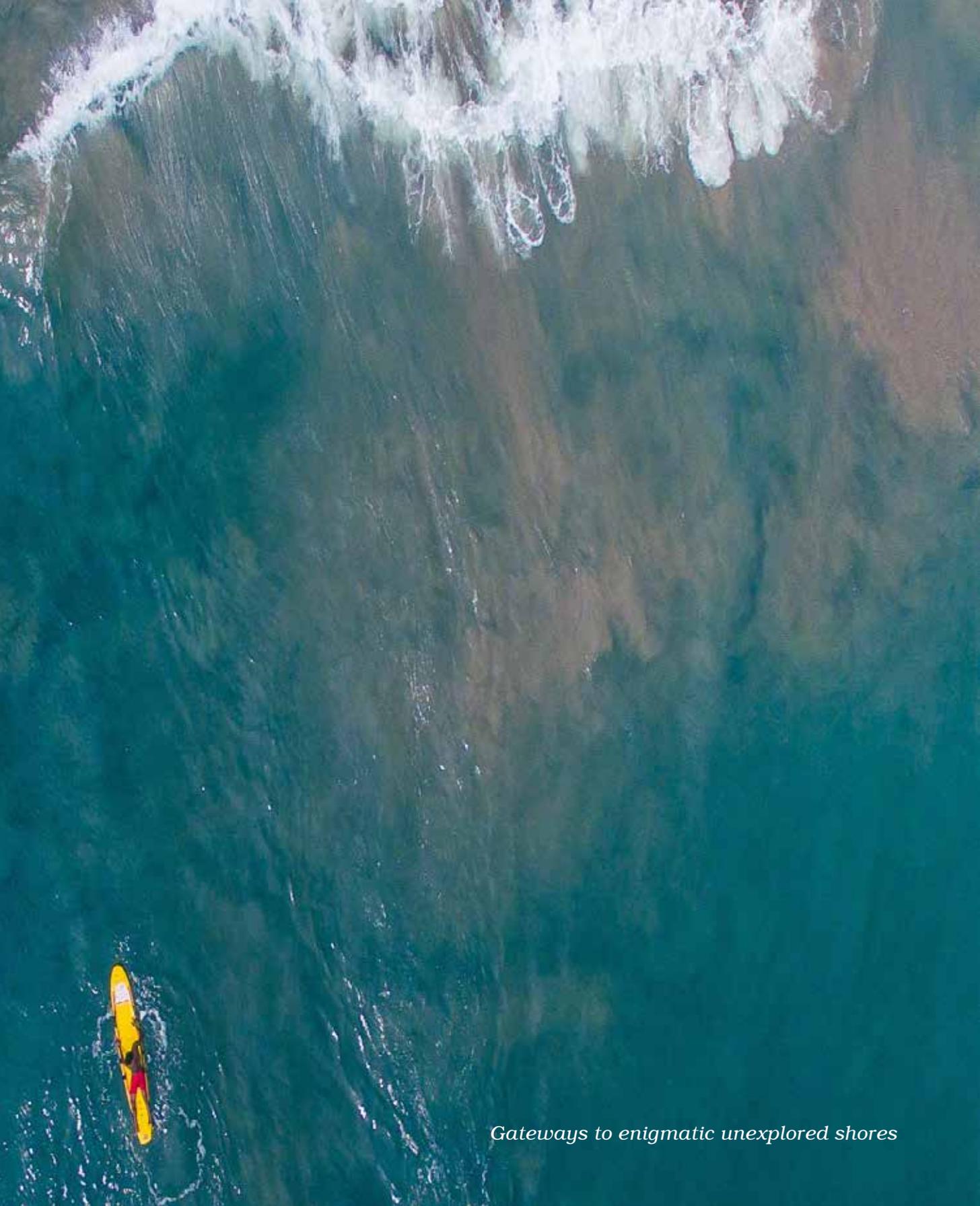


Sustainability Review Contd.



*To view our sustainability policies and read more on the sustainability initiatives mentioned above, visit our website:*





*Gateways to enigmatic unexplored shores*

## 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			1.1		
	4 Major		1.2, 1.3, 2.1	1.4, 2.6, 3.2, 3.3, 3.4		
	3 Moderate		2.2, 2.5, 2.7	2.3, 2.4		
	2 Tolerable		3.1	2.8		
	1 Insignificant					

## Risk Management Contd.

## 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. Risks relating to infectious diseases / Pandemics		Risk Rating
		Very High
Potential Impact	Actions Taken to Mitigate Risk	
<p>COVID-19 has had a material detrimental impact on our business, financial results and liquidity, and such impact could worsen and last for an unknown period of time.</p> <ul style="list-style-type: none"> <li>● Reduced travel and demand for hotel rooms thereby reduced revenue, cash flow and profitability.</li> <li>● Increase in operational expenses due to enhanced health and hygiene requirements.</li> <li>● Increase in the level of debt may adversely affect financial and operating activities or ability to incur additional debt.</li> <li>● In addition, as a result of the risks described above, we may be required to raise additional capital, and our access to and cost of financing will depend on, among other things, global economic conditions, Sri Lanka Economic conditions in the financing markets, the availability of sufficient amounts of financing, our prospects, and the outlook for the hotel industry as a whole.</li> </ul>	<ul style="list-style-type: none"> <li>● Evaluate the resilience of its businesses under multiple scenarios: worst case, base case and best case, by considering a wide range of factors.</li> <li>● Take steps to curtail fixed costs whilst continuously enacting stringent protocols to minimize other direct costs.</li> <li>● Defer non-essential capital expenditure.</li> </ul>	
1.2. Business Risk		Risk Rating
		Medium
Potential Impact	Actions Taken to Mitigate Risk	
<p>The inability of the Group to achieve its business objectives.</p> <ul style="list-style-type: none"> <li>● Reduced revenue, cash flow and profitability.</li> <li>● Hinder future growth</li> </ul>	<ul style="list-style-type: none"> <li>● 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.</li> </ul>	

			<ul style="list-style-type: none"> <li>● Project feasibility studies are conducted for all major investments.</li> <li>● Implementation of cost control procedures and innovative cost saving initiatives particularly with regard to energy costs.</li> <li>● Performing Competitor analyses.</li> </ul>
<b>1.3. Political, Economic and Environmental Risks</b>		<b>Risk Rating</b>	<b>Medium</b>
	<b>Potential Impact</b>		<b>Actions Taken to Mitigate Risk</b>
<p>Major events affecting either economic or political stability on a global and local level represent a threat to the Group.</p> <p>Events that adversely impact domestic or international travel.</p> <p>Risks from natural or man-created disasters.</p>	<ul style="list-style-type: none"> <li>● Reduced revenue, increased operating costs resulting in reduced profitability and cash flows.</li> <li>● Control over the ownership of assets.</li> <li>● 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.</li> <li>● Loss of assets.</li> </ul>		<ul style="list-style-type: none"> <li>● Management regularly reviews political and economic developments and seeks to identify emerging risks at the earliest opportunity.</li> <li>● 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.</li> <li>● The Group has in place contingency and recovery plans to enable it to respond to major incidents or crises.</li> <li>● Transferring risks to third parties through insurance policies. The adequacy of insurance covers is regularly reviewed and adjusted when necessary.</li> </ul>
<b>1.4. Competitive Risk</b>		<b>Risk Rating</b>	<b>High</b>
	<b>Potential Impact</b>		<b>Actions Taken to Mitigate Risk</b>
<p>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 and home sharing or rental services.</p>	<ul style="list-style-type: none"> <li>● Future operating results could be adversely affected by industry over-capacity of rooms.</li> <li>● Reduction in market share (lower occupancies) and rates resulting in reduced revenues, increase in marketing expenses reduced cash flows and profitability.</li> </ul>		<ul style="list-style-type: none"> <li>● Providing a unique service quality associated with Jetwing brand only.</li> <li>● Consistently delivering service quality to influence consumer preference and creating and maintaining value perception.</li> <li>● Make timely investments to upgrade the facilities.</li> <li>● Maintain the long term relationships with major tour operators.</li> </ul>

## Risk Management Contd.

2. Operational Risks		
2.1. Reputation and Intellectual Property Rights Risk	Potential Impact	Risk Rating Medium
		Actions Taken to Mitigate Risk
Group is reliant on the reputation of its brand and the protection of its intellectual property rights.	<ul style="list-style-type: none"> <li>● Service quality may not be delivered in accordance with the Jetwing standards.</li> <li>● Reduced brand value, market share, revenues, profitability and cash flows.</li> <li>● Increase Group's exposure to litigation.</li> </ul>	<ul style="list-style-type: none"> <li>● Continuous monitoring and review of online customer reviews and ratings.</li> <li>● Investments made in protecting the Group's brand from misuse and infringement, by way of trade mark registration and domain name protection.</li> <li>● Monitoring adherence to Group safety, operating and quality standards or the significant regulations applicable to hotel operations.</li> <li>● Provide regular training to associates to educate on the quality standards and new developments in the hospitality industry.</li> </ul>
2.2. Demand	Potential Impact	Risk Rating Medium
		Actions Taken to Mitigate Risk
Adverse impact on Group turnover due to shift in demand from traditional source markets to new emerging markets.	<ul style="list-style-type: none"> <li>● Reduce room nights, revenue.</li> <li>● Lower room rates due to lower occupancy.</li> </ul>	<ul style="list-style-type: none"> <li>● The Group and hotels are well represented at international trade fairs.</li> <li>● Increase registration with Online Travel Agents.</li> <li>● Increase presence in social media channels.</li> <li>● Maintain the long-term relationships with major tour operators.</li> </ul>
2.3. Employee Risk	Potential Impact	Risk Rating Medium
		Actions Taken to Mitigate Risk
<ul style="list-style-type: none"> <li>● Failure to attract and retain skilled employees may threaten the success of the Group's operations.</li> </ul>	<ul style="list-style-type: none"> <li>● Inability to achieve planned business objectives.</li> <li>● Reduced quality of standards resulting in reduced guest satisfaction.</li> </ul>	<ul style="list-style-type: none"> <li>● Development and maintenance of a Group culture, compensation and benefits arrangements, training and development are key activities carried out.</li> <li>● Initiate Jetwing Youth Development Project.</li> </ul>

## Risk Management Contd.

2.4. Technology Risk	Risk Rating	Medium
	Potential Impact	Actions Taken to Mitigate Risk
Failure to embrace emerging technology or implement existing technology correctly.	<ul style="list-style-type: none"> <li>● Inaccurate information.</li> <li>● Reputation and performance of the group will be adversely affected.</li> <li>● Worsening efficiency, loss of competitive advantage.</li> </ul>	<ul style="list-style-type: none"> <li>● Regular review of systems and upgrades where appropriate.</li> <li>● Introduction of new technology where possible and appropriate.</li> </ul>
2.5. Project Implementation Risk	Risk Rating	Medium
	Potential Impact	Actions Taken to Mitigate Risk
Inaccurate assessments of project cost and time.	<ul style="list-style-type: none"> <li>● Cost overruns</li> <li>● Delays in project implementation may cause loss of earnings.</li> </ul>	<ul style="list-style-type: none"> <li>● Establish project cost and timelines in consultation with stakeholders.</li> <li>● Monitor project progress with budgeted cost and time.</li> </ul>
2.6. Safety	Risk Rating	High
	Potential Impact	Actions Taken to Mitigate Risk
<p>The Group could experience significant food safety or allergen related incidents through failings in food preparation, storage or supply chain.</p> <p>Physical security and safety incidents at one or more of our properties could jeopardise the safety of our guests and team members</p> <p>Safety and security of associates and guests will continue to receive heightened scrutiny in light of the Covid-19 pandemic.</p>	<ul style="list-style-type: none"> <li>● Adverse impact on reputation</li> </ul>	<ul style="list-style-type: none"> <li>● Complying to HACCP/ISO 22000 food safety standards.</li> <li>● Security and fire safety procedures are in place at all of our properties including emergency evacuation plans.</li> <li>● Monitoring adherence to Group safety, operating and quality standards.</li> <li>● Availability of on call medical officers/ medical assistance.</li> <li>● Monitoring adherence to Government/ Health Authorities COVID 19 guidelines on Hotel operations.</li> <li>● Obtained Safe and Secure Certification from Sri Lanka Tourism Development Authority.</li> </ul>

## Risk Management Contd.

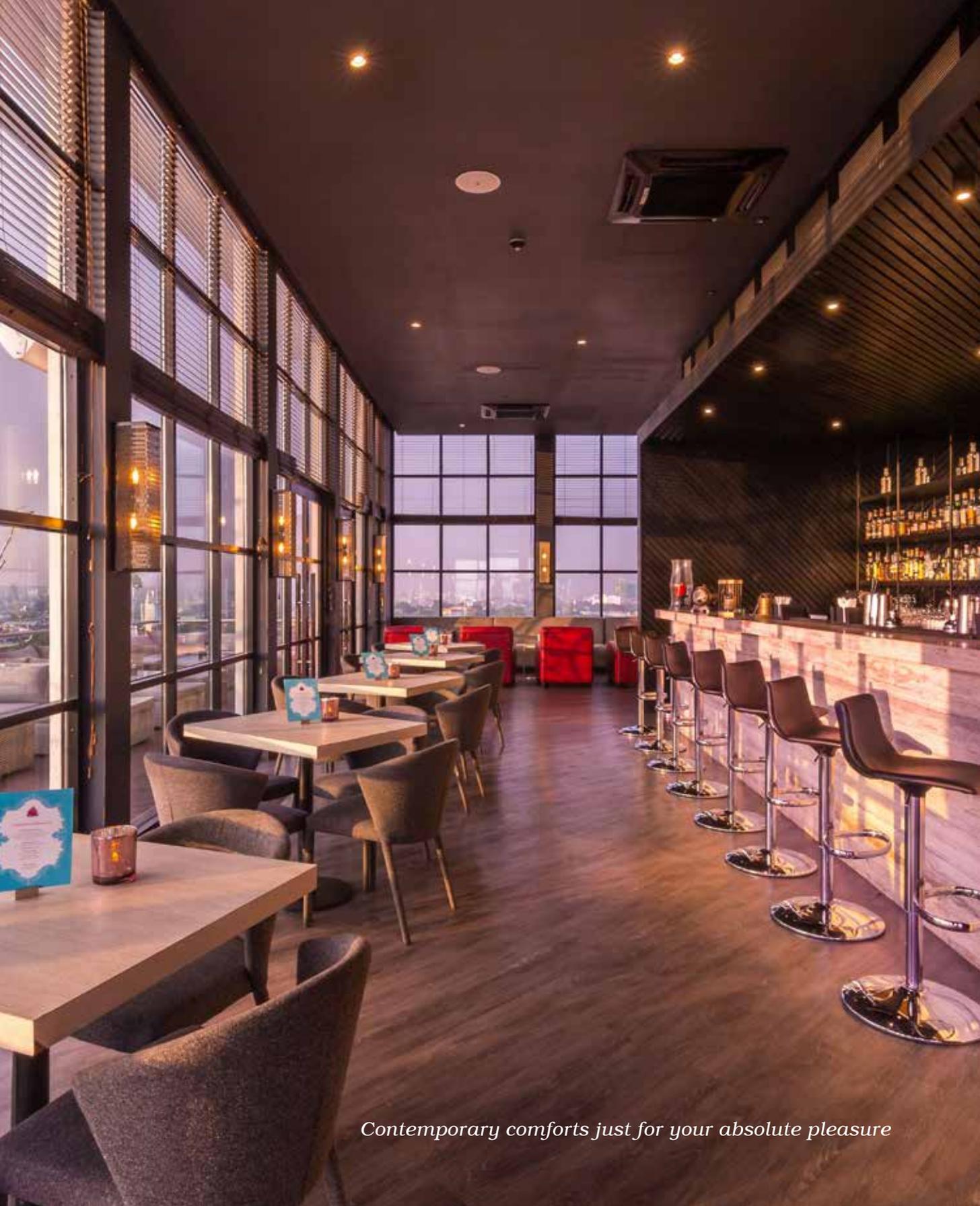
2.7. Statutory and Legal Risk		Risk Rating	Medium
	Potential Impact	Actions Taken to Mitigate Risk	
Threat of litigation due to legal and statutory requirements not being fulfilled.	<ul style="list-style-type: none"> <li>● Legal fees and penalties resulting in reduced profitability.</li> <li>● Adverse impact on reputation.</li> <li>● Loss arising from defective contracts.</li> </ul>	<ul style="list-style-type: none"> <li>● Group continues to monitor changes in the regulatory environment in which it operates.</li> <li>● Statutory declaration is made to Board each quarter.</li> <li>● Compliance audits are included in the scope of the internal audit programme.</li> <li>● Engage professional consultants to review contracts.</li> </ul>	
2.8. Internal Operational Processes		Risk Rating	Medium
	Potential Impact	Actions Taken to Mitigate Risk	
Threat of financial loss due to breakdown in internal controls.	<ul style="list-style-type: none"> <li>● Internal process failures</li> <li>● Fraud</li> <li>● Loss of data</li> </ul>	<ul style="list-style-type: none"> <li>● Outsource internal audits to reputed Audit Firms to review and report on the adequacy of the financial and operational controls.</li> <li>● Defined systems and procedures are in place to ensure compliance with internal controls.</li> <li>● Adequate fidelity covers are obtained.</li> </ul>	
3. Financial Risks			
3.1. Credit Risk		Risk Rating	Low
	Potential Impact	Actions Taken to Mitigate Risk	
Threat arising due to default of payment.	<ul style="list-style-type: none"> <li>● Reduce profitability</li> <li>● Increase working capital</li> </ul>	<ul style="list-style-type: none"> <li>● 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.</li> <li>● Actively monitor and review debtors.</li> </ul>	
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.	<ul style="list-style-type: none"> <li>● Impact on profitability on translation of foreign currency transactions.</li> </ul>	<ul style="list-style-type: none"> <li>● As far as possible, enter into sales contracts with tour operators/agents in USD.</li> <li>● Monitor the exchange rates on a daily basis.</li> </ul>	

## Risk Management Contd.

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.	<ul style="list-style-type: none"> <li>● Reduced profitability</li> <li>● Reduced cash flows</li> </ul>	<ul style="list-style-type: none"> <li>● Negotiate favourable terms and conditions with banks for loan facilities obtained.</li> </ul>
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.	<ul style="list-style-type: none"> <li>● Reduced cash flows</li> <li>● Reduced profitability</li> </ul>	<ul style="list-style-type: none"> <li>● 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.</li> <li>● Monitor and review bank balances regularly.</li> <li>● Preparation and review of actual performance against the budget monthly.</li> <li>● Reschedule the capital payments in order to suit the forecasted Cash flows.</li> </ul>

### Precautionary Approach

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.



*Contemporary comforts just for your absolute pleasure*



*Ultimate sanctuaries that will take your breath away*

## Corporate Governance

Jetwing Symphony PLC (the ‘Company’) continues to be committed to conducting the Company’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 the Company and compliance with the Rules set out in Section 7 of the Listing Rules of the Colombo Stock Exchange:

### 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. Porter, Dr. V. Kannangara, Ms. Y Fernando (Resigned w.e.f 19th January 2021), 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 four occasions. The attendance at these meetings was:

Name of the Director		Attendance
Mr. N. J. H. M. Cooray	Executive Director	4/4
Ms. N. T. M. S. Cooray	Executive Director	4/4
Mr. N. Wadugodapitiya	Non-Executive Independent Director	4/4
Dr. V.J. Kannangara	Non-Executive Independent Director	4/4
Mr. L.K. Porter	Non-Executive Independent Director	4/4
Ms. K.K. Reddy	Non-Executive Independent Director	4/4
Mr. G. Rocchi	Non-Executive Director	3/4
Ms. T.M.J.Y.P. Fernando (Resigned w.e.f.19th January 2021)	Non-Executive Independent Director	3/3
Mr. S.D. Amalean	Non-Executive Independent Director	3/4

### 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, 2021 can be seen on page 48 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 of the Colombo Stock Exchange. The Board has determined that six Non-Executive Directors satisfy the criteria for ‘independence’ set out in the Listing Rules of the Colombo Stock Exchange.

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 Contd.

**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 51 of this Report.

**Going Concern**

In determining the basis of preparing the financial statements for the year ended 31 March 2021, based on available information, the management has assessed the existing and anticipated effects of COVID 19 on the Group Companies and the appropriateness of the use of the going concern basis. The Group evaluated the resilience of its businesses considering a wide range of factors under multiple scenarios, relating to expected revenue, cost management, profitability, ability to defer non-essential capital expenditure, debt repayment reschedulements and the amount of undrawn borrowing facilities, and potential sources of financing facilities.

Having evaluated each company of Jetwing Symphony Group by the Board of Directors, and after due consideration of the range and likelihood of outcomes, the Directors are satisfied that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these consolidated financial statements.

**Audit Committee**

Jetwing Symphony PLC constituted its own Audit Committee on 1st August, 2014. The 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 Head of Finance of Jetwing Hotels Ltd 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 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 Committee helps the Company to achieve a balance between conformance and performance.

## Corporate Governance Contd.

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

The Audit Committee Report appears on page 45 of this Report.

### Remuneration Committee

The Company constituted its own Remuneration Committee on 8th May, 2017. The Committee consists of three Independent Non-Executive Directors. During the year under review, the Committee met one occasion.

The Remuneration Committee Report appears on page 47 in this Report.

### Related Party Transactions Review Committee

The Company has its own Related Party Transactions Review Committee. The Committee consists two Independent Non-Executive Directors. During the year under review, the Committee met on four occasions. The committee reviews the related party transactions during the year under review.

The Related Party Transactions Review Committee Report appears on page 46 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
7.10.1	Non-Executive Directors	At least one-third of the total number of Directors should be Non-Executive Directors	Six out of Eight 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	Five of the Six 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.	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	Please refer page 37
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	Please refer page 37
7.10.3 (c)	Disclosure relating to Directors	A brief résumé of each Director should be included in the Annual Report including the areas of Expertise	Please refer pages 42 to 44

## Corporate Governance Contd.

Rule No.	Subject	Applicable Requirement	Level of Compliance
7.10.3 (d)	Disclosure relating to Directors	Forthwith provide a brief résumé of new Directors appointed to the Board with details specified in 7.10.3 (d) to the CSE	A brief résumé provided to the CSE
7.10.5	Remuneration Committee	A listed company shall have a Remuneration Committee	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	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	Please refer Remuneration Committee Report on page 47
7.10.5 (c)	Disclosure in the Annual Report relating to Remuneration Committee	The Annual Report should set out:	Names of the members of the Remuneration Committee are stated in this report under the heading of Remuneration Committee on page 121
		a) Names of Directors comprising the Remuneration Committee	
		b) Statement of Remuneration Policy	
c) Aggregated remuneration paid to Executive Directors and Non-Executive Directors	Given in this Report under the heading of Directors' Remuneration on page 48		
7.10.6	Audit Committee	The Company shall have an Audit Committee	Company has formed an Audit Committee

## Corporate Governance Contd.

Rule No.	Subject	Applicable Requirement	Level of Compliance
7.10.6 (a)	Composition of Audit Committee	Shall comprise of Non-Executive Directors, a majority of whom will be independent	Audit Committee consists of two Independent Non-Executive Directors
		Non-Executive Director shall be appointed as the Chairman of the Committee	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	Chairman, General Manager, Chief Accountant and Managing Director, Executive Director, Head of Finance of Jetwing Hotels Ltd attend meetings by invitation
		The Chairman of the Audit Committee or one member should be a member of a professional accounting body	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	The terms of reference of the Audit Committee adopted by the Board is listed on page 38
7.10.6 (c)	Disclosure in the Annual Report relating to the Audit Committee	Names of Directors comprising the Audit Committee	Names of the members of the Audit Committee are stated in this Report under the heading of Audit Committee on page 121
		b) The Audit Committee shall make a determination of the independence of the Auditors and disclose such determination	Please refer Audit Committee Report on page 45
		c) The Annual Report shall contain a Report of the Audit Committee setting out the manner of Compliance of the functions	Please refer Audit Committee Report on page 45

## Board of Directors and their Profiles

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### 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 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) from 2014-2016, having already served as a board Director of the Sri Lanka Tourism Development Authority (SLTDA) from 2010-2014. He also served 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/panellist. Hiran's expertise 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.

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### 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 other directorates in hotels, finance, investment banking, Commodity brokering, Commercial banking and Insurance.

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.

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### 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.

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## 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

Mr. Rocchi, is an Italian national, who has lived for the last 26 years in Sri Lanka. He started his business in Sri Lanka in 1994 by developing a textile business and went on to build his own factories, employing a total of 1,200 employees. During his time in Sri Lanka, Mr. Rocchi devoted his free time to follow his passion in hospitality. He set the path to high quality Italian food in Sri Lanka by opening the first traditional Italian ice cream parlour in Sri Lanka in 2002, followed by the opening of a traditional Italian Trattoria style restaurant in 2013 and another one in 2015 in the heart of Colombo. What started as a passion transformed in a business: Mr. Rocchi began trading Italian top quality food and beverage products firstly for its own businesses and subsequently for local hotels and restaurants. Making his company, Ceccato Colombo Pvt Ltd, at the top of the premium Italian commodity market with sole distribution of products like San Pellegrino & Acqua Panna waters, illy coffee, Enomatic wine dispensers, and so on. In addition to the above, Mr. Rocchi introduced a full kitchen supply for apartment and residencies.

Mr. Giuseppe Rocchi is now the Managing Director of Textile International Colombo (Pvt) Ltd, Ceccato Colombo (Pvt) Ltd, Camagni Ceylon Luxury Kitchen and LUPA Investments (Pvt) Projects which carries out real estate project consisting of commercial and residential properties.

Mr. Rocchi is also a director and shareholder of his family owned Infondi S.p.a., an Italian Holding owning 10 Hotels and managing part of the properties under the brand name “R Collection Hotels”. In the last two years Mr. Rocchi has invested in Dubai and Thailand in extensive hospitality projects as well.

**Sharad Amalean**

Non-Executive Independent Director

- Co-Founder and Board Member - 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.

Sharad is a past Chairman of the Joint Apparel Association Forum and currently a member of the Presidential Task Force on Economic Revival & Poverty Eradication.

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 have 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 in below table. The Chairman of the Audit Committee is a Fellow Member of the Chartered Institute of Management Accountants, UK. The Audit Committee met on four occasions during the financial year.

Members of the Audit Committee		Attendance at the Meeting
Mr. N. Wadugodapitiya (Chairman)	Non-Executive Independent	4/4
Ms. K.K. Reddy	Non-Executive Independent	4/4

The Chairman, General Manager of the Hotel, Chief Accountant of the Hotel, Managing Director, Executive Director and the Head of Finance 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 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 designated Executives appointed to carry out periodic internal audits.
- 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 Company 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 Company. 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, 2022.



N. Wadugodapitiya  
Chairman - Audit Committee

12th May, 2021

## 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, 2021 it comprised two Non-Executive Independent Directors as shown in below table. Chairman of the Committee is a Non-Executive Independent Director.

Members of the Related Party Transactions Review Committee		Attendance at the Meeting
Mr. N. Wadugodapitiya (Chairman)	Non-Executive Independent	3/4
Dr. V.J. Kannangara	Non-Executive Independent	4/4
Ms. T.M.J.Y.P. Fernando (Resigned w.e.f 19th January 2021)	Non-Executive Independent	3/3

### 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.

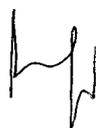
### Committee Meetings

The Committee met on four occasions during the financial year. The attendance at these meetings are given in above table. 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.

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 100 and 101 to the Financial Statements.



N. Wadugodapitiya  
Chairman  
Related Party Transactions Review Committee  
12th May, 2021

## 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 shown in below table. The members of the Committee met once in the year under review.

Members of the Remuneration 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 aggregate remuneration paid to Directors is set out in page 48



Dr. V. Kannangara  
Chairman – Remuneration Committee

12th May, 2021

## 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, 2021.

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

Jetwing Symphony PLC 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 58 to 106 in this Annual Report.

### Auditor's Report

The Auditors' Report on the Financial Statements is given on pages 54 to 57.

### Accounting Policies

The accounting policies adopted by the group in the preparation of Financial Statements are given on pages 63 to 77 in this Annual Report.

The accounting policies adopted are consistent with these of the previous financial year

### 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 No. 07 of 2007. The related party disclosures and the Directors of each of those related parties are given on pages 107 and 113 respectively.

### Directors' Remuneration

There are no aggregate emoluments paid to the Non-Executive Directors during the year is reflected on page 102 in Note 22.5 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. 412,500/- +Taxes.

### Directors' Direct Shareholding

	Directors' Direct Shareholding	
	As at 31st March, 2021	As at 1st April, 2020
Mr. N.J.H.M. Cooray	34,747,339	34,747,339
Ms. N.T.M.S. Cooray	32,866,324	32,866,324
Mr. N. Wadugodapitiya	25,000	25,000

### 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. Porter, Dr. V. Kannangara, Ms. Y. Fernando (Resigned w.e.f 19th January 2021), Mr. S.D. Amalean

#### Subsidiaries Board of Directors

The names of Directors of the subsidiary companies who held office as at 31 March 2021 are set out on page 112 in this Annual report.

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

**Donations**

At the last Annual General Meeting shareholders authorised Directors to determine contributions to donations. The donations given during the year amounted to Rs. 6,003/-.

**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 2.8.9 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 No. 07 of 2007 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. 215,163/- as audit fees and expenses by the Company. In addition, they were paid Rs. 43,124/- 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. 1,260,248/-. In addition, they were paid Rs. 797,789/- 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. 556,855,664/- (2019/20 - Rs. 1,525,015,690/-).

	2021 Rs.	2020 Rs.
<b>Profit/(Loss)</b>		
Net Profit/(Loss) for the year after providing for all expenses, known liabilities and depreciation of fixed assets was	(820,623,607)	(452,627,979)
Other Comprehensive Income/(Loss) for the year	1,589,280	1,219,250
Prior Year Retained Profit/(Loss)	(1,575,797,921)	(1,124,389,192)
<b>Retained Profit/(Loss) at the End of the Year</b>	<b>(2,394,832,248)</b>	<b>(1,575,797,921)</b>
<b>Revaluation Reserve</b>		
As at the beginning of the year	994,245,815	934,174,815
Revaluation surplus	12,332,850	69,850,000
Deferred Tax on Revaluation Surplus	(1,726,599)	(9,779,000)
<b>As at 31st March,</b>	<b>1,004,852,066</b>	<b>994,245,815</b>

## 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. 29,211,626/-(2020 - Rs. 609,142,408/-) details of which are given in Note 4.1 to the Financial Statements on page 79.

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 82.

**Stated Capital**

There were no changes in the Company's Stated Capital during the year under review. In terms of the Companies Act No. 07 of 2007, the Stated Capital of the Company was Rs. 5,509,276,455 /- as at 31st March, 2021 (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**

17.99% of the issued capital of the company was held by the public, comprising of 928 public shareholders and a float adjusted market capitalisation of Rs. 832,980,162/- as at 31st March 2021. In terms of Rule 7.13.1.(b) of the listing rules of the Colombo Stock Exchange. The company qualifies under option 2 of the minimum public holding requirement.

**Going Concern**

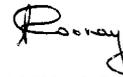
In determining the basis of preparing the financial statements for the year ended 31 March 2021, based on available information, the management has assessed the existing and anticipated effects of COVID 19 on the Group Companies and the appropriateness of the use of the going concern basis. The Group evaluated the resilience of its businesses considering a wide range of factors under multiple scenarios, relating to expected revenue, cost management, profitability, ability to defer non-essential capital expenditure, debt repayment re-schedulements, and the amount of undrawn borrowing facilities, and potential sources of financing facilities.

Having evaluated each company of Jetwing Symphony Group by the Board of Directors, and after due consideration of the range and likelihood of outcomes, the Directors are satisfied that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these consolidated financial statements.

For and on behalf of the Board,



N.J.H.M Cooray  
Chairman



N.T.M.S Cooray  
Director



Corporate Services (Pvt) Ltd.  
Secretaries

Jetwing Symphony PLC

12th May 2021

## 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 pages 54 to 57 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.

12 May 2021





### **Financial Calendar**

Audited Financial Statements signed on	12 May 2021
Annual General Meeting	30 June 2021

### **Interim Financial Statements**

1st Quarter Interim report released on	10 August 2020
2nd Quarter Interim report released on	28 October 2020
3rd Quarter Interim report released on	10 February 2021
4th Quarter Interim report released on	12 May 2021

## Independent Auditor's Report

TO THE SHAREHOLDERS OF JETWING SYMPHONY PLC



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Chartered Accountants  
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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 2021 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 2021, 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.

Partners: W R H Fernando FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva FCA Ms. Y A De Silva FCA W R H De Silva ACA ACMA W K B S P Fernando FCA FCMA  
Ms. K R M Fernando FCA ACMA Ms. L K H L Fonseka FCA A P A Gunasekera FCA FCMA A Herath FCA D K Hulangamuwa FCA FCMA LLB (Lond) H M A Jayasinghe FCA FCMA  
Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunga FCA A A J R Perera ACA ACMA Ms. P V K N Sajeewani FCA N M Sulaiman ACA ACMA B E Wijesuriya FCA FCMA  
Principals: G B Goudian ACMA T P M Ruberu FCMA FCCA

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## Key audit matters common to the Group

Key audit matter	How our audit addressed the key audit matter
<p><b>Management’s assessment of the impact of the continuing COVID-19 pandemic on the carrying values of Property, Plant and Equipment, Right of Use Assets and Goodwill</b></p> <p>As at 31 March 2021, the Group’s property, plant and equipment amounted to Rs. 9,041 million, Right of Use assets were reflected at Rs. 72.3 million (together, the “finite-lived assets”) and Goodwill totaled Rs. 580 million, in line with the accounting policies stated in 2.8.8, 2.8.13, 2.8.15 and 2.8.2 respectively.</p> <p>The Group evaluates the carrying value of its finite-lived assets if indicators of impairment are present, such as continuing losses and adverse macroeconomic conditions, while Goodwill is tested for impairment annually.</p> <p>The continued impact of COVID-19 pandemic on the business of the Group, necessitated the management to carry out impairment assessments on finite-lived assets, while it also affected the evaluation of impairment of Goodwill. In carrying out impairment assessments, management evaluates recoverability of the carrying value of cash generating units being each hotel of the Group, by comparing their expected future cash flows with the related carrying values.</p> <p>We selected management’s assessment of the impact of the pandemic on the carrying value of stated assets as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>the subjectivity of management judgments used and significant estimation uncertainty in the determination of the estimated future discounted cash flows, as they are heavily dependent on the duration and severity of the continued implications of the pandemic and</li> <li>the challenging measurement uncertainty of the assets carried at fair value, given the absence of representative market-based transactions which necessitated the use of judgment by the external valuer.</li> </ul> <p>The key judgements and assumptions used included the management expected period of time for recovery, anticipated occupancy and average room rates and fairvalues which are disclosed in Note 2.7(a) and (b).</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>We gained an understanding of how management has forecast its future discounted cash flows which included consideration of the impacts of the continuing COVID-19 pandemic on the operations of the respective hotels of the Group.</li> <li>We checked the calculations of the future discounted cash flows and cross checked the data to relevant underlying accounting records, to evaluate their reasonableness.</li> <li>We engaged our internal specialized resources to assist us in: <ul style="list-style-type: none"> <li>- assessing the reasonableness of significant assumptions used such as expected period of time for recovery, anticipated occupancy and average room rates. This included comparing assumptions used with available industry data and;</li> <li>- evaluating the sensitivity of the projected cashflows, Group by considering possible changes in key assumptions used in multiple future economic scenarios.</li> </ul> </li> <li>We discussed with the external valuer and those charged with governance, the rationale of the external valuer’s judgments and compared the same with relevant published data.</li> <li>We assessed the adequacy of the disclosures made in Notes 2.3 and 2.7 (a) and (b) in the financial statements.</li> </ul>

(Contd....56)



### Other Information included in the 2021 Annual Report

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

Our opinion on the financial statements does not cover 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.

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 2199.

A handwritten signature in black ink, appearing to read 'Ernest A. Jayasinghe', written over the date '12 May 2021'.

12 May 2021

Colombo

## Statement of Financial Position

As at 31 March	Note	Group		Company	
		2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Property, Plant and Equipment	4	9,040,569,349	9,340,933,909	-	-
Right of use Assets	5	72,344,180	88,297,350	-	-
Other Investments	7	935,826	813,054	-	-
Investment in Subsidiaries	7	-	-	5,469,233,010	5,469,233,010
Deferred Tax Assets	18	15,806,068	7,689,166	-	-
Intangible Assets	6	581,435,548	582,529,419	-	-
		9,711,090,971	10,020,262,898	5,469,233,010	5,469,233,010
<b>Current Assets</b>					
Inventories	8	42,177,236	54,129,255	-	-
Trade and Other Receivables	9	81,360,033	191,410,005	6,796,441	7,816,919
Income Tax Receivables		949,268	949,935	-	-
Other Current Financial Assets	7	60,043,117	1,646,635	-	-
Cash at Bank and in Hand	16	36,924,272	96,153,520	415,330	748,188
		221,453,926	344,289,350	7,211,771	8,565,107
<b>Total Assets</b>		<b>9,932,544,897</b>	<b>10,364,552,248</b>	<b>5,476,444,781</b>	<b>5,477,798,117</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>Equity Attributable to Equity Holders of the Parent</b>					
Stated Capital	10.1	5,509,276,455	5,509,276,455	5,509,276,455	5,509,276,455
Fair value Reserve	10.2.1	-	-	-	-
Revaluation Reserve	10.2.2	1,004,852,066	994,245,815	-	-
Retained Earnings/(Losses)		(2,394,832,248)	(1,575,797,921)	(35,292,502)	(33,326,510)
		4,119,296,273	4,927,724,349	5,473,983,953	5,475,949,945
<b>Non Controlling Interest</b>		<b>4,831,049</b>	<b>14,308,604</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>		<b>4,124,127,322</b>	<b>4,942,032,953</b>	<b>5,473,983,953</b>	<b>5,475,949,945</b>
<b>Non Current Liabilities</b>					
Interest Bearing Loans and Borrowings	11	3,530,767,859	3,093,772,489	-	-
Post Employment Benefit Liabilities	12	51,049,808	41,924,955	-	-
Deferred Tax liabilities	18	251,636,792	249,322,262	-	-
		3,833,454,459	3,385,019,706	-	-
<b>Current Liabilities</b>					
Current Portion of Interest Bearing Loans and Borrowings	11	1,773,940,799	1,717,860,528	-	-
Trade and Other Payables	13	201,001,606	319,475,216	2,440,189	1,775,066
Income Tax Payable		20,711	163,845	20,639	73,106
		1,974,963,116	2,037,499,589	2,460,828	1,848,172
<b>Total Equity and Liabilities</b>		<b>9,932,544,897</b>	<b>10,364,552,248</b>	<b>5,476,444,781</b>	<b>5,477,798,117</b>

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.J.H.M Cooray**

Chairman



**N. T.M.S Cooray**

Director

The accounting policies and notes on pages 63 through 106 form an integral part of the Financial Statements.

12 May 2021

Colombo

## Statement of Profit or Loss

Year ended 31 March	Note	Group		Company	
		2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Revenue	3	556,855,664	1,525,015,690	-	-
Cost of Sales		(174,280,818)	(284,957,388)	-	-
Gross Profit		382,574,846	1,240,058,302	-	-
Other Income	15	2,952,373	8,892,922	-	547,823
Administrative Expenses		(480,993,109)	(842,441,716)	(2,366,178)	(4,753,626)
Marketing & Promotional Expenses		(7,405,504)	(57,352,331)	-	-
Profit / (Loss) from operation		(102,871,394)	349,157,177	(2,366,178)	(4,205,803)
Depreciation & Amortisation		(347,610,356)	(323,472,406)	-	-
Finance Income	14.1	1,941,613	7,426,365	532,346	4,700,503
Finance Costs	14.2	(317,761,129)	(422,236,627)	(4,397)	(145)
Exchange Gain/(Loss) on Foreign Currency Loan Conversion	11.3	(62,202,616)	(74,803,312)	-	-
Profit/(Loss) Before Tax	17	(828,503,882)	(463,928,803)	(1,838,229)	494,555
Income Tax (Expenses)/Reversal	18	(1,586,096)	4,137,724	(127,763)	(1,269,136)
Profit/(Loss) for the Year		(830,089,978)	(459,791,079)	(1,965,992)	(774,581)
Attributable to:					
Equity holders of the parent		(820,623,607)	(452,627,979)		
Non controlling interests		(9,466,371)	(7,163,100)		
		(830,089,978)	(459,791,079)		
Earnings/(Loss) Per Share - Basic	19	(1.634)	(0.901)	(0.004)	(0.002)

The accounting policies and notes on pages 63 through 106 form an integral part of the Financial Statements.

## Statement of Comprehensive Income

Year ended 31 March	Note	Group		Company	
		2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Profit/(Loss) for the Year		(830,089,978)	(459,791,079)	(1,965,992)	(774,581)
Other Comprehensive Income					
Other comprehensive income to be reclassified to Statement of Profit or Loss in subsequent period					
Gain on FVTOCI Financial Instruments	10.2.1	-	547,823	-	547,823
Reclassification adjustment for gains included in the Statement of Profit or Loss	10.2.1	-	(547,823)	-	(547,823)
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	1,834,995	1,462,086	-	-
Deferred Tax on Actuarial (Gain)/Loss		(256,899)	(204,692)	-	-
Revaluation Surplus of Freehold Land	10.2.2	12,332,850	69,850,000	-	-
Deferred Tax on Revaluation Surplus	18.2	(1,726,599)	(9,779,000)	-	-
Other Comprehensive Income/(Loss) for the Year		12,184,347	61,328,394	-	-
Total Comprehensive Income/(Loss) for the Year		(817,905,631)	(398,462,685)	(1,965,992)	(774,581)
Attributable to:					
Equity Holders of the Parent		(808,428,076)	(391,337,729)		
Non Controlling Interests		(9,477,555)	(7,124,956)		
		(817,905,631)	(398,462,685)		

The accounting policies and notes on pages 63 through 106 form an integral part of the Financial Statements.

## Statement of Changes in Equity

Group	Attributable to Equity Holders of the Parent					Non Controlling Interest	Total
	Stated Capital	Fair Value Reserve	Revaluation Reserve	Retained Earnings	Total		
	Rs. (Note 10.1)	Rs. (Note 10.2.1)	Rs. (Note 10.2.2)	Rs.	Rs.		
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
Profit/(Loss) for the Year	-	-	-	(452,627,979)	(452,627,979)	(7,163,100)	(459,791,079)
Other Comprehensive Income/(Loss) for the year	-	-	60,071,000	1,219,250	61,290,250	38,144	61,328,394
Total Comprehensive Income/(Loss) for the year	-	-	60,071,000	(451,408,729)	(391,337,729)	(7,124,956)	(398,462,685)
Balance as at 31 March 2020	5,509,276,455	-	994,245,815	(1,575,797,921)	4,927,724,349	14,308,604	4,942,032,953
Profit/(Loss) for the Year	-	-	-	(820,623,607)	(820,623,607)	(9,466,371)	(830,089,978)
Other Comprehensive Income/(Loss) for the year	-	-	10,606,251	1,589,280	12,195,531	(11,184)	12,184,347
Total Comprehensive Income/(Loss) for the year	-	-	10,606,251	(819,034,327)	(808,428,076)	(9,477,555)	(817,905,631)
Balance as at 31 March 2021	5,509,276,455	-	1,004,852,066	(2,394,832,248)	4,119,296,273	4,831,049	4,124,127,322

Company	Stated Capital	Fair Value Reserve	Retained Earnings	Total
	Rs. (Note 10.1)	Rs. (Note 10.2.1)	Rs.	Rs.
Balance as at 31 March 2019	5,509,276,455	-	(32,551,929)	5,476,724,526
Profit/(Loss) for the Year	-	-	(774,581)	(774,581)
Other Comprehensive Income/(Loss) for the year	-	-	-	-
Total Comprehensive Income/(Loss) for the year	-	-	(774,581)	(774,581)
Balance as at 31 March 2020	5,509,276,455	-	(33,326,510)	5,475,949,945
Profit/(Loss) for the Year	-	-	(1,965,992)	(1,965,992)
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Income/(Loss) for the year	-	-	(1,965,992)	(1,965,992)
Balance as at 31 March 2021	5,509,276,455	-	(35,292,502)	5,473,983,953

The accounting policies and notes on pages 63 through 106 form an integral part of the Financial Statements

## Statement of Cash Flows

Year ended 31 March	Note	Group		Company	
		2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
<b>Cash Flows From / (Used in) Operating Activities</b>					
Profit/(Loss) before Tax		(828,503,882)	(463,928,803)	(1,838,229)	494,555
Adjustments for:					
Dividend Income	14.1	-	(21,867)	-	-
Interest Received	14.1	(1,941,613)	(7,404,498)	(532,346)	(4,700,503)
Depreciation & Amortisation	17	347,610,355	323,472,406	-	-
Finance Costs	14.2	317,761,129	422,236,627	4,397	145
(Profit)/Loss on Disposal of Property, Plant and Equipment	17	(763,676)	5,305,934	-	-
(Profit)/Loss on Disposal of Right of use Assets	17	-	(3,894,236)	-	-
Capital (Gain) on Sale of Investments	7.4.1	(40,845)	(547,823)	-	(547,823)
Exchange (Gain)/Loss on Foreign Currency Loan Conversion	11.3	62,202,616	74,803,312	-	-
Fair value (Gain)/Loss from Other Investments	15	(122,772)	71,811	-	-
Provision for Defined Benefit Obligation	12.1	11,858,799	9,941,997	-	-
<b>Operating Profit / (Loss) before Working Capital Changes</b>		<b>(91,939,889)</b>	<b>360,034,860</b>	<b>(2,366,178)</b>	<b>(4,753,626)</b>
(Increase) / Decrease in Inventories		11,952,019	5,369,507	-	-
(Increase) / Decrease in Trade and Other Receivables		100,925,740	55,545,252	20,478	870,616
Increase / (Decrease) in Trade and Other Payables		(118,473,610)	56,246,322	665,123	(509,410)
<b>Cash Generated From/ (Used in) Operations</b>		<b>(97,535,740)</b>	<b>477,195,941</b>	<b>(1,680,577)</b>	<b>(4,392,420)</b>
Finance Costs Paid		(96,911,455)	(165,534,384)	(4,397)	(145)
Income Tax Paid		(390,198)	(9,635,013)	(180,230)	(8,348,125)
Defined Benefit Plan Cost Paid Net of Transfers	12	(898,951)	2,928,611	-	-
<b>Net Cash Flows From/(Used in) Operating Activities</b>		<b>(195,736,344)</b>	<b>304,955,155</b>	<b>(1,865,204)</b>	<b>(12,740,690)</b>
<b>Cash Flows From/(Used in) Investing Activities</b>					
Acquisition of Property, Plant and Equipment	4.6	(29,211,626)	(609,142,408)	-	-
Acquisition of Right of Use Assets	5.1	-	(5,117,450)	-	-
Acquisition of Intangible Assets	6.1	-	(950,000)	-	-
Investment (made)/redeem in Fixed deposits		(59,302,272)	175,000,000	-	-
Proceeds from Sale of Property, Plant and Equipment		1,817,237	74,956	-	-
Investment in Unit Trust		(1,200,000)	-	-	-
Proceeds from Redemption of Units		500,000	-	-	-
Short Term Loans Recovered		-	-	1,000,000	107,500,000
Short Term Loans Granted		-	-	-	(55,000,000)
Interest Received		1,941,613	7,404,498	532,346	5,324,311
Dividends Received		-	21,867	-	-
Investment in Subsidiaries	7.2	-	-	-	(50,000,000)
<b>Net Cash Flows From/ (Used in) Investing Activities</b>		<b>(85,455,048)</b>	<b>(432,708,537)</b>	<b>1,532,346</b>	<b>7,824,311</b>
<b>Cash Flows From Financing Activities</b>					
Proceeds from Leases	11.2	-	7,100,000	-	-
Repayment of principal portion of lease liabilities	11.2	(3,988,872)	(5,499,074)	-	-
Proceeds from Bank Loans	11.3	191,639,313	495,000,000	-	-
Repayment of Bank Loans	11.3	(42,499,400)	(212,615,855)	-	-
Proceeds Received from Grants		-	275,000	-	-
<b>Net Cash Flows From/ (Used in) Financing Activities</b>		<b>145,151,041</b>	<b>284,260,071</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>(136,040,351)</b>	<b>156,506,689</b>	<b>(332,858)</b>	<b>(4,916,379)</b>
Cash and Cash Equivalents at the beginning of the Year	16	(1,050,216,729)	(1,206,723,418)	748,188	5,664,567
Cash and Cash Equivalents at the end of the Year	16	(1,186,257,080)	(1,050,216,729)	415,330	748,188

The accounting policies and notes on pages 63 through 106 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, all of 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 2021 were authorized for issue by the Board of directors on 12 May 2021.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of Compliance

The financial statements of Jetwing Symphony PLC (“the Company”) and the consolidated financial statements of the Company and its subsidiaries (“the Group”), comprise the statement of financial position as at 31 March 2021 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.

The financial statements of the Company and the Consolidated Financial Statements of the Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and in compliance with the requirements of 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). 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 Going Concern

In determining the basis of preparing the financial statements for the year ended 31 March 2021, based on available information, the management has assessed the existing and anticipated effects of COVID 19 on the Group companies and the appropriateness of the use of the going concern basis. The Group evaluated the resilience of its businesses considering a wide range of factors under multiple scenarios, relating to expected revenue, cost management, profitability, ability to defer non-essential capital expenditure, debt repayment reschedulements, and the amount of undrawn borrowing facilities, and potential sources of financing facilities.

## Notes to the Financial Statements Contd.

Having evaluated each company of Jetwing Symphony Group and after due consideration of the range and likelihood of outcomes, the Directors are satisfied that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these consolidated financial statements. Further information is provided in Note 2.7 a) below.

#### 2.4 Changes in accounting policies

The accounting policies adopted by the Group are consistent with those of the previous financial year

#### 2.5 Comparative Information

The presentation and classification of the financial statements of the previous year has been amended, where relevant for better presentation and to be comparable with those of the current year.

#### 2.6 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 2021.

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.

## Notes to the Financial Statements Contd.

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.

## 2.7 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Consolidated Financial Statements in conformity with Sri Lanka Accounting Standards 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. Impact of COVID-19 pandemic on the Group

In determining the basis of preparing the financial statements for the year ended 31 March 2021, based on available information, the management has assessed the existing and anticipated effects of COVID 19 on the Group and the appropriateness of the use of the going concern basis. The Group evaluated the resilience of its business considering a wide range of factors under multiple circumstances such as optimistic (best case), most likely (base case) and pessimistic (worst case) scenarios.

The key assumptions used in this assessment and their sensitivities are as follows.

Key assumption	Details	Stress condition and sensitivity	Indication of adequacy of funding available if the assumed stress condition occurs*
Occupancy	<ul style="list-style-type: none"> <li>April 2021 – Actual occupancy</li> <li>May 2021 to March 2022 at increasing occupancy between 5% to 60%.</li> </ul>	Reduction of occupancy by 10% will deplete undrawn borrowing facilities by Rs. 67 Mn.	Adequate
Average Room Rate (ARR)	Budgeted ARR & Discount up to 15%	Reduction of 10% on budgeted ARR will deplete undrawn borrowing facilities by Rs. 67 Mn.	Adequate
Anticipated cost management measures	Assumed to take place up to 12 months from the reporting date	Reduction of favourable results of cost management measures by 10% will deplete undrawn borrowing facilities by Rs. 25 Mn.	Adequate

## Notes to the Financial Statements Contd.

\*Above indication of adequacy of funding available is assessed with the stated stress factor assumed to take place exclusively without any bearing on other key assumptions simultaneously.

There is a considerable degree of judgement involved in making the above assessment. The underlying assumptions are also subject to uncertainties which are often outside the control of the Group. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting judgements and estimates included in these financial statements.

**b. Revaluation of Freehold Land**

The Freehold Land of the group is reflected at fair value. Freehold Land is 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. Valuations are performed frequently enough to ensure that the fair value of a revalued land does not differ materially from its carrying amount. To determine the frequency of valuations, the management uses its judgement supported by the advice of an independent professional valuer.

## Fair value measurement

Given the continuing impact of COVID-19 pandemic, in determining whether the fair value of Freehold Land as last appraised at the end of the previous financial year requires revision or not, the group obtained advice of an independent external valuer. The external independent valuer has advised that fair value of Freehold Land as reflected in these financial statements does not require a significant change. In providing such advice, the valuer has used his judgement that despite absence of representative market-based transactions of similar lands in locations and conditions as that of the group, the fair value of land has neither suffered, nor appreciated in value other than by an insignificant and negligible amount.

Further information including key inputs used in the valuation of the Land of the group and sensitivity analysis are provided in Note 4.

**c. 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.

**d. Goodwill Impairment**

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 in determining the recoverable amount, and their sensitivity are given in Note 6.2.1

**e. 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.

## Notes to the Financial Statements Contd.

### f. 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.

### g. Impairment of Non Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs and its value in use.

The fair value less cost of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

### h. Assessment of recoverability of Deferred Tax Assets

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

### i. Incremental Borrowing rate

The Group recognised its lease liabilities in relation to leases and liabilities that were measured at the present value of the future lease payments, after discounting based on the lessee's incremental borrowing rate as of commencement date of the lease. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 31/03/2021 was 11%.

## 2.8 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 2.8.1 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.

### 2.8.2 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.

## Notes to the Financial Statements Contd.

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.

### 2.8.3 Revenue Recognition

#### 2.8.3.1 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 group 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.

## Notes to the Financial Statements Contd.

- 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.

## 2.8.3.2 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.

- (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.

## 2.8.3.3 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.

## 2.8.4 Financial Instruments

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.

## Notes to the Financial Statements Contd.

**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)
- 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

## Notes to the Financial Statements Contd.

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.

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.

## Notes to the Financial Statements Contd.

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.

**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.

## Notes to the Financial Statements Contd.

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

### 2.8.5 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.

### 2.8.6 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.

### 2.8.7 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.

The Company and Group is liable to pay gratuity in terms of the Gratuity Act No.12 of 1983 Payment of Gratuity Act No. 12 of 1983

#### b) Defined Contribution Plans– Employees’ Provident Fund & Employees’ Trust Fund

## Notes to the Financial Statements Contd.

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.

## 2.8.8 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 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.

## 2.8.9 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, Kaduruketha Farmers (Pvt) Ltd, The River Bank (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 24% with effect from 01 January 2021 (2018/19 - 28%). All other subsidiaries excluding those that enjoy tax holiday on mentioned below are taxed at 24%

The following companies enjoy Tax Holiday under the law of Board of Investment.

Yala Properties (Pvt) Ltd (Subsidiary of Yala safari Beach Hotel (Pvt) Ltd) 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

## Notes to the Financial Statements Contd.

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 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 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.

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 2027/28.

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.

## Notes to the Financial Statements Contd.

No deferred tax asset or liability has been recognised in the companies which are enjoying the Board of Investment (BOI) Tax Holiday period, for assets and liabilities for which tax impacts and reversals take place within the tax exemption period.

**2.8.10 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.

**2.8.11 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.

**2.8.12 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.

**2.8.13 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 amount.

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 derecognised. 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.

## Notes to the Financial Statements Contd.

## 2.8.14 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.

## 2.8.15 Leases

With effect from 1 April 2019, the Group applies this standard to contracts that were previously identified as leases applying LKAS 17 and IFRIC 4, without reassessing whether a contract contains a lease at the date of initial application as a practical expedient. For the contracts entered on or after the effective date of transition, the Group assesses at the inception of a contract, whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration as per the guidelines of SLFRS 16. This assessment considers whether, throughout the period of use, the lessee has both the right to obtain all of the economic benefits from the use of the identified asset and the right to direct how and for what purpose the identified asset is used. After the assessment of whether a contract is, or contains, a lease, the Group determines whether it contains additional lease or non-lease (service) components based on the detailed guidance provided in SLFRS 16. Accordingly, the right to use of an identifying asset is a separate lease component if the lessee can benefit from the use of underlying asset either on its own or together with other resources readily available to the lessee and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract.

## Group as a lessee

As per SLFRS 16, when the Group has determined that a contract contains a lease component and one or more additional lease components or non-lease components, the consideration in the contract is allocated to each lease component on the basis of relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. At the commencement date, the Group recognises right-of-use of an asset and a lease liability which is measured at the present value of the lease payments that are payable on that date. Lease payments are discounted using the IBR. After initial recognition, the Group applies cost model for the right-of-use of an asset and depreciate the asset from commencement date to the end of the useful life of the underlying asset. Where the right does not transfer the ownership of the asset, the Group depreciates it from commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. In addition, interest expense on the lease liability is recognised in the profit or loss.

## 2.8.16 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 if any. Carrying amount are subject to impairment as described in Note 2.8.8.

## 2.9 EFFECT OF SRI LANKA ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE:

The following Sri Lanka Accounting Standards and interpretations have been issued by the Institute of Chartered Accountants of Sri Lanka which are not yet effective as at 31st March 2021.

- SLFRS 17 Insurance Contracts
- Amendment to SLFRS 16 Leases: COVID – 19 related rent concessions
- Amendments to SLFRS 9, LKAS 39, SLFRS 4, SLFRS 7 & SLFRS 16 [Interest Rate Benchmark Reform – phase 1 and 2]
- Amendments to SLFRS 3: Reference to the Conceptual Framework
- Amendments to LKAS 16 : Property, Plant & Equipment - Proceeds before Intended Use
- Amendments to LKAS 37 : Onerous Contracts - Cost of Fulfilling a Contract.
- Amendments to LKAS 1 : Classification of liabilities as Current or Non-current.

the group will not be affected by these amendments as at the reporting date. Further, the amended standards and interpretations are not expected to have a significant impact on the group's Financial Statements.

## Notes to the Financial Statements Contd.

## 3. REVENUE

## 3.1 Type of Services

The business activities of the Group are only organized as a single reportable segment, where the management of the hotels monitors the revenue per available room and average room rate as key performance indicators. Revenue consists of the following Types and Natures of services:

Year ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Room Revenue	200,570,039	839,162,926	-	-
Food & Beverage Revenue	331,379,864	608,680,422	-	-
Other Hotel Related Revenue	24,905,761	77,172,342	-	-
<b>Total Revenue</b>	<b>556,855,664</b>	<b>1,525,015,690</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements Contd.

## 4. PROPERTY, PLANT &amp; EQUIPMENT

## 4.1 Gross Carrying Amounts

Group	Balance as at 01.04.2020	Additions	Revaluation	Transfers in/(out)	Disposals	Balance as at 31.03.2021
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>At Cost</b>						
Building and Building Integrals	6,085,166,123	164,463	-	(4,763,843)	(978,578)	6,079,588,165
Plant & Equipment	325,647,747	120,370	-	(3,712,951)	(73,359)	321,981,807
Solar Electrical System	139,696,426	35,000	-	(450,000)	(35,468)	139,245,958
Sewage Treatment Plant	26,403,062	-	-	214,100	-	26,617,162
Kitchen Equipment	219,744,464	202,815	-	(183,828)	-	219,763,451
Electrical Equipment	187,228,649	205,191	-	7,079,609	(801,156)	193,712,293
Office Equipment	18,995,451	328,000	-	28,875	-	19,352,326
Sport Equipment	15,286,731	9,980	-	411,150	-	15,707,861
Furniture & Fittings	500,867,567	245,400	-	(1,152,798)	-	499,960,169
Swimming Pool Equipment	8,364,206	175,000	-	165,175	-	8,704,381
Motor Vehicles	83,668,728	6,235,000	-	-	(2,924,586)	86,979,142
Cutlery, Crockery & Glassware	25,316,027	352,800	-	(867,885)	-	24,800,942
Linen	33,926,802	1,437,660	-	115,200	(4,159,040)	31,320,622
Hot Water System	66,011,396	-	-	1,078,358	-	67,089,754
Laundry Equipment	40,636,079	-	-	75,000	-	40,711,079
Telephone System	20,323,284	-	-	-	(162,243)	20,161,041
Elevator	51,673,063	-	-	-	-	51,673,063
Television Systems	39,859,038	498,297	-	-	(454,890)	39,902,445
Maintenance Equipment	2,348,363	43,500	-	506,860	-	2,898,723
Furnishing, Bar, Room & Misc. Equipment	66,549,435	942,500	-	1,044,455	(888,810)	67,647,580
Computers	37,081,805	148,500	-	4,506,923	-	41,737,228
Motor Boats	4,450,274	-	-	-	-	4,450,274
Bicycles	1,120,151	-	-	-	-	1,120,151
Housekeeping Equipment	29,092,033	-	-	904,193	-	29,996,226
Generators	71,940,565	-	-	-	-	71,940,565
	8,101,397,469	11,144,476	-	4,998,593	(10,478,129)	8,107,062,408
<b>At Fair Value</b>						
Freehold Land	2,454,125,000	17,667,150	12,332,850	-	-	2,484,125,000
	2,454,125,000	17,667,150	12,332,850	-	-	2,484,125,000
<b>In the Course of Construction</b>						
Capital work-in-progress	15,325,346	400,000	-	(4,998,593)	-	10,726,753
	15,325,346	400,000	-	(4,998,593)	-	10,726,753
<b>Total Gross Carrying Amount</b>	<b>10,570,847,814</b>	<b>29,211,626</b>	<b>12,332,850</b>	<b>-</b>	<b>(10,478,129)</b>	<b>10,601,914,161</b>

## Notes to the Financial Statements Contd.

## 4.2 Depreciation

Group	Balance as at 01.04.2020 Rs.	Charge for the Year Rs.	Transfers in/(out) Rs.	Disposals Rs.	Balance as at 31.03.2021 Rs.
<b>At Cost</b>					
Building and Building Integrals	519,331,627	146,423,282	(11,794)	(877,133)	664,865,982
Plant & Equipment	114,378,061	26,676,882	(39,670)	(27,334)	140,987,939
Solar Electrical System	30,119,597	8,247,791	(7,339)	(5,999)	38,354,050
Sewage Treatment Plant	3,473,665	1,342,171	1,760	-	4,817,596
Kitchen Equipment	74,344,508	21,938,258	(18,197)	-	96,264,569
Electrical Equipment	59,187,045	18,801,342	19,465	(738,754)	77,269,098
Office Equipment	6,552,753	1,870,083	(1,290)	-	8,421,546
Sport Equipment	6,371,958	1,645,372	13,510	-	8,030,840
Furniture & Fittings	181,318,386	49,948,623	73,588	-	231,340,597
Swimming Pool Equipment	2,923,151	747,465	2,715	-	3,673,331
Motor Vehicles	36,947,012	10,053,125	152	(2,346,680)	44,653,609
Cutlery, Crockery & Glassware	16,529,402	3,471,137	(47,188)	-	19,953,351
Linen	22,932,970	7,798,342	9,487	(4,159,040)	26,581,759
Hot Water System	22,117,842	6,092,228	17,763	-	28,227,833
Laundry Equipment	16,454,580	3,778,847	-	-	20,233,427
Telephone System	6,203,192	2,003,707	-	(78,484)	8,128,415
Elevator	8,131,361	2,582,666	-	-	10,714,027
Television Systems	13,524,386	3,760,272	(229,523)	(302,333)	16,752,802
Maintenance Equipment	504,564	293,210	8,216	-	805,990
Furnishing, Bar, Room & Misc. Equipment	35,111,693	7,090,579	17,160	(888,809)	41,330,623
Computers	23,906,761	7,540,632	175,062	-	31,622,455
Motor Boats	4,010,772	148,795	-	-	4,159,567
Bicycles	855,857	224,030	-	-	1,079,887
Housekeeping Equipment	6,343,212	3,022,620	16,123	-	9,381,955
Generators	18,339,550	5,354,014	-	-	23,693,563
<b>Total Depreciation</b>	<b>1,229,913,905</b>	<b>340,855,473</b>	<b>-</b>	<b>(9,424,566)</b>	<b>1,561,344,812</b>

## Notes to the Financial Statements Contd.

## 4.3 Net Book Value

Year ended 31 March Group	2021 Rs.	2020 Rs.
<b>At Cost</b>		
Building and Building Integrals	5,414,722,183	5,565,834,496
Plant & Equipment	180,993,868	211,269,686
Solar Electrical System	100,891,908	109,576,829
Sewage Treatment Plant	21,799,566	22,929,397
Kitchen Equipment	123,498,882	145,399,956
Electrical Equipment	116,443,195	128,041,604
Office Equipment	10,930,780	12,442,698
Sport Equipment	7,677,021	8,914,773
Furniture & Fittings	268,619,572	319,549,181
Swimming Pool Equipment	5,031,050	5,441,055
Motor Vehicles	42,325,533	46,721,716
Cutlery, Crockery & Glassware	4,847,591	8,786,625
Linen	4,738,863	10,993,832
Hot Water System	38,861,921	43,893,554
Laundry Equipment	20,477,652	24,181,499
Telephone System	12,032,626	14,120,092
Elevator	40,959,036	43,541,702
Television Systems	23,149,643	26,334,652
Maintenance Equipment	2,092,733	1,843,799
Furnishing, Bar, Room & Misc. Equipment	26,316,957	31,437,741
Computers	10,114,773	13,175,044
Motor Boats	290,707	439,502
Bicycles	40,264	264,294
Housekeeping Equipment	20,614,271	22,748,821
Generators	48,247,001	53,601,015
	6,545,717,596	6,871,483,563
<b>At Fair Value</b>		
Freehold Land	2,484,125,000	2,454,125,000
	2,484,125,000	2,454,125,000
<b>In the Course of Construction</b>		
Capital work-in-progress	10,726,753	15,325,346
	10,726,753	15,325,346
	9,040,569,349	9,340,933,909

## Notes to the Financial Statements Contd.

- 4.4 The freehold Lands have been revalued by Messrs. K. Arthur Perera & Company (Independent firm of valuers) on the basis of current market value. The details are tabulated below:

Company	Location	No of Perches	Price Range	Carrying Amount	Carrying Amount
			Per Perch	as at	as at
			Rs.	Rs.'000	Rs.'000
Pottuvil Point (Pvt) Ltd	Hidayapuram,Pottuvil	1,166	170,000	198,200	198,200
The Riverbank (Pvt) Ltd	Maligathenna ,Kandy	545	125,000 to 190,000	88,000	58,000
Cultural Heritage (Pvt) Ltd	Dambulla	2,749	150,000 to 175,000	465,475	465,475
Uppuveli Beach (Pvt) Ltd	Sampalthevu, Trincomalee	2,242	110,000 to 137,500	275,500	275,500
Jetwing City (Pvt) Ltd	Ward Place, Colombo 07	70	19,000,000	1,327,350	1,327,350
Uppuveli Villas (Pvt) Ltd	Sampalthevu, Trincomalee	960	135,000	129,600	129,600

**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. The last revaluation was carried out with an effective date of 31 March 2021.

Increase or decrease in estimated price per perch in isolation would result in a higher or lower fair value measurement. Accordingly, a change of 5% in the estimated price per perch will cause a Rs. 124,206,250/- 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 measurement as at 31 March 2021			
	Level 01	Level 02	Level 03	Total
	Rs.	Rs.	Rs.	Rs.
Freehold land	-	-	2,484,125,000	2,484,125,000

- 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.

	2021	2020
	Rs.	Rs.
Class of Asset		
Freehold land	1,220,377,716	1,202,710,566

- 4.6 The Group acquired property plant and equipment to the aggregate value of Rs. 29,211,626/- (2020- Rs. 609,142,408/-) during the financial year. Cash payments amounting to Rs. 29,211,626/- (2020- Rs. 609,142,408/-) 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. Nil/- (2020 - Rs.607,222/-) that was incurred in connection with the borrowing of funds for the building construction has been capitalized as a part of the Building and Building Integrals.

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

Year ended 31 March Group	2021 Years	2020 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 Misc. Equipment	03-10	03-10
Computers	4	4
Motor Boat	5	5
Bicycles	5	5
Housekeeping Equipment	10	10
Generators	13.33	13.33

4.9 Components included in Building and Building Integrals and their useful lives are as follows:

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 - Iluk	3	3
Cabana-Cadjan	2	2

4.10 Property, Plant and Equipment recognized above include fully depreciated assets which is individually insignificant having a gross carrying amount of Rs.105,627,239/- (2020- Rs. 82,929,762/-).

## Notes to the Financial Statements Contd.

- 4.11 As a part of the process used to assess whether there is any impairment of our Property, Plant and Equipment carried under the cost model, we have exercised judgement to determine if there are any indicators of impairment present. Factors we have considered include (but not limited to) assessing the overall effect of trends in the hospitality industry and the general economy of Sri Lanka and globally, prevailing industry conditions, our historical experience, measures to control the spread of the COVID – 19 pandemic and its effect on our business operations and other information specific to the hotel property, based on information available as at date of our assesment. We have not identified indications of impairment of such Property Plant & Equipment as at the year end.

## 5. RIGHT OF USE ASSETS

- 5.1 Set out below, are the carrying amounts of the right of use assets and the movements for the period ended 31 March 2021.

	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
As at 1 April	88,297,350	-	-	-
Recognition of Right of use Assets as per SLFRS 16	-	77,430,512	-	-
Impact from remeasurement	(11,854,720)	-	-	-
Additions during the year-Non Cash	1,562,562	13,069,986	-	-
Additions during the year-Cash	-	5,117,450	-	-
Depreciation during the year	(5,661,012)	(5,214,834)	-	-
Disposals during the year	-	(2,105,764)	-	-
As at 31 March	72,344,180	88,297,350	-	-

The Group does not foresee any indications of impairment of Right of Use Asset as at the reporting date due to the COVID-19 pandemic, allowing Hotel operations to function, whilst strictly adhering to and supporting government directives.

- 5.2 Amounts recognised in the statement of financial position and income statement set out below, are the carrying amounts of the Group's right of use assets and the movements for the period ended 31 March.

	Land (Note 5.2.1)	Building (Note 5.2.2)	Motor Vehicles (Note 5.2.3)	Total
As at 1 April	71,839,920	5,655,989	10,801,441	88,297,350
Additions during the year	-	1,562,562	-	1,562,562
Impact from remeasurement	(11,854,720)	-	-	(11,854,750)
Depreciation during the year	(2,466,693)	(1,804,637)	(1,389,682)	(5,661,012)
As at 31 March	57,518,507	5,413,914	9,411,759	72,344,180

- 5.2.1 Land leases have more than one lease agreement which have remaining lease periods between 50 years to 53 years. Leases include extension and termination options.
- 5.2.2 Building leases have a remaining lease period of two to five years from its initial recognition date
- 5.2.3 The Estimated useful life of the Moter Vehicle is 5 year

## Notes to the Financial Statements Contd.

## 6. INTANGIBLE ASSETS

## 6.1 Computer Software

Year ended 31 March Group	2021 Rs.	2020 Rs.
<b>Cost</b>		
As at beginning of the year	7,692,231	6,742,231
Addition during the year	-	950,000
As at end of the year	7,692,231	7,692,231
<b>Amortisation</b>		
As at beginning of the year	5,480,353	4,133,548
Charged during the year	1,093,871	1,346,805
As at end of the year	6,574,224	5,480,353
<b>Net Book Value</b>		
As at beginning of the year	2,211,878	2,608,683
As at end of the year	1,118,007	2,211,878

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.

## 6.2 Goodwill

Year ended 31 March	2021 Rs.	2020 Rs.
Balance at beginning 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)	581,435,548	582,529,419

The Group has determined that no writing down of goodwill will arise as at the reporting date due to the COVID-19 pandemic.

## 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 in determining the recoverable amount, are as follows

## Notes to the Financial Statements Contd.

**Occupancy, Average Room Rate and Growth**

Occupancy, Average Room Rate and Growth have been forecasted on a reasonable basis by taking into account the past experience adjusted for future industry growth.

**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.

**Cost Escalations**

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

**Sensitivity to change in Key Assumptions:**

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

A decrease in the occupancy and average room rate year on year separately by more than 9% to 45% & 13% to 57% respectively would result in impairment in goodwill. Further an increase of discount rate by 3% to 12% would also create a goodwill impairment.

**7. OTHER INVESTMENTS****Summary**

Year ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
a) Non- Current				
Investment in Subsidiaries (Note 7.2)	-	-	5,469,233,010	5,469,233,010
Investment in Equity Securities (Note 7.1)	935,826	813,054	-	-
	935,826	813,054	5,469,233,010	5,469,233,010
b) Current				
Investment in Fixed Deposits (Note 7.3)	59,302,272	1,646,635	-	-
Investment in Units (Note 7.4)	740,845	-	-	-
	60,043,117	1,646,635	-	-
7.1 Quoted Equity Securities - Fair value through Profit or Loss (FVTPL)				
Tangerine Beach Hotel PLC	935,826	813,054	-	-
Net Carrying Value of Investment in Equity Securities (Note 7.1.1 )	935,826	813,054	-	-
7.1.1 Movement in FVTPL Financial instruments				
As at 1 April	813,054	884,865	-	-
Fair value gain/(loss) from other investments	122,772	(71,811)	-	-
As at 31 March	935,826	813,054	-	-

## Notes to the Financial Statements Contd.

## 7.2 Investment in Subsidiaries

Year ended 31 March	Company			
	Holding %	2021 Rs.	Holding %	2020 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	380,000,000	100	380,000,000
Pottuvil Point (Pvt) Ltd	100	288,600,000	100	288,600,000
Jetwing Kaduruketha (Pvt) Ltd	70	123,529,410	70	123,529,410
		5,319,233,010		5,319,233,010
		2021	2020	2021
		No. of shares	No. of shares	Rs.
7.2.b Investments in Preference Shares:				
Jetwing Kaduruketha (Pvt) Ltd (Note 7.2.5)	15,000,000	15,000,000	150,000,000	150,000,000
			150,000,000	150,000,000
Total Investment in Subsidiaries			5,469,233,010	5,469,233,010

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 fully owned subsidiary of Jetwing Kaduruketha (Pvt) Ltd and cost of the investment is Rs. 20/-.

7.2.4 All Subsidiaries are incorporated in Sri Lanka.

7.2.5 During the year 2017/18, Jetwing Symphony PLC (JSPLC) subscribed to Fifteen 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) Ltd 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.

7.2.7 The Group has not determined impairment as at the reporting date due to the COVID-19 pandemic.

## Notes to the Financial Statements Contd.

## 7.3 Debt Instruments - Amortised cost

Year ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Investment in Fixed Deposits	59,302,272	1,646,635	-	-
	59,302,272	1,646,635	-	-
<b>7.4 Financial Instruments - Fair Value Through Other Comprehensive Income</b>				
Investments in Units - Related Party	740,845	-	-	-
	740,845	-	-	-

## 8. INVENTORIES

Year ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Food & Beverage Inventories	23,249,527	28,299,405	-	-
General, Housekeeping & Maintenance Inventories	7,767,456	6,501,028	-	-
Other Inventories	11,160,253	19,328,822	-	-
	42,177,236	54,129,255	-	-

## 8.1 Impact of COVID -19

Perishables, products with short shelf lives or expiration dates, or specific seasonal inventories were considered at risk of an impairment due to Covid-19 pandemic. The Group has adequately adjusted the carrying value of the inventory to reflect its net realisable value.

## 9. TRADE AND OTHER RECEIVABLES

Year ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Trade Debtors - Related Party (Note 9.1)	4,317,601	33,786,693	-	-
- Other	19,317,903	73,431,598	-	-
Less: Allowance for Impairment of Trade Debtors (Note 9.1.1)	(5,901,882)	(1,633,868)	-	-
	17,733,622	105,584,423	-	-
Loans and Other Receivables - Related Party (Note 9.2)	232,848	7,905,976	6,535,276	7,558,992
- Other	5,791,202	18,549,374	-	-
	23,757,672	132,039,773	6,535,276	7,558,992
Prepayments	14,309,942	23,521,615	261,166	257,927
Statutory Receivables	43,292,419	35,848,617	-	-
	81,360,033	191,410,005	6,796,441	7,816,919

## Notes to the Financial Statements Contd.

Trade Receivables are non interest bearing 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		Company	
		2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
<b>9.1</b>	<b>Trade Debtors-Related Party</b>				
	Thirteen Development Lanka (Pvt) Ltd	74,441	-	-	-
	Jetwing Eco Holidays (Pvt) Ltd	488,000	473,862	-	-
	Jetwing Events (Pvt) Ltd	384,322	670,230	-	-
	Jetwing Hotels Ltd	2,890,102	611,982	-	-
	Go Vacation Lanka Co.(Pvt) Ltd	-	5,104,821	-	-
	Total Holiday Options (Pvt) Ltd	-	367,775	-	-
		3,836,865	7,228,670	-	-
	Jetwing Travels (Pvt) Ltd	480,736	26,558,023	-	-
		480,736	26,558,023	-	-
		4,317,601	33,786,693	-	-

Year ended 31 March		Group		Company	
		2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
<b>9.1.1</b>	<b>Allowance for Impairment of Trade Debtors</b>				
	Balance as at 1 April	1,633,868	1,347,338	-	-
	Recognized during the year	4,354,362	1,265,493	-	-
	Recovered during the year	(86,348)	(389,963)	-	-
	Written off during the year	-	(588,999)	-	-
	Balance as at 31 March	5,901,882	1,633,868	-	-

Year ended 31 March	Relationship	Group		Company	
		2021 Rs.	2020 Rs.	2021 Rs.	2019 Rs.
<b>9.2</b>	<b>Loans and Other Receivables - Related Party</b>				
	Yala Properties (Pvt) Ltd	-	-	6,535,276	7,558,992
		-	-	6,535,276	7,558,992
	Jetwing Hotels Ltd	210,800	7,646,548	-	-
	Jet Enterprises (Pvt) Ltd	22,048	67,310	-	-
	Herbert Cooray Trust	-	192,118	-	-
		232,848	7,905,976	6,535,276	7,558,992

## Notes to the Financial Statements Contd.

## 10. CAPITAL AND RESERVES

## 10.1 Stated Capital

Year ended 31 March	2021		2020	
	Number	Rs.	Number	Rs.
Balance at the Beginning of the year	502,188,559	5,509,276,455	502,188,559	5,509,276,455
Balance at the End of the year	502,188,559	5,509,276,455	502,188,559	5,509,276,455

## 10.2 Reserves

Year ended 31 March	Group		Company	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
10.2.1 Fair value Reserve				
As at 1 April	-	-	-	-
Reclassification adjustment due to adoption of SLFRS 9	-	-	-	-
As at 1 April-(Restated)	-	-	-	-
Gain on FVTOCI instruments	-	547,823	-	547,823
Reclassification adjustment for gains included in the Statement of Profit or Loss	-	(547,823)	-	(547,823)
As at 31 March	-	-	-	-

Year ended 31 March	Group		Company	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
10.2.2 Revaluation Reserve				
On: Property Plant & Equipment				
As at 1 April	994,245,815	934,174,815	-	-
Effect of revaluation during the year (Note 4)	12,332,850	69,850,000	-	-
Deferred Tax on Revaluation of Land (Note 18.2)	(1,726,599)	(9,779,000)	-	-
As at 31 March	1,004,852,066	994,245,815	-	-

## Notes to the Financial Statements Contd.

## 11. INTEREST BEARING LOANS &amp; BORROWINGS

## Group

Year ended 31 March	2021 Current Rs.	2021 Non Current Rs.	2021 Total Rs.	2020 Current Rs.	2020 Non Current Rs.	2020 Total Rs.
11.1 Long Term Loans (Note 11.3)	546,313,210	3,501,893,455	4,048,206,665	565,874,775	3,054,755,978	3,620,630,753
Leases (Note 11.2)	4,446,237	28,874,404	33,320,641	3,968,869	39,016,511	42,985,380
Bank Overdraft (Note 16.2)	1,223,181,352	-	1,223,181,352	1,148,016,884	-	1,148,016,884
	1,773,940,799	3,530,767,859	5,304,708,658	1,717,860,528	3,093,772,489	4,811,633,017

## 11.2 Leases

	Group	
	2021 Rs.	2020 Rs.
As at 1 April	42,985,380	2,738,333
Recognition of Lease Liabilities as per SLFRS 16	-	27,277,268
	42,985,380	30,015,601
Impact from remeasurement of lease liabilities	(11,854,720)	-
Additions During the year	1,562,562	14,169,986
Accretion of Interest	5,484,433	4,772,573
Repayment of principal portion of lease liabilities	(3,988,872)	(5,499,074)
Repayment of Interest portion of lease liabilities	(868,142)	(473,706)
As at 31 March	33,320,641	42,985,380

## Notes to the Financial Statements Contd.

## 11.3 Long Term Loans

		Balance as at 01.04.2020	Accrued Interest	Loans Obtained	Repayment	Exchange Difference	Balance as at 31.03.2021
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Commercial Bank of Ceylon PLC (USD)	(a)	43,382,599	-	-	42,499,400	(883,199)	-
Commercial Bank of Ceylon PLC (LKR)	(b)	12,925,000	-	-	-	-	12,925,000
Commercial Bank of Ceylon PLC (LKR)	(c)	807,389,700	56,454,386	-	-	-	863,844,086
Commercial Bank of Ceylon PLC (LKR)	(d)	924,469,594	64,683,204	-	-	-	989,152,798
Nation Trust Bank PLC (USD)	(e)	51,696,969	2,553,654	-	-	2,855,954	57,106,577
Nation Trust Bank PLC (LKR)	(f)	95,032,239	7,135,066	-	-	-	102,167,305
Commercial Bank of Ceylon PLC (USD)	(g)	183,280,269	7,759,049	-	-	10,558,125	201,597,443
Commercial Bank of Ceylon PLC (USD)	(h)	836,065,694	33,581,479	-	-	47,361,752	917,008,925
Commercial Bank of Ceylon PLC (USD)	(i)	40,018,366	1,785,977	-	-	2,309,984	44,114,327
Commercial Bank of Ceylon PLC(LKR)	(j)	199,544,927	15,626,052	-	-	-	215,170,979
Commercial Bank of Ceylon PLC(LKR)	(k)	117,750,000	4,266,122	-	-	-	122,016,122
DFCC Bank PLC(LKR)	(l)	175,625,396	15,962,046	139,000,000	-	-	330,587,442
Commercial Bank of Ceylon PLC (LKR)	(m)	117,750,000	4,141,124	-	-	-	121,891,124
Commercial Bank of Ceylon PLC(LKR)	(n)	15,700,000	552,150	-	-	-	16,252,150
Nations Trust Bank PLC (LKR)	(o)	-	118,848	4,654,436	-	-	4,773,284
Commercial Bank of Ceylon PLC (LKR)	(p)	-	-	9,739,633	-	-	9,739,633
Hatton National Bank PLC (LKR)	(q)	-	-	13,526,989	-	-	13,526,989
Hatton National Bank PLC (LKR)	(r)	-	1,607,047	5,593,197	-	-	7,200,244
Commercial Bank of ceylon PLC (LKR)	(s)	-	-	3,401,984	-	-	3,401,984
Commercial Bank of Ceylon PLC (LKR)	(t)	-	7,180	10,923,074	-	-	10,930,254
DFCC Bank PLC (LKR)	(u)	-	-	4,800,000	-	-	4,800,000
		3,620,630,753	216,233,383	191,639,313	42,499,400	62,202,616	4,048,206,665

- 11.3.1
- (a) Secured term loan of USD 5.3 Mn repayable in 60 monthly instalments commencing from September 2014 and interest of LIBOR + Premium.
  - (b) Secured term loan of LKR 350 Mn repayable in 60 monthly instalments commencing from October 2014 and interest of AWPLR+Premium.
  - (c) Secured term loan of LKR 900 Mn repayable in 60 monthly instalments commencing from October 2017 & Interest at AWPLR+Premium
  - (d) Secured term loan of LKR 1,145Mn repayable in 60 monthly instalments commencing from December 2017 and 1month AWPLR +Premium.
  - (e) Secured term loan of USD 350,000 repayable in 60 monthly instalments commencing from April 2017 and 3 months LIBOR +Premium.
  - (f) Secured term loan of LKR 131.25 Mn repayable in 60 monthly instalments commencing from April 2017 and 1 month AWPLR
  - (g) Secured term loan of USD 1 Mn repayable in 60 monthly instalments commencing from July 2018 & 1 month LIBOR+Premium
  - (h) Secured term loan of USD 4.5 Mn repayable in 60 monthly instalments commencing from January 2019 and 1month LIBOR + Premium
  - (i) Secured term loan of USD 200,000 repayable in 60 monthly instalments commencing from September 2019 and 1 month LIBOR + premium
  - (j) Secured term loan of LKR 185 Mn repayable in 60 monthly instalments commencing from February 2019 and interest of 1 month AWPLR+premium
  - (k) Secured term loan of LKR 150 Mn repayable in 24 monthly instalments commencing from September 2019 and interest of 3.46%

## Notes to the Financial Statements Contd.

- (l) Secured term loan of LKR 175 Mn repayable in 72 monthly instalments commencing from February 2022 and interest of 1 month AWPLR +Premium.
- (m) Secured term loan of LKR 150 Mn repayable in 24 monthly instalments commencing from September 2019 and interest of 3.46%
- (n) Secured term loan of LKR 20 Mn repayable in 24 monthly instalments commencing from September 2019 and interest of 3.46%
- (o) Secured term loan of LKR 4.65 Mn repayable in 36 monthly installments commencing from October 2021 and interest of 4%
- (p) Secured term loan of LKR 9.7 Mn repayable in 36 monthly installments commencing from October 2021 and Fixed interest Rate of 4%
- (q) Secured moratoriums loan of Rs. 13.5 Mn repayable in 36 monthly installments commencing from October 2021 and interest of 04% Per annum \*
- (r) Secured interest free loan of Rs. 5.6 Mn repayable in One installments commencing from October 2021.
- (s) Secured Working capital loan facility of LKR 3.4 Mn repayable in 36 monthly instalments commencing from January 2021 and interest of 4.0% fixed per annum.
- (t) Secured term loan of LKR 10.9 Mn repayable in 36 monthly installments commencing from October 2021 and Fixed interest Rate of 4%
- (u) Secured term loan of LKR 4.6 Mn repayable in 36 monthly installments commencing from October 2021 and Fixed interest Rate of 4%

11.3.2 In light of the economic slowdown in the country due to the COVID-19 pandemic, the Government of Sri Lanka through the CBSL has introduced debt moratorium for interest & capital up to 30 September 2021 to impacted sectors.

## 12. POST EMPLOYEE BENEFIT LIABILITIES-GRATUITY

	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Balance as at 01 April	41,924,955	30,516,433	-	-
Charge for the year(Note 12.1)	10,023,804	8,479,911	-	-
Payments made during the year	(1,754,375)	(1,113,448)	-	-
Effects of transfers of staff among related parties during the year	855,424	4,042,059	-	-
Balance as at 31 March	51,049,808	41,924,955	-	-

## 12.1 Defined Benefit Plan Cost-Gratuity

	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Current Service Cost	7,666,305	6,445,719	-	-
Interest cost on Benefit Obligation	4,192,494	3,496,278	-	-
Cost recognized in the Statement of Profit or Loss	11,858,799	9,941,997	-	-
Actuarial (Gain)/Loss for the year recognized in Other Comprehensive Income	(1,834,995)	(1,462,086)	-	-
Balance as at 31 March	10,023,804	8,479,911	-	-

## Notes to the Financial Statements Contd.

12.2 As at 31 March, 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:

	2021	2020
Discount Rate	8%	10%
Salary Increase	8%	8.5%
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 2020/21. 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 Results Rs.	Pro Forma Post Employee Benefit Liability Rs.
<b>Change in Assumptions</b>		
+1% Change in Discount Rate	3,514,009	47,535,799
-1% Change in Discount Rate	(4,125,101)	55,174,909
+1% Change in rate of Salary Increase	(4,084,095)	55,133,903
-1% Change in rate of Salary Increase	3,544,335	47,505,473
+1% Change in rate of Staff turn over	(201,808)	51,251,616
-1% Change in rate of Staff turn over	204,044	50,845,764

**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	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Less than or equal 1 year	14,669,596	2,172,167	-	-
Over 1 year and less than or equal 5 years	12,489,392	19,633,474	-	-
Over 5 years and less than or equal 10 years	27,730,122	12,709,984	-	-
Total	54,889,110	34,515,625	-	-

## Notes to the Financial Statements Contd.

## 13. TRADE AND OTHER PAYABLES

Year ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Trade Payables	30,669,475	39,305,074	-	-
Other Payables - Related Parties ( Note 13.1)	4,313,947	8,560,270	-	-
- Others	60,121,931	176,834,215	-	-
Sundry Creditors including Accrued Expenses	44,039,094	53,165,959	2,440,189	1,775,066
	139,144,447	277,865,518	2,440,189	1,775,066
Statutory Payables	20,992,141	17,345,724	-	-
Guest Refundable deposits	40,865,018	24,263,974	-	-
	201,001,606	319,475,216	2,440,189	1,775,066

## 13.1 Other Payables - Related Parties

Year ended 31 March	Relationship	Group		Company	
		2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Ceccato Colombo (Pvt) Ltd	Other Related Party	-	93,895	-	-
Jetwing Hotels Ltd	Other Related Party	3,801,480	7,586,484	-	-
The Lighthouse Hotel PLC	Other Related Party	17,622	19,500	-	-
Jetwing Hotels Management Services (Pvt) Ltd	Other Related Party	-	659,690	-	-
Jet Enterprises (Pvt) Ltd	Other Related Party	433,485	-	-	-
Thirteen Development Lanka (Pvt) Ltd	Other Related Party	38,518	-	-	-
St. Andrews Hotel (Pvt) Ltd	Other Related Party	22,842	95,026	-	-
		4,313,947	8,454,595	-	-
Jetwing Travels (Pvt) Ltd	Significant Investor	-	66,857	-	-
Blue Oceanic Beach Hotel (Pvt) Ltd	Significant Investor	-	38,818	-	-
		-	105,675	-	-
		4,313,947	8,560,270	-	-

## Notes to the Financial Statements Contd.

## 14. FINANCE COST &amp; FINANCE INCOME

## 14.1 Finance Income

Year ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Interest Income	1,941,613	7,404,498	1,575	75,181
Interest Income-Related party	-	-	530,771	4,625,322
Dividend Income	-	21,867	-	-
	1,941,613	7,426,365	532,346	4,700,503

## 14.2 Finance Cost

Year ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Interest on Overdraft	63,319,996	95,669,906	4,397	145
Lease Interest	5,484,433	4,772,573	-	-
Bank Loan Interest	248,956,700	321,794,148	-	-
	317,761,129	422,236,627	4,397	145

## 15. OTHER INCOME

	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Capital Gain on sale of Units	40,845	547,823	-	547,823
Fair value Gain/(Loss) from Other Investments	122,772	(71,811)	-	-
Gain on disposal of Property Plant & Equipments	763,676	-	-	-
Profit on disposal of Right of use Assets	-	3,894,236	-	-
Vehicle Hire Income	187,292	412,379	-	-
Insurance claim Received	671,618	3,518,561	-	-
Writeback of other payables	-	179,275	-	-
Solar Income	576,752	-	-	-
Miscellaneous Income	589,418	412,459	-	-
	2,952,373	8,892,922	-	547,823

## Notes to the Financial Statements Contd.

## 16. CASH AND CASH EQUIVALENTS IN CASH FLOW STATEMENT

## Components of Cash and Cash Equivalents

Year ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
<b>16.1 Favourable Cash and Cash Equivalent Balances</b>				
Cash at Bank and in Hand	36,924,272	96,153,520	415,330	748,188
Other Current Financial Assets (Note 7.3)	-	1,646,635	-	-
	36,924,272	97,800,155	415,330	748,188
<b>16.2 Unfavourable Cash &amp; Cash Equivalent Balances</b>				
Bank Overdrafts (Note 11.1)	(1,223,181,352)	(1,148,016,884)	-	-
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	(1,186,257,080)	(1,050,216,729)	415,330	748,188

## 17. PROFIT STATED AFTER CHARGING/(CREDITING)

Year ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Employees benefits including the following	250,638,383	370,833,343	-	-
- Defined Benefits plan costs - Gratuity (included in employee benefits)	11,858,800	9,941,996	-	-
- Defined Contribution Plan Cost- EPF & ETF	25,982,593	35,472,862	-	-
Depreciation & Amortization	347,610,355	323,472,406	-	-
Donation	6,003	555,214	-	-
Hotel Operation & Marketing fees - Related Party	16,416,202	76,451,780	-	-
Non Executive Directors fee	-	1,845,000	-	1,845,000
(Profit) /Loss on disposal of Property Plant & Equipment	(763,676)	5,305,934	-	-
(Profit) /Loss on disposal of Right of use Assets	-	(3,894,236)	-	-

## 18. INCOME TAX EXPENSES

## Current Income Tax

Year ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Income Tax Expenses for the Year (Note 18.1)	248,056	1,344,660	127,763	1,269,136
Under/(Over) Provision of current taxes in respect of prior years	-	-	-	-
Irrecoverable Economic Service Charge	9,123,908	10,257,833	-	-
Deferred Tax charge/(reversal) for the year	(7,785,869)	(15,740,217)	-	-
	1,586,096	(4,137,724)	127,763	1,269,136

## Notes to the Financial Statements Contd.

## 18.1 Income Tax

The major components of income tax expense are as follows :

Year ended 31 March	Group		Company	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Profit /(Loss) Before Income Tax	(828,503,882)	(463,928,803)	(1,838,229)	494,555
Other Sources of Income	(1,092,157)	(15,821,622)	(532,346)	(4,700,503)
Aggregate disallowable Items	527,747,439	435,872,711	-	1,000,000
Aggregate Allowable Items	(718,782,694)	(645,754,060)	-	-
<b>Business Losses</b>	<b>(1,020,631,294)</b>	<b>(689,631,774)</b>	<b>(2,370,575)</b>	<b>(3,205,948)</b>
<b>Business Profit</b>	<b>316,667</b>	<b>1,069,886</b>	<b>-</b>	<b>-</b>
<b>Other Sources of Income</b>				
Statutory Income from Interest	1,508,974	11,998,815	532,346	4,700,503
Tax Losses Utilized	(475,408)	(3,922,788)	-	-
Taxable Income	1,033,566	6,485,279	532,346	4,700,503
Tax Rate	14% & 24%	14%,24% & 28%	24%	24% & 28%
Income Tax Expenses for the Year	248,056	1,344,660	127,763	1,269,136

## 18.2 Deferred Tax Assets, Liabilities and Income Tax relates to the followings.

Deferred Tax assets & Liabilities

Year ended 31 March	Group			
	Assets		Liabilities	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Balance at the beginning of the year	7,689,166	-	249,322,262	247,389,619
Charge / (Reversal) during the year	8,116,902	7,689,166	1,975,603	1,932,643
Balance at the end of the year	15,806,068	7,689,166	251,636,792	249,322,262
<b>Closing deferred tax asset/liability relates to the following</b>				
Accelerated depreciation for tax purposes	(19,256,355)	(18,027,870)	33,932,364	27,549,660
Right of use assets	897,497	963,543	-	-
Tax Losses available for off-set against future taxable income	32,057,529	22,976,265	(36,151,215)	(31,303,754)
Employee benefit liability	2,107,397	1,777,228	(5,039,575)	(4,092,262)
Impact on Land Revaluation	-	-	258,895,218	257,168,619
	15,806,068	7,689,166	251,636,792	249,322,262

## Notes to the Financial Statements Contd.

Deferred Tax Expense/(Reversal)	Group	
	2021 Rs.	2020 Rs.
<b>Profit or Loss Statement</b>		
<b>Deferred tax arising from</b>		
Accelerated depreciation for tax purposes	7,611,189	45,577,530
Reversal arising from tax losses	(13,928,723)	(54,280,022)
Employee benefits liability	(1,534,381)	(6,074,182)
Right of use Assets	66,046	(963,543)
	(7,785,869)	(15,740,217)
<b>Other Comprehensive Income</b>		
<b>Deferred tax arising from</b>		
Employee benefits liability	256,899	204,692
Impact on Land Revaluation	1,726,599	9,779,000
	1,983,498	9,983,692
<b>Total Deferred Tax Charge/(Reversal)</b>	<b>(5,802,371)</b>	<b>(5,756,525)</b>

- a) Deferred tax is calculated at the rate of 14%, which is the tax rate effective from 1 April 2018 as per the Inland Revenue Act No 24 of 2017.
- b) The Group recognizes a deferred tax asset on unused tax losses which is expected to reduce the future tax expense based on the Group's forecasted business plans as a response to COVID-19 pandemic. However, Deferred tax Assets have not been recognised for unused tax losses amounting to Rs. 370,112,702/- . These unused tax losses will expire in 2024/25 - Rs 170,473,485/- , 2025/26 - Rs. 18,096,573/- and 2026/27 Rs. 181,542,644/-.

## 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	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Net Profit/(Loss) Attributable to Ordinary Shareholders for Basic Earnings/(Loss) Per Share	(820,623,607)	(452,627,979)	(1,965,992)	(774,581)
Number of Ordinary Shares Used as Denominator:				
Weighted Average number of Ordinary Shares in issue	502,188,559	502,188,559	502,188,559	502,188,559
Applicable to Basic Earnings Per Share (LKR)	(1.634)	(0.901)	(0.004)	(0.002)

## Notes to the Financial Statements Contd.

## 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	
	2021 Rs.	2020 Rs.
Authorized by the Board, but not Contracted for	-	20,000,000
Contracted, but not provided	-	-
	-	20,000,000

## b) Contingent Liabilities

There are no significant contingent liabilities as at 31st March 2021, 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, 2019 & 2020. The Group does not agree with such claim. The said claim as at 31 March 2021 is Rs 22.5 Mn.

## 21. ASSETS PLEDGED

Nature of Assets	Nature of Liability	Group Carrying Amount of the Assets Pledged	
		2021 Rs.	2020 Rs.
Land and Buildings	Primary mortgage over loans and borrowings	7,666,687,683	7,872,362,617

## 22. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

Year ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
22.1 Transactions with Subsidiaries				
Amount Receivable as at 31 March (Note 9.2)	-	-	6,535,276	7,558,992
Nature of Transactions				
Investment made in Subsidiaries	-	-	-	50,000,000
Short-term Loans granted	-	-	-	55,000,000
Short-term Loans settled	-	-	1,000,000	(107,500,000)
Interest Received	-	-	530,771	4,625,322
Reimbursement of expenses	-	-	2,911	5,404

## 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	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Amount receivable as at 31 March (Note 9.1 & 9.2)	4,069,713	15,134,646	-	-
Amount payable as at 31 March (Note 13.1)	4,313,947	8,454,595	-	-
<b>Nature of Transactions</b>				
Transportation Charges	269,328	867,426	-	-
Hotel Development Fee	-	11,075,693	-	-
Purchases of Beverage & Others	21,417,553	17,375,415	-	-
Sale of Accommodation	5,408,387	34,980,814	-	-
Gratuity Transfer (Net)	855,424	4,042,053	-	-
Hotel Operation and Marketing Fee	16,416,202	76,451,780	-	-
Advertising Expenses and Other Reimbursements	10,541,369	26,765,006	4,705	5,179
Laundry Charges	3,379,354	10,960,186	-	-
Sale of other items	3,878,796	1,514,887	-	-
Support Services	14,989,040	17,651,277	-	-
Vehicle Hire Income	1,188,554	247,166	-	-
Net Investment/(Redemption) in Units	700,000	547,823	-	547,823
Capital Gain from FVTOCI Investment	40,845	547,823	-	547,823

## 22.3 Transaction with Significant Investors

Year ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Amount receivable as at 31 March (Note 9.1 & 9.2)	480,736	26,558,023	-	-
Amount payable as at 31 March (Note 13.1)	-	105,675	-	-
Sale of Goods	1,325,330	815,000	-	-
Transport Expenses	159,225	370,249	-	-
Purchase of Goods	1,454,749	955,824	-	-
Gratuity Transfers	-	361,250	-	-
Advertising Expenses and other Reimbursements	9,304	1,530,983	-	-
Sale of Accommodation	5,690,022	161,214,239	-	-
Vehicle Hire Income	24,299	16,779	-	-

## Notes to the Financial Statements Contd.

**22.4 Terms and Conditions**

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 unsecured, interest free other than in the case of funding arrangements disclosed in Note 9.2 where such loans granted at interest rate of AWPLR plus a premium p.a. All dues are to be settled in cash or its equivalents.

**22.5 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.

Year ended 31 March	Group		Company	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Key Management Personnel Compensation				
Executive Directors Fee	-	-	-	-
Non Executive Directors Fee	-	1,845,000	-	1,845,000

The amounts disclosed above are the only amounts recognised as an expense during the reporting period related to Key Management Personnel.

**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 granted only to such 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 extent of 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.

Due to the COVID-19 impact on working capital and collections, the individual receivable balances were re-assessed, specific provisions were made wherever necessary, existing practice on the provisioning of trade receivables were re-visited and adjusted to reflect the different ways in which the COVID-19 outbreak affects different types of customers.

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	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	Rs.	Rs.	Rs.	Rs.
Cash at Bank and in Hand (Note 23.1 d)	36,924,272	96,153,520	415,330	748,188
Other current Financial Assets (Note 23.1 b)	60,043,117	1,646,635	-	-
Trade Receivables (Note 23.1 c)	17,733,622	105,584,423	-	-
Other Receivables	6,024,050	26,455,349	6,535,276	7,558,992

- 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 2021	Investment 2021	Credit Rating for 2020	Investment 2020
Institute			RS.		RS.
Hatton National Bank PLC	Fixed Deposit	AA-	9,362,953	AA+	1,646,635
Commercial Bank of Ceylon PLC	Fixed Deposit	AA-	49,939,319		-
			59,302,272		1,646,635

- c. The ageing of Trade Receivable at the end of the reporting period was as follows:

Group	2021			2020
	Gross Carrying amount	Impairment allowance	Net Carrying amount	Net Carrying amount
	Rs.	Rs.	Rs.	Rs.
As at 31 March 2021				
Neither past due, nor impaired	12,088,496	-	12,088,496	41,723,553
Past due 31-60	2,298,450	-	2,298,450	43,777,643
Past due 61-180	2,993,956	-	2,993,956	19,664,414
Past due more than 180 days	6,254,602	(5,901,882)	352,720	418,813
	23,635,504	(5,901,882)	17,733,622	105,584,423
As at 31 March.2020	107,218,291	(1,633,868)	105,584,423	-

- d. Cash at bank of the Group comprises balances in banks amounting to Rs 36,924,272/- (2020 - Rs. 96,153,520/-) with banks which have a Fitch Rating Higher or equal to "AA-".

## Notes to the Financial Statements Contd.

**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.

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

Group	2021 Rs.	2020 Rs.
Secured Loans (Note 11.3)	4,048,206,665	3,620,630,753
Bank Overdrafts (Note 16.2)	1,223,181,352	1,148,016,884
Trade and Other Payables (Note 13)	139,144,447	277,865,518
Lease Liabilities (Note 11.2)	33,320,641	42,985,380
	5,443,853,105	5,089,498,535

- b. Below table illustrates the maturity periods of financial liabilities .

Financial Liabilities	1 - 6 Months	7 - 12 Months	1 - 5 Years	More than 5 Years	Total
Group	Rs.	Rs.	Rs.	Rs.	Rs.
Borrowings-LKR	-	392,888,004	2,307,787,225	127,700,000	2,828,375,229
Borrowings-USD	-	153,425,206	1,062,425,429	3,980,800	1,219,831,435
Leases	2,298,589	2,147,648	21,806,417	7,067,987	33,320,641
Bank Overdrafts	1,223,181,352	-	-	-	1,223,181,352
Trade and Other Payables	139,144,447	-	-	-	139,144,447
<b>Total 2021</b>	<b>1,364,624,388</b>	<b>548,460,858</b>	<b>3,392,019,071</b>	<b>138,748,787</b>	<b>5,443,853,105</b>
<b>Total 2020</b>	<b>1,427,428,070</b>	<b>567,380,393</b>	<b>2,966,502,009</b>	<b>128,188,064</b>	<b>5,089,498,536</b>

- c. Undrawn borrowing facilities:

The Group has undrawn borrowing facilities amounting to Rs 976,818,648/- as at 31 March 2021. (Rs. 1,051,983,000 in 2020)

**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 2021 are as follows:

## Notes to the Financial Statements Contd.

Group	In USD	In EURO
Cash at Bank and in Hand	194,969	10,598
Secured Loans	(6,128,553)	-
Net Aggregate Carrying Value in respective currencies	(5,933,584)	10,598
Net aggregate carrying value in Rs. -2021	(1,181,020,597)	2,470,214
Net aggregate carrying value in Rs. -2020	(1,053,963,942)	7,686,358

## 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 in USD.

Year	Change in USD Rate	Effect on Profit /(Loss) Before Tax
2021	(+1%)	(12,198,273)
	(-1%)	12,198,273
2020	(+1%)	(11,544,439)
	(-1%)	11,544,439

In managing the foreign currency risk, 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.

Group	Assumed impact due to Increase/(decrease) in basis points	Effect on Loss Before Tax 31.03.2021 Rs.
Borrowings-LKR	+ 100 basis points	(28,283,794)
Borrowings-LKR	- 100 basis points	28,283,794
Borrowings-USD	+ 25 basis points *	(3,049,568)
Borrowings-USD	- 25 basis points *	3,049,568

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

## Notes to the Financial Statements Contd.

**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.

**24.1 Fair Value Hierarchy**

As at 31 March 2021, 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 Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Financial assets				
2021				
Quoted Equity Investments (Note 7.1)	935,826	935,826	-	-
<b>Total</b>	<b>935,826</b>	<b>935,826</b>	<b>-</b>	<b>-</b>
2020				
Quoted Equity Investments (Note 7.1)	813,054	-	813,054	-
<b>Total</b>	<b>813,054</b>	<b>-</b>	<b>813,054</b>	<b>-</b>

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	
		2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Jetwing Hotels Ltd	Hotel Operation and Marketing Fee	16,416,202	76,451,780	-	-
	Advertising Expenses and Other Reimbursements	7,793,481	23,293,064	-	-
	Hotel Development Fee	-	11,075,693	-	-
	Gratuity Transfer	186,467	273,333	-	-
	Sale of Accommodation	18,700	58,113	-	-
	Vehicle Hire income	-	6,674	-	-
Jetwing Travels (Pvt) Ltd	Transportation Charges	144,000	370,249	-	-
	Sale of Accommodation	5,289,155	161,008,770	-	-
	Other Expenses	3,000	1,428,331	-	-
	Vehicle Hire Income	11,327	9,823	-	-
Capital Alliance Investments Ltd	Capital gain from AFS Investment	40,845	-	-	-
	Net Investment in Corporate Treasury Fund	700,000	-	-	-
Negombo Hotels Ltd	Sale of Accommodation	154,040	1,693,621	-	-
	Reimbursement of Expenses	-	47,045	-	-
	Sale of Rice	-	4,500	-	-
Jetwing Hotels Management Services (Pvt) Ltd	Laundry Charges	3,379,354	10,888,018	-	-
	Advertising Expenses and Other Reimbursements	125,866	24,754	-	-
	Vehicle Hire Income	-	893	-	-
	Other Expenses	-	466,874	-	-
Seashells Hotel (Pvt) Ltd	Sale of Accommodation	75,800	38,178	-	-
	Other Expenses	-	78,097	-	-
	Gratuity Transfer	328,710	385,545	-	-
	Purchase of Foods & Beverage	850	-	-	-
	Sale of Goods	63,619	-	-	-
	Vehicle Hire Income	6,016	1,034	-	-
	Sale of Rice	256,500	138,000	-	-
	Sale of Other Items	171,670	-	-	-

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

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Blue Oceanic Beach Hotel (Pvt) Ltd	Transportation Charges	15,225	-	-	-
	Purchases of Beverage & Others	672,232	633,545	-	-
	Sale of Goods	782,517	-	-	-
	Sale of Accommodation	400,867	205,470	-	-
	Gratuity Transfer	-	361,250	-	-
	Purchase of Foods & Beverage	61,330	322,278	-	-
	Other Expenses	6,304	102,652	-	-
	Vehicle Hire Income	12,972	6,956	-	-
	Sale of Rice	1,264,000	815,000	-	-
Villa Properties (Pvt) Ltd	Support Services	14,989,040	17,651,277	-	-
Jet Enterprises (Pvt) Ltd	Purchases of Beverage & Others	19,950,051	11,660,725	-	-
	Purchase of Goods	-	1,764,156	-	-
	Other Expenses	-	45,342	-	-
Jetwing Events (Pvt) Ltd	Sale of Accommodation	2,404,526	8,737,654	-	-
Go Vacation Lanka Company (Pvt) Ltd	Sale of Accommodation	-	14,655,909	-	-
The Herbert Cooray Trust	Reimbursement of Other Expenses	2,138,372	1,897,853	-	-
Total Holiday Options (Pvt) Ltd	Sale of Accommodation - Receipt	-	3,618,315	-	-
Jetwing Journeys (Pvt) Ltd	Sale of Accommodation	552,136	-	-	-
The Lighthouse Hotel PLC	Sale of Accommodation	296,732	509,606	-	-
	Gratuity Transfer (Net)	416,708	721,287	-	-
	Purchase of Food & Beverage	24,725	-	-	-
	Purchase of Goods	-	28,708	-	-
	Other Expenses	1,698	631,455	-	-
	Vehicle Hire Income	44,039	132,258	-	-
	Vehicle Rent Expense	439,940	-	-	-
	Sale of Rice	431,275	276,750	-	-

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

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
St. Andrews Hotel (Pvt) Ltd	Purchase of Food & Beverege & Others	3,110	-	-	-
	Sale of Accommodation	130,029	160,849	-	-
	Other Expenses	-	27,268	-	-
	Transportation Charges	269,328	867,426	-	-
	Vehicle Hire Expense	600,000	-	-	-
	Sale of Other Items	3,825	-	-	-
	Gratuity Transfer (Net)	-	65,583	-	-
	Sale of Rice	151,500	228,000	-	-
Yarl Hotels (Pvt) Ltd	Sale of Accommodation	22,072	9,790	-	-
	Vehicle Hire Income	49,256	66,458	-	-
	Sale of Rice	78,500	36,000	-	-
	Other Expenses	113,500	14,996	-	-
Thalahena Villas (Pvt) Ltd	Sale of Accommodation	17,000	-	-	-
The Royal Heritage (Pvt) Ltd	Sale of Accommodation	696,721	341,662	-	-
	Advertising Expenses & Other Reimbursements	-	86,625	-	-
	Sale of Assets	-	-	-	-
	Gratuity Transfer	842,564	2,160,903	-	-
	Other Expenses	-	101,591	-	-
	Vehicle Hire Income	-	31,577	-	-
	Sale of Rice	157,400	171,500	-	-
	Purchase of Goods	-	245,409	-	-
	Sale of Goods	475,141	332,562	-	-
Negombo Properties (Pvt) Ltd	Sale of Accommodation	-	196,075	-	-
	Sale of Rice	-	4,000	-	-
	Reimbursement of other expenses	-	33,838	-	-

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

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Jetwing Eco Holidays (Pvt) Ltd	Sale of Accommodation	-	4,015,245	-	-
Unawatuna Properties (Pvt) Ltd	Other Expenses	-	2,517	-	-
	Sale of Rice	15,000	10,000	-	-
Thirteen Development Lanka (Pvt) Ltd					
	Sale of Accommodation	59,813	81,225	-	-
	Purchase of Food & Beverage	1,997,176	1,440,153	-	-
Jetwing Air (Pvt) Ltd	Sale of Accommodation	-	340,906	-	-
The First Resort (Pvt) Ltd	Sale of Accommodation	92,184	216,963	-	-
	Other Expenses	306,352	23,583	-	-
	Sale of Goods	67,541	-	-	-
	Vehicle Hire Income	-	5,217	-	-
	Sale of Rice	398,500	238,750	-	-
	Purchase of Beverage & Others	51,129	-	-	-
Jetwing Ayurveda (Pvt) Ltd	Advertising Expenses and Other Reimbursements	-	62,272	-	-
	Vehicle Hire Income	-	3,055	-	-
	Sale of Accommodation	41,300	30,545	-	-
	Sale of Rice	22,950	74,825	-	-
	Purchase of Goods	-	82,250	-	-
Lanka Dhiviya (Pvt) Ltd	Sale of Accommodation	61,337	-	-	-
	Gratuity Transfer	-	159,018	-	-
Jetwing Adventure (Pvt) Ltd	Sale of Accommodation	-	446,612	-	-
Ceccato Colombo (Pvt) Ltd	Purchase of Goods	781,387	2,154,014	-	-

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

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Jetwing City (Pvt) Ltd	Loan Interest	-	-	-	1,957,852
	Temporary Loan Granted	-	-	-	40,000,000
	Temporary Loan Settled	-	-	-	40,000,000
	Reimbursement of Other Expenses		-	2,911	5,404
Cultural Heritage (Pvt) Ltd	Temporary Loan Settlement	-	-	-	10,000,000
	Temporary Loan Interest	-	-	-	84,101
Yala Properties (Pvt) Ltd	Temporary Loan	-	-	-	15,000,000
	Temporary Loan Settlement	-	-	1,000,000	67,500,000
	Temporary Loan Interest	-	-	530,771	2,583,369
The River Bank (Pvt) Ltd	Investment in Subsidiaries	-	-	-	50,000,000
	Temporary Loan	-	-	-	10,000,000
	Temporary Loan Settlement	-	-	-	10,000,000

## 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

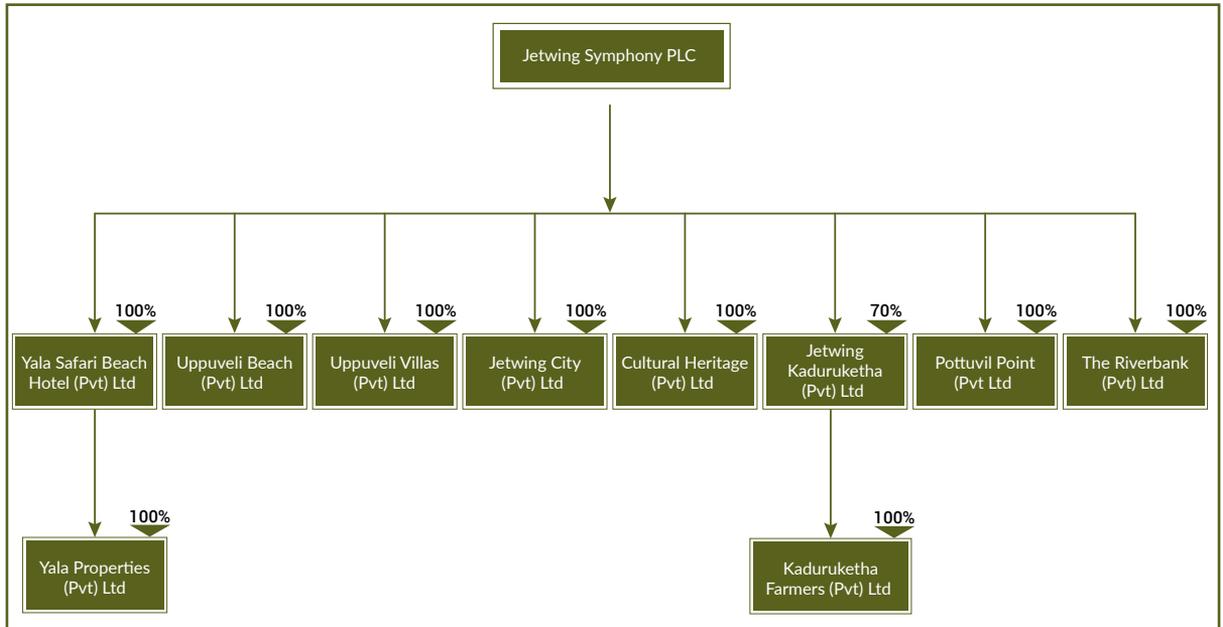
### DIRECTORS OF OTHER RELATED COMPANIES

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

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

- **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
- **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.R.S. Anthony  
Mr. J.S.W. Kasturi Arachchi
- **Jetwing Events (Pvt) Ltd**  
Directors  
Ms. N.J.H.M. 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. Ondaarjie  
Dr. C. Pathiraja  
Mr. T. Nadesan  
Mr. A.T.P. Edirisinghe
- **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
- **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. R.J. Arasaratnam  
Mr. C.S.R.S. Anthony
- **Jetwing Ayurveda (Pvt) Ltd**  
Directors  
Mr. N.J.H.M. Cooray  
Mr. R.A.E. Samarasinghe
- **Jetwing Adventure (Pvt) Ltd**  
Directors  
Mr. N.J.H.M. Cooray  
Mr. R.J. Arasaratnam
- **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 Cooray 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 2021

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	574	155,376	0.03	2	101	0.00	576	155,477	0.03
1,001 - 10,000	218	773,542	0.15	5	40,010	0.01	223	813,552	0.16
10,001 - 100,000	91	2,655,671	0.53	3	149,354	0.03	94	2,805,025	0.56
100,001 - 1,000,000	21	6,954,301	1.39	6	3,339,286	0.66	27	10,293,587	2.05
1,000,001 & Over	24	383,056,151	76.28	4	105,064,767	20.92	28	488,120,918	97.20
<b>Total</b>	<b>928</b>	<b>393,595,041</b>	<b>78.38</b>	<b>20</b>	<b>108,593,518</b>	<b>21.62</b>	<b>948</b>	<b>502,188,559</b>	<b>100.00</b>

Categories of Shareholders	Total		
	No. of Shareholders	No. of shares	%
Individuals	906	119,909,348	23.88
Institutions	42	382,279,211	76.12
<b>Total</b>	<b>948</b>	<b>502,188,559</b>	<b>100.00</b>

There were no non - voting shares as at 31st March 2021

17.99% of the issued capital of the company was held by the public, comprising of 928 public shareholders and a float adjusted market capitalisation of LKR 832,980,162 as at 31st March 2021. In terms of Rule 7.13.1.(b) of the listing rules of the Colombo Stock Exchange, the Company qualifies under option 2 of the minimum public holding requirement.

Information to Shareholders and Investors  
20 Largest Shareholders as at 31<sup>st</sup> March 2021

Name of Shareholder	No of Shares as at 31.03.2021	%	No of Shares as at 31.03.2020	%
Jetwing Travels (Pvt) Ltd	93,767,471	18.67	93,767,471	18.67
R.O.K. International Holdings Ltd	90,909,091	18.10	90,909,091	18.10
Blue Oceanic Beach Hotel (Pvt) Ltd	66,214,150	13.19	66,214,150	13.19
Employees Provident Fund	35,454,545	7.06	35,454,545	7.06
Mr. N.J.H.M.Cooray	34,747,339	6.92	34,747,339	6.92
Ms N.T.M.S.Cooray	32,866,324	6.54	32,866,324	6.54
N J Cooray (Builders) (Pvt) Ltd.	29,088,096	5.79	29,088,096	5.79
Amaliya (Pvt) Ltd	25,109,400	5.00	25,109,400	5.00
Mr. I.Weinman	22,727,273	4.53	22,727,273	4.53
RMP Partners Ltd	11,505,676	2.29	11,505,676	2.29
Jetwing Hotels Management Services (Pvt) Ltd	5,562,059	1.11	5,562,059	1.11
St. Andrews Hotel (Pvt) Ltd	5,100,000	1.02	5,100,000	1.02
Seylan Bank PLC. - A/C NO. 3	3,328,749	0.66	3,328,749	0.66
Mr. N.J.D.M.Cooray	3,286,997	0.65	3,286,997	0.65
Mr. N.H.V.Perera	3,186,609	0.63	3,186,609	0.63
Nilaveli Beach Hotels (Pvt) Ltd	3,102,755	0.62	3,102,755	0.62
Mr. N.J.H.Cooray	2,861,439	0.57	2,861,439	0.57
Mr. N.A.H.Cooray	2,861,439	0.57	2,861,439	0.57
Mr. G.R.Cooray Arasaratnam	2,861,439	0.57	2,861,439	0.57
Capital Alliance Holdings Ltd	2,209,150	0.44	2,209,150	0.44
<b>TOTAL</b>	<b>476,750,001</b>	<b>94.93</b>	<b>476,750,001</b>	<b>94.93</b>

**Market Value and Trading of Shares**

	31st March 2021	31st March 2020
Last Traded Price per share as at (Rs)	9.00	8.50
Highest Market Value per share - During the period (Rs)	11.00	13.00
Lowest Market Value per share - During the period (Rs)	7.50	8.50

**Share Trading during the period**

	31st March 2021	31st March 2020
Number of Transactions	4,033	593
Number of Shares Traded	6,006,339	905,746
Value of Shares Traded (Rs)	54,919,253	9,618,000

## 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 31/03/2021 (Rs.'000')
				Freehold	Leasehold	
Yala Properties (Pvt) Ltd						
Jetwing Yala	Yala	243,657	21	-	54.00	916,101
Jetwing Kaduruketha (Pvt) Ltd						
Jetwing Kaduruketha	Wellawaya	30,513	24	-	63.00	293,265
Culturala Heritage (Pvt) Ltd						
Jetwing Lake	Dambulla	146,236	8	17.18	-	1,749,664
Jetwing City (Pvt) Ltd						
Jetwing Colombo Seven	Colombo	163,468	3	0.44	-	3,542,385
Uppuveli Beach (Pvt) Ltd	Uppuveli	-	-	14.01	-	275,500
The Riverbank (Pvt) Ltd						
Jetwing Kandy Gallery	Kandy	47,306	1	3.69	-	580,754
Uppuveli Villas (Pvt) Ltd	Uppuveli	-	-	6.00	-	129,600
Pottuvil Point (Pvt) Ltd						
Jetwing Surf	Pottuvil	43,546	25	7.29	-	469,095



## 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%	7	47%	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%	38	100%	The Company has saved LKR 14 Mn from the initial estimate for IPO costs which has been invested in The Riverbank (Pvt) Ltd. (Jetwing Kandy Gallery)
	<b>Total</b>	753		753		745	99%	

## Five Year Summary

GROUP Year ended 31st March,	2021 Rs.'000	2020 Rs.'000	2019 Rs.'000	2018 Rs.'000	2017 Rs.'000
<b>OPERATING RESULTS</b>					
Revenue	556,856	1,525,016	1,911,321	1,515,032	734,742
Profit/(Loss) Before Taxation	(828,504)	(463,929)	(271,250)	(347,000)	(146,739)
Taxation (Expense)/Reversal	(1,586)	4,138	(9,337)	(1,618)	(2,885)
Profit/(Loss) After Taxation	(830,090)	(459,791)	(280,587)	(348,618)	(149,624)
<b>SHAREHOLDERS' FUNDS</b>					
Stated Capital	5,509,276	5,509,276	5,509,276	5,509,276	4,755,994
Reserves	1,004,852	994,246	934,175	709,327	740,284
Retained Earnings/(Losses)	(2,394,833)	(1,575,798)	(1,124,389)	(845,144)	(485,822)
	4,119,295	4,927,724	5,319,062	5,373,460	5,010,456
Non Controlling Interest	4,832	14,309	21,434	22,543	29,305
Shareholders' Funds	4,124,127	4,942,033	5,340,496	5,396,003	5,039,761
<b>LIABILITIES</b>					
Interest Bearing Loans & Borrowings	5,304,709	4,811,633	4,277,341	4,260,981	3,946,826
Current Liabilities	201,022	316,639	271,817	276,776	567,716
Other Liabilities	51,050	41,925	30,516	23,880	10,050
Deferred Tax Liabilities	251,637	249,322	247,390	210,867	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,932,545</b>	<b>10,364,552</b>	<b>10,167,560</b>	<b>10,168,506</b>	<b>9,564,353</b>
<b>ASSETS</b>					
Property, Plant & Equipment	9,040,569	9,340,934	8,987,612	8,846,778	8,656,161
Leasehold Property/Prepaid Lease Rent	-	-	47,049	49,010	50,970
Right of Use Assets	72,344	88,297	-	-	-
Deferred Tax Assets	15,806	7,689	-	-	-
Intangible Assets	581,436	582,529	582,926	583,576	583,248
Investments/Other Non-Current Financial Assets	60,979	813	885	3,065	2,814
Current Assets	161,412	344,289	549,088	686,076	271,159
<b>TOTAL ASSETS</b>	<b>9,932,545</b>	<b>10,364,552</b>	<b>10,167,560</b>	<b>10,168,506</b>	<b>9,564,353</b>
<b>CASH FLOW</b>					
From Operating Activities	(195,737)	304,955	112,585	(354,629)	406,989
From Investing Activities	(85,455)	(432,709)	6,731	(647,394)	(3,241,086)
From Financing Activities	145,151	284,260	(603,208)	853,740	2,528,693
Net Cash Inflow/(Outflow)	(136,041)	156,507	(483,891)	(148,282)	(305,404)
Cash & Cash Equivalents as at 31 March- Favourable/ (unfavourable)	(1,186,257)	(1,050,217)	(1,206,723)	(722,832)	(574,549)
<b>KEY INDICATORS</b>					
Earnings/(Loss) per Ordinary Share (Rs.)	(1.63)	(0.90)	(0.56)	(0.74)	(0.32)
Net Assets per Ordinary Share (Rs.)	8.20	9.81	10.59	10.70	11.09
Market Value per Share (Rs.)	9.00	8.50	9.70	13.50	N/A
No. of Operating Hotels	06	06	05	05	04

## 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.Kannangara (Dr)  
L.K.Porter  
G. Rocchi  
T.M.J.Y.P. Fernando (Ms) (resigned w.e.f 19.01.2021)  
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  
T.M.J.Y.P Fernando (Ms) (resigned w.e.f 19.01.2021)  
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

## Notice of Meeting

Notice is hereby given that the tenth (10th) annual general meeting (“AGM”) of Jetwing Symphony PLC (the “Company”) will be held on Wednesday, 30th June 2021 at 11.00 a.m., online via virtual platform for the purpose of considering and if thought fit, passing the following resolutions:

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 2021 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 2022 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 4th day of June 2021

**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 shareholder of the Company.*

*A completed form of proxy must be deposited at 216, de Saram Place, Colombo 10 or forwarded to corporateservices@corporateservices.lk 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 Mohottigurunanselage Jeanne<br>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 of the Company to be held on the 30th day of June 2021 and at any adjournment thereof.

- |  | For                      | Against                  |
|--|--------------------------|--------------------------|
| 4. 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   | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. 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 2022 and to authorise the Directors to determine their remuneration therefor. | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. To authorise the directors to determine contributions to charities for the ensuing year.  | <input type="checkbox"/> | <input type="checkbox"/> |

Signed this.....day of.....Two Thousand and Twenty One.

.....  
 \*Signature/s of the shareholder(s)

Note:

*Please delete the inappropriate words.*

#### 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 office of the Company Secretaries, Corporate Services (Private) Limited or forwarded to [corporateservices@corporateservices.lk](mailto:corporateservices@corporateservices.lk) not less than 48 hours before the time appointed for the holding of the meeting.

# Jetwing

## SYMPHONY

Jetwing Hotels Limited

Jetwing House, 46/26, Nawam Mawatha, Colombo 02, Sri Lanka

T: +94 11 470 9400 F: +94 11 234 5729 E-mail: [reservations@jetwinghotels.com](mailto:reservations@jetwinghotels.com)

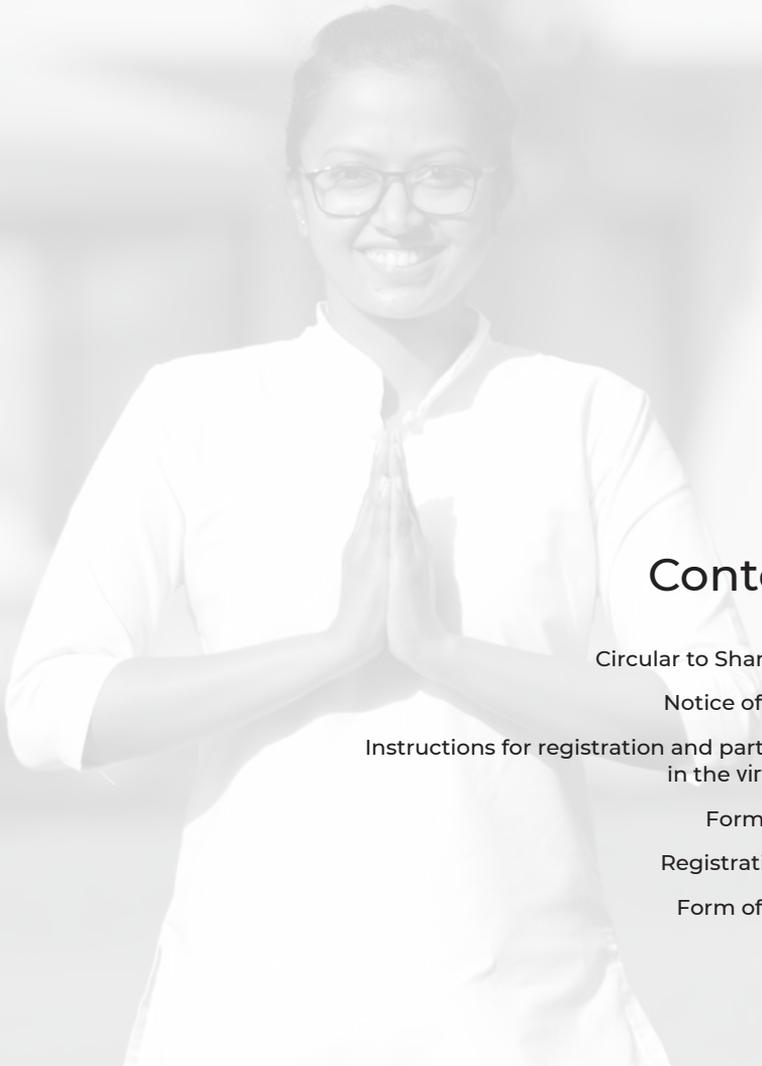
[www.jetwinghotels.com](http://www.jetwinghotels.com)

# Jetwing

## SYMPHONY

Jetwing Symphony PLC  
(PV/PB 13254 PQ)

Annual Report 2020/21



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Circular to Shareholders

Notice of Meeting

Instructions for registration and participation  
in the virtual AGM

Form of Proxy

Registration Form

Form of Request

## Circular to Shareholders

**Jetwing Symphony PLC**

(PV/PB 13254 PQ)

'Jetwing House',

46/26, Navam Mawatha, Colombo 2, Sri Lanka

Dear Shareholder,

**SUBMISSION OF ANNUAL REPORT TO SHAREHOLDERS**

As you are aware, Rule 7.5(b) of the Listing Rules of the Colombo Stock Exchange ("CSE") permits companies to forward their annual reports to the shareholders in a mode other than in printed form.

Accordingly, the annual report of Jetwing Symphony PLC for the financial year ended 31st March 2021 is available on the:

(1) Company website - <http://bit.ly/JSLreport2021>

(2) CSE website - <http://bit.ly/cseJSpic>



The Annual report of the Company for the financial year ended 31st March 2021 can also be accessed by scanning the QR code alongside.

If you wish to receive a printed copy of the annual report for the year ended 31st March 2021, you may complete and forward the attached Form of Request (Annexure II) to us on or before 30th June 2021. We will furnish a printed copy of the annual report within eight (8) market days from the date of receipt of such written request.

If you have any queries on this matter, please contact Mr. Sidath Rewatha on **0094 11 2345700** Ext. **1315** or **2259** / **070 7187266** Fax No. **0094 11 2345729** or e-mail **sidath@jetwinghotels.com** or **accounts@jetwinghotels.com**.

We also enclose herewith the Notice of meeting, instructions for participation and Form of Proxy for the annual general meeting scheduled to be held on 30th June 2021 at 11.00 a.m. online via virtual platform.

Yours faithfully,

By order of the Board

**CORPORATE SERVICES (PRIVATE) LIMITED**

Secretaries

**JETWING SYMPHONY PLC**

Colombo, on this 4th day of June 2021

## Notice of Meeting

Notice is hereby given that the tenth (10th) annual general meeting ("AGM") of Jetwing Symphony PLC (the "Company") will be held on Wednesday, 30th June 2021 at 11.00 a.m., online via virtual platform for the purpose of considering and if thought fit, passing the following resolutions:

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 2021 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 2022 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 4th day of June 2021

**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 shareholder of the Company.

A completed form of proxy must be deposited at 216, de Saram Place, Colombo 10 or forwarded to [corporateservices@corporateservices.lk](mailto:corporateservices@corporateservices.lk) not less than 48 hours before the time appointed for the holding of the meeting.

## Instructions for registration and participation in the AGM to be held on a virtual platform

1. The meeting is to be held in line with the guidelines given by the Colombo Stock Exchange and the health authorities as per the applicable laws:
2. In the interest of protecting public health and facilitating social distancing in line with the guidelines issued by the Ministry of Health, Nutrition and Indigenous Medicine, the meeting will be held in the manner set out below:
  - i. Only the key officials of the company, including certain members of the board of directors, the company secretary, auditors and the senior management of the company, who are essential for the administration of the formalities of the meeting will be physically present at "Jetwing House II" 46/26, Navam Mawatha, Colombo 02. All others, including shareholders, will participate in the meeting via an online meeting platform (Microsoft Teams). These measures have been adopted to observe social distancing regulations/requirements to mitigate the dangers of spread of the virus.
  - ii. The shareholders who wish to participate will be able to join the meeting through audio or audio and visual means via Microsoft Teams. In order for us to forward the access information necessary for participation at the meeting, **please forward the duly completed registration form (Annexure I) including your e-mail address and telephone number to corporateservices@corporateservices.lk not less than 48 hours before** the time appointed for the holding of the meeting so that the login information could be forwarded to the e-mail addresses so provided.
  - iii. If the company is unable to post this Notice due to any situation beyond its control, then this Notice will be published in one issue of a daily newspaper in the Sinhala, Tamil and English languages and if the circumstances permit, in one issue of the Gazette. The Annual Report, Notice of Meeting together with the Form of Proxy will also be published on the website of the Colombo Stock <http://bit.ly/cseJSplc> and the website of Company <http://bit.ly/JSLreport2021>.
3. Proxy forms should be duly completed as per the instructions given therein and sent via registered post to Corporate Services (Private) Limited, 216 de Saram Place, Colombo 10 or forwarded via e-mail to [corporateservices@corporateservices.lk](mailto:corporateservices@corporateservices.lk) not less than 48 hours before the time appointed for the holding of the meeting. The proxy so appointed shall participate at the meeting through audio or audio visual means only.
4. Shareholders who are unable to participate in the meeting via Microsoft Teams could send their queries, if any, to [corporateservices@corporateservices.lk](mailto:corporateservices@corporateservices.lk) 24 hours before the time appointed for the holding of the meeting and the responses to the same will be included in the minutes of the meeting.
5. Voting in respect of the resolutions sought to be passed will be registered by using the audio or audio and visual means on Microsoft Teams or a designated ancillary online application. All of such procedures will be explained to the shareholders prior to the commencement of the meeting.
6. Shareholders can use the "Q&A forum" to communicate any questions/concerns at the time allocated at the meeting.
7. For any questions, please contact Mr. Sidath Rewatha on 0094 11 2345700 Ext. 1315 or 2259 / 070 7187266 during office hours or e-mail [sidath@jetwinghotels.com](mailto:sidath@jetwinghotels.com) or [accounts@jetwinghotels.com](mailto:accounts@jetwinghotels.com).

By order of the Board

**CORPORATE SERVICES (PRIVATE) LIMITED**

Secretaries

**JETWING SYMPHONY PLC**

Colombo, on this 4th day of June 2021

## 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. | Mr. Sharad Dayalal Amalean                   | or failing him, |

.....of

.....as my/our proxy to attend and vote at the Annual  
General Meeting of the Company to be held on the 30th day of June 2021 and at any adjournment  
thereof.

- |    |   | <b>For</b>               | <b>Against</b>           |
|----|---|--------------------------|--------------------------|
| 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 2021 and the report of the auditors thereon.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 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 2022 and to authorise the Directors to determine their remuneration therefor. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. | To authorise the directors to determine contributions to charities for the ensuing year.  | <input type="checkbox"/> | <input type="checkbox"/> |

Signed this.....day of.....Two Thousand and Twenty One.

Note:

Please delete the inappropriate words.

.....

\*Signature/s of the shareholder(s)

**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 office of the Company Secretaries, Corporate Services (Private) Limited or forwarded to corporateservices@corporateservices.lk not less than 48 hours before the time appointed for the holding of the meeting.

## Registration Form

### Jetwing Symphony PLC

10th Annual General Meeting for the year ended 31st March 2021

**To: The Company Secretary**  
Corporate Services (Private) Limited  
216, De Saram Place  
Colombo 10  
**E-mail :** corporateservices@corporateservices.lk

#### DETAILS OF SHAREHOLDER

Full Name of the Principal Shareholder : .....

NIC No. / Passport No. / Company Registration No. : .....

CDS Account No. : .....

Residential Address : .....

Telephone No/s : .....

Email : .....

(To be completed if applicable)  
Full Name of 1st Joint Holder : .....

NIC No./ Passport No. : .....

Full Name of 2nd Joint Holder : .....

NIC No./ Passport No. : .....

Registration Form (Contd.)

In the event the Proxy holder is appointed by the shareholder, the following details will also be required:

DETAILS OF PROXY HOLDER: (only if a proxy is appointed)

Full Name of the Proxy holder : .....  
.....

NIC No. / Passport No. of Proxy holder : .....

Telephone No/s : .....

Email : .....

Signatures/s :

.....  
Principal Shareholder

.....  
1st Joint Shareholder

.....  
2nd Joint Shareholder

Date: .....

Note:

In the case of a company/corporation, the shareholder Registration Form must be signed by signatories duly authorized in the manner prescribed by its articles of association and if the Registration Form is signed by an Attorney, the duly executed Power of Attorney must be deposited at the office of the Company Secretaries, Corporate Services (Private) Limited or forwarded to corporateservices@corporateservices.lk not less than 48 hours before the time appointed for the holding of the meeting.

## Form of Request

To: **The Company Secretary**  
 Corporate Services (Private) Limited  
 216, De Saram Place  
 Colombo 10

I would like to receive the printed version of the Annual Report of Jetwing Symphony PLC

SHAREHOLDER DETAILS	
Full Name	
NIC / Passport/Company Registration No.	
Address	
Contact Number	

.....  
 Signature

.....  
 Date

**Notes:**

1. Please complete the Form of Request by filling in legibly the required information, signing in the space provided and filling in the date of signature.
2. Please forward the completed Form of Request to the Company Secretaries at the address given above to reach us on or before 30th June 2021.
3. In the event the shareholder is a company/corporate, the Form of Request should be signed under common seal or by a duly authorized officer of the company in accordance with its articles of association.





# Jetwing

## SYMPHONY

### **Jetwing Symphony PLC**

Jetwing House, 46/26, Nawam Mawatha, Colombo 02, Sri Lanka.

T: +94 11 470 9400 | F: +94 11 234 5729

[www.jetwingsymphony.com](http://www.jetwingsymphony.com)

### **Jetwing Hotels Limited**

Jetwing House, 46/26, Nawam Mawatha, Colombo 02, Sri Lanka.

T: +94 11 470 9400 | F: +94 11 234 5729

E-mail: [reservations@jetwinghotels.com](mailto:reservations@jetwinghotels.com)

[www.jetwinghotels.com](http://www.jetwinghotels.com)