



Jetwing
SYMPHONY

ANNUAL REPORT
2022/23



At Jetwing Hotels, our bedrock is built on the timeless family values of passion, humility, integrity, and tenacity. These virtues resonate within every aspect of our operations, inspiring us to deliver nothing short of excellence to our beloved guests. From the moment you grace our homes of authentic Sri Lankan hospitality, our devoted associates are ready to greet you with their warm and welcoming smiles, a signature at every Jetwing Hotel around the emerald isle, making you feel right at home.



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About Us

Experience the unparalleled portfolio of Jetwing Symphony PLC, where the essence of authentic Sri Lankan hospitality unfolds. With an unwavering commitment to sustainability, personalized service, and meticulous attention to detail, we invite you to indulge in a truly extraordinary stay. Discover a collection that seamlessly blends timeless traditions with innovative experiences, offering unparalleled moments across the island. From the captivating shores of Jetwing Yala and Jetwing Safari Camp in Yala to the serene oasis of Jetwing Kaduruketha in Wellawaya, the tranquil haven of Jetwing Lake in Dambulla, the urban sophistication of Jetwing Colombo Seven in Colombo, the exhilarating waves of Jetwing Surf in Pottuvil Point, to the artistic retreat of Jetwing Kandy Gallery in Kandy, each destination radiates the charm and authenticity of Sri Lanka. Immerse yourself in the tapestry of Sri Lankan culture and embark on a remarkable journey that will leave you with cherished memories of unparalleled hospitality.



Jetwing Symphony Properties



Jetwing Yala | Yala

The beacon of the deep south Perched amidst 38 acres of pristine coastal wilderness near Yala National Park, our home in the wilderness seamlessly combines adventure with luxurious comfort and relaxation. With 80 exquisite rooms, exceptional dining options, captivating bars, and an infinity pool, our dedicated team's legendary hospitality ensures an idyllic escape to immerse yourself in the wonders of nature.



Jetwing Kaduruketha | Wellawaya

Amid the picturesque village of Wellawaya, cradled by the majestic Poonagala mountain and in the midst of lush paddy fields, lies Jetwing Kaduruketha, Sri Lanka's pioneering agro-luxury resort. A harmonious blend of tradition and elegance, this haven of 25 rustic dwellings offers curated butler service, captivating views, and a wealth of unique experiences. Discover the serenity of one of the world's most idyllic retreats.



Jetwing Lake | Dambulla

Located in the heart of our island's revered cultural triangle, Jetwing Lake is an illustrious embodiment of sustainability and community development. This distinguished retreat seamlessly intertwines history and nature, offering an unparalleled experience. With 94 spacious rooms, exceptional dining venues, a serene spa, and a pool overlooking the scenic Siyambalawewa Tank, Jetwing Lake epitomises the pinnacle of a luxurious getaway while exemplifying our unwavering commitment to responsible tourism.



Jetwing Colombo Seven | Colombo

Embrace the epitome of contemporary luxury at Jetwing Colombo Seven, located in the heart of Colombo's bustling urban landscape. With 70 deluxe rooms, 28 serviced apartments, exceptional dining options, a rooftop infinity pool, and state-of-the-art conference facilities, our urban retreat seamlessly blends business and leisure, offering a haven of refined sophistication complemented by our truly authentic Sri Lankan hospitality.



Jetwing Surf | Pottuvil Point

On the serene eastern coast, Jetwing Surf emerges as an exquisite benchmark of luxurious eco-tourism. Designed by acclaimed architect John Balmond, this enchanting resort seamlessly blends sustainability, vernacular architecture, and indulgence. With 20 lavish cabanas, authentic Sri Lankan ambiance, pristine beaches, and thrilling adventures, it is located minutes away from the finest surfing destinations and a range of wildlife, nature, and cultural expeditions.



Jetwing Kandy Gallery | Kandy

A tranquil escape in the hill country capital where impeccable hospitality intertwines with the rich traditions and breathtaking landscapes of Kandy, mere minutes away from the archaeological marvels and stunning natural wonders of the glorious city. Discover a serene retreat in our 26 luxurious rooms, inspired by the city's timeless heritage. Indulge in fusion cuisine and relax by the tranquil pool, overlooking the majestic Mahaweli River. Find tranquility and indulgence at our home in the mystic hills.



Jetwing Safari Camp | Yala

Nestled in the embrace of Yala National Park, Jetwing Safari Camp is a sanctuary where untamed wilderness beckons. Amidst verdant landscapes, our 10 exquisite jungle cabins, which were also newly revamped, harmoniously blend with nature's beauty. With attentive butlers at your service, anticipate personalised journeys that unveil hidden wonders. As the sun sets, surrender to the enchantment of Jetwing Safari Camp—a tapestry of treasured memories woven with adventurous luxury.

Financial Highlights

Performance for the year ended 31 March		2023	2022
Revenue	LKR '000	2,115,955	1,288,040
Earnings before interest, tax, depreciation & amortisation (EBITDA)	LKR '000	466,607	378,515
Profit/(Loss) before tax (PBT)	LKR '000	(765,194)	(912,419)
Profit/(Loss) after tax (PAT)	LKR '000	(632,195)	(896,032)
Earnings/(Loss) per share	LKR	(1.10)	(1.62)

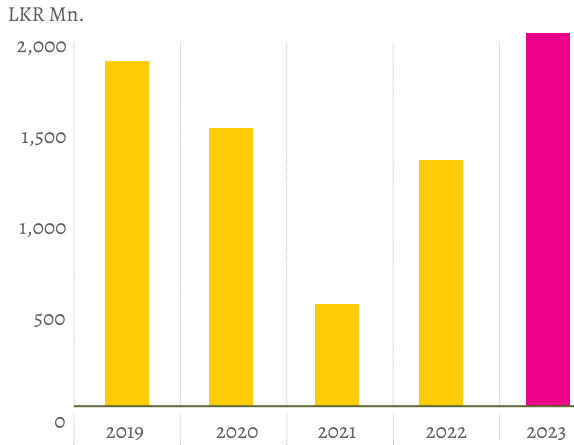
Financial Position as at 31 March

Total Assets	LKR '000	10,422,320	10,636,941
Total Debt	LKR '000	5,922,776	6,066,685
Total Equity	LKR '000	3,321,931	3,876,141
No of Shares in Issue	No.'000s	602,189	502,189
Net Assets per Share	LKR	5.55	7.72
Gearing Ratio	%	64	61
Debt/Total Assets	%	57	57
Current Ratio		0.13:1	0.21:1
Quick Asset Ratio		0.10:1	0.18:1

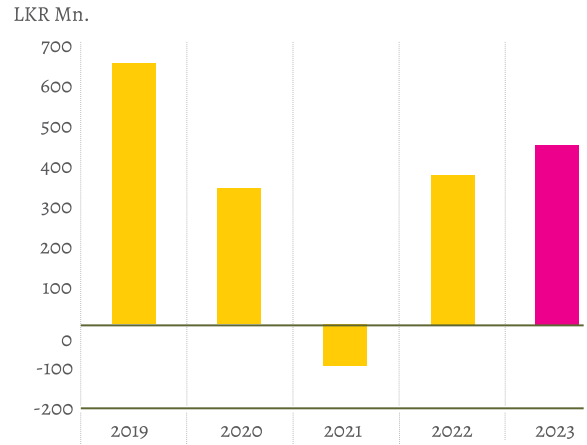
Market/Shareholder information

Market price per share as at 31 March	LKR	7.10	10.50
Market Capitalisation	LKR '000	4,275,539	5,272,980

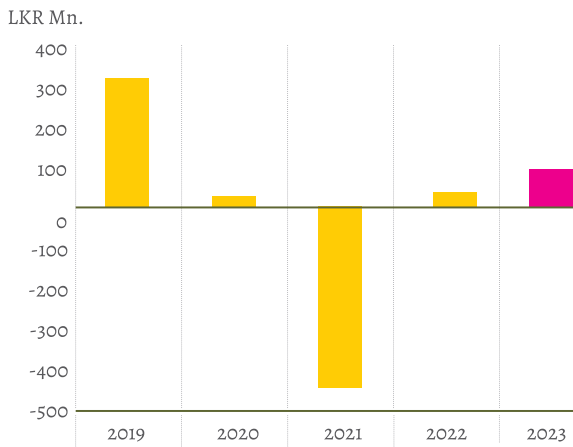
Revenue



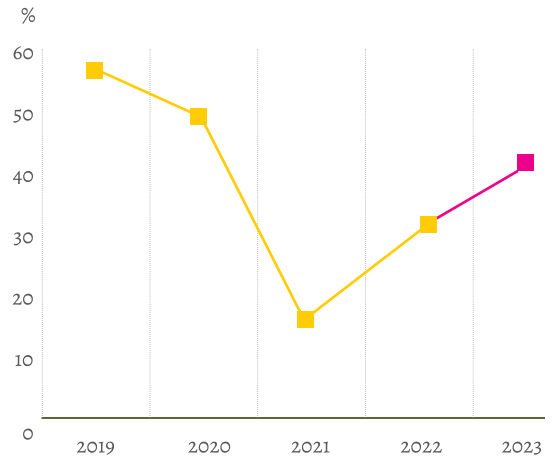
EBITDA



EBIT



Occupancy







Jetwing Yala - The coveted beacon of the deep south. Discover serenity within 38 acres of pristine coastal wilderness, where the gentle embrace of nature invites unparalleled relaxation, and the soothing coastal sunshine beckons you to unwind and rejuvenate.

Chairman's Letter

To the shareholders and well-wishers of Jetwing Symphony PLC,

Ayubowan (may you live long)!

At least once in your life, you may have come across the saying “when the going gets tough, the tough get going.” This message resonates with every single Sri Lankan, especially those who remained in the country and fought through the many challenges over the last few decades. Having lived through four of the most volatile and frightening years in the history of tourism, this resonates even more with those engaged in Sri Lanka's hospitality and tourism industry. In my near 60 years of life, I have never felt more uncertain and lost than I did in the first quarter of the recently concluded financial year. The preceding calamities, the Easter Sunday attacks and the pandemic, were shadowed by what our country faced last year. I have never doubted the potential and future prospects of Sri Lanka, but for a moment, I too feared that our country could have collapsed, both economically and politically. I thank God every single day that the fears of all Sri Lankans did not become a reality. At the onset of this statement, I would like to offer my deepest gratitude to the Governor and his team at the Central Bank and the current administration for bringing stability to our nation and forging a pragmatic path for recovery.

Sri Lanka's economic crisis was fuelled by successive fundamental mistakes, and one of the detrimental outcomes was a severe shortage of foreign currency. Tourism plays a key role in sourcing foreign currency, and I am delighted that after the removal of the travel bans from our primary source markets towards the end of the second quarter of the financial year, our industry was able to contribute to the country's economy once again. The money earned through tourism goes a long way, both directly and indirectly, and all the stakeholders are grateful that the industry has been recognised as one that will drive Sri Lanka's economic revival. While we are now in a much stronger position than we were 12 months ago, there are many areas in which we can improve to further the prospects of tourism and its economic and social benefits to the people of this country.

Sri Lanka: the pearl of the Indian Ocean, a land like no other, small miracle, the wonder of Asia, and So Sri Lanka. Over the years, many attempts have been made to launch a consistent marketing campaign to position the destination in key markets such as the United Kingdom, Germany, France, and India. Sadly, these have never come to fruition, and apart from one-off boosts, none of the campaigns have sustained for a significant amount of time, and as a result, we have failed to position the country and its diverse offering to discerning travellers. The promotions of the destination have been essentially organic, fuelled by independent travellers and the stakeholders in the industry. Despite the limitations, this too has yielded substantial results, and we saw continued growth in arrival figures until the pandemic hit the world, and even now, we see a quick revival in tourism figures. Experiences such as the scenic train ride from Kandy to Ella have become world-famous and draw thousands of travellers to the country. As industry stakeholders, we too focused on communicating the wonderful experiences Sri Lanka has on offer to all our partners overseas, and through our own digital and traditional consumer-focused communications. While this is essential to draw people to the paradise island, the world has forgotten that we also have iconic hotels in Sri Lanka. As a result, a majority of those visiting

Sri Lanka choose to stay in more affordable accommodation options; and the luxury hotels have been forced to constantly bring prices down due to the lack of awareness and demand from target audiences. Once a communication plan is set in motion, I urge the authorities and stakeholders in the industry to showcase Sri Lanka's iconic resorts, along with the experiences, so that we have a strategy in place to yield more income per traveller, as opposed to flooding our destinations with tourists yielding minimum returns. Global demand for luxury travel is still very strong, and these segments are least impacted by macro-level economic challenges that may persist in our key markets in the short-term. Unfortunately, Sri Lanka is not a destination that is effectively positioned to these travellers, even though we have the products and services to cater to them. We need to have strategies and implementation plans in place to attract more high-value travellers, both in terms of product and destination marketing as well as infrastructure development, especially at places of interest. If this is done proactively, we will not only draw more high-yielding travellers, but we will also build confidence within the industry to increase rates across the spectrum of accommodation available, resulting in higher income to the country and its people.

The lack of confidence in Sri Lanka's future has resulted in a mass exodus of talented youth in our industry and others. There is no country worth fighting for without its people. My heart aches each time one of our youngsters tell me they are leaving to another country in search of greener pastures. We have seen tremendous positive momentum in the last few months alone, and this should renew confidence in the youth, but this message has to be driven consistently by the media, and religious, political and industry leaders. While we are not out of the woods yet, the path is clearer, and better times seem nearer. We have an opportunity to rebuild our nation, with tourism leading the way, and I encourage all leaders to share a strong message with the youth, to encourage them to stay on and help this country reach its potential.

Jetwing Symphony PLC owns 7 branded properties around the island that are operated by Jetwing Hotels Ltd. – Jetwing Colombo Seven, Jetwing Kandy Gallery, Jetwing Lake (Dambulla), Jetwing Kaduruketha (Wellawaya), Jetwing Surf (Pottuvil), Jetwing Yala, and Jetwing Safari Camp (Yala) – and the company also owns a beachfront land in Uppuveli. From popular tourist hotspots such as Dambulla, Colombo, Yala, and Kandy, to emerging destinations like Wellawaya and Pottuvil, your company has a strong footprint of assets in iconic locations around Sri Lanka. During the financial year, the Board decided to renovate Jetwing Safari Camp, from its tented villas to more robust and luxurious wooden cabins. The property was reopened during the fourth quarter, having completed 5 of the 10 units, and the entire project is on track to be completed by the end of the first quarter of the new financial year. Along with a few more product and service enhancements, we are confident that the property will be able to successfully establish itself as one of the top luxury safari accommodation providers in Yala.

As part of Jetwing Hotels' six-pillared sustainability strategy, we have introduced multiple initiatives at each of the properties owned by your

company, with a focus on developing the local communities and protecting our environment. From on-site biomass boilers for generating steam that fuel the central hot water system, air-conditioning and laundry requirements, to ground and roof-mounted solar power; effluent treatment plants that treat all the wastewater which is later used for garden irrigation, to generating biogas from food waste that is used to fuel modified stoves in the associate kitchens; our award-winning projects such as the Jetwing Youth Development Project that has brought hundreds of youth from the local communities into the industry with free training in hospitality skills and English, and Second Careers which brought middle-aged women into the industry and gave them a source of steady income despite them having no prior work experience; onsite water bottling plants that produce the entire drinking water requirement at the properties by refilling glass bottles, and prioritising local food sourcing; these initiatives, and many more, have helped us position the properties as leaders in responsible tourism across the emerald isle. At Jetwing Hotels, we believe that sustainability is a journey of discovery, innovation, and tenacity and making changes today, however small, can lead to a better future for all. By sharing our journey of sustainability, what we have learnt, and what we hope to achieve, we aim to inspire change and create a butterfly effect. I encourage you to visit the back-of-house operations at the properties and see for yourself the investments made by your company to create a sustainable model for the hospitality industry, so that future generations of travellers will also be able to enjoy these spectacular spaces and natural wonders.

Moving on to your company's financial performance, I'm pleased to note that we ended the year with a 64% increase in revenue from the previous year, amounting to LKR 2.1 Billion. This was mainly fuelled with the surge in business in the 4th quarter of the financial year, as foreign travel in the previous quarters was impacted severely by the travel bans, and the shortages in fuel and other concerns caused a reduction in domestic travel for most of the year. Net loss for the period decreased by 29%, amounting to LKR 632 Million. Despite the positive improvement in the bottom line, there were many underlying causes for the negative net results when compared to the positive operational profit of the company, which amounted to LKR 466.6 Million. This was primarily caused by unprecedented increases in; interest rates, resulting in a 117% increase in finance costs; power and energy rates, payroll cost, and property maintenance, resulting in a 72% increase in administrative expenses. While this is an extremely challenging time to operate businesses in Sri Lanka owing to the economic conditions, we are confident that your company will achieve better performance in the upcoming financial year, assuming that macro-economic conditions remain stable. We are grateful and appreciate the commitment, loyalty, and patience of all shareholders. Our commitment to you is that we will start paying out dividends as soon as the company is profitable, accounting for the accumulated losses and further investments.

On behalf of the board of directors, I would like to thank all the General Managers for steering the properties and their teams through extremely challenging times. I must also express my gratitude to the teams at all the properties for staying strong and fighting through the storm. I also thank

our banking partners, for supporting us in critical times and ensuring that we were able to continue our operations and make all our payments on-time; our suppliers, for giving us the best produce at competitive rates; our tour operators and travel agents, both in Sri Lanka and overseas, for continuously supporting our properties; our managing agents, Jetwing Hotels Ltd., for guiding the company during these difficult times; and finally, our guests, from Sri Lanka and around the world, for keeping us motivated and encouraging us to continue innovating and creating new experiences along with our authentic Sri Lankan hospitality.

Our resilience as a nation and industry is second to none. No matter the challenge, we rise up again, taking it one day at a time, and persevere to be our best selves in every way. That is the true beauty of Sri Lanka: its people. I have travelled to nearly 100 countries in the world thanks to our work, but I am yet to find a place as beautiful as Mother Lanka. The warm and loving people, the delectable food, the amazing natural and manmade wonders, and of course, the beaches; there is no other place I can call home. Stay strong, stay resilient. Our country will rise again, and we will be a leading destination for luxury and responsible travel. All of us at Jetwing will continue the fight and change the norms, pursuing excellence in every way and playing our part in reviving this magical land.

Thank you and may God bless you all,



Hiran Cooray

Chairman

Jetwing Symphony PLC

23rd May 2023

Operating Environment

The Global Economy

The global growth is estimated to have slowed to 2.9% in 2022. Further, the global growth is expected to decelerate to 1.7% in 2023 – the third weakest pace of growth in nearly three decades, overshadowed only by the global recessions caused by the pandemic and the global financial crisis as per the World Bank. Economic conditions deteriorated substantially in advanced economies in 2022 as high inflation eroded household purchasing power and reduced confidence, while rapid monetary policy tightening weighed on demand. The Russia-Ukraine war resulted in severe energy supply disruptions in the euro area, pushing up energy prices and prices of some food items, thereby hampering production and consumption fueling uncertainty.

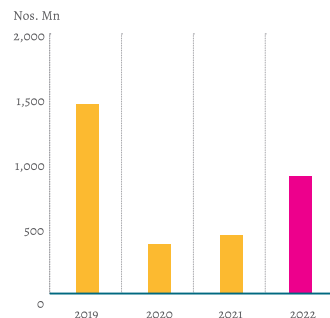
Tightening financial conditions amidst the global fight against inflation and the continuation of the Russian-Ukraine war are expected to impact global economic activity in 2023, while reopening of China is expected to partially offset this impact as per the World Economic Outlook updated of January 2023. Further, the Global inflation is estimated to have peaked in 2022 and projected to be easing in 2023 amidst weakening demand and easing commodity prices. Risks to the global economic outlook, on an aggregate basis, indicate possible lower than expected global growth and higher inflation.

Global Tourism

Global tourism recorded 917 million international tourist arrivals in 2022 from destinations worldwide compared to 455 million in 2021. This is an increase of 102% compared to 2021. International tourism has also recovered 63% of pre-pandemic year 2019 according to the UNWTO. International tourism saw stronger than expected results in 2022, backed up by large pent-up demand and the easing of travel restrictions in many countries. (157 countries had no COVID 19 travel restrictions in May 2023, according to the UNWTO/IATA Destination Tracker – Easy Travel). Further, international tourism showed resilience as shown in its strong recovery despite to the emergence of the omicron covid variant at the beginning of the year, the start of the Russian war against Ukraine and challenging economic environment.

All regions enjoyed significant increases in 2022 over the previous year. Europe and the Americas recorded the strongest results by region relative to 2021 with arrivals up 92% and 75% respectively, though both remained 21% and 35% respectively below 2019 levels. Africa saw a 132% increase in 2022 compared to 2021, though remained 35% below 2019 levels. In the middle east arrivals increased by 144% compared to 2021 and

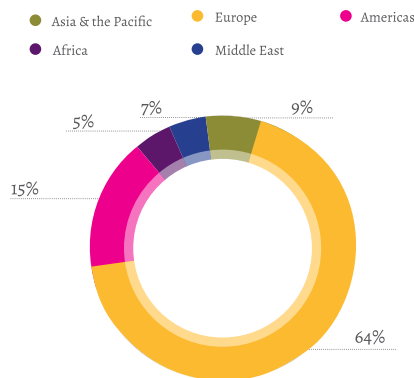
International Tourist Arrivals



17% below 2019 levels. In Asia and the Pacific, arrivals increased by 241% from 2021 levels and 23% when compared to pre-pandemic values according to the UNWTO World Tourism Barometer.

Tourists are expected to increasingly seek value for money and travel short haul flights in response to the challenging economic environment. The improved performance of Air traffic is expected to contribute to the ongoing recovery of international tourism in 2023. According to UNWTO, Domestic tourism will continue to support to tourism recovery, fueled by demand for destinations closer to homes as tourists look for different experiences such as nature based products and rural tourism.

International Tourist Arrivals by Region



According to Statista.com, the international tourism receipts is estimated at USD 1 trillion in 2022, above USD 626.8 Bn in 2021 but still below the pre-pandemic value of USD 1.5 trillion.

UNWTO Panel of Experts survey in January 2023 indicates that 72% of tourism professionals expect better performance in 2023 than in 2022. However, 65% also believe international tourism will not return to 2019 levels until 2024 or later.

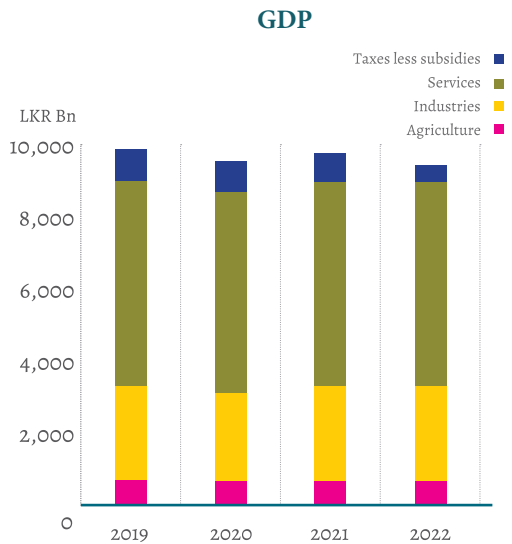
Operating Environment Contd.

The Sri Lankan Economy

The Sri Lankan economy recorded its deepest economic contraction since independence in 2022, mainly driven by the ripple effects of the unprecedented economic crisis amidst the domestic and global headwinds that reversed the post-pandemic recovery. As per the estimates the Sri Lankan economy recorded a contraction of 7.8% in 2022 in real terms compared to the growth of 3.5% in 2021.

The Gross Domestic Product (GDP) at current market prices of Sri Lankan economy was estimated at USD 77.1 billion in 2022 compared to USD 88.5 billion in 2021. The per capita GDP also declined to USD 3,474 in 2022 from USD 3,997 in 2021.

All sectors of the economy recorded a contraction during the year (agriculture, forestry and fishing by 4.6%, industry by 16%, and services by 2% compared to the previous year).



The year-on-year headline inflation based on CCPI accelerated rapidly to reach historical high in September 2022 and commenced a descending path thereafter, with the realization of the impact of the tight monetary conditions and the gradual easing of the supply side disruptions. Accordingly, year on year headline inflation based on CCPI recorded 57.2 percent by end 2022 from 12.1 percent at end 2021. This is mainly due to global and domestic supply side disturbances, the surge in global commodity prices and upward revisions to administered prices. The acceleration in inflation is attributed to acceleration in both food and non-food inflation though food inflation accounted for a larger share.

In April 2022, the Central Bank raised policy rates significantly by 700 basis points, the highest single day adjustment in recent history to arrest the build up of excessive demand driven inflationary pressure. The Average Weighted Lending Rate (AWLR), which is based on interest rates of all outstanding loans and advances extended by LCBs, stood 18.7% as at end 2022. The Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) stood at 14.5% and 15.5% as at end 2022.

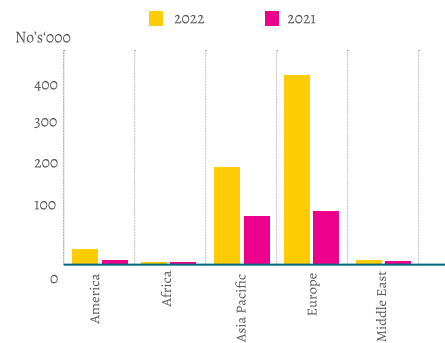
The adjustment in exchange rate in March 2022 and subsequent market pressure, the Sri Lankan rupee depreciated sharply by 33% against the USD by end March 2022 and thereafter to LKR 363.11 by end December 2022. However, the exchange rate appreciated to LKR 327.29 by end March 2023 with the improvement foreign exchange market conditions.

Sri Lankan Tourism

Tourist arrivals in Sri Lanka recorded a steady recovery in 2022 despite significant challenges due to heightened political and social tensions, fuel shortages, power outages and adverse travel advisories among others. The tourist arrivals recorded an overall increase of 270% to 719,978 in 2022 compared to 194,495 arrivals in 2021.

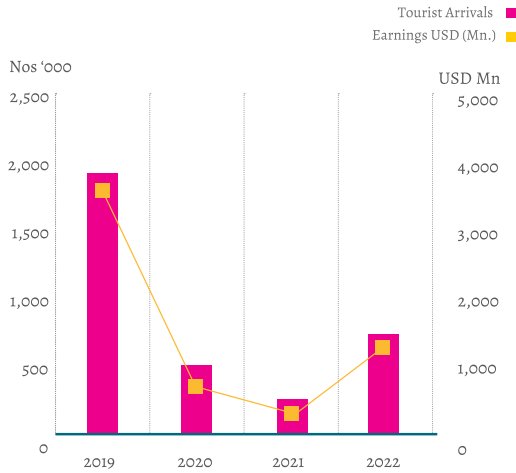
Earnings from Tourism increased significantly by 124.2% to USD 1,135 million in 2022, in comparison to USD 507 million in 2021.

Tourist Arrival by Country of Residence 2022



Operating Environment Contd.

Annual Tourist Arrivals/Tourism Earnings



India (17%), Russia (13%), United Kingdom (12%), Germany (8%) and France (5%) were Sri Lanka's top five international tourist generating markets for the year 2022. Further, Tourist arrivals from all major regions, increased in 2022. Europe was the largest tourist origin recording 60% of total tourist arrivals.





With the East Coast ocean as your backdrop, the majestic purple skies cast a spellbinding aura as you embark on a culinary journey at Rella. Jetwing Surf's main restaurant offers refined elegance, where the art of dining is celebrated amidst awe-inspiring natural beauty.

Group Financial Review

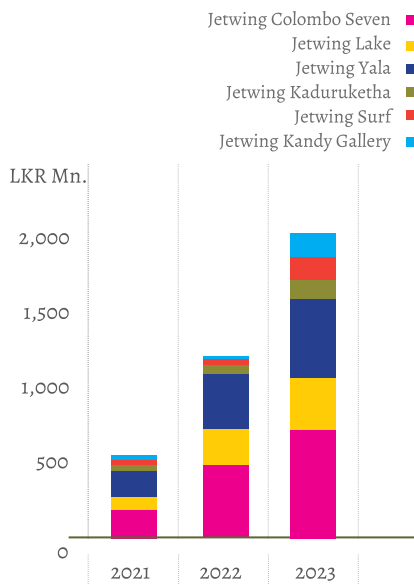
The group financial statements for the financial year 2022/23 includes the financial statements of Jetwing Symphony PLC and all its subsidiaries mentioned in page 83. During the year under review Jetwing Yala, Jetwing Lake, Jetwing Colombo Seven, Jetwing Kaduruketha, Jetwing Surf and Jetwing Kandy Gallery operated for the full financial year.

Revenue

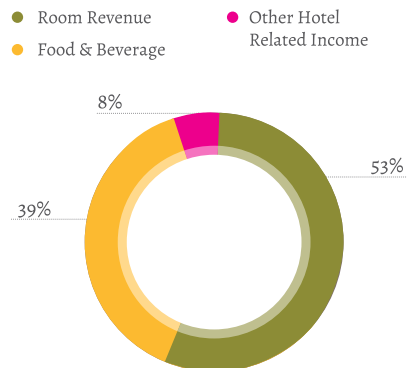
Jetwing Symphony group recorded revenue of LKR 2,116 million for the financial year ended 31 March 2023, an increase of 64% compared to last financial year. The increase in revenue is primarily due to increase in occupancy and average room rate. The group revenue was also positively impacted due to the significant depreciation of the Sri Lankan rupee against the USD in April 2022.

Jetwing Colombo Seven, Jetwing Yala and Jetwing Lake contributed 42%, 26% and 16% respectively to the group revenue.

Revenue



Revenue Composition 2023



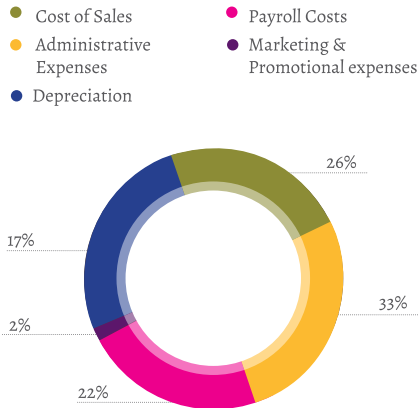
Expenses

Group expenses excluding exchange loss on foreign currency loans and finance cost amounted to LKR 2,028 million compared to LKR. 1,302 million last year. The increase in expenses is primarily due to higher administrative costs (97%) and payroll cost (45%) due to increase in occupancy and prices. Sales and Marketing cost also increased during the year under review by LKR 17 million due to increase in online sales commissions and other marketing activities compared to last year. Cost of sales have increased mainly due to increase in business volume and increase in prices. Further, the exchange loss on conversion of foreign currency loans amounted to LKR 197 million during the period under review.

Finance cost for the year amounted to LKR 697 million which is an increase of LKR 375 million compared to the previous year. The increase is mainly due to the substantial increase in monthly AWPLR during the year under review.

Depreciation for the year was reported at LKR 345 million which is an increase of LKR 2 million compared to the previous year.

Expenses Composition 2023



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

EBITDA for the year under review was reported as LKR 467 million compared to LKR 379 million achieved in the previous year. The increase in EBITDA is primarily due to the increase in revenue.

Profitability

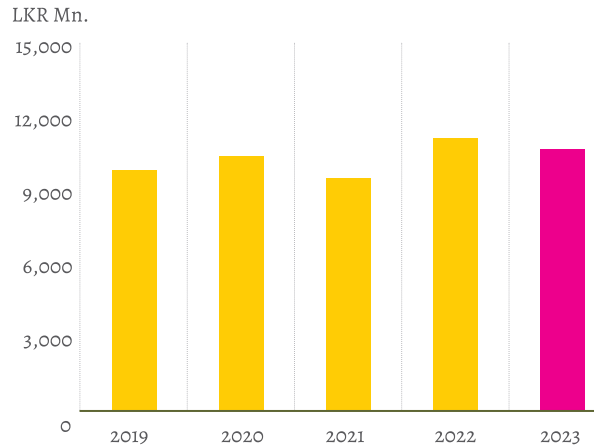
The Group recorded a loss before tax of LKR 765 million compared to previous accounting year's loss before tax of LKR 912 million. The loss includes exchange loss on foreign currency loans amounting to LKR 197 million. The decrease in loss before tax is primarily due to the increase in operations profit by LKR 88 million, decrease in exchange loss on foreign currency loans by LKR 433 million despite to the increase in Finance cost by LKR 375 million. The finance cost is after deducting the interest waiver extended by financial institutions on terms loans amounting to LKR 292 million.

Loss after tax of the Group amounted LKR 632 million compared to previous year's loss after tax of LKR 896 million. During the period under review the income tax reversal amounted to LKR 133 million. This is mainly due to the deferred tax reversal arising from the tax losses and increase in the tax rate.

Statement of Financial Position

The Group's Total Assets was LKR 10,422 million as at 31st March, 2023 compared to LKR 10,637 million for the previous period. During the year under review, Property, Plant and Equipment additions amounted to LKR 77 million.

Total Assets



During the year, Group debt decreased to LKR 5,923 million compared to LKR 6,067 million previous year. As at 31st March 2023 the gearing level of the group stood at 64%.

Shareholders' Funds

Shareholders' funds as at 31st March 2023 decreased to LKR 3,344 million from LKR 3,881 million in the previous period. During the year, the deferred tax charge on revaluation surplus of land amounted to LKR 415 million due to the increase in the income tax rate from 14% to 30%. Further, the issue of share from the rights issue amounting to LKR 500 million has been set off with the group net loss after tax amounting to LKR 632 million. The group's net assets per share as at 31st March 2023 stood at LKR 5.55 per share.

Statement of Cash Flow

Cash position of the Group, as at 31st March 2023 decreased to negative LKR 1,821 million, compared to negative LKR 1,144 million last financial year. Cash flows used in operations amounted to LKR 78 million primarily due to increase in finance cost payments. Cash flows from investing activities amounted to LKR 91 million. Investing activities included withdrawal of investment in USD fixed deposit amounting to LKR 162 million. The net cash flows used in financing activities amounted to LKR 691 million.





As the ethereal orange hues of evening's dusk embrace the sky and an enchanting symphony of city lights illuminate the scene, Jetwing Colombo Seven's Rooftop Restobar Ward7 transforms into a space where laughter, camaraderie, and the allure of urban adventures intertwine in perfect harmony.

Sustainability Review

ENVIRONMENT

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. 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.

Our approach to identify and effectively manage operational impact areas is outlined in the Jetwing Hotels' Sustainability Strategy, with specific measures for maintaining a clean and healthy environment highlighted in the Environmental Policy, and commitment to continually improve our energy performance via efficient and innovative strategies outlined in the Energy Management Policy.

With the understanding that energy is a valuable commodity and its conservation is the need of the hour, along with the consideration that fossil fuel combustion in energy generation is the largest contributor greenhouse gas emissions; in order to reduce the energy 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, transitioning to clean power, maximizing benefits of the abundantly available renewable energy sources.

Freshwater demand of Jetwing Symphony properties is met via the city water supply, extracted groundwater or in the particular case of Jetwing Yala, produced via an onsite Reverse Osmosis plant. Recognizing the importance of water conservation, all properties have implemented strict measures to regulate and minimize water consumption, reduce wastages and reuse wherever possible. Unless discharged to the city's public sewer system, 100% of wastewater generated from all hotel operations is sent to on-site effluent treatment plants, with the treated water (re)used for cooling towers, cistern flushing, and garden irrigation; or responsibly discharged to the environment following separate, clustered treatment in septic tanks.

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 is inventoried and sold to external parties for recycling or reuse; while organic waste is fed to onsite biogas digesters, composted onsite, or sent to local piggeries to be used at animal feed.

Minimal quantities of mixed waste items which can neither be recycled nor biodegraded, are collected by local authorities for disposal.

The management initiatives 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 obtained external verification as compliant with ISO 14001:2015 standard for environmental management systems; while Jetwing Yala, Jetwing Lake and Jetwing Kandy Gallery have achieved Gold level in Travelife's sustainability criteria.

EMPLOYEES

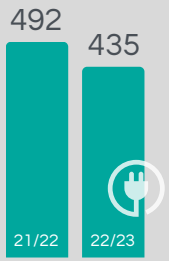
The Jetwing family is bound by our passion to extend warm Sri Lankan hospitality at international standards with all those who stay with us. The family values of passion, humility, tenacity and integrity have been a key feature in setting our associates apart from our competition and defines the heartfelt service offered across the portfolio of properties.

We are aware of the importance of our associates in offering a uniquely warm service, which is quintessentially a Jetwing trait. Therefore, through comprehensive policies and practices in areas of human rights, health and safety, remuneration, grievance handling, zero tolerance on child abuse etc. we have created an optimum work environment to support our associates to engage in their roles efficiently, while becoming an employer of choice within the industry.

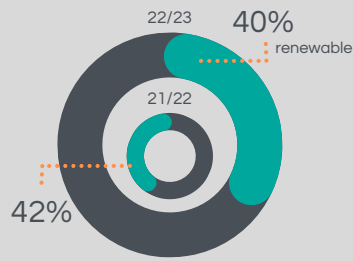
With the industry steadily recovering post COVID, our associates are geared and motivated to take on the challenges ahead. To create a safe, healthy, and conducive work environment, regular training and development programs and associate engagement programmes are conducted, to upskill and encourage our associates. During the year under review, there were no material issues pertaining to employees and industrial relations. The below infographic is a depiction of information relating to associate demographics, training and development and health and safety related details within the year under review.

SUSTAINABILITY PERFORMANCE

Environmental Performance



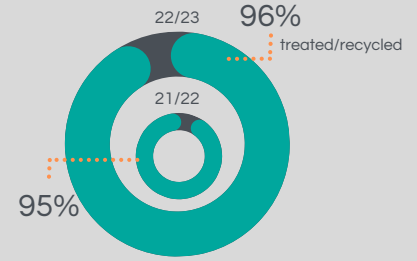
energy used per guest (MJ)



renewables in energy mix

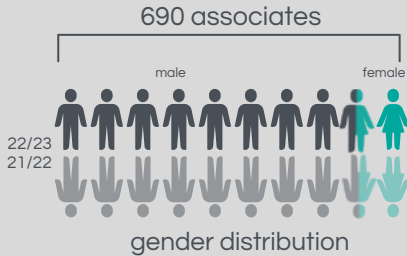


water used per guest (m3)



solid waste treated/recycled

Employee Relations



gender distribution



regional distribution



training hours

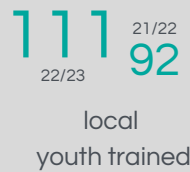


health & safety issues reported

Community Engagement



community engagement programs conducted



local youth trained



(%) supplies sourced locally (within the district)

* 21/22 - year ending 31st March 2022 and 22/23 - year ending 31st March 2023

Sustainability Review Contd.

COMMUNITY

We have always believed that tourism cannot exist in isolation, but together with the local people and environment that creates experiences. As such, all hotels have fostered strong bonds with the host communities that they are a part of. Through the assimilation of sustainable practices into our business operations, we have been able to share the benefits of the industry with the local communities, as associates and suppliers who have become stakeholders of the business.

With the intention of extending support to these communities, many initiatives and practices have been conducted during the year under review.

Priority local sourcing is practiced supporting local suppliers, while reducing the carbon footprint of our operations. Apart from this, 'Thrive' - a micro-scale supplier sustenance programme is conducted at selected properties such as Jetwing Kaduruketha and Jetwing Yala, supporting micro-scale entrepreneurs to create market spaces and improve their enterprises through capacity building, market access and financial assistance. The Yala Pola, held periodically at Jetwing Yala is an example of one such effort where a market space has been created for local vendors to approach guests directly through the promotion of local delicacies and artisanal products.

'Second Careers', a PATA Gold Award winning initiative, was implemented with the aim of providing employment through skills training for women aged 45 and above from economically marginalised communities. The program was piloted at Jetwing Yala as a solution to the increasing difficulty in recruiting skilled talent for operational departments such as Housekeeping and Kitchen. After its successful implementation, many properties such as Jetwing Lake and Jetwing Kaduruketha have now taken up the initiative as a viable solution to the shortage of staff, through the grooming of talent from the local community.

The Jetwing Youth Development Project (JYDP), among a few other independent programmes have supported youth from economically marginalized backgrounds in their vocational education, creating doorways to a global career.

Through the Kaduruketha Farmers' Association and its successful partnership with the Paddy farmer families in Wellawaya, Jetwing Kaduruketha has been able to convert commercial farmers to become more environmentally conscious in their practices, thus encouraging them to engage in the more sustainable option of organic paddy farming, through the provision of seed capital and much needed price security.

Apart from the above-mentioned signature projects, many individual community engagement programmes have been conducted during the year under review.



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



Step into a world of unrivalled tranquility at Jetwing Kandy Gallery, where the seamless interplay of rustic tones and Kandyan-inspired artistry unfolds, painting a tapestry of pure tradition and serenity. Immerse yourself in bespoke luxury at our home of authentic Sri Lankan hospitality nestled within the hill country capital.

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 threats:

1. Strategic and Market threats	Threats to the Group’s high-level strategic objectives or threats from the external environment.
2. Operational threats	Threats that arise from day-to-day operations of the Hotels.
3. Financial threats	Those threats that arise from the adverse movements in market prices, those 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.

These main threats are then further analyzed into subcomponent risk.

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, 2.1	1.4, 2.3, 2.5 2.6, 3.4, 3.5	1.3, 3.2, 3.3	
	3 Moderate		2.2, 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.

	Potential Impact	Actions Taken to Mitigate Risk
1. STRATEGIC AND MARKET RISKS		
1.1. Risks relating to Infectious Diseases		
		Risk Rating
		High
Infectious diseases 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	<ul style="list-style-type: none"> - Reduced travel and demand for hotel rooms thereby reduced revenue, cash flow and profitability. - Increase in operational expenses due to enhanced health and hygiene requirements. - Increase in the level of debt may adversely affect financial and operating activities or ability to incur additional debt. - 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. 	<ul style="list-style-type: none"> - Evaluate the resilience of its businesses under multiple scenarios by considering a wide range of factors - Take steps to curtail fixed costs whilst continuously enacting stringent protocols to minimize other direct costs. - Defer non-essential capital expenditure. - The board to monitor all possible cash flow positions and mitigating factors.
1.2. Business Risk		
		Risk Rating
		Medium
The inability of the Group to achieve its business objectives.	<ul style="list-style-type: none"> - Reduced revenue, cash flow and profitability. - Hinder future growth. 	<ul style="list-style-type: none"> - Detailed operational and capital expenditure budgets are formulated on an annual basis and formally approved by the Board. These plans are thereafter monitored and reviewed by the Board to assess actual performance against those planned and take remedial action wherever necessary. - Project feasibility studies are conducted for all major investments. - Implementation of cost control procedures and innovative cost saving initiatives particularly with regard to energy costs. - Performing Competitor analyses.

Risk Management Contd.

		Potential Impact	Actions Taken to Mitigate Risk
1.3. Political, Economic and Environmental Risks			
		Risk Rating	Very High
Major events affecting either economic or political stability on a global and local level represent a threat to the Group.	-	Reduced revenue, increased operating costs resulting in reduced profitability and cash flows.	- Management regularly reviews political and economic developments and seeks to identify emerging risks at the earliest opportunity. - Being a member of Tourist Hotels Association of Sri Lanka, and working closely with them and other various trade associations, relevant authorities and lobby groups to create a better economic environment at all times.
Events that adversely impact domestic or international travel.	-	Occupancy and room rates can be adversely affected by events that reduce domestic or international travel. Such events may include acts of terrorism, war or perceived increased risk of armed conflicts, epidemics, natural disasters, increased cost of travel and industrial action. Reduced demand will impact on revenues and operational profitability.	- The Group has in place contingency and recovery plans to enable it to respond to major incidents or crises.
Risks from natural or man-created disasters.	-	Loss of assets.	- Transferring risks to third parties through insurance policies. The adequacy of insurance covers is regularly reviewed and adjusted when necessary.
1.4. Competitive Risk			
		Risk Rating	High
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.	-	Future operating results could be adversely affected by industry over-capacity of rooms.	- Providing a unique service quality associated with Jetwing brand only.
	-	Reduction in market share (lower occupancies) and rates resulting in reduced revenues, increase in marketing expenses reduced cash flows and profitability.	- Consistently delivering service quality to influence consumer preference and creating and maintaining value perception. - Make timely investments to upgrade the facilities. - Maintain the long term relationships with major tour operators.

Risk Management Contd.

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

Risk Management Contd.

	Potential Impact	Risk Rating	Actions Taken to Mitigate Risk
2.5. Cybersecurity Risk			
		High	
The loss of confidentiality, integrity, or availability of information, data, or information (or control) systems.	<ul style="list-style-type: none"> - Loss of revenue - Reduce profitability - Loss of data - Adverse impact on reputation 		<ul style="list-style-type: none"> - Conduct of cybersecurity assessment. - Dual authentication to be used for remote work. - Establish network access controls. - Implementation of SD WAN and antivirus software. - Continuously monitor network traffic.
2.6. Safety			
		High	
The Group could experience significant food safety or allergen related incidents through failings in food preparation, storage or supply chain.	<ul style="list-style-type: none"> - Adverse impact on reputation - Injury or fatality of guest or associate and the related legal liability exposure 		<ul style="list-style-type: none"> - Complying to HACCP/ISO 22000 food safety standards. - Security and fire safety procedures are in place at all of our properties including emergency evacuation plans. - Monitoring adherence to Group safety, operating and quality standards. - Availability of on call medical officers/ medical assistance. - Adequate public liability insurance covers are taken.
Physical security and safety incidents at one or more of our properties could jeopardise the safety of our guests and team members			
2.7. Statutory and Legal Risk			
		Medium	
Threat of litigation due to legal and statutory requirements not being fulfilled.	<ul style="list-style-type: none"> - Legal fees and penalties resulting in reduced profitability. - Adverse impact on reputation. - Loss arising from defective contracts. 		<ul style="list-style-type: none"> - Group continues to monitor changes in the regulatory environment in which it operates. - Statutory declaration is made to Board each quarter. - Compliance audits are included in the scope of the internal audit programme. - Engage professional consultants to review contracts.
2.8. Internal Operational Processes			
		Medium	
Threat of financial loss due to breakdown in internal controls.	<ul style="list-style-type: none"> - Internal process failures - Fraud - Loss of data 		<ul style="list-style-type: none"> - Outsource internal audits to reputed Audit Firms to review and report on the adequacy of the financial and operational controls. - Defined systems and procedures are in place to ensure compliance with internal controls. - Adequate fidelity covers are obtained.

Risk Management Contd.

	Potential Impact		Actions Taken to Mitigate Risk
3. FINANCIAL RISKS			
3.1. Credit Risk			
		Risk Rating	Low
Threat arising due to default of payment.	<ul style="list-style-type: none"> - Reduce profitability. - Increase working capital. 		<ul style="list-style-type: none"> - Credit is provided only for credit approved agents. Credit approval is granted by the Credit Committee at “Jetwing House” and credit approved list has been prepared. - Actively monitor and review debtors.
3.2. Exchange Rate Risk			
		Risk Rating	Very High
Threat arising due to the volatility in foreign currency exchange rates.	<ul style="list-style-type: none"> - Impact on profitability on translation of foreign currency transactions. 		<ul style="list-style-type: none"> - As far as possible, enter into sales contracts with tour operators/agents in USD. - Monitor the exchange rates on a daily basis.
3.3. Interest Rate Risk			
		Risk Rating	Very High
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"> - Reduced profitability. - Reduced cash flows. 		<ul style="list-style-type: none"> - Negotiate favourable terms and conditions with banks for loan facilities obtained .
3.4. Liquidity Risk			
		Risk Rating	High
Risk that the Group will not be able to meet its financial obligations as they fall due.	<ul style="list-style-type: none"> - Reduced cash flows - Reduced profitability 		<ul style="list-style-type: none"> - Preparation of regular cashflow forecasts in line with projected occupancy fluctuations in order to assess the liquidity position of the group in the short term. - Monitor and review bank balances regularly - Preparation and review of actual performance against the budget monthly. - Reschedule the capital repayments in order to suit the forecasted Cash flows.
3.5. Inflation Risk			
		Risk Rating	High
Risk that the future value of Group investment, asset, or profitability will be reduced by high level of inflation.	<ul style="list-style-type: none"> - Reduced profitability. - Reduced return on investment. 		<ul style="list-style-type: none"> - Preparation of forecasts in line with projected occupancy and cost. - Initiated cost control activities. - Review of pricing and make necessary adjustments.

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.

Indulge in the embrace of a cocoon of comfort, where tasteful contemporary design and plush amenities create an inviting ambiance. Step onto your private open-air balcony or terrace and feel the embrace of nature's serenity as it weaves an enchanting scene for relaxation and rejuvenation.





Embark on an extraordinary escape to Jetwing Safari Camp. Exquisitely revamped and refurbished for wildlife enthusiasts seeking respite on the outskirts of Yala National Park. Come and embrace the symphony of the wild, where every moment unfolds nature's grand theatre.



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, Mr. S. D Amalean

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

Name of the Director		Attendance
Mr. N. J. H. M. Cooray	Executive Director	5/5
Ms. N. T. M. S. Cooray	Executive Director	5/5
Mr. N. Wadugodapitiya	Non-Executive Independent Director	5/5
Dr. V.J. Kannangara	Non-Executive Independent Director	4/5
Mr. L.K. Porter	Non-Executive Independent Director	5/5
Ms. K.K. Reddy	Non-Executive Independent Director	3/5
Mr. G. Rocchi	Non-Executive Director	4/5
Mr. S.D. Amalean	Non-Executive Independent Director	1/5

Responsibilities

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

The annual capital expenditure budgets, non-budgeted capital expenditure and the annual budgeted operating statements require Board approval. The Board meets regularly to review performance and forecasts against budgets so as to take decisions in the best interest of the Company. The managing agents are represented at these meetings and are responsible for follow-up action. Directors' interests in contracts are regularly disclosed and such disclosures pertaining to year ended 31st March, 2023 can be seen on page 45 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 48 of this Report.

Going Concern

In determining the basis of preparing the financial statements for the year ended 31st March 2023, based on available information, the management has assessed the impact of existing economic circumstances 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, 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 Financial Officer 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 42 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 44 in this Report.

Related Party Transactions Review Committee

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

The Related Party Transactions Review Committee Report appears on page 43 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 35
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 35 and 46
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 39 to 41
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 44

Corporate Governance Contd.

Rule No.	Subject	Applicable Requirement	Level of Compliance
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 115
		(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 45
7.10.6	Audit Committee	The Company shall have an Audit Committee	Company has formed an Audit Committee
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, Managing Director, Executive Director, General Manager and Head of Finance 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 42
7.10.6 (c)	Disclosure in the Annual Report relating to the Audit Committee	Names of Directors comprising the Audit Committee stated in this Report under the heading of Audit Committee	Names of the members of the Audit Committee are stated in this Report under the heading of Audit Committee on page 42
		(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 42
		(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 42

Board of Directors and their Profiles

N. J. H. M. Cooray

(Chairman)

Executive Director

Hiran joined his father, the founder of Jetwing, late Herbert Cooray, in the late 1980s. He learnt to love nature, work with local communities and to explore areas where others wouldn't from his father; today, this is called sustainable tourism. He has seen the Jetwing brand being recognized as Sri Lanka's most responsible hospitality entity.

His efforts were acknowledged internationally with him being the first Sri Lankan to be appointed Chairman of the Pacific Asia Travel Association (PATA) based in Bangkok. He also served on the Board of Small Luxury Hotels of the World from 2007-2014 and the UNWTO Tourism Ethics Committee as an alternate member from 2013-2021.

In Sri Lanka, he was elected President of the Tourist Hotels Association (THASL) from 2005-2008 and from 2014-2016. He also served as a Board member of the Sri Lanka Tourism Development Authority (SLTDA) and the Sri Lanka Tourism Promotions Bureau (SLTPB). His passion for sustainable tourism makes him a sought after speaker within his motherland and around the world.

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.

K.K. Reddy (Ms.)

Non-Executive Independent Director

Ms. Kamini Reddy is a Director of Reddy Group. Reddy Group is a family office 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 8 South Pacific hotel properties covering Fiji, Samoa and Tonga, offering 816 rooms and employing over 700 staff. Kamini oversees the group's finance, corporate affairs and strategy functions. Kamini has significant global experience having past roles as Regional Finance Director, Hilton Worldwide (Asia) and Group Planning and Regional Finance roles for Fonterra (New Zealand and Asia). She has also worked for Ernst & Young in Auckland, New York and London. Kamini graduated from the University of Auckland in New Zealand with a Bachelor of Commerce and a Bachelor of Arts (Accounting and Japanese double major). She has also completed the Owner/President Management Program at Harvard Business School. Kamini is a member of Chartered Accountants Australia and New Zealand, Institute of Internal Auditors and the Australian Institute of Company Directors. Kamini is also a director of Bank of Baroda (New Zealand) Limited.

Board of Directors and their Profiles Contd.

N. Wadugodapitiya

Non-Executive Independent Director

Nihal Wadugodapitiya 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.

L.K. 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 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. J. 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; is a member of the Council of The National Stroke Association, Sri Lanka; and is a trustee of the National Trust of Sri Lanka. Vijith is a medical doctor turned entrepreneur. In 2006, The Chartered Institute of Marketing in UK conferred an Honorary Fellowship on him. His interests include the future of education, global citizenship, environment, natural health and regenerative agriculture.

Board of Directors and their Profiles Contd.

G. Rocchi

Non-Executive Director

Giuseppe is an Italian national, who has lived for the last 28 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, Giuseppe 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: Giuseppe began trading Italian top-quality food and beverage products through Ceccato Colombo (Pvt) Ltd, firstly for its own businesses and subsequently for local hotels and restaurants, making the company 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 other Italian products. In addition to the above, Giuseppe introduced a full kitchen supply for a partment and residencies.

Giuseppe is the Managing Director of Textile International Colombo (Pvt) Ltd, Ceccato Colombo (Pvt) Ltd, TIC Solar (Pvt) Ltd, LUPA Investments (Pvt) Ltd, which carries out real estate project of commercial and residential properties. and is a Director of Camagni Ceylon (Pvt) Ltd, seller of luxury kitchens, a Director of Jetwing Symphony PLC, owner and operator of resorts and hotels and a Director of Koh Maphrao Island Co Ltd .

Giuseppe is also a director and shareholder of his family owned Infondi SPA, an Italian Holding company, owner of 10 Hotels upscale properties which include properties under the brand name “R Collection Hotels”.

Giuseppe has also invested in hospitality projects in Dubai, United Arab Emirates and Thailand.

S.D. Amalean

Non-Executive Independent Director

- Deputy Chairman, Co-Founder and Board Member - MAS
- Chairman – JAAF Sri Lanka

Sharad Amalean, along with his brothers, fueled the entrepreneurial flame to establish MAS. He brought financial pragmatism and his extensive domain knowledge in finance to the fore, formulating and implementing MAS’ strategy. A student of Royal College, Colombo, Sharad completed his Executive Education at Wharton School, University of Pennsylvania. 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.

Having served as the CEO of MAS Holdings, Sharad has now transitioned to a new phase of his corporate journey overlooking strategic investments and the diversification activities of the organization. As a formidable negotiator, strategist and holistic thinker, Sharad plays a key role in developing partnerships with global industry leaders and is known for his persistence and his ability to foresee opportunity.

Sharad is a key driving force in the Sri Lankan Apparel & Textile Industry and supports the efforts of promoting the transition of the industry to the Digital marketplace and enhancing collaboration with regional and global partners in his role Chairman of the Joint Apparel Association Forum; the apex body of the Sri Lankan Apparel industry. He also serves as a member of the Presidential Task Force on Economic Revival & Poverty Eradication.

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 Committee meetings were held on a quarterly basis. The Audit Committee met on four occasions during the financial year.

The Committee, as at 31st March 2023, comprised of the following members:

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 Chief Financial Officer 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 IT system controls and reports submitted by the General Manager and Accountant of the Company.
- 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, 2024



Nihal Wadugodapitiya
Chairman – Audit Committee
23rd May, 2023

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, 2023 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	5/5
Dr. V.J. Kannangara	Non-Executive Independent	5/5

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 meetings were held on a quarterly basis. During the year under review, the Committee met on five occasions. 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 pages 103 to 106.



Nihal Wadugodapitiya

Chairman

Related Party Transactions Review Committee

23rd May, 2023

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 45



Dr. V. Kannangara

Chairman – Remuneration Committee

23rd May, 2023

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, 2023.

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 54 to 102 in this Annual Report.

Auditor's Report

The Auditors' Report on the Financial Statements is given on page 50 to 53.

Accounting Policies

The accounting policies adopted by the group in the preparation of Financial Statements are given on pages 59 to 74 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

The Directors of the Company have made the general disclosures in interest in transactions as 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 103 to 109 respectively.

Directors' Remuneration

There are no aggregate emoluments paid to the Non-Executive Directors during the year is reflected on page 97 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 LKR 50,000,000/-. The premium is LKR 697,125/-+Taxes.

Directors' Interests in Shares

There were changes made to the Directors' direct shareholding as shares were purchased via the Rights Issue held in December of 2022.

Directors' Direct Shareholding

	As at 31st March, 2023	As at 1st April, 2022
Mr. N.J.H.M. Cooray	43,113,163	34,747,339
Ms. N.T.M.S. Cooray	40,779,272	32,866,324
Mr. N. Wadugodapitiya	29,978	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
Mr. S.D. Amalean

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

Mr. N. Wadugodapitiya, Ms. K. Reddy and Dr. V. Kannangara have served as Non-Executive Directors of the Company for more than nine (09) years. They have not been directly involved in the management of the Company and continues to exercise objectivity in the performance of their duties.

Having considered the above, Board of Directors have resolved that Mr. N. Wadugodapitiya, Ms. K. Reddy and Dr. V. Kannangara are Independent Directors notwithstanding the fact that they have served on the Board for more than nine (09) years and that they should continue in office as such because it is beneficial to the Company and its shareholders.

Notice has been given pursuant to Section 211 of the Companies Act No. 07 of 2007 of the intention to propose an ordinary resolution, for the reappointment of Mr. N. Wadugodapitiya, who has reached the age of 71 years, notwithstanding the age limit of 70 years stipulated by Section 210 of the Companies Act.

Further, Notice has been given pursuant to Section 211 of the Companies Act No. 07 of 2007 of the intention to propose an ordinary resolution, for the reappointment of Mr. L.K. Porter, who has reached the age of 71 years, notwithstanding the age limit of 70 years stipulated by Section 210 of the Companies Act.

Subsidiaries Board of Directors

The names of Directors of the subsidiary companies who held office as at 31st March 2023 are set out on page 108 in this Annual report.

Donations

At the last Annual General Meeting shareholders authorised Directors to determine contributions to donations. The donations given during the year amounted to LKR 283,372/-.

Profit/(Loss)

	2023	2022
	LKR	LKR
Net Profit/(Loss) for the year after providing for all expenses, known liabilities and depreciation of fixed assets was	(615,218,804)	(886,028,541)
Other Comprehensive Income/(Loss) for the year	(4,786,669)	6,420,266
Direct rights issue expenses	(2,080,063)	-
Prior Year Retained Profit/(Loss)	(3,274,440,523)	(2,394,832,248)
Retained Profit/(Loss) at the End of the Year	(3,896,526,059)	(3,274,440,523)

Revaluation Reserve

	2023	2022
	LKR	LKR
As at the beginning of the year	1,646,344,473	1,004,852,066
Revaluation surplus	-	746,017,150
Deferred Tax on Revaluation Surplus	(415,337,098)	(104,524,743)
As at 31st March,	1,231,007,375	1,646,344,473

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.

Auditor's Remuneration

Messrs Ernst & Young were paid LKR 255,163/- as audit fees and expenses by the Company. In addition, they were paid LKR 40,953/- 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 LKR 1,601,074/-. In addition, they were paid LKR 420,989/- 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 LKR 2,115,955,083/- (2021/22 - LKR 1,288,039,618/-).

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 LKR 76,834,173/- (2022- LKR 40,063,705/-) details of which are given in Note 4.1 to the Financial Statements on page 75.

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 78.

Stated Capital

During the period under review, the Company raised Rs 500 Mn through a Rights issue of 100 Mn ordinary shares at a price of Rs 5/- per share. In terms of the Companies Act No. 07 of 2007, the Stated Capital of the Company was LKR 6,009,276,455/- as at 31st March, 2023 (Comprising 602,188,559 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

19.06% of the issued capital of the company was held by the public, comprising of 1,506 shareholders and a float adjusted market capitalisation of LKR 814,917,689/- as at 31st March 2023. In terms of Rule 7.14.1(i)(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 31st March 2023, based on available information, the management has assessed the impact of existing economic circumstances 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, 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,


Director


Director



Corporate Services (Pvt) Ltd.
Secretaries

Jetwing Symphony PLC
23rd May 2023

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 its subsidiary and the Income Statement of the financial year-end. The Directors are also responsible, under Section 148 for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the Financial Statements.

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

They also confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS & LKAS). The Financial Statements provide the information required by the Companies Act.

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

The External Auditors, Messrs Ernst & Young, are reappointed in terms of Section 158 of the Companies Act No. 07 of 2007 were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on page 50 sets out their responsibilities in relation to the Financial Statements.

Compliance Report

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company and its subsidiary 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.
23rd May, 2023

Financial Calendar

Audited Financial Statements signed on 23rd May 2023

Annual General Meeting 30th June 2023

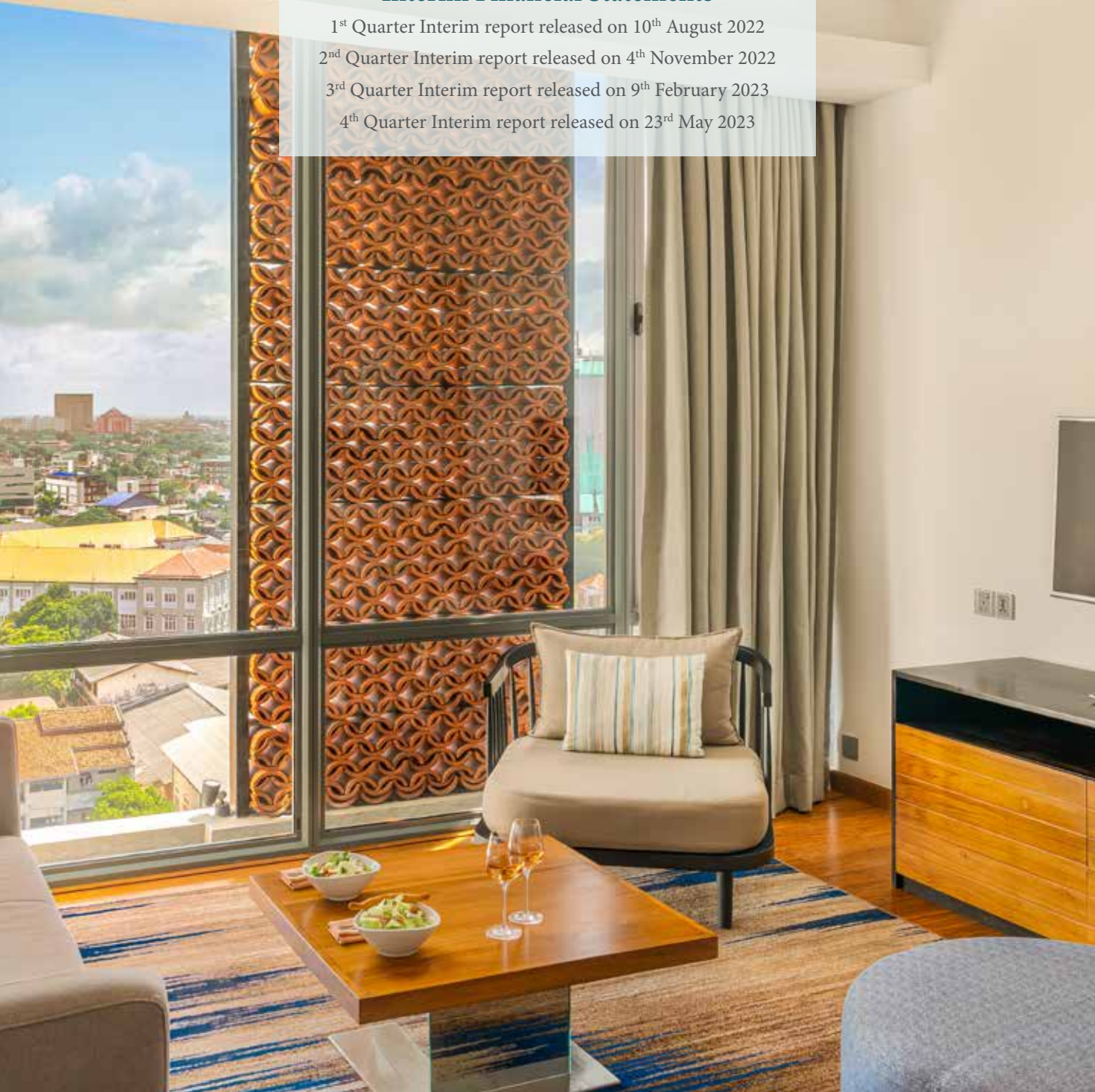
Interim Financial Statements

1st Quarter Interim report released on 10th August 2022

2nd Quarter Interim report released on 4th November 2022

3rd Quarter Interim report released on 9th February 2023

4th Quarter Interim report released on 23rd May 2023



Independent Auditor's Report

TO THE SHAREHOLDERS OF JETWING SYMPHONY PLC



Ernst & Young
Chartered Accountants
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Colombo 10, Sri Lanka

Tel: +94 11 246 3500
Fax (Gen): +94 11 269 7369
Fax (Tax): +94 11 557 8180
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ey.com

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 2023 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 2023, 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: H M A Jayasinghe FCA FCMA, R N de Saaram ACA FCMA, Ms. N A De Silva FCA, W R H De Silva FCA ACMA, Ms. Y A De Silva FCA, Ms. K R M Fernando FCA ACMA, N Y R L Fernando ACA, W K B S P Fernando FCA FCMA, Ms. L K H L Fonseka FCA, D N Gamage ACA ACMA, A P A Gunasekera FCA FCMA, A Herath FCA FCMA, D K Kulrangamuwa FCA FCMA LLB (London), Ms. G G S Manajiraja FCA, A A J R Perera ACA ACMA, Ms. P V K N Sajewani FCA, N M Sultaman ACA ACMA, B E Wijesuriya FCA FCMA, C A Yalagala ACA ACMA

Principals: W S J De Silva BSc (Hons) MSc MSc-IT, G B Goudan ACMA, D L B Karunathilaka ACMA, Ms. P S Parasavitane ACA ACMA LLB (Colombo), T P M Ruberu FCMA FCCA

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Independent Auditor's Report Cont.



Key audit matter

Interest-bearing loans and borrowings of the Group

As disclosed in note 11 the Group's total interest-bearing loans and borrowings amounted to LKR 5,923 Mn, which represents a significant portion of its total liabilities. The maturities of such interest-bearing loans and borrowings are disclosed in note 23.2.

We selected the interest-bearing loans and borrowings as a key audit matter due to:

- the materiality of the reported amounts; and
- the management's assessment of the Group's ability to continue to meet terms and conditions of loan and borrowings and liquidity risk aspects being largely based on management estimates and judgments.

Management's assessment of carrying values of Property, Plant and Equipment, Right of Use Assets, and Goodwill

As at 31 March 2023, the Group's non-current assets include: Property, Plant, and Equipment amounting to LKR 9,225 Mn, Right of Use Assets amounting to LKR 55.6 Mn, and Goodwill amounting to LKR 574 Mn. The related accounting policies are given in Notes 2.8.13, 2.8.15, 2.8.5, and 2.8.8.

Management performed an assessment of the carrying values of the Group's non-current assets used to generate cash flows, considering each respective hotel as a result of the current industry conditions.

We selected management's assessment of the carrying values of Property, Plant and Equipment, Right of Use Assets, and Goodwill as a key audit matter, due to the subjectivity of management judgments used, and significant estimation uncertainty in the determination of the estimated future discounted cash flows.

The key judgements and assumptions used in the determination of estimated future discounted cash flows included : the management expected period of time for recovery , anticipated occupancy, average room rates and related cost which were assessed together using multiple future economic scenarios, that are disclosed in Note 2.7 (a).

How our audit addressed the key audit matter

Our audit procedures included amongst others the following:

- We obtained an understanding of the terms of repayments and other conditions attached to external borrowings, by reading the loan agreements.
- We evaluated the reasonableness of the statement prepared by the management on the Group's compliance with applicable terms and conditions, and the ability to repay when fall due taking into consideration available undrawn borrowing facilities and other already committed funding available from banks and related parties as at 31 March 2023.
- We obtained confirmations from banks regarding the compliance of the Group with key terms and conditions.
- We assessed the adequacy of the disclosures made in note 11 and note 23.2 to the financial statements relating to the interest-bearing loans and borrowings and liquidity risk aspects.

Our audit procedures included amongst others the following:

- We gained an understanding of how management has developed its estimation of future discounted cash flows which included consideration of the industry conditions related to the business of the respective hotels of the Group.
- We assessed the reasonableness of significant assumptions used such as expected period of time for recovery, anticipated occupancy, average room rates and related cost by comparing them with other entities and relevant industry data available.
- We checked the calculations of the future discounted cash flows and traced the data to underlying accounting records, to evaluate their reasonableness.
- We assessed the adequacy of the disclosures made in Notes 2.7 (a) in the financial statements.

Independent Auditor's Report Cont.



Other Information included in the 2023 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:

Independent Auditor's Report Cont.



- 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.

23 May 2023
Colombo

Statement of Financial Position

As at 31 March

	Note	Group		Company	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	4	9,224,714,463	9,488,289,723	-	-
Right of use Assets	5	55,608,968	58,407,113	-	-
Other Investments	7	1,255,492	1,021,532	-	-
Investment in Subsidiaries	7	-	-	5,967,233,010	5,469,233,010
Deferred Tax Assets	18	148,988,494	49,870,404	-	-
Intangible Assets	6	576,896,421	578,207,344	-	-
		10,007,463,838	10,175,796,116	5,967,233,010	5,469,233,010
Current Assets					
Inventories	8	96,722,375	60,607,644	-	-
Trade and Other Receivables	9	224,345,601	194,146,836	4,370,853	5,404,363
Income Tax Receivables		1,079,845	947,234	-	-
Other Current Financial Assets	7	2,514,858	134,707,406	2,316,891	-
Cash at Bank and in Hand	16	90,194,165	70,735,959	299,498	466,961
		414,856,844	461,145,079	6,987,242	5,871,324
Total Assets		10,422,320,682	10,636,941,195	5,974,220,252	5,475,104,334
EQUITY AND LIABILITIES					
Equity Attributable to Equity holders of the Parent					
Stated Capital	10.1	6,009,276,455	5,509,276,455	6,009,276,455	5,509,276,455
Revaluation Reserve	10.2	1,231,007,375	1,646,344,473	-	-
Retained Earnings/(Losses)		(3,896,526,059)	(3,274,440,523)	(40,247,266)	(37,375,878)
		3,343,757,771	3,881,180,405	5,969,029,189	5,471,900,577
Non Controlling Interest		(21,827,029)	(5,039,426)	-	-
Total Equity		3,321,930,742	3,876,140,979	5,969,029,189	5,471,900,577
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	11	3,138,553,220	4,143,688,384	-	-
Post Employment Benefit Liabilities	12	39,829,397	36,017,677	-	-
Deferred Tax Liabilities	18	749,461,502	370,286,589	-	-
		3,927,844,119	4,549,992,650	-	-
Current Liabilities					
Current Portion of Interest Bearing Loans and Borrowings	11	2,784,223,423	1,922,996,818	-	-
Trade and Other Payables	13	388,303,808	287,715,302	5,191,063	3,169,216
Income Tax Payable		18,590	95,446	-	34,541
		3,172,545,821	2,210,807,566	5,191,063	3,203,757
Total Equity and Liabilities		10,422,320,682	10,636,941,195	5,974,220,252	5,475,104,334

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:



Director



Director

The accounting policies and notes on pages 59 through 102 form an integral part of the Financial Statements.

23 May 2023

Colombo

Statement of Profit or Loss

Year ended 31 March

	Note	Group		Company	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
Revenue	3	2,115,955,083	1,288,039,618	-	-
Cost of Sales		(534,779,006)	(289,842,871)	-	-
Gross Profit		1,581,176,077	998,196,747	-	-
Other Income	15	33,035,347	46,820,747	16,891	-
Administrative Expenses		(1,101,639,961)	(637,256,836)	(2,798,100)	(2,349,851)
Marketing & Promotional Expenses		(45,964,443)	(29,245,913)	-	-
Profit from operations before the following items		466,607,020	378,514,745	(2,781,209)	(2,349,851)
Depreciation & Amortisation		(345,113,247)	(343,294,720)	-	-
Finance Income	14.1	7,179,594	4,397,059	2,148,378	435,195
Finance Costs	14.2	(696,734,974)	(321,764,656)	-	-
Exchange Gain/(Loss) on Foreign Currency Loan Conversion	11.3	(197,132,974)	(630,271,348)	-	-
Profit/(Loss) Before Tax	17	(765,194,581)	(912,418,920)	(632,831)	(1,914,656)
Income Tax (Expenses)/Reversal	18	132,999,733	16,386,483	(158,494)	(168,720)
Profit/(Loss) for the Year		(632,194,848)	(896,032,437)	(791,325)	(2,083,376)
Attributable to:					
Equity holders of the parent		(615,218,804)	(886,028,541)		
Non controlling interests		(16,976,044)	(10,003,896)		
		(632,194,848)	(896,032,437)		
Earnings/(Loss) Per Share - Basic	19	(1.098)	(1.618)	(0.001)	(0.004)

The accounting policies and notes on pages 59 through 102 form an integral part of the Financial Statements.

Statement of Comprehensive Income

Year ended 31 March

	Note	Group		Company	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
Profit/(Loss) for the Year		(632,194,848)	(896,032,437)	(791,325)	(2,083,376)
Other Comprehensive Income					
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	(6,483,852)	7,620,566	-	-
Deferred Tax on Actuarial (gain)/ loss	18.2	1,885,624	(1,066,879)	-	-
Revaluation Surplus of Freehold Land	10.2	-	746,017,150	-	-
Deferred Tax on Revaluation Surplus	18.2	(415,337,098)	(104,524,743)	-	-
Other Comprehensive Income/(Loss) for the Year		(419,935,326)	648,046,094	-	-
Total Comprehensive Income/(Loss) for the Year		(1,052,130,174)	(247,986,343)	(791,325)	(2,083,376)
Attributable to:					
Equity Holders of the Parent		(1,035,342,571)	(238,115,868)		
Non Controlling Interests		(16,787,603)	(9,870,475)		
		(1,052,130,174)	(247,986,343)		

The accounting policies and notes on pages 59 through 102 form an integral part of the Financial Statements.

Statement of Changes in Equity

Group	Attributable to Equity Holders of Parent					
	Stated Capital	Revaluation Reserve	Retained Earnings	Total	Non-controlling Interest	Total
	(Note 10.1) LKR	(Note 10.2) LKR	LKR	LKR	LKR	LKR
Balance as at 1 April 2021	5,509,276,455	1,004,852,066	(2,394,832,248)	4,119,296,273	4,831,049	4,124,127,322
Profit/(Loss) for the Year	-	-	(886,028,541)	(886,028,541)	(10,003,896)	(896,032,437)
Other Comprehensive Income/(Loss) for the year	-	641,492,407	6,420,266	647,912,673	133,421	648,046,094
Total Comprehensive Income/(Loss) for the year	-	641,492,407	(879,608,275)	(238,115,868)	(9,870,475)	(247,986,343)
Balance as at 31 March 2022	5,509,276,455	1,646,344,473	(3,274,440,523)	3,881,180,405	(5,039,426)	3,876,140,979
Profit/(Loss) for the Year	-	-	(615,218,804)	(615,218,804)	(16,976,044)	(632,194,848)
Other Comprehensive Income/(Loss) for the year	-	(415,337,098)	(4,786,669)	(420,123,767)	188,441	(419,935,326)
Total Comprehensive Income/(Loss) for the year	-	(415,337,098)	(620,005,473)	(1,035,342,571)	(16,787,603)	(1,052,130,174)
Direct Rights Issue Expenses	-	-	(2,080,063)	(2,080,063)	-	(2,080,063)
Transactions with the Owners						
Rights Issue of Shares	500,000,000	-	-	500,000,000	-	500,000,000
Balance as at 31 March 2023	6,009,276,455	1,231,007,375	(3,896,526,059)	3,343,757,771	(21,827,029)	3,321,930,742

Company

	Stated Capital	Retained Earnings	Total
	LKR	LKR	LKR
Balance as at 1 April 2021	5,509,276,455	(35,292,502)	5,473,983,953
Profit/(Loss) for the Year	-	(2,083,376)	(2,083,376)
Other Comprehensive Income/(Loss) for the year	-	-	-
Total Comprehensive Income/(Loss) for the year	-	(2,083,376)	(2,083,376)
Balance as at 31 March 2022	5,509,276,455	(37,375,878)	5,471,900,577
Profit/(Loss) for the Year	-	(791,325)	(791,325)
Other Comprehensive Income/(Loss) for the year	-	-	-
Total Comprehensive Income/(Loss) for the year	-	(791,325)	(791,325)
Direct Rights Issue Expenses	-	(2,080,063)	(2,080,063)
Transactions with the Owners			
Rights Issue of Shares	500,000,000	-	500,000,000
Balance as at 31 March 2023	6,009,276,455	(40,247,266)	5,969,029,189

The accounting policies and notes on pages 59 through 102 form an integral part of the Financial Statements.

Statement of Cash Flows

Year ended 31 March

	Note	Group		Company	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
Cash Flows From / (Used in) Operating Activities					
Profit/(Loss) before Tax		(765,194,581)	(912,418,920)	(632,831)	(1,914,656)
Adjustments for :					
Interest Received	14.1	(7,179,594)	(4,397,059)	(2,148,378)	(435,195)
Depreciation & Amortization	17	345,113,247	343,294,720	-	-
Finance Costs	14.2	696,734,974	321,764,656	-	-
(Profit)/Loss on Disposal Property, Plant and Equipment	17	492,660	1,042,386	-	-
(Profit)/Loss on Disposal of Right of use Assets	17	-	2,092,664	-	-
Impairment of Intangible Assets	6	-	6,539,076	-	-
Fair value Gain on Sale of Investments	15	(119,093)	(54,920)	(16,891)	-
Exchange (Gain)/Loss on Foreign Currency Loan Conversion	11.3	197,132,974	630,271,348	-	-
Exchange (Gain)/Loss on Foreign Currency Deposits	15	(28,116,986)	(43,736,672)	-	-
Fair value (Gain)/Loss from other investments	15	(233,960)	(85,706)	-	-
Provision for Defined Benefit Obligation	12.1	11,530,615	10,539,905	-	-
Operating Profit / (Loss) before Working Capital Changes		450,160,256	354,851,478	(2,798,100)	(2,349,851)
(Increase) / Decrease in Inventories		(36,114,731)	(18,430,408)	-	-
(Increase) / Decrease in Trade and Other Receivables		(30,198,765)	(116,326,509)	(1,166,490)	(207,922)
Increase / (Decrease) in Trade and Other Payables		100,588,506	86,713,696	2,021,848	729,027
Cash Generated from/ (Used in) Operations		484,435,266	306,808,257	(1,942,742)	(1,828,746)
Finance Costs Paid		(547,715,230)	(95,549,955)	-	-
Income Tax Paid		(604,382)	(1,003,200)	(193,035)	(154,818)
Defined Benefit Plan Cost Paid Net of Transfers	12	(14,202,747)	(17,951,470)	-	-
Net Cash Flows From/(Used in) Operating Activities		(78,087,093)	192,303,632	(2,135,777)	(1,983,564)
Cash Flows From/(Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	4.6	(76,834,173)	(40,063,705)	-	-
Acquisition of Intangible Assets	6.1	-	(4,019,538)	-	-
Proceeds from Sale of Property, Plant and Equipment		475,156	72,121	-	-
Proceeds from Sale of Right of use Assets		-	6,504,323	-	-
Investment (made)/redeem in Fixed Deposits	7.3.1	162,028,626	(30,872,696)	-	-
Investment in Subsidiaries		-	-	(498,000,000)	-
Investment in Unit Trust		(1,600,000)	-	(2,300,000)	-
Interest Received	14.1	7,179,594	4,397,059	2,148,378	435,195
Net Cash Flows (Used in) Investing Activities		91,249,203	(63,982,436)	(498,151,622)	435,195
Cash Flows From Financing Activities					
Repayment of principal portion of lease liabilities	11.2	(3,794,376)	(10,475,728)	-	-
Cost of Issue of shares		(2,080,063)	-	(2,080,063)	-
Issue of Ordinary shares		500,000,000	-	500,000,000	-
Proceeds from Bank Loans	11.3	733,390,814	46,000,000	-	-
Repayment of Bank Loans	11.3	(1,918,235,141)	(121,432,628)	-	-
Short Term Loans Settled		-	-	2,200,000	1,600,000
Net Cash Flows From/ (Used in) Financing Activities		(690,718,766)	(85,908,356)	500,119,937	1,600,000
Net Increase / (Decrease) in Cash and Cash Equivalents	16	(677,556,656)	42,412,840	(167,463)	51,631
Cash and Cash Equivalents at the beginning of the Year	16	(1,143,844,240)	(1,186,257,080)	466,961	415,330
Cash and Cash Equivalents at the end of the Year		(1,821,400,896)	(1,143,844,240)	299,498	466,961

The accounting policies and notes on pages 59 through 102 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 2023 were authorized for issue by the Board of directors on 23rd May 2023.

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 2023 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 Financial Statements of the Company and the Group 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 31st March 2023, based on available information, the management has assessed the impact of existing economic circumstances 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 31st March 2023.

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 Going Concern on the Group

In determining the basis of preparing the financial statements for the year ended 31st March 2023, based on available information, the management has assessed the existing and anticipated effects of current economic situation on the Group. The Group evaluated the resilience of its business considering a wide range of factors under multiple circumstances.

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*
Revenue (LKR)	April 2023 through March 2024 - at progressively increasing occupancy between 35% to 85%	Decrease of Revenue by 15% from April 2023 to March 2024 will deplete undrawn borrowing facilities by LKR 207.6 million.	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 LKR 151.3 million.	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.

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.

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.

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.

Notes to the Financial Statements Contd.

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.

g. 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.

h. 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 31/03/2023 was 11%.

2.8 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Group and Company in preparing its 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.

Rate of exchange used for the conversion of monetary assets and liabilities as at 31st March 2023 were as follows;

1 USD : LKR 327 (2022 – 299)

1 EURO : LKR 357 (2022 - 334)

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.

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.

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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.

b) Food & Beverage Revenue

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

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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 assets

Notes to the Financial Statements Contd.

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.

• 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.

Notes to the Financial Statements Contd.

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

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

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

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

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

Notes to the Financial Statements Contd.

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

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.

Notes to the Financial Statements Contd.

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% up to 30th September 2022 and 30% thereafter. Accordingly, Jetwing Kaduruketha (Pvt) Ltd, Kaduruketha Farmers (Pvt) Ltd, The Riverbank (Pvt) Ltd, Pottuvil Point (Pvt) Ltd and Yala Properties (Pvt) Ltd are taxed at the rate of 30% with effect from 1st October 2022 (2021/22-14%) of taxable income. Other Income is taxed at the rate of 30% with effect from 1st October 2022 (2021/22 - 24%) of both entities which undertake promotion of tourism in Sri Lanka & the entities which enjoy tax holiday.

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 22nd November 2011 with Board of Investment under section 17 of the Board of Investment Law. For the business of leisure travelers, Inland Revenue Act relating to the imposition, payment and recovery of income tax shall not apply for a period of seven years from the company commences to make profits or any year of assessment not later than two years reckoned from the date of commencement of commercial operations whichever year is earlier. Accordingly, the company enjoyed 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 enjoyed 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.

Notes to the Financial Statements Contd.

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.

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.

Capital Work in Progress is stated at cost, net of accumulated impairment losses, if any.

Notes to the Financial Statements Contd.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the Statement of Profit or Loss, in which case the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

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

Group provides depreciation from the date the assets are available for use up to the date of disposal, on a straight line basis over the periods appropriate to the estimated useful lives based on the pattern in which the asset's future economic benefits are expected to be consumed by the Group of the different types of assets, except for which are disclosed separately.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognized. Depreciation does not cease when the assets become idle or is retired from active use unless the asset is fully depreciated.

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

2.8.14 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 1st 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 depreciates 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.

Notes to the Financial Statements Contd.

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 2023.

- 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]
- Amendment to SLFRS 3: Reference to the Conceptual Framework.
- Amendment to LKAS 16 : Property, Plant & Equipment – Proceeds before intended Use.
- Amendment to LKAS 37 : Onerous Contracts – Cost of Fulfilling a Contract.
- Amendment to LKAS 1 : Classification of liabilities as Current or Non-current.

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

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 type and nature of services:

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Room Revenue	1,111,570,430	704,045,281	-	-
Food and Beverage Revenue	832,437,886	499,528,413	-	-
Other Hotel Related Revenue	171,946,767	84,465,924	-	-
Total Revenue	2,115,955,083	1,288,039,618	-	-

Notes to the Financial Statements Contd.

4. PROPERTY, PLANT AND EQUIPMENT

4.1 Gross Carrying Amounts

Group	Balance As at 01.04.2022 LKR	Additions LKR	Revaluation LKR	Transfers In/(Out) LKR	Disposals LKR	Balance As at 31.03.2023 LKR
At Cost						
Building and Building Integrals	6,089,766,015	420,400	-	13,538,093	-	6,103,724,508
Plant & Equipment	326,441,722	1,042,855	-	1,495,550	-	328,980,127
Solar Electrical System	139,245,958	-	-	-	-	139,245,958
Sewage Treatment Plant	26,764,667	-	-	-	-	26,764,667
Kitchen Equipment	221,274,221	4,220,565	-	-	(512,676)	224,982,110
Electrical Equipment	194,770,727	2,277,447	-	261,114	(822,478)	196,486,810
Office Equipment	19,514,156	139,997	-	-	-	19,654,153
Sport Equipment	15,868,042	2,850	-	-	-	15,870,892
Furniture & Fittings	501,460,849	867,895	-	347,563	(78,000)	502,598,307
Swimming Pool Equipment	8,704,381	1,650,000	-	-	-	10,354,381
Motor Vehicles	86,896,136	-	-	-	-	86,896,136
Cutlery, Crockery & Glassware	26,995,817	985,936	-	-	-	27,981,753
Linen	37,383,696	34,232,316	-	-	-	71,616,012
Hot Water System	67,089,754	-	-	-	-	67,089,754
Laundry Equipment	40,711,079	149,356	-	-	(10,500)	40,849,935
Telephone System	19,904,366	446,570	-	96,000	(36,900)	20,410,036
Elevator	51,673,063	-	-	-	-	51,673,063
Television Systems	40,255,360	2,321,780	-	-	(1,271,788)	41,305,352
Maintenance Equipment	3,015,240	318,780	-	-	-	3,334,020
Furnishing, Bar, Room & Misc. Equipment	68,305,135	4,199,373	-	819,334	(5,185,978)	68,137,864
Computers	42,663,018	4,492,355	-	76,800	(263,000)	46,969,173
Motor Boats	4,450,274	-	-	-	-	4,450,274
Bicycles	1,120,151	-	-	-	-	1,120,151
Housekeeping Equipment	30,054,437	2,775,131	-	-	-	32,829,568
Generators	71,940,565	-	-	-	-	71,940,565
	8,136,268,829	60,543,606	-	16,634,454	(8,181,320)	8,205,265,569
At Fair Value						
Freehold Land	3,230,142,150	-	-	-	-	3,230,142,150
	3,230,142,150	-	-	-	-	3,230,142,150
In the Course of Construction						
Capital Work-in-Progress	14,141,053	16,290,567	-	(16,634,454)	-	13,797,166
	14,141,053	16,290,567	-	(16,634,454)	-	13,797,166
Total Gross Carrying Amount	11,380,552,032	76,834,173	-	-	(8,181,320)	11,449,204,885

Notes to the Financial Statements Contd.

4.2 Depreciation

Group	Balance As at 01.04.2022 LKR	Charge for the Year LKR	Disposals LKR	Balance As at 31.03.2023 LKR
At Cost				
Building and Building Integrals	811,276,463	148,008,144	-	959,284,607
Plant & Equipment	165,063,505	29,152,208	-	194,215,713
Solar Electrical System	46,616,382	8,254,994	-	54,871,376
Sewage Treatment Plant	6,096,631	1,327,736	-	7,424,367
Kitchen Equipment	117,877,934	22,400,447	(111,844)	140,166,537
Electrical Equipment	96,821,099	19,990,307	(624,889)	116,186,517
Office Equipment	10,137,955	1,899,696	-	12,037,651
Sport Equipment	9,655,145	1,648,298	-	11,303,443
Furniture & Fittings	281,118,364	50,067,705	(41,478)	331,144,591
Swimming Pool Equipment	4,430,035	867,597	-	5,297,632
Motor Vehicles	53,558,060	8,804,978	-	62,363,038
Cutlery, Crockery & Glassware	22,985,280	2,668,827	-	25,654,107
Linen	32,445,275	7,243,582	-	39,688,857
Hot Water System	34,284,541	6,074,476	-	40,359,017
Laundry Equipment	24,012,267	3,782,977	(7,417)	27,787,827
Telephone System	9,810,808	1,931,704	(34,150)	11,708,362
Elevator	13,296,688	2,582,661	-	15,879,349
Television Systems	21,215,618	4,055,895	(974,317)	24,297,196
Maintenance Equipment	1,065,754	329,760	-	1,395,514
Furnishing, Bar, Room & Misc. Equipment	48,366,729	6,457,246	(5,156,409)	49,667,566
Computers	35,329,295	4,224,835	(263,000)	39,291,130
Motor Boats	4,261,421	75,496	-	4,336,917
Bicycles	1,117,492	(28,502)	-	1,088,990
Housekeeping Equipment	12,372,002	2,266,540	-	14,638,542
Generators	29,047,566	5,354,010	-	34,401,576
Total Depreciation	1,892,262,309	339,441,617	(7,213,504)	2,224,490,422

Notes to the Financial Statements Contd.

4.3 Net Book Values

	2023	2022
	LKR	LKR
At Cost		
Building and Building Integrals	5,144,439,901	5,278,489,552
Plant & Equipment	134,764,414	161,378,217
Solar Electrical System	84,374,582	92,629,576
Sewage Treatment Plant	19,340,300	20,668,036
Kitchen Equipment	84,815,573	103,396,287
Electrical Equipment	80,300,293	97,949,628
Office Equipment	7,616,502	9,376,201
Sport Equipment	4,567,449	6,212,897
Furniture & Fittings	171,453,716	220,342,485
Swimming Pool Equipment	5,056,749	4,274,346
Motor Vehicles	24,533,098	33,338,076
Cutlery, Crockery & Glassware	2,327,646	4,010,537
Linen	31,927,155	4,938,421
Hot Water System	26,730,737	32,805,213
Laundry Equipment	13,062,108	16,698,812
Telephone System	8,701,674	10,093,558
Elevator	35,793,714	38,376,375
Television Systems	17,008,156	19,039,742
Maintenance Equipment	1,938,506	1,949,486
Furnishing, Bar, Room & Misc. Equipment	18,470,298	19,938,406
Computers	7,678,043	7,333,723
Motor Boats	113,357	188,853
Bicycles	31,161	2,659
Housekeeping Equipment	18,191,026	17,682,435
Generators	37,538,989	42,892,999
	5,980,775,147	6,244,006,520
At Fair Value		
Freehold Land	3,230,142,150	3,230,142,150
	3,230,142,150	3,230,142,150
In the Course of Construction		
Capital Work-in-Progress	13,797,166	14,141,053
	13,797,166	14,141,053
	9,224,714,463	9,488,289,723

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	Estimated range of Market Values per Perch as at 31.03.2023 LKR	Carrying Amount as at 31.03.2023 LKR '000	Estimated range of Market Values per Perch as at 31.03.2022 LKR	Carrying Amount as at 31.03.2022 LKR '000
Pottuvil Point (Pvt) Ltd	Hidayapuram, Pottuvil	1,166	250,000	291,500	250,000	291,500
The Riverbank (Pvt) Ltd	Maligathenna, Kandy	545	140,000 to 225,000	102,225	140,000 to 225,000	102,225
Cultural Heritage (Pvt) Ltd	Dambulla	2,749	250,000 to 300,000	793,500	250,000 to 300,000	793,500
Uppuveli Beach (Pvt) Ltd	Sampalthevu, Trincomalee	2,242	135,000 to 175,000	337,997	135,000 to 175,000	337,997
Jetwing City (Pvt) Ltd	Ward Place, Colombo 07	70	22,000,000	1,536,920	22,000,000	1,536,920
Uppuveli Villas (Pvt) Ltd	Sampalthevu, Trincomalee	960	175,000	168,000	175,000	168,000

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 values 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 values at the end of the reporting period. The last revaluation was carried out with an effective date of 31 March 2022.

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 LKR 161,507,108/- (2022 - LKR 161,507,108/-) 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 2023			Total
	Level 01	Level 02	Level 03	
Freehold Land	-	-	3,230,142,150	3,230,142,150

- 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.

	2023 LKR	2022 LKR
Class of Asset		
Freehold land	1,220,377,716	1,220,377,716

- 4.6 The Group acquired property plant and equipment to the aggregate value of LKR 76,834,173/- (2022- 40,063,705/-) during the financial year. Cash payments amounting to LKR 76,834,173/- (2022- 40,063,705/-) 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 LKR Nil/- (2022 - LKR Nil/-) 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:

	2023 Year	2022 Year
Building and Building Integrals	02-60	02-60
Plant and Equipment	10-20	10-20
Solar Electrical System	10-20	10-20
Sewage Treatment Plant	20	20
Kitchen Equipment	10	10
Electrical Equipment	10	10
Office Equipment	10	10
Sport Equipment	10	10
Furniture and Fittings	10	10
Swimming Pool Equipment	10	10
Motor Vehicles	5	5
Cutlery, Crockery and Glassware	3	3
Linen	2	2
Hot Water System	10	10
Laundry Equipment	13.33	13.33
Telephone System	10	10
Elevator	20	20
Television Systems	10	10
Maintenance Equipment	10	10
Furnishing, Bar, Room and Music Equipment	03-10	03-10
Computers	4	4
Motor Boats	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:

	2023 Year	2022 Year
Building Structure	60	60
Roof, Railing and Ceiling work	15	15
Wood, Aluminium and Glass work	15	15
Bathroom Fittings	15	15
Manila Rope	10	10
Roof-Elluk	3	3
Cabana-Cadjan	2	2

4.10 Property, Plant and Equipment recognized above include fully depreciated assets having a gross carrying amount of LKR 140,793,145/- (2022 - LKR 137,152,468/-), that consisted of individually insignificant items.

Notes to the Financial Statements Contd.

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 31st March 2023.

	Group		Company	
	2023	2022	2023	2022
Year ended 31 March	LKR	LKR	LKR	LKR
As at 1st April	58,407,113	72,344,180	-	-
Impact from remeasurement	-	-	-	-
Additions during the year-Non Cash	1,562,562	-	-	-
Additions during the year-Cash	-	-	-	-
Depreciation during the year	(4,360,707)	(5,340,080)	-	-
Disposals during the year	-	(8,596,987)	-	-
As at 31st March	55,608,968	58,407,113	-	-

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 31st March 2023.

	Land	Building	Total
	(Note 5.2.1)	(Note 5.2.2)	
As at 1st April	54,554,803	3,852,310	58,407,113
Additions during the year	-	1,562,562	1,562,562
Disposals during the year	-	-	-
Depreciation during the year	(2,247,929)	(2,112,778)	(4,360,707)
	52,306,874	3,302,094	55,608,968

5.2.1 Land leases have more than one lease agreement which have remaining lease periods of 47 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.

Notes to the Financial Statements Contd.

6. INTANGIBLE ASSETS

6.1 Computer Software

Year ended 31 March Group	2023 LKR	2022 LKR
Cost		
As at beginning of the year	11,711,769	7,692,231
Incurring during the year	-	4,019,538
As at end of the year	11,711,769	11,711,769
Amortisation		
As at beginning of the year	7,282,890	6,574,224
Charged during the year	1,310,923	708,666
As at end of the year	8,593,813	7,282,890
Net Book Value		
As at beginning of the year	4,428,879	1,118,007
As at end of the year	3,117,956	4,428,879

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	2023 LKR	2022 LKR
Balance at beginning of the Year	573,778,465	580,317,541
Impairment during year	-	(6,539,076)
Balance at end of the Year	573,778,465	573,778,465
Total Intangible Assets (Note 6.1 , 6.2)	576,896,421	578,207,344

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 (CGU) 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.

Notes to the Financial Statements Contd.

The key assumptions used in determining the recoverable amount, are as follows;

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 by more than 13% to 47% would result in impairment in goodwill. Further an increase of discount rate by 8% to 72% would also create a goodwill impairment.”

7. OTHER INVESTMENTS**Summary**

Year ended 31 March	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
a) Non- Current				
Investment in Equity Securities (Note 7.1)	1,255,492	1,021,532	-	-
Investment in Subsidiaries (Note 7.2)	-	-	5,967,233,010	5,469,233,010
	1,255,492	1,021,532	5,967,233,010	5,469,233,010
b) Current				
Investment in Fixed Deposits (Note 7.3)	-	133,911,640	-	-
Investment in Units (Note 7.4)	2,514,858	795,766	2,316,891	-
	2,514,858	134,707,406	2,316,891	-
7.1 Quoted Equity Securities - Fair value through Profit or Loss (FVTPL)				
Tangerine Beach Hotel PLC	1,255,492	1,021,532	-	-
Net Carrying Value of Investment in Equity Securities (Note 7.1.1)	1,255,492	1,021,532	-	-
7.1.1 Movement in FVTPL Financial instruments				
As at 1 April	1,021,532	935,826	-	-
Fair value gain/(loss) from equity investments	233,960	85,706	-	-
As at 31 March	1,255,492	1,021,532	-	-

Notes to the Financial Statements Contd.

7.2 Investment in Subsidiaries

Year ended 31 March	Company			
	Holding %	2023 LKR	Holding %	2022 LKR
Investments in Related Parties:				
7.2.1 Ordinary Shares				
Uppuveli Beach (Pvt) Ltd	100	200,100,000	100	200,100,000
Cultural Heritage (Pvt) Ltd	100	1,284,750,000	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	1,995,853,600	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	386,600,000	100	288,600,000
Jetwing Kaduruketha (Pvt) Ltd	70	123,529,410	70	123,529,410
		5,817,233,010		5,319,233,010
	2023	2022	2023	2022
	No. of shares	No. of shares	LKR	LKR
7.2.2 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			5,967,233,010	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 LKR 799,712,270/-. Kaduruketha Farmers (Pvt) Ltd is a 100% owned subsidiary of Jetwing Kaduruketha (Pvt) Ltd & cost of the investment is LKR 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 LKR 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 During the financial year, the company invested LKR 100,000,000/-, 300,000,000/- & 98,000,000/- in Cultural Heritage (Pvt) Ltd, Jetwing City (Pvt) Ltd & Pottuvil Point (Pvt) Ltd respectively from the proceeds of the Rights Issue.

7.2.7 Partly owned subsidiaries

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

Notes to the Financial Statements Contd.

7.3 Debt Instruments - Amortised cost

7.3.1 Investment in Foreign Currency Fixed Deposits - USD

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
As at 1 April	133,911,640	59,302,272	-	-
Additions During the year	-	30,872,696	-	-
Exchange (Gain)/Loss on Foreign Currency Deposits	28,116,986	43,736,672	-	-
Withdrawn during the year	(162,028,626)	-	-	-
As at 31 March	-	133,911,640	-	-

7.4 Financial Instruments - Fair value Through other comprehensive income

Year ended 31 March	2023		2022	
	LKR	LKR	LKR	LKR
Investments in Units - Related Party	2,514,858	795,766	2,316,891	-
	2,514,858	795,766	2,316,891	-

8. INVENTORIES

Year ended 31 March	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Food Stock	26,533,131	19,767,352	-	-
Beverage Stock	30,806,621	19,885,996	-	-
General, Housekeeping & Maintenance Inventories	12,988,498	7,584,493	-	-
Other Inventories	26,394,125	13,369,803	-	-
	96,722,375	60,607,644	-	-

9. TRADE AND OTHER RECEIVABLES

Year ended 31 March	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Trade Debtors -Related Party (Note 9.1)	41,027,189	36,224,013	-	-
- Other	66,777,931	65,480,298	-	-
Less: Impairment of Trade Debtors (Note 9.1.1)	(5,896,984)	(4,453,210)	-	-
	101,868,136	97,251,101	-	-
Loans and Other Receivable - Related Party (Note 9.2)	1,002,654	282,500	3,889,649	5,033,880
- Other	27,926,636	15,213,804	-	370,483
	130,837,426	112,747,405	3,889,649	5,404,363
Prepayments	21,191,348	19,191,213	481,204	-
Statutory Receivables	72,316,827	62,208,218	-	-
	224,345,601	194,146,836	4,370,853	5,404,363

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.

Notes to the Financial Statements Contd.

Year ended 31 March	Relationship	Group		Company	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
9.1 Trade Debtors - Related Parties					
Thirteen Development Lanka (Pvt) Ltd	Other Related Party	296,379	400,033	-	-
Jetwing Eco Holidays (Pvt) Ltd	Other Related Party	395,135	1,983,224	-	-
Jetwing Events (Pvt) Ltd	Other Related Party	38,422	55,924	-	-
Jetwing Hotels Ltd	Other Related Party	4,068,421	6,489,757	-	-
St,Andrews Hotel Pvt Ltd	Other Related Party	-	46,666	-	-
Jetwing Journeys (Pvt) Ltd	Other Related Party	171,326	25,200	-	-
D.H.H.Lanka (Pvt) Ltd	Other Related Party	-	11,656	-	-
Yarl Hotel (Pvt) Ltd	Other Related Party	-	11,703	-	-
Jetwing Hotel Management Services (Pvt) Ltd	Other Related Party	-	89,880	-	-
Seashells Hotel (Pvt) Ltd	Other Related Party	424,723	175,480	-	-
Sky 30 Restaurant Pvt Ltd	Other Related Party	-	1,021,295	-	-
The First Resort (Pvt) Ltd	Other Related Party	-	89,880	-	-
Go Vacation Lanka Co (Pvt) Ltd	Other Related Party	816,581	549,550	-	-
Jetwing Adventures (Pvt) Ltd	Other Related Party	1,208,384	-	-	-
		7,419,371	10,950,248	-	-
Jetwing Travels (Pvt) Ltd	Significant Investor	33,607,818	25,235,385	-	-
Blue Oceanic Beach Hotel (Pvt) Ltd	Significant Investor	-	38,380	-	-
		33,607,818	25,273,765	-	-
		41,027,189	36,224,013	-	-

Year ended 31 March	Relationship	Group		Company	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
9.1.1 Allowance for Impairment of Trade Debtors					
Balance as at 1 April		4,453,210	5,901,882	-	-
Recognized during the year		2,465,405	54,196	-	-
Recovered during the year		(1,021,631)	(1,072,039)	-	-
Written off during the year		-	(430,829)	-	-
Balance as at 31 March		5,896,984	4,453,210	-	-

Year ended 31 March	Relationship	Group		Company	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
9.2 Loans and Other Receivables - Related Party					
Yala Properties (Pvt) Ltd	Subsidiary	-	-	3,889,649	5,033,880
		-	-	3,889,649	5,033,880
Jetwing Hotels Ltd	Other Related Party	11,250	242,500	-	-
Jetwing Travels (Pvt) Ltd	Other Related Party	689,832	-	-	-
The First Resorts (Pvt) Ltd	Other Related Party	7,800	-	-	-
The Royal Heritage Hotel (Pvt) Ltd	Other Related Party	9,847	-	-	-
Negombo Properties (Pvt) Ltd	Other Related Party	6,500	-	-	-
Yarl Hotels (Pvt) Ltd	Other Related Party	277,425	-	-	-
		1,002,654	242,500	-	-
Blue Oceanic Beach Hotel (Pvt) Ltd	Significant Investor	-	40,000	-	-
		1,002,654	282,500	3,889,649	5,033,880

Notes to the Financial Statements Contd.

10. CAPITAL AND RESERVES

10.1 Stated Capital

Year ended 31 March	2023		2022	
	Number	LKR	Number	LKR
Balance at the Beginning of the year	502,188,559	5,509,276,455	502,188,559	5,509,276,455
Issue of Shares	100,000,000	500,000,000	-	-
Balance at the End of the year	602,188,559	6,009,276,455	502,188,559	5,509,276,455

10.2 Reserves

Year ended 31 March	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
On: Property Plant & Equipment				
As at 1 April	1,646,344,473	1,004,852,066	-	-
Effect of revaluation during the year	-	746,017,150	-	-
Deferred Tax on Revaluation of Land (Note 18.2)	(415,337,098)	(104,524,743)	-	-
As at 31 March	1,231,007,375	1,646,344,473	-	-

11. INTEREST BEARING LOANS & BORROWINGS

11.1 Group

Year ended 31 March	2023			2022		
	Current LKR	Non current LKR	Total LKR	Current LKR	Non current LKR	Total LKR
Leases (Note 11.2)	4,382,710	22,094,303	26,477,013	4,174,991	21,590,344	25,765,335
Long Term Loans (Note 11.3)	868,245,652	3,116,458,917	3,984,704,569	704,241,628	4,122,098,040	4,826,339,668
Bank Overdraft (Note 16.2)	1,911,595,061	-	1,911,595,061	1,214,580,199	-	1,214,580,199
	2,784,223,423	3,138,553,220	5,922,776,643	1,922,996,818	4,143,688,384	6,066,685,202

11.2 Leases

	Group	
	2023 LKR	2022 LKR
As at 1 April	25,765,335	33,320,641
Additions During the year	1,562,562	-
Accretion of Interest	3,071,289	3,042,564
Repayment of principal portion of lease liabilities	(3,794,376)	(10,475,728)
Repayment of Interest portion of lease liabilities	(127,797)	(122,142)
As at 31 March	26,477,013	25,765,335

Notes to the Financial Statements Contd.

11.3 Long Term Loans

	Balance as at 01.04.2022	Loan Obtained	Accrued Interest	Loan Interest Wave off	Repayment	Exchange Difference	Balance as at 31.03.2023
	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Loans Obtain from Bank (LKR)	3,049,846,390	577,805,060	380,299,128	(225,400,000)	(1,314,943,311)	-	2,467,607,268
Loans Obtain from Bank (USD)	1,776,493,280	155,585,754	57,952,872	(66,775,749)	(603,291,830)	197,132,974	1,517,097,301
	4,826,339,670	733,390,814	438,252,000	(292,175,749)	(1,918,235,141)	197,132,974	3,984,704,569

- 11.3.1** (a) Secured term loan of Rs. 12.9 Mn repayable in 21 monthly installments after debt moratorium commencing from July 2022 and the interest of AWPLR+ Premium.
- (b) Secured term loan of LKR 631 Mn (Original amount 900Mn) repayable in 74 monthly instalments including an extended debt moratorium of 6 months from July 2022 to December 2022 & Interest at AWPLR+ 0.5% Premium P.A.
- (c) Secured term loan of LKR 390 Mn repayable in 88 monthly installments after debt moratorium, commencing from January 2023 and AWPLR + Premium.
- (d) Secured term loan of USD 244,822.42 repayable in 72 monthly installments, commencing from April 2023 and 3 months SOFR + 6.25%
- (e) Secured term loan of LKR 108.60 Mn repayable in 72 monthly installments commencing from April 2023 and monthly AWPLR + premium
- (f) Secured term loan of USD 1 Mn repayable in 50 months including a moratorium of 06 months from July 2022 up to December & Interest at SOFR+ 4.25% Premium P.A.
- (g) Secured term loan of USD 3.064 Mn repayable in 56 monthly installments after debt moratorium, commencing from January 2023 and SOFR + Premium
- (h) Secured term loan of USD 176,722 repayable in 64 monthly instalments commencing from January 2023 and interest of SOFR + Premium
- (i) Secured term loan of LKR 129 Mn repayable in 80 monthly instalments commencing from January 2023 and interest of AWPLR+Premium
- (j) Secured soft Loan of LKR 125,585,762/46 repayable in 62 months including and extended debt moratorium of 6 months from July 2022 up to December 2022 & Interest at AWPLR +0.5% Premium P.A
- (k) Secured term loan of LKR 175Mn repayable in 72 monthly installments after debt moratorium, commencing from July 2022 and Interest rate of AWPLR+ premium
- (l) Secured term loan of LKR 185Mn repayable in 72 monthly installments after debt moratorium, commencing from December 2022 and Interest rate of AWPLR+Premium
- (m) Secured term loan of LKR 123 Mn repayable in 62 monthly installments commencing from January 2023 and interest of AWPLR + Premium
- (n) Secured term loan of LKR 1.3 Mn repayable in 4 monthly installments, commencing from July 2022 and fixed interest rate of 4%
- (o) Secured term loan of LKR 9.7 Mn repayable in 07 equal monthly installments of Rs.811,636/- each and a final installment of Rs.811,636/- together with Fixed interest Rate of 4% per annum
- (p) Secured moratoriums loan of Rs. 13.5 Mn repayable in 21 monthly installments after debt moratorium, commencing from July 2022 and interest of 4% Per annum
- (q) Secured moratoriums loan of Rs. 11.3 Mn repayable in one monthly installment after debt moratorium, commencing from July 2022.
- (r) Secured Working capital loan facility of LKR 3.4 Mn repayable in 12 monthly instalments commencing from January 2023 and interest of 4.0% fixed per annum.
- (s) Secured term loan of LKR 10.9 Mn repayable in 36 monthly installments commencing from October 2021 and Fixed interest Rate of 4%
- (t) Working Capital loan of LKR 3,900,000 repayable in 10 monthly installments commencing from July 2022 and Interest rate of 4%
- (u) Secured term loan of LKR 248 Mn repayable in 05 equal monthly installments of Rs.500,000/- each and a final installment of Rs.245,555,516/-
- (v) The Secured term loan of LKR 58 Mn repayable in 24 monthly instalments commencing from January 2023 and interest of AWPLR + Premium
- (w) Secured term loan of USD 0.475 Mn repayable in 23 equal monthly installments of USD 19,800/- each and a final installment of USD 19,975/83 together with interest of SOFR+ Premium
- (x) To finance the balance accrued interest on USD Term Loan USD 117,887.79 Loan has been obtained & Interest at SOFR + 4.25%
- (y) To finance the balance accrued interest on LKR Term Loan Rs.217,501,636 has been obtained & Interest 0%
- (z) Secured Working capital loan facility of LKR 17 Mn repayable in 56 monthly instalments commencing from January 2023 and interest of AWPLR+Premium fixed per annum.

Notes to the Financial Statements Contd.

12. POST EMPLOYEE BENEFIT LIABILITIES - GRATUITY

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Balance as at 01 April	36,017,677	51,049,808	-	-
Charge for the year (Note 12.1)	18,014,467	2,919,339	-	-
Payments made during the year	(8,972,671)	(14,222,430)	-	-
Effects of transfers of staff among related parties during the year	(5,230,076)	(3,729,040)	-	-
Balance as at 31 March	39,829,397	36,017,677	-	-

12.1 Defined Benefit Plan Cost : Gratuity

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Current Service Cost	7,208,494	6,870,071	-	-
Interest cost on Benefit Obligation	4,322,121	4,083,985	-	-
Past Service Cost	-	(414,151)	-	-
Cost recognized in the Statement of Profit or Loss	11,530,615	10,539,905	-	-
Actuarial (Gain)/Loss for the year recognized in Other Comprehensive Income	6,483,852	(7,620,566)	-	-
Balance as at 31 March	18,014,467	2,919,339	-	-

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:

	2023	2022
Discount Rate	17%	12%
Salary Increase	15%	10%
Staff Turnover	5% at each age	5% at each age
Remaining Working Life	12-14 Years	12-14 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 2022/23. 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.

Notes to the Financial Statements Contd.

Change in Assumptions	Effect on Total Comprehensive Income - (reduction)/increase in results LKR	Pro Forma Post Employee Benefit Liability LKR
+1% Change in Discount Rate	(3,216,042)	43,045,435
-1% Change in Discount Rate	3,727,484	(3,727,484)
+1% Change in rate of Salary Increase	3,762,095	(3,762,095)
-1% Change in rate of Salary Increase	(3,294,639)	3,294,639
+1% Change in rate of Staff turn over	468,290	(468,290)
-1% Change in rate of Staff turn over	(559,941)	559,941

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.

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Less than or equal 1 year	2,584,567	2,174,798	-	-
Over 1 year and less than or equal 5 years	12,198,391	10,156,980	-	-
Over 5 year and less than or equal 10 years	34,749,047	24,424,615	-	-
Total	49,532,005	36,756,393	-	-

Notes to the Financial Statements Contd.

13. TRADE AND OTHER PAYABLES

Year ended 31 March	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Trade Payables - Related Parties (Notes 13.1)	564,096	291,578	-	-
- Others	66,901,849	14,055,481	-	-
Other Payables - Related Parties (Note 13.2)	17,946,588	23,630,374	-	-
Other Payables - Others	97,246,573	112,972,119	-	-
Sundry Creditors including Accrued Expenses	42,614,010	47,779,626	5,191,063	3,169,216
	225,273,116	198,729,178	5,191,063	3,169,216
Statutory Payables	68,844,189	22,565,204	-	-
Guest Refundable deposits	94,186,503	66,420,920	-	-
	388,303,808	287,715,302	5,191,063	3,169,216

13.1 Trade Payables - Related Parties

Relationship	Relationship	Group		Company	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
Ceccato Colombo (Pvt) Limited	Other Related Party	338,031	291,578	-	-
Pearl Gardens Mills (Pvt) Ltd	Other Related Party	226,065	-	-	-
		564,096	291,578	-	-

13.2 Other Payables - Related Parties

Relationship	Relationship	Group		Company	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
Jetwing Hotels Ltd	Other Related Party	13,963,026	21,543,995	-	-
Jetwing Hotels Management Services (Pvt) Ltd	Other Related Party	1,914,607	1,132,151	-	-
The Royal Heritage Hotel (Pvt) Ltd	Other Related Party	-	6,620	-	-
Jet Enterprises (Pvt) Ltd	Other Related Party	143,822	362,849	-	-
Villa Properties (Pvt) Ltd	Other Related Party	418,353	320,631	-	-
St. Andrews Hotel (Pvt) Ltd	Other Related Party	50,000	-	-	-
Lanka Dhiviya Pvt Ltd	Other Related Party	1,456,780	-	-	-
		17,946,588	23,366,246	-	-
Jetwing Travels (Pvt) Ltd	Significant Investor	-	179,160	-	-
Blue Oceanic Beach Hotel (Pvt) Ltd	Significant Investor	-	84,968	-	-
		-	264,128	-	-
		17,946,588	23,630,374	-	-

Notes to the Financial Statements Contd.

14. FINANCE COST & FINANCE INCOME

14.1 Finance Income

Year ended 31 March	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Interest Income	7,179,594	4,397,059	1,092,609	1,315
Interest Income-Related party	-	-	1,055,769	433,880
	7,179,594	4,397,059	2,148,378	435,195

14.2 Finance Cost

Year ended 31 March	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Interest on Overdraft	339,476,090	63,981,903	-	-
Lease Interest	3,071,289	3,453,403	-	-
Bank Loan Interest	354,187,595	254,329,350	-	-
	696,734,974	321,764,656	-	-

14.3 During the period under review, the group was granted an interest waiver on term loans amounting to LKR 292 million.

15. OTHER INCOME

Year ended 31 March	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Fair value gain on Units	119,093	54,920	16,891	-
Fair value gain/(loss) from equity investments	233,960	85,706	-	-
Exchange Gain/(loss) on Foreign Currency Deposits	28,116,986	43,736,672	-	-
Profit on disposal of Right of use Assets	-	(2,092,664)	-	-
Vehicle Hire Income	1,715,377	149,930	-	-
Insurance claim Received	252,604	2,212,077	-	-
Miscellaneous Income	2,597,327	2,674,106	-	-
	33,035,347	46,820,747	16,891	-

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	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
16.1 Favourable Cash and Cash Equivalent Balances				
Cash at Bank and in Hand	90,194,165	70,735,959	299,498	466,961
	90,194,165	70,735,959	299,498	466,961
16.2 Unfavourable Cash & Cash Equivalent Balances				
Bank Overdrafts (Note 11.1)	(1,911,595,061)	(1,214,580,199)	-	-
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	(1,821,400,896)	(1,143,844,240)	299,498	466,961

17. PROFIT STATED AFTER CHARGING / (CREDITING)

Year ended 31 March	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Employees benefits including the following	439,592,391	305,391,617	-	-
- Defined Benefits plan costs - Gratuity (included in employee benefits)	11,530,614	10,539,905	-	-
- Defined Contribution Plan Cost- EPF & ETF	41,032,794	30,457,620	-	-
Depreciation & Amortization	345,113,247	343,294,720	-	-
Donation	283,372	63,540	-	-
(Profit)/Loss on disposal of Property Plant & Equipment	492,660	1,042,386	-	-
(Profit)/Loss on disposal of Right of use Assets	-	2,092,664	-	-
Hotel Operation & Marketing fees - Related Party	101,483,911	67,263,522	-	-
Audit Fees and Expenses	1,601,074	1,426,080	255,163	215,163
Exchange (Gain) / Loss in Foreign Currency Loan	197,132,866	630,271,348	-	-
Exchange (Gain) / Loss in Foreign Currency Deposits	(28,116,986)	(43,736,672)	-	-

18. INCOME TAX EXPENSES

Current Income Tax

Year ended 31 March	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Income Tax Expenses for the Year (Note 18.1)	394,919	941,646	158,494	104,447
Under/(Over) Provision of current taxes in respect of prior years	-	138,323	-	64,273
Irrecoverable Economic Service Charge	-	3,539,707	-	-
Deferred Tax charge/(reversal) for the year	(133,394,652)	(21,006,159)	-	-
	(132,999,733)	(16,386,483)	158,494	168,720

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	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Profit/(Loss) Before Income Tax	(765,194,581)	(912,418,920)	(632,831)	(1,914,656)
Other Sources of Income	241,316	471,487	(2,148,378)	(435,195)
Aggregate disallowable Items	707,297,121	(112,494,999)	(16,891)	-
Aggregate Allowable Items	(818,447,480)	291,943,882	-	-
Business Losses	(876,103,624)	(732,498,550)	(2,798,100)	(2,349,851)
Business Profit	-	-	-	-
Other Sources of Income				
Statutory Income from Interest	4,346,426	4,166,205	2,148,378	435,195
Tax Losses Utilized	(3,492,816)	(73,394)	(1,538,790)	-
Taxable Income	853,610	4,092,811	609,588	435,195
Tax Rate	24% & 30%	14% & 24%	24% & 30%	24%
Income Tax Expenses for the Year	394,919	941,646	158,494	104,447

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

18.2.1 Deferred Tax Charge/(Reversal) recognised through;

Year ended 31 March	2023 LKR	2022 LKR
Statement of Profit or Loss		
Charge/ (Reversal) Arising on During the Year Movement	(84,247,481)	26,491,762
Charge/ (Reversal) Due to Change in Tax Rates	(49,147,171)	-
	(133,394,652)	26,491,762
Other Comprehensive Income		
Charge/ (Reversal) Arising on During the Year Movement	(1,885,624)	105,591,622
Charge/ (Reversal) Due to Change in Tax Rates	415,337,098	-
	413,451,474	105,591,622

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

Deferred Tax Assets & Liabilities

Year ended 31 March	Group			
	Assets		Liabilities	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Balance at the beginning of the year	49,870,404	15,806,068	370,286,589	251,636,792
Charge /Release during the year	99,118,090	34,064,336	379,174,913	118,649,797
Balance at the end of the year	148,988,494	49,870,404	749,461,502	370,286,589

Closing deferred tax asset/liability relates to the following

Accelerated depreciation for tax purposes	(92,907,268)	(38,538,625)	54,106,201	23,193,028
Right of use assets	3,019,511	1,097,452	-	-
Tax Losses available for off-set against future taxable income	232,376,632	85,073,285	(77,952,559)	(13,522,217)
Employee benefit liability	6,499,619	2,238,292	(5,449,199)	(2,804,183)
Impact on Land Revaluation	-	-	778,757,059	363,419,961
	148,988,494	49,870,404	749,461,502	370,286,589

Notes to the Financial Statements Contd.

	Group	
	2023 LKR	2022 LKR
Deferred Tax Expense/(Reversal)		
Profit or Loss Statement		
Deferred tax arising from		
Accelerated depreciation for tax purposes	85,281,816	2,735,725
Right of use Assets	(1,922,059)	60,094
Reversal arising from tax losses	(211,733,690)	25,815,155
Employee benefits liability	(5,020,719)	(2,119,212)
	(133,394,652)	26,491,762
Other Comprehensive Income		
Deferred tax arising from		
Employee benefits liability	(1,885,624)	1,066,879
Impact on Land Revaluation	415,337,098	104,524,743
	413,451,474	105,591,622
Total Deferred Tax charge/(Reversal)	280,056,822	132,083,384

- a) Deferred tax is calculated at the rate of 30%, which is the tax rate effective from 1st October 2022 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. However, Deferred tax Assets have not been recognised for unused tax losses amounting to LKR 332,801,816/- . These unused tax losses will expire in 2024/25 - LKR 296,293,287/- , 2025/26 - Rs. 36,508,529/- .

19. EARNINGS PER SHARE

19.1 Basic Earnings Per Share is calculated by dividing the net earnings 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.

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Year ended 31 March				
Net Profit/(Loss) Attributable to Ordinary Shareholders for	(615,218,804)	(886,028,541)	(791,325)	(2,083,376)
Basic Earnings/(Loss) Per Share				
Number of Ordinary Shares Used as Denominator:				
Weighted Average number of Ordinary Shares in issue	560,508,681	547,661,120	560,508,681	547,661,120
Applicable to Basic/Diluted Earnings/(Loss) per Share	(1.098)	(1.618)	(0.001)	(0.004)

19.2.1 Weighted average number of ordinary shares.

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Year ended 31 March				
As at 1 April	547,661,120	502,188,559	547,661,120	502,188,559
Effect of shares issued in January 2023	12,847,561	45,472,561	12,847,561	45,472,561
Weighted-average number of ordinary shares at 31 March	560,508,681	547,661,120	560,508,681	547,661,120

Notes to the Financial Statements Contd.

20. COMMITMENTS AND CONTINGENCIES

20.1 Capital Expenditure Commitments

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

	Group	
	2023 LKR	2022 LKR
Authorized by the Board, but not Contracted for	33,568,956	-
Contracted, but not provided	-	-
	33,568,956	-

20.2 Contingent Liabilities

There are no significant contingent liabilities as at 31st March 2023, 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, 2021 & 2022. The Group does not agree with such a claim. The estimated contingent liability as of 31st March 2023 is LKR 15.4 Million. At the moment two cases are pending at Magistrate's courts in Kandy and Tissamaharama.

21. ASSETS PLEDGED

Nature of Assets	Nature of Liability	Group	
		Carrying Amount of the Assets Pledged	
		2023 LKR	2022 LKR
Land and Buildings	Primary mortgage for Interest Bearing loans and borrowings (Note 11.3 & 16.2)	8,047,441,754	8,202,903,033

22. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

22.1 Transactions with Subsidiaries

Year ended 31 March	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Amount Receivable as at 31 March (Note 9.2)	-	-	3,889,649	5,033,880
Nature of Transactions				
Short-term Loans settled	-	-	1,300,000	1,600,000
Investment in Ordinary Shares	-	-	498,000,000	-
Interest Received	-	-	1,055,768	433,880

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	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Amount receivable as at 31 March (Note 9.1 & 9.2)	8,422,025	11,231,128	-	-
Amount payable as at 31 March (Note 13.1 & 13.2)	18,510,684	23,657,824	-	-
Nature of Transactions				
Transportation Charges	80,989	73,520	-	-
Purchases of Beverage & Others	23,530,811	12,818,927	-	-
Sale of Accommodation	18,521,162	10,914,665	-	-
Gratuity Transfer (Net)	914,094	10,398,758	-	-
Hotel Operation and Marketing Fee	101,483,911	67,263,522	-	-
Advertising Expenses and Other Reimbursements	30,455,221	6,386,824	-	2,104
Vehicle Hire Expenses	1,919,108	-	-	-
Laundry Charges	23,634,132	8,345,237	-	-
Sale of Beverage and other items	3,951,124	1,618,475	-	-
Sale Of Goods	1,456,780	-	-	-
Support Services	24,204,302	26,721,964	-	-
Vehicle Hire Income	240,599	845,364	-	-
Net Investment/(Redemption) in Units	3,000,000	-	-	-
Capital Gain from FVTOCI Investment	119,093	54,920	-	-
Sale of rice	73,000	-	-	-
Other Expenses	5,508,678	-	975,000	-

22.3 Transactions with Related Parties who are Significant Investors

Year ended 31 March	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Amount receivable as at 31 March (Note 9.1 & 9.2)	33,607,818	25,275,385	-	-
Amount payable as at 31 March (Note 13.1 & 13.2)	-	264,128	-	-
Nature of Transactions				
Sale of Goods	-	721,250	-	-
Transport Expenses	2,547,725	872,865	-	-
Purchase of Goods	-	2,553,580	-	-
Gratuity Transfers	19,250	-	-	-
Purchase of Beverage and Others	2,336,994	-	-	-
Advertising Expenses and Other Reimbursements	-	228,795	-	-
Sale of Accommodation	192,051,660	57,497,840	-	-
Support Services	10,769	-	-	-
Vehicle Hire Income	1,377,343	13,771	-	-
Other Expenses	5,157,706	-	-	-

22.3.1 Letter of Comfort (refer 23.2 e)

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	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Key Management Personnel Compensation				
Executive Directors Fee	-	-	-	-
Non Executive Director's Fee	-	-	-	-

During the twelve months ended 31st March 2023, the Directors were not paid any fee or any other benefits.

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:

The rates of exchange as at 31st March, that were used in the financial statements are disclosed in Note 2.8.1

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 continuing impact from the pandemic and current economic condition, the individual receivable balances were re-assessed, specific provisions were made wherever necessary, and the existing practice on the provisioning of trade receivables were re-visited and adjusted.

Short term Investments are made only in liquid short-term instruments in licensed commercial banks which appropriate credit ratings. 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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	LKR	LKR	LKR	LKR
Cash at Bank and in Hand (Note 23.1 (d))	90,194,165	70,735,959	299,498	466,961
Other current Financial Assets (Note 23.1 (b))	2,514,858	134,707,406	2,316,891	-
Trade Receivables (Note 23.1 (c))	101,908,136	97,251,101	-	-
Other Receivables	28,929,290	15,496,304	3,889,649	5,404,363

b. Details of deposits with institutions and their credit ratings are as follows.

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

Group		Credit Rating	Total	Credit Rating	Total
Institute	Instrument	for 2023	Investment 2023	for 2022	Investment 2022
			LKR		LKR
Hatton National Bank PLC	Fixed Deposit	A	-	AA-	14,395,663
Commercial Bank of Ceylon PLC	Fixed Deposit	A	-	AA-	119,515,977
Capital Alliance Investment Ltd ("CAL")	CAL Investment Grade Fund	(Note 1)	2,514,858	(Note 1)	795,766
			2,514,858		134,707,406

Note 1: The CAL Investment Grade Fund invest in Banks, Corporate Debt and Government Securities. All Corporate debt invested by the Fund are required to have a Rating of BBB- or higher issued by a rating agency licensed by the SEC of Sri Lanka, as per the terms.

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

Group	2023		2022	
	Gross Carrying amount	Impairment allowance	Net Carrying amount	Net Carrying amount
	LKR	LKR	LKR	LKR
As at 31 March 2023				
Neither past due, nor impaired	65,723,683	-	65,723,683	78,770,876
Past due 31-60	19,474,583	-	19,474,583	8,573,227
Past due 61-180	10,297,875	-	10,297,875	8,461,523
Past due more than 180 days	12,308,980	(5,896,984)	6,411,996	1,445,475
	107,805,121	(5,896,984)	101,908,137	97,251,101

d. Cash at bank of the Group comprises balances in banks amounting to LKR 90,194,165/- (2022 - LKR 70,735,959/-) with banks which have a Fitch Rating higher or equal to A.

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. Summary of Financial Liabilities

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

Group	Group	
	2023	2022
	LKR	LKR
Interest Bearing Loans & Borrowings (Note 11.3)	3,984,704,569	4,826,339,668
Bank Overdrafts (Note 16.2)	1,911,595,061	1,214,580,199
Lease Liabilities (Note 11.2)	26,477,013	25,765,335
Trade and Other Payables (Note 13)	225,273,116	198,729,178
	6,148,049,759	6,265,414,380

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

Group	1 - 6 Months	7 - 12 Months	1 - 5 Years	More than 5 Years	Total
	LKR	LKR	LKR	LKR	LKR
Interest bearing Loans & Borrowings payable in LKR	558,573,450	93,268,064	1,646,905,811	168,859,943	2,467,607,268
Interest bearing Loans & Borrowings payable in USD	100,133,066	116,271,082	1,267,119,892	33,573,261	1,517,097,301
Bank Overdrafts	1,911,595,061	-	-	-	1,911,595,061
Lease Liability	2,763,853	2,098,857	14,351,527	7,262,776	26,477,013
Trade and Other Payables	225,273,116	-	-	-	225,273,116
Total 2023	2,798,338,546	211,638,003	2,928,377,230	209,695,980	6,148,049,759
Total 2022	1,733,099,742	388,626,252	4,069,806,819	73,881,567	6,265,414,380

c. Following are the maturities of financial liabilities and assets denominated in foreign currency

Financial liabilities denominated in foreign currency	1 - 6 Months	7 - 12 Months	1 - 2 Years	3 - 5 Years	More than 5 Years	Total
	USD	USD	USD	USD	USD	USD
Interest bearing Loans and Borrowings payable in USD	(305,946)	(355,254)	(2,404,332)	(1,467,220)	(102,579)	(4,635,331)
Financial assets in USD and EUR (in equivalent USD)	262,276	-	-	-	-	262,276

Net financial assets/ (financial Liabilities) expressed in USD

Net Total 2023 (Net Asset/ (Net Liability))	(43,670)	(355,254)	(2,404,332)	(1,467,220)	(102,579)	(4,373,055)
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Net Total 2022 (Net Asset/ (Net Liability))	(15,067)	(318,014)	(2,917,167)	(2,030,494)	(19,132)	(5,299,875)
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d. Undrawn borrowing facilities:

The Group has undrawn borrowing facilities amounting to LKR 403,162,948/- as at 31st March 2023. (LKR 960,419,801/- in 2022)

Notes to the Financial Statements Contd.

e. Letter of Comfort from Related Party

The Group has received a letter of comfort from Jetwing Travels (Pvt) Ltd confirming commitment to advance temporary funds requirement at the same commercial rates of loans obtained from banks.

23.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices that 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 as it has foreign currency transactions and balances which are affected by foreign exchange rate movements.

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

Group	In USD	In EURO
Cash at Bank and in Hand	256,395	5,390
Other Current Financial Assets	-	-
Interest bearing Loans & Borrowings payable in USD	(4,635,331)	-
Net Aggregate Carrying Value in respective currencies	(4,378,934)	5,390
Net aggregate carrying value in LKR - 2023	(1,433,181,423)	1,924,673
Net aggregate carrying value in LKR - 2022	(1,596,227,791)	11,564,948

Foreign Currency Sensitivity

The following table demonstrate the sensitivity of Group's profit before tax to a reasonably possible change in USD exchange rates, assuming all other variables being held constant.

Group		Sensitivity related to Interest bearing Loans & Borrowings		Sensitivity related to Deposits and Other Balances	
		Effect on Profit Before Tax	Effect on Profit Before Tax	Effect on Profit Before Tax	Effect on Profit Before Tax
		31.03.2023 LKR	31.03.2022 LKR	31.03.2023 LKR	31.03.2022 LKR
Change in USD Rate	(+10%)	151,709,730	(177,649,328)	8,391,558	18,026,549
Change in USD Rate	(-10%)	(151,709,730)	177,649,328	(8,391,558)	(18,026,549)
Change in USD Rate	(+25%)	379,274,325	(444,123,320)	20,978,895	45,066,374
Change in USD Rate	(-25%)	(379,274,325)	444,123,320	(20,978,895)	(45,066,374)

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.

Notes to the Financial Statements Contd.

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 of the Group's profit before tax as affected through an impact on floating rate borrowings to a reasonably possible change in interest rates assuming all other variables being held constant.

Group	Assumed impact due to Increase/ (decrease) in basis points	Effect on Profit Before Tax had the assumed impact taken place as at 31.03.2023 LKR	Effect on Profit Before Tax had the assumed impact taken place as at 31.03.2022 LKR
Sensitivity to Interest rates of Interest bearing & Borrowings in LKR	+ 200 basis points	(49,352,145)	(60,996,928)
	- 200 basis points	49,352,145	60,996,928
	+ 500 basis points	(123,380,363)	(152,492,319)
	+ 500 basis points	123,380,363	152,492,319
	- 1000 basis points	(246,760,727)	(304,984,639)
	- 1000 basis points	246,760,727	304,984,639
Sensitivity to Interest rates of Interest bearing & Borrowings in USD	+ 50 basis points *	(7,585,487)	(8,882,466)
	- 50 basis points *	7,585,487	8,882,466
	+ 100 basis points *	(15,170,973)	(17,764,933)
	- 100 basis points *	15,170,973	17,764,933
	+ 200 basis points *	(30,341,946)	(35,529,866)
	- 200 basis points *	30,341,946	35,529,866

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

*Excluding exchange rate transaction fluctuations and their effects.

An explanation of significant changes that occurred after the reporting date is given in Note 25.

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 Group 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:

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

Notes to the Financial Statements Contd.

24.1 Fair Value Hierarchy

As at 31st March 2023, 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:

	Total LKR	Level 1 LKR	Level 2 LKR	Level 3 LKR
2023				
Quoted Equity Investment (Note 7.1)	1,255,492	1,255,492	-	-
Total	1,255,492	1,255,492	-	-
2022				
Quoted Equity Investment (Note 7.1)	1,021,532	1,021,532	-	-
Total	1,021,532	1,021,532	-	-

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 the Company	Nature of Transactions	Transaction with Group Companies		Transaction with the Company	
		2023	2022	2023	2022
		LKR	LKR	LKR	LKR
Jetwing Hotels Ltd	Hotel Operating and Marketing Fee	101,483,911	67,263,522	-	-
	Gratuity Transfer	28,645	211,383	-	-
	Vehicle Hire Income	22,794	200,000	-	-
	Advertising Expenses & Other Reimbursements	28,419,873	10,215,170	-	2,104
	Sales of Accommodations	-	797,723	-	-
Jetwing Travels (Pvt) Ltd	Transportation Charges	2,547,725	872,865	-	-
	Sale of Accommodation & Transfer	191,427,372	57,189,052	-	-
	Vehicle Hire Income	1,172,707	7,332	-	-
	Purchase of Other Items	-	28,350	-	-
	Support Services	10,769	11,208,609	-	-
	Other Expenses	-	10,769	-	-
	Other Reimbursements	3,437,454	12,655	-	-
Capital Alliance Investments Ltd	Capital Gain From Afs Investement & Net Investments	3,119,093	54,920	-	-
	Rights Issue- Transaction Fee	975,000	-	975,000	-
Negombo Hotels Ltd	Other Reimbursements	1,833,845	-	-	-
	Sale of Accommodation & Transfer	535,984	17,709	-	-
	Gratuity Transfer	24,130	-	-	-
	Purchase of Beverages and Others	-	74,000	-	-
	Sale of Beverage & Others	-	7,500	-	-
	Sale of Rice	-	337,500	-	-
	Vehicle Hire Income	-	2,961	-	-
Jetwing Hotels Management Services (Pvt) Ltd	Laundry Charges	23,634,132	8,305,512	-	-
	Advertising Expenses & Other Reimbursements	-	156,342	-	-
	Vehicle Hire Income	31,524	146,288	-	-
	Other Expenses	1,223,870	-	-	-
Seashells Hotel (Pvt) Ltd	Sale of Beverages and Others	19,500	412,516	-	-
	Sale of Accommodation & Transfer	162,867	-	-	-
	Vehicle Hire Income	3,619	3,619	-	-
	Advertising Expenses & Other Reimbursements	-	175,480	-	-
	Sale of Rice	-	250,000	-	-

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

Name of the Company	Nature of Transactions	Transaction with Group Companies		Transaction with the Company	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
Blue Oceanic Beach Hotel (Pvt) Ltd	Transport Charges	-	2,315	-	-
	Purchase of Beverage & Others	2,336,994	540,382	-	-
	Sale of Goods	-	1,388,188	-	-
	Sale of Accomadations & Transfer	624,288	364,205	-	-
	Gratuity Transfer	19,250	924,688	-	-
	Vehicle Hire Income	204,636	6,439	-	-
	Other Reimbursements	1,720,252	216,140	-	-
	Sale of Rice	-	721,250	-	-
	Purchase of Bottled Water Expenses	-	730,660	-	-
Villa Properties (Pvt) Ltd	Support Services	24,202,099	19,896,612	-	-
Jet Enterprises (Pvt) Ltd	Purchase of Food & Beverage	9,148,740	5,371,195	-	-
	Sale of Beverage & Others	888,203	455,294	-	-
Jetwing Events (Pvt) Ltd	Sale of Accommodation	-	1,025,548	-	-
Go Vacation Lanka Company (Pvt) Ltd	Sale of Accommodation & Transfer	4,480,454	904,080	-	-
The Lighthouse Hotel PLC	Sale of Accommodation & Transfer	1,300,549	761,191	-	-
	Gratuity Transfer (Net)	-	1,230,052	-	-
	Purchase of Food & Beverage	6,301,559	77,578	-	-
	Sale of Beverage & Others	-	2,041	-	-
	Advertising Expenses & Other Reimbursements	1,342,284	25,567	-	-
	Vehicle Hire Rent Expense	1,317,949	400,000	-	-
	Sale of Rice	60,000	152,500	-	-
	Other Expenses	62,071	286,035	-	-
St. Andrews Hotel (Pvt) Ltd	Purchase of Beverage & Others	94,593	521,228	-	-
	Sale of Accommodation & Transfer	486,583	145,137	-	-
	Transportation Charges	80,989	71,205	-	-
	Vehicle Hire Expenses	601,159	6,000,000	-	-
	Sale of Other Items	369,212	-	-	-
	Gratuity Transfer	587,287	224,671	-	-
	Sale of Rice	-	152,500	-	-
	Support Services	2,203	-	-	-
Yarl Hotels (Pvt) Ltd	Other Reimbursements	20,000	-	-	-
	Sale of Accommodation & Transfers	1,300,549	47,620	-	-
	Vehicle Hire Income	173,094	36,190	-	-
	Sale of Rice	13,000	13,000	-	-
	Gratuity Transfer	-	21,875	-	-

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

Name of the Company	Nature of Transactions	Transaction with Group Companies		Transaction with the Company	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
The Royal Heritage Hotel (Pvt) Ltd	Sale of Accommodation & Transfers	1,510,168	301,257	-	-
	Other Reimbursements	1,130,000	12,899	-	-
	Gratuity Transfer	115,112	67,600	-	-
	Other Expenses	76,496	525,276	-	-
	Sale of Rice	-	455,100	-	-
	Purchase of Beverage & Other Goods	474,194	175,930	-	-
	Sale of Beverage and Other Goods	2,288,693	664,029	-	-
Negombo Properties (Pvt) Ltd	Sale of Accommodation & Transfer	38,605	-	-	-
	Sale of Beverage & Others	667	-	-	-
	Reimbursement of Other Expenses	-	2,734	-	-
Jetwing Eco Holidays (Pvt) Ltd	Sale of Accommodation & Transfer	4,665,753	4,942,472	-	-
Thirteen Development Lanka (Pvt) Ltd	Sale of Accommodation & Transfer	1,505,272	540,759	-	-
	Purchase of Food & Beverage	3,648,337	2,253,511	-	-
	Advertising Expenses & Other Reimbursements	191,983	785,981	-	-
	Laundry Charges	-	39,725	-	-
The First Resort (Pvt) Ltd	Sale of Accommodation & Transfer	418,565	628,566	-	-
	Gratuity Transfer	142,844	2,700,161	-	-
	Sale of Beverage & Other Goods	75,181	144,273	-	-
	Vehicle Hire Income	5,949	2,068	-	-
	Advertising Expenses & Other Reimbursements	86,977	175,831	-	-
	Sale of Rice	-	295,000	-	-
	Purchase of Beverage & Others	-	1,191,368	-	-
Jetwing Ayurveda (Pvt) Ltd	Vehicle Hire Income	3,619	7,500	-	-
	Sale of Beverages and Others	9,668	10,000	-	-
	Sale of Accommodation & Transfer	39,618	5,500	-	-
Lanka Dhiviya (Pvt) Ltd	Sale of Beverages and Others	300,000	-	-	-
	Sale of Goods	1,456,780	-	-	-
	Sale of Accommodation & Transfer	461,062	40,802	-	-

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

Name of the Company	Nature of Transactions	Transaction with Group Companies		Transaction with the Company	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
CECCATO Colombo (Pvt) Ltd	Purchase of Goods	3,863,389	1,324,648	-	-
The Herbert Cooray Trust	Reimbursement of Other Expenses	-	1,454,053	-	-
Jetwing Journeys (Pvt) Ltd	Sale of Accommodation & Transfer	1,454,436	668,100	-	-
Saman Villas Ltd	Sale of Accommodation & Transfer	160,697	-	-	-
	Other Reimbursements	187,396	-	-	-
	Gratuity Transfer	-	4,142,911	-	-
Hotel J City Beds (Pvt) Ltd	Advertising Expenses & Other Reimbursements	414,104	-	-	-
	Gratuity Transfer	16,076	-	-	-
	Vehicle Hire Income	-	6,345	-	-
	Purchase of Goods	-	701,365	-	-
Jetwing Academy (Pvt) Ltd	Reimbursement of Expenses	-	2,861.00	-	-
D H H Lanka (Pvt) Ltd	Vehicle Hire Income	-	11,656	-	-
Jetwing City (Pvt) Ltd	Investment In Ordinary Shares	-	-	300,000,000	-
Cultural Heritage (Pvt) Ltd	Investment In Ordinary Shares	-	-	100,000,000	-
Yala Properties (Pvt) Ltd	Temporary Loan	-	-	-	1,600,000
	Temporary Loan Settlement	-	-	1,300,000	433,880
	Temporary Loan Interest	-	-	1,055,768	-
Pottuvil Point (Pvt) Ltd	Investment In Ordinary Shares	-	-	98,000,000	-

Sit and revel in the serenity bestowed by the breathtaking views of our agro-luxury abode, Jetwing Kaduruketha. Amidst lush paddy fields and rolling hills, allow the tranquility of our surroundings in Wellawaya to envelop you, providing an oasis of absolute calm.



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. C.S.R.S. Anthony
Mr. R.A.E. Samarasinghe
Mr. U.L. Kadurugamuwa (Deceased on 8.12.2022)
Mr. L.R.M.G.L. Kadurugamuwa
Mr. J.L. Kadurugamuwa

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
Mr. P.B.M. Withana
Mr. I.D.D. Gunewardene
Mr. P.M.D. Dinesh

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

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

Thirteen Developments Lanka (Pvt) Ltd

Directors

Mr. L.K. Porter
Ms. V.L. Porter

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

Go Vacation Lanka Co (Pvt) Ltd

Directors

Ms. N.T.M.S. Cooray
Mr. R.J. Arasaratnam
Mr. K.U. Sperl
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
Mr. D.K.D. Nanayakkara
Ms. M.D.H. Gunawardena
Mr. J. Auvity
Mr. N.J.D.M. Cooray

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 (Ceased to be a director w.e.f. 30/06/2022 and appointed w.e.f. 14/07/2022)
Ms. A.M. Ondaatjie
Dr. C. Pathiraja
Mr. T. Nadesan (Retired w.e.f. 14/07/2022)
Mr. A.T.P. Edirisinghe (Ceased to be a director w.e.f. 30/06/2022)

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

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

Jetwing Journeys (Pvt) Ltd.

Directors

Mr. N.J.H.M. Cooray
Mr. R.A.E. Samarasinghe
Mr. R.J. Arasaratnam

Saman Villas Ltd.

Directors

Mr. N. J. H. M. Cooray
Ms. N.T.M.S. Cooray
Mr. N.J.D.M. Cooray
Ms. P.R. Vairavanathan (Resigned w.e.f. 27.01.2023)
Mr. D. Ratnayake (Resigned w.e.f. 27.01.2023)
Mr. H. Purasinghe

Hotel J City Beds (Pvt) Ltd.

Directors

Mr. N.J.D.M. Cooray
Mr. N.A.H. Cooray

Jetwing Academy (Pvt)Ltd.

Directors

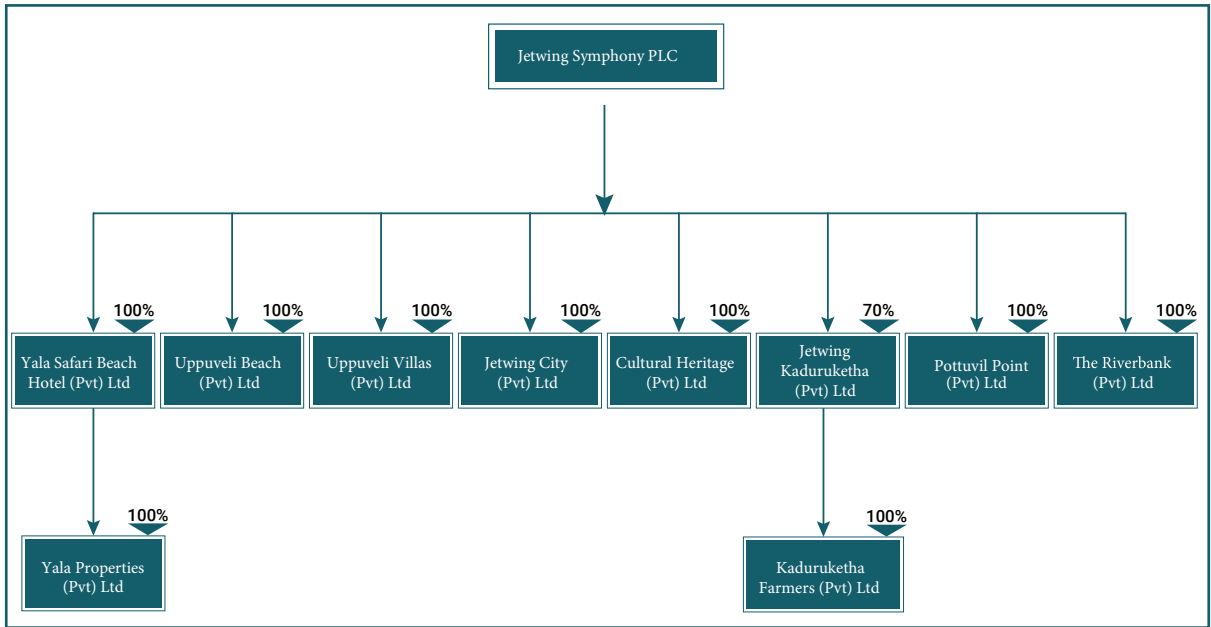
Mr. C.S.R.S. Anthony
Mr. D.K.D. Nanayakkara

DHH Lanka (Pvt) Ltd

Directors

Mr. N.J.D.M. Cooray
Mr. N.J.H. Cooray
Mr. N.A.H. Cooray

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 2023

Number of Shares held	Residents			Non-Residents			Total		
	No of Share holders	No. of Shares	%	No of Share holders	No. of Shares	%	No of Share holders	No. of Shares	%
1-1,000	845	214,156	0.03	4	2,248	0.00	849	216,404	0.03
1,001-10,000	422	1,542,697	0.26	3	20,010	0.00	425	1,562,707	0.26
10,001-100,000	170	5,649,942	0.94	3	195,984	0.03	173	5,845,926	0.97
100,001-1,000,000	41	12,422,320	2.06	4	1,339,286	0.23	45	13,761,606	2.29
1,000,001 & Over	28	470,285,926	78.10	6	110,515,990	18.35	34	580,801,916	96.45
Total	1,506	490,115,041	81.39	20	112,073,518	18.61	1,526	602,188,559	100.00

Categories of Shareholders	Total		
	No of Share holders	No. of Shares	%
Individuals	1,459	159,403,194	26.47
Institutions	67	442,785,365	73.53
Total	1,526	602,188,559	100.00

There were no non voting shares as at 31st March, 2023

19.06% of the issued capital of the Company was held by the public, comprising of 1,506 shareholders and a float adjusted market capitalisation of LKR 814,917,689/- as at 31st March, 2023. 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 Contd.

20 Largest Shareholders as at 31st March

Name of Shareholder	No of Share as at 31.03.2023	%	No of Share as at 31.03.2022	%
JETWING TRAVELS (PVT) LTD	116,343,077	19.32	93,767,471	18.67
R.O.K. INTERNATIONAL HOLDINGS LIMITED	90,909,091	15.10	90,909,091	18.10
BLUE OCEANIC BEACH HOTEL (PVT) LTD	82,155,974	13.64	66,214,150	13.19
MR. NAWALAGE JOSEPH HIRAN MAHINDA COORAY	43,113,163	7.16	34,747,339	6.92
MS. NAWALAGE THERESE MANOURI SHIROMAL COORAY	40,779,272	6.77	32,866,324	6.54
N J COORAY (BUILDERS) (PVT) LTD	36,091,391	5.99	29,088,096	5.79
EMPLOYEE'S PROVIDENT FUND	35,454,545	5.89	35,454,545	7.06
AMALIYA PRIVATE LIMITED	30,109,394	5.00	25,109,400	5.00
MR. LESTER WEINMAN	27,221,447	4.52	22,701,028	4.52
RMP PARTNERS LIMITED	13,796,782	2.29	11,505,676	2.29
JETWING HOTELS MANAGEMENT SERVICES (PVT) LTD	6,901,188	1.15	5,562,059	1.11
ST. ANDREWS HOTEL (PVT) LTD	6,327,883	1.05	5,100,000	1.02
MR. NAWALAGE JEROME DMITRI MAHINDA COORAY	4,078,379	0.68	3,286,997	0.65
MR. NAWAGAMUWAGE HASANTHA VIRAJ PERERA	3,821,153	0.63	3,186,609	0.63
ASSOCIATED ELECTRICAL CORPORATION LTD	3,783,673	0.63	2,321,414	0.46
MR. NAWALAGE ANTHONY HARIN COORAY	3,550,362	0.59	2,861,439	0.57
MR. GEHAN RANGA COORAY ARASARATNAM	3,550,362	0.59	2,861,439	0.57
MR. NAWALAGE JOSEPH HASHAN COORAY	3,550,362	0.59	2,861,439	0.57
SEYLAN BANK PLC. - A/C NO. 3	3,328,749	0.55	3,328,749	0.66
MR. WARNAKULASOORIYA RANJITH GRETION ALLOCIOUS FERNANDO	3,285,220	0.55	-	-
TOTAL	558,151,467	92.69	476,836,020	94.95

Market Value and Trading of Shares	31.03.2023	31.03.2022
Last traded price per share as at (LKR)	7.10	10.50
Highest Market Value per share - During the period (LKR)	16.50	15.80
Lowest Market Value per share - During the period (LKR)	6.10	8.70

Share Trading during the period	31.03.2023	31.03.2022
Number of transactions	4,973	3,129
Number of Shares Traded	12,005,420	4,282,269
Value of Shares Traded (LKR)	91,346,980	50,568,822

Real Estate Holdings of the Group

Description of the Property	Location	Buildings in Sq.Ft.	No. of Buildings	Land Extent Area (in Acres)		Net Book Value as at 31st March, 2023 LKR '000
				Freehold Property	Leasehold Property	
Yala Properties (Pvt) Ltd Jetwing Yala	Yala	243,657	21	-	54.00	871,762
Jetwing Kaduruketha (Pvt) Ltd Jetwing Kaduruketha	Wellawaya	30,513	24	-	63.00	280,646
Culturala Heritage (Pvt) Ltd Jetwing Lake	Dambulla	153,768	8	17.18	-	2,006,735
Jetwing City (Pvt) Ltd Jetwing Colombo Seven	Colombo	155,844	3	0.44	-	3,637,247
Uppuveli Beach (Pvt) Ltd	Uppuveli	-		14.01	-	337,997
The Riverbank (Pvt) Ltd Jetwing Kandy Gallary	Kandy	47,306	1	3.41	-	568,876
Uppuveli Villas (Pvt) Ltd	Uppuveli	-		6.00	-	168,000
Pottuvil Point (Pvt) Ltd Jetwing Surf	Pottuvil	41,996	25	7.29	-	544,703

Five Year Summary

GROUP	2023	2022	2021	2020	2019
Year ended 31st March,	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
OPERATING RESULTS					
Revenue	2,115,955	1,288,040	556,856	1,525,016	1,911,321
Profit/ (Loss) Before Taxation	(765,194)	(912,419)	(828,504)	(463,929)	(271,250)
Taxation (Expense)/ Reversal	133,000	16,387	(1,586)	4,138	(9,337)
Profit/ (Loss) After Taxation	(632,195)	(896,032)	(830,090)	(459,791)	(280,587)
SHAREHOLDERS' FUNDS					
Stated Capital	6,009,276	5,509,276	5,509,276	5,509,276	5,509,276
Reserves	1,231,007	1,646,345	1,004,852	994,246	934,175
Retained Earnings / (Losses)	(3,896,526)	(3,274,441)	(2,394,833)	(1,575,798)	(1,124,389)
	3,343,758	3,881,180	4,119,295	4,927,724	5,319,062
Non Controlling Interest	(21,827)	(5,039)	4,832	14,309	21,434
Shareholders' Funds	3,321,931	3,876,141	4,124,127	4,942,033	5,340,496
LIABILITIES					
Interest Bearing Loans & Borrowings	5,922,776	6,066,685	5,304,709	4,811,633	4,277,341
Current Liabilities	388,322	287,810	201,022	319,639	271,817
Other Liabilities	39,829	36,018	51,050	41,925	30,516
Deferred Tax liabilities	749,462	370,287	251,637	249,322	247,390
TOTAL EQUITY AND LIABILITIES	10,422,320	10,636,941	9,932,545	10,364,552	10,167,560
ASSETS					
Property, Plant & Equipment	9,224,714	9,488,290	9,040,569	9,340,934	8,987,612
Leasehold Property/Prepaid Lease Rent	-	-	-	-	47,049
Right of Use Assets	55,609	58,407	72,344	88,297	-
Deferred Tax Assets	148,988	49,870	15,806	7,689	-
Intangible Assets	576,896	578,207	581,436	582,529	582,926
Investments/Other Non-Current Financial Assets	3,595	135,729	60,979	813	885
Current Assets	412,518	326,438	161,412	344,289	549,088
TOTAL ASSETS	10,422,320	10,636,941	9,932,545	10,364,552	10,167,560
CASH FLOW					
From Operating Activities	(78,087)	192,304	(195,737)	304,955	112,585
From Investing Activities	91,249	(63,982)	(85,455)	(432,709)	6,731
From Financing Activities	(690,719)	(85,908)	145,151	284,260	(603,208)
Net Cash Inflow/(Outflow)	(677,557)	42,413	(136,041)	156,507	(483,891)
Cash & Cash Equivalents as at 31 March - Favourable / (Unfavourable)	(1,821,401)	(1,143,844)	(1,186,257)	(1,050,217)	(1,206,723)
KEY INDICATORS					
Earnings/(Loss) per Ordinary Share (LKR)	(1.10)	(1.62)	(1.63)	(0.90)	(0.56)
Net Assets per Ordinary Share (LKR)	5.52	7.72	8.20	9.81	10.59
Market Value per Share (LKR)	7.10	10.50	9.00	8.50	9.70
No. of Operating Hotels	6	6	6	6	5

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
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
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

Status of the Utilization of Rights Issue Funds

The Company has collected Rights issue funds of LKR 500 million for the said objectives of the prospectus. Current status of the utilization of the said objectives are listed below:

Objective number	Objective as per Circular	Amount allocated as per Circular in (LKR Mn)	Proposed date of utilization as per Circular	Amount allocated from proceeds 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)
1.	Investment in Cultural Heritage (Pvt) Ltd	100	January 2023-February 2023	100	20%	100	100%	
2.	Investment in Jetwing City (Pvt) Ltd	300	January 2023-February 2023	300	60%	300	100%	
3.	Investment in Pottuvil Point (Pvt) Ltd	98	January 2023-February 2023	98	20%	98	100%	
Total		498		498	100%	498	100%	

Nestled between the untamed beauty of Yala National Park and the mesmerising Indian Ocean, Jetwing Safari Camp offers a unique sanctuary where you can immerse in the serenity of nature.



Notice of Meeting

Notice is hereby given that the twelfth (12th) Annual General Meeting (“AGM”) of Jetwing Symphony PLC (the “Company”) will be held on Friday, 30th June 2023 at 11.00 a.m. at “Jetwing House II” 7th Floor, 46/26, Navam Mawatha, Colombo 02 and 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 along with the financial statements of the Company for the year ended 31st March 2023 and the report of the auditors thereon.
2. To propose the following resolution for the re-appointment of Mr. N. Wadugodapitiya, who has reached the age of seventy one (71) years.
IT IS HEREBY RESOLVED THAT the age limit referred to in section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. N. Wadugodapitiya who has reached the age of seventy one (71) years and that he be re-appointed as a director of the Company.
3. To propose the following resolution for the re-appointment of Mr. L.K. Porter, who has reached the age of seventy one (71) years.
IT IS HEREBY RESOLVED THAT the age limit referred to in section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. L.K. Porter who has reached the age of seventy one (71) years and that he be re-appointed as a director of the Company.
4. To re-appoint M/s Ernst & Young, Chartered Accountants, who are deemed to be re-appointed as auditors 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 2024 and to authorise the directors to determine their remuneration therefor.
5. To authorize the directors to determine the contributions to charities for the ensuing year.

By order of the Board,

Corporate Services (Private) Limited

Secretaries

Jetwing Symphony PLC

On this 7th day of June 2023

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 with the secretaries of the Company at 216, de Saram Place, Colombo 10 or via 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. N. 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 2023 and at any adjournment thereof.

	For	Against
1. To receive and consider the annual report of the board of directors along with the financial statements of the Company for the year ended 31 st March 2023 and the report of the auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. IT IS HEREBY RESOLVED THAT the age limit referred to in section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. N. Wadugodapitiya who has reached the age of seventy one (71) years and that he be re-appointed as a director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3. IT IS HEREBY RESOLVED THAT the age limit referred to in section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. L.K. Porter who has reached the age of seventy one (71) years and that he be re-appointed as a director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-appoint M/s Ernst & Young, who are deemed to be re-appointed as Auditors 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 31 st March 2024 and to authorise the directors to determine their remuneration therefor.	<input type="checkbox"/>	<input type="checkbox"/>
5. To authorise the directors to determine the contributions to charities for the ensuing year.	<input type="checkbox"/>	<input type="checkbox"/>

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

.....
*Signature/s of the Shareholder(s)

*Note:
Please delete the inappropriate words.*

INSTRUCTIONS AS TO COMPLETION

1. Kindly complete the Form of Proxy by filling in legibly your full name and address and sign in the space provided. Please fill in the date of signature.
2. A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy who need not be a shareholder, to attend and vote instead of him.
3. In the case of a corporation, the Form of Proxy must be completed under its Common Seal, which should be affixed and attested in the manner prescribed by the articles of association.
4. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed Form of Proxy in the manner prescribed in the articles of association.
5. The completed Form of Proxy should be deposited at Corporate Services (Private) Limited, 216 de Saram Place, Colombo 10 or forwarded via e-mail to corporateservices@corporateservices.lk not less than 48 hours before the appointed time for the meeting.



Jetwing

SYMPHONY

Jetwing Hotels Limited

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

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www.jetwinghotels.com