Jetwing SYMPHONY

ANNUAL REPORT 2019/20

A family of resorts combining over four decades of experience in hospitality with tradition and innovation, local architecture, and everlasting elegance in distinctive and beautiful locations across the island to showcase the company's vision of true hospitality.
At every Jetwing Symphony resort, we welcome the world as part of our family, and treat its people as our own.
Each associate is trained in the art of traditional Sri Lankan hospitality and is committed to offering an inimitably warm and personalized experience from the moment you step through our doors, ensuring the journey is filled with the most unforgettable memories.

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About Us

Jetwing Symphony is the investment and growth engine of Jetwing hotels.
Jetwing Symphony is building a sustainable foundation
for a much larger tourism ecosystem in Sri Lanka through innovative resorts in key destinations, backed up by almost five decades of experience in a dynamic tourism industry. Currently, Jetwing Yala (Yala), Jetwing Kaduruketha (Wellawaya), Jetwing Lake (Dambulla), Jetwing Colombo Seven (Colombo), Jetwing Surf (Pottuvil Point) and Jetwing Kandy Gallery (Kandy) make up the current portfolio of resorts.

Jetwing Symphony Properties

Located in the buffer zone of Yala National Park, right by the magnificent Indian Ocean, Jetwing Yala is the ideal escape to soak in the surrounding wilderness in luxury. 80 modern rooms featuring three bars alongside two restaurants, a 75m pool and rejuvenating wellness treatments, Jetwing Yala spoils its guests with world-class hospitality.

Jetwing Safari Camp promises wildlife enthusiasts a camping experience like no other. Guests can revel in the serenity of nature with bespoke safaris curated by our experienced team of rangers and unwind in our 10 jungle tents, complemented by the warm hospitality of our team of butlers and delectable dishes served at our restaurant.

Drawing inspiration from the surroundings of Wellawaya, Jetwing Kaduruketha with its simplicity and character blend elements of nature and luxury in perfect harmony. 25 dwellings with views of lush greenery, the best of fresh ingredients, a pool fit for royalty, bar and library with excursions aplenty promise an escape to those seeking adventure and discovery.

Spread over 17 acres in the cultural triangle, Jetwing Lake has a peaceful atmosphere with a backdrop of mountains and the Siyambalaweva water tank. Jetwing Lake offers 94 contemporary rooms, luxurious spa treatments, a specialty Chinese restaurant, events under the stars and personalised excursions with sustainability being a key focus at the property.

Jetwing Colombo Seven located in the heart of Colombo 7 offers 70 deluxe rooms and 28 serviced apartments. The hotel is ideal for busy travellers as its mere minutes away from all major attractions but also provides luxurious facilities such as a rooftop infinity pool, contemporary restaurant and restobar, spa, conference space and personalised service to unwind and rejuvenate.

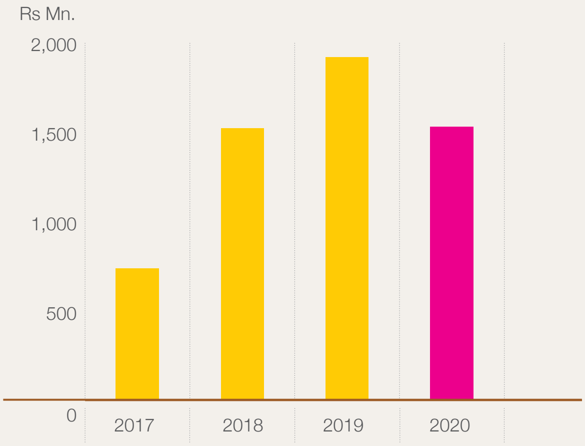
Nestled in the pristine coasts of Pottuvil Point, Jetwing Surf blends eco-tourism and luxury. The 20 unique cabanas are the perfect setting to unwind and relax, while the pool offers breathtaking views of the Indian Ocean. Creative and carefully curated dishes at our restaurant and bar make it the ideal eco-luxury surf resort.

Hidden amidst a grove of trees by the Mahaweli river in the heart of the ancient kingdom of Kandy, the newest addition to the Jetwing Family, Jetwing Kandy Gallery awaits to welcome guests with mesmerizing views. The hotel offers 26 plush rooms, delectable meals at the restaurant, calming spa treatments and a pool suited to perfection by the river.

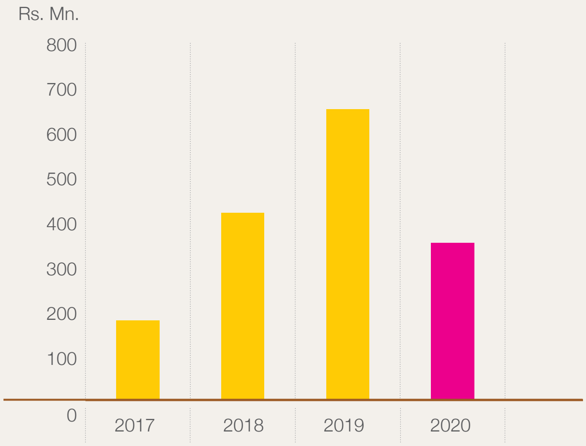
Financial Highlights

		2020	2019
Performance for the year ended 31 March			
Revenue	Rs.'000	1,525,016	1,911,321
Earnings before interest, tax , depreciation & amortisation (EBITDA)	Rs.'000	350,569	645,286
Profit/(Loss) before tax (PBT)	Rs.'000	(463,929)	(271,250)
Profit/(Loss) after tax (PAT)	Rs.'000	(459,791)	(280,587)
Earnings/(Loss) per share	Rs.	(0.90)	(0.56)
Financial Position as at 31 March			
Total Assets	Rs.'000	10,364,552	10,167,560
Total Debt	Rs.'000	4,811,633	4,277,341
Total Equity	Rs.'000	4,942,033	5,340,496
No of Shares in Issue	No.'000s	502,189	502,189
Net Assets per Share	Rs.	9.81	10.59
Gearing Ratio	%	49	44
Debt/Total Assets	%	46	42
Current Ratio		0.17:1	0.24:1
Quick Asset Ratio		0.14:1	0.21:1
Market/Shareholder information			
Market price per share as at 31 March	Rs	8.50	9.70
Market Capitalisation	Rs '000	4,268,603	4,871,229

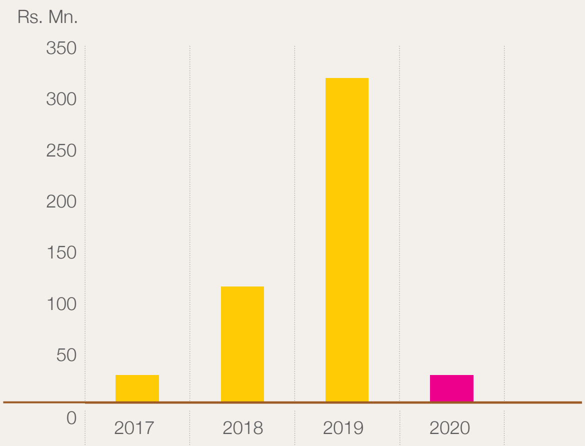
Revenue



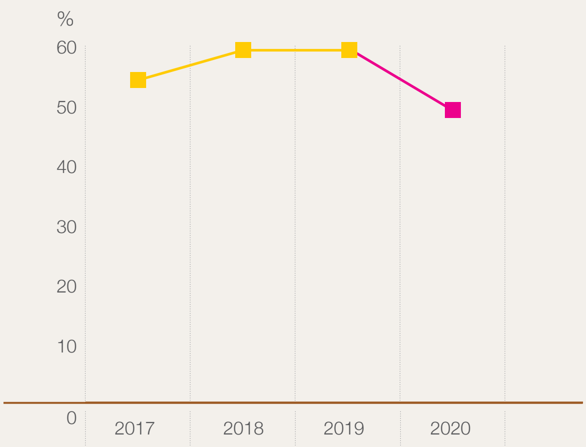
EBITDA

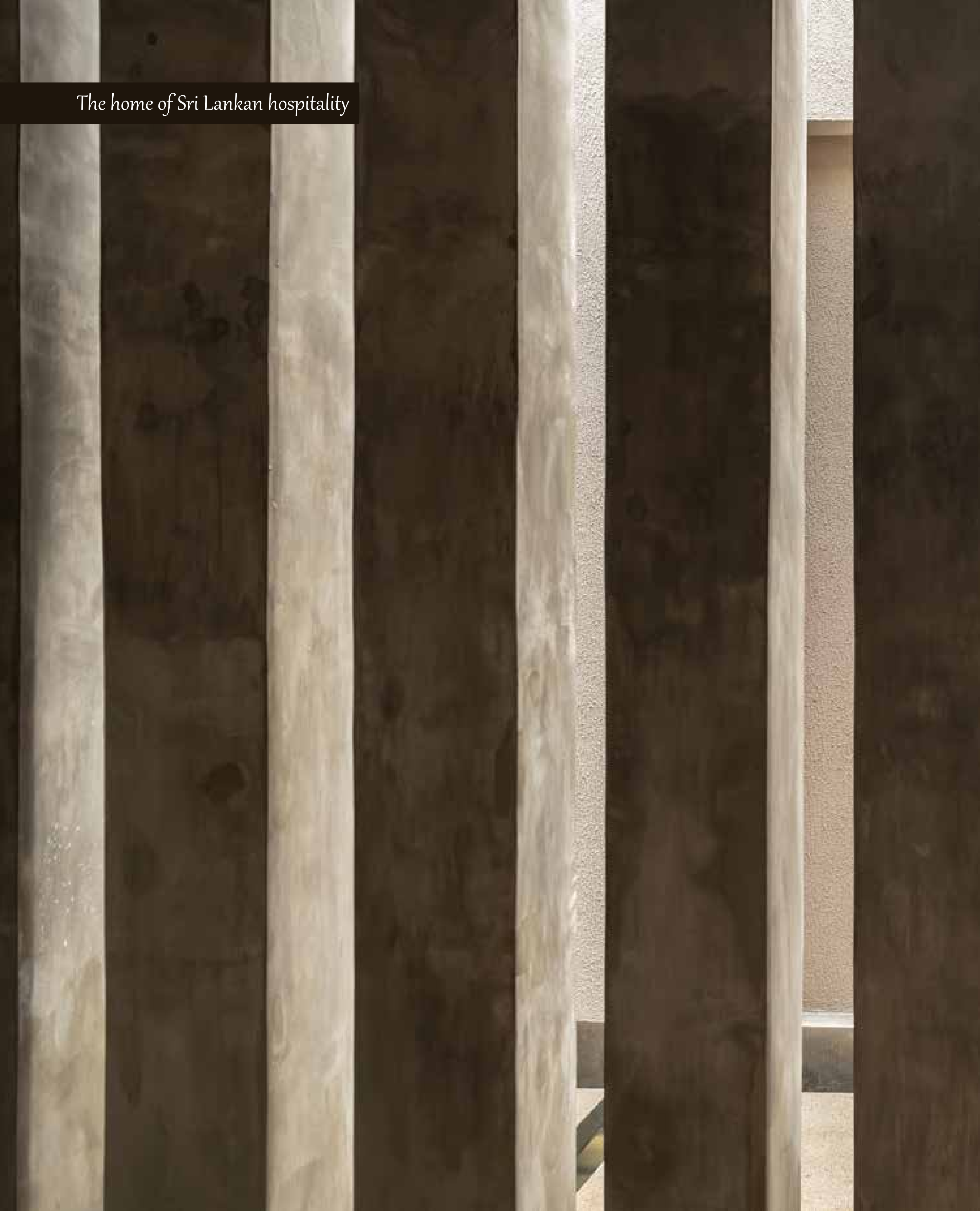


EBIT



Occupancy




The home of Sri Lankan hospitality

Chairman’s Letter

Ayubowan!

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

Having survived a very difficult year, we are now faced with an even more challenging year, the likes of which we have not witnessed throughout Jetwing’s history in the tourism industry of Sri Lanka. Ever since my father, the late Herbert Cooray, ventured into the industry in 1973, tourism in Sri Lanka has always had its ups and downs. However, since the end of Sri Lanka’s civil war in 2009, the industry saw continuous year-on-year growth which led to our own expansion, including the establishment of Jetwing Symphony PLC (JSL), which was set to be the vehicle of future investments for Jetwing in the hospitality sphere.

We started the year with a lot of optimism, following a successful year where we achieved the figures forecasted at the time of the IPO in December 2017. The events that took place 3 weeks into the financial year had an irrevocable impact on our Sri Lankan people. The death, destruction, and overall lack of regard for human life, is something I thought would never resurface in our island. Given such a dismal situation from a humanitarian and economic standpoint, our people emerged stronger and more committed to building a better country. After a few months of hardship, we gradually managed to get back on our feet and were headed towards a quick recovery thanks to our partners and well-wishers around the world. We were heading for another optimistic year, when the whole world was shaken by an unseen threat, something we have never experienced before and a destructive force that single-handedly crippled the biggest economies in the world. In a single financial year, we faced one of the biggest domestic disasters in the recent past, as well as a global pandemic that transcended any previous threat on human life, business and tourism specifically, in the last century or more.

“Location, location, location”- the legendary American hotelier, Conrad Hilton’s famous words used when talking of the success of the hospitality giant he founded. Convenient and stunning locations are certainly a key element in the success of any hospitality establishment, but to me there is one crucial element that supersedes all others when it comes to an organization’s success – people. “People, people, people” – in good times and in bad, it is the people engaged in our organization that keeps us going and inspires us to achieve more than what we set out to. Our associates, who stood by us during a difficult period with two consecutive setbacks, continue to stay strong and motivated despite the challenges they now face. Our shareholders and board of directors, you have all given us the greatest gift we could have asked for in these trying times – patience. Your patience and constant support give all of us the confidence to pursue our work with a positive mindset; this is a blessing and I am forever grateful to each one of you. I am also grateful to the government and all the institutions involved in successfully mitigating the risk and spread of COVID-19, including the armed forces, police, medical front liners and everyone else directly or indirectly involved. I truly believe that we have controlled the pandemic exceptionally well, and as a citizen, I am very pleased by the importance our leaders have placed on public health and safety. I must also convey my gratitude to our managing agents, Jetwing Hotels Ltd., for their quick response to control the impact of this crisis. Finally, our partners and customers – it was overwhelming to see the support we received after the tragedy last year, and we saw it once more this year, as soon as it was declared safe for local residents to travel. Thank you for believing in Jetwing and the values we hold close to our heart. Thank you for always choosing to experience the most authentic Sri Lankan hospitality at our hotels around the island.

Moving on to your company's performance over the last financial year, we recorded a total group revenue of LKR 1.525 billion, which is a 20% decrease from the previous year. The subsequent impact on the net profit for the group was a decrease of 64% from the previous year, which amounts to a loss of LKR 459.79 million. Despite the many challenges faced, it is pleasing to note that the group managed to make a profit from operations amounting to LKR 349.15 million.

I am also pleased to inform you that Jetwing Kandy Gallery commenced operations in January 2020, making it the 6th operational hotel under JSL. Although we opened the hotel just two months before the spread of COVID-19 and the ensuing lockdown, I am confident that we will be able to position it as the premier boutique hotel in the cultural capital of Sri Lanka.

I am also extremely proud about 2 projects that were launched in the last year; 'ProjectWe' and 'Thrive'. ProjectWe is Jetwing's response to the racial and religious disharmony that was growing in our little island, especially after the dreadful events on Easter Sunday. It is a project with an ambitious goal of uniting our Sri Lankan people all around the country, with a simple process of bringing together youth from various religious backgrounds to interact with one another and learn together, among other activities (ProjectWe was launched at Jetwing Lake). Thrive is a micro- and small-scale supplier sustenance programme that was launched to help enterprises upscale through capacity building and financial assistance. Starting off at Jetwing Kaduruketha, we support numerous women entrepreneurs as well as others seeking assistance in growing their businesses. While these projects have taken a slow turn in the months following the lockdown, we will pursue to actively support our local communities by creating harmony and providing opportunities for economic development.

As tourism will likely take a while to return to normalcy, there is an opportunity for us to strategically plan on how we will grow responsibly and sustainably. Sri Lanka as a destination is blessed with hundreds of natural and man-made wonders that have attracted tourists from around the world. However, we have failed to give these monuments the love and care they deserve. The relevant authorities must utilize this time to prepare a practical model of operating these sites once tourist arrivals return to expected numbers. If these are not looked into, there will continue to be negative publicity and permanent damages to natural assets like the Yala national park and man-made cultural sites like Sigiriya. The 'new-normal' is a buzzword in many circles and has become ever so important for those of us in tourism. While we continue to follow the guidelines set by the relevant authorities, it is also important that we look at pragmatic solutions that will enable more tourists (both local and foreign) to visit and experience the many destinations within our paradise island, while ensuring the health and safety of both residents and tourists.

As difficult as it may seem to be optimistic during these times, I continue to look at this downturn with an open mind, and ensure you that we will be proactive and patient until the citizens of the world are free to travel again.

Hiran Cooray
Chairman
11th June 2020

Operating Environment

The Global Economy

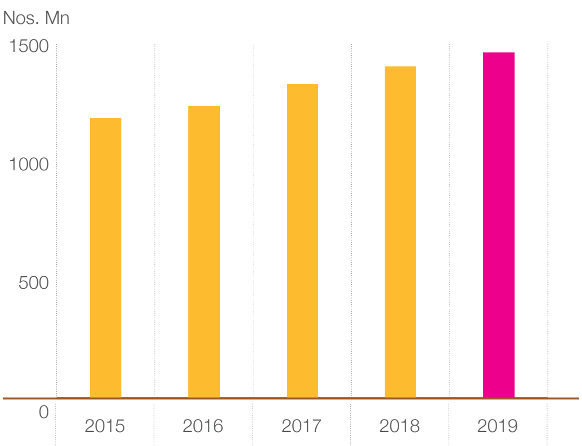
Global economic growth slowed to a 10-year low of 2.3 percent in 2019 compared to 3.0 percent in 2018. The broad-based growth slowdown in the world economy over the past year has been accompanied by a sharp slowdown in international trade flows and global manufacturing activity. Amid rising tariffs and rapid shifts in trade policies, business confidence has deteriorated, dampening investment growth across most regions according to World Economic Situation and prospects 2020 published by United Nations.

The COVID-19 pandemic has spread with astonishing speed to every part of the world and infected millions. This unprecedented health and economic crisis is expected to result in a 5.2 percent contraction in global GDP in 2020—the deepest global recession in eight decades, despite unprecedented policy support as per World Bank. The uncertainty around the above baseline forecasts remains exceptionally high. Therefore, the World Bank has forecasted the growth for multiple scenarios. According to the downside scenario the global growth is forecasted to contract by 8 percent and the upside scenario the growth is forecasted to contract by 4 percent.

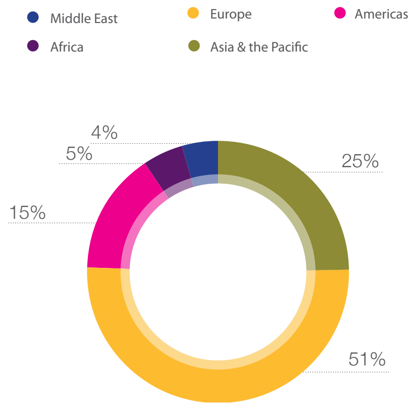
Global Tourism

International tourist arrivals worldwide have increased by 4 percent in 2019 to 1,461 million according to the United Nations World Tourism Organization (UNWTO). However, the growth has slowdown compared to the exceptional rates of 7 percent in 2017 and 6 percent in 2018. The main reasons for the slowdown are uncertainty surrounding the Brexit, geopolitical & trade tensions, global economic slowdown.

International Tourist Arrivals



International Tourist Arrivals



All regions recorded a growth in international arrivals, led by Middle East (+8%), Asia and the Pacific (+5%), both Africa and Europe (+4%) and Americas (+2%).

The Travel and tourism is among the most affected sectors due to the COVID 19 pandemic with airplanes on the ground, hotels closed and travel restrictions put in place in virtually all countries around the world. In an unprecedented blow to the tourism sector, the COVID-19 pandemic has cut international tourist arrivals in the first quarter of 2020 to a fraction of what they were a year ago, according to data sources from UNWTO.

The Sri Lankan Economy

The Sri Lankan economy recorded a subdued growth of 2.3 percent in 2019, compared to the growth of 3.3 percent in 2018, as per the provisional estimates of GDP of the Department of Census and Statistics (DCS). According to the Central Bank of Sri Lanka, the Gross Domestic Product (GDP) at current market prices of Sri Lankan economy was estimated at US dollars 84 billion in 2019 compared to US dollars 88.4 billion in 2018. The per capita GDP was recorded at US dollars 3,852 in 2019 compared to US dollars 4,079 in the previous year. The decline in per capita GDP is mainly due to subdued economic growth and sharp depreciation in the Sri Lankan rupee towards end 2018.

The growth of the services sector decelerated significantly to 2.3 percent in 2019, compared to the growth of 4.6 percent in 2018 as the impact of the Easter Sunday attacks slowed activities

Operating Environment Contd.

in most of the sub-sectors. Activities in accommodation, food and beverage services sub-sector, which was the most affected sub-sector, recorded a contraction by 4.6 percent in 2019 compared to the growth of 5.7 percent in 2018.

The agriculture sector recorded a growth of 0.6 per cent in 2019 compared to the growth of 6.5 per cent in 2018. The industry sector recorded a growth of 2.7 per cent in 2019, compared to the growth of 1.2 percent in the previous year.

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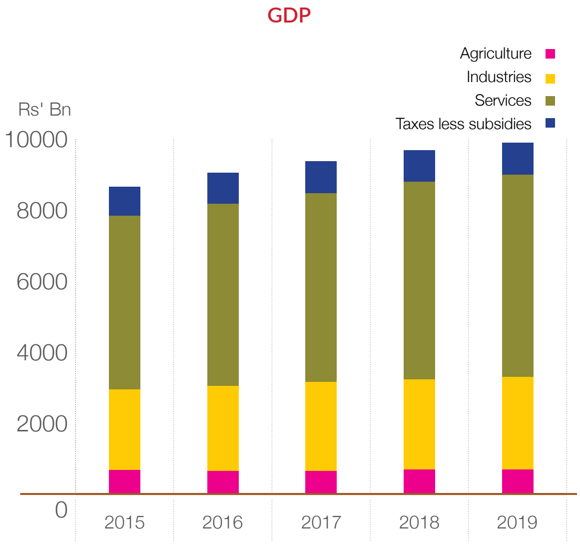


The year-on-year headline inflation based on CCPI accelerated to 4.8 percent by end 2019 from 3.1 percent at end 2018.

Market interest rates declined during 2019. The Average Weighted Lending Rate (AWLR), which is based on interest rates of all outstanding loans and advances extended by LCBs, declined by 81 basis points to 13.59 percent during 2019. This is mainly due to monetary policy and regulatory measures of the Central Bank.

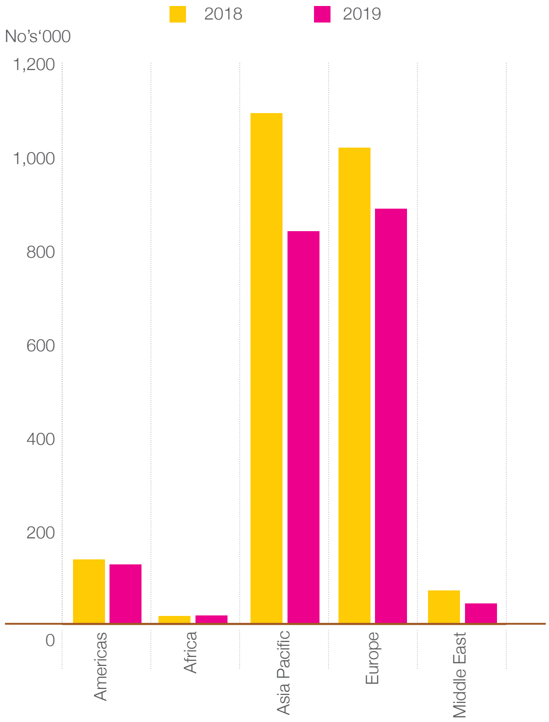
Sri Lanka was able to contain the spread of COVID 19. Efforts to restrict the mobility of people by enforcing police curfew in the country, the closure of airports from 19 March 2020, and actions to quarantine returnees from abroad helped to largely contain the spread. However, the COVID-19 pandemic will adversely impact the progress of the economy during 2020, contrary to previous expectations of a rebound in economic growth. According to Central Bank of Sri Lanka, real GDP growth is expected to decelerate to around 1.5 percent in 2020.

Sri Lankan Tourism

Tourist arrivals recorded an overall decline of 18.0 per cent to 1,913,702 arrivals in 2019, in comparison to 2,333,796 arrivals recorded in 2018. Earnings from tourism declined by 17.7 per cent to US dollars 3,607 million in 2019, in comparison to US dollars 4,381 million in 2018. A significant decline was observed in tourist arrivals following the issuance of travel advisories by main countries of tourist origins following the Easter Sunday attacks. However, the tourism industry was able to recover faster than expected by end of 2019. Accordingly, tourist arrivals gradually recovered, recording only a 6.5 percent decline on a year-on-year basis in January 2020 from the decline of 70.8 percent in May 2019.

India (19%), United Kingdom (10%), China (9%), Germany (7%) and Australia (5%) were Sri Lanka's top five international tourist generating markets for the year 2019. Further, Tourist arrivals from all major regions, declined in 2019. Europe was the largest tourist origin recording 46.4 percent of total tourist arrivals.

Tourist Arrival by Country of Residence



The tourism sector could suffer a further setback during the period ahead due to COVID pandemic. In March 2020, the tourist arrivals recorded 71,370 in comparison to March 2019 there was a decline of 70.8 percent when the arrivals were 244,328. No tourist arrivals have been recorded for the months of April 2020 and May 2020 due to the termination of all passenger flight & ship arrivals into Sri Lanka from 19th March 2020.

Embracing the splendour of nature

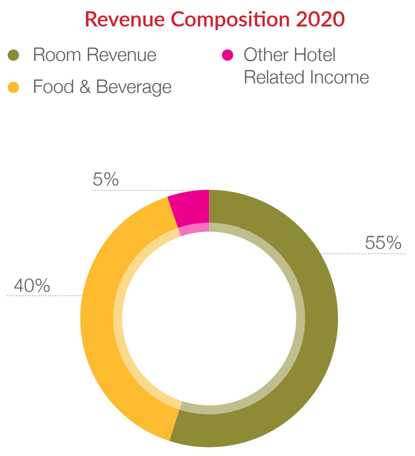
Group Financial Review

The group financial statements for the financial year ended 31 March 2020 includes the financial statements of Jetwing Symphony PLC and all its subsidiaries mentioned in page 92. During the year under review Jetwing Yala, Jetwing Lake, Jetwing Colombo Seven, Jetwing Kaduruketha and Jetwing Surf operated for the full financial year. Jetwing Kandy Gallery, the group's newest venture commenced commercial operations in January 2020.

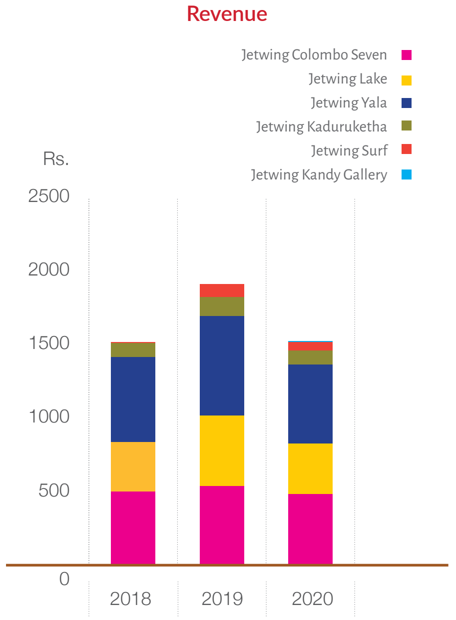
Revenue

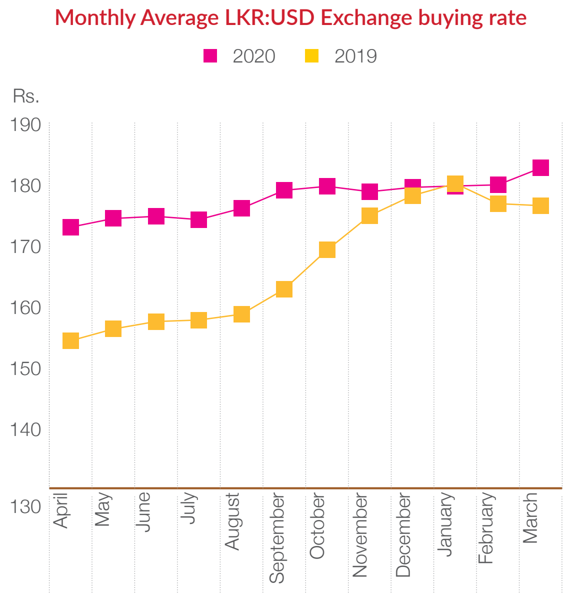
Jetwing Symphony group recorded revenue of Rs. 1.5 billion for the financial year ended 31 March 2020, a decrease of 20% compared to last financial year. The drop in revenue is mainly due to two reasons. First, the Easter Sunday attacks in April 2019 negatively impacted the group significantly and was showing gradual recovery by December 2019. Secondly, the outbreak of the COVID-19 pandemic on global and domestic tourism negatively impacted the revenues in final quarter of the financial year.

Jetwing Yala, Jetwing Colombo Seven and Jetwing Lake contributed 35%, 32% and 22% respectively to the group revenue



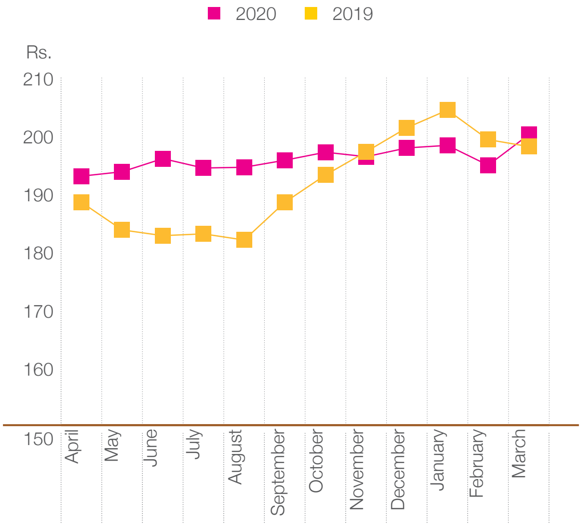
Foreign exchange rate fluctuations during the year provided a favourable impact to the group's results. With the Sri Lankan Rupee depreciating against both the US Dollar and the Euro the group's revenue figures continued to further reflect a positive figure.





Group Financial Review Contd.

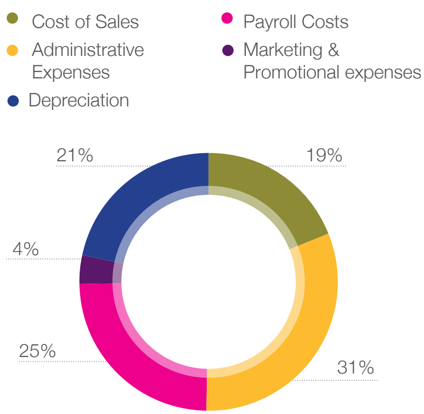
Monthly Average LKR:EUR Exchange buying rate



Expenses

Group expenses amounted to Rs.1,508 million compared to Rs. 1,607 million last year excluding finance cost and exchange loss on foreign currency loan amounting to Rs. 75 million. The reduction in expenses is mainly due to cost saving initiatives implemented after the Easter Sunday attacks coupled with lower business volume. Administrative, maintenance and marketing expenses shows a reduction compared to last year. Depreciation for the year was reported at Rs. 323 million which is a decrease of Rs. 4 million compared to the previous year. However, it is noted that total expenses composition has not changed significantly compared to last year.

Expenses composition 2020



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

EBITDA for the year under review was reported as Rs. 351 million compared to Rs. 645 million achieved in the previous year. All operating hotels of the group recorded positive EBITDA figures during the year under review except for Jetwing Surf and Jetwing Kandy Gallery.

Profitability

Operational efficiencies and resulting cost savings helped achieve an operational profit before depreciation and finance costs of Rs. 351 million. The group recorded a loss after tax of Rs. 460 mn compared to previous year's loss after tax of Rs 281 million.

The group recorded a loss before tax of Rs. 464 million compared to previous accounting year's loss before tax of Rs. 271 million. The loss includes exchange loss on foreign currency loan amounting to Rs. 75 million.

Statement of Financial Position

The Group reported a financial position as at 31st March 2020 with Total Assets amounting to Rs. 10,365 million compared to Rs 10,168 million for the previous period. During the year under review, Property, Plant and Equipment additions amounted to Rs. 609 million.

During the year Non-Current Liabilities increased to Rs. 3,385 million compared to Rs. 2,512 million of previous year. As at 31 March 2020 the gearing level of the group stood at 49%.

Shareholders' funds

Shareholders' funds as at 31 March 2020 decreased to Rs. 4,928 million from Rs. 5,319 million in the previous period. During the year, the revaluation surplus of land amounting to Rs. 70 million was offset with the deferred tax on the revaluation surplus and the loss after tax. The group's net asset per share as at 31 March 2020 stood at Rs. 9.81 per share.

Statement of Cash Flow

Cash position of the group, as at 31st March 2020 increased to negative Rs 1,050 million, compared to negative Rs. 1,207 million last financial year. This is mainly due to debt moratorium of term loan capital and interest granted by the banks up to 31 March 2020 after the Easter Sunday attacks. Cash flow from operations shows an increase of Rs 192 million. Cash flows from investing activities shows a decrease of Rs 439 million due to acquisition of Property, Plant and Equipment to the Jetwing Kandy Gallery.

Intricately designed tropical luxury

Sustainability Review

ENVIRONMENT

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

Our commitment to continuous improvement in impact areas is outlined in Jetwing Hotels' Sustainability Strategy, with specific measures for maintaining a clean and healthy environment highlighted in the Jetwing Environmental Policy. Mindful of the fact that the long term viability of our business depends on the sustainability of the environment, we are fully-committed to mitigating any adverse effects that arise, diligently tracking the impact our operations have on the environment.

The management systems introduced adhere to all relevant local laws and comply with a range of Jetwing's own internally developed policies. In addition, the hotels have obtained or are currently in the process of obtaining external verification for their environment management systems under the ISO 14001:2015 standard.

NB: Although an operational entity under the Jetwing Symphony portfolio, data on specific environmental management initiatives in respect to Jetwing Kandy Gallery will not appear in this report, as the property has only been in operation for two and half months of the year under review.

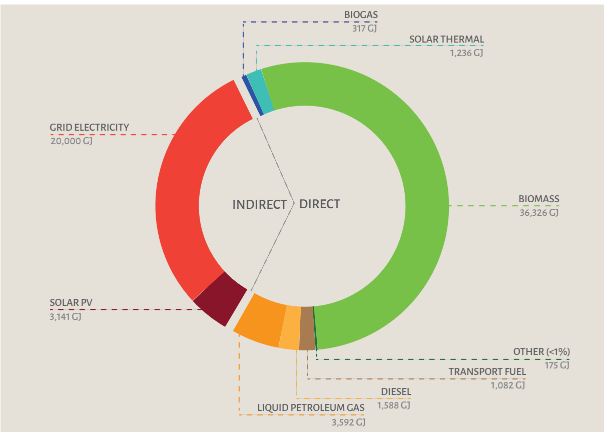
Energy and Carbon Footprint

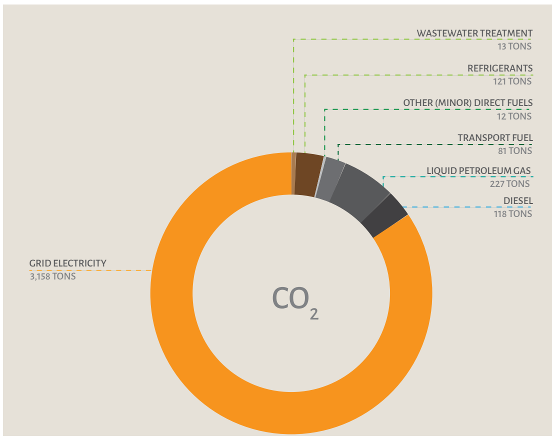
We at Jetwing understand and believe that energy is a valuable commodity and conservation of energy is the need of the hour. In this endeavour, our commitment to continually improve our energy performance via efficient and innovative strategies is outlined in our Energy Management Policy.

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

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

The hotels' current energy profile and greenhouse gas emissions from operations is presented in the figures below. Aggregate energy and GHG emissions intensity ratios for the year 2019/20 are 596.2 MJ/guest night and 33.0 kg CO_2/guest night, respectively

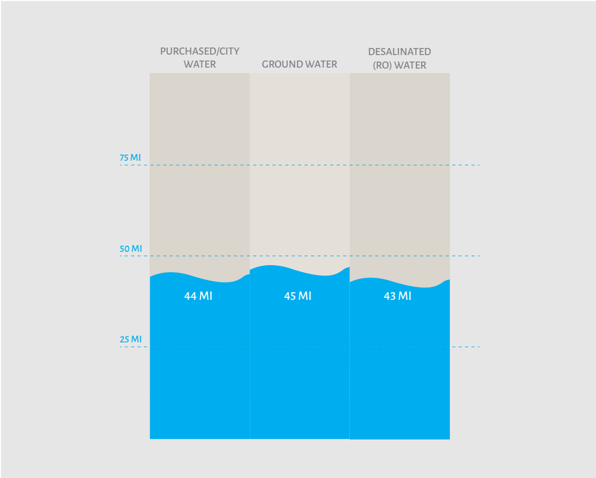




Sustainability Review Contd.

Water Conservation and Wastewater Management

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



100% of the black and grey wastewater generated at Jetwing Yala, Jetwing Lake and Jetwing Kandy Gallery is recycled via separate treatment pathways, and reused onsite for cooling towers, cistern flushing, and garden irrigation. Quality of the discharged water is routinely checked by an accredited external company to ensure it meets the required national standards. While, wastewater generated at Jetwing Kaduruketha and Jetwing Surf is responsibly discharged to the environment following separate, clustered treatment in septic tanks; all wastewater generated at Jetwing Colombo Seven is discharged to the city's public sewer system.

Solid Waste Management

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

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

Sustainability Review Contd.

Biodiversity Conservation

Located in scenic natural locations which may hold high biodiversity values, we are committed to proactively protecting the environment where we operate and conducting our operations in a way that minimizes our disturbance of the rich ecosystems that provide essential environmental and social benefits.

For instance, extending the in-situ conservation of turtle nesting sites carried out along the hotel beach-front over the last few years; Jetwing Yala, in partnership with the Department of Wildlife Conservation in January of this year began operation of an onsite turtle hatchery, for the ex-situ conservation of turtle eggs collected from the vicinity – protecting the eggs from natural and human threats, and safely releasing the hatchlings to sea.

EMPLOYEES

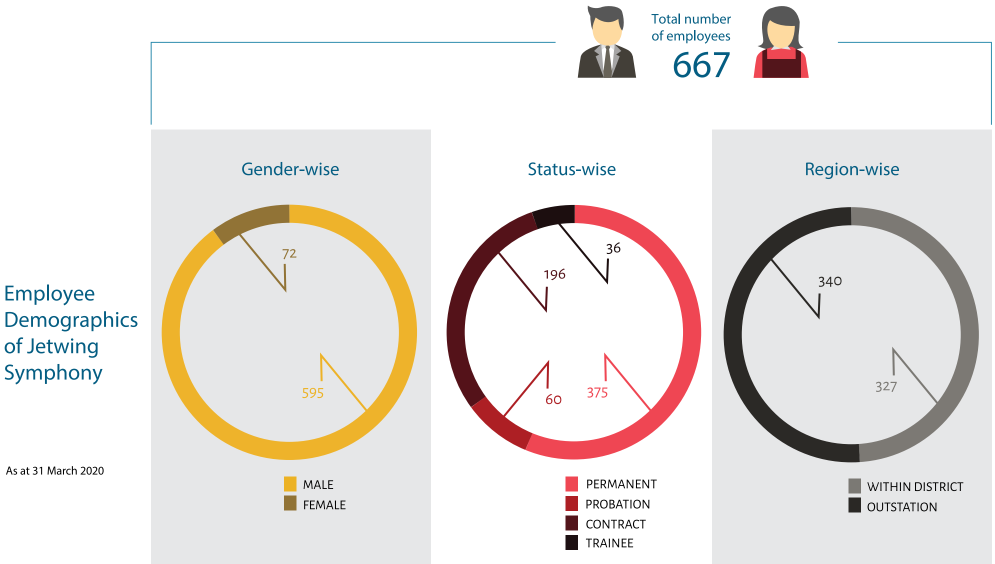
The warm hospitality and exceptional service Jetwing Hotels offer have secured the well-deserved reputation as a brand synonymous with the home of traditional Sri Lankan hospitality. The identity of the brand is a reflection of the unique charm of our Jetwing Family. Instilled with four simple values of passion, humility, tenacity and integrity, our associates are our most valuable asset.

The knowledge, skills, attitudes, experience, and more importantly, the identity and personality of our associates delight our guests with the warmest hospitality. As our associates strive to deliver the best possible service that they could offer, we too are committed to assist their earnest efforts and enthusiasm to deliver world class service through opportunities for training and development.

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

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

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



Sustainability Review Contd.

Training and Development

To maintain our brand promise of exceptional service and keep buoyant the unique ethos and spirit among our associates, it is necessary to provide our team with opportunities to sharpen their knowledge and skills.

The hotels' training and development programmes comprise of capacity building, focused training, development initiatives, induction, and orientation training. Through several forums involving HR, the training needs and areas of improvement are identified. The training sessions are conducted at an individual level as well as at departmental level by fully qualified resource personnel, both in-house and externally sourced. Apart from the formal training sessions, we also provide cross-training and cross-exposure across departments and other hotels within the Jetwing family.

To assist the identification of training needs, regular performance appraisals and reviews are conducted across all departments, where reviews are made and assessed by the Heads of Departments, giving necessary recommendations upon the assessment of training needs. All Senior, Middle and Junior level associates are subjected to a biannual performance review and career development assessments. These assessments are reviewed to design and deliver comprehensive training and development programmes to retain and develop the talent within the business.

During the year under review, an average of 8.56 hours of training were provided per employee. The following graphic details the training hours provided to associates categorised by gender.

COMMUNITY

Jetwing Youth Development Project

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

Sustainability Review Contd.

Following the success of the preceding years, within the year under review the hotels have been successful in initiating three JYDP programmes. The 31st and 32nd JYDP initiatives were conducted in Haragama, Kandy, while the 33rd programme was launched in Colombo. Among these programmes, the 31st and 32nd initiatives produced 37 graduates, among them 28 youth joined Jetwing Kandy Gallery as the pioneering team, while the others were absorbed to various hotels within the group. In the 33rd JYDP programme in Colombo, which is currently underway, 33 youth have successfully completed the theory component and have been allocated to various Jetwing properties for on-the-job training.

Thrive

To empower the micro- & small-scale suppliers, Thrive - a programme offering capacity building and financial assistance to micro- & small-scale enterprises was launched with the intention of up-scaling them to become lucrative enterprises.

The project was implemented at Jetwing Kaduruketha, uplifting 21 product and service suppliers from the immediate locality through skills development and financial assistance to enhance the quality of their services as well as products. As such,13 taxi service providers in Wellawaya were trained through a three-day chauffer training programme, while many small scale-suppliers are coached to improve the quality of their products and obtain Good Manufacturing Practice and Good Agricultural Practices certifications. The programme focuses on uplifting the most vulnerable among them, especially rural women.

Project WE

The cultural plurality of Sri Lanka gives it an edge like no other; and it is this diversity of experiences that sustains the tourism industry. However, volatile climates which occur from time to time upsets the social fabric of the country, threatening the industry at large.

To address this need for social cohesiveness, Project WE - a diversity and inclusion stimulant programme was initiated, creating a platform for opinion sharing, networking, and diversity celebrations. As such, several associate awareness programmes were held at Jetwing Lake and Jetwing Surf, encouraging associates to gain a basic understanding of the various cultural and religious practices and thereby respect the plurality of our national identity

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


As majestic as the wilderness

Risk Management

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

The Jetwing Symphony Group identifies three main categories of risk:

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

The main threats to the business are identified.

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

Jetwing Symphony Risk Heat Map

		Likelihood				
		1 Unlikely 0% to 10%	2 Possible 10% to 40%	3 Likely 40% to 70%	4 Probable 70% to 90%	5 Almost Certain
Impact	5 Catastrophic			1.1		
	4 Major		1.2, 1.3, 2.1	1.4, 3.2, 3.3, 3.4		
	3 Moderate		2.2, 2.5,2.6,2.7	2.3, 2.4		
	2 Tolerable		3.1	2.8		
	1 Insignificant					

Risk Management Contd.

Risk Factors

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

1. Strategic and Market Risks

1.1. Risks relating to Infectious Diseases	Risk Rating	Very High
	Potential Impact	**Actions Taken to Mitigate Risk**
• 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	• 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.	• Evaluate the resilience of its businesses under multiple scenarios: worst case, base case and best case, 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
	Potential Impact	**Actions Taken to Mitigate Risk**
• The inability of the Group to achieve its business objectives.	• Reduced revenue, cash flow and profitability • Hinder future growth	• Detailed operational and capital expenditure budgets are formulated on an annual basis and formally approved by the Board. These plans are thereafter monitored and reviewed by the Board to assess actual performance against those planned and take remedial action wherever necessary.

Risk Management Contd.

1.2. Business Risk	Risk Rating Potential Impact	Medium Actions Taken to Mitigate Risk
		• Project feasibility studies are conducted for all major investments • Implementation of cost control procedures and innovative cost saving initiatives particularly with regard to energy costs • Performing Competitor analyses

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

Risk Management Contd.

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

2. Operational Risks

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

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

Risk Management Contd.

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

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

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

2.6. Safety	Risk Rating Potential Impact	Medium Actions Taken to Mitigate Risk
• The Group could experience significant food safety or allergen related incidents through failings in food preparation, storage or supply chain. • Physical security and safety incidents at one or more of our properties could jeopardise the safety of our guests and team members	• Adverse impact on reputation	• Complying to 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.

Risk Management Contd.

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

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

3. Financial Risks

3.1. Credit Risk	Risk Rating	Low
	Potential Impact	**Actions Taken to Mitigate Risk**
• Threat arising due to default of payment	• Reduce profitability • Increase working capital	• Credit is provided only for credit approved agents. Credit approval is granted by the Credit Committee at “Jetwing House” and credit approved list has been prepared • Actively monitor and review debtors

3.2. Exchange Rate Risk	Risk Rating	High
	Potential Impact	**Actions Taken to Mitigate Risk**
• Threat arising due to the volatility in foreign currency exchange rates	• Impact on profitability on translation of foreign currency transactions	• As far as possible, enter into sales contracts with tour operators/agents in USD • Monitor the exchange rates on a daily basis

3.3. Interest Rate Risk	Risk Rating	High
	Potential Impact	**Actions Taken to Mitigate Risk**
• Threat arising from the volatility of fair value or future cash flows of a financial instrument fluctuating because of changes in market interest rates	• Reduced profitability • Reduced cash flows	• Negotiate favourable terms and conditions with banks for loan facilities obtained

3.4. Liquidity Risk	Risk Rating	High
	Potential Impact	**Actions Taken to Mitigate Risk**
• Risk that the group will not be able to meet its financial obligations as they fall due.	• Reduced cash flows • Reduced profitability • Loss of reputation • Business disruption	• 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 payments in order to suit the forecasted Cash flows.

Precautionary Approach

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

Spaces of true tranquility


Destinations that take your breath away

Corporate Governance

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

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

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

Board of Directors

Executive Directors

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

Non-Executive Directors

Mr. G. Rocchi

Non-Executive Independent Directors

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

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

Name of the Director		Attendance
Mr. N. J. H. M. Cooray	Executive Director	5/5
Ms. N. T. M. S. Cooray	Executive Director	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	4/5
Ms. K.K. Reddy	Non-Executive Independent Director	4/5
Mr. G. Rocchi	Non-Executive Director	3/5
Ms. T.M.J.Y.P. Fernando	Non-Executive Independent Director	4/5
Mr. S.D. Amalean	Non-Executive Independent Director	3/5

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 the year ended 31st March, 2020 can be seen on page 49 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 52 of this Report

Going Concern

In determining the basis of preparing the financial statements for the year ended 31 March 2020, based on available information, the management has assessed the existing and anticipated effects of COVID 19 on the Group Companies and the appropriateness of the use of the going concern basis. The Group evaluated the resilience of its businesses considering a wide range of factors under multiple scenarios, relating to expected revenue, cost management, profitability, ability to defer non-essential capital expenditure, debt repayment re-schedulements, and the amount of undrawn borrowing facilities, and potential sources of financing facilities.

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

Audit Committee

The Company 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, General Manager, Chief Accountant and Managing Director, Executive Director, Head of Finance of Jetwing Hotels Ltd by invitation when matters relating to the group were taken up for discussion. The External Auditor/Internal Auditor attended the meetings when his presence was deemed necessary.

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

The Committee reviewed the Financial Statements, internal control procedures and risk management, accounting policies, compliance with accounting standards, emerging accounting issues and other related functions that the Board required. It also reviews the adequacy of systems for compliance with the relevant legal, regulatory and ethical requirements. Significant issues discussed by the Committee at the reviews were communicated by the Chairman of the Audit Committe 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 46 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 48 in this report.

Related Party Transactions Review Committee

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

The Related Party Transactions Review Committee Report appears on page 47 in this Report.

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

Level of Compliance with the Listig Rules of the CSE Section 7. on Coporate 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	Seven out of Nine Directors are Non-Executive Directors
7.10.2 (a)	Independent Directors	Two or one-third of Non-Executive Directors, whichever is higher should be Independent	Six out of the Seven Non-Executive Directors are Independent
7.10.2 (b)	Independent Directors	Each Non-Executive Director should submit a declaration of his independence/non-independence in the prescribed format.	Non-Executive Directors have submitted the declaration
7.10.3 (a)	Disclosure relating to Directors	Names of Independent Directors should be disclosed in the Annual Report	Please refer page 37
7.10.3 (b)	Disclosure relating to Directors	The basis for Board to determine a Director as independent, if specified criteria for independence is not met	Please refer page 37
7.10.3 (c)	Disclosure relating to Directors	A brief rèsumè of each Director should be included in the Annual Report including the areas of Expertise	Please refer pages 42 to 45

Corporate Governance Contd.

Rule No.	Subject	Applicable Requirement	Level of Compliance
7.10.3 (d)	Disclosure relating to Directors	Forthwith provide a brief rèsumè of new Directors appointed to the Board with details specified in 7.10.3 (d) to the CSE	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 48
7.10.5 (c)	Disclosure in the Annual Report relating to Remuneration Committee	The Annual Report should set out: a) Names of Directors comprising the Remuneration Committee	Names of the members of the Remuneration Committee are stated in this report under the heading of Remuneration Committee on page 129
		b) Statement of Remuneration Policy	Please refer Remuneration Committee Report on page 48
		c) Aggregated remuneration paid to Executive Directors and Non-Executive Directors	Given in this Report under the heading of Directors' Remuneration on page 49
7.10.6	Audit Committee	The Company shall have an Audit Committee	Company has formed an Audit Committee

Corporate Governance Contd.

Rule No.	Subject	Applicable Requirement	Level of Compliance
7.10.6 (a)	Composition of Audit Committee	Shall comprise of Non-Executive Directors, a majority of whom will be independent	Audit Committee consists of two Independent Non-Executive Directors
		Non-Executive Director shall be appointed as the Chairman of the Committee	Chairman of the Audit Committee is an Independent Non-Executive Director
		Chief Executive Officer and the Chief Financial Officer shall attend Audit Committee meetings unless otherwise determined	Chairman, General Manager, Chief Accountant and Managing Director, Executive Director, Head of Finance of Jetwing Hotels Ltd attend meetings by invitation
		The Chairman of the Audit Committee or one member should be a member of a professional accounting body	Chairman of the Audit Committee is a Fellow Member of the Chartered Institute of Management Accountants – UK
7.10.6 (b)	Audit Committee Functions	Should be as outlined in the Section 7 of the Listing Rules of the Colombo Stock Exchange	The terms of reference of the Audit Committee as outlined in the section 7 of listing rules are adopted by the Board is listed on page 38
7.10.6 (c)	Disclosure in the Annual Report relating to the Audit Committee	Names of Directors comprising the Audit Committee	Names of the members of the Audit Committee are stated in this Report under the heading of Audit Committee on page 129
		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 46
		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 46

Board of Directors and their Profiles

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

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

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

Board of Directors and their Profiles Contd.

Nihal Wadugodapitiya
Non-Executive Independent Director

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

Len Porter
Non-Executive Independent Director

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

Dr. V. Kannangara
Non-Executive Independent Director

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

Board of Directors and their Profiles Contd.

G. Rocchi
Non-Executive Director

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

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

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

T. M. J. Y. P. Fernando (Ms.)
Non-Executive Independent Director

Yvette Fernando currently serves as an Assistant Governor of the Central Bank of Sri Lanka overseeing the work of the departments of Bank Supervision, Foreign Exchange and Currency. She possesses over 25 years of experience in operational and policy matters relating to implementing regulatory and supervisory framework for banks. She joined the Central Bank of Sri Lanka in 1990 and worked in the departments of Banking Development and Bank Supervision. She was appointed as the Director of Bank Supervision in August 2009 and was responsible for overall regulation and supervision of licensed banks in Sri Lanka and administering the Deposit Insurance Scheme operated by the Central Bank. Mrs. Fernando was appointed as the Controller of Exchange in September 2015 to head the Exchange Control Department, which was assigned with the task of discharging the statutory responsibilities under the Exchange Control Act. In August 2017, she was promoted as an Assistant Governor.

Mrs Fernando has participated in several local and international training programmes, seminars and other forums to enhance and update the knowledge on different aspects of bank supervision and regulation, general banking operations, good governance practices, resolutions of weak banks and leadership skills. She has been a resource person in several training programmes and panel discussions on work related subjects, both local and overseas. she has been an ex-officio member of the Financial System Stability Committee, Inter-Regulatory Institutions Council and the National Payments Council and a director of the Credit Information Bureau and the National Gem & Jewellery Authority.

Mrs Fernando holds a B. Com (Special) Degree from the University of Sri Jayawardenapura, Sri Lanka and Master of Financial Economics from the University of Colombo, Sri Lanka.

Sharad Amalean
Non-Executive Independent Director

- Co–Founder and Board Member - MAS
- Board Member – Rainforest Eco Lodge (Private) Limited

A former student of Royal College Colombo, Sharad went on to complete his Executive Education at the Wharton School of the University of Pennsylvania. He is a Co-Founder and Deputy Chairman of MAS.

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

Sharad is instrumental in formulating and implementing MAS' strategy and plays a key role in developing partnerships with global industry leaders. His commitment and leadership have ensured that MAS continues to grow as one of Sri Lanka's leading corporate entities.

Sharad's background in finance makes him a formidable negotiator, strategizer and holistic thinker. A disruptor and an advocate of change, Sharad excels at managing people and resources, and is known for his unique style of coaching and listening. He believes in making informed decisions, is action oriented and excels at follow through. His persistence, attention to detail and ability to foresee opportunity makes him a key driving force in the Sri Lankan Apparel & Textile Industry.

Audit Committee Report

The Audit Committee, comprises two Non-Executive Independent Directors as shown in below table. The Chairman of the Audit Committee is a Fellow Member of the Chartered Institute of Management Accountants, UK. The Audit Committee met on five occasions during the financial year.

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

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

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

The following activities were carried out by the Committee:

- The Committee reviewed the interim and annual financial statements of the Group and has recommended same to the Board for approval and publication.
- The Committee reviewed and made recommendation to the board about the policy decisions relating to adoption of new and revised Sri Lanka Accounting Standards (SLFRS/ LKAS) applicable to the Group including adoption of SLFRS 16 during the financial year under review. The Committee would continue to monitor the compliance with relevant Accounting Standards and keep the Board informed at regular intervals.
- The Committee held meetings with the External Auditors to review their report on audit results and the preparation of the Annual Report to ensure the reliability of the process, consistency of the Accounting policies and methods and compliance with Sri Lanka Accounting Standards.
- Recommendations made by the External Auditors were also discussed with the Board and implementation recommended to Management by the Committee.
- The Audit Committee also monitors the effectiveness of the Internal and Financial Control procedures on the basis of the reports and findings submitted by the Internal Auditors, Messrs PricewaterhouseCoopers (Jetwing City (Pvt) Ltd and Cultural Heritage (Pvt) Ltd) and Messrs KPMG (Yala Properties (Pvt) Ltd and Jetwing Kaduruketha (Pvt) Ltd).
- The Audit Committee also monitors the timely payments of all statutory obligations.
- The Company's budget proposals are also reviewed by the Audit Committee.
- The Audit Committee has reviewed the other services provided by the External Auditors to the Company to ensure their independence as Auditors has not been compromised.

The Audit Committee is satisfied that the control environment prevailing in the organization provides reasonable, but not absolute assurance that the financial position of the 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, 2021

N. Wadugodapitiya
Chairman - Audit Committee

11 June, 2020

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, 2020 it comprised three 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	4/4
Ms. T.M.J.Y.P. Fernando	Non-Executive Independent	3/4
Dr. V.J. Kannangara	Non-Executive Independent	4/4

Scope of the Committee

Developing and recommending for adoption by the Board of Directors of the Company, Related Party transactions policies and procedures.

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

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

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

Policies and Procedures adopted by the Committee

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

Committee Meetings

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

Related Party Transactions during the Year

The committee reviewed the related party transactions during the year under review. Further, there were no non-recurrent nor recurrent related party transactions that exceeded the threshold mentioned in the continuing listing rules of the CSE other than those disclosed in page 126.

Details of other related party transactions entered into by the Company and its subsidiaries during the above period is disclosed in Note 23 in pages 106 to 107 and pages 113 to 118 in the Financial Statements.

N. Wadugodapitiya
Chairman
Related Party Transactions Review Committee
11th June, 2020

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 49.

Dr. V. Kannangara
Chairman – Remuneration Committee

11th June, 2020

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, 2020.

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

Review of the Year

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

The Principal Activity of the Company

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

Financial Statements

The Financial Statements of the Company and the group duly signed by Directors are given on pages 58 to 112 in this Annual Report.

Auditor's Report

The Auditors' Report on the Financial Statements is given on page 54.

Accounting Policies

The accounting policies adopted by the group in the preparation of Financial Statements are given on pages 63 to 80 in this Annual Report.
The accounting policies adopted are consistent with these of the previous financial year except for the adoption of new accounting standards, SLFRS 16 – Leases as detailed in Note 2.4.1 in page 64 to the financial statements.

Related Party Transactions

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

Interests Register Directors' Interests in Transactions

The Directors of the Company have made the general disclosures provided for in Section 192 (2) of the Companies Act No. 07 of 2007. The related party disclosures and the Directors of each of those related parties are given on pages 113 to 121 respectively.

Insurance and Indemnity

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

Directors' Interests in Shares

There were no changes in the Directors' direct shareholdings during the year other than the transfer of shares held by Mrs. A.M.J Cooray as a gift to:

a. Mr. N.J.H.M. Cooray - 13,687,028 shares

b. Ms. N.T.M.S. Cooray - 13,687,027 shares

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Directors' Shareholding

	Directors' Direct Shareholding	
	As at 31st March, 2020	As at 1st April, 2019
Mr. N.J.H.M. Cooray	34,747,339	21,060,311
Ms. N.T.M.S. Cooray	32,866,324	19,179,297
Mr. N. Wadugodapitiya	25.000	25,000

Directors' Remuneration

The aggregate emoluments paid to the Non-Executive Directors during the year, amounting to Rs.1,845,000/- is reflected on page 107 in Note 23.5 to the Financial Statements.

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

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

Non-Executive Independent Directors

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

Subsidiaries Board of Directors

The names of Directors of the subsidiary companies who held office as at 31 March 2020 are set out on page 119 in this Annual report.

Donations

At the last Annual General Meeting shareholders authorised Directors to determine contributions to donations. The donations given during the year amounted to Rs.555,214/-.

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 19 respectively to the financial statements.

Auditors

Messrs Ernst & Young, Chartered Accountants are deemed reappointed, in terms of Section 158 of the Companies Act No. 07 of 2007 as Auditors of the Company.

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

Auditors' Remuneration

Messrs Ernst & Young were paid Rs. 260,523/- as audit fees and expenses by the Company. In addition, they were paid Rs. 169,281/- by the Company for non-audit related work, which consisted mainly of tax consultancy and advisory.

Messrs Ernst & Young, Chartered Accountants the auditors of the Company are also the auditors of subsidiaries of the Group. The amount paid by the group to Messrs Ernst & Young as audit fees and expenses was Rs. 1,476,668/-. In addition, they were paid Rs. 1,519,346/- by the Group for non-audit related services, which consisted mainly of tax consultancy and advisory.

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

Turnover

The turnover for the year was Rs. 1,525,015,690/- (2018/19 - Rs. 1,911,321,371/-).

	2020 Rs.	2019 Rs.
Profit/(Loss)		
Net Profit/(Loss) for the year after providing for all expenses, known liabilities and depreciation of fixed assets was	(452,627,979)	(279,455,485)
Other Comprehensive Income/(Loss) for the year	1,219,250	1,029,241
Prior Year Retained Profit/(Loss)	(1,124,389,192)	(845,962,948)
Retained Profit/(Loss) at the End of the Year	(1,575,797,921)	(1,124,389,192)
Revaluation Reserve		
As at the beginning of the year	934,174,815	709,822,315
Revaluation surplus	69,850,000	260,875,000
Deferred Tax on Revaluation Surplus	(9,779,000)	(36,522,500)
As at 31st March,	994,245,815	934,174,815

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

Property, Plant and Equipment

The total expenditure on acquisition of Property, Plant and Equipment during the year amounted to Rs 609,142,408/- (2019 - Rs. 210,698,049/-) details of which are given in Note 4.1 to the Financial Statements on page 81.

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 85.

Stated Capital

There were no changes in the Company's Stated Capital during the year under review. In terms of the Companies Act No. 07 of 2007, the Stated Capital of the Company was Rs. 5,509,276,455 /- as at 31st March, 2020 (Comprising 502,188,559 ordinary shares).

Events Occurring after the Reporting Date

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

Statutory Payments

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

Public Shareholding

18.43% of the issued capital of the Company was held by the public, comprising of 664 shareholders and a float adjusted market capitalisation of Rs 786,703,487/- as at 31st March 2020. In terms of Rule 7.13.1.(b) of the listing rules of the Colombo Stock Exchange. The company qualifies under option 2 of the minimum public holding requirement.

Going Concern

In determining the basis of preparing the financial statements for the year ended 31 March 2020, based on available information, the management has assessed the existing and anticipated effects of COVID 19 on the Group Companies and the appropriateness of the use of the going concern basis. The Group evaluated the resilience of its businesses considering a wide range of factors under multiple scenarios, relating to expected revenue, cost management, profitability, ability to defer non-essential capital expenditure, debt repayment re-schedulements, and the amount of undrawn borrowing facilities, and potential sources of financing facilities.

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

For and on behalf of the Board,

N.J.H.M Cooray
Chairman

N.T.M.S Cooray
Director

Corporate Services (Pvt) Ltd.
Secretaries

Jetwing Symphony PLC

11th June 2020

Statement of Directors' Responsibilities

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

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

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

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

The External Auditors, Messrs Ernst & Young, are reappointed in terms of Section 158 of the Companies Act No. 07 of 2007 were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on page 54 to 57 sets out their responsibilities in relation to the Financial Statements.

Compliance Report

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

By Order of the Board,

Jetwing Symphony PLC

Corporate Services (Pvt) Ltd.
Secretaries

216, De Saram Place,
Colombo 10.

11th June 2020

Financial Calendar

Audited Financial Statements signed on	11 June 2020
Annual General Meeting	27 August 2020

Interm Financial Statements

1st Quarter Interim report released on	09 August 2019
2nd Quarter Interim report released on	01 November 2019
3rd Quarter Interim report released on	06 February 2020
4th Quarter Interim report released on	29 May 2020

Independent Auditor's Report

TO THE SHAREHOLDERS OF JETWING SYMPHONY PLC

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Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Jetwing Symphony PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2020 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 2020, 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.

(Contd....55)

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Key audit matters common to the Group

Key audit matter	How our audit addressed the key audit matter
Free-hold land revaluation. As of 31 March 2020, the Group carried free-hold land at fair value amounting to Rs. 2,454,125,000 which represents 24% of the total assets of the Group, as further disclosed in Note 4 to the financial statements. Fair value was determined by an external valuer engaged by the Group. The valuation is subjective to the assumptions such as price range per perch and judgements used by the valuer. Due to the significant proportion which free-hold land represents in relation to the total assets and given the significance of assumptions associated with the valuation, we have considered the revaluation of free-hold land as a key audit matter. The nature of the significant judgements and assumptions involved, and their sensitivities are disclosed in Notes 2.7 b) and 4 to the Group financial statements.	Our audit procedures focused on the valuation performed by the external valuer, which included among others, the following procedures. • We evaluated the competence, capabilities and objectivity of the external valuer engaged by the management. • We read the valuation report signed by the valuer to obtain an understanding of the work of the valuer and evaluated its appropriateness as audit evidence for the recorded valuation of free-hold land in the financial statement. • We engaged our internal specialized resources to assist us in assessing appropriateness of the valuation techniques used and the reasonableness of the significant judgements and assumptions such as per perch price used by the valuer. In addition, we evaluated the overall adequacy of the financial statement disclosure in Notes 2.7 b) and 4 related to the significant judgements and estimates used by the external valuer and their sensitivities.
Management's Assessment of the impacts of the COVID-19 pandemic on the Group Management has assessed the impact of the COVID-19 pandemic on its business and financial statements of the Group as disclosed in Note 2.3, 2.7 a) and 27. We considered such management's assessment in the wake of the impact of COVID-19 pandemic as a key audit matter, since it involved the use of significant management judgments and estimates considering future events, circumstances and impacts on cash flows. The nature of the significant assumptions involved, and their sensitivity are disclosed in Note 2.7 a) to the financial statements.	Our audit procedures included the following; • We gained an understanding of Management's assessment of the impact of the COVID-19 pandemic on the operations of the respective hotel of the Group. • We obtained an understanding of the procedures adopted by the management to manage and mitigate the prevailing business interruption which are disclosed in Note 2.3 and 27. • We engaged our internal specialized resources to assist us in: – assessing the reasonableness of the significant assumptions such as occupancy levels, anticipated average room rates and cost management measures in such cashflow projections, and – evaluating the sensitivity of the projected available funding by considering assumed scenarios together with reasonable changes to the key assumptions. • We inspected the facility agreements for the Group's interest bearing loans and assessed the Group's compliance with the covenants in understanding the availability of adequate funding. • We reviewed the adequacy of the disclosures made in Notes 2.3, 2.7 a) and 27 in the financial statements.

(Contd....56)

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Other Information included in the 2020 Annual Report

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

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

(Contd....57)

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 1697.

11 June 2020

Colombo

Statement of Financial Position

As at 31 March	Note	Group 2020 Rs.	Group 2019 Rs.	Company 2020 Rs.	Company 2019 Rs.
ASSETS					
Non-current Assets					
Property, Plant and Equipment	4	9,340,933,909	8,987,612,134	-	-
Prepaid Lease Rent	5	-	47,049,269	-	-
Right of use Assets	6	88,297,350	-	-	-
Other Investments	8	813,054	884,865	-	-
Investment in Subsidiaries	8	-	-	5,469,233,010	5,419,233,010
Deferred Tax Assets	19	7,689,166	-	-	-
Intangible Assets	7	582,529,419	582,926,224	-	-
		10,020,262,898	9,618,472,492	5,469,233,010	5,419,233,010
Current Assets					
Inventories	9	54,129,255	59,498,762	-	-
Trade and Other Receivables	10	191,410,005	257,213,091	7,816,919	61,811,343
Income Tax Receivables		949,935	536,307	-	-
Other Current Financial Assets	8	1,646,635	182,309,862	-	5,000,000
Cash at Bank and in Hand	17	96,153,520	49,529,504	748,188	664,567
		344,289,350	549,087,526	8,565,107	67,475,910
Total Assets		10,364,552,248	10,167,560,018	5,477,798,117	5,486,708,920
EQUITY & LIABILITIES					
Equity Attributable to Equity Holders of the Parent					
Stated Capital	11.1	5,509,276,455	5,509,276,455	5,509,276,455	5,509,276,455
Fair value Reserve	11.2.1	-	-	-	-
Revaluation Reserve	11.2.2	994,245,815	934,174,815	-	-
Retained Earnings/(Losses)		(1,575,797,921)	(1,124,389,192)	(33,326,510)	(32,551,929)
		4,927,724,349	5,319,062,078	5,475,949,945	5,476,724,526
Non Controlling Interest		14,308,604	21,433,560	-	-
Total Equity		4,942,032,953	5,340,495,638	5,475,949,945	5,476,724,526
Non Current Liabilities					
Interest Bearing Loans and Borrowings	12	3,093,772,489	2,233,774,652	-	-
Post Employment Benefit Liabilities	13	41,924,955	30,516,433	-	-
Deferred Tax liabilities	19	249,322,262	247,389,619	-	-
		3,385,019,706	2,511,680,704	-	-
Current Liabilities					
Current Portion of Interest Bearing Loans and Borrowings	12	1,717,860,528	2,043,566,384	-	-
Trade and Other Payables	14	319,475,216	263,228,894	1,775,066	2,284,476
Income Tax Payable		163,845	8,588,398	73,106	7,699,918
		2,037,499,589	2,315,383,676	1,848,172	9,984,394
Total Equity and Liabilities		10,364,552,248	10,167,560,018	5,477,798,117	5,486,708,920

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

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

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

N.J.H.M Cooray
Chairman

N. T.M.S Cooray
Director

The accounting policies and notes on pages 63 through 112 form an integral part of the Financial Statements.
11 June 2020
Colombo

Statement of Profit or Loss

Year ended 31 March	Note	Group 2020 Rs.	Group 2019 Rs.	Company 2020 Rs.	Company 2019 Rs.
Revenue	3	1,525,015,690	1,911,321,371	-	-
Cost of Sales		(284,957,388)	(315,997,860)	-	-
Gross Profit		1,240,058,302	1,595,323,511	-	-
Other Income	16	8,892,922	15,456,955	547,823	10,726,827
Administrative Expenses		(842,441,716)	(888,561,568)	(4,753,626)	(6,550,987)
Marketing & Promotional Expenses		(57,352,331)	(73,788,714)	-	-
Profit from operations		349,157,177	648,430,184	(4,205,803)	4,175,840
Depreciation & Amortisation		(323,472,406)	(327,879,117)	-	-
Finance Income	15.1	7,426,365	21,460,163	4,700,503	19,135,413
Finance Costs	15.2	(422,236,627)	(457,605,462)	(145)	(7,610)
Exchange Gain/(Loss) on Foreign Currency Loan Conversion	12.3	(74,803,312)	(155,655,832)	-	-
Profit/(Loss) Before Tax	18	(463,928,803)	(271,250,064)	494,555	23,303,643
Income Tax (Expenses)/Reversal	19	4,137,724	(9,337,215)	(1,269,136)	(8,361,427)
Profit/(Loss) for the Year		(459,791,079)	(280,587,279)	(774,581)	14,942,216
Attributable to:					
Equity holders of the parent		(452,627,979)	(279,455,485)		
Non controlling interests		(7,163,100)	(1,131,794)		
		(459,791,079)	(280,587,279)		
Earnings/(Loss) Per Share - Basic	20	(0.901)	(0.556)	(0.002)	0.030

The accounting policies and notes on pages 63 through 112 form an integral part of the Financial Statements.

Statement of Comprehensive Income

Year ended 31 March	Note	Group		Company	
		2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Profit/(Loss) for the Year		(459,791,079)	(280,587,279)	(774,581)	14,942,216
Other Comprehensive Income					
Other comprehensive income to be reclassified to Statement of Profit or Loss in subsequent period					
Gain on FVTOCI Financial Instruments	11.2.1	547,823	10,686,902	547,823	10,408,636
Reclassification adjustment for gains included in the Statement of Profit or Loss	11.2.1	(547,823)	(11,010,744)	(547,823)	(10,726,827)
Other comprehensive income not to be reclassified to Statement of Profit or Loss in subsequent period					
Actuarial Gains/ (Losses) on Post Employment Benefit Liability	13.1	1,462,086	1,051,232	-	-
Deferred Tax on Actuarial (Gain)/Loss		(204,692)	-	-	-
Revaluation Surplus of Freehold Land	11.2.2	69,850,000	260,875,000	-	-
Deferred Tax on Revaluation Surplus	19.2	(9,779,000)	(36,522,500)	-	-
Other Comprehensive Income/(Loss) for the Year		61,328,394	225,079,890	-	(318,191)
Total Comprehensive Income/(Loss) for the Year		(398,462,685)	(55,507,389)	(774,581)	14,624,025
Attributable to:					
Equity Holders of the Parent		(391,337,729)	(54,397,586)		
Non Controlling Interests		(7,124,956)	(1,109,803)		
		(398,462,685)	(55,507,389)		

The accounting policies and notes on pages 63 through 112 form an integral part of the Financial Statements.

Statement of Changes in Equity

Group	Attributable to Equity Holders of the Parent						
	Stated Capital	Fair Value Reserve	Revaluation Reserve	Retained Earnings	Total	Non Controlling Interest	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	(Note 11.1)	(Note 11.2.1)	(Note 11.2.2)				
Balance as at 31 March 2018	5,509,276,455	323,842	709,822,315	(845,962,948)	5,373,459,664	22,543,363	5,396,003,027
Profit/(Loss) for the Year	-	-	-	(279,455,485)	(279,455,485)	(1,131,794)	(280,587,279)
Other Comprehensive Income/(Loss) for the year	-	(323,842)	224,352,500	1,029,241	225,057,899	21,991	225,079,890
Total Comprehensive Income/(Loss) for the year	-	(323,842)	224,352,500	(278,426,244)	(54,397,586)	(1,109,803)	(55,507,389)
Balance as at 31 March 2019	5,509,276,455	-	934,174,815	(1,124,389,192)	5,319,062,078	21,433,560	5,340,495,638
Profit/(Loss) for the Year	-	-	-	(452,627,979)	(452,627,979)	(7,163,100)	(459,791,079)
Other Comprehensive Income/(Loss) for the year	-	-	60,071,000	1,219,250	61,290,250	38,144	61,328,394
Total Comprehensive Income/(Loss) for the year	-	-	60,071,000	(451,408,729)	(391,337,729)	(7,124,956)	(398,462,685)
Balance as at 31 March 2020	5,509,276,455	-	994,245,815	(1,575,797,921)	4,927,724,349	14,308,604	4,942,032,953

Company	Stated Capital	Fair Value Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.
	(Note 11.1)	(Note 11.2.1)		
Balance as at 31 March 2018	5,509,276,455	318,191	(47,494,145)	5,462,100,501
Profit/(Loss) for the Year	-	-	14,942,216	14,942,216
Other Comprehensive Income/(Loss) for the year	-	(318,191)	-	(318,191)
Total Comprehensive Income/(Loss) for the year	-	(318,191)	14,942,216	14,624,025
Balance as at 31 March 2019	5,509,276,455	-	(32,551,929)	5,476,724,526
Profit/(Loss) for the Year	-	-	(774,581)	(774,581)
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Income/(Loss) for the year	-	-	(774,581)	(774,581)
Balance as at 31 March 2020	5,509,276,455	-	(33,326,510)	5,475,949,945

The accounting policies and notes on pages 63 through 112 form an integral part of the Financial Statements

Statement of Cash Flows

Year ended 31 March	Note	Group 2020 Rs.	Group 2019 Rs.	Company 2020 Rs.	Company 2019 Rs.
Cash Flows From /(Used in) Operating Activities					
Profit/(Loss) before Tax		(463,928,803)	(271,250,064)	494,555	23,303,643
Adjustments for:					
Dividend Income	15.1	(21,867)	(13,898)	-	-
Interest Received	15.1	(7,404,498)	(21,446,265)	(4,700,503)	(19,135,413)
Depreciation & Amortisation	18	323,472,406	327,879,117	-	-
Finance Costs	15.2	422,236,627	457,605,462	145	7,610
(Profit)/Loss on Disposal of Property, Plant and Equipment	18	5,305,934	(50,307)	-	-
(Profit)/Loss on Disposal of Right of use Assets	18	(3,894,236)	-	-	-
Capital Gain on Sale of Investments	8.4.1	(547,823)	(11,010,744)	(547,823)	(10,726,827)
Exchange (Gain)/Loss on Foreign Currency Loan Conversion	12.3	74,803,312	155,655,832	-	-
Fair value (Gain)/Loss from Other Investments	16	71,811	164,464	-	-
(Profit)/Loss on Disposal of Other Investments	16	-	(3,719,232)	-	-
Provision for Defined Benefit Obligation	13.1	9,941,997	8,406,047	-	-
Operating Profit / (Loss) before Working Capital Changes		360,034,860	642,220,412	(4,753,626)	(6,550,987)
(Increase) / Decrease in Inventories		5,369,507	(8,563,545)	-	-
(Increase) / Decrease in Trade and Other Receivables		55,545,252	(48,360,521)	870,616	(1,553,595)
Increase / (Decrease) in Trade and Other Payables		56,246,322	(13,279,583)	(509,410)	296,200
Cash Generated From/ (Used in) Operations		477,195,941	572,016,763	(4,392,420)	(7,808,382)
Finance Costs Paid		(165,534,384)	(457,605,462)	(145)	(7,610)
Income Tax Paid		(9,635,013)	(1,107,899)	(8,348,125)	(870,016)
Defined Benefit Plan Cost Paid Net of Transfers	13	2,928,611	(717,978)	-	-
Net Cash Flows From/(Used in) Operating Activities		304,955,155	112,585,424	(12,740,690)	(8,686,008)
Cash Flows From/(Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	4.6	(609,142,408)	(210,698,049)	-	-
Acquisition of Right of Use Assets	6.1	(5,117,450)	-	-	-
Acquisition of Intangible Assets	7.1	(950,000)	(533,498)	-	-
Investment (made)/redeem in Fixed deposits		175,000,000	(175,000,000)	-	-
Proceeds from Sale of Property, Plant and Equipment		74,956	4,885,808	-	-
Investment in Unit Trust	8.4	-	(93,500,000)	-	(61,500,000)
Proceeds from Redemption of Units	8.4	-	454,381,405	-	415,992,139
Net Proceeds from Sale of Quoted Shares		-	5,735,402	-	-
Short Term Loans Settled		-	-	107,500,000	37,000,000
Short Term Loans Granted		-	-	(55,000,000)	(97,000,000)
Interest Received		7,404,498	21,446,265	5,324,311	19,135,413
Dividends Received		21,867	13,898	-	-
Investment in Subsidiaries	8.2	-	-	(50,000,000)	(300,000,000)
Net Cash Flows From/ (Used in) Investing Activities		(432,708,537)	6,731,231	7,824,311	13,627,552
Cash Flows From Financing Activities					
Proceeds from Leases	12.2	7,100,000	-	-	-
Repayment of principal portion of lease liabilities	12.2	(5,499,074)	(896,124)	-	-
Proceeds from Bank Loans	12.3	495,000,000	103,850,000	-	-
Repayment of Bank Loans	12.3	(212,615,855)	(706,303,049)	-	-
Proceeds Received from Grants	4.8	275,000	200,000	-	-
Cost of Issuing Shares		-	(58,673)	-	(58,673)
Net Cash Flows From/ (Used in) Financing Activities		284,260,071	(603,207,846)	-	(58,673)
Net Increase /(Decrease) in Cash and Cash Equivalents		156,506,689	(483,891,191)	(4,916,379)	4,882,871
Cash and Cash Equivalents at the beginning of the Year	17	(1,206,723,418)	(722,832,227)	5,664,567	781,696
Cash and Cash Equivalents at the end of the Year	17	(1,050,216,729)	(1,206,723,418)	748,188	5,664,567

The accounting policies and notes on pages 63 through 112 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 8.2.

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 2020 were authorized for issue by the Board of directors on 11 June 2020.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of measurement

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

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

2.3 Going Concern

In determining the basis of preparing the financial statements for the year ended 31 March 2020, based on available information, the management has assessed the existing and anticipated effects of COVID 19 on the Group companies and the appropriateness of the use of the going concern basis. The Group evaluated the resilience of its businesses considering a wide range of factors under multiple scenarios, relating to expected revenue, cost management, profitability, ability to defer non-essential capital expenditure, debt repayment reschedulements, and the amount of undrawn borrowing facilities, and potential sources of financing facilities.

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

Notes to the Financial Statements Contd.

2.4 Changes in accounting policies

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

2.4.1 Summary of new accounting policies resulting from amended standards and interpretations

The following are the new significant accounting policies applied by the Group in preparing its Financial Statements. Several other amendments and interpretations apply for the first time in financial year 2019/20, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

a. SLFRS 16 : Leases

SLFRS 16 supersedes LKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases – Incentives and SIC 27 Evaluating the Substance of Transactions involving the legal form of a lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. The Group has adopted SLFRS 16 using modified retrospective method from 1st April 2019, without restating comparatives for the 2018/19 reporting period, as permitted under the specific transitional provisions in the standard.

Right of use assets

The Group recognises right of use assets when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Further Information Regarding the impact of SLFRS 16: Leases is given in Note 6.

b. IFRIC Interpretation 23: Uncertainty over Income Tax Treatments

Upon adoption of the interpretation, the group considered whether it has any significant uncertain tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The interpretation did not have an impact on the consolidated Financial Statements .

Notes to the Financial Statements Contd.

2.5 Comparative Information

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

2.6 Basis of Consolidation.

The Consolidated Financial Statements of Jetwing Symphony PLC and its subsidiaries (referred to as the 'Group') comprise the Financial Statements of the Group as at 31 March 2020.

Subsidiaries are disclosed in note 8.2 to the Financial Statements.

Control over an investee is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has

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

When the Group has less than a majority of the voting or similar rights of an investee; the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights

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

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

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

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

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

Notes to the Financial Statements Contd.

2.7 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Consolidated Financial Statements in conformity with Sri Lanka Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgements and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period and any future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

a. Impact of COVID-19 pandemic on the Group

In determining the basis of preparing the financial statements for the year ended 31 March 2020, based on available information, the management has assessed the existing and anticipated effects of COVID 19 on the Group and the appropriateness of the use of the going concern basis. The Group evaluated the resilience of its businesses considering a wide range of factors under multiple circumstances such as optimistic (best case), most likely (base case) and pessimistic (worst case) scenarios.

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

Key assumption	Details	Stress condition and sensitivity	Indication of adequacy of funding available if the assumed stress condition occurs*
Occupancy	First 3 months (April through June 2020) at 0% occupancy, next 9 months (July through March 2021) at progressively increasing occupancy between 20% to 40%.	Extension of each duration by one month will deplete undrawn borrowing facilities between Rs 2mn and Rs 28Mn.	Adequate
Average Room Rate (ARR)	At discount to the budgeted ARR between 40% and 50%	Further reduction of 10% on assumed discount on budgeted ARR will deplete undrawn borrowing facilities by Rs. 57 Mn.	Adequate
Anticipated cost management measures	Assumed to take place up to 12 months from the reporting date	Reduction of the period of favourable results of cost management measures by 3 months will deplete undrawn borrowing facilities by Rs 19 Mn.	Adequate

Notes to the Financial Statements Contd.

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

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

b. Revaluation of Freehold Land

The Land of the Group are reflected at fair value. Freehold Land are 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.

In determining the fair value of the land as at reporting date in the wake of COVID-19 pandemic, the group obtained advice of independent external valuer. Given the unprecedented and evolving set of circumstances arising due to COVID-19 pandemic, the external independent valuer has valued the lands having regarded all the relevant factors and reported the values as reflected on the basis of material valuation uncertainty.

In determining the regularity of revaluation, the Group refers to general market prices of lands in districts where the Group's hotel operations are based, in consultation with an independent professional valuer. Further information including key inputs used to determine the fair value of the freehold land and sensitivity analysis are provided in Note 4.

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 7.2.1.

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 13.

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 10.

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g. Impairment of Non Financial Assets

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

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

h. Assessment of recoverability of Deferred Tax Assets

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

i. Incremental Borrowing rate

The Group recognised its lease liabilities in relation to leases and liabilities that were measured at the present value of the future lease payments, after discounting based on the lessee's incremental borrowing rate as of commencement date of the lease. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 31/03/2019 was 13%.

2.8 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.8.1 Foreign Currency Translation

The Financial Statements are presented in Sri Lanka Rupees, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss.

Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.8.2 Business Combination and Goodwill

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

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

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

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

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

2.8.3 Revenue Recognition

2.8.3.1 Revenue from Contracts with Customers

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

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

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

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

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

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

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

Notes to the Financial Statements Contd.

a. **Room Revenue**

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

b. **Food and Beverage Revenue**

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

c. **Other Hotel Related Revenue**

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

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

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managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

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

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

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Financial Assets at Fair Value through Profit or Loss

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired;

  Or

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets

- **Trade receivables**

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in

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credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs.

Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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 12.

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:

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- In the principal market for the asset or liability,

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability the principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.8.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangible assets, except capitalised development costs, are not capitalised and expenditure is recognised in the Statement of profit or Loss when it is incurred.

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

2.8.6 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision

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to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

2.8.7 Post Employment Benefit - Retirement Benefit Obligations

a) Defined Benefit Plan – Gratuity

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

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

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:

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Goodwill

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

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

2.8.9 Taxation

(a) Current Income Taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Companies which undertake promotion of tourism in Sri Lanka are liable to tax at the rate of 14% of taxable income. Accordingly, Jetwing Kaduruketha (Pvt) Ltd, Kaduruketha Farmers (Pvt) Ltd, The River Bank (Pvt) Ltd and Pottuvil Point (Pvt) Ltd are taxed at the rate of 14 % of taxable income. Other Income is taxed at the rate of 24% with effect from 01 January 2020 (2018/19 - 28%). All other subsidiaries excluding those that enjoy tax holiday on mentioned below are taxed at 28%

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

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

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

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 a period of Ten (10) years from the year of assessment company commences to make profits or any year of assessment not later than two (2) years reckoned from the date of commencement of commercial operations whichever year is earlier. Accordingly the company enjoys a tax holiday up to the year of assessment 2027/28.

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

(b) Sales Tax

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

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(c) Deferred Taxation

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

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

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.

Notes to the Financial Statements Contd.

2.8.13 Property, Plant and Equipment

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

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

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

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

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

Group provides depreciation from the date the assets are available for use up to the date of disposal, on a straight line basis over the periods appropriate to the estimated useful lives based on the pattern in which the asset's future economic benefits are expected to be consumed by the Group of the different types of assets, except for which are disclosed separately. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is 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 (applicable from 1 April 2019)

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

Notes to the Financial Statements Contd.

Group as a lessee

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

Leases (applicable until 31st March 2019)

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

Group as a lessee:

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

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

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

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.

Notes to the Financial Statements Contd.

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 2020.

- SLFRS 17 Insurance Contracts
- Amendments to LKAS 1 and LKAS 8: Definition of Material
- Amendments to SLFRS 3: Definition of a Business Amendments to references to the conceptual framework in SLFRS standards

Since the amendments are effective for annual periods beginning on or after 1st January 2020, the group will not be affected by these amendments as at the reporting date. Further, the amended standards and interpretations are not expected to have a significant impact on the group's Financial Statements.

3. REVENUE

3.1 Type of Services

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

	Group		Company	
Year ended 31 March	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Room Revenue	839,162,926	1,153,888,490	-	-
Food & Beverage Revenue	608,680,422	685,130,176	-	-
Other Hotel Related Revenue	77,172,342	72,302,705	-	-
Total Revenue	1,525,015,690	1,911,321,371	-	-

Notes to the Financial Statements Contd.

4. PROPERTY, PLANT & EQUIPMENT

4.1 Gross Carrying Amounts

Group	Balance as at 01.04.2019	Additions	Revaluation	Transfers in/(out)	Disposals	Other Adjustment (Note 4.8)	Balance as at 31.03.2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At Cost							
Building and Building Integrals	5,572,674,348	3,438,357	-	513,597,332	(4,268,914)	(275,000)	6,085,166,123
Plant & Equipment	309,900,504	3,392,714	-	13,608,854	(1,254,325)	-	325,647,747
Solar Electrical System	127,584,828	96,000	-	12,122,000	(106,402)	-	139,696,426
Sewage Treatment Plant	24,622,432	293,150	-	1,723,050	(235,570)	-	26,403,062
Kitchen Equipment	196,998,285	1,855,219	-	20,975,430	(84,470)	-	219,744,464
Electrical Equipment	148,827,275	1,457,154	-	38,167,049	(1,222,829)	-	187,228,649
Office Equipment	18,734,551	69,750	-	276,000	(84,850)	-	18,995,451
Sport Equipment	15,281,882	4,849	-	-	-	-	15,286,731
Furniture & Fittings	444,517,737	2,873,447	-	54,763,127	(1,286,744)	-	500,867,567
Swimming Pool Equipment	7,604,777	27,600	-	731,829	-	-	8,364,206
Motor Vehicles	63,746,910	-	-	19,921,818	-	-	83,668,728
Cutlery, Crockery & Glassware	26,139,239	121,180	-	7,348,568	(8,292,960)	-	25,316,027
Linen	29,565,841	4,387,655	-	5,267,421	(5,294,115)	-	33,926,802
Hot Water System	57,986,908	224,488	-	7,800,000	-	-	66,011,396
Laundry Equipment	40,636,079	-	-	-	-	-	40,636,079
Telephone System	18,550,094	53,571	-	2,308,800	(589,181)	-	20,323,284
Elevator	46,588,063	-	-	5,085,000	-	-	51,673,063
Television Systems	36,140,777	687,070	-	3,443,570	(412,379)	-	39,859,038
Maintenance Equipment	1,435,136	43,950	-	912,615	(43,338)	-	2,348,363
Furnishing, Bar, Room & Misc. Equ.	63,077,268	3,911,181	-	-	(439,014)	-	66,549,435
Computers	30,087,737	2,887,974	-	4,651,576	(545,482)	-	37,081,805
Motor Boats	4,298,231	377,500	-	-	(225,457)	-	4,450,274
Bicycles	1,065,400	-	-	54,751	-	-	1,120,151
Housekeeping Equipment	20,669,483	123,800	-	8,298,750	-	-	29,092,033
Generators	67,212,267	-	-	4,728,298	-	-	71,940,565
	7,373,946,052	26,326,609	-	725,785,838	(24,386,030)	(275,000)	8,101,397,469

Notes to the Financial Statements Contd.

4.1 Gross Carrying Amounts (Contd,)

Group	Balance as at 01.04.2019 Rs.	Additions Rs.	Revaluation Rs.	Transfers in/(out) Rs.	Disposals Rs.	Other Adjustment (Note 4.8) Rs.	Balance as at 31.03.2020 Rs.
At Fair Value							
Freehold Land	2,384,275,000	-	69,850,000	-	-	-	2,454,125,000
	2,384,275,000	-	69,850,000	-	-	-	2,454,125,000
On Finance Lease							
Motor Vehicle	5,285,000	-	-	(5,285,000)	-	-	-
	5,285,000	-	-	(5,285,000)	-	-	-
In the Course of Construction							
Capital work-in-progress	160,438,567	582,815,799	-	(727,929,020)	-	-	15,325,346
	160,438,567	582,815,799	-	(727,929,020)	-	-	15,325,346
Total Gross Carrying Amount	9,923,944,619	609,142,408	69,850,000	(7,428,182)	(24,386,030)	(275,000)	10,571,122,815

Notes to the Financial Statements Contd.

4.2 Depreciation

Group	Balance as at 01.04.2019 Rs.	Charge for the Year Rs.	Transfers in/(out) Rs.	Disposals Rs.	Balance as at 31.03.2020 Rs.
At Cost					
Building and Building Integrals	383,547,419	137,479,840	-	(1,695,632)	519,331,627
Plant & Equipment	89,763,328	25,098,041	-	(483,308)	114,378,061
Solar Electrical System	23,199,630	6,930,024	-	(10,057)	30,119,597
Sewage Treatment Plant	2,291,106	1,256,199	-	(73,640)	3,473,665
Kitchen Equipment	54,184,805	20,194,573	-	(34,870)	74,344,508
Electrical Equipment	44,527,221	15,789,778	-	(1,129,954)	59,187,045
Office Equipment	4,782,660	1,823,862	-	(53,769)	6,552,753
Sport Equipment	4,819,113	1,552,845	-	-	6,371,958
Furniture & Fittings	136,581,122	45,408,900	-	(671,636)	181,318,386
Swimming Pool Equipment	2,262,386	660,765	-	-	2,923,151
Motor Vehicles	30,326,971	7,408,321	(788,280)	-	36,947,012
Cutlery, Crockery & Glassware	17,216,471	7,605,891	-	(8,292,960)	16,529,402
Linen	20,679,457	7,547,626	-	(5,294,113)	22,932,970
Hot Water System	16,792,142	5,325,700	-	-	22,117,842
Laundry Equipment	12,665,376	3,789,204	-	-	16,454,580
Telephone System	4,776,632	1,656,296	-	(229,736)	6,203,192
Elevator	5,754,661	2,376,700	-	-	8,131,361
Television Systems	9,995,548	3,699,000	-	(170,162)	13,524,386
Maintenance Equipment	350,027	160,058	-	(5,521)	504,564
Furnishing, Bar, Room & Misc. Equipment	28,746,969	6,668,437	-	(303,713)	35,111,693
Computers	18,120,208	6,155,725	-	(369,172)	23,906,761
Motor Boats	3,365,752	831,917	-	(186,897)	4,010,772
Bicycles	639,462	216,395	-	-	855,857
Housekeeping Equipment	4,139,987	2,203,225	-	-	6,343,212
Generators	13,268,105	5,071,445	-	-	18,339,550
	932,796,558	316,910,767	(788,280)	(19,005,140)	1,229,913,905
On Finance Lease					
Motor Vehicle	3,535,927	-	(3,535,927)	-	-
	3,535,927	-	(3,535,927)	-	-
Total Depreciation	936,332,485	316,910,767	(4,324,207)	(19,005,140)	1,229,913,905

Notes to the Financial Statements Contd.

4.3 Net Book Value

Year ended 31 March Group	2020 Rs.	2019 Rs.
At Cost		
Building and Building Integrals	5,565,834,496	5,189,126,929
Plant & Equipment	211,269,686	220,137,175
Solar Electrical System	109,576,829	104,385,199
Sewage Treatment Plant	22,929,397	22,331,326
Kitchen Equipment	145,399,956	142,813,480
Electrical Equipment	128,041,604	104,300,053
Office Equipment	12,442,698	13,951,891
Sport Equipment	8,914,773	10,462,769
Furniture & Fittings	319,549,181	307,936,615
Swimming Pool Equipment	5,441,055	5,342,391
Motor Vehicles	46,721,716	33,419,939
Cutlery, Crockery & Glassware	8,786,625	8,922,768
Linen	10,993,832	8,886,384
Hot Water System	43,893,554	41,194,766
Laundry Equipment	24,181,499	27,970,703
Telephone System	14,120,092	13,773,462
Elevator	43,541,702	40,833,402
Television Systems	26,334,652	26,145,229
Maintenance Equipment	1,843,799	1,085,109
Furnishing, Bar, Room & Misc. Equipment	31,437,741	34,330,299
Computers	13,175,044	11,967,529
Motor Boats	439,502	932,479
Bicycles	264,294	425,938
Housekeeping Equipment	22,748,821	16,529,497
Generators	53,601,015	53,944,162
	6,871,483,563	6,441,149,494
At Fair Value		
Freehold Land	2,454,125,000	2,384,275,000
	2,454,125,000	2,384,275,000
On Finance Lease		
Motor Vehicles	-	1,749,073
	-	1,749,073
In the Course of Construction		
Capital work-in-progress	15,325,346	160,438,567
	15,325,346	160,438,567
	9,340,933,909	8,987,612,134

Notes to the Financial Statements Contd.

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

Company	Location	No of Perches	Price Range Per Perch Rs.	Carrying Amount as at 31.03.2020 Rs.'000	Carrying Amount as at 31.03.2019 Rs.'000
Pottuvil Point (pvt) Ltd	Hidayapuram,Pottuvil	1,166	170,000	198,200	198,200
The Riverbank (Pvt) Ltd	Maligathenna ,Kandy	305	190,000	58,000	58,000
Cultural Heritage (Pvt) Ltd	Dambulla	2,749	150,000 to 175,000	465,475	465,475
Uppuveli Beach (Pvt) Ltd	Sampalthevu, Trincomalee	2,242	110,000 to 137,500	275,500	275,500
Jetwing City (Pvt) Ltd	Ward Place, Colombo 07	70	19,000,000	1,327,350	1,257,500
Uppuveli Villas (Pvt) Ltd	Sampalthevu, Trincomalee	960	135,000	129,600	129,600

Valuation Process of the Group:

On a once in three year basis, the Group usually engages an external independent and qualified valuer to determine the fair value of land. When significant changes in fair value are expected between two valuations, that necessitates a more regular basis of valuation adopted, the Board based on its judgment as appropriately advised by the valuer, obtains a further valuation to ensure that the carrying amounts do not differ materially with fair value at the end of the reporting period. The last revaluation was carried out with an effective date of 31 March 2020.

Increase or decrease in estimated price per perch in isolation would result in a higher or lower fair value measurement. Accordingly, a change of 10% in the estimated price per perch will cause a Rs. 245,412,500/- change in the fair value of freehold land, directionally.

The following table analyses the non financial assets carried at fair value, by valuation method. The different levels have been defined in Note 25.1

	Fair Value measurment as at 31 March 2020			
	Level 01 Rs.	Level 02 Rs.	Level 03 Rs.	Total Rs.
Freehold land	-	-	2,454,125,000	2,454,125,000

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

	2020 Rs.	2019 Rs.
Class of Asset		
Freehold land	1,202,710,566	1,202,710,566

4.6 The Group acquired property plant and equipment to the aggregate value of Rs. 609,142,408/- (2019- Rs. 210,698,049/-) during the financial year. Cash payments amounting to Rs. 609,142,408/- (2019- Rs. 210,698,049/-) were made during the year for purchase of property plant and equipment.

Notes to the Financial Statements Contd.

4.7 During the year, bank loan interest expense amounting to Rs. 607,222/- (2019 - Rs.22,321/-) 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 During the year group received a grant of Rs 275,000/- which has been presented as an other adjustment in note 4.1.

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

Year ended 31 March Group	2020 Years	2019 Years
Building and Building Integrals	02-60	02-60
Plant and Equipment	10-20	10-20
Solar Electrical System	10-20	10-20
Sewage Treatment Plant	20	20
Kitchen Equipment	10	10
Electrical Equipment	10	10
Office Equipment	10	10
Sport Equipment	10	10
Furniture and Fittings	10	10
Swimming Pool Equipment	10	10
Motor Vehicles	5	5
Cutlery, Crockery and Glassware	3	3
Linen	2	2
Hot Water System	10	10
Laundry Equipment	13.33	13.33
Telephone System	10	10
Elevator	20	20
Television Systems	10	10
Maintenance Equipment	10	10
Furnishing, Bar, Room and Music Equipment	03-10	03-10
Computers	4	4
Motor Boat	5	5
Bicycles	5	5
Housekeeping Equipment	10	10
Generators	13.33	13.33

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

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

4.11 Property, Plant and Equipment recognized above include fully depreciated assets having a gross carrying amount of Rs.82,929,762/- (2019- Rs. 57,022,265/-).

Notes to the Financial Statements Contd.

4.12 During the year a Motor Vehicle worth of Rs 3,103,975/- (Net book value) was transferred to Right of Use Assets.

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

5. PREPAID LEASE RENT

5.1 Prepaid Lease Rent on Leasehold Land

Year ended 31 March Group	2020 Rs.	2019 Rs.
Cost		
As at beginning of the year	52,941,170	52,941,170
Transferred to Right of Use Assets(Note 6.2.1)	(52,941,170)	-
Incurred during the year	-	-
As at end of the year	-	52,941,170
Amortisation		
As at beginning of the year	5,891,901	3,931,515
Transferred to Right of Use Assets(Note 6.2.1)	(5,891,901)	-
Incurred during the year	-	1,960,386
As at end of the year	-	5,891,901
Net Book Value		
As at beginning of the year	47,049,269	49,009,655
As at end of the year	-	47,049,269

6. RIGHT OF USE ASSETS

6.1 Set out below, are the carrying amounts of the right of use assets and the movements for the period ended 31 March 2020.

	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
As at 1st April	-	-	-	-
Recognition of Right of use Assets as per SLFRS 16	77,430,512	-	-	-
Additions during the year-Non Cash	13,069,986	-	-	-
Additions during the year-Cash	5,117,450	-	-	-
Depreciation during the year	(5,214,834)	-	-	-
Disposals during the year	(2,105,764)	-	-	-
As at 31 March	88,297,350	-	-	-

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

Notes to the Financial Statements Contd.

6.2 Amounts recognised in the statement of financial position and income statement set out below, are the carrying amounts of the Group's right of use assets and the movements for the period ended 31 March 2020.

	Land (Note 6.2.1)	Building (Note 6.2.2)	Motor Vehicles (Note 6.2.3)	Total
Recognition of Right of use Asset as per SLFRS 16	74,326,537	-	3,103,975	77,430,512
Additions during the year	-	7,069,986	11,117,450	18,187,436
Disposals during the year	-	-	(2,105,764)	(2,105,764)
Depreciation during the year	(2,486,617)	(1,413,997)	(1,314,220)	(5,214,834)
	71,839,920	5,655,989	10,801,441	88,297,350

6.2.1 Initial recognition amount of Rs 74,326,537/- includes the transfer of Rs.47,049,269/- from prepaid lease rent. Land leases have more than one lease agreement which have remaining lease periods between 50 years to 53 years. Leases include extension and termination options.

6.2.2 Building leases have a remaining lease period of 05 years from its initial recognition date.

6.2.3 The estimated useful life of the Right of Use Motor Vehicle is 5 years.

Impact on statement of profit or loss is as follows

	Total
Depreciation during the year	5,214,834
Finance cost recognised during the year	4,772,573
	9,987,407
Short term leases-(Recorded in administration expenses)	1,221,475
	1,221,475

During the year group had cash outflow of Rs. 7, 194, 255/- reagarding leases.

6.3 The effect of adoption of SLFRS 16 as at 1 April 2019 increase/(decrease) is as follows.

Assets	Rs.
Property, Plant & Equipment	(3,103,975)
Right of use assets	77,430,512
Prepaid lease rent	(47,049,269)
Total Assets	27,277,268
Liabilities	
Interest bearing loans and borrowings	27,277,268
Total Liabilities	27,277,268

Notes to the Financial Statements Contd.

a) Nature of the effect of adoption of SLFRS 16

The Group has lease contracts for items such as Lands Building and Vehicles. Land leases are the major asset included in the right of use assets category.

Leases previously classified as leasehold properties and pre-paid operating leases

For leases previously classified as prepaid lease rent, the Group recognized the carrying amount of the lease asset immediately before transition as the carrying amount of the right of use asset. The requirements of SLFRS 16 were applied to these leases from 1st April 2019.

Leases previously classified as finance leases

For leases that were classified as finance leases under LKAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 April 2019 are determined at the carrying amount of the lease asset and lease liability under LKAS 17 immediately before that date.

Leases classified as operating leases under LKAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at either:

- their carrying amount as if SLFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application - the Group applied this approach to its largest property leases; or

- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Group applied this approach to all other leases.

b) The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019 as follows:

	Rs.
Operating lease commitments as at 31 March 2019	25,000,000
Weighted Average incremental borrowing rate as at 1 April 2019	13%
Discounted Operating lease commitments	16,447,178
Add:	
Lease payments relating to renewal periods & rate increases not included in operating lease commitments as at 1 April 2019	8,091,757
Commitments relating to leases previously classified as finance lease	2,738,333
Lease Liabilities as at 1 April 2019	27,277,268

Notes to the Financial Statements Contd.

7. INTANGIBLE ASSETS

7.1 Computer Software

Year ended 31 March **Group**	2020 Rs.	2019 Rs.
Cost		
As at beginning of the year	6,742,231	6,208,733
Incurred during the year	950,000	533,498
As at end of the year	7,692,231	6,742,231
Amortisation		
As at beginning of the year	4,133,548	2,949,939
Charged during the year	1,346,805	1,183,609
As at end of the year	5,480,353	4,133,548
Net Book Value		
As at beginning of the year	2,608,683	3,258,794
As at end of the year	2,211,878	2,608,683

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.

7.2 Goodwill

Year ended 31 March	2020 Rs.	2019 Rs.
Balance at beginning of the Year	580,317,541	580,317,541
Balance at end of the Year	580,317,541	580,317,541
Total Intangible Assets (Note 7.1, 7.2)	582,529,419	582,926,224

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

7.2.1 Accounting judgements, estimates and assumptions

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

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 separately by more than 15% & 18% respectively would result in impairment in goodwill. Further an increase of discount rate by 3% would also create a goodwill impairment.

Notes to the Financial Statements Contd.

8. OTHER INVESTMENTS

Summary

	Year ended 31 March	Group 2020 Rs.	Group 2019 Rs.	Company 2020 Rs.	Company 2019 Rs.
a)	Non- Current				
	Investment in Subsidiaries (Note 8.2)	-	-	5,469,233,010	5,419,233,010
	Investment in Equity Securities (Note 8.1)	813,054	884,865	-	-
		813,054	884,865	5,469,233,010	5,419,233,010
b)	Current				
	Investment in Fixed Deposits (Note 8.3)	1,646,635	177,309,862	-	-
	Investment in Repo (Note 8.3)	-	5,000,000	-	5,000,000
	Investment in Units (Note 8.4)	-	-	-	-
		1,646,635	182,309,862	-	5,000,000

		Group 2020 Rs.	Group 2019 Rs.	Company 2020 Rs.	Company 2019 Rs.
8.1	**Quoted Equity Securities - Fair value through Profit or Loss (FVTPL)**				
	Tangerine Beach Hotel PLC	813,054	884,865	-	-
	Net Carrying Value of Investment in Equity Securities (Note 8.1.1)	813,054	884,865	-	-
8.1.1	**Movement in FVTPL Financial instruments**				
	As at 1 April	884,865	-	-	-
	Reclassification adjustment due to adoption of SLFRS 9		3,065,499	-	-
	As at 1 April-(Restated)	884,865	3,065,499	-	-
	Disposals during the year	-	(2,016,170)	-	-
	Fair value gain/(loss) from other investments	(71,811)	(164,464)	-	-
	As at 31 March	813,054	884,865	-	-

8.2 Investment in Subsidiaries

	Year ended 31 March	Company Holding %	Company 2020 Rs.	Company Holding %	Company 2019 Rs.
8.2.a	Ordinary Shares				
	Uppuveli Beach (Pvt) Ltd	100	200,100,000	100	200,100,000
	Cultural Heritage (Pvt) Ltd	100	1,184,750,000	100	1,184,750,000
	Yala Safari Beach Hotel (Pvt) Ltd	100	1,368,400,000	100	1,368,400,000
	Jetwing City (Pvt) Ltd	100	1,695,853,600	100	1,695,853,600
	Uppuveli Villas (Pvt) Ltd	100	78,000,000	100	78,000,000
	The Riverbank (Pvt) Ltd	100	380,000,000	100	330,000,000
	Pottuvil Point (Pvt) Ltd	100	288,600,000	100	288,600,000
	Jetwing Kaduruketha (Pvt) Ltd	70	123,529,410	70	123,529,410
			5,319,233,010		5,269,233,010

Notes to the Financial Statements Contd.

		2020 No. of shares	2019 No. of shares	2020 Rs.	2019 Rs.
8.2.b	**Investments in Preference Shares:**				
	Jetwing Kaduruketha (Pvt) Ltd - (Note 8.2.5)	15,000,000	15,000,000	150,000,000	150,000,000
				150,000,000	150,000,000
	Total Investment in Subsidiaries			5,469,233,010	5,419,233,010

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

Kaduruketha Farmers (Pvt) Ltd is a fully owned subsidiary of Jetwing Kaduruketha (Pvt) Ltd.

8.2.4 All Subsidiaries are incorporated in Sri Lanka.

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

8.2.6 Partly owned subsidiaries

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

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

8.3 Debt Instruments -Amortised cost

		Group		Company	
	Year ended 31 March	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
	Investment in Fixed Deposits	1,646,635	177,309,862	-	-
	Investment in REPO	-	5,000,000	-	5,000,000
		1,646,635	182,309,862	-	5,000,000
8.4	**Financial Instruments - Fair Value Through Other Comprehensive Income**				
	Investments in Units - Related Party (Note 8.4.1)	-	-	-	-
		-	-	-	-

Notes to the Financial Statements Contd.

8.4.1 Movement in FVTOCI Financial instruments	Group		Company	
	2020	2019	2020	2019
	Rs.	Rs .	Rs.	Rs.
As at 1 April	-	-	-	-
Reclassification adjustment due to adoption of SLFRS 9	-	350,194,503	-	344,083,503
As at 1 April-(Restated)	-	350,194,503	-	344,083,503
Purchases made during the Financial Year	-	93,500,000	-	61,500,000
Sales made during the year				
Net gain transferred from fair value Reserve (Note 11.2.1)	(547,823)	(11,010,744)	(547,823)	(10,726,827)
Cost of Units Disposed during the Year	-	(443,370,660)	-	(405,265,312)
Gain/(Loss) on FVTOCI Financial Instruments	547,823	10,686,902	547,823	10,408,636
As at 31 March	-	-	-	-

9. INVENTORIES

Year ended 31 March	Group		Company	
	2020	**2019**	**2020**	**2019**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Food & Beverage Inventories	28,299,405	34,767,861	-	-
General, Housekeeping & Maintenance Inventories	6,501,028	6,867,065	-	-
Other Inventories	19,328,822	17,863,836	-	-
	54,129,255	59,498,762	-	-

9.1 Impact of COVID -19

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

10. TRADE AND OTHER RECEIVABLES

Year ended 31 March	Group		Company	
	2020	**2019**	**2020**	**2019**
	Rs.	**Rs.**	**Rs.**	**Rs.**
Trade Debtors - Related Party (Note 10.1)	33,786,693	34,807,909	-	-
- Other	73,431,598	159,698,534	-	-
Less: Impairment of Trade Debtors (Note 10.1.1)	(1,633,868)	(1,347,338)	-	-
	105,584,423	193,159,105	-	-
Loans and Other Receivables - Related Party (Note 10.2)	7,905,976	947,337	7,558,992	60,682,799
- Other	18,549,374	9,093,887	-	-
	132,039,773	203,200,329	7,558,992	60,682,799
Prepayments	23,521,615	25,196,497	257,927	258,067
Statutory Receivables	35,848,617	28,816,265	-	870,477
	191,410,005	257,213,091	7,816,919	61,811,343

Trade Receivables are non interest bearing and and are generally on terms of 30 days.

See note 24.1 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 2020 Rs.	Group 2019 Rs.	Company 2020 Rs.	Company 2019 Rs.
10.1	**Trade Debtors-Related Party**					
	Jetwing Eco Holidays (Pvt) Ltd	Other Related Party	473,862	944,308	-	-
	Jetwing Events (Pvt) Ltd	Other Related Party	207,256	388,344	-	-
	Negombo Hotels Ltd	Other Related Party	-	1,613,262	-	-
	Jetwing Journeys (Pvt) Ltd	Other Related Party	-	42,689	-	-
	The Lighthouse Hotels PLC	Other Related Party	-	33,495	-	-
	Jetwing Hotels Ltd	Other Related Party	611,982	60,400	-	-
	Jetwing Air (Pvt) Ltd	Other Related Party	-	43,090	-	-
	Go Vacation Lanka Co.(Pvt) Ltd	Other Related Party	5,104,821	3,237,661	-	-
	Jetwing Events (Pvt) Ltd	Other Related Party	462,974	625,323	-	-
	Total Holiday Options (Pvt) Ltd	Other Related Party	367,775	251,181	-	-
	Jetwing Adventure (Pvt) Ltd	Other Related Party	-	200,550	-	-
			7,228,670	7,440,303	-	-
	Jetwing Travels (Pvt) Ltd	Significant Investor	26,558,023	27,367,606	-	-
			26,558,023	27,367,606	-	-
			33,786,693	34,807,909	-	-

Year ended 31 March		Group 2020 Rs.	Group 2019 Rs.	Company 2020 Rs.	Company 2019 Rs.
10.1.1	Impairment of Trade Debtors				
	Balance as at 1 April	1,347,338	761,269	-	-
	Recognized during the year	1,265,493	620,232	-	-
	Recovered during the year	(389,963)	(34,163)	-	-
	Written off during the year	(588,999)	-	-	-
	Balance as at 31 March	1,633,868	1,347,338	-	-

Year ended 31 March		Relationship	Group 2020 Rs.	Group 2019 Rs.	Company 2020 Rs.	Company 2019 Rs.
10.2	**Loans and Other Receivables - Related Party**					
	Yala Properties (Pvt) Ltd	Subsidiary	-	-	7,558,992	50,551,205
	Cultural Heritage (Pvt) Ltd	Subsidiary	-	-	-	10,131,594
			-	-	7,558,992	60,682,799
	Thirteen Development Lanka (Pvt) Ltd	Other Related Party	-	312,360	-	-
	Jetwing Hotels Ltd	Other Related Party	7,646,548	634,977	-	-
	Jet Enterprises (Pvt) Ltd	Other Related Party	67,310	-	-	-
	Herbert Cooray Trust	Other Related Party	192,118	-	-	-
			7,905,976	947,337	7,558,992	60,682,799

Notes to the Financial Statements Contd.

11. CAPITAL AND RESERVES

11.1 Stated Capital

Year ended 31 March	2020		2019	
	Number	Rs.	Number	Rs.
Balance at the Beginning of the year	502,188,559	5,509,276,455	502,188,559	5,509,276,455
Balance at the End of the year	502,188,559	5,509,276,455	502,188,559	5,509,276,455

11.2 Reserves

	Year ended 31 March	Group		Company	
		2020	2019	2020	2019
		Rs.	Rs.	Rs.	Rs.
11.2.1	Fair value Reserve				
	As at 1 April	-	-	-	-
	Reclassification adjustment due to adoption of SLFRS 9	-	323,842	-	318,191
	As at 1 April-(Restated)	-	323,842	-	318,191
	Gain on FVTOCI instruments	547,823	10,686,902	547,823	10,408,636
	Reclassification adjustment for gains included in the Statement of Profit or Loss	(547,823)	(11,010,744)	(547,823)	(10,726,827)
	As at 31 March	-	-	-	-

	Year ended 31 March	Group		Company	
		2020	2019	2020	2019
		Rs.	Rs.	Rs.	Rs.
11.2.2	Revaluation Reserve				
	On: Property Plant & Equipment				
	As at 1 April	934,174,815	709,822,315	-	-
	Effect of revaluation during the year (Note 4)	69,850,000	260,875,000	-	-
	Deferred Tax on Revaluation of Land (Note 19.2)	(9,779,000)	(36,522,500)	-	-
	As at 31 March	994,245,815	934,174,815	-	-

12. INTEREST BEARING LOANS & BORROWINGS

Group

	Year ended 31 March	2020	2020	2020	2019	2019	2019
		Current	Non Current	Total	Current	Non Current	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
12.1	Long Term Loans (Note 12.3)	565,874,775	3,054,755,978	3,620,630,753	778,980,040	2,232,059,879	3,011,039,919
	Leases (Note 12.2)	3,968,869	39,016,511	42,985,380	1,023,560	1,714,773	2,738,333
	Bank Overdraft (Note 17.2)	1,148,016,884	-	1,148,016,884	1,263,562,784	-	1,263,562,784
		1,717,860,528	3,093,772,489	4,811,633,017	2,043,566,384	2,233,774,652	4,277,341,036

Notes to the Financial Statements Contd.

12.2 Leases

	Group 2020	Group 2019
	Rs.	Rs.
As at 1 April	2,738,333	3,634,458
Recognition of Lease Liabilities as per SLFRS 16	27,277,268	-
	30,015,601	-
Additions During the year	14,169,986	-
Accretion of Interest	4,772,573	430,895
Repayment of principal portion of lease liabilities	(5,499,074)	(896,124)
Repayment of Interest portion of lease liabilities	(473,706)	(430,895)
As at 31 March	42,985,380	2,738,333

12.3 Long Term Loans

		Balance as at 01.04.2019	Accrued Interest	Loan Obtained	Repayment	Exchange Difference	Balance as at 31.03.2020
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Commercial Bank of Ceylon PLC (USD)	(a)	116,069,669	-	-	(75,419,270)	2,732,200	43,382,599
Commercial Bank of Ceylon PLC (LKR)	(b)	27,160,000	-	-	(14,235,000)	-	12,925,000
Commercial Bank of Ceylon PLC (LKR)	(c)	744,000,000	76,389,700	-	(13,000,000)	-	807,389,700
Commercial Bank of Ceylon PLC (LKR)	(d)	861,040,000	87,474,594	-	(24,045,000)	-	924,469,594
Nation Trust Bank PLC (USD)	(e)	45,582,444	2,760,595	-	-	3,353,930	51,696,969
Nation Trust Bank PLC (LKR)	(f)	85,250,000	9,782,239	-	-	-	95,032,239
Commercial Bank of Ceylon PLC (USD)	(g)	163,448,640	9,686,553	-	(1,754,600)	11,899,676	183,280,269
Commercial Bank of Ceylon PLC (USD)	(h)	752,163,165	43,093,012	-	(13,411,985)	54,221,502	836,065,694
Commercial Bank of Ceylon PLC (USD)	(i)	35,226,000	2,196,363	-	-	2,596,004	40,018,366
Commercial Bank of Ceylon PLC(LKR)	(j)	181,100,000	20,394,927	-	(1,950,000)	-	199,544,927
Commercial Bank of Ceylon PLC(LKR)	(k)	-	-	150,000,000	(32,250,000)	-	117,750,000
DFCC Bank PLC(LKR)	(l)	-	625,396	175,000,000	-	-	175,625,396
Commercial Bank of Ceylon PLC (LKR)	(m)	-	-	150,000,000	(32,250,000)	-	117,750,000
Commercial Bank of Ceylon PLC(LKR)	(n)	-	-	20,000,000	(4,300,000)	-	15,700,000
		3,011,039,919	252,403,379	495,000,000	(212,615,855)	74,803,312	3,620,630,753

Notes to the Financial Statements Contd.

12.3.1 (a) Secured term loan of USD 5.3 Mn repayable in 60 monthly instalments commencing from September 2014 and interest of LIBOR + Premium*

(b) Secured term loan of LKR 350 Mn repayable in 60 monthly installments commencing from October 2014 and interest of AWPLR+Premium*

(c) Secured term loan of LKR 900 Mn repayable in 60 monthly instalments commencing from October 2017 and Interest at AWPLR+Premium

(d) Secured term loan of LKR 1,145Mn repayable in 60 monthly installments commencing from December 2017 and 1 month AWPLR +Premium.

(e) Secured term loan of USD 350,000 repayable in 60 monthly installments commencing from April 2017 and 3 months LIBOR +Premium.

(f) Secured term loan of LKR 131.25 Mn repayable in 60 monthly installments commencing from April 2017 and 1 month AWPLR

(g) Secured term loan of USD 1 Mn repayable in 60 monthly installments commencing from July 2018 & 1 month LIBOR+Premium

(h) Secured term loan of USD 4.5 Mn repayable in 60 monthly installments commencing from January 2019 and 1month LIBOR + Premium

(i) Secured term loan of USD 200,000 repayable in 60 monthly installments commencing from September 2019 and 1 month LIBOR + Premium

(j) Secured term loan of LKR 185 Mn repayable in 60 monthly installments commencing from February 2019 and interest of 1 month AWPLR+Premium.

k) Secured term loan of LKR 150 Mn repayable in 24 monthly installments commencing from September 2019 and interest of 3.46%

(l) Secured term loan of LKR 175 Mn repayable in 72 monthly installments commencing from February 2022 and interest of 1 month AWPLR +Premium.

(m) Secured term loan of LKR 150 Mn repayable in 24 monthly installments commencing from September 2019 and interest of 3.46%

(n) Secured term loan of LKR 20 Mn repayable in 24 monthly installments commencing from September 2019 and interest of 3.46%

* The Group already received Capital moratoriums up to 31 March 2020 related to concession granted to tourism industry circular No 7 of 2019 of Central Bank of Sri Lanka

12.3.2 In light of the economic slowdown in the country due to the COVID-19 pandemic, the Government of Sri Lanka through the CBSL has implemented a 6 month debt moratorium for interest and capital and a two year working capital loan at an interest rate of 4 percent, to impacted sectors. The Group being eligible for such, is in the process of negotiating terms and conditions of the said moratorium and working capital loan.

13. POST EMPLOYEE BENEFIT LIABILITIES-GRATUITY

	Group		Company	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April	30,516,433	23,879,596	-	-
Charge for the year(Note 13.1)	8,479,911	7,354,815	-	-
Payments made during the year	(1,113,448)	(1,092,868)	-	-
Effects of transfers of staff among related parties during the year	4,042,059	374,890	-	-
Balance as at 31 March	41,924,955	30,516,433	-	-

Notes to the Financial Statements Contd.

13.1 Defined Benefit Plan Cost-Gratuity

	Group		Company	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Current Service Cost	6,445,719	5,659,895	-	-
Interest cost on Benefit Obligation	3,496,278	2,746,152	-	-
Cost recognized in the Statement of Profit or Loss	9,941,997	8,406,047	-	-
Actuarial (Gain)/Loss for the year recognized in Other Comprehensive Income	(1,462,086)	(1,051,232)	-	-
Balance as at 31 March	8,479,911	7,354,815	-	-

13.2 As at 31 March 2020, 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:

	2020	2019
Discount Rate	10%	11.50%
Salary Increase	8.5%	10%
Staff Turnover	5% at each age	5% at each age
Remaining Working Life	14 Years	14 Years

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

13.3 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 2019/20. The sensitivity of the Income Statement and Statement of Financial Position are the effect of the assumed changes in discount rate and salary increase rate on the profit or loss and post employment benefit liability for the year.

	Effect on Total Comprehensive Income -(Reduction)/Increase in Results	Pro Forma Post Employee Benefit Liability
	Rs.	Rs.
Change in Assumptions		
+1% Change in Discount Rate	2,916,555	39,008,400
-1% Change in Discount Rate	(3,424,097)	45,349,052
+1% Change in rate of Salary Increase	(3,441,056)	45,366,011
-1% Change in rate of Salary Increase	2,979,100	38,945,855
+1% Change in rate of Staff turn over	(191,325)	42,116,280
-1% Change in rate of Staff turn over	254,703	41,670,252

Notes to the Financial Statements Contd.

13.4 Distribution of Post Employment Benefit Obligation Over Future Lifetime

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

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Less than or equal 1 year	2,172,167	1,678,595	-	-
Over 1 year and less than or equal 5 years	19,633,474	17,308,633	-	-
Over 5 years and less than or equal 10 years	12,709,984	9,089,812	-	-
Total	34,515,625	28,077,040	-	-

14. TRADE AND OTHER PAYABLES

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Trade Payables	39,305,074	49,323,483	-	-
Other Payables - Related Parties (Note 14.1)	8,560,270	18,765,242	-	-
- Others	176,834,215	83,819,201	-	-
Sundry Creditors including Accrued Expenses	53,165,959	54,541,889	1,775,066	2,284,476
	277,865,518	206,449,815	1,775,066	2,284,476
Statutory Payables	17,345,724	29,637,032	-	-
Guest Refundable deposits	24,263,974	27,142,047		
	319,475,216	263,228,894	1,775,066	2,284,476

14.1 Other Payables - Related Parties

Year ended 31 March	Relationship	Group		Company	
		2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Ceccato Colombo (Pvt) Ltd	Other Related Party	93,895	300,852	-	-
Jetwing Hotels Ltd	Other Related Party	7,586,484	16,404,696	-	-
The Lighthouse Hotel PLC	Other Related Party	19,500	-	-	-
Jetwing Hotels Management Services (Pvt) Ltd	Other Related Party	659,690	1,051,128	-	-
Jet Enterprises (Pvt) Ltd	Other Related Party	-	580,645	-	-
St. Andrews Hotel (Pvt) Ltd	Other Related Party	95,026	-	-	-
		8,454,595	18,337,321	-	-
Jetwing Travels (Pvt) Ltd	Significant Investor	66,857	408,442	-	-
Blue Oceanic Beach Hotel (Pvt) Ltd	Significant Investor	38,818	19,479	-	-
		105,675	427,921	-	-
		8,560,270	18,765,242	-	-

Notes to the Financial Statements Contd.

15. FINANCE COST & FINANCE INCOME

15.1 Finance Income

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Interest Income	7,404,498	21,446,265	75,181	17,434,714
Interest Income-Related party	-	-	4,625,322	1,700,699
Dividend Income	21,867	13,898	-	-
	7,426,365	21,460,163	4,700,503	19,135,413

15.2 Finance Cost

Year ended 31 March	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Interest on Overdraft	95,669,906	79,122,413	145	7,610
Lease Interest	4,772,573	430,895	-	-
Bank Loan Interest	321,794,148	378,052,154	-	-
	422,236,627	457,605,462	145	7,610

16. OTHER INCOME

	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Capital Gain on sale of Units	547,823	11,010,744	547,823	10,726,827
Fair value loss from Other Investments	(71,811)	(164,464)	-	-
Profit on disposal of Other Investments	-	3,719,232	-	-
loss on disposal of Property Plant & Equipments	-	50,307	-	-
Profit on disposal of Right of use Assets	3,894,236	-	-	-
Vehicle Hire Income	412,379	415,133	-	-
Insurance claim Received	3,518,561	-	-	-
Writeback of other payables	179,275	-	-	
Miscellaneous Income	412,459	426,003	-	-
	8,892,922	15,456,955	547,823	10,726,827

Notes to the Financial Statements Contd.

17. CASH AND CASH EQUIVALENTS IN CASH FLOW STATEMENT

Components of Cash and Cash Equivalents

		Group		Company	
	Year ended 31 March	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
17.1	**Favourable Cash and Cash Equivalent Balances**				
	Cash at Bank and in Hand	96,153,520	49,529,504	748,188	664,567
	Other Current Financial Assets (Note 8.3)	1,646,635	7,309,862	-	5,000,000
		97,800,155	56,839,366	748,188	5,664,567
17.2	**Unfavourable Cash & Cash Equivalent Balances**				
	Bank Overdrafts (Note 12.1)	(1,148,016,884)	(1,263,562,784)	-	-
	Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	(1,050,216,729)	(1,206,723,418)	748,188	5,664,567

18. PROFIT STATED AFTER CHARGING/(CREDITING)

	Group		Company	
Year ended 31 March	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Employees benefits including the following	370,833,343	356,070,290	-	-
- Defined Benefits plan costs - Gratuity (included in employee benefits)	9,941,996	8,560,213	-	-
- Defined Contribution Plan Cost- EPF & ETF	35,472,862	31,944,472	-	-
Depreciation & Amortization	323,472,406	327,879,117	-	-
Donation	555,214	441,201	-	-
Hotel Operation & Marketing fees - Related Party	76,451,780	109,865,618	-	-
Non Executive Directors fee	1,845,000	1,814,400	1,845,000	1,814,400
(Profit) /Loss on disposal of Property Plant & Equipment	5,305,934	50,307	-	-
(Profit) /Loss on disposal of Right of use Assets	(3,894,236)	-	-	-

19. INCOME TAX EXPENSES

Current Income Tax

	Group		Company	
Year ended 31 March	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Income Tax Expenses for the Year (Note 19.1)	1,344,660	9,384,089	1,269,136	8,361,427
Under/(Over) Provision of current taxes in respect of prior years	-	(46,874)	-	-
Irrecoverable Economic Service Charge	10,257,833	-	-	-
Deferred Tax charge/(reversal) for the year	(15,740,217)	-	-	-
	(4,137,724)	9,337,215	1,269,136	8,361,427

Notes to the Financial Statements Contd.

19.1 Income Tax

The major components of income tax expense are as follows :

Year ended 31 March	Group 2020 Rs.	Group 2019 Rs.	Company 2020 Rs.	Company 2019 Rs.
Profit /(Loss) Before Income Tax	(463,928,803)	(271,250,064)	494,555	23,303,643
Other Sources of Income	(15,821,622)	(33,989,648)	(4,700,503)	(29,862,240)
Aggregate disallowable Items	435,872,711	370,141,422	1,000,000	-
Aggregate Allowable Items	(645,754,060)	(631,261,479)	-	-
Business Losses (Note 18.2 b)	(689,631,774)	(566,359,769)	(3,205,948)	(6,558,596)
Business Profit	1,069,886	1,078,052	-	-
Other Sources of Income			-	
Statutory Income from Interest	11,998,815	32,975,578	4,700,503	29,862,240
Tax Losses Utilized	(3,922,788)	(2,829)	-	-
Taxable Income	6,485,279	32,972,749	4,700,503	29,862,240
Tax Rate	14%,24% & 28%	28% & 14%	24% & 28%	28%
Income Tax Expenses for the Year	1,344,660	9,384,089	1,269,136	8,361,427

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

Deferred Tax assets & Liabilities

Year ended 31 March	Group Assets 2020 Rs.	Group Assets 2019 Rs.	Group Liabilities 2020 Rs.	Group Liabilities 2019 Rs.
Balance at the beginning of the year	-	-	247,389,619	210,867,119
Charge /Release during the year	7,689,166	-	1,932,643	36,522,500
Balance at the end of the year	7,689,166	-	249,322,262	247,389,619
Closing deferred tax asset/liability relates to the following				
Accelerated depreciation for tax purposes	(18,027,870)	-	27,549,660	-
Right of use assets	963,543	-	-	-
Tax Losses available for off-set against future taxable income	22,976,265	-	(31,303,754)	-
Employee benefit liability	1,777,228	-	(4,092,262)	-
Impact on Land Revaluation	-	-	257,168,619	247,389,619
	7,689,166	-	249,322,262	247,389,619

Notes to the Financial Statements Contd.

Deferred Tax Expense/(Reversal)	Group	
	2020	2019
	Rs.	Rs.
Profit or Loss Statement		
Deferred tax arising from		
Accelerated depreciation for tax purposes	45,577,530	-
Reversal arising from tax losses	(54,280,022)	-
Employee benefits liability	(6,074,182)	-
Right of use Assets	(963,543)	-
	(15,740,217)	-
Other Comprehensive Income		
Deferred tax arising from		
Employee benefits liability	204,692	-
Impact on Land Revaluation	9,779,000	36,522,500
	9,983,692	36,522,500
Total Deferred Tax charge/(Reversal)	(5,756,525)	36,522,500

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

b) The Group recognizes a deferred tax asset on unused tax losses which is expected to reduce the future tax expense based on the Group's forecasted business plans as a response to COVID-19 pandemic. However, Deferred tax Assets have not been recognised for unused tax losses amounting to Rs. 222,312,024/- . These unused tax losses will expire in 2024/25 - Rs 184,689,630/- & 2025/26 - Rs.37,622,394/-.

Notes to the Financial Statements Contd.

20. EARNINGS PER SHARE

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

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

	Group		Company	
Year ended 31 March	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Net Profit/(loss) Attributable to Ordinary Shareholders for Basic Earnings Per Share	(452,627,979)	(279,455,485)	(774,581)	14,942,216
Number of Ordinary Shares Used as Denominator:				
Weighted Average number of Ordinary Shares in issue	502,188,559	502,188,559	502,188,559	502,188,559
Applicable to Basic Earnings Per Share (LKR)	(0.901)	(0.556)	(0.002)	0.030

21. COMMITMENTS AND CONTINGENCIES

a) Capital Expenditure Commitments

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

	Group	
	2020 Rs.	2019 Rs.
Authorized by the Board, but not Contracted for	20,000,000	404,606,481
Contracted, but not provided	-	208,216,033
	20,000,000	612,822,514

b) Contingent Liabilities

There are no significant contingent liabilities as at 31st March 2020, 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 in respect of a subsidiary. The Group does not agree with such claim. The magistrate court case bearing No 59898 in respect of this matter needs to be taken up for hearing on 07 August 2020. The said claim as at 31 March 2020 is Rs 21.2 Mn.

22. ASSETS PLEDGED

		Group	
		Carrying Amount of the Assets Pledged	
Nature of Assets	Nature of Liability	2020 Rs.	2019 Rs.
Land and Buildings	Primary mortgage over loans and borrowings	7,872,362,617	7,086,249,597

Notes to the Financial Statements Contd.

23. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

Year ended 31 March	Group		Company	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
23.1 Transactions with Subsidiaries				
Amount Receivable as at 31 March (Note 10.2)	-	-	7,558,992	60,682,799
Nature of Transactions				
Investment made in Subsidiaries	-	-	50,000,000	300,000,000
Short-term Loans granted	-	-	55,000,000	97,000,000
Short-term Loans settled	-	-	(107,500,000)	(30,000,000)
Interest Received	-	-	4,625,322	1,700,699
Reimbursement of expenses	-	-	5,404	24,100

23.2 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	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Amount receivable as at 31 March (Note 10.1 & 10.2)	15,134,646	8,387,640	-	-
Amount payable as at 31 March (Note 14.1)	8,454,595	18,337,321	-	-
Nature of Transactions				
Transportation Charges	867,426	528,382	-	-
Hotel Development Fee	11,075,693	2,203,217	-	-
Purchases of Beverage & Others	17,375,415	31,489,982	-	-
Sale of Accommodation	34,980,814	52,715,876	-	-
Gratuity Transfer (Net)	4,042,053	374,890	-	-
Hotel Operation and Marketing Fee	76,451,780	109,865,618	-	-
Advertising Expenses and Other Reimbursements	26,765,006	30,611,638	5,179	29,967
Sale of Assets	-	159,938	-	-
Laundry Charges	10,960,186	11,731,195	-	-
Sale of other items	1,514,887	1,537,254	-	-
Support Services	17,651,277	15,471,785	-	-
Vehicle Hire Income	247,166	284,709	-	-
Investor relations Expenses	-	2,116,958	-	2,116,958
Net Investment/(Redemption) in Units (Note 8.4.1)	547,823	360,881,405	547,823	354,492,139
Capital Gain from FVTOCI Investment (Note 8.4.1)	547,823	11,010,744	547,823	10,726,827

Notes to the Financial Statements Contd.

23.3 Transaction with Significant Investors

Year ended 31 March	Group		Company	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Amount receivable as at 31 March (Note 10.1 & 10.2)	26,558,023	27,367,606	-	-
Amount payable as at 31 March (Note 14.1)	105,675	427,921	-	-
Sale of Goods	815,000	484,061	-	-
Transport Expenses	370,249	1,364,487	-	-
Purchase of Goods	955,824	411,693	-	-
Gratuity Transfers	361,250	-	-	-
Advertising Expenses and other Reimbursements	1,530,983	2,486,549	-	-
Sale of Accommodation	161,214,239	239,103,144	-	-
Vehicle Hire Income	16,779	6,121		-

23.4 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 10.2 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.

23.5 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	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Key Management Personnel Compensation				
Executive Directors Fee	-	-	-	-
Non Executive Directors Fee	1,845,000	1,814,400	1,845,000	1,814,400

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

24. 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:

Notes to the Financial Statements Contd.

24.1 Credit Risk

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

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

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

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

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

	Group		Company	
	Carrying Value		Carrying Value	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	Rs.	Rs.	Rs.	Rs.
Cash at Bank and in Hand (Note 24.1 d)	96,153,520	49,529,504	748,188	664,567
Other current Financial Assets (Note 24.1 b)	1,646,635	182,309,862	-	5,000,000
Trade Receivables (Note 24.1 c)	105,584,423	193,159,105	-	-
Other Receivables	26,455,349	10,041,224	7,558,992	60,682,799

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

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

Group Institute	Instrument	Credit Rating for 2020	Investment 2020 RS.	Credit Rating for 2019	Investment 2019 RS.
Hatton National Bank PLC	Fixed Deposit	AA+	1,646,635	AA-	177,309,862
Commercial Bank of Ceylon PLC	REPO Investment	AA+	-	AA-	5,000,000
			1,646,635		182,309,862

Company Institute	Instrument	Credit Rating for 2020	Investment 2020 RS.	Credit Rating for 2019	Investment 2019 RS.
Commercial Bank of Ceylon PLC	REPO Investment	AA+	-	AA-	5,000,000
					5,000,000

Notes to the Financial Statements Contd.

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

Group	2020 Gross Carrying amount Rs.	2020 Impairment allowance Rs,	2020 Net Carrying amount Rs.	2019 Net Carrying amount Rs.
As at 31 March 2020				
Neither past due, nor impaired	41,723,553	-	41,723,553	125,092,390
Past due 31-60	43,784,481	(6,838)	43,777,643	49,978,464
Past due 61-180	20,001,116	(336,702)	19,664,414	17,453,277
Past due more than 180 days	1,709,141	(1,290,328)	418,813	634,974
	107,218,291	(1,633,868)	105,584,423	193,159,105
As at 31 March.2019	194,506,443	(1,347,338)	193,159,105	

d. Cash at bank of the Group comprises balances in banks amounting to Rs 96,153,520 /- (2019 - Rs. 49,529,504/-) with banks which have a Fitch Rating Higher or equal to “AA+”.

24.2 Liquidity Risk

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

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

Group	2020 Rs.	2019 Rs.
Secured Loans (Note 12.3)	3,620,630,753	3,011,039,919
Bank Overdrafts (Note 17.2)	1,148,016,884	1,263,562,784
Trade and Other Payables (Note 14)	277,865,518	206,449,815
Lease Liabilities (Note 12.2)	42,985,380	2,738,333
	5,089,498,535	4,483,790,851

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

Bank Loans Group	1 - 6 Months Rs.	7 - 12 Months Rs.	1 - 5 Years Rs.	More than 5 Years Rs.	Total Rs.
Borrowings-LKR	-	397,145,202	1,969,111,655	99,930,000	2,466,186,857
Borrowings-USD	-	168,729,572	981,941,925	3,772,400	1,154,443,897
Leases	1,545,668	1,505,619	15,448,429	24,485,664	42,985,380
Bank Overdrafts	1,148,016,884	-	-	-	1,148,016,884
Trade and Other Payables	277,865,518	-	-	-	277,865,518
Total 2020	1,427,428,070	567,380,393	2,966,502,009	128,188,064	5,089,498,536
Total 2019	1,908,280,812	332,682,943	2,255,617,762	-	4,496,581,517

Notes to the Financial Statements Contd.

c Undrawn borrowing facilities:

The Group has undrawn borrowing facilities amounting to Rs 1,051,983,116/-as at 31 March 2020.

24.3 Market Risk

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

a. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where it has foreign currency transactions which are affected by foreign exchange movements.

An analysis of the carrying amount of financial instruments based on the currency they are denominated as at 31 March 2020 are as follows:

Group	In USD	In EURO
Cash at Bank and in Hand	442,476	8,423
Trade Receivables	90,235	27,220
Secured Loans	(6,120,474)	-
Net Aggregate Carrying Value in respective currencies	(5,587,763)	35,643
Net aggregate carrying value in Rs. -2020	(1,053,963,942)	7,686,358
Net aggregate carrying value in Rs. -2019	(1,049,835,127)	9,350,839

Foreign Currency Sensitivity

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

Year	Change in USD Rate	Effect on Profit /(Loss) Before Tax
2020	+1%	(11,544,439)
	-1%	11,544,439
2019	+1%	(11,124,899)
	-1%	11,124,899

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

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Interest rate sensitivity

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

Notes to the Financial Statements Contd.

Group	Assumed impact due to Increase/(decrease) in basis points	Effect on Loss Before Tax 31.03.2020 Rs.
Borrowings-LKR	+ 100 basis points	(19,259,360)
Borrowings-LKR	- 100 basis points	19,222,360
Borrowings-USD	+ 25 basis points *	(2,677,575)
Borrowings-USD	- 25 basis points *	2,677,575

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

* Excluding exchange rate transaction fluctuations and their effects

24.4 Capital Management

The Board's intention is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's objective for managing its capital is to ensure that Group will be able to continue as a going concern while maximizing the return to shareholders, as well as sustaining the future development of its business. In order to maintain or adjust the capital structure, the Company may alter the total amount of dividends paid to shareholders, issue new shares, and draw down additional debt. Further information of capital and reserves and their external borrowings are included in Note 11 and 12.

25. FAIR VALUE

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

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

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

Notes to the Financial Statements Contd.

25.1 Fair Value Hierarchy

As at 31 March 2020, the Group held the following financial instruments carried at fair value on the Statement of Financial Position.

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

Assets Measured at Fair Value	Group			
	Total	Level 1	Level 2	Level 3
	Rs.	Rs.	Rs.	Rs.
Financial assets				
2020				
Quoted Equity Investments (Note 8.1)	813,054	-	813,054	-
Total	813,054	-	813,054	-
2019				
Quoted Equity Investments (Note 8.1)	884,865	884,865	-	-
Total	884,865	884,865	-	-

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.

26. 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.

27. OTHER MATTERS : CURRENT STATUS OF RESPONSE TO COVID-19 PANDEMIC

The impact of COVID-19 pandemic on our business is unprecedented. The Group understands the importance of the safety measures implemented by world leaders and therefore respectfully accept the current hibernation phase for tourism. The Group is closely monitoring the liquidity position of all companies and have requested banks for debt moratoriums and working capital loans as per the Central Bank guidelines, which would give the Company comfort in managing future cashflows of the business.

In addition to managing the financial impact of COVID-19, the Group have also put in place strict guidelines for future hotel operations based on the advice of the World Health Organization and the Ministry of Health and Indigenous Medical Services.

With the ease of the curfew during the daytime and the gradual reanimation of economic activities, we have witnessed a steady recommencement of our operations. While steadily gaining momentum, we are aware of the unpredictable nature of the current climate of the country and the globe and therefore, wish to further observe the impacts and take proactive measures to ensure the smooth functioning of the business. While, abiding by the health guidelines to ensure health and safety, we are eager to welcome our guests back to our hotels to extend our warm hospitality with utmost care.

Related Companies which had Transactions with the Group/Company

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Jetwing Hotels Ltd	Hotel Operation and Marketing Fee	76,451,780	109,865,618	-	-
	Advertising Expenses and Other Reimbursements	23,293,064	26,904,925	-	-
	Hotel Development Fee	11,075,693	2,203,217	-	-
	Gratuity Transfer	273,333	-	-	-
	Sale of Accommodation	58,113	4,703,041	-	-
	Vehicle Hire income	6,674	9,734	-	-
Jetwing Travels (Pvt) Ltd	Transportation Charges	370,249	1,364,487	-	-
	Sale of Accommodation	161,008,770	236,282,567	-	-
	Advertising Expenses and Other Reimbursements	-	89,616	-	-
	Other Expenses	1,428,331	1,665,510	-	-
	Vehicle Hire Income	9,823	3,316	-	-
	Purchase of Food & Beverege	-	57,217	-	-
Capital Alliance Investments Ltd	Capital gain from AFS Investment	-	11,010,744	-	10,726,827
	Net Investment in Corporate Treasury Fund	-	360,881,405	-	354,492,139
Negombo Hotels Ltd	Sale of Accommodation	1,693,621	2,609,480	-	-
	Reimbursement of Expenses	47,045	98,683	-	-
	Gratuity Transfer	-	20,000	-	-
	Sale of Rice	4500	-	-	-
Jetwing Hotels Management Services (Pvt) Ltd					
	Laundry Charges	10,888,018	11,731,195	-	-
	Advertising Expenses and Other Reimbursements	24,754	-	-	-
	Vehicle Hire Income	893	17,561	-	-
	Other Expenses	466,874	495,925	-	-

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

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Seashells Hotel (Pvt) Ltd	Sale of Accommodation	38,178	1,989,781	-	-
	Other Expenses	78,097	817,293	-	-
	Gratuity Transfer	385,545	63,220	-	-
	Vehicle Hire Income	1,034		-	-
	Sale of Rice	138,000	322,000	-	-
Blue Oceanic Beach Hotel (Pvt) Ltd	Purchases of Beverage & Others	633,545	50,086	-	-
	Sale of Accommodation	205,470	2,858,317	-	-
	Gratuity Transfer	361,250	-	-	-
	Purchase of Foods & Beverege	322,278	304,389	-	-
	Other Expenses	102,652	731,423	-	-
	Vehicle Hire Income	6,956	2,805	-	-
	Sale of Rice	815,000	442,750	-	-
	Sale of Goods	-	41,311	-	-
Villa Properties (Pvt) Ltd	Support Services	17,651,277	15,471,785	-	-
Jet Enterprises (Pvt) Ltd	Purchases of Beverage & Others	11,660,725	23,895,042	-	-
	Purchase of Goods	1,764,156	3,469,385	-	-
	Other Expenses	45,342	1,339,495	-	-
Jetwing Events (Pvt) Ltd	Sale of Accommodation	8,737,654	4,904,309	-	-
Total Holiday Options Lanka (pvt) Ltd	Sale of Accommodation - Receipt	3,618,315	1,314,857	-	-
The Herbert Cooray Trust	Reimbursement of Other Expenses	1,897,853	571,394	-	-
Jetwing Journeys (Pvt) Ltd	Sale of Accommodation	-	37,121	-	-

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

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
The Lighthouse Hotel PLC	Sale of Accommodation	509,606	508,796	-	-
	Gratuity Transfer (Net)	721,287	66,722	-	-
	Puchase of Food & Beverege	-	1,862	-	-
	Purchase of Goods	28,708	-	-	-
	Other Expenses	631,455	54,296	-	5,867
	Vehicle Hire Income	132,258	77,606	-	-
	Sale of Rice	276,750	257,250	-	-
St. Andrews Hotel (Pvt) Ltd	Other Expenses	-	27,642	-	-
	Sale of Accommodation	160,849	24,691	-	-
	Other Expenses	27,268	-	-	-
	Transportation Charges	867,426	463,319	-	-
	Gratuity Transfer (Net)	65,583	245,085	-	-
	Sale of Rice	228,000	124,250	-	-
Yarl Hotels (Pvt) Ltd	Sale of Accommodation	9,790	47,346	-	-
	Vehicle Hire Income	66,458	124,172	-	-
	Sale of Rice	36,000	94,500	-	-
	Other Expenses	14,996	634	-	-
Thalahena Beach Houses (Pvt) Ltd	Sale of Accommodation	-	46,647	-	-
	Reimbursement of Other Expenses	-	18,102	-	-
Go Vacation Lanka Company (Pvt) Ltd	Sale of Accommodation	14,655,909	24,991,606	-	-

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

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
The Royal Heritage (Pvt) Ltd	Sale of Accommodation	341,662	229,215	-	-
	Advertising Expenses & Other Reimbursements	86,625	127,567	-	-
	Sale of Assets	-	159,938	-	-
	Gratuity Transfer	2,160,903	-	-	-
	Other Expenses	101,591	17,363	-	-
	Vehicle Hire Income	31,577	45,026	-	-
	Sale of Rice	171,500	150,500	-	-
	Purchase of Goods	245,409	12,500	-	-
	Sale of Goods	332,562	406,754	-	-
Negombo Properties (Pvt) Ltd	Sale of Accommodation	196,075	86,245	-	-
	Advertising Expenses & Other Reimbursements	33,838	88,541	-	-
	Sale of Rice	4,000	-	-	-
Jetwing Eco Holidays (Pvt) Ltd	Sale of Accommodation	4,015,245	8,153,781	-	-
Unawatuna Properties (Pvt) Ltd	Other Expenses	2,517	-	-	-
	Sale of Rice	10,000	-	-	-
Thirteen Development Lanka (Pvt) Ltd					
	Sale of Accommodation	81,225	1,235,869	-	-
	Goods Transfer	-	1,742,317	-	-
	Transport Charges	-	65,063	-	-
	Purchase of Goods	-	40,856	-	-
	Purchase of Food & Beverege	1,440,153	166,797	-	-
Jetwing Air (Pvt) Ltd	Sale of Accommodation	340,906	209,449	-	-

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

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
The First Resort (Pvt) Ltd	Sale of Accommodation	216,963	1,134,290	-	-
	Gratuity Transfer	-	9,365	-	-
	Other Expenses	23,583	32,335	-	-
	Vehicle Hire Income	5,217	7,602	-	-
	Sale of Rice	238,750	182,000	-	-
Jetwing Ayurveda (Pvt) Ltd	Advertising Expenses and Other Reimbursements	62,272	-	-	-
	Vehicle Hire Income	3,055	3,008	-	-
	Other Expenses	-	16,174	-	-
	Sale of Accommodation	30,545	100,866	-	-
	Sale of Rice	74,825	-	-	-
	Purchase of Goods	82,250	-	-	-
Lanka Dhiviya (Pvt) Ltd	Gratuity Transfer	159,018	-	-	-
Jetwing Adventure (Pvt) Ltd	Sale of Accommodation	446,612	350,746	-	-
Ceccato Colombo (Pvt) Ltd	Purchase of Goods	2,154,014	2,161,224	-	-
Jetwing Real Estate (Pvt) Ltd	Reimbursement of Other Expenses	-	1,269	-	-
Capital Alliance Partners Ltd	Invester Relations Expenses	-	2,116,958	-	2,116,958

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

Name of Company	Nature of Transactions	Transactions with Group Companies		Transactions with Company	
		2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Jetwing City (Pvt) Ltd	Loan Interest	-	-	1,957,852	-
	Temporary Loan Granted	-	-	40,000,000	-
	Temporary Loan Settled	-		40,000,000	-
	Reimbursement of Other Expenses	-	-	5,404	24,100
Cultural Heritage (Pvt) Ltd	Temporary Loan Granted	-	-	-	30,000,000
	Temporary Loan Settlement	-	-	10,000,000	20,000,000
	Temporary Loan Interest	-	-	84,101	465,915
Yala Properties (Pvt) Ltd	Temporary Loan Granted	-	-	15,000,000	67,000,000
	Temporary Loan Settlement	-	-	67,500,000	17,000,000
	Temporary Loan Interest	-	-	2,583,369	1,234,784
The River Bank (Pvt) Ltd	Investment in Subsidiaries	-	-	50,000,000	300,000,000
	Temporary Loan Granted	-	-	10,000,000	5,500,000
	Temporary Loan Settlement	-	-	10,000,000	5,500,000

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

DIRECTORS OF SUBSIDIARIES

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

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

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

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

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

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

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

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

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

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

DIRECTORS OF OTHER RELATED COMPANIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- **The First Resort (Pvt) Ltd**

  Directors

  Mr. N.J.H.M. Cooray
  Mrs. A.M.J. Cooray
  Mr. R.A.E. Samarasinghe
  Mr. C.S.R.S. Anthony

- **Lanka Dhiviya (Pvt) Ltd**

  Directors

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

- **Ceccato Colombo (Pvt) Ltd**

  Directors

  Mr. G. Rocchi

- **The Herbert Cooray Trust**

  Director

  Mr. N.J.H.M. Cooray
  Ms. N.T.M.S. Cooray

- **Total Holiday Options Lanka (Pvt) Ltd.**

  Directors

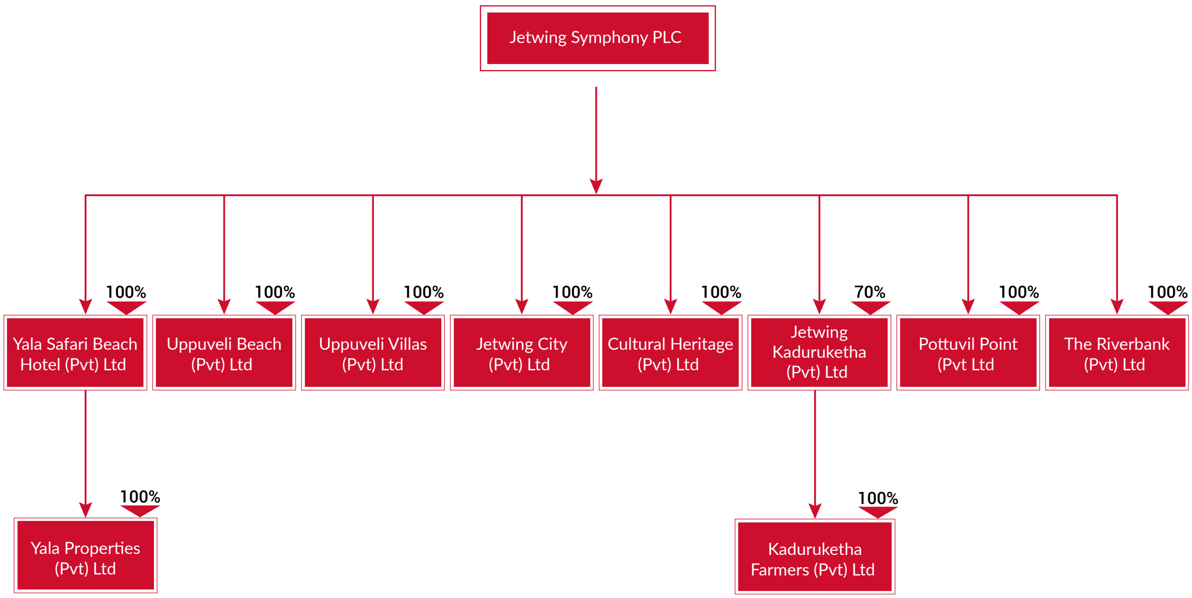
  Mr. N.J.H.M. Cooray
  Mr. R.J. Arasaratnam
  Mr. F.A. Khan
  Ms. A. Thomas

- **Jetwing Journeys (Pvt) Ltd.**

  Directors

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

Group Structure



Information to Shareholders and Investors

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

The Number of Shareholders as at 31st March 2020

Number of Shares held	Residents			Non - Residents			Total		
	No of Share holders	No. of Shares	%	No of Share holders	No.of Shares	%	No.of Shares	No.of Shares	%
1 - 1,000	442	118,363	0.02	2	101	0.00	444	118,464	0.02
1,001 - 10,000	127	465,113	0.09	3	12,010	0.00	130	477,123	0.10
10,001 - 100,000	51	1,702,086	0.34	2	89,354	0.02	53	1,791,440	0.36
100,001 - 1,000,000	21	7,939,487	1.58	7	4,041,127	0.80	28	11,980,614	2.39
Over - 1,000,000	24	382,756,151	76.22	4	105,064,767	20.92	28	487,820,918	97.14
Total	**665**	**392,981,200**	**78.25**	**18**	**109,207,359**	**21.75**	**683**	**502,188,559**	**100.00**

Categories of Shareholders	Total		
	No.of Shareholders	No.of shares	%
Individuals	644	119,640,370	23.82
Institutions	39	382,548,189	76.18
Total	**683**	**502,188,559**	**100.00**

There were no non - voting shares as at 31st March 2020

The Company raised LKR 753,282,840 through an IPO offer for subscription of 50,218,856 ordinary shares at a issue price of LKR 15/- per share for the objectives as setout in page 127 during the year 2017/18. There were no material change in the use of funds. Company listed its shares on the Diri Savi Board of the Colombo Stock Exchange on 5th January 2018.

18.43% of the issued capital of the company was held by the public, comprising of 664 shareholders and a float adjusted market capitalisation of LKR 786,703,487 as at 31st March 2020.In terms of Rule 7.13.1.(b) of the Listing Rules of the Colombo Stock Exchange,the Company qualifies under option 2 of the minimum public holding requirement.

Information to Shareholders and Investors

20 Largest Shareholders as at 31st March 2020

Name of Shareholder	No of Shares as at 31.03.2020	%	No of Shares as at 31.03.2019	%
Jetwing Travels (Pvt) Ltd	93,767,471	18.67	93,767,471	18.67
R.O.K. International Holdings Ltd	90,909,091	18.10	90,909,091	18.10
Blue Oceanic Beach Hotel (Pvt) Ltd	66,214,150	13.19	66,214,150	13.19
Employees Provident Fund	35,454,545	7.06	35,454,545	7.06
Mr. N.J.H.M.Cooray	34,747,339	6.92	21,060,311	4.19
Ms N.T.M.S.Cooray	32,866,324	6.54	19,179,297	3.82
N J Cooray (Builders) (Pvt) Ltd.	29,088,096	5.79	29,088,096	5.79
Amaliya (Pvt) Ltd	25,109,400	5.00	25,109,400	5.00
Mr. I.Weinman	22,727,273	4.53	22,727,273	4.53
RMP Partners Ltd	11,505,676	2.29	11,505,676	2.29
Jetwing Hotels Management Services (Pvt) Ltd	5,562,059	1.11	5,562,059	1.11
St. Andrews Hotel (Pvt) Ltd	5,100,000	1.02	5,100,000	1.02
Seylan Bank PLC. - A/C NO. 3	3,328,749	0.66	3,328,749	0.66
Mr. N.J.D.M.Cooray	3,286,997	0.65	3,286,997	0.65
Mr. N.H.V.Perera	3,186,609	0.63	3,186,609	0.63
Nilaveli Beach Hotels (Pvt) Ltd	3,102,755	0.62	3,102,755	0.62
Mr. N.J.H.Cooray	2,861,439	0.57	2,861,439	0.57
Mr. N.A.H.Cooray	2,861,439	0.57	2,861,439	0.57
Mr. G.R.Cooray Arasaratnam	2,861,439	0.57	2,861,439	0.57
Capital Alliance Holdings Ltd	2,209,150	0.44	2,209,150	0.44
TOTAL	**476,750,001**	**94.93**	**449,375,946**	**89.48**

Market Value and Trading of Shares

	31st March 2020	31st March 2019
Last Traded Price per share as at (Rs)	8.50	9.70
Highest Market Value per share - During the period (Rs)	13.00	15.00
Lowest Market Value per share - During the period (Rs)	8.50	9.50

Share Trading during the period

	31st March 2020	31st March 2019
Number of Transactions	593	442
Number of Shares Traded	905,746	23,080,813
Value of Shares Traded (Rs)	9,618,000	267,828,257

Real Estate Holdings of the Group

Description of the Property	Location	Building in Sq. Ft	No. of Buildings	Land Extent Acres		Net Book Value as at 31/03/2020 (Rs.'000')
				Freehold	Leasehold	
Yala Properties (Pvt) Ltd						
Jetwing Yala	Yala	243,657	21	-	54.00	981,623
Jetwing Kaduruketha (Pvt) Ltd						
Jetwing Kaduruketha	Wellawaya	30,513	24	-	63.00	348,996
Culturala Heritage (Pvt) Ltd						
Jetwing Lake	Dambulla	146,236	8	17.18	-	1,785,959
Jetwing City (Pvt) Ltd						
Jetwing Colombo Seven	Colombo	163,468	3	0.44	-	3,584,019
Uppuveli Beach (Pvt) Ltd	Uppuveli	-	-	14.01	-	275,500
The Riverbank (Pvt) Ltd						
Jetwing Kandy Gallary	Kandy	47,306	1	1.91	-	564,619
Uppuveli Villas (Pvt) Ltd	Uppuveli	-	-	6.00	-	129,600
Pottuvil Point (Pvt) Ltd			-			
Jetwing Surf	Pottuvil	43,546	25	7.29	-	479,469

Recurrent Related Party Transactions

Name of the Related Party	Relationship	Nature of the Transactions	Aggregate Value of Related Party Transactions Entered into during the Financial Year (Rs)	Aggregate Value of Related Party Transactions as a % of Net Revenue	Terms and Conditions of the Related Party Transactions
Jetwing Travels (Pvt) Ltd.	Significant Investor	Sale of Accommodation	161,008,770/-	11%	· Credit Period of 30 days · Normal Trade Discounts

Status of the Utilization of IPO Funds

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

Objective number	Objective as per Prospectus	Amount allocated as per Prospectus in (LKR Mn)	Proposed date of utilization as per Prospectus	Amount allocated in LKR Mn (A)	% of total proceeds	Amount utilized in LKR Mn (B)	% of utilized against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg: whether lent to related party/s etc)
01.	Investment in The Riverbank (Private) Limited for project completion	300	January 2018 to July 2019	300	39.8%	300	100%	
02.	Investment in Pottuvil Point (Private) Limited for project completion	50	4th quarter FY18	50	6.6%	50	100%	
03.	Investment in Cultural Heritage (Private Limited) for the settlement of debt	200	4th quarter FY18	200	26.6%	200	100%	
04.	Investment in Jetwing Kaduruketha (Private Limited) for the settlement of debt	150	4th quarter FY18	150	19.9%	150	100%	
05.	Financing future investments and working capital requirements	15	January 2018 to March 2019	15	2.0%	6	40%	Unutilized funds have been temporarily granted to wholly owned subsidiary Yala Properties (Pvt) Ltd (Jetwing Yala) at an Interest rate of AWPLR + 0.75%
06.	Settlement of IPO costs	38	January 2018 to March 2018	38	5.1%	38	100%	The Company has saved LKR 14 Mn from the initial estimate for IPO costs which has been invested in The Riverbank (Pvt) Ltd. (Jetwing Kandy Gallery)
	Total	**753**		**753**		**744**	**99%**	

Five Year Summary

GROUP Year ended 31st March,	2020 Rs.'000	2019 Rs.'000	2018 Rs.'000	2017 Rs.'000	2016 Rs.'000
OPERATING RESULTS					
Revenue	1,525,016	1,911,321	1,515,032	734,742	508,470
Profit/(Loss) Before Taxation	(463,929)	(271,250)	(347,000)	(146,739)	(80,408)
Taxation	4,138	(9,337)	(1,618)	(2,885)	(50)
Profit/(Loss) After Taxation	(459,791)	(280,587)	(348,618)	(149,624)	(80,458)
SHAREHOLDERS' FUNDS					
Stated Capital	5,509,276	5,509,276	5,509,276	4,755,994	3,755,994
Reserves	994,246	934,175	709,327	740,284	453,761
Retained Earnings/(Losses)	(1,575,798)	(1,124,389)	(845,144)	(485,822)	(352,375)
	4,927,724	5,319,062	5,373,460	5,010,456	3,857,379
Non Controlling Interest	14,309	21,434	22,543	29,305	45,034
Shareholders' Funds	4,942,033	5,340,496	5,396,003	5,039,761	3,902,413
LIABILITIES					
Interest Bearing Loans & Borrowings	4,811,633	4,277,341	4,260,981	3,946,826	2,044,582
Current Liabilities	316,639	271,817	276,776	567,716	227,821
Other Liabilities	41,925	30,516	23,880	10,050	5,661
Deferred Tax Liabilities	249,322	247,390	210,867	-	-
TOTAL EQUITY AND LIABILITIES	10,364,552	10,167,560	10,168,506	9,564,353	6,180,477
ASSETS					
Property, Plant & Equipment	9,340,934	8,987,612	8,846,778	8,656,161	5,237,172
Leasehold Property/Prepaid Lease Rent	-	47,049	49,010	50,970	52,930
Right of Use Assets	88,297	-	-	-	-
Deferred Tax Assets	7,689	-	-	-	-
Intangible Assets	582,529	582,926	583,576	583,248	582,169
Investments/Other Non-Current Financial Assets	813	885	3,065	2,814	3,115
Current Assets	344,289	549,088	686,076	271,159	305,091
TOTAL ASSETS	10,364,552	10,167,560	10,168,506	9,564,353	6,180,477
CASH FLOW					
From Operating Activities	304,955	112,585	(354,629)	406,989	18,972
From Investing Activities	(432,709)	6,731	(647,394)	(3,241,086)	(916,242)
From Financing Activities	284,260	(603,208)	853,740	2,528,693	724,865
Net Cash Inflow/(Outflow)	156,507	(483,891)	(148,282)	(305,404)	(172,405)
Cash & Cash Equivalents as at 31 March- Favourable/ (unfavourable)	(1,050,217)	(1,206,723)	(722,832)	(574,549)	(269,145)
KEY INDICATORS					
Earnings/(Loss) per Ordinary Share (Rs.)	(0.90)	(0.56)	(0.74)	(0.32)	(0.22)
Net Assets per Ordinary Share (Rs.)	9.81	10.59	10.70	11.09	10.68
Market Value per Share (Rs.)	8.50	9.70	13.50	N/A	N/A
No. of Operating Hotels	06	05	05	04	02

Corporate Information

NAME OF COMPANY

Jetwing Symphony PLC

Company Number PV/PB 13254 PQ

LEGAL FORM

Public Quoted Company

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

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

SECRETARIES

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

AUDITORS

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

HOTEL OPERATION & MARKETING

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

REGISTERED OFFICE

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

BANKERS

Commercial Bank of Ceylon PLC
Hatton National Bank PLC

Jetwing Symphony Timeline

2013/14

Jetwing Yala commenced operations in November 2013

Jetwing Yala
5 months

Group Occupancy
50%

2014/15

Jetwing Yala
Full year

Group Occupancy
50%

2015/16

Jetwing Kaduruketha commenced operations in December 2015

Jetwing Yala
Full year

Jetwing Kaduruketha
4 months

Group Occupancy
63%

2016/17

Jetwing Colombo Seven commenced operations in February 2017

Jetwing Lake commenced operations in December 2016

Jetwing Yala
Full year

Jetwing Kaduruketha
Full year

Jetwing Lake
3 ½ months

Jetwing Colombo Seven
2 months

Group Occupancy
54%

2017/18

Jetwing Surf commenced operations in December 2017

Jetwing Yala
Full year

Jetwing Kaduruketha
Full year

Jetwing Lake
Full Year

Jetwing Colombo Seven
Full Year

Jetwing Surf
4 months

Group Occupancy
59%

2018/19

Jetwing Yala
Full year

Jetwing Kaduruketha
Full year

Jetwing Lake
Full Year

Jetwing Colombo Seven
Full Year

Jetwing Surf
Full Year

Group Occupancy
59%

2019/20

Jetwing Yala
Full year

Jetwing Kaduruketha
Full year

Jetwing Lake
Full Year

Jetwing Colombo Seven
Full Year

Jetwing Surf
Full Year

Jetwing Kandy Gallery
3 months

Group Occupancy
49%

Notes

Notes

Notice of Meeting

Notice is hereby given that the Annual General Meeting ("AGM") of Jetwing Symphony PLC (the"Company") will be held on Thursday, 27th August 2020 at 11.00 a.m. at Jetwing House II, 7th Floor,46/26, Navam Mawatha, Colombo 02 for the following purposes:

1. To receive and consider the Annual Report of the Board of Directors together with the financial statements of the Company for the year ended 31st March 2020 and the report of the auditors thereon.

2. To re-appoint Ernst & Young, who are deemed to be re-appointed as auditors of the Company until the conclusion of the next AGM of the Company in terms of section 158 (1) of the Companies Act No. 07 of 2007, to audit the financial statements of the Company for the financial year ending 31st March 2021 and to authorise the Directors to determine their remuneration therefor.

3. To authorise the Directors to determine contributions to charities for the ensuing year.

By order of the Board

CORPORATE SERVICES (PRIVATE) LIMITED
Secretaries

JETWING SYMPHONY PLC

Colombo, on this 24th day of July 2020

Note:

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

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

Form of Proxy

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

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

....

....of ....as my/our proxy to attend and vote at the Annual General Meeting to be held on the 27th day of August 2020 and at any adjournment thereof.

		For	Against
1.	To receive and consider the Annual Report of the Board of Directors together with the financial statements of the Company for the year ended 31st March 2020 and the report of the Auditors thereon.	☐	☐
2.	To re-appoint Ernst & Young, who are deemed to be re-appointed as Auditors of the Company until the conclusion of the next AGM of the Company in terms of section 158 (1) of the Companies Act No. 07 of 2007, to audit the financial statements for the Company for the financial year ending 31st March 2021 and to authorise the Directors to determine their remuneration therefor.	☐	☐
3.	To authorise the Directors to determine contributions to charities for the ensuing year.	☐	☐

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

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

Note:

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

INSTRUCTIONS AS TO COMPLETION

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

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

Jetwing
SYMPHONY

Jetwing Symphony PLC
Jetwing House, 46/26, Nawam Mawatha, Colombo 02, Sri Lanka.
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www.jetwingsymphony.com

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E-mail: reservations@jetwinghotels.com
www.jetwinghotels.com

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