

# ANNUAL REPORT

2023 | 2024



THE LIGHTHOUSE HOTEL PLC



Rooted in timeless familial values of passion, humility, and tenacity that define Jetwing Hotels, our abodes of authentic Sri Lankan hospitality welcome you with a heartfelt Ayubowan, a signature greeting embodying the warm hospitality of Sri Lanka. To us, authentic hospitality lies in fostering a sense of belonging, characterized by an abundance of warmth and generosity. This ethos begins with our dedicated team, who eagerly welcome you to become the focal point of our attention, wherever you find yourself on our paradise island – always with a distinctly personal touch that is authentically Sri Lankan.



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A photograph of a room featuring a large, teal-colored canopy with scalloped edges. Underneath the canopy, there is a wooden bench with teal cushions and a yellow pillow. In the background, a window looks out onto a tropical beach with palm trees and the ocean. A small table with a vase of purple flowers is also visible.

## ABOUT US

Nestled along Sri Lanka's breathtaking southern coastal belt, The Lighthouse Hotel PLC boasts a portfolio of three unique properties that are sure to leave you captivated. Each of our resorts are steeped in its own unique charm, offering a quintessentially Sri Lankan experience that is truly unforgettable.

The iconic landmark of Galle, Jetwing Lighthouse, is the flagship resort in the portfolio, from the inspired vision of Jetwing's founder, Herbert Cooray, to the boundless ingenuity of renowned architect, Geoffrey Bawa. Alongside Jetwing Lighthouse, the company also owns and operates Jetwing Kurulubedda – a quaint resort that perfectly blends with its natural surroundings, comprising of two private Dwellings with Plunge Pool and four Deluxe Rooms. Additionally, it also includes the trendy, easy-going select-service Hotel J Unawatuna, the perfect combination of adventure and affordability, without a compromise on comfort and excitement.





Jetwing Lighthouse, a space where hospitality and architecture finds its timeless expression.

The Verandah, embraced by the gentle breeze of the Indian Ocean, its name is inspired by the welcoming cobblestone terrace alongside an elevated lawn overlooking the sea. Recognized as one of Geoffrey Bawa's favoured corners of Jetwing Lighthouse, the enchanting ambience here stands as one of the most defining spaces of our home.



### JETWING LIGHTHOUSE

One of Geoffrey Bawa's finest masterpieces, Jetwing Lighthouse stands atop a rocky promontory. Its open spaces embrace tropical modernism, offering 85 Luxury Rooms, including 5 Themed Suites, each featuring private balconies with stunning views. Guests can enjoy 24-hour room service, and access to a host of modern facilities and spa treatments. Culinary delights abound, with a variety of dining options to choose from as well.

### JETWING KURULUBEDDA

Designed to harmoniously blend in with the surrounding nature, Jetwing Kurulubedda is an intimate boutique sanctuary nestled in Galle. Home to two private Dwellings with a Plunge Pool and four Deluxe Rooms – each fitted with contemporary essentials, this haven offers absolute tranquillity and serenity for a refreshing escape amidst the greenery. The open-air restaurant by the edge of the pool offers authentic local specialties. For a distinct dining experience, the Signature Dining experiences allow for dining amidst the welcoming greenery – on the deck of the pool, the terrace of your room, or in the tranquility of the garden.



### HOTEL J - UNAWATUNA

Situated a short walk away from the Unawatuna beach, Hotel J Unawatuna is the perfect getaway to sun, sand, sea, jungle and adventure. Surrounded by several local attractions, Hotel J features 31 rooms and 5 dormitories, with an all-day restaurant that offers a colourful selection of local and international culinary delights.



## Financial Highlights

<b>Performance for the year ended 31 March</b>		<b>2024</b>	<b>2023</b>
Revenue	LKR '000	1,360,170	731,240
Earnings before interest, tax, depreciation & amortisation (EBITDA)	LKR '000	399,274	85,290
Profit/(Loss) before tax	LKR '000	264,122	(105,639)
Profit/(Loss) after tax	LKR '000	175,885	(119,537)
Earnings/(Loss) per share	LKR	3.82	(2.60)
Return on Equity	%	6	(4)

### Financial Position as at 31 March

Total Assets	LKR '000	3,994,176	3,838,534
Total Debt	LKR '000	243,509	394,822
Total Equity	LKR '000	2,930,283	2,774,402
Number of shares in issue	No. 000s	46,000	46,000
Net Assets per share	LKR	63.70	60.31
Debt/Equity	%	8	14
Debt/Total Assets	%	6	10
Current Ratio		0.87:1	0.44:1
Quick Asset Ratio		0.81:1	0.37:1

### Market/Shareholder information

Market price per share as at 31 March	LKR	37.90	27.30
Market Capitalisation	LKR '000	1,743,400	1,255,800

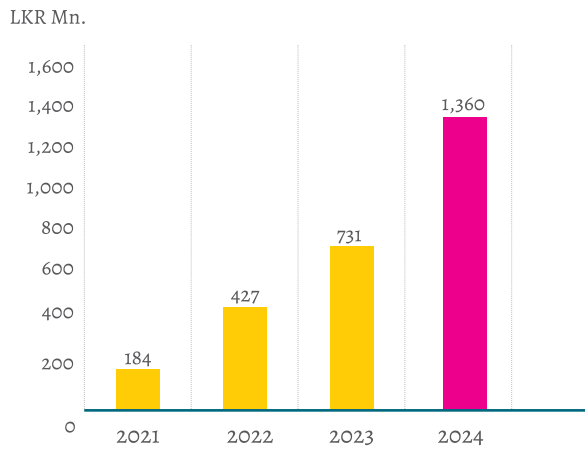
### Value added for the year ended 31 March

To Government as Income Tax	LKR '000	88,237	13,897
To Employees	LKR '000	248,996	168,987
To Shareholders	LKR '000	-	-

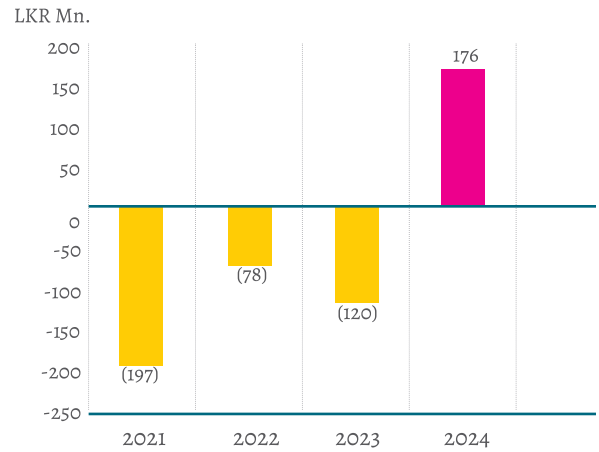


## Financial Highlights Contd.

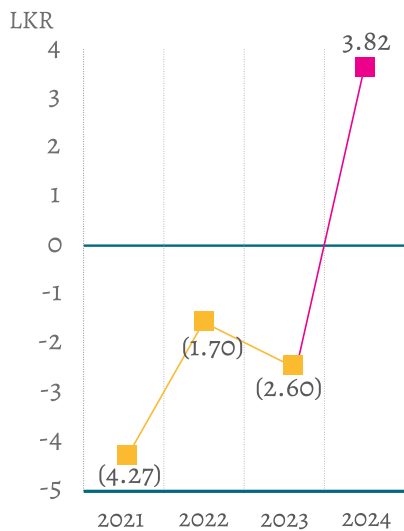
### Revenue



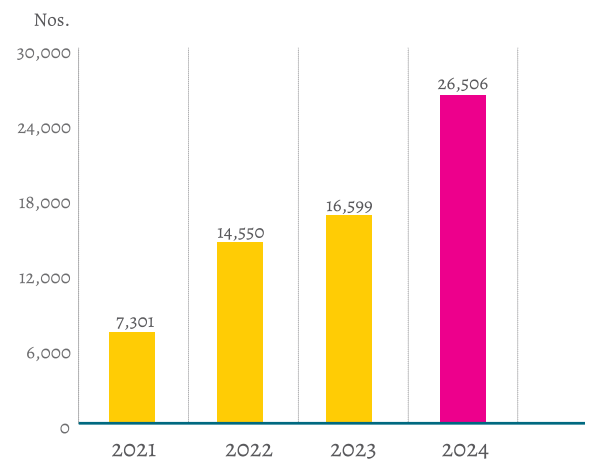
### Profit/ (Loss) after Tax



### Earnings/ (Loss) per Share



### Room Nights Occupied



## Chairman's Letter

To the shareholders and well-wishers of The Lighthouse Hotel PLC

Ayubowan (may you live long),

Last year, my statement began with the famous saying “when the going gets tough, the tough get going.” Today, as I write this letter, I thank and praise God for gracing our country with peace and stability, enabling your company to achieve record results after four years of hardship.

As a pioneering hospitality company in Sri Lanka, Jetwing has constantly challenged norms and wandered into uncharted territories to bring out the best results for all our stakeholders. At the start of the financial year, your company's flagship hotel – Jetwing Lighthouse, Galle –faced immense pressure to conform to the all-inclusive (AI) model that became ubiquitous along the south coast, as it catered to select markets of which operators were offering many incentives, including guaranteed occupancies and upfront payments. We took the tough decision at the time to align with our values and focus on our primary source markets and community-focused business model. Ever since the 1990s, Jetwing has resisted the AI business model across our properties in Sri Lanka, starting with Negombo, emphasising on the principle that tourism must benefit everyone, and not only a few hotels and travel agencies. Destinations like Negombo and Galle, among others, are booming with many world-class restaurants and other tourism-related services that are driven by local entrepreneurs. While empowering local communities, this model also makes each city a thriving and sought-after destination in a consumer-driven market. Thankfully, the results showed positive outcomes from the decision taken, and I am proud of the young marketing and sales team of your company's managing agents that gave us the courage to take the narrow path, and the operational team at the hotel for delivering Jetwing's legendary authentic Sri Lankan hospitality.

The tough decisions taken, along with the increase in positive sentiments for travel to Sri Lanka towards the latter part of the calendar year, allowed your company to perform better than expected at the start of the financial year. Revenue for the year increased by 86% to LKR. 1.36 billion, resulting in a 350% increase in Profit Before Tax to LKR. 264.1 million. Despite the increased tax rates on hospitality establishments, your company earned a Net Profit of LKR. 175.8 million, reflecting a 247% increase from the previous year. I am also pleased to mention that your company was able to compensate its hardworking team by paying a bonus of 3 months to all associates, coupled with an average monthly service charge of LKR. 46,500/- which was paid in full to 188 associates. As a policy, Jetwing strives to pay 100% service

charge to as many associates as possible, resulting in most of our team members remaining faithful to the organisation for most of their careers. Your company also contributed LKR. 214 million to the local economy in the region, in the form of supplier payments, primarily for food. The Lighthouse Hotel PLC has historically paid out maximum dividends to our shareholders, while continuing to care for the hotel property and all stakeholders of the business and investing in new properties. As we return to profitability, I am happy that we have delivered on our promise from the previous year, of providing dividends to you once more.

The Jetwing Sustainability strategy encompasses the 6-pillared approach of the group to incorporate innovative solutions to foster holistic business practices that take care of both the environment and people. Your company's properties are prime examples of sustainable hotels and I encourage you to learn more about the initiatives taken to create a positive impact – you may do so by checking the sustainability section of the hotel's website as well as visiting the property and engaging in the daily sustainability tours.

As all of you know, Sri Lanka recovered well as a country and as a tourism destination. We are grateful to His Excellency President Ranil Wickremasinghe and Minister Harin Fernando, along with the leadership and teams of all tourism authorities, for working closely with the private sector and forging a path for recovery and growth. As we were flying smoothly towards our cruising altitude, we were recently met with clear-air turbulence by the unforeseen introduction of visa processing by a foreign private entity. While many countries are easing border controls to boost their tourist arrivals, especially regional competitors such as Thailand, it is not the time to add further constraints in the form of increased visa fees, with no revenue and benefit to the country. This is not only a concern for stakeholders of the tourism industry, but we as Sri Lankan citizens must all be alarmed by this decision and its inevitable repercussions. I strongly urge the leadership of the country to revise their decision at once, in the interest of all Sri Lankans and foreign visitors to our island.

Many attempts have been made recently to launch a consumer-focused destination marketing campaign, but we are yet to see it in action. The Sri Lankan Tourism Promotions Bureau (SLTPB) must utilise the funds contributed by the industry in the form of the tourism development levy

(TDL), to which your company contributed LKR. 13.4 million, to effectively target discerning travellers both digitally and through traditional methods and position Sri Lanka as a leading luxury and sustainable travel destination. While it is essential to highlight the uniqueness of our island, in terms of the diversity of unique experiences and activities it offers despite its small size, it is also of paramount importance to highlight the country's premium resorts that earn high foreign currency revenues that is essential to the economy.

I also propose for the leadership of the country to create a working relationship between all tourism-related ministries. Many times, decisions are made that impact tourism, by non-tourism ministries – a recent example is the visa issuance fiasco. The ministries of agriculture, civil aviation, urban development, culture and art affairs, defence, finance, foreign affairs, highways and road development, indigenous medicine, labour, land, plantation industries, power and energy, sports, transport, wildlife and forest conservation, environment, coast conservation, and others, are all stakeholders of Sri Lanka tourism. Thankfully, we are now recognised as one of the sectors that will propel the economy, and if we are to achieve the expected results sustainably, and reach optimum levels of earnings from tourism to the country, it is crucial to have all these ministries working together for the benefit of the nation and its people, as they will all contribute directly and indirectly to the success or failure of the industry and the national economy.

While it was an exceptionally good year in many ways, we all recently faced an unforeseen heartache. It is with profound sadness that I inform you of the demise of our director Mr. E.P.A. Cooray. He served your company's board for over 14 years and contributed immensely with his experience and valuable advice. He was one of the most respected and highly regarded tourism and hospitality personalities in the country who dedicated his life to the development and positioning of our tourism industry. Among his many contributions, he played a pivotal role in developing the Rainforest Ecolodge in the Enselwatte, Deniyaya region of the Sinharaja forest reserve, of which your company owns a significant stake. His loss to us and to the Sri Lanka tourism industry will be greatly felt. We all pray that he will now be in heavenly bliss.

Your company's performance and recovery this year was a collective effort, and I would like to now mention all the stakeholders who played a

critical role in the past year: the Board of directors, the managing agents – Jetwing Hotels Ltd., banking partners, suppliers, members of the local community, tour operators and travel agents, online sales partners, and our guests. Finally, I would like to express my heartfelt gratitude to the managers and teams of your company's properties – Jetwing Lighthouse, Jetwing Kurulubedda, and Hotel J – Unawatuna.

I am hopeful that this financial year will bring more success for your company and our country, as we welcome a new era of tourism in Sri Lanka. I pray that our leaders will make wise choices and that all our citizens will uphold justice and contribute to the growth of our beautiful island. With the right intentions, we can achieve anything, and as long as we stay resilient and confident, we can always overcome the toughest challenges. May this year be filled with happiness and prosperity for the people of our beloved nation.

Thank you and may God bless you all,



Hiran Cooray  
Chairman  
The Lighthouse Hotel PLC  
03<sup>rd</sup> June 2024



## Operating Environment

### The Global Economy

The year 2023 has been a defining period for the global economy, characterized by resilience in the face of persistent challenges from the pandemic era and geopolitical tensions. The world witnessed a moderate growth rate of 3.0%, a slight deceleration from the 3.5% growth of 2022 according to the World Economic Outlook published by IMF. This slowdown was felt unevenly across regions, with advanced economies experiencing a more pronounced deceleration compared to emerging markets and developing economies.

Inflation remained a central theme throughout the year, with global inflation rates forecasted to decline from 8.7% in 2022 to 6.9% in 2023. The concerted efforts of central banks to tighten monetary policy, coupled with lower international commodity prices, contributed to this disinflationary trend. However, core inflation was projected to decline more gradually, with a return to target levels not expected until 2025.

Advanced economies saw growth rates slow from 2.6% in 2022 to 1.5% in 2023, as the impact of policy tightening began to take effect. The United States and Japan managed to maintain growth rates above 2.0%, while Europe grappled with more significant slowdowns, particularly in Germany and the United Kingdom. Emerging market and developing economies fared slightly better, with a modest decline in growth from 4.1% in 2022 to 4.0% in both 2023 and 2024. Asia, especially China and India, experienced the most buoyant economic activity, with growth rates of 5.0% and 6.3% respectively.

The global economic landscape was also shaped by concerns over geoeconomic fragmentation and disruptions to trade, particularly in commodities. These disruptions had the potential to affect commodity prices, economic activity, and the transition to green energy.

Amidst this backdrop, the World Economic Forum highlighted the importance of international cooperation and sound policymaking to navigate the unpredictable road ahead. Economists remained divided on the prospects of a global recession, with opinions split almost evenly on the likelihood of such an event in 2023.

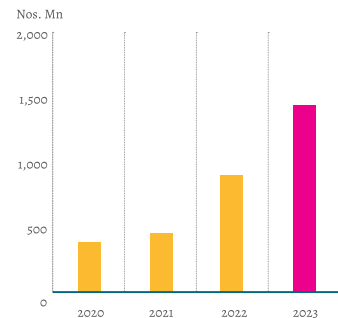
As the year progressed, the global economy demonstrated a capacity to adapt to changing circumstances, including shifts in business and industry models due to competitive geopolitical and geoeconomic environments. The focus for global leaders was to steer a path through these developments, emphasizing inclusive growth that could sustainably improve the lives of millions around the world.

In summary, the year 2023 was marked by slow but steady growth, declining inflation, and regional divergences. The global economy’s ability to navigate these challenges will set the stage for future economic trends and the overall health of the world’s financial systems.

### Global Tourism

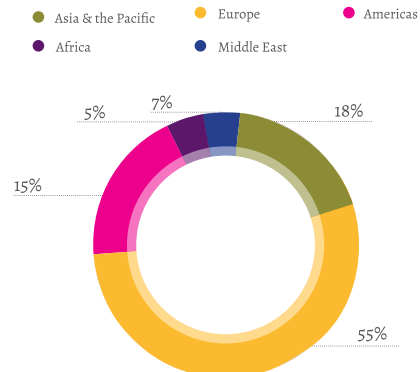
The year 2023 has been pivotal for global tourism, marking a significant rebound to near pre-pandemic levels. International tourist arrivals surged to an estimated 1.3 billion (34% over 2022), recovering 88% of the sector’s pre-pandemic levels. This resurgence is attributed to the unleashing of pent-up demand, improved air connectivity, and the robust recovery of Asian markets.

#### International Tourist Arrivals



The UNWTO forecasts a full recovery of international tourism by the end of 2024, with initial estimates suggesting a 2% growth above 2019 levels. This optimistic outlook is, however, tempered by the pace of recovery in Asia and ongoing economic and geopolitical risks. South Asia has shown remarkable resilience, recovering 87% of its pre-pandemic tourism levels, while North-East Asia lags at 55%.

#### International Tourist Arrivals by Region



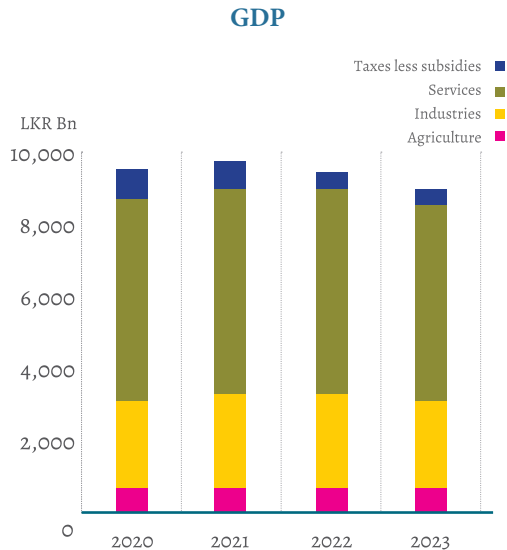
## Operating Environment Contd.

The global tourism industry’s growth is buoyed by an 18% increase in travel and tourism business, marking the highest point since the pandemic. Hotel bookings and travel businesses are expected to reach new heights, signaling a prosperous time for the industry.

In summary, the year has been marked by a strong recovery trajectory for global tourism, driven by consumer confidence and the reopening of borders. The industry’s adaptability to changing travel patterns and its response to global challenges will continue to shape its success in the forthcoming years. As we look ahead, the full recovery of global tourism appears within reach, promising renewed opportunities for destinations worldwide.

### The Sri Lankan Economy

As the fiscal year 2023 concluded, Sri Lanka’s economy exhibited signs of stabilization and a gradual revival from its deepest post-independence economic downturn. The nation’s GDP contracted by 2.3% in 2023, despite growth in the latter two quarters, signaling a slow but positive shift in economic momentum.



The contraction was primarily due to shrinking sectors such as construction, mining, financial services, and textile manufacturing, which faced challenges like weak demand, tight credit, and input shortages. However, sectors like transport, accommodation, food, and beverage services saw growth, thanks to a rebound in tourism<sup>4</sup>.

Inflation, which had been a pressing concern, declined to single-digit levels by mid-2023, aided by currency appreciation and improved supply chains. Yet, a recent spike in food prices and adjustments in fuel and utility costs pushed the headline inflation up to 5.9% by February 2024.

Monetary policy saw a significant easing, with the central bank cutting policy rates by 650 basis points between June and November 2023, leading to a reduction in the government’s domestic borrowing costs. Private sector credit showed signs of recovery, and the current account recorded a surplus for the first time since 1977, driven by strong remittances and tourism, alongside subdued imports.

The Sri Lankan Rupee appreciated by 10.8% against the US Dollar in 2023, reflecting some degree of economic recovery. Despite a primary balance surplus, the overall fiscal deficit remained high due to increased interest payments.

Looking ahead, the World Bank projects moderate growth of 2.2% for 2024, with signs of economic stabilization following the severe downturn of the previous years. However, the country still grapples with elevated poverty levels, income inequality, and labor market concerns. The forecast for 2025 suggests a modest pickup in growth to 2.5%, with a gradual increase in inflation and a small current account surplus.

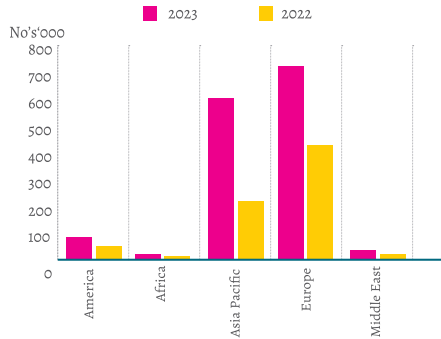
In summary, Sri Lanka’s economy is on a path to recovery, but the journey is fraught with challenges. The nation’s resilience and commitment to reforms will be crucial in overcoming these obstacles and fostering a sustainable economic future.

### Sri Lankan Tourism

The year 2023 has been a remarkable period for Sri Lanka’s tourism sector, marking a significant turnaround from the challenges of the past. The industry witnessed a robust revival, with the country registering the highest influx of visitors since 2019, reaching almost 1.5 million tourists. This achievement is particularly noteworthy given the consecutive challenges faced over the previous four years, including the Easter Sunday attacks and the global pandemic.

## Operating Environment Contd.

### Tourist Arrival by Country of Residence 2023



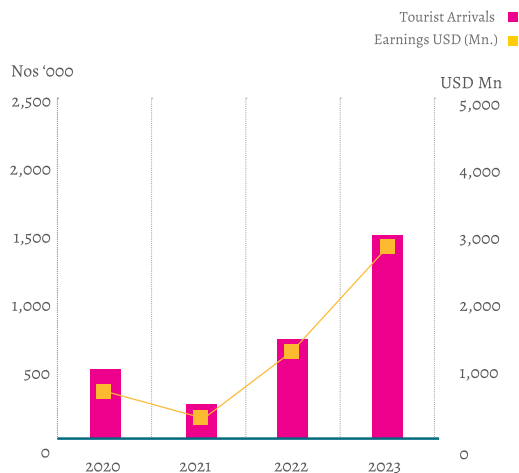
The resilience of Sri Lanka’s tourism was further evidenced by the impressive growth in international tourist arrivals, which saw a 67.5% increase compared to the same period in 2022. The total number of tourists reached 58% of pre-pandemic levels, a clear indication of the sector’s recovery trajectory. The top source markets contributing to this growth were India, the Russian Federation, the United Kingdom, Germany, and France, showcasing the diverse appeal of Sri Lanka as a travel destination.

Sri Lanka’s tourism strategy has been centered around promoting its unique blend of cultural heritage, natural beauty, and wildlife. The country has become a magnet for travelers seeking diverse experiences, from exploring ancient ruins and engaging in wildlife safaris to relaxing on pristine beaches and participating in wellness retreats. The government and private sector’s concerted efforts in marketing and infrastructure development have played a crucial role in this resurgence.

The Sri Lanka Tourism Development Authority (SLTDA) has been instrumental in driving growth through various initiatives, including enhancing digital connectivity, streamlining visa processes, and improving accessibility to key tourist sites. These efforts have been complemented by a focus on sustainable tourism practices, ensuring that the natural and cultural assets of the country are preserved for future generations.

Despite the positive trends, the industry faced headwinds from the global economic slowdown, which impacted disposable income and international travel spending. However, the strong recovery in regional markets, particularly India and South Asia, provided a buffer against these challenges. The industry’s adaptability to changing travel patterns and its response to global challenges will continue to shape its success in the forthcoming years.

### Annual Tourist Arrivals/Tourism Earnings



In summary, the year 2023 has been a testament to the tenacity and potential of Sri Lanka’s tourism industry. The sector’s strategic response to global challenges and its adaptability to changing travel patterns have set the stage for continued growth and success. With a focus on sustainable and responsible tourism, Sri Lanka is well-positioned to capitalize on the global tourism rebound and emerge as a leading destination in the region.



Immerse in the tranquil ambiance of our spacious rooms, adorned with lavish comforts, where every detail reflects the beauty and cultural significance of Sri Lanka.



## Group Financial Review

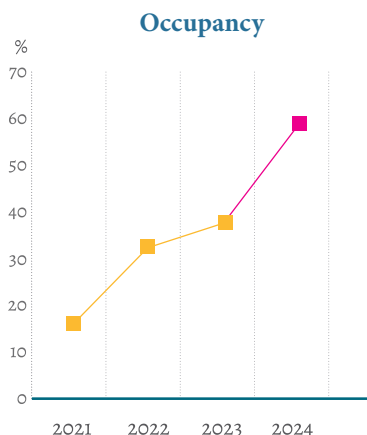
### REVENUE

The year under review has shown a robust financial performance for The Lighthouse Hotel PLC, demonstrating a significant improvement compared to the previous year. This success is primarily attributed to the substantial rise in inbound tourism, which has served as a key driver of our growth. Through extensive and focused efforts in sales and marketing targeting our key markets, the group was able to successfully leverage the momentum of the rising demand for the destination. Additional to the naturally competitive advantage the property holds with its iconic location, the continuous improvements made in service standards and investments made to enhance the product offerings received positive feedback from patrons, allowing the property to stay ahead of the rising competition.

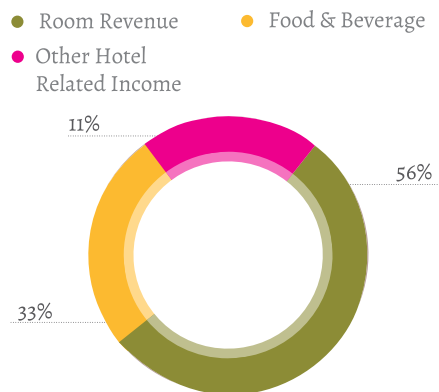
The Group recorded total revenue of LKR 1,360 million during the financial year under review compared to LKR 731 million achieved during the previous period. The group room revenue increased by 86% is primarily due to the increase in number of rooms nights and average room rate by 60% and 40% respectively. The Company generated 55% of the total room revenue for the financial year during the period December 2023 to March 2024. The group revenue increase is despite the appreciation of the Sri Lankan rupee against the US\$ by 8% compared to the previous year. The hotel had a 35%:65% mix of Sri Lankan and International travelers during the period under review. The occupancy of the group stood at 59% for the financial year.

During the financial year under review the food and beverage income increased by 45% compared to previous period.

Hotel J – Unawatuna operated for the full financial year, which contributed revenue amounting to LKR 87 million to the Group.



### Revenue Composition 2024



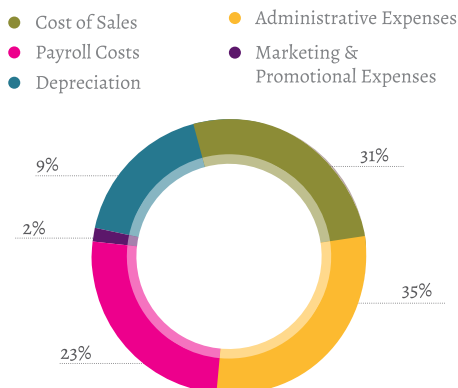
### EXPENSES

During the period under review total expenses excluding finance cost and exchange gain on USD loans have increased by 42% to LKR 1,071 million from LKR 752 million in the previous period.

The increase in expenses is primarily due to an increase in administrative costs (58%) and payroll cost (47%) due to increase in occupancy, significantly high inflation, increase in electricity cost etc. Further, the company also carried out several property maintenance work to maintain the property standards which are included in the administrative expenses. The cost of sales have increased mainly due to increase in business volume and increase in prices. Further exchange gain on conversion of foreign currency loan amounted to LKR 3 Mn during the period under review.

Depreciation for the year was reported at LKR 99 million, which is a decrease of LKR 5 million compared to the previous period.

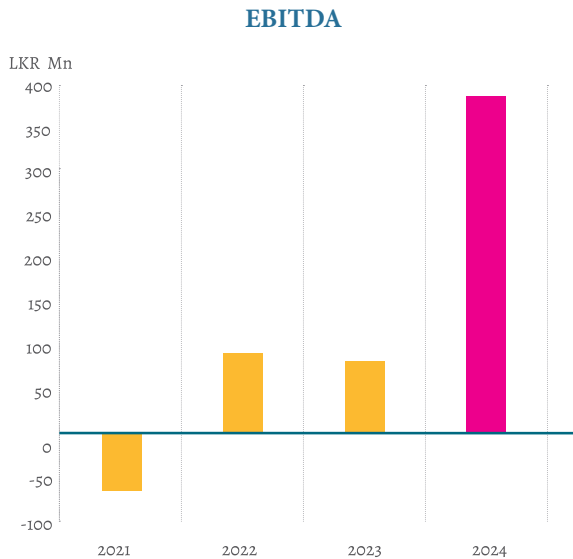
### Expenses composition 2024



## Group Financial Review Contd.

### EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION (EBITDA)

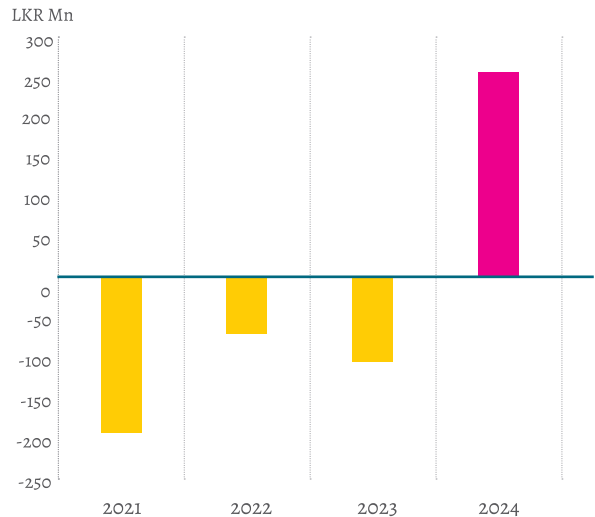
The Group has reported an EBITDA of LKR 399 million for the period under review compared to LKR 85 million was achieved during the previous period. The increase in EBITDA is primarily due to the increase in revenue and average room rates resulting in higher flow through during the period under review.



### PROFITABILITY

The Group recorded a Profit before tax of LKR 264 million during the year under review compared to Loss before tax of LKR 106 million during the previous period. The increase in Profit before tax is primarily due to the increase in revenue. Further, the finance costs have been reduced substantially by LKR 35 million mainly due to the significant decrease in interest rates. Income tax charge for the year has increased to LKR 88 million compared to the previous year mainly due to income tax being charged at the rate of 30% of the taxable profits. Profit after tax of the Group amounted to LKR 176 million compared to Loss after tax of LKR 120 million achieved in the previous period.

### Profit/ (Loss) before Tax



### STATEMENT OF FINANCIAL POSITION

The Group's Total Assets were LKR 3,994 Mn as of 31st March 2024 compared to LKR 3,839 Mn for the previous year. During the year under review, Property, Plant and Equipment additions amounted to LKR 24 million. The increase in total assets is mainly due to increase in business volumes resulting in excess cash and increase in trade receivables.

As at 31st March, 2024 the Group gearing level reduced to 8%.

### SHAREHOLDERS' FUNDS

Shareholders' funds as at 31st March, 2024 increased to LKR 2,930 million from LKR 2,774 million in the previous period. The Group's net assets per share as at 31st March, 2024 stood at LKR 63.70 per share.

### STATEMENT OF CASH FLOW

Cash position of the Group as at 31st March 2024 decreased to negative LKR 60 million compared to negative LKR 56 million last year. Operational cash flows generated LKR 330 million. Cash flows used in investing activities amounted to LKR 181 million. Investing activities included investment made in short-term deposits amounting to LKR 158 million. The net cash flows used in financing activities amounted to LKR 154 million due to repayment of the loans.



Our reflecting pool exemplifies Bawa's tropical modernism, masterfully designed to create a tranquil ambience, it epitomizes Bawa's philosophy of tropical modernism, where form meets function in perfect balance.







## Sustainability Review

Inspired by the legacy of Jetwing Hotels' founder, Herbert Cooray, The Lighthouse Hotel PLC believes that true hospitality goes hand-in-hand with respect for the environment and local communities. Across our properties, we strive to minimize our environmental footprint while maximizing positive social impact, ensuring a harmonious relationship with the land and our people.

At The Lighthouse Hotel PLC, sustainability is not just a priority, it is the foundation of our business. We leverage Jetwing Hotels' comprehensive Sustainability Strategy, focusing on six key areas of impact to ensure sustainable operations across the board.

While we recognize a healthy environment is vital for our long-term success, we are driven by a deep commitment to protect the natural world. Through meticulous environmental impact tracking and responsible resource management, we actively work to minimize our footprint and contribute to healthier ecosystems. By actively reducing energy consumption through energy efficiency measures and utilizing renewable energy sources, like solar power, we have significantly reduced our carbon footprint. By diversifying water sources and minimizing waste through innovative treatment and reuse strategies, we have significantly reduced stress on this vital but limited natural resource. A robust solid waste management system ensures responsible disposal through recycling, composting, or biodigesters. Our commitment extends beyond internal policies as we adhere to local regulations, with Jetwing Lighthouse having received certifications for our Environmental Management System according to the rigorous ISO 14001:2015 standard and attaining Travelife's Gold certification.

Jetwing, a name synonymous with authentic Sri Lankan hospitality, is driven by a passion to create warm and comforting experiences for all our guests. We adhere to international standards of excellence, ensuring world-class service while embracing the warmth of Sri Lankan culture. Our commitment to heartfelt service stems from our core family values: passion, humility, tenacity, and integrity. These values differentiate our associates and define the exceptional experiences delivered across our entire portfolio of properties.

At Jetwing, we recognize that our associates are our most valuable asset. Their dedication and passion are the driving force behind our legacy of unparalleled Sri Lankan hospitality. We foster an optimum work environment that prioritizes their well-being and career growth. Through comprehensive policies and practices in areas of human rights, health and safety, remuneration, grievance handling, and zero tolerance on child abuse, we empower our associates to engage in their roles efficiently. This commitment positions Jetwing as an employer of choice within the industry.

Our communities are an integral part of our business model. We ensure that all our operations benefit the communities around our property. We're committed to creating jobs within the communities surrounding our property, fostering local economic growth. We prioritize sourcing our needs from within the same district, strengthening the local supply chain and supporting nearby businesses. We diligently safeguard the natural capital of the communities we're in, ensuring a sustainable future for all. We actively invest in and partner with community initiatives, fostering a strong sense of place and shared prosperity.

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

The infographic on the following page highlights key achievements in environment, employee relations, and community engagement for the financial year 2023/24.



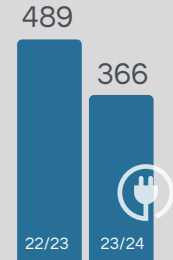
For a deeper dive into each area for all our hotels, please see the Jetwing Hotels Environmental, Social, and Governance (ESG) Report 2023/24.



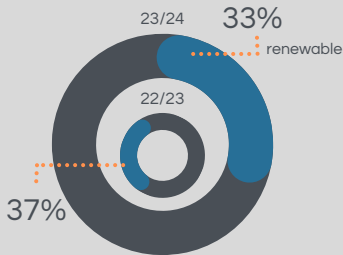


# SUSTAINABILITY PERFORMANCE

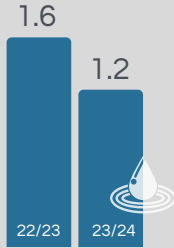
## Environmental Performance



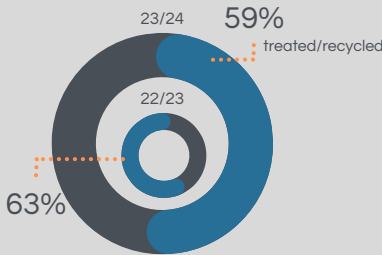
energy used per guest (MJ)



renewables in energy mix

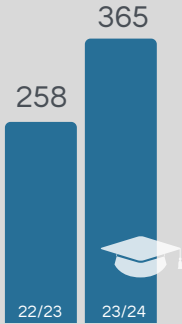
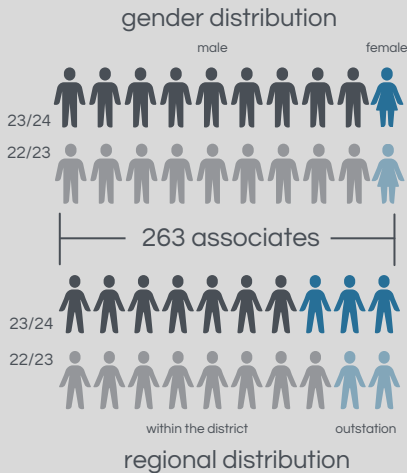


water used per guest (m3)



solid waste treated/recycled

## Employee Relations

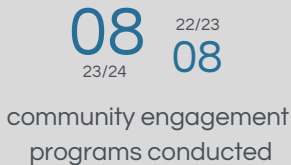


training hours



health & safety issues reported

## Community Engagement



\* 22/23 - year ending 31st March 2023 and 23/24 - year ending 31st March 2024

Amidst nature's blissful embrace discover a world of seclusion, where every moment becomes magical amidst the warmth of our authentic Sri Lankan hospitality.







## Risk Management

The risk management system of The Lighthouse Hotel 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 Lighthouse is shown below:





## Risk Management Contd.

The Jetwing Lighthouse Group identifies three main categories of threats:

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

These main threats are then further analyzed into subcomponents risks.

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)

The Lighthouse Hotel PLC Risk Heat Map		Likelihood				
		1 Unlikely 0% to 10%	2 Possible 10% to 40%	3 Likely 40% to 70%	4 Probable 70% to 90%	5 Almost Certain
Impact	5 Catastrophic		1.1			
	4 Major		1.2, 2.1	1.4, 2.3, 2.5, 2.6, 3.2, 3.3, 3.4, 3.5	1.3	
	3 Moderate		2.2, 2.7	2.4		
	2 Tolerable		3.1	2.8		
	1 Insignificant					

### 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 Lighthouse and some that Jetwing Lighthouse does not currently believe to be material, could later turn out to be material.

## Risk Management Contd.

	Potential Impact	Actions Taken to Mitigate Risk
<b>1. STRATEGIC AND MARKET RISKS</b>		
<b>1.1. Risks relating to Infectious Diseases</b>		
		<b>Risk Rating</b>
		<b>High</b>
Infectious diseases has had a material detrimental impact on our business, financial results and liquidity, and such impact could worsen and last for an unknown period of time.	<ul style="list-style-type: none"> <li>- Reduced travel and demand for hotel rooms thereby reduced revenue, cash flow and profitability.</li> <li>- Increase in operational expenses due to enhanced health and hygiene requirements.</li> <li>- Increase in the level of debt may adversely affect financial and operating activities or ability to incur additional debt.</li> <li>- In addition, as a result of the risks described above, we may be required to raise additional capital, and our access to and cost of financing will depend on, among other things, global economic conditions, Sri Lanka Economic conditions in the financing markets, the availability of sufficient amounts of financing, our prospects, and the outlook for the hotel industry as a whole.</li> </ul>	<ul style="list-style-type: none"> <li>- Evaluate the resilience of its businesses under multiple scenarios by considering a wide range of factors.</li> <li>- Take steps to curtail fixed costs whilst continuously enacting stringent protocols to minimize other direct costs.</li> <li>- Defer non-essential capital expenditure.</li> <li>- The board to monitor all possible cash flow positions and mitigating factors.</li> </ul>
<b>1.2. Business Risk</b>		
		<b>Risk Rating</b>
		<b>Medium</b>
The inability of the Group to achieve its business objectives	<ul style="list-style-type: none"> <li>- Reduced revenue, cash flow and profitability.</li> <li>- Hinder future growth.</li> </ul>	<ul style="list-style-type: none"> <li>- Detailed operational and capital expenditure budgets are formulated on an annual basis and formally approved by the Board. These plans are thereafter monitored and reviewed by the Board to assess actual performance against those planned and take remedial action wherever necessary.</li> <li>- Project feasibility studies are conducted for all major investments.</li> <li>- Implementation of cost control procedures and innovative cost saving initiatives particularly with regard to energy costs.</li> <li>- Performing Competitor analyses.</li> </ul>

## Risk Management Contd.

	Potential Impact	Actions Taken to Mitigate Risk
<b>1.3. Political, Economic and Environmental Risks</b>		
	<b>Risk Rating</b>	<b>Very High</b>
Major events affecting either economic or political stability on a global and local level represent a threat to the Group	- Reduced revenue, increased operating costs resulting in reduced profitability and cash flows	- Management regularly reviews political and economic developments and seeks to identify emerging risks at the earliest opportunity.
Introduction of Visa processing fees		- Being a member of Tourist Hotels Association of Sri Lanka, and working closely with them and other various trade associations, relevant authorities and lobby groups to create a better economic environment at all times.
Events that adversely impact domestic or international travel	- Occupancy and room rates can be adversely affected by events that reduce domestic or international travel. Such events may include acts of terrorism, war or perceived increased risk of armed conflicts, epidemics, natural disasters, increased cost of travel and industrial action. Reduced demand will impact on revenues and operational profitability	- The Group has in place contingency and recovery plans to enable it to respond to major incidents or crises.
Risks from natural or man-created disasters.	- Loss of assets.	- Transferring risks to third parties through insurance policies. The adequacy of insurance covers is regularly reviewed and adjusted when necessary.
<b>1.4. Competitive Risk</b>		
	<b>Risk Rating</b>	<b>High</b>
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.

## Risk Management Contd.

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



## Risk Management Contd.

	Potential Impact	Risk Rating	Actions Taken to Mitigate Risk
<b>2.4. Technology Risk</b>			
		<b>Medium</b>	
Failure to embrace emerging technology or implement existing technology correctly.	<ul style="list-style-type: none"> <li>- Inaccurate information.</li> <li>- Reputation and performance of the group will be adversely affected.</li> <li>- Worsening efficiency, loss of competitive advantage.</li> </ul>		<ul style="list-style-type: none"> <li>- Regular review of systems and upgrades where appropriate.</li> <li>- Introduction of new technology where possible and appropriate.</li> </ul>
<b>2.5. Cybersecurity Risk</b>			
		<b>High</b>	
The loss of confidentiality, integrity, or availability of information, data, or information (or control) systems.	<ul style="list-style-type: none"> <li>- Loss of revenue.</li> <li>- Reduce profitability.</li> <li>- Loss of data.</li> <li>- Adverse impact on reputation.</li> </ul>		<ul style="list-style-type: none"> <li>- Conduct of cybersecurity assessment.</li> <li>- Dual authentication to be used for remote work.</li> <li>- Establish network access controls.</li> <li>- Implementation of SD WAN and antivirus software.</li> <li>- Continuously monitor network traffic.</li> </ul>
<b>2.6. Safety</b>			
		<b>High</b>	
The Group could experience significant food safety or allergen related incidents through failings in food preparation, storage or supply chain.	<ul style="list-style-type: none"> <li>- Adverse impact on reputation.</li> <li>- Injury or fatality of guest or associate and the related legal liability exposure.</li> </ul>		<ul style="list-style-type: none"> <li>- Complying to HACCP/ISO 22000 food safety standards.</li> <li>- Security and fire safety procedures are in place at all of our properties including emergency evacuation plans.</li> <li>- Monitoring adherence to Group safety, operating and quality standards.</li> <li>- Availability of on call medical officers/medical assistance.</li> <li>- Adequate public liability insurance covers are taken.</li> </ul>
Physical security and safety incidents at one or more of our properties could jeopardise the safety of our guests and team members			

## Risk Management Contd.

	Potential Impact		Actions Taken to Mitigate Risk
<b>2.7. Statutory and Legal Risk</b>			
		<b>Risk Rating</b>	<b>Medium</b>
Threat of litigation due to legal and statutory requirements not being fulfilled.	<ul style="list-style-type: none"> <li>- Legal fees and penalties resulting in reduced profitability.</li> <li>- Adverse impact on reputation.</li> <li>- Loss arising from defective contracts.</li> </ul>		<ul style="list-style-type: none"> <li>- Group continues to monitor changes in the regulatory environment in which it operates.</li> <li>- Statutory declaration is made to Board each quarter.</li> <li>- Compliance audits are included in the scope of the internal audit programme.</li> <li>- Engage professional consultants to review contracts.</li> </ul>
<b>2.8. Internal Operational Processes</b>			
		<b>Risk Rating</b>	<b>Medium</b>
Threat of financial loss due to breakdown in internal controls.	<ul style="list-style-type: none"> <li>- Internal process failures.</li> <li>- Fraud.</li> <li>- Loss of data.</li> </ul>		<ul style="list-style-type: none"> <li>- Outsource internal audits to reputed Audit Firms to review and report on the adequacy of the financial and operational controls.</li> <li>- Defined systems and procedures are in place to ensure compliance with internal controls.</li> <li>- Adequate fidelity covers are obtained.</li> </ul>
<b>3. FINANCIAL RISKS</b>			
<b>3.1. Credit Risk</b>			
		<b>Risk Rating</b>	<b>Low</b>
Threat arising due to default of payment.	<ul style="list-style-type: none"> <li>- Reduce profitability.</li> <li>- Increase working capital.</li> </ul>		<ul style="list-style-type: none"> <li>- Credit is provided only for credit approved agents. Credit approval is granted by the Credit Committee at "Jetwing House" and credit approved list has been prepared.</li> <li>- Actively monitor and review debtors.</li> </ul>
<b>3.2. Exchange Rate Risk</b>			
		<b>Risk Rating</b>	<b>High</b>
Threat arising due to the volatility in foreign currency exchange rates.	<ul style="list-style-type: none"> <li>- Impact on profitability on translation of foreign currency transactions.</li> </ul>		<ul style="list-style-type: none"> <li>- As far as possible, enter into sales contracts with tour operators/agents in USD.</li> <li>- Monitor the exchange rates on a daily basis.</li> </ul>
<b>3.3. Interest Rate Risk</b>			
		<b>Risk Rating</b>	<b>High</b>
Threat arising from the volatility of fair value or future cash flows of a financial instrument fluctuating because of changes in market interest rates.	<ul style="list-style-type: none"> <li>- Reduced profitability.</li> <li>- Reduced cash flows.</li> </ul>		<ul style="list-style-type: none"> <li>- Negotiate favourable terms and conditions with banks for loan facilities obtained .</li> </ul>

## Risk Management Contd.

		Potential Impact	Actions Taken to Mitigate Risk
<b>3.4. Liquidity Risk</b>			
			<b>Risk Rating</b>
			<b>High</b>
Risk that the Group will not be able to meet its financial obligations as they fall due.	<ul style="list-style-type: none"> <li>- Reduced cash flows.</li> <li>- Reduced profitability.</li> </ul>	<ul style="list-style-type: none"> <li>- Preparation of regular cashflow forecasts in line with projected occupancy fluctuations in order to assess the liquidity position of the group in the short term.</li> <li>- Monitor and review bank balances regularly.</li> <li>- Preparation and review of actual performance against the budget monthly.</li> <li>- Reschedule the capital repayments in order to suit the forecasted Cash flows.</li> </ul>	
<b>3.5. Inflation Risk</b>			
			<b>Risk Rating</b>
			<b>High</b>
Risk that the future value of Group investment, asset, or profitability will be reduced by high level of inflation.	<ul style="list-style-type: none"> <li>- Reduced profitability.</li> <li>- Reduced return on investment.</li> </ul>	<ul style="list-style-type: none"> <li>- Preparation of forecasts in line with projected occupancy and cost.</li> <li>- Initiated cost control activities.</li> <li>- Review of pricing and make necessary adjustments.</li> </ul>	

### Precautionary Approach

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

## Corporate Governance

The Lighthouse Hotel 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 (the 'Board') has appointed Jetwing Hotels Ltd., as the managing agents of the Company.

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. R.A.E. Samarasinghe (Managing Director),  
Mr. C.S.R.S. Anthony.

#### Non-Executive Directors

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

#### Non-Executive Independent Directors

Mr. N. Wadugodapitiya,  
Mr. R. de Silva,  
Mr. E.P.A. Cooray, (ceased to be a director w.e.f 24th April 2024)  
Dr. C. Pathiraja.

The Board meets quarterly as a matter of routine. Ad hoc meetings are held as and when necessary. During the year under review, the Board met on four occasions. The attendance at these meetings was:

Name of the Director		Attendance
Mr. N.J.H.M. Cooray (Chairman)	Non-Executive	4/4
Mr. R.A.E. Samarasinghe (Managing Director)	Executive	3/4
Ms. N.T.M.S. Cooray	Non-Executive	4/4
Mr. C.S.R.S. Anthony	Executive	4/4
Ms. A.M. Ondaatjie	Non-Executive	4/4
Mr. N. Wadugodapitiya	Non-Executive Independent	4/4
Mr. R. de Silva	Non-Executive Independent	1/4
Mr. E.P.A. Cooray (ceased to be a director w.e.f 24th April 2024)	Non-Executive Independent	2/4
Dr. C. Pathiraja	Non-Executive Independent	3/4

### Responsibilities

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

The annual capital expenditure budgets, non-budgeted capital expenditure and the annual budgeted operating statements require Board approval. The Board meets regularly to review performance and forecasts against budgets so as to take decisions in the best interest of the Company. The managing agents are represented at these meetings and are responsible for follow-up action. Directors' interests in contracts are regularly disclosed and such disclosures pertaining to year ended 31st March, 2024 can be seen on page 41 in the Directors' Report.



## Corporate Governance Contd.

The Board is responsible to ensure that adequate systems of internal controls to safeguard the assets of the Company 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 four 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.

Chief Executive Authority is vested in the Managing Director of the Company.

### 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.

### Financial Acumen

The Board, includes one Chartered Accountant and three 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.

### Re-election of Directors

The provisions of the Company's Articles require a Director appointed by the Board to hold office until the next Annual General Meeting and seek reappointment by the shareholders at that meeting.

The Articles call for one-third of the Directors in office to retire at each Annual General Meeting. The Directors who retire are those who have served for the longest period after their appointment/reappointment. Retiring Directors are generally eligible for re-election.

The Managing Director does not retire by rotation.

### Remuneration Committee

The Company has its own Remuneration Committee. The Committee consists of two Independent Non-Executive Directors. The Remuneration Committee Report appears on page 38 in this Report.

### 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, the Managing Director or the Secretaries of the Company as appropriate. The Company maintains an appropriate dialogue with them.

## Corporate Governance Contd.

### 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 SLFRSs and LKASs. 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 46 of this Report.

#### Going Concern

In determining the basis of preparing the financial statements for the year ended 31 March 2024, based on available information, the management has assessed the impact of existing economic circumstances on the Group Companies and the appropriateness of the use of the going concern basis. The Group evaluated the resilience of its businesses considering, the Company's budget for the ensuing year, ability to defer non-essential capital expenditure, future prospects and risks, cash flows and the amount of undrawn borrowing facilities, and potential sources of financing facilities.

Having evaluated each company of The Lighthouse Hotel PLC by the Board of Directors, the Directors are satisfied that the Company and its subsidiary 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 financial statements.

#### Audit Committee

The Company constituted its own Audit Committee on 12th February, 2008. The Committee consists of two Independent Non-Executive Directors. The meetings of the Audit Committee were attended by the Chairman, Managing Director, Executive Director, General Manager and the Chief Financial Officer by invitation when matters relating to the Company 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 Company and its internal and external audits.

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

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

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 39 of this Report.

#### Related Party Transactions Review Committee

The Company has its own Related Party Transactions Review Committee. The Committee consists of two Independent Non-Executive Directors and one Executive Director. The committee reviews the related party transactions during the year under review.

The Related Party Transactions Review Committee Report appears on page 40 in this Report.

## Corporate Governance Contd.

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

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

Rule No.	Subject	Applicable Requirement	Level of Compliance
7.10.1	Non-Executive Directors	At least one-third of the total number of Directors should be Non-Executive Directors	Six out of Eight Directors are Non-Executive Directors
7.10.2 (a)	Independent Directors	Two or one-third of Non-Executive Directors, whichever is higher should be Independent	Three out of Six Non-Executive Directors are Independent
7.10.2 (b)	Independent Directors	Each Non-Executive Director should submit a declaration of his independence/non-independence in the prescribed format	Non-Executive Directors have submitted the declaration
7.10.3 (a)	Disclosure relating to Directors	Names of Independent Directors should be disclosed in the Annual Report	Please refer page 42
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 42
7.10.3 (c)	Disclosure relating to Directors	A brief résumé of each Director should be included in the Annual Report including the areas of Expertise	Please refer pages 35 to 36
7.10.3 (d)	Disclosure relating to Directors	Forthwith provide a brief résumé of new Directors appointed to the Board with details specified in 7.10.3 (d) to the CSE	A brief résumé provided to the CSE
7.10.5	Remuneration Committee	A listed company shall have a Remuneration Committee	Company has formed a Remuneration Committee
7.10.5 (a)	Composition of Remuneration Committee	Shall comprise of Non-Executive Directors a majority of whom will be independent	Remuneration Committee consists two 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 38
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 114
		(b) Statement of Remuneration Policy	Please refer Remuneration Committee Report on page 38
		(c) Aggregated remuneration paid to Executive Directors and Non-Executive Directors	Given in this Report under the heading of Directors' Remuneration on page 41
7.10.6	Audit Committee	The Company shall have an Audit Committee	Company has formed an Audit Committee
7.10.6 (a)	Composition of Audit Committee	Shall comprise of Non-Executive Directors, a majority of whom will be independent	Audit Committee consists of two Independent Non-Executive Directors
		Non-Executive Director shall be appointed as the Chairman of the Committee	Chairman of the Audit Committee is an Independent Non-Executive Director

## Corporate Governance Contd.

Rule No.	Subject	Applicable Requirement	Level of Compliance
		Chief Executive Officer and the Head of Finance shall attend Audit Committee meetings unless otherwise determined	Chairman, Managing Director, Executive Director, General Manager and Head of Finance attend meetings by invitation
		The Chairman of the Audit Committee or one member should be a member of a professional accounting body	Chairman of the Audit Committee is a Fellow Member of the Chartered Institute of Management Accountants – UK
7.10.6 (b)	Audit Committee Functions	Should be as outlined in the Section 7 of the Listing Rules of the Colombo Stock Exchange	The terms of reference of the Audit Committee adopted by the Board is listed on page 39
7.10.6 (c)	Disclosure in the Annual Report relating to the Audit Committee	(a) Names of Directors comprising the Audit Committee stated in this Report under the heading of Audit Committee	Names of the members of the Audit Committee are stated in this Report under the heading of Audit Committee on page 114
		(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 39
		(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 39



## Board of Directors

### **N.J.H.M. Cooray**

**(Chairman)**

**Non-Executive Director**

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

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

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

### **R.A.E. Samarasinghe**

**Managing Director**

Ruan Samarasinghe is a renowned figure in the hospitality industry, with a career spanning over 50 years exclusively at Jetwing Hotels. He has played a key role in the company's growth and evolution over the past five decades, initiating several major development projects for Jetwing.

Samarasinghe currently serves as the chairman of Jetwing Hotels and holds positions on various other directorial boards, contributing his expertise and experience to guide different companies in the industry.

In addition to his roles within Jetwing and other organizations, Samarasinghe has also held the position of Chairman of the Pacific Asia Travel Association (PATA) Sri Lanka chapter, further underscoring his influence and impact on the country's travel and tourism industry.

Throughout his career, Ruan Samarasinghe has been known for his innovative approach and commitment to excellence. His contributions have made him a respected and influential figure in the hospitality and tourism industry in Sri Lanka.

### **N.T.M.S. Cooray (Ms)**

**Non-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. 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.

### **C.S.R.S. Anthony**

**Executive Director**

Sanjeewa Anthony is an Attorney-at-Law of the Supreme Court of the Democratic Socialist Republic of Sri Lanka, Notary Public of Colombo, Commissioner for Oaths and a Registered Company Secretary. He is also a Fellow Member of the Chartered Institute of Management Accountants (FCMA) UK, Chartered Global Management Accountant (CGMA), an Associate Member of the Institute of the Chartered Accountants of Sri Lanka (ACA), a Fellow Member of The Institute of Certified Management Accountants of Sri Lanka (FCMA) and a Fellow Member of Certified Professional Managers (FCPM). He commenced his career at PricewaterhouseCoopers, prior to joining Jetwing Hotels Limited as Finance Manager in 1996 and is currently the Executive Director. He is also serving on several Directorates including two Publicly Quoted companies. Sanjeewa is a Life Member of the Bar Association of Sri Lanka ("BASL").

## Board of Directors Contd.

### **A.M. Ondaatjie (Ms)**

#### **Non-Executive Director**

Angeline Ondaatjie (Ms) is the Chairperson of Tangerine Tours (Pvt) Limited, Tangerine Beach Hotels PLC and Royal Palms Beach Hotels PLC. She has over 20 years experience in tourism, financial services and manufacturing sectors. She holds a Masters Degree from the University of Texas in Austin, USA and a BSc Degree from the Massachusetts Institute of Technology (MIT) USA. She holds directorship in several companies including Mercantile Investments and Finance PLC, The Nuwara Eliya Hotels Co. PLC (Grand Hotel), Nilaveli Beach Hotels (Pvt) Ltd, Fair View Hotel (Pvt) Ltd and Phoenix Industries Ltd. She was former Vice President, Tourist Hotels Association, Safety advisor Princeton in Asia and a former Director, Sri Lanka Tourism Promotions Bureau and serves on the Education Council of MIT.

### **N. Wadugodapitiya**

#### **Non-Executive Independent Director**

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

### **Dr. C. Pathiraja**

#### **Non-Executive Independent Director**

Dr. C. Pathiraja Director of Stem Cure – Ferticare (Pvt) Ltd., Director of Straits Associates Singapore PTE Ltd and several other companies both local and abroad. Ex Director/ Embryologist – ICSI Lanka Hospital. He holds BV (Sc) Degrees from the University of Peradeniya, Sri Lanka, Diploma in Business Studies and a Post Graduate Diploma in Business Management. A Council Member at University of the Visual and Performing Arts – Colombo.

### **R. de Silva**

#### **Non-Executive Independent Director**

Ranil de Silva retired as the Managing Director of the Publicis Groupe offices in Sri Lanka where he had served as the company's Managing Director for 18 years. He was instrumental in establishing the Colombo office of the global Leo Burnett network with just a handful of team members in a shared office. During his tenure he brought international glory for the company and established Sri Lanka on the global map of creativity, taking Leo Burnett to great heights. Under his leadership Leo Burnett Sri Lanka has been repeatedly recognized as the Rest of South Asia's creative agency of the year. Prior to joining Leo Burnett, he was JWT Colombo's first Sri Lankan employee. After starting his career as a junior account executive at JWT, he rose to International Vice President and was also Managing Director of the Colombo office. He was posted to JWT Jakarta and also served as a regional account director for JWT Asia Pacific based in Singapore. Ranil served as the President of the International Advertising Association (IAA) Sri Lanka chapter for two terms and was also a member of the worldwide board of directors of the IAA. In 2010, the IAA conferred the medal of merit to him for his contribution to the advertising industry. In 2019 he was awarded the IAA Inspire award for lifetime achievement at the IAA World Congress held in Kochi. He pursued his tertiary education in Australia where he obtained a diploma in visual communications. He has also been a director in their family owned business – Cyril Rodrigo Restaurants. He also serves as a trustee of the Lionel Wendt Memorial Arts Centre. Ranil is passionate about everything he does; he loves to see the world, stay in great places and enjoys the arts.

Discover charming spaces of unparalleled luxury and relaxation that are artfully designed to blend seamlessly with tropical island living, enchanting every moment of your stay with us.



## 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 two Non-Executive Independent Directors, as 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
Mr. E.P.A. Cooray (Chairman) (ceased to be a director w.e.f 24th April 2024)	Non-Executive Independent	1/1
Mr. N. Wadugodapitiya	Non-Executive Independent	1/1
Mr. R. de Silva (Appointed w.e.f 24th April 2024)	Non-Executive Independent	N/A

The aggregate remuneration paid to Directors is set out in page 41.



**R. de Silva**

Chairman – Remuneration Committee

03<sup>rd</sup> June, 2024



## Audit Committee Report

The Audit Committee, comprises two Non-Executive Independent Directors. The Chairman of the Audit Committee is a Fellow Member of the Chartered Institute of Management Accountants, UK. The Committee meetings were held on a quarterly basis. The Audit Committee met on five occasions during the financial year.

The Committee, as at 31st March 2024, comprised of the following members:

Members of the Audit Committee		Attendance at the Meeting
Mr. N. Wadugodapitiya (Chairman)	Non-Executive Independent	5/5
Mr. E.P.A. Cooray (ceased to be a director w.e.f 24th April 2024)	Non-Executive Independent	4/5
Mr. R .de Silva (Appointed w.e.f 24th April 2024)	Non-Executive Independent	N/A

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

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

The following activities were carried out by the Committee:

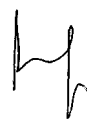
- The Committee reviewed the interim and annual financial statements of the Group and has recommended same to the Board for approval and publication.
- The Committee reviewed and made recommendation to the board about the policy decisions relating to adoption of new and revised Sri Lanka Accounting Standards (SLFRS/LKAS) applicable to the Group during the financial year under review. The Committee would continue to monitor the compliance with relevant Accounting Standards and keep the Board informed at regular intervals.

- The Committee held meetings with the External Auditors to review their report on audit results and the preparation of the Annual Report to ensure the reliability of the process, consistency of the Accounting policies and methods and compliance with Sri Lanka Accounting Standards.
- Recommendations made by the External Auditors were also discussed with the Board and implementation recommended to Management by the Committee.
- The Audit Committee also monitors the effectiveness of the Internal and Financial Control procedures on the basis of the reports submitted by the Internal Auditors of the Company, Messrs BDO, IT system controls and reports submitted by the General Manager & Accountant of each Hotel.
- 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, 2025.



**Nihal Wadugodapitiya**

Chairman – Audit Committee  
03<sup>rd</sup> June, 2024

## Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee was formed by the Board of Directors with effect from 1st January, 2016 in compliance with the Section 9 of the Continuing listing rules of the Colombo Stock Exchange (CSE). As at 31st March, 2024 it comprised two Non-Executive Independent Directors and one Executive Director 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
Mr. E.P.A. Cooray (ceased to be a director w.e.f 24th April 2024)	Non-Executive Independent	3/4
Mr. C.S.R.S. Anthony	Executive	4/4
Mr. R de Silva (Appointed w.e.f 24th April 2024)	Non-Executive Independent	N/A

### Scope of the Committee

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

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

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

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

### Policies and Procedures adopted by the Committee

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

### Committee Meetings

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

### Related Party Transactions during the year

The committee reviewed the related party transactions during the year under review. Further, there were no non-recurrent nor recurrent related party transactions that exceeded the threshold mentioned in the continuing listing rules of the CSE other than those disclosed in page 113.

Details of other related party transactions entered into by the Company and its subsidiary during the above period is disclosed in pages 103 -105.



**Nihal Wadugodapitiya**

Chairman

Related Party Transactions Review Committee

03<sup>rd</sup> June, 2024

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

The Directors of The Lighthouse Hotel PLC (the 'Company') present their Report together with the Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2024.

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 describes the year's operations, financial performance, sustainability review and details of the future development of the Company.

### The Principal Activity of the Company

The Company owns and operates Jetwing Lighthouse and Jetwing Kurulubedda which are targeted at the up market leisure travellers.

The fully-owned subsidiary namely Unawatuna Properties (Pvt) Ltd commenced commercial operations of Hotel J – Unawatuna in December 2017.

### Financial Statements

The Consolidated Financial Statements of the Company duly signed by Directors are given on pages 52 to 100 in this Annual Report.

### Auditor's Report

The Auditor's Report on the Consolidated Financial Statements is given on page 48 to 51.

### Accounting Policies

The accounting policies adopted by the Group in the preparation of Consolidated Financial Statements are given on pages 58 to 69 in this Annual Report.

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

### 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 103 to 107.

### Related Party Transactions

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

### Directors' Remuneration

The aggregate emoluments paid to the Non-Executive Directors during the year, amounting to LKR 1,620,000/- is reflected on page 93 in Note 24.1 to the Financial Statements.

### Insurance and Indemnity

The Company has obtained a Corporate Guard Insurance Policy from Allianz Insurance Lanka Ltd. to indemnify Directors and Officers (D&O) of the Company. The policy is extended worldwide excluding USA and Canada with a total cover of Rs. 25,000,000/-. The premium is Rs. 379,740/- +Taxes.

### Directors' Interests in Shares

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

### Directors' Shareholding

	Directors' Direct Shareholding	
	As at 31st March, 2024	As at 1st April, 2023
Mr. N.J.H.M. Cooray	1,354,695	1,354,695
Ms. N.T.M.S. Cooray	1,395,695	1,395,695
Mr. R.A.E. Samarasinghe	50,000	50,000
Mr. C.S.R.S. Anthony	1,000	1,000
Mr. R. de Silva	10,000	10,000

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

### Directorate

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

#### Executive Directors

Mr. R.A.E. Samarasinghe (Managing Director)  
Mr. C.S.R.S. Anthony

#### Non-Executive Directors

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

#### Non-Executive Independent Directors

Mr. N. Wadugodapitiya  
Mr. R. de Silva  
Mr. E.P.A. Cooray (ceased to be a director w.e.f 24th April 2024)  
Dr. C. Pathiraja

Mr. N. Wadugodapitiya, Mr. R. de Silva and Dr. C. Pathiraja have served as Non-Executive Independent Directors of the Company for more than nine (09) years. They have not been directly involved in the management of the Company and continues to exercise objectivity in the performance of their duties.

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

Notice has been given pursuant to Section 211 of the Companies Act No. 07 of 2007 of the intention to propose an ordinary resolution, for the reappointment of Mr. N. Wadugodapitiya who has reached the age of 72 years, notwithstanding the age limit of 70 years stipulated by Section 210 of the Companies Act.

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

### Subsidiary Board of Directors

The names of Directors of Unawatuna Properties (Pvt) Ltd. who held office during the financial year are given below:

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

### Donations

At the last Annual General Meeting shareholders authorised Directors to determine contributions to donations. The donations given during the year amounted to LKR 70,500/-.

### Auditors

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

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

### Auditor's Remuneration

Messrs Ernst & Young were paid LKR 1,021,000/- and LKR 1,268,500/- as audit fees and expenses by the Company and Group respectively. In addition, they were paid LKR 380,766/- by the Company for non-audit related work, 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 other than those disclosed above. The Auditors also do not have any interests in the Company.

### Turnover

The turnover for the year was LKR 1,360,170,170/- (2022/23 – LKR 731,239,686/-).



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

### Profit/(Loss)

	Group	
	2024 LKR	2023 LKR
Net Profit/(Loss) for the Year after Providing for all Expenses, known Liabilities and Depreciation of Fixed Assets was	175,885,196	(119,536,816)
Other Comprehensive Income/(Loss)	(2,626,893)	372,222
Prior Year Retained Profit	(59,494,721)	59,669,873
Retained Profit at the End of the Year	113,763,582	(59,494,721)

### Reserves

	Group	
	2024 LKR	2023 LKR
Revaluation Reserve	1,079,465,561	1,079,465,561
Special Reserve	1,325,671,060	1,325,671,060
Fair value Reserve of Financial Assets at FVOCI	(48,618,031)	(31,241,198)
As at 31st March,	2,356,518,590	2,373,895,423

### Revaluation Reserve

	Group	
	2024 LKR	2023 LKR
As at the beginning of the Year	1,079,465,561	1,326,200,547
Effect on Revaluation carried out during the year	-	-
Deferred Tax attributable to Revaluation surplus	-	(246,734,986)
As at 31st March,	1,079,465,561	1,079,465,561

### Special Reserve

	Group	
	2024 LKR	2023 LKR
As at the beginning of the Year	1,325,671,060	1,325,671,060
Transferred from Retained Earnings	-	-
As at 31st March,	1,325,671,060	1,325,671,060

With the adoption of SLFRS, the Company opted to reflect its building at deemed cost. The Board resolved to transfer such impact to a Special Reserve during the year 2013. This Special Reserve is available to be used in a manner determined by the Board from time to time.

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

### Fair value Reserve of Financial Assets at FVOCI

	Group	
	2024 LKR	2023 LKR
As at the beginning of the Year	(31,241,198)	(26,058,412)
Loss on Fair value through other comprehensive income Financial Instruments	(17,376,833)	(5,182,786)
As at 31st March,	(48,618,031)	(31,241,198)

### Taxation

Pursuant to an agreement dated 29th January, 1994, entered into with the Board of Investment under Section 17 of the Board of Investment Law, the Company is taxed at the rate of 2% of the turnover from 1st April, 2008 for a period of 15 years in accordance with the said agreement up to 2023. However, from the current financial year Income tax on operation of the Company is computed on taxable profits at prevailing rates stipulated by the Inland Revenue Act. Interest Income earned has been provided for, based on the provisions of the Inland Revenue Act. Income tax on operation of Hotel J Unawatuna and Jetwing Kurulubedda are computed on taxable profits at prevailing rates stipulated by the Inland Revenue Act.

### Property, Plant and Equipment

The total expenditure on acquisition of Property, Plant and Equipment during the year by the Group and Company amounted to LKR 23,980,559/- (2023 – LKR 19,879,227/-) and LKR 22,593,240/- (2023 – LKR 18,082,301/-) respectively. Further, details of which are given in Note 4.1 to the Financial Statements on page 71 to 72.

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 76.

### 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 LKR 460,000,974/- as at 31<sup>st</sup> March, 2024 (Comprising 46,000,000 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 Consolidated Financial Statements, other than proposed dividends which is disclosed in Note 28 to the Financial Statements on page 100.

### Dividends

The Board of Directors declared a payment of final dividend of LKR 3.00 per share for financial year 2023/24 to holders of the issued ordinary shares of 46,000,000 of the Company.

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

### Statutory Payments

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

### Public Shareholding

As at 31st March, 2024, 31.45% of the issued capital of the Company was held by the public, comprising 1,362 shareholders and the float adjusted market capitalisation of LKR 548,299,300/-. 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

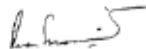
In determining the basis of preparing the financial statements for the year ended 31 March 2024, based on available information, the management has assessed the impact of existing economic circumstances on the Group Companies and the appropriateness of the use of the going concern basis. The Group evaluated the resilience of its businesses considering, the Company's budget for the ensuing year, ability to defer non-essential capital expenditure, future prospects and risks, cash flows and the amount of undrawn borrowing facilities, and potential sources of financing facilities.

Having evaluated each company of The Lighthouse Hotel PLC by the Board of Directors, the Directors are satisfied that the Company and its subsidiary 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 financial statements.

For and on behalf of the Board,



Director



Director



**Corporate Services (Pvt) Ltd.**

Secretaries

The Lighthouse Hotel PLC

03<sup>rd</sup> June, 2024

## Statement of Directors' Responsibilities

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

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

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

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

The External Auditors, Messrs Ernst & Young, are reappointed in terms of Section 158 of the Companies Act No. 07 of 2007 were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on page 48 to 51 sets out their responsibilities in relation to the Financial Statements.

### Compliance Report

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

By Order of the Board,

### The Lighthouse Hotel PLC

Corporate Services (Pvt) Ltd.  
Secretaries

216, De Saram Place, Colombo 10.  
03<sup>rd</sup> June, 2024



## Financial Calendar

Audited Financial Statements signed on 03<sup>rd</sup> June 2024

Annual General Meeting 28<sup>th</sup> June 2024

## Interim Financial Statements

1<sup>st</sup> Quarter Interim report released on 09<sup>th</sup> August 2023

2<sup>nd</sup> Quarter Interim report released on 15<sup>th</sup> November 2023

3<sup>rd</sup> Quarter Interim report released on 06<sup>th</sup> February 2024

4<sup>th</sup> Quarter Interim report released on 20<sup>th</sup> May 2024



## Independent Auditor's Report

### TO THE SHAREHOLDERS OF THE LIGHTHOUSE HOTEL PLC



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#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of The Lighthouse Hotel 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 2024, 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 material accounting policy information.

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 2024, 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 for Professional Accountants issued by CA Sri Lanka (“Code of Ethics”) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key audit matters

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

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

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman ACA ACMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajjewanani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shaktivel B.Com (Sp)

A member firm of Ernst & Young Global Limited



## Key audit matters common to the Group

### Key audit matter

### How our audit addressed the key audit matter

#### Revenue

The Group's revenue during the year amounted to LKR 1,360 Million. Further information is provided in Notes 2.7.3 and 3 to the financial statements.

Revenue was a key audit matter due to:

- The materiality of the revenue reported for the year and the increase of 86% it represents, over the previous year.
- The reliance on information technology to record and recognize revenue from locations from which revenue is derived through different types and nature of services.

Our audit procedures included the following:

- Assessed the appropriateness of the Group's revenue recognition accounting policy.
- Evaluated the design of internal controls and tested the operating effectiveness of relevant IT controls relating to revenue recognition.
- Performed analytical procedures to understand and assess the reasonableness of the reported revenues.
- Assessed the adequacy of the disclosures in respect of revenue in Notes 2.7.3 and 3 to the financial statements.

#### Un-quoted investment carried at fair value

The Group's investment portfolio included an Un-quoted equity investment stated at fair value amounting to LKR 38 Million as of 31 March 2024 as disclosed in Note 8. The Management has used discounted future cash flows method to determine the fair value of the investment.

Due to the significance of the investment and the use of assumptions and judgements associated with the determination of fair value of the investment, we have considered the Un-quoted investment carried at fair value as a key audit matter.

Our audit procedures included the following:

- We gained an understanding of how management has determined the fair value by using estimated future discounted cash flows which included consideration of the industry conditions related to the business of the respective investment.
- We engaged internal specialists to evaluate the appropriateness of the valuation method and the discount rate applied by the management.
- We assessed the reasonableness of significant assumptions used such as anticipated occupancy and average room rates.
- We assessed the adequacy of the disclosures made in Note 8 in the financial statements



### Other Information included in the 2024 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 the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the management and those charged with governance for the financial statements

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

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements 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, actions taken to eliminate threats or safeguards applied.

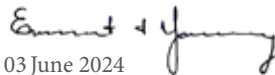
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes

public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other legal and regulatory requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2199.

  
03 June 2024  
Colombo

## Statement of Financial Position

As at 31 March

	Note	Group		Company	
		2024 LKR	2023 LKR	2024 LKR	2023 LKR
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	4	3,555,866,541	3,631,121,728	3,302,704,060	3,369,267,951
Right of Use Assets	5	2,121,213	2,151,516	2,121,213	2,151,516
Investments in Subsidiary	7	-	-	325,000,000	275,000,000
Intangible Assets	6	582,292	907,292	311,458	473,958
Other Non-current Financial Assets	8.1	38,645,229	56,022,062	38,645,229	56,022,062
		3,597,215,275	3,690,202,598	3,668,781,960	3,702,915,487
<b>Current Assets</b>					
Inventories	9	30,078,895	25,054,258	28,075,490	23,296,090
Trade and Other Receivables	10	175,589,719	92,016,321	158,622,919	85,505,630
Other Current Financial Assets	8.4	158,413,859	-	158,413,859	-
Cash at Bank and in Hand	21	32,878,284	31,261,171	29,415,793	9,047,824
		396,960,757	148,331,750	374,528,061	117,849,544
<b>Total Assets</b>		<b>3,994,176,032</b>	<b>3,838,534,348</b>	<b>4,043,310,021</b>	<b>3,820,765,031</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity Attributable to Equity holders of the Parent</b>					
Stated Capital	11	460,000,974	460,000,974	460,000,974	460,000,974
Reserves	12	2,356,518,590	2,373,895,423	2,332,445,840	2,349,822,673
Retained Earnings		113,763,582	(59,494,721)	301,272,495	131,961,038
		2,930,283,146	2,774,401,676	3,093,719,309	2,941,784,685
Non-controlling Interests		-	-	-	-
<b>Total Equity</b>		<b>2,930,283,146</b>	<b>2,774,401,676</b>	<b>3,093,719,309</b>	<b>2,941,784,685</b>
<b>Non-Current Liabilities</b>					
Post-employment Benefit Liability	13	44,531,208	43,587,756	43,463,462	42,571,402
Interest-bearing Loans and Borrowings	14	105,012,000	220,842,211	95,016,000	136,688,000
Deferred Tax Liabilities	19	459,599,057	462,127,736	449,282,164	451,810,843
		609,142,265	726,557,703	587,761,626	631,070,245
<b>Current Liabilities</b>					
Trade and Other Payables	15	248,861,745	156,750,424	229,181,576	143,981,062
Current portion of Interest-bearing Loans and Borrowings	14	138,496,634	173,980,084	65,255,268	97,084,578
Income Tax Payable		67,392,242	6,844,461	67,392,242	6,844,461
		454,750,621	337,574,969	361,829,086	247,910,101
<b>Total Liabilities</b>		<b>1,063,892,886</b>	<b>1,064,132,672</b>	<b>949,590,712</b>	<b>878,980,346</b>
<b>Total Equity and Liabilities</b>		<b>3,994,176,032</b>	<b>3,838,534,348</b>	<b>4,043,310,021</b>	<b>3,820,765,031</b>

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

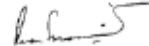


**Director**

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



**Director**



**Director**

The Accounting Policies and Notes on pages 58 through 100 form an integral part of the Financial Statements.

03 June 2024

Colombo

## Statement of Profit or Loss

Year ended 31 March

	Note	Group		Company	
		2024 LKR	2023 LKR	2024 LKR	2022 LKR
Revenue	3	1,360,170,170	731,239,686	1,272,939,153	674,627,418
Cost of Sales		(323,920,310)	(229,257,917)	(306,948,302)	(216,578,143)
Gross Profit		1,036,249,860	501,981,769	965,990,851	458,049,275
Other Income & Gains	16	11,074,706	2,195,684	11,032,333	2,195,684
Marketing and Promotional Expenses		(24,022,596)	(13,257,121)	(21,421,632)	(11,739,472)
Administrative Expenses		(624,028,141)	(405,630,780)	(578,933,976)	(373,359,891)
Profit from operations before the following items		399,273,829	85,289,552	376,667,576	75,145,596
Depreciation & Amortization		(98,646,505)	(104,052,807)	(88,405,389)	(94,168,106)
Finance Cost	17.1	(41,023,322)	(76,414,722)	(29,185,857)	(52,994,186)
Finance Income	17.2	1,561,048	2,079,523	1,967,620	2,171,102
Exchange Loss on Foreign Currency Loan Conversion		2,956,950	(12,540,875)	-	-
Profit/(Loss) before Tax	18	264,122,000	(105,639,329)	261,043,950	(69,845,594)
Income Tax Expense	19	(88,236,804)	(13,897,487)	(88,497,442)	(13,780,905)
Profit/(Loss) for the Year		175,885,196	(119,536,816)	172,546,508	(83,626,499)
Attributable to:					
Equity holders of the Parent Company		175,885,196	(119,536,816)		
Non-controlling Interests		-	-		
Earnings/(Loss) Per Share	20	3.82	(2.60)		

The Accounting Policies and Notes on pages 58 through 100 form an integral part of the Financial Statements.

## Statement of Comprehensive Income

Year ended 31 March

	Note	Group		Company	
		2024 LKR	2023 LKR	2024 LKR	2023 LKR
Profit/(Loss) for the Year		175,885,196	(119,536,816)	172,546,508	(83,626,499)
Other Comprehensive Income					
Other Comprehensive Income to be reclassified to Statement of Profit or Loss in subsequent periods :					
Other Comprehensive Income not to be reclassified to Statement of Profit or Loss in subsequent period :					
Loss on Fair Value Through Other Comprehensive Income Financial Instruments	8	(17,376,833)	(5,182,786)	(17,376,833)	(5,182,786)
Actuarial Gain/(Losses) on Post Employment Benefit Liability	13	(3,752,704)	531,746	(4,621,502)	920,352
Deferred Tax Attributable to Post Employment Benefit Liability	19.3	1,125,811	(159,524)	1,386,451	(276,105)
Revaluation Surplus of Freehold Land	4.4	-	-	-	-
Deferred Tax Attributable to Revaluation Surplus	19.3	-	(246,734,986)	-	(241,232,643)
Other Comprehensive Income/(Loss) for the Year, net of tax		(20,003,726)	(251,545,550)	(20,611,884)	(245,771,182)
Total Comprehensive Income/(Loss) for the Year, net of tax		155,881,470	(371,082,366)	151,934,624	(329,397,681)
Attributable to:					
Equity holders of the Parent Company		155,881,470	(371,082,366)		
Non-controlling Interests		-	-		
		155,881,470	(371,082,366)		

The Accounting Policies and Notes on pages 58 through 100 form an integral part of the Financial Statements.



## Statement of Changes in Equity

Group	Year ended 31 March .....Attributable to Equity Holders of Parent.....							
	Stated Capital (Note 11) LKR	Revaluation Reserve (Note 12.1) LKR	Fair value Reserve of Financials Assets at FVOCI (Note 12.3) LKR	Special Reserve (Note 12.2) LKR	Retained Earnings LKR	Total LKR	Non- controlling Interest LKR	Total Equity LKR
Balance as at 01 April 2022	460,000,974	1,326,200,547	(26,058,412)	1,325,671,060	59,669,873	3,145,484,042	-	3,145,484,042
Profit / (Loss) for the Year	-	-	-	-	(119,536,816)	(119,536,816)	-	(119,536,816)
Other Comprehensive Income/(Loss)	-	(246,734,986)	(5,182,786)	-	372,222	(251,545,550)	-	(251,545,550)
Total Comprehensive Income/(Loss)	-	(246,734,986)	(5,182,786)	-	(119,164,594)	(371,082,366)	-	(371,082,366)
Balance as at 31 March 2023	460,000,974	1,079,465,561	(31,241,198)	1,325,671,060	(59,494,721)	2,774,401,676	-	2,774,401,676
Profit/(Loss) for the Year	-	-	-	-	175,885,196	175,885,196	-	175,885,196
Other Comprehensive Income/(Loss)	-	-	(17,376,833)	-	(2,626,893)	(20,003,726)	-	(20,003,726)
Total Comprehensive Income/(Loss)	-	-	(17,376,833)	-	173,258,303	155,881,470	-	155,881,470
Balance as at 31 March 2024	460,000,974	1,079,465,561	(48,618,031)	1,325,671,060	113,763,582	2,930,283,146	-	2,930,283,146

The Accounting Policies and Notes on pages 58 through 100 form an integral part of the Financial Statements.

## Statement of Changes in Equity

Year ended 31 March

Company	Stated Capital (Note 11) LKR	Revaluation Reserve (Note 12.1) LKR	Fair value Reserve of Financials Assets at FVOCI (Note 12.3) LKR	Special Reserve (Note 12.2) LKR	Retained Earnings LKR	Total Equity LKR
Balance as at 01 April 2022	460,000,974	1,296,625,454	(26,058,412)	1,325,671,060	214,943,290	3,271,182,366
Profit / (Loss) for the Year	-	-	-	-	(83,626,499)	(83,626,499)
Other Comprehensive Profit/ (Loss)	-	(241,232,643)	(5,182,786)	-	644,247	(245,771,182)
Total Comprehensive Income/ (Loss)	-	(241,232,643)	(5,182,786)	-	(82,982,252)	(329,397,681)
Balance as at 31 March 2023	460,000,974	1,055,392,811	(31,241,198)	1,325,671,060	131,961,038	2,941,784,685
Profit/(Loss) for the Year	-	-	-	-	172,546,508	172,546,508
Other Comprehensive Income/ (Loss)	-	-	(17,376,833)	-	(3,235,051)	(20,611,884)
Total Comprehensive Income/ (Loss)	-	-	(17,376,833)	-	169,311,457	151,934,624
Balance as at 31 March 2024	460,000,974	1,055,392,811	(48,618,031)	1,325,671,060	301,272,495	3,093,719,309

The Accounting Policies and Notes on pages 58 through 100 form an integral part of the Financial Statements.

## Statement of Cash Flows

Year ended 31 March

	Note	Group		Company	
		2024 LKR	2023 LKR	2024 LKR	2023 LKR
<b>Cash Flows From Operating Activities</b>					
Profit/(Loss) before Tax		264,122,000	(105,639,329)	261,043,950	(69,845,594)
<b>Adjustments for :</b>					
Depreciation	4.2	98,291,202	103,663,274	88,212,586	93,941,071
Amortization of Right of Use Assets	5	30,303	30,303	30,303	30,303
Income from Investments- Interest Income	17.2	(1,561,048)	(2,079,523)	(1,967,620)	(2,171,102)
(Profit)/Loss on Disposal of Property, Plant and Equipment	18	837,145	632,830	837,145	632,830
Finance Costs	17.1	41,023,322	76,414,722	29,185,857	52,994,186
Provision for Defined Benefit Plans	13	10,882,209	8,446,758	10,468,640	8,139,805
Allowance for Doubtful Debts	18	(264,033)	(282,616)	(264,033)	(282,616)
Amortization of Intangible Assets	6	325,000	359,229	162,500	196,733
Exchange (Gain)/Loss on Foreign Currency Deposits		-	(8,146,134)	-	(8,146,134)
Exchange Loss from Conversion of Foreign Currency Loans	14	(2,956,950)	12,540,875	-	-
<b>Operating Profit before Working Capital Changes</b>		<b>410,729,150</b>	<b>85,940,389</b>	<b>387,709,328</b>	<b>75,489,482</b>
(Increase)/Decrease in Inventories		(5,024,638)	(9,136,807)	(4,779,399)	(8,115,832)
(Increase)/Decrease in Trade and Other Receivables		(83,309,366)	5,328,883	(72,853,256)	5,311,283
Increase/(Decrease) in Trade and Other Payables		92,111,320	46,844,352	85,200,514	44,455,599
<b>Cash Generated from Operations</b>		<b>414,506,467</b>	<b>128,976,817</b>	<b>395,277,187</b>	<b>117,140,532</b>
Income Tax Paid		(29,091,890)	(11,226,420)	(29,091,890)	(11,226,420)
Finance Cost paid		(41,023,322)	(76,414,722)	(29,185,857)	(52,994,186)
Defined Benefit Plan Costs Paid Net of Transfers	13	(13,691,461)	(8,392,052)	(14,198,082)	(7,896,940)
<b>Net Cash from Operating Activities</b>		<b>330,699,794</b>	<b>32,943,622</b>	<b>322,801,358</b>	<b>45,022,986</b>
<b>Cash Flows From/(Used in) Investing Activities</b>					
Acquisition of Property, Plant and Equipment	4.6	(23,980,559)	(19,879,227)	(22,593,240)	(18,082,301)
Investment (Made)/Redeem in Short Term Deposits	8.4	(158,413,859)	46,469,434	(158,413,859)	46,469,434
Proceeds from Sale of Property, Plant and Equipment		107,400	242,589	107,400	242,589
Interest Income	17.2	1,561,048	2,079,523	1,967,620	2,171,102
Investment in Unawatuna Properties (Pvt) Ltd	7	-	-	(50,000,000)	(50,000,000)
<b>Net Cash Flows Used in Investing Activities</b>		<b>(180,725,970)</b>	<b>28,912,319</b>	<b>(228,932,079)</b>	<b>(19,199,176)</b>
<b>Cash Flows From/(Used in) Financing Activities</b>					
Repayment of Interest Bearing Loans & Borrowings	14	(154,076,972)	(78,148,415)	(36,666,845)	(53,998,688)
<b>Net Cash Flows Used in Financing Activities</b>		<b>(154,076,972)</b>	<b>(78,148,415)</b>	<b>(36,666,845)</b>	<b>(53,998,688)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(4,103,148)</b>	<b>(16,292,473)</b>	<b>57,202,434</b>	<b>(28,174,878)</b>
Cash and Cash Equivalents at the Beginning of the Year	21	(56,511,202)	(40,218,729)	(51,369,909)	(23,195,031)
Cash and Cash Equivalents at the End of the Year	21	(60,614,350)	(56,511,202)	5,832,525	(51,369,909)

The Accounting Policies and Notes on pages 58 through 100 form an integral part of the Financial Statements.

## Notes to the Financial Statements

### 1. CORPORATE INFORMATION

#### 1.1 General

The Lighthouse Hotel PLC (“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 is located at “Jetwing House” 46/26 Navam Mawatha, Colombo-2 and principal place of business is situated at Dadella, Galle.

#### 1.2 Principal Activities and Nature of Operations

The Company owns and operates Jetwing Lighthouse and Jetwing Kurulubedda which are targeted at the up market leisure travellers.

The fully owned subsidiary of the company, Unawatuna Properties (Pvt) Ltd (Incorporated in Sri Lanka) which operates Hotel J- Unawatuna commenced commercial operation during December 2017.

#### 1.3 Parent Enterprise and Ultimate Parent Enterprise

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

#### 1.4 Date of Authorization for Issue

The Financial Statements of The Lighthouse Hotel PLC and its subsidiary, for the year ended 31 March 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 03 June, 2024.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of Compliance

The financial statements of The Lighthouse Hotel PLC (“the Company”) and the consolidated financial statements of the Company and its subsidiary (“the Group”), comprise the statement of financial position as at 31 March 2024 and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

#### 2.2 Basis of measurement

The Financial Statements of the Company and the Group have been prepared on a historical cost basis except for:

- Freehold Land measured at fair value
- Financial assets classified as fair value through other comprehensive income (FVOCI).
- 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 2024, based on available information, the management has assessed the impact of existing economic circumstances on the Group Companies and the appropriateness of the use of the going concern basis. The Group evaluated the resilience of its businesses considering, the Company’s budget for the ensuing year, ability to defer non-essential capital expenditure, future prospects and risks, cash flows and the amount of undrawn borrowing facilities, and potential sources of financing facilities.

Having evaluated each company of The Lighthouse Hotel PLC by the Board of Directors, the Directors are satisfied that the Company and its subsidiary 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 financial statements.

#### 2.4 Changes in Accounting Policies

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

#### 2.5 Comparative Information

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



## Notes to the Financial Statements Contd.

### 2.6 Basis of Consolidation

The Consolidated Financial Statements (referred to as the “Group”) comprise the Financial Statements of the Company and its subsidiary as at 31 March 2024.

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 subsidiary 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 Profit or Loss statement. Any investment retained is recognised at fair value.

The total profits and losses for the year of the Company and of its subsidiary included in consolidation are shown in the consolidated Profit or Loss statement and consolidated statement of comprehensive income and all assets and liabilities of the Company and of its subsidiary 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 Profit or Loss statement and statement of 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 subsidiary.

### 2.7 Summary of Significant Accounting Policies Applied

#### 2.7.1 Business Combination and Goodwill

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

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

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.

## Notes to the Financial Statements Contd.

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.

### 2.7.2 Foreign Currencies

The Financial Statements are presented in Sri Lanka Rupees, which is also the Group's functional 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 spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the profit and 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.

Rate of exchange rate used for the conversion of monetary assets and liabilities were: 1 USD =Rs.301, 1 EUR=326.

### 2.7.3 Revenue from Customer Contract

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 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.

#### a) Room Revenue

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

#### b) Food & Beverage Revenue

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

#### c) Other Hotel Related Revenue

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

#### d) 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.

#### e) 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.

## Notes to the Financial Statements Contd.

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

### 2.7.4 Contract liabilities

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

### 2.7.5 Taxation

#### (a) Current Income Taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Companies are liable to tax at the rate of 30%.

#### (b) Sales Tax

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

#### (c) Deferred Tax

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

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits 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 credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

No deferred tax asset or liability has been recognised in the companies which are enjoying the Board of Investment (BOI) Tax Holiday period, if there are no qualifying assets or liabilities beyond the tax holiday period.

### 2.7.6 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.

## Notes to the Financial Statements Contd.

### 2.7.7 Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. Net realisable 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 following cost formulae:

Food and Beverage -At purchase cost on weighted average basis.

Other Inventories -At purchase cost on weighted average basis.

### 2.7.8 Cash and Cash Equivalents

Cash & cash equivalents in the Statement of Financial Position comprise short-term highly liquid deposits that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Cash & cash equivalents include cash in hand and balances with banks

For the purpose of the statement of cash flows of the Company and Group, cash and cash equivalents consist of cash in hand and balances with banks (with a maturity of three months or less) net of outstanding bank overdrafts as they are considered an integral part of cash management.

### 2.7.9 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 Statement of Profit or Loss when the asset is derecognised.

The 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.

## Notes to the Financial Statements Contd.

### 2.7.10 Leases

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.

#### 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.

### 2.7.11 Financial Instruments

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

#### Initial Recognition and Subsequent Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.



## Notes to the Financial Statements Contd.

### Subsequent Measurement

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

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

### Financial Assets at Amortised Cost (Debt Instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and;
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding
- Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes cash and short-term deposits, trade and other receivables and other financial assets.

### Financial Assets at Fair Value Through OCI (Debt Instruments)

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

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

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

### Financial Assets Designated at Fair Value Through OCI (Equity Instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

### Financial Assets at Fair Value through Profit or Loss

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

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.

## Notes to the Financial Statements Contd.

### 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

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Trade receivables,

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

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

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

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

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

### 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.

## Notes to the Financial Statements Contd.

### 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 14.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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.

#### 2.7.12 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 related 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

## Notes to the Financial Statements Contd.

amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category consistent with the function of the intangible assets.

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

### 2.7.13 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

### 2.7.14 Post-Employment Benefit Liability

#### a) Defined Benefit Plan – Gratuity

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

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 Company contributes 12% and 3% of gross emoluments of employees to Employees’ Provident Fund and Employees’ Trust Fund respectively.

### 2.7.15 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 assumptions 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.

## Notes to the Financial Statements Contd.

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 Statement of Profit or Loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

### 2.7.16 Dividend Distributions

The Group recognises a liability to make cash or non-cash distributions to owners of equity when the distribution is authorised and is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed. Upon settlement of the distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in income as a separate line in statement of comprehensive income.

### 2.7.17 Government Grants

Grants are recognized at their fair value where there is a reasonable assurance the grant will be received and all attaching conditions, if any, will be complied with. When the grant relates to compensate for the cost of an asset are deducted from the cost of the related asset in the same period in which grant is received.

## 2.8 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Financial Statements of the Company and the Group 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.

### Judgments

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the Financial Statements.

### Critical Accounting Estimates and Assumptions

The Financial Statements are sensitive to assumptions and estimates made in measuring certain carrying amounts represented in the Statement of Financial Position and amounts charged to the Statement of Profit or Loss. These could result in a significant risk of causing material adjustments to the carrying amounts of assets and liabilities which are disclosed in the relevant Notes to the Financial Statements.

#### a. Fair Value Measurement of Freehold Land

The Freehold Land of the Group are reflected at fair value. Freehold Land is valued by reference to market based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of Freehold Land, with the assistance of an independent professional valuer. Valuations are performed frequently enough to ensure that the fair value of a revalued land does not differ materially from its carrying amount. To determine the frequency of valuations, the management uses its judgement supported by the advice of an independent professional valuer.

Further information including key inputs use in the valuation of the land of the Group and sensitivity analysis are provided in Note 4.

#### b. Components of Buildings:

In determining the depreciation expense, the Company 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 details are given in Note 4.8.



## Notes to the Financial Statements Contd.

### c. 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 details are given in Notes 10 & 25.

### d. Fair value through Other Comprehensive Income (FVOCI) Financial Instruments

The Fair Value of Financial Instruments through Other Comprehensive Income, that are unquoted is determined using valuation technique based on discounted cash flow analysis. Further details are given in Note 8.

### 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 details are given in Note 13.

### f. 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.

### 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.

### 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 2024.

- SLFRS 17 Insurance Contracts
- Amendment to LKAS 1 : Classification of liabilities as Current or Non-current.
- Amendment to LKAS 7 and SLFRS 7: Disclosures: Supplier Finance Arrangements
- Amendment to SLFRS 16 : Lease Liability in a Sale and Leaseback
- Amendment to LKAS 12 : International Tax Reform—Pillar Two Model Rule

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

## Notes to the Financial Statements Contd.

## 3. REVENUE

## 3.1 Type of Services

The business activities of the Company are only organised as a single reportable segment, where the management of the hotel monitors the Revenue per Available Room and Average Room Rate as a key performance indicator. Revenue consists of the following type and nature of services.

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Room Revenue	761,435,275	338,869,575	703,206,169	304,676,582
Food and Beverage Revenue	443,018,553	305,932,919	414,015,111	283,540,060
Other Hotel Related Revenue	155,716,342	86,437,192	155,717,873	86,410,776
<b>Total Revenue</b>	<b>1,360,170,170</b>	<b>731,239,686</b>	<b>1,272,939,153</b>	<b>674,627,418</b>

## 3.2 Timing of Revenue Recognition

Under SLFRS 15, the Group determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied over time, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Service transferred over time	917,151,617	425,306,767	858,924,042	391,087,358
Service transferred at a point in time	443,018,553	305,932,919	414,015,111	283,540,060
	<b>1,360,170,170</b>	<b>731,239,686</b>	<b>1,272,939,153</b>	<b>674,627,418</b>

## Notes to the Financial Statements Contd.

### 4. PROPERTY, PLANT AND EQUIPMENT

#### 4.1 Gross Carrying Amounts

Group	Balance	Additions	Disposals	Balance
	As at			As at
	01.04.2023	LKR	LKR	31.03.2024
	LKR	LKR	LKR	LKR
<b>At Cost</b>				
Buildings and Building Integrals	2,433,751,357	2,627,048	(259,049)	2,436,119,356
Plant and Equipment	107,139,321	899,930	(134,590)	107,904,661
Sewerage Treatment Plant	9,403,179	38,000	(82,100)	9,359,079
Kitchen/Bar Equipment	73,116,770	2,244,337	(78,165)	75,282,942
Electrical Equipment	82,625,015	1,275,032	(641,598)	83,258,449
Solar Electrical System	14,394,434	1,070,900	(546,962)	14,918,372
Office Equipment	1,600,332	488,000	-	2,088,332
Sports Equipment	11,865,426	880,000	-	12,745,426
Furniture and Fittings	140,802,843	3,250,684	(350,106)	143,703,421
Swimming Pool Equipment	9,259,264	333,300	(174,400)	9,418,164
Audio & Video System	1,996,850	-	-	1,996,850
Generator	20,299,144	-	-	20,299,144
Motor Vehicles	18,595,223	-	-	18,595,223
Water Treatment Plant	4,317,724	92,000	-	4,409,724
Linen, Cutlery and Crockery	75,738,293	4,633,545	(137,664)	80,234,174
Laundry and Hot Water Equipment	28,460,889	49,200	-	28,510,089
Telephone System	6,005,079	317,428	(169,031)	6,153,476
Elevators	12,172,694	-	-	12,172,694
SMA TV System	18,048,107	731,251	(737,900)	18,041,458
Maintenance Tools	1,164,299	56,403	(31,157)	1,189,545
Music Instruments	2,955,076	420,023	(59,821)	3,315,278
Bar Furniture and Equipment	27,260,980	1,419,150	(185,000)	28,495,130
Computer Equipment & Systems	29,068,657	3,154,328	(854,110)	31,368,875
Bio Gas Plant	4,077,984	-	-	4,077,984
	3,134,118,940	23,980,559	(4,441,653)	3,153,657,846
<b>At Fair Value</b>				
Freehold Land	1,654,919,962	-	-	1,654,919,962
	1,654,919,962	-	-	1,654,919,962
<b>Total Gross Carrying Amount</b>	<b>4,789,038,902</b>	<b>23,980,559</b>	<b>(4,441,653)</b>	<b>4,808,577,808</b>

## Notes to the Financial Statements Contd.

## 4. PROPERTY, PLANT AND EQUIPMENT

## 4.1 Gross Carrying Amounts

Company	Balance As at 01.04.2023 LKR	Additions LKR	Disposals LKR	Balance As at 31.03.2024 LKR
<b>At Cost</b>				
Buildings and Building Integrals	2,251,124,144	2,627,048	(259,049)	2,253,492,143
Plant and Equipment	95,100,408	899,930	(134,590)	95,865,748
Sewerage Treatment Plant	7,567,445	38,000	(82,100)	7,523,345
Kitchen/Bar Equipment	69,383,390	2,166,077	(78,165)	71,471,302
Electrical Equipment	66,512,830	838,634	(641,598)	66,709,866
Solar Electrical System	14,394,434	1,070,900	(546,962)	14,918,372
Office Equipment	1,600,332	488,000	-	2,088,332
Sports Equipment	11,865,426	880,000	-	12,745,426
Furniture and Fittings	122,210,066	3,125,784	(350,106)	124,985,744
Swimming Pool Equipment	9,259,264	333,300	(174,400)	9,418,164
Audio & Video System	1,996,850	-	-	1,996,850
Generator	17,349,144	-	-	17,349,144
Motor Vehicles	18,595,223	-	-	18,595,223
Water Treatment Plant	2,046,799	-	-	2,046,799
Linen, Cutlery and Crockery	70,753,635	4,394,505	(81,400)	75,066,740
Laundry and Hot Water Equipment	28,460,889	49,200	-	28,510,089
Telephone System	4,475,662	313,728	(169,032)	4,620,358
Elevators	8,398,694	-	-	8,398,694
SMA TV System	16,451,307	630,391	(737,900)	16,343,798
Maintenance Tools	1,126,449	56,403	(31,157)	1,151,695
Music Instruments	2,955,076	420,023	(59,821)	3,315,278
Bar Furniture and Equipment	26,521,845	1,419,150	(185,000)	27,755,995
Computer Equipment & Systems	23,828,820	2,842,167	(854,110)	25,816,877
Bio Gas Plant	4,077,984	-	-	4,077,984
	2,876,056,116	22,593,240	(4,385,390)	2,894,263,966
<b>At Fair Value</b>				
Freehold Land	1,592,145,000	-	-	1,592,145,000
	1,592,145,000	-	-	1,592,145,000
<b>Total Gross Carrying Amount</b>	4,468,201,116	22,593,240	(4,385,390)	4,486,408,966

## Notes to the Financial Statements Contd.

## 4.2 Depreciation

Group	Balance As at 01.04.2023 LKR	Charge for the year LKR	Disposals/ Transferred LKR	Balance As at 31.03.2024 LKR
<b>At Cost</b>				
Buildings and Building Integrals	644,045,130	52,515,438	(172,679)	696,387,888
Plant and Equipment	62,635,676	6,954,587	(100,036)	69,490,227
Sewerage Treatment Plant	5,599,837	348,075	(25,508)	5,922,404
Kitchen/Bar Equipment	60,703,397	4,201,338	(61,688)	64,843,047
Electrical Equipment	52,758,654	6,818,211	(464,302)	59,112,563
Solar Electrical System	8,583,746	1,509,833	(341,964)	9,751,615
Office Equipment	1,367,608	69,601	-	1,437,209
Sports Equipment	9,261,642	735,284	-	9,996,926
Furniture and Fittings	107,115,982	9,838,068	(250,458)	116,703,592
Swimming Pool Equipment	7,904,166	481,339	(166,050)	8,219,455
Audio & Video System	535,428	399,370	-	934,798
Generator	12,980,792	1,453,813	-	14,434,605
Motor Vehicles	18,508,013	68,642	-	18,576,655
Water Treatment Plant	3,121,892	272,162	-	3,394,054
Linen, Cutlery and Crockery	71,204,488	4,095,295	(117,821)	75,181,962
Laundry and Hot Water Equipment	20,679,712	1,637,856	-	22,317,568
Telephone System	4,219,512	249,601	(132,395)	4,336,718
Elevators	3,831,487	609,579	-	4,441,066
SMA TV System	12,025,542	1,602,218	(591,241)	13,036,519
Maintenance Tools	911,536	67,589	(27,448)	951,677
Music Instruments	1,769,186	246,781	(55,560)	1,960,407
Bar Furniture and Equipment	21,556,008	1,919,752	(153,271)	23,322,489
Computer Equipment & Systems	25,579,265	1,890,921	(836,688)	26,633,498
Bio Gas Plant	1,018,476	305,849	-	1,324,325
<b>Total Depreciation</b>	<b>1,157,917,174</b>	<b>98,291,202</b>	<b>(3,497,109)</b>	<b>1,252,711,267</b>



## Notes to the Financial Statements Contd.

## 4.2 Depreciation

Company	Balance As at 01.04.2023 LKR	Charge for the year LKR	Disposals/ Transferred LKR	Balance As at 31.03.2024 LKR
<b>At Cost</b>				
Buildings and Building Integrals	625,470,296	49,270,468	(172,679)	674,568,085
Plant and Equipment	57,595,941	6,046,644	(100,036)	63,542,549
Sewerage Treatment Plant	5,111,468	255,757	(25,508)	5,341,717
Kitchen/Bar Equipment	58,801,895	3,822,061	(61,688)	62,562,268
Electrical Equipment	43,886,651	5,173,759	(464,302)	48,596,108
Solar Electrical System	8,583,746	1,509,833	(341,964)	9,751,615
Office Equipment	1,367,608	69,601	-	1,437,209
Sports Equipment	9,261,642	735,284	-	9,996,926
Furniture and Fittings	96,831,252	7,970,060	(250,458)	104,550,854
Swimming Pool Equipment	7,904,166	481,339	(166,050)	8,219,455
Audio & Video System	535,428	399,370	-	934,798
Generator	11,808,168	1,232,563	-	13,040,731
Motor Vehicles	18,508,013	68,642	-	18,576,655
Water Treatment Plant	1,893,410	44,234	-	1,937,644
Linen, Cutlery and Crockery	67,707,543	3,189,101	(61,557)	70,835,088
Laundry and Hot Water Equipment	20,679,712	1,637,856	-	22,317,568
Telephone System	3,669,808	134,708	(132,395)	3,672,121
Elevators	2,775,050	419,935	-	3,194,985
SMA TV System	11,183,081	1,438,458	(591,241)	12,030,298
Maintenance Tools	903,613	66,094	(27,448)	942,259
Music Instruments	1,769,186	246,781	(55,560)	1,960,407
Bar Furniture and Equipment	21,140,068	1,845,761	(153,271)	22,832,558
Computer Equipment & Systems	20,526,943	1,848,428	(836,688)	21,538,683
Bio Gas Plant	1,018,476	305,849	-	1,324,325
<b>Total Depreciation</b>	<b>1,098,933,165</b>	<b>88,212,586</b>	<b>(3,440,845)</b>	<b>1,183,704,906</b>

## Notes to the Financial Statements Contd.

## 4.3 Net Book Values

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
<b>At Cost</b>				
Buildings and Building Integrals	1,739,731,468	1,789,706,228	1,578,924,058	1,625,653,848
Plant and Equipment	38,414,434	44,503,644	32,323,199	37,504,467
Sewerage Treatment Plant	3,436,675	3,803,342	2,181,628	2,455,977
Kitchen/Bar Equipment	10,439,895	12,413,373	8,909,034	10,581,495
Electrical Equipment	24,145,886	29,866,361	18,113,758	22,626,178
Solar Electrical System	5,166,757	5,810,688	5,166,757	5,810,688
Office Equipment	651,123	232,724	651,123	232,724
Sports Equipment	2,748,500	2,603,784	2,748,500	2,603,784
Furniture and Fittings	26,999,829	33,686,862	20,434,890	25,378,814
Swimming Pool Equipment	1,198,709	1,355,098	1,198,709	1,355,098
Audio & Video System	1,062,052	1,461,422	1,062,052	1,461,422
Generator	5,864,539	7,318,352	4,308,413	5,540,976
Motor Vehicles	18,568	87,210	18,568	87,210
Water Treatment Plant	1,015,670	1,195,831	109,155	153,389
Linen, Cutlery and Crockery	5,052,212	4,533,805	4,231,652	3,046,092
Laundry and Hot Water Equipment	6,192,521	7,781,177	6,192,521	7,781,177
Telephone System	1,816,758	1,785,567	948,237	805,854
Elevators	7,731,628	8,341,207	5,203,709	5,623,644
SMA TV System	5,004,939	6,022,565	4,313,500	5,268,226
Maintenance Tools	237,868	252,763	209,436	222,836
Music Instruments	1,354,871	1,185,890	1,354,871	1,185,890
Bar Furniture and Equipment	5,172,641	5,704,972	4,923,437	5,381,777
Computer Equipment & Systems	4,735,377	3,489,393	4,278,194	3,301,877
Bio Gas Plant	2,753,659	3,059,508	2,753,659	3,059,508
	1,900,946,579	1,976,201,766	1,710,559,060	1,777,122,951
<b>At Fair Value</b>				
Freehold Land	1,654,919,962	1,654,919,962	1,592,145,000	1,592,145,000
	1,654,919,962	1,654,919,962	1,592,145,000	1,592,145,000
<b>Total Carrying Amount of Property, Plant and Equipment</b>	<b>3,555,866,541</b>	<b>3,631,121,728</b>	<b>3,302,704,060</b>	<b>3,369,267,951</b>

## Notes to the Financial Statements Contd.

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

Company	Location	No of Perches	Estimated range of market values per Perch as at 31.03.2024 LKR	Estimated range of market values per Perch as at 31.03.2023 LKR	Carrying Amount as at 31.03.2024 (LKR 000)	Carrying Amount as at 31.03.2023 (LKR 000)
The Lighthouse Hotel PLC	Dadella, Galle	1451	125,000 to 1,600,000	125,000 to 1,600,000	1,592,145	1,592,145
Unawatuna Properties (Pvt) Ltd	Unawatuna, Galle	59	1,250,000	1,250,000	62,775	62,775

**Valuation process of the Group :**

On a once in three years basis, the company usually engages an external independent and qualified valuer to determine the fair value of land. When significant changes in fair values are expected between two valuations, that necessitates a more regular basis of valuation adopted, the Board based on it's judgment as appropriately advised by the valuer obtains a further valuation to ensure that the carrying amount does 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<sup>st</sup> March 2022.

**Sensitivity :**

Increase or decrease in estimated price per perch in isolation would result in a higher or lower fair value measurement. Accordingly, a change of 5% estimated price per perch will cause a LKR 82,745,998/- (2023 - LKR 82,745,998/-) change in the fair value of freehold land, directionally.

The following table provides an analysis of the non-financial assets carried at fair value, by valuation method. The different levels have been defined in Note 8.2.

	Fair Value measurement as at 31 March 2024			
	Level 01 LKR	Level 02 LKR	Level 03 LKR	Total LKR
Group				
Freehold Land	-	-	1,654,919,962	1,654,919,962
Company				
Freehold Land	-	-	1,592,145,000	1,592,145,000

- 4.5 The carrying amount of revalued land that would have been included in the Financial Statements had the assets been carried at cost is as follows:

Class of Asset	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Freehold Land	112,826,303	112,826,303	84,440,984	84,440,984

- 4.6 During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of LKR 23,980,559/- (2023 - LKR 19,879,227/-) and the Company acquired Property, Plant and Equipment to the aggregate value of LKR 22,593,240/- (2023 - LKR 18,082,301/-) Cash payment amounting to LKR 23,980,559/- (2023 - LKR 19,879,227/-) and LKR 22,593,240/- (2023 - LKR 18,082,301/-) were made during the year for the purchase of Property Plant and Equipment by Group and Company respectively.

## Notes to the Financial Statements Contd.

4.7 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amount of LKR 334,569,844/- (2023 - LKR 235,973,453/-) that consisted of individually insignificant items.

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

	Group/Company	
	2024 Year	2023 Year
Buildings and Building Integrals	15 to 60	15 to 60
Plant and Equipment	13.33	13.33
Sewerage Treatment Plant	20	20
Kitchen/Bar Equipment	10	10
Electrical Equipment	04 to 10	04 to 10
Solar Electrical System	10 to 20	10 to 20
Office Equipment	10	10
Sports Equipment	10	10
Furniture and Fittings	10	10
Swimming Pool Equipment	10	10
Generator	13.33	13.33
Audio & Video System	5	5
Motor Vehicles	05 to 08	05 to 08
Water Treatment Plant	10	10
Linen, Cutlery and Crockery	02 to 03	02 to 03
Laundry and Hot Water Equipment	10 to 13.33	10 to 13.33
Telephone System	13.33	13.33
Elevators	20	20
SMA TV System	10	10
Maintenance Tools	10	10
Music Instruments	10	10
Bar Furniture and Equipment	10	10
Computer Equipment & Systems	04	04
Bio Gas Plant	13.33	13.33

4.8.1 The Group regularly reviews the useful life of each significant component of property, plant and equipment taking into account the experience of recent refurbishment patterns as well as industry trends. Accordingly, depreciation was calculated for the year ended 31<sup>st</sup> March 2024 using a straight line method for each individual significant component of building, based on the following estimated useful lives.

**Components included in Buildings & Building Integrals:**

	Group/Company	
	2024 Year	2023 Year
Super Structure	60	60
Roof, Railing and Ceiling work	15	15
Wood, Aluminum and Glass work	15	15
Bathroom Fittings	15	15
Restaurant Floors - Wood	15	15
Tennis and Squash Court	60	60

## Notes to the Financial Statements Contd.

## 5. RIGHT OF USE ASSETS

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

## 5.1 Lease hold Properties

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
As at 1st April	2,151,516	2,181,819	2,151,516	2,181,819
Amortisation for the Year	(30,303)	(30,303)	(30,303)	(30,303)
<b>As at 31st March</b>	<b>2,121,213</b>	<b>2,151,516</b>	<b>2,121,213</b>	<b>2,151,516</b>

5.2 Right of use Asset represents the lease rental paid to acquire the leasehold rights of land situated in Dadalla-Galle obtained from The Urban Development Authority of Sri Lanka by the agreement dated 18<sup>th</sup> January 1995. The amount paid upfront is being amortized over the lease period of 99 years.

## 6. INTANGIBLE ASSETS

## 6.1 Cost

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
As at 1st April	7,074,952	7,074,952	5,240,605	5,240,605
Purchased during the Year	-	-	-	-
As at 31st March	7,074,952	7,074,952	5,240,605	5,240,605
<b>Amortisation</b>				
As at 1st April	(6,167,660)	(5,808,429)	(4,766,647)	(4,569,916)
Amortised during the Year	(325,000)	(359,231)	(162,500)	(196,731)
As at 31st March	(6,492,660)	(6,167,660)	(4,929,147)	(4,766,647)
<b>Net Book Value</b>				
As at 1st April	907,292	1,266,523	473,958	670,689
As at 31st March	582,292	907,292	311,458	473,958

6.2 Intangible assets stated above consist of Computer Software and Licenses together with related costs. These are amortised over a period of 4 years, on a straight line basis.



## Notes to the Financial Statements Contd.

### 7. INVESTMENTS IN SUBSIDIARY

#### 7.1 Non-Quoted Investment

	Holding		Cost	
	2024 %	2023 %	2024 LKR	2023 LKR
<b>Unawatuna Properties (Pvt) Ltd (Note 7.2)</b>	100	100	325,000,000	275,000,000
			325,000,000	275,000,000

7.2 The Group has determined that there is no impairment as at the reporting date.

7.3 During the period under review, the company made an equity investment of LKR 50 million in Unawatuna Properties (Pvt) Ltd.

### 8. OTHER FINANCIAL ASSETS

#### 8.1 Other Non-Current Financial Assets

##### Financial Assets Measured at Fair Value through OCI

##### 8.1.1 Investments in Equity Securities - Non quoted :

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Rainforest Ecolodge (Pvt) Ltd. (Note 8.1.2)				
Fair Value at the beginning of the Year	56,022,062	61,204,848	56,022,062	61,204,848
Loss recognised in Other Comprehensive Income (Note 12.3)	(17,376,833)	(5,182,786)	(17,376,833)	(5,182,786)
<b>Fair Value at the end of the Year</b>	<b>38,645,229</b>	<b>56,022,062</b>	<b>38,645,229</b>	<b>56,022,062</b>

8.1.2 The Company held 18.32% (2023 - 18.32%) shareholding in Rainforest Ecolodge (Pvt) Ltd. The commercial operations of Rainforest Ecolodge (Pvt) Ltd commenced during the year 2013. The fair value of above unquoted equity securities was determined using Discounted cash flow (DCF) valuation technique, where significant inputs were not based on observable market data (Level 3). There were no share sales or purchases during the year. Valuation techniques, key assumption and the sensitivity of the significant inputs to the fair value of the Investment are as follows:

Valuation Technique	Significant Unobservable Inputs	Sensitivity of the input to fair value
Discounted cash flow (DCF) method	Long term growth rate 5% (2023 - 5%)	1% increase/(decrease) in the growth rate would result in increase/(decrease) in fair value by LKR 5.9 Mn and (LKR 4.6 Mn) respectively
	Weighted Average Cost of Capital (WACC) 13% (2023 - 18%)	1% increase/(decrease) in the WACC would result in (decrease)/Increase in fair value by (LKR 6.3 Mn) and LKR 8.1 Mn respectively

## Notes to the Financial Statements Contd.

### 8.2 Fair Value Hierarchy

The Group/Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

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.

As at 31st March 2024, the Group/Company held the following financial instruments carried at fair value on the Statement of Financial Position.

### 8.3 Assets Measured at Fair Value

	Total LKR	Level 1 LKR	Level2 LKR	Level 3 LKR
<b>Financial Assets Measured at fair value through OCI</b>				
Non-quoted Equity Investment (8.1.1)	38,645,229	-	-	38,645,229
2024	38,645,229	-	-	38,645,229
2023	56,022,062	-	-	56,022,062

During the reporting year ending 31st March 2024, there were no transfers between Level 2 and Level 3 fair value measurements.

### 8.4 Other current financial assets

#### Amortised Cost

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Investment in Short Term Deposits	158,413,859	-	158,413,859	-
	158,413,859	-	158,413,859	-

## 9. INVENTORIES

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Food and Beverage	20,000,544	13,766,400	18,986,627	12,826,045
Other Inventories	10,078,351	11,287,858	9,088,863	10,470,045
	30,078,895	25,054,258	28,075,490	23,296,090

## Notes to the Financial Statements Contd.

## 10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Trade Debtors - Related Parties (Note 10.1)	42,332,442	17,468,446	38,249,495	17,468,446
Trade Debtors - Other	72,453,584	43,443,487	64,327,174	41,346,948
Less: Impairment of Trade Debtors	(2,048,375)	(2,312,408)	(2,048,375)	(2,312,408)
	112,737,651	58,599,525	100,528,294	56,502,986
Loans and Other Receivables - Related Parties (Note 10.2)	-	-	215,113	163,073
- Others	54,107,707	26,554,141	49,239,157	23,294,677
	166,845,358	85,153,666	149,982,564	79,960,736
Prepayments	8,744,361	6,862,655	8,640,355	5,544,894
	175,589,719	92,016,321	158,622,919	85,505,630

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

See Note 25 (1) on credit risk of trade receivables, which discusses how the Company manages and measures credit quality of Trade Receivables that are neither past due nor impaired.

## 10.1 Related Parties

Relationship	Group		Company		
	2024 LKR	2023 LKR	2024 LKR	2023 LKR	
Jetwing Travels (Pvt) Ltd	Other Related Party	40,253,375	11,886,627	36,351,028	11,886,627
Jetwing Eco Holidays (Pvt) Ltd	Other Related Party	-	1,799,967	-	1,799,967
Go Vacation Lanka Co. (Pvt) Ltd	Other Related Party	1,789,477	329,493	1,789,477	329,493
Jetwing Journeys (Pvt) Ltd	Other Related Party	-	792,042	-	792,042
Jetwing Kaduruketha (Pvt) Ltd	Other Related Party	-	147,436	-	147,436
Negombo Properties (Pvt) Ltd	Other Related Party	23,550	-	-	-
Tangerine Tours (Pvt) Ltd	Other Related Party	266,040	2,512,881	108,990	2,512,881
		42,332,442	17,468,446	38,249,495	17,468,446

## 10.2 Other receivables - Related Parties

Relationship	Company		
	2024 LKR	2023 LKR	
Unawatuna Properties (Pvt) Ltd	Subsidiary	215,113	163,073
		215,113	163,073

## Notes to the Financial Statements Contd.

## 11. STATED CAPITAL

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
At the beginning of the Year - 46,000,000 Ordinary Shares	460,000,974	460,000,974	460,000,974	460,000,974
At the end of the Year - 46,000,000 Ordinary Shares	460,000,974	460,000,974	460,000,974	460,000,974

## 12. RESERVES

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Revaluation Reserve (Note 12.1)	1,079,465,561	1,079,465,561	1,055,392,811	1,055,392,811
Special Reserve (Note 12.2)	1,325,671,060	1,325,671,060	1,325,671,060	1,325,671,060
Fair value Reserve of Financials Assets at FVOCI (Note 12.3)	(48,618,031)	(31,241,198)	(48,618,031)	(31,241,198)
	2,356,518,590	2,373,895,423	2,332,445,840	2,349,822,673

## 12.1 Revaluation Reserve

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
On: Freehold Land				
As at 1st April	1,079,465,561	1,326,200,547	1,055,392,811	1,296,625,454
Revaluation Surplus (Note 12.4)	-	-	-	-
Deferred Tax Attributable to Revaluation Surplus	-	(246,734,986)	-	(241,232,643)
At at 31st March	1,079,465,561	1,079,465,561	1,055,392,811	1,055,392,811

## 12.2 Special Reserve (Note 12.5)

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
As at 1st April	1,325,671,060	1,325,671,060	1,325,671,060	1,325,671,060
At at 31st March	1,325,671,060	1,325,671,060	1,325,671,060	1,325,671,060

## Notes to the Financial Statements Contd.

### 12.3 Fair value Reserve of Financials Assets at FVOCI

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
As at 1st April	(31,241,198)	(26,058,412)	(31,241,198)	(26,058,412)
Gain/(Loss) on Financials Assets at FVOCI (Note 8.1.1)	(17,376,833)	(5,182,786)	(17,376,833)	(5,182,786)
At at 31st March	(48,618,031)	(31,241,198)	(48,618,031)	(31,241,198)

12.4 The above revaluation surplus consists of net surplus resulting from the revaluation of Freehold Land as described in Note 4.4.

12.5 With the adoption of SLFRS in 2012/2013, the Company opted to reflect its building at deemed cost. The Board resolved to transfer such impact to a Special Reserve during the year 2013. This Special Reserve is available to be used in a manner determined by the Board from time to time.

### 13. POST-EMPLOYMENT BENEFIT LIABILITY

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
As at 1st April	43,587,756	44,064,796	42,571,402	43,248,889
Charge for the Year (Note 13.1)	14,634,913	7,915,012	15,090,142	7,219,453
Transfers (Net) during the year	2,923,504	(5,847,207)	2,171,568	(5,352,095)
Payments made during the year	(16,614,965)	(2,544,845)	(16,369,650)	(2,544,845)
At at 31st March	44,531,208	43,587,756	43,463,462	42,571,402

#### 13.1 Defined Benefit Plan Cost

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Current Service Cost	3,472,291	3,158,982	3,231,502	2,949,938
Interest cost on Benefit Obligation	7,409,918	5,287,776	7,237,138	5,189,867
Recognised in the Statement of Profit or Loss	10,882,209	8,446,758	10,468,640	8,139,805
Actuarial (Gain)/Loss for the year recognised in Other Comprehensive Income	3,752,704	(531,746)	4,621,502	(920,352)
Charge for the year	14,634,913	7,915,012	15,090,142	7,219,453



## Notes to the Financial Statements Contd.

13.2 As at 31<sup>st</sup> March 2024 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:

	Group/Company	
	2024	2023
Discount Rate	13% p.a	17% p.a
Salary Increase	11% p.a	15% p.a
Staff Turnover	5% at each age	5% at each age

### 13.3 Sensitivity of assumptions employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year 2023/2024. The sensitivity of the Income Statement and Statement of Financial Position is 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.

Change in Assumptions	Group		Company	
	Effect on Total Comprehensive Income - (reduction)/ increase in results LKR	Pro Forma Post Employment Benefit Liability LKR	“Effect on Total Comprehensive Income - (reduction)/ increase in results LKR	Pro Forma Post Employment Benefit Liability LKR
+1% Change in Discount Rate	2,903,943	41,627,265	2,813,173	46,276,635
-1% Change in Discount Rate	(3,276,361)	47,807,569	(3,168,186)	40,295,276
+1% Change in rate of Salary Increase	(3,308,225)	47,839,433	(3,198,991)	40,264,471
-1% Change in rate of Salary Increase	2,978,444	41,552,764	2,885,408	46,348,870
+1% change in Rate of Employee Turnover	(376,540)	44,907,748	(359,773)	43,103,689
-1% change in Rate of Employee Turnover	428,476	44,102,732	408,061	43,871,523

## 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.

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Less than or equal 1 year	10,287,116	10,280,379	10,226,985	10,226,985
Over 1 year and less than or equal 5 years	13,295,771	13,496,892	12,859,825	12,859,825
Over 5 year and less than or equal 10 years	37,162,142	37,152,249	36,561,779	36,561,779
<b>Total</b>	<b>60,745,029</b>	<b>60,929,520</b>	<b>59,648,589</b>	<b>59,648,589</b>

### 14. INTEREST BEARING LOANS AND BORROWINGS

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
<b>Bank Loans (Note 14.1)</b>				
As at 1st April	307,049,922	372,657,462	173,354,845	227,353,533
Effect of movement in Exchange Rate	(2,956,950)	12,540,875	-	-
Loan repayments during the Year	(154,076,972)	(78,148,415)	(36,666,845)	(53,998,688)
As at 31st March	150,016,000	307,049,922	136,688,000	173,354,845
<b>Bank Overdrafts (Note 21.2)</b>				
	93,492,634	87,772,373	23,583,268	60,417,733
	243,508,634	394,822,295	160,271,268	233,772,578
Current portion of Interest-bearing Borrowings	138,496,634	173,980,084	65,255,268	97,084,578
Non-current portion of Interest-bearing Borrowings	105,012,000	220,842,211	95,016,000	136,688,000
	243,508,634	394,822,295	160,271,268	233,772,578

## Notes to the Financial Statements Contd.

## 14.1 Bank Loans - Group

	As At 01.04.2023 LKR	Exchange (Gain)/Loss LKR	Repayment LKR	As At 31.03.2024 LKR
Hatton National Bank				
- USD Term Loan *	99,355,425	(1,786,525)	(97,568,900)	-
Hatton National Bank				
- USD Term Loan **	17,909,309	(1,170,425)	(16,738,884)	-
Hatton National Bank				
- Term Loan	183,769,000	-	(33,753,000)	150,016,000
Hatton National Bank				
- Saubagya Loan	6,016,188	-	(6,016,188)	-
	307,049,922	(2,956,950)	(154,076,972)	150,016,000

\*Secured term loan of USD 600,000 repayable in 60 monthly installments with a 24 month grace period at an interest rate of LIBOR + premium

\*\*Term loan of USD 60,162 repayable in 33 monthly installments at an interest rate of LIBOR + premium

Secured Term Loan consist of Rs 270 Mn repayable in 60 installments at an interest rate of AWPLR + premium. Jetwing Hotels Ltd has given a Corporate guarantee as a security.

Saubagya Loan of LKR 19,570,188 repayable in 36 monthly installments at an interest rate of 4% pa.

## 14.2 Bank Loans - Company

	As At 01.04.2023 LKR	Loans Obtained LKR	Repayment LKR	As At 31.03.2024 LKR
Hatton National Bank				
- Term Loan *	167,942,000	-	(31,254,000)	136,688,000
Hatton National Bank				
- Saubagya Loan**	5,412,845	-	(5,412,845)	-
	173,354,845	-	(36,666,845)	136,688,000

\*Secured Term Loan consist of LKR 250 Mn repayable in 60 installments at an interest rate of AWPLR + premium. Jetwing Hotels Ltd has given a Corporate guarantee as a security.

\*\*Saubagya Loan of LKR 17,607,845 repayable in 36 monthly installments at an interest rate of 4% pa.

## Notes to the Financial Statements Contd.

## 15. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Trade Payables - Other	58,312,139	32,134,513	54,566,232	31,366,853
Other Payables - Related Party (Note 15.1)	13,040,009	5,490,676	12,061,385	4,800,257
- Other	82,252,694	77,913,910	71,986,075	67,607,401
Guest Refundable Deposit	50,631,245	11,214,044	50,621,245	11,204,046
Sundry Creditors including Accrued Expenses	16,475,716	27,112,433	13,285,155	26,256,662
	220,711,803	153,865,576	202,520,092	141,235,219
Statutory Payables	28,149,942	2,884,848	26,661,484	2,745,843
	248,861,745	156,750,424	229,181,576	143,981,062

## 15.1 Other Payables - Related parties

Relationship		Group		Company	
		2024 LKR	2023 LKR	2024 LKR	2023 LKR
Jetwing Hotels Ltd	Other Related Party	11,040,512	4,099,556	10,182,989	3,563,697
Jet Enterprices (Pvt) Ltd	Other Related Party	890,015	1,254,560	890,015	1,100,000
Pearl Gardens Mills (Pvt) Ltd	Other Related Party	-	136,560	-	136,560
Villa Properties (Pvt) Ltd	Other Related Party	1,080,970	-	959,869	-
Galle Heritage Homes (Pvt) Ltd	Other Related Party	28,512	-	28,512	-
		13,040,009	5,490,676	12,061,385	4,800,257

## 16. OTHER INCOME AND GAINS

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Insurance Claim Received	845,847	229,176	845,847	229,176
Rent Income	2,153,189	1,966,508	2,153,189	1,966,508
Hotel Operation & Marketing Fee	61,606	-	61,606	-
Write Back Of Other Payable	8,014,064	-	7,971,691	-
	11,074,706	2,195,684	11,032,333	2,195,684

## Notes to the Financial Statements Contd.

## 17. FINANCE INCOME &amp; FINANCE COST

## 17.1 Finance Cost

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Interest Expense on Bank Loan	30,901,216	63,461,444	25,332,454	48,665,504
Interest Expense on Bank Overdraft	10,122,106	12,953,278	3,853,403	4,328,682
	41,023,322	76,414,722	29,185,857	52,994,186

## 17.2 Finance Income

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Interest on Foreign Currency Deposits	148,859	145,307	6,671	5,653
Interest on Deposits - LKR	1,412,189	661,368	1,412,189	661,368
Interest on Inter Company Loan	-	-	548,760	231,233
Interest on Fixed Deposit	-	1,272,848	-	1,272,848
	1,561,048	2,079,523	1,967,620	2,171,102

## 18. PROFIT/(LOSS) BEFORE TAX

Stated after Charging /(Crediting) Included in Administrative Expenses	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Employees Benefits (including the following)	248,995,112	168,997,284	233,967,004	156,334,526
- Defined Benefit Plan Costs - Gratuity	10,882,209	8,446,758	10,468,640	8,139,805
- Defined Contribution Plan Costs - EPF & ETF	21,076,726	16,206,083	19,748,446	15,059,676
Depreciation	98,291,202	103,663,273	88,212,586	93,941,072
Amortization of Leasehold Property	30,303	30,303	30,303	30,303
Amortization of Intangible Assets	325,000	359,231	162,500	196,731
Exchange (Gain)/Loss	3,484,865	(8,146,134)	3,484,865	(8,146,134)
(Profit)/Loss on Disposal of Property, Plant and Equipment	837,145	632,830	837,145	632,830
Hotel Operating and Marketing Fees	73,847,212	29,191,424	69,245,223	26,585,727
Non-Executive Directors' Fees	1,620,000	1,830,000	1,620,000	1,830,000
Donations	70,500	33,500	65,500	33,500
Allowance for doubtful debts	(264,033)	(282,616)	(264,033)	(282,616)
Short Term Lease Rental Expense	825,000	736,500	420,000	436,500
<b>Included in Marketing and Promotional Expenses</b>				
Advertisements and Promotional Expenses	4,505,520	4,125,609	4,176,387	3,466,409



## Notes to the Financial Statements Contd.

## 19. INCOME TAX

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Computation of Tax Charge is as follows:				
<b>Current Income Tax;</b>				
Statutory Income from Hotel Income at 2% (Note 19.2)	-	13,520,016	-	13,520,016
Statutory Income from Hotel Income at 14% (Note 19.1)	-	36,024	-	36,024
Statutory Income from Hotel Income at 30% (Note 19.1)	88,804,159	-	88,804,159	-
Statutory Income from Other Sources (Note 19.1)	1,234,241	863,019	1,234,241	863,019
Deferred Tax charge/(reversal) at 30% (Note 19.3)	(1,402,867)	(521,572)	(1,142,229)	(638,154)
Under/(Over) Provision of current taxes in respect of prior years	(398,729)	-	(398,729)	-
<b>Income Tax Expense Reported in the Statement of Profit or Loss</b>	<b>88,236,804</b>	<b>13,897,487</b>	<b>88,497,442</b>	<b>13,780,905</b>

## 19.1 Current Tax Expenses/(Income ) from Other Sources

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Accounting Profit/(Loss) before tax	264,122,000	(105,639,329)	261,043,950	(69,845,594)
Deduction/Addition	-	72,360,711	-	72,360,711
Accounting Profit/(Loss) from Other Sources	264,122,000	(33,278,618)	261,043,950	2,515,117
Aggregate Disallowed Items	113,696,515	25,745,184	103,036,832	3,012,656
Aggregate Allowable Income	(87,735,866)	(25,517,203)	(68,066,920)	(5,013,146)
Tax losses not utilized in the current financial year	5,931,213	33,565,264	-	-
Business Income	296,013,862	514,627	296,013,862	514,627
Investment Income	4,114,138	2,859,108	4,114,138	2,859,108
Taxable Profit for the year	300,128,000	3,373,735	300,128,000	3,373,735
Statutory Tax Rate				
Current Income Tax Expense at 14% (Note 19.2)	-	36,024	-	36,024
Current Income Tax Expense at 24% (Note 19.2)	-	287,631	-	287,631
Current Income Tax Expense at 30% (Note 19.2)	90,038,400	575,388	90,038,400	575,388
	90,038,400	899,043	90,038,400	899,043

19.2 Pursuant to an agreement dated 29th January, 1994, entered into with the Board of Investment under Section 17 of the Board of Investment Law, the Company is taxed at the rate of 2% of the turnover from 1st April, 2008 for a period of 15 years in accordance with the said agreement up to 2023. However, from the current financial year Income tax on operation of the Company is computed on taxable profits at prevailing rates stipulated by the Inland Revenue Act. Interest Income earned has been provided for, based on the provisions of the Inland Revenue Act. Income tax on operation of Hotel J Unawatuna and Jetwing Kurulubedda are computed on taxable profits at prevailing rates stipulated by the Inland Revenue Act.

## Notes to the Financial Statements Contd.

## 19.3 Deferred Tax Charge/(Reversal)

## 19.3.1 Deferred Tax Charge/(Reversal) recognised through;

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
<b>Statement of Profit or Loss</b>				
Charge/ (Reversal) Arising on During the Year Movement	(1,402,867)	(363,499)	(1,142,229)	(480,081)
Charge/ (Reversal) Due to Change in Tax Rates	-	(158,073)	-	(158,073)
	(1,402,867)	(521,572)	(1,142,229)	(638,154)
<b>Other Comprehensive Income</b>				
Charge/ (Reversal) Arising on During the Year Movement	(1,125,811)	159,524	(1,386,451)	276,105
Charge/ (Reversal) Due to Change in Tax Rates	-	246,734,986	-	241,232,643
	(1,125,811)	246,894,510	(1,386,451)	241,508,748

## 19.3.2 Deferred Tax Assets, Liabilities

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Deferred Tax Liabilities	513,723,876	511,652,065	463,885,275	464,582,264
Deferred Tax Assets	(54,124,819)	(49,524,329)	(14,603,111)	(12,771,421)
<b>Net Deferred Tax Liabilities</b>	<b>459,599,057</b>	<b>462,127,736</b>	<b>449,282,164</b>	<b>451,810,843</b>

## Deferred Taxation Charge/(Reversal) - Statement of Profit or Loss /Other Comprehensive Income

Group	Statement of Financial Position		Statement of Profit or Loss		Other Comprehensive income / Directly through Equity	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR	2024 LKR	2023 LKR
<b>Deferred Tax Liability</b>						
Capital allowances for tax purposes	51,095,778	49,023,967	2,071,811	27,300,853	-	-
On Land revaluation surplus	462,628,098	462,628,098	-	-	-	246,734,986
	513,723,876	511,652,065	2,071,811	27,300,853	-	246,734,986
<b>Deferred Tax Assets</b>						
Defined Benefit Plans	(13,359,363)	(13,076,327)	842,776	(7,066,779)	(1,125,811)	159,524
Carry forward tax losses	(39,201,384)	(36,448,002)	(2,753,382)	(20,755,646)	-	-
Others	(1,564,072)	-	(1,564,072)	-	-	-
	(54,124,819)	(49,524,329)	(3,474,678)	(27,822,425)	(1,125,811)	159,524
Deferred Income Tax Charge recognize in OCI					(1,125,811)	246,894,510
Deferred Income Tax (Income)/ Expense			(1,402,867)	(521,572)		
<b>Deferred Tax Asset/Liability</b>	<b>459,599,057</b>	<b>462,127,736</b>				

## Notes to the Financial Statements Contd.

Company	Statement of Financial Position		Statement of Profit or Loss		Other Comprehensive income / Directly through Equity	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR	2024 LKR	2023 LKR
<b>Deferred Tax Liability</b>						
Capital allowances for tax purposes	11,574,070	12,271,059	(696,989)	6,354,528	-	-
On Land revaluation surplus	452,311,205	452,311,205	-	-	-	241,232,643
	463,885,275	464,582,264	(696,989)	6,354,528	-	241,232,643
<b>Deferred Tax Assets</b>						
Defined Benefit Plans	(13,039,039)	(12,771,421)	1,118,832	(6,992,682)	(1,386,451)	276,105
Others	(1,564,072)	-	(1,564,072)	-	-	-
	(14,603,111)	(12,771,421)	(445,240)	(6,992,682)	(1,386,451)	276,105
Deferred Income Tax Charge recognize in OCI					(1,386,451)	241,508,748
Deferred Income Tax (Income)/ Expense			(1,142,229)	(638,154)		
<b>Net Deferred Tax Liability/ (Assets)</b>	<b>449,282,164</b>	<b>451,810,843</b>				

The Group recognizes a deferred tax asset on unused tax losses which is expected to reduce the future tax expense based on the Group's forecasted business plans. However, Deferred tax Assets have not been recognized for unused tax losses amounting to LKR 100,461,312/- . These unused tax losses will expire in 2025/26 - LKR 6,220,490/-, 2026/27 - LKR 34,383,020/- , 2027/28 LKR 20,631,365, 2028/29 LKR 33,295,224 & 2029/30 LKR 5,931,213.

**20 EARNINGS PER SHARE**

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

## Notes to the Financial Statements Contd.

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

	Group	
	2024 LKR	2023 LKR
<b>Amount Used as the Numerator:</b>		
Net Profit/(Loss) Attributable to Ordinary Shareholders for Basic Earnings Per Share	175,885,196	(119,536,816)

	2024 Number	2023 Number
	<b>Number of Ordinary Shares Used as Denominator:</b>	
Weighted Average number of Ordinary Shares in issue	46,000,000	46,000,000
Applicable to Basic Earnings/(Loss) Per Share (LKR)	3.82	(2.60)

## 21. CASH AND CASH EQUIVALENTS

Components of Cash and Cash Equivalents

### 21.1 Favourable Cash and Cash Equivalents Balance

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Cash at Bank and in Hand	32,878,284	31,261,171	29,415,793	9,047,824
	32,878,284	31,261,171	29,415,793	9,047,824

### 21.2 Unfavourable Cash & Cash Equivalents Balance

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Bank Overdrafts (Note 14)	(93,492,634)	(87,772,373)	(23,583,268)	(60,417,733)
<b>Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement</b>	<b>(60,614,350)</b>	<b>(56,511,202)</b>	<b>5,832,525</b>	<b>(51,369,909)</b>

## Notes to the Financial Statements Contd.

### 22. COMMITMENTS AND CONTINGENCIES

#### a) Capital Expenditure Commitments

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

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Authorised by the Board, but not Contracted for	23,943,231	8,546,000	23,072,346	8,131,000
	23,943,231	8,546,000	23,072,346	8,131,000

#### b) Contingent Liabilities

There are no significant contingent liabilities as at 31st March 2024, other than the following

- Local authorities has claimed a fee amounting to 1% of turnover for the issuance of trade license for the year 2024 from the group. The group does not agree with such claim as it has paid only 0.5% of turnover for the issuance of trade license for the year 2017. The estimated contingent liability of the group as at 31st March 2024 is LKR 11.7 Mn. At the moment there are two cases pending at magistrate's court in Galle.

### 23. ASSETS PLEDGED

There are no assets pledged as securities for liabilities as at the year end.

### 24. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

#### 24.1 Transactions with Key Management Personnel of the Group/Company

The Key Management Personnel are the members of its Board of Directors.

Key Management Personnel Compensation

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Executive Directors' Fees	-	-	-	-
Non-Executive Directors' Fees	1,620,000	1,830,000	1,620,000	1,830,000
Other KMPs	-	-	-	-
	1,620,000	1,830,000	1,620,000	1,830,000

The amounts disclosed above are the amounts recognised as an expense during the reporting period related to key management personnel.

## Notes to the Financial Statements Contd.

## 24.2 Transactions with Subsidiary

	Company	
	2024 LKR	2023 LKR
Amount Receivable as at 31 March (Note 10.2)	215,113	163,073

## Nature of Transactions

Investment in Ordinary Shares	50,000,000	50,000,000
Purchase of Food and Beverages	483,112	1,523,933
Reimbursement of Expenses	1,626,288	1,436,127
Short term Loan Interest	548,760	231,233
Gratuity Transfer	793,564	474,577
Sale of Accommodation and Transfers	467,319	-

## 24.3 Other Related Party disclosures

## Transactions with entities that are significantly influenced by Key Management Personnel of the Company:

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

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Amount Receivable as at 31 March (Note 10.1)	42,332,442	17,468,446	38,249,495	17,468,446
Amount Payable as at 31 March (Note 15.1)	13,040,009	5,490,676	12,061,385	4,800,257

## Nature of Transactions

Hotel Operation and Marketing Fees	73,908,670	29,191,424	69,306,682	26,585,727
Purchases of Food & Beverage	4,320,830	2,706,707	4,320,830	2,706,696
Advertising Expenses & Other Reimbursements	14,389,397	8,483,080	12,766,979	7,174,559
Sale of Accommodation and Transfers	158,151,962	54,440,277	147,975,345	53,824,429
Other Expenses	-	9,260	-	9,260
Transport Charges	-	1,011,268	-	1,011,268
Rent Received	1,538,467	1,317,949	1,538,467	1,317,949
Gratuity Transfer	2,830,094	5,847,207	2,830,094	5,826,672
Support Service Charges	13,163,627	9,199,179	12,176,254	8,573,614
Purchases of Goods	2,278,259	1,261,437	2,196,609	1,127,037
Purchases of Assets	1,765,141	1,554,410	1,730,131	1,554,410
Sale of Linen	-	113,373	-	113,373
Reimbursement of Expenses	2,234,282	2,925,756	2,228,178	2,925,756

## 24.4 Terms and Conditions

All related party balances are payable or receivable within 30 days, and non-interest bearing.



## Notes to the Financial Statements Contd.

### 25. RISK MANAGEMENT OBJECTIVES AND POLICIES

#### Financial Risk Management

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

- Credit risk
- Liquidity risk
- Market risk

Group's exposure to each of the above risks, and the Group's policies and procedures for measuring and managing risks are detailed below: The rates of exchange as at 31<sup>st</sup> March that were used in the financial statements are disclosed in 2.7.2

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

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

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

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

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Cash at Bank and in Hand	32,878,284	31,261,171	29,415,793	9,047,824
Unquoted Equity Securities	38,645,229	56,022,062	38,645,229	56,022,062
Trade and Other Receivables	166,845,358	85,153,666	149,767,451	79,797,663
Other Current Financial Assets	158,413,859	-	158,413,859	-

## Notes to the Financial Statements Contd.

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

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

Group		Credit	Total	Credit	Total
Institution	Instrument	Rating for	Investment	Rating for	Investment
		2024	2024	2023	2023
			LKR		LKR
Commercial Bank of Ceylon PLC	Short Term Deposit	A	158,413,859	A	-

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
As at 1st April	2,312,408	2,595,024	2,312,408	2,595,024
Written back of Bad Debt	(264,033)	(282,616)	(264,033)	(282,616)
At at 31st March	2,048,375	2,312,408	2,048,375	2,312,408

The ageing of trade and other receivables, excluding prepayments, at the end of the each reporting period is as follows :

Group	2024			2023		
	Gross Carrying Amount	Impairment Allowance	Net Carrying Amount	Gross Carrying Amount	Impairment Allowance	Net Carrying Amount
	LKR	LKR	LKR	LKR	LKR	LKR
Neither past due, nor Impaired	115,398,506	-	115,398,506	42,575,519	-	42,575,519
Past due 31-60, but not Impaired	20,767,072	-	20,767,072	17,868,493	-	17,868,493
Past due 61-180	10,973,253	-	10,973,253	8,745,106	-	8,745,106
Past due more than 180 days	20,967,905	(2,048,375)	18,919,530	18,207,856	(2,312,408)	15,895,448
	168,106,736	(2,048,375)	166,058,361	87,396,974	(2,312,408)	85,084,566

Company	2024			2023		
	Gross Carrying Amount	Impairment Allowance	Net Carrying Amount	Gross Carrying Amount	Impairment Allowance	Net Carrying Amount
	LKR	LKR	LKR	LKR	LKR	LKR
Neither past due, nor Impaired	110,921,091	-	110,921,091	38,103,225	-	38,103,225
Past due 31-60, but not Impaired	16,672,816	-	16,672,816	17,077,149	-	17,077,149
Past due 61-180	6,236,641	-	6,236,641	8,745,106	-	8,745,106
Past due more than 180 days	17,985,278	(2,048,375)	15,936,903	18,184,591	(2,312,408)	15,872,183
	151,815,826	(2,048,375)	149,767,451	82,110,071	(2,312,408)	79,797,663

## Notes to the Financial Statements Contd.

### 25.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Group had access to undrawn overdraft facilities of LKR 307 million as at 31<sup>st</sup> March 2024.

a The following are the undiscounted contractual cash flows of Financial Liabilities as at 31 March 2024.

#### Summary of Financial Liabilities:

	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Interest Bearing Loans and Borrowings (Note 14.1)	150,016,000	307,049,922	136,688,000	173,354,845
Bank Overdraft (Note 21.2)	93,492,634	87,772,373	23,583,268	60,417,733
Trade and Other Payables (Note 15)	220,711,803	153,865,576	202,520,092	141,235,219
	464,220,437	548,687,871	362,791,360	375,007,797

#### Maturity Analysis

Group	1 - 6 Months LKR	7 - 12 Months LKR	1 - 5 Years LKR	Total LKR
Interest Bearing Loans and Borrowings	22,502,400	22,501,600	105,012,000	150,016,000
Bank Overdraft	93,492,634	-	-	93,492,634
Trade and Other Payables	220,711,803	-	-	220,711,803
<b>Total 2024</b>	<b>336,706,837</b>	<b>22,501,600</b>	<b>105,012,000</b>	<b>464,220,437</b>
Total 2023	287,749,899	40,095,762	220,842,210	548,687,871

Company	1 - 6 Months LKR	7 - 12 Months LKR	1 - 5 Years LKR	Total LKR
Interest Bearing Loans and Borrowings	20,836,200	20,835,800	95,016,000	136,688,000
Bank Overdraft	23,583,268	-	-	23,583,268
Trade and Other Payables	202,520,092	-	-	202,520,092
<b>Total 2024</b>	<b>246,939,560</b>	<b>20,835,800</b>	<b>95,016,000</b>	<b>362,791,360</b>
Total 2023	222,692,797	15,627,000	136,688,000	375,007,797

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

Financial liabilities denominated in foreign currency	1-6 months	7-12 months	1-2 years	3- 5 years	Total
Interest Bearing Borrowings and Loan Payable in USD	-	-	-	-	-
Financial assets in USD and EUR (in Equivalent USD)	84,784	-	-	-	84,784
<b>Net financial assets/ (financial Liabilities) expressed in USD</b>					
Net Total 2024 (Net Asset/ (Net Liability))	84,784	-	-	-	84,784
Net Total 2023 (Net Asset/ (Net Liability))	2,457	(70,944)	(141,888)	(74,514)	(284,889)

c As at the reporting date, the Group had cash of LKR 32,878,284/- (Company LKR 29,415,793/-) which is held in bank funds which allow daily withdrawals.

## Notes to the Financial Statements Contd.

### 25.3 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 Company's income or the value of its holdings of financial instruments.

#### 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 and balances which are affected by foreign exchange rate movements.

An analysis of carrying amount of financial instruments based on the currency that they are denominated as at 31<sup>st</sup> March 2024 are as follows:

Group	In USD	In EURO	In GBP
Cash at Bank and in Hand	60,697	1,392	22,696
Other Current Financial Asset	-	-	-
Interest Bearing Loan and Borrowings	-	-	-
<b>Net aggregate carrying value</b>	60,697	1,392	22,696
<b>Net Aggregate Carrying Value in LKR 2024</b>	18,280,698	453,846	8,636,153
Net Aggregate Carrying Value in LKR 2023	(93,832,407)	567,075	88,499

Company	In USD	In EURO	In GBP
Cash at Bank and in Hand	51,146	1,392	22,696
Other Current Financial Asset	-	-	-
<b>Net aggregate Carrying Value</b>	51,146	1,392	22,696
<b>Net Aggregate Carrying Value in LKR 2024</b>	15,404,128	453,846	8,636,153
Net Aggregate Carrying Value in LKR 2023	1,405,711	567,075	88,499

#### Foreign Currency Sensitivity

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

## Notes to the Financial Statements Contd.

		Effect on Profit Before Tax (LKR)	
		Group	Company
<b>Sensitivity related to Interest bearing Loans and borrowings:</b>			
Changes in USD Rate of Exchange	(+10%)	-	-
	(-10%)	-	-
Changes in USD Rate of Exchange	(+25%)	-	-
	(-25%)	-	-
<b>Sensitivity related to Cash at Bank</b>			
Changes in USD Rate of Exchange	(+10%)	1,828,070	1,540,413
	(-10%)	(1,828,070)	(1,540,413)
Changes in USD Rate of Exchange	(+25%)	4,570,175	3,851,032
	(-25%)	(4,570,175)	(3,851,032)

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.

**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 Company's exposure to the risk of changes in market interest rates relates primarily to the Group's/Company's long term debt obligations with floating interest rates.

**Interest rate sensitivity**

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

	Assumed impact due to Increase/(decrease) in basis points	Effect on Profit Before Tax (LKR)
		31.03.2024
Sensitivity to Interest rates of Interest bearing borrowings in LKR	+ 1000 basis points	(17,444,964)
	- 1000 basis points	17,444,964
	+ 500 basis points	(8,722,482)
	- 500 basis points	8,722,482
	+ 200 basis points	(3,488,993)
	- 200 basis points	3,488,993
Sensitivity to Interest rates of Interest bearing borrowings in USD	+ 200 basis points	(477,610)
	- 200 basis points	477,610
	+ 100 basis points	(238,805)
	- 100 basis points	238,805
	+ 50 basis points	(119,403)
	- 50 basis points	119,403

## Notes to the Financial Statements Contd.

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.

An explanation of significant changes that occurred after the reporting date is given in Note 27.

### 25.4 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 Company's objective for managing its capital is to ensure that company will be able to continue as a going concern while maximising 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.

### 26. FAIR VALUE

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

Cash at Bank and in Hand, Trade & Other Receivables, Short Term Deposits and Trade & Other Payables approximate their carrying amounts largely due to the short term maturities of these instruments.

Long term variable rate borrowings are evaluated by the Company based on parameters such as interest rates, risk characteristics of the financed project etc. As at 31<sup>st</sup> March 2024, the carrying amounts of such borrowings are not materially different from their calculated fair values.

### 27. 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.

### 28. DIVIDENDS - COMPANY

	2024	2023
	LKR	LKR
Proposed for approval at the AGM (not recognised as a Liability as at 31st March)		
Equity Dividends on Ordinary Shares :		
Final Dividend for 2024 LKR 3.00/- (2023 - Nil)	138,000,000	-



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## Related Companies which had Transactions with the Company

Name of the Company	Nature of Transactions	Value of Transactions	
		2024 LKR	2023 LKR
JETWING HOTELS LTD	Hotel Operation and Marketing Fees	73,847,211	29,191,424
	Advertising Expenses & Other Reimbursements	14,389,397	8,483,080
	Other Expenses	-	9,260
	Gratuity Transfer	484,680	35,000
SEASHELLS HOTEL (PVT) LTD	Sale of Accommodation and Transfers	177,745	22,186
	Purchases of Asset	-	454,410
	Reimbursement of Expenses	36,600	6,950
JETWING TRAVELS (PVT) LTD	Sale of Accommodation and Transfers	135,510,673	32,549,648
	Transport Charges	-	606,274
	Reimbursement of Expenses	-	926,000
YALA PROPERTIES (PVT) LTD	Sale of Accommodation and Transfers	1,360,833	805,299
	Gratuity Transfer	41,354	329,724
	Purchases of Goods	27,445	11,840
	Reimbursement of Expenses	84,746	48,542
	Purchases of Food & Beverage	9,200	-
	Purchases of Asset	57,081	-
JETWING EVENTS (PVT) LTD	Sale of Accommodation and Transfers	-	94,229
JET ENTERPRISES (PVT) LTD	Purchases of Food & Beverage	2,589,620	694,960
	Purchases of Asset	1,683,060	1,100,000
	Purchases of Goods	1,847,381	916,320
GO VACATION LANKA CO.( PVT) LTD	Sale of Accommodation and Transfers	4,591,322	3,569,714
ST ANDREWS HOTEL (PVT) LTD	Sale of Accommodation and Transfers	515,917	42,269
	Purchases of Food & Beverage	-	317,381
THE FIRST RESORT (PVT) LTD	Sale of Accommodation and Transfers	54,768	381,597
	Gratuity Transfer	-	191,482
	Reimbursement of Expenses	-	28,827
NEGOMBO HOTELS LTD	Sale of Accommodation and Transfers	187,228	65,317
	Reimbursement of Expenses	4,429	-

## Related Companies which had Transactions with the Company Contd.

Name of the Company	Nature of Transactions	Value of Transactions	
		2024 LKR	2023 LKR
BLUE OCEANIC BEACH HOTEL (PVT) LTD	Purchases of Food & Beverage	252,969	4,950
	Sale of Accommodation and Transfers	290,602	489,158
	Transport Charges	-	360,000
	Purchase of Goods	-	333,277
	Sale of Linen	-	113,373
	Gratuity Transfer	308,258	-
JETWING ECO HOLIDAYS (PVT) LTD	Sale of Accommodation and Transfers	4,957,465	4,584,686
VILLA PROPERTIES (PVT) LTD	Support Service Charges	13,163,627	9,199,179
THE ROYAL HERITAGE HOTEL (PVT) LTD	Purchases of Food & Beverage	-	7,000
	Sale of Accommodation and Transfers	81,920	324,322
	Gratuity Transfer	16,797	10,991,614
	Reimbursement of Expenses	337,920	-
JETWING KADURUKETHA (PVT) LTD	Sale of Accommodation and Transfers	458,200	320,643
	Reimbursement of Expenses	379,278	1,057,400
	Rent Received	1,538,467	1,317,949
	Gratuity Transfer	1,911,415	-
UNAWATUNA PROPERTIES (PVT) LTD	Reimbursement of Expenses	1,626,288	1,436,127
	Purchases of Food & Beverage	483,112	1,523,933
	Sale of Accommodation and Transfers	21,355,819	-
	Investment in Ordinary Shares	50,000,000	50,000,000
	Short Term Loan Interest	548,760	231,233
	Gratuity Transfer	793,564	474,577
CULTURAL HERITAGE (PVT) LTD	Sale of Accommodation and Transfers	149,190	88,344
	Gratuity Transfer	-	5,575,955
	Reimbursement of Expenses	26,460	236,342
JETWING CITY (PVT) LTD	Sale of Accommodation and Transfers	81,953	448,168
	Reimbursement of Expenses	10,777	15,865
KADURUKETHA FARMERS (PVT) LTD	Purchases of Food & Beverage	241,500	60,000
POTTUVIL POINT PVT LTD	Sale of Accommodation and Transfers	210,296	53,806
	Reimbursement of Expenses	65,484	-
THE RIVERBANK (PVT) LTD	Sale of Accommodation and Transfers	377,686	19,825
	Gratuity Transfer	67,590	-
	Reimbursement of Expenses	7,376	-



## Related Companies which had Transactions with the Company Contd.

Name of the Company	Nature of Transactions	Value of Transactions	
		2024 LKR	2023 LKR
PEARL GARDEN MILLS (PVT) LTD	Purchases of Food & Beverage	550,082	1,345,455
HOTEL J CITY BEDS (PVT) LTD	Sale of Accommodation and Transfers	7,950	-
	Reimbursement of Expenses	26,153	-
JETWING JOURNEYS (PVT) LTD	Sale of Accommodation and Transfers	76,522	1,132,238
LANKA DHIVIYA (PVT) LTD	Sale of Accommodation and Transfers	-	14,926
	Purchases of Food and Beverage	75,000	-
YALA SAFARI BEACH HOTEL (PVT) LTD	Transport Charges	-	32,994
	Reimbursement of Expenses	-	24,000
YARL HOTELS (PVT) LTD	Gratuity Transfer	-	54,658
	Sale of Accommodation and Transfers	777,768	-
SAMAN VILLAS LTD	Purchases of Food & Beverage	602,459	276,961
	Sale of Accommodation and Transfers	3,063,557	612,158
	Transport Charges	-	12,000
	Reimbursement of Expenses	68,771	581,830
	Purchases of Goods	403,433	-
TANGERINE TOURS ( PVT) LTD	Sale of Accommodation and Transfers	5,196,817	8,821,744
NEGOMBO PROPERTIES (PVT) LTD	Sale of Accommodation and Transfers	23,550	-
	Reimbursement of Expenses	26,834	-
JETWING REAL ESTATE (PVT) LTD	Purchases of Asset	25,000	-
JETWING ACADEMY (PVT) LTD	Reimbursement of Expenses	300,726	-
GALLE HERITAGE HOMES (PVT) LTD	Hotel Operation and Marketing Fees	61,459	-
	Reimbursement of Expenses	858,728	-

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

### Jetwing Hotels Ltd.

#### Directors

Mr. N.J.H.M. Cooray  
 Ms. N.T.M.S. Cooray  
 Mr. R.A.E. Samarasinghe  
 Mr. C.S.R.S. Anthony  
 Mr. J.S.W. Kasturi Arachchi  
 Mr. D.K.D. Nanayakkara  
 Ms. M.D.H. Gunawardena  
 Mr. N.J.D.M. Cooray  
 Mr. N.J.H. 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

### Jetwing Travels (Pvt) Ltd.

#### Directors

Ms. N.T.M.S. Cooray  
 Mr. N.J.H.M. Cooray  
 Mr. R.A.E. Samarasinghe  
 Mr. R.J. Arasaratnam  
 Mr. P.B.M. Withana  
 Mr. I.D.D. Gunewardene  
 Mr. P.M.D. Dinesh  
 Mr. A.G.R. Cooray

### Yala Properties (Pvt) Ltd.

#### Directors

Mr. N.J.H.M. Cooray  
 Mr. R.A.E. Samarasinghe  
 Mr. N.H.V. Perera

### Jetwing Events (Pvt) Ltd.

#### Directors

Mr. N.J.H.M. Cooray  
 Mr. R.J. Arasaratnam

### Jet Enterprises (Pvt) Ltd.

#### Directors

Mr. N.J.H.M. Cooray  
 Mr. R.A.E. Samarasinghe  
 Ms. N.T.M.S. Cooray  
 Mr. C.S.R.S. Anthony  
 Mr. J.S.W. Kasturi Arachchi

### Go Vacation Lanka Co (Pvt) Ltd.

#### Directors

Ms. N.T.M.S. Cooray  
 Mr. R.J. Arasaratnam  
 Mr. K.U. Sperl  
 Mr. C.C.E.J. Mueller

### St Andrew's Hotel (Pvt) Ltd.

#### Directors

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

### The First Resort (Pvt) Ltd.

#### Directors

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

### Yala Safari Beach Hotel (Pvt) Ltd.

#### Directors

Mr. N.J.H.M. Cooray  
 Mr. R.A.E. Samarasinghe  
 Mr. N.H.V. Perera

### 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

### 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

### Jetwing Eco Holidays (Pvt) Ltd.

#### Directors

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

### Villa Properties (Pvt) Ltd.

#### Directors

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

### Jetwing Ayurveda (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

### Jetwing Kaduruketha (Pvt) Ltd.

#### Directors

Mr. N.J.H.M. Cooray  
 Mr. C.S.R.S. Anthony  
 Mr. R.A.E. Samarasinghe  
 Mr. L.R.M.G.L. Kadurugamuwa  
 Mr. J.L. Kadurugamuwa



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

### Unawatuna Properties (Pvt) Ltd.

#### Directors

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

### Cultural Heritage (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

### Kaduruketha Farmers (Pvt) Ltd.

#### Directors

Mr. N.J.H.M. Cooray  
Mr. R.A.E. Samarasinghe  
Mr. L.R.M.G.L. Kaduragamuwa

### Pottuvil Point (Pvt) Ltd.

#### Directors

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

### The Riverbank (Pvt) Ltd.

#### Directors

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

### Lanka Dhiviya (Pvt) Ltd.

#### Directors

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

### Hotel J City Beds (Pvt) Ltd.

#### Directors

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

### Jetwing Journeys (Pvt) Ltd.

#### Directors

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

### Pearl Garden Mills (Pvt) Ltd.

#### Directors

Mr. N.J.D.M. Cooray  
Mr. J.S.W. Kasturi Arachchi  
Mr. M.A.R. Premasiri  
Mr. H.C.K. Mihindukulasuriya

### 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

### Saman Villas Ltd.

#### Directors

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

### Tangerine Tours (Pvt) Ltd.

#### Directors

Mr. T.J. Ondaatjie  
Ms. A.M. Ondaatjie  
Mr. G. G. Ondaatjie  
Mrs. F. Swangsa  
Mr. N. C. De Alwis

### Negombo Properties (Pvt) Ltd.

#### Directors

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

### Jetwing Real Estate (Pvt) Ltd.

#### Directors

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

### Jetwing Academy (Pvt) Ltd.

#### Directors

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

### Galle Heritage Homes (Pvt) Ltd.

#### Directors

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

## Information to Shareholders and Investors

Number of Shares held	Residents			Non- Residents			Total		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1-1,000	1,060	277,816	0.60	8	1,654	0.00	1,068	279,470	0.60
1,001-10,000	238	922,706	2.01	2	7,100	0.02	240	929,806	2.03
10,001-100,000	57	1,988,184	4.32	2	79,302	0.17	59	2,067,486	4.49
100,001-1,000,000	8	4,191,731	9.11	-	-	-	8	4,191,731	9.11
1,000,001 & Over	6	38,531,507	83.76	-	-	-	6	38,531,507	83.76
<b>Total</b>	<b>1,369</b>	<b>45,911,944</b>	<b>99.81</b>	<b>12</b>	<b>88,056</b>	<b>0.19</b>	<b>1,381</b>	<b>46,000,000</b>	<b>100.00</b>

### Categories of Shareholders

	Total		
	No. of Shareholders	No. of Shares	%
Individuals	1,308	5,427,309	11.80
Institutions	73	40,572,691	88.20
<b>Total</b>	<b>1,381</b>	<b>46,000,000</b>	<b>100.00</b>

### TWENTY LARGEST SHAREHOLDERS AS AT 31ST MARCH, 2024

Name of Shareholder	No of Shares as at 31.03.2024	%	No of Shares as at 31.03.2023	%
JETWING HOTELS MANAGEMENT SERVICES (PVT) LTD	18,970,440	41.24	18,970,440	41.24
MERCANTILE INVESTMENTS AND FINANCE PLC	7,736,677	16.82	7,736,677	16.82
EMPLOYEE'S PROVIDENT FUND	5,084,800	11.05	5,084,800	11.05
BANK OF CEYLON-NO2 A/C (BOC PTF)	3,989,200	8.67	3,989,200	8.67
MS. NAWALAGE THERESE MANOURI SHIROMAL COORAY	1,395,695	3.03	1,395,695	3.03
MR. NAWALAGE JOSEPH HIRAN MAHINDA COORAY	1,354,695	2.94	1,354,695	2.94
FERN HOLDINGS (PRIVATE) LIMITED	867,000	1.88	799,414	1.74
JETWING TRAVELS (PVT) LTD	840,200	1.83	840,200	1.83
J.B. COCOSHELL (PVT) LTD	664,007	1.44	-	-
JETWING ECO HOLIDAYS (PVT) LTD	595,984	1.30	595,984	1.30
THE NUWARA ELIYA HOTELS COMPANY PLC	520,123	1.13	520,123	1.13
MR. DEREK JOSEPH DE SILVA WIJEYERATNE	347,200	0.75	347,200	0.75
SEYLAN BANK PLC/BABARANDAGE DON JOSEPH CHARUKA SUCHENDRA	232,750	0.51	230,500	0.50
MERCHANT BANK OF SRI LANKA & FINANCE PLC 01	124,467	0.27	124,467	0.27
MR. IVAN ARLEN RANDOLPH PERERA	100,000	0.22	100,000	0.22
MR. SUNIL MENDIS	100,000	0.22	100,000	0.22
SAMPATH BANK PLC/MR. ABISHEK SITHAMPALAM	97,700	0.21	97,700	0.21
UNION INVESTMENTS PRIVATE LTD	90,000	0.20	90,000	0.20
MS. ANISHA MARIZE WIKRAMANAYAKE	89,847	0.20	89,847	0.20
MR. JANAKA KUMARA MAYAKADUWAGE	83,927	0.18	-	-
	<b>43,284,712</b>	<b>94.10</b>	<b>42,466,942</b>	<b>92.32</b>

There were no non voting shares as at 31st March, 2024

31.45% of the issued capital of the Company was held by the public, comprising of 1,362 shareholders and a float adjusted market capitalisation of LKR 548,299,300/- as at 31st March, 2024. In terms of Rule 7.13.1.(b) of the Listing Rules of the Colombo Stock Exchange, the Company qualifies under option 2 of the minimum public holding requirement.

## Information to Shareholders and Investors Contd.

### MARKET VALUE AND TRADING SHARES

	31 March 2024 (LKR)	31 March 2023 (LKR)
Net assets value per share	63.70	60.31
Last traded price share as at	37.90	27.30
Highest market value per share - During the period	40.70	47.50
Lowest market value per share - During the period	23.50	19.00

### SHARE TRADING - DURING THE YEAR

	31 March 2024 (LKR)	31 March 2023 (LKR)
Number of transactions	1,986	1,724
Number of shares traded	1,925,330	923,662
Value of shares traded (LKR)	67,054,500	28,725,101

### DIVIDENDS

The dividend policy of the company seeks to maximize shareholder wealth in the short, medium and long term. While ensuring sufficient funds are retained for future business expansions and to provide consistent stream of dividend to shareholders.

The Board of Directors of the Company have declared a final dividend of LKR 3/- per share for the financial year 2023/24 (2023 - Nil).

### VALUE ADDED STATEMENT

GROUP	2024 LKR '000	2023 LKR '000
For the Year ended 31 March		
Total Revenue	1,360,170	731,240
Other Income	12,636	4,275
	1,372,806	735,515
Less: Purchase of Goods and Services	(720,374)	(492,090)
Value Added	652,432	243,425
Distributed as follows:		
To Government as taxes	88,237	13,897
To employees as salaries and other benefits	248,996	168,987
To providers of Capital		
- Dividends to shareholders	-	-
- Interest on borrowings	41,023	76,415
Retained within the business	274,176	(15,874)
Total	652,432	243,425

## Ten Year Summary

Year ended 31st March,	2024 LKR '000	2023 LKR '000	2022 LKR '000	2021 LKR '000
<b>Operating Results</b>				
Revenue	1,360,170	731,240	426,818	183,960
Profit/(Loss) Before Taxation	264,122	(105,639)	(70,920)	(193,116)
Taxation	88,237	13,897	7,354	3,405
Profit After Taxation	175,885	(119,537)	(78,274)	(196,521)
<b>Shareholders' Funds</b>				
Stated Capital	460,001	460,001	460,001	460,001
Reserves	2,356,518	2,373,895	2,625,813	2,399,899
Retained Earnings	113,764	(59,494)	59,670	135,552
Shareholders' Funds	2,930,283	2,774,402	3,145,484	2,995,452
<b>Liabilities</b>				
Interest Bearing Loans & Borrowings	243,509	394,822	429,082	401,742
Current Liabilities	316,254	163,595	113,558	81,049
Other Liabilities	44,531	43,588	44,065	45,613
Deferred Tax liabilities	459,599	462,127	215,755	175,751
Total Equity and Liabilities	3,994,176	3,838,534	3,947,944	3,699,607
<b>Assets</b>				
Property, Plant & Equipment	3,555,867	3,631,122	3,715,781	3,520,438
Right of Use Assets	2,121	2,151	2,182	2,212
Intangible Assets	582	907	1,267	318
Investments/Other Non-Current Financial Assets	38,645	56,022	61,205	81,165
Current Assets	396,961	148,332	167,509	95,474
Total Assets	3,994,176	3,838,534	3,947,944	3,699,607
<b>Cash Flow</b>				
From Operating Activities	330,700	32,944	56,121	(42,436)
From/(Used in) Investing Activities	(180,726)	28,912	(40,042)	(22,656)
From/(Used in) Financing Activities	(154,077)	(78,148)	(1,835)	10,126
Net Cash Inflow/(Outflow)	(4,103)	(16,292)	14,244	(54,966)
Cash and Cash Equivalents as at 31 March	(60,614)	(56,511)	(40,219)	(54,463)
<b>Key Indicators</b>				
Earnings/(Loss) per Ordinary Share (LKR)	3.82	(2.60)	(1.70)	(4.27)
Net Assets per Ordinary Share (LKR)	63.70	60.31	68.38	65.12
Market Value per Share (LKR)	37.90	27.30	27.50	28.30
Dividends per Share (LKR)	-	-	-	-
Price to Earnings Ratio (Times)	9.92	-	-	-
Dividend Payout Ratio	-	-	-	-

2020 LKR'000	2019 LKR'000	2018 LKR'000	2017 LKR'000	2016 LKR'000	2015 LKR'000
509,568	850,117	836,005	799,219	836,072	731,743
(89,492)	122,249	148,599	152,147	177,754	140,456
6,818	19,691	15,881	14,963	15,634	11,049
(96,311)	102,558	132,718	137,184	162,120	129,407
460,001	460,001	460,001	460,001	460,001	460,001
2,400,294	2,075,888	2,076,460	2,084,684	2,084,874	1,696,305
332,106	428,429	328,702	307,654	378,240	310,754
3,192,401	2,964,318	2,865,163	2,852,339	2,923,115	2,467,060
331,211	148,562	291,989	188,387	111,444	158,745
95,081	135,546	146,180	140,161	130,525	117,459
41,616	37,396	31,618	30,088	30,763	24,949
176,292	125,709	122,704	-	-	-
3,836,601	3,411,531	3,457,654	3,210,975	3,195,847	2,768,213
3,616,327	3,115,584	3,185,405	2,939,788	2,934,916	2,510,503
2,242	2,272	2,303	2,333	2,363	2,394
672	1,059	1,304	629	1,170	1,279
81,559	86,714	87,287	87,401	87,592	87,976
135,800	205,902	181,355	180,823	169,806	166,061
3,836,601	3,411,531	3,457,654	3,210,975	3,195,847	2,768,213
44,490	212,257	238,003	213,898	276,741	165,122
(233,765)	(27,497)	(230,634)	(86,316)	(126,534)	(90,887)
184,149	(1,662)	(76,344)	(250,901)	(156,729)	(65,208)
(5,126)	183,098	(68,975)	(123,319)	(6,522)	9,027
503	5,629	(177,469)	(108,494)	14,825	21,347
(2,09)	2,23	2,89	2,98	3,52	2,81
69,40	64,44	62,29	62,00	63,55	53,63
2,400	25,60	39,80	49,00	52,90	60,00
-	-	2,50	2,00	2,50	2,00
-	11,48	13,77	16,44	15,03	21,35
-	-	87%	67%	71%	71%

## Real Estate Holdings of the Group

Location	Buildings in Sq.Ft.	No. of Buildings	Land Extent Area (in Acres)		Net Book Value as at 31st March, 2024 LKR '000
			Freehold Property	Leasehold Property	
Galle	280,000	15	9.45	3	3,396,772



## 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 (LKR)	Aggregate Value of Related Party Transactions as a % of Net Revenue	Terms and Conditions of the Related Party Transactions
Jetwing Travels (Pvt) Ltd	Other Related Party	Sale of Accommodation	135,510,673	10%	- Credit Period of 30 days - Normal Trade Discounts

## Corporate Information

### NAME OF THE COMPANY

The Lighthouse Hotel PLC

### COMPANY NUMBER

PQ 73

### LEGAL FORM

A Quoted Public Company with Limited Liability incorporated in Sri Lanka in 1994.

### BOARD OF DIRECTORS

N J H M Cooray – Chairman  
 R A E Samarasinghe – Managing Director  
 Ms N T M S Cooray  
 N Wadugodapitiya  
 C S R S Anthony  
 R de Silva  
 E P A Cooray (Ceased to be a director w.e.f. 24/04/2024)  
 Ms A M Ondaatjie  
 Dr C Pathiraja

### AUDIT COMMITTEE

N Wadugodapitiya – Chairman  
 E P A Cooray (Ceased to be a director w.e.f. 24/04/2024)  
 R de Silva (Appointed w.e.f. 24/04/2024)

### REMUNERATION COMMITTEE

E P A Cooray – Chairman (Ceased to be a director w.e.f. 24/04/2024)  
 N Wadugodapitiya  
 R de Silva - Chairman (Appointed w.e.f. 24/04/2024)

### RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

N Wadugodapitiya – Chairman  
 E P A Cooray (Ceased to be a director w.e.f. 24/04/2024)  
 C S R S Anthony  
 R de Silva (Appointed w.e.f. 24/04/2024)

### SECRETARIES

Corporate Services (Private) Limited  
 216, De Saram Place,  
 Colombo 10.  
 Phone: 4718200

### AUDITORS

Messrs Ernst & Young  
 Chartered Accountants  
 Rotunda Towers,  
 No. 109, Galle Road  
 Colombo 3.

### HOTEL OPERATION AND MARKETING

Jetwing Hotels Ltd.  
 “Jetwing House”  
 46/26, Navam Mawatha,  
 Colombo 02.  
 Phone: 4709400

### LEGAL ADVISORS

Messrs F J & G de Saram  
 Attorneys-at-Law and  
 Notaries Public  
 216, De Saram Place,  
 Colombo 10.

### BANKERS

Commercial Bank of Ceylon PLC  
 Sampath Bank PLC  
 Hatton National Bank PLC

### REGISTERED OFFICE

“Jetwing House”  
 46/26, Navam Mawatha,  
 Colombo 02.

## Notice of Meeting

Notice is hereby given that the thirtieth (30th) annual general meeting (“AGM”) of The Lighthouse Hotel PLC (the “Company”) will be held on Friday, 28th June 2024 at 10.00 a.m. at “Jetwing House II” 7th Floor, 46/26, Navam Mawatha, Colombo 02 and via virtual platform for the purpose of considering and if thought fit passing the following resolutions.

1. To receive and consider the annual report of the board of directors along with the financial statements of the Company for the year ended 31st March 2024 and the report of the auditors thereon.

2. To re-elect the following directors who retire by rotation:

(a) Mr. Nawalage Joseph Hiran Mahinda Cooray retires in terms of article 29 (1) of the articles of association of the Company and being eligible has offered himself for re-election as director.

(b) Ms. Nawalage Therese Manouri Shiromal Cooray retires in terms of article 29 (1) of the articles of association of the Company and being eligible has offered herself for re-election as director.

(c) Dr. Chandrawansa Pathiraja retires in terms of article 29 (1) of the articles of association of the Company and being eligible has offered himself for re-election as director.

3. To propose the following resolution for the re-appointment of Mr. Nihal Wadugodapitiya, who has reached the age of seventy-two (72) years

**IT IS HEREBY RESOLVED THAT** the age limit referred to in section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. N. Wadugodapitiya who has reached the age of seventy-two (72) years and that he be re-appointed as a director of the Company.

4. To propose the following resolution for the appointment of Mr. Ruan Ashal Elmo Samarasinghe, who has reached the age of seventy (70) years.

**IT IS HEREBY RESOLVED THAT** the age limit referred to in section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. Ruan Ashal Elmo Samarasinghe who has reached the age of seventy (70) years and that he be re-appointed as a director of the Company.

5. To re-appoint M/s Ernst & Young, Chartered Accountants, who are deemed to be re-appointed as auditors until the conclusion of the next AGM of the Company in terms of section 158 (1) of the Companies Act No. 07 of 2007, to audit the financial statements of the Company for the financial year ending 31st March 2025 and to authorize the directors to determine their remuneration therefor.

6. To declare a final dividend of LKR Three (03) per share for the financial year ended 31st March 2024 as recommended by the Board.

7. To consider and if thought fit to pass the following Special Resolutions to amend the Articles of Association of the Company in line with and to comply with the Listing Rules of the Colombo Stock Exchange that are currently in force.

**(i) Special Resolution 1:**

**IT IS HEREBY RESOLVED THAT** article 27(1) be deleted in its entirety and substituted with the following Article 27(1):

27(1) “Unless otherwise determined by ordinary resolution of the shareholders of the Company, the number of Directors of the Company shall not be less than five (5) and not more than twelve (12).

**(ii) Special Resolution 2:**

**IT IS HEREBY RESOLVED THAT** article 27(4) be deleted in its entirety and be substituted with the following new articles numbered

27(4)(a) A Director may, if he is unable to attend to his duties as a Director, by notice in writing under his hand to the registered office of the Company or by notice sent by facsimile transmission or by email, appoint any person to be an alternate director of the Company in exceptional circumstances and for a maximum period of one (01) year from the date of appointment and at any time remove the alternate director so appointed.

27(4)(b) If an alternate director is appointed by and for a non-executive director, such alternate should not be an executive of the Company.

27(4)(c) If an alternate director is appointed by and for an independent director, the person so appointed should meet the criteria of independence specified in the Listing Rules of the Colombo Stock Exchange and the Company shall satisfy the requirements relating to the minimum number of independent directors specified in the Rules. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an independent director before such appointment is made.

27(4)(d) The attendance of any alternate director at any meeting, including a board committee meeting, shall be counted for the purpose of quorum.

**(iii) Special Resolution 3:**

**IT IS HEREBY RESOLVED THAT** article 27(5) be amended by inserting the words “Subject to Article 27(4) above” so that the amended article shall be read as follows:

27(5) Subject to Article 27(4) above, a Director appointed by another Director to be his alternate director shall thereupon be entitled to exercise (in addition to his own right of voting as a Director) such appointer’s rights at meetings of the Board. A person may act as an alternate director for more than one Director.

**(iv) Special Resolution 4:**

**IT IS HEREBY RESOLVED THAT** article no 27(8) be deleted in its entirety and that Articles 27 (9), 27(10) and 27(11) be renumbered as Articles 27(8), 27(9) and 27(10) respectively.

8. To authorize the directors to determine the contributions to charities for the ensuing year.

By order of the Board,

**Corporate Services (Private) Limited**

Secretaries

**The Lighthouse Hotel PLC**

On this 03<sup>rd</sup> of June 2024

*Note:*

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

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

# Form of Proxy

\*I/We.....  
of.....being \*a shareholder/shareholders of THE LIGHTHOUSE HOTEL 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. Ruan Ashal Elmo Samarasinghe             | or failing him, |
| 4. Mr. Conganige Sextus Roland Sanjeeva Anthony | or failing him, |
| 5. Mr. Nihal Wadugodapitiya                     | or failing him, |
| 6. Mr. Ranil de Silva                           | or failing him, |
| 7. Ms. Angeline Myrese Ondaatjie                | or failing her, |
| 8. Dr. Chandrawansa Pathiraja                   | or failing him. |

.....of ..  
..... as my/our proxy to attend and vote at the annual general meeting of the Company to be held on the 28th day of June 2024 and at any adjournment thereof.

	For	Against	Abstain
1. To receive and consider the annual report of the board of directors along with the financial statements of the Company for the year ended 31st March 2024 and the report of the auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.			
(a) To re-elect Mr. Nawalage Joseph Hiran Mahinda Cooray who retires in terms of article 29 (1) of the articles of association of the Company and being eligible has offered himself for re-election as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) To re-elect Ms. Nawalage Therese Manouri Shiromal Cooray who retires in terms of article 29 (1) of the articles of association of the Company and being eligible has offered herself for re-election as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) To re-elect Dr. Chandrawansa Pathiraja who retires in terms of article 29 (1) of the articles of association of the Company and being eligible has offered himself for re-election as a director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. <b>IT IS HEREBY RESOLVED THAT</b> the age limit referred to in section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. Nihal Wadugodapitiya who has reached the age of seventy-two (72) years and that he be re-appointed as a director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. <b>IT IS HEREBY RESOLVED THAT</b> the age limit referred to in section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. Ruan Ashal Elmo Samarasinghe who has reached the age of seventy (70) years and that he be re-appointed as a director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint M/s Ernst & Young, who are deemed to be re-appointed as auditors until the conclusion of the next AGM of the Company in terms of section 158 (1) of the Companies Act No. 07 of 2007, to audit the financial statements of the Company for the financial year ending 31st March 2025 and to authorize the directors to determine their remuneration therefor.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To declare a final dividend of LKR Three (03) per share for the financial year ended 31st March 2024 as recommended by the Board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. (i) Special resolution 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(ii) Special resolution 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(iii) Special resolution 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(iv) Special resolution 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. To authorize the directors to determine the contributions to charities for the ensuing year.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Note: Please delete the inappropriate words.

**INSTRUCTIONS AS TO COMPLETION**

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









# ANNUAL REPORT

2023 | 2024

## **The Lighthouse Hotel PLC**

Dadella, Galle,

Sri Lanka

T: +94 91 438 1393

## **Jetwing Hotels Limited**

Jetwing House II,

46/26, Nawam Mawatha,

Colombo 02,

Sri Lanka

T: +94 11 470 9400

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

