



# **Tangerine Beach Hotels PLC**

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Annual Report  
2023/2024

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# Financial Highlights

Year ended 31st March	2024 Rs.' 000	2023 Rs.' 000	% Change
<b>Results for the year</b>			
Gross Revenue	964,685	569,189	69.48
Cost of Sales	357,350	243,242	46.91
Operating Profit before Interest & Tax	(19,768)	(171,024)	-88.44
Interest Expense	1,650	1,579	4.50
Profit/(Loss) before Tax	73,967	(119,435)	(161.9)
Income Tax Expense	3,452	(81,326)	(104)
Profit/(Loss) after Tax	77,419	(200,761)	(139)
Profit/(Loss) attributable to Shareholders	77,419	(200,761)	(139)
<b>Financial Position at the end of the year</b>			
Shareholders' Funds (Stated Capital & Reserves)	2,980,992	2,895,150	2.97
Total Assets	3,907,907	3,813,327	2
Number of Shares in Issue (Millions)	20	20	-
Cash & cash equivalent	178,420	32,625	446.88
<b>Ratios</b>			
Return on Shareholders' Funds (%)	2.60	(6.93)	(137)
Return on Total Assets (%)	2	(5.26)	(138)
Year on Year EPS increase / decrease	61.00	(79.00)	(177)
Interest Cover (Times)	16.71	(55.36)	(130)
Equity / Assets (%)	76.28	76.45	(0.22)
Current Ratio (Times)	(3.16)	(2.97)	6
Gearing Ratio (Times)	0.000	0.000	-
<b>Information per Ordinary share</b>			
Earnings per Share (Rs.)	3.87	(10.04)	(139)
Net Asset per Share (Rs.)	149.05	144.76	3
<b>Market Shareholder Information</b>			
Market Value per Share as at 31st March (Rs.)	58.90	55	7
Market Capitalisation (Rs.' 000)	1,178,000	1,100,000	7.09
Price Earnings Ratio (Times)	15.22	(5.48)	-378

# Chairperson's message

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I am confident in Tangerine Beach Hotel's ability to drive performance, growth and shareholder value. This has been another important year of progress for Tangerine Beach Hotels, characterized not only by its excellent financial performance underpinned by strong guest demand and further growth with our guests, but also a smooth evolution of leadership and strategy that positioned the business for an exciting next chapter. The backdrop to these achievements was the demand for travel related products in many markets and strong recovery in others, while the attractiveness of our brand portfolio saw the continued expansion of our footprint in high-value markets and segments. This has been achieved thanks to a significant investment in recent years across every aspect of the enterprise platform of Tangerine Beach Hotel that had strengthened our competitive edge and offer for guests and stakeholders. I have been impressed in my conversations with senior leadership, wider colleagues and on market visits with how the business works together to make this happen, with guests and stakeholders being central to every plan. I have also valued time spent meeting many stakeholders who clearly appreciate this commitment to continuous improvement and delivering strong returns.

## Sri Lankan Economy

Sri Lankan economy contracted 7.8% in 2022 as a severe foreign exchange crisis coupled with political instability devalued its currency and sent inflation and interest rates soaring. It had further shrunk by an overall 2.3% in 2023, as the nation struggled to break out of its worst financial crisis in decades. But the economy grew 4.5% in the fourth quarter setting the stage for a recovery in 2024.

Sri Lankan economy began a painful path towards recovery, with

a growth benefited from a stronger currency, higher remittances and better tourism revenue in the second half of 2023 and supported by a \$2.9 billion International Monetary Fund bailout in March 2024, and accordingly it is expected to grow by 1.8% this year.

Tourist arrivals and remittance inflows continue to show a commendable recovery while supply conditions have improved. Asian Development Bank growth forecast hinges on the continuation of reforms and better consumer and business sentiment.

## Sri Lanka Tourism

Sri Lanka has just barely missed its 1.5 million tourist arrivals target set for 2023, despite seeing a record number of tourists visit the island nation in December 2023. According to the latest figures of the Sri Lanka Tourism Development Authority, approximately 210,352 tourists arrived in December 2023, bringing the total number of tourist arrivals recorded within the last year to 1,487,303 which 2023 is an increase of 106.6% compared to the 719,978 from the previous year.

Anticipating continued growth, the Sri Lanka Ministry of Tourism expects 02 million tourists in 2024, projecting expected revenue of US \$ 06 billion. However, some operational challenges, such as reported ticket price increases at high tourist attractions, visa issues and hotel rates etc., are being addressed.

The current phase marks resurgence in the tourism industry in Sri Lanka, underscoring the commitment to developing the sector and contributing to foreign exchange earnings for the country. Further positive changes can be expected in future as well, due to its potential to draw revenue in foreign currency, which is a prominent and critical factor in the country's economic resurgence.

## Operational Review

### Business Trends at Tangerine

The financial year of 2023 started with a positive note at Tangerine in month of April with domestic travelers returned to their travel habits during Holiday season. However due to lack of foreign reservations the pickup did not sustain for longer periods of time. Despite the setbacks during summer (1st April to 31st October 2023) TBH managed to achieve 53% occupancy which is 22% increase of the previous financial year

During winter (November 2022 to March 2024) TBH did well to achieve 79% occupancy despite several external challenges which is a 36% increase from the previous financial year.

### Operational Strategies

Due to source markets not performing as expected during summer season, several operational strategies were implemented to minimize the cost. However, business picked up from the month of November 2023 onwards as usual. In general, following key areas were addressed.

- Food cost
- Labor cost
- Energy cost
- Effectiveness of annual contracts for communication systems such as PABX, WIFI, TV Channels etc.
- Departmental operational costs (Uniforms, Stationary etc..)
- Implementation of tailor-made packages created for MICE market and for Sri Lankan Banquet segment to recapture lost market share.
- Increased presence in social media and digital space

- Special importance was given for review platforms such as TripAdvisor, Holiday check and Booking.com to ensure the hotel maintains a high standing and its ratings remains right up there with the competitors.
- Constant engagement with government and public stakeholders to address the issue of beach erosion, which is a considerable impediment towards the hotel operations and its products.

### Marketing initiatives:

- Digital marketing/E-Commerce strategies

**01. Website Optimization:** The Brand-New Website was launched in November 2023 by Antyra Solutions. The hotel's website serves as the digital storefront, often the first point of contact for potential guests. We have identified the importance of optimizing the website for mobile responsiveness, fast loading times, and hence user-friendly navigation is crucial. Implementing search engine optimization (SEO) techniques, such as relevant keywords, meta tags, and content optimization, can improve search engine rankings and increase organic traffic. Business engagements are in progress with experts in the field to achieve these capabilities.

**02. Content Marketing & Social Media Engagement:** Creating high-quality, engaging content is essential for attracting and retaining customers. Tangerine Beach Hotel can leverage content marketing strategies such as blog posts, articles, videos, and infographics to showcase its unique offerings, promote local attractions, and provide valuable travel tips. Collaborating with influencers and travel bloggers can amplify the hotel's online presence and reach new audiences. Social media

platforms offer a dynamic space for interacting with customers, sharing captivating visuals, and promoting special offers. The hotel will utilize platforms like Instagram, Facebook, Twitter, and LinkedIn to showcase stunning imagery of its facilities, share guest testimonials, and run targeted advertising campaigns. Engaging with followers through contests, polls, and live streams can foster a sense of community and encourage user-generated content.

### 03. Personalized Email Marketing:

We have identified that email remains a powerful tool for nurturing customer relationships and driving direct bookings. Implementing personalized email marketing campaigns based on guest preferences, booking history, and special occasions can increase engagement and conversion rates. Offering exclusive promotions, loyalty rewards, and personalized recommendations can incentivize repeat bookings and enhance brand loyalty. The Hotel is using the Hotel Network Software to collect emails from all users who engage with our web site and target them via remarketing.

### 04. Virtual Tours and Augmented Reality (AR):

Incorporating virtual tours and AR experiences into the hotel's digital marketing strategy can provide prospective guests with immersive previews of the property's amenities and accommodations. By allowing users to explore rooms, facilities, and surrounding attractions in a virtual environment, Tangerine Beach Hotel can enhance the booking experience and differentiate itself from competitors.

### 06. Data Analytics and

**Performance Tracking:** Utilizing data analytics tools and performance tracking metrics is essential for measuring the effectiveness of digital marketing efforts and optimizing strategies

accordingly. Analyzing website traffic, social media engagement, email open rates, and conversion rates can provide valuable insights into customer behavior and preferences, enabling the hotel to refine its marketing campaigns for maximum impact.

- Introducing new products:

Tangerine Beach Hotel has introduced High Tea Buffet in Kalutara, Sri Lanka, elevating its guest experience. In a delightful fusion of tradition and modern luxury, Tangerine Beach Hotel proudly unveiled its inaugural High Tea Buffet in Kalutara, Sri Lanka. This innovative addition to the hotel's offerings has swiftly become a cherished experience for locals and visitors alike, setting a new standard for indulgence and hospitality in the region. As a pioneer in hospitality innovation, Tangerine Beach Hotel continues to exceed expectations, delighting guests with unique experiences that celebrate the rich culture and natural beauty of Sri Lanka. The introduction of the High Tea Buffet underscores the hotel's dedication to creating unforgettable moments and fostering lasting memories for all who visit.

- Attendance at industry gatherings:

Tangerine Beach Hotel has attended the following Local and International Trade Fares to enhance its image and enhance networking amongst the industry stakeholders.

- The Wedding Show
- "Sancharaka Udawa"
- ITB Berlin Germany
- Arabian Travel Market Dubai
- WTM London

# Chairperson's message

## Financial Performance

Tangerine Beach Hotel showed significant improvements in results during the financial period under review. Revenue increased to Rs 964.6 million from Rs 569.1 million, reflecting a growth of 70 percent. Profit before tax increased to Rs 73.9 million from the previous year's loss of Rs 119.4 million. After tax, we recorded a profit of Rs 77 million. Occupancy increased from 22% to 53% during the financial year. Earnings per share increased from negative Rs 10.04 to Rs 3.87. This year, we have adopted stringent cost measures to improve our bottom line.

## Human Capital development initiatives

Addressing the shortage of trained hotel staff in Sri Lanka's tourism sector requires a multifaceted approach involving both government intervention and industry initiatives. By implementing tax relief, improving living conditions, investing in training, and enhancing compensation and career opportunities, the government and industry can work together to retain talent and ensure the sustainable growth of this crucial economic sector. Therefore, it is expected that the Government initiatives are required in the following aspects.

1. Tax Relief and Incentives:
  - Reduced Taxation: Implementing tax relief for hospitality workers can help improve their net income, making local employment more attractive.
  - Incentives for Employers: Provide tax breaks or incentives to hotels and other tourism-related businesses that invest in staff training and development.
2. Cost of Living Adjustments:
  - Subsidies: Offer subsidies for essential goods and services, particularly housing and transportation, to reduce the financial burden on hospitality workers.

- Wage Support Programs: Introduce programs that supplement wages in the hospitality sector to help workers meet their financial obligations.
3. Training and Development Programs:
    - Government-Funded Training: Establish and fund training programs to enhance the skills of existing staff and attract new entrants to the industry.
    - Partnerships with Educational Institutions: Collaborate with vocational schools and universities to create specialized hospitality programs that ensure a steady pipeline of trained professionals.
  4. Work Environment Improvements:
    - Employee Benefits: Encourage employers to improve working conditions and offer additional benefits such as health insurance, performance bonuses, and career development opportunities.
    - Work-Life Balance: Promote policies that support work-life balance, such as flexible working hours and adequate time off.

## Future outlook

Sri Lanka ranks behind Tunisia, Mexico, Morocco and the Dominican Republic as the 5th fastest growing tourism destination and on the back of such a milestone, more can be expected from the tiny island nation which has had its fair share of ups and downs in recent times. Crucially, stakeholders within Sri Lanka's tourism industry are of the opinion that as many as 3 million to 4 million tourists will visit the country which will have a significant impact on the local economy.

With this positive outlook, it is all set to achieve even greater and more sustained success in 2024

with tourist arrivals expected to reach dizzying heights. The country is shaping up in the face of an influx of holidaymakers seeking authentic and tailor-made journeys across the country's most sought after regions, to gain the upside of this opportunity, especially in a situation where the revenue in foreign exchange that could be generated by tourism development has assumed an unprecedented importance.

## Conclusion

Looking ahead, as a global business, we must remain alive to potential challenges created by political instability and conflict in parts of the world, but the industry has proven its resilience over many years and its future is a bright one. An expanding middle class in emerging markets, rising GDP, and consumer appetite to travel and stay in branded hotels all remain fundamental drivers of industry demand and future supply growth. With strong leadership, talented teams and a refreshed strategy focused on capitalizing on the powerful enterprise we have created in recent years, I am confident in Tangerine Beach Hotel's ability to drive performance, growth and shareholder value. There is real momentum in the business for the year ahead, and I would like to thank all our colleagues for their hard work and dedication, and our owners for their continued confidence in Tangerine Beach Hotel.



**A. M. Ondaatjie**  
Chairperson  
20th August 2024

# Board of Directors

## A M Ondaatjie - Chairperson - Non-Executive Director



Ms. Angeline Ondaatjie was appointed to the Board on 14th August 1992 and appointed as Chairperson & Managing Director on 13th May 2019. She resigned from the post of Managing Director with effect from 30th June 2022. She has over 30 years' experience in the 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 is a former Director of Sri Lanka Tourism Promotion Bureau and presently the Vice President Tourist Hotels Association, Safety Advisor Princeton in Asia and serves on the Education Council of MIT. Ms. Ondaatjie presently serves on the Boards of the following companies

Name of the Company	Position held	Executive/Non Executive
Mercantile Investments and Finance PLC	Director	Executive
Mercantile Fortunes (Pvt) Limited	Director	Non-Executive
Nilaveli Beach Hotels (Pvt) Limited	Director	Non-Executive
The Nuwara Eliya Hotels Co. PLC	Director	Non-Executive
Royal Palms Beach Hotels PLC	Chairperson	Non-Executive
Tangerine Tours (Pvt) Limited	Chairperson	Non-Executive
Security Ceylon (Pvt) Limited	Director	Non-Executive
Global Films Limited	Director	Non-Executive
International Fortunes (Pvt) Limited	Director	Non-Executive
Mercantile Orient (Pvt) Limited	Director	Non-Executive
Fair View Hotel (Pvt) Limited	Director	Non-Executive
Niaveli Hotels (Pvt) Limited	Director	Non-Executive
Mercantile Fortunes Insurance Brokers (Pvt) Ltd	Director	Non-Executive
The Light House Hotel PLC	Director	Non-Executive
Phoenix Industries Limited	Director	Non-Executive
Brushco (Pvt) Ltd	Director	Non-Executive
Tangerine Vacations (Pvt) Ltd	Chairperson	Non-Executive

## G G Ondaatjie - Non -Executive Director



Mr. Gerard Ondaatjie was appointed to the Board on 04th December 1993. He has over 30 years' experience in the tourism, financial services and trading sectors. He holds a BSc Degree in Accountancy from the Arizona State University, USA. He is a former Member of the Commission on the Simplification of Existing Laws and Regulations in the Interest of the people and former Member of the Colombo Port City Economic Commission. Mr. Gerard Ondaatjie presently serves on the Boards of following companies.

Name of the Company	Position held	Executive/Non Executive
Mercantile Investments and Finance PLC	Managing Director	Executive
The Nuwara Eliya Hotels Company PLC	Dy.Chairman	Non-Executive
Royal Palms Beach Hotels PLC	Director	Non-Executive
Nilaveli Beach Hotels (Pvt) Limited	Director	Non-Executive

# Board of Directors

Name of the Company	Position held	Executive/Non Executive
Tangerine Tours (Pvt) Limited	Director	Non-Executive
Security Ceylon (Pvt) Limited	Chairman	Non-Executive
Mercantile Fortunes (Pvt) Limited	Chairman	Non-Executive
Global Films Limited	Chairman	Non-Executive
Mercantile Orient (Pvt) Limited	Chairman	Non-Executive
International Fortunes (Pvt) Limited	Chairman	Non-Executive
Fair View Hotel (Pvt) Limited	Chairman	Non-Executive
Niaveli Hotels (Pvt) Limited	Director	Non-Executive
Mercantile Fortunes Insurance Brokers (Pvt) Limited	Chairman	Non-Executive
Tangerine Vacations (Pvt) Ltd	Director	Non-Executive

## **T J Ondaatjie** - Non -Executive Director



Mr. Travice Ondaatjie was appointed to the Board on 20th July 1995. He has over 25 years' experience in the tourism and the financial services sectors. He holds a BSc Degree from the Arizona State University USA. Mr. Travice Ondaatjie presently serves on the Boards of following companies.

Name of the Company	Position held	Executive/Non Executive
Mercantile Investments and Finance PLC	Director	Executive
The Nuwara Eliya Hotels Co.PLC	Director	Non-Executive
Royal Palms Beach Hotels PLC	Director	Non-Executive
Nilaveli Beach Hotels (Pvt) Limited	Chairman	Non-Executive
Tangerine Tours (Pvt) Limited	Director	Non-Executive
Security Ceylon (Pvt) Limited	Director	Non-Executive
Mercantile Fortunes (Pvt) Ltd	Director	Non-Executive
Global Films Limited	Director	Non-Executive
Mercantile Orient (Pvt) Limited	Director	Non-Executive
International Fortunes (Pvt) Limited	Director	Non-Executive
Fair View Hotel (Pvt) Limited	Director	Non-Executive
Niaveli Hotels (Pvt) Limited	Chairman	Non-Executive
Mercantile Fortunes Insurance Brokers (Pvt)Ltd	Director	Non-Executive
Tangerine Vacations (Pvt )Ltd	Director	Non-Executive

**C A Ondaatjie** - *Non Executive Director*

Mrs. Christabel Ondaatjie has been a Director of the Company since its inception. She has over 30 years' experience in the tourism and trading sector. Mrs. Ondaatjie presently serves on the Boards of following companies.

Name of the Company	Position held	Executive/Non Executive
Nilaveli Beach Hotels (Pvt) Ltd	Director	Non -Executive
Mercantile Fortunes (Pvt) Ltd	Director	Non-Executive

**N H V Perera** - *Non Executive Independent Director*

Mr. Hasantha Perera was appointed to the Board on 25th November 1999. He is and has been attached to Lucian Perera Associates, a legal firm, for over a period of ten years. Mr. Perera presently serves on the Boards of the following companies

Name of Company	Position held	Executive/Non Executive
Royal Palms Beach Hotels PLC	Director	Non-Executive
Yala Safari Beach Hotels Ltd	Director	Non-Executive
Blue Ocean Beach Hotels Ltd	Director	Non-Executive
Yala Properties (Pvt) Ltd	Director	Non-Executive
South Asia Economic and Trading Corporation (Pvt) Ltd	Director	Non-Executive
Ceylon Electro Mechanical Services (Pvt) Ltd	Director	Non-Executive
Desano Investments Ltd	Director	Non-Executive
Tisara Hotels (Pvt) Ltd	Director	Non-Executive
Kosgoda Beach Resorts (Pvt) Ltd	Director	Non-Executive
Thisara Investments (Pvt) Ltd	Director	Non-Executive
Ranyan Industries (Pvt) Ltd	Director	Non-Executive
Ranali Marketing (Pvt) Ltd	Director	Non-Executive
Janath Tracing & Investments (Pvt) Ltd	Director	Non-Executive
Long Beach Resort (Pvt) Ltd	Director	Non-Executive
N Vaitilingam & Company Ltd	Director	Non-Executive
Sugar and Spice (Pvt) Ltd	Director	Executive
The Coastal Village (Pvt) Ltd	Director	Non-Executive
Barron House (Pvt) Ltd	Director	Non-Executive

# Board of Directors

## L H Jayasinghe – Executive Director



Mr. Lakal Jayasinghe was appointed to the Board on 20th December 2007 and is presently the Director/General Manager of Tangerine Beach Hotels PLC. He has over 40 years' experience in the tourism sector which he gained in Sri Lanka as well as overseas. He is a Fellow of the Ceylon Hotel School Graduates Association and holds a Diploma in Hotel Management.

## P S R Casie Chitty - Non Executive Independent Director



Mr. Rajiv Casie Chitty was appointed to the Board of Tangerine Beach Hotels PLC on 05th February 2013. He has over 33 years' experience in the private sector of which over 18 years has been at senior management level. He is presently the Chief Operating Officer of the Commercial Credit and Finance PLC.

Mr. Cassie Chitty who holds a Master in Economics, University of Colombo and a Master in Computer Science from the University of Staffordshire, UK, is also a Fellow of the Association of Chartered Certified Accountants (ACCA) UK, an Associate Member of the Chartered Institute of Management Accountants (CIMA) UK, and is a Chartered Financial Analyst, USA. He is a Past President of the Association of Chartered Certified Accountants (ACCA) Sri Lanka Branch. Mr. Casie Chitty presently serves on the Boards of the following companies

Name of Company	Position held	Executive/Non Executive
Commercial Credit & Finance PLC	Director/COO	Executive
Royal Palms Beach Hotels PLC	Director	Non-Executive
Ceylon Printers PLC	Director	Non-Executive
ACL Cables PLC	Director	Non-Executive
Office Equipment PLC	Director	Non-Executive
Paragon PLC	Director	Non-Executive
BG Marine Investment Pvt Ltd	Director	Non-Executive
Merc Marine Management (Pvt) Ltd	Director	Non-Executive
Ceyline Holdings (Pvt) Ltd	Director	Non-Executive
CMA CGMA Lanka (Pvt) Ltd	Director	Non-Executive
Mercantile Seamans Training Institute (Pvt) Ltd	Director	Non-Executive
CINEC Campus (Pvt) Ltd	Director	Non-Executive
Lakdhanavi (Pvt) Ltd	Director	Non-Executive

# Management Discussion and Analysis

## Year 2023/24 – Light at the end of the Tunnel

### Global Tourism - Recovery Mode

Following a strong 2023, international tourism is well on track to return to pre-pandemic levels in 2024. According to the first UNWTO World Tourism Barometer of the year, international tourism ended 2023 at 88% of pre-pandemic levels, with an estimated 1.3 billion international arrivals. The unleashing of remaining pent-up demand, increased air connectivity, and a stronger recovery of Asian markets and destinations, are expected to underpin a full recovery by the end of 2024.

The latest UNWTO World Tourism Barometer provides a comprehensive overview of the sector's performance in 2023, tracking recovery by global region, sub-region and destination. Key takeaways include:

- The **Middle East** led recovery in relative terms as the only region to overcome pre-pandemic levels with arrivals 22% above 2019.
- **Europe**, the world's most visited region, reached 94% of 2019 levels, supported by intra-regional demand and travel from the United States.
- **Africa** recovered 96% of pre-pandemic visitors and **Americas** reached 90%.
- **Asia and the Pacific** reached 65% of pre-pandemic levels following the reopening of several markets and destinations. However, performance is mixed, with South Asia already recovering 87% of 2019 levels and North-East Asia around 55%.

## Looking Ahead to 2024

International tourism is expected to fully recover pre-pandemic levels in 2024, with initial estimates pointing to 2% growth above 2019 levels. This central forecast by UNWTO remains subject to the pace of recovery in Asia and to the evolution of existing economic and geopolitical downside risks.

The positive outlook is reflected in the latest UNWTO Tourism Confidence Index survey, with 67% of tourism professionals indicating better or much better prospects for 2024 compared to 2023.

## The Sri Lankan Tourism Industry

Sri Lanka's tourism industry has achieved a robust revival in 2023, marking a significant milestone by registering the highest influx of visitors to Sri Lanka since 2019. With almost 1.5 million visitors, the country has made significant strides amid consecutive challenges during the past four years. This marks a significant increase from the pandemic hit year 2022/23 as shown in below table.

Month	2022	2023	2024	% Change
April	62,980	105,498		40
May	30,207	83,309		63
June	32,856	100,388		67
July	47,293	143,039		66
August	37,760	136,405		72
September	29,802	111,938		73
October	42,026	109,199		61
November	59,759	151,496		60
December	91,961	210,353		56
<b>Total</b>	<b>434,644</b>	<b>1,151,625</b>		<b>62</b>
January		102,545	208,253	51
February		107,639	218,350	51
March		125,495	209,181	40
<b>Total</b>		<b>335,679</b>	<b>635,784</b>	<b>47</b>

Source - SLTDA Annual Statistics

This resurgence in visitor numbers reflects a positive trajectory for Sri Lanka's tourism industry, showcasing its resilience and recovery after facing various challenges, including the impact of the 2019 Easter Sunday tragedy and the subsequent disruptions caused by the COVID-19 pandemic and adverse travel advisories imposed by numerous countries particularly in 2022 amid political and economic crisis.

According to SLTDA following are some of the key figures related to year 2022/23 in Sri Lanka

- Tourist Arrivals – 1,487,303
- Receipt per tourist per day – USD 164.4
- Total Revenue - USD 2.07 Billion
- Average Duration of stay – 8.44 days

# Management Discussion and Analysis

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## Business Trends at Tangerine

The financial year of 2023 started with a positive note at Tangerine in month of April with domestic travelers returned to their travel habits during Holiday season. However due to lack of foreign reservations the pickup did not sustain for longer periods of time. Despite the setbacks during summer (1st April to 31st October 2023) TBH managed to achieve 35% occupancy which is 14% increase of the previous financial year

During winter (November 2022 to March 2024) TBH did well to achieve 79% occupancy despite several external challenges which is a 36% increase from the previous financial year.

## Operational Strategies

Due to source market not performing as expected during summer several operational strategies impended in order to minimize the cost. However business picked up from month of November onwards as usual. In general following key areas were looked in to.

- Food cost
- Labor cost
- Energy cost
- Annual contracts such as PABX , WIFI, TV Channels
- Departmental operational cost (Uniforms, Stationary etc..)
- Tailor made packages created for MICE market and for Sri Lankan Banquet segment to recapture lost market share.
- Increased social media presence
- Special importance is given on Review platforms such as TripAdvisor, Holiday check and Booking.com to ensure the hotel rating is right up there with the competitors.

## Human Resource Strategies

TBH believes Human capital is the most important aspect of its operations hence special attention was given in order to carry out several training programs to enhance their knowledge and skills.

Furthermore a new Executive Chef was recruited from July 2023 keeping in mind the importance and reputation Tangerine has on Food.

## Corporate Social Responsibilities (CSR)

Due to financial constrains TBH could not carry out the regular CSR engagements. However following programs were done.

- Regular beach cleaning is carried out TBH staff in order to maintain the area to the highest standards.
- Provided bed linen for School of Nursing in Kalutara

## Sustainable Initiatives

TBH believes Sustainability improves the quality of our lives, protects our ecosystem and preserves natural resources for future generations. In the corporate world, sustainability is associated with an organization's holistic approach, taking into account everything, from manufacturing to logistics to customer service. Hence following initiatives are taken.

## Economic Initiatives

- Cost saving by introducing Solar panels to Generate Electricity to most part of the Hotel building.
- Discussions and research in progress for implementing a fully operational Solar system to generate Power and energy.
- Micro farming in the hotel premises and use the produce for serve guests and staff in order to reduce carbon emission and purchasing cost.

## Environmental Initiatives

- Purified water is filled in to glass bottles from our own bottling plant for guest usage in rooms & various outlets to eradicate to usage of plastic. Further we have done away with the plastic straws and instead we have introduced disposable paper straws.
- The recycled water generated from our sewerage treatment plant is reused to water & maintain our garden.
- Wet garbage is donated to a home which maintains a piggery in the area. All dry garbage is segregated and handed over to registered byers accordingly.
- LED bulbs are used for lighting of the entire property and the water consumption is closely monitored through water meters. Further solar energy is used to generate hot water to the entire property.
- Place tent card in the rooms requesting the guests to change their linen if needed only. This enables to reduce the usage of water.

## Community Initiatives

- More than 50% of our food purchases are done through local suppliers in order to improve their economic and social wellbeing.
- Participation of the local community is encouraged for various events in the hotel. Example: Annual Religious Programs, Annual Staff Events.
- The Hotel Management had permitted and allocated a separate space within the property for the Disaster Management Centre to install the Tsunami tower for the benefit of the entire community.

- The storm water generated from the village is channeled through the property in order to avoid any flooding situations in the village during the rainy season.

### Infrastructure Management

- Despite several challenges faced by the TBH management, priority is given to manage and upgrade the infrastructure of the hotel.
- Repair is carried out in 400 series Roof replacing required timber and roofing tiles. Which will also facilitate to mount the solar panels

### Beach Erosion

This is the most tiring and tedious task faced by the management. Despite the matter been taken up with the highest echelons of the countries administration and the politically influential officials, there had been no proper or a sustainable solution received. TBH management is constantly in touch with the relevant authorities and excreting pressure to gain a lasting solution. We Hope to get the best attention in order to clear matter which is a major drawback for the business promotion. If the matter can be resolved as soon as possible the management is very confident that the business can be sustained

### Conclusion

Management's concerted efforts throughout the year have yielded substantial improvements in both operational and financial performance. By strategically focusing on efficiency, resource optimization, and employee engagement, organizations have successfully navigated a challenging market landscape. These targeted initiatives have not only streamlined processes but also cultivated a culture of continuous enhancement.

Looking ahead, there is optimism for sustained growth and stability. By maintaining a strong emphasis on effective management practices and adapting to industry trends, Tangerine Beach Hotels Plc can further optimize operations and financial outcomes in an increasingly competitive environment

# Corporate Governance

Corporate Governance is the system by which the company is directed and controlled. A good Corporate Governance structure encourages companies to create value through entrepreneurship, innovation and establishes accountability and transparency commensurate with the inherent risks and opportunities available to the Company. It influences how the objectives of the Company are set and achieved, risks identified and managed and organizational performance optimized. Tangerine Beach Hotels PLC uses the CSE listing rules as a guideline in their Corporate Governance framework. The Board of Directors is strictly committed towards achieving commendable Corporate Governance principles.

## Board Composition

The Board comprises of 07 Directors including the Chairperson.. This includes 02 Independent Non-Executive Directors, 01 Executive Director and 04 Non-Executive Directors.

## Role and Function of the Board of Directors

The Board has overall control and oversight of the activities, the strategic direction and the governance of the Company. Its role includes control and oversight of the company's businesses, risk management and compliance, the performance of management; approving and monitoring financial and other reports; and capital expenditure and reporting to shareholders.

The Board meets as a practice as and when required. Agendas and papers are circulated in advance to enable informed deliberation at meetings and decisions are made by consensus.

## Board Independence

None of the Independent Directors have held executive responsibilities in their capacity as Independent Directors and had submitted a

declaration confirming their Independence as 31 March 2024 in accordance with Section 07 of the CSE listing regulations on Corporate Governance.

## The Responsibilities of the Board

The Board of Directors is responsible for;

- Formulating of business strategies taking into consideration the Company's strengths, competencies and risks
- Implementing and monitoring of such strategies
- Reviewing and ratifying systems in operation relating to risk management, internal control, codes of conduct and compliance with the laws, statutes and regulations
- Reviewing, monitoring and ratifying all capital expenditure, acquisitions and divestitures
- Monitoring Senior Management performance
- Ensuring that effective information and audit systems are in place
- Ensuring that due attention is given to annual and interim financial statements prior to Publication
- Determining the quantum of the final dividend
- Approving and monitoring financial and other reporting.

## Regular Re-election of Directors

Directors retire at the Annual General Meeting in accordance to the Articles of Association of the Company. A retiring director is eligible for re-election.

## Compliance with Legal Requirements

The Board is conscious of its responsibility to the Shareholders, the Government and the Society at large, in which it operates and is unequivocally committed to upholding ethical behavior in conducting its business. The Board, through the Company's Administrative and Finance Divisions, strives to ensure that the businesses of the Company comply with the laws and regulations of the country. The Board of Directors ensures that all financial statements are prepared in accordance with the Sri Lanka Accounting Standards and conform to the requirements of the Colombo Stock Exchange.

Attendance at Board Meetings			
Name of Director	25/03/2024	12/10/2023	Meeting Attendance
<b>Non - Executive Directors</b>			
A. M. Ondaatjie	✓	✓	2/2
G. G. Ondaatjie	✓	✓	2/2
T. J. Ondaatjie	✓	-	1/2
C. A. Ondaatjie	-	-	
<b>Non - Executive Independent Directors</b>			
N. H. V. Perera	✓	✓	2/2
P. S. R. Casie Chitty	✓	✓	2/2
<b>Executive Director</b>			
L. H. Jayasinghe	✓	✓	2/2

### Audit Committee

The Audit Committee comprises of Two Independent Non-Executive Directors.

The members of the Audit Committee are as follows:

Mr. N. H. V. Perera - Chairman

Mr. P. S. R. Casie Chitty

The Group Financial Controller, Financial Controller and the General Manager attend the Audit Committee meetings by invitation. The Audit Committee is assisted by the Internal Audit. Internal Controls have been designed to ensure transparency and good governance within the Company. A report of the Audit Committee is given on page 26.

The Audit Committee met Four times during the year according to a predetermined agenda.

Name of Director	Position	Attendance at Audit Committee Meetings				Meeting Attendance
		12/02/2024	13/11/2023	09/08/2023	25/05/2023	
N. H. V. Perera	Chairman	✓	✓	✓	✓	4/4
P. S. R. Casie Chitty	Member	✓	✓	✓	✓	4/4

### Remuneration Committee

The Remuneration Committee consists of 02 Independent Non-Executive Directors. The Committee is chaired by the Non-Executive Director, N.H.V.Perera. The Group Financial Controller assists the committee by providing the relevant information and participating in the analysis and deliberations.

The objective of the Remuneration Committee is to review and recommend the remuneration payable to the Executive Directors.

The Remuneration Committee met once during the financial year.

Name of Director	Position	Attendance at Remuneration Committee Meetings	
		12/02/2024	Meeting Attendance
N. H. V. Perera	Chairman	✓	1/1
P. S. R. Casie Chitty	Member	✓	1/1

### Related Party Transactions Review Committee

The Related Party Transactions Review Committee consists of two Non-Executive Independent Directors and an Executive Director, namely:

Mr. N H V Perera - Chairman

Mr. P S R Casie Chitty

Mr. L H Jayasinghe

The Group Financial Controller assists the committee by providing the relevant information and participating in the analysis and deliberations.

The objective of the Related Party Transactions Review Committee is to be consistent with the Code of Best Practices on Related Party transactions issued by the Securities & Exchange Commission.

A report of the Related Party Transactions Review Committee is given on page 28.

The Related Party Transactions Review Committee met Four times during the financial year.

# Corporate Governance

Name of Director	Position	Attendance at Related Party Transactions Review Committee				Meeting Attendance
		12/02/2024	13/11/2023	09/08/2023	25/05/2023	
N. H. V. Perera	Chairman	✓	✓	✓	✓	4/4
P. S. R. Casie Chitty	Member	✓	✓	✓	✓	4/4
Lakal Jayasinghe	Member	✓	✓	✓	✓	4/4

## Relationship with Stakeholders

The Board of Directors ensured that the top management team possesses right skills to deliver their best contribution towards the company. The Board has empowered such employees to make operational decisions and also encourage them to make recommendations to the Board on areas of strategic importance. The vision, goals and objectives of the company have been formulated and all the employees have been briefed clearly of their specific job to achieve overall results for the company.

The company maintains sound relationship with regulatory authorities. The Shareholders have the right to voice their concerns to Board of Directors and exercise their votes at Annual General Meetings/ Extraordinary General Meetings of the company. The notice of such meetings, and relevant documents as required by the Companies Act No.07 of 2007 and Listing Rules of Colombo Stock Exchange are circulated to all the shareholders at least 15 working days prior to the date of the meeting.

## The Company Secretary

The role of the company secretary comprises of advising the Board and ensuring that all requirements relating to the Companies Act, Board procedures and other related rules and regulations are adhered to and followed. All directors have access to the company secretary. The removal of the company secretary requires a board resolution to be passed as specified in the Company's Articles of Association.

## Accountability

The Board of Directors' and the Audit Committee review the quarterly and annual audited Financial Statements and the accounts to ensure that a true, balanced and a fair view of the Company's performance is presented to the shareholders.

## Disclosure

The Board's policy is to disclose all relevant information to stakeholders, within the bounds of prudent commercial judgment, in addition to preparing the financial statements in accordance with Sri Lanka Accounting Standards, the Companies Act No.07 of 2007 and in conformity with Stock Exchange disclosure requirements.

## Going Concern

The Board of Directors after reviewing the financial position and cash flow of the company is confident that the company has adequate resources to continue in operation for the foreseeable future. Accordingly, the "Going Concern Basis" has been adopted in the preparation of the Financial Statements.

## Compliance Report

The Directors confirm that to the best of their knowledge all taxes and duties payable by the Company and all contribution levies and taxes payable on behalf of and in respect of the employees of the company and all other known statutory dues payable as at the Balance Sheet date have been paid or are provided for in the accounts.

## Auditors

The auditors Ernst & Young were re-appointed at the Annual General Meeting held on the 28th of September 2023 and the Directors' authorized their remuneration.

The auditors conduct the annual audit with the objective of providing credence to the accounting records, policies and Financial Statements of the Company.

## Management Committee

The executive directors and senior managers have been assigned and delegated to achieve Company objectives.

## Internal Audits

Deloitte (SJMS Associates ) are appointed as the internal auditors of Tangerine Beach Hotels PLC. The internal audit function operates unconstrained to the external audit. Quarterly internal audits are conducted to identify any exposure to risk and any such vulnerability are reported to the management in order to facilitate early action.

## Other Information

The Annual Report contains statements from the Board including the responsibilities of the Directors for the preparation of the Financial Statements and the Directors are of the view that they have discharged their responsibilities as set out in this statement. The performance of the company during the year under review and the future prospects of the company are covered in the Chairman's review of operations.

**Compliance under Section 7.10 of the Listing Rules of the CSE on Corporate Governance**

Reference to SEC & ICASL Code CSE Listing Rules	Subject	Applicable requirement	Compliance Status	Details
7.10.1( a)	Non-Executive Directors	At least Two or one third of the total number of Directors should be Non-Executive Directors	Compliant	Six out of the Seven 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	Compliant	Two out of the Six Non-Executive Directors are Independent
7.10.2 ( b)	Independent Directors	Each Non-Executive Director should submit a declaration of independence/non independence in the prescribed format	Compliant	Non-Executive Directors have submitted the declaration
7.10.3( a)	Disclosure relating to Directors	The Board shall annually make a determination as to the independence or other wise of the Non-Executive Directors and names of Independent Directors should be disclosed in the Annual Report	Compliant	Please refer 'Board of Directors' on pages 5 to 8
7.10.3( c)	Disclosure relating to Directors	A brief resume of each Director should be included in the Annual Report including the areas of Expertise	Compliant	Please refer 'Board of Directors' on pages 5 to 8
7.10.3( d)	Disclosure relating to Directors	Forthwith provide a brief resume of new Directors appointed to the Board with details specified in 7.10.3 (a),(b) and (c) to the Exchange	Compliant	No new directors appointed during the period.
7.10.5	Remuneration Committee	A listed company shall have a Remuneration Committee	Compliant	Remuneration Committee consist of Two Non-Executive Directors.
7.10.5 ( C)	Disclosure in the Annual Report relating to Remuneration Committee.	Name Of Directors comprising of the Remuneration Committee	Compliant	Corporate Governance
		Statement of Remuneration Policy	Compliant	Corporate Governance
		Aggregated Remuneration paid to Director	Compliant	Notes to the Financial Statements
2.6 (d)	Related party Transactions.	Disclosure of Related Party Transactions	Compliant	Notes to the Financial Statements
7.10.6	Audit Committee	The company shall have an Audit Committee	Compliant	Names of the members of the Audit Committee are stated on page 26
7.10 .6 ( a)	Composition of Audit Committee	Shall comprise of Non- Executive Directors a majority of whom will be independent	Compliant	Audit Committee consists of Two Independent Non Executive Directors.

# Corporate Governance

Reference to SEC & ICASL Code CSE Listing Rules	Subject	Applicable requirement	Compliance Status	Details
7.10.6( a)	Audit Committee Functions	A Non-Executive Director shall be appointed as the Chairman of the Committee	Compliant	Chairman of the Audit Committee is an Independent Non-Executive Director
		CEO & Chief Financial Officer shall attend Audit Committee Meetings	Compliant	The General Manager and Group Financial Controller attended meetings by Invitation.
		The Chairman of the Audit Committee or one member should be a member of a professional accounting body Compliant	Compliant	One member of the Audit Committee is a Chartered Management Accountant
7.10.6( b)	Audit Committee Functions	<p>Functions shall include:</p> <p>Overseeing of the preparation, presentation and adequacy of disclosures in the financial Statements in accordance with Sri Lanka Accounting Standards.</p> <p>Overseeing of the compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements</p> <p>Overseeing the processes to ensure that the internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards.</p> <p>Assessment of the independence and Performance of the external auditors. ■Make recommendations to the Board pertaining to appointment, re –appointment and removal of external auditors, and approve the remuneration and terms of engagement of the external auditors.</p>	Compliant	Corporate Governance and Audit Committee Report
7.10.6( c)	Disclosure in the Annual Report relating to Audit Committee	a) Names of Directors comprising the Audit Committee	Compliant	Please refer page 26
		b)The Audit Committee shall make a determination of the independence of the Auditors and disclose the basis for such determination	Compliant	Please refer Audit Committee Report on Page 26
		c)The Annual Report shall contain a Report of the Audit Committee setting out the manner of compliance with their functions	Compliant	Please refer Audit Committee Report on page 26

**Section 9 of the Revised Listing Rules of the CSE on Corporate Governance.**

CSE Rule	Requirement	Compliance Status	Action / Reference (within the Report)
<b>9.1 Corporate Governance Rules</b>			
9.1.3	A statement confirming compliance with Corporate Governance Rules	Yes	The Company adheres to the Corporate Governance Rules. Any deviations from these rules are disclosed within this Report, along with a clear explanation for each instance.
<b>9.3 Board Committees</b>			
9.3.1 b/c/d	Minimum required Board Committees	Yes	The required Committees are maintained and are functioning effectively. Nomination and governance committee will be established on or before effective date.
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees	yes	The required committees are functioning effectively, With clear mandates and engaged members
<b>9.4 Meeting procedures and the conduct of all General Meetings with shareholders</b>			
9.4.1	Records of all resolutions and the information upon a resolution being considered at any General Meeting shall be maintained.	Yes	Records of all resolutions are maintained
9.4.2 a/b/c	Communication and relations with shareholders and investors	Yes	Policy on relations with shareholders and investors will be established on or before effective date.
<b>9.6 Chairperson and CEO</b>			
9.6.1	Requirement for a SID if the same individual holds the positions of Chairperson and CEO	N/A	N/A as the Chairperson is a NED
9.6.2	Market announcement on the rationale behind the appointment of a SID	N/A	N/A
9.6.3 a-d	Requirement for a SID	N/A	N/A
9.6.3 E	SID shall make a signed explanatory disclosure demonstrating the effectiveness of their duties	N/A	N/A
9.6.4	Rationale for the appointment of a SID set out in the Annual Report	N/A	N/A
<b>9.7 Fitness of Directors and CEO</b>			
9.7.1 - 9.7.5	Requirement to meet the fit and proper criteria stipulated by the CSE and related disclosures	Yes	Fit and proper declaration has been obtained from directors for the year.
<b>9.8 Board Composition</b>			
9.8.3 (i) to (viii)	Requirements for meeting the criteria to be an ID	Yes	Details of the independence criteria are met during the year under review.
9.8.5 a/b/c	The Board shall annually determine the independence or otherwise of IDs and name the Directors who are determined to be 'independent'.	Yes	All independent Non-Executive Directors (NEDs) have declared their independence, which has been duly evaluated. No non-compliances were identified during the year under review.

# Corporate Governance

CSE Rule	Requirement	Compliance Status	Action / Reference (within the Report)
<b>9.9 Alternate Directors</b>			
a-e	Appointment of Alternate Directors to be in accordance with the Rules and such requirements to be incorporated into the Articles of Association.	N/A For the current year	Articles of Association will be amended accordingly at the AGM
<b>9.10 Disclosures relating to Directors</b>			
9.10.2/9.10.3	Market announcement upon the appointment of a new director and any changes to the Board composition	N/A	No new directors were appointed during the year.
9.10.4 a-i	Details about the Board members	Yes	Corporate Governance report pages 12 to 14 Annual report of the board of directors pages 5 to 8 Committee reports pages 26 to 28
<b>9.12 Remuneration Committee</b>			
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on EDs and individual Directors.	Yes	Refer to the Remuneration Committee Report
9.12.4	Remuneration for NEDs shall be based on a policy of non-discriminatory pay practices to ensure the independence.	Yes	Refer to the Remuneration Committee Report
9.12.5	The Remuneration Committee shall have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Yes	Refer to the Remuneration Committee Report
9.12.6 (3)	An ID shall be appointed as the Chairperson of the Remuneration Committee	Yes	Chairman is ID
9.12.7	Functions	Yes	Refer to the Remuneration Committee Report
9.12.8 A	Names of Remuneration Committee Chairperson and members	Yes	Refer to the Remuneration Committee Report
9.12.8 B	Statement of Remuneration Policy	Yes	Refer to the Remuneration Committee Report
9.12.8 C	Aggregate remuneration paid to EDs and NEDs	Yes	Refer to the Remuneration Committee Report
<b>9.13 Audit Committee</b>			
9.13.2	The Audit Committee shall have written terms of reference clearly defining its scope, authority and duties.	Yes	Refer to the Audit Committee Report
<b>9.14 Related Party Transactions Review Committee</b>			
9.14.2 (1)	Related Party Transactions Review Committee shall comprise a minimum of 3 members, the majority of whom should be IDs, and an ID shall be appointed as the Chairperson.	Yes	Complied with the pertaining rule. The committee will be constituted by the due date.

CSE Rule	Requirement	Compliance Status	Action / Reference (within the Report)
9.14.2 (2)	Where the parent company and the subsidiary are Listed Entities, the Related Party Transactions Review Committee of the parent company may function as the subsidiary's Related Party Transactions Review Committee.	N/A	N/A
9.14.3	Functions	Yes	Refer to the Related Party Transactions Review committee Report
9.14.4	General Requirements	Yes	Refer to the Related Party Transactions
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Yes	Refer to the Related Party Transactions
9.14.8 (1)	Details pertaining to Non-Recurrent Related Party Transactions	Yes	Refer to the Related Party Transactions Review committee Report
9.14.8 (2)	Details pertaining to Recurrent Related Party Transactions	Yes	Refer to the Related Party Transactions Review committee Report
9.14.8 (3)	Report of the Related Party Transactions Review Committee	Yes	Refer to the Report of the Related Party Transactions Review Committee
9.14.9 (1)/(2)	Shareholder approval for the acquisition and disposal of substantial assets	N/A	N/A
9.14.9 (4)/(5)/(6)	Competent, independent advice on the acquisition and disposal of substantial asset	N/A	N/A
<b>9.16 Additional Disclosures</b>			
(i)	Directors have disclosed all material interests in contracts and have refrained from voting when materially involved.	Yes	There were no material non-recurring transactions.
(ii)	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence.	Yes	Refer to Audit committee report.
(iii)	Directors are aware of laws, rules and regulations and their changes, particularly to Listing Rules and applicable capital market provisions.	Yes	Refer to Annual report of board of directors
(iv)	Disclosure of material non-compliance with laws/ regulations and fines by relevant authorities where the Entity operates.	N/A	N/A

# Risk Management

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Tangerine Beach Hotels PLC identifies that operating a business involves both risk and reward. The hotel believes that in order to ensure reward, risk needs to be managed effectively. The risk framework involves risk identification, risk assessment and risk mitigation.

Risk is the probability of an undesirable outcome occurring due to a chosen activity or action.

The process of identifying potential risks and developing strategies to mitigate those risks is known as Risk Management.

The benefit of identifying, managing and mitigating risks is immense for the diverse hospitality industry in which Tangerine Beach Hotel operates.

Listed below are some of the risks and risk mitigation strategies used by Tangerine Beach Hotels PLC:

**Business Risk** results from the adverse impact on the Company's revenue and profitability. If business risk is not effectively managed, the revenues and cash flows will reduce. As a result, Tangerine Beach Hotel may not be able to achieve its business objectives and grow as it will lose its competitiveness within the industry.

## Control Measures

- Tangerine Beach Hotel manages its business risk by strategizing on increasing its market share and constantly seeking to tap emerging markets. The Company boasts of an impressive foreign clientele consisting of Russian, Ukraine, Germany and UK clients apart from its local market.
- The business also utilizes the aid of various booking engines such as Agoda.com and Booking.

com to increase its revenue and market position worldwide.

- Internal measures are taken by the Company as well to constantly review and streamline its costs and expenditure. This internal exercise helps the Company to revise rates and increase profitability while maintaining its competitive position.

**Economic Risk** emerges from changes in economic variables such as inflation rates and interest rates which may distort the Company's growth as a result. Higher inflation rates may cause costs to increase and lower profitability for the Company. On the other hand, an increase in interest rates may increase finance costs and result in inability to repay debt.

## Control Measures

- Tangerine Beach Hotel exercises regular cost reviews and places strict cost controls while maintaining quality concurrently. Maintaining high quality and improving its impressive brand image enables the hotel to maintain its rates in a competent manner enabling any adverse effects of inflation to even out.
- Though higher interest rates are detrimental to the finance costs payable by the Company, Tangerine Beach Hotel uses these increased rates to invest its excess funds. Thus, the Company benefits from matching payments against receipts.
- The Hotel is cautious in investing its funds or entering into loans and takes into account both reliability and the most beneficial rates. The Hotel manages to do this effectively using the strength of its associate company Mercantile Investments and Finance PLC.

**Foreign Exchange Risk** disrupts revenue due to exposure to fluctuations in foreign currency. Tangerine Beach Hotel deals with a wide foreign clientele. Volatility in foreign exchange rates can cause a fall in revenue for the Company when translating its foreign currency payments to rupees.

## Control Measures

- The hotel seeks to denominate most of its foreign sales contracts in the stable US Dollar which is considered a safe currency.
- The Company is also able to monitor Foreign Exchange movements through its head office treasury function. The treasury function enables the Company to review and convert foreign currency at the best rates and thereby maximize revenue.

**Natural Disaster Risk** is the damage any natural hazards could cause to the business. Several examples of natural disasters that could affect the hotel include fire, tsunami and floods.

## Control Measures

- The Company has taken numerous measures to transfer the risk to third parties in the form of insurance policies. These insurance policies cover the risk of the Company's assets being damaged due to natural hazards.
- The Hotel has invested in physical security and contingency measures in the hotel premises such as emergency exits, fire hoses, fire extinguishers and fire alarms to safeguard the assets of the company.

**Legal & Statutory Risk** is borne through litigation by the Government, customers and business partners as a result of the Company being unable to comply with legal and statutory requirements. This could result in losses arising from non-compliance with statutes and flawed contracts.

#### Control Measures

- The Company obtains assistance from the centralized legal division in all legal proceedings. The division provides guidance, direction and advice to the hotel upon entering business contracts and signing agreements. Hence, the hotel is safeguarded from incurring unexpected losses as a result
- Statutory compliance is given high priority and is regularly monitored and reviewed by the management. Statutory Compliance is included in the scope of Quarterly Internal Audit program to ensure continuity of the business. A compliance certification is handed over to the Audit Committee for review.

**Operational Risk** results through slack in internal controls, inefficient business processes, fraud, and undue care and system breakdowns. The Company would face several implications in the form of disrupted operations, losses and ineffective use of resources.

#### Control Measures

- The Hotel has laid down clear systems and procedures with regard to ensuring compliance with its internal controls. The Hotel uses a formal process where internal auditors are appointed to help detect the above mentioned operational risks by means of quarterly internal audits.

- The auditors review the processes for its efficiency and effectiveness. More stringent internal controls are placed if deemed necessary. This process promotes transparency and minimizes the risks associated with the Company operations.
- Further, there are CCTV cameras attached to key locations in the hotel premises to detect fraud and negligence.

**Health and Safety Risk** is caused by unhealthy and dangerous work practices. This could be of two fold, health and safety of customers and health and safety of the workers in the Company.

#### Control Measures

- The Company does constant maintenance to its chillers, elevators and the other assets it owns to ensure safe use. The Hotel also carries out constant refurbishment of its premises to ensure safety for both its customers and workers.
- The hotel has taken contingency measures and has ensured the availability of emergency exits and safety warnings.

**Competition Risk** results through strong competitive actions from new entrants and existing players in the market. The risk of competition involves the threat of new entrants as well.

#### Control Measures

- Tangerine Beach Hotel PLC places significant emphasis on maintaining its competitive position in the market. The excellent brand quality, unique interior and superlative service by the staff remain exclusive to the hotel, hence giving Tangerine Beach a competitive edge over new and existing players in the market.

- To take further advantage of its attractive brand, Tangerine Beach enhances its brand standard through regular refurbishment of the hotel property and upgrading of the facilities being offered. This helps the hotel to remain consumer focused and blend in innovative changes to suit the various tastes of its guests and make their visits memorable and repeated.
- Another measure the Hotel takes to maintain its competitive position is through support from its associate travel arm Tangerine Tours (Pvt) Ltd. Besides this, long term relationships with other major tour operators are maintained to ensure successful business relationships. The hotel also maintains constant monitoring of its main competitors in the market as this enables them to respond faster to competitive strategies.

# Annual Report of Board of Directors

The Directors have pleasure in submitting their report, together with the Audited Accounts for the financial year ended 31st March 2024.

## Review of the year

The Chairman's Review on pages 2 to 4 contains a review of operations during the Financial Year.

## Principal Activity

The principal activity of the Company, which is hotelliering, remained unchanged.

## Corporate Governance

The Board of Directors of the Company is responsible for the governance of the company, which include setting out strategic aims, providing leadership and supervising the management. The corporate governance practices of the Company are given on pages 12 to 19.

## Turnover

The net revenue of the Company for the year was Rs. 964,685,959 (2023 Rs 569,189,297) Segmental Analysis of revenue is given in Note 03 to the Financial Statements.

## Results for the Year

	31.03.2024	31.03.2023
Net profit/(loss) for the year amounts	73,967,096	(119,435,296)
Less: Provision for Taxation	3,452,446	(81,326,198)
Profit /(Loss) for the year	77,419,542	(200,761,494)
Unappropriated profit brought forward	882,416,031	1,080,818,273
Profit available for appropriation	957,357,344	882,416,031

## Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 32 to 73. There were no changes to the Accounting Policies adopted during the year.

## Dividends

The Directors do not recommend a dividend for this Financial Year.

## Capital Expenditure

The total capital expenditure incurred on the acquisition of fixed assets during the year amounted to Rs. 40,822,282/- (2023 - Rs 78,403,659/- ) details of which are given in Note 10 to the Financial Statements.

## Commitments & Contingencies

The Company does not have significant capital commitments as at the reporting date

## Outstanding Litigation

In the opinion of the Directors and in consultation with the Company Lawyers, Company doesn't have outstanding litigation.

## Property Plant & Equipment

The details of property, plant & equipment of the Company are shown in Note 10 to the Financial Statements.

## Reserves

The movements during the year of Capital and Revenue Reserves are shown in the Statement of changes in Equity on page 36. .

## Donations

During the year donations to Rs.Zero (2023- Rs 20,000) were made to various charities by the Company.

## Post Balance Sheet Events

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

## Going Concern

The Board of Directors is satisfied that the Company will have adequate resources to continue its operations without any disruption in the foreseeable future. Accordingly, the Directors consider that it is appropriate to prepare Financial Statements on Going Concern basis.

## Directors

The names of the Directors are shown on pages 5 to 8.

In terms of Section 88(i) of the Articles of Association, Mr. N H V Perera retires by rotation and being eligible, offers himself for re-election.

Special notice has been given of the intention to propose ordinary resolutions as set out in the notice of meeting to re-elect Mrs. C A Ondaatjie as a Director of the company in terms of Section 211 of the Companies Act No. 07 of 2007.

### Board Committees

The following members of the Board serve on the Audit Committee

Mr. N H V Perera - Chairman  
Mr. P S R Casie Chitty

Composition of the audit committee as per amended listing rules will be complied by 01st October 2024.

The report of the audit committee is given on page 26 of this report.

The following members of the Board serve on the Remuneration Committee.

Mr. N H V Perera - Chairman  
Mr. P S R Casie Chitty

Composition of the remuneration committee as per the amended listing rules will be complied by 01st October 2024.

The following members of the Board serve on the Related Party Transactions Review Committee

Mr. N H V Perera - Chairman  
Mr. P S R Casie Chitty  
Mr. L H Jayasinghe

The Board affirms that the Company has complied with the requirements of the listing rules of the Colombo Stock Exchange on Related Party Transactions.

Nominations & Governance Committee as per the Listing Rules will be established by 01st October 2024.

### Directors Interest Register

The Company maintains an Interest Register in compliance with the Companies Act No.07 of 2007.

### Directors Interest in Contracts

The Directors of the Company have made the general disclosures provided for in Section 192(2) of the Companies Act No.07 of 2007.

### Directors' Remuneration

The aggregate emoluments paid to the Directors during the year, amounted to Rs. 6,618,750.

### Directors Shareholdings

As at 31st March	2024 Shares	2023 Shares
Ms. A M Ondaatjie	569,982	569,982
Mrs. C A Ondaatjie	259,854	259,854
Mr. G G Ondaatjie	538,028	538,028
Mr. T J Ondaatjie	582,220	582,220
Mr. N H V Perera	202,236	202,236
Mr. L H Jayasinghe	-	-
P S R Casie Chitty	-	-

Mr. L H Jayasinghe serves as Director/General Manager.

### Public Holding

The number of ordinary shares held by the public as at 31st March 2024 was 7,253,886 shares (2023- 7,253,886), which amounted to 36.27% (2023- 36.27%) of the issued ordinary shares of the Company.

The number of public shareholders as at 31st March 2024 – 1,526

Float adjusted Market Capitalisation as at 31st March 2024- Rs. 427,260,600.00 The Company is compliant with the minimum public holding requirement under option 5 of 7.13.1(i)(a)  
Number of shares representing the Stated Capital is 20,000,000

### Employee Share Option Schemes

The Company does not have any employee share option schemes.

### Compliance with Applicable Laws and Regulations

The Directors made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules applicable capital market provisions.

### Risk Management and Internal Controls

Risk Management and Internal Control measures carried out by the Board are given on pages 20 to 21 and the Board has conducted a review of the internal controls covering financial operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith.

# Annual Report of Board of Directors

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## Appraisal of Board Performance

The Board carried out an annual self-evaluation of its own performance and that of the subcommittees to ensure that they discharge their duties and responsibilities satisfactorily.

## Auditors

Messrs. Ernst & Young Chartered Accountants are deemed re-appointed in terms of Section 158 of the Companies Act No.7 of 2007 as the 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.

The Auditors Messrs. Ernst & Young were paid Rs 747,500/- as audit fees. Fees for non-audit service Rs 556,225/- by the Company.

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.

## For and behalf of the Board



A. M. Ondaatjie  
Chairperson



T. J. Ondaatjie  
Director

Mercantile Investments and Finance PLC

Secretaries

20th August 2024

# Statement of Directors Responsibilities

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**Statement of the Directors' responsibilities in relation to the Financial Statements.**

The responsibilities of the Directors, in relation to the Financial Statements of the Company differ from the responsibilities of the Auditors, which are set out in the Independent Auditors' Report on page 30.

As per the provisions of the Companies Act No. 7 of 2007 the Directors are required to prepare Financial Statements for each Financial Year giving a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of the results of its operations for the Financial Year.

The Directors consider that, in preparing these Financial Statements set out through pages 33 to 73 appropriate Accounting Policies have been selected and applied in a consistent manner, supported by reasonable and prudent judgment and that all applicable Accounting Standards, as relevant, have been followed.

The Directors are confident that the Company has adequate resources to continue in operation and have applied the going concern basis in preparing these Financial Statements. Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company and to ensure that the Financial Statements presented comply with the Companies Act No. 7 of 2007.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and in this regard to give proper consideration to the establishment of appropriate internal control systems to prevent and detect fraud and other irregularities.

The Directors are confident that they have discharged their responsibilities as set out in the statement. The Directors also confirm that to the best of their knowledge, all statutory payments payable by the Company as at the Balance Sheet date have been paid or where relevant, provided for.

By Order of the Board

**Mercantile Investments and Finance PLC**  
*Secretaries*

20th August 2024  
Colombo.

# Audit Committee Report

## Functions

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its overall responsibilities. The Audit Committee functions include the review of Financial Statements, internal control procedures, compliance with accounting standards and statutory compliance. The Audit Committee assists the Board of Directors in discharging their duties. Where necessary the Audit Committee makes suggestions and recommendations to the Board in areas within its purview.

## Members of the Audit Committee

The Audit Committee consists of Two Non-Executive Independent Directors namely Mr. Hasantha Perera, and P.S.R.Casie Chitty.

## Meetings

The Audit Committee held 04 meetings during the year under review. The Statutory Auditors, the Group Financial Controller, Financial Controller and the General Manager also attend these meetings on invitation.

Name of Director	Position	Attendance at Audit Committee Meetings				Meeting Attendance
		12/02/2024	13/11/2023	09/09/2023	25/05/2023	
N H V Perera	Chairman	✓	✓	✓	✓	4/4
P.S.R.Casie Chitty	Member	✓	✓	✓	✓	4/4

## Internal Audit Function

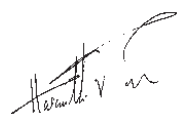
The Committee reviews the internal audit reports to ensure that the Company's systems and procedures are effective and that the internal controls provide reasonable assurance to the Directors that assets are safeguarded and that the financial reporting system can be relied upon in preparation and presentation. The Internal Audit function has been outsourced to Messrs Deloitte (SJMS Associates Chartered Accountants). Generally, the audits are carried out on a quarterly basis. Based on the audit findings and recommendations of the Internal Auditors, the Audit Committee after discussing with the management recommends the implementation of those recommendations that are

## Financial Statements

The Audit Committee assists the Board in assuring the integrity of the Financial Statements and disclosures. The Committee discusses matters relating to the Financial Statements with the External Auditors before recommending to the Board the adoption of the Financial Statements.

## External Auditors

The Audit Committee has determined that Messrs Ernst & Young, Auditors are independent on the basis that they do not carry out any management related functions of the Company. The Audit Committee has recommended the Board of Directors the re-appointment of Messrs Ernst & Young (Chartered Accountants) for the financial year ending 31st March 2024, subject to the approval of the shareholders at the Annual General Meeting.



**N H V Perera**

Chairman - Audit Committee

20th August 2024

# Remuneration Committee Report

The Remuneration Committee, appointed by and responsible to the Board of Directors, consists of two Non-executives independent Directors N.H.V. Perera, and P.S.R. Casie Chitty. The Committee is chaired by Mr N.H.V Perera.

## Roles and Responsibility

Reviewing and making recommendations to the Board on remuneration packages and policies applicable to the Directors and Key Management Personnel.

## Purpose of the Committee

The Remuneration Committee is a sub-committee of the Board, which is responsible for reviewing, making recommendations to the Board and approving the remuneration packages and policies applicable to the Directors and Key Management Personnel.

## Duties of Committee

Attracting, retaining and motivating Directors of appropriate caliber and experience are essential to the Company's future success and therefore it is the primary objective of the Committee. The other objectives of the remuneration policy are to:

- Ensure the integrity of the Company's remuneration strategy is maintained and that the shareholder and employee interests are aligned;
- Pay a base salary, benefits and other perks which compares with other companies of comparable size and complexity in accordance with the remuneration policy;
- Use short-term and long-term increments to encourage Executive Directors to out-perform targets, thereby linking their rewards to the interests of shareholders and other stakeholders and giving them the opportunity to increase their earnings;

- Overseeing the compliance with statutory responsibilities relating to remuneration;
- Reviewing Executive and Non-Executive Director termination payments;

## Remuneration Policy

Remuneration policies and practices are designed to support strategy and promote long-term sustainable success of the Company. The Directors emoluments are disclosed on page .....

- Executive remuneration is aligned to the Company's purpose and values, and is clearly linked to the successful delivery of the Company's long-term strategy;
- Determine the remuneration of senior management.
- Executive EPF & ETF contributions are in line with those available to the rest of the workforce; and provide enhanced reporting in the Company's annual report and accounts.

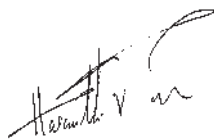
## Meetings

The Committee met once during the financial year. The Group Financial Controller assists the committee by providing relevant information required by the committee.

Name of Director	Attendance at Remuneration Committee Meetings		
	Position	12/02/2024	Meeting Attendance
N H V Perera	Chairman	√	1/1
P.S.R.Casie Chitty	Member	√	1/1

## Conclusion

During the year, the Committee conducted a review of all elements of the remuneration packages of Directors and performance-related elements. This report describes how the Board has applied the principles relating to Directors' remuneration in the Combined Code on Corporate Governance, and the corresponding requirements as per Companies Act 2007 through the remuneration committee



**N. H. V. Perera**  
Chairman  
Remuneration Committee  
20th August 2024

# Related Party Transactions Review Committee Report

## Introduction

The Board established the Related Party Transactions Review Committee in terms of the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka (the "Code") and section 9 of the Listing Rules of the Colombo Stock Exchange (the "Rules")

## Composition of the Committee.

Name	Membership Status	Directorship Status/ Position held in the company
Mr. N H V Perera	Chairman	Non- Executive Independent Director
Mr. P S R Casie Chitty	Member	Non- Executive Independent Director
Mr. L H Jayasinghe	Member	Executive Director

## The mandate of the Committee includes:

### (1) The Purpose:

The Committee is an entity under the Board of Directors, and was established to enhance corporate transparency and promote fair transactions. The committee is responsible for reviewing related party transactions.

### (2) Composition:

The Related Party Transaction Review Committee shall comprise of two Non-executive Independent Directors and one Executive Director. Currently, the committee consists of three Directors. The chairman of the committee is Mr. N.H.V.Perera - Independent Director.

### (3) Operation:

The Related Party Transaction Review Committee held four meetings during the last financial year ending 31st March 2024. The Committee has reviewed all the Related Party Transactions quarterly and has communicated the comments and observations to the Board of Directors and has complied with the section 9.3.2© of the CSE listing rules

Name of Director	Position	Attendance at Related Party Transaction Review Committee Meetings				Meeting Attendance
		12/02/2024	13/11/2023	09/08/2023	25/05/2023	
N H V Perera	Chairman	✓	✓	✓	✓	4/4
P.S.R.Casie Chitty	Member	✓	✓	✓	✓	4/4
Lakal Jayasinghe	Member	✓	✓	✓	✓	4/4

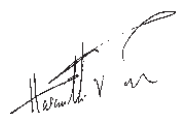
### (4) Responsibilities:

- To seek and receive reports on Related Party Transactions between the Company and its Affiliates.
- To review related Party Transactions.
- To recommend corrective measures.

## Policies and procedures

The Company maintains a Directors' Interest Register and all Directors of the Company have disclosed their interests in other Companies conforming to the provisions of the Companies Act No. 07 of 2007. Further, all Related Party Transactions in accordance with Sri Lanka Accounting Standard 24 – (LKAS 24 – Related Party Transactions) are disclosed under Note No. 28 to the Financial Statements. The Committee in discharging its functions primarily relied on processes that were validated from time to time with a view to ensuring that:

- There is compliance with 'The Code' and the Listing Rules of the CSE
- Shareholder interests are protected; and
- Fairness and transparency are maintained.



**N H V Perera**

Chairman - Related Party Transactions Review Committee

20th August 2024

# FINANCIAL REPORTS

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# Independent Auditors' Report



Ernst & Young  
Chartered Accountants  
Rotunda Towers  
No. 109, Galle Road  
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Colombo 03, Sri Lanka

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Email: eysl@lk.ey.com  
ey.com

CAY/KDK

## TO THE SHAREHOLDERS OF TANGERINE BEACH HOTELS PLC

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Tangerine Beach Hotels PLC ("the Company"), which comprise the Statement of Financial Position as at 31 March 2024, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its 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 Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

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

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

Partners: D K Hulanamulla 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 FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, B Vasanthan 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 Shakthivel B.Com (Sp), W D P L Perera ACA

A member firm of Ernst & Young Global Limited

Key audit matter	How our audit addressed the key audit matter
<p><b>Recognition of revenue</b></p> <p>The Company derives its revenue of Rs. 965 million by providing food, beverage, lodging and other hospitality industry related services as disclosed in Note 2.3.2 and 3 to the financial statements.</p> <p>Revenue was a key audit matter due to:</p> <p>The materiality of reported revenues coupled with the significant increase (69%) in revenue recorded by the Company during the year</p>	<p>Our audit included the following:</p> <ul style="list-style-type: none"> <li>■ Performed appropriate analytical procedures to understand and assess the reasonableness of reported revenues;</li> <li>■ Tested the appropriateness of revenue recognized during the year, by testing revenue transactions to sales invoices and other supporting documents.</li> <li>■ We also assessed adequacy of disclosures made in relation to the recognition of revenue in Notes 2.3.2 and 3 to the financial statements.</li> </ul>

### Other information included in the 2024 Annual Report of the company

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 the 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 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 company'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 company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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.

# Independent Auditors' Report

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

1. 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.
2. 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 company's internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 Company'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 Company to cease to continue as a going concern.
5. 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.

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

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

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

## Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 7752.



21 August 2024  
Colombo

# Statement of Financial Position

As at 31 March 2024	Note	2024 Rs.	2023 Rs.
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	10	2,499,410,604	2,535,433,964
Intangible Assets	11	787,354	273,426
Investments in Associate	12.1	762,649,790	713,277,178
Right-of-use assets	14	2,829,997	4,282,441
		3,265,677,745	3,253,267,009
<b>Current Assets</b>			
Inventories	13	37,505,294	33,834,518
Trade and Other Receivables	15	282,846,110	104,324,595
Income Tax Receivable		4,363,460	-
Other Non Financial Assets	16	23,048,705	24,302,227
Amounts Due from Related Parties- Other Financial Assets	17.3	219,791	147,489
Short Term Investments - Other Financial Assets	17.2	115,825,640	364,826,583
Cash at Bank and In Hand	18	178,420,744	32,625,481
		642,229,745	560,060,893
<b>Total Assets</b>		<b>3,907,907,489</b>	<b>3,813,327,902</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	19	244,800,000	244,800,000
Revaluation Reserve	20.1	1,778,757,213	1,767,856,665
Fair Value Reserve	20.4	77,386	77,386
Retained Earnings		957,357,344	882,416,031
<b>Total Equity</b>		<b>2,980,991,943</b>	<b>2,895,150,082</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities	9.2	684,826,520	697,869,104
Post Employment Benefit Liability	24	36,110,363	27,597,592
Lease Liability	25	2,712,588	4,052,841
		723,649,471	729,519,537
<b>Current Liabilities</b>			
Trade and Other Payables	21	123,600,769	91,596,145
Amounts Due to Related Parties	22	11,142,952	18,643,427
Income Tax Payable		-	169,148
Current Portion of Lease Liability	25	867,872	854,040
Current Portion of Interest Bearing Loans and Borrowings	23	67,654,482	77,395,523
		203,266,075	188,658,283
<b>Total Equity and Liabilities</b>		<b>3,907,907,489</b>	<b>3,813,327,902</b>

These Financial Statements are in compliance with the requirements of the Companies Act No.07 of 2007.



M. I. Shahabdeen  
Group Financial Controller

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



A. M. Ondaatjie  
Chairperson



T. J. Ondaatjie  
Director

The Accounting Policies and Notes on pages 38 through 73 form an integral part of the Financial Statements.

# Statement of Profit or Loss

Year ended 31 March 2024	Note	2024 Rs.	2023 Rs.
Revenue	3	964,685,960	569,189,297
Cost of Sales		(357,350,475)	(243,242,080)
<b>Gross Profit</b>		<b>607,335,485</b>	<b>325,947,217</b>
Other Income & Gains	4	(11,769,253)	10,483,797
Selling and Distribution Expenses		(24,717,979)	(18,576,219)
Administrative Expenses		(598,662,891)	(477,609,640)
Loss From Derecognition of Property, Plant & Equipment		(2,937,491)	-
Other Expenses	7	(785,474)	(785,142)
Profit / (Loss) From Operations		(31,537,603)	(160,539,988)
Finance Income	6.1	59,119,528	73,090,049
Finance Expenses	6.2	(1,650,750)	(1,579,709)
Share of Associate Company's Profit	12.3	48,035,921	(30,405,648)
<b>Profit / (Loss) Before Tax</b>	5	<b>73,967,096</b>	<b>(119,435,296)</b>
Income Tax Expenses	9	3,452,446	(81,326,198)
<b>Profit / (Loss) for the Year</b>		<b>77,419,542</b>	<b>(200,761,494)</b>
<b>Earnings Per Share</b>	8	<b>3.87</b>	<b>(10.04)</b>

The Accounting Policies and Notes on pages 38 through 73 form an integral part of the Financial Statements.

# Statement of Comprehensive Income

Year ended 31 March 2024	Note	2024 Rs.	2023 Rs.
Profit/(Loss) for the Year		77,419,542	(200,761,494)
<b>Other Comprehensive Income</b>			
<i>Other comprehensive income to be reclassified to statement of profit or loss in subsequent periods (net of tax):</i>		-	-
<i>Other comprehensive income not to be reclassified to statement of profit or loss in subsequent periods (net of tax):</i>			
Actuarial Gains/(Losses) on Post Employment Benefit Liability	24.1	(2,504,510)	2,538,687
Income Tax Effect on Actuarial Gains/(Losses) on Post Employment Benefit Liability	9.2	751,353	(761,606)
Revaluation of Land & Building	20.2	-	-
Deferred Tax Effect on Revaluation of Land & Building	20.2	8,838,785	(292,374,717)
		7,085,628	(290,597,636)
Actuarial Gains/(Losses) on Post Employment Benefit Liability - Associate	12.2	(720,501)	831,674
Deferred Tax Effect on Actuarial Gains/(Losses) on Post Employment Benefit Liability -Associate	12.2	216,150	(249,502)
Revaluation of Land & Building -Associate	20.3	-	-
Deferred Tax Effect on Revaluation of Land & Building - Associate	20.3	2,061,763	(71,340,790)
Gain on Fair Value Through Other Comprehensive Income Financial Instruments			64,061
Deferred Tax Effect on Gain on Fair Value Through OCI Financial Instruments			(19,218)
		1,557,412	(70,713,775)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		8,643,040	(361,311,411)
<b>Other Comprehensive Income for the Year</b>		8,643,040	(361,311,411)
<b>Total Comprehensive Income for the Year</b>		<b>86,062,582</b>	<b>(562,072,904)</b>

The Accounting Policies and Notes on pages 38 through 73 form an integral part of the Financial Statements.

# Statement of Changes in Equity

Year ended 31 March 2024	Stated Capital	Revaluation Reserve	Revaluation Reserve of Associate Company	Fair value Reserve of Financial Assets at FVOCI	Retained Earnings	Total Equity
	Rs.	Rs. (Note 20.1)	Rs. (Note 20.1)	Rs. (Note 20.4)	Rs.	Rs.
As at 1 April 2022	244,800,000	1,718,773,516	412,798,656	32,543	1,080,818,272	3,457,222,987
Profit/(Loss) for the Year	-	-	-	-	(200,761,494)	(200,761,494)
Other Comprehensive Income	-	(292,374,717)	(71,340,790)	44,843	2,359,253	(361,311,411)
Total Comprehensive Income	-	(292,374,717)	(71,340,790)	44,843	(198,402,241)	(562,072,905)
Balance as at 1 April 2023	244,800,000	1,426,398,799	341,457,866	77,386	882,416,031	2,895,150,082
Profit/(Loss) for the year	-	-	-	-	77,419,542	78,090,342
Other Comprehensive Income	-	8,838,785	2,061,763	-	(2,257,508)	8,643,040
Total Comprehensive Income	-	8,838,785	2,061,763	-	75,162,034	(220,721)
Adjustment for Right of use Asset -Associate	-	-	-	-	(220,721)	(220,721)
Balance as at 31 March 2024	244,800,000	1,435,237,584	343,519,629	77,386	957,357,344	2,980,991,943

The Accounting Policies and Notes on pages 38 through 73 form an integral part of the Financial Statements.

# Statement of Cash Flows

Year ended 31 March 2024	Note	2024 Rs.	2023 Rs.
<b>Operating Activities</b>			
Profit before tax		73,967,096	(119,435,296)
<b>Adjustments for:</b>			
Depreciation on property, plant and equipment	10.2	73,908,153	72,762,026
Allowance for Inventory		941,972	(1,555,837)
Amortisation of intangible assets	11	286,227	332,433
Depreciation of Right of Use Asset	14	859,704	1,070,610
Provision for bad and doubtful debts	15.2	138,950	440,328
Interest income	6.1	(59,119,528)	(73,090,049)
Interest expense	6.2	1,650,750	1,579,709
De-recognition of property, plant and equipment		2,937,491	-
Post employment benefit plans	24.1	8,056,134	6,230,568
Share of Associate Profit	12.3	(48,035,921)	30,405,648
		55,591,028	(81,259,860)
<b>Changes in working capital:</b>			
Receivable and prepayments	15/16/17	(171,224,257)	(58,741,852)
Inventories	13	(4,612,748)	(12,101,384)
Trade and Other Payables	21/22	24,504,149	44,631,618
Cash Generated from Operations		(95,741,832)	(107,471,479)
Finance Costs Paid	6.2	(584,431)	(808,607)
Retirement Benefit Cost Paid	24	(2,047,870)	(3,262,516)
Income Tax Paid		(4,532,609)	(9,770,677)
Net Cash Flows From/(Used in) Operating Activities		(102,906,742)	(121,313,278)
<b>Cash Flows from/(Used in) Investing Activities</b>			
Acquisition of Property, Plant & Equipment	11	(40,822,282)	(78,403,659)
Acquisition of Intangible Assets	11	(800,155)	-
Investments (Made) / withdrawals in Fixed Deposit		229,798,822	52,123,756
Interest Received		78,321,649	58,034,984
Net Cash Flows from/(Used in) Investing Activities		266,498,034	31,755,081
<b>Cash Flows from/(Used in) Financing Activities</b>			
(Repayment)/Proceed of Interest bearing Loans and Borrowings	23.1	(15,998,000)	(4,002,000)
Lease rental paid	25.1	(1,800,000)	(1,560,000)
Dividend Paid on Ordinary Shares		-	-
Net Cash Flows from/(Used in) Financing Activities		(17,798,000)	(5,562,000)
<b>Net increase/(Decrease) in Cash and Cash Equivalents</b>		145,793,292	(95,120,198)
<b>Effect of exchange rate changes on cash and cash equivalents</b>		(6,254,988)	(82,946)
<b>Cash and Cash Equivalents at the beginning of the year</b>	18	(28,772,042)	66,431,102
<b>Cash and Cash Equivalents at the end of the year</b>		110,766,262	(28,772,042)

The Accounting Policies and Notes on pages 38 through 73 form an integral part of the Financial Statements.

# Notes to the Financial Statements

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## 1. Corporate Information

### 1.1 General

Tangerine Beach Hotels PLC ("Company") is a PLC limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No. 236 Galle Road, Colombo 03, and the principal place of business is situated at St. Abrew's Drive Road, Waskaduwa, Kalutara North.

### 1.2 Principal Activities and Nature of Operations

The principal activity of the Company was hoteliering.

### 1.3 Parent Enterprise and Ultimate Parent Enterprise

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

### 1.4 Date of Authorisation for Issue

The financial statements of Tangerine Beach Hotels PLC for the year ended 31 March 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 20 August 2024.

## 2. Statement Of Compliance

The Financial Statements which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash Flows, together with the accounting policies and notes have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act No. 7 of 2007.

## 2.1 Basis Of Preparation

### 2.1.1 Basis of Measurement

The Financial Statements have been prepared on a historical cost basis except for Freehold Land and Buildings and Financial Instruments at amortized cost that have been measured at fair value. The preparation and presentation of these Financial Statements is in compliance with the Companies Act No. 07 of 2007.

### 2.1.2 Comparative Information

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

### 2.1.3 Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

## 2.2 Significant Accounting Judgments, Estimates And Assumptions

### Judgments

In the process of applying the Company'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.

### Going Concern

The directors have made an assessment of the company's ability to continue in business for the foreseeable future. Therefore the financial statements are continued to be prepared in a Going Concern Basis.

### Impairment of Trade Debtors:

The Company reviews at each reporting date all receivables to assess whether an allowance should be recorded in the statement of income. The Management uses judgment in estimating such amounts in the light of the duration of outstanding and any other factors management is aware of, that indicate uncertainty in recovery. Further information is given in Note 15.

### 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 income. 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.

### Fair Value of Property, Plant & Equipment:

The Land and Building of the Company are reflected at fair value. When current market prices of similar assets are available, such evidences are considered in estimating fair values of these assets. In the absence of such information the Company determines within reasonable fair value estimates, amounts that can be attributed as fair values, with the assistance of an independent valuer. Further details are given in Note 10.

### 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.

#### **De-recognition of Property Plant & Equipment subject to refurbishments:**

In order to comply with the LKAS 16 - Property Plant & Equipment, the company determined the cost of derecognised assets based on the quantity surveyor's valuation.

#### **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 24.

#### **Useful lives of Property, Plant & Equipment:**

The company reviews the residual values, useful lives and methods of depreciation of Property, Plant & Equipment at each reporting date. Judgement of the management is exercised estimation of these values, rates, methods and hence they are subject to uncertainty.

#### **Useful life of Intangible Asset:**

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period.

## **2.3 Summary Of Significant Accounting Policies**

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **2.3.1 Foreign Currencies**

The Financial Statements are presented in Sri Lanka Rupees, which is also the Company'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.

### **2.3.2 Revenue Recognition**

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

The following specific recognition criteria must also be met before revenue is recognized.

#### **a) Room Revenue**

Revenue is recognized on the rooms occupied on daily basis.

#### **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) Interest**

Interest Income is recognized on a time proportion basis that takes in to account the effective yield.

#### **e) Others**

Other income is recognized 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 income, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

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

### **2.3.3 Expenditure Recognition**

a) Expenses are recognized in the statement of income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

b) For the purpose of presentation of statement of income the directors are of the opinion that function of expenses method presents fairly the elements of the Company's performances, hence such presentation method is adopted.

# Notes to the Financial Statements

## 2.3.4 Taxation

### (a) Current Income Taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

### (b) Sales Tax

Revenue, 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 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 recognized for all taxable temporary differences.

Deferred tax assets are recognized 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 utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized 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 realized 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 recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized 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.

## 2.3.5 Inventories

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition is accounted using the following cost methods:

Food and Beverage	At purchase cost on weighted average basis.
Other Inventories	At purchase cost on weighted average basis.

## 2.3.6 Cash and Short-term Deposits

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

## 2.3.7 Investment in Associates

The company's investment in its associates is accounted for under the equity method of accounting in separate financial statements (amendments to LKAS 27). An associate is an entity in which the company has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in an associate is carried in the financial position at cost plus post acquisition changes in the company's share of net assets of the associate. Goodwill relating to an associates included in the carrying amount of the investment is not amortised. The statement of income reflects the share of the result of operation of the associate. Where there has been a change recognised directly in the equity of the associate, the Company recognized its share of any such change and discloses this, when applicable, in the statement of changing in equity.

The reporting dates of the associate and the company are identical and the associate's accounting policies confirm to those used by the company for like transactions and events in similar circumstance.

### 2.3.8 Property, Plant and Equipment

Property, Plant and Equipment (except for land & Building) is stated at cost, net of accumulated depreciation and/or 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 Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major refurbishment is performed, its cost is recognized 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 recognized in the profit or loss as incurred.

Land and Building is measured at fair value less accumulated depreciation on building, less impairment losses. Valuations are performed with sufficient frequency (Once in 3 years) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recognized 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 recognized in the Statement of income, in which case the increase is recognized in the Statement of income. A revaluation deficit is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

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

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost.

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition 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 income when the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Depreciation is calculated on a straight line basis over the useful lives of the assets.

The useful lives of the assets are estimated as follows;

	2024	2023
Buildings and building integrals	3.66-70 Years	3.66-70 Years
Motor Vehicles	6-16 Years	6-16 Years
Kitchen Equipment	6-12 Years	6-12 Years
Furniture and Fittings	10-20 Years	10-20 Years
Office Equipment	6-15 Years	6-15 Years
Recreational Equipment	3-8 Years	3-8 Years
Hotel Equipment	3-12 Years	3-12 Years
Computer Equipment	3-5 Years	3-5 Years
Linen & Furnishing	3 Years	3 Years
Cutlery, Crockery & Glassware	3 Years	3 Years
Plant & Machinery	10-20 Years	10-20 Years
Solar Heater System	10 Years	10 Years
Telephone System	8- 10Years	8- 10Years
Air Conditioning System	10-16 Years	10-16 Years
Gym Equipment	10-15 Years	10-15 years
Solar Power System	15 Years	15 Years

# Notes to the Financial Statements

Depreciation of an asset begins when it is available for use that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

## Capital Work-in-Progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of buildings, major plant and machinery, awaiting capitalisation.

## 2.3.9 Financial Assets and Liabilities

### Initial recognition of Financial Assets and Financial Liabilities

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 company's business model for managing them.

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 Company'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.

### 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 Company 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 company's financial assets at amortised cost includes following,

Trade receivables and Other current financial assets are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost.

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

### Debt instrument at Fair Value through OCI

A debt instrument is measured at FVOCI only if it meets both of the following conditions:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;

And

- The contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

FVOCI debt instruments are subsequently measured at fair value with gains or losses arising due to changes in fair value recognised in OCI. Interest income and foreign

exchange gains and losses and ECL and reversals are recognised in profit or loss. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

#### **Derecognition of financial assets**

A financial asset is primarily derecognised when:

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

Or

- The company 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 company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **Impairment of Financial Assets**

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss which includes trade receivables.

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, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### **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 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 financial liabilities of the Company include loans and borrowings, Trade and other payables and Amount due to related parties.

#### **Subsequent Measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

The Company does not have any Financial liabilities at fair value through profit or loss.

#### **Financial liabilities at amortised cost (loans and borrowings)**

This is the category most relevant to the Company. 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.

#### **Derecognition of financial liabilities**

The Company may remove a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished—i.e. when the obligation specified in the contract is discharged or cancelled or expires.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

A gain or loss on a financial liability that is measured at amortised cost and is not part of a hedging relationship be recognised in profit or loss when the financial liability is derecognised and through the amortisation process.

#### **2.3.10 SLFRS 15 Revenue from Contracts with Customers**

SLFRS 15 established a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange

# Notes to the Financial Statements

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for transferring goods or services to a customer. SLFRS 15 required the Company to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

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

Identified all the goods or services, or contract deliverables, which have been promised within usual course of carrying out services of the Hotel. In determining this, the management looked at implicitly or explicitly promised services including customary business practices or policies of the hotel. Having considered the same, hotel then determined that in all principle services rendered, there was one distinct performance obligation rather than many.

In connection with contracts with travel agents, tour operators, on-line travel agents, corporate customers and free-individual-travellers, the company identified certain principal vs agent considerations. In recognising revenue from these transactions, the company considered whether the nature of its promise is a performance obligation to provide the hotel services itself (acting as a principal) or to arrange for the other party to provide those such services (acting as an agent). In particular, certain on-line travel agent agreements had terms indicative that the Hotel was in fact the principal, while in certain other circumstances, considerations that were suggestive of agency considerations were present. Company does not have any outsourced other hotel related services. Accordingly, this aspect of

principal versus agent did not result in material changes to the reported figures, despite the analysis and effort carried out by the Company.

## 2.3.11 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, except capitalized development costs, are not capitalized and expenditure is recognized in the statement of income when it is incurred.

The Company's intangible assets include the value of computer software. An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

Computer software 5 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with finite useful lives 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives

is recognized in the statement of income in the expense category consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of income when the asset is derecognized.

## 2.3.12 Provisions

Provisions are recognized when the Company 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 Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of income net of any reimbursement.

## 2.3.13 Capital Commitments and Contingencies

Capital commitments and contingent liabilities of the company are disclosed in Note 26.

## 2.3.14 Retirement Benefit Obligations

### a) Defined Benefit Plans – Gratuity

A defined benefit plan is a post – employment benefit plan other than a defined contribution plan.

The Company 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 once in every year using the Projected Unit

Credit method. Actuarial gains and losses are recognized in full in the period in which they occur in Other Comprehensive Income.

The present value of the defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligation are given in Note 24. Any changes in these assumptions will impact the carrying amount of defined benefit obligation.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 on "Employee benefits". However, under the payment of gratuity act no 12 of 1983, the liability to an employee rises only on completion of 5 years of continued service.

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.

### **2.3.15 Impairment of Non Financial Assets**

The Company 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 Company 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 Companies 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 income 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 recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was

recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized 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.

### **2.3.16 Dividend Distributions**

The Company recognizes a liability to make cash or non-cash distributions to owners of equity when the distribution is authorized and is no longer at the discretion of the Company. A corresponding amount is recognized 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 recognized in income as a separate line in statement of comprehensive income.

## **2.4 Changes In Accounting Policies**

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

### **New and amended standards and interpretations**

The following are the new significant accounting policies applied by the company in preparing its Financial Statements. Several other amendments and interpretations apply for the first time in financial year 2018/19, but do not have an impact on the financial

# Notes to the Financial Statements

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statements of the company. The Company has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

## I. SLFRS 16 - Leases

SLFRS 16 supersedes LKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company applied SLFRS 16 – Leases using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 01st April 2019. Accordingly, the comparative information for 2018/19 is presented as previously reported, under LKAS 17 – Leases and related interpretations. Furthermore, the disclosure requirements in SLFRS 16 – Leases is not provided for comparative information. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Upon adoption of SLFRS 16, the Company applied a single recognition and measurement

approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### Policy applicable after 01st April 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset representing the right to use the underlying asset and a lease liability at the lease commencement date.

### Right-of-use Asset

The right-of-use asset is initially measured at cost. This comprises of the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. After the commencement date, Company measures the right-of-use asset on cost model.

### Depreciation

Right-of-use assets are depreciated using the straight-line method over the shorter of the lease term and the estimated useful life of the underlying asset.

If the ownership of the leased asset transfers to the Company at the end of the lease term, or the cost of the right-of-use asset reflects the exercise a purchase option, the asset is depreciated over the useful life of the underlying asset.

The right-of-use assets are subject to impairment.

### Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, on initial application the Company used the incremental borrowing rate as the discount rate to determine the lease liability.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. After the commencement date, the Company measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease or any other basis more representative of the time pattern of the benefits derived from the lease.

### Presentation in the Statement of Financial Position

The Company presents right-of-use assets separately from other assets and lease liabilities separately from other liabilities in its 'statement of financial position'.

### Policy applicable before 01st April 2019

Accounting policies under LKAS 17 – "Leases" and IFRIC 4 – "Determining Whether an Arrangement Contains a Lease".

### Finance Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership were classified as finance leases. On initial recognition, the leased assets under property, plant and equipment, were measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset was accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments under finance leases were apportioned between the finance expense and

the reduction of the outstanding liability. The finance expense was allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### Operating Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership over the assets were classified as operating leases. Payments under operating leases were recognised as an expense in the income statement on a straight line basis over the term of the lease or any other basis more representative of the time pattern of the benefits derived from the lease.

The initial cost of acquiring a leasehold property treated as an operating lease was recognised as a non-current asset and was amortised over the period of the lease in accordance with the pattern of benefits expected to be derived from the lease. The carrying amount of leasehold property was tested for impairment annually.

### II. IFRIC 23 Uncertainty over income tax treatments

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments.

Upon adoption of the Interpretation, the Company considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company determined, based on its tax compliance and transfer pricing study that it is probable that its tax treatments will be accepted by the taxation authorities. The Interpretation did not have an impact on the financial statements of the Company.

# Notes to the Financial Statements

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## 2.5 Standards Issued But Not Yet Effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

### Classification of Liabilities as Current or Non-current - Amendment to LKAS 1

Amendments to LKAS 1 relate to classification of liabilities with covenants as current or non-current. The amendments clarify that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. The requirements apply only to liabilities arising from loan arrangements.

The amendments are effective for annual periods beginning on or after 1 January 2024.

### Lease Liability in a Sale and Leaseback - Amendment to SLFRS 16

The amendments to SLFRS 16 Leases specifies the requirements that a seller-lessee uses in

measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. A seller-lessee applies the amendment retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2024.

### International Tax Reform—Pillar Two Model Rule - Amendments to LKAS 12

The amendments to LKAS 12 introduce a mandatory exception in LKAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments are effective for annual periods beginning on or after 1 January 2024.

**3. REVENUE**

Year ended 31 March 2024	2024 Rs.	2023 Rs.
<b>Segmentation of the Revenue</b>		
Room Sales	240,878,355	282,850,226
Food and Beverage Sales	684,808,526	256,173,229
Other Hotel Related Revenue	38,999,079	30,165,841
	<b>964,685,960</b>	<b>569,189,297</b>

**4. OTHER INCOME & GAINS**

Year ended 31 March 2024	2024 Rs.	2023 Rs.
Exchange Gain	(12,029,731)	10,475,426
Scrap Sales	260,478	8,371
	<b>(11,769,253)</b>	<b>10,483,797</b>

**5. PROFIT BEFORE TAXATION**

Year ended 31 March 2024	2024 Rs.	2023 Rs.
<b>Stated after Charging/(Crediting)</b>		
Depreciation	73,908,153	72,762,026
Amortisation of intangible Assets	286,227	332,433
Auditors' Remuneration	860,000	747,500
Allowances for Inventory	941,972	(1,555,837)
Salaries & Wages	149,579,412	125,720,588
Cost of meals	39,399,436	35,854,067
Defined contribution plans	18,419,984	15,522,795
Post employment benefit plans	8,056,134	6,230,568
Directors' Fees	942,600	150,000
Operation and Marketing Fees- Payable to a Related Party	37,510,955	20,922,568
Repair and maintenance expenditure	47,509,821	42,694,822
Power and energy expenditure	96,635,001	63,775,504
Exchange Gain/(Loss)	(12,029,731)	10,475,426
Sales Promotional and advertising	11,640,259	9,677,017

# Notes to the Financial Statements

## 6. NET FINANCE INCOME/(EXPENSES)

Year ended 31 March 2024	2024 Rs.	2023 Rs.
<b>6.1 Finance Income</b>		
Interest Income on Foreign Currency Deposit	203,428	246,974
Interest Income on Fixed Deposit	56,530,873	70,090,817
Interest Income on Money Market	2,385,227	2,752,258
	59,119,528	73,090,049
<b>6.2 Finance Expenses</b>		
Interest Expenses on Loans & Overdrafts	(584,431)	(808,607)
Interest Expenses on Lease	(1,066,319)	(771,102)
	(1,650,750)	(1,579,709)
	57,468,778	71,510,340

## 7. OTHER EXPENSES

Year ended 31 March 2024	2024 Rs.	2023 Rs.
Bank Charges	785,474	785,142
Profit/(Loss) on Property Plant & Equipment	-	-
	785,474	785,142

## 8. EARNINGS PER SHARE

Basic Earnings Per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed the number of ordinary shares outstanding.

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

	2024 Rs.	2023 Rs.
<b>Amount Used as the Numerator:</b>		
Net Profit for the period	77,419,542	(200,761,494)
Net Profit attributable to Ordinary Shareholders for Basic Earnings Per Share	77,419,542	(200,761,494)
<b>Number of Ordinary Shares Used as Denominator</b>	<b>Number</b>	<b>Number</b>
Weighted average number of Ordinary Shares Applicable to Basic Earnings Per Share	20,000,000	20,000,000
Earnings Per Share	3.87	(10.04)

## 9. INCOME TAX

The major components of income tax expense for the years ended 31 March are as follows :

The Company has used the new tax rate introduced in the Inland Revenue (Amendment) Act No. 45 of 2022 certified on 19th December 2022, (with retrospective effect from 01st October 2022) for income and deferred taxation. The rate 30% has been used for Income and Deferred Tax in 2024. The resultant impact has been recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Statement of profit or loss Year ended 31 March 2024	2024 Rs.	2023 Rs.
<b>Current Income Tax</b>		
Current Income Tax charge	-	7,551,382
Under/(Over) Provision of current taxes in respect of prior years	-	80,322
	-	7,631,704
<b>Deferred Income Tax</b>		
Deferred Taxation Charge/(Reversal) (Note 9.2)	-	-
Recognition of Deferred Tax on Temporary Differences	(3,452,446)	(304,634,977)
Recognition of Deferred Tax on Income Tax Rate Change	-	378,329,471
<b>Income tax expense reported in the Statement of profit or loss</b>	<b>(3,452,446)</b>	<b>81,326,198</b>
<b>Statement of Changes in Equity</b>		
Deferred Income Tax related to items charged or credited through OCI to equity :		
Recognition of Deferred Tax on Temporary Differences	751,353	(761,606)
Recognition of Deferred Tax on Income Tax Rate Change	8,838,785	(292,374,717)
<b>Income tax expense reported in equity</b>	<b>9,590,138</b>	<b>(293,136,323)</b>
<b>9.1 A reconciliation between tax expense and the product of accounting profit</b>		
multiplied by the statutory tax rate is as follows :		
Accounting Profit / (Loss) before tax from continuing operations	73,967,095	(119,435,296)
Less : Share of Associate Company's Profits / ( Loss)	48,035,921	(30,405,648)
<b>Accounting Profit before Income Tax</b>	<b>25,931,174</b>	<b>(89,029,647)</b>
Add - Aggregate disallowable Items	86,860,613	82,302,185
Less - Aggregate Allowable Items	(112,124,017)	(36,350,935)
Less - Other Sources of Income	-	(79,936,933)
<b>Tax Profit /( Loss) for the Year</b>	<b>667,770</b>	<b>(123,015,330)</b>
<b>Less Tax losses utilised during the year</b>	<b>(667,770)</b>	<b>-</b>
<b>Other Sources of Income</b>		
- Statutory Income from Interest	59,119,527	29,293,225
- Rent Income	9,618,221	2,387,404
Less - Exempt Interest & Other	(203,428)	(216,536)
<b>Taxable Income</b>	<b>68,534,320</b>	<b>31,464,093</b>
<b>Less Tax losses utilised during the year</b>	<b>(667,770)</b>	<b>-</b>
Less - Exempt Interest & Other	-	-
<b>Applicable Tax Rate</b>	<b>-</b>	<b>24%</b>
<b>Income Tax Expense for the Year</b>	<b>-</b>	<b>7,551,382</b>

# Notes to the Financial Statements

Year ended 31 March 2024	2024 Rs.	2023 Rs.
<b>9.2 Deferred Tax Assets , Liabilities</b>		
Deferred Tax Liabilities	697,444,015	707,570,685
Deferred Tax Assets	(12,617,495)	(9,701,581)
<b>Net Deferred Tax Liabilities</b>	<b>684,826,520</b>	<b>697,869,104</b>

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

	Statement of Financial Position		Statement of Profit or Loss		Statement of Comprehensive Income	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<b>Deferred Tax Liability</b>						
Intangible Assets	44,168	6,309	37,859	(21,092)	-	-
Revalued Land and Building	544,973,784	608,047,205	(54,234,636)	-	(8,838,785)	292,374,717
Capital allowances for tax purposes	152,426,063	99,517,171	52,908,892	79,594,748	-	-
	<b>697,444,015</b>	<b>707,570,685</b>	<b>(1,287,885)</b>	<b>79,573,656</b>	<b>(8,838,785)</b>	<b>292,374,717</b>
<b>Deferred Tax Assets</b>						
Defined Benefit Plans - recognised through income statement	(10,833,109)	(8,279,278)	(1,802,478)	(5,237,332)	(751,353)	761,606
Right of Use Asset - recognised through income statement	(225,139)	(187,332)	(37,807)	(139,350)	-	-
Allowances for Doubtful Receivables	(454,572)	(412,887)	(41,685)	(281,852)	-	-
Allowances for obsolete inventories	(1,104,675)	(822,084)	(282,591)	(220,628)	-	-
	<b>(12,617,495)</b>	<b>(9,701,581)</b>	<b>(2,164,561)</b>	<b>(5,879,162)</b>	<b>(751,353)</b>	<b>761,606</b>
Deferred Tax Charge to the Income Statement	-	-	(3,452,446)	73,694,494	-	-
Deferred Tax Charge to Other Comprehensive Income	-	-	-	-	(9,590,138)	293,136,323
Deferred Tax Assets/ Liability	684,826,520	697,869,104	-	-	-	-

**10. PROPERTY, PLANT & EQUIPMENT**

Year ended 31 March 2024	Balance as at 01.04.2023	Additions	Disposal/De recognition	Balance as at 31.03.2024
At Cost or Valuation	Rs.	Rs.	Rs.	Rs.
<b>10.1 Gross Carrying Amounts</b>				
Freehold Land	1,248,375,000			1,248,375,000
Buildings on freehold land	1,182,449,444	16,411,356	(3,179,400)	1,195,681,400
Motor Vehicles	38,666,568	-	-	38,666,568
Plant & Machinery	54,602,155	-	-	54,602,155
Hotel Equipment	95,468,628	5,594,302	(9,145,775)	91,917,155
Kitchen Equipment	29,760,938	348,457	-	30,109,395
Furniture and Fittings	164,453,691	28,000	-	164,481,691
Office Equipment	1,325,727	-	-	1,325,727
Recreational Equipment	1,647,500	-	-	1,647,500
Solar Heater System	6,171,101	-	-	6,171,101
Telephone System	4,053,049	-	-	4,053,049
Air Conditioning System	58,364,968	-	-	58,364,968
Gym Equipment	6,485,171	-	-	6,485,171
Computer Equipment	13,896,368	1,227,825	-	15,124,193
Linen and Furnishing	32,082,722	15,543,631	(2,569,148)	45,057,205
Cutlery, Crockery and Glassware	9,648,092	1,668,711	(641,538)	10,675,265
Solar Power System	3,030,000	-	-	3,030,000
Total Value of Depreciable Assets	2,950,481,121	40,822,282	(15,535,861)	2,975,767,542
<b>Total Gross Carrying Amount</b>	<b>2,950,481,121</b>	<b>40,822,282</b>	<b>(15,535,861)</b>	<b>2,975,767,542</b>

Year ended 31 March 2024	Balance as at 01.04.2023	Charge for the year	Disposals/ Derecognition	Balance as at 31.03.2024
At Cost or Valuation	Rs.	Rs.	Rs.	Rs.
<b>10.2 Depreciation</b>				
Buildings on freehold land	40,246,837	41,914,457	(241,909.00)	81,919,385
Motor Vehicles	34,212,742	4,167,193		38,379,935
Plant & Machinery	35,615,251	2,337,416		37,952,667
Hotel Equipment	84,248,953	4,190,618	(9,145,775)	79,293,796
Kitchen Equipment	25,171,995	1,799,543	-	26,971,538
Furniture and Fittings	91,039,504	8,971,510	-	100,011,014
Office Equipment	1,094,969	59,380	-	1,154,349
Recreational Equipment	1,167,500	320,000	-	1,487,500
Solar Heater System	6,114,668	28,216	-	6,142,884
Telephone System	2,950,548	245,000	-	3,195,548
Air Conditioning System	41,232,740	2,937,389	-	44,170,129
Gym Equipment	4,044,412	540,432	-	4,584,844
Computer Equipment	11,821,568	977,618		12,799,186
Linen and Furnishing	26,351,999	4,397,874	(2,569,148)	28,180,725
Cutlery, Crockery and Glassware	8,622,472	819,507	(641,538)	8,800,441
Solar Heater System	1,111,000	202,000	-	1,313,000
<b>Total Depreciation</b>	<b>415,047,158</b>	<b>73,908,153</b>	<b>(12,598,370)</b>	<b>476,356,940</b>

# Notes to the Financial Statements

## 10. PROPERTY, PLANT & EQUIPMENT (Contd....)

Year ended 31 March 2024	2024 Rs.	2023 Rs.
<b>10.3 Net Book Values</b>		
At Cost or Valuation		
Freehold Land	1,248,375,000	1,248,375,000
Buildings on freehold land	1,113,762,015	1,142,202,607
Motor Vehicles	286,634	4,453,826
Plant & Machinery	16,649,488	18,986,904
Hotel Equipment	12,623,359	11,219,675
Kitchen Equipment	3,137,858	4,588,944
Furniture and Fittings	64,470,677	73,414,187
Office Equipment	171,378	230,758
Recreational Equipment	160,000	480,000
Solar Heater System	28,217	56,433
Telephone System	857,501	1,102,501
Air Conditioning System	14,194,839	17,132,228
Gym Equipment	1,900,327	2,440,759
Computer Equipment	2,325,007	2,074,800
Linen and Furnishing	16,876,480	5,730,723
Cutlery, Crockery and Glassware	1,874,824	1,025,620
Solar Power System	1,717,000	1,919,000
	2,499,410,604	2,535,433,964
Capital Work-In-Progress	-	-
<b>Total Net Carrying Amount of Property, Plant &amp; Equipment</b>	<b>2,499,410,604</b>	<b>2,535,433,964</b>

### 10.4

- a) Land and Building is measured at fair value less depreciation on building, less impairment losses. Valuations are performed with sufficient frequency (Once in 3 years). The fair value of land and buildings was determined by means of a revaluation during the financial year 2021/2022 by Messrs. P. P. T Mohideen an independent valuer based on contractor's methods. The results of such evaluation were incorporated in these Financial Statements from its effective date which is 31 March 2022. The surplus arising from the revaluation net of deferred taxes was transferred to a revaluation reserves.
- b) The carrying amount of revalued assets that would have been included in the financial statements had the assets been carried at cost less depreciation, is as follows:

Class of Asset	Cost Rs.	Cumulative Depreciation If assets were carried at cost Rs.	Net Carrying Amount 2024 Rs.	Net Carrying Amount 2023 Rs.
Freehold Land	9,782,792	-	9,782,792	9,782,792
Buildings on Freehold Land	626,280,047	173,198,924	453,081,123	484,803,966
	636,062,839	173,198,924	462,863,915	494,586,758

**10.5** During the financial year, the Company acquired Property, Plant & Equipment to the aggregate value of Rs.40,822,282/- (2023 - Rs.78,403,659/-) for cash consideration.

**10.6** Property, Plant & Equipment includes fully depreciated assets which are still in use having a gross carrying amount of Rs 172,317,791 (2023 - Rs.125,654,026/-).

## 11. INTANGIBLE ASSETS

Cost	2024 Computer Software Rs.	2023 Computer Software Rs.
As at 1 April	7,100,763	7,100,763
Acquired during the period	800,155	-
As at 31 March	7,900,918	7,100,763
<b>Amortisation</b>		
As at 1 April	6,827,337	6,494,904
Amortisation for the year	286,227	332,433
As at 31 March	7,113,564	6,827,337
<b>Net Book Value</b>	<b>787,354</b>	<b>273,426</b>

## 12. INVESTMENT IN ASSOCIATE

The Company has a 28.41% interest in Royal Palms Beach Hotels PLC, situated at Kaluthara which is also involved in the hoteliering business. The companies' interest in Royal Palms Beach Hotels PLC is accounted for using the equity method in the company financial statements. The following table illustrates the summarised financial information of the Royal Palms Beach Hotels PLC.

### 12.1 Share of the associate's statement of Financial position (28.41%)

	As per books of associate		As per Shareholding	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Current assets	958,177,527	761,049,664	272,218,235	216,214,209
Non current assets	2,481,810,203	2,485,710,826	705,082,279	706,190,446
Current liabilities	(201,057,378)	(172,139,016)	(57,120,401)	(48,904,694)
Non current liabilities	(721,984,593)	(731,461,749)	(205,114,075)	(207,806,535)
<b>Net assets</b>	<b>2,516,945,759</b>	<b>2,343,159,725</b>	<b>715,066,038</b>	<b>665,693,426</b>
Goodwill	-	-	47,583,752	47,583,752
	-	-	762,649,790	713,277,178

# Notes to the Financial Statements

## 12.2 Equity value of investment in equity accounted investee

Year ended 31 March 2024	2024 Rs.	2023 Rs.
As at 1 April	713,277,178	814,396,602
Comprehensive income (Note 12.3)	48,035,921	(30,405,648)
Other comprehensive income (Note 12.3)	(504,351)	582,171
Revaluation of land & Building	-	-
Revaluation of land & Building -Income tax effect	2,061,763	(71,340,790)
Deferred tax impact on transfer to retained earnings	-	-
Gain on Fair Value Through Other Comprehensive Income Financial Instruments	-	64,061
Income tax effect on Gain on Fair Value Through Other Comprehensive Income Financial Instruments	-	(19,218)
Adjustment for Right of Use Asset	(220,721)	-
As at 31 March	762,649,790	713,277,178

## 12.3 Associate's revenue and profit

Revenue	1,092,317,077	670,852,891
Cost of sales	(324,497,006)	(228,704,520)
Other income	(8,125,529)	9,297,738
Selling and Distribution Costs	(27,649,647)	(21,604,297)
Administrative Expenses	(601,845,570)	(491,723,561)
Loss from Derecognition of Property, Plant & Equipment	-	-
Other Expenses	(1,558,117)	(1,278,284)
Finance Income	38,971,895	71,700,091
Finance Cost	(2,890,575)	(2,942,329)
Profit (Loss) Before Tax	164,722,526	5,597,731
Tax Expense	4,358,506	(112,622,188)
Profit (Loss) Loss After Tax	169,081,032	(107,024,457)
Other Comprehensive Income	5,481,915	(248,904,523)
<b>Total Comprehensive Income</b>	<b>174,562,947</b>	<b>(355,928,980)</b>

### Share of the Associate's Revenue and Profit ( 28.41%)

Profit (Loss) Before Tax	46,797,670	1,590,315
Profit After Tax	48,035,921	(30,405,648)
Other Comprehensive Income	1,557,412	(70,713,775)
<b>Total Comprehensive Income</b>	<b>49,593,333</b>	<b>(101,119,423)</b>
Carrying amount of the Investment	762,649,790	713,277,178
Market Value of the shares **	426,083,580	373,533,272

\*\*Investment is held for long term strategic reason and the investment is recovered through dividends. The management do not intend on disposing the stake held and realizing the investment.

**13. INVENTORIES**

Year ended 31 March 2024	2024 Rs.	2023 Rs.
Food and beverage	18,661,890	16,806,749
Housekeeping and uniform	9,984,507	8,272,386
Other consumables	12,541,147	11,495,661
	41,187,545	36,574,796
Allowances for obsolete inventories	(3,682,250)	(2,740,278)
	<b>37,505,294</b>	<b>33,834,518</b>

**14. RIGHT-OF-USE ASSETS**

	Right-of-Use buildings	
	2024 Rs.	2023 Rs.
Movement during the year.		
Cost		
Balance as at beginning of the year	9,189,791	9,189,791
Recognition/(Derecognition) of operating leases under SLFRS 16	(592,740)	-
Additions	-	-
<b>Balance as at end of the year</b>	<b>8,597,051</b>	<b>9,189,791</b>
Accumulated depreciation / impairment		
Balance as at beginning of the year	4,907,350	3,836,740
Recognition of operating leases under SLFRS 16	-	-
Charge for the year	859,704	1,070,610
<b>Balance as at end of the year</b>	<b>5,767,054</b>	<b>4,907,350</b>
Net book value		
At at the beginning of the year	4,282,441	5,353,051
As at the end of the year	2,829,997	4,282,441

## Details of Right-of-Use Asset relating to leased property

Nature of the Leasing Activity	Location of the leased property	Unexpired lease period as at 31.03.2024
Building - 898.44 sq.ft.	Colombo 03	05 Year

**14.1 Sensitivity of Right-of-Use Assets / Lease Liability to Key Assumption**

Sensitivity to discount rate/ Incremental Borrowing Rates	ROU Asset	Lease Liability
Increased 1%	(212,665)	(231,591)
Decreased -1%	225,780	243,581

# Notes to the Financial Statements

## 15. TRADE AND OTHER RECEIVABLES

Year ended 31 March 2024	2024 Rs.	2023 Rs.
Trade Debtors		
-Related Parties (15.1)	142,648,400	63,376,201
-Others	140,758,809	41,398,922
Less: Impairment Allowances for Trade Debtors(15.2)	(1,515,240)	(1,376,290)
	281,891,969	103,398,833
Other Debtors	670,415	315,636
Loans to Company Officers	283,726	610,127
	282,846,110	104,324,595

### 15.1 Trade Dues from Related Parties

Name of the Related Party		
Tangerine Tours (Pvt) Limited	140,290,005	61,298,362
Tangerine Vacations (Pvt) Limited	2,358,395	2,077,839
	142,648,400	63,376,201

### 15.2 Total allowance for impairment on trade debtors

Balance as at beginning of the year (As per SLFRS 09)	1,376,290	935,962
Charge/(Reversal) for the year	138,950	440,328
Balance as the end of the year	1,515,240	1,376,290

## 16. OTHER NON FINANCIAL ASSETS

Year ended 31 March 2024	2024 Rs.	2023 Rs.
Prepayments	10,156,627	11,068,881
Other receivables	120,000	120,000
VAT Receivable	12,772,078	13,113,346
	23,048,705	24,302,227

## 17. OTHER FINANCIAL ASSETS

	No. of Shares		Directors Cost Valuation		Directors Cost Valuation	
Non Quoted Equity Securities with Non Related Parties	2024 Rs.	2023 Rs.	2024 Rs.	2024 Rs.	2023 Rs.	2023 Rs.
Lanka Glass Company Limited	50,000	50,000	50,000	-	500,000	-
Research International (Pvt) Limited	10,000	10,000	10,000	-	100,000	-
Gross Carrying Value of Investments			600,000	-	600,000	-

Directors' valuations are based on cost of investments less any decline in value other than temporary, as decided by the Board of Directors.

**17.2 Measured at Amortized cost**

## Short Term Investments - Fixed Deposits

Company	Relationship	2024 Rs.	2023 Rs.
Fixed Deposits - Mercantile Investments and Finance PLC	Other Related Party	74,654,556	328,733,666
Commercial Bank of Ceylon PLC		41,171,084	36,092,918
		<b>115,825,640</b>	<b>364,826,583</b>

**17.3 Measured at Amortized cost**

## Amounts Due from Related Parties -Other Financial Assets

Name of the Related Party	Relationship	2024 Rs.	2023 Rs.
Nilaveli Beach Hotels (Pvt) Limited	Other Related Party	152,588	114,019
The Nuwara Eliya Hotels Company PLC	Other Related Party	67,203	33,470
		<b>219,791</b>	<b>147,489</b>

**18. CASH AND BANK BALANCES**

Year ended 31 March 2024	2024 Rs.	2023 Rs.
Cash at Bank and in Hand	178,420,744	32,625,481
For the purposes of the cash flow statement, the year end cash and cash equivalents comprise the following:		
Cash at Bank and in Hand	178,420,744	32,625,481
Bank Overdraft (Note 23)	(67,654,482)	(61,397,523)
	<b>110,766,262</b>	<b>(28,772,042)</b>

**19. STATED CAPITAL**

	Number of shares	Ordinary shares
At 31 March 2024	20,000,000	244,800,000
At 31 March 2023	20,000,000	244,800,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time on the residue of Profits and are eligible to participate in any surplus assets in a winding up. They are also entitled to one vote per share at meetings of the Company. There are no other preferences or restrictions on ordinary shares.

# Notes to the Financial Statements

## 20. RESERVE

Year ended 31 March 2024	2024 Rs.	2023 Rs.
<b>20.1 Revaluation Reserve.</b>		
Revaluation Reserve - Company (Note 20.2)	1,435,237,584	1,426,398,799
Revaluation Reserve - Associate Company (Note 20.3)	343,519,629	341,457,866
	<b>1,778,757,213</b>	<b>1,767,856,665</b>

### 20.2 Revaluation Reserve - Company

On: Property, Plant and Equipment

As at the beginning of the year	1,426,398,799	1,718,773,516
Revaluations During the year	-	-
Transfer to retained earning (a)	-	-
Deferred tax on transfers to retained earnings	-	-
Tax effect on surplus on revaluation	8,838,785	(292,374,717)
<b>As at the end of the year</b>	<b>1,435,237,584</b>	<b>1,426,398,799</b>

(a) Transfer to retained earnings represents the amounts transferred on impact of deferred tax, depreciation difference on cost and revalued amount of property, plant and equipment disposed and de-recognised during the year.

### 20.3 Revaluation Reserve - Associate Company

On: Property, Plant & Equipment

Year ended 31 March 2024	2024 Rs.	2023 Rs.
As at the beginning of the year	341,457,866	412,798,656
Revaluations During the year	-	-
Transfer to retained earning	-	-
Deferred tax on transfers to retained earnings	2,061,763	-
Tax effect on surplus on Revaluation	-	(71,340,790)
<b>As at the end of the year</b>	<b>343,519,629</b>	<b>341,457,866</b>

The above Share of Associate Company's Revaluation Reserve represents the Company's Share of current year depreciation effect of the revaluation gain of previous years and the revaluation gain of those assets which were disposed or de-recognised during the year.

### 20.4. Fair Value Reserve- Associate Company

Year ended 31 March 2024	2024 Rs.	2023 Rs.
As at the beginning of the year	77,386	32,543
fair Value Reserve During the year	-	64,061
Tax effect on Reserve	-	(19,218)
<b>As at the end of the year</b>	<b>77,386</b>	<b>77,386</b>

**21. TRADE AND OTHER PAYABLES**

Year ended 31 March 2024	2024 Rs.	2023 Rs.
Financial Liabilities (Note 21.1)	71,219,112	51,674,206
Non Financial Liabilities (Note 21.2)	52,381,658	39,921,939
	<b>123,600,769</b>	<b>91,596,145</b>
<b>21.1 Financial Liabilities</b>		
Trade payables	55,208,677	35,953,188
Other payables	14,592,854	9,334,744
Dividends payable	988,720	988,720
Payables to contractors /Other suppliers	428,861	5,397,554
	<b>71,219,112</b>	<b>51,674,206</b>
<b>21.2 Non Financial Liabilities</b>		
Advanced received for reservation	8,974,957	11,921,715
VAT Payable	18,208,206	8,020,782
TDL Payable	4,064,405	2,132,875
SSCL Payable	57,959	1,700,702
EPF and ETF Payable	2,507,958	2,150,866
Other payables	18,568,173	13,994,998
	<b>52,381,658</b>	<b>39,921,939</b>

**22. AMOUNTS DUE TO RELATED PARTIES**

Name of the Related Party	Relationship	2024 Rs.	2023 Rs.
Security Ceylon (Pvt) Limited	Other Related Party	1,642,354	1,412,021
Tangerine Tours (Pvt) Limited	Other Related Party	6,502,094	3,783,183
Mercantile Investments and Finance PLC	Other Related Party	-	82,513
Royal Palms Beach Hotels PLC	Associate company	2,998,504	13,365,711
		<b>11,142,952</b>	<b>18,643,427</b>

## Notes to the Financial Statements

**23. INTEREST BEARING LOANS AND BORROWINGS**

Year ended 31 March 2024	2024 Rs.	2023 Rs.
<b>Current</b>		
Bank overdraft	67,654,482	61,397,523
Term Loan -Commercial Bank Of Ceylon PLC (23.1)	-	15,998,000
	67,654,482	77,395,523
<b>Non- current</b>		
Term Loan -Commercial Bank Of Ceylon PLC (23.1)	-	-
<b>Total borrowings</b>	<b>67,654,482</b>	<b>77,395,523</b>

**23.1 Term Loan - Commercial Bank of Ceylon PLC**

	As At 01.04.2023 Rs.	Repayment Rs.	As At 31.03.2024 Rs.
Saubagya Covid-19 Renaissance Facility Phase II	15,998,000	(15,998,000)	-
	15,998,000	(15,998,000)	-

**23.2 Details of Loan - Terms and conditions**

Purpose	To finance 02 months working capital requirement of the company.
Loan amount	Rs. 25,000,000/- (Rupees Twenty Five Million only)
Commencement date	09th of September 2020
Grace Period	09 months Grace period
Repayment of Loan	Capital to be repaid 18 equal monthly installments of Rs. 1,334,000/- and the final installment of Rs.1,323,999/- together with interest, after the grace period.
Interest Rate	4%
Term	02 Years
Security	Company had pledged Fixed Deposit of Rs. 28,000,000 as security.

**24. POST EMPLOYMENT BENEFIT LIABILITY**

Year ended 31 March 2024	2024 Rs.	2023 Rs.
Balance as at the Beginning of the Year	27,597,592	27,168,227
Charge for the Year (Note 24.1)	10,560,641	3,691,881
Payments Made during the year	(2,047,870)	(3,262,516)
<b>Balance as at the end of the Year</b>	<b>36,110,363</b>	<b>27,597,592</b>

**24.1 Charge for the Year**

Current Service Cost for the year	2,536,613	2,427,016
Interest cost for the year	5,519,518	3,803,552
Past service cost	-	-
	8,056,131	6,230,568
Actuarial (Gain)/Loss	2,504,510	(2,538,687)
	<b>10,560,641</b>	<b>3,691,881</b>

## 24.2 Actuarial Assumptions

Year ended 31 March 2024	2024 Rs.	2023 Rs.
Discount Rate	12.00%	20.00%
Salary Increment	10.00%	15.00%
Mortality-A67/70 Mortality Table Issued by the Institute of Actuaries London		
Retirement Age	55 years.	55 years.
Disability rate	Simple disability rate	

### Staff turnover

The staff turnover rate used in the valuation are

Category 01: 14% up to age 54 and thereafter zero

Category 02: 7% up to age 54 and thereafter zero

An actuarial valuation of the gratuity was carried out as at 31 March 2024 by Actuarial and Management Consultants (Pvt) Limited, a firm of professional actuaries. The valuation method used by the actuaries is the "Projected Unit Credit Method", recommended by LKAS 19 Employee Benefits.

## 24.3 Sensitivity of assumptions employed in actuary valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measures.

The sensitivity of the Comprehensive Income Statement and the Statement of Financial Position is the effect of the assumed changes in discount rate & salary increment rate on the profit or loss & employment benefit obligation for the year.

31st March 2024	Sensitivity Effect on Comprehensive Income Statement Increase / (Reduction) in results for the year	Sensitivity effect on employee benefit Obligation increase / (Reduction) in the Liability
Increase/ (decrease) in discount rate		
1%	1,614,066	(1,614,066)
-1%	1,768,327	(1,768,327)
Increase/ (decrease) in salary Increment rate		
1%	(1,956,427)	1,956,427
-1%	(1,812,315)	1,812,315
31st March 2023	Sensitivity Effect on Comprehensive Income Statement Increase / (Reduction) in results for the year	Sensitivity effect on employee benefit Obligation increase / (Reduction) in the Liability
Increase/ (decrease) in discount rate		
1%	928,120	(928,120)
-1%	999,421	(999,421)
Increase/ (decrease) in salary Increment rate		
1%	(887,214)	887,214
-1%	(1,654,740)	1,654,740

# Notes to the Financial Statements

## 24.4 Maturity Profile

Year ended 31 March 2024	2024 Rs.	2023 Rs.
Weighted Average Duration of defined benefit obligation	5.2 Years	4.20 Years
Distribution of defined benefit obligation over the future working life time		
Less than or equal 1 year	8,699,415	7,464,826
Over 1 year and less than or equal 2 years	6,604,644	6,265,904
Over 2 year and less than or equal 5 years	6,939,600	6,239,114
Over 5 years and less than or equal 10 years	9,958,893	5,903,061
Over 10 years	3,907,812	1,724,688
<b>Total</b>	<b>36,110,365</b>	<b>27,597,593</b>

## 25. LEASE LIABILITIES

### 25.1 Movement of lease liabilities

Year ended 31 March 2024	2024 Rs.	2023 Rs.
Balance as at the beginning of the year	4,906,881	5,695,779
Recognition of operating lease liability under SLFRS 16	-	-
Payment of lease liabilities	(1,800,000)	(1,560,000)
Derecognition of operating lease liability	(592,740)	-
Interest expense	1,066,319	771,102
<b>Balance as at 31.03.2024</b>	<b>3,580,460</b>	<b>4,906,881</b>
<b>Current portion of lease liabilities</b>		
2024/23 FY Lease payments	1,800,000	1,560,000
2024/23 FY Lease interest	(932,128)	(705,960)
	867,872	854,040
<b>Non Current portion of lease liabilities</b>	<b>2,712,588</b>	<b>4,052,841</b>

\*\* The Company use 18.29% as Incremental Borrowing Rate

### 25.2 The following are the amount recognized in profit or loss:

Depreciation expenses of right of use assets	657,979	1,070,610
Interest expense on lease liability	1,066,319	771,102
<b>Total Amount recognized in profit and loss</b>	<b>1,724,298</b>	<b>1,841,712</b>

### 25.3 Following is the maturity lease liability for future periods with interest cost

	Rs. 1-12 Months	Rs. 1 to 5 Years	Rs. 1 to 10 Years	Rs. Total
Lease Liability	1,800,000	9,000,000	1,650,000	12,450,000

## 26. COMMITMENTS AND CONTINGENCIES

### 26.1 Commitments

#### 26.1.1 Capital Expenditure Commitments

The Company does not have significant capital commitments as at the reporting date.

#### 26.1.2 Financial Commitments

There are no financial commitments as at the reporting date.

### 26.2 Contingencies

#### Contingent liabilities

There are no significant contingencies as at 31 March 2024.

## 27. ASSETS PLEDGED

A total of 3,237,332 shares of Royal Palm Beach Hotels PLC, (Associate Company) amounting to Rs. 32,373,320 have been pledged against the facilities obtained by Commercial Bank of Ceylon PLC.

Company had pledged Fixed Deposit of Commercial Bank of Ceylon PLC Rs. 28,000,000 as security for Saubagye Covid 19 Loan.

## 28. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

The following tables provides the significant amount of transactions, which have been entered into with related parties for the relevant financial year.

### 28.1 Transactions with Associate Company -Recurring transactions

Tangerine Hotel PLC holds 28.41% Share holding of Royal Palms Beach Hotels PLC.

Nature of Transaction	Terms of Transactions	Amount		Balance as at	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Dividend received		-	-	-	-
Staff quarters rent	Market terms	4,508,400	2,392,000	-	-
Sewerage treatment plant rent	Market terms	4,922,346	3,500,602	-	-
Bottle water		5,994	238,335	-	-
Staff meals	Market terms	-	-	-	-
Laundry Chargers	Market terms	(30,258,703)	(19,761,693)	-	-
Staff Quarters Advance **		-	(9,592,958)	-	-
Reimbursements of expenses		509,103	(18,780,305)	-	-
Fund transfers for settlements		30,680,067	31,187,096	-	-
Amounts due from Royal Palm Beach Hotel PLC		-	-	(2,998,504)	(13,365,711)

\*\* Renovating of Staff Quarters Occupied by Royal Palms Beach Hotel

### 28.2 Transactions with Key Management Personnel

The Key Management Personnel (KMPs) are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Key Management Personnel of the Company are Board of Directors of the Company and personnel holding designation General Manager and above. Transactions with Key Management Personnel and transaction with the close family members (CFMs) of the KMPs, If any, also have been taken into consideration in the following disclosure.

# Notes to the Financial Statements

## 28.2.a) Key Management Personnel Compensation

Year ended 31 March 2024	2024 Rs.	2023 Rs.
Short-term post employment benefits	6,618,750	7,005,625

## 28.3 Transaction with Other Related Parties -Recurring transactions

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 the transactions, summarised as follows:

The Company carries out transactions with KMPs & their close family members in the ordinary course of its business on an arms length basis at commercial rates.

Nature of Transaction	Nature of Transaction	Relationship	Terms of Transactions	Amount		Balance as at	
				2024	2023	2024	2023
				Rs.	Rs.	Rs.	Rs.
Security Ceylon (Pvt) Ltd.	Security Services	Other Related Company	As per Agreement	(22,005,332)	(20,166,598)	-	-
	Staff Meals		Market terms	3,459,421	3,990,049	-	-
	Fund transfers for settlements			18,315,578	15,501,831	-	-
	Amounts payable to Security Ceylon (Pvt) Ltd			-	-	(1,642,354)	(1,412,021)
Nilaveli Beach Hotel(Pvt) Ltd	Reimbursement expenses	Other Related Company	Reimbursement cost	1,496,160	1,212,762	-	-
	Fund transfers for settlements			(1,457,591)	(1,186,586)	-	-
	Amounts receivable from Nilaveli Beach Hotel (PVT) Ltd			-	-	152,588	114,019
Tangerine Tours (Pvt) Ltd.	Marketing Fee	Other Related Company	As per Agreement	(43,621,784)	(22,958,716)	-	-
	Tour Operation		As per Agreement	211,529,930	118,087,445	-	-
	Reimbursement expenses			(10,285,136)	(7,060,226)	-	-
	Fund transfers for settlements			(81,350,257)	(45,798,350)	-	-
	Amounts receivable from Tangerine Tours ( Pvt) Ltd			-	-	133,787,932	57,515,179
Mercantile Investments & Finance PLC	Fixed Deposit Investments/ (withdrawal) (net)	Other Related Company	Market terms	(254,079,110)	-	74,654,556	328,733,666
	Interest income on Fixed deposits		Market terms	51,597,999	-	-	-
	Head office Rent		As per agreement	(2,135,588)	(1,786,525)	-	-
	Repairs and Service to the motor vehicle		Market Terms	(2,276,199)	-	-	-
	Reimbursement expenses			(1,044,217)	-	-	-
	Fund transfers for settlements			5,538,517	-	-	-
	Amounts payable to Mercantile Investment & Finance Plc			-	-	-	(82,513)
The Nuwara Eliya Hotels PLC	Reimbursement expenses	Other Related Company	Reimbursement cost	345,718	472,909	-	-
	Fund transfers for settlements			(294,112)	(499,682)	-	-
	Amounts receivable from Nuwara Eliya Hotels PLC			-	-	85,076	33,470
Tangerine Vacations (Pvt) Limited	Tour Operation	Other Related Company	Market terms	15,544,457	2,077,839	2,358,395	-
	Fund transfers for settlements			(15,263,901)	-	-	-
	Amounts receivable from Vacations(Pvt)Limited			-	-	-	2,077,839

There were no non-recurrent transactions carried out with related parties during the year where the aggregate value of transaction exceeds 10% of equity or 5% of total assets which ever is lower.

## 29. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Financial instruments of the Company comprise of financial assets and financial liabilities. 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 information presented herein represents the determination of fair values as at the reporting date.

### 29.1 Financial Instruments carried at Fair Value

The Company does not have any financial instruments that are carried at Fair value at the reporting date.

### 29.2 Carrying amounts and fair values of financial instruments

Financial instruments of the Company comprise of financial assets and financial liabilities. 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 information presented herein represents the determination of fair values as at the reporting date.

Fair values of financial assets and financial liabilities, together with the carrying amounts in the statement of financial position, are as follows:

31 March 2024	Amortized Cost Rs.	Total carrying amount Rs.	Fair value Rs.
<b>Financial assets</b>			
<i>Current assets</i>			
Trade & other receivables	282,846,110	282,846,110	282,846,110
Cash and short-term deposits	294,246,384	294,246,384	294,246,384
Amounts due from related parties	219,791	219,791	219,791
	577,312,284	577,312,284	577,312,284
<b>Financial liabilities</b>			
<i>Current liabilities</i>			
Trade and other payables	123,600,769	123,600,769	123,600,769
Amounts due to related parties	11,142,951	11,142,951	11,142,951
Bank overdrafts / Short term loan	67,654,482	67,654,482	67,654,482
	202,398,203	202,398,203	202,398,203
<i>Non-current liability</i>			
Interest -Bearing Loans and Borrowings	-	-	-
	-	-	-

# Notes to the Financial Statements

31 March 2023	Amortized Cost Rs.	Total carrying amount Rs.	Fair value Rs.
<b>Financial assets</b>			
<i>Current assets</i>			
Trade & other receivables	104,324,595	104,324,595	104,324,595
Cash and short-term deposits	397,452,064	397,452,064	397,452,064
Amounts due from related parties	147,489	147,489	147,489
	501,924,148	501,924,148	501,924,148
<b>Financial liabilities</b>			
<i>Current liabilities</i>			
Trade and other payables	91,596,145	91,596,145	91,596,145
Amounts due to related parties	18,643,427	18,643,427	18,643,427
Bank overdrafts / Short term loan	77,395,523	77,395,523	77,395,523
	187,635,095	187,635,095	187,635,095
<i>Non-current liability</i>			
Interest -Bearing Loans and Borrowings	-	-	-
	-	-	-

## 29.3 Financial Instruments not carried at Fair Value/ Current

Given below is a comparison by class of the carrying amounts and fair values of the company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	2024 Carrying Value Rs.	Fair Value Rs.	2023 Carrying Value Rs.	Fair Value Rs.
<b>Financial Assets</b>				
Trade and other receivables	282,846,110	282,846,110	104,324,595	104,324,595
Amounts due from related parties	219,791	219,791	147,489	147,489
Short-term deposits	115,825,640	115,825,640	364,826,583	364,826,583
Cash at bank and cash in hand	178,420,744	178,420,744	32,625,481	32,625,481
	577,312,285	577,312,285	501,924,148	501,924,148
<b>Financial liability</b>				
Trade and other payables	71,219,112	71,219,112	51,674,206	51,674,206
Amounts due to related parties	11,142,952	11,142,952	18,643,427	18,643,427
	82,362,064	82,362,064	70,317,633	70,317,633

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not recorded at fair value in the financial statements:

For financial assets and financial liabilities that have a short term maturity it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to trade and other receivables, Amounts due from / to related parties cash and cash equivalents, other financial assets amount due from related parties, other payables and short term deposits amount due to related parties.

#### 29.4 Determination of fair value and fair value hierarchy

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

**Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities

**Level 2:** other techniques for which all inputs which have a significant effect on the disclosed fair value are observable, either directly or indirectly

**Level 3:** techniques which use inputs that have a significant effect on the disclosed fair value that are not based on observable market data

#### 29.5 Financial Instruments not carried at Fair Value /Non Current

The fair value of financial liabilities does not significantly vary from the value based on the amortised cost methodology.

	Level	2024		2023	
		Carrying Value Rs.	Fair Value Rs.	Carrying Value Rs.	Fair Value Rs.
Financial liabilities					
Interest-bearing loans and borrowings	Level 2	67,654,482	67,654,482	77,395,523	77,395,523
		67,654,482	67,654,482	77,395,523	77,395,523

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not recorded at fair value in the financial statements:

For financial assets and financial liabilities that have a short term maturity it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to trade and other receivables, cash and cash equivalents, other financial assets amount due from related parties, other payables and short term deposits amount due to related parties.

# Notes to the Financial Statements

## 29.6 Non Financial Assets Disclosed at Fair value

2024	Method	Date of valuation	Level **	Value	Unobservable Inputs	Price range per perch/Sq.Ft
Free hold land	Market Approach	31.03.2022	03	1,248,375,000	Estimated price per perch	575,000 - 715,000
Buildings	Market Approach	31.03.2022	03	1,113,625,000	Estimated price per sq.ft	650 -13,000

2023	Method	Date of valuation	Level	Value **	unobservable Inputs	Price range per perch/Sq.ft
Free hold land	Market Approach	31.03.2022	03	1,248,375,000	Estimated price per perch	575,000 - 715,000
Buildings	Market Approach	31.03.2022	03	1,113,625,000	Estimated price per sq.ft	650 -13,000

\*\* Fair value measurement sensitivity to unobservable inputs - positive impact to the fair value

Valuation was carried out by professionally qualified independent value in compliance with Sri Lanka Accounting Standard - SLFRS 13 (Fair Value Measurement).

## 30. RISK MANAGEMENT

### 30.1 Introduction

"The Company has exposure to the following risks from its use of financial instruments;

1. Credit Risk
2. Liquidity risk
3. Market risk"

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework, which includes developing and monitoring the Company's risk management policies.

The Audit Committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by it.

### 30.2 Credit Risk

#### (a) Introduction

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Company has an established credit policy under which each new customer is reviewed individually for credit worthiness before standard payment and delivery terms are offered to the customer. The credit review includes bank and other reputed company references. Credit granted is subject to regular review, to ensure it remains consistent with the customer's creditworthiness in relations to the anticipated volume of business.

The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Reporting date.

## (b) The maximum exposure to credit risk at the reporting date

	Note	2024 Rs.	2023 Rs.
Cash and cash equivalents	18	178,420,744	32,625,481
Trade and other receivables	15	282,846,110	104,324,595
Other financial assets	17.2	115,825,640	364,826,583
Amounts Due from Related Parties	17.3	219,791	147,489
		<b>577,312,285</b>	<b>501,924,148</b>

**Expected credit loss assessment**

The company adopted Expected Credit Loss (ECL) approach to impairment of its financial assets. This enables better credit risk reporting of financial instruments by carrying reasonably quantified default risk adjusted value of assets in the balance sheet and minimising the timing difference in recognition of future default loss.

ECL measurement approach that is best suited for each class of asset is determined based on underlying risk characteristics of the asset. Subsequent to selection between general and simplified approaches to measurement, the company assesses financial assets using data that is determined to be predictive of default risk, including but not limited to external ratings, historical payment patterns, audited financial statements and cash flow projections.

The company re-evaluated its approach to measurement of ECL in the light of the economic recession, as the consequent unexpected deterioration in credit quality of loan portfolios (Financial institutions) and trade receivables (Non-financial institutions), will have a significant impact on the ECL measurement. The company considered all reasonable and supportable information available without undue cost or effort at the reporting date as well as practical expedients made available. Economic Factor Adjustment (EFA) updated to reflect the impact of economic recession was incorporated in measuring ECL while information used for Probability of Default (PD) and Loss Given Default (LGD) were used without modification due to insufficiency of updated information relating to borrowers repayment ability, resource constraints and various government relief measures as a result of the outbreak.

The company also assessed its financial instruments for Significant Increase in Credit Risk (SICR) with available, reasonable and supportable information including economic support and relief measures provided to counterparties.

## (c) The ageing of the trade receivable as at the reporting date

	Gross Receivable	
	2024 Rs.	2023 Rs.
Not past due 0- 60 days	170,094,822	94,694,147
Past due 61-90 days	94,123,516	5,301,475
Past due 90-120 days	6,454,699	3,188,332
Past due 120-180 days	10,663,470	986,787
More than 180 days	2,070,702	604,382
<b>Total</b>	<b>283,407,209</b>	<b>104,775,123</b>

# Notes to the Financial Statements

## 30. RISK MANAGEMENT (Contd...)

Movement in the Impairment Allowance*	2024 Rs.	2023 Rs.
Balances at 1 April	(1,376,290)	(935,962)
Impairment recognised	(138,950)	(440,328)
Balances at 31 March	(1,515,240)	(1,376,290)

### 30.3 Liquidity Risk

#### (a) Introduction

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(b) The table below summaries the maturity profile of company's financial liabilities based on contractual undiscounted payments.

31 March 2024	Contractual maturities of financial liabilities				
	Total	Up to 3 Months	3-12 Months	1 - 5 Years	More than 5 Years
	Rs.	Rs.	Rs.	Rs.	Rs.
Trade and other payables	123,600,769	123,600,769	-	-	-
Interest-bearing loans and borrowings	-	-	-	-	-
Bank overdraft	67,654,482	67,654,482	-	-	-
Amounts Due to Related Parties	11,142,952	11,142,952	-	-	-
	202,398,203	202,398,203	-	-	-

31 March 2023	Contractual maturities of financial liabilities				
	Total	Up to 3 Months	3-12 Months	1 - 5 Years	More than 5 Years
	Rs.	Rs.	Rs.	Rs.	Rs.
Trade and other payables	91,596,145	91,596,145	-	-	-
Interest-bearing loans and borrowings	15,998,000	4,002,000	11,996,000	-	-
Bank overdraft	61,397,523	61,397,523	-	-	-
Amounts Due to Related Parties	18,643,427	18,643,427	-	-	-
	187,635,095	175,639,095	11,996,000	-	-

#### (c) Undrawn committed borrowing facilities

There are no undrawn borrowing facilities available to the Company as at the reporting date.

### 30.4 Market Risk

#### (a) Introduction

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to the changes in market prices. Mainly the changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments.

#### (b) Foreign currency risk

The Company is exposed to foreign currency risk on revenue, and receivables and cash deposits denominated in currencies other than the functional currency of the Company. The currencies giving rise to this risk are primarily US dollars and Euro. The Company Finance team closely monitors the exchange rate movement, for necessary action.

The Sri Lankan Rupee is depreciating against the US Dollar in March 2022 on the back of economic turmoil in global, regional and local markets resulting from the economic recession. The Company exposed to foreign currency denominated payments with local currency revenues are adversely impacted to undue fluctuations in exchange rates.

If market rate appreciate or depreciate by 20% the effect of the same to the exchange gain/(loss) would be:

	Sensitivity Effect on Comprehensive Income increase/ (decrease) in Results for the Year	
	20%	-20%
Euro (€)	24,164,615	(24,164,615)
Dollar (\$)	12,393,586	(12,393,586)
	36,558,201	(36,558,201)

#### (c) 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 borrowing portfolio consist with fixed rate borrowings thus company does not have an interest rate risk as at the reporting date.

### 31. CAPITAL MANAGEMENT

The company's capital structure comprising share capital, reserves and retained earnings, as disclosed in the statement of changes in equity. 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 maximizing the return to shareholders, as well as sustaining the future development of its business. In order to maintain or adjust the capital structure, the Company may alter the total amount of dividends paid to shareholders, issue new shares, and draw down additional debt.

### 32. GOING CONCERN

The Management, after making necessary inquiries and reviews including reviews of the hotel budgets for the ensuing year. Capital expenditure requirements, future prospects along with risks, cash flows and borrowing facilities have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements. 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 existing and anticipated effects of current economic situation on the Company.

### 33. 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.

# Investor Information

## Tangerine Beach Hotels Limited -2024

No.of Members	Shareholding	%	
1 - 1000	1276	148,503	0.74%
1001 - 10000	190	625,006	3.13%
10001 - 100000	50	1,609,155	8.05%
100001 - 1000000	16	4,860,970	24.30%
> 1000000	4	12,756,366	63.78%
	<b>1536</b>	<b>20,000,000</b>	<b>100.00%</b>

Category	Shareholding	%
Resident	19,951,502	99.76%
Non Resident	48,498	0.24%
	<b>20,000,000</b>	<b>100.00%</b>

Category	Shareholding	%
Individuals	5,624,127	28.12%
Corporate	14,375,873	71.88%
	<b>20,000,000</b>	<b>100.00%</b>

	2024	2023
Market Value Per Share as at 31st March	58.90	55.00
Highest Market Value Per Share During the Year	60.00	65
Lowest Market Value Per Share During the Year	50.10	50

20 Largest Shareholders	2024		2023	
Nilaveli Beach Hotels (Pvt) Limited	6,147,018	30.74%	6,147,018.00	30.74%
Mercantile Investments and Finance PLC	3,899,644	19.50%	3,899,644.00	19.50%
Employees Providend Fund	1,629,471	8.15%	1,629,471.00	8.15%
N Vaitilingam & Co. Ltd	1,080,233	5.40%	1,080,233.00	5.40%
T J Ondaatjie	582,220	2.91%	582,220.00	2.91%
A M Ondaatjie	569,982	2.85%	569,982.00	2.85%
G G Ondaatjie	538,028	2.69%	538,028.00	2.69%
N J H M Cooray	433,770	2.17%	433,770.00	2.17%
Tangerine Tours (Pvt) Ltd	405,478	2.03%	405,478.00	2.03%
Blue Oceanic Beach Hotels (Pvt) Ltd	295,172	1.48%	295,172.00	1.48%
Jet Travels (Private) Ltd	267,032	1.34%	267,032.00	1.34%
C A Ondaatjie	259,854	1.30%	259,854.00	1.30%
M Keerthiratne	255,898	1.28%	255,898.00	1.28%
N T M S Cooray	246,072	1.23%	246,072.00	1.23%
Ceylon Galvanising Industries Ltd	234,000	1.17%	234,000.00	1.17%
N H V Perera	202,236	1.01%	202,236.00	1.01%
U Surendra	165,450	0.83%	165,450.00	0.83%
K M N Perera	152,756	0.76%	152,756.00	0.76%
H A A de Silva	150,530	0.75%	150,530.00	0.75%
R J G de Mel	102,492	0.51%	102,492.00	0.51%

# Value Added Statement

For the Financial Year Ended 31st March	2024	2023
Revenue	964,685	569,189
Less		
Cost of Sales	(910,161)	(600,301)
	54,524	(31,112)
Adjustment for		
Other Income	(688)	53,030
<b>Total Value Added</b>	<b>53,570</b>	<b>21,918</b>
<b>Distribution Of Value Added as Follows</b>		
To employee as Remuneration	149,579	125,720
<b>To Providers of Capital</b>		
Dividends to shareholders	-	0
<b>Total Tax to Government</b>	<b>28,485</b>	<b>22,163</b>
<b>To Expansion and Growth</b>		
Retained With Business		
as Deprecation	73,908	72,762
as reserves	(198,402)	(101,294)
	<b>53,570</b>	<b>21,918</b>
Value Added Per Revenue	0.06	0.04
Value Added per Employment	2.79	5.74
Value Added Per Ordinary Share	2.68	1.10

## Decade at a Glance

Year Ended 31st March	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Rs'000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Trading Results</b>										
Turnover net of Turnover Tax	964,685	569,189	321,332	133,462	591,289	710,257	669,997	631,272	596,826	548,615
Operating profit/(Loss) before interest exp and other income	(19,768)	(171,024)	(132,435)	(213,194)	(14,416)	91,087	92,048	79,622	55,006	33,181
Profit/(Loss) before Taxation	73,967	(119,435)	(94,935)	(199,953)	71,088	178,085	165,162	131,180	124,360	49,872
Taxation Provision	3,452	(81,326)	(5,975)	(9,504)	(12,892)	(36,009)	(40,188)	(25,512)	(20,497)	(4,708)
Profit after taxation on ordinary activities	77,419	(200,761)	(100,910)	(209,457)	58,196	142,076	124,974	105,668	103,863	45,164
<b>Capital &amp; Reserves</b>										
Stated Capital/Share Capital	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800	244,800
Revaluation Reserve	1,435,238	1,426,398	1,718,775	1,533,896	1,550,621	1,566,408	1,355,990	1,506,126	1,505,773	1,308,464
Fair Value Reserve	77	77	32							
Revenue Reserve	957,357	882,416	1,080,818	1,182,113	1,369,014	1,301,574	1,171,462	1,057,997	963,057	859,159
Capital Reserves of Associate company	343,520	341,457	412,798	311,644	316,349	321,126	273,532	293,821	293,380	197,259
Total Equity	2,980,992	2,895,150	3,457,223	3,272,453	3,480,784	3,433,908	3,045,784	3,102,744	3,007,010	2,609,682
<b>Assets Employed</b>										
Current Assets	642,229	560,061	587,976	601,683	753,150	701,478	573,465	460,025	380,506	344,102
Current Liabilities	(203,266)	(188,658)	(109,793)	(91,668)	(115,390)	(112,747)	(112,328)	(101,211)	(106,584)	(118,265)
Net Current Assets	438,963	371,402	478,183	510,015	637,760	588,731	461,137	358,814	273,922	225,837
Property, Plant, & Equipment	2,449,411	2,535,434	2,529,792	2,379,729	2,426,186	2,443,737	2,209,578	2,193,329	2,192,953	1,970,922
Intangible assets	787	273	606	1,007	761	1,217	1,757	1,868	3,121	3,560
Long Term Investments	762,650	713,277	814,396	719,134	755,331	747,608	678,423	685,980	672,733	540,751
Right of use assets	2,830	4,282	5,353	10,706	1,383					
Non- Current Liabilities	(723,649)	(729,519)	(371,107)	(348,137)	(340,637)	(347,385)	(305,110)	(137,247)	(135,719)	(131,388)
	2,980,992	2,895,150	3,457,223	3,272,453	3,480,784	3,433,908	3,045,785	3,102,744	3,007,010	2,609,682
<b>Ratio &amp; Statistics</b>										
Gearing Ratio (Times)	0	0	0.002	0.003	0	0	0.00004	0.005	0.007	0.01
Current ratio (Times)	(3)	(3)	5	7	7	6.22	5.11	4.55	3.57	2.91
Earnings per Share	3.87	(10)	(5)	(10)	3	7.10	6.25	5.28	5.19	2.26
Net assets per Share	149	145	173	164	174	171.70	152.29	155.14	150.35	130.48
Interest Cover (Times)	17	(55)	(51)	(257)	196	8.514	600.26	224.35	109.54	44.26
Return on Shareholder's Funds(%)	3	(7)	(3)	(6)	2	4.14	4.10	3.41	3.45	1.73
Return on Total Assets(%)	2	(5)	(3)	(5.64)	1.48	3.65	3.61	3.16	3.20	1.58
Price Earning Ratio	15	(5.48)	(8.74)	(3.83)	12.06	5.72	7.25	11.26	12.84	34.98
Dividends per Share	0	0	0	0	1	0.50	0.50	0.50	0.50	-
Dividend cover (Times)	0	0	0	0	3	14.21	12.50	10.57	10.39	-
Dividend Yeld (%)	0	0	0	0	0.03	0.01	0.01	0.01	0.01	-
Dividend Pay- out Ratio	0	0	0	0	0.344	0.07	0.08	0.09	0.10	-

# Real Estate Portfolio

Company & Location	Building in (sq.F.t)		No of Building	Freehold property Land in Acers		Net Book value	
				Rs'000	Rs'000		
	2023/2024	2022/2023			2023/2024	2022/2023	
Tangerine Beach Hotels Plc.	195,540	195,540	15	11.08	11.08	2,362,137,015	2,390,577,607
St.Abrew's Road, Nagashandiya Waskaduwa, Kaluthara North							
Total	195,540	195,540	15	11.08	11.08	2,362,137,015	2,390,577,607

# Supplimentary Notice to Shareholders

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**TANGERINE BEACH HOTELS PLC  
44TH ANNUAL GENERAL MEETING**

Dear Shareholder,

The Board of Directors of the Company, having taken into consideration the guidelines issued by Colombo Stock Exchange ("CSE") on holding virtual shareholder meetings through audio/visual means, have decided to hold the Annual General Meeting ("AGM") of the Company as a virtual meeting through audio/visual means using an online platform on 30th September 2024 as per the Notice of Meeting of the AGM.

Please note the following procedure to be adopted in terms of same.

1. Notice of Meeting, Form of Proxy and Form of Registration are enclosed herewith.
2. The AGM will be held in compliance with the principals set out in the Guidelines issued by CSE for hosting of virtual Annual General Meeting.
3. **Only the key officials who are essential for the administration of the formalities of the meeting will be physically present at the venue.** All shareholders will participate via online meeting platform.
4. Shareholders who wish to participate in AGM through audio visual means should forward the duly perfected Registration Form (Annexure 1) to Mercantile Investments and Finance PLC, Secretaries, 236, Galle Road, Colombo 3 or by email to [mercantile@mi.com.lk](mailto:mercantile@mi.com.lk) at least 48 hours before the time fixed for the meeting.
5. Adequate arrangements will be made for Shareholders who wish to participate in the AGM via the online meeting platform with log in information being forwarded to shareholders in advance of the meeting upon verification of registration details. Only Shareholders or their duly appointed proxyholders are requested to log in to the virtual meeting platform. It is recommended that Shareholders/Proxy Holders join the AGM at least 15 minutes before the start of the AGM. The digital Platform will be active 30 minutes before the start of the AGM. The Company will not be responsible or liable for misuse and/or unauthorized use of the login information.
6. Shareholders will be given the opportunity to raise any questions or comments on the matters listed on the Agenda for the meeting or forward the questions in advance to the email [mercantile@mi.com.lk](mailto:mercantile@mi.com.lk).
7. Voting on items listed on the Agenda will be registered using an online platform. Shareholders/Proxyholders will be briefed on the procedure for voting prior to the commencement of the AGM.

In the event the Company is required to take any further action in relation to the Meeting; and/or other communications, guidelines, directives or orders issued by the Government of Sri Lanka, Notice of such action shall be given by way of an announcement to the Colombo Stock Exchange and/or publication on the Company website [www.tangerinehotels.com](http://www.tangerinehotels.com)

The Board wishes to thank the Shareholders of the Company for their corporation and support to ensure a smooth and uninterrupted process at the Annual General Meeting of the Company and look forward to their virtual attendance.

BY ORDER OF THE BOARD  
**TANGERINE BEACH HOTELS PLC  
MERCANTILE INVESTMENTS AND FINANCE PLC**

*Secretaries*

20th August 2024  
Colombo

# Notice of Meeting

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NOTICE IS HEREBY GIVEN that the 44th Annual General Meeting of Tangerine Beach Hotels PLC, will be held **as a virtual meeting** on 30th September 2024 at 11.45 a.m. assembled at 236, Galle Road, Colombo 3 to transact the following business.

1. To receive and adopt the Report of the Directors and the Statement of Accounts for the year ended 31st March 2024 with the Report of the Auditors therein.
2. To elect Mr. N H V Perera who retires in terms of Article 88(i) of the Articles of Association of the Company.
3. To elect Mrs. C A Ondaatjie in terms of Section 211 of the Companies Act No.07 of 2007. The Company has received special notice of intention to pass the following resolution as an ordinary resolution.  
 "Resolved that the age limit of 70 years referred to in Sections 210 of the Companies Act No.07 of 2007 shall not be applicable Mrs. Christabel Angela Ondaatjie who is 83 years of age and whose appointment as a Director of the Company be and is hereby approved and who is elected a Director of the Company notwithstanding the provisions of the said Section 210 of the Companies Act."
4. To re-appoint Messrs. Ernst & Young who are deemed to be re-appointed as Auditors of the Company in terms of Section 158 of the Companies Act No.7 of 2007 and to authorize the Directors to determine their remuneration.
5. To authorize the Directors to determine payments for charitable and other purposes for year 2024/25
6. To consider and if thought fit to pass the following resolution as a Special Resolution

**IT IS HEREBY RESOLVED** as a Special Resolution that the Articles of Association of The Company be amended as follows:

- (1) By the deletion of Article 1 in its entirety and substituting in its place the following:
 

"1. The Model Articles contained in the First Schedule of the Companies Act No.7 of 2007 (The Act) shall apply to TANGERINE BEACH HOTELS PLC (The Company), except to the extent that they are excluded, modified, or inconsistent with specific articles provided hereafter."
- (2) By the deletion of Article 87 in its entirety and substituting in its place the following:
 

"87. The office of a Director shall be vacated when any one of the following events first occur;

  - i. If the Director is disqualified in terms of Section 202 of the Act
  - ii. If the Director resigns by giving notice in writing sent to the Office
  - iii. If the Director is removed by an Ordinary Resolution of the shareholders
  - iv. If the Director ceases to hold office in terms of Section 207 of the Act"
  - (3) By the deletion of Article 110 in its entirety and substituting in its place the following:
 

"110. The quorum necessary for the transaction of the business of The Directors shall be the majority of The Board for the time being"
  - (4) By the deletion of Article 118 in its entirety and substituting in its place the following:
 

"118. A resolution in writing, signed by a majority of the Directors for the time being, including the Chairman or the Deputy Chairman, shall be as valid and effectual as if it had been passed at a meeting of the Board. Such resolution may be signed in several counterparts and may be evidenced by email, or any other expedient means of communication acceptable to The Board"
  - (5) By the deletion of Articles 121, 122, 123, 124 and 125 in their entirety and substituting in their place the following:
 

"121. Any Director other than an executive Director may on the recommendation of the Nominations and Governance Committee of The Company, and subject to the approval of The Board, appoint another person as an Alternate Director under exceptional circumstances.

122. The appointment of an Alternate Director is subject to the following conditions;

    - (a) If made for the occurrence of a specified event, the appointment shall only be valid until such an event or the expiry of one (01) year from the date of appointment, whichever occurs first.
    - (b) The person appointed shall not be an executive of The Company.
    - (c) If the appointing Director is an independent Director, the Alternate Director appointed must satisfy the criteria of independence stipulated in The Listing Rules.

# Notice of Meeting

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123. An Alternate Director so appointed shall;
- (a) Be entitled to receive notice of all meetings of the Directors and exercise all the powers of a Director in the absence of the Director appointing such Alternate Director.
  - (b) Be counted as a Director of the Board in determining the quorum of the Company in the absence of the Director appointing such Alternate Director.
  - (c) In the event the Alternate Director is a Director in his own right, he shall in addition to the vote he may have in his own right also acquire the additional votes in accordance with the number of Directors he represents as an Alternate Director.
  - (d) Not be entitled to vote on the approval of an Alternate Director to act on his behalf, nor on the termination of such an appointment under Article 124 (f).
124. An individual will cease to be an Alternate Director;
- (a) Upon the occurrence of a specified event, or the expiry of one (01) year from the date of appointment, whichever occurs first; or
  - (b) When a Director appointing such Alternate Director is disqualified from holding office as a Director of The Company; or
  - (c) When a Director appointing such Alternate Director ceases to be a Director of The Company; or
  - (d) When an Alternate Director is disqualified or ceases to hold office as per the provisions of The Act; or
  - (e) Where the Director appointing such Alternate Director revokes the appointment in writing to the Office; or
  - (f) Where The Board resolves the appointment of such Alternate Director be terminated.
125. Upon the appointment, removal, or cessation of period of appointment of an Alternate Director, The Company shall make an immediate market announcement to the Colombo Stock Exchange."

BY ORDER OF THE BOARD

**TANGERINE BEACH HOTELS PLC**

Mercantile Investments and Finance PLC

*Secretaries*

20th August 2024

Colombo

Note: Any member entitled to attend and vote at the Meeting is entitled to appoint a proxy (whether member or not) to attend and vote instead of him. A Form of Proxy is enclosed with the Report of this purpose and Shareholders who are unable to attend the Meeting in person are requested to kindly complete and return such Form of Proxy in due time, in accordance with the instructions noted on the Form of Proxy.

For information on how to participate by virtual means in the above meeting please refer the supplementary notice to shareholders.

# Form Of Request

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**FORM OF REQUEST  
FOR A PRINTED COPY OF THE ANNUAL REPORT 2023/24 OF TANGERINE BEACH HOTELS PLC**

I would like to receive the printed version of the Annual Report 2023/24 of Tangerine Beach Hotels PLC

SHAREHOLDERS DETAILS	
Full name of Shareholder	
Shareholder's NIC/Passport/ Company Registration No.	
Contact Number	
Signature	Date

**Notes:**

- 1) Please complete the Form of Request by filling in legibly the required information /Date and signing in the space provided.
- 2) In the event the shareholder is a Company, the Form of Request should be signed under its Common Seal or by a duly authorised officer of the Company in accordance with its Article of Association.
- 3) Please forward the completed Form of Request to the Secretaries in one of the following methods-

By post / Delivered by Hand- Secretaries

Tangerine Beach Hotels PLC  
236, Galle Road, Colombo 03

By Fax - 0112434524

By email – [mercantile@mi.com.lk](mailto:mercantile@mi.com.lk)

# Registration Form

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## TANGERINE BEACH HOTELS PLC 44TH ANNUAL GENERAL MEETING

To: Mercantile Investments and Finance PLC  
Secretaries  
Tangerine Beach Hotels PLC  
236, Galle Road, Colombo 3

Full Name of Shareholder : .....

Address of Shareholder .....

.....

.....

Shareholder's NIC No/Passport No/Co. Reg No .....

Membership No/ CDS Account No ..... No. of Shares held .....

Shareholder's Contact Nos. Residence ..... Mobile .....

Shareholder's e-mail address ..... (Please type clearly, mandatory)

If Proxy is Appointed

Full Name of Proxy .....

....

Proxy Holder's NIC No/Passport No. ....

....

Telephone No. Residence ..... Mobile .....

e-mail Address ..... (Please type clearly, mandatory)

.....

Shareholder's Signature/Date

.....

1st Joint holder's Signature/date

.....

2nd Joint holder's Signature/date

### INSTRUCTIONS AS TO COMPLETION

1. Shareholders are advised to complete the form legibly in order to facilitate their participation through the online platform
2. The "Web Link" for participation at the AGM through the online platform will be forwarded to the Shareholder's above noted email address.
3. In the case of a Company/Corporation, the registration form must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.
4. If the registration form is signed by an Attorney, the relative Power of Attorney should also accompany the proxy form for registration, if such Power of Attorney has not already been registered with the Company.
5. The completed registration form should be deposited at the Secretaries office at No.236, Galle Road, Colombo 3 or emailed to mercantile@mi.com.lk 48 hours before the time appointed for the meeting.

# Form of Proxy

I/We .....  
 of .....being a member/members of  
 TANGERINE BEACH HOTELS PLC, do hereby appoint;.....of  
 .....or failing him/her

Angeline Myrese Ondaatjie	or failing her
Gerard George Ondaatjie	or failing him
Christabel Angela Ondaatjie	or failing her
Travice John Ondaatjie	or failing him
Nawagamuwage Hasantha Viraj Perera	or failing him
Lakal Hemendra Jayasinghe	or failing him
Prasanna Senani Rajiv Casie Chitty	

as my/our proxy to represent me/us and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to held on 30th September 2024 at 11.45 a.m.as a virtual meeting assembled at 236, Galle Road, Colombo 3 and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

		For	Against	Withhold
1)	To receive and adopt the Report of Directors and the Statement of Accounts for the year ended 31st March 2024, with the Report of the Auditors there on.			
2)	To re-elect Mr. N H V Perera retiring in terms of Article 88(i) of the Articles of Association of the Company.			
3)	To re-elect Mrs. C A Ondaatjie retiring in terms of Section 211 of the Companies Act No.07 of 2007			
4)	To re-appoint Messrs. Ernst & Young who are deemed to be re-appointed as Auditors of the Company in terms of Section 158 of the Companies Act No.7 of 2007 and to authorize the Directors to determine their remuneration.			
5)	To authorize the Directors to determine payments for charitable and other purpose for the year 2024/25			
6)	To pass the special resolution as set out in the Notice of Meeting			

As witness my/our hand this .....day of .....2024

.....  
 Signature of Shareholder/s

Note: Please delete the inappropriate words.  
 ( Instructions as to completion are noted on the reverse hereof)

**INSTRUCTIONS AS TO COMPLETION**

1. Kindly perfect the form of proxy, after filling legibly your full name and address and by signing in the space provided and please fill in the date of signature.
2. If the proxy form is signed by an Attorney, the relative Power of Attorney should also accompany the proxy form for registration, if such Power of Attorney has not already been registered with the Company.
3. In the case of a Company/Corporation, the proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.
4. The completed form of proxy should be deposited at the Registered Office of the Company at No.236, Galle Road, Colombo 3, 48 hours before the time appointed for the meeting.

# Corporate Information

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## **Name of the Company**

Tangerine Beach Hotels PLC.

## **Status & Legal Form**

Public quoted company with limited liability  
Incorporated in Sri Lanka on 21st May 1980

## **Company Registration No.**

PQ 162

## **Tax Payer Identification Number**

104065600

## **VAT Registration Number**

104065600 7000

## **Communication Registered Office**

236, Galle Road, Colombo 03, Sri Lanka  
P.O. Box 195, Colombo  
Tel : 2343720-7  
Fax : 2391193, 2448279  
Website : [www.tangerinehotels.com](http://www.tangerinehotels.com)

## **Hotel**

Tangerine Beach Hotel, St.Abrew's Road,  
Nagashandiya, Waskaduwa.  
Tel : 034-2237295, 2237982, 2237983  
2237640  
Fax : 034-2237794  
E-mail : [reservations@tangerine.lk](mailto:reservations@tangerine.lk)

## **Secretaries**

Mercantile Investments & Finance PLC

## **Remuneration Committee**

N.H.V.Perera - Chairman  
P.S.R.Casie Chitty

## **Audit Committee**

N.H.V.Perera - Chairman  
P.S.R.Casie Chitty

## **Related party Committee**

Mr. N H V Perera - Chairman  
Mr. P S R Casie Chitty  
Mr. L H Jayasinghe

## **External Auditors**

Ernst & Young  
Chartered Accountants

## **Internal Auditors**

Deloitte Associates  
Chartered Accountants

## **Bankers**

Hatton National Bank PLC  
Commercial Bank of Ceylon PLC

## **Board of Directors**

A.M. Ondaatjie - Chairperson  
G.G.Ondaatjie  
T.J. Ondaatjie  
C.A.Ondaatjie  
N.H.V.Perera  
L.H. Jayasinghe  
P.S.R.Casie Chitty

## **Corporate Management**

Lakal H. Jayasinghe - Director / General Manager  
Arju Vijayarajah - Resident Manager  
Gihan Liyanage - Assistant Manager  
M. I. Shahabdeen - Group Financial Controller  
Manil Galagoda - Group consultant for Engineer  
Ravi Fernando - Group Accountant  
Nelson Mayadunnage - Financial Controller  
Hareez Jameel - Senior Accountant

## **Management Team**

Lakal H. Jayasinghe - Director/General Manager  
Arju Vijayarajah - Resident Manager  
Gihan Liyanage - Assistant Manager  
Nelson Mayadunnage - Financial Controller  
Menaka Fernando - Chief Accountant  
Hareez Jameel - Senior Accountant  
B. S. S. Bangsajayah - Food & Beverage Manager  
Praboth Jayaweera - Credit Manager  
Chaturanga Hettiarachchi - Front Office Manager  
Kalpitha Dias - Housekeeper  
S. Lalith Kumara - Maintenance Engineer  
Gayan Liyanage - Human Resources Manager  
Jayampath Thabrew - Cluster Chief Engineer  
Palitha Fonseka - Cost Control Executive  
Chandana Wijeratna - Executive Chef  
Sudath Baladeva - Purchasing Manager



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